

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

May 1, 2017

VIA E-PORTAL

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

Re: Docket No. 170004-GU – Natural Gas Conservation Cost Recovery

Dear Ms. Stauffer:

Attached for electronic filing, please find the Direct Testimony and Exhibit CDY-1 of Mr. Curtis Young, submitted in the referenced Docket on behalf of Florida Public Utilities and Florida Public Utilities Company-Fort Meade, as well as Florida Public Utilities Company-Indiantown Division, and Florida Division of Chesapeake Utilities Corporation (Consolidated Companies), along with the Companies' Consolidated Petition for Approval of Final True Up Amount.

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

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Natural Gas Conservation) Docket No. 170004-GU
Cost Recovery Clause.)
_____) Filed: May 1, 2017

**PETITION FOR APPROVAL OF CONSERVATION COST RECOVERY
TRUE-UP AMOUNT FOR THE FLORIDA PUBLIC UTILITIES AND FLORIDA
DIVISION OF CHESAPEAKE UTILITIES CORPORATION
CONSOLIDATED GAS COMPANIES**

The Florida Division of Chesapeake Utilities Corporation (“CFG”), Florida Public Utilities Company and Florida Public Utilities Company-Fort Meade (“FPU Gas”), and Florida Public Utilities Company-Indiantown Division (“Indiantown”) (jointly herein “Consolidated Companies”) through their undersigned counsel, hereby files this petition for approval of the Consolidated Companies’ natural gas conservation cost recovery true-up amount related to the twelve-month period ended December 31, 2016. In support of this Petition, the Consolidated Companies state:

1. The Companies are each natural gas utilities with their principal office located at:

Florida Public Utilities/Division of Chesapeake Utilities Corporation
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
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301

Mike Cassel
Florida Public Utilities Company/
Chesapeake (Consolidated Natural
Gas Division)
1750 S. 14th Street, Suite 200
Fernandina Beach, FL 32034

3. Pursuant to the requirements in this docket, the Consolidated Companies, concurrently with the filing of this petition, file the testimony and conservation cost recovery true-up schedules

(Composite Exhibit CDY-1) for the period, consisting of the CT schedules and reporting forms supplied by the Commission Staff.

4. As indicated in the Testimony of Mr. Curtis D. Young, for the period January 2016 through December 2016, the Consolidated Companies under-recovered \$742,499, as compared to its estimated under-recovery of \$912,104, resulting in an adjusted end of period total true up amount of an over-recovery of \$169,605, as further indicated on Exhibit CDY-1.

WHEREFORE, the Consolidated Companies respectfully request that the Commission enter an Order approving the Companies' final natural gas conservation true-up amounts for the period January 1, 2016 through December 31, 2016.

RESPECTFULLY SUBMITTED this 1st day of May 2017.



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/Florida Division of Chesapeake Utilities
Corporation (Consolidated Natural Gas
Companies)*

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the Consolidated Companies' Petition for Approval of the Conservation Cost Recovery True-Up Amount in Docket No. 170004-GU has been furnished by Electronic Mail to the following parties of record this 1st day of May 2017, along with a copy of the referenced Testimony and Exhibit (CDY-1) of Mr. Young:

<p>Florida Public Utilities Company/Florida Division of Chesapeake Utilities/Indiantown Mike Cassel 1750 S.W. 14th Street, Suite 200 Fernandina Beach, FL 32034 mcassel@fpuc.com</p>	<p>MacFarlane Ferguson Law Firm Ansley Watson, Jr. /Andrew Brown P.O. Box 1531 Tampa, FL 33601-1531 aw@macfar.com; AB@macfar.com</p>
<p>Messer Law Firm Paula Sparkman P.O Box 15579 Tallahassee, FL 32317 psparkman@lawfla.com</p>	<p>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 Kelly.JR@leg.state.fl.us Christensen.Patty@leg.state.fl.us Rehwinkel.Charles@leg.state.fl.us</p>
<p>Peoples Gas System Paula Brown Kandi Floyd P.O. Box 111 Tampa, FL 33601-0111 regdept@tecoenergy.com kfloyd@tecoenergy.com</p>	<p>St. Joe Natural Gas Company, Inc. Mr. Andy Shoaf P.O. Box 549 Port St. Joe, FL 32457-0549 Andy@stjoegas.com</p>
<p>Sebring Gas System, Inc. Jerry H. Melendy, Jr. 3515 U.S. Highway 27 South Sebring, FL 33870 jmelendy@floridasbestgas.com</p>	<p>Southern Company Gas Elizabeth Wade Ten Peachtree Place Location 1470 Atlanta, GA 30309 ewade@southernco.com</p>
<p>Florida City Gas Carolyn Bermudez 933 East 25th Street Hialeah, FL 33013-3498 cbermude@southernco.com</p>	<p>Kelley Corbari/Stephanie Cuello Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399 kcorbari@psc.state.fl.us scuello@psc.state.fl.us</p>

<p>Southern Company Gas Blake O'Farrow Ten Peachtree Place Location 1686 Atlanta, GA 30309 bofarrow@southernco.com</p>	
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Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 170004-GU:

NATURAL GAS CONSERVATION COST RECOVERY CLAUSE

Direct Testimony (Final True Up) of

CURTIS D. YOUNG

On Behalf of

Florida Public Utilities Company and the Florida Division of Chesapeake Utilities
Company Consolidated Gas Companies

1 Q. Please state your name and business address.

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

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

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

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

8 A. To advise the Commission of the actual over/under recovery of the
9 Conservation costs for the period January 1, 2016 through December 31, 2016
10 as compared to the amount previously reported for that period which was
11 based on Six months actual and Six months estimated data.

12 Q. Please state the actual amount of over/under recovery of Conservation Program
13 costs for the gas divisions of Florida Public Utilities Company for January 1,
14 2016 through December 31, 2016.

15 A. The Company under-recovered \$ 742,499 during that period. This amount is
16 substantiated on Schedule CT-3, page 2 of 3, Calculation of True-up and
17 Interest Provision.

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

3 A. We had estimated that we would under-recover \$912,104 as of December 31,
4 2016.

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

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

8 Q. Does this conclude your testimony?

9 A. Yes.

10

CONSERVATION ADJUSTMENT TRUE-UP

FOR MONTHS January-16 THROUGH December-16

1.	ADJUSTED END OF PERIOD TOTAL NET TRUE-UP		
2.	FOR MONTHS	January-16	THROUGH December-16
3.	END OF PERIOD NET TRUE-UP		
4.	PRINCIPAL		<u>736,328</u>
5.	INTEREST		<u>6,171</u>
			<u>742,499</u>
6.	LESS PROJECTED TRUE-UP		
7.	November-16	HEARINGS	
8.	PRINCIPAL		<u>906,353</u>
9.	INTEREST		<u>5,751</u>
			<u>912,104</u>
10.	ADJUSTED END OF PERIOD TOTAL TRUE-UP		<u>(169,605)</u>

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY AND FLORIDA DIVISION OF SCHEDULE CT-2
 CHESAPEAKE UTILITIES CORPORATION CONSOLIDATED NATURAL GAS PAGE 1 OF 3
 COMPANIES
 ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS
 ACTUAL VS PROJECTED

	FOR MONTHS	January-16	THROUGH	December-16	
		<u>ACTUAL</u>		<u>PROJECTED</u>	<u>DIFFERENCE</u>
1.	Labor/Payroll	1,146,028		1,011,451	134,576
2.	Advertisement	576,087		746,076	(169,989)
3.	Legal	6,119			6,119
4.	Outside Services	54,458		102,731	(48,273)
5.	Vehicle/Travel	31,461		156,801	(125,340)
6.	Materials & Supplies	19,624		22,328	(2,703)
7.	Travel	143,811			143,811
8.	General & Administrative				
9.	Incentives	3,013,141		3,654,917	(641,777)
10.	Other	<u>107,517</u>		<u>108,819</u>	<u>(1,302)</u>
11.	SUB-TOTAL	5,098,245		5,803,123	(704,878)
12.	PROGRAM REVENUES				
13.	TOTAL PROGRAM COSTS	<u>5,098,245</u>		<u>5,803,123</u>	<u>(704,878)</u>
14.	LESS: PRIOR PERIOD TRUE-UP	2,694,184		2,694,184	
15.	AMOUNTS INCLUDED IN RATE BASE				
16.	CONSERVATION ADJ REVENUE	(7,056,101)		(7,590,954)	534,853
17.	ROUNDING ADJUSTMENT				
18.	TRUE-UP BEFORE INTEREST	<u>736,328</u>		<u>906,353</u>	<u>(170,025)</u>
19.	ADD INTEREST PROVISION	6,171		5,751	420
20.	END OF PERIOD TRUE-UP	<u>742,499</u>		<u>912,104</u>	<u>(169,605)</u>

() REFLECTS OVERRECOVERY

EXHIBIT NO. _____
 DOCKET NO. 170004-GU
 FLORIDA PUBLIC UTILITIES CO.
 (CDY-1)
 PAGE 2 OF 24

ACTUAL CONSERVATION PROGRAM COSTS PER PROGRAM

FOR MONTHS January-16 THROUGH December-16

PROGRAM NAME	50 LABOR/PAY	51 ADVERTISE.	52 LEGAL	53 OUT.SERV.	54 VEHICLE	55 MAT.&SUPP.	56 TRAVEL	57 G & A	58 INCENTIVES	59 OTHER	SUB TOTAL	PROGRAM REVENUES	TOTAL
1 Full House Residential New Construction	13,688	104,114			956	255	2,295		692,281	522	814,111		814,111
2 Residential Appliance Replacement	14,145	193,423			995	269	2,588		274,202	333	485,954		485,954
3 Conservation Education	37,045	54,951		1,500	2,333	658	6,776			29,151	132,414		132,414
4 Space Conditioning	196				16	6	47			3	268		268
5 Residential Conservation Survey	8,268	850		19,051	512	154	1,552			20,942	51,329		51,329
6 Residential Appliance Retention	8,772	118,920			501	113	1,503		682,245	78	812,132		812,132
7 Commercial Conservation Survey	3,154				213	75	652			56	4,150		4,150
8 Residential Service Reactivation									1,049		1,049		1,049
9 Common	1,058,320	29,364	6,119	7,907	25,756	18,052	127,936			56,402	1,329,855		1,329,855
10 Conservation Demonstration and Development	2,441	50		18,500	178	44	461			32	21,706		21,706
11 Commercial Small Food Program		14,883		1,500					868,563		884,945		884,945
12 Commercial Large Non-Food Service Program		14,883		1,500					49,455		65,838		65,838
13 Commercial Large Food Service Program		14,883		1,500					173,165		189,548		189,548
14 Commercial Large Hospitality Program		14,883		1,500					176,091		192,474		192,474
15 Commercial Large Cleaning Service Program		14,883		1,500					96,089		112,472		112,472
16 Residential Propane Distribution Program													
15 TOTAL ALL PROGRAMS	1,146,028	576,087	6,119	54,458	31,461	19,624	143,811		3,013,141	107,517	5,098,245		5,098,245

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

FOR MONTHS January-16 THROUGH December-16

PROGRAM NAME	LABOR/PAY	ADVERTISE.	LEGAL	OUT.SERV.	VEHICLE	MAT.&SUPP.	TRAVEL	G & A	INCENTIVES	OTHER	SUB TOTAL	PROGRAM REVENUES	TOTAL
1 Full House Residential New Construction	(21,644)	29,166			(5,009)	(620)	2,295		(62,332)	(2,237)	(60,381)		(60,381)
2 Residential Appliance Replacement	(9,922)	(77,174)			(3,431)	(394)	2,588		(55,969)	(1,191)	(145,494)		(145,494)
3 Conservation Education	15,606	(17,049)		1,000	(3,160)	(405)	6,776			14,932	17,700		17,700
4 Space Conditioning	196	(1,250)			16	6	47		(1,250)	3	(2,232)		(2,232)
5 Residential Conservation Survey	(391)	(2,112)		19,051	(1,707)	(896)	1,552			8,409	23,906		23,906
6 Residential Appliance Retention	(11,153)	(105,302)			(2,523)	(424)	1,503		92,345	(199)	(25,753)		(25,753)
7 Commercial Conservation Survey	(1,230)	(500)		(2,500)	(921)	(234)	652			(489)	(5,222)		(5,222)
8 Residential Service Reactivation	(2,500)	(1,250)			(250)	(50)			(4,301)		(8,351)		(8,351)
9 Common	205,164	14,567	6,119	(20,824)	(103,522)	1,312	127,936			(8,028)	222,724		222,724
10 Conservation Demonstration and Development	451			(50,000)	(334)	3	461			(0)	(49,419)		(49,419)
11 Commercial Small Food Program	(20,000)	(1,817)		1,000	(2,500)	(500)			(596,372)	(2,500)	(622,689)		(622,689)
12 Commercial Large Non-Food Service Program	(5,000)	(1,817)		1,000	(500)	(125)			(18,189)	(2,500)	(27,131)		(27,131)
13 Commercial Large Food Service Program	(5,000)	(1,817)		1,000	(500)	(125)			(84,930)	(2,500)	(93,872)		(93,872)
14 Commercial Large Hospitality Program	(5,000)	(1,817)		1,000	(500)	(125)			72,275	(2,500)	63,333		63,333
15 Commercial Large Cleaning Service Program	(5,000)	(1,817)		1,000	(500)	(125)			26,945	(2,500)	18,003		18,003
16 Residential Propane Distribution Program									(10,000)		(10,000)		(10,000)
5. TOTAL ALL PROGRAMS	134,576	(189,989)	6,119	(48,273)	(125,340)	(2,703)	143,811		(641,777)	(1,302)	(704,878)		(704,878)

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

FOR MONTHS		January-16	THROUGH	December-16										
A. CONSERVATION EXPENSE BY PROGRAM		JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1	Full House Residential New Construction	83,211	34,232	31,183	89,431	25,826	167,860	111,388	95,026	27,835	95,232	20,226	32,662	814,111
2	Residential Appliance Replacement	40,252	28,478	26,529	38,732	57,020	28,686	37,346	59,221	29,828	23,276	98,341	18,244	485,954
3	Conservation Education	5,792	10,128	13,848	9,982	5,585	13,378	26,865	9,236	10,800	7,954	7,555	11,289	132,414
4	Space Conditioning									268				268
5	Residential Conservation Survey	125		1,675	1,406	468		14,530	8,290	16,627	2,997	3,375	1,836	51,329
6	Residential Appliance Retention	73,727	53,448	57,022	55,400	82,666	87,372	82,201	98,081	43,593	85,353	50,628	42,642	812,132
7	Commercial Conservation Survey				1,687	935			858				670	4,150
8	Residential Service Reactivation	350	350	(350)					350		350			1,049
9	Common	95,385	92,777	128,782	100,936	101,713	110,039	109,877	107,093	121,409	104,036	100,483	157,326	1,329,855
10	Conservation Demonstration and Development	(2,450)	15,000	1,338	3,000		4,237				581			21,706
11	Commercial Small Food Program	185,809	256,101	126,993	53,509	62,977	36,746	21,965	28,045	20,331	43,534	21,539	27,397	884,945
12	Commercial Large Non-Food Service Program	10,353	7,020	5,639	3,112	11,413	2,307	2,756	3,432	3,648	11,537	3,166	1,454	65,838
13	Commercial Large Food Service Program	70,181	23,403	7,001	15,017	1,411	18,282	3,474	9,860	11,256	9,010	19,199	1,454	189,548
14	Commercial Large Hospitality Program	10,353	3,470	10,221	17,153	19,208	611	5,114	15,856	32,255	28,726	28,317	21,190	192,474
15	Commercial Large Cleaning Service Program	20,360	7,132	5,769	3,112	1,411	13,560	3,896	8,880	910	29,665	4,667	13,110	112,472
16	Residential Propane Distribution Program													
5. TOTAL ALL PROGRAMS		593,447	531,539	415,649	392,476	370,633	483,079	419,412	444,227	318,761	442,251	357,497	329,275	5,098,245
6. LESS AMOUNT INCLUDED IN RATE BASE														
7. RECOVERABLE CONSERVATION EXPENSES		593,447	531,539	415,649	392,476	370,633	483,079	419,412	444,227	318,761	442,251	357,497	329,275	5,098,245

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY AND FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION CONSOLIDATED NATURAL GAS COMPANIES

SCHEDULE CT-3
PAGE 2 OF 3

CALCULATION OF TRUE-UP AND INTEREST PROVISION

FOR MONTHS January-16 THROUGH December-16

B. CONSERVATION REVENUES	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1. RESIDENTIAL CONSERVATION													
2. CONSERVATION ADJ. REVENUES	(770,897)	(780,286)	(724,242)	(619,972)	(534,696)	(499,337)	(466,148)	(448,991)	(464,704)	(505,608)	(572,747)	(668,474)	(7,056,101)
3. TOTAL REVENUES	(770,897)	(780,286)	(724,242)	(619,972)	(534,696)	(499,337)	(466,148)	(448,991)	(464,704)	(505,608)	(572,747)	(668,474)	(7,056,101)
4. PRIOR PERIOD TRUE-UP ADJ. NOT APPLICABLE TO THIS PERIOD	224,519	224,515	224,515	224,515	224,515	224,515	224,515	224,515	224,515	224,515	224,515	224,515	2,694,184
5. CONSERVATION REVENUE APPLICABLE	(546,378)	(555,771)	(499,727)	(395,457)	(310,181)	(274,822)	(241,633)	(224,476)	(240,189)	(281,093)	(348,232)	(443,959)	(4,361,917)
6. CONSERVATION EXPENSES (FROM CT-3, PAGE 1, LINE 23)	593,447	531,539	415,649	392,476	370,633	483,079	419,412	444,227	318,761	442,251	357,497	329,275	5,098,245
7. TRUE-UP THIS PERIOD (LINE 5 - 6)	47,069	(24,232)	(84,079)	(2,981)	60,452	208,257	177,779	219,752	78,572	161,158	9,265	(114,684)	736,328
8. INTEREST PROVISION THIS PERIOD (FROM CT-3, PAGE 3, LINE 10)	738	688	590	524	509	482	453	490	489	454	446	308	6,171
9. TRUE-UP AND INTEREST PROVISION BEGINNING OF MONTH	2,694,184	2,517,472	2,269,413	1,961,410	1,734,438	1,570,884	1,555,108	1,508,825	1,504,552	1,359,098	1,296,195	1,081,391	2,694,184
9A. DEFERRED TRUE-UP BEGINNING OF PERIOD													
10. PRIOR TRUE-UP COLLECTED (REFUNDED)	(224,519)	(224,515)	(224,515)	(224,515)	(224,515)	(224,515)	(224,515)	(224,515)	(224,515)	(224,515)	(224,515)	(224,515)	(2,694,184)
11. TOTAL NET TRUE-UP (LINES 7+8+9+9A+10)	2,517,472	2,269,413	1,961,410	1,734,438	1,570,884	1,555,108	1,508,825	1,504,552	1,359,098	1,296,195	1,081,391	742,499	742,499

EXHIBIT NO. _____
DOCKET NO. 170004-GU
FLORIDA PUBLIC UTILITIES CO.
(CDY-1)
PAGE 6 OF 24

CALCULATION OF TRUE-UP AND INTEREST PROVISION

FOR MONTHS January-16 THROUGH December-16

C. INTEREST PROVISION	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1. BEGINNING TRUE-UP (LINE B-9)	2,694,184	2,517,472	2,269,413	1,961,410	1,734,438	1,570,884	1,555,108	1,508,825	1,504,552	1,359,098	1,296,195	1,081,391	2,694,184
2. ENDING TRUE-UP BEFORE INTEREST (LINES B7+B9+B9A+B10)	2,516,734	2,268,725	1,960,820	1,733,914	1,570,375	1,554,626	1,508,372	1,504,062	1,358,609	1,295,741	1,080,945	742,191	736,328
3. TOTAL BEG. AND ENDING TRUE-UP	5,210,918	4,786,198	4,230,233	3,695,324	3,304,813	3,125,511	3,063,481	3,012,887	2,863,161	2,654,838	2,377,139	1,823,582	3,430,512
4. AVERAGE TRUE-UP (LINE C-3 X 50%)	2,605,459	2,393,099	2,115,117	1,847,662	1,652,407	1,562,755	1,531,740	1,506,444	1,431,580	1,327,419	1,188,570	911,791	1,715,256
5. INTEREST RATE - FIRST DAY OF REPORTING BUSINESS MONTH	0.34%	0.34%	0.35%	0.32%	0.36%	0.38%	0.36%	0.35%	0.43%	0.39%	0.43%	0.47%	
6. INTEREST RATE - FIRST DAY OF SUBSEQUENT BUSINESS MONTH	0.34%	0.35%	0.32%	0.36%	0.38%	0.36%	0.35%	0.43%	0.39%	0.43%	0.47%	0.34%	
7. TOTAL (LINE C-5 + C-6)	0.68%	0.69%	0.67%	0.68%	0.74%	0.74%	0.71%	0.78%	0.82%	0.82%	0.90%	0.81%	
8. AVG. INTEREST RATE (C-7 X 50%)	0.34%	0.35%	0.34%	0.34%	0.37%	0.37%	0.36%	0.39%	0.41%	0.41%	0.45%	0.41%	
9. MONTHLY AVERAGE INTEREST RATE	0.028%	0.029%	0.028%	0.028%	0.031%	0.031%	0.030%	0.033%	0.034%	0.034%	0.038%	0.034%	
10. INTEREST PROVISION (LINE C-4 X C-9)	738	688	590	524	509	482	453	490	489	454	446	308	6,171

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY AND FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION CONSOLIDATED NATURAL GAS COMPANIES

SCHEDULE CT-4
PAGE 1 OF 1

SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION & RETURN

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														
2. DEPRECIATION BASE														
3. DEPRECIATION EXPENSE														
4. CUMULATIVE INVESTMENT														
5. LESS: ACCUMULATED DEPRECIATION														
6. NET INVESTMENT														
7. AVERAGE INVESTMENT														
8. RETURN ON AVERAGE INVESTMENT														
9. RETURN REQUIREMENTS														
10. TOTAL DEPRECIATION AND RETURN														NONE

EXHIBIT NO. _____
DOCKET NO. 170004-GU
FLORIDA PUBLIC UTILITIES CO.
(CDY-1)
PAGE 8 OF 24

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY AND FLORIDA DIVISION OF
CHESAPEAKE UTILITIES CORPORATION CONSOLIDATED NATURAL GAS COMPANIES
RECONCILIATION AND EXPLANATION OF
DIFFERENCES BETWEEN FILING AND PSC AUDIT

SCHEDULE CT-5
PAGE 1 OF 1

FOR MONTHS January-16 THROUGH December-16

AUDIT EXCEPTION: TO OUR KNOWLEDGE, NONE EXIST

COMPANY RESPONSE:

EXHIBIT NO. _____
DOCKET NO. 170004-GU
FLORIDA PUBLIC UTILITIES CO.
(CDY-1)
PAGE 9 OF 24

1. Residential New Construction Program
2. Residential Appliance Replacement Program
3. Residential Appliance Retention Program
4. Residential Service Reactivation Program
5. Residential Conservation Survey Program
6. Commercial Conservation Survey Program
7. Conservation Education Program
8. Space Conditioning Program
9. Conservation Demonstration and Development Program
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

PROGRAM TITLE: Residential New Construction Program

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

CURRENT APPROVED ALLOWANCES:

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

PROGRAM ACCOMPLISHMENTS: For the reporting period January 1, 2016 through December 31, 2016, 2245 incentives were paid. There were 413 Tank Water Heaters, 1 High Efficiency Tank Water Heaters, 557 Tankless Water Heaters, 75 Furnaces, 654 Ranges and 545 Dryers.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2016 through December 31, 2016 were **\$814,111**.

PROGRAM TITLE: Residential Appliance Replacement Program

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

CURRENT APPROVED ALLOWANCES:

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

PROGRAM ACCOMPLISHMENTS: For the reporting period January 1, 2016 through December 31, 2016, 545 incentives were paid. There were 15 Tank Water Heaters, 1 High Efficiency Tank Water Heaters, 287 Tankless Water Heaters, 8 Furnaces, 136 Ranges and 98 Dryers.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2016 through December 31, 2016 were **\$485,954**.

PROGRAM PROGRESS SUMMARY: The FPSC approved this program on August 29, 2000. From the inception through the reporting period of this program, FPUC has converted 9,455 natural gas hot water heaters.

PROGRAM TITLE: Residential Appliance Retention Program

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

CURRENT APPROVED ALLOWANCES:

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

PROGRAM ACCOMPLISHMENTS: For the reporting period January 1, 2016 through December 31, 2016, 1801 incentives were paid. There were 801 Tank Water Heaters, 48 High Efficiency Tank Water Heaters, 469 Tankless Water Heaters, 149 Furnaces, 171 Ranges and 163 Dryers.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2016 through December 31, 2016 were **\$812,132**.

PROGRAM PROGRESS SUMMARY: The FPSC approved this program on August 29, 2000. From the inception through the reporting period, FPUC has retained 11,961 natural gas hot water heaters.

PROGRAM TITLE: Residential Service Reactivation Program

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

PROGRAM ACCOMPLISHMENTS: For the reporting period January 1, 2016 through December 31, 2016, 3 incentives were paid.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2016 through December 31, 2016 were **\$1,049**.

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

PROGRAM TITLE: Residential Conservation Survey Program

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

PROGRAM ACCOMPLISHMENTS: This year a total of 18 residential surveys were performed.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2016 through December 31, 2016 were **\$51,329**.

PROGRAM PROGRESS SUMMARY: This program was implemented on September 1, 2000. Since inception through the reporting period, 273 residential customers have participated.

PROGRAM TITLE: Commercial Conservation Survey Program

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

PROGRAM ACCOMPLISHMENTS: This year, 2 commercial surveys were completed during the reporting period.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2016 through December 31, 2016 were **\$4,150**.

PROGRAM PROGRESS SUMMARY: This program was implemented on September 1, 2000. From the inception of this program through the reporting period 206 commercial customers have participated.

PROGRAM TITLE: Conservation Education Program

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

PROGRAM ACCOMPLISHMENTS: This year FPU conducted 32 seminars and events to educate customers.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2016 through December 31, 2016 were **\$132,414**.

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

PROGRAM TITLE: Space Conditioning Program

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

PROGRAM ACCOMPLISHMENTS: There were no participants in this program in 2016.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2016 through December 31, 2016 were **\$268**.

PROGRAM PROGRESS SUMMARY: From FPSC approval of the program on August 29, 2000 through December 31, 2016, FPUC has connected 10 space conditioning projects to its natural gas system.

PROGRAM TITLE: Conservation Demonstration and Development

PROGRAM DESCRIPTION: The primary purpose of the Conservation Demonstration and Development (CDD) program is to pursue research, development, and demonstration projects that are designed to promote energy efficiency and conservation. This program will supplement and complement the other conservation programs offered by Florida Public Utilities Company and give the Company an opportunity to pursue individual and joint research projects as well as the development of new conservation programs. The CDD program is meant to be an umbrella program for the identification, development, demonstration, and evaluation of promising new end-use technologies.

PROGRAM ACCOMPLISHMENTS: For 2016, Florida Public Utilities conducted research on the use of CHP technology for schools.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2016 through December 31, 2016 were **\$21,706**.

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

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.

CURRENT APPROVED ALLOWANCES:

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

PROGRAM ACCOMPLISHMENTS: For the reporting period January 1, 2016 through December 31, 2016, 410 incentives were paid. There were 4 Tank Water Heaters, 92 Tankless Water Heaters, 269 Fryers and 45 Ranges.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2016 through December 31, 2016 were **\$884,945**.

PROGRAM PROGRESS SUMMARY: Since inception, 1636 appliances have qualified for this program.

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. The rebates offered within this program are limited to the specific appliance types and rebate categories depicted below.

CURRENT APPROVED ALLOWANCES:

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

PROGRAM ACCOMPLISHMENTS: For the reporting period January 1, 2016 through December 31, 2016, 23 incentives were paid. There were 0 Tank Water Heaters and 23 Tankless Water Heaters.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2016 through December 31, 2016 were **\$65,838**.

PROGRAM PROGRESS SUMMARY: Since inception, 76 appliances have qualified for this program.

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.

CURRENT APPROVED ALLOWANCES:

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

PROGRAM ACCOMPLISHMENTS: For the reporting period January 1, 2016 through December 31, 2016, 85 incentives were paid. There were 3 Tank Water Heaters, 16 Tankless Water Heaters, 55 Fryers and 11 Ranges.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2016 through December 31, 2016 were **\$189,548**.

PROGRAM PROGRESS SUMMARY: Since inception, 321 appliances have qualified for this program.

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.

CURRENT APPROVED ALLOWANCES:

Appliance	New Construction	Replacement	Retention
Water	\$1,500	\$2,000	\$1,500
Tankless	\$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 ACCOMPLISHMENTS: For the reporting period January 1, 2016 through December 31, 2016, 147 incentives were paid. There were 7 Tank Water Heaters, 125 Tankless Water Heaters, 4 Fryers, 2 Ranges and 9 Dryer.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2016 through December 31, 2016 were **\$192,474**.

PROGRAM PROGRESS SUMMARY: Since inception, 198 appliances have qualified for this program.

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.

CURRENT APPROVED ALLOWANCES:

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

PROGRAM ACCOMPLISHMENTS: For the reporting period January 1, 2016 through December 31, 2016, 86 incentives were paid. There was 1 Tank Water Heater, 29 Tankless Water Heaters and 56 Dryers.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2016 through December 31, 2016 were **\$112,472**.

PROGRAM PROGRESS SUMMARY: Since inception, 189 appliances have qualified for this program.