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October 4, 2012

HAND DELIVERY

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

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COMMISSION
CLERK

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

Dear Ms. Cole:

Attached for filing, please find the original and 15 copies of the Direct Testimony and Second Revised Exhibits CDY-1 and CDY-2 of Mr. Curtis Young, submitted in the referenced Docket on behalf of Florida Public Utilities Company, along with the original and 15 copies of the Company's Petition for Approval of Revised Conservation Cost Recovery Factors. Also enclosed for filing is a CD containing the filed schedules in native format.

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

Sincerely,

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

MEK
cc: Parties of Record

COM	5
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TEL	—
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DOCUMENT NUMBER-DATE

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 120004-GU
Filed: October 4, 2012

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

Florida Public Utilities Company, Consolidated Natural Gas Division (herein, "FPUC" or "Company"), pursuant to Rule 25-17.015, Florida Administrative Code, hereby submits this petition to the Commission for approval of its **second revised** Conservation Cost Recovery Adjustment factors listed herein below to be applied to bills rendered for meter readings taken between January 1, 2013 and December 31, 2013. The Company's projections have been revised based upon a determination that the incorrect amounts reflecting the 2011 end of period true-up and the 2012 actual/estimated true-up had been used in the calculation of the 2013 factors. In support hereof, the Company states:

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

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

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

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

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

3. The Conservation Cost Recovery Adjustment factors were calculated in accordance with the methodology that has been previously approved by the Commission. The factors are designed to recover the projected energy conservation program expenses of the Company for the period January 1, 2013 through December 31, 2013, adjusted for the net true-up (which includes the estimated energy conservation true-up for the period January 1, 2012 through December 31, 2012), as well as interest calculated in accordance with the methodology established by the Commission. The calculation of the factors and the supporting documentation is contained in the prepared testimony of the Company witness, Mr. Curtis Young and Second Revised Exhibit CDY-2, as well as Second Revised CDY-1, which reflects the appropriate end-of-period true-up amount for 2011 as being an under-recovery of \$564,286.
4. The Company projects total energy conservation program expenses of \$2,834,500 for the period January 2013 through December 2013. The projected net true-up is an over-recovery of \$282,792. After adding the projected energy conservation expenses to the amount of this over-recovery, a total of \$2,551,708 remains to be recovered during the period January 1, 2013 through December 31, 2013. Dividing this total among the Company's rate classes and then dividing this result by the projected gas throughput for the period by rate class, and expanding for taxes, results in the following Conservation Cost Recovery Adjustment factors for which the Company seeks approval in this petition.

<u>Rate Class</u>	<u>Adjustment Factor (dollars per therm)</u>
Residential	\$ <u>.07926</u>
General Service & Transportation (GS1)	\$ <u>.05613</u>
General Service & Transportation (GS2)	\$ <u>.04208</u>
Large Volume Service	\$ <u>.03213</u>

LV Service Transportation <50,000	\$.03213
LV Transportation Service >50,000	\$.03213

WHEREFORE, THE FLORIDA PUBLIC UTILITIES COMPANY asks that the Commission grant this petition, and approve the above Conservation Cost Recovery Adjustment factors to be applied to bills rendered for meter readings taken between January 1, 2013 and December 31, 2013, inclusive.

RESPECTFULLY submitted this 4th day of October 2012.



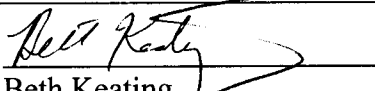
Beth Keating, Esquire
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301
(850) 521-1706

*Attorneys for Florida Public Utilities
Company*

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the Petition of the Florida Public Utilities Company, as well as the Direct Testimony and Second Revised Exhibits of Mr. Curtis Young, has been furnished by U.S. Mail to the following parties of record this 4th day of October, 2012:

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


Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 120004-GU
DETERMINATION OF CONSERVATION COSTS RECOVERY FACTOR

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

1 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, Florida
4 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 Senior Regulatory Analyst.

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

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

DOCUMENT NUMBER-DATE

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

2 A. To advise the Commission as to the Conservation Cost
3 Recovery Clause Calculation for the period January
4 2013 through December 2013.

5 Q. Have you included descriptions and summary information
6 on the Conservation Programs currently approved and
7 available to your customers?

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

11 Q. Were the summaries of the Company's Conservation
12 Programs and the Costs associated with these Programs
13 completed under your direction or review?

14 A. Yes, the standard review process also included the
15 Energy Conservation Supervisor, the Director of
16 Marketing and Sales and the Director of Regulatory
17 Affairs.

18 Q. What are the total projected costs for the period
19 January 2013 through December 2013 in the Consolidated
20 Natural Gas Division?

21 A. The total projected Conservation Program Costs are
22 \$2,834,500. Please see Schedule C-2, page 2, for the
23 programmatic and functional breakdown of these total
24 costs.

25

1 Q. Please explain the increases to your 2011 Conservation
2 Program Costs?

3 A. The Company experienced increased conservation related
4 payroll and associated conservation costs in 2011
5 compared to 2010 and prior years. The increases
6 related to internal changes to job functions and the
7 Marketing Department structure in association with
8 intensified efforts to promote cost saving and energy
9 efficient conservation programs. As more fully
10 described herein, the Company has reassessed its
11 conservation efforts and focus to better align itself
12 with current economic and market conditions. This
13 realignment has impacted not only the level of charges
14 to the conservation program, but also the positions
15 that actually perform conservation related activities.

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

18 A. The new residential housing construction market
19 continues to be at levels well below previous years'
20 levels, foreclosures have been at record high levels
21 and existing and potential customers want help in
22 finding ways to save money on their utility bills. The
23 Company's market assessment revealed, among other
24 things, that the Company should shift its focus to the
25 conservation programs that are designed to assist

1 existing customers and potential customers (premises)
2 that are adjacent to natural gas infrastructure (all
3 electric homes that have a natural gas main close by),
4 rather than the traditional new residential
5 construction markets. These conservation programs,
6 however, are more labor and resource intensive than
7 the new residential construction program. Where the
8 new residential construction program is relationship
9 oriented (one builder/developer, many rebates), these
10 conservation programs are transactional (one customer,
11 one rebate). As such, the Company projected the
12 effects of these changes in its recent energy
13 conservation projection filings. Actual 2011 results
14 confirm that the Company has increased its payroll and
15 associated (travel) costs and advertisement costs to
16 its conservation programs. At the same time, however,
17 the number of individual customers assisted, as
18 demonstrated by the number of rebates paid under these
19 programs (Residential Appliance Replacement and
20 Residential Appliance Retention Programs) has also
21 increased by about 139% and 34%, respectively. Thus,
22 additional expenditures have resulted in more
23 participation by customers of these important energy
24 conservation programs. Similar results and expense
25 levels are expected to continue through 2013.

1 Q. What is the true-up for the period January 2012
2 through December 2012?

3 A. As reflected in the Schedule C-3, Page 4 of 5, the
4 True-up amount for the Consolidated Natural Gas
5 Division is an over-recovery of \$282,792.

6 Q. What are the resulting net total projected
7 conservation costs to be recovered during this
8 projection period?

9 A. The total costs to be recovered are \$2,551,708.

10 Q. What is the Conservation Adjustment Factor necessary
11 to recover these projected net total costs?

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

14 Residential	\$.07926
15 General Service & Transportation (GS1)	\$.05613
16 General Service & Transportation (GS2)	\$.04208
17 Large Volume Service	\$.03213
18 LV Service Transportation <50,000	\$.03213
19 LV Transportation Service >50,000	\$.03213

20 Q. Do these charges apply to your entire natural gas
21 customer base?

22 A. No, the customer classes for Outdoor Lights,
23 Interruptible and Interruptible Transportation have
24 always been exempt from the Conservation Adjustment

1 Factor due to the distinctive service provided by the
2 Company.

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

5 A. Yes. I wish to sponsor as Exhibits Schedules C-1,
6 C-2, C-3, and C-5 (Second Revised Composite Prehearing
7 Identification Number CDY-2), which have been filed
8 with this testimony. I am also including as Exhibits
9 for reference purposes, Schedules CT-1, CT-2, CT-3,
10 CT-4 and CT-5 (Second Revised Composite Prehearing
11 Identification Number CDY-1)

12 Q. Does this conclude your testimony?

13 A. Yes.

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

SCHEDULE CT-1

CONSERVATION ADJUSTMENT TRUE-UP

PAGE 1 OF 1

FOR MONTHS January-11 THROUGH December-11

1.	ADJUSTED END OF PERIOD TOTAL NET TRUE-UP		
2.	FOR MONTHS January-11 THROUGH December-11		
3.	END OF PERIOD NET TRUE-UP		
4.	PRINCIPAL	<u>564,421</u>	
5.	INTEREST	<u>(135)</u>	<u>564,286</u>
6.	LESS PROJECTED TRUE-UP		
7.	November-05 (DATE) HEARINGS		
8.	PRINCIPAL	<u>476,169</u>	
9.	INTEREST	<u>(91)</u>	<u>476,078</u>
10.	ADJUSTED END OF PERIOD TOTAL TRUE-UP		<u><u>88,208</u></u>

EXHIBIT NO. _____
DOCKET NO. 120004-GU
FLORIDA PUBLIC UTILITIES COMPANY
(Second Revised CDY-1)
PAGE 1 OF 18

ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS
ACTUAL VS PROJECTED

	FOR MONTHS	January-11	THROUGH	December-11	
		<u>ACTUAL</u>		<u>PROJECTED</u>	<u>DIFFERENCE</u>
1.	Labor/Payroll	853,163		932,791	(79,628)
2.	Advertisement	1,157,936		1,461,886	(303,950)
3.	Legal	3,328			3,328
4.	Outside Services	23,863		31,756	(7,893)
5.	Vehicle	35,777		47,570	(11,793)
6.	Materials & Supplies	59,508		82,925	(23,417)
7.	Travel	127,016			127,016
8.	General & Administrative	104			104
9.	Incentives	882,330		538,291	344,039
10.	Other	28,658		22,972	5,686
11.	SUB-TOTAL	<u>3,171,683</u>		<u>3,118,191</u>	<u>53,492</u>
12.	PROGRAM REVENUES				
13.	TOTAL PROGRAM COSTS	<u>3,171,683</u>		<u>3,118,191</u>	<u>53,492</u>
14.	LESS: PRIOR PERIOD TRUE-UP	(180,894)		(180,894)	
15.	AMOUNTS INCLUDED IN RATE BASE				
16.	CONSERVATION ADJ REVENUE	(2,426,368)		(2,461,128)	34,760
17.	ROUNDING ADJUSTMENT				
18.	TRUE-UP BEFORE INTEREST	<u>564,421</u>		<u>476,169</u>	<u>88,252</u>
19.	ADD INTEREST PROVISION	(135)		(91)	(44)
20.	END OF PERIOD TRUE-UP	<u>564,286</u>		<u>476,078</u>	<u>88,208</u>

() REFLECTS OVERRECOVERY

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

SCHEDULE CT-2
PAGE 2 OF 3

ACTUAL CONSERVATION PROGRAM COSTS PER PROGRAM

FOR MONTHS January-11 THROUGH December-11

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	33,788	240,375			3,034	10,123	5,030		174,188	256	466,794		466,794
2. Residential Appliance Replacement	41,477	384,164			3,698	2,654	6,123		235,975	1,014	675,105		675,105
3. Conservation Education	21,826	71,187		10,519	1,961	1,487	3,100			301	110,381		110,381
4. Space Conditioning													
5. Residential Conservation Service		8,590									8,590		8,590
6. Residential Appliance Retention	35,229	381,903			3,237	1,824	4,637		452,460	3,177	882,467		882,467
7. Dealer / Contractor (Inactive)													
10. Commercial Conservation Service		7,991									7,991		7,991
12													
13. Residential Service Reactivation Program		277							1,399		1,676		1,676
14. Common	720,843	63,449	3,328	13,344	23,847	43,420	108,126	104	18,308	23,910	1,018,679		1,018,679
15. Conservation Demonstration and Development													
TOTAL ALL PROGRAMS	853,163	1,157,936	3,328	23,863	35,777	59,508	127,016	104	882,330	28,658	3,171,683		3,171,683

EXHIBIT NO. _____
DOCKET NO. 120004-GU
FLORIDA PUBLIC UTILITIES COMPANY
(Second Revised CDY-1)
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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

SCHEDULE CT-2
PAGE 3 OF 3

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

FOR MONTHS January-11 THROUGH December-11

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	(5,687)	216,858			(4,624)	(6,697)	5,030		126,254	(128)	331,006		331,006
2. Residential Appliance Replacement	(4,420)	338,067			(5,365)	(1,187)	6,123		149,020	523	482,761		482,761
3. Conservation Education	(2,911)	44,287		10,519	(2,725)	(694)	3,100			55	51,631		51,631
4. Space Conditioning													
5. Residential Conservation Service		(15,286)									(15,286)		(15,286)
6. Residential Appliance Retention	(3,036)	333,690			(4,034)	(762)	4,637		321,400	2,798	654,693		654,693
7. Dealer / Contractor (Inactive)													
10. Commercial Conservation Service		(13,810)									(13,810)		(13,810)
12													
13. Residential Service Reactivation Program		(24,607)							1,399		(23,208)		(23,208)
14. Common	(63,574)	(1,180,955)	3,328	(18,412)	4,955	(14,077)	108,126	104	(254,034)	2,438	(1,412,101)		(1,412,101)
15. Conservation Demonstration and Development													
TOTAL ALL PROGRAMS	(79,628)	(301,756)	3,328	(7,893)	(11,793)	(23,417)	127,016	104	344,039	5,686	55,686		55,686

EXHIBIT NO. _____
DOCKET NO. 120004-GU
FLORIDA PUBLIC UTILITIES COMPANY
(Second Revised CDY-1)
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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

SCHEDULE CT-3
PAGE 1 OF 3

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

FOR MONTHS		January-11	THROUGH	December-11										TOTAL
A. CONSERVATION EXPENSE BY PROGRAM		JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1.	Full House Residential New Construction	21,140	12,136	14,276	2,848	9,582	10,336	13,552	64,426	28,730	45,167	33,256	211,345	466,794
2.	Residential Appliance Replacement	29,324	23,861	17,993	12,586	8,281	6,051	14,534	36,712	70,303	28,389	41,617	385,474	675,105
3.	Conservation Education	9,647	5,699	9,439	2,667	3,463	1,429	1,926	1,201	11,126	3,333	8,362	52,089	110,381
4.	Space Conditioning													
5.	Residential Conservation Service	6,147	3,145	6,728	207	(1,585)	-	15					(6,067)	8,590
6.	Residential Appliance Retention	28,029	24,957	24,672	13,589	14,897	9,754	16,971	44,024	68,308	126,044	49,309	461,913	882,467
7.	Dealer / Contractor (Inactive)													
10.	Commercial Conservation Service	5,647	3,645	6,728	207	(1,585)	-	15					(6,666)	7,991
12.														
13.	Residential Service Reactivation Program	6,380	3,645	6,728	207	(1,585)		15	350	350		350	(14,764)	1,676
14.	Common	179,768	59,436	190,113	258,279	213,179	269,242	166,078	117,657	52,605	106,241	90,591	(684,510)	1,018,679
15.	Conservation Demonstration and Development													
21. TOTAL ALL PROGRAMS		286,082	136,524	276,677	290,590	244,647	296,812	213,106	264,370	231,422	309,154	223,485	398,814	3,171,683
22. LESS AMOUNT INCLUDED IN RATE BASE														
23. RECOVERABLE CONSERVATION EXPENSES		286,082	136,524	276,677	290,590	244,647	296,812	213,106	264,370	231,422	309,154	223,485	398,814	3,171,683

EXHIBIT NO. _____
DOCKET NO. 120004-GU
FLORIDA PUBLIC UTILITIES COMPANY
(Second Revised CDY-1)
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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY
 CALCULATION OF TRUE-UP AND INTEREST PROVISION
 FOR MONTHS January-11 THROUGH December-11

SCHEDULE CT-3
 PAGE 2 OF 3

B. CONSERVATION REVENUES	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1. RESIDENTIAL CONSERVATION													
2. CONSERVATION ADJ. REVENUES	(313,692)	(251,494)	(247,662)	(206,102)	(180,855)	(169,242)	(150,327)	(150,965)	(155,249)	(161,723)	(198,714)	(240,343)	(2,426,368)
3. TOTAL REVENUES	(313,692)	(251,494)	(247,662)	(206,102)	(180,855)	(169,242)	(150,327)	(150,965)	(155,249)	(161,723)	(198,714)	(240,343)	(2,426,368)
4. PRIOR PERIOD TRUE-UP ADJ. NOT APPLICABLE TO THIS PERIOD	(15,069)	(15,075)	(15,075)	(15,075)	(15,075)	(15,075)	(15,075)	(15,075)	(15,075)	(15,075)	(15,075)	(15,075)	(180,894)
5. CONSERVATION REVENUE APPLICABLE	(328,761)	(266,569)	(262,737)	(221,177)	(195,930)	(184,317)	(165,402)	(166,040)	(170,324)	(176,798)	(213,789)	(255,418)	(2,607,262)
6. CONSERVATION EXPENSES (FROM CT-3, PAGE 1, LINE 23)	286,082	136,524	276,677	290,590	244,647	296,812	213,106	264,370	231,422	309,154	223,485	398,814	3,171,683
7. TRUE-UP THIS PERIOD (LINE 5 - 6)	(42,679)	(130,045)	13,940	69,413	48,717	112,495	47,704	98,330	61,098	132,356	9,696	143,396	564,421
8. INTEREST PROVISION THIS PERIOD (FROM CT-3, PAGE 3, LINE 10)	(41)	(55)	(58)	(41)	(26)	(11)	1	8	9	17	30	32	(135)
9. TRUE-UP AND INTEREST PROVISION BEGINNING OF MONTH	(180,894)	(208,545)	(323,570)	(294,613)	(210,166)	(146,400)	(18,841)	43,939	157,352	233,534	380,982	405,783	(180,894)
9A. DEFERRED TRUE-UP BEGINNING OF PERIOD													
10. PRIOR TRUE-UP COLLECTED (REFUNDED)	15,069	15,075	15,075	15,075	15,075	15,075	15,075	15,075	15,075	15,075	15,075	15,075	180,894
11. TOTAL NET TRUE-UP (LINES 7+8+9+9A+10)	(208,545)	(323,570)	(294,613)	(210,166)	(146,400)	(18,841)	43,939	157,352	233,534	380,982	405,783	564,286	564,286

EXHIBIT NO. _____
 DOCKET NO. 120004-GU
 FLORIDA PUBLIC UTILITIES COMPANY
 (Second Revised CDY-1)
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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

SCHEDULE CT-3
PAGE 3 OF 3

CALCULATION OF TRUE-UP AND INTEREST PROVISION

FOR MONTHS January-11 THROUGH December-11

C.	INTEREST PROVISION	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1.	BEGINNING TRUE-UP (LINE B-9)	(180,894)	(208,545)	(323,570)	(294,613)	(210,166)	(146,400)	(18,841)	43,939	157,352	233,534	380,982	405,783	(180,894)
2.	ENDING TRUE-UP BEFORE INTEREST (LINES B7+B9+B9A+B10)	(208,504)	(323,515)	(294,555)	(210,125)	(146,374)	(18,830)	43,938	157,344	233,525	380,965	405,753	564,254	564,421
3.	TOTAL BEG. AND ENDING TRUE-UP	(389,398)	(532,060)	(618,125)	(504,738)	(356,540)	(165,230)	25,097	201,283	390,877	614,499	786,735	970,037	383,527
4.	AVERAGE TRUE-UP (LINE C-3 X 50%)	(194,699)	(266,030)	(309,063)	(252,369)	(178,270)	(82,615)	12,549	100,642	195,439	307,250	393,368	485,019	191,764
5.	INTEREST RATE - FIRST DAY OF REPORTING BUSINESS MONTH	0.25%	0.25%	0.25%	0.20%	0.19%	0.16%	0.16%	0.12%	0.07%	0.04%	0.09%	0.09%	
6.	INTEREST RATE - FIRST DAY OF SUBSEQUENT BUSINESS MONTH	0.25%	0.25%	0.20%	0.19%	0.16%	0.16%	0.12%	0.07%	0.04%	0.09%	0.09%	0.07%	
7.	TOTAL (LINE C-5 + C-6)	0.50%	0.50%	0.45%	0.39%	0.35%	0.32%	0.28%	0.19%	0.11%	0.13%	0.18%	0.16%	
8.	AVG. INTEREST RATE (C-7 X 50%)	0.25%	0.25%	0.23%	0.20%	0.18%	0.16%	0.14%	0.10%	0.06%	0.07%	0.09%	0.08%	
9.	MONTHLY AVERAGE INTEREST RATE	0.021%	0.021%	0.019%	0.016%	0.015%	0.013%	0.012%	0.008%	0.005%	0.005%	0.008%	0.007%	
10.	INTEREST PROVISION (LINE C-4 X C-9)	(41)	(55)	(58)	(41)	(26)	(11)	1	8	9	17	30	32	(135)

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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

SCHEDULE CT-4
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SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION & RETURN

FOR MONTHS January-11 THROUGH December-11

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

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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

SCHEDULE CT-5

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**RECONCILIATION AND EXPLANATION OF
DIFFERENCES BETWEEN FILING AND PSC AUDIT**

FOR MONTHS January-11 THROUGH December-11

AUDIT EXCEPTION: TO OUR KNOWLEDGE, NONE EXIST

COMPANY RESPONSE:

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

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, 2011 through December 31, 2011, 545 incentives were paid. There were 145 Tank Water Heaters, 0 High Efficiency Tank Water Heaters, 23 Tankless Water Heaters, 93 Furnaces, 82 Ranges and 71 Dryers.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2011 through December 31, 2011 were **\$466,794**.

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, 2011 through December 31, 2011, 485 incentives were paid. There were 33 Tank Water Heaters, 5 High Efficiency Tank Water Heaters, 213 Tankless Water Heaters, 12 Furnaces, 114 Ranges and 108 Dryers.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2011 through December 31, 2011 were **\$675,838**.

PROGRAM PROGRESS SUMMARY: The FPSC approved this program on August 29, 2000. From the inception through the reporting period of this program, FPUC has converted 7,581 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, 2011 through December 31, 2011, 1143 incentives were paid. There were 404 Tank Water Heaters, 17 High Efficiency Tank Water Heaters, 301 Tankless Water Heaters, 80 Furnaces, 203 Ranges and 138 Dryers.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2011 through December 31, 2011 were **\$882,467**.

PROGRAM PROGRESS SUMMARY: The FPSC approved this program on August 29, 2000. From the inception through the reporting period, FPUC has retained 6,927 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, 2011 through December 31, 2011, 5 incentives were paid.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2011 through December 31, 2011 were **\$1,676**.

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 15 residential surveys were performed.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2011 through December 31, 2011 were **\$9,321**.

PROGRAM PROGRESS SUMMARY: This program was implemented on September 1, 2000. Since inception through the reporting period, 140 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, 21 commercial surveys were completed during the reporting period.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2011 through December 31, 2011 were **\$8,721**.

PROGRAM PROGRESS SUMMARY: This program was implemented on September 1st 2000. From the inception of this program through the reporting period 170 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 13 seminars and events to educate customers.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2011 through December 31, 2011 were **\$110,381**.

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 2011.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2011 through December 31, 2011 were \$0.

PROGRAM PROGRESS SUMMARY: From FPSC approval of the program on August 29, 2000 through December 31, 2011, FPUC has connected 10 space conditioning projects to its natural gas system.

FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED NATURAL GAS DIVISION
ENERGY CONSERVATION ADJUSTMENT
SUMMARY OF COST RECOVERY CLAUSE CALCULATION
JANUARY 2013 THROUGH DECEMBER 2013

1. TOTAL INCREMENTAL COSTS (SCHEDULE C-2, PAGE 1)	\$	2,834,500
2. TRUE-UP (SCHEDULE C-3, PAGE 4, LINE 11)	\$	(282,792)
3. TOTAL (LINE 1 AND LINE 2)	\$	2,551,708

RATE SCHEDULE	BILLS	THERMS	CUSTOMER CHARGE	NON-GAS ENERGY CHARGE	TOTAL CUST. & ENGY CHG REVENUE	ECCR REVENUES	ECCR AS % OF TOTAL REVENUES	DOLLARS PER THERM	TAX FACTOR	CONSERV FACTOR
RESIDENTIAL	596,220	12,969,830	6,558,420	6,462,607	13,021,027	1,022,836	7.85526% \$	0.07886	1.00503	\$ 0.07926
COMMERCIAL SMALL (General Service & GS Transportation <600)	14,976	937,140	299,520	366,759	666,279	52,338	7.85526% \$	0.05585	1.00503	\$ 0.05613
COMMERCIAL SMALL (General Service & GS Transportation >600)	27,888	6,498,050	920,304	2,543,077	3,463,381	272,058	7.85526% \$	0.04187	1.00503	\$ 0.04208
COMM. LRG VOLUME (Large Vol & LV Transportation < 50,000 units)	22,332	37,673,180	2,009,880	13,323,497	15,333,377	1,204,477	7.85526% \$	0.03197	1.00503	\$ 0.03213
LARGE VOL TRANSPORT. (LG VOL TRANS. > 50,000 units)	0	0	0	0	0	0	7.85526% \$	0.03197	1.00503	\$ 0.03213
TOTAL	661,416	58,078,200	9,788,124	22,695,940	32,484,064	2,551,708				

FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED NATURAL GAS DIVISION
ESTIMATED CONSERVATION PROGRAM COSTS BY PROGRAM BY MONTH
JANUARY 2013 THROUGH DECEMBER 2013

PROGRAM	JAN 2013	FEB 2013	MAR 2013	APR 2013	MAY 2013	JUN 2013	JUL 2013	AUG 2013	SEP 2013	OCT 2013	NOV 2013	DEC 2013	TOTAL
1 Full House Residential New Construction	41,792	41,792	41,792	41,792	41,792	41,792	41,792	41,792	41,792	41,792	41,792	41,788	501,500
2 Resid. Appliance Replacement	50,125	50,125	50,125	50,125	50,125	50,125	50,125	50,125	50,125	50,125	50,125	50,125	601,500
3 Conservation Education	11,625	11,625	11,625	11,625	11,625	11,625	11,625	11,625	11,625	11,625	11,625	11,625	139,500
4 Space Conditioning	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000
5 Residential Conservation Survey	3,563	3,563	3,563	3,563	3,563	3,563	3,563	3,563	3,563	3,563	3,563	3,557	42,750
6 Residential Appliance Retention	58,958	58,958	58,958	58,958	58,958	58,958	58,958	58,958	58,958	58,958	58,958	58,962	707,500
7 Commercial Conservation Survey	1,479	1,479	1,479	1,479	1,479	1,479	1,479	1,479	1,479	1,479	1,479	1,481	17,750
8 Residential Service Reactivation	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	45,000
9 Common	62,375	62,375	62,375	62,375	62,375	62,375	62,375	62,375	62,375	62,375	62,375	62,375	748,500
10 Conserv. Demonstration and Development	1,042	1,042	1,042	1,042	1,042	1,042	1,042	1,042	1,042	1,042	1,042	1,038	12,500
11	0	0	0	0	0	0	0	0	0	0	0	0	0
12	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
TOTAL ALL PROGRAMS	236,209	236,209	236,209	236,209	236,209	236,209	236,209	236,209	236,209	236,209	236,209	236,201	2,834,500

FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED NATURAL GAS DIVISION
ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
JANUARY 2013 THROUGH DECEMBER 2013

PROGRAM	CAPITAL INVEST	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISE	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 Full House Residential New Construction	0	43,000	1,000	210,000	225,000	1,000	20,500	1,000	501,500
2 Resid. Appliance Replacement	0	48,000	1,500	270,000	255,000	1,000	25,000	1,000	601,500
3 Conservation Education	0	21,000	1,500	100,000	0	2,000	10,000	5,000	139,500
4 Space Conditioning	0	5,000	250	5,000	5,000	0	2,500	250	18,000
5 Residential Conservation Survey	0	5,000	250	15,000	0	0	2,500	20,000	42,750
6 Residential Appliance Retention	0	36,000	1,000	270,000	380,000	1,000	19,000	500	707,500
7 Commercial Conservation Survey	0	5,000	250	5,000	0	0	2,500	5,000	17,750
8 Residential Service Reactivation	0	5,000	250	30,000	5,000	2,000	2,500	250	45,000
9 Common	0	675,000	10,000	0	0	4,000	34,500	25,000	748,500
10 Conserv. Demonstration and Development	0	5,000	0	0	0	5,000	2,500	0	12,500
11	0	0	0	0	0	0	0	0	0
12	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	0	0	0
PROGRAM COSTS	0	848,000	16,000	905,000	870,000	16,000	121,500	58,000	2,834,500

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FLORIDA PUBLIC UTILITIES COMPANY
(SECOND REVISED CDY-2)
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FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED NATURAL GAS DIVISION
ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
ACTUAL JANUARY 2012 THROUGH JULY 2012; ESTIMATED AUGUST 2012 THROUGH DECEMBER 2012

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

FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED NATURAL GAS DIVISION
ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
ACTUAL JANUARY 2012 THROUGH JULY 2012; ESTIMATED AUGUST 2012 THROUGH DECEMBER 2012

PROGRAM NAME	CAPITAL INVEST	PAYROLL & BENEFITS	MATERLS. & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
SUB-TOTAL - PREVIOUS PAGE	0	306,993	20,255	541,910	698,533	29,314	22,883	27,701	1,647,589
8 Residential Service Reactivation									
A. ACTUAL (JAN-JUL)	0	0	0	0	3,100	9,565	0	0	12,665
B. ESTIMATED (AUG-DEC)	0	830	0	24,273	2,191	0	0	0	27,294
C. TOTAL	0	830	0	24,273	5,291	9,565	0	0	39,959
9 Common									
A. ACTUAL (JAN-JUL)	0	431,495	4,816	208,731	200	2,643	65,918	18,129	731,932
B. ESTIMATED (AUG-DEC)	0	166,669	14,580	72,920	0	6,250	5,000	3,750	269,169
C. TOTAL	0	598,164	19,396	281,651	200	8,893	70,918	21,879	1,001,101
10 Conserv. Demonstration and Development									
A. ACTUAL (JAN-JUL)	0	0	0	0	0	2,500	0	0	2,500
B. ESTIMATED (AUG-DEC)	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	2,500	0	0	2,500
11									
A. ACTUAL (JAN-JUL)	0	0	0	0	0	0	0	0	0
B. ESTIMATED (AUG-DEC)	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
12									
A. ACTUAL (JAN-JUL)	0	0	0	0	0	0	0	0	0
B. ESTIMATED (AUG-DEC)	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
13									
A. ACTUAL (JAN-JUL)	0	0	0	0	0	0	0	0	0
B. ESTIMATED (AUG-DEC)	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
14 N/A									
A. ACTUAL (JAN-JUL)	0	0	0	0	0	0	0	0	0
B. ESTIMATED (AUG-DEC)	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
TOTAL	0	905,987	39,651	847,834	704,024	50,272	93,801	49,580	2,691,149

FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED NATURAL GAS DIVISION
CONSERVATION PROGRAM COSTS BY PROGRAM
ACTUAL/ESTIMATED

ACTUAL JANUARY 2012 THROUGH JULY 2012; ESTIMATED AUGUST 2012 THROUGH DECEMBER 2012

PROGRAM NAME	----- ACTUAL -----		----- ACTUAL -----		----- ACTUAL -----		----- ACTUAL -----		--- PROJECTION ---		--- PROJECTION ---		--- PROJECTION ---		TOTAL
	JAN 2012	FEB 2012	MAR 2012	APR 2012	MAY 2012	JUN 2012	JUL 2012	AUG 2012	SEP 2012	OCT 2012	NOV 2012	DEC 2012			
Full House Residential New Construction	64,817	19,697	28,322	14,817	17,347	32,608	12,391	42,417	42,417	42,417	42,417	42,413	402,080		
Resid. Appliance Replacement	19,787	20,231	46,463	20,422	42,638	56,963	32,393	51,342	51,342	51,342	51,342	51,338	495,603		
Conservation Education	4,051	13,389	11,537	5,363	6,085	6,333	4,451	9,750	9,750	9,750	9,750	9,750	99,959		
Space Conditioning	0	0	0	0	858	225	0	2,000	2,000	2,000	2,000	2,000	11,083		
Residential Conservation Survey	2,130	2,130	(2,130)	6,391	2,130	2,130	2,131	6,083	6,083	6,083	6,083	6,087	45,331		
Residential Appliance Retention	31,279	31,754	37,477	37,630	43,071	67,150	(15,099)	67,333	67,333	67,333	67,333	67,337	569,931		
Commercial Conservation Survey	0	0	556	835	464	864	464	4,083	4,083	4,083	4,083	4,087	23,602		
Residential Service Reactivation Common	300	5,132	1,050	700	4,783	0	700	5,458	5,458	5,458	5,458	5,462	39,959		
Conserv. Demonstration and Development	95,571	110,225	146,596	112,355	90,305	102,172	74,708	53,833	53,833	53,833	53,833	53,837	1,001,101		
	0	0	0	0	0	0	2,500	0	0	0	0	0	2,500		
	0	0	0	0	0	0	0	0	0	0	0	0	0		
	0	0	0	0	0	0	0	0	0	0	0	0	0		
	0	0	0	0	0	0	0	0	0	0	0	0	0		
TOTAL ALL PROGRAMS	217,935	202,558	269,871	198,513	207,681	268,445	114,639	242,299	242,299	242,299	242,299	242,311	2,691,149		

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

	----- ACTUAL -----		----- ACTUAL -----		----- ACTUAL -----		----- ACTUAL -----		--- PROJECTION ---		--- PROJECTION ---		--- PROJECTION ---		TOTAL
	JAN 2012	FEB 2012	MAR 2012	APR 2012	MAY 2012	JUN 2012	JUL 2012	AUG 2012	SEP 2012	OCT 2012	NOV 2012	DEC 2012			
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)	(404,101)	(341,292)	(330,215)	(300,428)	(277,407)	(243,616)	(225,925)	(283,046)	(283,046)	(283,046)	(283,046)	(283,046)	(283,046)	(283,046)	(3,538,214)
TOTAL REVENUES	(404,101)	(341,292)	(330,215)	(300,428)	(277,407)	(243,616)	(225,925)	(283,046)	(283,046)	(283,046)	(283,046)	(283,046)	(283,046)	(283,046)	(3,538,214)
PRIOR PERIOD TRUE-UP NOT APPLIC. TO PERIOD	47,022	47,024	47,024	47,024	47,024	47,024	47,024	47,024	47,024	47,024	47,024	47,024	47,024	47,024	564,286
CONSERVATION REVS. APPLIC. TO PERIOD	(357,079)	(294,268)	(283,191)	(253,404)	(230,383)	(196,592)	(178,901)	(236,022)	(236,022)	(236,022)	(236,022)	(236,022)	(236,022)	(236,022)	(2,973,928)
CONSERVATION EXPS. (FORM C-3, PAGE 3)	217,935	202,558	269,871	198,513	207,681	268,445	114,639	242,299	242,299	242,299	242,299	242,299	242,311	242,311	2,691,149
TRUE-UP THIS PERIOD	(139,144)	(91,710)	(13,320)	(54,891)	(22,702)	71,853	(64,262)	6,277	6,277	6,277	6,277	6,277	6,289	6,289	(282,779)
INTEREST THIS PERIOD (C-3, PAGE 5)	29	27	21	13	4	2	(3)	(12)	(16)	(21)	(26)	(31)	(31)	(31)	(13)
TRUE-UP & INT. BEG. OF MONTH	564,286	378,149	239,442	179,119	77,217	7,495	32,326	(78,963)	(119,722)	(160,485)	(201,253)	(242,026)	(242,026)	(242,026)	564,286
PRIOR TRUE-UP COLLECT./(REFUND.)	(47,022)	(47,024)	(47,024)	(47,024)	(47,024)	(47,024)	(47,024)	(47,024)	(47,024)	(47,024)	(47,024)	(47,024)	(47,024)	(47,024)	(564,286)
Audit Adj. - Prior period															0
END OF PERIOD TOTAL NET TRUE-UP	378,149	239,442	179,119	77,217	7,495	32,326	(78,963)	(119,722)	(160,485)	(201,253)	(242,026)	(242,026)	(242,026)	(242,026)	(282,792)

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

	----- ACTUAL -----		----- ACTUAL -----		----- ACTUAL -----		----- ACTUAL -----		--- PROJECTION ---		--- PROJECTION ---		--- PROJECTION ---		TOTAL
	JAN 2012	FEB 2012	MAR 2012	APR 2012	MAY 2012	JUN 2012	JUL 2012	AUG 2012	SEP 2012	OCT 2012	NOV 2012	DEC 2012			
INTEREST PROVISION															
BEGINNING TRUE-UP	564,286	378,149	239,442	179,119	77,217	7,495	32,326	(78,963)	(119,722)	(160,485)	(201,253)	(242,026)			
END. T-UP BEFORE INT.	378,120	239,415	179,098	77,204	7,491	32,324	(78,960)	(119,710)	(160,469)	(201,232)	(242,000)	(282,761)			
TOT. BEG. & END. T-UP	942,406	617,564	418,540	256,323	84,708	39,819	(46,634)	(198,673)	(280,191)	(361,717)	(443,253)	(524,787)			
AVERAGE TRUE-UP	471,203	308,782	209,270	128,162	42,354	19,910	(23,317)	(99,337)	(140,096)	(180,859)	(221,627)	(262,394)			
INT. RATE-FIRST DAY OF REPORTING BUS. MTH	0.07%	0.08%	0.13%	0.11%	0.13%	0.12%	0.15%	0.14%	0.14%	0.14%	0.14%	0.14%			
INT. RATE-FIRST DAY OF SUBSEQUENT BUS. MTH	0.08%	0.13%	0.11%	0.13%	0.12%	0.15%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%			
TOTAL	0.15%	0.21%	0.24%	0.24%	0.25%	0.27%	0.29%	0.28%	0.28%	0.28%	0.28%	0.28%			
AVG INTEREST RATE	0.08%	0.11%	0.12%	0.12%	0.13%	0.14%	0.15%	0.14%	0.14%	0.14%	0.14%	0.14%			
MONTHLY AVG. RATE	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%			
INTEREST PROVISION	\$29	\$27	\$21	\$13	\$4	\$2	(\$3)	(\$12)	(\$16)	(\$21)	(\$26)	(\$31)			(\$13)

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

**SCHEDULE C-5
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PROGRAM:

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

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

**SCHEDULE C-5
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PROGRAM TITLE:

Full House Residential New Construction Program

PROGRAM DESCRIPTION:

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

PROGRAM ALLOWANCES:

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

PROGRAM PROJECTIONS:

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

PROGRAM FISCAL EXPENDITURES:

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

PROGRAM PROGRESS SUMMARY:

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

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

**SCHEDULE C-5
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PROGRAM TITLE:

Residential Appliance Replacement Program

PROGRAM DESCRIPTION:

This program is designed to encourage the replacement of inefficient non-natural gas residential appliances with energy-efficient natural gas appliances. The program offers incentives in the form of cash allowances to residential consumers to assist in defraying the additional costs associated with the installation of efficient natural gas appliances.

PROGRAM ALLOWANCES:

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

PROGRAM PROJECTIONS:

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

PROGRAM EXPENDITURES:

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

PROGRAM PROGRESS SUMMARY:

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

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PROGRAM TITLE:

Residential Appliance Retention Program

PROGRAM DESCRIPTION:

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

PROGRAM ALLOWANCES:

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

PROGRAM PROJECTIONS:

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

PROGRAM FISCAL EXPENDITURES:

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

PROGRAM PROGRESS SUMMARY:

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

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

**SCHEDULE C-5
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PROGRAM TITLE:

Residential Service Reactivation Program

PROGRAM DESCRIPTION:

This program is designed to encourage the reactivation of existing residential service lines that are scheduled to be cut-off and capped. The program offers incentives in the form of cash allowances to residential consumers to assist in defraying the additional costs associated with the purchase and the installation of energy-efficient natural gas appliances.

PROGRAM ALLOWANCES:

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

PROGRAM PROJECTIONS:

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

PROGRAM FISCAL EXPENDITURES:

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

PROGRAM PROGRESS SUMMARY:

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

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

**SCHEDULE C-5
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PROGRAM TITLE:

Residential Conservation Survey Program

PROGRAM DESCRIPTION:

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

PROGRAM ALLOWANCES:

Not applicable.

PROGRAM PROJECTIONS:

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

PROGRAM FISCAL EXPENDITURES:

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

PROGRAM PROGRESS SUMMARY:

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

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

**SCHEDULE C-5
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PROGRAM TITLE:

Commercial Conservation Survey Program

PROGRAM DESCRIPTION:

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

PROGRAM ALLOWANCES:

Not applicable.

PROGRAM PROJECTIONS:

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

PROGRAM FISCAL EXPENDITURES:

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

PROGRAM PROGRESS SUMMARY:

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

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

**SCHEDULE C-5
PAGE 8 OF 10**

PROGRAM TITLE:

Conservation Education Program

PROGRAM DESCRIPTION:

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

PROGRAM ALLOWANCES:

Not applicable.

PROGRAM PROJECTONS:

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

PROGRAM FISCAL EXPENDITURES:

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

PROGRAM PROGRESS SUMMARY:

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

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**FLORIDA PUBLIC UTILITIES COMPANY
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PROGRAM DESCRIPTION AND PROGRESS**

**SCHEDULE C-5
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PROGRAM TITLE:

Space Conditioning Program

PROGRAM DESCRIPTION:

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

PROGRAM ALLOWANCES:

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

PROGRAM PROJECTIONS:

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

PROGRAM FISCAL EXPENDITURES:

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

PROGRAM PROGRESS SUMMARY:

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

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PROGRAM TITLE:

Conservation Demonstration and Development Program

PROGRAM DESCRIPTION:

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

PROGRAM ALLOWANCES:

Not applicable.

PROGRAM PROJECTIONS:

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

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