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August 10, 2017

E-PORTAL/ELECTRONIC FILING

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

RE: Docket No. 170004-GU – Conservation Cost Recovery

Dear Ms. Stauffer:

Attached for electronic filing, please find the Direct Testimony and Exhibit MB-2 of Mr. Miguel Bustos, submitted in the referenced Docket on behalf of Florida City Gas, along with the Petition for Approval of Conservation Cost Recovery Factors.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'GMM', with a long horizontal flourish extending to the right.

Gregory M. Munson

GMM

cc: Parties of Record

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

**In re: Natural Gas Conservation Cost    )**  
**Recovery                                        )**  
\_\_\_\_\_ )

**Docket No. 170004-GU**  
**Filed: August 9, 2017**

**PETITION OF FLORIDA CITY GAS  
FOR APPROVAL OF CONSERVATION COST RECOVERY FACTORS**

Florida City Gas, a division of Pivotal Utility Holdings, Inc. (“Florida City Gas” or “the Company”) hereby submits this petition asking that the Commission approve the Company’s conservation cost recovery factors for the period January 1, 2018 through December 31, 2018.

In support thereof, the Company says:

1. For the period January 1, 2016 through December 31, 2016, the Company’s Adjusted Net True-Up is an over-recovery of \$325,523, calculated based upon an end-of-period net true up over-recovery of \$673,445. Florida City Gas also projects an over-recovery of \$925,274 for the period January 1, 2017 through December 31, 2017. The total incremental costs for 2018 are projected to be \$5,308,726. When the prior period true-up is included, this results in a total of \$4,383,452 in conservation costs to be recovered over the period January 1, 2018 through December 31, 2018.

2. When the required true-up and projected expenditures are spread over the projected term sales and expanded for taxes, the required conservation cost recovery factors for the period January 1, 2018 through December 31, 2018, are:

RATE CLASS	RATE/\$ PER THERM
GS-1, GS-100, GS-220, RSG, CSG (Sales & Transportation)	\$0.12996
GS-600 (Sales & Transportation)	\$0.06042

RATE CLASS	RATE/\$ PER THERM
GS-1200 (Sales & Transportation)	\$0.03710
GS-6k (Sales & Transportation)	\$0.03098
GS-25000 (Sales & Transportation)	\$0.03071
GS-60000 (Sales & Transportation)	\$0.02928
Gas Lights	\$0.05981
GS-120000 (Sales & Transportation)	\$0.02168
GS-250000 (Sales & Transportation)	\$0.02024

3. The Company's calculation of the Final 2016 Adjusted Net True-Up, as well as the Conservation Cost Recovery Factors set forth herein are calculated consistent with the Commission's methodology, and supported by the Direct Testimony of Miguel Bustos, and Schedules C-1 through C-5, which are included in Exhibit MB-2.

WHEREFORE, Florida City Gas requests that its Conservation Cost Recovery Factors for the period January 1, 2018 through December 31, 2018 be approved.



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215 South Monroe St., Suite 618  
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*Attorneys for Florida City Gas*

**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 10<sup>th</sup> day of August, 2017:

<p>Florida Public Utilities Company/Florida Division of Chesapeake Utilities/Indiantown Mike Cassel Florida Public Utilities Company 1750 S 14th Street, Suite 200 Fernandina Beach FL 32034 <a href="mailto:mcassel@fpuc.com">mcassel@fpuc.com</a></p>	<p>MacFarlane Ferguson Law Firm Ansley Watson, Jr. /Andrew Brown P.O. Box 1531 Tampa, FL 33601-1531 <a href="mailto:aw@macfar.com">aw@macfar.com</a> <a href="mailto:AB@macfar.com">AB@macfar.com</a></p>
<p>Messer Law Firm Paula M. Sparkman P.O Box 15579 Tallahassee, FL 32317 <a href="mailto:psparkman@lawfla.com">psparkman@lawfla.com</a></p>	<p>Office of Public Counsel J.R. Kelly/Charles Rehwinkel c/o The Florida Legislature 111 West Madison Street, Room 812 Tallahassee, FL 32399-1400 <a href="mailto:Kelly.JR@leg.state.fl.us">Kelly.JR@leg.state.fl.us</a> <a href="mailto:Rehwinkel.charles@leg.state.fl.us">Rehwinkel.charles@leg.state.fl.us</a></p>
<p>Peoples Gas System Paula Brown Kandi Floyd P.O. Box 111 Tampa, FL 33601-0111 <a href="mailto:regdept@tecoenergy.com">regdept@tecoenergy.com</a></p>	<p>St. Joe Natural Gas Company, Inc. Mr. Andy Shoaf P.O. Box 549 Port St. Joe, FL 32457-0549 <a href="mailto:andy@stjoegas.com">andy@stjoegas.com</a></p>
<p>Sebring Gas System, Inc. Jerry H. Melendy, Jr. 3515 U.S. Highway 27 South Sebring, FL 33870 <a href="mailto:jmelendy@floridasbestgas.com">jmelendy@floridasbestgas.com</a></p>	<p>Southern Company Gas Elizabeth Wade Ten Peachtree Place Location 1470 Atlanta, GA 30309 <a href="mailto:ewade@southernco.com">ewade@southernco.com</a></p>
<p>Florida City Gas Carolyn Bermudez 933 East 25<sup>th</sup> Street Hialeah, FL 33013-3498 <a href="mailto:cbermude@southernco.com">cbermude@southernco.com</a></p>	<p>Kelley Corbari/Stephanie Cuello Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399 <a href="mailto:kcorbari@psc.state.fl.us">kcorbari@psc.state.fl.us</a> <a href="mailto:scuello@psc.state.fl.us">scuello@psc.state.fl.us</a></p>

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*Attorneys for Florida City Gas*

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

DIRECT TESTIMONY (PROJECTION) OF MIGUEL BUSTOS

ON BEHALF OF

FLORIDA CITY GAS

DOCKET NO. 170004-GU

1 **Q. Please state your name, business address, by whom you are employed, and in**  
2 **what capacity.**

3 A. My name is Miguel Bustos and my business address is 4045 NW 97<sup>th</sup> Ave, Doral,  
4 Florida 33178. I am employed by Florida City Gas as Energy Efficiency Program  
5 Manager. I have been with the Company for approximately 14 years.

6  
7 **Q. Are you familiar with the energy conservation programs of Florida City Gas?**

8 A. Yes, I am.

9  
10 **Q. Are you familiar with the costs that have been incurred and are projected to be**  
11 **incurred by Florida City Gas in implementing its energy conservation programs?**

12 A. Yes, I am.

13  
14 **Q. What is the purpose of your testimony in this docket?**

15 A. To submit the conservation cost recovery true-up for the final true-up period January 1,  
16 2016 through December 31, 2016, and for the actual and estimated period of January 1,  
17 2017, through December 31, 2017. I will also present the total level of costs Florida  
18 City Gas seeks to recover through its conservation factors during the period January 1,

1 2018 through December 31, 2018, as well as the conservation factors which, when  
2 applied to our customer's bills during the period January 1, 2018 through December 31,  
3 2018, will permit recovery of total ECCR costs.

4  
5 **Q. What is the Company's estimated true-up for the period January 1, 2017 through**  
6 **December 31, 2017?**

7 A. An over-recovery of \$925,274. This amount is calculated on page 4 of Schedule C-3 of  
8 Exhibit MB-2 and takes into account the final true-up for the year ended December 31,  
9 2016, which was an over-recovery of \$673,445, including interest. For the period  
10 January 1, 2016 through December 31, 2016, the Company's Adjusted Net True-Up is  
11 an over-recovery of \$325,523, as reflected in Exhibit MB-1.

12  
13 **Q. What is the total cost Florida City Gas seeks to recover during the period January**  
14 **1, 2018 through December 31, 2018?**

15 A. The total cost is \$4,383,452. This represents the projected costs of \$5,308,726 to be  
16 incurred during 2018, less the estimated true-up of \$925,274 for calendar year 2017.

17  
18 **Q. What conservation factors does Florida City Gas need to permit recovery of these**  
19 **costs?**

20	A. GS-1, GS-100, GS-220, RSG, CSG (Sales & Transp.)	\$0.12996
21	GS-600 (Sales & Transportation)	\$0.06042
22	GS-1200 (Sales & Transportation)	\$0.03710
23	GS-6k (Sales & Transportation)	\$0.03098

1	GS-25000 (Sales & Transportation)	\$0.03071
2	GS-60000 (Sales & Transportation)	\$0.02928
3	Gas Lights	\$0.05981
4	GS-120000 (Sales & Transportation)	\$0.02168
5	GS-250000 (Sales & Transportation)	\$0.02024

6

7 **Q. Has Florida City Gas prepared schedules to support its requested Conservation**  
8 **Cost Recovery Factor?**

9 A. Yes. I have prepared and filed together with this testimony an Exhibit MB-2, which  
10 includes the Schedules C-1 through C-5 as prescribed by the Commission.

11

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

13 A. Yes, it does.

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**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 10<sup>th</sup> day of August, 2017:

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Messer Law Firm Paula Sparkman P.O Box 15579 Tallahassee, FL 32317 <a href="mailto:psparkman@lawfla.com">psparkman@lawfla.com</a>	Office of Public Counsel J.R. Kelly/Charles Rehwinkel c/o The Florida Legislature 111 West Madison Street Room 812 Tallahassee, FL 32399-1400 <a href="mailto:Kelly.JR@leg.state.fl.us">Kelly.JR@leg.state.fl.us</a> <a href="mailto:Rehwinkel.Charles@leg.state.fl.us">Rehwinkel.Charles@leg.state.fl.us</a>
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Sebring Gas System, Inc. Jerry H. Melendy, Jr. 3515 U.S. Highway 27 South Sebring, FL 33870 <a href="mailto:jmelendy@floridasbestgas.com">jmelendy@floridasbestgas.com</a>	AGL Resources Inc. Elizabeth Wade Ten Peachtree Place Location 1470 Atlanta, GA 30309 <a href="mailto:ewade@aglresources.com">ewade@aglresources.com</a>
Florida City Gas Carolyn Bermudez 933 East 25 <sup>th</sup> Street Hialeah, FL 33013-3498 <a href="mailto:cbermude@aglresources.com">cbermude@aglresources.com</a>	Kelley Corbari/Stephanie Cuello Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399 <a href="mailto:kcorbari@psc.state.fl.us">kcorbari@psc.state.fl.us</a> <a href="mailto:scuello@psc.state.fl.us">scuello@psc.state.fl.us</a>

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ENERGY CONSERVATION ADJUSTMENT - SUMMARY OF COST RECOVERY CLAUSE CALCULATION

PROJECTED PERIOD: JANUARY 2018 THROUGH DECEMBER 2018  
 ACTUAL/ESTIMATED PERIOD: JANUARY 2017 THROUGH DECEMBER 2017  
 FINAL TRUE-UP PERIOD: JANUARY 2016 THROUGH DECEMBER 2016  
 COLLECTION PERIOD FOR PRIOR TRUE-UP: JANUARY 2016 THROUGH DECEMBER 2016

- 1. TOTAL INCREMENTAL COSTS (SCHEDULE C-2, PAGE 1) \$ 5,308,726
- 2. TRUE-UP (SCHEDULE C-3, PAGE 4, LINE 12) \$ (925,274)
- 3. TOTAL (LINE 1 AND 2) \$ 4,383,452

RATE SCHEDULE	BILLS	THERM SALES	CUSTOMER CHARGE	NON-GAS ENERGY CHARGE	DEMAND CHARGE	TOTAL CUST. & ENERGY CHG REVENUES	ECCR REVENUES	ECCR AS % OF TOTAL REVENUES	DOLLARS PER THERM	TAX FACTOR	CONSERVATION FACTOR
GS-1, GS-100, GS-220, RSG, CSG (Sales & Transportatior	100,603	15,173,703	11,637,719	\$ 7,991,079	\$ -	\$ 19,628,799	\$ 1,962,175	9.9960%	\$ 0.12931	1.00503	\$ 0.12996
GS-600 (Sales & Transportation)	1,323	1,156,092	190,490	\$ 504,784	\$ -	\$ 695,274	\$ 69,502	9.9960%	\$ 0.06012	1.00503	\$ 0.06042
GS-1200 (Sales & Transportation)	2,965	10,234,311	533,658	\$ 3,245,812	\$ -	\$ 3,779,470	\$ 377,811	9.9960%	\$ 0.03692	1.00503	\$ 0.03710
GS-6k (Sales & Transportation)	2,367	25,409,743	852,175	\$ 6,984,376	\$ -	\$ 7,836,552	\$ 783,374	9.9960%	\$ 0.03083	1.00503	\$ 0.03098
GS-25000 (Sales & Transportation)	319	10,390,739	306,092	\$ 2,869,714	\$ -	\$ 3,175,807	\$ 317,467	9.9960%	\$ 0.03055	1.00503	\$ 0.03071
GS-60000 (Sales & Transportation)	73	7,825,115	130,708	\$ 2,150,107	\$ -	\$ 2,280,814	\$ 228,000	9.9960%	\$ 0.02914	1.00503	\$ 0.02928
Gas Lights	158	14,825	-	\$ 8,826	\$ -	\$ 8,826	\$ 882	9.9960%	\$ 0.05951	1.00503	\$ 0.05981
GS-120000 (Sales & Transportation)	40	8,037,731	120,923	\$ 1,453,543	\$ 160,220	\$ 1,734,687	\$ 173,406	9.9960%	\$ 0.02157	1.00503	\$ 0.02168
GS-250000 (Sales & Transportation)	44	23,378,554	157,292	\$ 4,019,007	\$ 533,738	\$ 4,710,037	\$ 470,835	9.9960%	\$ 0.02014	1.00503	\$ 0.02024
<b>TOTAL</b>	<b>107,891</b>	<b>101,620,813</b>	<b>13,210,686</b>	<b>\$ 29,227,249</b>	<b>\$ 693,958</b>	<b>\$ 43,850,266</b>	<b>\$ 4,383,452</b>				



PROJECTED CONSERVATION PROGRAM COST BY COST CATEGORY  
FOR THE PERIOD JANUARY 2018 THROUGH DECEMBER 2018

PROGRAM NAME	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1. RESIDENTIAL NEW CONSTRUCTION	\$ -	\$ 191,947	\$ -	\$ -	\$ 420,000	\$ -	\$ 6,000	\$ -	\$ 617,947
2. MULTI-FAMILY RESIDENTIAL BLDG	-	-	-	-	-	-	-	-	\$ -
3. APPLIANCE REPLACEMENT	-	218,210	-	-	504,000	-	6,000	-	\$ 728,210
4. DEALER PROGRAM	-	-	-	-	-	-	-	-	\$ -
5. GAS APPLIANCES IN SCHOOLS	-	-	-	-	-	-	-	-	\$ -
6. RES PROPANE CONVERSION	-	33,705	-	-	2,400	-	-	-	\$ 36,105
7. RES WATER HEATER RETENTION	-	110,332	-	-	1,476,000	-	-	-	\$ 1,586,332
8. RES CUT AND CAP ALTERNATIVE	-	86,528	-	-	30,000	-	-	-	\$ 116,528
9. COMM/IND CONVERSION	-	344,481	-	-	60,000	-	27,600	-	\$ 432,081
10. COMM/IND ALTERNATIVE TECH.	-	-	-	-	-	-	3,600	-	\$ 3,600
11. COMMERCIAL APPLIANCE COMMON COSTS	-	-	-	-	624,000	-	-	-	\$ 624,000
	-	58,523	-	998,000	-	-	5,400	102,000	\$ 1,163,923
TOTAL ALL PROGRAMS	-	1,043,726	-	998,000	3,116,400	-	48,600	102,000	5,308,726
LESS: AMOUNT IN RATE BASE	-	-	-	-	-	-	-	-	-
RECOVERABLE CONSERVATION EXPENDITURES	\$ -	\$ 1,043,726	\$ -	\$ 998,000	\$ 3,116,400	\$ -	\$ 48,600	\$ 102,000	\$ 5,308,726

CONSERVATION PROGRAM COSTS BY COST CATEGORY  
FOR THE PERIOD JANUARY 2017 THROUGH DECEMBER 2017  
SIX MONTHS ACTUAL AND SIX MONTHS ESTIMATED

	<u>CAPITAL INVESTMENT</u>	<u>PAYROLL &amp; BENEFITS</u>	<u>MATERIALS &amp; SUPPLIES</u>	<u>ADVERTISING</u>	<u>INCENTIVES</u>	<u>OUTSIDE SERVICES</u>	<u>VEHICLE</u>	<u>OTHER</u>	<u>TOTAL</u>
1. RESIDENTIAL NEW CONSTRUCTION									
A. ACTUAL (6 months)	\$ -	\$ 59,245	\$ -	\$ -	\$ 192,400	\$ -	\$ 2,461	\$ -	\$ 254,106
B. ESTIMATED (6 months)	-	66,000	-	-	198,000	-	2,460	-	266,460
C. TOTAL	-	125,245	-	-	390,400	-	4,921	-	520,566
2. MULTI-FAMILY RESIDENTIAL BLDG									
A. ACTUAL (6 months)	-	-	-	-	-	-	-	-	-
B. ESTIMATED (6 months)	-	-	-	-	-	-	-	-	-
C. TOTAL	-	-	-	-	-	-	-	-	-
3. APPLIANCE REPLACEMENT									
A. ACTUAL (6 months)	-	88,721	-	-	211,470	-	2,454	-	302,646
B. ESTIMATED (6 months)	-	88,200	-	-	270,000	-	3,000	-	361,200
C. TOTAL	-	176,921	-	-	481,470	-	5,454	-	663,846
4. DEALER PROGRAM									
A. ACTUAL (6 months)	-	-	-	-	-	-	-	-	-
B. ESTIMATED (6 months)	-	-	-	-	-	-	-	-	-
C. TOTAL	-	-	-	-	-	-	-	-	-
5. GAS APPLIANCES IN SCHOOLS									
A. ACTUAL (6 months)	-	-	-	-	-	-	-	-	-
B. ESTIMATED (6 months)	-	-	-	-	-	-	-	-	-
C. TOTAL	-	-	-	-	-	-	-	-	-
6. RES PROPANE CONVERSION									
A. ACTUAL (6 months)	-	12,785	-	-	375	-	-	-	13,160
B. ESTIMATED (6 months)	-	13,200	-	-	1,200	-	-	-	14,400
C. TOTAL	-	25,985	-	-	1,575	-	-	-	27,560
SUB-TOTAL	\$ -	\$ 328,151	\$ -	\$ -	\$ 873,445	\$ -	\$ 10,376	\$ -	\$ 1,211,972

CONSERVATION PROGRAM COSTS BY COST CATEGORY  
FOR THE PERIOD JANUARY 2017 THROUGH DECEMBER 2017  
SIX MONTHS ACTUAL AND SIX MONTHS ESTIMATED

	<u>CAPITAL INVESTMENT</u>	<u>PAYROLL &amp; BENEFITS</u>	<u>MATERIALS &amp; SUPPLIES</u>	<u>ADVERTISING</u>	<u>INCENTIVES</u>	<u>OUTSIDE SERVICES</u>	<u>VEHICLE</u>	<u>OTHER</u>	<u>TOTAL</u>
SUB-TOTAL - PREVIOUS PAGE	\$ -	\$ 328,151	\$ -	\$ -	\$ 873,445	\$ -	\$ 10,376	\$ -	\$ 1,211,972
7. RES WATER HEATER RETENTION									
A. ACTUAL (6 months)	-	5,710	-	-	701,798	-	-	-	707,508
B. ESTIMATED (6 months)	-	6,000	-	-	780,000	-	-	-	786,000
C. TOTAL	-	11,710	-	-	1,481,798	-	-	-	1,493,508
8. RES CUT AND CAP ALTERNATIVE									
A. ACTUAL (6 months)	-	26,794	-	-	14,400	-	-	-	41,194
B. ESTIMATED (6 months)	-	30,000	-	-	15,000	-	-	-	45,000
C. TOTAL	-	56,794	-	-	29,400	-	-	-	86,194
9. COMM/IND CONVERSION									
A. ACTUAL (6 months)	-	147,036	-	-	10,796	-	13,073	-	170,905
B. ESTIMATED (6 months)	-	151,182	-	-	30,000	-	13,200	-	194,382
C. TOTAL	-	298,218	-	-	40,796	-	26,273	-	365,287
10. COMM/IND ALTERNATIVE TECH.									
A. ACTUAL (6 months)	-	-	-	-	-	-	1,737	-	1,737
B. ESTIMATED (6 months)	-	-	-	-	-	-	1,800	-	1,800
C. TOTAL	-	-	-	-	-	-	3,537	-	3,537
11. COMMERCIAL APPLIANCE									
A. ACTUAL (6 months)	-	-	-	-	251,814	-	-	-	251,814
B. ESTIMATED (6 months)	-	-	-	-	300,000	-	-	-	300,000
C. TOTAL	-	-	-	-	551,814	-	-	-	551,814
COMMON COSTS									
A. ACTUAL (6 months)	-	88,966	-	545,304	-	-	2,016	44,611	680,896
B. ESTIMATED (6 months)	-	89,415	-	420,000	-	-	2,700	57,000	569,115
C. TOTAL	-	178,381	-	965,304	-	-	4,716	101,611	1,250,011
TOTAL		\$ 873,254	\$ -	\$ 965,304	\$ 2,977,253	\$ -	\$ 44,901	\$ 101,611	\$ 4,962,322

CONSERVATION PROGRAM COSTS - EXPENSES BY MONTH  
FOR THE PERIOD JANUARY 2017 THROUGH DECEMBER 2017  
SIX MONTHS ACTUAL AND SIX MONTHS ESTIMATED

DESCRIPTION	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	TOTAL
1. RESIDENTIAL NEW CONSTRUCTIO	45,542	8,930	53,783	55,211	54,465	36,176	44,410	44,410	44,410	44,410	44,410	44,410	520,566
2. MULTI-FAMILY RESIDENTIAL BLDR	-	-	-	-	-	-	-	-	-	-	-	-	-
3. APPLIANCE REPLACEMENT	45,203	43,023	57,662	46,443	64,131	46,184	60,200	60,200	60,200	60,200	60,200	60,200	663,846
4. DEALER PROGRAM	-	-	-	-	-	-	-	-	-	-	-	-	-
5. GAS APPLIANCES IN SCHOOLS	-	-	-	-	-	-	-	-	-	-	-	-	-
6. RES PROPANE CONVERSION	1,413	1,895	1,971	1,864	5,657	361	2,400	2,400	2,400	2,400	2,400	2,400	27,560
7. RES WATER HEATER RETENTION	114,222	80,585	121,591	124,122	146,387	120,601	131,000	131,000	131,000	131,000	131,000	131,000	1,493,508
8. RES CUT AND CAP ALTERNATIVE	6,171	4,231	10,054	7,004	5,911	7,822	7,500	7,500	7,500	7,500	7,500	7,500	86,194
9. COMM/IND CONVERSION	25,421	23,378	40,507	24,633	31,888	25,077	32,397	32,397	32,397	32,397	32,397	32,397	365,287
10. COMM/IND ALTERNATIVE TECH.	358	267	260	274	270	308	300	300	300	300	300	300	3,537
11. COMMERCIAL APPLIANCE	38,937	29,283	49,424	31,472	54,378	48,321	50,000	50,000	50,000	50,000	50,000	50,000	551,814
COMMON COSTS	91,568	116,729	97,270	116,943	88,630	169,756	93,853	95,853	93,853	95,853	93,853	95,853	1,250,011
TOTAL ALL PROGRAMS	368,835	308,320	432,522	407,966	451,715	454,606	422,060	424,060	422,060	424,060	422,060	424,060	4,962,322
LESS: AMOUNT IN RATE BASE	-	-	-	-	-	-	-	-	-	-	-	-	-
NET RECOVERABLE	\$ 368,835	\$ 308,320	\$ 432,522	\$ 407,966	\$ 451,715	\$ 454,606	\$ 422,060	\$ 424,060	\$ 422,060	\$ 424,060	\$ 422,060	\$ 424,060	\$ 4,962,322

ENERGY CONSERVATION COST RECOVERY ADJUSTMENT  
FOR THE PERIOD JANUARY 2017 THROUGH DECEMBER 2017  
SIX MONTHS ACTUAL AND SIX MONTHS ESTIMATED

CONSERVATION REVENUES	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	TOTAL
1. RCS AUDIT FEE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. OTHER PROG. REVS.	-	-	-	-	-	-	-	-	-	-	-	-	-
3. CONSERV. ADJ REVS.	(490,069)	(487,476)	(487,600)	(471,694)	(430,468)	(409,740)	(363,401)	(371,240)	(387,276)	(395,465)	(441,785)	(470,806)	(5,207,020)
4. TOTAL REVENUES	(490,069)	(487,476)	(487,600)	(471,694)	(430,468)	(409,740)	(363,401)	(371,240)	(387,276)	(395,465)	(441,785)	(470,806)	(5,207,020)
5. PRIOR PERIOD TRUE-UP NOT APPLICABLE TO THIS PERIOD	(56,120)	(56,120)	(56,120)	(56,120)	(56,120)	(56,120)	(56,120)	(56,120)	(56,120)	(56,120)	(56,120)	(56,120)	(673,445)
6. CONSERV. REVS. APPLICABLE TO THE PERIOD	(546,189)	(543,596)	(543,720)	(527,814)	(486,588)	(465,860)	(419,521)	(427,360)	(443,396)	(451,585)	(497,905)	(526,927)	(5,880,465)
7. CONSERV. EXPS.	368,835	308,320	432,522	407,966	451,715	454,606	422,060	424,060	422,060	424,060	422,060	424,060	4,962,322
8. TRUE-UP THIS PERIOD	(177,354)	(235,277)	(111,198)	(119,848)	(34,873)	(11,254)	2,538	(3,301)	(21,337)	(27,526)	(75,846)	(102,867)	(918,143)
9. INTEREST PROV. THIS PERIOD	(382)	(460)	(601)	(510)	(542)	(747)	(730)	(709)	(677)	(653)	(651)	(469)	(7,130)
10. TRUE-UP AND INTEREST PROV. BEG. OF MONTH	(673,445)	(795,061)	(974,677)	(1,030,356)	(1,094,594)	(1,073,889)	(1,029,769)	(971,841)	(919,730)	(885,623)	(857,682)	(878,058)	
11. PRIOR TRUE-UP COLLECTED OR (REFUNDED)	56,120	56,120	56,120	56,120	56,120	56,120	56,120	56,120	56,120	56,120	56,120	56,120	673,445
12. TOTAL NET TRUE-UP	\$ (795,061)	\$ (974,677)	\$ (1,030,356)	\$ (1,094,594)	\$ (1,073,889)	\$ (1,029,769)	\$ (971,841)	\$ (919,730)	\$ (885,623)	\$ (857,682)	\$ (878,058)	\$ (925,274)	\$ (925,274)

CALCULATION OF TRUE-UP AND INTEREST PROVISION  
FOR THE PERIOD JANUARY 2017 THROUGH DECEMBER 2017  
SIX MONTHS ACTUAL AND SIX MONTHS ESTIMATED

INTEREST PROVISION	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	TOTAL
1. BEGINNING TRUE-UP	\$ (673,445)	\$ (795,061)	\$ (974,677)	\$ (1,030,356)	\$ (1,094,594)	\$ (1,073,889)	\$ (1,029,769)	\$ (971,841)	\$ (919,730)	\$ (885,623)	\$ (857,662)	\$ (878,058)	
2. ENDING TRUE-UP BEFORE INTEREST	<u>(794,679)</u>	<u>(974,217)</u>	<u>(1,029,755)</u>	<u>(1,094,084)</u>	<u>(1,073,347)</u>	<u>(1,029,023)</u>	<u>(971,111)</u>	<u>(919,021)</u>	<u>(884,947)</u>	<u>(857,029)</u>	<u>(877,408)</u>	<u>(924,805)</u>	
3. TOTAL BEGINNING & ENDING TRUE-UP	(1,468,124)	(1,769,278)	(2,004,432)	(2,124,440)	(2,167,941)	(2,102,911)	(2,000,880)	(1,890,862)	(1,804,677)	(1,742,652)	(1,735,090)	(1,802,863)	
4. AVERAGE TRUE-UP (LINE 3 TIMES 50%)	\$ (734,062)	\$ (884,639)	\$ (1,002,216)	\$ (1,062,220)	\$ (1,083,970)	\$ (1,051,456)	\$ (1,000,440)	\$ (945,431)	\$ (902,338)	\$ (871,326)	\$ (867,545)	\$ (901,432)	
5. INTEREST RATE FIRST DAY OF REPORTING MONTH	0.630%	0.620%	0.630%	0.800%	0.360%	0.840%	0.860%	0.900%	0.900%	0.900%	0.900%	0.900%	0
6. INTER. RATE - FIRST DAY SUBSEQUENT MONTH	<u>0.620%</u>	<u>0.630%</u>	<u>0.800%</u>	<u>0.360%</u>	<u>0.840%</u>	<u>0.860%</u>	<u>0.900%</u>	<u>0.900%</u>	<u>0.900%</u>	<u>0.900%</u>	<u>0.900%</u>	<u>0.350%</u>	-
7. TOTAL (SUM LINES 5 & 6)	<u>1.250%</u>	<u>1.250%</u>	<u>1.430%</u>	<u>1.160%</u>	<u>1.200%</u>	<u>1.700%</u>	<u>1.760%</u>	<u>1.800%</u>	<u>1.800%</u>	<u>1.800%</u>	<u>1.800%</u>	<u>1.250%</u>	0
8. AVG. INTEREST RATE (LINE 7 TIMES 50%)	0.625%	0.625%	0.715%	0.580%	0.600%	0.850%	0.880%	0.900%	0.900%	0.900%	0.900%	0.625%	0
9. MONTHLY AVG INTEREST RATE	0.052%	0.052%	0.060%	0.048%	0.050%	0.071%	0.073%	0.075%	0.075%	0.075%	0.075%	0.052%	0
10. INTEREST PROVISION	\$ (382)	\$ (460)	\$ (601)	\$ (510)	\$ (542)	\$ (747)	\$ (730)	\$ (709)	\$ (677)	\$ (653)	\$ (651)	\$ (469)	\$ (7,131)

CITY GAS COMPANY OF FLORIDA

Schedule C-5  
PROGRAM PROGRESS REPORT

**NAME:** RESIDENTIAL NEW CONSTRUCTION - PROGRAM 1

**DESCRIPTION:** The Residential Builder Program is designed to increase the overall energy efficiency in the residential new construction market by promoting energy-efficient natural gas appliances in residences that would qualify for the RS rates. The program offers builders and developers incentives in the form of cash allowances to assist in defraying the additional costs associated with the installation of natural gas supply lines, house piping, venting and natural gas appliances.

**PROGRAM ALLOWANCES:**

Gas Storage Tank Water Heating .....	\$350
Gas High Efficiency Storage Tank Water Heating (82% AFUE+) .....	400
Gas Tankless Water Heating .....	550
Gas Heating .....	500
Gas Cooking .....	150
Gas Clothe Drying .....	100

**REPORTING PERIOD:** January 2017 through June 2017

**PROGRAM SUMMARY:**

Program costs for the period were \$ 254,106

**CITY GAS COMPANY OF FLORIDA**

**Schedule C-5  
PROGRAM PROGRESS REPORT**

**NAME:** MULTI-FAMILY RESIDENTIAL BUILDER - PROGRAM 2

**DESCRIPTION:** The Multi-Family Residential Builder Program is designed to increase overall energy efficiency in the multi-family new construction market by promoting energy-efficient natural gas in multi-unit residences qualifying for the Company's CS rates.

**PROGRAM ALLOWANCES:**

See Program Summary

**REPORTING PERIOD:** January 2017 through June 2017

**PROGRAM SUMMARY:**

Program ended in February 2007 - Multi-Family developments are included in the Residential New Construction Program.

CITY GAS COMPANY OF FLORIDA  
Schedule C-5  
PROGRAM PROGRESS REPORT

**NAME:** RESIDENTIAL APPLIANCE REPLACEMENT PROGRAM 3

**DESCRIPTION:** The Residential Appliance Replacement Program is designed to promote 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:**

Gas Storage Tank Water Heating .....	\$500
Gas High Efficiency Storage Tank Water Heating (82% AFUE+) .....	550
Gas Tankless Water Heating .....	675
Gas Heating .....	725
Gas Cooking .....	200
Gas Clothe Drying .....	150
Space Conditioning .....	1200

**REPORTING PERIOD:** January 2017 through June 2017

**PROGRAM SUMMARY:**

Program costs for the period were \$ 302,646

**CITY GAS COMPANY OF FLORIDA**

**Schedule C-5  
PROGRAM PROGRESS REPORT**

**NAME:** DEALER - PROGRAM 4

**DESCRIPTION:** The Dealer Program is designed to encourage the replacement of non-gas appliances with energy efficient natural gas appliances through appliance dealers and contractors. The program offers incentives to the dealers and contractors.

**PROGRAM ALLOWANCES:**

Furnace .....  
Water Heater .....  
Range .....  
Dryer .....

**REPORTING PERIOD:** January 2017 through June 2017

**PROGRAM SUMMARY:**

This program was discontinued in February 1998 with Order #PSC-98-0154-GOF-GU granting the new programs.

**CITY GAS COMPANY OF FLORIDA**

**Schedule C-5  
PROGRAM PROGRESS REPORT**

**NAME:** GAS APPLIANCES IN SCHOOLS - PROGRAM 5

**DESCRIPTION:** The Gas Appliances in Schools Program is designed to promote natural gas appliances where cost-efficient, in Home Economic Departments in schools located in our Company's service area. The program provides teaching assistance on energy conservation and on the use, care, and safety of natural gas appliances through a Company-employed home economist.

**REPORTING PERIOD:** January 2017 through June 2017

**PROGRAM SUMMARY:**

Program costs for the period were \$0.

CITY GAS COMPANY OF FLORIDA

Schedule C-5  
PROGRAM PROGRESS REPORT

**NAME:** RESIDENTIAL PROPANE CONVERSION - PROGRAM 6

**DESCRIPTION:** The Residential Propane Conversion Program is designed to promote the conversion of existing residential propane appliances to utilize efficient natural gas. The program offers incentives in the form of cash allowances to residential consumers to assist in defraying the additional costs associated with the conversion of their existing propane appliances to utilize natural gas.

**PROGRAM ALLOWANCES:**

Furnace .....	\$200
Water Heater .....	100
Dryer .....	50
Range .....	25

**REPORTING PERIOD:** January 2017 through June 2017

**PROGRAM SUMMARY:**

Program costs for the period were \$ 13,160

CITY GAS COMPANY OF FLORIDA

Schedule C-5  
PROGRAM PROGRESS REPORT

**NAME:** RESIDENTIAL WATER HEATER RETENTION - PROGRAM 7

**DESCRIPTION:** The Residential Water Heater Retention Program is designed to promote the retention of energy efficient natural gas water heaters in existing residential structures. 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 installation of energy efficient natural gas appliances.

**PROGRAM ALLOWANCES:**

Gas Storage Tank Water Heating .....	\$350
Gas High Efficiency Storage Tank Water Heating (82% AFUE+) ..	400
Gas Tankless Water Heating .....	550
Gas Heating .....	500
Gas Cooking .....	100
Gas Clothe Drying .....	100

**REPORTING PERIOD:** January 2017 through June 2017

**PROGRAM SUMMARY:**

Program costs for the period were \$ 707,508

CITY GAS COMPANY OF FLORIDA

Schedule C-5  
PROGRAM PROGRESS REPORT

**NAME:** RESIDENTIAL CUT AND CAP - PROGRAM 8

**DESCRIPTION:** The Residential Cut and Cap Program is designed to encourage the re-activation 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/or lease and the installation of energy efficient natural gas appliances.

**PROGRAM ALLOWANCES:**

Service re-activation..... \$200

**REPORTING PERIOD:** January 2017 through June 2017

**PROGRAM SUMMARY:**

Program costs for the period were \$ 41,194

CITY GAS COMPANY OF FLORIDA

Schedule C-5  
PROGRAM PROGRESS REPORT

**NAME:** COMMERCIAL/INDUSTRIAL CONVERSION - PROGRAM 9

**DESCRIPTION:** The Commercial/Industrial Conversion Program is designed to promote the conversion of commercial and industrial inefficient non-gas equipment to energy efficient natural gas. The program offers incentives in the form of cash allowances to existing commercial and industrial businesses located in existing structures, to assist in defraying the incremental first costs associated with the installation of natural gas supply lines, internal piping, venting and equipment.

**PROGRAM ALLOWANCES:**

Per 100,000 BTU input rating..... \$75

**REPORTING PERIOD:** January 2017 through June 2017

**PROGRAM SUMMARY:**

Program costs for the period were \$ 170,905

**CITY GAS COMPANY OF FLORIDA**

**Schedule C-5  
PROGRAM PROGRESS REPORT**

**NAME:** COMMERCIAL/INDUSTRIAL ALTERNATIVE TECHNOLOGY INCENTIVE - PROGRAM 10

**DESCRIPTION:** The Commercial/Industrial Alternative Technology Incentive Program (ATI) is designed to encourage commercial and industrial business owners to install alternate technologies that utilize natural gas that are not covered by one of the other City Gas Energy Conservation Programs, but which cost-effectively reduce the total utility expense of the business. The program offers incentives based on the cost-effectiveness under a life-cycle analysis utilizing a computerized energy consumption simulation model.

**PROGRAM ALLOWANCES:**

Payback period of three years subject to a maximum incentive of three times the projected incremental annualized margin.

**REPORTING PERIOD:** January 2017 through June 2017

**PROGRAM SUMMARY:**

Program costs for the period were \$ 1,737

CITY GAS COMPANY OF FLORIDA

Schedule C-5  
 PROGRAM PROGRESS REPORT

**NAME:** COMMERCIAL NATURAL GAS CONSERVATION PROGRAM (APPLIANCE) - PROGRAM 11

**DESCRIPTION:** The Commercial Natural Gas Conservation Program (Appliance) is designed to educate, inform and to encourage business either to build with natural gas (New Construction), to continue using natural gas (Retention) or to convert to natural gas (Retrofit) for their energy needs. The programs offer cash incentives to assist in defraying the costs associated with the installation of natural gas supply lines, internal piping, venting and equipment.

**PROGRAM ALLOWANCES:**

	New Construction	Replacement	Retention
<i>-Small Food Service</i>			
Tank Water Heater	\$ 1,000	\$ 1,500	\$ 1,000
Tankless Water Heater	2,000	2,500	2,000
Range / Oven	1,000	1,500	1,000
Fryer	3,000	3,000	3,000
<i>-Commercial Food Service</i>			
Tank Water Heater	\$ 1,500	\$ 2,000	\$ 1,500
Tankless Water Heater	2,000	2,500	2,000
Range / Oven	1,500	1,500	1,500
Fryer	3,000	3,000	3,000
<i>-Hospitality Lodging</i>			
Tank Water Heater	\$ 1,500	\$ 2,000	\$ 1,500
Tankless Water Heater	2,000	2,500	2,000
Range / Oven	1,500	1,500	1,500
Fryer	3,000	3,000	3,000
Dryer	1500	1500	1500
<i>-Cleaning Service</i>			
Tank Water Heater	\$ 1,500	\$ 2,000	\$ 1,500
Tankless Water Heater	2,000	2,500	2,000
Dryer	1500	1500	1500
<i>-Large Non-food Service</i>			
Tank Water Heater	\$ 1,500	\$ 2,000	\$ 1,500
Tankless Water Heater	2,000	2,500	2,000

**REPORTING PERIOD:** January 2017 through June 2017

**PROGRAM SUMMARY:**

Program costs for the period were \$ 251,814