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September 10, 2013

E-PORTAL/ELECTRONIC FILING

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

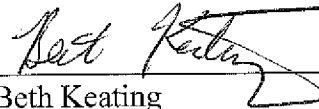
Re: Docket No. 130003-GU - **Purchased gas adjustment (PGA) true-up.**

Dear Ms. Cole:

Attached for electronic filing, please find the 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. Consistent with the directions for this docket, copies of the Petition, Testimony, and Exhibit are being provided to Staff Counsel.

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

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Purchased Gas Adjustment) Docket No. 130003-GU
(PGA) True-Up)
_____) Filed: September 10, 2013

**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, 2014 through December 31, 2014. 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 2014 through December 2014.
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 2012 through December 2012 to be an under-recovery of \$2,831,339, inclusive of interest.

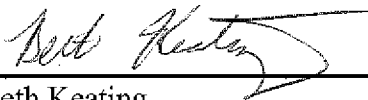
5. Schedule E-4 also shows the projected true-up for the current period January 2013 through December 2013 is an over-recovery of \$2,730,758, inclusive of interest.
6. The total true-up as shown on Schedule E-4 is an under-recovery of \$100,581, to be applied to the projected period.
7. The projected period costs include amounts associated with anticipated capacity costs for extending service to unserved areas in Nassau, Okeechobee, and Polk Counties. 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. The same may be said of the Company's acquisition of the Fort Meade system in Polk County, as well the distribution expansion into the City of Okeechobee.
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 87.274 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 87.274 cents per therm to be applied to

Docket No. 130003-GU

customer's bills for the period January 2014 through December 2014.

RESPECTFULLY SUBMITTED this 10th day of September, 2013.

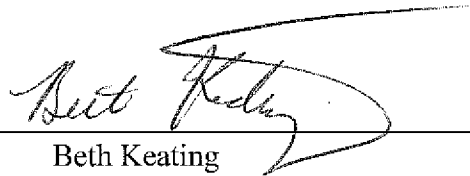


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215 South Monroe St., Suite 601
Tallahassee, FL 32301
(850) 521-1706
Attorneys for Florida Public Utilities Company

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of FPUC's Petition for Approval of PGA Factor, in Docket No. 130003-GU, along with the Testimony and Exhibit of Michelle D. Napier, has been furnished by regular U.S. Mail and/or electronic mail * to the following parties of record this 10th day of September, 2013:

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. Andy Shoaf* P.O. Box 549 Port St. Joe, FL 32457-0549
Florida City Gas Carolyn Bermudez 933 East 25 th Street Hialeah, FL 33013-3498	AGL Resources Inc. Elizabeth Wade/Brian Sulmonetti Ten Peachtree Place Location 1470 Atlanta, GA 30309



Beth Keating
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(850) 521-1706

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Purchased Gas Adjustment (PGA) Projections

DIRECT TESTIMONY OF MICHELLE D. NAPIER

On behalf of

Florida Public Utilities Company

DOCKET NO. 130003-GU

1 Q. Please state your name and business address.

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

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

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

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

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

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

16 A. Yes.

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

18 A. My testimony will establish the PGA "true-up" collection amount, based on actual
19 2012 data and projected 2013 data. My testimony will describe the Company's

1 forecast of pipeline charges and commodity costs of natural gas for 2014. Finally, I
2 will summarize the computations that are contained in composite exhibit MDN-2
3 supporting the January through December 2014 projected PGA recovery (cap) factor
4 for the FPUC consolidated gas division.

5 Q. Did you complete the schedules filed by your Company?

6 A. Yes.

7 Q. Which of the Staff's set of schedules has your company completed and filed?

8 A. The Company has prepared and previously filed True-Up schedules A-1, A-2, A-3,
9 A-4, A-5, A-6 and A-7, in addition to filing composite exhibit MDN-2 that contains
10 Schedules E-1, E-1/R, E-2, E-3, E-4, and E-5 for the FPUC consolidated gas division.

11 These schedules support the calculation of the PGA recovery (cap) factor for January
12 through December 2014.

13 Q. What is the appropriate final PGA true-up amount for the period January through
14 December 2012?

15 A. As shown on Schedule E-4, the final PGA true-up amount for the period January
16 through December 2012 is an under-recovery of \$2,831,339, inclusive of interest.

17 Q. What is the projected PGA true-up amount for the period January through December
18 2013?

19 A. As also shown on Schedule E-4, the projected PGA true-up amount is an over-
20 recovery of \$2,730,758, inclusive of interest, for the period January through
21 December 2013.

22 Q. What is the projection period for this filing?

23 A. The projection period is January through December 2014.

24 Q. What is the total projected PGA true-up amount to be collected from or refunded to
25 customers for the period January through December 2014?

1 A. As shown on Schedule E-4, the total net under-recovery to be collected for the period
2 January through December 2014 is \$100,581.

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

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

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

19 A. The Company has forecasted the 2014-weighted average cost of gas using the
20 projected monthly pipeline demand costs, less the projected cost of capacity
21 temporarily relinquished to third parties, the projected pipeline usage and no-notice
22 costs and the projected supplier commodity costs. The sum of these costs are then
23 divided by the projected therm sales to the traditional non-transportation customers
24 resulting in the projected weighted average cost of gas and ultimately the PGA
25 recovery (cap) factor, as shown on Schedule E-1. Capacity shortfall, if any, would be

1 satisfied by gas and capacity repackaged and delivered by another FGT capacity
2 holder. If other services become available and it is economic to dispatch supplies
3 under those services, the Company will utilize those services as part of its portfolio.

4 Q. What is the status of the new agreement the Company entered into with Peninsula
5 Pipeline Company, Inc. (PPC) in 2012 for Nassau County?

6 A. In 2012, the Company entered into a new Transportation Service Agreement with
7 PPC, an affiliated company, with Delivery Points in Nassau County. PPC would
8 build an intrastate pipeline to extend gas transmission service to the Company's
9 distribution system planned for Nassau County. PPC constructed the pipeline in
10 conjunction with Tampa Electric Company (TECO)/Peoples Gas Systems (PGS).

11 PPC and TECO jointly own the portion of the pipeline that runs through Nassau
12 County to Amelia Island (the "Fernandina Beach Line" as referenced in the
13 applicable agreements). The jointly owned pipeline interconnects to the PGS
14 distribution system in Duval County at the Duval/Nassau Counties border (Amelia
15 River). The TECO/PGS distribution system is interconnected to the FGT and
16 Southern Natural Gas interstate pipeline transmission systems. The Fernandina Beach
17 Line provides a transportation path for FPUC from the interstate transmission
18 pipelines through the PGS Duval County distribution system into Nassau County.
19 The Company's PPC Transportation Service Agreement includes the cost of
20 transportation downstream of the FGT interconnect(s) with TECO/PGS across the
21 PGS Duval County distribution system to Nassau County and through the PPC
22 transmission pipeline (the Fernandina Beach Line) to the Company's Delivery points
23 with PPC in Nassau County. The Company separately contracted with PGS for
24 interstate transportation capacity upstream of the PGS interconnect with FGT. The
25 Commission approved the Company's Transportation Service Agreement with PPC

1 (Order No. PSC-12-0230-PAA-GU) and noted that FPUC would seek recovery of the
2 costs of the PPC downstream capacity, upstream interstate pipeline capacity (from
3 PGS) and the commodity costs incurred to serve customers in Nassau County
4 through the Company's PGA mechanism. The initial phase of construction by PPC is
5 completed. The jointly owned (PPC/TECO) Fernandina Beach Line is in-service. In
6 addition, as part of the Commission approved agreement referenced above, PPC
7 completed an extension from the Fernandina Beach Line on SR 200 on Amelia Island
8 that provides service to the Company's distribution system on the southern end of the
9 island. The associated costs of the PPC intrastate Transportation Service Agreement,
10 the upstream interstate capacity release agreement with TECO/PGS and additional
11 supply costs are being recovered through the PGA docket.

12 Q. Please describe the additional planned expansion opportunities in Nassau County.

13 A. The existing PPC/TECO jointly owned transmission pipeline runs north from Duval
14 County on US 17, intersecting SR 200 and then east onto Amelia Island. The
15 Company has completed the primary feeds for its distribution system on Amelia
16 Island and is currently connecting customers. Additional on-island distribution
17 expansion will occur under the Company's extension of service tariff. Distribution
18 system construction is currently underway off-island in Yulee and vicinity (along SR
19 200). FPUC plans further expansion in Nassau County to reach the I-95 and SR 200
20 interchange. The interchange currently includes several commercial businesses and a
21 large multi-use development is planned. The Company plans to contract with PPC to
22 extend the PPC transmission pipeline from the Fernandina Beach Line on SR 17,
23 along William Burgess Road and SR 200 to I-95. The route would enable the
24 Company to serve the customers at the I-95 interchange and several County-owned
25 and private facilities on William Burgess Road. Many of these customers are

1 currently using propane and switching to natural gas would result in significant cost
2 savings. The Company expects to enter into a new or amended agreement with PPC
3 for upstream interstate pipeline capacity. The expected in service date is June 2014.
4 The Company will file for approval of an amended Transportation Service
5 Agreement with PPC.

6 Q. Are the pipeline capacity and supply costs associated with the Nassau County
7 expansions appropriate for recovery in the PGA docket?

8 A. Yes. Historically, the Commission has allowed recovery, through the clause, of
9 upstream transmission pipeline capacity and related supply costs associated with
10 service expansions to new areas. The Commission reviewed and approved the
11 Company's agreements with both PPC and TECO/PGS to bring natural gas service to
12 Nassau County.

13 Q. Have the appropriate Nassau County related costs been included in the Projections
14 for 2014?

15 A. Yes, as more specifically reflected in Schedule E-1 and E-3 of Exhibit MDN-2, the
16 Company has included the costs of existing interstate and intrastate capacity
17 agreements, as well as the costs for gas supply to serve the new customers in Nassau
18 County. The Company has also included the estimated intrastate capacity costs for
19 the PPC extension to serve the I-95 interchange as described above.

20 Q. Are there other areas of expansion that will impact the Company's PGA?

21 A. Yes. FPUC plans to purchase the gas distribution system owned by the City of Ft.
22 Meade in Polk County. The transaction is scheduled to close by the end of this year.
23 FPUC will acquire the existing Ft. Meade FGT capacity contract and begin supplying
24 gas to these customers beginning approximately in December 2013. The cost of the
25 FGT capacity and related gas supplies for Ft. Meade customers is included in the

1 2014 projection. In addition, the Company is currently constructing a distribution
2 expansion into the City of Okeechobee and plans to begin serving customers in 2014.
3 Gas supply costs for Okeechobee customers are included in the 2014 projections.
4 Normal customer acquisition growth has also been accounted for in the Company's
5 projections.

6 Q. What is the appropriate PGA recovery (cap) factor for the period January through
7 December 2014?

8 A. As shown on Schedule E-1, the PGA recovery (cap) factor is 87.274¢ per therm for
9 the period January through December 2014.

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

12 A. The PGA recovery (cap) factor should be effective for all meter readings during the
13 period of January 1, 2014 through December 31, 2014.

14 Q. Does this conclude your testimony?

15 A. Yes.

COMPANY: **FLORIDA PUBLIC UTILITIES COMPANY** PURCHASED GAS ADJUSTMENT **SCHEDULE E-1**
 COST RECOVERY CLAUSE CALCULATION
 ESTIMATED FOR THE PROJECTED PERIOD JANUARY 2014 THROUGH DECEMBER 2014

	----- 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)	\$80,378	\$75,577	\$77,335	\$70,929	\$77,699	\$65,128	\$55,864	\$56,502	\$56,186	\$51,155	\$57,642	\$52,227	\$776,622
2 NO NOTICE SERVICE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3 SWING SERVICE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4 COMMODITY (Other)	\$2,916,645	\$2,584,790	\$2,610,461	\$2,373,723	\$1,643,909	\$1,435,580	\$1,325,448	\$1,437,507	\$1,355,603	\$1,611,780	\$2,679,819	\$2,337,334	\$24,312,600
5 DEMAND	\$1,093,447	\$1,012,414	\$1,093,447	\$1,012,429	\$749,159	\$717,765	\$717,148	\$701,143	\$717,765	\$774,671	\$1,066,436	\$1,093,447	\$10,749,271
6 OTHER	\$10	\$11	\$9	\$9	\$8	\$7	\$7	\$7	\$8	\$9	\$10	\$11	\$106
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+6-7-8-9-10)	\$4,090,481	\$3,672,792	\$3,781,252	\$3,457,090	\$2,470,775	\$2,218,480	\$2,098,467	\$2,195,159	\$2,129,562	\$2,437,615	\$3,803,907	\$3,483,019	\$35,838,599
12 NET UNBILLED	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13 COMPANY USE	\$300	\$200	\$200	\$200	\$300	\$300	\$300	\$400	\$400	\$400	\$400	\$400	\$3,800
14 TOTAL THERM SALES	\$4,090,181	\$3,672,592	\$3,781,052	\$3,456,890	\$2,470,475	\$2,218,180	\$2,098,167	\$2,194,759	\$2,129,162	\$2,437,215	\$3,803,507	\$3,482,619	\$35,834,799
THERMS PURCHASED													
15 COMMODITY (Pipeline)	4,893,173	4,525,345	4,785,092	4,486,944	3,128,926	2,619,052	2,300,294	2,322,918	2,301,517	2,496,494	4,020,011	3,893,502	41,773,268
16 NO NOTICE SERVICE	-	-	-	-	-	-	-	-	-	-	-	-	-
17 SWING SERVICE	-	-	-	-	-	-	-	-	-	-	-	-	-
18 COMMODITY (Other)	4,893,173	4,525,345	4,785,092	4,296,944	2,938,926	2,619,052	2,300,294	2,322,918	2,301,517	2,496,494	4,020,011	3,893,502	41,393,268
19 DEMAND	14,183,430	12,810,840	14,183,430	12,717,300	10,840,890	9,255,700	8,220,890	7,910,890	8,255,700	9,096,330	13,725,900	14,183,430	135,384,730
20 OTHER	-	-	-	-	-	-	-	-	-	-	-	-	-
LESS END-USE CONTRACT:													
21 COMMODITY (Pipeline)	-	-	-	-	-	-	-	-	-	-	-	-	-
22 DEMAND	-	-	-	-	-	-	-	-	-	-	-	-	-
23 COMMODITY (Other)	-	-	-	-	-	-	-	-	-	-	-	-	-
24 TOTAL PURCHASES (15+18+19-21-22)	4,893,173	4,525,345	4,785,092	4,296,944	2,938,926	2,619,052	2,300,294	2,322,918	2,301,517	2,496,494	4,020,011	3,893,502	41,393,268
25 NET UNBILLED	-	-	-	-	-	-	-	-	-	-	-	-	-
26 COMPANY USE	488	415	409	435	581	593	579	591	603	615	627	640	6,576
27 TOTAL THERM SALES (For Estimated, 24 - 26)	4,892,685	4,524,930	4,784,683	4,296,509	2,938,345	2,618,459	2,299,715	2,322,327	2,300,914	2,495,879	4,019,384	3,892,862	41,386,692
CENTS PER THERM													
28 COMMODITY (Pipeline) (1/15)	1.643	1.670	1.616	1.581	2.483	2.487	2.429	2.432	2.441	2.049	1.434	1.341	1.859
29 NO NOTICE SERVICE (2/16)	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
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)	59.606	57.118	54.554	55.242	55.936	54.813	57.621	61.884	58.900	64.562	66.662	60.032	58.736
32 DEMAND (5/19)	7.709	7.903	7.709	7.961	6.910	7.755	8.723	8.863	8.694	8.516	7.770	7.709	7.940
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+12-14-16-17-18-34-35-36)	83.596	81.160	79.022	80.455	84.071	84.705	91.226	94.500	92.529	97.642	94.624	89.457	86.581
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)	61.475	48.193	48.900	45.977	51.635	50.590	51.813	67.682	66.335	65.041	63.796	62.500	57.786
40 TOTAL COST OF THERM SOLD (11+12-14-16-17-18-34-35-36-38)	83.604	81.168	79.028	80.463	84.087	84.725	91.249	94.524	92.553	97.666	94.639	89.472	86.594
41 TRUE-UP (REFUND)/RECOVER (E-4)	0.243	0.243	0.243	0.243	0.243	0.243	0.243	0.243	0.243	0.243	0.243	0.243	0.243
42 TOTAL COST OF GAS (40+41)	83.847	81.411	79.271	80.706	84.330	84.968	91.492	94.767	92.796	97.909	94.882	89.715	86.837
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)	84.26834	81.82002	79.66960	81.11131	84.75406	85.39460	91.95175	95.24332	93.26217	98.40058	95.35884	90.16575	87.27386
45 PGA FACTOR (ROUNDED TO NEAREST .001)	84.268	81.820	79.670	81.111	84.754	85.395	91.952	95.243	93.262	98.401	95.359	90.166	87.274

COMPANY:		PURCHASED GAS ADJUSTMENT CALCULATION OF TRUE-UP AMOUNT												SCHEDULE E-2	
FLORIDA PUBLIC UTILITIES COMPANY		ACTUAL JANUARY 2013 THROUGH JULY 2013 ESTIMATED AUGUST 2013 THROUGH DECEMBER 2013													
		ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	TOTAL	
		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC		
TRUE-UP CALCULATION															
1	PURCHASED GAS COST	\$1,945,346	\$1,031,695	\$1,416,264	\$1,718,309	\$1,560,326	\$999,242	\$887,176	\$1,957,683	\$2,880,663	\$2,204,205	\$2,507,343	\$3,316,872	\$22,425,124	
2	TRANSPORTATION COST	\$742,829	\$692,751	\$712,146	\$786,606	\$268,761	\$295,768	\$264,428	\$395,726	\$390,336	\$372,747	\$708,359	\$719,245	\$6,349,702	
3	TOTAL	\$2,688,175	\$1,724,446	\$2,128,410	\$2,504,915	\$1,829,087	\$1,295,010	\$1,151,604	\$2,353,409	\$3,270,999	\$2,576,952	\$3,215,702	\$4,036,117	\$28,774,826	
4	FUEL REVENUES (NET OF REVENUE TAX)	\$2,027,856	\$2,604,376	\$2,986,493	\$2,651,520	\$2,164,540	\$1,562,993	\$1,317,932	\$2,242,219	\$3,160,487	\$2,488,219	\$3,120,216	\$3,913,003	\$30,239,854	
5	TRUE-UP - (COLLECTED) OR REFUNDED	\$105,516	\$105,518	\$105,518	\$105,518	\$105,518	\$105,518	\$105,518	\$105,518	\$105,518	\$105,518	\$105,518	\$105,518	\$1,266,214	
6	FUEL REVENUE APPLICABLE TO PERIOD	Add Lines 5+6	\$2,133,372	\$2,709,894	\$3,092,011	\$2,757,038	\$2,270,058	\$1,668,511	\$1,423,450	\$2,347,737	\$3,266,005	\$2,593,737	\$3,225,734	\$4,018,521	\$31,506,068
7	TRUE-UP - OVER(UNDER) - THIS PERIOD	Line 6 - Line 3	(\$554,803)	\$985,448	\$963,601	\$252,123	\$440,971	\$373,501	\$271,846	(\$5,672)	(\$4,994)	\$16,785	\$10,032	(\$17,596)	\$2,731,242
8	INTEREST PROVISION - THIS PERIOD	Line 21	(\$190)	(\$214)	(\$92)	(\$33)	(\$10)	\$6	\$17	\$15	\$10	\$6	\$3	(\$2)	(\$484)
9	BEGINNING OF PERIOD TRUE-UP AND INTEREST	(\$1,565,125)	(\$2,225,634)	(\$1,345,918)	(\$487,927)	(\$341,355)	(\$5,912)	\$262,077	\$428,422	\$317,247	\$206,745	\$118,018	\$22,535	(\$1,565,125)	
10	TRUE-UP COLLECTED OR (REFUNDED)	Reverse of Line 6	(\$105,516)	(\$105,518)	(\$105,518)	(\$105,518)	(\$105,518)	(\$105,518)	(\$105,518)	(\$105,518)	(\$105,518)	(\$105,518)	(\$105,518)	(\$1,266,214)	
11	TOTAL ESTIMATED/ACTUAL TRUE-UP	Add Lines 7+8+9+10+11	(\$2,225,634)	(\$1,345,918)	(\$487,927)	(\$341,355)	(\$5,912)	\$262,077	\$428,422	\$317,247	\$206,745	\$118,018	\$22,535	(\$100,581)	
INTEREST PROVISION															
12	BEGINNING TRUE-UP	Line 9	(\$1,565,125)	(\$2,225,634)	(\$1,345,918)	(\$487,927)	(\$341,355)	(\$5,912)	\$262,077	\$428,422	\$317,247	\$206,745	\$118,018	\$22,535	(\$4,616,826)
13	ENDING TRUE-UP BEFORE INTEREST	Add Lines 12+7+10	(\$2,225,444)	(\$1,345,704)	(\$487,835)	(\$341,322)	(\$5,902)	\$262,071	\$428,405	\$317,232	\$206,735	\$118,012	\$22,532	(\$100,579)	(\$3,151,798)
14	TOTAL (12+13)	Add Lines 12+13	(\$3,790,569)	(\$3,571,338)	(\$1,833,753)	(\$829,249)	(\$347,257)	\$256,159	\$690,482	\$745,655	\$523,983	\$324,758	\$140,551	(\$78,043)	(\$7,768,623)
15	AVERAGE	50% of Line 14	(\$1,895,285)	(\$1,785,669)	(\$916,877)	(\$414,625)	(\$173,629)	\$128,080	\$345,241	\$372,827	\$261,991	\$162,379	\$70,275	(\$39,022)	(\$3,884,312)
16	INTEREST RATE - FIRST DAY OF MONTH		0.10%	0.15%	0.14%	0.09%	0.09%	0.05%	0.08%	0.05%	0.05%	0.05%	0.05%	0.05%	
17	INTEREST RATE - FIRST DAY OF SUBSEQUENT MONTH		0.15%	0.14%	0.09%	0.09%	0.05%	0.08%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	
18	TOTAL	Add Lines 16+17	0.25%	0.29%	0.23%	0.18%	0.14%	0.13%	0.13%	0.10%	0.10%	0.10%	0.10%	0.10%	
19	AVERAGE	50% of Line 18	0.125%	0.145%	0.115%	0.090%	0.070%	0.065%	0.065%	0.050%	0.050%	0.050%	0.050%	0.050%	
20	MONTHLY AVERAGE	Line 19 / 12	0.010%	0.012%	0.010%	0.008%	0.006%	0.005%	0.005%	0.004%	0.004%	0.004%	0.004%	0.004%	
21	INTEREST PROVISION	Line 15 x Line 20	(\$190)	(\$214)	(\$92)	(\$33)	(\$10)	\$6	\$17	\$15	\$10	\$6	\$3	(\$2)	(\$484)

COMPANY:			PURCHASED GAS ADJUSTMENT				SCHEDULE E-3				
FLORIDA PUBLIC UTILITIES COMPANY			TRANSPORTATION PURCHASES								
			SYSTEM SUPPLY AND END USE								
ESTIMATED FOR THE PROJECTED PERIOD JANUARY 2014 THROUGH DECEMBER 2014											
MONTH	PURCHASED FROM	PURCHASED FOR	SCH TYPE	UNITS SYSTEM SUPPLY	UNITS END USE	UNITS TOTAL PURCHASED	COMMODITY COST			OTHER CHARGES ACA/GRI/FUEL	TOTAL CENTS PER THERM
							THIRD PARTY	PIPELINE	DEMAND COST		
JANUARY	VARIOUS	SYS SUPPLY	N/A	4,893,173	0	4,893,173	\$2,916,646	\$80,388	\$1,093,447	INCLUDED IN COST	83.596
FEBRUARY	VARIOUS	SYS SUPPLY	N/A	4,525,345	0	4,525,345	\$2,584,790	\$75,588	\$1,012,414	INCLUDED IN COST	81.160
MARCH	VARIOUS	SYS SUPPLY	N/A	4,785,092	0	4,785,092	\$2,610,461	\$77,344	\$1,093,447	INCLUDED IN COST	79.022
APRIL	VARIOUS	SYS SUPPLY	N/A	4,296,944	0	4,296,944	\$2,373,723	\$70,938	\$1,012,429	INCLUDED IN COST	80.455
MAY	VARIOUS	SYS SUPPLY	N/A	2,938,926	0	2,938,926	\$1,643,909	\$77,707	\$749,159	INCLUDED IN COST	84.071
JUNE	VARIOUS	SYS SUPPLY	N/A	2,619,052	0	2,619,052	\$1,435,580	\$65,135	\$717,765	INCLUDED IN COST	84.705
JULY	VARIOUS	SYS SUPPLY	N/A	2,300,294	0	2,300,294	\$1,325,448	\$55,871	\$717,148	INCLUDED IN COST	91.226
AUGUST	VARIOUS	SYS SUPPLY	N/A	2,322,918	0	2,322,918	\$1,437,507	\$56,509	\$701,143	INCLUDED IN COST	94.500
SEPTEMBER	VARIOUS	SYS SUPPLY	N/A	2,301,517	0	2,301,517	\$1,355,603	\$56,194	\$717,765	INCLUDED IN COST	92.529
OCTOBER	VARIOUS	SYS SUPPLY	N/A	2,496,494	0	2,496,494	\$1,611,780	\$51,164	\$774,671	INCLUDED IN COST	97.642
NOVEMBER	VARIOUS	SYS SUPPLY	N/A	4,020,011	0	4,020,011	\$2,679,819	\$57,652	\$1,066,436	INCLUDED IN COST	94.624
DECEMBER	VARIOUS	SYS SUPPLY	N/A	3,893,502	0	3,893,502	\$2,337,334	\$52,238	\$1,093,447	INCLUDED IN COST	89.457
TOTAL				41,393,268	0	41,393,268	\$24,312,600	\$776,728	\$10,749,271		86.581

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY		PURCHASED GAS ADJUSTMENT CALCULATION OF TRUE-UP AMOUNT ESTIMATED FOR THE PROJECTED PERIOD JANUARY 2014 THROUGH DECEMBER 2014				SCHEDULE E-4
		PRIOR PERIOD: JANUARY 2012 THROUGH DECEMBER 2012			CURRENT PERIOD: JANUARY 2013 THROUGH DECEMBER 2013	(5) (3)+(4) COMBINED TOTAL TRUE-UP
		(1) SEVEN MONTHS ACTUAL PLUS FIVE MONTHS PROJECTED	(2) ACTUAL	(3) (2) - (1) DIFFERENCE	(4) SEVEN MONTHS ACTUAL PLUS FIVE MONTHS PROJECTED	
1	TOTAL THERM SALES (\$)	\$23,755,835	\$16,364,137	(\$7,391,698)	\$31,506,068	\$24,114,370
2	TRUE-UP PROVISION FOR THE PERIOD OVER/(UNDER) COLLECTION (\$)	\$1,006,009	(\$1,824,593)	(\$2,830,602)	\$2,731,242	(\$99,360)
3	INTEREST PROVISION FOR THE PERIOD (\$)	\$1,790	\$1,053	(\$737)	(\$484)	(\$1,221)
4	END OF PERIOD TOTAL NET TRUE-UP (\$)	\$1,007,799	(\$1,823,540)	(\$2,831,339)	\$2,730,758	(\$100,581)
TOTAL TRUE-UP DOLLARS - OVER/(UNDER) RECOVERY						(\$100,581)
PROJECTED THERM SALES FOR JANUARY 2014 - DECEMBER 2014						41,386,692
CENTS PER THERM NECESSARY TO REFUND OVERRECOVERY / (COLLECT UNDERRECOVERY)						<u>0.243</u>

COMPANY:		PURCHASED GAS ADJUSTMENT THERM SALES AND CUSTOMER DATA											SCHEDULE E-5	
FLORIDA PUBLIC UTILITIES COMPANY		ESTIMATED FOR THE PROJECTED PERIOD JANUARY 2014 THROUGH DECEMBER 2014												
		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)		857,862	863,055	885,253	802,213	717,480	634,480	430,872	418,842	473,743	545,580	707,324	736,747	8,074,451
RESIDENTIAL (81)		1,568,332	1,476,400	1,490,632	1,290,265	941,816	770,154	690,571	605,382	730,942	786,688	1,186,412	1,369,001	12,906,595
LARGE VOLUME (51)		1,764,390	1,724,970	1,694,909	1,809,232	1,575,037	1,387,072	1,240,345	1,192,121	1,297,721	1,488,718	1,601,977	1,704,761	18,481,253
OTHER		-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL FIRM		4,190,584	4,064,425	4,071,794	3,901,710	3,234,333	2,791,706	2,361,788	2,216,345	2,502,406	2,820,986	3,495,713	3,810,509	39,462,299
THERM SALES (Thm) (INTERRUPTIBLE)														
INTERRUPTIBLE (61)		-	-	-	-	-	-	-	-	-	-	-	-	-
GS/COMM SMALL TRANS (90)		142,732	155,562	162,881	142,092	117,752	109,828	78,095	74,666	93,100	96,593	136,942	139,912	1,450,155
FIRM TRANSPORT (91)(94)		1,845,213	1,820,520	1,890,307	1,795,194	1,748,723	1,581,189	1,574,746	1,545,190	1,542,586	1,914,469	2,139,775	2,082,189	21,480,101
INTERR TRANSPORT (92)		573,531	519,185	613,723	516,960	531,564	471,624	478,732	476,415	486,018	520,596	548,767	531,598	6,268,713
LARGE VOLUME INT (93)		-	-	-	-	-	-	-	-	-	-	-	-	-
LESS: TRANSPORTATION		(2,561,476)	(2,495,267)	(2,666,911)	(2,454,246)	(2,398,039)	(2,162,641)	(2,131,573)	(2,096,271)	(2,121,704)	(2,531,658)	(2,825,484)	(2,753,699)	(29,198,969)
TOTAL INTERRUPTIBLE		-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL THERM SALES		4,190,584	4,064,425	4,071,794	3,901,710	3,234,333	2,791,706	2,361,788	2,216,345	2,502,406	2,820,986	3,495,713	3,810,509	39,462,299
NUMBER OF CUSTOMERS (FIRM)														
GENERAL SERVICE (11), (41)		3,256	3,282	3,297	3,376	3,384	3,385	3,386	3,441	3,471	3,549	3,601	3,685	41,113
RESIDENTIAL (81)		48,836	49,034	49,083	49,155	49,178	49,137	49,043	49,091	49,134	49,209	49,284	49,484	589,668
LARGE VOLUME (51)		1,089	1,090	1,092	1,094	1,095	1,096	1,097	1,098	1,099	1,100	1,101	1,102	13,153
OTHER		-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL FIRM		53,181	53,406	53,472	53,625	53,657	53,618	53,526	53,630	53,704	53,858	53,986	54,271	643,934
NUMBER OF CUSTOMERS (INT.)														
INTERRUPTIBLE (61)		-	-	-	-	-	-	-	-	-	-	-	-	-
GS/COMM SMALL TRANS (90)		324	324	324	324	329	336	336	336	336	336	342	342	3,989
FIRM TRANSPORT (91)(94)		620	624	628	666	640	640	640	640	611	713	720	735	7,877
INTERR TRANSPORT (92)		14	14	14	14	14	14	14	14	14	14	14	14	168
LARGE VOLUME INT (93)		-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL INTERRUPTIBLE		958	962	966	1,004	983	990	990	990	961	1,063	1,076	1,091	12,034
TOTAL CUSTOMERS		54,139	54,368	54,438	54,629	54,640	54,608	54,516	54,620	54,665	54,921	55,062	55,362	655,968
THERM USE PER CUSTOMER														
GENERAL SERVICE (11), (41)		263	263	269	238	212	187	127	122	136	154	196	200	2,367
RESIDENTIAL (81)		32	30	30	26	19	16	14	12	15	16	24	28	262
LARGE VOLUME (51)		1,620	1,583	1,552	1,654	1,438	1,266	1,131	1,086	1,181	1,353	1,455	1,547	16,866
OTHER		-	-	-	-	-	-	-	-	-	-	-	-	-
INTERRUPTIBLE (61)		-	-	-	-	-	-	-	-	-	-	-	-	-
GS/COMM SMALL TRANS (90)		441	480	503	439	358	327	232	222	277	287	400	409	4,375
FIRM TRANSPORT (91)(94)		2,976	2,918	3,010	2,695	2,732	2,471	2,461	2,414	2,525	2,685	2,972	2,833	32,692
INTERR TRANSPORT (92)		40,967	37,085	43,837	36,926	37,969	33,687	34,195	34,030	34,716	37,185	39,198	37,971	447,766
LARGE VOLUME INT (93)		-	-	-	-	-	-	-	-	-	-	-	-	-