

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

September 19, 2012

HAND DELIVERY

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

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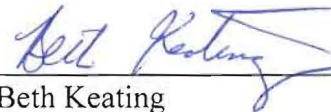
Re: Docket No. 120004-GU – Natural Gas Conservation Cost Recovery Clause

Dear Ms. Cole:

Attached for filing, please find the original and 15 copies of the Direct Testimony and Revised Exhibit CDY-2 of Mr. Curtis Young, submitted in the referenced Docket on behalf of Florida Public Utilities Company, along with the original and 15 copies of the Company's Petition for Approval of Revised 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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cc: Parties of Record

DOCUMENT NUMBER-DATE

06304 SEP 19 12

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 120004-GU
Filed: September 19, 2012

PETITION OF THE FLORIDA PUBLIC UTILITIES COMPANY
FOR APPROVAL OF
REVISED CONSERVATION COST RECOVERY FACTORS

Florida Public Utilities Company, Consolidated Natural Gas Division (herein, "FPUC" or "Company"), pursuant to Rule 25-17.015, Florida Administrative Code, hereby submits this petition to the Commission for approval of its **revised** Conservation Cost Recovery Adjustment factors listed herein below to be applied to bills rendered for meter readings taken between January 1, 2013 and December 31, 2013. The Company's projections have been revised to eliminate programs that are anticipated, but not yet filed for Commission approval. In support hereof, the Company states:

1. The exact name of the Company and the address of its principal business office is:

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

2. The name and address of the persons authorized to receive notices and communications in respect to this docket is:

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

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

3. The Conservation Cost Recovery Adjustment factors were calculated in accordance with the methodology that has been previously approved by the Commission. The factors are

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

designed to recover the projected energy conservation program expenses of the Company for the period January 1, 2013 through December 31, 2013, adjusted for the net true-up (which includes the estimated energy conservation true-up for the period January 1, 2012 through December 31, 2012), as well as interest calculated in accordance with the methodology established by the Commission. The calculation of the factors and the supporting documentation is contained in the prepared testimony of the Company witness, Mr. Curtis Young and Revised Exhibit CDY-2.

4. The Company projects total energy conservation program expenses of \$2,834,500 for the period January 2013 through December 2013. The projected net true-up is an over-recovery of \$300,468. After adding the projected energy conservation expenses to the amount of this over-recovery, a total of \$2,534,032 remains to be recovered during the period January 1, 2013 through December 31, 2013. Dividing this total among the Company's rate classes and then dividing this result by the projected gas throughput for the period by rate class, and expanding for taxes, results in the following Conservation Cost Recovery Adjustment factors for which the Company seeks approval in this petition.

<u>Rate Class</u>	<u>Adjustment Factor (dollars per therm)</u>
Residential	<u>\$0.07871</u>
General Service & Transportation (GS1)	<u>\$0.05574</u>
General Service & Transportation (GS2)	<u>\$0.04179</u>
Large Volume Service	<u>\$0.03191</u>
LV Service Transportation <50,000	<u>\$0.03191</u>
LV Transportation Service >50,000	<u>\$0.03191</u>

WHEREFORE, THE FLORIDA PUBLIC UTILITIES COMPANY asks that the Commission grant this petition, and approve the above Conservation Cost Recovery

Docket No. 120004-GU

Page 3

Adjustment factors to be applied to bills rendered for meter readings taken between January 1, 2013 and December 31, 2013, inclusive.

RESPECTFULLY submitted this 19th day of September 2012.

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


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

*Attorneys for Florida Public Utilities
Company*

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the Petition of the Florida Public Utilities Company, as well as the Direct Testimony and Revised Exhibits of Mr. Curtis Young, has been furnished by U.S. Mail to the following parties of record this 19th 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

Revised Direct Testimony of
Curtis D. Young
On Behalf of
FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED NATURAL GAS DIVISION

1

2 **Q. Please state your name and business address.**

3 A. Curtis D. Young. My business address is 1641 Worthington Drive Suite 220,
4 West Palm Beach, Florida 33409.

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

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

8 **Q. Can you please provide a brief overview of your background and
9 business experience?**

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

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

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

1 **Q. Have you included descriptions and summary information on the**
2 **Conservation Programs currently approved and available to your**
3 **customers?**

4 A. Yes, the Company has included summaries of the approved conservation
5 programs currently available to our customers in C-5 of Revised Exhibit
6 CDY-2.

7 **Q. Were the summaries of the Company's Conservation Programs and the**
8 **Costs associated with these Programs completed under your direction or**
9 **review?**

10 A. Yes, the standard review process also included the Energy Conservation
11 Supervisor, the Director of Marketing and Sales and the Director of
12 Regulatory Affairs.

13 **Q. What are the total projected costs for the period January 2013 through**
14 **December 2013 in the Consolidated Natural Gas Division?**

15 A. The total projected Conservation Program Costs are \$2,834,500. Please see
16 Schedule C-2, page 2, for the programmatic and functional breakdown of
17 these total costs.

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

19 A. The Company experienced increased conservation related payroll and
20 associated conservation costs in 2011 compared to 2010 and prior years. The
21 increases related to internal changes to job functions and the Marketing
22 Department structure in association with intensified efforts to promote cost
23 saving and energy efficient conservation programs. As more fully described
24 herein, the Company has reassessed its conservation efforts and focus to better

1 align itself with current economic and market conditions. This realignment
2 has impacted not only the level of charges to the conservation program, but
3 also the positions that actually perform conservation related activities.

4 **Q. What impacts, if any, has the economy and changes in the housing**
5 **market had on conservation programs?**

6 A. The new residential housing construction market continues to be at levels well
7 below previous years' levels, foreclosures have been at record high levels and
8 existing and potential customers want help in finding ways to save money on
9 their utility bills. The Company's market assessment revealed, among other
10 things, that the Company should shift its focus to the conservation programs
11 that are designed to assist existing customers and potential customers
12 (premises) that are adjacent to natural gas infrastructure (all electric homes
13 that have a natural gas main close by), rather than the traditional new
14 residential construction markets. These conservation programs, however, are
15 more labor and resource intensive than the new residential construction
16 program. Where the new residential construction program is relationship
17 oriented (one builder/developer, many rebates), these conservation programs
18 are transactional (one customer, one rebate). As such, the Company projected
19 the effects of these changes in its recent energy conservation projection
20 filings. Actual 2011 results confirm that the Company has increased its payroll
21 and associated (travel) costs and advertisement costs to its conservation
22 programs. At the same time, however, the number of individual customers
23 assisted, as demonstrated by the number of rebates paid under these programs
24 (Residential Appliance Replacement and Residential Appliance Retention

1 Programs) has also increased by about 139% and 34%, respectively. Thus,
2 additional expenditures have resulted in more participation by customers of
3 these important energy conservation programs. Similar results and expense
4 levels are expected to continue through 2013.

5 **Q. What is the true-up for the period January 2012 through December**
6 **2012?**

7 A. As reflected in the Schedule C-3, Page 4 of 5, the True-up amount for the
8 Consolidated Natural Gas Division is an over-recovery of \$300,468.

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

11 A. The total costs to be recovered are \$2,534,032.

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

14 A. The Conservation Adjustment Factors per therm for the Consolidated Natural
15 Gas Division are:

16 Residential	<u>\$0.07871</u>
17 General Service & Transportation (GS1)	<u>\$0.05574</u>
18 General Service & Transportation (GS2)	<u>\$0.04179</u>
19 Large Volume Service	<u>\$0.03191</u>
20 LV Service Transportation <50,000	<u>\$0.03191</u>
21 LV Transportation Service >50,000	<u>\$0.03191</u>

22 **Q. Do these charges apply to your entire natural gas customer base?**

23 A. No, the customer classes for Outdoor Lights, Interruptible and Interruptible

1 Transportation have always been exempt from the Conservation Adjustment
2 Factor due to the distinctive service provided by the Company.

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

4 A. Yes. I wish to sponsor as Exhibits Schedules C-1, C-2, C-3, and C-5 (Revised
5 Composite Prehearing Identification Number CDY-2), which have been filed
6 with this testimony.

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

8 A. Yes.

FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED 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)	\$ 2,834,500
2. TRUE-UP (SCHEDULE C-3, PAGE 4, LINE 11)	\$ (300,468)
3. TOTAL (LINE 1 AND LINE 2)	\$ 2,534,032

RATE SCHEDULE	BILLS	THERMS	CUSTOMER CHARGE	NON-GAS ENERGY CHARGE	TOTAL CUST. & ENGY CHG REVENUE	ECCR REVENUES	ECCR AS % OF TOTAL REVENUES	DOLLARS PER THERM	TAX FACTOR	CONSERV FACTOR
RESIDENTIAL	596,220	12,969,830	6,558,420	6,462,607	13,021,027	1,015,750	7.80085%	\$ 0.07832	1.00503	\$ 0.07871
COMMERCIAL SMALL (General Service & GS Transportation <600)	14,976	937,140	299,520	366,759	666,279	51,975	7.80085%	\$ 0.05546	1.00503	\$ 0.05574
COMMERCIAL SMALL (General Service & GS Transportation >600)	27,888	6,498,050	920,304	2,543,077	3,463,381	270,173	7.80085%	\$ 0.04158	1.00503	\$ 0.04179
COMM. LRG VOLUME (Large Vol & LV Transportation < 50,000 units)	22,332	37,673,180	2,009,880	13,323,497	15,333,377	1,196,133	7.80085%	\$ 0.03175	1.00503	\$ 0.03191
LARGE VOL TRANSPORT. (LG VOL TRANS. > 50,000 units)	0	0	0	0	0	0	7.80085%	\$ 0.03175	1.00503	\$ 0.03191
TOTAL	661,416	58,078,200	9,788,124	22,695,940	32,484,064	2,534,032				

FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED 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 Full House Residential New Construction	41,792	41,792	41,792	41,792	41,792	41,792	41,792	41,792	41,792	41,792	41,792	41,788	501,500
2 Resid. Appliance Replacement	50,125	50,125	50,125	50,125	50,125	50,125	50,125	50,125	50,125	50,125	50,125	50,125	601,500
3 Conservation Education	11,625	11,625	11,625	11,625	11,625	11,625	11,625	11,625	11,625	11,625	11,625	11,625	139,500
4 Space Conditioning	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000
5 Residential Conservation Survey	3,563	3,563	3,563	3,563	3,563	3,563	3,563	3,563	3,563	3,563	3,563	3,557	42,750
6 Residential Appliance Retention	58,958	58,958	58,958	58,958	58,958	58,958	58,958	58,958	58,958	58,958	58,958	58,962	707,500
7 Commercial Conservation Survey	1,479	1,479	1,479	1,479	1,479	1,479	1,479	1,479	1,479	1,479	1,479	1,481	17,750
8 Residential Service Reactivation	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	45,000
9 Common	62,375	62,375	62,375	62,375	62,375	62,375	62,375	62,375	62,375	62,375	62,375	62,375	748,500
10 Conserv. Demonstration and Development	1,042	1,042	1,042	1,042	1,042	1,042	1,042	1,042	1,042	1,042	1,042	1,038	12,500
11													
12													
13													
TOTAL ALL PROGRAMS	<u>236,209</u>	<u>236,209</u>	<u>236,209</u>	<u>236,209</u>	<u>236,209</u>	<u>236,209</u>	<u>236,209</u>	<u>236,209</u>	<u>236,209</u>	<u>236,209</u>	<u>236,209</u>	<u>236,201</u>	<u>2,834,500</u>

FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED 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 Full House Residential New Construction	0	43,000	1,000	210,000	225,000	1,000	20,500	1,000	501,500
2 Resid. Appliance Replacement	0	48,000	1,500	270,000	255,000	1,000	25,000	1,000	601,500
3 Conservation Education	0	21,000	1,500	100,000	0	2,000	10,000	5,000	139,500
4 Space Conditioning	0	5,000	250	5,000	5,000	0	2,500	250	18,000
5 Residential Conservation Survey	0	5,000	250	15,000	0	0	2,500	20,000	42,750
6 Residential Appliance Retention	0	36,000	1,000	270,000	380,000	1,000	19,000	500	707,500
7 Commercial Conservation Survey	0	5,000	250	5,000	0	0	2,500	5,000	17,750
8 Residential Service Reactivation	0	5,000	250	30,000	5,000	2,000	2,500	250	45,000
9 Common	0	675,000	10,000	0	0	4,000	34,500	25,000	748,500
10 Conserv. Demonstration and Development	0	5,000	0	0	0	5,000	2,500	0	12,500
11									
12									
13									
PROGRAM COSTS	<u>0</u>	<u>848,000</u>	<u>16,000</u>	<u>905,000</u>	<u>870,000</u>	<u>16,000</u>	<u>121,500</u>	<u>58,000</u>	<u>2,834,500</u>

EXHIBIT NO. _____
DOCKET NO. 120004-GU
FLORIDA PUBLIC UTILITIES COMPANY
(REVISED CDY-2)
PAGE 3 OF 18

FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED 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 Full House Residential New Construction									
A. ACTUAL (JAN-JUL)	0	21,288	283	46,289	117,622	333	3,961	223	189,999
B. ESTIMATED (AUG-DEC)	0	46,668	2,919	72,918	87,498	0	1,249	829	212,081
C. TOTAL	0	67,956	3,202	119,207	205,120	333	5,210	1,052	402,080
2 Resid. Appliance Replacement									
A. ACTUAL (JAN-JUL)	0	26,057	359	52,568	145,035	9,898	4,895	85	238,897
B. ESTIMATED (AUG-DEC)	0	64,589	5,009	100,010	83,339	0	2,085	1,674	256,706
C. TOTAL	0	90,646	5,368	152,578	228,374	9,898	6,980	1,759	495,603
3 Conservation Education									
A. ACTUAL (JAN-JUL)	0	10,635	134	33,594	0	0	2,663	4,183	51,209
B. ESTIMATED (AUG-DEC)	0	4,170	2,080	37,500	0	4,170	830	0	48,750
C. TOTAL	0	14,805	2,214	71,094	0	4,170	3,493	4,183	99,959
4 Space Conditioning									
A. ACTUAL (JAN-JUL)	0	684	9	225	0	0	159	6	1,083
B. ESTIMATED (AUG-DEC)	0	420	0	8,330	1,250	0	0	0	10,000
C. TOTAL	0	1,104	9	8,555	1,250	0	159	6	11,083
5 Residential Conservation Survey									
A. ACTUAL (JAN-JUL)	0	0	0	0	0	0	0	14,912	14,912
B. ESTIMATED (AUG-DEC)	0	4,170	1,250	16,669	0	8,330	0	0	30,419
C. TOTAL	0	4,170	1,250	16,669	0	8,330	0	14,912	45,331
6 Residential Appliance Retention									
A. ACTUAL (JAN-JUL)	0	20,812	292	52,568	155,460	333	3,711	86	233,262
B. ESTIMATED (AUG-DEC)	0	106,250	7,500	104,170	108,329	4,170	3,330	2,920	336,669
C. TOTAL	0	127,062	7,792	156,738	263,789	4,503	7,041	3,006	569,931
7 Commercial Conservation Survey									
A. ACTUAL (JAN-JUL)	0	0	0	400	0	0	0	2,783	3,183
B. ESTIMATED (AUG-DEC)	0	1,250	420	16,669	0	2,080	0	0	20,419
C. TOTAL	0	1,250	420	17,069	0	2,080	0	2,783	23,602
SUB-TOTAL	0	306,993	20,255	541,910	698,533	29,314	22,883	27,701	1,647,589

FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED 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	306,993	20,255	541,910	698,533	29,314	22,883	27,701	1,647,589
8 Residential Service Reactivation									
A. ACTUAL (JAN-JUL)	0	0	0	0	3,100	9,565	0	0	12,665
B. ESTIMATED (AUG-DEC)	0	830	0	24,273	2,191	0	0	0	27,294
C. TOTAL	0	830	0	24,273	5,291	9,565	0	0	39,959
9 Common									
A. ACTUAL (JAN-JUL)	0	431,495	4,816	208,731	200	2,643	65,918	18,129	731,932
B. ESTIMATED (AUG-DEC)	0	166,669	14,580	72,920	0	6,250	5,000	3,750	269,169
C. TOTAL	0	598,164	19,396	281,651	200	8,893	70,918	21,879	1,001,101
10 Conserv. Demonstration and Development									
A. ACTUAL (JAN-JUL)	0	0	0	0	0	2,500	0	0	2,500
B. ESTIMATED (AUG-DEC)	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	2,500	0	0	2,500
11									
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
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 (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
14 N/A									
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
TOTAL	0	905,987	39,651	847,834	704,024	50,272	93,801	49,580	2,691,149

FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED 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-----		-----ACTUAL-----		-----ACTUAL-----		-----ACTUAL-----		--- 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	
Full House Residential New Construction	64,817	19,697	28,322	14,817	17,347	32,608	12,391	42,417	42,417	42,417	42,417	42,413	402,080
Resid. Appliance Replacement	19,787	20,231	46,463	20,422	42,638	56,963	32,393	51,342	51,342	51,342	51,342	51,338	495,603
Conservation Education	4,051	13,389	11,537	5,363	6,085	6,333	4,451	9,750	9,750	9,750	9,750	9,750	99,959
Space Conditioning	0	0	0	0	858	225	0	2,000	2,000	2,000	2,000	2,000	11,083
Residential Conservation Survey	2,130	2,130	(2,130)	6,391	2,130	2,130	2,131	6,083	6,083	6,083	6,083	6,087	45,331
Residential Appliance Retention	31,279	31,754	37,477	37,630	43,071	67,150	(15,099)	67,333	67,333	67,333	67,333	67,337	569,931
Commercial Conservation Survey	0	0	556	835	464	864	464	4,083	4,083	4,083	4,083	4,087	23,602
Residential Service Reactivation	300	5,132	1,050	700	4,783	0	700	5,458	5,458	5,458	5,458	5,462	39,959
Common	95,571	110,225	146,596	112,355	90,305	102,172	74,708	53,833	53,833	53,833	53,833	53,837	1,001,101
Conserv. Demonstration and Development	0	0	0	0	0	0	2,500	0	0	0	0	0	2,500
TOTAL ALL PROGRAMS	217,935	202,558	269,871	198,513	207,681	268,445	114,639	242,299	242,299	242,299	242,299	242,311	2,691,149

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

	----- 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	
CONSERVATION REVS.													
RCS AUDIT FEES	0	0	0	0	0	0	0	0	0	0	0	0	0
a. OTHER PROG. REV.	0	0	0	0	0	0	0	0	0	0	0	0	0
b.	0	0	0	0	0	0	0	0	0	0	0	0	0
c	0	0	0	0	0	0	0	0	0	0	0	0	0
CONSERV. ADJ REV (NET OF REV. TAXES)	(404,101)	(341,292)	(330,215)	(300,428)	(277,407)	(243,616)	(225,925)	(283,046)	(283,046)	(283,046)	(283,046)	(283,046)	(3,538,214)
TOTAL REVENUES	(404,101)	(341,292)	(330,215)	(300,428)	(277,407)	(243,616)	(225,925)	(283,046)	(283,046)	(283,046)	(283,046)	(283,046)	(3,538,214)
PRIOR PERIOD TRUE-UP NOT APPLIC. TO PERIOD	45,549	45,553	45,553	45,553	45,553	45,553	45,553	45,553	45,553	45,553	45,553	45,553	546,632
CONSERVATION REVS. APPLIC. TO PERIOD	(358,552)	(295,739)	(284,662)	(254,875)	(231,854)	(198,063)	(180,372)	(237,493)	(237,493)	(237,493)	(237,493)	(237,493)	(2,991,582)
CONSERVATION EXPS. (FORM C-3, PAGE 3)	217,935	202,558	269,871	198,513	207,681	268,445	114,639	242,299	242,299	242,299	242,299	242,311	2,691,149
TRUE-UP THIS PERIOD	(140,617)	(93,181)	(14,791)	(56,362)	(24,173)	70,382	(65,733)	4,806	4,806	4,806	4,806	4,818	(300,433)
INTEREST THIS PERIOD (C-3,PAGE 5)	28	25	19	11	3	0	(5)	(14)	(18)	(23)	(28)	(33)	(35)
TRUE-UP & INT. BEG. OF MONTH	546,632	360,494	221,785	161,460	59,556	(10,167)	14,662	(96,629)	(137,390)	(178,155)	(218,925)	(259,700)	546,632
PRIOR TRUE-UP COLLECT./(REFUND.)	(45,549)	(45,553)	(45,553)	(45,553)	(45,553)	(45,553)	(45,553)	(45,553)	(45,553)	(45,553)	(45,553)	(45,553)	(546,632)
Audit Adj - Prior period													0
END OF PERIOD TOTAL NET TRUE-UP	360,494	221,785	161,460	59,556	(10,167)	14,662	(96,629)	(137,390)	(178,155)	(218,925)	(259,700)	(300,468)	(300,468)

FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED NATURAL GAS DIVISION
CALCULATION OF TRUE-UP AND INTEREST PROVISION
ACTUAL JANUARY 2012 THROUGH JULY 2012; ESTIMATED AUGUST 2012 THROUGH DECEMBER 2012

	----- 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	
INTEREST PROVISION													
BEGINNING TRUE-UP	546,632	360,494	221,785	161,460	59,556	(10,167)	14,662	(96,629)	(137,390)	(178,155)	(218,925)	(259,700)	
END T-UP BEFORE INT	360,466	221,760	161,441	59,545	(10,170)	14,662	(96,624)	(137,376)	(178,137)	(218,902)	(259,672)	(300,435)	
TOT BEG. & END. T-UP	907,098	582,254	383,226	221,005	49,386	4,495	(81,962)	(234,005)	(315,527)	(397,057)	(478,597)	(560,135)	
AVERAGE TRUE-UP	453,549	291,127	191,613	110,503	24,693	2,248	(40,981)	(117,003)	(157,764)	(198,529)	(239,299)	(280,068)	
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	\$28	\$25	\$19	\$11	\$3	\$0	(\$5)	(\$14)	(\$18)	(\$23)	(\$28)	(\$33)	(\$35)

**FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED NATURAL GAS DIVISION
PROGRAM DESCRIPTION AND SUMMARY**

**SCHEDULE C-5
PAGE 1 OF 10**

PROGRAM:

1. Full House Residential New Construction Program
2. Residential Appliance Replacement Program
3. Residential Appliance Retention Program
4. Residential Service Reactivation Program
5. Residential Conservation Service Program
6. Commercial Conservation Service Program
7. Conservation Education Program
8. Space Conditioning Program
9. Conservation Demonstration & Development
10. Commercial New Construction
11. Commercial Replacement
12. Commercial Retention

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**FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED NATURAL GAS DIVISION
PROGRAM DESCRIPTION AND PROGRESS**

**SCHEDULE C-5
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PROGRAM TITLE:

Full House Residential New Construction Program

PROGRAM DESCRIPTION:

This program is designed to increase the overall energy efficiency in the residential single- and multi-family new construction market by promoting energy-efficient natural gas appliances. The program offers builders and developers incentives in the form of cash allowances to defray the additional costs associated with the installation of natural gas supply lines, house piping, venting and natural gas appliances.

PROGRAM ALLOWANCES:

Furnace or Hydro heater	\$500
Tank Water Heater	\$350
High Eff. Tank Water Heater	\$400
Range	\$150
Dryer	\$100
Tankless	\$550

PROGRAM PROJECTIONS:

For the twelve-month period of January to December 2013, FPUC estimates that 550 single- and multi-family homes will be connected to its natural gas system.

PROGRAM FISCAL EXPENDITURES:

During the twelve-month period of January to December 2013, FPUC estimates expenses of \$ 501,500.

PROGRAM PROGRESS SUMMARY:

FPSC approval of this program occurred on August 29, 2000. From the inception of this program on September 1, 2000 through July 2012, FPUC has connected approximately 3,372 single- and multi-family homes to its natural gas system.

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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. The program offers incentives in the form of cash allowances to residential consumers to assist in defraying the additional costs associated with the installation of efficient natural gas appliances.

PROGRAM ALLOWANCES:

Furnace or Hydro heater	\$725
Tank Water Heater	\$500
High Eff. Tank Water Heater	\$550
Range	\$200
Dryer	\$150
Tankless	\$675

PROGRAM PROJECTIONS:

For the twelve-month period of January to December 2013, FPUC estimates that 570 natural gas appliances will be connected (limited to furnaces or hydro heaters, water heaters, ranges and dryers) to its natural gas system.

PROGRAM EXPENDITURES:

During the twelve-month period of January to December 2013, FPUC estimates expenses of \$601,500.

PROGRAM PROGRESS SUMMARY:

FPSC approval of this program occurred on August 29, 2000. This program was implemented on September 1, 2000. From the inception of the program through July 2012, FPUC has connected 3,922 appliances (only furnaces and hydro heaters, water heaters, ranges and dryers) to its natural gas system.

**FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED NATURAL GAS DIVISION
PROGRAM DESCRIPTION AND PROGRESS**

**SCHEDULE C-5
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PROGRAM TITLE:

Residential Appliance Retention Program

PROGRAM DESCRIPTION:

This program is designed to promote the retention of energy-efficient appliances for current natural gas customers. The program offers allowances to customers to assist in defraying the cost of purchasing and installing more expensive energy-efficient appliances.

PROGRAM ALLOWANCES:

Furnace or Hydro heater	\$500
Tank Water Heater	\$350
High Eff. Tank Water Heater	\$400
Range	\$100
Dryer	\$100
Tankless	\$550

PROGRAM PROJECTIONS:

For the twelve-month period of January to December 2013, FPUC estimates that 1050 appliances will be connected to its system.

PROGRAM FISCAL EXPENDITURES:

During the twelve-month period of January to December 2013, FPUC estimates expenses of \$707,500.

PROGRAM PROGRESS SUMMARY:

FPSC approval of this program occurred on August 29, 2000. This program was implemented on September 1, 2000. From the inception of this program through July 2012, FPUC has retained 8,469 natural gas appliances connected to its distributions system.

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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 in the form of cash allowances to residential consumers to assist in defraying the additional costs associated with the purchase and the installation of energy-efficient natural gas appliances.

PROGRAM ALLOWANCES:

Service Reactivation (the installation of a water heater is required) \$350

PROGRAM PROJECTIONS:

For the twelve-month period of January to December 2013, FPUC estimates that 10 services will be reactivated with water heaters on its natural gas system.

PROGRAM FISCAL EXPENDITURES:

During the twelve-month period of January to December 2013, FPUC estimates expenses of \$45,000.

PROGRAM PROGRESS SUMMARY:

FPSC approval of this program occurred on August 29, 2000. This program was implemented on September 1, 2000. From the inception of this program through July 2012, FPUC has reactivated 16 customers with water heaters to its distributions system.

PROGRAM TITLE:

Residential Conservation Survey Program

PROGRAM DESCRIPTION:

This program is designed to assist residential customers in conserving all forms of energy consumption. Certified company representatives or private contractors will conduct energy surveys. This service will be provided based on customer requests and scheduling availability.

PROGRAM ALLOWANCES:

Not applicable.

PROGRAM PROJECTIONS:

For the twelve-month period of January to December 2013, FPUC estimates that 45 residential customers will participate in this program.

PROGRAM FISCAL EXPENDITURES:

During the twelve-month period of January to December 2013, FPUC estimates expenses of \$42,750.

PROGRAM PROGRESS SUMMARY:

FPSC approval of this program occurred on August 29, 2000. This program was implemented on September 1, 2000. Since the inception of this program through July 2012, 269 residential customers have participated. Changes in FPUC's Marketing Department staff and the training of personnel have also affected the active marketing of this program to its customers.

PROGRAM TITLE:

Commercial Conservation Survey Program

PROGRAM DESCRIPTION:

This program is designed to assist commercial customers in conserving all forms of energy consumption. Certified company representatives or private contractors will conduct energy surveys. This service will be provided based on customer requests and scheduling availability.

PROGRAM ALLOWANCES:

Not applicable.

PROGRAM PROJECTIONS:

For the twelve-month period of January to December 2011, FPUC estimates that 25 commercial customers will participate in this program.

PROGRAM FISCAL EXPENDITURES:

During the twelve-month period of January to December 2011, FPUC estimates expenses of \$17,750.

PROGRAM PROGRESS SUMMARY:

FPSC approval of this program occurred on August 29, 2000. This program was implemented on September 1, 2000. From the inception of this program through July 2012, 162 commercial customers have participated.

**FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED NATURAL GAS DIVISION
PROGRAM DESCRIPTION AND PROGRESS**

**SCHEDULE C-5
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PROGRAM TITLE:

Conservation Education Program

PROGRAM DESCRIPTION:

The purpose of this program is to teach adult and young people about conservation measures designed to reduce energy consumption and consequently reduce their utility bills.

PROGRAM ALLOWANCES:

Not applicable.

PROGRAM PROJECTONS:

For the twelve-month period of January to December 2013, FPUC estimates that 30 adult and youth presentations with 1000 participants will result from this program.

PROGRAM FISCAL EXPENDITURES:

During this twelve-month period of January to December 2013, FPUC estimates expenses of \$139,500

PROGRAM PROGRESS SUMMARY:

FPSC approval of this program occurred on August 29, 2000. This program was implemented on September 1, 2000. From the inception of this program through July 2012, FPUC has given 157 adult and youth educational presentations.

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**FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED GAS DIVISION
PROGRAM DESCRIPTION AND PROGRESS**

**SCHEDULE C-5
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PROGRAM TITLE:

Space Conditioning Program

PROGRAM DESCRIPTION:

This program is designed to convert on-main customers from electric space conditioning equipment to energy-efficient natural gas space conditioning equipment. The program provides an allowance to qualifying participants to compensate for higher initial costs of natural gas space conditioning equipment and the associated installation costs. This program also reduces summer as well as winter peak demand and contributes to the conservation of kwh/kwd consumption.

PROGRAM ALLOWANCES:

Residential	\$1200 (For Robur model or equivalent unit)
Non-Residential	\$ 50 per ton

PROGRAM PROJECTIONS:

For the twelve-month period of January to December 2013, FPUC estimates that 2 customer projects will utilize this program.

PROGRAM FISCAL EXPENDITURES:

During the twelve-month period of January to December 2013, FPUC estimates expenses of \$18,000.

PROGRAM PROGRESS SUMMARY:

FPSC approval of this program occurred on August 29, 2000. This program was implemented on September 1, 2000. From the inception of this program through July 2012, FPUC has connected 8 space conditioning projects to its natural gas system.

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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. 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 ALLOWANCES:

Not applicable.

PROGRAM PROJECTIONS:

For the twelve-month period of January to December 2013, the Company estimates expenses of \$12,500 for this program.

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