

Writer's E-Mail Address: bkeating@gunster.com

August 21, 2015

VIA E-PORTAL – ELECTRONIC FILING

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


Re: Docket No. 150002-EG – Energy Conservation Cost Recovery Clause

Dear Ms. Stauffer:

Attached for electronic filing, please find Florida Public Utilities Company's Petition for Approval of Conservation Factors, along with the Direct Testimony and Exhibit CDY-2 of Mr. Curtis Young. Consistent with the directions for this docket, copies of the Petition, Testimony, and Exhibit are being provided to Staff Counsel.

Should you have any questions whatsoever, please do not hesitate to contact me. Thank you for your assistance in this matter.

Sincerely,



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

MEK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Energy Conservation Cost) Docket No. 150002-EG
Recovery Clause.)
_____) Filed: August 21, 2015

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

Florida Public Utilities Company (“FPUC” or “the Company”) hereby files its petition for approval of its conservation cost recovery factors for its electric divisions related to the period January 2016 through December 2016. In support of this Petition, FPUC states:

1. The Company is an electric utility with its principal office located at:

Florida Public Utilities Company
1750 S 14th Street, Suite 200
Fernandina Beach FL 32034

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

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. Pursuant to the requirements in this docket, FPUC, concurrently with the filing of this petition, files testimony and conservation cost recovery schedules (Exhibit CDY-2) for the period, consisting of the reporting forms supplied by the Commission Staff.
4. As reflected in the exhibit sponsored by Mr. Curtis Young, the conservation costs for the Company's two electric divisions, on a consolidated basis, for the period ending December 2016 is projected to be \$687,400. The estimated conservation true-up amount for the prior period January 2015 to December 2015 is an under-recovery of \$203,237.

Docket No. 150002-EG

5. The total projected energy conservation costs, on a consolidated basis, that the Company seeks to recover during the twelve month period ending December 2016, are \$890,637. As such, the Company asks for approval of a consolidated levelized conservation cost recovery factor for this period of \$.00135 per KWH, which is appropriate based upon projected sales for the same period.

WHEREFORE, FPUC respectfully requests that the Commission enter an Order approving the Company's requested conservation cost recovery factor, on a consolidated basis, to be applied to customers' bills for the period January 2016 through December 2016.

RESPECTFULLY SUBMITTED this 21st day of August, 2015.



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

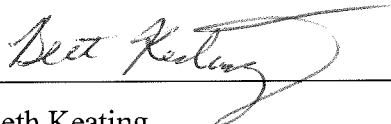
Attorneys for Florida Public Utilities Company

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by Electronic Mail to the following parties of record this 21st day of August, 2015, along with the referenced Testimony and Exhibit of Mr. Young:

<p>Florida Public Utilities Company Cheryl Martin/Mike Cassel 780 Amelia Island Pkwy, Fernandina Beach, FL 32034 mcassel@fpuc.com Cheryl_Martin@fpuc.com</p>	<p>Jon C. Moyle, Jr., Esq. Moyle Law Firm 118 North Gadsden St. Tallahassee, FL 32301 jmoyle@moylelaw.com></p>
<p>Theresa L. Tan, Esq. Bianca Lherisson, Esq. Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399 ltan@psc.state.fl.us blheriss@psc.state.fl.us</p>	<p>Office of Public Counsel J.R. Kelly/Charles Rehwinkel/Patricia Christensen, Esq. c/o The Florida Legislature 111 West Madison Street, Room 812 Tallahassee, FL 32399-1400 KELLY.JR@leg.state.fl.us christensen.patty@leg.state.fl.us Rehwinkel.Charles@leg.state.fl.us</p>
<p>Paula K. Brown Tampa Electric Company P.O. Box 111 Tampa, FL 33601-0111 regdept@tecoenergy.com</p>	<p>Dianne M. Triplett, Esq. Duke Energy, Inc. P.O. Box 14042 St. Petersburg, FL 33733-4042 dtriplett@duke-energy.com</p>
<p>Matthew Bernier, Esq. Duke Energy, Inc. 106 E. College Ave., Suite 800 Tallahassee, FL 32301 Matthew.Bernier@duke-energy.com</p>	<p>James D. Beasley, Esq. J. Jeffrey Wahlen, Esq. Ashley Daniels, Esq. Ausley & McMullen P.O. Box 391 Tallahassee, FL 32302 jbeasley@ausley.com jwahlen@ausley.com ADaniels@ausley.com</p>
<p>Jeffrey A. Stone, Esq. Russell A. Badders, Esq. Steve R. Griffin, Esq. Beggs & Lane P.O. Box 12950 Pensacola, FL 32591-2950 jas@beggslane.com srg@beggslane.com rab@beggslane.com</p>	<p>John T. Butler, Esq. Maria Moncada, Esq. Florida Power & Light Company 700 Universe Boulevard Juno Beach, FL 33408-0420 john.butler@fpl.com maria.moncada@fpl.com</p>

<p>Mr. Ken Hoffman, Esq. 215 South Monroe Street, Suite 810 Tallahassee, FL 32301-1858 ken.hoffman@fpl.com</p>	<p>Robert Scheffel Wright, Esq//John T. LaVia, Esq. c/o Gardner Law Firm 1300 Thomaswood Drive Tallahassee, FL 32308 schef@gbwlegal.com jlavia@gbwlegal.com</p>
<p>Robert L. McGee Gulf Power Company One Energy Place Pensacola, FL 32520-0780 Robert L. McGee Jr. rlmcgee@southernco.com</p>	<p>James W. Brew Owen J. Kopon Stone Mattheis Xenopoulos & Brew, PC Eighth Floor, West Tower 1025 Thomas Jefferson Street, NW Washington, DC 20007 jbrew@smxblaw.com ojk@smxblaw.com</p>



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

In Re: Energy conservation cost recovery clause.

DIRECT TESTIMONY OF CURTIS D. YOUNG (Actual/Estimated)

On behalf of

Florida Public Utilities Company

DOCKET NO. 150002-EG

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

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

5 Q. **Describe briefly your background and business experience?**

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

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

16 A. Yes.

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

18 A. To describe generally the expenditures made and projected to be made in
19 implementing, promoting, and operating the Company's electric conservation
20 programs. This will include recoverable costs incurred in January through

1 June 2015 and projections of program costs to be incurred from July through
2 December 2015. It will also include projected electric conservation costs for
3 the period January through December 2016, with a calculation of the
4 Conservation Adjustment Factor to be applied to the Company's consolidated
5 electric customers' bills during the collection period of January 1, 2016
6 through December 31, 2016.

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

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

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

12 A. Yes. Summaries of the electric conservation programs proposed in Docket No.
13 150089-EG, the petition for approval of the demand-side management plan, are
14 contained in Schedule C-5 of Exhibit CDY-2. Included are the Residential Energy
15 Survey Program, the Residential Heating and Cooling Efficiency Program, the
16 Commercial Heating and Cooling Efficiency Program, the Commercial Chiller
17 Upgrade Program, the Electric Conservation Demonstration and Development
18 Program, and the Low Income Energy Outreach Program. Also included are two
19 new programs, the Commercial Reflective Roof Program and the Commercial
20 Energy Consultation Program.

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

24 A. Yes, Schedule C-3, Pages 1 and 1A of 5, Exhibit CDY-2 shows actual expenses for
25 the months January through June 2015. Projections for July through December 2015

1 are also shown on Schedule C-3, Pages 1 and 1A. Projected expenses for the
2 January through December 2016 period are shown on Schedule C-2, Page 1 of 3 of
3 Exhibit CDY-2.

4 **Q. Have you prepared schedules that show revenues for the period January**
5 **through December 2015?**

6 A. Yes. Schedule C-4 shows actual revenues for the months January through June 2015
7 and projected revenues for July through December 2015 and January through
8 December 2016.

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

12 A. Yes. Schedule C-1 of Exhibit CDY-2 shows these calculations. Net program cost
13 estimates for the period January 1, 2016 through December 31, 2016 are used. The
14 estimated true-up amount from Schedule C-3 (Page 4 of 5, Line 11) of Exhibit CDY-
15 2, being an over-recovery, was added to the total of the projected costs for the
16 twelve-month period. The total projected recovery amount, including estimated true-
17 up, was then divided by the projected Retail KWH Sales for the twelve-month period
18 ending December 31, 2016. The resulting Conservation Adjustment Factor is shown
19 on Schedule C-1 (Page 1 of 1) of Exhibit CDY-2.

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

22 A. The Conservation Adjustment Factor is \$.001352 per KWH.

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

24 A. Yes.

Docket No. 150002-EG

EXHIBIT _____(CDY-2)

TO THE TESTIMONY
OF
CURTIS D. YOUNG

ON BEHALF OF
FLORIDA PUBLIC UTILITIES COMPANY

ENERGY CONSERVATION ADJUSTMENT
SUMMARY OF COST RECOVERY CLAUSE CALCULATION

FOR MONTHS January-16 THROUGH December-16

1.	TOTAL INCREMENTAL COSTS (SCHEDULE C-2,PAGE 1, LINE 33)	<u>687,400</u>
2.	TRUE-UP (SCHEDULE C-3,PAGE 4,LINE 11)	<u>203,237</u>
3.	TOTAL (LINE 1 AND LINE 2)	<u>890,637</u>
4.	RETAIL KWH SALES	<u>659,075,618</u>
5.	COST PER KWH	<u>0.00135134</u>
6.	REVENUE TAX MULTIPLIER *	<u>1.00072</u>
7.	ADJUSTMENT FACTOR ADJUSTED FOR TAXES (LINE 5 X LINE 6)	<u>0.00135200</u>
8.	CONSERVATION ADJUSTMENT FACTOR- (ROUNDED TO THE NEAREST .001 CENTS PER KWH)	<u><u>0.135</u></u>

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - CONSOLIDATED ELECTRIC DIVISION

ESTIMATED CONSERVATION PROGRAM COSTS

FOR MONTHS January-16 THROUGH December-16

A. ESTIMATED EXPENSE BY PROGRAM	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1 Common	32,500	32,500	32,500	32,500	32,500	32,500	32,500	32,500	32,500	32,500	32,500	32,500	390,000
2 Residential Energy Survey Program	8,542	8,542	8,542	8,542	8,542	8,542	8,542	8,542	8,542	8,542	8,542	8,542	102,500
3 Commercial Heating and Cooling Upgrade	442	442	442	442	442	442	442	442	442	442	442	442	5,300
4 Residential Heating and Cooling Upgrade	4,683	4,683	4,683	4,683	4,683	4,683	4,683	4,683	4,683	4,683	4,683	4,683	56,200
5 Commercial Chiller Upgrade Program	408	408	408	408	408	408	408	408	408	408	408	408	4,900
6 Electric Conserv. Demonstration and Development	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	75,000
7 Low Income Program	1,258	1,258	1,258	1,258	1,258	1,258	1,258	1,258	1,258	1,258	1,258	1,258	15,100
8 Commercial Reflective Roof	1,975	1,975	1,975	1,975	1,975	1,975	1,975	1,975	1,975	1,975	1,975	1,975	23,700
9 Commercial Energy Consultation	1,225	1,225	1,225	1,225	1,225	1,225	1,225	1,225	1,225	1,225	1,225	1,225	14,700
31. TOTAL ALL PROGRAMS	57,283	57,283	57,283	57,283	57,283	57,283	57,283	57,283	57,283	57,283	57,283	57,283	687,400
32. LESS AMOUNT INCLUDED IN RATE BASE													
33. RECOVERABLE CONSERVATION EXPENSES	57,283	57,283	57,283	57,283	57,283	57,283	57,283	57,283	57,283	57,283	57,283	57,283	687,400

EXHIBIT NO. _____
DOCKET NO. 150002-EG
FLORIDA PUBLIC UTILITIES COMPANY
(CDY-2)
PAGE 2 OF 20

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM

FOR MONTHS January-16 THROUGH December-16

PROGRAM NAME	LABOR & PAYROLL	ADVERTISING	LEGAL	OUTSIDE SERVICES	VEHICLE COST	MATERIALS & SUPPLIES	TRAVEL	GENERAL & ADMIN.	INCENTIVES	OTHER	SUB TOTAL	PROGRAM REVENUES	TOTAL
1 Common	235,000	10,000	20,000	40,000	25,000	10,000	25,000	0	0	25,000	390,000	0	390,000
2 Residential Energy Survey Program	60,000	15,000	0	0	7,500	5,000	5,000	0	0	10,000	102,500	0	102,500
3 Commercial Heating and Cooling Upgrade	1,000	2,500	0	0	0	100	100	0	1,500	100	5,300	0	5,300
4 Residential Heating and Cooling Upgrade	5,000	20,000	0	0	500	100	500	0	30,000	100	56,200	0	56,200
5 Commercial Chiller Upgrade Program	1,000	2,500	0	0	100	100	100	0	1,000	100	4,900	0	4,900
6 Electric Conserv. Demonstration and Development	2,500	0	0	72,500	0	0	0	0	0	0	75,000	0	75,000
7 Low Income Program	5,000	7,500	0	0	1,000	1,000	500	0	0	100	15,100	0	15,100
8 Commercial Reflective Roof	5,000	12,500	0	0	500	100	500	0	5,000	100	23,700	0	23,700
9 Commercial Energy Consultation	7,500	5,000	0	0	1,000	100	1,000	0	0	100	14,700	0	14,700
31. TOTAL ALL PROGRAMS	322,000	75,000	20,000	112,500	35,600	16,500	32,700	0	37,500	35,600	687,400	0	687,400
32. LESS: BASE RATE RECOVERY													
33. NET PROGRAM COSTS	322,000	75,000	20,000	112,500	35,600	16,500	32,700	0	37,500	35,600	687,400	0	687,400

SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION & RETURN

ESTIMATED FOR MONTHS January-16 THROUGH December-16

PROGRAM NAME:

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

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - CONSOLIDATED ELECTRIC DIVISION
 CONSERVATION PROGRAM COSTS

SCHEDULE C-3
 PAGE 1 OF 5

PROGRAM NAME	ACTUAL FOR MONTHS	January-15	THROUGH	June-15													
	ESTIMATED FOR MONTHS	July-15	THROUGH	December-15	LABOR & PAYROLL	ADVERTISING	LEGAL	OUTSIDE SERVICES	VEHICLE COST	MATERIALS & SUPPLIES	TRAVEL	GENERAL & ADMIN.	INCENTIVES	OTHER	SUB TOTAL	PROGRAM REVENUES	TOTAL
1. Common																	
A. ACTUAL		125,229	1,790	12,167	59,132	6,218	3,402	15,446	0	0	9,838	233,222			233,222		233,222
B. ESTIMATED		125,000	7,500	5,000	30,000	8,500	3,500	16,500	0	250	4,502	200,752			200,752		200,752
C. TOTAL		250,229	9,290	17,167	89,132	14,718	6,902	31,946	0	250	14,340	433,974			433,974		433,974
2. Residential Energy Survey Program																	
A. ACTUAL		33,942	7,174	0	0	3,398	920	3,903	0	0	7,782	57,120			57,120		57,120
B. ESTIMATED		25,000	37,500	0	0	2,500	500	3,750	0	0	6,500	75,750			75,750		75,750
C. TOTAL		58,942	44,674	0	0	5,898	1,420	7,653	0	0	14,282	132,870			132,870		132,870
3. Commercial Energy Survey																	
A. ACTUAL		3,550	3,835	0	0	425	77	420	0	0	104	8,410			8,410		8,410
B. ESTIMATED		5,000	10,000	0	0	500	100	500	0	0	250	16,350			16,350		16,350
C. TOTAL		8,550	13,835	0	0	925	177	920	0	0	354	24,760			24,760		24,760
4. Commercial Heating and Cooling Upgrade																	
A. ACTUAL		0	7	0	0	0	0	0	0	100	0	107			107		107
B. ESTIMATED		1,000	1,000	0	0	50	0	48	0	2,500	0	4,598			4,598		4,598
C. TOTAL		1,000	1,007	0	0	50	0	48	0	2,600	0	4,705			4,705		4,705
5. Residential Heating and Cooling Upgrade																	
A. ACTUAL		952	5,417	0	0	70	22	151	0	18,520	24	25,156			25,156		25,156
B. ESTIMATED		2,500	50,000	0	0	250	0	500	0	15,000	250	68,500			68,500		68,500
C. TOTAL		3,452	55,417	0	0	320	22	651	0	33,520	274	93,656			93,656		93,656
6. Commercial Indoor Efficient Lighting																	
A. ACTUAL		4,830	7	0	0	398	53	623	0	0	114	6,024			6,024		6,024
B. ESTIMATED		500	500	0	0	50	0	50	0	1,000	0	2,100			2,100		2,100
C. TOTAL		5,330	507	0	0	448	53	673	0	1,000	114	8,124			8,124		8,124
7. Commercial Window Film Installation																	
A. ACTUAL		0	7	0	0	0	0	0	0	102	0	109			109		109
B. ESTIMATED		500	500	0	0	48	0	50	0	500	0	1,598			1,598		1,598
C. TOTAL		500	507	0	0	48	0	50	0	602	0	1,707			1,707		1,707
SUB-TOTAL ACTUAL		168,503	18,237	12,167	59,132	10,508	4,474	20,544	0	18,722	17,861	330,149			330,149		330,149
SUB-TOTAL ESTIMATED		159,500	107,000	5,000	30,000	11,898	4,100	21,398	0	19,250	11,502	369,648			369,648		369,648
LESS: PRIOR YEAR AUDIT ADJ.																	
ACTUAL													0				0
ESTIMATED																	
TOTAL																	
NET PROGRAM COSTS																	

SEE PAGE 1A

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - CONSOLIDATED ELECTRIC DIVISION
 CONSERVATION PROGRAM COSTS

SCHEDULE C-3
 PAGE 1A OF 5

ACTUAL FOR MONTHS		January-15	THROUGH	June-15									
ESTIMATED FOR MONTHS		July-15	THROUGH	December-15									
PROGRAM NAME	LABOR & PAYROLL	ADVERTISING	LEGAL	OUTSIDE SERVICES	VEHICLE COST	MATERIALS & SUPPLIES	TRAVEL	GENERAL & ADMIN.	INCENTIVES	OTHER	SUB TOTAL	PROGRAM REVENUES	TOTAL
8. Commercial Chiller Upgrade													
A. ACTUAL	283	7	0	0	34	4	49	0	0	7	384		384
B. ESTIMATED	500	500	0	0	48	0	50	0	500	0	1,598		1,598
C. TOTAL	783	507	0	0	82	4	99	0	500	7	1,982		1,982
9. Solar Water Heater													
A. ACTUAL	0	0	0	0	0	0	0	0	0	0	0		0
B. ESTIMATED	250	250	0	0	50	0	50	0	500	0	1,100		1,100
C. TOTAL	250	250	0	0	50	0	50	0	500	0	1,100		1,100
10. Solar Photovoltaic													
A. ACTUAL	0	0	0	0	0	0	0	0	40,013	0	40,013		40,013
B. ESTIMATED	500	250	0	0	50	0	50	0	21,500	0	22,350		22,350
C. TOTAL	500	250	0	0	50	0	50	0	61,513	0	62,363		62,363
11. Electric Demonstration													
A. ACTUAL	0	0	0	13,344	0	0	0	0	0	0	13,344		13,344
B. ESTIMATED	1,250	0	0	36,000	130	0	120	0	0	0	37,500		37,500
C. TOTAL	1,250	0	0	49,344	130	0	120	0	0	0	50,844		50,844
12.													
A. ACTUAL	0	0	0	0	0	0	0	0	0	0	0		0
B. ESTIMATED	0	0	0	0	0	0	0	0	0	0	0		0
C. TOTAL	0	0	0	0	0	0	0	0	0	0	0		0
13													
A. ACTUAL	0	0	0	0	0	0	0	0	0	0	0		0
B. ESTIMATED	0	0	0	0	0	0	0	0	0	0	0		0
C. TOTAL	0	0	0	0	0	0	0	0	0	0	0		0
14.													
A. ACTUAL	0	0	0	0	0	0	0	0	0	0	0		0
B. ESTIMATED	0	0	0	0	0	0	0	0	0	0	0		0
C. TOTAL	0	0	0	0	0	0	0	0	0	0	0		0
TOTAL ACTUAL	168,786	18,245	12,167	72,476	10,542	4,478	20,592	0	58,735	17,868	383,889	0	383,889
TOTAL ESTIMATED	162,000	108,000	5,000	66,000	12,176	4,100	21,668	0	41,750	11,502	432,196	0	432,196
LESS: PRIOR YEAR AUDIT ADJ.													
ACTUAL											0		0
ESTIMATED													
TOTAL													
NET PROGRAM COSTS	330,786	126,245	17,167	138,476	22,718	8,578	42,260	0	100,485	29,370	816,085	0	816,085

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - CONSOLIDATED ELECTRIC DIVISION
 SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION AND RETURN

SCHEDULE C-3
 PAGE 2 OF 5

ACTUAL FOR MONTHS ESTIMATED FOR MONTHS January-15 July-15 THROUGH THROUGH June-15 December-15

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

EXHIBIT NO. _____
 DOCKET NO. 150002-EG
 FLORIDA PUBLIC UTILITIES COMPANY
 (CDY-2)
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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - CONSOLIDATED ELECTRIC DIVISION
 CONSERVATION PROGRAM COSTS

SCHEDULE C-3
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ACTUAL FOR MONTHS
 ESTIMATED FOR MONTHS

January-15
 July-15

THROUGH
 THROUGH

June-15
 December-15

A. ESTIMATED EXPENSE BY PROGRAM	ACTUAL						TOTAL	ESTIMATED						TOTAL	GRAND
	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	ACTUAL	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	ESTIMATED	TOTAL
1 Common	28,634	27,554	29,838	80,401	89,671	(22,876)	233,222	33,458	33,458	33,458	33,458	33,458	33,462	200,752	433,974
2 Residential Energy Survey Program	9,073	10,867	13,266	13,542	4,445	5,927	57,120	12,625	12,625	12,625	12,625	12,625	12,625	75,750	132,870
3 Commercial Energy Survey	1,434	1,084	2,830	1,123	599	1,341	8,410	2,725	2,725	2,725	2,725	2,725	2,725	16,350	24,760
4 Commercial Heating and Cooling Upgrade	(1)	8	0	100	0	0	107	767	767	767	767	767	763	4,598	4,705
5 Residential Heating and Cooling Upgrade	3,090	3,062	46,678	(37,735)	3,555	6,507	25,156	11,417	11,417	11,417	11,417	11,417	11,413	68,498	93,654
6 Commercial Indoor Efficient Lighting	721	8	0	764	3,402	1,130	6,024	350	350	350	350	350	350	2,100	8,124
7 Commercial Window Film Installation	(1)	8	0	102	0	0	109	267	267	267	267	267	263	1,598	1,707
8 Commercial Chiller Upgrade	(1)	8	0	0	0	377	384	267	267	267	267	267	263	1,598	1,982
9 Solar Water Heater	0	0	0	0	0	0	0	183	183	183	183	183	187	1,102	1,102
10 Solar Photovoltaic	0	0	600	39,413	0	0	40,013	3,725	3,725	3,725	3,725	3,725	3,725	22,350	62,363
11 Electric Demonstration	0	0	8,896	4,448	0	0	13,344	6,250	6,250	6,250	6,250	6,250	6,250	37,500	50,844
12	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Prior period audit adj.															
31. TOTAL ALL PROGRAMS	42,950	42,599	102,108	102,157	101,671	(7,596)	383,889	72,034	72,034	72,034	72,034	72,034	72,026	432,196	816,085
32. LESS AMOUNT INCLUDED IN RATE BASE															
33. RECOVERABLE CONSERVATION EXPENSES	42,950	42,599	102,108	102,157	101,671	(7,596)	383,889	72,034	72,034	72,034	72,034	72,034	72,026	432,196	816,085

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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - CONSOLIDATED ELECTRIC DIVISION
 ENERGY CONSERVATION ADJUSTMENT
 CALCULATION OF TRUE UP AND INTEREST PROVISION

SCHEDULE C-3
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	ACTUAL FOR MONTHS	January-15	THROUGH	June-15													
	ESTIMATED FOR MONTHS	July-15	THROUGH	December-15	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
B. CONSERVATION REVENUES																	
1. RCS AUDIT FEES																	
a.																	
b.																	
c.																	
2. CONSERVATION ADJ REVENUE (NET OF REVENUE TAXES)		(57,378)	(58,806)	(53,504)	(46,987)	(48,322)	(59,198)	(71,132)	(70,146)	(69,010)	(59,227)	(47,587)	(51,976)	(693,273)			
3. TOTAL REVENUES		(57,378)	(58,806)	(53,504)	(46,987)	(48,322)	(59,198)	(71,132)	(70,146)	(69,010)	(59,227)	(47,587)	(51,976)	(693,273)			
4. PRIOR PERIOD TRUE-UP--ADJ NOT APPLICABLE TO PERIOD		6,692	6,692	6,692	6,692	6,692	6,692	6,692	6,692	6,692	6,692	6,692	6,692	6,692	6,692	6,692	80,307
5. CONSERVATION REVENUES APPLICABLE TO PERIOD		(50,686)	(52,114)	(46,812)	(40,295)	(41,630)	(52,506)	(64,440)	(63,454)	(62,318)	(52,535)	(40,895)	(45,281)	(612,966)			
6. CONSERVATION EXPENSES (FORM C-3,PAGE 3)		42,950	42,599	102,108	102,157	101,671	(7,596)	72,034	72,034	72,034	72,034	72,034	72,034	72,026	816,085		
7. TRUE-UP THIS PERIOD		(7,736)	(9,515)	55,297	61,862	60,041	(60,102)	7,594	8,580	9,716	19,499	31,139	26,745	203,120			
8. INTEREST PROVISION THIS PERIOD (C-3,PAGE 5)		5	4	4	7	13	13	11	11	11	11	13	14	117			
9. TRUE-UP & INTEREST PROVISION		80,307	65,884	49,681	98,290	153,467	206,829	140,048	140,961	142,860	145,895	158,713	183,173	80,307			
10. PRIOR TRUE-UP REFUNDED (COLLECTED)		(6,692)	(6,692)	(6,692)	(6,692)	(6,692)	(6,692)	(6,692)	(6,692)	(6,692)	(6,692)	(6,692)	(6,692)	(6,692)	(6,692)	(6,692)	(80,307)
2012 Audit adj.																	0
11. END OF PERIOD TOTAL NET TRUE- UP (SUM OF LINES 7,8,9,10)		65,884	49,681	98,290	153,467	206,829	140,048	140,961	142,860	145,895	158,713	183,173	203,237	203,237			

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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - CONSOLIDATED ELECTRIC DIVISION
ENERGY CONSERVATION ADJUSTMENT
CALCULATION OF TRUE UP AND INTEREST PROVISION

SCHEDULE C-3
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ACTUAL FOR MONTHS ESTIMATED FOR MONTHS January-15 July-15 THROUGH THROUGH June-15 December-15

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
C. INTEREST PROVISION													
1. BEGINNING TRUE-UP (LINE B-9)	80,307	65,884	49,681	98,290	153,467	206,829	140,048	140,961	142,860	145,895	158,713	183,173	203,237
2. ENDING TRUE-UP BEFORE INTEREST (LINE B7+B9+B10)	65,879	49,677	98,286	153,460	206,816	140,035	140,950	142,849	145,884	158,702	183,160	203,223	203,120
3. TOTAL BEG. AND ENDING TRUE-UP	146,186	115,561	147,966	251,750	360,283	346,863	280,997	283,809	288,743	304,596	341,872	386,395	406,356
4. AVERAGE TRUE-UP (LINE C-3 X 50 %)	73,093	57,780	73,983	125,875	180,141	173,432	140,499	141,905	144,372	152,298	170,936	193,198	203,178
5. INTEREST RATE-FIRST DAY OF REPORTING BUSINESS MONTH	0.08%	0.09%	0.08%	0.06%	0.08%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%
6. INTEREST RATE-FIRST DAY OF SUBSEQUENT BUSINESS MONTH	0.09%	0.08%	0.06%	0.08%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%
7. TOTAL (LINE C-5 + C-6)	0.17%	0.17%	0.14%	0.14%	0.17%	0.18%	0.18%	0.18%	0.18%	0.18%	0.18%	0.18%	0.18%
8. AVG INTEREST RATE (C-7 X 50%)	0.09%	0.09%	0.07%	0.07%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%
9. MONTHLY AVERAGE INTEREST RATE	0.007%	0.007%	0.006%	0.006%	0.007%	0.008%	0.008%	0.008%	0.008%	0.008%	0.008%	0.008%	0.008%
10. INTEREST PROVISION (LINE C-4 X C-9)	5	4	4	7	13	13	11	11	11	11	13	14	117

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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - CONSOLIDATED ELECTRIC DIVISION
 CALCULATION OF CONSERVATION REVENUES

SCHEDULE C-4
 PAGE 1 OF 1

FOR THE PERIOD January-15 THROUGH December-16

MONTH	KWH/THERM SALES (000) (NET OF 3RD PARTY)	CONSERVATION ADJUSTMENT REVENUE (NET OF REVENUE TAXES)	RATE
2015 JANUARY	53,991	57,378	ACTUAL
FEBRUARY	55,037	58,806	ACTUAL
MARCH	50,058	53,504	ACTUAL
APRIL	43,984	46,987	ACTUAL
MAY	45,232	48,322	ACTUAL
JUNE	55,410	59,198	ACTUAL
JULY	66,426	71,132	0.107085
AUGUST	65,505	70,146	0.107086
SEPTEMBER	64,444	69,010	0.107086
OCTOBER	55,309	59,227	0.107084
NOVEMBER	44,438	47,587	0.107086
DECEMBER	48,537	51,976	0.107086
SUB-TOTAL	648,370	693,273	
2016 JANUARY	56,540	76,405	0.135134
FEBRUARY	56,789	76,741	0.135134
MARCH	51,125	69,088	0.135134
APRIL	43,852	59,259	0.135134
MAY	48,397	65,401	0.135134
JUNE	56,706	76,629	0.135134
JULY	68,382	92,408	0.135134
AUGUST	64,587	87,280	0.135134
SEPTEMBER	64,504	87,167	0.135134
OCTOBER	51,224	69,221	0.135134
NOVEMBER	46,213	62,450	0.135134
DECEMBER	50,756	68,589	0.135134
SUB-TOTAL	659,076	890,638	
TOTALS	1,307,445	1,583,911	

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Program

1. Residential Energy Survey Program
2. Commercial Heating and Cooling Upgrade Program
3. Residential Heating and Cooling Upgrade Program
4. Commercial Chiller Upgrade Program
5. Conservation Demonstration and Development Program
6. Low Income Program
7. Commercial Reflective Roof Program
8. Commercial Energy Consultation Program

PROGRAM TITLE:

Residential Energy Survey Program

PROGRAM DESCRIPTION:

The objective of the Residential Energy Survey Program is to provide FPUC's residential customers with energy conservation advice that encourages the implementation of efficiency measures resulting in energy savings for the customer. These measures, once implemented, also lower FPUC's energy requirements and improve operating efficiencies. FPUC views this program as a way of promoting the installation of cost-effective conservation features. During the survey process, the customer is provided with specific whole-house recommendations. The survey process also checks for possible duct leakage. If a problem is identified, recommendations are made for further analysis and repairs. Blower-door testing is required to identify and quantify the duct leakage. FPUC provides the customer with a list of contractors that provide blower-door testing. After the blower-door test contractor identifies the leakage sites and quantities, the customer is given a written summary of the test findings and the potential for savings, along with a list of approved repair contractors. During the survey, FPUC will provide the customer with a conservation kit as appropriate. The kit includes two LED bulbs, weather stripping, chalk, insulators for wall sockets and light switches, and a water temperature thermometer. While the contents of the conservation kit will result in demand and energy savings, its purpose is to provide the customer with actual samples of low and no cost measures the customer can take to reduce their energy costs.

PROGRAM PROJECTIONS:

For the twelve-month period of January to December 2016, the Company estimates that 200 residential surveys will be conducted. Fiscal expenditures for 2016 are projected to be \$102,500.

PROGRAM ACTIVITY AND EXPENDITURES:

From January 2015 through June 2015, 194 surveys were performed and actual expenditures were \$57,120. We estimate that another 100 surveys will be performed between July 2015 and December 2015. For January 2015 through December 2015 the projected expenses are \$132,870.

For January 2015 through December 2015, the goal for the number of program participants is 100.

PROGRAM SUMMARY:

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

PROGRAM TITLE:

Commercial Heating and Cooling Upgrade Program

PROGRAM DESCRIPTION:

This program is directed at reducing the rate of growth in peak demand and energy throughout FPUC's commercial sector by providing rebates to small commercial customers (commercial establishments with a maximum of 5 ton units). The program will do this by increasing the saturation of high-efficiency heat pumps and air conditioners. The program requires that customer install a high-efficiency central air conditioning system or heat pump with a minimum 15 SEER.

PROGRAM PROJECTIONS:

For the twelve-month period of January to December 2016, the Company estimates that 10 Commercial Heating and Cooling allowances will be paid. Fiscal expenditures for 2016 are projected to be \$5,300.

PROGRAM ACTIVITY AND EXPENDITURES:

From January 2015 through June 2015, 1 Commercial Heating and Cooling allowance was paid and actual expenditures were \$107. We estimate that 1 Commercial Heating and Cooling allowance will be paid between July 2015 and December 2015. For January 2015 through December 2015 the projected expenses are \$4,705.

For January 2015 through December 2015, the goal for the number of program participants is 10.

PROGRAM SUMMARY:

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

PROGRAM TITLE:

Residential Heating and Cooling Efficiency Upgrade Program

PROGRAM DESCRIPTION:

This program is directed at reducing the rate of growth in peak demand and energy throughout FPUC's electricity service territories. The program will do this by increasing the saturation of high-efficiency heat pumps and central air conditioning systems. The program requires that customer install a high-efficiency central air conditioning system or heat pump with a minimum 15 SEER. The Residential Heating & Cooling Efficiency Upgrade Program focuses in two areas. The first is to incent customers operating inefficient heat pumps and air conditioners to replace them with more efficient units. The program also incents customers with resistance heating to install a new heat pump. The second area of focus for the program is to incent customers that are replacing a heat pump or air conditioner that has reached the end of its life with a more efficient heat pump or air conditioner than is required by codes and standards. The incentive to install a more efficient heat pump or air conditioner also applies to heat pumps and air conditioners being installed in new construction.

PROGRAM PROJECTIONS:

For the twelve-month period of January to December 2016, the Company estimates that 150 Residential Heating and Cooling allowances will be paid. Fiscal expenditures for 2016 are projected to be \$56,200.

PROGRAM ACTIVITY AND EXPENDITURES:

From January 2015 through June 2015, 148 Residential Heating and Cooling allowances were paid and actual expenditures were \$25,156. We estimate that another 100 Residential Heating and Cooling allowances will be paid between July 2015 and December 2015. For January 2015 through December 2015 the projected expenses are \$93,656.

For January 2015 through December 2015, the goal for the number of program participants is 100.

PROGRAM SUMMARY:

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

PROGRAM TITLE:

Commercial Chiller Upgrade Program

PROGRAM DESCRIPTION:

The program is directed at reducing the rate of growth in peak demand and energy throughout FPUC's commercial/industrial sector. To serve this purpose, this program requires that commercial/industrial customers replace existing chillers with a more efficient system. By doing so, they will qualify for an incentive of up to \$175 per kW of additional savings above the minimum efficiency levels. The program covers water-cooled centrifugal chillers, water-cooled scroll or screw chillers, and air-cooled electric chillers. Minimum qualifications for efficiency exist for each of the chiller types based on size and are presented in the participation standards section of this program description. Interested customers will send project proposals to FPUC and a representative will schedule an on-site visit for inspection prior to installation. After the project is completed, a FPUC representative will conduct an on-site inspection. By following the guidelines, the customer will qualify for the rebate.

PROGRAM PROJECTIONS:

For the twelve-month period of January to December 2016, the Company estimates that 1 Commercial Chiller Upgrade rebate will be paid. Fiscal expenditures for 2016 are projected to be \$4,900.

PROGRAM ACTIVITY AND EXPENDITURES:

From January 2015 through June 2015, no Commercial Chiller Upgrade allowances were paid and actual expenditures were \$384. We estimate that 1 Commercial Chiller Upgrade rebate will be paid between July 2015 and December 2015. For January 2015 through December 2015 the projected expenses are \$1,982.

For January 2015 through December 2015, the goal for the number of program participants is 1.

PROGRAM SUMMARY:

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

PROGRAM TITLE:

Conservation Demonstration and Development Program

PROGRAM DESCRIPTION:

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

PROGRAM PROJECTIONS:

For the twelve-month period of January to December 2016, the Company estimates that they will engage in 2 CDD projects. Fiscal expenditures for 2016 are projected to be \$75,000.

PROGRAM ACTIVITY AND EXPENDITURES:

From January 2015 through June 2015 actual expenditures were \$13,344. For January 2015 through December 2015 the projected expenses are \$50,844.

PROGRAM SUMMARY:

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

PROGRAM TITLE:

Low Income Program

PROGRAM DESCRIPTION:

The Low Income Energy Outreach Program is an educational program designed to enhance the effectiveness of existing weatherization programs for low-income households. FPUC's Low Income Energy Outreach Program partners with Department of Economic Opportunity approved Low Income Weatherization Program operators by offering Residential Energy Surveys scheduled by the Low Income Weatherization Program operators, weatherization contractor training, distributing energy efficiency educational literature to participants, and hosting energy conservation events customized for low income households.

PROGRAM PROJECTIONS:

For the twelve-month period of January to December 2016, fiscal expenditures are projected to be \$15,100.

PROGRAM ACTIVITY AND EXPENDITURES:

From January 2015 through June 2015 actual expenditures were \$0. For January 2015 through December 2015 the projected expenses are \$0.

PROGRAM SUMMARY:

The main purpose of the Low Income Energy Outreach Program is to ensure that low income households are implementing all the necessary energy efficiency measures available. FPUC believes that by working with Weatherization Program operators, it is not only offering a valuable service to its Low Income residents, but that much needed thermal efficiency and weatherization improvements will be made.

PROGRAM TITLE:

Commercial Reflective Roof Program

PROGRAM DESCRIPTION:

The Commercial Reflective Roof Program is a new program that provides rebates to non-residential customers that either convert their existing roof to a cool roof or install a new cool roof on an existing building or a new building. The rebate covers up to 25% of the incremental cost of providing the cool roof compared to a standard roof. Rebates will be \$0.075 per sqft for new roofs on new or existing facilities and \$0.325 per sqft for roofs converting to a cool roof. Roofing material must be Energy Star certified in all cases. The program will reduce energy and demand required for cooling. Participation rates are measured per 1000 sq. ft. of roof. FPUC will work with roofing contractors to promote the program in a manner similar to the Residential and Commercial Heating & Cooling Upgrade Programs. The roofing contractors will provide copies of their proposal to provide roofing services for FPUC's customers. FPUC will inspect the roof before work begins and after the work is completed. FPUC will make the determination of which level of rebate will apply to the project and that the project qualifies for a rebate by using Energy Star certified materials.

PROGRAM PROJECTIONS:

For the twelve-month period of January to December 2016, the Company estimates that 5 Commercial Reflective Roof allowances will be paid. Fiscal expenditures for 2016 are projected to be \$23,700.

PROGRAM ACTIVITY AND EXPENDITURES:

From January 2015 through June 2015 actual expenditures were \$0. For January 2015 through December 2015 the projected expenses are \$0.

PROGRAM SUMMARY:

The program will start upon approval of FPUC's 2015 DSM Plan and Program Standards. Because time will be required to develop relationships with the roofing contractors to promote the program, no participants in the program are projected in 2015. We feel confident that by advertising the benefits of this program through our Energy Survey Program, bill inserts, promotional materials and social media platforms, we will begin to receive participants in this program.

**FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED ELECTRIC DIVISION
PROGRAM DESCRIPTION AND SUMMARY**

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PROGRAM TITLE:

Commercial Energy Consultation Program

PROGRAM DESCRIPTION:

The Florida Public Utilities Company Commercial Energy Consultation Program is designed to directly communicate the availability of the commercial DSM programs to commercial customers. This program allows for FPUC energy conservation representatives to conduct commercial site visits to educate customers about FPUC's commercial DSM programs, assess the potential for applicable DSM Programs, conduct an electric bill review, offer commercial energy savings suggestions, and inform customer about FPUC's commercial online energy efficiency resources and tools.

PROGRAM PROJECTIONS:

For the twelve-month period of January to December 2016, fiscal expenditures are projected to be \$14,700.

PROGRAM ACTIVITY AND EXPENDITURES:

From January 2015 through June 2015 actual expenditures were \$0. For January 2015 through December 2015 the projected expenses are \$0.

PROGRAM SUMMARY:

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

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