

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

May 1, 2019

VIA E-PORTAL

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

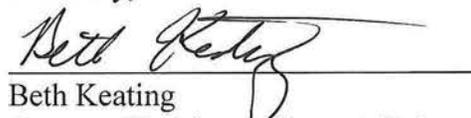
Re: Docket No. 20190004-GU – Natural Gas Conservation Cost Recovery

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

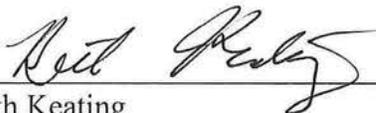
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(Composite Exhibit CDY-1) for the period, consisting of the CT schedules and reporting forms supplied by the Commission Staff.

4. As indicated in the Testimony of Mr. Curtis D. Young, for the period January 2018 through December 2018, the Consolidated Companies over-recovered \$371,568, as compared to its estimated over-recovery of \$620,489, resulting in an adjusted end of period total true up amount of an under-recovery of \$248,921, 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, 2018 through December 31, 2018.

RESPECTFULLY SUBMITTED this 1st day of May 2019.



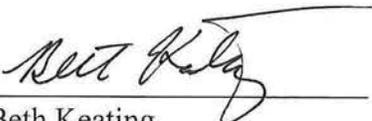
Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301
(850) 521-1706
*Attorneys for Florida Public Utilities
Company/Florida Division of Chesapeake Utilities
Corporation (Consolidated Natural Gas
Companies)*

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. 20190004-GU has been furnished by Electronic Mail to the following parties of record this 1st day of May 2019, 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/Indiantow Mike Cassel Florida Public Utilities Company 1750 S 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>Florida Power & Light Company Christopher T. Wright 700 Universe Boulevard Juno Beach, FL 33408 Christopher.Wright@fpl.com</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 Kelly.JR@leg.state.fl.us Rehwinkel.charles@leg.state.fl.us</p>
<p>Peoples Gas System Paula Brown Mark Roche P.O. Box 111 Tampa, FL 33601-0111 regdept@tecoenergy.com MRRoche@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>Florida Public Service Commission Rachael Dziechciarz 2540 Shumard Oak Boulevard Tallahassee, FL 32399 rdziehc@psc.state.fl.us</p>

Florida City Gas Carolyn Bermudez 4045 NW 97 th Avenue Doral, Florida 33178 carolyn.bermudez@nexteraenergy.com miguel.bustos@nexteraenergy.com	
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Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301

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

3 A. We had estimated that we would over-recover \$620,489 as of December 31, 2018.

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

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

7 Q. Does this conclude your testimony?

8 A. Yes.

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CONSERVATION ADJUSTMENT TRUE-UP

FOR MONTHS January-18 THROUGH December-18

1.	ADJUSTED END OF PERIOD TOTAL NET TRUE-UP		
2.	FOR MONTHS January-18 THROUGH December-18		
3.	END OF PERIOD NET TRUE-UP		
4.	PRINCIPAL	<u>(352,823)</u>	
5.	INTEREST	<u>(18,745)</u>	<u>(371,568)</u>
6.	LESS PROJECTED TRUE-UP		
7.	October-17 HEARINGS		
8.	PRINCIPAL	<u>(600,972)</u>	
9.	INTEREST	<u>(19,517)</u>	<u>(620,489)</u>
10.	ADJUSTED END OF PERIOD TOTAL TRUE-UP		<u>248,921</u>

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-18	THROUGH	December-18	
		<u>ACTUAL</u>		<u>PROJECTED</u>	<u>DIFFERENCE</u>
1.	Labor/Payroll	962,499		1,085,415	(122,916)
2.	Advertisement	527,880		527,914	(34)
3.	Legal	3,885		3,639	246
4.	Outside Services	106,048		100,859	5,188
5.	Vehicle Costs	25,192		27,940	(2,748)
6.	Materials & Supplies	14,506		20,126	(5,620)
7.	Travel	117,277		117,097	180
8.	General & Administrative				
9.	Incentives	2,765,750		2,592,543	173,207
10.	Other	38,985		58,292	(19,307)
11.	SUB-TOTAL	4,562,021		4,533,825	28,196
12.	PROGRAM REVENUES				
13.	TOTAL PROGRAM COSTS	4,562,021		4,533,825	28,196
14.	LESS: PRIOR PERIOD TRUE-UP	(1,006,967)		(1,006,967)	
15.	AMOUNTS INCLUDED IN RATE BASE				
16.	CONSERVATION ADJ REVENUE	(3,907,877)		(4,127,830)	219,953
17.	ROUNDING ADJUSTMENT				
18.	TRUE-UP BEFORE INTEREST	(352,823)		(600,972)	248,149
19.	ADD INTEREST PROVISION	(18,745)		(19,517)	772
20.	END OF PERIOD TRUE-UP	(371,568)		(620,489)	248,921

() REFLECTS OVERRECOVERY

EXHIBIT NO. _____
 DOCKET NO. 20190004-GU
 FLORIDA PUBLIC UTILITIES CO.
 (CDY-1)
 PAGE 2 OF 24

ACTUAL CONSERVATION PROGRAM COSTS PER PROGRAM

FOR MONTHS January-18 THROUGH December-18

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	176,659	32,694		3,111	5,108	3,518	23,035		1,067,675	10,750	1,322,551		1,322,551
2 Residential Appliance Replacement	41,996	142,160		1,743	1,087	378	14,815		260,014	377	462,569		462,569
3 Conservation Education	18,871	64,223			790	272	2,155			76	86,387		86,387
4 Space Conditioning													
5 Residential Conservation Survey	8,046	1,374		53	330	140	961			11	10,916		10,916
6 Residential Appliance Retention	58,706	168,329		2,088	1,446	484	4,967		577,894	552	814,466		814,466
7 Commercial Conservation Survey	1,562	84		53	69	16	202			5	1,992		1,992
8 Residential Service Reactivation	753			955	18	6	64		1,050	7	2,854		2,854
9 Common	480,690	24,562	3,885	87,891	12,239	8,285	56,049			13,102	686,702		686,702
10 Conservation Demonstration and Development	559				17	17	89				682		682
11 Commercial Small Food Program	95,610	18,845		3,054	2,237	761	8,178		468,944	3,420	601,050		601,050
12 Commercial Large Non-Food Service Program	5,270	19,008		1,542	123	42	451		126,333	2,528	155,296		155,296
13 Commercial Large Food Service Program	19,574	18,845		1,767	458	156	1,674		82,495	2,669	127,638		127,638
14 Commercial Large Hospitality Program	34,630	18,911		2,024	810	276	2,962		72,117	2,818	134,548		134,548
15 Commercial Large Cleaning Service Program	19,574	18,845		1,767	458	156	1,674		109,228	2,669	154,371		154,371
16 Residential Propane Distribution Program													
15 TOTAL ALL PROGRAMS	962,499	527,880	3,885	106,048	25,192	14,506	117,277		2,765,750	38,985	4,562,021		4,562,021

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

FOR MONTHS January-18 THROUGH December-18

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	35,938	(32,684)		(471)	1,249	1,134	9,460		283,673	3,585	301,883		301,883
2 Residential Appliance Replacement	(17,521)	(1,626)		(16,572)	82	(94)	10,674		(9,425)	(145)	(34,627)		(34,627)
3 Conservation Education	(10,845)	(1,522)		(10,000)	(873)	(384)	(2,219)			2	(25,841)		(25,841)
4 Space Conditioning	(250)	(2,000)			(50)	(50)	(75)		(600)		(3,025)		(3,025)
5 Residential Conservation Survey	1,838	660		(2,447)	(48)	(21)	(152)			(7,499)	(7,669)		(7,669)
6 Residential Appliance Retention	(17,932)	40,416		(16,458)	61	(219)	(309)		(60,916)		(55,629)		(55,629)
7 Commercial Conservation Survey	(1,170)	(50)		53	(78)	(42)	(248)			(50)	(1,594)		(1,594)
8 Residential Service Reactivation	(95)	(25,000)		(641)	(40)	(46)	(15)		(50)	(47)	(25,936)		(25,936)
9 Common	(77,808)	5,405	246	59,821	(4,394)	(5,978)	(18,527)			(7,726)	(48,961)		(48,961)
10 Conservation Demonstration and Development	559				17	17	89				682		682
11 Commercial Small Food Program	(3,610)	3,228		(1,274)	732	45	881		1,428	(1,383)	48		48
12 Commercial Large Non-Food Service Program	(29,667)	3,391		(1,784)	18	(25)	(9)		21,877	(1,503)	(7,703)		(7,703)
13 Commercial Large Food Service Program	(479)	3,228		(1,708)	152	16	147		18,551	(1,444)	18,462		18,462
14 Commercial Large Hospitality Program	(1,386)	3,294		(1,621)	271	11	337		(86,631)	(1,382)	(87,107)		(87,107)
15 Commercial Large Cleaning Service Program	(479)	3,228		(1,708)	152	16	147		5,301	(1,444)	5,212		5,212
16 Residential Propane Distribution Program													
5. TOTAL ALL PROGRAMS	(122,916)	(34)	246	5,188	(2,748)	(5,620)	180		173,207	(19,307)	28,196		28,196

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

FOR MONTHS		January-18	THROUGH	December-18										
A. CONSERVATION EXPENSE BY PROGRAM		JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1	Full House Residential New Construction	73,735	84,238	74,313	54,380	174,325	132,876	95,022	155,271	82,510	121,249	182,661	91,971	1,322,551
2	Residential Appliance Replacement	21,939	38,953	24,206	41,620	32,472	41,907	44,273	39,131	42,936	30,522	48,174	56,436	462,569
3	Conservation Education	5,860	11,194	13,098	8,186	3,715	10,176	7,765	5,692	12,066	2,811	2,389	3,436	86,387
4	Space Conditioning													
5	Residential Conservation Survey	214	1,028	390	1,103	123	301	740	786	703	1,494	1,039	2,994	10,916
6	Residential Appliance Retention	52,550	59,720	38,397	69,366	51,470	101,341	58,913	60,451	70,244	63,255	81,109	107,649	814,466
7	Commercial Conservation Survey	84			551	123	527	4	10	10	125	377	180	1,992
8	Residential Service Reactivation	178	110	110	115	115	462	496	206	166	204	146	545	2,854
9	Common	53,510	45,139	66,112	50,761	63,989	50,653	35,412	80,621	63,295	61,120	43,866	72,226	686,702
10	Conservation Demonstration and Development												682	682
11	Commercial Small Food Program	53,058	41,153	50,457	43,820	31,328	98,536	50,940	49,088	24,259	28,729	39,940	89,743	601,050
12	Commercial Large Non-Food Service Program	21,437	10,711	11,890	18,192	8,748	13,671	8,823	8,365	29,071	10,994	10,246	3,148	155,296
13	Commercial Large Food Service Program	2,146	6,653	2,987	14,706	5,591	9,667	12,979	15,138	5,743	17,430	19,426	15,171	127,638
14	Commercial Large Hospitality Program	3,412	13,779	4,294	12,911	6,604	6,081	6,507	13,333	6,165	15,609	17,405	28,449	134,548
15	Commercial Large Cleaning Service Program	10,072	12,477	13,565	2,506	4,026	29,088	15,076	4,895	6,288	3,703	11,660	41,015	154,371
16	Residential Propane Distribution Program													
5. TOTAL ALL PROGRAMS		298,195	325,154	299,817	318,218	382,630	495,285	336,949	432,986	343,456	357,245	458,438	513,646	4,562,021
6. LESS AMOUNT INCLUDED IN RATE BASE														
7. RECOVERABLE CONSERVATION EXPENSES		298,195	325,154	299,817	318,218	382,630	495,285	336,949	432,986	343,456	357,245	458,438	513,646	4,562,021

CALCULATION OF TRUE-UP AND INTEREST PROVISION

FOR MONTHS January-18 THROUGH December-18

B. CONSERVATION REVENUES	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1. RESIDENTIAL CONSERVATION													
2. CONSERVATION ADJ. REVENUES	(482,685)	(386,201)	(369,585)	(363,914)	(299,846)	(284,977)	(251,787)	(253,264)	(259,013)	(248,172)	(314,582)	(393,852)	(3,907,877)
3. TOTAL REVENUES	(482,685)	(386,201)	(369,585)	(363,914)	(299,846)	(284,977)	(251,787)	(253,264)	(259,013)	(248,172)	(314,582)	(393,852)	(3,907,877)
4. PRIOR PERIOD TRUE-UP ADJ. NOT APPLICABLE TO THIS PERIOD	(83,913)	(83,914)	(83,914)	(83,914)	(83,914)	(83,914)	(83,914)	(83,914)	(83,914)	(83,914)	(83,914)	(83,914)	(1,006,967)
5. CONSERVATION REVENUE APPLICABLE	(566,598)	(470,115)	(453,499)	(447,828)	(383,760)	(368,891)	(335,701)	(337,178)	(342,927)	(332,086)	(398,496)	(477,766)	(4,914,844)
6. CONSERVATION EXPENSES (FROM CT-3, PAGE 1, LINE 23)	298,195	325,154	299,817	318,218	382,630	495,285	336,949	432,986	343,456	357,245	458,438	513,646	4,562,021
7. TRUE-UP THIS PERIOD (LINE 5 - 6)	(268,403)	(144,960)	(153,682)	(129,609)	(1,130)	126,394	1,249	95,809	529	25,160	59,942	35,880	(352,823)
8. INTEREST PROVISION THIS PERIOD (FROM CT-3, PAGE 3, LINE 10)	(1,369)	(1,611)	(1,893)	(2,115)	(2,089)	(1,912)	(1,726)	(1,517)	(1,352)	(1,250)	(1,055)	(856)	(18,745)
9. TRUE-UP AND INTEREST PROVISION BEGINNING OF MONTH	(1,006,967)	(1,192,826)	(1,255,484)	(1,327,145)	(1,374,955)	(1,294,260)	(1,085,865)	(1,002,428)	(824,222)	(741,131)	(633,308)	(490,507)	(1,006,967)
9A. DEFERRED TRUE-UP BEGINNING OF PERIOD													
10. PRIOR TRUE-UP COLLECTED (REFUNDED)	83,913	83,914	83,914	83,914	83,914	83,914	83,914	83,914	83,914	83,914	83,914	83,914	1,006,967
11. TOTAL NET TRUE-UP (LINES 7+8+9+9A+10)	(1,192,826)	(1,255,484)	(1,327,145)	(1,374,955)	(1,294,260)	(1,085,865)	(1,002,428)	(824,222)	(741,131)	(633,308)	(490,507)	(371,568)	(371,568)

CALCULATION OF TRUE-UP AND INTEREST PROVISION

FOR MONTHS January-18 THROUGH December-18

C. INTEREST PROVISION	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1. BEGINNING TRUE-UP (LINE B-9)	(1,006,967)	(1,192,826)	(1,255,484)	(1,327,145)	(1,374,955)	(1,294,260)	(1,085,865)	(1,002,428)	(824,222)	(741,131)	(633,308)	(490,507)	(1,006,967)
2. ENDING TRUE-UP BEFORE INTEREST (LINES B7+B9+B9A+B10)	(1,191,457)	(1,253,873)	(1,325,252)	(1,372,840)	(1,292,171)	(1,083,953)	(1,000,702)	(822,705)	(739,779)	(632,058)	(489,452)	(370,712)	(352,823)
3. TOTAL BEG. AND ENDING TRUE-UP	(2,198,424)	(2,446,699)	(2,580,736)	(2,699,986)	(2,667,127)	(2,378,213)	(2,086,566)	(1,825,133)	(1,564,002)	(1,373,189)	(1,122,759)	(861,219)	(1,359,790)
4. AVERAGE TRUE-UP (LINE C-3 X 50%)	(1,099,212)	(1,223,350)	(1,290,368)	(1,349,993)	(1,333,563)	(1,189,106)	(1,043,283)	(912,567)	(782,001)	(686,594)	(561,380)	(430,609)	(679,895)
5. INTEREST RATE - FIRST DAY OF REPORTING BUSINESS MONTH	1.49%	1.50%	1.66%	1.86%	1.90%	1.86%	2.00%	1.97%	2.02%	2.13%	2.24%	2.27%	
6. INTEREST RATE - FIRST DAY OF SUBSEQUENT BUSINESS MONTH	1.50%	1.66%	1.86%	1.90%	1.86%	2.00%	1.97%	2.02%	2.13%	2.24%	2.27%	2.50%	
7. TOTAL (LINE C-5 + C-6)	2.99%	3.16%	3.52%	3.76%	3.76%	3.86%	3.97%	3.99%	4.15%	4.37%	4.51%	4.77%	
8. AVG. INTEREST RATE (C-7 X 50%)	1.50%	1.58%	1.76%	1.88%	1.88%	1.93%	1.99%	2.00%	2.08%	2.19%	2.26%	2.39%	
9. MONTHLY AVERAGE INTEREST RATE	0.125%	0.132%	0.147%	0.157%	0.157%	0.161%	0.165%	0.166%	0.173%	0.182%	0.188%	0.199%	
10. INTEREST PROVISION (LINE C-4 X C-9)	(1,369)	(1,611)	(1,893)	(2,115)	(2,089)	(1,912)	(1,726)	(1,517)	(1,352)	(1,250)	(1,055)	(856)	(18,745)

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-18 THROUGH December-18

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. 20190004-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-18 THROUGH December-18

AUDIT EXCEPTION: TO OUR KNOWLEDGE, NONE EXIST

COMPANY RESPONSE:

EXHIBIT NO. _____
DOCKET NO. 20190004-GU
FLORIDA PUBLIC UTILITIES CO.
(CDY-1)
PAGE 9 OF 24

Program Description and Progress

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, 2018 through December 31, 2018, 3,693 incentives were paid. There were 538 Tank Water Heaters, 0 High Efficiency Tank Water Heaters, 1,004 Tankless Water Heaters, 6 Furnaces, 1,210 Ranges and 935 Dryers.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2018 through December 31, 2018 were **\$1,322,551**.

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, 2018 through December 31, 2018, 603 incentives were paid. There were 7 Tank Water Heaters, 0 High Efficiency Tank Water Heaters, 306 Tankless Water Heaters, 6 Furnaces, 188 Ranges and 95 Dryers.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2018 through December 31, 2018 were **\$462,569**.

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 10,014 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, 2018 through December 31, 2018, 1632 incentives were paid. There were 630 Tank Water Heaters, 92 High Efficiency Tank Water Heaters, 333 Tankless Water Heaters, 179 Furnaces, 203 Ranges and 195 Dryers.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2018 through December 31, 2018 were **\$814,466**.

PROGRAM PROGRESS SUMMARY: The FPSC approved this program on August 29, 2000. From the inception through the reporting period, FPUC has retained 14,018 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, 2018 through December 31, 2018, 4 incentives were paid.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2018 through December 31, 2018 were **\$2,854**.

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 40 residential surveys were performed.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2018 through December 31, 2018 were **\$10,916**.

PROGRAM PROGRESS SUMMARY: This program was implemented on September 1, 2000. Since inception through the reporting period, 329 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, 8 commercial surveys were completed during the reporting period.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2018 through December 31, 2018 were **\$1,992**.

PROGRAM PROGRESS SUMMARY: This program was implemented on September 1, 2000. From the inception of this program through the reporting period 225 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 56 seminars, events and house calls to educate customers.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2018 through December 31, 2018 were **\$86,387**.

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 2 participants in this program in 2018. They were completed in December and invoiced in 2019.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2018 through December 31, 2018 were **\$0.00**

PROGRAM PROGRESS SUMMARY: From FPSC approval of the program on August 29, 2000 through December 31, 2018, 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 2018, Florida Public Utilities had no research and development projects this year.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2018 through December 31, 2018 were **\$682**.

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, 2018 through December 31, 2018, 227 incentives were paid. There were 0 Tank Water Heaters, 101 Tankless Water Heaters, 108 Fryers and 18 Ranges.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2018 through December 31, 2018 were \$601,050.

PROGRAM PROGRESS SUMMARY: Since inception, 2,132 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, 2018 through December 31, 2018, 51 incentives were paid. There were 4 Tank Water Heaters and 46 Tankless Water Heaters.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2018 through December 31, 2018 were **\$155,296**.

PROGRAM PROGRESS SUMMARY: Since inception, 218 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, 2018 through December 31, 2018, **58** incentives were paid. There were 0 Tank Water Heaters, 24 Tankless Water Heaters, 30 Fryers and 4 Ranges.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2018 through December 31, 2018 were **\$127,638**.

PROGRAM PROGRESS SUMMARY: Since inception, 479 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, 2018 through December 31, 2018, **50** incentives were paid. There were 1 Tank Water Heaters, 23 Tankless Water Heaters, 4 Fryers, 4 Ranges and 18 Dryer.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2018 through December 31, 2018 were **\$134,548**.

PROGRAM PROGRESS SUMMARY: Since inception, 414 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, 2018 through December 31, 2018, **87** incentives were paid. There was 1 Tank Water Heater, 16 Tankless Water Heaters and 70 Dryers.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2018 through December 31, 2018 were **\$154,371**.

PROGRAM PROGRESS SUMMARY: Since inception, 423 appliances have qualified for this program.