



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

May 4, 2020

VIA E-PORTAL

Mr. Adam Teitzman
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

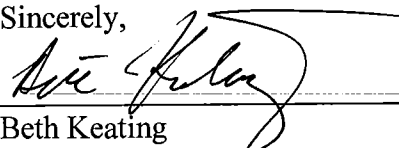
Re: Docket No. 20200004-GU – Natural Gas Conservation Cost Recovery

Dear Mr. Teitzman:

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

(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 2019 through December 2019, the Consolidated Companies under-recovered \$193,938, as compared to its estimated under-recovery of \$96,411, resulting in an adjusted end of period total true up amount of an under-recovery of \$97,527, as further indicated on Exhibit CDY-1.

WHEREFORE, the Consolidated Companies respectfully request that the Commission approve the Consolidated Companies' final natural gas conservation true-up amount for the period January 1, 2019 through December 31, 2019 for inclusion in the calculation of the Companies' Conservation Cost Recovery Factors to be applied in 2021.

RESPECTFULLY SUBMITTED this 4th day of May 2020.

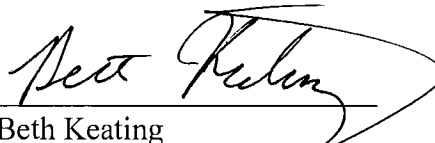


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(850) 521-1706
*Attorneys for Florida Public Utilities
Company/Florida Division of Chesapeake Utilities
Corporation (Consolidated Natural Gas
Companies)*

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. 20200004-GU has been furnished by Electronic Mail to the following parties of record this 4th day of May 2020, along with a copy of the referenced Testimony and Exhibit (CDY-1) of Mr. Young:

Florida Public Utilities Company/Florida Division of Chesapeake Utilities/Indiantow Mike Cassel Florida Public Utilities Company 208 Wildlight Ave. Yulee FL 32097 mcassel@fpuc.com	MacFarlane Ferguson Law Firm Andrew Brown/Thomas R. Farrior P.O. Box 1531 Tampa, FL 33601-1531 AB@macfar.com trf@macfar.com
Florida Power & Light Company Christopher T. Wright 700 Universe Boulevard Juno Beach, FL 33408 Christopher.Wright@fpl.com	Office of Public Counsel J.R. Kelly/Charles Rehwinkel c/o The Florida Legislature 111 West Madison Street, Room 812 Tallahassee, FL 32399-1400 Kelly.JR@leg.state.fl.us Rehwinkel.charles@leg.state.fl.us
Peoples Gas System Paula Brown Karen Bramley P.O. Box 111 Tampa, FL 33601-0111 regdept@tecoenergy.com KLBramley@tecoenergy.com	St. Joe Natural Gas Company, Inc. Mr. Andy Shoaf P.O. Box 549 Port St. Joe, FL 32457-0549 andy@stjoegas.com
Sebring Gas System, Inc. Jerry H. Melendy, Jr. 3515 U.S. Highway 27 South Sebring, FL 33870 jmelendy@floridasbestgas.com	Florida Public Service Commission Gabriela Passidomo 2540 Shumard Oak Boulevard Tallahassee, FL 32399 gpassido@psc.state.fl.us


Beth Keating
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215 South Monroe St., Suite 601
Tallahassee, FL 32301

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 20200004-GU

NATURAL GAS CONSERVATION COST RECOVERY CLAUSE

Direct Testimony of CURTIS D. YOUNG (Final True-Up)

On Behalf of

FLORIDA PUBLIC UTILITIES COMPANY

- 1 Q. Please state your name and business address.
- 2 A. Curtis D. Young; my business address is 1635 Meathe Drive, West Palm Beach, Florida
3 33411.
- 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 costs
8 for the period January 1, 2019 through December 31, 2019 as compared to the amount
9 previously reported for that period which was based on Six months actual and Six months
10 estimated data.
- 11 Q. Please state the actual amount of over/under recovery of Conservation Program costs for
12 the gas divisions of Florida Public Utilities Company and the Florida Division of
13 Chesapeake Utilities Corporation for January 1, 2019 through December 31, 2019.
- 14 A. The Company under-recovered \$ 193,938 during that period. This amount is
15 substantiated on Schedule CT-3, page 2 of 3, Calculation of True-up and Interest
16 Provision.
- 17 Q. How does this amount compare with the estimated true-up amount which was allowed by
18 the Commission?

1 A. We had estimated that we would under-recover \$96,411 as of December 31, 2019.

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

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

5 Q. Does this conclude your testimony?

6 A. Yes.

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

CONSERVATION ADJUSTMENT TRUE-UP

FOR MONTHS January-19 THROUGH December-19

1.	ADJUSTED END OF PERIOD TOTAL NET TRUE-UP		
2.	FOR MONTHS	January-19	THROUGH December-19
3.	END OF PERIOD NET TRUE-UP		
4.	PRINCIPAL	<u>197,634</u>	
5.	INTEREST	<u>(3,696)</u>	<u>193,938</u>
6.	LESS PROJECTED TRUE-UP		
7.	November-19 HEARINGS		
8.	PRINCIPAL	<u>101,115</u>	
9.	INTEREST	<u>(4,704)</u>	<u>96,411</u>
10.	ADJUSTED END OF PERIOD TOTAL TRUE-UP		<u><u>97,527</u></u>

EXHIBIT NO. _____
 DOCKET NO. 20200004-GU
 FLORIDA PUBLIC UTILITIES CO.
 (CDY-1)
 PAGE 1 OF 24

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

	FOR MONTHS	January-19	THROUGH	December-19	
		<u>ACTUAL</u>		<u>PROJECTED</u>	<u>DIFFERENCE</u>
1.	Labor/Payroll	887,507		927,721	(40,214)
2.	Advertisement	525,310		604,412	(79,102)
3.	Legal	6,915		4,488	2,427
4.	Outside Services	33,771		52,987	(19,216)
5.	Vehicle Costs	27,617		28,942	(1,325)
6.	Materials & Supplies	18,818		18,042	776
7.	Travel	103,421		111,952	(8,531)
8.	General & Administrative				
9.	Incentives	2,574,368		2,567,961	6,407
10.	Other	75,042		62,517	12,525
11.	SUB-TOTAL	4,252,769		4,379,022	(126,253)
12.	PROGRAM REVENUES				
13.	TOTAL PROGRAM COSTS	4,252,769		4,379,022	(126,253)
14.	LESS: PRIOR PERIOD TRUE-UP	(371,568)		(371,568)	
15.	AMOUNTS INCLUDED IN RATE BASE				
16.	CONSERVATION ADJ REVENUE	(3,683,567)		(3,906,340)	222,773
17.	ROUNDING ADJUSTMENT				
18.	TRUE-UP BEFORE INTEREST	197,634		101,115	96,519
19.	ADD INTEREST PROVISION	(3,696)		(4,704)	1,008
20.	END OF PERIOD TRUE-UP	193,938		96,411	97,527

() REFLECTS OVERRECOVERY

EXHIBIT NO. _____
 DOCKET NO. 20200004-GU
 FLORIDA PUBLIC UTILITIES CO.
 (CDY-1)
 PAGE 2 OF 24

ACTUAL CONSERVATION PROGRAM COSTS PER PROGRAM

FOR MONTHS January-19 THROUGH December-19

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	413,886	25,627		2,152	7,310	9,839	40,837		1,134,829	24,153	1,658,632		1,658,632
2 Residential Appliance Replacement	14,353	205,301		798	645	223	1,852		187,903	225	411,298		411,298
3 Conservation Education	8,396	36,393			585	177	1,659			139	47,350		47,350
4 Space Conditioning									271		271		271
5 Residential Conservation Survey	9,417	2,434		3,428	764	224	1,660			208	18,135		18,135
6 Residential Appliance Retention	19,574	171,898		799	852	263	2,538		511,113	302	707,339		707,339
7 Commercial Conservation Survey	1,425	325		68	142	20	205			25	2,210		2,210
8 Residential Service Reactivation	227			682	9	3	26			3	950		950
9 Common	315,109	18,183	6,915	21,860	10,912	5,070	37,213			15,901	431,163		431,163
10 Conservation Demonstration and Development													
11 Commercial Small Food Program	56,117	13,030		802	3,394	1,590	9,252		484,639	7,397	576,220		576,220
12 Commercial Large Non-Food Service Program	11,351	13,030		795	800	370	2,161		34,680	6,659	69,845		69,845
13 Commercial Large Food Service Program	11,898	13,030		796	728	343	1,982		100,402	6,667	135,845		135,845
14 Commercial Large Hospitality Program	14,720	13,030		797	813	383	2,229		77,176	6,711	115,860		115,860
15 Commercial Large Cleaning Service Program	11,034	13,030		796	663	313	1,808		43,355	6,652	77,651		77,651
16 Residential Propane Distribution Program													
15 TOTAL ALL PROGRAMS	887,507	525,310	6,915	33,771	27,617	18,818	103,421		2,574,368	75,042	4,252,769		4,252,769

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

FOR MONTHS January-19 THROUGH December-19

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	152,427	(13,394)		(1,943)	1,544	2,210	6,074		103,639	13,892	264,448		264,448
2 Residential Appliance Replacement	(18,069)	(32,299)		(886)	(433)	(153)	(2,139)		(32,890)	(379)	(87,250)		(87,250)
3 Conservation Education	(12,283)	(10,315)			(569)	(165)	(1,293)			26	(24,598)		(24,598)
4 Space Conditioning	(250)	(250)			(50)	(50)	(50)			(0)	(650)		(650)
5 Residential Conservation Survey	156	746		690	117	(24)	465			79	2,229		2,229
6 Residential Appliance Retention	(23,927)	(8,064)		(887)	(278)	(403)	(2,495)		(13,251)	(501)	(49,806)		(49,806)
7 Commercial Conservation Survey	(1,275)	(175)		10	(54)	(49)	(58)			(45)	(1,645)		(1,645)
8 Residential Service Reactivation	(427)	(2,500)		(203)	(44)	(49)	(44)		(500)	(49)	(3,816)		(3,816)
9 Common	(102,664)	(3,325)	2,427	(9,564)	(2,986)	(1,994)	(9,107)			(5,918)	(133,131)		(133,131)
10 Conservation Demonstration and Development													
11 Commercial Small Food Program	(19,428)	(1,905)		(1,886)	775	763	(44)		50,890	836	30,000		30,000
12 Commercial Large Non-Food Service Program	2,952	(1,905)		(1,137)	383	249	705		(52,081)	1,378	(49,457)		(49,457)
13 Commercial Large Food Service Program	(3,563)	(1,905)		(1,136)	129	178	51		(23,754)	1,155	(28,846)		(28,846)
14 Commercial Large Hospitality Program	(9,814)	(1,905)		(1,136)	49	110	(567)		(11,335)	909	(23,688)		(23,688)
15 Commercial Large Cleaning Service Program	(4,049)	(1,905)		(1,136)	92	153	(28)		(14,311)	1,142	(20,042)		(20,042)
16 Residential Propane Distribution Program													
5. TOTAL ALL PROGRAMS	(40,214)	(79,102)	2,427	(19,216)	(1,325)	776	(8,531)		6,407	12,525	(126,253)		(126,253)

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

FOR MONTHS		January-19	THROUGH	December-19										
A. CONSERVATION EXPENSE BY PROGRAM		JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1	Full House Residential New Construction	116,935	103,175	285,526	152,068	80,280	84,566	177,349	96,736	82,472	156,418	86,414	236,694	1,658,632
2	Residential Appliance Replacement	41,333	20,009	63,266	40,988	34,217	23,785	21,446	35,386	15,226	57,095	21,414	37,132	411,298
3	Conservation Education	6,145	3,993	5,616	2,587	3,112	2,694	3,070	1,668	464	7,088	3,501	7,412	47,350
4	Space Conditioning	271												271
5	Residential Conservation Survey	2,923	3,077	1,663	1,109	982	177	2,136	228	10	3,906	1,131	793	18,135
6	Residential Appliance Retention	59,840	49,734	76,607	65,415	58,260	33,439	68,573	68,124	40,169	76,470	46,343	64,366	707,339
7	Commercial Conservation Survey	10	10	927	10	537	87	10	295			325		2,210
8	Residential Service Reactivation	164	166	101	107	118	110	113	16	10	11	12	23	950
9	Common	66,491	51,403	20,749	41,750	30,084	23,818	19,124	31,333	32,836	51,238	37,862	24,477	431,163
10	Conservation Demonstration and Development													
11	Commercial Small Food Program	11,854	42,443	69,760	23,413	60,307	55,292	56,237	73,007	44,024	70,380	29,302	40,201	576,220
12	Commercial Large Non-Food Service Program	6,174	4,123	14,768	10,911	5,654	2,996	5,862	3,470	9,514	2,567	1,965	1,840	69,845
13	Commercial Large Food Service Program	14,021	27,260	12,873	8,729	22,607	20,627	3,430	8,282	1,275	4,023	7,755	4,965	135,845
14	Commercial Large Hospitality Program	40,677	4,283	9,522	5,766	12,817	2,833	3,494	11,685	1,314	2,221	1,799	19,448	115,860
15	Commercial Large Cleaning Service Program	(14,755)	2,904	5,764	14,135	19,889	16,182	7,873	3,192	11,197	8,186	1,646	1,439	77,651
16	Residential Propane Distribution Program													
5.	TOTAL ALL PROGRAMS	352,084	312,578	567,143	366,988	328,863	266,606	368,715	333,423	238,510	439,602	239,468	438,789	4,252,769
6.	LESS AMOUNT INCLUDED IN RATE BASE													
7.	RECOVERABLE CONSERVATION EXPENSES	352,084	312,578	567,143	366,988	328,863	266,606	368,715	333,423	238,510	439,602	239,468	438,789	4,252,769

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-19 THROUGH December-19

B.	CONSERVATION REVENUES	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1.	RESIDENTIAL CONSERVATION													
2.	CONSERVATION ADJ. REVENUES	(422,682)	(381,803)	(338,139)	(330,040)	(298,015)	(260,545)	(228,859)	(242,942)	(238,986)	(253,407)	(302,563)	(385,585)	(3,683,567)
3.	TOTAL REVENUES	(422,682)	(381,803)	(338,139)	(330,040)	(298,015)	(260,545)	(228,859)	(242,942)	(238,986)	(253,407)	(302,563)	(385,585)	(3,683,567)
4.	PRIOR PERIOD TRUE-UP ADJ. NOT APPLICABLE TO THIS PERIOD	(30,964)	(30,964)	(30,964)	(30,964)	(30,964)	(30,964)	(30,964)	(30,964)	(30,964)	(30,964)	(30,964)	(30,964)	(371,568)
5.	CONSERVATION REVENUE APPLICABLE	(453,646)	(412,767)	(369,103)	(361,004)	(328,979)	(291,509)	(259,823)	(273,906)	(269,950)	(284,371)	(333,527)	(416,549)	(4,055,135)
6.	CONSERVATION EXPENSES (FROM CT-3, PAGE 1, LINE 23)	352,084	312,578	567,143	366,988	328,863	266,606	368,715	333,423	238,510	439,602	239,468	438,789	4,252,769
7.	TRUE-UP THIS PERIOD (LINE 5 - 6)	(101,562)	(100,189)	198,039	5,984	(116)	(24,903)	108,892	59,516	(31,439)	155,230	(94,059)	22,240	197,634
8.	INTEREST PROVISION THIS PERIOD (FROM CT-3, PAGE 3, LINE 10)	(834)	(963)	(806)	(539)	(470)	(421)	(267)	(49)	29	167	234	223	(3,696)
9.	TRUE-UP AND INTEREST PROVISION BEGINNING OF MONTH	(371,568)	(443,000)	(513,188)	(284,991)	(248,582)	(218,204)	(212,564)	(72,974)	17,457	17,011	203,372	140,511	(371,568)
9A.	DEFERRED TRUE-UP BEGINNING OF PERIOD													
10.	PRIOR TRUE-UP COLLECTED (REFUNDED)	30,964	30,964	30,964	30,964	30,964	30,964	30,964	30,964	30,964	30,964	30,964	30,964	371,568
11.	TOTAL NET TRUE-UP (LINES 7+8+9+9A+10)	(443,000)	(513,188)	(284,991)	(248,582)	(218,204)	(212,564)	(72,974)	17,457	17,011	203,372	140,511	193,938	193,938

EXHIBIT NO. _____
DOCKET NO. 20200004-GU
FLORIDA PUBLIC UTILITIES CO.
(CDY-1)
PAGE 6 OF 24

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

SCHEDULE CT-3
PAGE 3 OF 3

CALCULATION OF TRUE-UP AND INTEREST PROVISION

FOR MONTHS January-19 THROUGH December-19

C. INTEREST PROVISION	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1. BEGINNING TRUE-UP (LINE B-9)	(371,568)	(443,000)	(513,188)	(284,991)	(248,582)	(218,204)	(212,564)	(72,974)	17,457	17,011	203,372	140,511	(371,568)
2. ENDING TRUE-UP BEFORE INTEREST (LINES B7+B9+B9A+B10)	(442,166)	(512,225)	(284,185)	(248,043)	(217,734)	(212,143)	(72,707)	17,506	16,982	203,205	140,277	193,715	197,634
3. TOTAL BEG. AND ENDING TRUE-UP	(813,734)	(955,225)	(797,373)	(533,034)	(466,316)	(430,347)	(285,271)	(55,468)	34,439	220,216	343,649	334,226	(173,934)
4. AVERAGE TRUE-UP (LINE C-3 X 50%)	(406,867)	(477,613)	(398,687)	(266,517)	(233,158)	(215,173)	(142,635)	(27,734)	17,219	110,108	171,825	167,113	(86,967)
5. INTEREST RATE - FIRST DAY OF REPORTING BUSINESS MONTH	2.50%	2.42%	2.42%	2.43%	2.42%	2.42%	2.28%	2.21%	2.02%	1.98%	1.66%	1.61%	
6. INTEREST RATE - FIRST DAY OF SUBSEQUENT BUSINESS MONTH	2.42%	2.42%	2.43%	2.42%	2.42%	2.28%	2.21%	2.02%	1.98%	1.66%	1.61%	1.59%	
7. TOTAL (LINE C-5 + C-6)	4.92%	4.84%	4.85%	4.85%	4.84%	4.70%	4.49%	4.23%	4.00%	3.64%	3.27%	3.20%	
8. AVG. INTEREST RATE (C-7 X 50%)	2.46%	2.42%	2.43%	2.43%	2.42%	2.35%	2.25%	2.12%	2.00%	1.82%	1.64%	1.60%	
9. MONTHLY AVERAGE INTEREST RATE	0.205%	0.202%	0.202%	0.202%	0.202%	0.196%	0.187%	0.176%	0.167%	0.152%	0.136%	0.133%	
10. INTEREST PROVISION (LINE C-4 X C-9)	(834)	(963)	(806)	(539)	(470)	(421)	(267)	(49)	29	167	234	223	(3,696)

EXHIBIT NO. _____
DOCKET NO. 20200004-GU
FLORIDA PUBLIC UTILITIES CO.
(CDY-1)
PAGE 7 OF 24

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

SCHEDULE CT-4
PAGE 1 OF 1

SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION & RETURN

FOR MONTHS January-19 THROUGH December-19

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

EXHIBIT NO. _____
DOCKET NO. 20200004-GU
FLORIDA PUBLIC UTILITIES CO.
(CDY-1)
PAGE 8 OF 24

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

SCHEDULE CT-5
PAGE 1 OF 1

FOR MONTHS January-19 THROUGH December-19

AUDIT EXCEPTION: TO OUR KNOWLEDGE, NONE EXIST

COMPANY RESPONSE:

EXHIBIT NO. _____
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Program Description and Progress

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13. Commercial Hospitality and Lodging Program
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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, 2019 through December 31, 2019, 3,330 incentives were paid. There were 395 Tank Water Heaters, 0 High Efficiency Tank Water Heaters, 1194 Tankless Water Heaters, 6 Furnaces, 999 Ranges and 736 Dryers.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2019 through December 31, 2019 were **\$1,658,632**.

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, 2019 through December 31, 2019, 603 incentives were paid. There were 3 Tank Water Heaters, 5 High Efficiency Tank Water Heaters, 219 Tankless Water Heaters, 4 Furnaces, 126 Ranges and 73 Dryers.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2019 through December 31, 2019 were **\$411,298**.

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 10,241 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, 2019 through December 31, 2019, 1,446 incentives were paid. There were 489 Tank Water Heaters, 161 High Efficiency Tank Water Heaters, 289 Tankless Water Heaters, 181 Furnaces, 150 Ranges and 176 Dryers.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2019 through December 31, 2019 were **\$707,339**.

PROGRAM PROGRESS SUMMARY: The FPSC approved this program on August 29, 2000. From the inception through the reporting period, FPUC has retained 14,957 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, 2019 through December 31, 2019, 0 incentives were paid.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2019 through December 31, 2019 were **\$950**.

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 51 residential surveys were performed.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2019 through December 31, 2019 were **\$18,135**.

PROGRAM PROGRESS SUMMARY: This program was implemented on September 1, 2000. Since inception through the reporting period, 380 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, 10 commercial surveys were completed during the reporting period.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2019 through December 31, 2019 were **\$2,210**.

PROGRAM PROGRESS SUMMARY: This program was implemented on September 1, 2000. From the inception of this program through the reporting period 235 commercial customers have participated.

PROGRAM TITLE: Conservation Education Program

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

PROGRAM ACCOMPLISHMENTS: This year FPU conducted 54 seminars, events and house calls to educate customers.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2019 through December 31, 2019 were \$47,350.

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 0 participants in this program in 2019. They were completed in December and invoiced in 2019.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2019 through December 31, 2019 were **\$271**.

PROGRAM PROGRESS SUMMARY: From FPSC approval of the program on August 29, 2000 through December 31, 2019, FPUC has connected 12 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 2019, Florida Public Utilities had no research and development projects this year.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2019 through December 31, 2019 were \$0.

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

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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 Heater	\$1,000	\$1,500	\$1,000
Tankless Water	\$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, 2019 through December 31, 2019, 237 incentives were paid. There were 4 Tank Water Heaters, 104 Tankless Water Heaters, 103 Fryers and 16 Ranges.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2019 through December 31, 2019 were **\$576,220**.

PROGRAM PROGRESS SUMMARY: Since inception, 2,569 appliances have qualified for this program.

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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 Heater	\$1,500	\$2,000	\$1,500
Tankless Water	\$2,000	\$2,500	\$2,000

PROGRAM ACCOMPLISHMENTS: For the reporting period January 1, 2019 through December 31, 2019, 21 incentives were paid. There were 0 Tank Water Heaters and 21 Tankless Water Heaters.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2019 through December 31, 2019 were **\$69,845**.

PROGRAM PROGRESS SUMMARY: Since inception, 239 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 Heater	\$1,500	\$2,000	\$1,500
Tankless Water	\$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, 2019 through December 31, 2019, **50** incentives were paid. There were 1 Tank Water Heaters, 18 Tankless Water Heaters, 30 Fryers and 1 Range.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2019 through December 31, 2019 were **\$135,845**.

PROGRAM PROGRESS SUMMARY: Since inception, 529 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 Heater	\$1,500	\$2,000	\$1,500
Tankless Water	\$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, 2019 through December 31, 2019, 44 incentives were paid. There were 4 Tank Water Heaters, 38 Tankless Water Heaters, 0 Fryers, 1 Ranges and 1 Dryer.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2019 through December 31, 2019 were **\$115,860**.

PROGRAM PROGRESS SUMMARY: Since inception, 458 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 Heater	\$1,500	\$2,000	\$1,500
Tankless Water	\$2,000	\$2,500	\$2,000
Dryer	\$1,500	\$1,500	\$1,500

PROGRAM ACCOMPLISHMENTS: For the reporting period January 1, 2019 through December 31, 2019, 43 incentives were paid. There was 1 Tank Water Heater, 12 Tankless Water Heaters and 30 Dryers.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2019 through December 31, 2019 were **\$77,651**.

PROGRAM PROGRESS SUMMARY: Since inception, 466 appliances have qualified for this program.