

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Determination of Conservation Adjustment Factor

DIRECT TESTIMONY OF CURTIS D. YOUNG

On behalf of

Florida Public Utilities Company

DOCKET NO. 120002-EG

1 Q. Please state your name, occupation and business address.

2 A. My name is Curtis Young. I am the Senior Regulatory Analyst for Florida  
3 Public Utilities Company. My business address is 1641 Worthington Road,  
4 West Palm Beach, Florida 33409.

5 Q. Describe briefly your background and business experience?

6 A. I graduated from Pace University in 1982 with a BBA in Accounting. I have  
7 been employed by FPUC since 2001. During my employment at FPUC, I have  
8 performed various accounting and analytical functions including regulatory  
9 filings, revenue reporting, account analysis, recovery rate reconciliations and  
10 earnings surveillance. I am also involved in the preparation of special reports  
11 and schedules used internally by division managers for decision making  
12 projects. Additionally, I coordinate the gathering of data for the FPSC audits.

13 Q. Are you familiar with the electric conservation programs of the Company  
14 and costs which have been, and are projected to be, incurred in their  
15 implementation?

COM 5  
AFD 6  
APA 1  
ECO 1  
ENG 1  
GCL 1  
IDM 1  
TEL 1  
CLK 1

1 A. Yes.

2 **Q. What is the purpose of your testimony in this docket?**

3 A. To describe generally the expenditures made and projected to be made in  
4 implementing, promoting, and operating the Company's electric conservation  
5 programs. This will include recoverable costs incurred in January through  
6 July 2012 and projections of program costs to be incurred from August  
7 through December 2012. It will also include projected electric conservation  
8 costs for the period January through December 2013, with a calculation of the  
9 Conservation Adjustment Factor to be applied to the Company's consolidated  
10 electric customers' bills during the collection period of January 1, 2013  
11 through December 31, 2013.

12 **Q. Are there any exhibits that you wish to sponsor in this proceeding?**

13 A. Yes. I wish to sponsor as exhibits Schedules C-1, C-2, C-3, C-4, and C-5,  
14 which have been filed with this testimony.

15 **Q. Have you prepared summaries of the Company's electric conservation  
16 programs and the costs associated with these programs?**

17 A. Yes. Summaries of the twelve electric conservation programs are contained in  
18 Schedule C-5 of revised Exhibit CDY-2. Included are the Residential Energy  
19 Survey Program, the Commercial Energy Survey Program, the Commercial  
20 Heating and Cooling Upgrade, the Residential Heating and Cooling Program,  
21 the Commercial Indoor Efficient Lighting Rebate Program, the Commercial  
22 Window Film Installation Program, the Commercial Chiller Upgrade

1 Program, the Solar Water Heating Program, the Solar Photovoltaic Program,  
2 the Electric Conservation Demonstration and Development Program, the Low  
3 Income Program and the Affordable Housing Builders and Providers Program.

4 **Q. Have you prepared schedules that show the expenditures associated with**  
5 **the Company's electric conservation programs for the periods you have**  
6 **mentioned?**

7 A. Yes, Schedule C-3, Pages 1 and 1A of 5, revised Exhibit CDY-2 shows actual  
8 expenses for the months January through July 2012. Projections for August  
9 through December 2012 are also shown on Schedule C-3, Pages 1 and 1A.  
10 Projected expenses for the January through December 2013 period are shown  
11 on Schedule C-2, Page 1 of 3 of Exhibit CDY-2.

12 **Q. Please explain the increases to your 2011 Conservation Program Costs?**

13 A. The Company experienced increased payroll and associated conservation  
14 costs in 2011 compared to 2010 and prior years. The increases related to  
15 internal changes to job functions and the Marketing Department structure in  
16 association with intensified efforts to promote cost saving and energy  
17 efficient conservation programs. As more fully described herein, the  
18 Company has reassessed its conservation efforts and focus to better align  
19 itself with current economic and market conditions. This realignment has  
20 impacted not only the level of charges to the conservation program but also  
21 the positions that actually perform conservation related activities.

22 **Q. What impacts, if any, has the economy and changes in the housing**

1       **market had on conservation programs?**

2       A.    The new residential housing construction market continues to be at levels  
3           well below previous years' levels, foreclosures have been at record high  
4           levels and existing and potential customers want help in finding ways to  
5           save money on their utility bills. The Company took many specific actions  
6           so that current customers could receive assistance that would help them  
7           reduce costs and conserve energy during one of this country's worst  
8           economic conditions. The Company has responded through specific and  
9           deliberate efforts, to realign and reorganize itself to the current market  
10          conditions and its new Demand Side Management (DSM) programs. The  
11          Company's new DSM programs, approved in December 2010 in Docket No.  
12          100158-EG through Order No. PSC-10-0678-PAA-EG and implemented for  
13          the 2011 conservation period, have been well received by our customers as  
14          evidenced by the rise in participation in the conservation programs.  
15          Participation and conservation expense levels experienced in 2011 and 2012  
16          are expected to continue through 2013.

17       **Q. Have you prepared schedules that show revenues for the period January**  
18       **through December 2012?**

19       A.    Yes.   Schedule C-4 shows actual revenues for the months January through  
20           July 2012 and projected revenues for August through December 2012 and  
21           January through December 2013.

22       **Q. Have you prepared a schedule that shows the calculation of the**

1       **Company's proposed Conservation Adjustment Factor to be applied**  
2       **during billing periods from January 1, 2013 through December 31, 2013?**

3       A. Yes. Schedule C-1 of revised Exhibit CDY-2 shows these calculations. Net  
4       program cost estimates for the period January 1, 2013 through December 31,  
5       2013 are used. The estimated true-up amount from Schedule C-3 (Page 4 of 5,  
6       Line 11) of revised Exhibit CDY-2, being an under-recovery, was added to the  
7       total of the projected costs for the twelve-month period. The total projected  
8       recovery amount, including estimated true-up, was then divided by the  
9       projected Retail KWH Sales for the twelve-month period ending December  
10      31, 2013. The resulting Conservation Adjustment Factor is shown on  
11      Schedule C-1 (Page 1 of 1) of revised Exhibit CDY-2.

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

14      A. The Conservation Adjustment Factor is \$.00155 per KWH.

15      **Q. Does this conclude your testimony?**

16      A. Yes.

ENERGY CONSERVATION ADJUSTMENT  
SUMMARY OF COST RECOVERY CLAUSE CALCULATION - revised 9/17/2012

FOR MONTHS      January-13      THROUGH      December-13

1.	TOTAL INCREMENTAL COSTS (SCHEDULE C-2,PAGE 1, LINE 33)	<u>816,675</u>
2.	TRUE-UP (SCHEDULE C-3,PAGE 4,LINE 11)	<u>249,597</u>
3.	TOTAL (LINE 1 AND LINE 2)	<u>1,066,272</u>
4.	RETAIL KWH SALES	<u>688,530,000</u>
5.	COST PER KWH	<u>0.00154862</u>
6.	REVENUE TAX MULTIPLIER *	<u>1.00072</u>
7.	ADJUSTMENT FACTOR ADJUSTED FOR TAXES (LINE 5 X LINE 6)	<u>0.00155000</u>
8.	CONSERVATION ADJUSTMENT FACTOR- (ROUNDED TO THE NEAREST .001 CENTS PER KWH)	<u>0.155</u>

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - CONSOLIDATED ELECTRIC DIVISION

SCHEDULE C-2  
PAGE 1 OF 3

ESTIMATED CONSERVATION PROGRAM COSTS - revised 9/17/2012

FOR MONTHS January-13 THROUGH December-13

A. ESTIMATED EXPENSE BY PROGRAM	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1 Common	23,590	23,560	23,560	23,560	23,560	23,560	23,560	23,560	23,560	23,560	23,560	23,560	282,750
2 Residential Energy Survey Program	9,720	9,680	9,680	9,680	9,680	9,680	9,680	9,680	9,680	9,680	9,680	9,680	116,200
3 Commercial Energy Survey Program	5,520	5,480	5,480	5,480	5,480	5,480	5,480	5,480	5,480	5,480	5,480	5,480	65,800
4 Commercial Heating and Cooling Upgrade	2,630	2,670	2,670	2,670	2,670	2,670	2,670	2,670	2,670	2,670	2,670	2,670	32,000
5 Residential Heating and Cooling Upgrade	7,735	7,790	7,790	7,790	7,790	7,790	7,790	7,790	7,790	7,790	7,790	7,790	93,425
6 Commercial Indoor Efficient Lighting Rebate	4,070	4,130	4,130	4,130	4,130	4,130	4,130	4,130	4,130	4,130	4,130	4,130	49,500
7 Commercial Window Film Installation Program	2,220	2,230	2,230	2,230	2,230	2,230	2,230	2,230	2,230	2,230	2,230	2,230	26,750
8 Commercial Chiller Upgrade Program	2,350	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	28,750
9 Solar Water Heating Program	400	350	350	350	350	350	350	350	350	350	350	350	4,250
10 Solar Photovoltaic Program	3,530	3,520	3,520	3,520	3,520	3,520	3,520	3,520	3,520	3,520	3,520	3,520	42,250
11 Electric Conserv. Demonstration and Development	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	75,000
12 Low Income Program	0	0	0	0	0	0	0	0	0	0	0	0	0
13 Affordable Housing Builders and Providers	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
31. TOTAL ALL PROGRAMS	68,015	68,060	68,060	68,060	68,060	68,060	68,060	68,060	68,060	68,060	68,060	68,060	816,675
32. LESS AMOUNT INCLUDED IN RATE BASE													
33. RECOVERABLE CONSERVATION EXPENSES	68,015	68,060	68,060	68,060	68,060	68,060	68,060	68,060	68,060	68,060	68,060	68,060	816,675

EXHIBIT NO. \_\_\_\_\_  
DOCKET NO. 120002-EG  
FLORIDA PUBLIC UTILITIES COMPANY  
(revised CDY-2)  
PAGE 2 OF 24

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - CONSOLIDATED ELECTRIC DIVISION

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM - revised 9/17/2012

FOR MONTHS January-13 THROUGH December-13

PROGRAM NAME	LABOR & PAYROLL	ADVERTISING	LEGAL	OUTSIDE SERVICES	VEHICLE COST	MATERIALS & SUPPLIES	TRAVEL	GENERAL & ADMIN.	INCENTIVES	OTHER	SUB TOTAL	PROGRAM REVENUES	TOTAL
1 Common	203,000	0	6,000	30,000	10,500	5,000	27,250	0	0	1,000	282,750	0	282,750
2 Residential Energy Survey Program	40,000	58,000	0	0	3,500	700	4,000	0	0	10,000	116,200	0	116,200
3 Commercial Energy Survey Program	30,000	25,000	0	0	2,500	300	3,000	0	0	5,000	65,800	0	65,800
4 Commercial Heating and Cooling Upgrade	5,000	20,000	0	0	500	0	500	0	6,000	0	32,000	0	32,000
5 Residential Heating and Cooling Upgrade	3,000	60,000	0	0	125	0	300	0	30,000	0	93,425	0	93,425
6 Commercial Indoor Efficient Lighting Rebate	10,000	30,000	0	0	500	0	1,000	0	8,000	0	49,500	0	49,500
7 Commercial Window Film Installation Program	5,000	20,000	0	0	250	0	500	0	1,000	0	26,750	0	26,750
8 Commercial Chiller Upgrade Program	5,000	15,000	0	0	250	0	500	0	8,000	0	28,750	0	28,750
9 Solar Water Heating Program	1,000	1,000	0	0	125	0	125	0	2,000	0	4,250	0	4,250
10 Solar Photovoltaic Program	1,000	1,000	0	0	125	0	125	0	40,000	0	42,250	0	42,250
11 Electric Conserv. Demonstration and Development	4,500	0	0	70,000	250	0	250	0	0	0	75,000	0	75,000
12 Low Income Program	0	0	0	0	0	0	0	0	0	0	0	0	0
13 Affordable Housing Builders and Providers	0	0	0	0	0	0	0	0	0	0	0	0	0
31. TOTAL ALL PROGRAMS	307,500	230,000	6,000	100,000	18,625	6,000	37,550	0	95,000	16,000	816,675	0	816,675
32. LESS: BASE RATE RECOVERY													
33. NET PROGRAM COSTS	307,500	230,000	6,000	100,000	18,625	6,000	37,550	0	95,000	16,000	816,675	0	816,675



COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - CONSOLIDATED ELECTRIC DIVISION

SCHEDULE C-2  
PAGE 3 OF 3

SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION & RETURN - revised 9/17/2012

ESTIMATED FOR MONTHS January-13 THROUGH December-13

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 NET INVESTMENT														
8. RETURN ON AVERAGE INVESTMENT														
9. EXPANSION FACTOR														
10. RETURN REQUIREMENTS														
11. TOTAL DEPRECIATION EXPENSE AND RETURN REQUIREMENT														NONE

EXHIBIT NO. \_\_\_\_\_  
DOCKET NO. 120002-EG  
FLORIDA PUBLIC UTILITIES COMPANY  
(revised CDY-2)  
PAGE 4 OF 24

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - CONSOLIDATED ELECTRIC DIVISION  
 CONSERVATION PROGRAM COSTS - revised 9/17/2012

SCHEDULE C-3  
 PAGE 1 OF 5

ACTUAL FOR MONTHS ESTIMATED FOR MONTHS	January-12	THROUGH	July-12								SUB TOTAL	PROGRAM REVENUES	TOTAL			
	August-12	THROUGH	December-12	LABOR & PAYROLL	ADVERTISING	LEGAL	OUTSIDE SERVICES	VEHICLE COST	MATERIALS & SUPPLIES	TRAVEL				GENERAL & ADMIN.	INCENTIVES	OTHER
1. Common																
A. ACTUAL	163,628	89,403	3,250	16,435	8,684	2,942	22,186	0	317	4,670	311,515		311,515			
B. ESTIMATED	31,270	20,830	4,170	8,330	2,920	14,580	8,330	0	0	920	91,350		91,350			
C. TOTAL	194,898	110,233	7,420	24,765	11,604	17,522	30,516	0	317	5,590	402,865		402,865			
2. Commercial Energy Survey Program																
A. ACTUAL	26,957	35,655	0	0	1,654	358	3,367	0	0	4,549	72,540		72,540			
B. ESTIMATED	45,860	22,920	0	830	3,750	9,580	8,330	0	0	330	91,600		91,600			
C. TOTAL	72,817	58,575	0	830	5,404	9,938	11,697	0	0	4,879	164,140		164,140			
3. Commercial Energy Survey Program																
A. ACTUAL	0	1,824	0	0	0	0	0	0	0	1,628	3,452		3,452			
B. ESTIMATED	16,230	14,580	0	420	630	1,670	1,670	0	0	0	35,200		35,200			
C. TOTAL	16,230	16,404	0	420	630	1,670	1,670	0	0	1,628	38,652		38,652			
4. Commercial Heating and Cooling Upgrade																
A. ACTUAL	0	461	0	0	0	0	0	0	0	0	461		461			
B. ESTIMATED	2,510	2,080	0	420	420	420	420	0	630	0	6,900		6,900			
C. TOTAL	2,510	2,541	0	420	420	420	420	0	630	0	7,361		7,361			
5. Residential Heating and Cooling Upgrade																
A. ACTUAL	0	13,659	0	0	0	0	0	0	16,050	0	29,709		29,709			
B. ESTIMATED	12,500	10,420	0	420	960	2,920	2,500	0	10,330	0	40,050		40,050			
C. TOTAL	12,500	24,079	0	420	960	2,920	2,500	0	26,380	0	69,759		69,759			
6. Commercial Indoor Efficient Lighting Rebate																
A. ACTUAL	1,502	336	0	0	130	31	132	0	6,158	0	8,289		8,289			
B. ESTIMATED	2,510	3,330	0	420	190	630	500	0	420	0	8,000		8,000			
C. TOTAL	4,012	3,666	0	420	320	661	632	0	6,578	0	16,289		16,289			
7. Commercial Window Film Installation Program																
A. ACTUAL	0	336	0	0	0	0	0	0	(125)	0	211		211			
B. ESTIMATED	2,500	2,080	0	420	170	630	500	0	500	0	6,800		6,800			
C. TOTAL	2,500	2,416	0	420	170	630	500	0	375	0	7,011		7,011			
SUB-TOTAL ACTUAL	192,087	141,674	3,250	16,435	10,468	3,331	25,685	0	22,400	10,847	426,177		426,177			
SUB-TOTAL ESTIMATED	113,380	76,240	4,170	11,260	9,040	30,430	22,250	0	11,880	1,250	279,900		279,900			
LESS: PRIOR YEAR AUDIT ADJ.																
ACTUAL											0		0			
ESTIMATED																
TOTAL																
NET PROGRAM COSTS	SEE PAGE 1A															

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - CONSOLIDATED ELECTRIC DIVISION  
 CONSERVATION PROGRAM COSTS - revised 9/17/2012

SCHEDULE C-3  
 PAGE 1A OF 5

ACTUAL FOR MONTHS ESTIMATED FOR MONTHS	January-12	THROUGH	July-12													
	August-12	THROUGH	December-12	LABOR & PAYROLL	ADVERTISING	LEGAL	OUTSIDE SERVICES	VEHICLE COST	MATERIALS & SUPPLIES	TRAVEL	GENERAL & ADMIN.	INCENTIVES	OTHER	SUB TOTAL	PROGRAM REVENUES	TOTAL
8. Commercial Chiller Upgrade Program																
A. ACTUAL	0	336	0	0	0	0	0	0	0	0	2,403	0	0	2,739	0	2,739
B. ESTIMATED	2,510	6,250	0	420	560	1,670	1,460	0	4,580	0	17,450	0	0	17,450	0	17,450
C. TOTAL	2,510	6,586	0	420	560	1,670	1,460	0	6,983	0	20,189	0	0	20,189	0	20,189
9. Solar Water Heating Program																
A. ACTUAL	0	610	0	0	0	0	0	0	199	0	809	0	0	809	0	809
B. ESTIMATED	2,500	830	0	420	80	420	250	0	250	0	4,750	0	0	4,750	0	4,750
C. TOTAL	2,500	1,440	0	420	80	420	250	0	449	0	5,559	0	0	5,559	0	5,559
10. Solar Photovoltaic Program																
A. ACTUAL	0	609	0	0	0	0	0	0	24,910	0	25,519	0	0	25,519	0	25,519
B. ESTIMATED	2,490	1,670	0	420	170	630	500	0	16,670	0	22,550	0	0	22,550	0	22,550
C. TOTAL	2,490	2,279	0	420	170	630	500	0	41,580	0	48,069	0	0	48,069	0	48,069
11. Electric Conserv. Demonstration and Development																
A. ACTUAL	0	0	0	12,500	0	0	0	0	0	0	12,500	0	0	12,500	0	12,500
B. ESTIMATED	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	12,500	0	0	0	0	0	0	12,500	0	0	12,500	0	12,500
12. Low Income Program																
A. ACTUAL	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13. Affordable Housing Builders and Providers																
A. ACTUAL	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14.																
A. ACTUAL	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL ACTUAL	192,087	143,229	3,250	28,935	10,468	3,331	25,685	0	49,912	10,847	467,744	0	0	467,744	0	467,744
TOTAL ESTIMATED	120,880	84,990	4,170	12,520	9,850	33,150	24,460	0	33,380	1,250	324,650	0	0	324,650	0	324,650
LESS: PRIOR YEAR AUDIT ADJ.																
ACTUAL														0		0
ESTIMATED																
TOTAL																
NET PROGRAM COSTS	312,967	228,219	7,420	41,455	20,318	36,481	50,145	0	83,292	12,097	792,394	0	0	792,394	0	792,394

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - CONSOLIDATED ELECTRIC DIVISION  
 SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION AND RETURN - revised 9/17/2012

SCHEDULE C-3  
 PAGE 2 OF 5

ACTUAL FOR MONTHS      January-12      THROUGH      July-12  
 ESTIMATED FOR MONTHS      August-12      THROUGH      December-12

	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 NET INVESTMENT														
8. RETURN ON AVERAGE INVESTMENT														
9. EXPANSION FACTOR														
10. RETURN REQUIREMENTS														
11. TOTAL DEPRECIATION EXPENSE AND RETURN REQUIREMENT														NONE

EXHIBIT NO. \_\_\_\_\_  
 DOCKET NO. 120002-EG  
 FLORIDA PUBLIC UTILITIES COMPANY  
 (revised CDY-2)  
 PAGE 7 OF 24

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - CONSOLIDATED ELECTRIC DIVISION  
 CONSERVATION PROGRAM COSTS - revised 9/17/2012

SCHEDULE C-3  
 PAGE 3 OF 5

ACTUAL FOR MONTHS January-12 THROUGH July-12  
 ESTIMATED FOR MONTHS August-12 THROUGH December-12

A. ESTIMATED EXPENSE BY PROGRAM	ACTUAL							TOTAL	ESTIMATED					TOTAL	GRAND
	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	ACTUAL	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	ESTIMATED	TOTAL
1 Common	31,850	54,848	57,826	54,647	53,256	29,381	29,707	311,515	18,270	18,270	18,270	18,270	18,270	91,350	402,865
2 Residential Energy Survey Program	27,493	(9,760)	8,120	16,430	5,123	13,775	11,359	72,540	18,320	18,320	18,320	18,320	18,320	91,600	164,140
3 Commercial Energy Survey Program	0	500	701	488	271	976	516	3,452	7,040	7,040	7,040	7,040	7,040	35,200	39,652
4 Commercial Heating and Cooling Upgrade	0				0	183	278	461	1,380	1,380	1,380	1,380	1,380	6,900	7,361
5 Residential Heating and Cooling Upgrade	241	1,239	1,441	3,545	5,092	7,140	11,011	29,709	8,010	8,010	8,010	8,010	8,010	40,050	69,759
6 Commercial Indoor Efficient Lighting Rebate	5,388	0	0	770	0	1,978	153	8,289	1,600	1,600	1,600	1,600	1,600	8,000	16,289
7 Commercial Window Film Installation Program	0	0	0	0	0	58	153	211	1,360	1,360	1,360	1,360	1,360	6,800	7,011
8 Commercial Chiller Upgrade Program	0	0	2,403	0	0	183	153	2,739	3,490	3,490	3,490	3,490	3,490	17,450	20,189
9 Solar Water Heating Program	0	0	0	199	0	424	186	809	950	950	950	950	950	4,750	5,559
10 Solar Photovoltaic Program	0	0	9,803	0	5,002	5,527	5,187	25,519	4,510	4,510	4,510	4,510	4,510	22,550	48,069
11 Electric Conserv. Demonstration and Developn	0	0	6,250	0	0	6,250	0	12,500	0	0	0	0	0	0	12,500
12 Low Income Program	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 Affordable Housing Builders and Providers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Prior period audit adj.															
31. TOTAL ALL PROGRAMS	64,972	46,827	86,544	76,079	68,744	65,875	58,703	467,744	64,930	64,930	64,930	64,930	64,930	324,650	792,394
32. LESS AMOUNT INCLUDED IN RATE BASE															
33. RECOVERABLE CONSERVATION EXPENSES	64,972	46,827	86,544	76,079	68,744	65,875	58,703	467,744	64,930	64,930	64,930	64,930	64,930	324,650	792,394

EXHIBIT NO. \_\_\_\_\_  
 DOCKET NO. 120002-EG  
 FLORIDA PUBLIC UTILITIES COMPANY  
 (revised CDY-2)  
 PAGE 8 OF 24

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - CONSOLIDATED ELECTRIC DIVISION  
 ENERGY CONSERVATION ADJUSTMENT  
 CALCULATION OF TRUE UP AND INTEREST PROVISION - revised 9/17/2012

SCHEDULE C-3  
 PAGE 4 OF 5

	ACTUAL FOR MONTHS	January-12	THROUGH	July-12													
	ESTIMATED FOR MONTHS	August-12	THROUGH	December-12	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
B. CONSERVATION REVENUES																	
1. RCS AUDIT FEES																	
a.																	
b.																	
c.																	
2. CONSERVATION ADJ REVENUE (NET OF REVENUE TAXES)		(60,387)	(51,723)	(52,728)	(59,692)	(62,153)	(64,870)	(74,117)	(83,091)	(78,682)	(70,573)	(59,668)	(62,382)	(780,066)			
3. TOTAL REVENUES		(60,387)	(51,723)	(52,728)	(59,692)	(62,153)	(64,870)	(74,117)	(83,091)	(78,682)	(70,573)	(59,668)	(62,382)	(780,066)			
4. PRIOR PERIOD TRUE-UP--ADJ NOT APPLICABLE TO PERIOD		19,744	19,744	19,744	19,744	19,744	19,744	19,744	19,744	19,744	19,744	19,744	19,744	19,749	236,933		
5. CONSERVATION REVENUES APPLICABLE TO PERIOD		(40,643)	(31,979)	(32,984)	(39,948)	(42,409)	(45,126)	(54,373)	(63,347)	(58,938)	(50,829)	(39,924)	(42,633)	(543,133)			
6. CONSERVATION EXPENSES (FORM C-3, PAGE 3)		64,972	46,827	86,544	76,079	68,744	65,875	58,703	64,930	64,930	64,930	64,930	64,930	792,394			
7. TRUE-UP THIS PERIOD		24,329	14,848	53,560	36,131	26,335	20,749	4,330	1,583	5,992	14,101	25,006	22,297	249,261			
8. INTEREST PROVISION THIS PERIOD (C-3, PAGE 5)		15	21	25	28	30	33	35	32	30	29	29	29	336			
9. TRUE-UP & INTEREST PROVISION		236,933	241,533	236,658	270,499	286,914	293,535	294,573	279,194	261,065	247,343	241,729	247,020	236,933			
10. PRIOR TRUE-UP REFUNDED (COLLECTED)		(19,744)	(19,744)	(19,744)	(19,744)	(19,744)	(19,744)	(19,744)	(19,744)	(19,744)	(19,744)	(19,744)	(19,744)	(236,933)			
2011 Audit adj.																	0
11. END OF PERIOD TOTAL NET TRUE- UP (SUM OF LINES 7,8,9,10)		241,533	236,658	270,499	286,914	293,535	294,573	279,194	261,065	247,343	241,729	247,020	249,597	249,597			

EXHIBIT NO. \_\_\_\_\_  
 DOCKET NO. 120002-EG  
 FLORIDA PUBLIC UTILITIES COMPANY  
 (revised CDY-2)  
 PAGE 9 OF 24

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - CONSOLIDATED ELECTRIC DIVISION  
 ENERGY CONSERVATION ADJUSTMENT  
 CALCULATION OF TRUE UP AND INTEREST PROVISION - revised 9/17/2012

SCHEDULE C-3  
 PAGE 5 OF 5

ACTUAL FOR MONTHS      January-12      THROUGH      July-12  
 ESTIMATED FOR MONTHS      August-12      THROUGH      December-12

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
C. INTEREST PROVISION													
1. BEGINNING TRUE-UP (LINE B-9)	236,933	241,533	236,658	270,499	286,914	293,535	294,573	279,194	261,065	247,343	241,729	247,020	249,597
2. ENDING TRUE-UP BEFORE INTEREST (LINE B7+B9+B10)	241,518	236,637	270,474	286,886	293,505	294,540	279,159	261,033	247,313	241,700	246,991	249,568	249,261
3. TOTAL BEG. AND ENDING TRUE-UP	478,451	478,170	507,132	557,385	580,419	588,075	573,732	540,227	508,378	489,043	488,720	496,588	498,858
4. AVERAGE TRUE-UP (LINE C-3 X 50 %)	239,226	239,085	253,566	278,693	290,210	294,038	286,866	270,114	254,189	244,522	244,360	248,294	249,429
5. INTEREST RATE-FIRST DAY OF REPORTING BUSINESS MONTH	0.07%	0.08%	0.13%	0.11%	0.13%	0.12%	0.15%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%
6. INTEREST RATE-FIRST DAY OF SUBSEQUENT BUSINESS MONTH	0.08%	0.13%	0.11%	0.13%	0.12%	0.15%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%
7. TOTAL (LINE C-5 + C-6)	0.15%	0.21%	0.24%	0.24%	0.25%	0.27%	0.29%	0.28%	0.28%	0.28%	0.28%	0.28%	0.28%
8. AVG INTEREST RATE (C-7 X 50%)	0.08%	0.11%	0.12%	0.12%	0.13%	0.14%	0.15%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%
9. MONTHLY AVERAGE INTEREST RATE	0.006%	0.009%	0.010%	0.010%	0.010%	0.011%	0.012%	0.012%	0.012%	0.012%	0.012%	0.012%	0.012%
10. INTEREST PROVISION (LINE C-4 X C-9)	15	21	25	28	30	33	35	32	30	29	29	29	336

EXHIBIT NO. \_\_\_\_\_  
 DOCKET NO. 120002-EG  
 FLORIDA PUBLIC UTILITIES COMPANY  
 (revised CDY-2)  
 PAGE 10 OF 24

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - CONSOLIDATED ELECTRIC DIVISION  
 CALCULATION OF CONSERVATION REVENUES - revised 9/17/2012

SCHEDULE C-4  
 PAGE 1 OF 1

FOR THE PERIOD January-12 THROUGH December-13

MONTH	KWH/THERM SALES (000) (NET OF 3RD PARTY)	CONSERVATION ADJUSTMENT REVENUE (NET OF REVENUE TAXES)	RATE
2012 JANUARY	52,599	60,387	ACTUAL
FEBRUARY	45,057	51,723	ACTUAL
MARCH	45,936	52,728	ACTUAL
APRIL	51,997	59,692	ACTUAL
MAY	54,183	62,153	ACTUAL
JUNE	56,502	64,870	ACTUAL
JULY	64,559	74,117	ACTUAL
AUGUST	72,349	83,091	0.114847
SEPTEMBER	68,510	78,682	0.114847
OCTOBER	61,449	70,573	0.114848
NOVEMBER	51,954	59,668	0.114848
DECEMBER	<u>54,317</u>	<u>62,382</u>	0.114848
SUB-TOTAL	<u>679,412</u>	<u>780,066</u>	
2013 JANUARY	55,526	85,989	0.154862
FEBRUARY	54,337	84,147	0.154862
MARCH	52,900	81,922	0.154862
APRIL	46,335	71,755	0.154862
MAY	49,364	76,446	0.154862
JUNE	60,699	94,000	0.154862
JULY	70,648	109,408	0.154862
AUGUST	69,926	108,289	0.154862
SEPTEMBER	66,654	103,222	0.154862
OCTOBER	60,517	93,718	0.154862
NOVEMBER	50,112	77,604	0.154862
DECEMBER	<u>51,512</u>	<u>79,773</u>	0.154862
SUB-TOTAL	<u>688,530</u>	<u>1,066,273</u>	
TOTALS	<u>1,367,942</u>	<u>1,846,339</u>	

EXHIBIT NO. \_\_\_\_\_  
 DOCKET NO. 120002-EG  
 FLORIDA PUBLIC UTILITIES COMPANY  
 (revised CDY-2)  
 PAGE 11 OF 24



**Program**

1. Residential Energy Survey Program
2. Commercial Energy Survey Program
3. Commercial Heating and Cooling Upgrade Program
4. Residential Heating and Cooling Upgrade Program
5. Commercial Indoor Efficient Lighting Rebate Program
6. Commercial Window Film Installation Program
7. Commercial Chiller Upgrade Program
8. Solar Water Heating Program
9. Solar Photovoltaic Program
10. Conservation Demonstration and Development Program
11. Low Income Program
12. Affordable Housing Builders and Providers Program

**PROGRAM TITLE:**

Residential Energy Survey Program

**PROGRAM DESCRIPTION:**

The objective of the Residential Energy Survey Program is to provide FPUC's residential customers with energy conservation advice that encourages the implementation of efficiency measures resulting in energy savings for the customer. FPUC views this program as a vehicle to promote the installation of cost-effective conservation features. During the survey process, the customer is provided with specific whole-house recommendations. The survey process also checks for possible duct leakage. If a problem is identified, recommendations will be made for further analysis and repairs. Blower-door testing is required to identify and quantify the duct leakage and will be performed by a contractor. After identifying the leakage sites and quantities, the customer is given a written summary of the test findings and the potential for savings, along with a list of approved repair contractors. As a result, the increase in operating efficiencies provides for a reduction in weather-sensitive peak demand, as well as a reduction in energy consumption.

**PROGRAM PROJECTIONS:**

For the twelve-month period of January to December 2013, the Company estimates that 250 residential surveys will be conducted. Fiscal expenditures for 2013 are projected to be \$116,200.

**PROGRAM ACTIVITY AND EXPENDITURES:**

From January 2012 through July 2012, 102 surveys were performed and actual expenditures were \$72,540. We estimate that another 150 surveys will be performed between August 2012 and December 2012. For January 2012 through December 2012 the projected expenses are \$105,000. For January 2012 through December 2012, the goal for the number of program participants is 250.

**PROGRAM SUMMARY:**

This program provides participating customers with the information needed to determine which energy saving measures are best suited to their individual needs and requirements. We feel confident that by continuing to advertise the benefits of this program through bill inserts, promotional materials, newspaper, cable TV and social media, we will continue to see a high participation level in this program.

**PROGRAM TITLE:**

Commercial Energy Survey Program

**PROGRAM DESCRIPTION:**

The Commercial Energy Survey Program is an interactive program that provides commercial customers assistance in identifying advanced energy conservation opportunities. It is customized to meet the individual needs of large customers as required; therefore, it is an evolving program.

The Commercial Survey process consists of an on-site review by FPUC Conservation Specialist of the customer's facility operation, equipment and energy usage pattern. The specialist identifies areas of potential reduction in kW demand and kWh consumption 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. When necessary, FPUC will subcontract the evaluation process to an independent engineering firm and/or contracting consultant.

**PROGRAM PROJECTIONS:**

For the twelve-month period of January to December 2013, the Company estimates that 50 commercial surveys will be conducted. Fiscal expenditures for 2013 are projected to be \$65,800.

**PROGRAM ACTIVITY AND EXPENDITURES:**

From January 2012 through July 2012, 18 surveys were performed and actual expenditures were \$3,452. We estimate that another 35 surveys will be performed between August 2012 and December 2012. For January 2012 through December 2012 the projected expenses are \$50,000.

For January 2012 through December 2012, the goal for the number of program participants is 50.

**PROGRAM SUMMARY:**

In recent research of commercial/industrial customers, consistent response for areas of improvement from this class of customer include individualized attention and service in helping them improve their cost of operation and efficiency. We have built trusting relationships with many of these customers by offering education on new technologies and by offering expertise in energy conservation. The work we have done in this area will continue to benefit FPUC and its rate payers.

**PROGRAM TITLE:**

Commercial Heating and Cooling Upgrade Program

**PROGRAM DESCRIPTION:**

This program is directed at reducing the rate of growth in peak demand and energy throughout Florida Public Utilities Company's electricity service territories. The program will do this by increasing the saturation of high-efficiency heat pumps. Two types of rebates are offered, one is for replacing an existing resistance-heating system with a high efficiency heat pump and the second type is for replacing a lower-efficiency heat pump with a high-efficiency heat pump. FPUC will validate engineering analyses of energy and demand savings with billing data and by metering customer equipment.

**PROGRAM PROJECTIONS:**

For the twelve-month period of January to December 2013, the Company estimates that 50 Commercial Heating and Cooling allowances will be paid. Fiscal expenditures for 2013 are projected to be \$32,000.

**PROGRAM ACTIVITY AND EXPENDITURES:**

From January 2012 through July 2012, 0 Commercial Heating and Cooling allowances were paid and actual expenditures were \$461. We estimate that 5 Commercial Heating and Cooling allowances will be paid between August 2012 and December 2012. For January 2012 through December 2012 the projected expenses are \$2,000.

For January 2012 through December 2012, the goal for the number of program participants is 50.

**PROGRAM SUMMARY:**

This program provides an opportunity for FPUC commercial customers to install a more energy efficient heating and cooling system with the results being a decrease in energy consumption as well as a reduction in weather-sensitive peak demand for FPUC. We feel confident that by continuing to advertise the benefits of this program through our Energy Survey Program, bill inserts, promotional materials, newspaper ads, cable TV and social media platforms, we will see a higher participation level.

**PROGRAM TITLE:**

Residential Heating and Cooling Efficiency Upgrade Program

**PROGRAM DESCRIPTION:**

This program is directed at reducing the rate of growth in peak demand and energy throughout Florida Public Utilities Company's electricity service territories. The program will do this by increasing the saturation of high-efficiency heat pumps. Two types of rebates are offered, one is for replacing an existing resistance-heating system with a high efficiency heat pump and the second type is for replacing a lower-efficiency heat pump with a high-efficiency heat pump. FPUC will validate engineering analyses of energy and demand savings with billing data and by metering customer equipment.

**PROGRAM PROJECTIONS:**

For the twelve-month period of January to December 2013, the Company estimates that 220 Residential Heating and Cooling allowances will be paid. Fiscal expenditures for 2013 are projected to be \$93,425.

**PROGRAM ACTIVITY AND EXPENDITURES:**

From January 2012 through July 2012, 137 Commercial Heating and Cooling allowances were paid and actual expenditures were \$29,709. We estimate that another 65 Residential Heating and Cooling allowances will be paid between August 2012 and December 2012. For January 2012 through December 2012 the projected expenses are \$55,000.

For January 2012 through December 2012, the goal for the number of program participants is 150.

**PROGRAM SUMMARY:**

This program provides an opportunity for FPUC customers' to install a more energy efficient heating and cooling system with the results being a decrease in energy consumption as well as a reduction in weather-sensitive peak demand for FPUC. We feel confident that by continuing to advertise the benefits of this program through, bill inserts, promotional materials, newspaper ads, cable TV and social media, we will continue to see a high participation level.

**EXHIBIT NO. \_\_\_\_\_  
DOCKET NO. 120002-EG  
FLORIDA PUBLIC UTILITIES CO.  
(revised CDY-2)  
Page 16 of 24**

**PROGRAM TITLE:**

Commercial Indoor Efficient Lighting Rebate Program

**PROGRAM DESCRIPTION:**

The purpose of this program is to reduce peak demand and energy consumption by decreasing the load presented by commercial lighting equipment. To serve this purpose, this program requires that commercial customers achieve at least 1,000 watts of lighting reduction from any lighting source that has been retrofitted with a more efficient fluorescent lighting system (ballasts and lamps). By doing so, they will qualify for an incentive of 10 cents per watt reduced for Tier 1 or a 2.5 cents per watt rebate for Tier 2 participation (\$100 max).

**PROGRAM PROJECTIONS:**

For the twelve-month period of January to December 2013, the Company estimates that 12 Commercial Indoor Efficient Lighting rebates will be paid. Fiscal expenditures for 2013 are projected to be \$49,500.

**PROGRAM ACTIVITY AND EXPENDITURES:**

From January 2012 through July 2012, 1 Commercial Heating and Cooling allowance was paid and actual expenditures were \$8,289. We estimate that another 10 Commercial Indoor Efficient Lighting rebates will be paid between August 2012 and December 2012. For January 2012 through December 2012 the projected expenses are \$25,000.

For January 2012 through December 2012, the goal for the number of program participants is 12.

**PROGRAM SUMMARY:**

Interested customers or contractors must contact FPUC before starting a lighting retrofit project. The company will then dispatch a qualified conservation representative to perform an inspection and determine what lighting changes should be made to enhance efficiency. The inspection will also determine the customer/contractor's eligibility for the incentive. This program will be promoted through the bill inserts, newspaper ads, cable TV and social media. We feel confident that by continuing advertising the benefits of this program we will see participation levels increase.

**PROGRAM TITLE:**

Commercial Window Film Installation Program.

**PROGRAM DESCRIPTION:**

The primary purpose of this program is to reduce peak demand and energy consumption by decreasing the load presented on commercial air-conditioning and heating equipment. To serve this purpose, this program requires that commercial customers install solar window film on eastern facing or western facing windows. Solar window film must have a shading co-efficient of .45 or less. Windows with greater than 50% direct solar exposure are exempt from the incentive.

**PROGRAM PROJECTIONS:**

For the twelve-month period of January to December 2013, the Company estimates that 12 Commercial Window Film Installation rebates will be paid. Fiscal expenditures for 2013 are projected to be \$26,750.

**PROGRAM ACTIVITY AND EXPENDITURES:**

From January 2012 through July 2012, 0 Commercial Window Film Installation allowances were paid and actual expenditures were \$211. We estimate that 10 Commercial Window Film Installation rebates will be paid between August 2012 and December 2012. For January 2012 through December 2012 the projected expenses are \$5,000.

For January 2012 through December 2012, the goal for the number of program participants is 12.

**PROGRAM SUMMARY:**

Interested commercial customers will notify an FPUC representative. After the project is completed, a Florida Public Utilities Company representative will conduct an on-site post inspection. By following the guidelines, the customer will qualify for a rebate of \$0.50 per square foot of covered area at \$100 maximum per customer.

**PROGRAM TITLE:**

Commercial Chiller Upgrade Program

**PROGRAM DESCRIPTION:**

This program is directed at reducing the rate of growth in peak demand and energy throughout Florida Public Utilities Company's commercial sector. To serve this purpose, this program requires that commercial customers replace their existing chillers with a more efficient system. By doing so, they will qualify for an incentive of up to \$100 per kW of additional savings above the minimum efficiency levels. The program covers water-cooled centrifugal chillers, water-cooled scroll or screw chillers and air-cooled electric chillers. Minimum qualifications for efficiency exist for each of the chiller types.

**PROGRAM PROJECTIONS:**

For the twelve-month period of January to December 2013, the Company estimates that 2 Commercial Chiller Upgrade rebate will be paid. Fiscal expenditures for 2013 are projected to be \$28,750.

**PROGRAM ACTIVITY AND EXPENDITURES:**

From January 2012 through July 2012, 0 Commercial Chiller Upgrade allowances were paid and actual expenditures were \$2,739. We estimate that 1 Commercial Chiller Upgrade rebate will be paid between August 2012 and December 2012. For January 2012 through December 2012 the projected expenses are \$5,000.

For January 2012 through December 2012, the goal for the number of program participants is 1.

**PROGRAM SUMMARY:**

Interested customers will send project proposals to Florida Public Utilities Company and a representative will schedule an on-site visit for inspection prior to installation. After the project is completed, a Florida Public Utilities Company representative will conduct an on-site inspection. By following the guidelines, the customer will qualify for the rebate.



**PROGRAM TITLE:**

Solar Water Heating Program

**PROGRAM DESCRIPTION:**

The primary purpose of the Solar Water Heating Program is to encourage the installation of solar water heaters and thereby reduce the consumption of fossil fuels. Florida Public Utilities Company provides an incentive payment for the installation of a solar water heater. The incentive payments are subject to the cap of \$47,233 for renewable energy programs.

**PROGRAM PROJECTIONS:**

For the twelve-month period of January to December 2013, the Company estimates that 12 Solar Water Heating rebates will be paid. Fiscal expenditures for 2013 are projected to be \$4,250.

**PROGRAM ACTIVITY AND EXPENDITURES:**

From January 2012 through July 2012, 2 Solar Water Heating allowances were paid and actual expenditures were \$809. We estimate that another 2 Commercial Chiller Upgrade rebates will be paid between August 2012 and December 2012. For January 2012 through December 2012 the projected expenses are \$5,000.

For January 2012 through December 2012, the goal for the number of program participants is 12.

**PROGRAM SUMMARY:**

The program is open to all Florida Public Utilities Company customers; however, each customer is entitled to only one incentive for installation of solar water heating. Eligible customers will receive an incentive payment of \$200 for the installation of a solar water heating system.

**PROGRAM TITLE:**

Solar Photovoltaic Program

**PROGRAM DESCRIPTION:**

The primary purpose of the Solar Photovoltaic program is to encourage the installation of solar photovoltaic systems by customers. Florida Public Utilities Company provides an incentive payment for the installation of a solar photovoltaic system. The incentive payments are subject to the cap of \$47,233 for renewable energy programs.

**PROGRAM PROJECTIONS:**

For the twelve-month period of January to December 2013, the Company estimates that 8 Solar Photovoltaic rebates will be paid. Fiscal expenditures for 2013 are projected to be \$42,250.

**PROGRAM ACTIVITY AND EXPENDITURES:**

From January 2012 through July 2012, 6 Solar Photovoltaic allowances were paid and actual expenditures were \$25,519. We estimate that another 4 Solar Photovoltaic rebates will be paid between August 2012 and December 2012. For January 2012 through December 2012 the projected expenses are \$60,000.

For January 2012 through December 2012, the goal for the number of program participants is 8.

**PROGRAM SUMMARY:**

The program is open to all Florida Public Utilities Company customers; however, each customer is entitled to only one incentive for installation of a solar photovoltaic system. Eligible customers will receive an incentive payment of up to \$5000. Customers must contact Florida Public Utilities Company who will send an inspector to verify the installation prior to the customer receiving the incentive. Any excess generation from the solar photovoltaic system will be purchased by Florida Public Utilities Company under the terms of Northwest Florida Division Rate Schedule REN-1 or Northeast Florida Division Rate Schedule REN-1.

**EXHIBIT NO. \_\_\_\_\_  
DOCKET NO. 120002-EG  
FLORIDA PUBLIC UTILITIES CO.  
(revised CDY-2)  
Page 21 of 24**

**PROGRAM TITLE:**

Conservation Demonstration and Development Program

**PROGRAM DESCRIPTION:**

The primary purpose of the Conservation Demonstration and Development (CDD) program is to pursue research, development, and demonstration projects that are designed to promote energy efficiency and conservation. This program will supplement and complement the other demand-side management programs offered by Florida Public Utilities Company. The CDD program is meant to be an umbrella program for the identification, development, demonstration, and evaluation of promising new end-use technologies. The CDD program does not focus on any specific end-use technology but, instead, will address a wide variety of energy applications.

**PROGRAM PROJECTIONS:**

For the twelve-month period of January to December 2013, the Company estimates that they will engage in 2 CDD projects. Fiscal expenditures for 2013 are projected to be \$75,000.

**PROGRAM ACTIVITY AND EXPENDITURES:**

From January 2012 through July 2012 actual expenditures were \$12,500. For January 2012 through December 2012 the projected expenses are \$25,000.

**PROGRAM SUMMARY:**

Florida Public Utilities Company will limit the total CDD expenditures to a maximum of \$75,000 per year. The Company will also notify the Florida Public Service Commission of any CDD project that exceeds \$15,000. Costs for CDD projects that meet the program's criteria for acceptance will be charged to Energy Conservation Cost Recovery account.

**PROGRAM TITLE:**

Low Income Program

**PROGRAM DESCRIPTION:**

Florida Public Utilities Company presently has energy education programs that identify low-cost and no-cost energy conservation measures. To better assist low-income customers in managing their energy purchases, the presentations and formats of these energy education programs are tailored to the audience. These programs provide basic energy education, as well as inform the customers of other specific services, such as the free energy surveys that Florida Public Utilities Company currently offers.

**PROGRAM PROJECTIONS:**

For the twelve-month period of January to December 2013, fiscal expenditures are projected to be \$0.

**PROGRAM ACTIVITY AND EXPENDITURES:**

From January 2012 through July 2012 actual expenditures were \$0. For January 2012 through December 2012 the projected expenses are \$0.

**EXHIBIT NO. \_\_\_\_\_  
DOCKET NO. 120002-EG  
FLORIDA PUBLIC UTILITIES CO.  
(revised CDY-2)  
Page 23 of 24**

**PROGRAM TITLE:**

Affordable Housing Building and Providers Program

**PROGRAM DESCRIPTION:**

Florida Public Utilities Company will identify the affordable housing builders within the service area and will encourage them to attend educational seminars and workshops related to energy efficient construction, retrofit programs, and financing programs. Florida Public Utilities Company will work with the Florida Energy Extension Service and other seminar sponsors to offer a minimum of two seminars and/or workshops per year. Florida Public Utilities Company will work with all sponsors to reduce or eliminate attendance fees for affordable housing providers.

**PROGRAM PROJECTIONS:**

For the twelve-month period of January to December 2013, fiscal expenditures are projected to be \$0.

**PROGRAM ACTIVITY AND EXPENDITURES:**

From January 2012 through July 2012 actual expenditures were \$0. For January 2012 through December 2012 the projected expenses are \$0.

**EXHIBIT NO. \_\_\_\_\_  
DOCKET NO. 120002-EG  
FLORIDA PUBLIC UTILITIES CO.  
(revised CDY-2)  
Page 24 of 24**