

FLORIDA PUBLIC SERVICE COMMISSION

Audit Report

The period April 1996 to March 1997

**Field work completed
MAY 29, 1997**

**Florida Public Utilities Company
West Palm Beach, Florida**

**Fuel Adjustment Clause
Docket Number 970001-E1
Audit Control No. 97-055-4-1**



**Yen Ngo
Audit Manager**



**Kathy Welch
Supervisor
Miami District Office**

DOCUMENT NUMBER-DATE

06107 JUN 18 5

FPSC-RECORDS/REPORTING

INDEX

	Page
I. Executive Summary	
A. Audit Purpose	1
B. Disclaim Public Use	1
C. Opinion	1
II. Audit Scope	
A. Scope of Work Performed	2
III. Exhibits	
Schedule F-1 -Six months ended September 31, 1996 Summary of Fuel True-Up for Fernandina	4
Schedule F-1 -Six months ended March 30, 1997 Summary of Fuel True-Up for Fernandina	5
Schedule M-1 -Six months ended September 31, 1996 Summary of Fuel True-Up for Marianna	6
Schedule M-1 -Six months ended March 31, 1997 Summary of Fuel True-Up for Marianna	7

I. EXECUTIVE SUMMARY

AUDIT PURPOSE: We have applied the procedures described in Section II of this report to audit the appended Fuel Adjustment Schedules for Fernandina Beach and Marianna Divisions prepared by Florida Public Utilities in support of Docket 970001-EI for the twelve month period ending March 31, 1997. The audit exit conference was waived.

DISCLAIM PUBLIC USE: This is an internal accounting report prepared after performing a limited scope audit; accordingly, this document must not be relied upon for any purpose except to assist the Commission staff in the performance of their duties. Substantial additional work would have to be performed to satisfy generally accepted auditing standards and produce audited financial statements for public use.

OPINION: The Fuel Adjustment schedules for the for the year ended March 31, 1997 represent Florida Public Utilities books and records maintained in substantial compliance with Commission Directives. The expressed opinions extend only to the scope of work described in section II of this report.

II. AUDIT SCOPE

The opinions contained in this report are based on the audit work described below. When used in this report, the following definitions shall apply.

EXAMINED: Means that the audit staff reconciled exhibit amounts with the general ledger; traced general ledger account balances to subsidiary ledgers; applied selective analytical review procedures; tested account balances to the extent further described; and disclosed any error, irregularity, or inconsistency observed.

Traced the attached M-1 and F-1 Summary Schedules for Marianna and Fernandina to the A schedules (monthly true-ups).

Examined fuel revenue per the M-1 and F-1 Schedules by recomputing the KWH times the rates per Rates Department; and reconciling those rates to the billed rates per the company Rate Test Deck which is an excerpt of the billing run.

Examined the total fuel expenses for Fernandina and Marianna Divisions as presented on the F1 and M1 schedules by tracing costs and kilowatts to the invoices, accounts payable vouchers, and the trial balance.

Revenues and expenses excluded from the fuel adjustment in the Fernandina Division, because the revenue is billed at purchased power costs to FPUC, were agreed to each other; and cost of the fuel billed to customers was agreed to the cost of fuel billed to FPUC.

Recomputed the true-up and interest calculations and agreed to the F1 and M1. Traced interest rates used to the Wall Street Journal.

III. Exhibits

- Schedule F-1 -Six months ended September 31, 1996
Summary of Fuel True-Up for Fernandina
- Schedule F-1 -Six months ended March 30, 1997
Summary of Fuel True-Up for Fernandina
- Schedule M-1 -Six months ended September 31, 1996
Summary of Fuel True-Up for Marianna
- Schedule M-1 -Six months ended March 31, 1997
Summary of Fuel True-Up for Marianna

FLORIDA PUBLIC UTILITIES COMPANY

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

APRIL 1996 through SEPTEMBER 1996

BASED ON SIX MONTHS ACTUAL

(INCLUDES LINE LOSS, EXCLUDES TAXES)

Schedule M1

MARIANNA DIVISION

	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	TOTAL
	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	
	1996	1996	1996	1996	1996	1996	
Total System Sales - KWH	18,237,654	19,821,358	25,427,098	27,628,105	27,511,732	28,166,207	146,792,154
Total System Purchases - KWH	20,475,400	25,744,800	25,400,800	32,435,800	28,563,000	26,538,400	159,158,000
System Billing Demand - KW	53,575	62,217	65,958	65,628	62,108	61,325	370,811
Purchased Power Rates:							
Base Fuel Costs - \$/KWH	0.02900	0.02900	0.02900	0.02900	0.02900	0.02900	
Fuel Adjustment - \$/KWH	(0.009210)	(0.009511)	(0.006803)	(0.010467)	(0.007755)	(0.011205)	
Demand and Non-Fuel:							
Demand Charge - \$/KW	6.50	6.50	6.50	6.50	6.50	6.50	
Customer Charge - \$	550.00	550.00	550.00	550.00	550.00	550.00	
Energy Charge (Excl. Fuel) \$/KWH	0.00689	0.00689	0.00689	0.00689	0.00689	0.00689	
Purchased Power Costs:							
Base Fuel Costs	593,787	746,599	736,617	940,638	828,327	799,614	4,615,582
Fuel Adjustment	(188,576)	(244,899)	(172,812)	(339,507)	(221,509)	(297,386)	(1,434,639)
Subtotal Fuel Costs	405,211	501,730	563,805	601,131	606,818	472,248	3,150,943
Demand and Non-Fuel Costs:							
Demand Charge	348,237	404,411	428,726	426,582	403,702	398,612	2,410,270
Customer Charge	550	550	550	550	550	550	3,300
Energy Charge	141,076	177,381	175,011	223,483	196,799	182,850	1,096,600
Subtotal Demand & Non-Fuel Costs	489,863	582,342	604,287	650,615	601,051	582,012	3,510,170
Total System Purchased Power Costs	895,074	1,084,072	1,168,092	1,251,746	1,207,869	1,054,260	6,661,113
Sales Revenues							
Fuel Adjustment Revenues:							
Residential RS	0.05118	396,920	412,344	589,526	652,783	638,324	3,294,849
Commercial GS	0.04770	69,650	75,622	99,179	110,362	110,398	560,757
Commercial GSD	0.04276	242,875	271,631	335,743	343,137	350,320	1,920,697
Industrial GSLD	0.04239	131,740	151,826	174,757	181,619	181,634	1,010,973
Residential OL,OL-2	0.03022	4,180	4,520	4,534	4,675	4,632	27,207
Other SL-1,SL-2,SL-3	0.02941	2,827	2,826	2,827	2,826	2,792	16,887
Total Fuel Revenues		848,192	918,759	1,186,566	1,295,402	1,288,100	6,851,370
Non-Fuel Revenues		390,153	404,404	471,531	500,603	498,973	2,770,223
Total Sales Revenue		1,238,345	1,323,173	1,658,097	1,796,005	1,787,073	9,621,593
KWH Sales/Rate:							
Residential RS	7,755,276	8,056,248	11,127,336	12,754,447	12,471,548	12,210,234	64,375,089
Commercial GS	1,460,167	1,585,373	2,079,231	2,313,665	2,314,423	2,422,343	12,175,202
Commercial GSD	5,679,957	6,352,447	7,851,795	8,024,729	8,192,710	8,816,450	44,918,068
Industrial GSLD	3,107,820	3,581,640	4,122,600	4,284,480	4,284,840	4,467,960	23,849,340
Residential OL,OL-2	138,321	149,567	150,029	154,707	153,281	154,387	900,292
Other SL-1,SL-2,SL-3	96,113	96,083	96,107	96,077	94,930	94,833	574,143
Total KWH Sales	18,237,654	19,821,358	25,427,098	27,628,105	27,511,732	28,166,207	146,792,154
True-up Calculation:							
Fuel Revenues	848,192	918,769	1,186,566	1,295,402	1,288,100	1,314,341	6,851,370
True-up Provision	29,014	29,014	29,014	29,014	29,014	29,012	174,082
Gross Receipts Tax Refund	0	0	0	0	0	0	0
Fuel Revenue	819,178	889,755	1,157,552	1,266,388	1,259,086	1,285,329	6,677,288
Total Purchased Power Costs	895,074	1,084,072	1,168,092	1,251,746	1,207,869	1,054,260	6,661,113
True-up Provision for the Period	(75,896)	(194,317)	(10,540)	14,642	51,217	231,069	16,175
Interest Provision for the Period	(897)	(1,370)	(1,726)	(1,600)	(1,308)	(545)	(7,446)
True-up and Interest Provision							
Beginning of Period	(174,082)	(221,861)	(388,534)	(371,786)	(329,730)	(250,807)	(174,082)
True-up Collected or (Refunded)	29,014	29,014	29,014	29,014	29,014	29,012	174,082
End of Period, Net True-up	(221,861)	(388,534)	(371,786)	(329,730)	(250,807)	8,729	8,729
10% Rule							
Interest Provision:							0.13%
Beginning True-up Amount	(174,082)	(221,861)	(388,534)	(371,786)	(329,730)	(250,807)	
Ending True-up Amount Before Interest	(220,964)	(387,164)	(370,060)	(328,130)	(249,499)	9,274	
Total Beginning and Ending True-up	(395,046)	(609,025)	(758,594)	(699,916)	(579,229)	(241,533)	
Average True-up Amount	(197,523)	(304,513)	(379,297)	(349,958)	(289,615)	(120,767)	
Interest Rate - Avg.	5.4500%	5.4000%	5.4600%	5.4850%	5.4200%	5.4150%	
Monthly Average Interest Rate	0.4542%	0.4500%	0.4550%	0.4571%	0.4517%	0.4513%	
Interest Provision	(897)	(1,370)	(1,726)	(1,600)	(1,308)	(545)	

FLORIDA PUBLIC UTILITIES COMPANY

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

APRIL 1996 through SEPTEMBER 1996

BASED ON SIX MONTHS ACTUAL

(EXCLUDES LINE LOSS, EXCLUDES TAXES)

Schedule F1

FERNANDINA BEACH DIVISION

	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	TOTAL
	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	
	1996	1996	1996	1996	1996	1996	
Total System Sales - KWH	27,218,755	25,874,557	29,979,844	33,140,137	32,819,402	34,408,113	183,238,608
CCA Purchases - KWH	190,800	317,900	50,500	175,400	138,100	108,200	981,900
JEA Purchases - KWH	28,819,112	30,447,793	30,462,801	37,948,198	32,644,914	34,381,000	194,703,818
System Billing Demand - KW	83,708	67,245	81,625	73,788	77,235	79,228	442,823
Purchased Power Rates:							
CCA Fuel Costs - \$/KWH	0.018700	0.018700	0.018700	0.018700	0.018700	0.018700	
Base Fuel Costs - \$/KWH	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	
Demand and Non-Fuel:							
Demand Charge - \$/KW	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	
Energy Charge (Excl. Fuel) \$/KWH	0.01205	0.01205	0.01205	0.01205	0.01205	0.01205	
Purchased Power Costs:							
CCA Fuel Costs	3,568	5,945	944	3,280	2,601	2,023	18,361
JEA Base Fuel Costs	531,713	561,762	562,039	700,144	602,299	634,329	3,592,286
JEA Fuel Adjustment	0	0	0	0	0	0	0
Subtotal Fuel Costs	535,281	567,707	562,983	703,424	604,900	636,352	3,610,647
Demand and Non-Fuel Costs:							
Demand Charge	382,236	403,470	489,750	442,716	463,410	475,356	2,656,938
Customer Charge	225	225	225	225	225	225	1,350
Energy Charge	347,270	368,896	367,077	457,276	393,371	414,291	2,346,181
Subtotal Demand & Non-Fuel Costs	729,731	770,591	857,052	900,217	857,006	889,872	5,004,469
Total System Purchased Power Costs	1,265,012	1,338,298	1,420,035	1,603,641	1,461,906	1,526,224	8,615,116
Less Direct Billing To GSLD Class:							
Demand	179,811	90,856	148,995	119,594	140,849	225,528	905,433
Commodity	335,388	250,873	237,168	219,557	222,638	282,968	1,548,602
Net Purchased Power Costs	749,803	996,769	1,033,872	1,264,490	1,098,419	1,017,728	6,161,081
Sales Revenues							
Fuel Adjustment Revenues:	Rate						
RS	0.04662	425,274	448,848	601,416	736,043	720,452	3,637,561
GS	0.04784	67,145	69,596	88,457	99,461	103,291	527,066
GSD	0.04025	236,152	267,781	303,654	327,536	313,275	1,772,407
OL	0.03772	1,789	1,770	1,805	1,790	1,796	10,823
SL,CSL	0.03772	2,957	2,709	2,975	2,973	2,863	17,180
Total Fuel Revenues (Excl. GSLD)		733,317	790,704	998,307	1,167,803	1,141,477	5,965,037
GSLD Fuel Revenues		515,209	341,529	386,163	339,151	363,487	2,454,035
Non-Fuel Revenues		457,617	448,854	514,425	571,926	562,709	3,136,859
Total Sales Revenue		1,706,143	1,581,117	1,898,895	2,078,880	2,067,673	11,555,931
KWH Sales:							
RS		9,118,013	9,826,050	12,899,886	15,788,534	15,453,814	78,019,352
GS		1,409,431	1,460,870	1,856,788	2,087,762	2,168,157	11,063,522
GSD		5,865,506	6,852,941	7,544,206	8,137,547	7,783,221	44,033,344
GSLD		10,700,000	8,015,940	7,552,060	7,000,000	7,096,000	49,380,000
OL		47,424	46,925	47,846	47,466	47,622	286,930
SL,CSL		78,381	71,831	78,858	78,828	70,588	455,460
Total KWH Sales		27,218,755	25,874,557	29,979,844	33,140,137	32,819,402	183,238,608
True-up Calculation (Excl. GSLD):							Period to Date
Fuel Revenues		733,317	790,704	998,307	1,167,803	1,141,477	5,965,037
True-up Provision		17,145	17,145	17,145	17,145	17,145	102,872
Gross Receipts Tax Refund		0	0	0	0	0	0
Fuel Revenue		716,172	773,559	981,162	1,150,658	1,124,332	5,862,165
Net Purchased Power Costs		749,803	996,769	1,033,872	1,264,490	1,098,419	6,161,081
True-up Provision for the Period		(33,631)	(223,210)	(52,710)	(113,832)	25,913	(298,916)
Interest Provision for the Period		(505)	(1,003)	(1,568)	(1,885)	(1,892)	(8,594)
True-up and Interest Provision		(102,872)	(119,863)	(326,931)	(364,064)	(462,636)	(1,641)
Beginning of Period		(102,872)	(119,863)	(326,931)	(364,064)	(462,636)	(102,872)
True-up Collected or (Refunded)		17,145	17,145	17,145	17,145	17,145	102,872
End of Period, Net True-up		(119,863)	(326,931)	(364,064)	(462,636)	(421,570)	(307,510)
							- 4.99%
10% Rule							
Interest Provision:							
Beginning True-up Amount		(102,872)	(119,863)	(326,931)	(364,064)	(462,636)	(421,570)
Ending True-up Amount Before Interest		(119,358)	(325,928)	(362,496)	(460,751)	(419,578)	(305,869)
Total Beginning and Ending True-up		(222,230)	(445,791)	(689,427)	(824,815)	(882,214)	(727,439)
Average True-up Amount		(111,115)	(222,896)	(344,714)	(412,408)	(441,107)	(363,720)
Average True-up Rate - Avg		5.4500%	5.4000%	5.4600%	5.4850%	5.4200%	5.4150%
Monthly Average Interest Rate		0.4542%	0.4500%	0.4550%	0.4571%	0.4517%	0.4513%
Interest Provision		(505)	(1,003)	(1,568)	(1,885)	(1,892)	(8,594)

FLORIDA PUBLIC UTILITIES COMPANY
 CALCULATION OF PURCHASED POWER COSTS AND
 CALCULATION OF TRUE-UP AND INTEREST PROVISION
 OCTOBER 1996 - MARCH 1997
 BASED ON FIVE MONTHS ACTUAL AND ONE MONTH ESTIMATED
 (INCLUDES LINE LOSS, EXCLUDES TAXES)

Schedule M1

MARIANNA DIVISION

	Actual	Actual	Actual	Actual	Actual	Actual	Total
	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	
	1996	1996	1996	1997	1997	1997	
Total System Sales - KWH	22,139,916	18,880,043	22,191,384	22,986,177	21,211,330	20,166,765	127,575,615
Total System Purchases - KWH	31,617,400	19,251,400	25,408,400	24,042,473	20,183,589	20,478,492	130,982,754
System Billing Demand - KW	52,786	52,786	67,176	67,142	52,358	36,703	316,601
Purchased Power Rates:							
Base Fuel Costs - \$/KWH	0.02900	0.02910	0.02900	0.02200	0.02200	0.02200	
Fuel Adjustment - \$/KWH	(0.004779)	(0.008522)	(0.007274)	0.000000	0.000000	0.000000	
Demand and Non-Fuel:							
Demand Charge - \$/KW	6.50	6.50	6.50	6.92	6.92	6.92	
Customer Charge - \$	690.00	690.00	690.00	690.00	690.00	690.00	
Energy Charge (Excl. Fuel) \$/KWH	0.00689	0.00689	0.00689	0.000000	0.000000	0.000000	
Transformation Charge	0	0	0	31,980	31,980	31,980	
Purchased Power Costs:							
Base Fuel Costs	636,905	558,291	736,844	528,934	444,039	450,549	3,345,562
Fuel Adjustment	(103,218)	(169,831)	(184,832)	0	0	0	(457,881)
Subtotal Fuel Costs	533,687	388,460	552,012	528,934	444,039	450,549	2,887,681
Demand and Non-Fuel Costs:							
Demand Charge	342,914	342,914	436,844	385,423	362,317	253,964	2,134,198
Customer Charge	690	690	690	690	690	690	3,300
Energy Charge	146,944	132,642	175,064	0	0	0	456,650
Transformation Charge	0	0	0	31,980	31,980	31,980	
Subtotal Demand & Non-Fuel Costs	492,408	476,106	612,258	427,953	394,647	286,514	2,594,146
Total System Purchased Power Costs	1,018,095	864,566	1,164,270	956,887	838,686	737,063	5,577,767
Sales Revenues							
Fuel Adjustment Revenues:	Rate						
Residential RS	0.04947	435,906	369,564	498,237	549,830	500,975	2,761,099
Commercial GS	0.04878	95,080	76,109	85,743	79,350	78,732	493,790
Commercial GSD	0.04406	324,295	299,158	282,016	289,456	261,519	1,709,357
Industrial GSLD	0.04272	160,082	158,526	158,125	145,764	120,426	0
Residential OL,OL-2	0.03460	5,489	5,614	5,722	5,809	5,799	34,201
Other SL-1,SL-2,SL-3	0.03460	3,261	3,279	3,280	3,275	3,280	16,662
Total Fuel Revenues		1,025,113	872,250	1,033,123	1,073,504	990,731	5,927,575
Non-Fuel Revenues		435,281	399,819	448,556	463,930	444,799	2,605,035
Total Sales Revenue		1,460,394	1,272,069	1,481,681	1,537,434	1,435,530	8,532,610
KWH Sales:							
Residential RS	8,808,844	7,489,991	10,071,323	11,114,809	10,126,515	8,218,398	55,810,680
Commercial GS	1,968,680	1,550,258	1,757,746	1,626,682	1,614,022	1,594,420	10,122,788
Commercial GSD	7,360,303	5,881,945	6,400,722	6,569,587	6,389,444	6,194,115	38,796,116
Industrial GSLD	3,747,240	3,710,820	3,701,435	3,412,548	2,618,968	3,897,552	21,288,564
Residential OL,OL-2	158,630	162,256	165,372	167,892	167,590	166,716	968,456
Other SL-1,SL-2,SL-3	94,239	94,773	94,785	94,659	94,791	95,564	568,811
Total KWH Sales	22,139,916	18,880,043	22,191,384	22,986,177	21,211,330	20,166,765	127,575,615
True-up Calculation:							Period to Date
Fuel Revenues	1,025,113	872,250	1,033,123	1,073,504	990,731	932,854	5,927,575
True-up Provision	(1,455)	(1,455)	(1,455)	(1,455)	(1,455)	(1,454)	(8,729)
Gross Receipts Tax Refund	0	0	0	0	0	0	0
Fuel Revenue	1,026,568	873,705	1,034,578	1,074,959	992,186	934,308	5,935,304
Total Purchased Power Costs	1,018,095	864,566	1,164,270	956,887	838,686	737,063	5,577,767
True-up Provision for the Period	10,473	8,139	(129,892)	118,072	153,300	197,245	358,537
Interest Provision for the Period	60	97	(189)	(225)	392	1,214	1,349
True-up and Interest Provision	8,729	17,807	25,588	(105,748)	10,644	162,881	8,729
Beginning of Period	(1,455)	(1,455)	(1,455)	(1,455)	(1,455)	(1,454)	(8,729)
True-up Collected or (Refunded)	17,807	25,588	(105,748)	10,644	162,881	359,696	359,696
End of Period, Net True-up							6.45%
10% Rule							
Interest Provision:							
Beginning True-up Amount	8,729	17,807	25,588	(105,748)	10,644	162,881	
Ending True-up Amount Before Interest	17,747	25,491	(105,559)	10,869	162,469	358,672	
Total Beginning and Ending True-up	26,476	43,298	(79,971)	(94,879)	173,133	521,553	
Average True-up Amount	13,238	21,649	(39,986)	(47,440)	86,567	260,777	
Average Interest Rate	5.4100%	5.4100%	5.6600%	5.7000%	5.4400%	5.5850%	
Monthly Average Interest Rate	0.4508%	0.4509%	0.4733%	0.4750%	0.4533%	0.4654%	
Interest Provision	60	97	(189)	(225)	392	1,214	

FLORIDA PUBLIC UTILITIES COMPANY
 CALCULATION OF PURCHASED POWER COSTS AND
 CALCULATION OF TRUE-UP AND INTEREST PROVISION-EXCLUDING GSLD
 PERIOD OCTOBER 1996 - MARCH 1997
 BASED ON FIVE MONTHS ACTUAL AND ONE MONTH ESTIMATED
 (EXCLUDES LINE LOSS, EXCLUDES TAXES)

Schedule F 1

FERNANDINA BEACH

	Actual OCTOBER 1996	Actual NOVEMBER 1996	Actual DECEMBER 1996	Actual JANUARY 1997	Actual FEBRUARY 1997	Actual MARCH 1997	Total Actual	
Total System Sales - KWH	195,800	109,800	205,400	129,900	45,100	101,000	786,900	
CCA Purchases - KWH	26,841,852	23,007,118	29,467,300	31,048,348	28,310,116	27,751,225	166,425,959	
JEA Purchases - KWH	62,408	55,090	76,742	51,178	76,922	73,338	428,676	
System Billing Demand - KW								
Purchased Power Rates:								
CCA Fuel Costs - \$/KWH	0.018700	0.018700	0.018700	0.018700	0.018700	0.018700		
Base Fuel Costs - \$/KWH	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		
Demand and Non-Fuel:								
Demand Charge - \$/KW	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		
Energy Charge (Excl. Fuel) \$/KWH	0.01205	0.01205	0.01205	0.00905	0.00905	0.00905		
Purchased Power Costs:								
CCA Fuel Costs	3,661	2,053	3,841	2,427	843	1,889	14,714	
JEA Base Fuel Costs	495,232	424,481	543,672	572,841	522,322	512,010	3,070,558	
JEA Fuel Adjustment	0	0	0	0	0	0	0	
Subtotal Fuel Costs	498,893	426,534	547,513	575,268	523,165	513,899	3,085,272	
Demand and Non-Fuel Costs:								
Demand Charge	374,436	336,540	460,452	487,088	461,532	440,028	2,560,056	
Customer Charge	225	225	225	225	225	225	1,350	
Energy Charge	323,444	277,236	355,081	280,988	256,207	251,149	1,744,105	
Subtotal Demand & Non-Fuel Costs	698,105	614,001	815,758	768,281	717,964	691,402	4,305,511	
Total System Purchased Power Costs	1,198,998	1,040,535	1,363,271	1,343,549	1,241,129	1,205,301	7,390,783	
Less Direct Billing To GSLD Class:								
Demand	162,203	165,923	92,035	117,313	181,053	226,412	944,939	
Commodity	235,143	214,602	244,356	231,337	296,339	268,894	1,490,671	
Net Purchased Power Costs	799,652	660,010	1,026,880	994,899	763,737	709,995	4,955,173	
% Revenues								
Fuel Adjustment Revenues:	Rate							
RS	0.04973	550,198	425,255	510,601	649,144	574,400	457,815	3,167,413
GS	0.04806	88,946	68,156	68,675	82,185	74,793	73,219	455,974
GSD	0.04493	340,557	273,508	287,935	302,242	270,436	286,172	1,760,850
OL	0.03494	1,792	1,666	1,727	1,720	1,719	1,712	10,246
SL,CSL	0.03494	2,697	2,696	2,697	2,697	2,701	2,701	16,189
Total Fuel Revenues (Excl. GSLD)		984,100	771,281	871,635	1,037,988	924,049	821,619	5,410,672
GSLD Fuel Revenues		397,346	380,525	336,391	348,650	477,392	495,306	2,435,610
Non-Fuel Revenues		491,145	437,226	459,031	508,744	494,602	465,748	2,856,496
Total Sales Revenue		1,872,591	1,589,032	1,667,057	1,895,382	1,896,043	1,782,673	10,702,778
KWH Sales:								
RS	11,061,597	8,551,280	10,267,983	13,053,421	11,551,273	9,206,511	63,692,065	
GS	1,850,733	1,418,136	1,428,941	1,710,041	1,556,234	1,523,488	9,487,573	
GSD	7,579,730	6,087,429	6,408,522	6,726,954	6,019,061	6,369,282	39,190,978	
GSLD	7,504,000	6,842,000	7,798,000	8,176,000	10,466,000	9,500,000	50,286,000	
OL	48,721	47,671	49,421	49,232	49,210	48,990	293,245	
SL,CSL	77,189	77,159	77,201	77,201	77,295	77,295	463,340	
Total KWH Sales	28,121,970	23,023,675	26,030,068	29,792,849	29,719,073	26,725,566	163,413,201	
True-up Calculation (Excl. GSLD):							Period to Date	
Fuel Revenues	984,100	771,281	871,635	1,037,988	924,049	821,619	5,410,672	
True-up Provision	51,251	51,251	51,251	51,251	51,251	51,255	307,510	
Gross Receipts Tax Refund	0	0	0	0	0	0	0	
Fuel Revenue	932,849	720,030	820,384	986,737	872,798	770,364	5,103,162	
Net Purchased Power Costs	799,652	660,010	1,026,880	994,899	763,737	709,995	4,955,173	
True-up Provision for the Period	133,197	60,020	(208,495)	(8,162)	109,051	60,369	147,989	
Interest Provision for the Period	(971)	(308)	(430)	(699)	(209)	417	(2,200)	
True-up and Interest Provision	(307,510)	(124,033)	(13,070)	(168,745)	(126,355)	33,748	(307,510)	
Beginning of Period	51,251	51,251	51,251	51,251	51,251	51,255	307,510	
True-up Collected or (Refunded)	(124,033)	(13,070)	(168,745)	(126,355)	33,748	145,789	145,789	
End of Period, Net True-up							2.94%	
10% RULE								
Interest Provision:								
Beginning True-up Amount	(307,510)	(124,033)	(13,070)	(168,745)	(126,355)	33,748		
Ending True-up Amount Before Interest	(123,062)	(12,762)	(168,315)	(125,656)	33,957	145,372		
Total Beginning and Ending True-up	(430,572)	(136,795)	(181,385)	(294,401)	(92,398)	179,120		
Average True-up Amount	(215,286)	(68,398)	(90,693)	(147,201)	(46,199)	89,560		
Interest Rate	5.4100%	5.4100%	5.6900%	5.7000%	5.4400%	5.5850%		
Monthly Average Interest Rate	0.4506%	0.4506%	0.4742%	0.4750%	0.4533%	0.4654%		
Interest Provision	(971)	(308)	(430)	(699)	(209)	417		

State of Florida

Commissioners:
JULIA L. JOHNSON, CHAIRMAN
SUSAN F. CLARK
J. TERRY DEASON
JOE GARCIA
DIANE K. KIESLING



DIVISION OF RECORDS &
REPORTING
BLANCA S. BAYÓ
DIRECTOR
(904) 413-6770

Public Service Commission

June 18, 1997

Mr. Frank C. Cressman
Florida Public Utilities Company
Post Office Box 3395
West Palm Beach, Florida 33402-3395

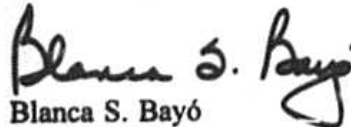
Re: Docket No. 970007-EI -- Florida Public Utilities Company
Fuel Audit Report - Period Ended March 31, 1997
Audit Control # 97-055-4-1

Dear Mr. Cressman:

The enclosed audit report is forwarded for your review. Any company response filed with this office within ten (10) work days of the above date will be forwarded for consideration by the staff analyst in the preparation of a recommendation for this case.

Thank you for your cooperation.

Sincerely,


Blanca S. Bayó

BSB/DNV/cls

Enclosure

cc: Public Counsel
Rutledge Law Firm