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August 21, 2015

E-PORTAL/ELECTRONIC FILING

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

Re: Docket No. 150004-GU – Natural Gas Conservation Cost Recovery Clause

Dear Ms. Stauffer:

Attached for electronic filing, please find the Direct Testimony and Exhibit CDY-4 of Mr. Curtis Young on behalf of Florida Public Utilities Company, Florida Public Utilities Company – Indiantown Division, Florida Public Utilities Company – Fort Meade, and the Florida Division of Chesapeake Utilities Corporation, along with the companies' Petition for Approval of Conservation Cost Recovery Factors.

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

MEK
cc: Parties of Record

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Natural Gas Conservation Cost
Recovery

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Docket No. 150004-GU
Filed: August 21, 2015

PETITION OF THE FLORIDA PUBLIC UTILITIES COMPANY, FLORIDA PUBLIC UTILITIES COMPANY – INDIANTOWN DIVISION, FLORIDA PUBLIC UTILITIES COMPANY – FORT MEADE AND FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION FOR APPROVAL OF CONSERVATION COST RECOVERY FACTORS

Florida Public Utilities Company, Consolidated Natural Gas Division (“FPU NG”), Florida Public Utilities Company – Indiantown Division (“Indiantown”), Florida Public Utilities Company – Fort Meade (“Fort Meade”), and Florida Division of Chesapeake Utilities Corporation (“Chesapeake”)(“herein, jointly referred to as “Company”), pursuant to Rule 25-17.015, Florida Administrative Code, hereby submits this petition to the Commission for approval of its Conservation Cost Recovery Adjustment factors listed herein below to be applied to bills rendered for meter readings taken between January 1, 2016 and December 31, 2016. 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/Florida Division of Chesapeake
Utilities Corporation
1750 S 14th Street, Suite 200
Fernandina Beach FL 32034

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

Beth Keating, Esq.
Gunster, Yoakley & Stewart, P.A.
215 South Monroe Street, Suite 601
Tallahassee, Florida 32301-1839
(850) 521-1706

Mike Cassel
Director, Regulatory and Governmental Affairs
Florida Public Utilities Company
1750 S 14th Street, Suite 200
Fernandina Beach FL 32034
mcassel@fpuc.com

3. The Conservation Cost Recovery Adjustment factors were calculated in accordance with the methodology that has been previously approved by the Commission and reflect consolidated costs for the 2016 projection period. The factors are designed to recover the projected energy conservation program expenses of the Company for the period January 1, 2016 through December 31, 2016, adjusted for the net true-up (which includes the estimated energy conservation true-up for the period January 1, 2015 through December 31, 2015), 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 Exhibit CDY-4. The Company notes that, consistent with the Commission's approval of consolidation of the respective companies' conservation programs for 2015, as set forth in Order No. PSC-14-0655-FOF-GU, the schedules and testimony attached hereto and applicable to 2015, as well as future filings, will reflect full consolidation.
4. The Company projects total energy conservation program expenses of \$6,032,600 for the period January 2016 through December 2016. The projected net true-up is an under-recovery of \$1,290,449. After adding the projected energy conservation expenses to the amount of this over-recovery, a total of \$7,323,049 remains to be recovered during the period January 1, 2016 through December 31, 2016. 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 (FPU, Fort Meade)	\$	0.14796
COMMERCIAL SMALL (FPU, Fort Meade) CVPD	\$	0.08788
COMMERCIAL SMALL (FPU) (Gen Srv GS2 & GS Transportation >600)	\$	0.06987
COMM. LRG VOLUME (FPU, Fort Meade) (Large Vol & LV Transportation <,> 50,000 units)	\$	0.05706
TS1 (INDIANTOWN DIVISION)	\$	0.13840
TS2 (INDIANTOWN DIVISION)	\$	0.02243
TS3 (INDIANTOWN DIVISION)	\$	0.05210
TS4 (INDIANTOWN DIVISION)	\$	0.00739
<u>CHESAPEAKE</u>		
FTS-A	\$	0.34633
FTS-B	\$	0.26565
FTS-1	\$	0.22795
FTS-2	\$	0.12678
FTS-2.1	\$	0.09281
FTS-3	\$	0.07680
FTS-3.1	\$	0.06147
FTS-4	\$	0.05173
FTS-5	\$	0.04561

<u>Rate Class</u>		<u>Adjustment Factor (dollars per therm)</u>
FTS-6	\$	0.03638
FTS-7	\$	0.02669
FTS-8	\$	0.02309
FTS-9	\$	0.01947
FTS-10	\$	0.01849
FTS-11	\$	0.01587
FTS-12	\$	0.01198

WHEREFORE, Florida Public Utilities Company – Consolidated Natural Gas Division, Florida Public Utilities Company – Indiantown Division, Florida Public Utilities – Fort Meade, and the Florida Division of Chesapeake Utilities Corporation ask that the Commission approve the above Conservation Cost Recovery Adjustment factors to be applied to bills rendered for meter readings taken between January 1, 2016 and December 31, 2016, inclusive.

RESPECTFULLY submitted this 21st day of August, 2015.



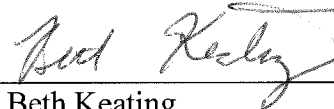
Beth Keating, Esquire
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215 South Monroe St., Suite 601
Tallahassee, FL 32301
(850) 521-1706

*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 Exhibits of Mr. Curtis Young, has been furnished by electronic mail to the following parties of record this 21st day of August, 2015:

Florida Public Utilities Company/Florida Division of Chesapeake Utilities/Indiantown Mike Cassel 1750 S 14th Street, Suite 200 Fernandina Beach FL 32034	MacFarlane Ferguson Law Firm Ansley Watson, Jr. /Andrew Brown/Ashley Kellgren 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/Charles Rehwinkel/Patricia Christensen c/o The Florida Legislature 111 West Madison Street Room 812 Tallahassee, FL 32399-1400
Peoples Gas System Paula Brown Kandi Floyd P.O. Box 111 Tampa, FL 33601-0111	St. Joe Natural Gas Company, Inc. Mr. Charles A. 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/Shannon Pierce Ten Peachtree Place Location 1470 Atlanta, GA 30309
Florida City Gas Carolyn Bermudez 933 East 25 th Street Hialeah, FL 33013-3498	Kelley Corbari/Leslie Ames* Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399



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. 150004-GU: Natural Gas Conservation Cost
Recovery
Direct Testimony of
Curtis D. Young
On Behalf of
FLORIDA PUBLIC UTILITIES AND FLORIDA DIVISION OF
CHESAPEAKE UTILITIES CORPORATION CONSOLIDATED GAS
COMPANIES

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

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

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

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

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

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

1 of data for the FPSC audits.

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

3 A. To describe generally the expenditures made and
4 projected to be made in implementing, promoting, and
5 operating the Company's energy conservation
6 programs. This will include recoverable costs
7 incurred in January through June 2015 and
8 projections of program costs to be incurred July
9 through December 2015. It will also include
10 projected conservation costs, for the period January
11 through December 2016, with a calculation of the
12 Energy Conservation Cost Recovery Adjustment and
13 Energy Conservation Cost Recovery Adjustment
14 (Experimental) factors to be applied to the
15 customers' bills during the collection period of
16 January 1, 2016 through December 31, 2016.

17 **Q. Have there been any material changes in the**
18 **Conservation filing compared to the prior year?**

19 A. No, as done in the 2015 projections, the Company has
20 consolidated the natural gas conservation programs
21 and costs for the 2016 projection period. The
22 schedules were prepared this period using
23 consolidated costs and revenues for Florida Public
24 Utilities Gas Division (FPUC), the Florida Division
25 of Chesapeake Utilities, the FPUC Ft. Meade
26 Division, and the FPUC Indiantown Division.

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

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

9 **Q. Has the Company prepared summaries of the Company's**
10 **Conservation Programs and the Costs associated with**
11 **these Programs?**

12 A. Yes, the Company's Energy Conservation Manager, Kira
13 Lake, prepared the summaries of the Company's
14 Conservation Programs and costs associated with
15 these programs in C-5 of Exhibit CDY-4.

16 **Q. What are the total projected costs for the period**
17 **January 2016 through December 2016 in the Florida**
18 **Division of Chesapeake Utilities Corporation?**

19 A. The total projected Consolidated Conservation
20 Program Costs are \$6,012,600. Please see Schedule
21 C-2, page 2, for the programmatic and functional
22 breakdown of these total costs.

23 **Q. What is the true-up for the period January 2015**
24 **through December 2015?**

25 A. As reflected in the Schedule C-3, Page 4 of 5, the

1 True-up amount for the Consolidated Natural Gas
2 Divisions is an under-recovery of \$1,290,449.

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

6 A. The total costs to be recovered are \$7,323,049.

7 **Q. Have you prepared a schedule that shows the**
8 **calculation of the Company's proposed Energy**
9 **Conservation Cost Recovery Adjustment factors to be**
10 **applied during billing periods from January 1, 2016**
11 **through December 31, 2016?**

12 A. Yes. Schedule C-1 of Exhibit CDY-4 shows these
13 calculations. Net program cost estimates for the
14 period January 1, 2016 through December 31, 2016 are
15 used. The estimated true-up amount from Schedule C-
16 3, page 4 of 5, of Exhibit CDY-4, being an over-
17 recovery, was subtracted from the total of the
18 projected costs for the 12-month period. The total
19 amount was then divided among the Company's rate
20 classes, excluding customers who are on market-based
21 rates that fall under Special Contract Services
22 (Original Sheet No. 19 for the Florida Division of
23 Chesapeake Utilities) and tariff rate class FTS-13
24 for the same division, based on total projected
25 contribution. In addition, the customer classes for

1 Outdoor Lights, Interruptible and Interruptible
2 Transportation have always been exempt from the
3 Conservation Adjustment Factor due to the
4 distinctive service provided by the Company.

5 The results were then divided by the projected gas
6 throughput for each rate class for the 12-month
7 period ending December 31, 2016. The resulting
8 Energy Conservation Cost Recovery Adjustment factors
9 are shown on Schedule C-1 of Exhibit CDY-4.

10 **Q. Why has the Company excluded market-based rate**
11 **customers from the Energy Conservation Cost Recovery**
12 **Adjustment factors?**

13 A. These customers are served either under the Special
14 Contract Service or Flexible Gas Service, because
15 they have alternative fuel or physical bypass
16 options and are considered by Chesapeake to be
17 "market-based rate" customers. Each of these
18 customers has viable alternatives for service;
19 therefore the negotiated and Commission-approved (in
20 the case of Special Contract Service) rates reflect
21 the fact that only a certain level of revenues can
22 be charged to these customers. In fact, the Company
23 has always excluded the Special Contract Service and
24 tariff rate class FTS-13 customers from the ECCR
25 recovery factors, consistent with its general rate
26 proceedings and consistent with the Applicability

1 section of the tariff sheet for the ECCR factors
2 (Seventh Revised Sheet No. 98). The Commission has
3 not taken issue with the Company's expressed
4 application of the factors either in the ECCR Clause
5 proceedings or in the context of any Special
6 Contract approval.

7 **Q. Have you prepared a schedule that shows the**
8 **calculation of the Florida Division of Chesapeake**
9 **Utilities proposed Energy Conservation Cost Recovery**
10 **Adjustment (Experimental) factors for certain rate**
11 **classes on an experimental basis to be applied**
12 **during billing periods from January 1, 2016 through**
13 **December 31, 2016?**

14 A. Yes, experimental per bill rates were approved for
15 rate classes FTS-A, FTS-B, FTS-1, FTS-2, FTS-2.1,
16 FTS-3 and FTS-3.1. A similar calculation was made
17 as described above for the experimental rates;
18 however, the projected number of bills for each rate
19 class for the 12-month period ending December 31,
20 2016 was utilized. The resulting Energy
21 Conservation Cost Recovery Adjustment (Experimental)
22 factors are shown on Schedule C-1, page 3 of 3 of
23 Exhibit CDY-4.

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

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

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

6 A. Yes.

Docket No. 150004-GU

EXHIBIT _____(CDY-4)

TO THE TESTIMONY OF

CURTIS D. YOUNG

ON BEHALF OF

FLORIDA PUBLIC UTILITIES COMPANY
FLORIDA DIVISION OF CHESAPEAKE UTILITIES COMPANY
FLORIDA PUBLIC UTILITIES COMPANY- FORT MEADE
FLORIDA PUBLIC UTILITIES COMPANY – INDIANTOWN DIVISION

FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED NATURAL GAS
(FPU, CFG, INDIANTOWN, AND FT. MEADE)
ENERGY CONSERVATION ADJUSTMENT
SUMMARY OF COST RECOVERY CLAUSE CALCULATION
JANUARY 2016 THROUGH DECEMBER 2016

1. TOTAL INCREMENTAL COSTS (SCHEDULE C-2, PAGE 1)	\$ 6,032,600
2. TRUE-UP (SCHEDULE C-3, PAGE 4, LINE 11)	\$ 1,290,449
3. TOTAL (LINE 1 AND LINE 2)	\$ 7,323,049

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 (FPU, Fort Meade)	634,886	13,126,144	7,016,052	6,543,177	13,559,229	1,932,373	14.25135%	\$ 0.14722	1.00503	\$ 0.14796
COMMERCIAL SMALL (FPU, Fort Meade) CVPD	14,824	1,847,896	382,852	750,943	1,133,795	161,581	14.25135%	\$ 0.08744	1.00503	\$ 0.08788
COMMERCIAL SMALL (FPU) (Gen Srv GS2 & GS Transportation >600)	34,687	10,858,789	1,064,448	4,232,805	5,297,253	754,930	14.25135%	\$ 0.06952	1.00503	\$ 0.06987
COMM. LRG VOLUME (FPU, Fort Meade) (Large Vol & LV Transportation <,> 50,000 units)	22,564	45,570,966	2,038,240	16,114,572	18,152,812	2,587,021	14.25135%	\$ 0.05677	1.00503	\$ 0.05706
TS1 (INDIANTOWN DIVISION)	8,473	129,709	76,257	49,075	125,332	17,862	14.25135%	\$ 0.13770	1.00503	\$ 0.13840
TS2 (INDIANTOWN DIVISION)	305	77,046	7,625	4,439	12,064	1,719	14.25135%	\$ 0.02232	1.00503	\$ 0.02243
TS3 (INDIANTOWN DIVISION)	12	2,279	720	109	829	118	14.25135%	\$ 0.05184	1.00503	\$ 0.05210
TS4 (INDIANTOWN DIVISION)	24	3,845,138	48,000	150,345	198,345	28,267	14.25135%	\$ 0.00735	1.00503	\$ 0.00739
CHESAPEAKE (PAGE 2)	199,344	48,745,201	6,682,850	6,222,442	12,905,292	1,839,178	SEE PAGE 2 AND 3			
TOTAL	915,119	124,203,168	17,317,044	34,067,908	51,384,952	7,323,049				

FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED NATURAL GAS
(FPU, CFG, INDIANTOWN, AND FT. MEADE)
ENERGY CONSERVATION ADJUSTMENT
SUMMARY OF COST RECOVERY CLAUSE CALCULATION
JANUARY 2016 THROUGH DECEMBER 2016
CHESAPEAKE NON EXPIRIMENTAL

EXHIBIT NO. _____
DOCKET NO. 150004-GU
FLORIDA PUBLIC UTILITIES COMPANY
CDY-4
PAGE 2 OF 26

RATE CLASS	BILLS	THERMS	CUSTOMER CHARGE REVENUES	ENERGY CHARGE	TOTAL	ESTIMATED ECCR	% SURCHARGE	CENTS PER THERM	EXPANSION FACTOR	ECCR ADJUSTMENT FACTORS
FTS-A	17,696	117,709	\$230,048	\$54,568	\$284,616	40,562	14.25135%	\$ 0.34459	1.00503	\$ 0.34633
FTS-B	27,532	313,362	\$426,746	\$154,444	\$581,190	82,827	14.25135%	\$ 0.26432	1.00503	\$ 0.26565
FTS-1	124,560	2,097,332	\$2,366,640	\$971,274	\$3,337,914	475,698	14.25135%	\$ 0.22681	1.00503	\$ 0.22795
FTS-2	10,363	623,044	\$352,342	\$199,125	\$551,467	78,591	14.25135%	\$ 0.12614	1.00503	\$ 0.12678
FTS-2.1	8,537	1,005,253	\$341,480	\$309,889	\$651,369	92,829	14.25135%	\$ 0.09234	1.00503	\$ 0.09281
FTS-3	3,395	1,242,155	\$366,660	\$299,384	\$666,044	94,920	14.25135%	\$ 0.07642	1.00503	\$ 0.07680
FTS-3.1	3,696	2,197,674	\$495,264	\$447,952	\$943,216	134,421	14.25135%	\$ 0.06117	1.00503	\$ 0.06147
FTS-4	2,165	2,641,251	\$454,650	\$499,196	\$953,846	135,936	14.25135%	\$ 0.05147	1.00503	\$ 0.05173
FTS-5	434	1,080,614	\$164,920	\$179,166	\$344,086	49,037	14.25135%	\$ 0.04538	1.00503	\$ 0.04561
FTS-6	258	1,508,244	\$154,800	\$228,303	\$383,103	54,597	14.25135%	\$ 0.03620	1.00503	\$ 0.03638
FTS-7	261	2,884,797	\$182,700	\$354,830	\$537,530	76,605	14.25135%	\$ 0.02655	1.00503	\$ 0.02669
FTS-8	228	5,367,508	\$273,600	\$591,714	\$865,314	123,319	14.25135%	\$ 0.02298	1.00503	\$ 0.02309
FTS-9	108	4,841,280	\$216,000	\$442,154	\$658,154	93,796	14.25135%	\$ 0.01937	1.00503	\$ 0.01947
FTS-10	36	2,352,121	\$108,000	\$195,649	\$303,649	43,274	14.25135%	\$ 0.01840	1.00503	\$ 0.01849
FTS-11	36	4,829,072	\$198,000	\$336,924	\$534,924	76,234	14.25135%	\$ 0.01579	1.00503	\$ 0.01587
FTS-12	39	15,643,785	\$351,000	\$957,869	\$1,308,869	186,531	14.25135%	\$ 0.01192	1.00503	\$ 0.01198
TOTAL	199,344	48,745,201	6,682,850	6,222,442	12,905,292	1,839,178	14.25135%			

FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED NATURAL GAS
(FPU, CFG, INDIANTOWN, AND FT. MEADE)
ENERGY CONSERVATION ADJUSTMENT
SUMMARY OF COST RECOVERY CLAUSE CALCULATION
JANUARY 2016 THROUGH DECEMBER 2016
CHESAPEAKE PER BILL BASIS - Experimental

EXHIBIT NO. _____
DOCKET NO. 150004-GU
FLORIDA PUBLIC UTILITIES COMPANY
CDY-4
PAGE 3 OF 26

RATE CLASS	BILLS	THERMS	CUSTOMER CHARGE REVENUES	ENERGY CHARGE	TOTAL	ESTIMATED ECCR	% SURCHARGE	\$ PER BILL	EXPANSION FACTOR	ECCR ADJUSTMENT FACTORS
FTS-A	17,696	117,709	\$230,048	\$54,568	\$284,616	\$40,562	14.2513%	\$2.2921	1.00503	\$2.30
FTS-B	27,532	313,362	\$426,746	\$154,444	\$581,190	\$82,827	14.2513%	\$3.0084	1.00503	\$3.02
FTS-1	124,560	2,097,332	\$2,366,640	\$971,274	\$3,337,914	\$475,698	14.2513%	\$3.8190	1.00503	\$3.84
FTS-2	10,363	623,044	\$352,342	\$199,125	\$551,467	\$78,591	14.2513%	\$7.5839	1.00503	\$7.62
FTS-2.1	8,537	1,005,253	\$341,480	\$309,889	\$651,369	\$92,829	14.2513%	\$10.8737	1.00503	\$10.93
FTS-3	3,395	1,242,155	\$366,660	\$299,384	\$666,044	\$94,920	14.2513%	\$27.9588	1.00503	\$28.10
FTS-3.1	3,696	2,197,674	\$495,264	\$447,952	\$943,216	\$134,421	14.2513%	\$36.3693	1.00503	\$36.55
FTS-4	2,165	2,641,251	\$454,650	\$499,196	\$953,846	\$135,936				
FTS-5	434	1,080,614	\$164,920	\$179,166	\$344,086	\$49,037				
FTS-6	258	1,508,244	\$154,800	\$228,303	\$383,103	\$54,597				
FTS-7	261	2,884,797	\$182,700	\$354,830	\$537,530	\$76,605				
FTS-8	228	5,367,508	\$273,600	\$591,714	\$865,314	\$123,319				
FTS-9	108	4,841,280	\$216,000	\$442,154	\$658,154	\$93,796				
FTS-10	36	2,352,121	\$108,000	\$195,649	\$303,649	\$43,274				
FTS-11	36	4,829,072	\$198,000	\$336,924	\$534,924	\$76,234				
FTS-12	39	15,643,785	\$351,000	\$957,869	\$1,308,869	\$186,531				
TOTAL	199,344	48,745,201	\$6,682,850	\$6,222,442	\$12,905,292	\$1,839,178	14.25135%			

FLORIDA PUBLIC UTILITIES COMPANY
 CONSOLIDATED NATURAL GAS DIVISION (FPU, CFG, INDIANTOWN & FT. MEADE)
 ESTIMATED CONSERVATION PROGRAM COSTS BY PROGRAM BY MONTH
 JANUARY 2016 THROUGH DECEMBER 2016

PROGRAM	JAN 2016	FEB 2016	MAR 2016	APR 2016	MAY 2016	JUN 2016	JUL 2016	AUG 2016	SEP 2016	OCT 2016	NOV 2016	DEC 2016	TOTAL
1 Full House Residential New Construction	73,792	73,792	73,792	73,792	73,792	73,792	73,792	73,792	73,792	73,792	73,792	73,792	885,500
2 Resid. Appliance Replacement	68,625	68,625	68,625	68,625	68,625	68,625	68,625	68,625	68,625	68,625	68,625	68,625	823,500
3 Conservation Education	9,333	9,333	9,333	9,333	9,333	9,333	9,333	9,333	9,333	9,333	9,333	9,333	112,000
4 Space Conditioning	417	417	417	417	417	417	417	417	417	417	417	417	5,000
5 Residential Conservation Survey	3,958	3,958	3,958	3,958	3,958	3,958	3,958	3,958	3,958	3,958	3,958	3,958	47,500
6 Residential Appliance Retention	71,375	71,375	71,375	71,375	71,375	71,375	71,375	71,375	71,375	71,375	71,375	71,375	856,500
7 Commercial Conservation Survey	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125	13,500
8 Residential Service Reactivation	1,508	1,508	1,508	1,508	1,508	1,508	1,508	1,508	1,508	1,508	1,508	1,508	18,100
9 Common	79,583	79,583	79,583	79,583	79,583	79,583	79,583	79,583	79,583	79,583	79,583	79,583	955,000
10 Conserv. Demonstration and Development	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	100,000
11 Commercial Small Food Service Program	130,917	130,917	130,917	130,917	130,917	130,917	130,917	130,917	130,917	130,917	130,917	130,917	1,571,000
12 Commercial Large Non-Food Service Program	8,854	8,854	8,854	8,854	8,854	8,854	8,854	8,854	8,854	8,854	8,854	8,854	106,250
13 Commercial Large Food Service Program	24,688	24,688	24,688	24,688	24,688	24,688	24,688	24,688	24,688	24,688	24,688	24,688	296,250
14 Commercial Large Hospitality Program	11,354	11,354	11,354	11,354	11,354	11,354	11,354	11,354	11,354	11,354	11,354	11,354	136,250
15 Commercial Large Cleaning Service Program	7,188	7,188	7,188	7,188	7,188	7,188	7,188	7,188	7,188	7,188	7,188	7,188	86,250
16 Residential Propane Distribution Program	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	20,000
TOTAL ALL PROGRAMS	502,717	502,717	502,717	502,717	502,717	502,717	502,717	502,717	502,717	502,717	502,717	502,717	6,032,600

FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED NATURAL GAS (FPU,CFG, INDIANTOWN, & FT. MEADE)
ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
JANUARY 2016 THROUGH DECEMBER 2016

PROGRAM	CAPITAL INVEST	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISE	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 Full House Residential New Construction	0	60,000	1,500	50,000	760,000	0	9,000	5,000	885,500
2 Resid. Appliance Replacement	0	35,000	1,000	400,000	380,000	0	5,000	2,500	823,500
3 Conservation Education	0	12,500	1,500	75,000	0	0	3,000	20,000	112,000
4 Space Conditioning	0	0	0	2,500	2,500	0	0	0	5,000
5 Residential Conservation Survey	0	12,500	2,000	5,000	0	0	3,000	25,000	47,500
6 Residential Appliance Retention	0	35,000	1,000	325,000	490,000	0	5,000	500	856,500
7 Commercial Conservation Survey	0	5,000	500	1,000	0	5,000	1,000	1,000	13,500
8 Residential Service Reactivation	0	5,000	100	2,500	10,000	0	500	0	18,100
9 Common	0	700,000	15,000	20,000	0	50,000	100,000	70,000	955,000
10 Conserv. Demonstration and Development	0	0	0	0	0	100,000	0	0	100,000
11 Commercial Small Food Service Program	0	40,000	1,000	20,000	1,500,000	0	5,000	5,000	1,571,000
12 Commercial Large Non-Food Service Program	0	10,000	250	20,000	70,000	0	1,000	5,000	106,250
13 Commercial Large Food Service Program	0	10,000	250	20,000	260,000	0	1,000	5,000	296,250
14 Commercial Large Hospitality Program	0	10,000	250	20,000	100,000	0	1,000	5,000	136,250
15 Commercial Large Cleaning Service Program	0	10,000	250	20,000	50,000	0	1,000	5,000	86,250
16 Residential Propane Distribution Program	0	0	0	0	20,000	0	0	0	20,000
PROGRAM COSTS	<u>0</u>	<u>945,000</u>	<u>24,600</u>	<u>981,000</u>	<u>3,642,500</u>	<u>155,000</u>	<u>135,500</u>	<u>149,000</u>	<u>6,032,600</u>

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FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED NATURAL GAS (FPU, CFG, INDIANTOWN, FT. MEADE)
ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
ACTUAL JANUARY 2015 THROUGH JUNE 2015; ESTIMATED JULY 2015 THROUGH DECEMBER 2015

PROGRAM	CAPITAL INVEST	PAYROLL & BENEFITS	MATERLS. & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 Full House Residential New Construction									
A. ACTUAL (JAN-JUN)	0	1,410	35	15,243	463,200	0	266	33	480,188
B. ESTIMATED (JUL-DEC)	0	20,000	750	50,500	275,500	0	4,000	302	351,052
C. TOTAL	0	21,410	785	65,743	738,700	0	4,266	335	831,240
2 Resid. Appliance Replacement									
A. ACTUAL (JAN-JUN)	0	575	14	196,161	191,312	0	108	97	388,267
B. ESTIMATED (JUL-DEC)	0	20,000	750	249,250	192,000	0	6,000	717	468,717
C. TOTAL	0	20,575	764	445,411	383,312	0	6,108	814	856,984
3 Conservation Education									
A. ACTUAL (JAN-JUN)	0	3,419	216	42,687	0	0	649	14,241	61,212
B. ESTIMATED (JUL-DEC)	0	22,500	750	67,775	0	500	4,750	10,300	106,575
C. TOTAL	0	25,919	966	110,462	0	500	5,399	24,541	167,787
4 Space Conditioning									
A. ACTUAL (JAN-JUN)	0	0	0	0	0	0	0	0	0
B. ESTIMATED (JUL-DEC)	0	0	0	2,750	2,500	0	0	0	5,250
C. TOTAL	0	0	0	2,750	2,500	0	0	0	5,250
5 Residential Conservation Survey									
A. ACTUAL (JAN-JUN)	0	0	0	2,545	0	0	0	10,403	12,948
B. ESTIMATED (JUL-DEC)	0	7,500	250	10,100	0	0	2,000	20,250	40,100
C. TOTAL	0	7,500	250	12,645	0	0	2,000	30,653	53,048
6 Residential Appliance Retention									
A. ACTUAL (JAN-JUN)	0	657	21	168,722	254,264	0	158	103	423,924
B. ESTIMATED (JUL-DEC)	0	20,000	750	211,000	214,500	0	5,000	158	451,408
C. TOTAL	0	20,657	771	379,722	468,764	0	5,158	260	875,332
7 Commercial Conservation Survey									
A. ACTUAL (JAN-JUN)	0	0	0	(500)	0	0	0	380	(120)
B. ESTIMATED (JUL-DEC)	0	2,500	125	1,300	0	500	1,000	2,500	7,925
C. TOTAL	0	2,500	125	800	0	500	1,000	2,880	7,805
SUB-TOTAL	0	98,560	3,661	1,017,533	1,593,276	1,000	23,932	59,483	2,797,446

FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED NATURAL GAS (FPU, CFG, INDIANTOWN, FT. MEADE)
ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
ACTUAL JANUARY 2015 THROUGH JUNE 2015; ESTIMATED JULY 2015 THROUGH DECEMBER 2015

PROGRAM NAME	CAPITAL INVEST	PAYROLL & BENEFITS	MATERLS. & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
SUB-TOTAL - PREVIOUS PAGE	0	98,560	3,661	1,017,533	1,593,276	1,000	23,932	59,483	2,797,446
8 Residential Service Reactivation									
A. ACTUAL (JAN-JUN)	0	105	3	0	2,799	0	20	2	2,928
B. ESTIMATED (JUL-DEC)	0	5,000	250	5,050	5,175	0	2,000	125	17,600
C. TOTAL	0	5,105	253	5,050	7,974	0	2,020	127	20,528
9 Common									
A. ACTUAL (JAN-JUN)	0	452,978	6,867	3,001	1,931	32,622	65,381	30,669	593,449
B. ESTIMATED (JUL-DEC)	0	378,000	7,600	10,050	1,250	4,500	57,250	29,250	487,900
C. TOTAL	0	830,978	14,467	13,051	3,181	37,122	122,631	59,919	1,081,349
10 Conserv. Demonstration and Development									
A. ACTUAL (JAN-JUN)	0	0	0	395	0	31,691	0	0	32,086
B. ESTIMATED (JUL-DEC)	0	0	0	0	0	65,000	0	0	65,000
C. TOTAL	0	0	0	395	0	96,691	0	0	97,086
11 Commercial Small Food Service Program									
A. ACTUAL (JAN-JUN)	0	314	116	8,438	850,109	0	59	7	859,042
B. ESTIMATED (JUL-DEC)	0	7,500	375	6,600	377,250	0	2,375	625	394,725
C. TOTAL	0	7,814	491	15,038	1,227,359	0	2,434	632	1,253,767
12 Commercial Large Non-Food Service Program									
A. ACTUAL (JAN-JUN)	0	0	0	8,438	46,452	0	0	0	54,889
B. ESTIMATED (JUL-DEC)	0	1,750	100	6,600	25,000	0	550	625	34,625
C. TOTAL	0	1,750	100	15,038	71,452	0	550	625	89,514
13 Commercial Large Food Service Program									
A. ACTUAL (JAN-JUN)	0	0	0	8,438	122,594	0	0	0	131,032
B. ESTIMATED (JUL-DEC)	0	1,750	100	6,600	35,000	0	550	625	44,625
C. TOTAL	0	1,750	100	15,038	157,594	0	550	625	175,657
14 Commercial Large Hospitality Program									
A. ACTUAL (JAN-JUL)	0	0	0	8,438	37,550	0	0	0	45,988
B. ESTIMATED (AUG-DEC)	0	1,750	100	6,600	35,000	0	550	625	44,625
C. TOTAL	0	1,750	100	15,038	72,550	0	550	625	90,613
15 Commercial Large Cleaning Service Program									
A. ACTUAL (JAN-JUL)	0	0	0	8,438	32,528	0	0	0	40,966
B. ESTIMATED (AUG-DEC)	0	1,750	100	6,600	35,000	0	550	625	44,625
C. TOTAL	0	1,750	100	15,038	67,528	0	550	625	85,591
TOTAL	0	949,457	19,271	1,111,219	3,200,913	134,813	153,217	122,661	5,691,552

FLORIDA PUBLIC UTILITIES COMPANY
 CONSOLIDATED NATURAL GAS (FPU, CFG, INDIANTOWN, FT. MEADE)
 CONSERVATION PROGRAM COSTS BY PROGRAM
 ACTUAL/ESTIMATED
 ACTUAL JANUARY 2015 THROUGH JUNE 2015; ESTIMATED JULY 2015 THROUGH DECEMBER 2015

PROGRAM NAME	---- ACTUAL ----					--- PROJECTION ---					TOTAL		
	JAN 2015	FEB 2015	MAR 2015	APR 2015	MAY 2015	JUN 2015	JUL 2015	AUG 2015	SEP 2015	OCT 2015		NOV 2015	DEC 2015
Full House Residential New Construction	19,605	72,825	146,659	107,342	32,886	100,871	58,508	58,508	58,508	58,508	58,508	58,512	831,240
Resid. Appliance Replacement	42,824	69,666	78,232	88,900	38,351	70,294	78,062	78,062	78,062	78,062	78,062	78,062	856,639
Conservation Education	11,991	6,604	10,237	6,471	13,026	12,883	17,763	17,763	17,763	17,763	17,763	17,763	167,790
Space Conditioning	0	0	0	0	0	0	875	875	875	875	875	875	5,250
Residential Conservation Survey	3,465	1,734	1,965	1,734	1,965	2,084	6,683	6,683	6,683	6,683	6,683	6,683	53,046
Residential Appliance Retention	47,140	52,319	82,808	107,807	50,609	83,242	75,292	75,292	75,292	75,292	75,292	75,292	875,676
Commercial Conservation Survey	(500)	0	0	0	380	0	1,321	1,321	1,321	1,321	1,321	1,321	7,806
Residential Service Reactivation	1,879	(0)	350	350	0	350	2,933	2,933	2,933	2,933	2,933	2,933	20,526
Common	103,642	104,345	102,104	102,058	95,257	86,721	81,317	81,317	81,317	81,317	81,317	81,317	1,082,029
Conserv. Demonstration and Development	2,404	3,000	1,593	16,412	5,500	2,500	10,833	10,833	10,833	10,833	10,833	10,833	96,406
Commercial Small Food Service Program	113,927	104,778	320,331	121,668	91,553	106,785	65,787	65,787	65,787	65,787	65,787	65,787	1,253,764
Commercial Large Non-Food Service Program	2,337	874	10,780	2,615	16,950	21,334	5,770	5,770	5,770	5,770	5,770	5,770	89,509
Commercial Large Food Service Program	6,402	7,656	40,214	23,244	18,940	34,576	7,438	7,438	7,438	7,438	7,438	7,438	175,660
Commercial Large Hospitality Program	17,070	874	4,557	5,115	9,955	8,417	7,438	7,438	7,438	7,438	7,438	7,438	90,616
CVPD	23,301	(5,807)	4,220	14,115	723	4,414	7,438	7,438	7,438	7,438	7,438	7,438	85,594
TOTAL ALL PROGRAMS	395,487	418,867	804,050	597,830	376,096	534,470	427,458	427,458	427,458	427,458	427,458	427,462	5,691,552

FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED NATURAL GAS (FPU, CFG, INDIANTOWN, FT. MEADE)
ENERGY CONSERVATION ADJUSTMENT
ACTUAL JANUARY 2015 THROUGH JUNE 2015, ESTIMATED JULY 2015 THROUGH DECEMBER 2015

	----- ACTUAL -----		----- ACTUAL -----		----- ACTUAL -----		-PROJECTION -		-PROJECTION -		-PROJECTION -		-PROJECTION -		TOTAL
	JAN 2015	FEB 2015	MAR 2015	APR 2015	MAY 2015	JUN 2015	JUL 2015	AUG 2015	SEP 2015	OCT 2015	NOV 2015	DEC 2015			
CONSERVATION REVS.															
RCS AUDIT FEES	0	0	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	0	0
b.	0	0	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	0	0
CONSERV. ADJ REV. (NET OF REV. TAXES)	(589,606)	(639,877)	(535,131)	(452,835)	(378,642)	(339,182)	(420,554)	(420,554)	(420,554)	(420,554)	(420,554)	(420,554)	(420,554)	(420,554)	(5,458,595)
TOTAL REVENUES	(589,606)	(639,877)	(535,131)	(452,835)	(378,642)	(339,182)	(420,554)	(420,554)	(420,554)	(420,554)	(420,554)	(420,554)	(420,554)	(420,554)	(5,458,595)
PRIOR PERIOD TRUE-UP NOT APPLIC. TO PERIOD	88,045	88,045	88,045	88,045	88,045	88,045	88,045	88,045	88,045	88,045	88,045	88,045	88,045	88,045	1,056,536
CONSERVATION REVS. APPLIC. TO PERIOD	(501,561)	(551,832)	(447,087)	(364,790)	(290,597)	(251,137)	(332,509)	(332,509)	(332,509)	(332,509)	(332,509)	(332,509)	(332,509)	(332,509)	(4,402,059)
CONSERVATION EXPS. (FORM C-3, PAGE 3)	395,487	418,867	804,050	597,830	376,096	534,470	427,458	427,458	427,458	427,458	427,458	427,458	427,462	427,462	5,691,552
TRUE-UP THIS PERIOD	(106,074)	(132,965)	356,963	233,039	85,499	283,333	94,949	94,949	94,949	94,949	94,949	94,949	94,953	94,953	1,289,494
INTEREST THIS PERIOD (C-3,PAGE 5)	68	53	45	57	75	86	94	94	95	95	96	97	97	97	955
TRUE-UP & INT. BEG. OF MONTH	1,056,536	862,485	641,529	910,492	1,055,544	1,053,073	1,248,447	1,255,446	1,262,444	1,269,443	1,276,443	1,283,443	1,283,443	1,283,443	1,056,536
PRIOR TRUE-UP COLLECT./(REFUND.)	(88,045)	(88,045)	(88,045)	(88,045)	(88,045)	(88,045)	(88,045)	(88,045)	(88,045)	(88,045)	(88,045)	(88,045)	(88,045)	(88,045)	(1,056,536)
Audit Adj. - Prior period															0
END OF PERIOD TOTAL NET TRUE-UP	862,485	641,529	910,492	1,055,544	1,053,073	1,248,447	1,255,446	1,262,444	1,269,443	1,276,443	1,283,443	1,290,449	1,290,449	1,290,449	1,290,449

FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED NATURAL GAS (FPU, CFG, INDIANTOWN, FT. MEADE)
CALCULATION OF TRUE-UP AND INTEREST PROVISION
ACTUAL JANUARY 2015 THROUGH JUNE 2015; ESTIMATED JULY 2015 THROUGH DECEMBER 2015

	----- ACTUAL -----		----- ACTUAL -----		----- ACTUAL -----		--- PROJECTION ---		--- PROJECTION ---		--- PROJECTION ---		TOTAL
	JAN 2015	FEB 2015	MAR 2015	APR 2015	MAY 2015	JUN 2015	JUL 2015	AUG 2015	SEP 2015	OCT 2015	NOV 2015	DEC 2015	
INTEREST PROVISION													
BEGINNING TRUE-UP	1,056,536	862,485	641,529	910,492	1,055,544	1,053,073	1,248,447	1,255,446	1,262,444	1,269,443	1,276,443	1,283,443	
END. T-UP BEFORE INT.	862,417	641,476	910,447	1,055,487	1,052,998	1,248,361	1,255,352	1,262,350	1,269,348	1,276,348	1,283,347	1,290,352	
TOT. BEG. & END. T-UP	1,918,953	1,503,961	1,551,976	1,965,979	2,108,542	2,301,434	2,503,799	2,517,795	2,531,792	2,545,791	2,559,790	2,573,795	
AVERAGE TRUE-UP	959,477	751,980	775,988	982,989	1,054,271	1,150,717	1,251,899	1,258,898	1,265,896	1,272,896	1,279,895	1,286,897	
INT. RATE-FIRST DAY OF REPORTING BUS. MTH	0.08%	0.09%	0.08%	0.06%	0.08%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%	
INT. RATE-FIRST DAY OF SUBSEQUENT BUS. MTH	0.09%	0.08%	0.06%	0.08%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%	
TOTAL	0.17%	0.17%	0.14%	0.14%	0.17%	0.18%	0.18%	0.18%	0.18%	0.18%	0.18%	0.18%	
AVG INTEREST RATE	0.09%	0.09%	0.07%	0.07%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%	
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	\$68	\$53	\$45	\$57	\$75	\$86	\$94	\$94	\$95	\$95	\$96	\$97	\$955

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

**SCHEDULE C-5
PAGE 1 OF 16**

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 Small Food Service Program
11. Commercial Non-Food Service Program
12. Commercial Large Food Service Program
13. Commercial Hospitality and Lodging Program
14. Commercial Cleaning Service and Laundromat Program
15. Residential Propane Distribution Program

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

**SCHEDULE C-5
PAGE 2 OF 16**

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 2016, the Company estimates that 3250 new single- and multi-family home appliances will be connected to its natural gas system.

PROGRAM FISCAL EXPENDITURES:

During the twelve-month period of January to December 2016, the Company estimates expenses of \$885,500.

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

**SCHEDULE C-5
PAGE 3 OF 16**

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 2016, the Company estimates that 750 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 2016, the Company estimates expenses of \$823,500.

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

**SCHEDULE C-5
PAGE 4 OF 16**

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 2016, the Company estimates that 1750 appliances will be connected to its system.

PROGRAM FISCAL EXPENDITURES:

During the twelve-month period of January to December 2016, the Company estimates expenses of \$856,500.

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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 2016, the Company estimates that 30 services will be reactivated with water heaters on its natural gas system.

PROGRAM FISCAL EXPENDITURES:

During the twelve-month period of January to December 2016, the Company estimates expenses of \$18,100.

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 2016, the Company estimates that 50 residential customers will participate in this program.

PROGRAM FISCAL EXPENDITURES:

During the twelve-month period of January to December 2016, the Company estimates expenses of \$47,500.

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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 2016, the Company estimates that 20 commercial customers will participate in this program.

PROGRAM FISCAL EXPENDITURES:

During the twelve-month period of January to December 2016, the Company estimates expenses of \$13,500.

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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 2016, the Company estimates that 30 adult and youth presentations with 3000 participants will result from this program.

PROGRAM FISCAL EXPENDITURES:

During this twelve-month period of January to December 2016, the Company estimates expenses of \$112,000.

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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 2016, the Company estimates that 1 customer projects will utilize this program.

PROGRAM FISCAL EXPENDITURES:

During the twelve-month period of January to December 2016, the Company estimates expenses of \$5,000.

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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 2016, the Company estimates that it will complete 2 projects under this program.

PROGRAM FISCAL EXPENDITURES:

During the twelve-month period of January to December 2016, the Company estimates expenses of \$100,000.

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**SCHEDULE C-5
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PROGRAM TITLE:

Commercial Small Food Service Program

PROGRAM DESCRIPTION:

This program is designed to encourage owners and operators of small food service restaurants to purchase energy efficient natural gas appliances through the offering of commercial appliance rebates. Commercial food service customers are defined as establishments primarily engaged in the retail sale of prepared food and drinks for on-premise or immediate consumption with an annual consumption of less than 9,000 therms. The rebates offered within this program are limited to the specific appliance types and rebate categories depicted below.

PROGRAM ALLOWANCES:

Appliance	New Construction	Replacement	Retention
Water Heater	\$1,000	\$1,500	\$1,000
Tankless Water Heater	\$2,000	\$2,500	\$2,000
Fryer	\$3,000	\$3,000	\$3,000
Range	\$1,000	\$1,500	\$1,000

PROGRAM PROJECTIONS:

For the twelve-month period of January to December 2016, the Company estimates that 800 appliances will be connected to its natural gas system.

PROGRAM FISCAL EXPENDITURES:

During the twelve-month period of January to December 2016, the Company estimates expenses of \$1,571,000.

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PROGRAM TITLE:

Commercial Non-Food Service Program

PROGRAM DESCRIPTION:

This program is designed to encourage owners and operators of commercial buildings to purchase energy efficient natural gas appliances through the offering of commercial appliance rebates. Commercial non-food service customers are defined as establishments that are not associated with the Food Service, Hospitality, or Cleaning industries and whose annual consumption is greater than 4,000 therms. The rebates offered within this program are limited to the specific appliance types and rebate categories depicted below.

PROGRAM ALLOWANCES:

Appliance	New Construction	Replacement	Retention
Water Heater	\$1,500	\$2,000	\$1,500
Tankless Water Heater	\$2,000	\$2,500	\$2,000

PROGRAM PROJECTIONS:

For the twelve-month period of January to December 2016, the Company estimates that 50 appliances will be connected to its natural gas system.

PROGRAM FISCAL EXPENDITURES:

During the twelve-month period of January to December 2016, the Company estimates expenses of \$106,250.

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PROGRAM TITLE:

Commercial Large Food Service Program

PROGRAM DESCRIPTION:

This program is designed to encourage owners and operators of large food service restaurants to purchase energy efficient natural gas appliances through the offering of commercial appliance rebates. Commercial large food service customers are defined as establishments primarily engaged in the retail sale of prepared food and drinks for on-premise or immediate consumption with an annual consumption of greater than 9,000 therms. The rebates offered within this program are limited to the specific appliance types and rebate categories depicted below.

PROGRAM ALLOWANCES:

Appliance	New Construction	Replacement	Retention
Water Heater	\$1,500	\$2,000	\$1,500
Tankless Water Heater	\$2,000	\$2,500	\$2,000
Fryer	\$3,000	\$3,000	\$3,000
Range	\$1,500	\$1,500	\$1,500

PROGRAM PROJECTIONS:

For the twelve-month period of January to December 2016, the Company estimates that 100 appliances will be connected to its natural gas system.

PROGRAM FISCAL EXPENDITURES:

During the twelve-month period of January to December 2016, the Company estimates expenses of \$296,250.

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PROGRAM TITLE:

Commercial Hospitality and Lodging Program

PROGRAM DESCRIPTION:

This program is designed to encourage owners and operators of hospitality & lodging facilities to purchase energy efficient natural gas appliances through the offering of commercial appliance rebates. Commercial hospitality and lodging customers are defined as establishments known to the public as hotels, motor hotels, motels or tourist courts, primarily engaged in providing lodging, or lodging and meals, for the general public. The rebates offered within this program are limited to the specific appliance types and rebate categories depicted below.

PROGRAM ALLOWANCES:

Appliance	New Construction	Replacement	Retention
Water Heater	\$1,500	\$2,000	\$1,500
Tankless Water Heater	\$2,000	\$2,500	\$2,000
Fryer	\$3,000	\$3,000	\$3,000
Range	\$1,500	\$1,500	\$1,500
Dryer	\$1,500	\$1,500	\$1,500

PROGRAM PROJECTIONS:

For the twelve-month period of January to December 2016, the Company estimates that 50 appliances will be connected to its natural gas system.

PROGRAM FISCAL EXPENDITURES:

During the twelve-month period of January to December 2016, the Company estimates expenses of \$136,250.

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PROGRAM TITLE:

Commercial Cleaning Service and Laundromat Program

PROGRAM DESCRIPTION:

This program is designed to encourage owners and operators of cleaning service & Laundromat facilities to purchase energy efficient natural gas appliances through the offering of commercial appliance rebates. Commercial cleaning service and laundromat customers are defined as establishments primarily engaged in operating mechanical laundries with steam or other power or in supplying laundered work clothing on a contract or fee basis. The rebates offered within this program are limited to the specific appliance types and rebate categories depicted below.

PROGRAM ALLOWANCES:

Appliance	New Construction	Replacement	Retention
Water Heater	\$1,500	\$2,000	\$1,500
Tankless Water Heater	\$2,000	\$2,500	\$2,000
Dryer	\$1,500	\$1,500	\$1,500

PROGRAM PROJECTIONS:

For the twelve-month period of January to December 2016, the Company estimates that 25 appliance will be connected to its natural gas system.

PROGRAM FISCAL EXPENDITURES:

During the twelve-month period of January to December 2016, the Company estimates expenses of \$86,250.

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PROGRAM TITLE:

Residential Propane Distribution Program

PROGRAM DESCRIPTION:

The program is designed to promote the use of "gas" within developments that are built beyond the economic extension of the Company's existing natural gas infrastructure. The concept of installing an underground propane system, which includes distribution mains, service laterals and meter sets that are capable of supplying either propane or natural gas, is a viable method of encouraging installation of "gas" appliances in the residential subdivision at the time of construction. This program is designed to provide incentives when natural gas becomes available to the development and the propane appliances are replaced with natural gas appliances.

PROGRAM ALLOWANCES:

Furnace or Hydro heater	\$275
Water Heater	\$275
Range	\$75
Dryer	\$75

PROGRAM PROJECTIONS:

For the twelve-month period of January to December 2016, the Company estimates that 50 appliance will be connected to its natural gas system.

PROGRAM FISCAL EXPENDITURES:

During the twelve-month period of January to December 2016, the Company estimates expenses of \$20,000.

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