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August 18, 2016

VIA E-PORTAL – ELECTRONIC FILING

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

Re: Docket No. 160002-EG – Energy Conservation Cost Recovery Clause

Dear Ms. Stauffer:

Attached for electronic filing, please find Florida Public Utilities Company's Petition for Approval of Conservation Factors, along with the Direct Testimony and Exhibit KIL-1 of Ms. Kira I. Lake.

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

Sincerely,

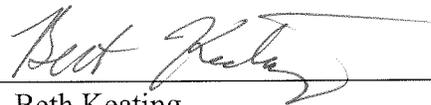

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MEK

5. The total projected energy conservation costs, on a consolidated basis, that the Company seeks to recover during the twelve month period ending December 2017, are \$639,081. As such, the Company asks for approval of a consolidated levelized conservation cost recovery factor for this period of \$.00100 per KWH, which is appropriate based upon projected sales for the same period.

WHEREFORE, FPUC respectfully requests that the Commission enter an Order approving the Company's requested conservation cost recovery factor, on a consolidated basis, to be applied to customers' bills for the period January 2017 through December 2017.

RESPECTFULLY SUBMITTED this 18th day of August, 2016.



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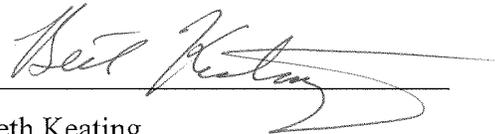
Attorneys for Florida Public Utilities Company

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by Electronic Mail to the following parties of record this 18th day of August, 2016, along with the referenced Testimony and Exhibit of Ms. Lake:

<p>Florida Public Utilities Company Mike Cassel 1750 S 14th Street, Suite 200 Fernandina Beach, FL 32034 mcassel@fpuc.com</p>	<p>Jon C. Moyle, Jr., Esq. Moyle Law Firm 118 North Gadsden St. Tallahassee, FL 32301 jmoyle@moylelaw.com</p>
<p>Theresa L. Tan, Esq. Bianca Lherisson, Esq. Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399 ltan@psc.state.fl.us blheriss@psc.state.fl.us</p>	<p>Office of Public Counsel J.R. Kelly/Charles Rehwinkel/Patricia Christensen, Esq. c/o The Florida Legislature 111 West Madison Street, Room 812 Tallahassee, FL 32399-1400 Kelly.JR@leg.state.fl.us christensen.patty@leg.state.fl.us Rehwinkel.Charles@leg.state.fl.us</p>
<p>Paula K. Brown Tampa Electric Company P.O. Box 111 Tampa, FL 33601-0111 regdept@tecoenergy.com</p>	<p>Dianne M. Triplett, Esq. Duke Energy, Inc. P.O. Box 14042 St. Petersburg, FL 33733-4042 dtriplett@duke-energy.com</p>
<p>Matthew Bernier, Esq. Duke Energy, Inc. 106 E. College Ave., Suite 800 Tallahassee, FL 32301 Matthew.Bernier@duke-energy.com</p>	<p>James D. Beasley, Esq. J. Jeffry Wahlen, Esq. Ashley Daniels, Esq. Ausley & McMullen P.O. Box 391 Tallahassee, FL 32302 jbeasley@ausley.com jwahlen@ausley.com ADaniels@ausley.com</p>
<p>Jeffrey A. Stone, Esq. Russell A. Badders, Esq. Steve R. Griffin, Esq. Begg & Lane P.O. Box 12950 Pensacola, FL 32591-2950 jas@beggslane.com srg@beggslane.com rab@beggslane.com</p>	<p>John T. Butler, Esq. Maria Moncada, Esq. Florida Power & Light Company 700 Universe Boulevard Juno Beach, FL 33408-0420 john.butler@fpl.com maria.moncada@fpl.com</p>

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



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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 160002-EG: ENERGY CONSERVATION
COST RECOVERY CLAUSE

DIRECT TESTIMONY OF KIRA I. LAKE

On behalf of

Florida Public Utilities Company ("FPUC")

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

2 A. My name is Kira Lake. I am the Business Services Manager for Florida Public
3 Utilities Company. My business address is 450 S. Charles Richard Beall Blvd,
4 DeBary, Florida 32713.

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

6 A. I graduated from Embry-Riddle Aeronautical University in 2003 with a Bachelor's
7 of Science degree in Air Traffic Management and in 2007 with a Masters of
8 Business Administration degree. I have been employed by FPUC since 2007,
9 during which time I have served as the manager of the Company's Energy
10 Conservation department. I have been responsible for establishing and managing
11 the Company's gas conservation programs as well as ensuring compliance with all
12 Florida Public Service Commission (FPSC) rules as it pertains to Energy
13 Conservation programs. I am also involved in the preparation of various
14 conservation program related regulatory filings.

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

17 A. Yes.

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

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

1 June 2016 and projections of program costs to be incurred from July through
2 December 2016. It will also include projected electric conservation costs for
3 the period January through December 2017, with a calculation of the
4 Conservation Adjustment Factor to be applied to the Company's consolidated
5 electric customers' bills during the collection period of January 1, 2017
6 through December 31, 2017.

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

8 A. Yes. The Company wishes to sponsor as exhibits Schedules C-1, C-2, C-3, C-4, and
9 C-5, which have been filed with this testimony as Exhibit KIL-1.

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

12 A. Yes. Summaries of the electric conservation programs as approved in Docket No.
13 150089-EG, the petition for approval of the demand-side management plan, are
14 contained in Schedule C-5 of Exhibit KIL-1. Included are the Residential Energy
15 Survey Program, the Residential Heating and Cooling Efficiency Program, the
16 Commercial Heating and Cooling Efficiency Program, the Commercial Chiller
17 Upgrade Program, the Electric Conservation Demonstration and Development
18 Program, the Low Income Energy Outreach Program, the Commercial Reflective
19 Roof Program and the Commercial Energy Consultation Program.

20 **Q. Have schedules been prepared reflecting the expenditures associated with
21 FPUC's electric conservation programs for the periods you have mentioned?**

22 A. Yes, Schedule C-3, Pages 1 and 1A of 5, Exhibit KIL-1 shows actual expenses for
23 the months January through June 2016. Projections for July through December 2016
24 are also shown on Schedule C-3, Pages 1 and 1A. Projected expenses for the
25 January through December 2017 period are shown on Schedule C-2, Page 1 of 3 of

1 Exhibit KIL-1.

2 **Q. Have schedules been prepared that show revenues for the period January**
3 **through December 2016?**

4 A. Yes. Schedule C-4 shows actual revenues for the months January through June 2016
5 and projected revenues for July through December 2016 and January through
6 December 2017.

7 **Q. Which schedules have been included that demonstrate the calculation of**
8 **FPUC's proposed Conservation Adjustment Factor to be applied during billing**
9 **periods from January 1, 2017 through December 31, 2017?**

10 A. Schedule C-1 of Exhibit KIL-1 shows these calculations. Net program cost estimates
11 for the period January 1, 2017 through December 31, 2017 are used. The estimated
12 true-up amount from Schedule C-3 (Page 4 of 5, Line 11) of Exhibit KIL-1, being an
13 over-recovery, was added to the total of the projected costs for the twelve-month
14 period. The total projected recovery amount, including estimated true-up, was then
15 divided by the projected Retail KWH Sales for the twelve-month period ending
16 December 31, 2017. The resulting Conservation Adjustment Factor is shown on
17 Schedule C-1 (Page 1 of 1) of Exhibit KIL-1.

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

20 A. The Conservation Adjustment Factor is \$.00100 per KWH.

21 **Q. Have there been any changes in the Conservation filing compared to the**
22 **prior year?**

23 A. No.

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

25 A. Yes.

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - CONSOLIDATED ELECTRIC DIVISION

SCHEDULE C-1
PAGE 1 OF 1

ENERGY CONSERVATION ADJUSTMENT
SUMMARY OF COST RECOVERY CLAUSE CALCULATION

FOR MONTHS January-17 THROUGH December-17

1.	TOTAL INCREMENTAL COSTS (SCHEDULE C-2,PAGE 1, LINE 33)	<u>707,250</u>
2.	TRUE-UP (SCHEDULE C-3,PAGE 4,LINE 11)	<u>(68,169)</u>
3.	TOTAL (LINE 1 AND LINE 2)	<u>639,081</u>
4.	RETAIL KWH SALES	<u>638,161,739</u>
5.	COST PER KWH	<u>0.00100144</u>
6.	REVENUE TAX MULTIPLIER *	<u>1.00072</u>
7.	ADJUSTMENT FACTOR ADJUSTED FOR TAXES (LINE 5 X LINE 6)	<u>0.00100200</u>
8.	CONSERVATION ADJUSTMENT FACTOR- (ROUNDED TO THE NEAREST .001 CENTS PER KWH)	<u>0.100</u>

EXHIBIT NO. _____
DOCKET NO.160002-EG
FLORIDA PUBLIC UTILITIES COMPANY
(KIL-1)
PAGE 1 OF 20

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - CONSOLIDATED ELECTRIC DIVISION

ESTIMATED CONSERVATION PROGRAM COSTS

FOR MONTHS January-17 THROUGH December-17

A.	ESTIMATED EXPENSE BY PROGRAM	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
	1 Common	28,717	28,717	28,717	28,717	28,717	28,717	28,717	28,717	28,717	28,717	28,717	28,717	344,600
	2 Residential Energy Survey Program	9,642	9,642	9,642	9,642	9,642	9,642	9,642	9,642	9,642	9,642	9,642	9,642	115,700
	3 Commercial Energy Survey	0	0	0	0	0	0	0	0	0	0	0	0	0
	4 Low Income Program	696	696	696	696	696	696	696	696	696	696	696	696	8,350
	5 Commercial Heating & Cooling Upgrade	808	808	808	808	808	808	808	808	808	808	808	808	9,700
	6 Residential Heating & Cooling Upgrade	5,192	5,192	5,192	5,192	5,192	5,192	5,192	5,192	5,192	5,192	5,192	5,192	62,300
	7 Commercial Indoor Efficient Lighting Rebate	0	0	0	0	0	0	0	0	0	0	0	0	0
	8 Commercial Window Film Installation Program	0	0	0	0	0	0	0	0	0	0	0	0	0
	9 Commercial Chiller Upgrade Program	1,308	1,308	1,308	1,308	1,308	1,308	1,308	1,308	1,308	1,308	1,308	1,308	15,700
	10 Solar Water Heating Program	0	0	0	0	0	0	0	0	0	0	0	0	0
	11 Solar Photovoltaic Program	0	0	0	0	0	0	0	0	0	0	0	0	0
	12 Demonstration and Development	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	75,000
	13 Affordable Housing Builders and Providers	0	0	0	0	0	0	0	0	0	0	0	0	0
	14 Commercial Reflective Roof Program	2,258	2,258	2,258	2,258	2,258	2,258	2,258	2,258	2,258	2,258	2,258	2,258	27,100
	15 Commercial Energy Consultation	4,067	4,067	4,067	4,067	4,067	4,067	4,067	4,067	4,067	4,067	4,067	4,067	48,800
31.	TOTAL ALL PROGRAMS	58,938	58,938	58,938	58,938	58,938	58,938	58,938	58,938	58,938	58,938	58,938	58,938	707,250
32.	LESS AMOUNT INCLUDED IN RATE BASE													
33.	RECOVERABLE CONSERVATION EXPENSES	58,938	58,938	58,938	58,938	58,938	58,938	58,938	58,938	58,938	58,938	58,938	58,938	707,250

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM

FOR MONTHS January-17 THROUGH December-17

PROGRAM NAME	LABOR & PAYROLL	ADVERTISING	LEGAL	OUTSIDE SERVICES	VEHICLE COST	MATERIALS & SUPPLIES	TRAVEL	GENERAL & ADMIN.	INCENTIVES	OTHER	SUB TOTAL	PROGRAM REVENUES	TOTAL
1 Common	225,000	25,000	20,000	25,000	10,000	5,100	30,000	0	0	4,500	344,600	0	344,600
2 Residential Energy Survey Program	65,000	15,000	0	18,000	5,000	2,500	10,000	0	0	200	115,700	0	115,700
3 Commercial Energy Survey	0	0	0	0	0	0	0	0	0	0	0	0	0
4 Low Income Program	2,500	5,000	0	0	500	100	250	0	0	0	8,350	0	8,350
5 Commercial Heating & Cooling Upgrade	1,000	7,500	0	0	0	100	100	0	1,000	0	9,700	0	9,700
6 Residential Heating & Cooling Upgrade	5,000	10,000	0	0	1,000	100	1,000	0	45,000	200	62,300	0	62,300
7 Commercial Indoor Efficient Lighting Rebate	0	0	0	0	0	0	0	0	0	0	0	0	0
8 Commercial Window Film Installation Program	0	0	0	0	0	0	0	0	0	0	0	0	0
9 Commercial Chiller Upgrade Program	2,500	10,000	0	0	500	100	100	0	2,500	0	15,700	0	15,700
10 Solar Water Heating Program	0	0	0	0	0	0	0	0	0	0	0	0	0
11 Solar Photovoltaic Program	0	0	0	0	0	0	0	0	0	0	0	0	0
12 Demonstration and Development	2,500	0	0	72,000	500	0	0	0	0	0	75,000	0	75,000
13 Affordable Housing Builders and Providers	0	0	0	0	0	0	0	0	0	0	0	0	0
14 Commercial Reflective Roof Program	7,500	7,500	0	0	1,500	100	500	0	10,000	0	27,100	0	27,100
15 Commercial Energy Consultation	40,000	1,000	0	2,500	2,500	100	2,500	0	0	200	48,800	0	48,800
31. TOTAL ALL PROGRAMS	351,000	81,000	20,000	117,500	21,500	8,200	44,450	0	58,500	5,100	707,250	0	707,250
32. LESS: BASE RATE RECOVERY													
33. NET PROGRAM COSTS	351,000	81,000	20,000	117,500	21,500	8,200	44,450	0	58,500	5,100	707,250	0	707,250

SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION & RETURN

ESTIMATED FOR MONTHS January-17 THROUGH December-17

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

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

SCHEDULE C-3
 PAGE 1 OF 5

ACTUAL FOR MONTHS		January-16	THROUGH	June-16										
ESTIMATED FOR MONTHS		July-16	THROUGH	December-16										
PROGRAM NAME	LABOR & PAYROLL	ADVERTISING	LEGAL	OUTSIDE SERVICES	VEHICLE COST	MATERIALS & SUPPLIES	TRAVEL	GENERAL & ADMIN.	INCENTIVES	OTHER	SUB TOTAL	PROGRAM REVENUES	TOTAL	
	1. Common													
A. ACTUAL	121,568	24,367	1,919	7,888	2,936	2,486	15,885	0	0	7,750	184,798	0	184,798	
B. ESTIMATED	117,500	5,000	10,000	20,000	12,500	5,000	12,500	0	0	12,500	195,000	0	195,000	
C. TOTAL	239,068	29,367	11,919	27,888	15,436	7,486	28,385	0	0	20,250	379,798	0	379,798	
2. Residential Energy Survey Program														
A. ACTUAL	29,632	4,828	0	0	1,946	646	5,823	0	0	680	43,555	0	43,555	
B. ESTIMATED	30,000	7,500	0	0	3,750	2,500	2,500	0	0	5,000	51,250	0	51,250	
C. TOTAL	59,632	12,328	0	0	5,696	3,146	8,323	0	0	5,680	94,805	0	94,805	
3. Commercial Energy Survey														
A. ACTUAL	0	0	0	0	0	0	0	0	0	0	0	0	0	
B. ESTIMATED	0	0	0	0	0	0	0	0	0	0	0	0	0	
C. TOTAL	0	0	0	0	0	0	0	0	0	0	0	0	0	
4. Low Income Program														
A. ACTUAL	679	0	0	0	23	10	76	0	0	9	797	0	797	
B. ESTIMATED	2,500	3,750	0	0	500	500	250	0	0	50	7,550	0	7,550	
C. TOTAL	3,179	3,750	0	0	523	510	326	0	0	59	8,347	0	8,347	
5. Commercial Heating & Cooling Upgrade														
A. ACTUAL	0	7,214	0	0	0	0	0	0	383	0	7,597	0	7,597	
B. ESTIMATED	500	1,250	0	0	0	50	50	0	750	50	2,650	0	2,650	
C. TOTAL	500	8,464	0	0	0	50	50	0	1,133	50	10,247	0	10,247	
6. Residential Heating & Cooling Upgrade														
A. ACTUAL	1,581	4,807	0	0	158	53	409	0	15,970	76	23,054	0	23,054	
B. ESTIMATED	2,500	10,000	0	0	250	50	250	0	15,000	50	28,100	0	28,100	
C. TOTAL	4,081	14,807	0	0	408	103	659	0	30,970	126	51,154	0	51,154	
7. Commercial Indoor Efficient Lighting Rebate														
A. ACTUAL	0	0	0	0	0	0	0	0	35,731	0	35,731	0	35,731	
B. ESTIMATED	3,750	2,500	0	0	500	50	500	0	0	50	7,350	0	7,350	
C. TOTAL	3,750	2,500	0	0	500	50	500	0	35,731	50	43,081	0	43,081	
SUB-TOTAL ACTUAL	153,460	41,215	1,919	7,888	5,063	3,195	22,193	0	52,083	8,514	295,531	0	295,531	
SUB-TOTAL ESTIMATED	153,000	27,500	10,000	20,000	17,000	8,100	15,550	0	15,750	17,650	284,550	0	284,550	
LESS: PRIOR YEAR AUDIT ADJ.														
ACTUAL											0		0	
ESTIMATED														
TOTAL														
NET PROGRAM COSTS	SEE PAGE 1A													

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

SCHEDULE C-3
 PAGE 1A OF 5

ACTUAL FOR MONTHS ESTIMATED FOR MONTHS	January-16	THROUGH	June-16													
	July-16	THROUGH	December-16	LABOR & PAYROLL	ADVERTISING	LEGAL	OUTSIDE SERVICES	VEHICLE COST	MATERIALS & SUPPLIES	TRAVEL	GENERAL & ADMIN.	INCENTIVES	OTHER	SUB TOTAL	PROGRAM REVENUES	TOTAL
8. Commercial Window Film Installation Program																
A. ACTUAL	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9. Commercial Chiller Upgrade Program																
A. ACTUAL	2,480	5,718	0	0	159	63	534	0	0	53	9,007	9,007				
B. ESTIMATED	500	1,250	0	0	50	50	50	0	500	50	2,450	2,450				
C. TOTAL	2,980	6,968	0	0	209	113	584	0	500	103	11,457	11,457				
10. Solar Water Heating Program																
A. ACTUAL	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11. Solar Photovoltaic Program																
A. ACTUAL	285	0	0	0	24	14	94	0	0	6	422	422				
B. ESTIMATED	0	0	0	0	0	0	0	0	0	0	0	0				
C. TOTAL	285	0	0	0	24	14	94	0	0	6	422	422				
12. Demonstration and Development																
A. ACTUAL	1,938	0	0	0	116	30	429	0	0	15	2,529	2,529				
B. ESTIMATED	1,250	0	0	36,250	0	0	0	0	0	0	37,500	37,500				
C. TOTAL	3,188	0	0	36,250	116	30	429	0	0	15	40,029	40,029				
13. Affordable Housing Builders and Providers																
A. ACTUAL	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14. Commercial Reflective Roof Program																
A. ACTUAL	1,668	5,270	0	0	115	24	317	0	0	46	7,440	7,440				
B. ESTIMATED	2,500	6,250	0	0	250	50	250	0	2,500	50	11,850	11,850				
C. TOTAL	4,168	11,520	0	0	365	74	567	0	2,500	96	19,290	19,290				
14. Commercial Energy Consultation																
A. ACTUAL	20,753	211	0	0	1,764	595	3,888	0	0	735	28,046	28,046				
B. ESTIMATED	3,750	2,500	0	0	500	50	500	0	0	50	7,350	7,350				
C. TOTAL	24,503	2,711	0	0	2,264	645	4,488	0	0	785	35,396	35,396				
TOTAL ACTUAL	180,585	52,414	1,919	7,888	7,241	3,922	27,556	0	52,083	9,369	342,976	0	342,976			
TOTAL ESTIMATED	161,000	37,500	10,000	56,250	17,800	8,250	16,350	0	18,750	17,800	343,700	0	343,700			
LESS: PRIOR YEAR AUDIT ADJ. ACTUAL ESTIMATED TOTAL												0	0			
NET PROGRAM COSTS	341,585	89,914	11,919	64,138	25,041	12,172	43,906	0	70,833	27,169	686,676	0	686,676			

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

ACTUAL FOR MONTHS January-16 THROUGH June-16
 ESTIMATED FOR MONTHS July-16 THROUGH December-16

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

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

SCHEDULE C-3
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ACTUAL FOR MONTHS
 ESTIMATED FOR MONTHS

January-16
 July-16

THROUGH
 THROUGH

June-16
 December-16

A.	ESTIMATED EXPENSE BY PROGRAM	ACTUAL						TOTAL	ESTIMATED						TOTAL	GRAND
		JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	ACTUAL	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	ESTIMATED	TOTAL
CV610	Common	22,520	25,754	48,082	31,124	25,401	31,917	184,798	32,500	32,500	32,500	32,500	32,500	32,500	195,000	379,798
CV613	Residential Energy Survey Program	8,302	2,832	16,540	7,445	3,607	4,829	43,555	8,542	8,542	8,542	8,542	8,542	8,542	51,254	94,809
CV616	Commercial Energy Survey	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CV617	Low Income Program	447	0	0	0	350	0	797	1,258	1,258	1,258	1,258	1,258	1,258	7,548	8,345
CV618	Commercial Heating & Cooling Upgrade	1,298	712	1,245	1,022	1,100	2,219	7,597	442	442	442	442	442	442	2,652	10,249
CV619	Residential Heating & Cooling Upgrade	1,933	3,962	2,429	5,092	4,209	5,429	23,054	4,683	4,683	4,683	4,683	4,683	4,683	28,098	51,152
CV621	Commercial Indoor Efficient Lighting Rebate	0	0	35,731	0	0	0	35,731	0	0	0	0	0	0	0	35,731
CV622	Commercial Window Film Installation Program	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CV623	Commercial Chiller Upgrade Program	1,745	582	1,063	2,404	2,284	929	9,007	408	408	408	408	408	408	2,448	11,455
CV624	Solar Water Heating Program	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CV625	Solar Photovoltaic Program	0	0	0	422	0	0	422	0	0	0	0	0	0	0	422
CV626	Demonstration and Development	0	0	1,685	844	0	0	2,529	6,250	6,250	6,250	6,250	6,250	6,250	37,500	40,029
CV627	Affordable Housing Builders and Providers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CV628	Commercial Reflective Roof Program	1,261	582	652	1,398	2,617	929	7,440	1,975	1,975	1,975	1,975	1,975	1,975	11,850	19,290
CV629	Commercial Energy Consultation	4,129	3,513	3,181	2,996	3,767	10,460	28,046	1,225	1,225	1,225	1,225	1,225	1,225	7,350	35,396
	Prior period audit adj.							0							0	0
								0							0	0
31.	TOTAL ALL PROGRAMS	41,634	37,937	110,609	52,748	43,335	56,713	342,975	57,283	57,283	57,283	57,283	57,283	57,283	343,700	686,676
32.	LESS AMOUNT INCLUDED IN RATE BASE															
33.	RECOVERABLE CONSERVATION EXPENSES	41,634	37,937	110,609	52,748	43,335	56,713	342,975	57,283	57,283	57,283	57,283	57,283	57,283	343,700	686,676

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ENERGY CONSERVATION ADJUSTMENT
CALCULATION OF TRUE UP AND INTEREST PROVISION

	ACTUAL FOR MONTHS	January-16	THROUGH	June-16													
	ESTIMATED FOR MONTHS	July-16	THROUGH	December-16	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
B.	CONSERVATION REVENUES																
1.	RCS AUDIT FEES																
	a.																
	b.																
	c.																
2.	CONSERVATION ADJ REVENUE (NET OF REVENUE TAXES)	(72,051)	(69,687)	(60,812)	(58,215)	(61,216)	(83,164)	(92,408)	(87,280)	(87,167)	(69,221)	(62,450)	(68,589)	(872,260)			
3.	TOTAL REVENUES	(72,051)	(69,687)	(60,812)	(58,215)	(61,216)	(83,164)	(92,408)	(87,280)	(87,167)	(69,221)	(62,450)	(68,589)	(872,260)			
4.	PRIOR PERIOD TRUE-UP-ADJ NOT APPLICABLE TO PERIOD	9,776	9,776	9,776	9,776	9,776	9,776	9,776	9,776	9,776	9,776	9,776	9,776	117,309			
5.	CONSERVATION REVENUES APPLICABLE TO PERIOD	(62,275)	(59,911)	(51,036)	(48,439)	(51,440)	(73,388)	(82,632)	(77,504)	(77,391)	(59,445)	(52,674)	(58,816)	(754,951)			
6.	CONSERVATION EXPENSES (FORM C-3, PAGE 3)	41,634	37,937	110,609	52,748	43,335	56,713	57,283	57,283	57,283	57,283	57,283	57,283	686,676			
7.	TRUE-UP THIS PERIOD	(20,641)	(21,974)	59,573	4,308	(8,105)	(16,675)	(25,349)	(20,221)	(20,108)	(2,162)	4,609	(1,533)	(68,275)			
8.	INTEREST PROVISION THIS PERIOD (C-3, PAGE 5)	29	20	22	29	28	21	11	2	(7)	(14)	(16)	(19)	106			
9.	TRUE-UP & INTEREST PROVISION	117,309	86,921	55,191	105,010	99,572	81,718	55,289	20,175	(9,819)	(39,710)	(51,662)	(56,844)	117,309			
10.	PRIOR TRUE-UP REFUNDED (COLLECTED)	(9,776)	(9,776)	(9,776)	(9,776)	(9,776)	(9,776)	(9,776)	(9,776)	(9,776)	(9,776)	(9,776)	(9,776)	(117,309)			
11.	END OF PERIOD TOTAL NET TRUE- UP (SUM OF LINES 7,8,9,10)	86,921	55,191	105,010	99,572	81,718	55,289	20,175	(9,819)	(39,710)	(51,662)	(56,844)	(68,169)	(68,169)			0

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

SCHEDULE C-4
 PAGE 1 OF 1

FOR THE PERIOD January-16 THROUGH December-17

MONTH	KWH/THERM SALES (000) (NET OF 3RD PARTY)	CONSERVATION ADJUSTMENT REVENUE (NET OF REVENUE TAXES)	RATE
2016 JANUARY	53,893	72,051	ACTUAL
FEBRUARY	51,681	69,687	ACTUAL
MARCH	45,120	60,812	ACTUAL
APRIL	43,175	58,215	ACTUAL
MAY	45,404	61,216	ACTUAL
JUNE	61,225	83,164	ACTUAL
JULY	68,382	92,408	0.135135
AUGUST	64,587	87,280	0.135136
SEPTEMBER	64,504	87,167	0.135134
OCTOBER	51,224	69,221	0.135134
NOVEMBER	46,213	62,450	0.135135
DECEMBER	50,756	68,589	0.135135
SUB-TOTAL	646,164	872,260	
2017 JANUARY	54,857	54,937	0.100146
FEBRUARY	53,992	54,070	0.100145
MARCH	47,663	47,732	0.100145
APRIL	43,596	43,659	0.100144
MAY	46,458	46,525	0.100145
JUNE	54,844	54,923	0.100144
JULY	68,365	68,463	0.100143
AUGUST	65,548	65,643	0.100144
SEPTEMBER	61,406	61,494	0.100143
OCTOBER	48,291	48,361	0.100145
NOVEMBER	45,474	45,540	0.100144
DECEMBER	47,668	47,737	0.100145
SUB-TOTAL	638,162	639,084	
TOTALS	1,284,326	1,511,344	

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Program

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

PROGRAM TITLE:

Residential Energy Survey Program

PROGRAM DESCRIPTION:

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

PROGRAM PROJECTIONS:

For the twelve-month period of January to December 2017, the Company estimates that 225 residential surveys will be conducted. Fiscal expenditures for 2017 are projected to be \$115,700.

PROGRAM ACTIVITY AND EXPENDITURES:

From January 2016 through June 2016, 140 surveys were performed and actual expenditures were \$43,555. We estimate that another 140 surveys will be performed between July 2016 and December 2016. For January 2016 through December 2016 the projected expenses are \$94,804.

For January 2016 through December 2016, the goal for the number of program participants is 100.

PROGRAM SUMMARY:

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

PROGRAM TITLE:

Commercial Heating and Cooling Upgrade Program

PROGRAM DESCRIPTION:

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

PROGRAM PROJECTIONS:

For the twelve-month period of January to December 2017, the Company estimates that 10 Commercial Heating and Cooling allowances will be paid. Fiscal expenditures for 2017 are projected to be \$9,700.

PROGRAM ACTIVITY AND EXPENDITURES:

From January 2016 through June 2016, 3 Commercial Heating and Cooling allowances were paid and actual expenditures were \$7,597. We estimate that 8 Commercial Heating and Cooling allowances will be paid between July 2016 and December 2016. For January 2016 through December 2016 the projected expenses are \$10,247.

For January 2016 through December 2016, the goal for the number of program participants is 10.

PROGRAM SUMMARY:

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

PROGRAM TITLE:

Residential Heating and Cooling Efficiency Upgrade Program

PROGRAM DESCRIPTION:

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

PROGRAM PROJECTIONS:

For the twelve-month period of January to December 2017, the Company estimates that 200 Residential Heating and Cooling allowances will be paid. Fiscal expenditures for 2017 are projected to be \$62,300.

PROGRAM ACTIVITY AND EXPENDITURES:

From January 2016 through June 2016, 120 Residential Heating and Cooling allowances were paid and actual expenditures were \$23,054. We estimate that another 120 Residential Heating and Cooling allowances will be paid between July 2016 and December 2016. For January 2016 through December 2016 the projected expenses are \$51,154.

For January 2016 through December 2016, the goal for the number of program participants is 100.

PROGRAM SUMMARY:

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

PROGRAM TITLE:

Commercial Chiller Upgrade Program

PROGRAM DESCRIPTION:

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

PROGRAM PROJECTIONS:

For the twelve-month period of January to December 2017, the Company estimates that 1 Commercial Chiller Upgrade rebate will be paid. Fiscal expenditures for 2017 are projected to be \$15,700.

PROGRAM ACTIVITY AND EXPENDITURES:

From January 2016 through June 2016, no Commercial Chiller Upgrade allowances were paid and actual expenditures were \$9,007. We estimate that 1 Commercial Chiller Upgrade rebate will be paid between July 2016 and December 2016. For January 2016 through December 2016 the projected expenses are \$11,457.

For January 2016 through December 2016, the goal for the number of program participants is 1.

PROGRAM SUMMARY:

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

PROGRAM TITLE:

Conservation Demonstration and Development Program

PROGRAM DESCRIPTION:

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

PROGRAM PROJECTIONS:

For the twelve-month period of January to December 2017, the Company estimates that they will engage in at least 1 CDD project. Fiscal expenditures for 2017 are projected to be \$75,000.

PROGRAM ACTIVITY AND EXPENDITURES:

From January 2016 through June 2016 actual expenditures were \$2,529. For January 2016 through December 2016 the projected expenses are \$40,029.

PROGRAM SUMMARY:

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

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

**SCHEDULE C-5
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PROGRAM TITLE:

Low Income Program

PROGRAM DESCRIPTION:

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

PROGRAM PROJECTIONS:

For the twelve-month period of January to December 2017, fiscal expenditures are projected to be \$8,350.

PROGRAM ACTIVITY AND EXPENDITURES:

From January 2016 through June 2016 actual expenditures were \$797. For January 2016 through December 2016 the projected expenses are \$8,347.

PROGRAM SUMMARY:

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

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FLORIDA PUBLIC UTILITIES CO.
(KIL -1)
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PROGRAM TITLE:

Commercial Reflective Roof Program

PROGRAM DESCRIPTION:

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

PROGRAM PROJECTIONS:

For the twelve-month period of January to December 2017, the Company estimates that 10 Commercial Reflective Roof allowances will be paid. Fiscal expenditures for 2017 are projected to be \$27,100.

PROGRAM ACTIVITY AND EXPENDITURES:

From January 2016 through June 2016 actual expenditures were \$7,440. For January 2016 through December 2016 the projected expenses are \$19,290.

PROGRAM SUMMARY:

The program started upon approval of FPUC's 2015 DSM Plan and Program Standards. We feel confident that by advertising the benefits of this program through our Energy Survey Program, bill inserts, promotional materials and social media platforms, we will begin to receive participants in this program.

PROGRAM TITLE:

Commercial Energy Consultation Program

PROGRAM DESCRIPTION:

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

PROGRAM PROJECTIONS:

For the twelve-month period of January to December 2017, fiscal expenditures are projected to be \$48,800.

PROGRAM ACTIVITY AND EXPENDITURES:

From January 2016 through June 2016 actual expenditures were \$28,046. For January 2016 through December 2016 the projected expenses are \$36,396.

PROGRAM SUMMARY:

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