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May 2, 2013

HAND DELIVERY

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

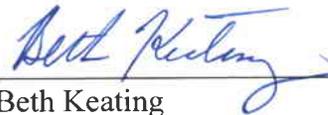
Re: Docket No. 130004-GU – Natural Gas Conservation Cost Recovery Clause

Dear Ms. Cole:

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

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

Sincerely,



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

COM 5
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ECO 6 + 15
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CLK 1 - Ct Prep

MEK
cc: Parties of Record

DOCUMENT NUMBER-DATE

02464 MAY-2 2013

Docket No. 130004-GU

WHEREFORE, FPUC respectfully requests that the Commission enter an Order approving the Company's final natural gas conservation true-up amount for the period January 1, 2012 through December 31, 2012.

RESPECTFULLY SUBMITTED this 2nd day of May 2013.



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

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of FPUC's Petition for Approval of the Conservation Cost Recovery True-Up Amount in Docket No. 130004-GU has been furnished by regular U.S. Mail to the following parties of record this 2nd day of May 2013, along with a copy of the referenced Testimony and Exhibit of Mr. Young:

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



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

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 130004-GU
DETERMINATION OF CONSERVATION COSTS RECOVERY FACTOR

Direct Testimony of
CURTIS D. YOUNG
(Final True-Up)
On Behalf of
FLORIDA PUBLIC UTILITIES COMPANY

1 Q. Please state your name and business address.

2 A. Curtis D. Young: my business address is 1641 Worthington Road,
3 Suite 220, West Palm Beach, Florida 33409.

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

5 A. I am employed by Florida Public Utilities Company as Senior
6 Regulatory Analyst.

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

8 A. To advise the Commission of the actual over/under recovery of the
9 Conservation costs for the period January 1, 2012 through
10 December 31, 2012 as compared to the amount previously reported
11 for that period which was based on seven months actual and five
12 months estimated data.

13 Q. Please state the actual amount of over/under recovery of
14 Conservation Program costs for the gas divisions of Florida
15 Public Utilities Company for January 1, 2012 through December 31,
16 2012.

1 A. The Company over-recovered \$311,201 during that period. This
2 amount is substantiated on Schedule CT-3, page 2 of 3,
3 Calculation of True-up and Interest Provision.

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

6 A. We had estimated that we would over-recover \$282,792 as of
7 December 31, 2012.

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

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

11 Q. Does this conclude your testimony?

12 A. Yes.

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

SCHEDULE CT-1

CONSERVATION ADJUSTMENT TRUE-UP

PAGE 1 OF 1

FOR MONTHS January-12 THROUGH December-12

1.	ADJUSTED END OF PERIOD TOTAL NET TRUE-UP		
2.	FOR MONTHS January-12 THROUGH December-12		
3.	END OF PERIOD NET TRUE-UP		
4.	PRINCIPAL	<u>(311,304)</u>	
5.	INTEREST	<u>103</u>	<u>(311,201)</u>
6.	LESS PROJECTED TRUE-UP		
7.	November-05 (DATE) HEARINGS		
8.	PRINCIPAL	<u>(282,779)</u>	
9.	INTEREST	<u>(13)</u>	<u>(282,792)</u>
10.	ADJUSTED END OF PERIOD TOTAL TRUE-UP		<u>(28,409)</u>

EXHIBIT NO. _____
DOCKET NO. 130004-GU
FLORIDA PUBLIC UTILITIES COMPANY
(CDY-1)
PAGE 1 OF 19

ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS
ACTUAL VS PROJECTED

	FOR MONTHS	January-12	THROUGH	December-12	
		<u>ACTUAL</u>		<u>PROJECTED</u>	<u>DIFFERENCE</u>
1.	Labor/Payroll	613,169		905,987	(292,818)
2.	Advertisement	1,004,818		847,834	156,984
3.	Legal	4,719		1,280	3,439
4.	Outside Services	27,055		48,992	(21,937)
5.	Vehicle	24,187		30,645	(6,458)
6.	Materials & Supplies	7,102		39,651	(32,549)
7.	Travel	74,627		63,156	11,471
8.	General & Administrative				
9.	Incentives	824,096		704,024	120,072
10.	Other	75,881		49,580	26,301
11.	SUB-TOTAL	2,655,654		2,691,149	(35,495)
12.	PROGRAM REVENUES				
13.	TOTAL PROGRAM COSTS	2,655,654		2,691,149	(35,495)
14.	LESS: PRIOR PERIOD TRUE-UP	573,895		564,286	9,609
15.	AMOUNTS INCLUDED IN RATE BASE				
16.	CONSERVATION ADJ REVENUE	(3,540,853)		(3,538,214)	(2,639)
17.	ROUNDING ADJUSTMENT				
18.	TRUE-UP BEFORE INTEREST	(311,304)		(282,779)	(28,525)
19.	ADD INTEREST PROVISION	103		(13)	116
20.	END OF PERIOD TRUE-UP	(311,201)		(282,792)	(28,409)

() REFLECTS OVERRECOVERY

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

SCHEDULE CT-2
PAGE 2 OF 3

ACTUAL CONSERVATION PROGRAM COSTS PER PROGRAM

FOR MONTHS January-12 THROUGH December-12

PROGRAM NAME	50 LABOR/PAY	51 ADVERTISE.	52 LEGAL	53 OUT.SERV.	54 VEHICLE	55 MAT.&SUPP.	56 TRAVEL	57 G & A	58 INCENTIVES	59 OTHER	SUB TOTAL	PROGRAM REVENUES	TOTAL
1. Full House Residential New Construction	25,701	110,750		333	1,610	942	3,176		182,922	231	325,665		325,665
2. Residential Appliance Replacement	31,397	295,557		9,899	1,954	430	3,930		261,516	93	604,776		604,776
3. Conservation Education	15,630	83,725			964	196	3,285			6,791	110,591		110,591
4. Space Conditioning	684	268			38	9	120			7	1,126		1,126
5. Residential Conservation Service		4,438								33,340	37,778		37,778
6. Residential Appliance Retention	27,000	257,866		333	1,976	372	2,713		372,201	100	662,561		662,561
7. Dealer / Contractor (Inactive)													
10. Commercial Conservation Service	1,393	400			87	14	97			5,102	7,093		7,093
12													
13. Residential Service Reactivation Program	3,080			9,565	188	35	219		6,951	2	20,040		20,040
14. Common	507,525	251,814	4,719	1,363	17,320	5,101	61,036		506	30,214	879,598		879,598
15. Conservation Demonstration and Development	759			5,562	50	3	51			1	6,426		6,426
TOTAL ALL PROGRAMS	613,169	1,004,818	4,719	27,055	24,187	7,102	74,627		824,096	75,881	2,655,654		2,655,654

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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

SCHEDULE CT-2
PAGE 3 OF 3

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

FOR MONTHS January-12 THROUGH December-12

PROGRAM NAME	LABOR/PAY	ADVERTISE.	LEGAL	OUT.SERV.	VEHICLE	MAT.&SUPP.	TRAVEL	G & A	INCENTIVES	OTHER	SUB TOTAL	PROGRAM REVENUES	TOTAL
1. Full House Residential New Construction	(42,255)	(8,457)			(948)	(2,260)	524		(22,198)	(821)	(76,415)		(76,415)
2. Residential Appliance Replacement	(59,249)	142,979		1	(1,725)	(4,938)	627		33,142	(1,666)	109,171		109,171
3. Conservation Education	825	12,631		(4,170)	(518)	(2,018)	1,275			2,608	10,633		10,633
4. Space Conditioning	(420)	(8,287)							(1,250)	1	(9,956)		(9,956)
5. Residential Conservation Service	(4,170)	(12,231)		(8,330)		(1,250)				18,428	(7,553)		(7,553)
6. Residential Appliance Retention	(100,062)	101,128		(4,170)	(2,904)	(7,420)	552		108,412	(2,906)	92,630		92,630
7. Dealer / Contractor (Inactive)													
10. Commercial Conservation Service	143	(16,669)		(2,080)	87	(406)	97			2,319	(16,509)		(16,509)
12													
13. Residential Service Reactivation Program	2,250	(24,273)			188	35	219		1,660	2	(19,919)		(19,919)
14. Common	(90,639)	(29,837)	3,439	(6,250)	(688)	(14,295)	8,126		306	8,335	(121,503)		(121,503)
15. Conservation Demonstration and Development	759			3,062	50	3	51			1	3,926		3,926
TOTAL ALL PROGRAMS	(292,818)	156,984	3,439	(21,937)	(6,458)	(32,549)	11,471		120,072	26,301	(35,495)		(35,495)

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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

SCHEDULE CT-3
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ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION
SUMMARY OF EXPENSES BY PROGRAM BY MONTH

FOR MONTHS		January-12	THROUGH December-12										TOTAL	
A. CONSERVATION EXPENSE BY PROGRAM		JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1.	Full House Residential New Construction	64,817	19,698	28,322	14,817	17,347	32,608	12,391	65,773	15,585	20,396	19,426	14,485	325,665
2.	Residential Appliance Replacement	19,787	20,231	46,464	20,422	42,638	56,963	32,393	70,934	85,068	66,175	54,016	89,685	604,776
3.	Conservation Education	4,051	13,389	11,537	5,363	6,085	6,333	4,451	10,441	3,690	13,097	16,385	15,769	110,591
4.	Space Conditioning					858	225						43	1,126
5.	Residential Conservation Service	2,130	2,130	(2,130)	6,391	2,131	2,130	2,130	3,750	4,489	283	4,249	10,095	37,778
6.	Residential Appliance Retention	31,279	31,754	37,477	37,630	43,070	67,151	(15,099)	73,162	128,204	88,471	59,804	79,658	662,561
7.	Dealer / Contractor (Inactive)													
10.	Commercial Conservation Service			556	834	464	864	464	464	464	1,267	464	1,252	7,093
12.														
13.	Residential Service Reactivation Program	300	5,132	1,050	700	4,782		700	350	2,452	1,214	1,315	2,045	20,040
14.	Common	95,571	110,225	146,596	103,462	90,305	102,172	74,708	97,449	62,468	83,785	71,609	(158,752)	879,598
15.	Conservation Demonstration and Development							2,500			864	1,150	1,912	6,426
21. TOTAL ALL PROGRAMS		217,935	202,559	269,872	189,619	207,680	268,446	114,638	322,323	302,420	275,552	228,418	56,192	2,655,654
22. LESS AMOUNT INCLUDED IN RATE BASE														
23. RECOVERABLE CONSERVATION EXPENSES		217,935	202,559	269,872	189,619	207,680	268,446	114,638	322,323	302,420	275,552	228,418	56,192	2,655,654

EXHIBIT NO. _____
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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY
 CALCULATION OF TRUE-UP AND INTEREST PROVISION
 FOR MONTHS January-12 THROUGH December-12

SCHEDULE CT-3
 PAGE 2 OF 3

B. CONSERVATION REVENUES	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1. RESIDENTIAL CONSERVATION													
2. CONSERVATION ADJ. REVENUES	(404,101)	(341,292)	(330,215)	(300,428)	(277,407)	(243,616)	(225,925)	(211,312)	(239,712)	(262,387)	(331,343)	(373,115)	(3,540,853)
3. TOTAL REVENUES	(404,101)	(341,292)	(330,215)	(300,428)	(277,407)	(243,616)	(225,925)	(211,312)	(239,712)	(262,387)	(331,343)	(373,115)	(3,540,853)
4. PRIOR PERIOD TRUE-UP ADJ. NOT APPLICABLE TO THIS PERIOD	47,820	47,825	47,825	47,825	47,825	47,825	47,825	47,825	47,825	47,825	47,825	47,825	573,895
5. CONSERVATION REVENUE APPLICABLE	(356,281)	(293,467)	(282,390)	(252,603)	(229,582)	(195,791)	(178,100)	(163,487)	(191,887)	(214,562)	(283,518)	(325,290)	(2,966,958)
6. CONSERVATION EXPENSES (FROM CT-3, PAGE 1, LINE 23)	217,935	202,559	269,872	189,619	207,680	268,446	114,638	322,323	302,420	275,552	228,418	56,192	2,655,654
7. TRUE-UP THIS PERIOD (LINE 5 - 6)	(138,346)	(90,908)	(12,518)	(62,984)	(21,902)	72,655	(63,462)	158,836	110,533	60,990	(55,100)	(269,098)	(311,304)
8. INTEREST PROVISION THIS PERIOD (FROM CT-3, PAGE 3, LINE 10)	30	28	22	13	4	2	(3)	(3)	7	11	7	(15)	103
9. TRUE-UP AND INTEREST PROVISION BEGINNING OF MONTH	573,895	387,759	249,054	188,733	77,937	8,214	33,046	(78,244)	32,764	95,479	108,655	5,737	573,895
9A. DEFERRED TRUE-UP BEGINNING OF PERIOD													
10. PRIOR TRUE-UP COLLECTED (REFUNDED)	(47,820)	(47,825)	(47,825)	(47,825)	(47,825)	(47,825)	(47,825)	(47,825)	(47,825)	(47,825)	(47,825)	(47,825)	(573,895)
11. TOTAL NET TRUE-UP (LINES 7+8+9+9A+10)	387,759	249,054	188,733	77,937	8,214	33,046	(78,244)	32,764	95,479	108,655	5,737	(311,201)	(311,201)

EXHIBIT NO. _____
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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

SCHEDULE CT-3
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CALCULATION OF TRUE-UP AND INTEREST PROVISION

FOR MONTHS January-12 THROUGH December-12

C.	INTEREST PROVISION	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1.	BEGINNING TRUE-UP (LINE B-9)	573,895	387,759	249,054	188,733	77,937	8,214	33,046	(78,244)	32,764	95,479	108,655	5,737	573,895
2.	ENDING TRUE-UP BEFORE INTEREST (LINES B7+B9+B9A+B10)	387,729	249,026	188,711	77,924	8,210	33,044	(78,241)	32,767	95,472	108,644	5,730	(311,186)	(311,304)
3.	TOTAL BEG. AND ENDING TRUE-UP	961,624	636,785	437,765	266,657	86,147	41,258	(45,195)	(45,477)	128,236	204,123	114,385	(305,449)	262,591
4.	AVERAGE TRUE-UP (LINE C-3 X 50%)	480,812	318,393	218,883	133,329	43,074	20,629	(22,598)	(22,739)	64,118	102,062	57,193	(152,725)	131,296
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%	0.13%	0.12%	0.15%	0.13%	
6.	INTEREST RATE - FIRST DAY OF SUBSEQUENT BUSINESS MONTH	0.08%	0.13%	0.11%	0.13%	0.12%	0.15%	0.14%	0.13%	0.12%	0.15%	0.13%	0.10%	
7.	TOTAL (LINE C-5 + C-6)	0.15%	0.21%	0.24%	0.24%	0.25%	0.27%	0.29%	0.27%	0.25%	0.27%	0.28%	0.23%	
8.	AVG. INTEREST RATE (C-7 X 50%)	0.08%	0.11%	0.12%	0.12%	0.13%	0.14%	0.15%	0.14%	0.13%	0.14%	0.14%	0.12%	
9.	MONTHLY AVERAGE INTEREST RATE	0.006%	0.009%	0.010%	0.010%	0.010%	0.011%	0.012%	0.011%	0.010%	0.011%	0.012%	0.010%	
10.	INTEREST PROVISION (LINE C-4 X C-9)	30	28	22	13	4	2	(3)	(3)	7	11	7	(15)	103

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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

SCHEDULE CT-4
PAGE 1 OF 1

SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION & RETURN

FOR MONTHS January-12 THROUGH December-12

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

EXHIBIT NO. _____
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FLORIDA PUBLIC UTILITIES COMPANY
(CDY-1)
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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

SCHEDULE CT-6
PAGE 1 OF 1

RECONCILIATION AND EXPLANATION OF
DIFFERENCES BETWEEN FILING AND PSC AUDIT

FOR MONTHS January-12 THROUGH December-12

AUDIT EXCEPTION: TO OUR KNOWLEDGE, NONE EXIST

COMPANY RESPONSE:

EXHIBIT NO. _____
DOCKET NO. 130004-GU
FLORIDA PUBLIC UTILITIES COMPANY
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1. Residential New Construction Program
2. Residential Appliance Replacement Program
3. Residential Appliance Retention Program
4. Residential Service Reactivation Program
5. Residential Conservation Survey Program
6. Commercial Conservation Survey Program
7. Conservation Education Program
8. Space Conditioning Program
9. Conservation Demonstration and Development Program

PROGRAM TITLE: Residential New Construction Program

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

CURRENT APPROVED ALLOWANCES:

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

PROGRAM ACCOMPLISHMENTS: For the reporting period January 1, 2012 through December 31, 2012, 703 incentives were paid. There were 143 Tank Water Heaters, 0 High Efficiency Tank Water Heaters, 82 Tankless Water Heaters, 176 Furnaces, 172 Ranges and 130 Dryers.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2012 through December 31, 2012 were **\$325,665**.

PROGRAM TITLE: Residential Appliance Replacement Program

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

CURRENT APPROVED ALLOWANCES:

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

PROGRAM ACCOMPLISHMENTS: For the reporting period January 1, 2012 through December 31, 2012, 486 incentives were paid. There were 30 Tank Water Heaters, 1 High Efficiency Tank Water Heaters, 249 Tankless Water Heaters, 9 Furnaces, 112 Ranges and 85 Dryers.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2012 through December 31, 2012 were **\$604,776**.

PROGRAM PROGRESS SUMMARY: The FPSC approved this program on August 29, 2000. From the inception through the reporting period of this program, FPUC has converted 7,861 natural gas hot water heaters.

PROGRAM TITLE: Residential Appliance Retention Program

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

CURRENT APPROVED ALLOWANCES:

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

PROGRAM ACCOMPLISHMENTS: For the reporting period January 1, 2012 through December 31, 2012, 1096 incentives were paid. There were 450 Tank Water Heaters, 6 High Efficiency Tank Water Heaters, 223 Tankless Water Heaters, 137 Furnaces, 175 Ranges and 105 Dryers.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2012 through December 31, 2012 were **\$662,561**.

PROGRAM PROGRESS SUMMARY: The FPSC approved this program on August 29, 2000. From the inception through the reporting period, FPUC has retained 7,606 natural gas hot water heaters.

PROGRAM TITLE: Residential Service Reactivation Program

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

PROGRAM ACCOMPLISHMENTS: For the reporting period January 1, 2012 through December 31, 2012, 18 incentives were paid.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2012 through December 31, 2012 were **\$20,040**.

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

PROGRAM TITLE: Residential Conservation Survey Program

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

PROGRAM ACCOMPLISHMENTS: This year a total of 22 residential surveys were performed.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2012 through December 31, 2012 were **\$37,778**.

PROGRAM PROGRESS SUMMARY: This program was implemented on September 1, 2000. Since inception through the reporting period, 162 residential customers have participated.

PROGRAM TITLE: Commercial Conservation Survey Program

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

PROGRAM ACCOMPLISHMENTS: This year, 10 commercial surveys were completed during the reporting period.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2012 through December 31, 2012 were **\$7,093**.

PROGRAM PROGRESS SUMMARY: This program was implemented on September 1, 2000. From the inception of this program through the reporting period 180 commercial customers have participated.

PROGRAM TITLE: Conservation Education Program

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

PROGRAM ACCOMPLISHMENTS: This year FPU conducted 8 seminars and events to educate customers.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2012 through December 31, 2012 were **\$110,591**.

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

PROGRAM TITLE: Space Conditioning Program

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

PROGRAM ACCOMPLISHMENTS: There were no participants in this program in 2012.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2012 through December 31, 2012 were **\$1,126**.

PROGRAM PROGRESS SUMMARY: From FPSC approval of the program on August 29, 2000 through December 31, 2012, FPUC has connected 10 space conditioning projects to its natural gas system.

PROGRAM TITLE: Conservation Demonstration and Development

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 conservation programs offered by Florida Public Utilities Company and give the Company an opportunity to pursue individual and joint research projects as well as the development of new conservation programs. The CDD program is meant to be an umbrella program for the identification, development, demonstration, and evaluation of promising new end-use technologies.

PROGRAM ACCOMPLISHMENTS: For 2012, Florida Public Utilities conducted research on several projects including CHP technologies.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2012 through December 31, 2012 were **\$6,426**.

PROGRAM PROGRESS SUMMARY: From FPSC approval of the program on March 23, 2010, FPUC has engaged in several research projects using this program.