

Writer's Direct Dial Number: (850) 521-1706
Writer's E-Mail Address: bkeating@gunster.com

April 30, 2012

HAND DELIVERY

Ms. Ann Cole
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

RECEIVED-FPSC
APR 30 PM 3:14
COMMISSION
CLERK

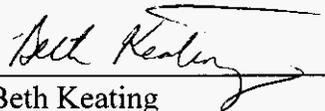
Re: Docket No. 120004-GU ~ Natural Gas Conservation Cost Recovery Clause

Dear Ms. Cole:

Attached for filing, please find the original and 15 copies of the Direct Testimony and Exhibit CDY-1 of Mr. Curtis Young, submitted in the referenced Docket on behalf of Florida Public Utilities Company, along with the original and 15 copies of the Company's Petition for Approval of Final True-Up Amount. Also enclosed for filing is a CD containing the filed documents in native format.

Thank you for your assistance with this filing. As always, please don't hesitate to let me know if you have any questions whatsoever.

Sincerely,

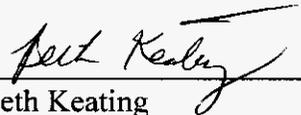

Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301
(850) 521-1706

COM _____
APA 1
ECR 13 CD MEK
GCL 1 cc: Parties of Record
RAD _____
SRC _____
ADM _____
OPC _____
CLK _____

02735 APR 30 2012

WHEREFORE, FPUC respectfully requests that the Commission enter an Order approving the Company's final natural gas conservation true-up amount for the period January 1, 2011 through December 31, 2011.

RESPECTFULLY SUBMITTED this 30th day of April 2012.



Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301
(850) 521-1706
Attorneys for Florida Public Utilities Company

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of FPUC's Petition for Approval of the Conservation Cost Recovery True-Up Amount in Docket No. 120004-GU has been furnished by regular U.S. Mail to the following parties of record this 30th day of April 2012:

Florida Public Utilities Company Cheryl Martin 1641 Worthington Road, Suite 220 West Palm Beach, FL 33409-6703	MacFarlane Ferguson Law Firm Ansley Watson, Jr. P.O. Box 1531 Tampa, FL 33601-1531
Messer Law Firm Norman H. Horton, Jr. P.O. Box 15579 Tallahassee, FL 32317	Office of Public Counsel J.R. Kelly/Patricia Christensen c/o The Florida Legislature 111 West Madison Street Room 812 Tallahassee, FL 32399-1400
Peoples Gas System Paula Brown P.O. Box 111 Tampa, FL 33601-0111	St. Joe Natural Gas Company, Inc. Mr. Stuart L. Shoaf P.O. Box 549 Port St. Joe, FL 32457-0549
Sebring Gas System, Inc. Jerry H. Melendy, Jr. 3515 U.S. Highway 27 South Sebring, FL 33870	AGL Resources Inc. Elizabeth Wade/Brian Sulmonetti Ten Peachtree Place Location 1470 Atlanta, GA 30309
Florida City Gas Carolyn Bermudez 933 East 25 th Street Hialeah, FL 33013-3498-	Jennifer Crawford/Pauline Robinson Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399
Florida Division of Chesapeake Utilities Corporation Cheryl Martin 1641 Worthington Road, Suite 220 West Palm Beach, FL 33409-6703	



Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301
(850) 521-1706

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 120004-GU
DETERMINATION OF CONSERVATION COSTS RECOVERY
FACTOR

Direct Testimony (Final
True Up) of
CURTIS D. YOUNG

On Behalf of
FLORIDA PUBLIC UTILITIES COMPANY

- 1 Q. Please state your name and business address.
- 2 A. Curtis D. Young: my business address is 1641 Worthington Road, Suite 220, West Palm
3 Beach, Florida 33409.
- 4 Q. By whom are you employed and in what capacity?
- 5 A. I am employed by Florida Public Utilities Company as Senior Regulatory Analyst.
- 6 Q. What is the purpose of your testimony at this time?
- 7 A. To advise the Commission of the actual over/under recovery of the Conservation costs
8 for the period January 1, 2011 through December 31, 2011 as compared to the amount
9 previously reported for that period which was based on seven months actual and five
10 months estimated data.
- 11 Q. Please state the actual amount of over/under recovery of Conservation Program costs for
the Consolidated Natural Gas Division of Florida Public Utilities Company for January 1,
2011 through December 31, 2011.

COM 12 5
APA 1
ECR 13 7
GCL 1
RAD _____
SRC _____
ADM _____
OPC _____
CLK _____
Ct. Rep 1

DOCUMENT NUMBER DATE
02735 APR 30 2011
FPSC-COMMISSION CLERK

1 A. The Company under-recovered \$568,645 during that period. This amount is substantiated
2 on Schedule CT-3, page 2 of 3, Calculation of True-up and Interest Provision.

3 Q. How does this amount compare with the estimated true-up amount which was allowed by
4 the Commission?

5 A. We had estimated that we would under-recover \$488,957 as of December 31, 2011.

6 Q. Have you prepared any exhibits at this time?

7 A. We have prepared and pre-filled Schedules CT-1, CT-2, CT-3, CT-4, CT-5 and CT-6
8 (Composite Exhibit CDY-1).

9 Q. Does this conclude your testimony?

10 A. Yes.

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

SCHEDULE CT-1

CONSERVATION ADJUSTMENT TRUE-UP

PAGE 1 OF 1

FOR MONTHS January-11 THROUGH December-11

1.	ADJUSTED END OF PERIOD TOTAL NET TRUE-UP		
2.	FOR MONTHS January-11 THROUGH December-11		
3.	END OF PERIOD NET TRUE-UP		
4.	PRINCIPAL	<u>568,667</u>	
5.	INTEREST	<u>(129)</u>	<u>568,538</u>
6.	LESS PROJECTED TRUE-UP		
7.	November-05 (DATE) HEARINGS		
8.	PRINCIPAL	<u>489,048</u>	
9.	INTEREST	<u>(91)</u>	<u>488,957</u>
10.	ADJUSTED END OF PERIOD TOTAL TRUE-UP		<u><u>79,581</u></u>

EXHIBIT NO. _____
DOCKET NO. 120004-GU
FLORIDA PUBLIC UTILITIES COMPANY
(CDY-1)
PAGE 1 OF 18

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

SCHEDULE GT-2
PAGE 1 OF 3

ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS
ACTUAL VS PROJECTED

	FOR MONTHS	January-11	THROUGH	December-11	
		<u>ACTUAL</u>		<u>PROJECTED</u>	<u>DIFFERENCE</u>
1.	Labor/Payroll	853,163		932,791	(79,628)
2.	Advertisement	1,151,853		1,461,886	(310,033)
3.	Legal	3,328			3,328
4.	Outside Services	23,863		31,756	(7,893)
5.	Vehicle	35,777		47,570	(11,793)
6.	Materials & Supplies	59,508		82,925	(23,417)
7.	Travel	127,016			127,016
8.	General & Administrative	104			104
9.	Incentives	882,330		538,291	344,039
10.	Other	26,108		22,972	3,136
11.	SUB-TOTAL	3,163,050		3,118,191	44,859
12.	PROGRAM REVENUES				
13.	TOTAL PROGRAM COSTS	3,163,050		3,118,191	44,859
14.	LESS: PRIOR PERIOD TRUE-UP	(168,015)		(168,015)	
15.	AMOUNTS INCLUDED IN RATE BASE				
16.	CONSERVATION ADJ REVENUE	(2,426,368)		(2,461,128)	34,760
17.	ROUNDING ADJUSTMENT				
18.	TRUE-UP BEFORE INTEREST	568,667		489,048	79,619
19.	ADD INTEREST PROVISION	(129)		(91)	(38)
20.	END OF PERIOD TRUE-UP	568,538		488,957	79,581

() REFLECTS OVERRECOVERY

EXHIBIT NO. _____
DOCKET NO. 120004-GU
FLORIDA PUBLIC UTILITIES COMPANY
(CDY-1)
PAGE 2 OF 18

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

SCHEDULE CT-2
PAGE 2 OF 3

ACTUAL CONSERVATION PROGRAM COSTS PER PROGRAM

FOR MONTHS January-11 THROUGH December-11

PROGRAM NAME	50 LABOR/PAY	51 ADVERTISE.	52 LEGAL	53 OUT.SERV.	54 VEHICLE	55 MAT.&SUPP.	56 TRAVEL	57 G & A	58 INCENTIVES	59 OTHER	SUB TOTAL	PROGRAM REVENUES	TOTAL
1. Full House Residential New Construction	33,788	95,673			3,034	10,123	5,030		174,188	256	322,092		322,092
2. Residential Appliance Replacement	41,477	113,167			3,698	2,654	6,123		235,975	1,014	404,108		404,108
3. Conservation Education	21,826	14,016		10,519	1,961	1,487	3,100			301	53,210		53,210
4. Space Conditioning													
5. Residential Conservation Service													
6. Residential Appliance Retention	35,229	111,079			3,237	1,824	4,637		452,460	627	609,093		609,093
7. Dealer / Contractor (Inactive)													
10. Commercial Conservation Service													
12													
13. Residential Service Reactivation Program		3							1,399		1,402		1,402
14. Common	720,843	817,915	3,328	13,344	23,847	43,420	108,126	104	18,308	23,910	1,773,145		1,773,145
15. Conservation Demonstration and Development													
TOTAL ALL PROGRAMS	853,163	1,151,853	3,328	23,863	35,777	59,508	127,016	104	882,330	26,108	3,163,050		3,163,050

EXHIBIT NO. _____
DOCKET NO. 120004-GU
FLORIDA PUBLIC UTILITIES COMPANY
(CDY-1)
PAGE 3 OF 18

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

SCHEDULE CT-2
PAGE 3 OF 3

CONSERVATION COSTS PER PROGRAM-VARIANCE ACTUAL VS PROJECTED
VARIANCE ACTUAL VS PROJECTED

FOR MONTHS January-11 THROUGH December-11

PROGRAM NAME	LABOR/PAY	ADVERTISE.	LEGAL	OUT.SERV.	VEHICLE	MAT.&SUPP.	TRAVEL	G & A	INCENTIVES	OTHER	SUB TOTAL	PROGRAM REVENUES	TOTAL
1. Full House Residential New Construction	(5,687)	72,156			(4,624)	(6,697)	5,030		126,254	(128)	186,304		186,304
2. Residential Appliance Replacement	(4,420)	66,337			(5,365)	(1,187)	6,123		149,020	523	211,031		211,031
3. Conservation Education	(2,911)	(12,884)		10,519	(2,725)	(694)	3,100			55	(5,540)		(5,540)
4. Space Conditioning		(24,607)									(24,607)		(24,607)
5. Residential Conservation Service		52,866			(4,034)	(762)	4,637		321,400	248	381,319		381,319
6. Residential Appliance Retention	(3,036)												
7. Dealer / Contractor (Inactive)		(22,531)									(22,531)		(22,531)
10. Commercial Conservation Service		(24,881)									(24,881)		(24,881)
12. Residential Service Reactivation Program		(24,881)									(24,881)		(24,881)
13. Common	(63,574)	(426,489)	3,328	(18,412)	4,955	(14,077)	108,126	104	1,399	2,438	(657,635)		(657,635)
14. Conservation Demonstration and Development									(254,034)				
15. Conservation Demonstration and Development													
TOTAL ALL PROGRAMS	(79,628)	(310,033)	3,328	(7,893)	(11,793)	(23,417)	127,016	104	344,039	3,136	44,859		44,859

EXHIBIT NO. _____
DOCKET NO. 120004-GU
FLORIDA PUBLIC UTILITIES COMPANY
(CDY-1)
PAGE 4 OF 18

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

SCHEDULE CT-3
PAGE 1 OF 3

ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION
SUMMARY OF EXPENSES BY PROGRAM BY MONTH

FOR MONTHS January-11 THROUGH December-11

A. CONSERVATION EXPENSE BY PROGRAM		JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1.	Full House Residential New Construction	21,140	12,136	14,276	2,848	9,582	10,336	13,552	64,426	28,730	45,167	33,256	66,643	322,092
2.	Residential Appliance Replacement	29,324	23,861	17,993	12,586	8,281	6,784	14,534	36,712	70,303	28,369	41,617	113,744	404,108
3.	Conservation Education	9,647	5,699	9,439	2,667	3,463	1,429	1,926	1,201	11,126	3,333	8,362	(5,082)	53,210
4.	Space Conditioning													
5.	Residential Conservation Service	6,147	3,145	6,728	207	(1,585)	731	15					(15,388)	
6.	Residential Appliance Retention	28,029	24,957	24,672	13,589	14,887	9,754	16,971	41,474	68,308	126,044	49,309	191,089	609,093
7.	Dealer / Contractor (Inactive)													
10.	Commercial Conservation Service	5,647	3,645	6,728	207	(1,585)	730	15					(15,387)	
12.														
13.	Residential Service Reactivation Program	6,380	3,645	6,728	207	(1,585)		15	350	350		350	(15,038)	1,402
14.	Common	179,768	59,436	190,113	258,956	211,580	246,766	166,078	117,657	52,605	106,241	90,591	93,354	1,773,145
15.	Conservation Demonstration and Development													
21. TOTAL ALL PROGRAMS		286,082	136,524	276,677	291,267	243,048	276,530	213,106	261,820	231,422	309,154	223,485	413,935	3,163,050
22. LESS AMOUNT INCLUDED IN RATE BASE														
23. RECOVERABLE CONSERVATION EXPENSES		286,082	136,524	276,677	291,267	243,048	276,530	213,106	261,820	231,422	309,154	223,485	413,935	3,163,050

EXHIBIT NO. _____
DOCKET NO. 120004-GU
FLORIDA PUBLIC UTILITIES COMPANY
(CDY-1)
PAGE 5 OF 18

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

SCHEDULE CT-3
PAGE 2 OF 3

CALCULATION OF TRUE-UP AND INTEREST PROVISION

FOR MONTHS January-11 THROUGH December-11

B. CONSERVATION REVENUES	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1. RESIDENTIAL CONSERVATION													
2. CONSERVATION ADJ. REVENUES	(313,892)	(251,494)	(247,662)	(206,102)	(180,855)	(189,242)	(150,327)	(150,965)	(155,249)	(161,723)	(198,714)	(240,343)	(2,426,368)
3. TOTAL REVENUES	(313,892)	(251,494)	(247,662)	(206,102)	(180,855)	(189,242)	(150,327)	(150,965)	(155,249)	(161,723)	(198,714)	(240,343)	(2,426,368)
4. PRIOR PERIOD TRUE-UP ADJ. NOT APPLICABLE TO THIS PERIOD	(14,004)	(14,001)	(14,001)	(14,001)	(14,001)	(14,001)	(14,001)	(14,001)	(14,001)	(14,001)	(14,001)	(14,001)	(168,015)
5. CONSERVATION REVENUE APPLICABLE	(327,896)	(265,495)	(261,663)	(220,103)	(194,856)	(183,243)	(164,328)	(164,966)	(169,250)	(175,724)	(212,715)	(254,344)	(2,594,383)
6. CONSERVATION EXPENSES (FROM CT-3, PAGE 1, LINE 23)	286,082	136,524	276,677	291,267	243,048	276,530	213,106	261,820	231,422	309,154	223,485	413,935	3,163,050
7. TRUE-UP THIS PERIOD (LINE 5 - 6)	(41,614)	(128,971)	15,014	71,184	48,192	93,287	48,778	96,854	62,172	133,430	10,770	159,591	568,667
8. INTEREST PROVISION THIS PERIOD (FROM CT-3, PAGE 3, LINE 10)	(38)	(53)	(56)	(39)	(24)	(11)		7	8	16	29	32	(129)
9. TRUE-UP AND INTEREST PROVISION BEGINNING OF MONTH	(168,015)	(195,663)	(310,686)	(281,727)	(196,601)	(134,432)	(27,155)	35,624	146,486	222,667	370,114	394,914	(168,015)
9A. DEFERRED TRUE-UP BEGINNING OF PERIOD													
10. PRIOR TRUE-UP COLLECTED (REFUNDED)	14,004	14,001	14,001	14,001	14,001	14,001	14,001	14,001	14,001	14,001	14,001	14,001	168,015
11. TOTAL NET TRUE-UP (LINES 7+8+9+9A+10)	(195,663)	(310,686)	(281,727)	(196,601)	(134,432)	(27,155)	35,624	146,486	222,667	370,114	394,914	568,538	568,538

EXHIBIT NO. _____
DOCKET NO. 120004-GU
FLORIDA PUBLIC UTILITIES COMPANY
(CDY-1)
PAGE 6 OF 18

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

SCHEDULE CT-3
PAGE 3 OF 3

CALCULATION OF TRUE-UP AND INTEREST PROVISION

FOR MONTHS January-11 THROUGH December-11

C.	INTEREST PROVISION	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1.	BEGINNING TRUE-UP (LINE B-9)	(168,015)	(195,663)	(310,686)	(281,727)	(196,601)	(134,432)	(27,155)	35,624	148,486	222,667	370,114	394,914	(168,015)
2.	ENDING TRUE-UP BEFORE INTEREST (LINES B7+B9+B9A+B10)	(195,625)	(310,633)	(281,671)	(196,562)	(134,408)	(27,144)	35,624	146,479	222,659	370,098	394,885	568,506	568,667
3.	TOTAL BEG. AND ENDING TRUE-UP	(363,640)	(506,296)	(592,357)	(478,289)	(331,009)	(161,576)	8,469	182,103	369,145	592,765	764,999	963,420	400,652
4.	AVERAGE TRUE-UP (LINE C-3 X 50%)	(181,820)	(253,148)	(296,179)	(239,145)	(165,505)	(80,788)	4,235	91,052	184,573	296,383	382,500	481,710	200,326
5.	INTEREST RATE - FIRST DAY OF REPORTING BUSINESS MONTH	0.25%	0.25%	0.25%	0.20%	0.19%	0.16%	0.16%	0.12%	0.07%	0.04%	0.09%	0.09%	
6.	INTEREST RATE - FIRST DAY OF SUBSEQUENT BUSINESS MONTH	0.25%	0.25%	0.20%	0.19%	0.16%	0.16%	0.12%	0.07%	0.04%	0.09%	0.09%	0.07%	
7.	TOTAL (LINE C-5 + C-6)	0.50%	0.50%	0.45%	0.39%	0.35%	0.32%	0.28%	0.19%	0.11%	0.13%	0.18%	0.16%	
8.	AVG. INTEREST RATE (C-7 X 50%)	0.25%	0.25%	0.23%	0.20%	0.18%	0.16%	0.14%	0.10%	0.06%	0.07%	0.09%	0.08%	
9.	MONTHLY AVERAGE INTEREST RATE	0.021%	0.021%	0.019%	0.016%	0.015%	0.013%	0.012%	0.008%	0.005%	0.005%	0.008%	0.007%	
10.	INTEREST PROVISION (LINE C-4 X C-9)	(38)	(53)	(56)	(39)	(24)	(11)		7	8	16	29	32	(129)

EXHIBIT NO. _____
DOCKET NO. 120004-GU
FLORIDA PUBLIC UTILITIES COMPANY
(CDY-1)
PAGE 7 OF 18

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

SCHEDULE CT-4
PAGE 1 OF 1

SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION & RETURN

FOR MONTHS January-11 THROUGH December-11

PROGRAM NAME:	BEGINNING OF PERIOD	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1. INVESTMENT														
2. DEPRECIATION BASE														
3. DEPRECIATION EXPENSE														
4. CUMULATIVE INVESTMENT														
5. LESS: ACCUMULATED DEPRECIATION														
6. NET INVESTMENT														
7. AVERAGE INVESTMENT														
8. RETURN ON AVERAGE INVESTMENT														
9. RETURN REQUIREMENTS														
10. TOTAL DEPRECIATION AND RETURN														NONE

EXHIBIT NO. _____
DOCKET NO. 120004-GU
FLORIDA PUBLIC UTILITIES COMPANY
(CDY-1)
PAGE 8 OF 18

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

SCHEDULE CT-5
PAGE 1 OF 1

RECONCILIATION AND EXPLANATION OF
DIFFERENCES BETWEEN FILING AND PSC AUDIT

FOR MONTHS January-11 THROUGH December-11

AUDIT EXCEPTION: TO OUR KNOWLEDGE, NONE EXIST

COMPANY RESPONSE:

EXHIBIT NO. _____
DOCKET NO. 120004-GU
FLORIDA PUBLIC UTILITIES COMPANY
(CDY-1)
PAGE 9 OF 18

1. Residential New Construction Program
2. Residential Appliance Replacement Program
3. Residential Appliance Retention Program
4. Residential Service Reactivation Program
5. Residential Conservation Survey Program
6. Commercial Conservation Survey Program
7. Conservation Education Program
8. Space Conditioning Program

PROGRAM TITLE: Residential New Construction Program

PROGRAM DESCRIPTION: The Residential New Construction Program (formerly, Full House Residential New Construction Program) promotes the use of natural gas in single and multi-family residential new construction projects to developers, builders, and homebuyers. The program is designed to increase the overall energy efficiency in the new construction home market through the installation of efficient gas appliances. The programs incentives are used to overcome market barriers created by the split incentive between the builders who are purchasing the appliances and the homeowners who are benefiting from reduced utility costs.

CURRENT APPROVED ALLOWANCES:

\$350 Tank Water Heater
\$400 High Efficiency Tank Water Heater
\$550 Tankless Water Heater
\$500 Furnace
\$150 Range
\$100 Dryer

PROGRAM ACCOMPLISHMENTS: For the reporting period January 1, 2011 through December 31, 2011, 545 incentives were paid. There were 145 Tank Water Heaters, 0 High Efficiency Tank Water Heaters, 23 Tankless Water Heaters, 93 Furnaces, 82 Ranges and 71 Dryers.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2011 through December 31, 2011 were \$322,092.

PROGRAM TITLE: Residential Appliance Replacement Program

PROGRAM DESCRIPTION: This program is designed to encourage the replacement of inefficient non-natural gas appliances with energy efficient natural gas appliances. The program offers financial incentives to residential customers to defray the additional costs associated with installing natural gas appliances.

CURRENT APPROVED ALLOWANCES:

\$500 Tank Water Heater
\$550 High Efficiency Tank Water Heater
\$675 Tankless Water Heater
\$725 Furnace
\$200 Range
\$150 Dryer

PROGRAM ACCOMPLISHMENTS: For the reporting period January 1, 2011 through December 31, 2011, 485 incentives were paid. There were 33 Tank Water Heaters, 5 High Efficiency Tank Water Heaters, 213 Tankless Water Heaters, 12 Furnaces, 114 Ranges and 108 Dryers.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2011 through December 31, 2011 were \$404,108.

PROGRAM PROGRESS SUMMARY: The FPSC approved this program on August 29, 2000. From the inception through the reporting period of this program, FPUC has converted 7,581 natural gas hot water heaters.

PROGRAM TITLE: Residential Appliance Retention Program

PROGRAM DESCRIPTION: The purpose of the Residential Appliance Retention Program is to encourage homeowners with existing natural gas appliances to retain natural gas appliances at time of replacement. The program includes appliances such as furnaces, hot water heaters, ranges, and dryers. The programs incentives defray the cost of purchasing more expensive energy-efficient natural gas appliances.

CURRENT APPROVED ALLOWANCES:

\$350 Tank Water Heater
\$400 High Efficiency Tank Water Heater
\$550 Tankless Water Heater
\$500 Furnace
\$100 Range
\$100 Dryer

PROGRAM ACCOMPLISHMENTS: For the reporting period January 1, 2011 through December 31, 2011, 1143 incentives were paid. There were 404 Tank Water Heaters, 17 High Efficiency Tank Water Heaters, 301 Tankless Water Heaters, 80 Furnaces, 203 Ranges and 138 Dryers.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2011 through December 31, 2011 were \$609,093.

PROGRAM PROGRESS SUMMARY: The FPSC approved this program on August 29, 2000. From the inception through the reporting period, FPUC has retained 6,927 natural gas hot water heaters.

PROGRAM TITLE: Residential Service Reactivation Program

PROGRAM DESCRIPTION: This program is designed to encourage the reactivation of existing residential service lines that are scheduled to be cut-off and capped. The program offers incentives of \$350 in the form of cash incentives to residential customers to assist in defraying the additional cost associated with the purchase and installation energy-efficient natural gas appliances.

PROGRAM ACCOMPLISHMENTS: For the reporting period January 1, 2011 through December 31, 2011, 5 incentives were paid.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2011 through December 31, 2011 were \$1,402.

PROGRAM PROGRESS SUMMARY: FPSC approval of this program occurred on August 29, 2000. We continue to promote this program and believe that our customers will find value in this program.

PROGRAM TITLE: Residential Conservation Survey Program

PROGRAM DESCRIPTION: The objective of the Residential Conservation Service Program is to provide Florida Public Utilities Company's residential customers with energy conservation advice based on a review of their homes actual performance that encourages the implementation of efficiency measures and/or practices resulting in energy savings for the customer. Florida Public Utilities Company views this program as a way of promoting the installation of cost-effective conservation measures. During the survey process, the customer is provided with specific whole-house recommendations. The survey process also checks for possible duct leakage.

PROGRAM ACCOMPLISHMENTS: This year a total of 15 residential surveys were performed.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2011 through December 31, 2011 were \$0.

PROGRAM PROGRESS SUMMARY: This program was implemented on September 1, 2000. Since inception through the reporting period, 140 residential customers have participated.

PROGRAM TITLE: Commercial Conservation Survey Program

PROGRAM DESCRIPTION: The Commercial Conservation Service Program is an interactive program that assists commercial customers in identifying energy conservation opportunities. The survey process consists of an on-site review of the customer's facility operation, equipment, and energy usage pattern by a Florida Public Utilities Company Conservation Representative. The representative identifies all areas of potential energy usage reduction as well as identifying end-use technology opportunities. A technical evaluation is then performed to determine the economic payback or life cycle cost for various improvements to the facility. Florida Public Utilities Company will subcontract the evaluation process to an independent engineering firm and/or contracting consultant, if necessary.

PROGRAM ACCOMPLISHMENTS: This year, 21 commercial surveys were completed during the reporting period.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2011 through December 31, 2011 were \$0.

PROGRAM PROGRESS SUMMARY: This program was implemented on September 1st 2000. From the inception of this program through the reporting period 170 commercial customers have participated.

PROGRAM TITLE: Conservation Education Program

PROGRAM DESCRIPTION: The purpose of the Conservation Education Program is to educate consumers, businesses, and contractors to make wise energy choices. For consumers to make educated choices they must know the benefits of conserving energy and have a basic understanding of energy as well as the measures and behavioral practices needed to make these choices.

PROGRAM ACCOMPLISHMENTS: This year FPU conducted 13 seminars and events to educate customers.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2011 through December 31, 2011 were \$53,210.

PROGRAM PROGRESS SUMMARY: This program has been successful and we are optimistic that we will continue to be involved in community education and future events.

PROGRAM TITLE: Space Conditioning Program

PROGRAM DESCRIPTION: The program is designed to convert on-main customers from electric space conditioning equipment to energy-efficient natural gas space conditioning equipment. The program provides a financial incentive to qualified participants to compensate for the higher initial cost of natural gas space conditioning equipment. The program reduces summer as well as winter peak demand and contributes to consumption reduction.

PROGRAM ACCOMPLISHMENTS: There were no participants in this program in 2011.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2011 through December 31, 2011 were \$0.

PROGRAM PROGRESS SUMMARY: From FPSC approval of the program on August 29, 2000 through December 31, 2011, FPUC has connected 10 space conditioning projects to its natural gas system.