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COMMISSION CLERK

FLORIDA PUBLIC UTILITIES

P.O. Box 3395
West Palm Beach, Florida 33402-3395

February 26, 2006

Ms. Blanca S. Bayo, Director
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0950

Re: Docket No. 060001-EI
CONTINUING SURVEILLANCE AND REVIEW OF FUEL COST RECOVERY CLAUSES OF ELECTRIC UTILITIES

Dear Ms. Bayo:

We are enclosing twenty (20) copies of our true-up schedules and testimony for the January 2005-December 2005 period. This information is based on 12 months of actual data.

1. M 1 – Florida Public Utilities Calculation of Purchased Power Costs & Calculation of Final True-Up and Interest Provision – Marianna Division
2. F 1 - Florida Public Utilities Calculation of Purchased Power Costs & Calculation of Final True-Up and Interest Provision- Fernandina Beach Division.
3. E1-B - Florida Public Utilities Calculation of Purchased Power Costs & Calculation of 1st True-Up and Interest Provision- Marianna and Fernandina Beach Divisions. Reference purposes.

Sincerely,

Cheryl Martin
Controller

Enclosure

Cc: Kathy Welch/ FPSC
Doc Horton
George Bachman (no enclosure)
Mark Cutshaw (no enclosure)
Jack English (no enclosure)
Mario Lacaci (no enclosure)
Chuck Stein (no enclosure)
SJ 80-441

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Docket No. 060001-EI
Fuel and Purchased Power Cost Recovery Clause

Direct Testimony of
Cheryl M. Martin
on behalf of
Florida Public Utilities Company

1 Q. Please state your name and business address.

2 A. Cheryl M. Martin, 401 South Dixie Highway, West Palm Beach, Florida 33401.

3 Q. By whom are you employed?

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

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

6 A. I graduated from Florida State University in 1984 with a BS degree in Accounting
7 and I am a Certified Public Accountant in the state of Florida. I have been employed
8 by FPU since 1985 and performed numerous accounting functions until I was
9 promoted to Corporate Accounting Manager in 1995 with responsibilities for
10 managing the Corporate Accounting Department including regulatory accounting
11 (Fuel, PGA, conservation, rate cases, Surveillance reports, reporting), tax accounting,
12 external reports and special projects. In January 2002 I was promoted to my current
13 position of Controller where my responsibilities are the same as above with additional
14 responsibilities in the purchasing and general accounting areas and Security and
15 Exchange Commission (SEC) filings.

16 Q. What is the purpose of your testimony?

17 A. The purpose of my testimony is to present the calculation of the final remaining true-
18 up amounts for the period Jan. 2005 through Dec. 2005.

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

2 A. Yes. Exhibit_____ (CMM-1) consists of Schedules M1 and F1 for the Marianna
3 and Fernandina Beach Divisions. These schedules were prepared from the records of
4 the company.

5 Q. What has FPUC calculated as the final remaining true-up amounts for the period Jan. -
6 Dec. 2005?

7 A. For Marianna the final remaining true-up amount is an under recovery of $53,882. For
8 Fernandina Beach the calculation is an under recovery of $153,867.

9 Q. How were these amounts calculated?

10 A. They are the difference between the actual end of period true-up amounts for the Jan. -
11 Dec. 2005 period and the total true-up amounts to be collected or refunded during the
12 Jan. - Dec. 2006 period.

13 Q. What was the actual end of period true-up amount for Jan. - Dec. 2005?

14 A. For Marianna it was $742,173 under recovery and for Fernandina Beach it was
15 $283,221 over recovery.

16 Q. What have you calculated to be the total true-up amount to be collected or refunded
17 during the Jan. - Dec. 2006 period?

18 A. Using six months actual and six months estimated amounts, we calculated an under
19 recovery for Marianna of $688,291 and an over recovery of $437,088 for Fernandina
20 Beach. (Ref. CMM-1, revised schedule EI-B of 1st true-up filing and testimony)

21 Q. Does this conclude your direct testimony?

22 A. Yes, it does.

FLORIDA PUBLIC UTILITIES COMPANY

CALCULATION OF PURCHASED POWER COSTS AND CALCULATION OF TRUE-UP AND INTEREST PROVISION

ESTIMATED FOR THE PERIOD: JANUARY 2005 - DECEMBER 2005

BASED ON TWELVE MONTHS ACTUAL

Schedule M1

MARIANNA DIVISION

			ACTUAL JANUARY 2005	ACTUAL FEBRUARY 2005	ACTUAL MARCH 2005	ACTUAL APRIL 2005	ACTUAL MAY 2005	ACTUAL JUNE 2005	ACTUAL JULY 2005	ACTUAL AUGUST 2005	ACTUAL SEPTEMBER 2005	ACTUAL OCTOBER 2005	ACTUAL NOVEMBER 2005	ACTUAL DECEMBER 2005	Total
Total System Sales - KWH			28,222,416	26,754,208	22,481,774	23,330,973	23,243,193	30,238,366	33,788,574	32,515,444	36,501,005	30,923,414	24,765,784	27,732,010	340,497,161
Total System Purchases - KWH			27,794,029	23,988,374	25,546,038	22,852,635	28,327,877	33,114,132	36,970,218	37,248,421	34,461,991	28,860,534	25,598,984	31,941,182	356,704,415
System Billing Demand - KW			73,868	61,810	61,083	44,904	65,553	67,645	65,661	72,292	69,870	61,084	58,348	72,950	775,068
Purchased Power Rates:															
Base Fuel Costs - $/KWH			0.02240	0.02240	0.02240	0.02240	0.02240	0.02240	0.02240	0.02240	0.02240	0.02240	0.02240	0.02240	
Demand and Non-Fuel:															
Demand Charge - $/KW			6.95	6.95	6.95	6.95	6.95	6.95	6.95	6.95	6.95	6.95	6.95	6.95	
Customer Charge - $			660.00	660.00	660.00	660.00	660.00	660.00	660.00	660.00	660.00	660.00	660.00	660.00	
Transformation Charge			37,211	37,211	37,211	37,211	37,211	37,211	37,211	37,211	37,211	37,211	37,211	37,211	
Purchased Power Costs:															
Base Fuel Costs			622,586	537,340	572,231	511,899	634,544	741,757	828,133	834,365	771,949	646,476	573,417	715,482	7,990,179
Subtotal Fuel Costs			622,586	537,340	572,231	511,899	634,544	741,757	828,133	834,365	771,949	646,476	573,417	715,482	7,990,179
Demand and Non-Fuel Costs:															
Demand Charge			513,382	429,579	424,527	312,083	455,593	470,133	456,344	502,429	485,596	424,534	405,519	507,002	5,386,721
Customer Charge			660	660	660	660	660	660	660	660	660	660	660	660	7,920
Equipment Rental & Other			3,768	3,768	3,768	3,768	3,768	3,768	3,768	3,768	3,768	3,768	3,768	3,768	45,216
Transformation Charge			37,211	37,211	37,211	37,211	37,211	37,211	37,211	37,211	37,211	37,211	37,210	37,211	446,531
Subtotal Demand & Non-Fuel Costs			555,021	471,218	466,166	353,722	497,232	511,772	497,983	544,068	527,235	466,173	447,157	548,641	5,886,388
Total System Purchased Power Costs			1,177,607	1,008,558	1,038,397	865,621	1,131,776	1,253,529	1,326,116	1,378,433	1,299,184	1,112,649	1,020,574	1,264,123	13,876,567
Special Costs			271	2,248	24,971	14,714	12,752	10,876	6,869	5,707	25,614	(10,160)	14,343	5,412	113,617
Total Costs and Charges			1,177,878	1,010,806	1,063,368	880,335	1,144,528	1,264,405	1,332,985	1,384,140	1,324,798	1,102,489	1,034,917	1,269,535	13,990,184
Sales Revenues - Fuel Adjustment Revenues:															
Residential	RS	.04352	639,679	576,275	466,779	403,568	398,894	536,715	632,127	629,270	679,883	551,137	418,253	551,723	6,484,303
Commercial, Small	GS	.04300	112,281	100,587	88,461	86,535	88,439	109,538	122,674	122,029	134,863	119,761	92,589	96,281	1,274,038
Commercial, Large	GSD	.04108	307,459	305,455	276,997	326,568	335,348	340,282	374,602	377,276	426,431	384,043	299,706	279,595	4,033,762
Industrial	GSLD	.03890	117,260	129,215	98,854	143,026	133,727	258,792	267,278	218,391	269,725	221,570	205,181	217,232	2,280,251
Outside Lighting Private	OL,OL-2	.03391	10,521	10,702	10,658	10,814	10,835	10,884	10,881	10,783	11,092	11,090	11,042	10,937	130,239
Street Lighting-Public	SL-1, 2, 3	.03427	3,435	3,433	3,436	3,428	3,426	3,426	3,426	3,428	3,428	3,424	3,420	3,421	41,131
Total Fuel Revenues			1,190,635	1,125,667	945,185	973,939	970,669	1,259,637	1,410,988	1,361,177	1,525,422	1,291,025	1,030,191	1,159,189	14,243,724
Non-Fuel Revenues			708,456	676,526	605,367	605,277	597,838	703,050	755,997	742,933	801,276	716,784	623,177	680,232	8,216,913
Total Sales Revenue			1,899,091	1,802,193	1,550,552	1,579,216	1,568,507	1,962,687	2,166,985	2,104,110	2,326,698	2,007,809	1,653,368	1,839,421	22,460,637
KWH Sales:															
Residential	RS		14,699,412	13,241,992	10,725,951	9,273,447	9,166,093	12,334,156	14,525,389	14,461,641	15,623,521	12,666,999	9,617,090	12,680,293	149,015,984
Commercial, Small	GS		2,611,855	2,339,268	2,057,267	2,012,457	2,056,748	2,547,463	2,852,934	2,837,938	3,136,405	2,785,201	2,153,273	2,239,148	29,629,957
Commercial, Large	GSD		7,484,335	7,435,539	6,742,793	7,949,456	8,163,218	8,283,298	9,118,761	9,183,850	10,380,391	9,348,562	7,295,582	6,806,048	98,191,833
Industrial	GSLD		3,014,244	3,321,532	2,541,104	3,676,580	3,437,540	6,652,404	6,870,544	5,613,872	6,933,480	5,695,604	5,274,316	5,584,092	58,615,312
Outside Lighting-Private	OL,OL-2		312,310	315,682	314,383	318,993	319,618	321,069	320,962	318,116	327,179	327,128	325,705	322,611	3,843,756
Street Lighting-Public	SL-1, 2, 3		100,260	100,195	100,276	100,040	99,976	99,976	99,984	100,027	100,029	99,920	99,818	99,818	1,200,319
Total KWH Sales			28,222,416	26,754,208	22,481,774	23,330,973	23,243,193	30,238,366	33,788,574	32,515,444	36,501,005	30,923,414	24,765,784	27,732,010	340,497,161
True-up Calculation:															to Date
Fuel Revenues			1,190,635	1,125,667	945,185	973,939	970,669	1,259,637	1,410,988	1,361,177	1,525,422	1,291,025	1,030,191	1,159,189	14,243,724
True-up Provision for the Period - collect/(refund)			80,582	80,579	80,579	80,579	80,579	80,579	80,579	80,579	80,579	80,579	80,579	80,579	966,951
Gross Receipts Tax Refund			0	0	0	0	0	0	0	0	0	0	0	0	0
Fuel Revenue			1,110,053	1,045,088	864,606	893,360	890,090	1,179,058	1,330,409	1,280,598	1,444,843	1,210,446	949,612	1,078,610	13,276,773
Total Purchased Power Costs			1,177,878	1,010,806	1,063,368	880,335	1,144,528	1,264,405	1,332,985	1,384,140	1,324,798	1,102,489	1,034,917	1,269,535	13,990,184
True-up Provision for the Period			(67,825)	34,282	(198,762)	13,025	(254,438)	(85,347)	(2,576)	(103,542)	120,045	107,957	(85,305)	(190,925)	(713,411)
Interest Provision for the Period			(1,937)	(1,929)	(2,042)	(2,200)	(2,414)	(2,772)	(2,839)	(2,923)	(2,806)	(2,328)	(2,145)	(2,427)	(28,762)
True-up and Interest Provision															
Beginning of Period			(966,951)	(956,131)	(843,199)	(963,424)	(872,020)	(1,048,293)	(1,055,833)	(980,669)	(1,006,555)	(808,737)	(622,529)	(629,400)	(966,951)
True-up Collected or (Refunded)			80,582	80,579	80,579	80,579	80,579	80,579	80,579	80,579	80,579	80,579	80,579	80,579	966,951
End of Period, Net True-up			(956,131)	(843,199)	(963,424)	(872,020)	(1,048,293)	(1,055,833)	(980,669)	(1,006,555)	(808,737)	(622,529)	(629,400)	(742,173)	(742,173)
10% Rule - Interest Provision:															-5.35%
Beginning True-up Amount			(966,951)	(956,131)	(843,199)	(963,424)	(872,020)	(1,048,293)	(1,055,833)	(980,669)	(1,006,555)	(808,737)	(622,529)	(629,400)	
Ending True-up Amount Before Interest			(954,194)	(841,270)	(961,382)	(869,820)	(1,045,879)	(1,053,061)	(977,830)	(1,003,632)	(805,931)	(620,201)	(627,255)	(739,746)	
Total Beginning and Ending True-up			(1,921,145)	(1,797,401)	(1,804,581)	(1,833,244)	(1,917,899)	(2,101,354)	(2,033,663)	(1,984,301)	(1,812,486)	(1,428,938)	(1,249,784)	(1,369,146)	
Average True-up Amount			(960,573)	(898,701)	(902,291)	(916,622)	(958,950)	(1,050,677)	(1,016,832)	(992,151)	(906,243)	(714,469)	(624,892)	(684,573)	
Average Annual Interest Rate			2.4200%	2.5750%	2.7150%	2.8800%	3.0200%	3.1650%	3.3500%	3.5350%	3.7150%	3.9100%	4.1200%	4.2550%	
Monthly Average Interest Rate			0.2017%	0.2146%	0.2263%	0.2400%	0.2517%	0.2638%	0.2792%	0.2946%	0.3096%	0.3258%	0.3433%	0.3546%	
Interest Provision			(1,937)	(1,929)	(2,042)	(2,200)	(2,414)	(2,772)	(2,839)	(2,923)	(2,806)	(2,328)	(2,145)	(2,427)	

Exhibit No._____
DOCKET NO. 060001-EI
Florida Public Utilities Company
(CMM-1)
Page 1 of 4

FLORIDA PUBLIC UTILITIES COMPANY

CALCULATION OF PURCHASED POWER COSTS AND CALCULATION OF TRUE-UP AND INTEREST PROVISION-EXCLUDING GSLD

ESTIMATED FOR THE PERIOD: JANUARY 2005 THROUGH DECEMBER 2005

BASED ON TWELVE MONTHS ACTUAL

(EXCLUDES LINE LOSS , EXCLUDES TAXES)

FERNANDINA BEACH

	ACTUAL Jan 2005	ACTUAL Feb 2005	ACTUAL Mar 2005	ACTUAL Apr 2005	ACTUAL May 2005	ACTUAL Jun 2005	ACTUAL Jul 2005	ACTUAL Aug 2005	ACTUAL Sep 2005	ACTUAL Oct 2005	ACTUAL Nov 2005	ACTUAL Dec 2005	Total
Total System Sales - KWH	38,435,133	37,482,125	41,924,283	32,492,332	34,563,097	42,086,005	46,659,742	45,629,714	50,809,540	44,183,448	35,820,596	34,061,846	484,147,861
JSC Purchases - KWH	650,000	510,000	140,000	270,000	740,000	130,000	130,000	420,000	420,000	270,000	180,000	440,000	4,300,000
JEA Purchases - KWH	38,662,814	33,573,870	44,165,990	31,057,443	39,328,586	47,166,402	46,443,655	54,145,245	47,029,236	41,188,279	35,714,526	36,894,031	495,370,077
System Billing Demand - KW	85,658	72,710	97,037	53,850	86,374	96,096	87,629	86,822	76,698	73,875	74,368	74,323	965,440
Purchased Power Rates:													
CCA Fuel Costs - $/KWH	0.018700	0.018700	0.018700	0.018700	0.018700	0.018700	0.018700	0.018700	0.018700	0.018700	0.018700	0.018700	
Base Fuel Costs - $/KWH	0.01786	0.01786	0.01786	0.01786	0.01786	0.01786	0.01786	0.01786	0.01786	0.01786	0.01786	0.01786	
Fuel Adjustment - $/KWH	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	
Demand and Non-Fuel:													
Demand Charge - $/KW	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	
Customer Charge - $	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	
Energy Charge (Excl. Fuel) $/KWH	0.00164	0.00164	0.00164	0.00164	0.00164	0.00164	0.00164	0.00164	0.00164	0.00164	0.00164	0.00164	
Purchased Power Costs: CCA Fuel Costs	12,155	9,537	2,618	5,049	13,838	2,431	2,431	7,854	7,854	5,049	3,366	8,228	80,410
JEA Base Fuel Costs	690,518	599,629	788,805	554,686	702,409	842,392	829,484	967,034	839,942	735,623	637,861	658,927	8,847,310
JEA Fuel Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal Fuel Costs	702,673	609,166	791,423	559,735	716,247	844,823	831,915	974,888	847,796	740,672	641,227	667,155	8,927,720
Demand and Non-Fuel Cos Demand Charge	513,948	436,260	582,222	323,100	518,243	576,576	525,773	520,932	460,188	443,249	446,208	445,939	5,792,638
Customer Charge	225	225	225	225	225	225	225	225	225	225	225	225	2,700
Energy Charge	63,407	55,061	72,432	50,934	64,499	77,353	76,168	88,798	77,128	67,549	58,572	60,506	812,407
Subtotal Demand & Non-Fuel Costs	577,580	491,546	654,879	374,259	582,967	654,154	602,166	609,955	537,541	511,023	505,005	506,670	6,607,745
Total System Purchased Power Costs	1,280,253	1,100,712	1,446,302	933,994	1,299,214	1,498,977	1,434,081	1,584,843	1,385,337	1,251,695	1,146,232	1,173,825	15,535,465
Less Direct Billing To GSLD Class: Demand	20,754	152,190	233,501	90,663	146,671	142,932	67,294	82,992	70,298	97,783	143,686	47,516	1,296,280
Commodity	191,906	167,508	355,124	182,905	220,712	251,958	185,335	230,314	243,379	244,563	250,149	182,138	2,705,991
Net Purchased Power Costs	1,067,593	781,014	857,677	660,426	931,831	1,104,087	1,181,452	1,271,537	1,071,660	909,349	752,397	944,171	11,533,194
Special Costs	2,971	2,248	24,866	14,714	12,805	10,979	7,010	5,916	25,438	(3,711)	14,343	5,617	123,196
Total Costs and Charges	1,070,564	783,262	882,543	675,140	944,636	1,115,066	1,188,462	1,277,453	1,097,098	905,638	766,740	949,788	11,656,390
Sales Revenues - Fuel Adjustment Revenues:													
RS 0.03636	623,647	645,676	501,300	479,935	425,606	635,120	819,765	752,817	876,592	660,439	407,574	504,418	7,332,889
GS 0.03517	87,028	80,721	73,902	75,245	74,581	91,358	110,206	105,988	121,464	99,907	71,820	77,145	1,069,365
GSD 0.03403	233,964	226,260	209,113	219,920	235,884	248,743	298,865	276,967	326,920	283,672	214,700	218,117	2,993,125
GSLD 0.03330	73,258	75,541	67,830	47,132	87,930	66,560	93,377	71,136	93,400	83,153	73,104	78,115	910,536
OL 0.02559	2,556	2,538	2,536	2,616	2,551	2,506	2,550	2,568	2,622	2,569	2,487	2,640	30,739
SL,CSL 0.02582	1,425	1,696	1,692	1,692	1,692	1,692	1,692	1,692	1,473	1,645	1,671	1,693	19,755
Total Fuel Revenues (Excl. GSLD1)	1,021,878	1,032,432	856,373	826,540	828,244	1,045,979	1,326,455	1,211,168	1,422,471	1,131,385	771,356	882,128	12,356,409
GSLD1 Fuel Revenues	212,660	319,698	588,625	273,568	367,383	394,890	252,629	313,306	313,677	342,346	393,835	229,654	4,002,271
Non-Fuel Revenues	726,721	752,105	704,862	649,381	650,897	750,567	844,849	823,875	828,568	776,748	703,876	654,799	8,867,248
Total Sales Revenue	1,961,259	2,104,235	2,149,860	1,749,489	1,846,524	2,191,436	2,423,933	2,348,349	2,564,716	2,250,479	1,869,067	1,766,581	25,225,928
KWH Sales: RS	17,141,494	17,753,868	13,785,680	13,196,447	11,704,138	17,465,742	22,543,390	20,704,341	23,271,761	18,161,951	12,042,634	13,872,361	201,643,807
GS	2,474,181	2,294,844	2,101,029	2,139,168	2,120,301	2,597,256	3,133,115	3,013,195	3,314,635	2,842,901	2,180,860	2,194,493	30,405,978
GSD	6,893,606	6,649,733	6,145,735	6,463,381	6,932,560	7,310,488	8,783,547	8,139,819	9,250,967	8,337,070	6,667,088	6,410,147	87,984,141
GSLD	2,200,220	2,268,760	2,037,180	1,415,560	2,640,840	1,999,040	2,804,460	2,136,460	2,696,140	2,497,380	2,304,600	2,346,060	27,346,700
GSLD1	9,560,000	8,350,000	17,690,000	9,110,000	11,000,000	12,550,000	9,230,000	11,470,000	12,120,000	12,180,000	12,460,000	9,070,000	134,790,000
OL	99,934	99,222	99,144	102,261	99,743	97,964	99,715	100,384	99,855	100,449	99,838	103,209	1,201,718
SL,CSL	65,698	65,698	65,515	65,515	65,515	65,515	65,515	65,515	56,182	63,697	65,576	65,576	775,517
Total KWH Sales	38,435,133	37,482,125	41,924,283	32,492,332	34,563,097	42,086,005	46,659,742	45,629,714	50,809,540	44,183,448	35,820,596	34,061,846	484,147,861
True-up Calculation (Excl. GSLD1):													
Fuel Revenues	1,021,878	1,032,432	856,373	826,540	828,244	1,045,979	1,326,455	1,211,168	1,422,471	1,131,385	771,356	882,128	12,356,409
True-up Provision - collect/(refund)	34,584	34,589	34,589	34,589	34,589	34,589	34,589	34,589	34,589	34,589	34,589	34,589	415,063
Gross Receipts Tax Refund	0	0	0	0	0	0	0		0				0
Fuel Revenue	987,294	997,843	821,784	791,951	793,655	1,011,390	1,291,866	1,176,579	1,387,882	1,096,796	736,767	847,539	11,941,346
Net Purchased Power and Other Fuel Costs	1,070,564	783,262	882,543	675,140	944,636	1,115,066	1,188,462	1,277,453	1,097,098	905,638	766,740	949,788	11,656,390
True-up Provision for the Period	(83,270)	214,581	(60,759)	116,811	(150,981)	(103,676)	103,404	(100,874)	290,784	191,158	(29,973)	(102,249)	284,956
Interest Provision for the Period	(886)	(730)	(519)	(401)	(378)	(642)	(585)	(513)	(140)	750	1,189	1,120	(1,735)
Beginning of Period True-up and Interest Provision	(415,063)	(464,635)	(216,195)	(242,884)	(91,885)	(208,655)	(278,384)	(140,976)	(207,774)	117,459	343,956	349,761	(415,063)
True-up Collected or (Refunded)	34,584	34,589	34,589	34,589	34,589	34,589	34,589	34,589	34,589	34,589	34,589	34,589	415,063
End of Period, Net True-up and Int. Prov.	(464,635)	(216,195)	(242,884)	(91,885)	(208,655)	(278,384)	(140,976)	(207,774)	117,459	343,956	349,761	283,221	283,221
Beginning True-up Amount	(415,063)	(464,635)	(216,195)	(242,884)	(91,885)	(208,655)	(278,384)	(140,976)	(207,774)	117,459	343,956	349,761	
Ending True-up Amount Before Interest	(463,749)	(215,465)	(242,365)	(91,484)	(208,277)	(277,742)	(140,391)	(207,261)	117,599	343,206	348,572	282,101	10% Rule Interest Provision: 1.82%
Total Beginning and Ending True-up	(878,812)	(680,100)	(458,560)	(334,368)	(300,162)	(486,397)	(418,775)	(348,237)	(90,175)	460,665	692,528	631,862	
Average True-up Amount	(439,406)	(340,050)	(229,280)	(167,184)	(150,081)	(243,199)	(209,388)	(174,119)	(45,088)	230,333	346,264	315,931	
Average Annual Interest Rate	2.4200%	2.5750%	2.7150%	2.8800%	3.0200%	3.1650%	3.3500%	3.5350%	3.7150%	3.9100%	4.1200%	4.2550%	
Interest Provision	(886)	(730)	(519)	(401)	(378)	(642)	(585)	(513)	(140)	750	1,189	1,120	

Exhibit No._____
DOCKET NO. 060001-EI
Florida Public Utilities Company
(CMM-1)
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FLORIDA PUBLIC UTILITIES COMPANY
CALCULATION OF PURCHASED POWER COSTS AND
CALCULATION OF TRUE-UP AND INTEREST PROVISION
ESTIMATED FOR THE PERIOD: JANUARY 2005 - DECEMBER 2005
BASED ON SIX MONTHS ACTUAL & SIX MONTHS ESTIMATED

MARIANNA DIVISION			ACTUAL JANUARY 2005	ACTUAL FEBRUARY 2005	ACTUAL MARCH 2005	ACTUAL APRIL 2005	ACTUAL MAY 2005	ACTUAL JUNE 2005	Estimated JULY 2005	Estimated AUGUST 2005	Estimated SEPTEMBER 2005	Estimated OCTOBER 2005	Estimated NOVEMBER 2005	Estimated DECEMBER 2005	Total
Total System Sales - KWH			28,222,416	26,754,208	22,481,774	23,330,973	23,243,193	30,238,366	28,977,752	29,324,962	31,065,138	25,501,406	22,559,118	27,796,413	319,495,719
Total System Purchases - KWH			27,794,029	23,988,374	25,546,038	22,852,635	28,327,877	33,114,132	33,121,000	33,453,000	29,864,000	25,979,000	24,267,000	29,408,000	337,715,085
System Billing Demand - KW			73,868	61,810	61,083	44,904	65,553	67,645	66,500	63,500	59,600	52,400	49,600	61,200	727,663
Purchased Power Rates:															
Base Fuel Costs - $/KWH			0.02240	0.02240	0.02240	0.02240	0.02240	0.02240	0.02240	0.02240	0.02240	0.02240	0.02240	0.02240	
Demand and Non-Fuel:															
Demand Charge - $/KW			6.95	6.95	6.95	6.95	6.95	6.95	6.95	6.95	6.95	6.95	6.95	6.95	
Customer Charge - $			660.00	660.00	660.00	660.00	660.00	660.00	550.00	550.00	550.00	550.00	550.00	550.00	
Transformation Charge			37,211	37,211	37,211	37,211	37,211	37,211	31,979	31,979	31,979	31,979	31,979	31,979	
Purchased Power Costs:															
Base Fuel Costs			622,586	537,340	572,231	511,899	634,544	741,757	741,910	749,347	668,954	581,930	543,581	658,739	7,564,818
Subtotal Fuel Costs			622,586	537,340	572,231	511,899	634,544	741,757	741,910	749,347	668,954	581,930	543,581	658,739	7,564,818
Demand and Non-Fuel Costs:															
Demand Charge			513,382	429,579	424,527	312,083	455,593	470,133	462,175	441,325	414,220	364,180	344,720	425,340	5,057,257
Customer Charge			660	660	660	660	660	660	550	550	550	550	550	550	7,260
Equipment Rental & Other			3,768	3,768	3,768	3,768	3,768	3,768							22,608
Transformation Charge			37,211	37,211	37,211	37,211	37,211	37,211	31,979	31,979	31,979	31,979	31,979	31,979	415,140
Subtotal Demand & Non-Fuel Costs			555,021	471,218	466,166	353,722	497,232	511,772	494,704	473,854	446,749	396,709	377,249	457,869	5,502,265
Total System Purchased Power Costs			1,177,607	1,008,558	1,038,397	865,621	1,131,776	1,253,529	1,236,614	1,223,201	1,115,703	978,639	920,830	1,116,608	13,067,083
Special Costs (less 25% disallowed surcharge)			271	2,248	24,971	14,714	12,752	10,876	(13,778)						52,054
Total Costs and Charges			1,177,878	1,010,806	1,063,368	880,335	1,144,528	1,264,405	1,222,836	1,223,201	1,115,703	978,639	920,830	1,116,608	13,119,137
Sales Revenues - Fuel Adjustment Revenues															
Residential	RS	0.04352	639,679	576,275	466,779	403,568	398,894	536,715	597,225	604,381	640,246	525,579	464,939	572,878	6,427,158
Commercial	GS	0.04300	112,281	100,587	88,461	86,535	88,439	109,538	116,588	117,985	124,986	102,601	90,763	111,835	1,250,599
Commercial	GSD	0.04108	307,459	305,455	276,997	326,568	335,348	340,282	397,542	402,306	426,179	349,851	309,486	381,336	4,158,809
Industrial	GSLD	0.03890	117,260	129,215	98,854	143,026	133,727	258,792	93,477	94,597	100,211	82,263	72,772	89,666	1,413,860
Residential	OL,OL-2	0.03391	10,521	10,702	10,658	10,814	10,835	10,884	11,872	12,014	12,727	10,448	9,242	11,388	132,105
Other	SL-1,SL-2,SL-3	0.03427	3,435	3,433	3,436	3,428	3,426	3,426	3,873	3,919	4,152	3,408	3,015	3,715	42,666
Total Fuel Revenues			1,190,635	1,125,667	945,185	973,939	970,669	1,259,637	1,220,577	1,235,202	1,308,501	1,074,150	950,217	1,170,818	13,425,197
Non-Fuel Revenues			708,456	676,526	605,367	605,277	597,838	703,050	617,923	614,286	630,190	567,745	519,971	608,513	7,455,142
Total Sales Revenue			1,899,091	1,802,193	1,550,552	1,579,216	1,568,507	1,962,687	1,838,500	1,849,488	1,938,691	1,641,895	1,470,188	1,779,331	20,880,339
KWH Sales:															
Residential	RS		14,699,412	13,241,992	10,725,951	9,273,447	9,166,093	12,334,156	13,723,008	13,887,437	14,711,533	12,076,714	10,683,332	13,163,561	147,686,636
Commercial	GS		2,611,855	2,339,268	2,057,267	2,012,457	2,056,748	2,547,463	2,711,345	2,743,832	2,906,654	2,386,075	2,110,776	2,600,811	29,084,550
Commercial	GSD		7,484,335	7,435,539	6,742,793	7,949,456	8,163,218	8,283,298	9,677,271	9,793,224	10,374,365	8,516,328	7,533,735	9,282,757	101,236,319
Industrial	GSLD		3,014,244	3,321,532	2,541,104	3,676,580	3,437,540	6,652,404	2,403,010	2,431,802	2,576,108	2,114,730	1,870,738	2,305,046	36,344,838
Residential	OL,OL-2		312,310	315,682	314,383	318,993	319,618	321,069	350,106	354,301	375,326	308,105	272,557	335,833	3,898,284
Other	SL-1,SL-2,SL-3		100,260	100,195	100,276	100,040	99,976	99,976	113,012	114,366	121,153	99,454	87,980	108,405	1,245,092
Total KWH Sales			28,222,416	26,754,208	22,481,774	23,330,973	23,243,193	30,238,366	28,977,752	29,324,962	31,065,138	25,501,406	22,559,118	27,796,413	319,495,720
True-up Calculation:															to Date
Fuel Revenues			1,190,635	1,125,667	945,185	973,939	970,669	1,259,637	1,220,577	1,235,202	1,308,501	1,074,150	950,217	1,170,818	13,425,197
True-up Provision		DIVIDED BY 12	80,582	80,579	80,579	80,579	80,579	80,579	80,579	80,579	80,579	80,579	80,579	80,579	966,951
Gross Receipts Tax Refund			0	0				0	0	0	0	0	0	0	0
Fuel Revenue			1,110,053	1,045,088	864,606	893,360	890,090	1,179,058	1,139,998	1,154,623	1,227,922	993,571	869,638	1,090,239	12,458,246
Total Purchased Power Costs			1,177,878	1,010,806	1,063,368	880,335	1,144,528	1,264,405	1,222,836	1,223,201	1,115,703	978,639	920,830	1,116,608	13,119,137
True-up Provision for the Period			(67,825)	34,282	(198,762)	13,025	(254,438)	(85,347)	(82,838)	(68,578)	112,219	14,932	(51,192)	(26,369)	(660,891)
Interest Provision for the Period			(1,937)	(1,929)	(2,042)	(2,200)	(2,414)	(2,772)	(2,788)	(2,783)	(2,520)	(2,146)	(1,987)	(1,882)	(27,400)
True-up and Interest Provision															
Beginning of Period			(966,951)	(956,131)	(843,199)	(963,424)	(872,020)	(1,048,293)	(1,055,833)	(1,060,880)	(1,051,662)	(861,384)	(768,019)	(740,619)	(966,951)
True-up Collected or (Refunded)			80,582	80,579	80,579	80,579	80,579	80,579	80,579	80,579	80,579	80,579	80,579	80,579	966,951
End of Period, Net True-up			(956,131)	(843,199)	(963,424)	(872,020)	(1,048,293)	(1,055,833)	(1,060,880)	(1,051,662)	(861,384)	(768,019)	(740,619)	(688,291)	(688,291)
10% Rule - Interest Provision															
Beginning True-up Amount			(966,951)	(956,131)	(843,199)	(963,424)	(872,020)	(1,048,293)	(1,055,833)	(1,060,880)	(1,051,662)	(861,384)	(768,019)	(740,619)	
Ending True-up Amount Before Interest			(954,194)	(841,270)	(961,382)	(869,820)	(1,045,879)	(1,053,061)	(1,058,092)	(1,048,879)	(858,864)	(765,873)	(738,632)	(686,409)	
Total Beginning and Ending True-up			(1,921,145)	(1,797,401)	(1,804,581)	(1,833,244)	(1,917,899)	(2,101,354)	(2,113,925)	(2,109,759)	(1,910,526)	(1,627,257)	(1,506,651)	(1,427,028)	
Average True-up Amount			(960,573)	(898,701)	(902,291)	(916,622)	(958,950)	(1,050,677)	(1,056,963)	(1,054,880)	(955,263)	(813,629)	(753,326)	(713,514)	
Average Annual Interest Rate			2.4200%	2.5750%	2.7150%	2.8800%	3.0200%	3.1650%	3.1650%	3.1650%	3.1650%	3.1650%	3.1650%	3.1650%	
Monthly Average Interest Rate			0.2017%	0.2146%	0.2263%	0.2400%	0.2517%	0.2638%	0.2638%	0.2638%	0.2638%	0.2638%	0.2638%	0.2638%	
Interest Provision			(1,937)	(1,929)	(2,042)	(2,200)	(2,414)	(2,772)	(2,788)	(2,783)	(2,520)	(2,146)	(1,987)	(1,882)	

FLORIDA PUBLIC UTILITIES COMPANY

CALCULATION OF PURCHASED POWER COSTS AND CALCULATION OF TRUE-UP AND INTEREST PROVISION-EXCLUDING GSLD1 - Revised

ESTIMATED FOR THE PERIOD: JANUARY 2005 THROUGH DECEMBER 2005

BASED ON SIX MONTHS ACTUAL AND SIX MONTHS ESTIMATED

(EXCLUDES LINE LOSS, EXCLUDES TAXES)

FERNANDINA BEACH

		ACTUAL JAN 2005	ACTUAL FEB 2005	ACTUAL MAR 2005	ACTUAL APR 2005	ACTUAL MAY 2005	ACTUAL JUN 2005	Estimated JUL 2005	Estimated AUG 2005	Estimated SEPT 2005	Estimated OCT 2005	Estimated NOV 2005	Estimated DEC 2005	Total
Total System Sales - KWH		38,435,133	37,482,125	41,924,283	32,492,332	34,563,097	42,086,005	47,921,796	49,691,235	44,127,598	34,833,530	28,055,062	42,055,810	473,668,006
JSC Purchases - KWH		650,000	510,000	140,000	270,000	740,000	130,000	367,098	234,945	271,200	245,987	189,564	345,765	4,094,559
JEA Purchases - KWH		38,662,814	33,573,870	44,165,990	31,057,443	39,328,586	47,166,402	47,554,698	49,456,290	43,856,398	34,587,543	27,865,498	41,710,045	478,985,577
System Billing Demand - KW		85,658	72,710	97,037	53,850	86,374	96,096	109,453	110,567	81,095	67,342	62,784	74,567	997,533
Purchased Power Rates:														
CCA Fuel Costs - $/KWH		0.018700	0.018700	0.018700	0.018700	0.018700	0.018700	0.018700	0.018700	0.018700	0.018700	0.018700	0.018700	
Base Fuel Costs - $/KWH		0.01786	0.01786	0.01786	0.01786	0.01786	0.01786	0.01845	0.01845	0.01845	0.01845	0.01845	0.01845	
Fuel Adjustment - $/KWH		0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	
Demand and Non-Fuel:														
Demand Charge - $/KW		6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	
Customer Charge - $		225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	
Energy Charge (Excl. Fuel) $/KWH		0.00164	0.00164	0.00164	0.00164	0.00164	0.00164	0.00105	0.00105	0.00105	0.00105	0.00105	0.00105	
Purchased Power Costs:	CCA Fuel Costs	12,155	9,537	2,618	5,049	13,838	2,431	6,865	4,393	5,071	4,600	3,545	6,466	76,568
	JEA Base Fuel Costs	690,518	599,629	788,805	554,686	702,409	842,392	877,384	912,469	809,151	638,140	642,782	640,886	8,699,251
	JEA Fuel Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0
	Subtotal Fuel Costs	702,673	609,166	791,423	559,735	716,247	844,823	884,249	916,862	814,222	642,740	646,327	647,352	8,775,819
Demand and Non-Fuel Costs:	Demand Charge	513,948	436,260	582,222	323,100	518,244	576,576	656,716	663,401	486,569	404,051	376,703	447,401	5,985,191
	Customer Charge	225	225	225	225	225	225	225	225	225	225	225	225	2,700
	Energy Charge	63,407	55,061	72,432	50,934	64,499	77,353	49,932	51,929	46,049	36,317	29,259	43,796	640,968
Subtotal Demand & Non-Fuel Costs		577,580	491,546	654,879	374,259	582,968	654,154	706,873	715,555	532,843	440,593	406,187	491,422	6,628,859
Total System Purchased Power Costs		1,280,253	1,100,712	1,446,302	933,994	1,299,215	1,498,977	1,591,122	1,632,417	1,347,065	1,083,333	1,052,514	1,138,774	15,404,678
Less Direct Billing To GSLD Class:	Demand	20,754	152,190	233,501	90,663	146,671	142,932	132,870	132,870	132,870	132,870	132,870	132,870	1,583,931
	Commodity	191,906	167,508	355,124	182,905	220,712	251,958	212,079	212,079	212,079	212,079	212,079	212,079	2,642,587
Net Purchased Power Costs		1,067,593	781,014	857,677	660,426	931,832	1,104,087	1,246,173	1,287,468	1,002,116	738,384	707,565	793,825	11,178,160
Special Costs		2,971	2,248	24,866	14,714	12,805	10,979	(19,826)						48,757
Total Costs and Charges		1,070,564	783,262	882,543	675,140	944,637	1,115,066	1,226,347	1,287,468	1,002,116	738,384	707,565	793,825	11,226,917
Sales Revenues - Fuel Adjustments Revenue														
RS	.03636	623,647	645,676	501,300	479,935	425,606	635,120	751,068	778,800	691,602	545,938	439,701	659,131	7,177,524
GS	.03517	87,028	80,721	73,902	75,245	74,581	91,358	113,864	118,068	104,849	82,766	66,660	99,926	1,068,968
GSD	.03403	233,964	226,260	209,113	219,920	235,884	248,743	358,734	371,980	330,332	260,758	210,015	314,823	3,220,526
GSLD	.03330	73,258	75,541	67,830	47,132	87,930	66,560	38,222	39,635	35,198	27,784	22,376	33,543	615,009
OL	.02559	2,556	2,538	2,536	2,616	2,551	2,506	3,317	3,439	3,054	2,411	1,942	2,911	32,377
SL,CSL	.02582	1,425	1,696	1,692	1,692	1,692	1,692	2,179	2,260	2,007	1,584	1,276	1,913	21,108
Total Fuel Revenues (Excl. GSLD1)		1,021,878	1,032,432	856,373	826,540	828,244	1,045,979	1,267,384	1,314,182	1,167,042	921,241	741,970	1,112,247	12,135,512
GSLD1 Fuel Revenues		212,660	319,698	588,625	273,568	367,383	394,890	344,949	344,949	344,949	344,949	344,949	344,949	4,226,518
Non-Fuel Revenues		726,721	752,105	704,862	649,381	650,897	750,567	465,197	420,779	747,265	536,365	630,569	627,274	7,661,982
Total Sales Revenue		1,961,259	2,104,235	2,149,860	1,749,489	1,846,524	2,191,436	2,077,530	2,079,910	2,259,256	1,802,555	1,717,488	2,084,470	24,024,012
KWH Sales:	RS	17,141,494	17,753,868	13,785,680	13,196,447	11,704,138	17,465,742	20,656,424	21,419,131	19,020,956	15,014,799	12,092,979	18,127,924	197,379,582
	GS	2,474,181	2,294,844	2,101,029	2,139,168	2,120,301	2,597,256	3,237,534	3,357,075	2,981,203	2,353,308	1,895,363	2,841,235	30,392,497
	GSD	6,893,606	6,649,733	6,145,735	6,463,381	6,932,560	7,310,488	10,541,707	10,930,943	9,707,069	7,662,586	6,171,477	9,251,323	94,660,608
	GSLD	2,200,220	2,268,760	2,037,180	1,415,560	2,640,840	1,999,040	1,147,803	1,190,255	1,056,987	834,364	671,944	1,007,298	18,470,251
	GSLD1	9,560,000	8,350,000	17,690,000	9,110,000	11,000,000	12,550,000	12,124,300	12,571,900	11,164,300	8,812,900	7,098,000	10,640,200	130,671,600
	OL	99,934	99,222	99,144	102,261	99,743	97,964	129,617	134,403	119,355	94,216	75,882	113,751	1,265,492
	SL,CSL	65,698	65,698	65,515	65,515	65,515	65,515	84,411	87,528	77,728	61,357	49,417	74,079	827,976
Total KWH Sales		38,435,133	37,482,125	41,924,283	32,492,332	34,563,097	42,086,005	47,921,796	49,691,235	44,127,598	34,833,530	28,055,062	42,055,810	473,668,006
True-up Calculation (Excl. GSLD1):														
Fuel Revenues		1,021,878	1,032,432	856,373	826,540	828,244	1,045,979	1,267,384	1,314,182	1,167,042	921,241	741,970	1,112,247	12,135,512
True-up Provision - collect/(refund)		34,584	34,589	34,589	34,589	34,589	34,589	34,589	34,589	34,589	34,589	34,589	34,589	415,063
Gross Receipts Tax Refund		0	0	0	0	0	0	0	10,222	10,224	10,224	10,224	10,224	51,118
Fuel Revenue		987,294	997,843	821,784	791,951	793,655	1,011,390	1,232,795	1,269,371	1,122,229	876,428	697,157	1,067,434	11,669,331
Net Purchased Power Costs		1,070,564	783,262	882,543	675,140	944,637	1,115,066	1,226,347	1,287,468	1,002,116	738,384	707,565	793,825	11,226,917
True-up Provision for the Period		(83,270)	214,581	(60,759)	116,811	(150,982)	(103,676)	6,448	(18,097)	120,113	138,044	(10,408)	273,609	442,414
Interest Provision for the Period		(989)	(840)	(635)	(525)	(508)	(778)	(817)	(730)	(479)	(21)	265	731	(5,326)
Beginning of Period True-Up and Interest Provision		(466,181)	(515,856)	(267,526)	(294,331)	(143,456)	(260,357)	(330,222)	(290,002)	(264,018)	(99,571)	83,265	117,935	(466,181)
True-up Collected or (Refunded)		34,584	34,589	34,589	34,589	34,589	34,589	34,589	44,811	44,813	44,813	44,813	44,813	466,181
End of Period, Net True-up and Int. Prov.		(515,856)	(267,526)	(294,331)	(143,456)	(260,357)	(330,222)	(290,002)	(264,018)	(99,571)	83,265	117,935	437,088	437,088
Beginning True-up Amount		(466,181)	(515,856)	(267,526)	(294,331)	(143,456)	(260,357)	(330,222)	(290,002)	(264,018)	(99,571)	83,265	117,935	
Ending True-up Amount Before Interest		(514,867)	(266,686)	(293,696)	(142,931)	(259,849)	(329,444)	(289,185)	(263,288)	(99,092)	83,286	117,670	436,357	
Total Beginning and Ending True-up		(981,048)	(782,542)	(561,222)	(437,262)	(403,305)	(589,801)	(619,407)	(553,290)	(363,110)	(16,285)	200,935	554,292	
Average True-up Amount		(490,524)	(391,271)	(280,611)	(218,631)	(201,653)	(294,901)	(309,704)	(276,645)	(181,555)	(8,143)	100,468	277,146	
Average Annual Interest Rate		2.4200%	2.5750%	2.7150%	2.8800%	3.0200%	3.1650%	3.1650%	3.1650%	3.1650%	3.1650%	3.1650%	3.1650%	
Monthly Average Interest Rate		0.2017%	0.2146%	0.2263%	0.2400%	0.2517%	0.2638%	0.2638%	0.2638%	0.2638%	0.2638%	0.2638%	0.2638%	
Interest Provision		(989)	(840)	(635)	(525)	(508)	(778)	(817)	(730)	(479)	(21)	265	731	