

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

Revised 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,
3 Suite 220, West Palm 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
6 Regulatory Analyst.
7 Q. What is the purpose of your testimony at this time?
8 A. To advise the Commission of the actual over/under recovery of the
9 Conservation costs for the period January 1, 2011 through
10 December 31, 2011 as compared to the amount previously reported
11 for that period which was based on seven months actual and five
12 months estimated data.
13 Q. Please state the actual amount of over/under recovery of
14 Conservation Program costs for the gas divisions of Florida
15 Public Utilities Company for January 1, 2011 through December 31,
16 2011.

COM 5
AFD 6
APA 7
ECO 8
ENG 9
GCL 10
IDM 11
TEL 12
CLK Ct Ref-1

DOCUMENT NUMBER-DATE

04705 JUL 16 2011

FPSC-COMMISSION CLERK

1 A. The Company under-recovered \$566,481 during that period. This
2 amount is substantiated on Schedule CT-3, page 2 of 3,
3 Calculation of True-up and Interest Provision.

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

6 A. We had estimated that we would under-recover \$476,078 as of
7 December 31, 2011.

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

9 A. We have prepared and pre-filled Schedules CT-1, CT-2, CT-3, CT-4,
10 CT-5 and CT-6 (**Revised** Composite Exhibit CDY-1).

11 Q. Does this conclude your testimony?

12 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>566,615</u>	
5.	INTEREST	<u>(134)</u>	<u>566,481</u>
6.	LESS PROJECTED TRUE-UP		
7.	November-05 (DATE) HEARINGS		
8.	PRINCIPAL	<u>476,169</u>	
9.	INTEREST	<u>(91)</u>	<u>476,078</u>
10.	ADJUSTED END OF PERIOD TOTAL TRUE-UP		<u><u>90,403</u></u>

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

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

SCHEDULE CT-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	1,160,130		1,461,886	(301,756)
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	28,658		22,972	5,686
11.	SUB-TOTAL	3,173,877		3,118,191	55,686
12.	PROGRAM REVENUES				
13.	TOTAL PROGRAM COSTS	<u>3,173,877</u>		<u>3,118,191</u>	<u>55,686</u>
14.	LESS: PRIOR PERIOD TRUE-UP	(180,894)		(180,894)	
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	<u>566,615</u>		<u>476,169</u>	<u>90,446</u>
19.	ADD INTEREST PROVISION	(134)		(91)	(43)
20.	END OF PERIOD TRUE-UP	<u>566,481</u>		<u>476,078</u>	<u>90,403</u>

() REFLECTS OVERRECOVERY

EXHIBIT NO. _____
DOCKET NO. 120004-GU
FLORIDA PUBLIC UTILITIES COMPANY
(Revised 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	240,375			3,034	10,123	5,030		174,188	256	466,794		466,794
2. Residential Appliance Replacement	41,477	384,897			3,698	2,654	6,123		235,975	1,014	675,838		675,838
3. Conservation Education	21,826	71,187		10,519	1,961	1,487	3,100			301	110,381		110,381
4. Space Conditioning													
5. Residential Conservation Service		9,321									9,321		9,321
6. Residential Appliance Retention	35,229	381,903			3,237	1,824	4,637		452,460	3,177	882,467		882,467
7. Dealer / Contractor (Inactive)													
10. Commercial Conservation Service		8,721									8,721		8,721
12													
13. Residential Service Reactivation Program		277							1,399		1,676		1,676
14. Common	720,843	63,449	3,328	13,344	23,847	43,420	108,126	104	18,308	23,910	1,018,679		1,018,679
15. Conservation Demonstration and Development													
TOTAL ALL PROGRAMS	853,163	1,160,130	3,328	23,863	35,777	59,508	127,016	104	882,330	28,658	3,173,877		3,173,877

EXHIBIT NO. _____
DOCKET NO. 120004-GU
FLORIDA PUBLIC UTILITIES COMPANY
(Revised 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)	216,858			(4,624)	(6,697)	5,030		126,254	(128)	331,006		331,006
2. Residential Appliance Replacement	(4,420)	338,067			(5,365)	(1,187)	6,123		149,020	523	482,761		482,761
3. Conservation Education	(2,911)	44,287		10,519	(2,725)	(694)	3,100			55	51,631		51,631
4. Space Conditioning													
5. Residential Conservation Service		(15,286)									(15,286)		(15,286)
6. Residential Appliance Retention	(3,036)	333,690			(4,034)	(762)	4,637		321,400	2,798	654,693		654,693
7. Dealer / Contractor (Inactive)													
10. Commercial Conservation Service		(13,810)									(13,810)		(13,810)
12													
13. Residential Service Reactivation Program		(24,607)							1,399		(23,208)		(23,208)
14. Common	(63,574)	(1,180,955)	3,328	(18,412)	4,955	(14,077)	108,126	104	(254,034)	2,438	(1,412,101)		(1,412,101)
15. Conservation Demonstration and Development													
TOTAL ALL PROGRAMS	(79,628)	(301,756)	3,328	(7,893)	(11,793)	(23,417)	127,016	104	344,039	5,686	55,686		55,686

EXHIBIT NO. _____
DOCKET NO. 120004-GU
FLORIDA PUBLIC UTILITIES COMPANY
(Revised 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										TOTAL	
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	211,345	466,794
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	385,474	675,838
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	52,089	110,381
4.	Space Conditioning													
5.	Residential Conservation Service	6,147	3,145	6,728	207	(1,585)	731	15					(6,067)	9,321
6.	Residential Appliance Retention	28,029	24,957	24,672	13,589	14,897	9,754	16,971	44,024	68,308	126,044	49,309	461,913	882,467
7.	Dealer / Contractor (Inactive)													
10.	Commercial Conservation Service	5,647	3,645	6,728	207	(1,585)	730	15					(6,666)	8,721
12.														
13.	Residential Service Reactivation Program	6,380	3,645	6,728	207	(1,585)		15	350	350		350	(14,764)	1,676
14.	Common	179,768	59,436	190,113	258,279	213,179	269,242	166,078	117,657	52,605	106,241	90,591	(684,510)	1,018,679
15.	Conservation Demonstration and Development													
21. TOTAL ALL PROGRAMS		286,082	136,524	276,677	290,590	244,647	299,006	213,106	264,370	231,422	309,154	223,485	398,814	3,173,877
22. LESS AMOUNT INCLUDED IN RATE BASE														
23. RECOVERABLE CONSERVATION EXPENSES		286,082	136,524	276,677	290,590	244,647	299,006	213,106	264,370	231,422	309,154	223,485	398,814	3,173,877

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

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY
 CALCULATION OF TRUE-UP AND INTEREST PROVISION
 FOR MONTHS January-11 THROUGH December-11

SCHEDULE CT-3
 PAGE 2 OF 3

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)	(169,242)	(150,327)	(150,965)	(155,249)	(161,723)	(198,714)	(240,343)	(2,426,368)
3. TOTAL REVENUES	(313,692)	(251,494)	(247,662)	(206,102)	(180,855)	(169,242)	(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	(15,069)	(15,075)	(15,075)	(15,075)	(15,075)	(15,075)	(15,075)	(15,075)	(15,075)	(15,075)	(15,075)	(15,075)	(180,894)
5. CONSERVATION REVENUE APPLICABLE	(328,761)	(266,569)	(262,737)	(221,177)	(195,930)	(184,317)	(165,402)	(166,040)	(170,324)	(176,798)	(213,789)	(255,418)	(2,607,262)
6. CONSERVATION EXPENSES (FROM CT-3, PAGE 1, LINE 23)	286,082	136,524	276,677	290,590	244,647	299,006	213,106	264,370	231,422	309,154	223,485	398,814	3,173,877
7. TRUE-UP THIS PERIOD (LINE 5 - 6)	(42,679)	(130,045)	13,940	69,413	48,717	114,689	47,704	98,330	61,098	132,356	9,696	143,396	566,615
8. INTEREST PROVISION THIS PERIOD (FROM CT-3, PAGE 3, LINE 10)	(41)	(55)	(58)	(41)	(26)	(11)	2	8	9	17	30	32	(134)
9. TRUE-UP AND INTEREST PROVISION BEGINNING OF MONTH	(180,894)	(208,545)	(323,570)	(294,613)	(210,166)	(146,400)	(16,647)	46,134	159,547	235,729	383,177	407,978	(180,894)
9A. DEFERRED TRUE-UP BEGINNING OF PERIOD													
10. PRIOR TRUE-UP COLLECTED (REFUNDED)	15,069	15,075	15,075	15,075	15,075	15,075	15,075	15,075	15,075	15,075	15,075	15,075	180,894
11. TOTAL NET TRUE-UP (LINES 7+8+9+9A+10)	(208,545)	(323,570)	(294,613)	(210,166)	(146,400)	(16,647)	46,134	159,547	235,729	383,177	407,978	566,481	566,481

EXHIBIT NO. _____
 DOCKET NO. 120004-GU
 FLORIDA PUBLIC UTILITIES COMPANY
 (Revised 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)	(180,894)	(208,545)	(323,570)	(294,613)	(210,166)	(146,400)	(16,647)	46,134	159,547	235,729	383,177	407,978	(180,894)
2.	ENDING TRUE-UP BEFORE INTEREST (LINES B7+B9+B9A+B10)	(208,504)	(323,515)	(294,555)	(210,125)	(146,374)	(16,636)	46,132	159,539	235,720	383,160	407,948	566,449	566,615
3.	TOTAL BEG. AND ENDING TRUE-UP	(389,398)	(532,060)	(618,125)	(504,738)	(356,540)	(163,036)	29,485	205,673	395,267	618,889	791,125	974,427	385,721
4.	AVERAGE TRUE-UP (LINE C-3 X 50%)	(194,699)	(266,030)	(309,063)	(252,369)	(178,270)	(81,518)	14,743	102,837	197,634	309,445	395,563	487,214	192,861
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)	(41)	(55)	(58)	(41)	(26)	(11)	2	8	9	17	30	32	(134)

EXHIBIT NO. _____
DOCKET NO. 120004-GU
FLORIDA PUBLIC UTILITIES COMPANY
(Revised 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
(Revised 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
(Revised 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 **\$466,794**.

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 **\$675,838**.

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 **\$882,467**.

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 **\$1,676**.

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 **\$9,321**.

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 **\$8,721**.

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 **\$110,381**.

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.