

September 11, 2012

HAND DELIVERY

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

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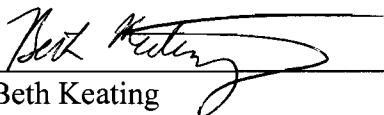
Re: Docket No. 120004-GU – Natural Gas Conservation Cost Recovery Clause

Dear Ms. Cole:

Attached for filing, please find the original and 15 copies of the Direct Testimony and Exhibit MDN-4 of Ms. Michelle Napier, submitted in the referenced Docket on behalf of Florida Public Utilities Company-Indiantown Division, along with the original and 15 copies of the Company's Petition for Approval of Conservation Cost Recovery Factors. Also enclosed for filing is a CD containing the filed schedules 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

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MEK
cc: Parties of Record

DOCUMENT NUMBER-DATE

06126 SEP 11 2

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Natural Gas Conservation Cost)
Recovery)
_____)

Docket No. 120004-GU
Filed: September 11, 2012

**PETITION OF FLORIDA PUBLIC UTILITIES COMPANY-INDIANTOWN
DIVISION FOR APPROVAL OF CONSERVATION COST RECOVERY FACTORS**

The Florida Public Utilities Company – Indiantown Division (“Indiantown” or “the Company”) hereby hereby petitions the Commission for Approval of the Company’s conservation cost recovery factors for the period January 1, 2013 through December 31, 2013. In support thereof, the Company says:

1. The Company is a natural gas utility with its principal office located at:

Florida Public Utilities Company – Indiantown Division
1641 Worthington Road, Suite 220
West Palm Beach, FL 33409-6703

2. The name and mailing address of the persons authorized to receive notices are:

Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 618
Tallahassee, FL 32301
(850) 521-1706

Cheryl Martin
Florida Public Utilities Company –
Indiantown Division
1641 Worthington Road, Suite 220
West Palm Beach, FL 33409-6703


For the period January 1, 2013 through December 31, 2013, Indiantown projects its total incremental conservation costs to be \$12,100 (Schedule C-2). Indiantown’s true-up for the period January 1, 2012 through December 31, 2012, is an over-recovery of \$9,774, resulting in a total of \$2,326, of conservation costs to be recovered during the January 1, 2013 through December 31, 2013 period.

3. When the required true-up and projected expenditures are spread over the Company's rate classes, excluding customers who are on market-based rates, and then dividing this result by the projected gas throughput for the period by rate class, and expanding for taxes, the required conservation cost recovery factors for the period January 1, 2013 through December 31, 2013, are:

Rate Class	ECCR Factor
TS-1	0.371 cents/therm
TS-2	0.061 cents/therm
TS-3	0.232 cents/therm
TS-4	0.023 cents/therm

4. The Company's calculation of the Conservation Cost Recovery Factors is consistent with the Commission's methodology, and supported by the Direct Testimony of Michelle Napier, and Schedules C-1 through C-3, which are included in Exhibit No. (MDN-4).

WHEREFORE, the Florida Public Utilities Company – Indiantown Division requests that its Conservation Cost Recovery Factors for the period January 1, 2013 through December 31, 2013 be approved.

A handwritten signature in black ink, appearing to read "Beth Keating", is written over a horizontal line.

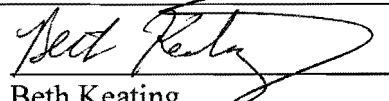
Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301

*Attorneys for Florida Public Utilities
Company – Indiantown Division*

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the Petition of the Florida Public Utilities Company – Indiantown Division, as well as the Direct Testimony and Exhibits of Cheryl Martin, has been furnished by U.S. Mail to the following parties of record this 11th day of September, 2012:

Florida Public Utilities Company Cheryl Martin/Aleida Socarras 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

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

Direct Testimony of
Michelle D. Napier
On Behalf of
FLORIDA PUBLIC UTILITIES COMPANY
INDIANTOWN NATURAL GAS DIVISION

1 Q. Please state your name and business address.

2 A. Michelle D. Napier. My business address is 1641
3 Worthington Road, Suite 220, West Palm Beach, Florida
4 33409.

5 Q. By whom are you employed and in what capacity?

6 A. I am employed by Florida Public Utilities Company
7 (FPUC) as the Senior Regulatory Analyst.

8 Q. Can you please provide a brief overview of your
9 educational and employment background?

10 A. I graduated from University of South Florida in 1986
11 with a BS degree in Finance. I have been employed with
12 FPUC since 1987. During my employment at FPUC, I have
13 performed various roles and functions in accounting,
14 management and most recently, regulatory accounting
15 (PGA, conservation, surveillance reports, regulatory
16 reporting).

17 Q. What is the purpose of your testimony at this time?

18 A. To advise the Commission as to the Conservation Cost
19 Recovery Clause Calculation for the period January 2013

DOCUMENT NUMBER-DATE

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1 through December 2013.

2 Q. Have you included descriptions and summary information
3 on the Conservation Programs currently approved and
4 available to your customers for the Indiantown Natural
5 Gas Division?

6 A. Yes, the Company has included summaries of the approved
7 conservation programs currently available to our
8 customers in C-4 of Exhibit MDN-4.

9 Q. Have you included descriptions and summary information
10 on proposed Conservation Programs for future
11 availability to your customers for the Indiantown
12 Natural Gas Division?

13 A. Yes, the Company has included summaries of three (3)
14 proposed programs for our Commercial customers, New
15 Construction, Appliance Replacement and Appliance
16 Retention. These programs are currently under
17 development by the members of the Associated Gas
18 Distributors of Florida (AGDF) and will allow us to
19 attract and retain commercial customers by offering
20 incentives. AGDF plans to file these new programs with
21 the Commission later this year, with an expected
22 approval the first half of 2013. Please see C-4 of
23 Exhibit MDN-4.

24 Q. Has the Company prepared summaries of the Company's
25 Conservation Programs and the Costs associated with

1 **these Programs?**

2 A. Yes, the Company's Energy Conservation Manager, Kira
3 Lake, prepared the summaries of the Company's
4 Conservation Programs and costs associated with these
5 programs in C-4 of Exhibit MDN-4.

6 **Q. What are the total projected costs for the period**
7 **January 2013 through December 2013 in the Indiantown**
8 **Natural Gas Division?**

9 A. The total projected Conservation Program Costs are
10 \$12,100, which includes projected costs for the new
11 proposed Conservation Programs. Please see Schedule C-
12 2, page 2, for the programmatic and functional
13 breakdown of these total costs.

14 **Q. What is the true-up for the period January 2012 through**
15 **December 2012?**

16 A. As reflected in the Schedule C-3, Page 4 of 5, the
17 True-up amount for the Indiantown Natural Gas Division
18 is an over-recovery of \$9,774.

19 **Q. What are the resulting net total projected conservation**
20 **costs to be recovered during this projection period?**

21 A. The total costs to be recovered are \$2,326.

22 **Q. What is the Conservation Adjustment Factor necessary to**
23 **recover these projected net total costs?**

24 A. The Conservation Adjustment Factors per therm for the
25 Indiantown Natural Gas Division are:

1	TS1	\$.00371
2	TS2	\$.00061
3	TS3	\$.00232
4	TS4	\$.00023

5 Q. Are there any exhibits that you wish to sponsor in this
6 proceeding?

7 A. Yes. I wish to sponsor as Exhibits Schedules C-1, C-2,
8 C-3, and C-4 (Composite Prehearing Identification
9 Number MDN-4), which have been filed with this
10 testimony.

11 Q. Does this conclude your testimony?

12 A. Yes.

FLORIDA PUBLIC UTILITIES COMPANY
INDIANTOWN NATURAL GAS DIVISION
ENERGY CONSERVATION ADJUSTMENT
SUMMARY OF COST RECOVERY CLAUSE CALCULATION
JANUARY 2013 THROUGH DECEMBER 2013

1. TOTAL INCREMENTAL COSTS (SCHEDULE C-2, PAGE 1)	\$ 12,100
2. TRUE-UP (SCHEDULE C-3, PAGE 4, LINE 11)	\$ (9,774)
3. TOTAL (LINE 1 AND LINE 2)	\$ 2,326

RATE SCHEDULE	BILLS	THERMS	CUSTOMER & DEMAND CHARGE	TRANSPORTATION CHARGE	TOTAL CUSTOMER & TRANSPORTATION REVENUE	ECCR REVENUES	ECCR AS % OF TOTAL REVENUES	DOLLARS PER THERM	TAX FACTOR	CONSERV FACTOR
TS1	8,208	142,710	73,872	53,994	127,866	527	0.41237%	\$ 0.00369	1.00503	\$ 0.00371
TS2	290	81,963	7,250	4,723	11,973	49	0.41237%	\$ 0.00060	1.00503	\$ 0.00061
TS3	17	1,994	1,020	95	1,115	5	0.41237%	\$ 0.00231	1.00503	\$ 0.00232
TS4	24	7,537,802	128,378	294,728	423,106	1,745	0.41237%	\$ 0.00023	1.00503	\$ 0.00023
TOTAL	8,539	7,764,469	210,520	353,541	564,060	2,326				

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FLORIDA PUBLIC UTILITIES COMPANY
INDIANTOWN NATURAL GAS DIVISION
ESTIMATED CONSERVATION PROGRAM COSTS BY PROGRAM BY MONTH
JANUARY 2013 THROUGH DECEMBER 2013

PROGRAM	JAN 2013	FEB 2013	MAR 2013	APR 2013	MAY 2013	JUN 2013	JUL 2013	AUG 2013	SEP 2013	OCT 2013	NOV 2013	DEC 2013	TOTAL
1 RESIDENTIAL NEW CONSTRUCTION	0	0	0	0	0	0	0	0	0	0	0	0	0
2 RESIDENTIAL APPLIANCE REPLACEMENT	167	167	167	167	167	167	167	167	167	167	167	163	2,000
3 CONSERVATION EDUCATION	217	217	217	217	217	217	217	217	217	217	217	213	2,600
4 RESIDENTIAL APPLIANCE RETENTION	250	250	250	250	250	250	250	250	250	250	250	250	3,000
5 COMMON	292	292	292	292	292	292	292	292	292	292	292	288	3,500
6 COMMERCIAL NEW CONSTRUCTION	21	21	21	21	21	21	21	21	21	21	21	19	250
7 COMMERCIAL APPLIANCE REPLACEMENT	21	21	21	21	21	21	21	21	21	21	21	19	250
8 COMMERCIAL APPLIANCE RETENTION	42	42	42	42	42	42	42	42	42	42	42	38	500
9	0	0	0	0	0	0	0	0	0	0	0	0	0
10	0	0	0	0	0	0	0	0	0	0	0	0	0
11	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL ALL PROGRAMS	1,010	1,010	1,010	1,010	1,010	1,010	1,010	1,010	1,010	1,010	1,010	990	12,100

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FLORIDA PUBLIC UTILITIES COMPANY
INDIANTOWN NATURAL GAS DIVISION
ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
JANUARY 2013 THROUGH DECEMBER 2013

PROGRAM	CAPITAL INVEST	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISE	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 RESIDENTIAL NEW CONSTRUCTION	0	0	0	0	0	0	0	0	0
2 RESIDENTIAL APPLIANCE REPLACEMENT	0	0	0	1,000	1,000	0	0	0	2,000
3 CONSERVATION EDUCATION	0	0	0	2,500	0	0	0	100	2,600
4 RESIDENTIAL APPLIANCE RETENTION	0	0	0	1,000	2,000	0	0	0	3,000
5 COMMON	0	0	0	0	0	3,000	0	500	3,500
6 COMMERCIAL NEW CONSTRUCTION	0	0	0	250	0	0	0	0	250
7 COMMERCIAL APPLIANCE REPLACEMENT	0	0	0	250	0	0	0	0	250
8 COMMERCIAL APPLIANCE RETENTION	0	0	0	500	0	0	0	0	500
9	0	0	0	0	0	0	0	0	0
10	0	0	0	0	0	0	0	0	0
11	0	0	0	0	0	0	0	0	0
PROGRAM COSTS	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,500</u>	<u>3,000</u>	<u>3,000</u>	<u>0</u>	<u>600</u>	<u>12,100</u>

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FLORIDA PUBLIC UTILITIES COMPANY
INDIANTOWN NATURAL GAS DIVISION
ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
ACTUAL JANUARY 2012 THROUGH JULY 2012; ESTIMATED AUGUST 2012 THROUGH DECEMBER 2012

PROGRAM	CAPITAL INVEST	PAYROLL & BENEFITS	MATERLS. & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 RESIDENTIAL NEW CONSTRUCTION									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	416	0	0	416
C. TOTAL	0	0	0	0	0	416	0	0	416
2 RESIDENTIAL APPLIANCE REPLACEMENT									
A. ACTUAL	0	0	0	125	0	0	0	0	125
B. ESTIMATED	0	0	0	0	310	416	0	0	726
C. TOTAL	0	0	0	125	310	416	0	0	851
3 CONSERVATION EDUCATION									
A. ACTUAL	0	0	0	0	0	0	0	52	52
B. ESTIMATED	0	0	0	1,900	0	0	0	0	1,900
C. TOTAL	0	0	0	1,900	0	0	0	52	1,952
4 RESIDENTIAL APPLIANCE RETENTION									
A. ACTUAL	0	0	0	125	1,050	0	0	0	1,175
B. ESTIMATED	0	0	0	0	2,290	420	0	0	2,710
C. TOTAL	0	0	0	125	3,340	420	0	0	3,885
5 COMMON									
A. ACTUAL	0	0	0	0	0	1,523	0	0	1,523
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	1,523	0	0	1,523
6 COMMERCIAL NEW CONSTRUCTION									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
SUB-TOTAL	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,150</u>	<u>3,650</u>	<u>2,775</u>	<u>0</u>	<u>52</u>	<u>8,627</u>

FLORIDA PUBLIC UTILITIES COMPANY
INDIANTOWN NATURAL GAS DIVISION
ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
ACTUAL JANUARY 2012 THROUGH JULY 2012; ESTIMATED AUGUST 2012 THROUGH DECEMBER 2012

PROGRAM NAME	CAPITAL INVEST	PAYROLL & BENEFITS	MATERLS. & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
SUB-TOTAL - PREVIOUS PAGE	0	0	0	2,150	3,650	2,775	0	52	8,627
7 COMMERCIAL APPLIANCE REPLACEMENT									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
10 COMMERCIAL APPLIANCE RETENTION									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
12									
A. ACTUAL (JAN-JUL)	0	0	0	0	0	0	0	0	0
B. ESTIMATED (AUG-DEC)	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
13									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
14	0.00								
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
TOTAL	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,150</u>	<u>3,650</u>	<u>2,775</u>	<u>0</u>	<u>52</u>	<u>8,627</u>

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FLORIDA PUBLIC UTILITIES COMPANY
INDIANTOWN NATURAL GAS DIVISION
CONSERVATION PROGRAM COSTS BY PROGRAM
ACTUAL/ESTIMATED

ACTUAL JANUARY 2012 THROUGH JULY 2012; ESTIMATED AUGUST 2012 THROUGH DECEMBER 2012

PROGRAM NAME	-----ACTUAL-----							--- PROJECTION ---					TOTAL
	JAN 2012	FEB 2012	MAR 2012	APR 2012	MAY 2012	JUN 2012	JUL 2012	AUG 2012	SEP 2012	OCT 2012	NOV 2012	DEC 2012	
RESIDENTIAL NEW CONSTRUCTION	0	0	0	0	0	0	0	83	83	83	83	84	416
RESIDENTIAL APPLIANCE REPLACEMENT	0	0	0	0	0	125	0	145	145	145	145	146	851
CONSERVATION EDUCATION	0	0	0	26	8	9	9	380	380	380	380	380	1,952
RESIDENTIAL APPLIANCE RETENTION COMMON	0	0	0	700	350	125	0	542	542	542	542	542	3,885
COMMON	0	0	0	0	1,407	0	116	0	0	0	0	0	1,523
COMMERCIAL NEW CONSTRUCTION	0	0	0	0	0	0	0	0	0	0	0	0	0
COMMERCIAL APPLIANCE REPLACEMENT	0	0	0	0	0	0	0	0	0	0	0	0	0
COMMERCIAL APPLIANCE RETENTION	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL ALL PROGRAMS	0	0	0	726	1,765	259	125	1,150	1,150	1,150	1,150	1,152	8,627

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FLORIDA PUBLIC UTILITIES COMPANY
INDIANTOWN NATURAL GAS DIVISION
ENERGY CONSERVATION ADJUSTMENT
ACTUAL JANUARY 2012 THROUGH JULY 2012; ESTIMATED AUGUST 2012 THROUGH DECEMBER 2012

	----- ACTUAL -----		----- ACTUAL -----		----- ACTUAL -----		----- ACTUAL -----		--- PROJECTION ---		--- PROJECTION ---		--- PROJECTION ---		TOTAL
	JAN 2012	FEB 2012	MAR 2012	APR 2012	MAY 2012	JUN 2012	JUL 2012	AUG 2012	SEP 2012	OCT 2012	NOV 2012	DEC 2012			
CONSERVATION REVS.															
RCS AUDIT FEES	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OTHER PROG. REV.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CONSERV. ADJ REV. (NET OF REV. TAXES)	(1,228)	204	(261)	(1,194)	(566)	0	(332)	(277)	(277)	(277)	(277)	(277)	(277)	(277)	(4,762)
TOTAL REVENUES	(1,228)	204	(261)	(1,194)	(566)	0	(332)	(277)	(277)	(277)	(277)	(277)	(277)	(277)	(4,762)
PRIOR PERIOD TRUE-UP NOT APPLIC. TO PERIOD	(1,137)	(1,135)	(1,135)	(1,135)	(1,135)	(1,135)	(1,135)	(1,135)	(1,135)	(1,135)	(1,135)	(1,135)	(1,135)	(1,135)	(13,622)
CONSERVATION REVS. APPLIC. TO PERIOD	(2,365)	(931)	(1,396)	(2,329)	(1,701)	(1,135)	(1,467)	(1,412)	(1,412)	(1,412)	(1,412)	(1,412)	(1,412)	(1,412)	(18,384)
CONSERVATION EXPS. (FORM C-3, PAGE 3)	0	0	0	726	1,765	259	125	1,150	1,150	1,150	1,150	1,150	1,152	1,152	8,627
TRUE-UP THIS PERIOD	(2,365)	(931)	(1,396)	(1,603)	64	(876)	(1,342)	(262)	(262)	(262)	(262)	(262)	(260)	(260)	(9,757)
INTEREST THIS PERIOD (C-3,PAGE 5)	(1)	(1)	(1)	(2)	(2)	(2)	(2)	(2)	(1)	(1)	(1)	(1)	(1)	(1)	(17)
TRUE-UP & INT. BEG. OF MONTH	(13,622)	(14,851)	(14,648)	(14,910)	(15,380)	(14,183)	(13,926)	(14,135)	(13,264)	(12,392)	(11,520)	(10,648)	(10,648)	(10,648)	(13,622)
PRIOR TRUE-UP COLLECT./(REFUND.)	1,137	1,135	1,135	1,135	1,135	1,135	1,135	1,135	1,135	1,135	1,135	1,135	1,135	1,135	13,622
Audit Adj. - Prior period															0
END OF PERIOD TOTAL NET TRUE-UP	(14,851)	(14,648)	(14,910)	(15,380)	(14,183)	(13,926)	(14,135)	(13,264)	(12,392)	(11,520)	(10,648)	(9,774)	(9,774)	(9,774)	(9,774)

EXHIBIT NO. _____
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FLORIDA PUBLIC UTILITIES COMPANY
(MDN-4)
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FLORIDA PUBLIC UTILITIES COMPANY
INDIANTOWN NATURAL GAS DIVISION
CALCULATION OF TRUE-UP AND INTEREST PROVISION
ACTUAL JANUARY 2012 THROUGH JULY 2012; ESTIMATED AUGUST 2012 THROUGH DECEMBER 2012

	----- ACTUAL -----		----- ACTUAL -----		----- ACTUAL -----		----- ACTUAL -----		--- PROJECTION ---		--- PROJECTION ---		--- PROJECTION ---		TOTAL
	JAN 2012	FEB 2012	MAR 2012	APR 2012	MAY 2012	JUN 2012	JUL 2012	AUG 2012	SEP 2012	OCT 2012	NOV 2012	DEC 2012			
INTEREST PROVISION															
BEGINNING TRUE-UP	(13,622)	(14,851)	(14,648)	(14,910)	(15,380)	(14,183)	(13,926)	(14,135)	(13,264)	(12,392)	(11,520)	(10,648)			
END. T-UP BEFORE INT.	(14,850)	(14,647)	(14,909)	(15,378)	(14,181)	(13,924)	(14,133)	(13,262)	(12,391)	(11,519)	(10,647)	(9,773)			
TOT. BEG. & END. T-UP	(28,472)	(29,498)	(29,557)	(30,288)	(29,561)	(28,107)	(28,059)	(27,397)	(25,655)	(23,911)	(22,167)	(20,421)			
AVERAGE TRUE-UP	(14,236)	(14,749)	(14,779)	(15,144)	(14,781)	(14,054)	(14,030)	(13,699)	(12,828)	(11,956)	(11,084)	(10,211)			
INT. RATE-FIRST DAY OF REPORTING BUS. MTH	0.07%	0.08%	0.13%	0.11%	0.13%	0.12%	0.15%	0.14%	0.14%	0.14%	0.14%	0.14%			
INT. RATE-FIRST DAY OF SUBSEQUENT BUS. MTH	0.08%	0.13%	0.11%	0.13%	0.12%	0.15%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%			
TOTAL	0.15%	0.21%	0.24%	0.24%	0.25%	0.27%	0.29%	0.28%	0.28%	0.28%	0.28%	0.28%			
AVG INTEREST RATE	0.08%	0.11%	0.12%	0.12%	0.13%	0.14%	0.15%	0.14%	0.14%	0.14%	0.14%	0.14%			
MONTHLY AVG. RATE	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%			
INTEREST PROVISION	(\$1)	(\$1)	(\$1)	(\$2)	(\$2)	(\$2)	(\$2)	(\$2)	(\$1)	(\$1)	(\$1)	(\$1)			(\$17)

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**Florida Public Utilities Company - Indiantown Division
Program Description and Progress**

Program Title:

Residential New Construction Program

Program Description:

This program is designed to increase the overall penetration of natural gas in the single family and multi-family residential construction markets of the Company's service territory by expanding consumer energy options in new homes. Incentives are offered to any home builder or developer who installs the below listed energy efficient appliances.

Current Approved Allowances:

\$350	Gas Storage Tank Water Heating
\$400	High Efficiency Gas Storage Tank Water Heating
\$550	Gas Tankless Water Heating
\$500	Gas Heating
\$150	Gas Cooking
\$100	Gas Clothes Drying

Program Projections:

For the twelve-month period of January to December 2013, the Company estimates that 0 new single and multi family homes will be connected to its natural gas system. Fiscal expenditures for 2013 are projected to be \$0.

Program Activity and Expenditures:

During the seven-month reporting period of January through July 2012, 0 new home allowances were paid and actual expenditures for this program totaled \$0. For August through December 2012, the Company projects that 0 new homes will qualify for allowances. Annual expenditures for 2012 are estimated at \$416.

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**Florida Public Utilities Company - Indiantown Division
Program Description and Progress**

Program Title:

Residential Appliance Replacement Program

Program Description:

This program is designed to encourage the replacement of inefficient non-natural gas residential appliances with energy efficient natural gas appliances. Incentives are offered for the replacement of non-gas water heating, heating, cooking, or clothes drying appliances through the purchase and/or lease of energy efficient natural gas appliances.

Current Approved Allowances:

\$500 Gas Storage Tank Water Heating
\$550 High Efficiency Gas Storage Tank Water Heating
\$675 Gas Tankless Water Heating
\$725 Gas Heating
\$200 Gas Cooking
\$150 Gas Clothes Drying

Program Projections:

For the twelve-month period of January to December 2013, the Company estimates that 3 natural gas appliances (limited to water heaters, furnaces or hydro heaters, ranges and dryers) will be connected to its natural gas system. Fiscal expenditures for 2013 are projected to be \$2,000.

Program Activity and Expenditures:

During the seven-month reporting period of January through July 2012, 0 appliance replacement allowances were paid and actual expenditures for this program totaled \$125. For the period August through December 2012, the Company projects that 1 appliance will qualify for allowances. Annual expenditures for 2012 are estimated at \$851.

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**Florida Public Utilities Company - Indiantown Division
Program Description and Progress**

Program Title:

Residential Appliance Retention Program

Program Description:

The Company offers this program to existing customers to promote the retention of energy-efficient appliances and encourage the continued use of natural gas in the home. As an incentive to continue to provide substantial benefits to the customer and utilize our resources effectively, this program offers cash allowances to the customer.

Current Approved Allowances:

\$350 Gas Storage Tank Water Heating
\$400 High Efficiency Gas Storage Tank Water Heating
\$550 Gas Tankless Water Heating
\$500 Gas Heating
\$100 Gas Cooking
\$100 Gas Clothes Drying

Program Projections:

For the twelve-month period of January to December 2013, the Company estimates that 6 natural gas appliances (limited to water heaters, furnaces or hydro heaters, ranges and dryers) will be connected to its natural gas system. Fiscal expenditures for 2013 are projected to be \$3,000.

Program Fiscal Expenditures:

During the seven-month reporting period of January through July 2012, 3 appliance retention allowances were paid and actual expenditures for this program totaled \$1,175. For August through December 2012, the Company projects that 3 appliances will qualify for allowances. Annual expenses for 2012 are estimated at \$3,885.

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**Florida Public Utilities Company - Indiantown Division
Program Description and Progress**

Program Title:

Conservation Education Program

Program Description:

The objective of this program is to inform consumers about the Company's energy conservation programs and provide general information on energy efficiency measures that will reduce energy consumption and cost.

Program Projections:

For the twelve-month period of January to December 2013, the Company estimates expenses of \$2,600 for this program.

Program Activity and Expenditures:

During the seven-month reporting period, January through July 2012, actual expenditures for this program were \$52. The Company projects that total expenditures will equal \$1,952 for the 2012 annual period.

The Company continues to communicate with several homebuilders, appliance retailers and contractors in its service area to provide information on its programs. A large percentage (estimated at 75%) of the Company's approximately 720 customers visit its office location in Indiantown to pay monthly bills. The Company's office staff personally describes the programs and allowance amounts to these customers. In addition, signage in the office has provided program and allowance information. In 2009, the Company began participation in the Get Gas Florida consumer education program supported by the Florida Natural Gas Association.

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**Florida Public Utilities Company - Indiantown Division
Program Description and Progress**

Program Title:
Commercial New Construction Program

Program Description:
This program is currently under development by members of the Associated Gas Distributors of Florida (AGDF) and, if approved, may have expenses in 2013. This program is designed to increase the overall penetration of natural gas in the commercial construction markets of the Company's service territory.

Program Projections:
For the twelve-month period of January to December 2013, the Company estimates expenses of \$250 for this program.

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**Florida Public Utilities Company - Indiantown Division
Program Description and Progress**

Program Title:
Commercial Replacement Program

Program Description:
This program is currently under development by members of the Associated Gas Distributors of Florida (AGDF) and, if approved, may have expenses in 2013. This program is designed to encourage the replacement of inefficient commercial non-natural gas appliances with energy efficient commercial natural gas appliances.

Program Projections:
For the twelve-month period of January to December 2013, the Company estimates expenses of \$250 for this program.

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**Florida Public Utilities Company - Indiantown Division
Program Description and Progress**

Program Title:
Commercial Retention Program

Program Description:
This program is currently under development by members of the Associated Gas Distributors of Florida (AGDF) and, if approved, may have expenses in 2013. This program is designed to encourage the retention of commercial natural gas appliances.

Program Projections:
For the twelve-month period of January to December 2013, the Company estimates expenses of \$500 for this program.

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