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May 2, 2013

HAND DELIVERY

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

Re: Docket No. 130004-GU – Natural Gas Conservation Cost Recovery Clause

Dear Ms. Cole:

Attached for filing, please find the original and 15 copies of the Direct Testimony and Exhibit CDY-2 of Mr. Curtis Young, submitted in the referenced Docket on behalf of Florida Public Utilities Company – Indiantown Division, along with the original and 15 copies of the Company's Petition for Approval of Final True-Up Amount. Also enclosed for filing is a CD containing the filed documents in native format.

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

Sincerely,



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

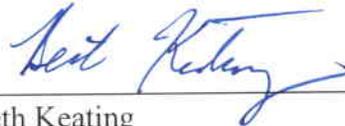
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cc: Parties of Record

DOCUMENT NUMBER DATE
02465 MAY-2 2013

WHEREFORE, Indiantown respectfully requests that the Commission enter an Order approving the Company's final natural gas conservation true-up amount for the period January 1, 2012 through December 31, 2012.

RESPECTFULLY SUBMITTED this 2nd day of May 2013.



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-
Indiantown Division*

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of Indiantown's Petition for Approval of the Conservation Cost Recovery True-Up Amount in Docket No. 130004-GU has been furnished by regular U.S. Mail to the following parties of record this 2nd day of May 2013, along with a copy of the referenced Testimony and Exhibit of Mr. Young:

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



 Beth Keating
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 215 South Monroe St., Suite 601
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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 130004-GU
DETERMINATION OF CONSERVATION COSTS RECOVERY FACTOR

Direct Testimony of
CURTIS D. YOUNG
(Final True-Up)
On Behalf of
FLORIDA PUBLIC UTILITIES COMPANY -
INDIANTOWN DIVISION

1 Q. Please state your name and business address.

2 A. Curtis Young: my business address is 1641 Worthington Road,
3 Suite 220, 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
6 Regulatory Analyst.

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

8 A. To advise the Commission of the actual over/under recovery of the
9 Conservation costs for the period January 1, 2012 through
10 December 31, 2012 as compared to the amount previously reported
11 for that period which was based on seven months actual and five
12 months estimated data.

13 Q. Please state the actual amount of over/under recovery of
14 Conservation Program costs for the Indiantown Division of Florida
15 Public Utilities Company for January 1, 2012 through December 31,
16 2012.

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

1 A. The Company over-recovered \$12,373 during that period. This
2 amount is substantiated on Schedule CT-3, page 2 of 3,
3 Calculation of True-up and Interest Provision.

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

6 A. We had estimated that we would over-recover \$9,774 as of December
7 31, 2012.

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

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

11 Q. Does this conclude your testimony?

12 A. Yes.

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - INDIANTOWN DIVISION SCHEDULE CT-1
PAGE 1 OF 1

CONSERVATION ADJUSTMENT TRUE-UP

FOR MONTHS January-12 THROUGH December-12

1.	ADJUSTED END OF PERIOD TOTAL NET TRUE-UP		
2.	FOR MONTHS January-12 THROUGH December-12		
3.	END OF PERIOD NET TRUE-UP		
4.	PRINCIPAL	<u>(12,361)</u>	
5.	INTEREST	<u>(12)</u>	<u>(12,373)</u>
6.	LESS PROJECTED TRUE-UP		
7.	November-11 HEARINGS		
8.	PRINCIPAL	<u>(9,757)</u>	
9.	INTEREST	<u>(17)</u>	<u>(9,774)</u>
10.	ADJUSTED END OF PERIOD TOTAL TRUE-UP		<u>(2,599)</u>

EXHIBIT NO. _____
DOCKET NO. 120004-GU
FLORIDA PUBLIC UTILITIES COMPANY
(CDY-2)
PAGE 1 OF 15

ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS
ACTUAL VS PROJECTED

	FOR MONTHS	January-12	THROUGH	December-12	<u>DIFFERENCE</u>
		<u>ACTUAL</u>		<u>PROJECTED</u>	
1. Labor/Payroll					
2. Advertisement		1,890		2,150	(260)
3. Legal		1,543		1,523	20
4. Outside Services		200		1,252	(1,052)
5. Vehicle					
6. Materials & Supplies					
7. Travel					
8. General & Administrative					
9. Incentives		1,500		3,650	(2,150)
10. Other		105		52	53
11. SUB-TOTAL		<u>5,238</u>		<u>8,627</u>	<u>(3,389)</u>
12. PROGRAM REVENUES					
13. TOTAL PROGRAM COSTS		<u>5,238</u>		<u>8,627</u>	<u>(3,389)</u>
14. LESS: PRIOR PERIOD TRUE-UP		(11,611)		(13,622)	2,011
15. AMOUNTS INCLUDED IN RATE BASE					
16. CONSERVATION ADJ REVENUE		(5,988)		(4,762)	(1,226)
17. ROUNDING ADJUSTMENT					
18. TRUE-UP BEFORE INTEREST		<u>(12,361)</u>		<u>(9,757)</u>	<u>(2,604)</u>
19. ADD INTEREST PROVISION		(12)		(17)	5
20. END OF PERIOD TRUE-UP		<u>(12,373)</u>		<u>(9,774)</u>	<u>(2,599)</u>

() REFLECTS OVERRECOVERY

ACTUAL CONSERVATION PROGRAM COSTS PER PROGRAM

FOR MONTHS January-12 THROUGH December-12

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. Residential New Construction Program													
2. Residential Appliance Replacement Program		945									945		945
3. Conservation Education Program										105	105		105
4.													
5													
6 Residential Appliance Retention		945							1,500		2,445		2,445
7													
8													
9													
10													
11 Common			1,543								1,543		1,543
12 Conservation Demonstration and Develop.				200							200		200
13 TOTAL ALL PROGRAMS		1,890	1,543	200					1,500	105	5,238		5,238

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - INDIANTOWN DIVISION

SCHEDULE CT-2
PAGE 3 OF 3

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

FOR MONTHS January-12 THROUGH December-12

PROGRAM NAME	LABOR/PAY	ADVERTISE.	LEGAL	OUT.SERV.	VEHICLE	MAT.&SUPP.	TRAVEL	G & A	INCENTIVES	OTHER	SUB TOTAL	PROGRAM REVENUES	TOTAL
1. Residential New Construction Program				(416)							(416)		(416)
2. Residential Appliance Replacement Program		820		(416)					(310)		94		94
3. Conservation Education Program		(1,900)								53	(1,847)		(1,847)
4.				(420)					(2,290)		(2,710)		(2,710)
5.													
6 Residential Appliance Retention		820							450		1,270		1,270
7													
8													
9													
10													
11 Common			20								20		20
12 Conservation Demonstration and Develop.				200							200		200
13 TOTAL ALL PROGRAMS		(260)		(1,052)					(2,150)	53	(3,409)		(3,389)

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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - INDIANTOWN DIVISION

SCHEDULE CT-3
PAGE 1 OF 3

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

FOR MONTHS January-12 THROUGH December-12

A. CONSERVATION EXPENSE BY PROGRAM	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1. Residential New Construction Program						125			556	264			945
2. Residential Appliance Replacement Program						9	9	9	9	9	9	17	105
3. Conservation Education Program				26	8								
4													
5													
6 Residential Appliance Retention				700	350	125			555	615		100	2,445
7													
8													
9													
10													
11 Common					1,407		116			20			1,543
12 Conservation Demonstration and Develop.											200		200
13 TOTAL ALL PROGRAMS				726	1,765	259	125	9	1,120	908	209	117	5,238
14 LESS AMOUNT INCLUDED IN RATE BASE													
15 RECOVERABLE CONSERVATION EXPENSES				726	1,765	259	125	9	1,120	908	209	117	5,238

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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - INDIANTOWN DIVISION

SCHEDULE CT-3

CALCULATION OF TRUE-UP AND INTEREST PROVISION

PAGE 2 OF 3

FOR MONTHS January-12 THROUGH December-12

B. CONSERVATION REVENUES	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1. RESIDENTIAL CONSERVATION													
2. CONSERVATION ADJ. REVENUES				(2,479)	(566)		(331)	(323)	(633)	(191)	(440)	(1,025)	(5,988)
3. TOTAL REVENUES				(2,479)	(566)		(331)	(323)	(633)	(191)	(440)	(1,025)	(5,988)
4. PRIOR PERIOD TRUE-UP ADJ. NOT APPLICABLE TO THIS PERIOD	(963)	(968)	(968)	(968)	(968)	(968)	(968)	(968)	(968)	(968)	(968)	(968)	(11,611)
5. CONSERVATION REVENUE APPLICABLE	(963)	(968)	(968)	(3,447)	(1,534)	(968)	(1,299)	(1,291)	(1,601)	(1,159)	(1,408)	(1,993)	(17,599)
6. CONSERVATION EXPENSES (FROM CT-3, PAGE 1, LINE 23)				726	1,765	259	125	9	1,120	908	209	117	5,238
7. TRUE-UP THIS PERIOD (LINE 5 - 6)	(963)	(968)	(968)	(2,721)	231	(709)	(1,174)	(1,282)	(481)	(251)	(1,199)	(1,876)	(12,361)
8. INTEREST PROVISION THIS PERIOD (FROM CT-3, PAGE 3, LINE 10)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(12)
9. TRUE-UP AND INTEREST PROVISION BEGINNING OF MONTH	(11,611)	(11,612)	(11,613)	(11,614)	(13,368)	(12,170)	(11,912)	(12,119)	(12,434)	(11,948)	(11,232)	(11,464)	(11,611)
9A. DEFERRED TRUE-UP BEGINNING OF PERIOD													
10. PRIOR TRUE-UP COLLECTED (REFUNDED)	963	968	968	968	968	968	968	968	968	968	968	968	11,611
11. TOTAL NET TRUE-UP (LINES 7+8+9+9A+10)	(11,612)	(11,613)	(11,614)	(13,368)	(12,170)	(11,912)	(12,119)	(12,434)	(11,948)	(11,232)	(11,464)	(12,373)	(12,373)

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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - INDIANTOWN DIVISION

SCHEDULE CT-3
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CALCULATION OF TRUE-UP AND INTEREST PROVISION

FOR MONTHS January-12 THROUGH December-12

C. INTEREST PROVISION	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1. BEGINNING TRUE-UP (LINE B-9)	(11,611)	(11,612)	(11,613)	(11,614)	(13,368)	(12,170)	(11,912)	(12,119)	(12,434)	(11,948)	(11,232)	(11,464)	(11,611)
2. ENDING TRUE-UP BEFORE INTEREST (LINES B7+B9+B9A+B10)	(11,611)	(11,612)	(11,613)	(13,367)	(12,169)	(11,911)	(12,118)	(12,433)	(11,947)	(11,231)	(11,463)	(12,372)	(12,361)
3. TOTAL BEG. AND ENDING TRUE-UP	(23,222)	(23,224)	(23,226)	(24,981)	(25,537)	(24,081)	(24,030)	(24,552)	(24,381)	(23,179)	(22,695)	(23,836)	(23,972)
4. AVERAGE TRUE-UP (LINE C-3 X 50%)	(11,611)	(11,612)	(11,613)	(12,491)	(12,769)	(12,041)	(12,015)	(12,276)	(12,191)	(11,590)	(11,348)	(11,918)	(11,986)
5. INTEREST RATE - FIRST DAY OF REPORTING BUSINESS MONTH	0.07%	0.08%	0.13%	0.11%	0.13%	0.12%	0.15%	0.14%	0.13%	0.12%	0.15%	0.13%	
6. INTEREST RATE - FIRST DAY OF SUBSEQUENT BUSINESS MONTH	0.08%	0.13%	0.11%	0.13%	0.12%	0.15%	0.14%	0.13%	0.12%	0.15%	0.13%	0.10%	
7. TOTAL (LINE C-5 + C-6)	0.15%	0.21%	0.24%	0.24%	0.25%	0.27%	0.29%	0.27%	0.25%	0.27%	0.28%	0.23%	
8. AVG. INTEREST RATE (C-7 X 50%)	0.08%	0.11%	0.12%	0.12%	0.13%	0.14%	0.15%	0.14%	0.13%	0.14%	0.14%	0.12%	
9. MONTHLY AVERAGE INTEREST RATE	0.006%	0.009%	0.010%	0.010%	0.010%	0.011%	0.012%	0.011%	0.010%	0.011%	0.012%	0.010%	
10. INTEREST PROVISION (LINE C-4 X C-9)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(12)

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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - INDIANTOWN DIVISION

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

FOR MONTHS January-12 THROUGH December-12

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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(CDY-2)
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COMPANY: FLORIDA PUBLIC UTILITIES COMPANY - INDIANTOWN DIVISION

**SCHEDULE CT-5
PAGE 1 OF 1**

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

FOR MONTHS January-12 THROUGH December-12

AUDIT EXCEPTION: TO OUR KNOWLEDGE, NONE EXIST

COMPANY RESPONSE:

EXHIBIT NO. _____
DOCKET NO. 120004-GU
FLORIDA PUBLIC UTILITIES COMPANY
(CDY-2)
PAGE 9 OF 15

1. Residential New Construction Program
2. Residential Appliance Replacement Program
3. Residential Appliance Retention Program
4. Conservation Education Program
5. Conservation Demonstration and Development Program

PROGRAM TITLE: Residential New Construction Program

PROGRAM DESCRIPTION: This program is designed to increase the overall penetration of natural gas in the single family and multi-family residential construction markets of the Company's service territory by expanding consumer energy options in new homes. Incentives are offered to any builder or developer who installs the below listed energy efficient appliances.

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, 0 incentives were paid.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2012 through December 31, 2012 were \$0.

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, 0 incentives were paid.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2012 through December 31, 2012 were \$945.

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 was expanded during the reporting period to include additional appliances to include furnaces, tankless hot water heaters, ranges, and dryers. The programs incentives defray the cost of purchase the 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, 5 incentives were paid. There were 4 Tank Water Heaters and 1 Range.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2012 through December 31, 2012 were **\$2,445**.

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: The Company continues to communicate with several homebuilders, appliance retailers and contractors in its service area to provide information on its programs. The Company also continually seeks community events through which it can promote Natural Gas energy conservation information. In 2009, the company began participation in the Get Gas Florida consumer education program supported by the Florida Natural Gas Association.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2012 through December 31, 2012 were **\$105**.

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 2012, Florida Public Utilities conducted research on several projects including CHP technologies.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2012 through December 31, 2012 were **\$200**.

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