



Writer's Direct Dial Number: (850) 521-1706
Writer's E-Mail Address: bkeating@gunster.com

September 5, 2012

HAND DELIVERY

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

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COMMISSION
CLERK

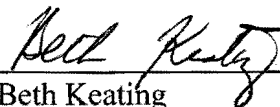
Re: Docket No. 120003-GU - **Purchased gas adjustment (PGA) true-up.**

Dear Ms. Cole:

Attached for filing, please find the original and 15 copies of a Petition for Approval of PGA Factor, accompanied by the Direct Testimony and Exhibit MDN-2 of Ms. Michelle Napier, submitted in the referenced Docket on behalf of Florida Public Utilities Company. Also enclosed for filing is a CD with the referenced documents included 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

MEK
cc: Parties of Record

COM 5
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DOCUMENT NUMBER-DATE
06002 SEP-5 2012

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Purchased Gas Adjustment) Docket No. 120003-GU
(PGA) True-Up)
_____) Filed: September 5, 2012

**PETITION FOR APPROVAL OF THE PURCHASED GAS (PGA)
FACTOR FOR FLORIDA PUBLIC UTILITIES COMPANY**

Florida Public Utilities Company ("FPUC" or "the Company") hereby files its petition for approval of its Purchased Gas Adjustment ("PGA") factor to be applied for service to be rendered during the projected period of January 1, 2013 through December 31, 2013. In support of this Petition, FPUC states:

1. The Company is a natural gas utility with its principal office located at:

Florida Public Utilities Company
1641 Worthington Road, Suite 220
West Palm Beach, Fl 33409

2. The name and mailing address of the persons authorized to receive notices are:

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

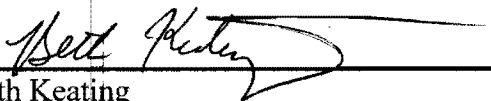
Cheryl Martin
Florida Public Utilities Company
1641 Worthington Road, Suite
220
West Palm Beach, Fl 33409

3. Pursuant to the requirements in this docket, FPUC, concurrently with the filing of this petition, files testimony and Schedules E-1, E-1R, E-2, E-3, E-4, and E-5 (Exhibit MDN-2) for its consolidated gas division to support the calculation of the PGA recovery (cap) factor for the period January 2013 through December 2013.
4. As indicated in the testimony of Ms. Michelle D. Napier, FPUC has calculated its total net true-up (including interest and applicable regulatory assessment fees) for the period January 2011 through December 2011 to be an over-recovery of \$258,415, ~~inclusive of interest~~

5. Schedule E-4 also shows the projected true-up for the current period January 2012 through December 2012 is an over-recovery of \$1,007,799, inclusive of interest.
6. The total true-up as shown on Schedule E-4 is an over-recovery of \$1,266,214, to be applied to the projected period.
7. The projected period costs include amounts associated with anticipated capacity costs for extending service to unserved areas in Nassau County. These costs are reflected in Schedules E-1 and E-3, which are incorporated in composite Exhibit MDN-2 to the Direct Testimony of Ms. Napier. The Company seeks recovery of these costs consistent with prior Commission rulings allowing recovery of similar such costs. Overall, this expansion in Nassau County will not only benefit customers that currently do not have access to gas service, but will also benefit all of FPUC's customers in that it will enable the Company to allocate fixed costs over a broader base of customers.
8. Based on the estimated therm purchases for resale during the projected period, Schedule E-1 reflects that the maximum purchased gas cost recovery factor is 93.410 cents per therm. This rate includes not only the projected cost of gas purchased, but also the prior period true-up and revenue tax factors.

WHEREFORE, FPUC respectfully requests that the Commission enter its Order approving the Company's proposed PGA cost recovery factor of 93.410 cents per therm to be applied to customer's bills for the period January 2013 through December 2013.

RESPECTFULLY SUBMITTED this 5th day of September, 2012.

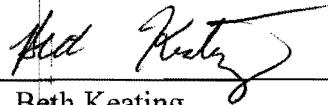


Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301
(850) 521-1706
Attorneys for Florida Public Utilities Company

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of FPUC's Petition for Approval of PGA Factor, in Docket No. 120003-GU, along with the Testimony and Exhibit of Michelle Napier, has been furnished by regular U.S. Mail to the following parties of record this 5th day of September, 2012:

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
Michael Lawson Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399	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/Kandi Floyd 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
TECO Energy, Inc. Javier Cuebas P.O. Box 111 Tampa, FL 33601-0111	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	



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

1 BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

2 In Re: Purchased Gas Adjustment (PGA) True-Up

3 DIRECT TESTIMONY OF MICHELLE D. NAPIER

4 On behalf of

5 Florida Public Utilities Company

6 DOCKET NO. 120003-GU

7 Q. Please state your name and business address.

8 A. My name is Michelle D. Napier. My business address is 1641 Worthington Road,
9 Suite 220, West Palm Beach, Florida 33409.

10 Q. By whom are you employed and in what capacity?

11 A. I am employed by Florida Public Utilities Company (FPUC) as the Senior Regulatory
12 Analyst.

13 Q. Can you please provide a brief overview of your educational and employment
14 background?

15 A. I graduated from University of South Florida in 1986 with a BS degree in Finance. I
16 have been employed with FPUC since 1987. During my employment at FPUC, I have
17 performed various roles and functions in accounting, management and most recently,
18 regulatory accounting (PGA, conservation, surveillance reports, regulatory reporting).

19 Q. Are you familiar with the Purchased Gas Adjustment (PGA) clause of the Company
20 and the associated projected and actual revenues and costs?

21 A. Yes.

22 Q. What is the purpose of your testimony in this docket?

23 A. My testimony will establish the PGA "true-up" collection amount, based on actual
24 2011 data and projected 2012 data. My testimony will describe the Company's
25 forecast of pipeline charges and commodity costs of natural gas for 2013. Finally, I

- 1 will summarize the computations that are contained in composite exhibit MDN-5
2 supporting the January through December 2013 projected PGA recovery (cap) factor
3 for the FPUC consolidated gas division.
- 4 Q. Did you complete the schedules filed by your Company?
- 5 A. Yes.
- 6 Q. Which of the Staff's set of schedules has your company completed and filed?
- 7 A. The Company has prepared and previously filed True-Up schedules A-1, A-2, A-3, A-
8 4, A-5, A-6 and A-7, in addition to filing composite exhibit MDN-2 that contains
9 Schedules E-1, E-1/R, E-2, E-3, E-4, and E-5 for the FPUC consolidated gas division.
10 These schedules support the calculation of the PGA recovery (cap) factor for January
11 through December 2013.
- 12 Q. What is the appropriate final PGA true-up amount for the period January through
13 December 2011?
- 14 A. As shown on Schedule E-4, the final PGA true-up amount for the period January
15 through December 2011 is an over-recovery of \$258,415, inclusive of interest.
- 16 Q. What is the projected PGA true-up amount for the period January through December
17 2012?
- 18 A. As also shown on Schedule E-4, the projected PGA true-up amount is an over-
19 recovery of \$1,007,799, inclusive of interest, for the period January through
20 December 2012.
- 21 Q. What is the projection period for this filing?
- 22 A. The projection period is January through December 2013.
- 23 Q. What is the total projected PGA true-up amount to be collected from or refunded to
24 customers for the period January through December 2013?
- 25 A. As shown on Schedule E-4, the total net over-recovery to be refunded for the period

1 January through December 2013 is \$1,266,214.

2 Q. Please describe how the forecasts of pipeline charges and commodity costs of gas
3 were developed for the projection period.

4 A. The purchases for the gas cost projection model are based on projected sales to
5 traditional non-transportation service customers. Florida Gas Transmission
6 Company's (FGT) FTS-1, FTS-2, NNTS-1 and ITS-1 effective charges (including
7 surcharges) and fuel rates, at the time the projections were made, were used for the
8 entire projection period. As is further explained herein, the Company has also
9 included costs related to its expansion into Nassau County. The expected costs of
10 natural gas purchased by the Company during the projection period are developed
11 using actual prices paid during relevant historical periods and the New York
12 Mercantile Exchange (NYMEX) natural gas futures pricing through the end of the
13 projection period. The forecasts of the commodity costs are then adjusted to reflect
14 the unexpected potential market increases in the projection period.

15 Q. Please describe how the forecasts of the weighted average cost of gas are developed
16 for the projection period.

17 A. The Company has forecasted the 2013 weighted average cost of gas using the
18 projected monthly pipeline demand costs, less the projected cost of capacity
19 temporarily relinquished to third parties, the projected pipeline usage and no-notice
20 costs and the projected supplier commodity costs. The sum of these costs are then
21 divided by the projected term sales to the traditional non-transportation customers
22 resulting in the projected weighted average cost of gas and ultimately the PGA
23 recovery (cap) factor, as shown on Schedule E-1. Capacity shortfall, if any, would be
24 satisfied by gas and capacity repackaged and delivered by another FGT capacity

1 holder. If other services become available and it is economic to dispatch supplies
2 under those services, the Company will utilize those services as part of its portfolio.

3 Q. What is the status of the new agreement the Company entered into with Peninsula
4 Pipeline Company, Inc. (PPC)?

5 A. In 2012, the Company entered into a new agreement with PPC, an affiliated company,
6 to construct an intrastate pipeline, in conjunction with a joint pipeline with Tampa
7 Electric Company (TECO)/Peoples Gas Systems (PGS), which will provide capacity
8 and access to gas supplies needed to serve customers in Nassau County. The
9 Commission approved this contract, and noted that FPU would seek recovery of the
10 costs of the PPC capacity, upstream interstate pipeline capacity and commodity costs
11 incurred to serve customers in Nassau County through the Company's PGA
12 mechanism, in Order No. PSC-12-0230-PAA-GU.

13 Q. Are the costs associated with the PPC agreement and the additional interstate pipeline
14 capacity and supply costs appropriate for recovery in the PGA docket?

15 A. Yes. As part of an expansion of FPUC natural gas facilities, it was necessary to obtain
16 additional interstate and intrastate pipeline capacity to serve the Nassau County
17 customers. Periodic increases or decreases to capacity are necessary, as conditions
18 warrant, and capacity changes are appropriate for recovery in the PGA. Historically,
19 the Commission has allowed recovery of similar such costs through the clause, as long
20 as it is clear that such costs are reasonable and are not already being recovered through
21 the Company's base rates.

22 The Nassau County project was not included in the Company's previous rate case.
23 Subsequent to the merger with Chesapeake Utilities Corporation, and after
24 considering several pipeline options for service to Nassau County, the Company
25 entered into an agreement with PPC to obtain the necessary intrastate pipeline

1 capacity. The PPC bid was not only lower than other bids obtained, but PPC
2 indicated it could provide service by July 2012, which best met the needs for both the
3 Company and commercial customers in Nassau County. The costs associated with
4 this new contract, which the Commission has reviewed and approved, are reasonable
5 and based on market prices.

6 Q. Have additional costs been included in the Projections for 2013?

7 A. Yes, as more specifically reflected in Schedule E-1 and E-3 of Exhibit MDN-2, the
8 Company has included Capacity cost from PPC, as well as estimated costs for
9 additional upstream capacity and supply to serve the new customers in Nassau
10 County.

11 Q. What benefits will the other customers on FPUC's natural gas system obtain from the
12 Nassau County customers?

13 A. All customers receive benefits when system expansions occur, primarily through the
14 allocation of fixed system costs to a larger customer base. Nassau County, being in
15 close proximity to Jacksonville, is expected to experience significant growth in the
16 near and long-term population forecasts. Over time, the Company believes that
17 significant customer growth will occur in the residential, commercial and small
18 industrial classifications, helping to keep overall customer rates lower.

19 Q. What is the appropriate PGA recovery (cap) factor for the period January through
20 December 2013?

21 A. As shown on Schedule E-1, the PGA recovery (cap) factor is 93.410¢ per therm for
22 the period January through December 2013.

23 Q. What should be the effective date of the PGA recovery (cap) factor for billing
24 purposes?

25 A. The PGA recovery (cap) factor should be effective for all meter readings during the

1 period of January 1, 2013 through December 31, 2013.

2 Q. Does this conclude your testimony?

3 A. Yes.

COMPANY:		PURCHASED GAS ADJUSTMENT COST RECOVERY CLAUSE CALCULATION												SCHEDULE E-1
FLORIDA PUBLIC UTILITIES COMPANY		ESTIMATED FOR THE PROJECTED PERIOD JANUARY 2013 THROUGH DECEMBER 2013												
		PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	TOTAL
		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	
COST OF GAS PURCHASED														
1	COMMODITY (Pipeline)	\$7,147	\$6,552	\$6,870	\$4,236	\$1,782	\$1,725	\$4,720	\$4,777	\$4,761	\$5,955	\$2,525	\$4,587	\$55,637
2	NO NOTICE SERVICE	\$7,235	\$5,358	\$4,763	\$3,186	\$1,351	\$1,307	\$1,339	\$1,339	\$1,284	\$2,532	\$4,120	\$5,728	\$39,542
3	SWING SERVICE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	COMMODITY (Other)	\$3,974,086	\$3,679,587	\$3,876,891	\$2,975,999	\$2,681,650	\$2,204,164	\$1,875,389	\$1,897,266	\$1,879,788	\$2,053,303	\$2,506,207	\$3,315,394	\$32,919,724
5	DEMAND	\$603,056	\$575,493	\$603,056	\$540,955	\$245,950	\$243,688	\$325,983	\$325,983	\$321,139	\$318,194	\$666,725	\$683,089	\$5,453,311
6	OTHER	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
LESS END-USE CONTRACT:														
7	COMMODITY (Pipeline)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8	DEMAND	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	COMMODITY (Other)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10	Second Prior Month Purchase Adj. (OPTIONAL)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11	TOTAL COST (1+2+3+4+5+6-10) (7+8+9)	\$4,591,524	\$4,266,990	\$4,491,580	\$3,524,376	\$2,930,733	\$2,450,884	\$2,207,431	\$2,229,365	\$2,206,972	\$2,379,984	\$3,179,577	\$4,008,798	\$38,468,214
12	NET UNBILLED	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13	COMPANY USE	\$2,700	\$2,700	\$2,500	\$2,100	\$1,000	\$900	\$900	\$900	\$900	\$900	\$1,000	\$1,000	\$17,500
14	TOTAL THERM SALES	\$4,588,824	\$4,264,290	\$4,489,080	\$3,522,276	\$2,929,733	\$2,449,984	\$2,206,531	\$2,228,465	\$2,206,072	\$2,379,084	\$3,178,577	\$4,007,798	\$38,450,714
THERMS PURCHASED														
15	COMMODITY (Pipeline)	4,893,173	4,525,345	4,785,092	3,686,944	3,178,926	2,644,052	2,300,294	2,322,918	2,301,517	2,496,494	3,020,011	3,893,502	40,048,268
16	NO NOTICE SERVICE	1,860,000	1,377,500	1,224,500	819,000	347,200	336,000	344,100	344,100	330,000	651,000	1,059,000	1,472,500	10,164,900
17	SWING SERVICE	-	-	-	-	-	-	-	-	-	-	-	-	-
18	COMMODITY (Other)	4,893,173	4,525,345	4,785,092	3,686,944	3,178,926	2,644,052	2,300,294	2,322,918	2,301,517	2,496,494	3,020,011	3,893,502	40,048,268
19	DEMAND	7,532,690	7,046,710	7,532,690	6,261,600	3,152,890	2,115,700	2,857,890	2,857,890	2,765,700	2,471,010	8,939,700	9,237,690	62,772,160
20	OTHER	-	-	-	-	-	-	-	-	-	-	-	-	-
LESS END-USE CONTRACT:														
21	COMMODITY (Pipeline)	-	-	-	-	-	-	-	-	-	-	-	-	-
22	DEMAND	-	-	-	-	-	-	-	-	-	-	-	-	-
23	COMMODITY (Other)	-	-	-	-	-	-	-	-	-	-	-	-	-
24	TOTAL PURCHASES (1+17+18+20) (21+23)	4,893,173	4,525,345	4,785,092	3,686,944	3,178,926	2,644,052	2,300,294	2,322,918	2,301,517	2,496,494	3,020,011	3,893,502	40,048,268
25	NET UNBILLED	-	-	-	-	-	-	-	-	-	-	-	-	-
26	COMPANY USE	3,375	3,287	3,113	2,604	1,233	1,052	1,073	1,095	1,116	1,139	1,162	1,185	21,432
27	TOTAL THERM SALES (For Estimated 24 - 26)	4,889,798	4,522,058	4,781,979	3,684,340	3,177,693	2,643,000	2,299,221	2,321,823	2,300,401	2,495,355	3,018,849	3,892,317	40,026,836
CENTS PER THERM														
28	COMMODITY (Pipeline) (1/15)	0.146	0.145	0.144	0.115	0.056	0.065	0.205	0.206	0.207	0.239	0.084	0.118	0.139
29	NO NOTICE SERVICE (2/16)	0.389	0.389	0.389	0.389	0.389	0.389	0.389	0.389	0.389	0.389	0.389	0.389	0.389
30	SWING SERVICE (3/17)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
31	COMMODITY (Other) (4/18)	81.217	81.311	81.020	80.717	84.357	83.363	81.528	81.676	81.676	82.247	82.987	85.152	82.200
32	DEMAND (5/19)	8.006	8.167	8.006	8.639	7.801	11.518	11.406	11.406	11.611	12.877	7.458	7.395	8.687
33	OTHER (6/20)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
LESS END-USE CONTRACT:														
34	COMMODITY Pipeline (7/21)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
35	DEMAND (8/22)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
36	COMMODITY Other (9/23)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
37	TOTAL COST OF PURCHASES (11/24)	93.835	94.291	93.866	95.591	92.193	92.694	95.963	95.973	95.892	95.333	105.284	102.961	96.055
38	NET UNBILLED (12/25)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
39	COMPANY USE (13/26)	79.993	82.149	80.317	80.650	81.109	85.550	83.872	82.228	80.615	79.035	86.094	84.406	81.652
40	TOTAL COST OF THERM SOLD (11/27)	93.900	94.359	93.927	95.658	92.228	92.731	96.008	96.018	95.939	95.377	105.324	102.993	96.106
41	TRUE-UP (REFUND)/RECOVER (E-4)	(3.163)	(3.163)	(3.163)	(3.163)	(3.163)	(3.163)	(3.163)	(3.163)	(3.163)	(3.163)	(3.163)	(3.163)	(3.163)
42	TOTAL COST OF GAS (40+41)	90.737	91.196	90.764	92.495	89.065	89.568	92.845	92.855	92.776	92.214	102.161	99.830	92.943
43	REVENUE TAX FACTOR	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503
44	PGA FACTOR ADJUSTED FOR TAXES (42+43)	91.19304	91.65473	91.22030	92.96006	89.51287	90.01822	93.31133	93.32145	93.24179	92.67693	102.67449	100.33122	93.41010
45	PGA FACTOR (ROUNDED TO NEAREST .001)	91.193	91.655	91.220	92.960	89.513	90.018	93.311	93.321	93.242	92.677	102.674	100.331	93.410

COMPANY:
FLORIDA PUBLIC UTILITIES COMPANY

**PURCHASED GAS ADJUSTMENT
COST RECOVERY CLAUSE CALCULATION
ACTUAL JANUARY 2012 THROUGH JULY 2012
ESTIMATED AUGUST 2012 THROUGH DECEMBER 2012**

SCHEDULE E-1/R

	ACTUAL		ACTUAL		ACTUAL		ACTUAL		ACTUAL		PROJECTED		PROJECTED		PROJECTED		TOTAL
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC					
COST OF GAS PURCHASED																	
1 COMMODITY (Pipeline)	\$85,236	\$22,469	\$47,888	\$251,059	\$143,405	\$87,562	\$71,413	\$5,714	\$5,569	\$5,958	\$3,687	\$5,764	\$735,722				
2 NO NOTICE SERVICE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,339	\$1,284	\$2,532	\$4,120	\$5,728	\$15,003				
3 SWING SERVICE	\$73,300	\$0	\$0	\$0	\$0	\$71,399	\$0	\$0	\$0	\$0	\$0	\$0	\$144,699				
4 COMMODITY (Other)	\$1,051,528	\$1,111,250	\$938,063	\$631,142	\$471,967	\$1,319,566	\$787,810	\$1,982,640	\$1,929,434	\$2,077,370	\$2,474,530	\$3,077,352	\$17,852,652				
5 DEMAND	\$473,281	\$435,249	\$457,017	\$392,874	\$238,713	\$233,862	\$233,589	\$169,633	\$164,162	\$160,886	\$512,099	\$529,169	\$4,000,532				
6 OTHER	\$291	\$296	\$239	\$198	\$83	\$44	\$68	\$0	\$0	\$0	\$0	\$0	\$1,219				
LESS END-USE CONTRACT:																	
7 COMMODITY (Pipeline)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				
8 DEMAND	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				
9 COMMODITY (Other)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				
10 Second Prior Month Purchase Adj. (OPTIONAL)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				
11 TOTAL COST (1+2+3+4+5+6-7-8-9)	\$1,683,635	\$1,569,263	\$1,443,206	\$1,275,272	\$854,168	\$1,712,432	\$1,092,880	\$2,159,326	\$2,100,449	\$2,246,746	\$2,994,436	\$3,618,013	\$22,749,826				
12 NET UNBILLED	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				
13 COMPANY USE	\$2,018	\$2,043	\$1,564	\$1,046	\$495	\$539	\$345	\$3,100	\$3,000	\$3,200	\$3,800	\$4,700	\$25,850				
14 TOTAL THERM SALES	\$2,754,381	\$2,245,183	\$1,777,185	\$1,276,371	\$853,673	\$986,130	\$668,525	\$2,156,226	\$2,097,449	\$2,243,546	\$2,990,636	\$3,613,313	\$23,662,618				
THERMS PURCHASED																	
15 COMMODITY (Pipeline)	5,437,330	4,650,624	2,657,051	3,579,300	3,087,925	-788,727	1,027,888	2,907,423	2,829,399	3,024,447	3,628,752	4,512,753	36,554,165				
16 NO NOTICE SERVICE	0	0	0	0	0	0	0	344,100	330,000	651,000	1,059,000	1,472,500	3,856,600				
17 SWING SERVICE	0	0	0	0	0	0	0	0	0	0	0	0	0				
18 COMMODITY (Other)	4,979,402	3,947,476	3,792,988	3,350,458	2,335,345	2,040,541	2,140,341	2,907,423	2,829,399	3,024,447	3,628,752	4,512,753	39,489,325				
19 DEMAND	9,645,940	8,518,240	8,227,470	7,180,800	1,314,838	1,239,724	1,239,074	3,109,610	3,009,300	2,760,550	9,674,400	9,996,880	65,916,826				
20 OTHER	0	0	0	0	0	0	0	0	0	0	0	0	0				
LESS END-USE CONTRACT:																	
21 COMMODITY (Pipeline)	0	0	0	0	0	0	0	0	0	0	0	0	0				
22 DEMAND	0	0	0	0	0	0	0	0	0	0	0	0	0				
23 COMMODITY (Other)	0	0	0	0	0	0	0	0	0	0	0	0	0				
24 TOTAL PURCHASES (1+17+18+20)-(21+22+23)	4,979,402	3,947,476	3,792,988	3,350,458	2,335,345	2,040,541	2,140,341	2,907,423	2,829,399	3,024,447	3,628,752	4,512,753	39,489,325				
25 NET UNBILLED	0	0	0	0	0	0	0	0	0	0	0	0	0				
26 COMPANY USE	3,380	3,422	3,143	2,629	1,245	1,354	1,155	4,513	4,359	4,637	5,602	6,893	42,332				
27 TOTAL THERM SALES (for Estimated, 24 - 26)	6,958,794	5,816,551	5,976,174	5,545,986	5,247,880	4,753,773	4,545,973	2,902,910	2,825,040	3,019,810	3,623,150	4,505,860	55,721,901				
CENTS PER THERM																	
28 COMMODITY (Pipeline) (1/25)	1.568	0.483	1.802	7.014	4.644	(11.102)	6.948	0.197	0.197	0.197	0.102	0.128	2.013				
29 NO NOTICE SERVICE (12/26)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.389	0.389	0.389	0.389	0.389	0.389				
30 SWING SERVICE (3/27)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000				
31 COMMODITY (Other) (4/18)	21.118	28.151	24.732	18.837	20.210	64.667	36.808	68.192	68.192	68.686	68.192	68.192	45.209				
32 DEMAND (5/19)	4.907	5.110	5.555	5.471	18.155	18.864	18.852	5.455	5.455	5.828	5.293	5.293	6.069				
33 OTHER (6/20)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000				
LESS END-USE CONTRACT:																	
34 COMMODITY Pipeline (7/21)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000				
35 DEMAND (8/22)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000				
36 COMMODITY Other (9/23)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000				
37 TOTAL COST OF PURCHASES (11/24)	33.812	39.754	38.049	38.063	36.576	83.920	51.061	74.269	74.237	74.286	82.520	80.173	57.610				
38 NET UNBILLED (12/25)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000				
39 COMPANY USE (13/26)	59.704	59.702	49.761	39.787	39.759	39.808	29.870	68.690	68.823	69.010	67.833	68.185	61.065				
40 TOTAL COST OF THERM SOLD (11/27)	24.194	26.979	24.149	22.995	16.276	36.023	24.041	74.385	74.351	74.400	82.647	80.296	40.827				
41 TRUE-UP (E-4)	0.925	0.925	0.925	0.925	0.925	0.925	0.925	0.925	0.925	0.925	0.925	0.925	0.925				
42 TOTAL COST OF GAS (40+41)	25.119	27.904	25.074	23.920	17.201	36.948	24.966	75.310	75.276	75.325	83.572	81.221	41.752				
43 REVENUE TAX FACTOR	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503				
44 PGA FACTOR ADJUSTED FOR TAXES (42+43)	25.24558	28.04449	25.20033	24.03970	17.28788	37.13325	25.09107	75.68831	75.65439	75.70375	83.99226	81.62886	41.96225				
45 PGA FACTOR (ROUNDED TO NEAREST .002)	25.246	28.044	25.200	24.040	17.288	37.133	25.091	75.688	75.654	75.704	83.992	81.629	41.962				

COMPANY:		PURCHASED GAS ADJUSTMENT CALCULATION OF TRUE-UP AMOUNT												SCHEDULE E-2
FLORIDA PUBLIC UTILITIES COMPANY		ACTUAL JANUARY 2012 THROUGH JULY 2012 ESTIMATED AUGUST 2012 THROUGH DECEMBER 2012												
		ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	PROJECTED	PROJECTED	PROJECTED	PROJECTED	TOTAL	
		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	
TRUE-UP CALCULATION														
1	PURCHASED GAS COST	\$1,051,528	\$1,111,250	\$938,063	\$631,142	\$471,967	\$1,319,566	\$787,810	\$1,982,640	\$1,929,434	\$2,077,370	\$2,474,530	\$3,077,352	\$17,852,652
2	TRANSPORTATION COST	\$632,107	\$458,013	\$505,143	\$644,130	\$382,201	\$392,866	\$305,070	\$176,686	\$171,015	\$169,376	\$519,906	\$540,661	\$4,897,174
3	TOTAL	\$1,683,635	\$1,569,263	\$1,443,206	\$1,275,272	\$854,168	\$1,712,432	\$1,092,880	\$2,159,326	\$2,100,449	\$2,246,746	\$2,994,436	\$3,618,013	\$22,749,826
4	FUEL REVENUES (NET OF REVENUE TAX)	\$2,754,381	\$2,245,183	\$1,777,185	\$1,276,371	\$1,184,075	\$986,130	\$668,525	\$2,186,158	\$2,126,559	\$2,274,675	\$3,027,926	\$3,659,680	\$24,166,848
5	TRUE-UP - (COLLECTED) OR REFUNDED	(\$34,252)	(\$34,251)	(\$34,251)	(\$34,251)	(\$34,251)	(\$34,251)	(\$34,251)	(\$34,251)	(\$34,251)	(\$34,251)	(\$34,251)	(\$34,251)	(\$411,013)
6	FUEL REVENUE APPLICABLE TO PERIOD <small>Add Lines 5+6</small>	\$2,720,129	\$2,210,932	\$1,742,934	\$1,242,120	\$1,149,824	\$951,879	\$634,274	\$2,151,907	\$2,092,308	\$2,240,424	\$2,993,675	\$3,625,429	\$23,755,835
7	TRUE-UP - OVER(UNDER) - THIS PERIOD <small>Line 6-Line 3</small>	\$1,036,494	\$641,669	\$299,728	(\$33,152)	\$295,656	(\$760,553)	(\$458,606)	(\$7,419)	(\$8,141)	(\$6,322)	(\$761)	\$7,416	\$1,006,009
8	INTEREST PROVISION - THIS PERIOD <small>Line 21</small>	\$23	\$113	\$176	\$193	\$209	\$209	\$159	\$135	\$138	\$141	\$145	\$149	\$1,790
9	BEGINNING OF PERIOD TRUE-UP AND INTEREST	(\$152,598)	\$918,171	\$1,594,204	\$1,928,359	\$1,929,651	\$2,259,767	\$1,533,674	\$1,109,478	\$1,136,445	\$1,162,693	\$1,190,763	\$1,224,398	(\$152,598)
10	TRUE-UP COLLECTED OR (REFUNDED) <small>Reverse of Line 5</small>	\$34,252	\$34,251	\$34,251	\$34,251	\$34,251	\$34,251	\$34,251	\$34,251	\$34,251	\$34,251	\$34,251	\$34,251	\$411,013
10a	FLEX RATE REFUND (if applicable)													
11	TOTAL ESTIMATED/ACTUAL TRUE-UP <small>Add Lines 7-10</small>	\$918,171	\$1,594,204	\$1,928,359	\$1,929,651	\$2,259,767	\$1,533,674	\$1,109,478	\$1,136,445	\$1,162,693	\$1,190,763	\$1,224,398	\$1,266,214	
INTEREST PROVISION														
12	BEGINNING TRUE-UP <small>Line 9</small>	(\$152,598)	\$918,171	\$1,594,204	\$1,928,359	\$1,929,651	\$2,259,767	\$1,533,674	\$1,109,478	\$1,136,445	\$1,162,693	\$1,190,763	\$1,224,398	\$15,835,004
13	ENDING TRUE-UP BEFORE INTEREST <small>Add Lines 12+7+10</small>	\$918,148	\$1,594,091	\$1,928,183	\$1,929,458	\$2,259,558	\$1,533,465	\$1,109,319	\$1,136,310	\$1,162,555	\$1,190,622	\$1,224,253	\$1,266,065	\$17,252,026
14	TOTAL (12+13) <small>Add Lines 12+13</small>	\$765,550	\$2,512,262	\$3,522,387	\$3,857,817	\$4,189,209	\$3,793,233	\$2,642,993	\$2,245,787	\$2,298,999	\$2,353,314	\$2,415,015	\$2,490,462	\$33,087,031
15	AVERAGE <small>50% of Line 14</small>	\$382,775	\$1,256,131	\$1,761,194	\$1,928,909	\$2,094,605	\$1,896,616	\$1,321,497	\$1,122,894	\$1,149,500	\$1,176,657	\$1,207,508	\$1,245,231	\$16,543,515
16	INTEREST RATE - FIRST DAY OF MONTH	0.07%	0.08%	0.13%	0.11%	0.13%	0.12%	0.15%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%
17	INTEREST RATE - FIRST DAY OF SUBSEQUENT MONTH	0.08%	0.13%	0.11%	0.13%	0.12%	0.15%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%
18	TOTAL <small>Add Lines 16+17</small>	0.15%	0.21%	0.24%	0.24%	0.25%	0.27%	0.29%	0.28%	0.28%	0.28%	0.28%	0.28%	0.28%
19	AVERAGE <small>50% of Line 18</small>	0.075%	0.105%	0.120%	0.120%	0.125%	0.135%	0.145%	0.140%	0.140%	0.140%	0.140%	0.140%	0.140%
20	MONTHLY AVERAGE <small>Line 19 / 12</small>	0.006%	0.009%	0.010%	0.010%	0.010%	0.011%	0.012%	0.012%	0.012%	0.012%	0.012%	0.012%	0.012%
21	INTEREST PROVISION <small>Line 15 x Line 20</small>	\$23	\$113	\$176	\$193	\$209	\$209	\$159	\$135	\$138	\$141	\$145	\$149	\$1,790

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY			PURCHASED GAS ADJUSTMENT TRANSPORTATION PURCHASES SYSTEM SUPPLY AND END USE								SCHEDULE E-3
ESTIMATED FOR THE PROJECTED PERIOD JANUARY 2013 THROUGH DECEMBER 2013											
MONTH	PURCHASED FROM	PURCHASED FOR	SCH TYPE	UNITS SYSTEM SUPPLY	UNITS END USE	UNITS TOTAL PURCHASED	COMMODITY COST		DEMAND COST	OTHER CHARGES ACA/GRI/FUEL	TOTAL CENTS PER THERM
							THIRD PARTY	PIPELINE			
JANUARY	VARIOUS	SYS SUPPLY	N/A	4,893,173	0	4,893,173	\$3,974,086	\$7,147	\$610,291	INCLUDED IN COST	93.835
FEBRUARY	VARIOUS	SYS SUPPLY	N/A	4,525,345	0	4,525,345	\$3,679,587	\$6,552	\$580,851	INCLUDED IN COST	94.291
MARCH	VARIOUS	SYS SUPPLY	N/A	4,785,092	0	4,785,092	\$3,876,891	\$6,870	\$607,819	INCLUDED IN COST	93.866
APRIL	VARIOUS	SYS SUPPLY	N/A	3,686,944	0	3,686,944	\$2,975,999	\$4,236	\$544,141	INCLUDED IN COST	95.591
MAY	VARIOUS	SYS SUPPLY	N/A	3,178,926	0	3,178,926	\$2,681,650	\$1,782	\$247,301	INCLUDED IN COST	92.193
JUNE	VARIOUS	SYS SUPPLY	N/A	2,644,052	0	2,644,052	\$2,204,164	\$1,725	\$244,995	INCLUDED IN COST	92.694
JULY	VARIOUS	SYS SUPPLY	N/A	2,300,294	0	2,300,294	\$1,875,389	\$4,720	\$327,322	INCLUDED IN COST	95.963
AUGUST	VARIOUS	SYS SUPPLY	N/A	2,322,918	0	2,322,918	\$1,897,266	\$4,777	\$327,322	INCLUDED IN COST	95.973
SEPTEMBER	VARIOUS	SYS SUPPLY	N/A	2,301,517	0	2,301,517	\$1,879,788	\$4,761	\$322,423	INCLUDED IN COST	95.892
OCTOBER	VARIOUS	SYS SUPPLY	N/A	2,496,494	0	2,496,494	\$2,053,303	\$5,955	\$320,726	INCLUDED IN COST	95.333
NOVEMBER	VARIOUS	SYS SUPPLY	N/A	3,020,011	0	3,020,011	\$2,506,207	\$2,525	\$670,845	INCLUDED IN COST	105.284
DECEMBER	VARIOUS	SYS SUPPLY	N/A	3,893,502	0	3,893,502	\$3,315,394	\$4,587	\$688,817	INCLUDED IN COST	102.961
TOTAL				40,048,268	0	40,048,268	\$32,919,724	\$55,637	\$5,492,853		96.055

COMPANY:

FLORIDA PUBLIC UTILITIES COMPANY

**PURCHASED GAS ADJUSTMENT
CALCULATION OF TRUE-UP AMOUNT**

ESTIMATED FOR THE PROJECTED PERIOD JANUARY 2013 THROUGH DECEMBER 2013

	PRIOR PERIOD: JANUARY 2011 THROUGH DECEMBER 2011			CURRENT PERIOD: JANUARY 2012 THROUGH DECEMBER 2012	(5) (3)+(4) COMBINED TOTAL TRUE-UP
	(1)	(2)	(3)	(4)	
	SEVEN MONTHS ACTUAL PLUS FIVE MONTHS PROJECTED	ACTUAL	(2) - (1) DIFFERENCE	SEVEN MONTHS ACTUAL PLUS FIVE MONTHS PROJECTED	
1 TOTAL THERM SALES (\$)	\$23,669,209	\$23,705,525	\$36,316	\$23,755,835	\$23,792,151
2 TRUE-UP PROVISION FOR THE PERIOD OVER/(UNDER) COLLECTION (\$)	\$2,149,591	\$2,407,975	\$258,384	\$1,006,009	\$1,264,393
3 INTEREST PROVISION FOR THE PERIOD (\$)	\$1,410	\$1,441	\$31	\$1,790	\$1,821
4 END OF PERIOD TOTAL NET TRUE-UP (\$)	\$2,151,001	\$2,409,416	\$258,415	\$1,007,799	\$1,266,214
TOTAL TRUE-UP DOLLARS - OVER/(UNDER) RECOVERY					\$1,266,214
PROJECTED THERM SALES FOR JANUARY 2013 - DECEMBER 2013					40,026,836
CENTS PER THERM NECESSARY TO REFUND OVERRECOVERY / (COLLECT UNDERRECOVERY)					3.163

COMPANY:		PURCHASED GAS ADJUSTMENT THERM SALES AND CUSTOMER DATA												SCHEDULE E-5
FLORIDA PUBLIC UTILITIES COMPANY		ESTIMATED FOR THE PROJECTED PERIOD JANUARY 2013 THROUGH DECEMBER 2013												
		PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	TOTAL
		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	
THERM SALES (Thm) (FIRM)														
GENERAL SERVICE (11), (41)		711,381	675,663	728,482	562,425	457,940	332,927	304,349	295,459	306,992	332,968	401,479	517,136	5,627,201
RESIDENTIAL (31)		1,941,694	1,733,224	1,665,954	1,198,410	905,419	725,726	632,133	598,969	609,925	673,454	874,394	1,359,258	12,918,560
LARGE VOLUME (51)		2,231,634	2,108,406	2,382,496	1,919,396	1,759,782	1,555,393	1,358,822	1,423,435	1,379,718	1,484,878	1,737,863	2,009,387	21,351,210
OTHER		-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL FIRM		4,884,709	4,517,293	4,776,932	3,680,231	3,123,141	2,614,046	2,295,304	2,317,863	2,296,635	2,491,300	3,013,736	3,885,781	39,896,971
THERM SALES (Thm) (INTERRUPTIBLE)														
INTERRUPTIBLE (61)		-	-	-	-	-	-	-	-	-	-	-	-	-
GS/COMM SMALL TRANS (90)		123,096	119,116	116,088	97,410	98,540	74,281	69,217	71,143	70,025	76,099	95,242	115,242	1,125,499
FIRM TRANSPORT (91)(94)		1,475,458	1,428,796	1,457,051	1,578,404	1,494,772	1,459,190	1,394,302	1,405,837	1,370,918	1,237,092	1,476,230	1,655,059	17,433,109
INTERR TRANSPORT (92)		502,728	501,878	528,320	473,967	452,465	421,954	420,719	409,981	431,782	455,091	548,665	529,958	5,677,508
LARGE VOLUME INT (93)		-	-	-	-	-	-	-	-	-	-	-	-	-
LESS: TRANSPORTATION		(2,101,282)	(2,049,790)	(2,101,459)	(2,149,781)	(2,045,777)	(1,955,425)	(1,884,238)	(1,886,961)	(1,872,725)	(1,768,282)	(2,120,137)	(2,300,259)	(24,236,116)
TOTAL INTERRUPTIBLE		-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL THERM SALES		4,884,709	4,517,293	4,776,932	3,680,231	3,123,141	2,614,046	2,295,304	2,317,863	2,296,635	2,491,300	3,013,736	3,885,781	39,896,971
NUMBER OF CUSTOMERS (FIRM)														
GENERAL SERVICE (11), (41)		3,143	3,145	3,151	3,157	3,159	3,162	3,160	3,155	3,159	3,167	3,173	3,178	37,909
RESIDENTIAL (31)		48,093	48,316	48,422	48,542	48,539	48,376	48,475	48,301	48,406	48,444	48,481	48,748	581,143
LARGE VOLUME (51)		1,184	1,192	1,198	1,225	1,225	1,212	1,207	1,203	1,188	1,194	1,208	1,204	14,440
OTHER		-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL FIRM		52,420	52,653	52,771	52,924	52,923	52,750	52,842	52,659	52,753	52,805	52,862	53,130	633,492
NUMBER OF CUSTOMERS (INT.)														
INTERRUPTIBLE (61)		-	-	-	-	-	-	-	-	-	-	-	-	-
GS/COMM SMALL TRANS (90)		196	197	199	208	238	254	254	254	254	254	254	254	2,816
FIRM TRANSPORT (91)(94)		499	508	516	551	571	589	589	589	589	589	589	589	6,768
INTERR TRANSPORT (92)		12	13	13	13	13	13	13	13	13	13	13	13	155
LARGE VOLUME INT (93)		-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL INTERRUPTIBLE		707	718	728	772	822	856	856	856	856	856	856	856	9,739
TOTAL CUSTOMERS		53,127	53,371	53,499	53,696	53,745	53,606	53,698	53,515	53,609	53,661	53,718	53,986	643,231
THERM USE PER CUSTOMER														
GENERAL SERVICE (11), (41)		226	215	231	178	145	105	96	94	97	105	127	163	1,782
RESIDENTIAL (31)		40	36	34	25	19	15	13	12	13	14	18	28	267
LARGE VOLUME (51)		1,885	1,769	1,989	1,567	1,437	1,283	1,126	1,183	1,161	1,244	1,439	1,669	17,752
OTHER		-	-	-	-	-	-	-	-	-	-	-	-	-
INTERRUPTIBLE (61)		-	-	-	-	-	-	-	-	-	-	-	-	-
GS/COMM SMALL TRANS (90)		628	605	583	468	414	292	273	280	276	300	375	454	4,948
FIRM TRANSPORT (91)(94)		2,957	2,813	2,824	2,865	2,618	2,477	2,367	2,387	2,328	2,100	2,506	2,810	31,052
INTERR TRANSPORT (92)		41,894	38,606	40,640	36,459	34,805	32,458	32,363	31,537	33,214	35,007	42,205	40,766	439,954
LARGE VOLUME INT (93)		-	-	-	-	-	-	-	-	-	-	-	-	-