

**Ruth Nettles**

080366-GU

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**Sent:** Thursday, January 14, 2010 4:10 PM  
**To:** Filings@psc.state.fl.us  
**Subject:** Docket No. 080366-GU  
**Attachments:** 2010-01-14, 080366, Letter to T. Devlin concerning refund.pdf

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The Docket No. is 080366-GU

Petition of Florida Public Utilities Company for an Increase in Rates Charged to Natural Gas Customers

This is being filed on behalf of Florida Public Utilities Company

Total Number of Pages is 6

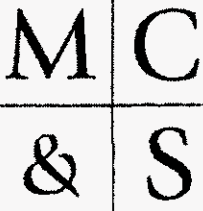
Letter to Mr. Tim Devlin on customer refund calculation.

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January 14, 2010

**VIA ELECTRONIC MAIL**

Mr. Tim Devlin Director  
Division of Economic Regulation  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

Re: Docket No. 080366-GU

Dear Mr. Devlin:

On December 28, 2009, the Commission entered Order No. PSC-09-0848-S-GU in the captioned docket approving a stipulation and settlement of the case. Since the final increase was less than the Commission had approved in the PAA order which was protested (Order No. PSC-09-0375-PAA-GU); FPUC was directed to make a refund of that amount, once calculated, to the Company's customers. The refund is to be made on customer bills in February 2010 with a report showing the calculations due 10 business days prior to the refund being made. Per the order, the report is to be filed with the Division of Economic Regulation.

Pursuant to the Order, the attached exhibits and following summary of the methodology used to calculate the refund is submitted. In order to meet the 10 business day deadline, the methodology and calculations use actual consumption for the period June 4, 2009, (the effective date of the PAA increase) through December 31, 2009 and estimated usage for January 1, 2010 through January 14, 2010 (the effective date of the final rates). The Company will not have actual consumption for the 1/1/10 to 1/14/10 period in time to comply with the 10 day filing requirement thus is using projections. However, the refunds will be based on actual consumption and a follow-up final report will be provided.

A summary of the methodology for the calculations follows:

**Methodology**

**Exhibit 1**

The customer refund calculation is based on monthly therm usage multiplied by the rate differential. Interest on the accumulated monthly refund balance is calculated using the average 30-day commercial paper rate as published in the Wall Street Journal. The amount of interest is applied to the refund amount for that month and added to the beginning balance of the following month in order to accomplish the compounding of interest.

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00363 JAN 14 09

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Mr. Tim Devlin, Director  
January 14, 2010  
Page 2

**Exhibit 2**

The dollar amount of the compounded interest is pro-rated per class per month based on the dollar amount refundable.

**Exhibit 3**

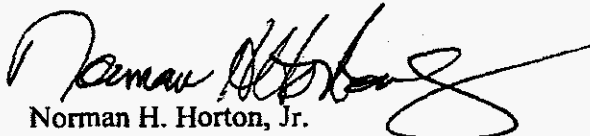
A monthly interest rate factor is calculated by class per month based on monthly consumption. The average interest rate factor is added to the term rate differential to arrive at an adjusted refund factor which inclusive of compound interest.

**Exhibit 4**

The refund calculation submitted to the Division of Economic Regulation for approval of the methodology is based on actual units for June 4, 2009 – December 31, 2009 and estimated units for the period January 1-14, 2010. The actual refund to the customers in February 2010 will be based on actual consumption for the entire period June 4, 2009 to January 14, 2010.\

Should you have any questions, please do not hesitate to contact me.

Sincerely,



Norman H. Horton, Jr.

NHH/amb  
Attachments

cc: Ralph Jaeger, Esq.  
Patricia Christensen, Esq.  
Ms. Cheryl Martin  
Mr. Clarence Prestwood  
Docket File

**Florida Public Utilities**  
 Docket No. 080366-GU  
 Consolidated Natural Gas Refund Estimate

Rate Class			1	2	3	Actual Consumption (Therms)						4	TOTAL	
			OLD	FINAL	REDUCTION	<<<<<< >>>>>>						< Estimated >		
			PAA Approved	STIPULATED	in	Pro-rated								
Rate per Therm	Rate per Therm	Therm Rate	Jun 4 - 30	Jul	Aug	Sept	Oct	Nov	Dec	Jan 1 - 14				
Residential	RS	12".4000.48001	0.51792	0.49828	0.01964	584,222	608,482	552,807	571,825	583,370	733,383	1,116,848	630,000	5,381,038
Commercial Small	GS	12".4000.48101	0.40000	0.39136	0.00864	338,133	433,296	382,264	416,194	436,713	533,011	643,917	537,419	3,720,947
Commercial Large	LV	12".4000.48111	0.36041	0.35366	0.00675	1,257,492	1,489,714	1,488,920	1,477,834	1,431,786	1,755,878	2,115,787	690,065	11,707,366
Lights	GLS	12".4000.48141	0.24623	0.24210	0.00413	32,468	34,576	33,721	33,721	33,783	33,772	33,771	12,645	248,458
CS Transportation	GSTS	12".4000.48901	0.40000	0.39136	0.00864	19,499	20,056	29,938	29,823	32,652	40,823	56,320	44,258	281,369
CL Transportation	LVTS	12".4000.48911	0.36041	0.35366	0.00675	886,812	989,990	948,026	985,298	961,683	1,048,474	1,243,318	477,806	7,541,407
Interruptible Transportation	ITS	12".4000.48921	0.23484	0.23080	0.00404	407,668	380,447	369,271	410,594	385,671	411,419	524,303	204,129	3,093,502
						<b>3,526,234</b>	<b>3,964,561</b>	<b>3,804,947</b>	<b>3,925,289</b>	<b>3,865,658</b>	<b>4,556,760</b>	<b>5,734,316</b>	<b>2,986,323</b>	<b>31,974,088</b>

Average Interest Rate (APR)	2009							2010
	Jun	July	Aug	Sept	Oct	Nov	Dec	Jan
	0.325	0.325	0.275	0.250	0.235	0.210	0.200	0.200

Rate Class			1	2	3	Estimated \$ amount refundable						TOTAL			
			OLD	FINAL	REDUCTION	Pro-rated									
			PAA Approved	STIPULATED	in	Jun 4 - 30	Jul	Aug	Sept	Oct	Nov		Dec	Est	
Rate per Therm	Rate per Therm	Therm Rate	Jun 4 - 30	Jul	Aug	Sept	Oct	Nov	Dec	Jan 1 - 14					
Residential	RS	12".4000.48001	0.51792	0.49828	0.01964	11,474	11,951	10,857	11,231	11,457	14,404	21,937	12,373	12,373	
Commercial Small	GS	12".4000.48101	0.40000	0.39136	0.00864	2,921	3,744	3,303	3,596	3,773	4,605	5,563	4,643	4,643	
Commercial Large	LV	12".4000.48111	0.36041	0.35366	0.00675	8,448	10,058	10,050	9,975	9,665	11,852	14,281	4,658	4,658	
Lights	GLS	12".4000.48141	0.24623	0.24210	0.00413	134	143	139	139	140	139	139	52	52	
CS Transportation	GSTS	12".4000.48901	0.40000	0.39136	0.00864	168	242	259	258	282	353	487	382	382	
CL Transportation	LVTS	12".4000.48911	0.36041	0.35366	0.00675	5,986	6,682	6,399	6,651	6,491	7,077	8,392	3,225	3,225	
Interruptible Transportation	ITS	12".4000.48921	0.23484	0.23080	0.00404	1,647	1,537	1,492	1,659	1,558	1,662	2,118	825	825	
						<b>30,819</b>	<b>34,354</b>	<b>32,499</b>	<b>33,508</b>	<b>33,366</b>	<b>40,093</b>	<b>52,918</b>	<b>26,159</b>	<b>283,717</b>	
Beginning cumulative balance							-	30,827	65,199	97,711	131,256	164,655	204,784	257,746	283,905
Cumulative balance outstanding							30,819	65,182	97,698	131,229	164,823	204,748	257,702	283,905	283,905
Interest on cumulative balance outstanding							8	18	22	27	32	36	43	47	234
Cumulative balance outstanding plus interest							<b>30,827</b>	<b>65,199</b>	<b>97,721</b>	<b>131,256</b>	<b>164,655</b>	<b>204,784</b>	<b>257,746</b>	<b>283,953</b>	<b>283,951</b>

Estimated amount refundable incl interest Estimated refund Jun 4, 2009 - Jan 14, 2010 \$ 283,951

- Notes:
- 1 Old rates approved at PAA hearing effective for meter reads on or after June 4, 2009.
  - 2 Final stipulated rates approved Dec 15 2009. Difference to be refunded Feb 2010.
  - 3 Annual Interest Rate: Average rate for 30-day commercial paper as reported in Wall Street Journal.
  - 4 Refund for Jan 1 - Jan 14, 2010 estimated based on budgeted therms

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Florida Public Utilities  
 Docket No. 080366-GU  
 Consolidated Natural Gas Interest Estimate  
 June 4, 2009 - Jan 14, 2010

Rate Class	PAA	Therm	Interest \$ Pro-rated												TOTAL		
			PAA		Therm	Interest \$ Pro-rated										TOTAL	
			Approved	Final Stipulated		Rate	Pro-rated	Jul	Aug	Sept	Oct	Nov	Dec	Est			
Rate per Therm	Rate per Therm	Differential	Jun 4 - 30								Jan 1/1 - 1/14						
Residential	RS	12° 4000 48001	0.51782	0.49828	0.01964	3.11	5.14	7.48	9.16	11.07	12.87	17.80	22.38	90.02			
Commercial Small	GS	12° 4000 48101	0.40000	0.39136	0.00864	0.78	1.92	2.28	2.93	3.85	4.13	4.52	8.40	28.50			
Commercial Large	LV	12° 4000 48111	0.36041	0.35386	0.00675	2.30	5.17	6.92	8.14	9.34	10.59	11.59	8.43	62.48			
Lights	GLS	12° 4000 48141	0.24823	0.24210	0.00613	0.04	0.07	0.10	0.11	0.13	0.12	0.11	0.09	0.79			
CS Transportation	GSTS	12° 4000 48901	0.40000	0.39136	0.00864	0.05	0.12	0.18	0.21	0.27	0.32	0.39	0.69	2.23			
CI Transportation	LVTIS	12° 4000 48911	0.56041	0.35366	0.00675	1.62	3.43	4.41	5.48	6.27	6.32	6.81	5.83	40.13			
Interruptible Transportation	ITS	12° 4000 48921	0.23484	0.23080	0.00404	0.45	0.79	1.03	1.35	1.51	1.49	1.72	1.49	9.82			
						8.35	17.65	22.39	27.34	32.24	35.83	42.95	47.32	234.07			

Method used to pro-rate compound interest:

Dollar amount of compounded interest allocated by class, by month based on the dollar amount of refund.

Florida Public Utilities  
 Docket No 080366-GU  
 Consolidated Natural Gas Interest per Therm  
 June 4, 2009 - January 14, 2010

Average Interest Rate (APR)	Jun 0.325	July 0.325	Aug 0.275	Sept 0.250	Oct 0.235	Nov 0.230	Dec 0.200	Jan 0.200
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Rate Class	FAA Approved	Final Stipulated	Therm Rate Differential	Interest Factor per Therm												Total Therm	Est Int \$ Refund Using Avg Factor
				Pre-rated Jun 4 - 30	Jul	Aug	Sept	Oct	Nov	Dec	Jan 1 - 14	Avg	Jun 4	Jan 14			
Residential	R5 12" 4000 448291	0.51792	0.00018	0.01964	0.000093	0.000101	0.000135	0.0002180	0.0001180	0.000178	0.000159	0.000335	0.000164	5,381,038	89		
Commercial Small	CS 12" 4000 48101	0.40000	0.09136	0.00864	0.000093	0.0000944	0.0000660	0.0000790	0.0000815	0.0000777	0.0000760	0.000156	0.000073	3,720,947	27		
Commercial Large	LV 12" 4000 48111	0.36041	0.35348	0.00675	0.000013	0.000033	0.000047	0.0000955	0.0000465	0.0000080	0.0000255	0.0000121	0.000057	11,707,366	67		
Light	GLS 12" 4000 48141	0.24423	0.24210	0.00413	0.000011	0.000071	0.0000918	0.0000234	0.0000040	0.0000037	0.0000034	0.000075	0.000038	248,458	1		
CS Transportation	GSTS 12" 4000 48901	0.40000	0.39136	0.00864	0.0000213	0.0000644	0.0000660	0.0000790	0.0000813	0.0000777	0.0000760	0.000156	0.000073	281,369	2		
CL Transportation	LSTS 12" 4000 48911	0.36041	0.35348	0.00675	0.000018	0.000035	0.000047	0.0000955	0.0000865	0.0000060	0.0000255	0.000112	0.000097	7,541,407	43		
Interruptible Transportation	ITS 12" 4000 48921	0.24484	0.23680	0.00464	0.000011	0.000021	0.0000218	0.000031	0.000039	0.000036	0.000033	0.000077	0.000034	3,093,502	11		
														<b>31,974,088</b>	<b>240</b>		

6/4/09-1/14/10	
June 4 - Jan 14	\$
REFUND RATE PER THERM	EST
(INCL COMPOUND INTEREST)	REFUND
0.019657	105,775
0.008647	32,175
0.006756	79,095
0.004333	1,017
0.006647	2,433
0.008756	50,950
0.004043	12,507
	283,962

Note: 1. Interest factor per month by class calculated by dividing the pre-rated interest by the therm usage.  
 The average therm factor for Jan - Dec added to the rate differential is determine the interest adjusted rate differential.

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## FLORIDA PUBLIC UTILITIES

Docket No. 080366-GU

Deka Therm Estimate

1/1/2010 - 1/14/2010

	<u>Budget 2010</u>				<u>Pro-rated 1/1/2010 - 1/14/2010</u>		
	121	123	Total		121	123	Total
	Dth	Dth	Dth		Dth	Dth	Dth
48001	95,000	44,500	139,500	48001	42,903	20,097	63,000
48101	92,000	27,000	119,000	48101	41,548	12,194	53,742
48111	99,500	51,000	150,500	48111	44,935	23,032	67,968
48121	2,300	-	2,300	48121	1,039	-	1,039
48141	1,400	1,400	2,800	48141	632	632	1,265
48401	-	-	-	48401	-	-	-
48901	8,700	1,100	9,800	48901	3,929	497	4,426
48911	80,800	25,000	105,800	48911	36,490	11,290	47,781
48921	35,400	9,800	45,200	48921	15,987	4,426	20,413
	<u>415,100</u>	<u>159,800</u>	<u>574,900</u>		<u>187,465</u>	<u>72,168</u>	<u>259,632</u>

\*\* 48121 Interruptible included with 48111