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August 14, 2003

BY HAND DELIVERY

Ms. Blanca Bayo, Director
Division of Records and Reporting
Room 110, Easley Building
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

Re: Docket No. 030001-EI

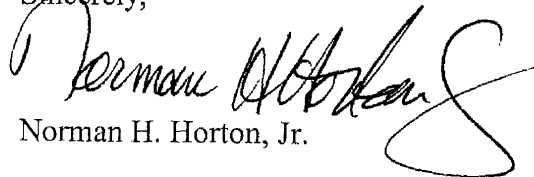
Dear Ms. Bayo:

Enclosed for filing on behalf of Florida Public Utilities Company are an original and 15 copies of the Direct Testimony of George M. Bachman in the above referenced docket. This testimony was inadvertently omitted from Florida Public Utilities Company's Petition for Approval of Fuel Adjustment and Purchased Power Cost Recovery True-Up Amount filed on August 12, 2003.

Please indicate receipt of this document by stamping the enclosed extra copy of this letter.

Thank you for your assistance in this matter.

Sincerely,



Norman H. Horton, Jr.

NHH:amb
Enclosures

cc: Ms. Cheryl Martin
Parties of Record

DOCUMENT NUMBER-DATE

07489 AUG 14 8

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Docket No. 030001-EI
Fuel and Purchased Power Cost Recovery Clause

Direct Testimony of
George M. Bachman
on behalf of
Florida Public Utilities Company

1 Q. Please state your name and business address.

2 A. George M. Bachman, 401 South Dixie Highway, West Palm Beach, Florida
3 33401.

4 Q. By whom are you employed?

5 A. I am employed by Florida Public Utilities Company.

6 Q. Could you give a brief description of your background and business experience?

7 A. I have a Bachelor of Science Degree in Business Administration from Indiana
8 University in 1981, with a concentration in Accounting. I subsequently joined
9 Southeastern Public Service Company, and served as the Assistant controller at
10 the time of my departure in January 1985, when I joined Florida Public Utilities
11 Company. My positions through 1998 included General Accounting Office
12 Manager, Accounting Manager, and Controller.

13 In 1999 I was appointed to my current position, Chief Financial Officer
14 and Treasurer of Florida Public Utilities Company. As the senior financial and

1 accounting official of the Company I have overall fiduciary responsibility and
2 oversee the accounting and finance department with all related functions.

3 Q. What is the purpose of your testimony?

4 A. The purpose of my testimony is to present the calculation of the Jan. 2003
5 through Dec. 2003 purchased power costs for recovery in the Jan. - Dec. 2004
6 period. These calculations are based on six months of actual data and six
7 months of estimated data.

8 Q. Have you prepared any exhibits to support your testimony?

9 A. Yes. Exhibit _____ (GMB-1) consists of Schedules E1-A, E1-B, and E1-B1
10 for the Marianna and Fernandina Beach Divisions. These schedules were
11 prepared from the records of the company.

12 Q. What has FPUC calculated as the net true-up amount to be applied in the Jan. -
13 Dec. 2004?

14 A. For Marianna the net true-up amount to be recovered is an underrecovery of
15 \$343,777. For Fernandina Beach the calculation is an overrecovery of
16 \$1,302,700.

17 Q. How were these amounts calculated?

18 A. They are the sum of the final true-up amount for the Jan. - Dec. 2002 period and
19 the actual/estimated amount for the Jan. - Dec. 2003 period.

20 Q. What was the final true-up amount for Jan. - Dec. 2002?

21 A. For Marianna it was \$78,631 underrecovery and for Fernandina Beach it was
22 \$1,167,570.

1 Q. What have you calculated to be the true-up amount for the Jan. - Dec. 2003
2 period?

3 A. Using six months actual and six months estimated amounts, we calculate an
4 underrecovery for Marianna of \$265,146 and an overrecovery of \$135,130 for
5 Fernandina Beach.

6 Q. Does this conclude your direct testimony?

7 A. Yes, it does.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that true and correct copies of the foregoing have been served by Hand Delivery (*) and/or U. S. Mail this 14th day of August, 2003 upon the following:

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