



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

May 1, 2018

VIA E-PORTAL

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

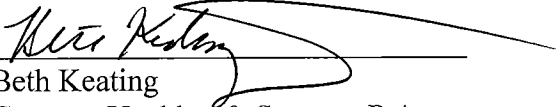
Re: Docket No. 20180004-GU – Natural Gas Conservation Cost Recovery

Dear Ms. Stauffer:

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

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

Sincerely,


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

MEK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Natural Gas Conservation)
Cost Recovery Clause.)
_____)
Docket No. 20180004-GU
Filed: May 1, 2018

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

The Florida Division of Chesapeake Utilities Corporation (“CFG”), Florida Public Utilities Company and Florida Public Utilities Company-Fort Meade (“FPU Gas”), and Florida Public Utilities Company-Indiantown Division (“Indiantown”) (jointly herein “Consolidated Companies”) through their undersigned counsel, hereby files this petition for approval of the Consolidated Companies’ natural gas conservation cost recovery true-up amount related to the twelve-month period ended December 31, 2017. In support of this Petition, the Consolidated Companies state:

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

Florida Public Utilities/Division of Chesapeake Utilities Corporation
1750 S. 14th Street, Suite 200
Fernandina Beach, FL 32034

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

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

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

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

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

4. As indicated in the Testimony of Mr. Curtis D. Young, for the period January 2017 through December 2017, the Consolidated Companies over-recovered \$1,006,967, as compared to its estimated over-recovery of \$947,806, resulting in an adjusted end of period total true up amount of an over-recovery of \$59,161, as further indicated on Exhibit CDY-1.

WHEREFORE, the Consolidated Companies respectfully request that the Commission enter an Order approving the Companies' final natural gas conservation true-up amounts for the period January 1, 2017 through December 31, 2017.

RESPECTFULLY SUBMITTED this 1st day of May 2018.



Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301
(850) 521-1706
*Attorneys for Florida Public Utilities
Company/Florida Division of Chesapeake Utilities
Corporation (Consolidated Natural Gas
Companies)*

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the Consolidated Companies' Petition for Approval of the Conservation Cost Recovery True-Up Amount in Docket No. 20180004-GU has been furnished by Electronic Mail to the following parties of record this 1st day of May 2018, along with a copy of the referenced Testimony and Exhibit (CDY-1) of Mr. Young:

<p>Florida Public Utilities Company/Florida Division of Chesapeake Utilities/Indiantown Mike Cassel 1750 S.W. 14th Street, Suite 200 Fernandina Beach, FL 32034 mcassel@fpuc.com</p>	<p>MacFarlane Ferguson Law Firm Ansley Watson, Jr. /Andrew Brown P.O. Box 1531 Tampa, FL 33601-1531 aw@macfar.com; AB@macfar.com</p>
<p>Messer Law Firm Paula Sparkman P.O Box 15579 Tallahassee, FL 32317 psparkman@lawfla.com</p>	<p>Office of Public Counsel J.R. Kelly/Charles Rehwinkel/Patricia Christensen c/o The Florida Legislature 111 West Madison Street Room 812 Tallahassee, FL 32399-1400 Kelly.JR@leg.state.fl.us Christensen.Patty@leg.state.fl.us Rehwinkel.Charles@leg.state.fl.us</p>
<p>Peoples Gas System Paula Brown Kandi Floyd P.O. Box 111 Tampa, FL 33601-0111 regdept@tecoenergy.com kfloyd@tecoenergy.com</p>	<p>St. Joe Natural Gas Company, Inc. Mr. Andy Shoaf P.O. Box 549 Port St. Joe, FL 32457-0549 Andy@stjoegas.com</p>
<p>Sebring Gas System, Inc. Jerry H. Melendy, Jr. 3515 U.S. Highway 27 South Sebring, FL 33870 jmelendy@floridasbestgas.com</p>	<p>Southern Company Gas Elizabeth Wade Ten Peachtree Place Location 1470 Atlanta, GA 30309 ewade@southernco.com</p>
<p>Florida City Gas Carolyn Bermudez/Miguel Bustos 4045 NW 97th Avenue Doral, Florida 33178 cbermudez@southernco.com mbustos@southernco.com</p>	<p>Rachael Dziechciarz Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399 rdziechc@psc.state.fl.us</p>

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

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 20180004-GU:

NATURAL GAS CONSERVATION COST RECOVERY CLAUSE

Direct Testimony (Final True Up) of

CURTIS D. YOUNG

On Behalf of

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

1 Q. Please state your name and business address.

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

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

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

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

7 A. To advise the Commission of the actual over/under recovery of the Conservation
8 costs for the period January 1, 2017 through December 31, 2017 as compared to
9 the amount previously reported for that period which was based on Six months
10 actual and Six months estimated data.

11 Q. Please state the actual amount of over/under recovery of Conservation Program
12 costs for the gas divisions of Florida Public Utilities Company for January 1, 2017
13 through December 31, 2017.

14 A. The Company over-recovered \$ 1,006,967 during that period. This amount is
15 substantiated on Schedule CT-3, page 2 of 3, Calculation of True-up and Interest
16 Provision.

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

3 A. We had estimated that we would over-recover \$947,806 as of December 31,
4 2017.

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

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

8 Q. Does this conclude your testimony?

9 A. Yes.

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY AND FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION CONSOLIDATED NATURAL GAS COMPANIES SCHEDULE CT-1 PAGE 1 OF 1

CONSERVATION ADJUSTMENT TRUE-UP

FOR MONTHS January-17 THROUGH December-17

1.	ADJUSTED END OF PERIOD TOTAL NET TRUE-UP		
2.	FOR MONTHS	January-17	THROUGH December-17
3.	END OF PERIOD NET TRUE-UP		
4.	PRINCIPAL		<u>(1,002,226)</u>
5.	INTEREST		<u>(4,741)</u> <u>(1,006,967)</u>
6.	LESS PROJECTED TRUE-UP		
7.	October-17	HEARINGS	
8.	PRINCIPAL		<u>(944,488)</u>
9.	INTEREST		<u>(3,318)</u> <u>(947,806)</u>
10.	ADJUSTED END OF PERIOD TOTAL TRUE-UP		<u><u>(59,161)</u></u>

EXHIBIT NO. _____
DOCKET NO. 20180004-GU
FLORIDA PUBLIC UTILITIES CO.
(CDY-1)
PAGE 1 OF 24

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

	FOR MONTHS	January-17	THROUGH	December-17	
		<u>ACTUAL</u>		<u>PROJECTED</u>	<u>DIFFERENCE</u>
1.	Labor/Payroll	986,467		1,020,367	(33,900)
2.	Advertisement	830,978		729,635	101,344
3.	Legal	4,150		498	3,651
4.	Outside Services	73,489		98,049	(24,560)
5.	Vehicle	24,978		82,807	(57,829)
6.	Materials & Supplies	20,606		20,184	422
7.	Travel	104,988		66,082	38,906
8.	General & Administrative				
9.	Incentives	2,525,207		3,001,695	(476,488)
10.	Other	46,638		51,826	(5,188)
11.	SUB-TOTAL	4,617,501		5,071,144	(453,643)
12.	PROGRAM REVENUES				
13.	TOTAL PROGRAM COSTS	4,617,501		5,071,144	(453,643)
14.	LESS: PRIOR PERIOD TRUE-UP	742,499		742,499	
15.	AMOUNTS INCLUDED IN RATE BASE				
16.	CONSERVATION ADJ REVENUE	(6,362,226)		(6,758,131)	395,905
17.	ROUNDING ADJUSTMENT				
18.	TRUE-UP BEFORE INTEREST	(1,002,226)		(944,488)	(57,738)
19.	ADD INTEREST PROVISION	(4,741)		(3,318)	(1,423)
20.	END OF PERIOD TRUE-UP	(1,006,967)		(947,806)	(59,161)

() REFLECTS OVERRECOVERY

EXHIBIT NO. _____
DOCKET NO. 20180004-GU
FLORIDA PUBLIC UTILITIES CO.
(CDY-1)
PAGE 2 OF 24

ACTUAL CONSERVATION PROGRAM COSTS PER PROGRAM

FOR MONTHS January-17 THROUGH December-17

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	163,878	67,030		3,715	3,568	3,343	16,177		718,162	1,877	977,749		977,749
2 Residential Appliance Replacement	50,735	332,720		702	1,149	670	5,241		221,152	1,047	613,417		613,417
3 Conservation Education	32,388	55,208		783	1,405	607	3,480			146	94,016		94,016
4 Space Conditioning	549	36			18	18	108			7	735		735
5 Residential Conservation Survey	6,427	1,193		2,804	292	134	755			45	11,649		11,649
6 Residential Appliance Retention	70,688	298,892		885	1,576	897	7,150		622,376	1,500	1,003,964		1,003,964
7 Commercial Conservation Survey	3,246	236			151	70	453			28	4,184		4,184
8 Residential Service Reactivation	906	36		225	17	11	90		1,052	22	2,357		2,357
9 Common	491,414	18,911	4,150	34,853	13,730	12,886	54,908			38,006	668,857		668,857
10 Conservation Demonstration and Development	1,430	36		17,644	76	26	177				19,389		19,389
11 Commercial Small Food Program	90,553	9,656		3,118	1,647	1,069	9,038		540,688	2,176	657,945		657,945
12 Commercial Large Non-Food Service Program	5,433	18,057		1,984	99	64	542		80,980	131	107,290		107,290
13 Commercial Large Food Service Program	18,111	9,656		2,105	329	214	1,808		79,054	435	111,712		111,712
14 Commercial Large Hospitality Program	32,599	9,656		2,244	583	385	3,254		181,692	783	231,205		231,205
15 Commercial Large Cleaning Service Program	18,111	9,656		2,427	329	214	1,808		80,052	435	113,031		113,031
16 Residential Propane Distribution Program													
15 TOTAL ALL PROGRAMS	986,467	830,978	4,150	73,489	24,978	20,606	104,988		2,525,207	46,638	4,617,501		4,617,501

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

FOR MONTHS January-17 THROUGH December-17

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	84,518	(7,410)		(2,974)	(2,623)	1,969	10,449		(69,508)	(876)	13,547		13,547
2 Residential Appliance Replacement	2,371	70,227		(548)	(705)	(150)	1,564		(108,217)	563	(34,895)		(34,895)
3 Conservation Education	4,692	(7,577)		(2,500)	(1,877)	(528)	767			1	(7,023)		(7,023)
4 Space Conditioning	137	(1,214)			4	2	5		(1,250)		(2,318)		(2,318)
5 Residential Conservation Survey	(125)	(1,809)		(619)	(375)	(222)	128				(3,022)		(3,022)
6 Residential Appliance Retention	10,013	60,502		(367)	(542)	(72)	2,191		(24,946)	826	47,605		47,605
7 Commercial Conservation Survey	51,003	(275)		(2,500)	(417)	(233)	63				47,641		47,641
8 Residential Service Reactivation	(891)	(1,214)		225	(242)	4	30		(2,148)		(4,224)		(4,224)
9 Common	(201,352)	6,250	3,651	(1,805)	(42,470)	(19)	18,226			13	(215,511)		(215,511)
10 Conservation Demonstration and Development	410	36		(9,022)	11	5	14			2,007	(8,548)		(8,548)
11 Commercial Small Food Program	10,893	(4,915)		(341)	(4,227)	(134)	3,005		(217,388)	(749)	(213,854)		(213,854)
12 Commercial Large Non-Food Service Program	(4,096)	3,486		(1,153)	(1,204)	(103)	180		5,041	(1,925)	227		227
13 Commercial Large Food Service Program	929	(4,915)		(1,032)	(1,095)	(52)	601		(27,120)	(1,750)	(34,433)		(34,433)
14 Commercial Large Hospitality Program	6,671	(4,915)		(893)	(972)	7	1,082		(17,632)	(1,549)	(18,201)		(18,201)
15 Commercial Large Cleaning Service Program	929	(4,915)		(1,032)	(1,095)	(52)	601		(3,321)	(1,750)	(10,634)		(10,634)
16 Residential Propane Distribution Program									(10,000)		(10,000)		(10,000)
5. TOTAL ALL PROGRAMS	(33,900)	101,344	3,651	(24,560)	(57,829)	422	38,906		(476,488)	(5,188)	(453,643)		(453,643)

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

FOR MONTHS		January-17	THROUGH December-17										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	32,719	148,282	64,927	51,711	45,702	48,236	110,447	113,113	46,375	112,092	110,645	93,500	977,749
2	Residential Appliance Replacement	44,272	41,627	57,887	25,988	30,542	40,120	23,602	27,330	13,434	27,702	124,989	155,922	613,417
3	Conservation Education	7,324	8,020	12,782	4,118	8,207	7,339	11,204	10,141	4,126	6,927	1,920	11,909	94,016
4	Space Conditioning			553					36				146	735
5	Residential Conservation Survey	1,342	715	1,448	1,154	446	1,317	100	856	1,715		1,571	986	11,649
6	Residential Appliance Retention	67,594	98,754	115,146	55,777	73,891	74,821	44,857	75,362	32,045	59,490	125,048	181,179	1,003,964
7	Commercial Conservation Survey	608	615	1,106		11	256		755	35	61	291	447	4,184
8	Residential Service Reactivation	147	454	100	112	97	421	420	3,357	1,713	(4,715)	120	131	2,357
9	Common	44,632	66,252	72,134	67,876	76,006	59,666	32,913	40,589	44,978	62,067	66,438	35,307	668,857
10	Conservation Demonstration and Development				1,270		1,667		36	1,367	2,257		12,793	19,389
11	Commercial Small Food Program	24,963	76,355	46,962	50,833	103,750	26,936	39,242	109,490	33,551	67,814	35,308	42,741	657,945
12	Commercial Large Non-Food Service Program	9,651	8,300	6,013	3,884	8,110	14,480	934	14,941	2,414	15,284	4,597	18,682	107,290
13	Commercial Large Food Service Program	4,652	6,211	7,186	8,775	11,951	13,245	1,880	16,689	11,159	7,777	9,738	12,450	111,712
14	Commercial Large Hospitality Program	7,011	129,441	5,630	27,331	6,310	4,558	10,386	8,083	2,293	4,315	3,026	22,821	231,205
15	Commercial Large Cleaning Service Program	6,422	5,159	31,875	8,038	13,108	2,438	8,104	3,954	2,929	15,616	1,820	13,568	113,031
16	Residential Propane Distribution Program													
5.	TOTAL ALL PROGRAMS	251,337	590,185	423,751	306,867	378,132	295,498	284,089	424,732	198,135	376,686	485,510	602,581	4,617,501
6.	LESS AMOUNT INCLUDED IN RATE BASE													
7.	RECOVERABLE CONSERVATION EXPENSES	251,337	590,185	423,751	306,867	378,132	295,498	284,089	424,732	198,135	376,686	485,510	602,581	4,617,501

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

SCHEDULE CT-3
PAGE 2 OF 3

CALCULATION OF TRUE-UP AND INTEREST PROVISION

FOR MONTHS January-17 THROUGH December-17

B. CONSERVATION REVENUES	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1. RESIDENTIAL CONSERVATION													
2. CONSERVATION ADJ. REVENUES	(695,607)	(642,424)	(646,092)	(575,647)	(468,340)	(448,594)	(437,263)	(407,144)	(466,396)	(439,398)	(518,215)	(617,106)	(6,362,226)
3. TOTAL REVENUES	(695,607)	(642,424)	(646,092)	(575,647)	(468,340)	(448,594)	(437,263)	(407,144)	(466,396)	(439,398)	(518,215)	(617,106)	(6,362,226)
4. PRIOR PERIOD TRUE-UP ADJ. NOT APPLICABLE TO THIS PERIOD	61,874	61,875	61,875	61,875	61,875	61,875	61,875	61,875	61,875	61,875	61,875	61,875	742,499
5. CONSERVATION REVENUE APPLICABLE	(633,733)	(580,549)	(584,217)	(513,772)	(406,465)	(386,719)	(375,388)	(345,269)	(404,521)	(377,523)	(456,340)	(555,231)	(5,619,727)
6. CONSERVATION EXPENSES (FROM CT-3, PAGE 1, LINE 23)	251,337	590,185	423,751	306,867	378,132	295,498	284,089	424,732	198,135	376,686	485,510	602,581	4,617,501
7. TRUE-UP THIS PERIOD (LINE 5 - 6)	(382,396)	9,636	(160,466)	(206,905)	(28,333)	(91,221)	(91,300)	79,463	(206,385)	(837)	29,170	47,349	(1,002,226)
8. INTEREST PROVISION THIS PERIOD (FROM CT-3, PAGE 3, LINE 10)	271	142	81	(75)	(205)	(302)	(466)	(578)	(696)	(852)	(942)	(1,119)	(4,741)
9. TRUE-UP AND INTEREST PROVISION BEGINNING OF MONTH	742,499	298,500	246,403	24,142	(244,713)	(335,126)	(488,524)	(642,165)	(625,155)	(894,111)	(957,675)	(991,322)	742,499
9A. DEFERRED TRUE-UP BEGINNING OF PERIOD													
10. PRIOR TRUE-UP COLLECTED (REFUNDED)	(61,874)	(61,875)	(61,875)	(61,875)	(61,875)	(61,875)	(61,875)	(61,875)	(61,875)	(61,875)	(61,875)	(61,875)	(742,499)
11. TOTAL NET TRUE-UP (LINES 7+8+9+9A+10)	298,500	246,403	24,142	(244,713)	(335,126)	(488,524)	(642,165)	(625,155)	(894,111)	(957,675)	(991,322)	(1,006,967)	(1,006,967)

EXHIBIT NO. _____
DOCKET NO. 20180004-GU
FLORIDA PUBLIC UTILITIES CO.
(CDY-1)
PAGE 6 OF 24

CALCULATION OF TRUE-UP AND INTEREST PROVISION

FOR MONTHS January-17 THROUGH December-17

C. INTEREST PROVISION	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1. BEGINNING TRUE-UP (LINE B-9)	742,499	298,500	246,403	24,142	(244,713)	(335,126)	(488,524)	(642,165)	(625,155)	(894,111)	(957,675)	(991,322)	742,499
2. ENDING TRUE-UP BEFORE INTEREST (LINES B7+B9+B9A+B10)	298,229	246,261	24,061	(244,638)	(334,921)	(488,222)	(641,699)	(624,577)	(893,415)	(956,823)	(990,380)	(1,005,848)	(1,002,226)
3. TOTAL BEG. AND ENDING TRUE-UP	1,040,728	544,760	270,464	(220,495)	(579,634)	(823,348)	(1,130,223)	(1,266,742)	(1,518,570)	(1,850,935)	(1,948,056)	(1,997,170)	(259,727)
4. AVERAGE TRUE-UP (LINE C-3 X 50%)	520,364	272,380	135,232	(110,248)	(289,817)	(411,674)	(565,112)	(633,371)	(759,285)	(925,467)	(974,028)	(998,585)	(129,863)
5. INTEREST RATE - FIRST DAY OF REPORTING BUSINESS MONTH	0.63%	0.62%	0.63%	0.80%	0.84%	0.86%	0.90%	1.08%	1.11%	1.09%	1.12%	1.20%	
6. INTEREST RATE - FIRST DAY OF SUBSEQUENT BUSINESS MONTH	0.62%	0.63%	0.80%	0.84%	0.86%	0.90%	1.08%	1.11%	1.09%	1.12%	1.20%	1.49%	
7. TOTAL (LINE C-5 + C-6)	1.25%	1.25%	1.43%	1.64%	1.70%	1.76%	1.98%	2.19%	2.20%	2.21%	2.32%	2.69%	
8. AVG. INTEREST RATE (C-7 X 50%)	0.63%	0.63%	0.72%	0.82%	0.85%	0.88%	0.99%	1.10%	1.10%	1.11%	1.16%	1.35%	
9. MONTHLY AVERAGE INTEREST RATE	0.052%	0.052%	0.060%	0.068%	0.071%	0.073%	0.083%	0.091%	0.092%	0.092%	0.097%	0.112%	
10. INTEREST PROVISION (LINE C-4 X C-9)	271	142	81	(75)	(205)	(302)	(466)	(578)	(696)	(852)	(942)	(1,119)	(4,741)

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

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SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION & RETURN

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

**SCHEDULE CT-5
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FOR MONTHS January-17 THROUGH December-17

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
9. Conservation Demonstration and Development Program
10. Commercial Small Food Service Program
11. Commercial Non-Food Service Program
12. Commercial Large Food Service Program
13. Commercial Hospitality and Lodging Program
14. Commercial Cleaning Service and Laundromat Program

PROGRAM TITLE: Residential New Construction Program

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

CURRENT APPROVED ALLOWANCES:

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

PROGRAM ACCOMPLISHMENTS: For the reporting period January 1, 2017 through December 31, 2017, 2,914 incentives were paid. There were 485 Tank Water Heaters, 0 High Efficiency Tank Water Heaters, 555 Tankless Water Heaters, 57 Furnaces, 992 Ranges and 762 Dryers.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2017 through December 31, 2017 were \$977,749.

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, 2017 through December 31, 2017, 508 incentives were paid. There were 12 Tank Water Heaters, 0 High Efficiency Tank Water Heaters, 234 Tankless Water Heaters, 14 Furnaces, 149 Ranges and 99 Dryers.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2017 through December 31, 2017 were \$613,417.

PROGRAM PROGRESS SUMMARY: The FPSC approved this program on August 29, 2000. From the inception through the reporting period of this program, FPUC has converted 9,701 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, 2017 through December 31, 2017, 1684 incentives were paid. There were 671 Tank Water Heaters, 85 High Efficiency Tank Water Heaters, 423 Tankless Water Heaters, 167 Furnaces, 168 Ranges and 170 Dryers.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2017 through December 31, 2017 were \$1,003,964.

PROGRAM PROGRESS SUMMARY: The FPSC approved this program on August 29, 2000. From the inception through the reporting period, FPUC has retained 13,055 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, 2017 through December 31, 2017, 3 incentives were paid.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2017 through December 31, 2017 were \$2,357.

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 20 residential surveys were performed.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2017 through December 31, 2017 were \$11,649.

PROGRAM PROGRESS SUMMARY: This program was implemented on September 1, 2000. Since inception through the reporting period, 293 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, 11 commercial surveys were completed during the reporting period.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2017 through December 31, 2017 were \$4,184.

PROGRAM PROGRESS SUMMARY: This program was implemented on September 1, 2000. From the inception of this program through the reporting period 217 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 the Company conducted 6 in-person presentations, two radio interviews and produced a digital video for online advertising focused on educational content. In addition, the Company produced print collateral materials, give-aways and advertising messaging for community sponsored events.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2017 through December 31, 2017 were \$94,016.

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 2017.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2017 through December 31, 2017 were \$735.

PROGRAM PROGRESS SUMMARY: From FPSC approval of the program on August 29, 2000 through December 31, 2017, FPUC has connected 10 space conditioning projects to its natural gas system.

PROGRAM TITLE: Conservation Demonstration and Development

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

PROGRAM ACCOMPLISHMENTS: For 2017, the Company completed joint projects with the Associated Gas Distributors of Florida to research oil conserving gas fryers and gas fired heat pumps.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2017 through December 31, 2017 were \$19,389.

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

PROGRAM TITLE: Commercial Small Food Service Program

PROGRAM DESCRIPTION: This program is designed to encourage owners and operators of small food service restaurants to purchase energy efficient natural gas appliances through the offering of commercial appliance rebates. Commercial food service customers are defined as establishments primarily engaged in the retail sale of prepared food and drinks for on-premise or immediate consumption with an annual consumption of less than 9,000 therms. The rebates offered within this program are limited to the specific appliance types and rebate categories depicted below.

CURRENT APPROVED ALLOWANCES:

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

PROGRAM ACCOMPLISHMENTS: For the reporting period January 1, 2017 through December 31, 2017, 253 incentives were paid. There were 2 Tank Water Heaters, 105 Tankless Water Heaters, 127 Fryers and 19 Ranges.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2017 through December 31, 2017 were \$657,945.

PROGRAM PROGRESS SUMMARY: Since inception, 1,678 appliances have qualified for this program.

PROGRAM TITLE: Commercial Non-Food Service Program

PROGRAM DESCRIPTION: This program is designed to encourage owners and operators of commercial buildings to purchase energy efficient natural gas appliances through the offering of commercial appliance rebates. Commercial non-food service customers are defined as establishments that are not associated with the Food Service, Hospitality, or Cleaning industries. The rebates offered within this program are limited to the specific appliance types and rebate categories depicted below.

CURRENT APPROVED ALLOWANCES:

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

PROGRAM ACCOMPLISHMENTS: For the reporting period January 1, 2017 through December 31, 2017, 40 incentives were paid. There were 0 Tank Water Heaters and 40 Tankless Water Heaters.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2017 through December 31, 2017 were \$107,290.

PROGRAM PROGRESS SUMMARY: Since inception, 116 appliances have qualified for this program.

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PROGRAM TITLE: Commercial Large Food Service Program

PROGRAM DESCRIPTION: This program is designed to encourage owners and operators of large food service restaurants to purchase energy efficient natural gas appliances through the offering of commercial appliance rebates. Commercial large food service customers are defined as establishments primarily engaged in the retail sale of prepared food and drinks for on-premise or immediate consumption with an annual consumption of greater than 9,000 therms. The rebates offered within this program are limited to the specific appliance types and rebate categories depicted below.

CURRENT APPROVED ALLOWANCES:

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

PROGRAM ACCOMPLISHMENTS: For the reporting period January 1, 2017 through December 31, 2017, 42 incentives were paid. There were 2 Tank Water Heaters, 25 Tankless Water Heaters, 10 Fryers and 5 Ranges.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2017 through December 31, 2017 were \$111,712.

PROGRAM PROGRESS SUMMARY: Since inception, 363 appliances have qualified for this program.

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PROGRAM TITLE: Commercial Hospitality and Lodging Program

PROGRAM DESCRIPTION: This program is designed to encourage owners and operators of hospitality & lodging facilities to purchase energy efficient natural gas appliances through the offering of commercial appliance rebates. Commercial hospitality and lodging customers are defined as establishments known to the public as hotels, motor hotels, motels or tourist courts, primarily engaged in providing lodging, or lodging and meals, for the general public. The rebates offered within this program are limited to the specific appliance types and rebate categories depicted below.

CURRENT APPROVED ALLOWANCES:

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

PROGRAM ACCOMPLISHMENTS: For the reporting period January 1, 2017 through December 31, 2017, 116 incentives were paid. There were 3 Tank Water Heaters, 112 Tankless Water Heaters, 0 Fryers, 0 Ranges and 1 Dryer.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2017 through December 31, 2017 were \$231,205.

PROGRAM PROGRESS SUMMARY: Since inception, 314 appliances have qualified for this program.

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PROGRAM TITLE: Commercial Cleaning Service and Laundromat Program

PROGRAM DESCRIPTION: This program is designed to encourage owners and operators of cleaning service & Laundromat facilities to purchase energy efficient natural gas appliances through the offering of commercial appliance rebates. Commercial cleaning service and laundromat customers are defined as establishments primarily engaged in operating mechanical laundries with steam or other power or in supplying laundered work clothing on a contract or fee basis. The rebates offered within this program are limited to the specific appliance types and rebate categories depicted below.

CURRENT APPROVED ALLOWANCES:

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

PROGRAM ACCOMPLISHMENTS: For the reporting period January 1, 2017 through December 31, 2017, 60 incentives were paid. There was 1 Tank Water Heater, 19 Tankless Water Heaters and 40 Dryers.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2017 through December 31, 2017 were \$113,031.

PROGRAM PROGRESS SUMMARY: Since inception, 249 appliances have qualified for this program.