

MEMORANDUM

June 15, 1998

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RECORDS AND
REPORTING

TO: DIVISION OF RECORDS AND REPORTING

FROM: DIVISION OF AUDITING AND FINANCIAL ANALYSIS (VANDIVER) W

RE: DOCKET NO. 980001-EI -- FLORIDA PUBLIC UTILITIES COMPANY
AUDIT REPORT - FUEL - PERIOD ENDED MARCH 31, 1998
AUDIT CONTROL NO. 98-057-4-2

The above-referenced audit report is forwarded. Audit exceptions document deviations from the Uniform System of Accounts, Commission rule or order, Staff Accounting Bulletin and generally accepted accounting principles. Audit disclosures show information that may influence the decision process.

The audit was prepared using a micro computer and has been recorded on one diskette. The diskette may be reviewed using IBM compatible equipment and LOTUS 1-2-3 software. There are no confidential working papers associated with this audit.

Please forward a complete copy of this audit report to:

Florida Public Utilities Company
Frank C. Cressman
P. O. Box 3395
West Palm Beach, FL 33402-3395

DNV/sp

Attachment

cc: Chairman Johnson
Commissioner Clark
Commissioner Deason
Commissioner Garcia
Commissioner Jacobs
Mary Andrews Bane, Deputy Executive Director/Technical
Legal Services
Division of Auditing and Financial Analysis (Devlin/Causseaux/
File Folder)
Division of Electric and Gas (Jenkins)
Miami District Office (Welch)

Research and Regulatory Review (Harvey)
Office of Public Counsel

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING



FLORIDA PUBLIC SERVICE COMMISSION

*DIVISION OF AUDITING AND FINANCIAL ANALYSIS
BUREAU OF AUDITING*

Miami District Office

FLORIDA PUBLIC UTILITIES COMPANY

FUEL ADJUSTMENT

YEAR END MARCH 31, 1998

DOCKETED NO. 9800001-EI
AUDIT CONTROL NO. 98-057-4-2


Raymond Grant, Audit Manager


Kathy L. Welch, Audit Supervisor

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**DIVISION OF AUDITING AND FINANCIAL ANALYSIS
AUDITOR'S REPORT**

MAY 20, 1998

TO: FLORIDA PUBLIC SERVICE COMMISSION AND OTHER INTERESTED PARTIES

We have applied the procedures described later in this report to audit the accompanying Fuel Adjustment Schedules for the historical 12-month period ended March 31, 1998, for Florida Public Utilities Company. These schedules were prepared by the utility as part of its petition for the fuel adjustment in Docket No. 980001-EI .

This is an internal accounting report prepared after performing a limited scope audit. Accordingly, this report should 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.

In our opinion, the schedules referred to above present fairly, in all material respects, the utility's books and records, maintained in conformity with the accounting practices prescribed by the Florida Public Service Commission.

SUMMARY OF SIGNIFICANT PROCEDURES

Our audit was performed by examining on a test basis, certain transactions and account balances which we believe are sufficient to base our opinion. Our examination did not entail a complete review of all financial transactions of the company. Our more important audit procedures are summarized below. The following definitions apply when used in this report:

Scanned - The documents or accounts were read quickly looking for obvious errors.

Compiled - The exhibit amount were reconciled with the general ledger, and accounts were scanned for error or inconsistency.

Reviewed - The exhibit amount were reconciled with the general ledger. The general ledger account balances were traced to subsidiary ledgers, and selective analytical review procedures were applied.

Examined - The exhibit amounts were reconciled with the general ledger. The general ledger account balances were traced to subsidiary ledgers. Selective analytical review procedures were applied, and account balances were tested to the extent further described.

Verify - The item was tested for accuracy, and substantiation documentation was examined.

M-1 and F-1 Schedules

Traced the attached M-1 and F-1 Summary Schedules for Marianna and Fernandina to the A - Schedules (Monthly True-ups).

Revenues -Examined fuel revenue per the filing. Recalculated the fuel revenues for six months by using the kilowatt hours from the Revenue Sheets times the rates authorized in the last order. The rates were traced to the Rate Test Deck Report which is an excerpt of the billing run. The revenues were traced to the general ledger.

Expenses-Examined total fuel expenses for Fernandina and Marianna divisions by tracing costs and kilowatt to the invoices. Traced fuel costs to the trial balance.

True-up Provision -Recalculated the total true-up and the interest calculation and agreed to the M-1 and F-1 schedules. Traced the interest rates used to the Wall Street Journal Commercial Paper Rates. Traced the attached M-1 and F-1 Summary Schedules for Marianna and Fernandina to the A - schedules

Other - Read prior orders and reviewed prior audit reports for items related to current regulatory issues.

FLORIDA PUBLIC UTILITIES COMPANY
 CALCULATION OF PURCHASED POWER COSTS AND
 CALCULATION OF TRUE-UP AND INTEREST PROVISION-EXCLUDING GSLD
 PERIOD OCTOBER 1997 - MARCH 1998
 BASED ON SIX MONTHS ACTUAL
 (EXCLUDES LINE LOSS, EXCLUDES TAXES)

Schedule F1

FERNANDINA BEACH	Actual OCTOBER 1997	Actual NOVEMBER 1997	Actual DECEMBER 1997	Actual JANUARY 1998	Actual FEBRUARY 1998	Actual MARCH 1998	Total Estimated	
Total System Sales - KWH	33,273,687	23,177,987	28,303,559	31,282,836	29,095,732	28,643,540	173,777,341	
CCA Purchases - KWH	289,700	163,300	200,200	157,900	102,400	170,300	1,083,800	
JEA Purchases - KWH	31,572,172	22,319,001	33,726,447	29,575,448	28,532,100	30,649,068	176,374,236	
System Billing Demand - KW	74,771	54,790	75,398	75,846	73,562	71,456	425,823	
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	0.00905	0.00905	0.00905	0.00455	0.00455	0.00455		
Purchased Power Costs:								
CCA Fuel Costs	5,417	3,054	3,744	2,953	1,915	3,185	20,268	
JEA Base Fuel Costs	582,507	411,786	622,253	545,667	526,417	565,475	3,254,105	
JEA Fuel Adjustment	0	0	0	0	0	0	0	
Subtotal Fuel Costs	587,924	414,840	626,997	548,620	528,332	568,660	3,274,373	
Demand and Non-Fuel Costs:								
Demand Charge	448,626	328,740	452,388	455,076	441,372	428,736	2,554,938	
Customer Charge	225	225	225	225	225	225	1,350	
Energy Charge	285,728	201,967	305,224	134,568	129,821	139,453	1,196,781	
Subtotal Demand & Non-Fuel Costs	734,579	530,931	757,837	589,869	571,418	568,414	3,753,068	
Total System Purchased Power Costs	1,322,503	945,771	1,383,834	1,138,489	1,099,750	1,137,074	7,027,441	
Less Direct Billing To GSLD Class:								
Demand	230,312	57,040	77,010	237,228	195,287	92,579	889,456	
Commodity	284,263	188,946	250,177	204,966	202,266	199,152	1,327,770	
Net Purchased Power Costs	807,928	701,805	1,056,647	896,296	702,197	845,343	4,810,216	
Sales Revenues								
Fuel Adjustment Revenues:	Rate							
RS	0.04384	578,427	378,533	490,672	598,588	503,213	3,086,266	
GS	0.04218	86,546	69,388	63,360	80,487	69,179	438,516	
GSD	0.03912	306,629	240,911	259,559	271,461	255,513	1,607,201	
OL	0.02928	1,515	1,519	1,516	1,510	1,634	9,289	
SL,CSL	0.02928	2,209	2,209	2,216	2,209	2,196	13,229	
Total Fuel Revenues (Excl. GSLD)		975,326	692,560	817,323	954,260	865,688	5,154,501	
GSLD Fuel Revenues		514,575	243,886	327,187	442,194	397,553	2,217,226	
Non-Fuel Revenues		580,662	453,603	484,581	566,892	526,971	3,115,282	
Total Sales Revenue		2,070,563	1,390,149	1,629,091	1,963,346	1,790,212	10,486,989	
KWH Sales:								
RS		13,192,687	8,633,501	11,191,157	13,652,460	12,244,013	70,290,999	
GS		2,051,765	1,644,989	1,502,083	1,908,126	1,548,982	10,295,988	
GSD		7,838,060	6,158,163	6,834,857	6,939,062	6,531,410	41,083,289	
GSLD		10,064,000	6,614,000	8,848,000	8,656,000	8,542,000	51,138,000	
OL		51,735	51,894	51,778	51,728	54,300	317,257	
SL,CSL		75,440	75,440	75,684	75,440	75,019	451,808	
Total KWH Sales		33,273,687	23,177,987	28,303,559	31,282,836	29,095,732	173,777,341	
True-up Calculation (Excl. GSLD):							Period to Date	
Fuel Revenues		975,326	692,560	817,323	954,260	865,688	849,344	5,154,501
True-up Provision		(6,827)	(6,827)	(6,827)	(6,827)	(6,827)	(6,826)	(40,961)
Gross Receipts Tax Refund		0	0	0	0	0	0	0
Fuel Revenue		982,153	699,387	824,150	961,087	872,515	856,170	5,195,462
Net Purchased Power Costs		807,928	701,805	1,056,647	896,296	702,197	845,343	4,810,216
True-up Provision for the Period		174,225	(2,418)	(232,497)	264,791	170,318	10,827	385,246
Interest Provision for the Period		574	948	383	425	1,387	1,787	5,504
True-up and Interest Provision								
Beginning of Period		40,961	208,933	200,636	(38,305)	220,084	384,962	40,961
True-up Collected or (Refunded)		(6,827)	(6,827)	(6,827)	(6,827)	(6,827)	(6,826)	(40,961)
End of Period, Net True-up		208,933	200,636	(38,305)	220,084	384,962	390,750	390,750
10% RULE								8.12%
Interest Provision:								
Beginning True-up Amount		40,961	208,933	200,636	(38,305)	220,084	384,962	
Ending True-up Amount Before Interest		208,359	199,668	(38,688)	219,659	383,575	388,963	
Total Beginning and Ending True-up		249,320	408,621	161,948	181,354	603,659	773,925	
Average True-up Amount		124,660	204,311	80,974	90,677	301,830	386,963	
Average Interest Rate		5.5300%	5.5650%	5.6750%	5.6250%	5.5150%	5.5400%	
Monthly Average Interest Rate		0.4608%	0.4638%	0.4729%	0.4688%	0.4596%	0.4617%	
Interest Provision		574	948	383	425	1,387	1,787	

FLORIDA PUBLIC UTILITIES COMPANY
 CALCULATION OF PURCHASED POWER COSTS AND
 CALCULATION OF TRUE-UP AND INTEREST PROVISION-EXCLUDING GSLD
 PERIOD APRIL 1997 - SEPTEMBER 1997
 BASED ON SIX MONTHS ACTUAL
 (EXCLUDES LINE LOSS, EXCLUDES TAXES)

Schedule F1

FERNANDINA BEACH

	Actual APRIL 1997	Actual MAY 1997	Actual JUNE 1997	Actual JULY 1997	Actual AUGUST 1997	Actual SEPTEMBER 1997	Total Estimated
Total System Sales - KWH	26,725,566	26,159,842	30,207,520	34,410,532	35,449,376	39,431,440	192,384,276
CCA Purchases - KWH	106,300	200,800	51,900	107,800	85,000	160,100	711,700
JEA Purchases - KWH	26,634,104	29,204,224	34,042,657	37,938,039	36,213,542	39,779,364	203,811,930
System Billing Demand - KW	67,917	64,736	74,861	81,760	75,533	84,672	449,479
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	0.00905	0.00905	0.00905	0.00905	0.00905	0.00905	
Purchased Power Costs:							
CCA Fuel Costs	1,968	3,751	971	2,016	1,590	2,994	13,310
JEA Base Fuel Costs	491,399	538,818	628,087	699,957	668,140	733,929	3,760,330
JEA Fuel Adjustment	0	0	0	0	0	0	0
Subtotal Fuel Costs	493,367	542,569	629,058	701,973	669,730	736,923	3,773,640
Demand and Non-Fuel Costs:							
Demand Charge	407,502	388,416	449,166	490,560	453,198	508,032	2,696,874
Customer Charge	225	225	225	225	225	225	1,350
Energy Charge	241,039	264,298	308,086	343,339	327,733	360,003	1,844,498
Subtotal Demand & Non-Fuel Costs	648,766	652,939	757,477	834,124	781,156	868,260	4,542,722
Total System Purchased Power Costs	1,142,153	1,195,508	1,386,535	1,536,097	1,450,886	1,605,183	8,316,362
Less Direct Billing To GSLD Class:							
Demand	103,085	105,249	128,247	88,190	92,758	380,735	898,264
Commodity	250,296	238,302	261,285	229,664	245,542	330,765	1,555,854
Net Purchased Power Costs	788,772	851,957	997,003	1,218,243	1,112,586	893,683	5,862,244

Sales Revenues							
Fuel Adjustment Revenues:	Rate						
RS	0.04399	379,423	413,734	511,125	699,578	722,395	3,442,498
GS	0.04251	61,606	65,664	78,742	91,513	94,809	496,716
GSD	0.03969	248,401	263,228	293,057	322,091	317,517	1,797,739
OL	0.03068	1,495	1,525	1,564	1,582	1,574	9,220
SL,CSL	0.03068	2,368	2,368	2,295	2,295	2,299	13,938
Total Fuel Revenues (Excl. GSD)		693,293	747,519	886,783	1,117,059	1,138,594	5,760,111
GSLD Fuel Revenues		353,381	343,551	389,532	317,854	338,300	2,454,118
Non-Fuel Revenues		452,089	473,746	528,715	566,478	611,847	3,330,112
Total Sales Revenue		1,498,763	1,564,816	1,805,030	2,021,391	2,088,741	11,544,341
KWH Sales:							
RS		8,624,860	8,404,651	11,617,756	15,902,274	16,420,908	78,251,177
GS		1,449,218	1,568,204	1,852,315	2,152,738	2,230,272	11,684,691
GSD		6,258,533	6,632,108	7,383,660	8,115,164	7,999,930	45,294,531
GSLD		8,846,000	8,428,000	9,228,000	8,114,000	8,672,000	54,978,000
OL		48,720	49,710	50,989	51,556	51,318	300,527
SL,CSL		77,169	77,169	74,800	74,800	74,948	454,284
Total KWH Sales		25,304,500	26,159,842	30,207,520	34,410,532	35,449,376	190,963,210

True-up Calculation (Excl. GSD):							Period to Date
Fuel Revenues		693,293	747,519	886,783	1,117,059	1,138,594	5,760,111
True-up Provision		(24,298)	(24,298)	(24,298)	(24,298)	(24,298)	(145,789)
Gross Receipts Tax Refund		0	0	0	0	0	0
Fuel Revenue		717,591	771,817	911,081	1,141,357	1,162,892	5,905,900
Net Purchased Power Costs		788,772	851,957	997,003	1,218,243	1,112,586	5,862,244
True-up Provision for the Period		(71,181)	(80,140)	(85,922)	(76,886)	50,306	43,656
Interest Provision for the Period		464	(7)	(509)	(1,003)	(1,177)	(2,695)
True-up and Interest Provision							
Beginning of Period		145,789	50,774	(53,671)	(164,400)	(266,587)	145,789
True-up Collected or (Refunded)		(24,298)	(24,298)	(24,298)	(24,298)	(24,298)	(145,789)
End of Period, Net True-up		50,774	(53,671)	(164,400)	(266,587)	(241,756)	40,961

10% RULE							0.70%
Interest Provision:							
Beginning True-up Amount		145,789	50,774	(53,671)	(164,400)	(266,587)	(241,756)
Ending True-up Amount Before Interest		50,310	(53,664)	(163,091)	(265,584)	(240,579)	41,424
Total Beginning and Ending True-up		196,099	(2,890)	(217,562)	(429,984)	(507,166)	(200,332)
Average True-up Amount		98,050	(1,445)	(108,781)	(214,992)	(253,583)	(100,166)
Interest Rate		5.6000%	5.6100%	5.6100%	5.6000%	5.5700%	5.5450%
Monthly Average Interest Rate		0.4733%	0.4675%	0.4675%	0.4667%	0.4642%	0.4621%
Interest Provision		464	(7)	(509)	(1,003)	(1,177)	(463)

FLORIDA PUBLIC UTILITIES COMPANY
 CALCULATION OF PURCHASED POWER COSTS AND
 CALCULATION OF TRUE-UP AND INTEREST PROVISION
 APRIL 1997 - SEPTEMBER 1997
 BASED ON SIX MONTHS ACTUAL

Schedule M1

MARIANNA DIVISION

	Actual	Actual	Actual	Actual	Actual	Actual	
	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	Total
	1997	1997	1997	1997	1997	1997	
Total System Sales - KWH	18,102,810	18,011,218	22,462,477	26,844,745	27,676,835	29,591,186	143,688,972
Total System Purchases - KWH	18,328,314	22,778,725	25,232,631	30,998,142	30,096,996	28,270,089	156,705,907
System Billing Demand - KW	41,153	47,898	54,196	53,019	62,706	61,838	320,830
Purchased Power Rates:							
Base Fuel Costs - \$/KWH	0.02200	0.02200	0.02200	0.02200	0.02200	0.02200	
Demand and Non-Fuel:							
Demand Charge - \$/KW	6.82	6.82	6.82	6.82	6.82	6.82	
Customer Charge - \$	500.00	500.00	500.00	500.00	500.00	500.00	
Transformation Charge	31,979	31,980	31,960	31,980	31,980	31,980	
Purchased Power Costs:							
Base Fuel Costs	425,245	501,132	505,118	681,899	662,134	621,942	3,447,530
Subtotal Fuel Costs	425,245	501,132	505,118	681,899	662,134	621,942	3,447,530
Demand and Non-Fuel Costs:							
Demand Charge	284,779	710,079	375,036	366,891	433,925	428,057	2,218,758
Customer Charge	500	500	500	500	500	500	3,200
Transformation Charge	31,979	31,980	31,960	31,980	31,980	31,980	191,879
Subtotal Demand & Non-Fuel Costs	317,308	362,600	407,506	399,421	466,455	460,587	2,413,837
Total System Purchased Power Costs	742,553	863,732	912,624	1,081,320	1,128,589	1,082,529	5,861,467
Sales Revenues							
Fuel Adjustment Revenues:	Rate						
Residential RS	0.04181	296,968	308,083	390,821	503,341	524,350	2,578,163
Commercial GS	0.04111	62,783	65,834	77,821	93,541	87,894	505,890
Commercial GSO	0.03627	216,034	224,941	281,863	298,048	307,263	1,640,847
Industrial GSLD	0.03491	113,501	124,581	130,838	140,099	140,015	759,303
Residential OL,OL-2	0.02679	4,809	4,673	4,455	4,836	4,596	27,456
Other SL-1,SL-2,SL-3	0.02658	2,538	2,537	2,306	2,673	2,567	15,333
Total Fuel Revenue		696,333	730,609	868,052	1,043,228	1,076,785	5,968,036
Non-Fuel Revenues:		293,238	401,417	444,973	503,362	514,870	2,801,862
Total Sales Revenue		1,089,571	1,132,026	1,313,025	1,546,590	1,591,655	8,769,898
KWH Sales:							
Residential RS	7,104,038	7,369,194	8,350,647	12,041,712	12,542,710	13,263,939	61,672,240
Commercial GS	1,527,193	1,601,417	1,893,004	2,278,374	2,383,893	2,625,073	12,305,754
Commercial GSO	5,996,262	6,201,841	7,214,298	8,248,038	8,471,583	9,128,704	45,217,726
Industrial GSLD	3,251,232	3,568,908	3,742,068	4,013,148	4,010,736	4,305,432	22,891,834
Residential OL,OL-2	168,299	174,421	168,379	172,687	171,552	171,588	1,024,826
Other SL-1,SL-2,SL-3	95,496	95,438	96,181	96,786	96,981	96,450	578,902
Total KWH Sales	18,102,810	18,011,218	22,462,477	26,844,745	27,676,835	29,591,186	143,688,972
True-up Calculation:							Period to Date
Fuel Revenues	696,333	730,609	868,052	1,043,228	1,076,785	1,190,879	5,968,036
True-up Provision	(59,981)	(59,981)	(59,981)	(59,981)	(59,981)	(59,981)	(359,880)
Gross Receipts Tax Refund	0	0	0	0	0	0	0
Fuel Revenue	756,314	790,649	808,033	1,103,209	1,136,766	1,210,860	5,825,922
Total Purchased Power Costs	742,553	863,732	912,624	1,081,320	1,128,589	1,082,529	5,861,467
True-up Provision for the Period	13,761	(73,082)	(24,651)	21,829	8,177	128,421	64,455
Interest Provision for the Period	1,594	1,163	636	328	119	157	3,997
True-up and Interest Provision							
Beginning of Period	359,886	315,280	183,350	89,354	51,530	(155)	359,886
True-up Collected or (Refunded)	(59,981)	(59,981)	(59,981)	(59,981)	(59,981)	(59,981)	(359,880)
End of Period, Net True-up	315,360	183,350	89,354	51,530	(155)	68,452	68,452
10% Rule							1.17%
Interest Provision:							
Beginning True-up Amount	359,886	315,280	183,350	89,354	51,530	(155)	
Ending True-up Amount Before Interest	313,666	182,187	88,718	51,202	(274)	68,295	
Total Beginning and Ending True-up	673,552	497,467	272,068	140,556	51,256	68,140	
Average True-up Amount	336,776	248,724	136,034	70,278	25,628	34,070	
Interest Rate	8.6000%	8.6100%	8.6100%	8.6000%	5.5700%	5.5450%	
Monthly Average Interest Rate	0.4733%	0.4675%	0.4675%	0.4667%	0.4642%	0.4621%	
Interest Provision	1,594	1,163	636	328	119	157	

FLORIDA PUBLIC UTILITIES COMPANY
 CALCULATION OF PURCHASED POWER COSTS AND
 CALCULATION OF TRUE-UP AND INTEREST PROVISION
 OCTOBER 1997 - MARCH 1998
 BASED ON SIX MONTHS ACTUAL

Schedule M1

MARIANNA DIVISION

	Actual	Actual	Actual	Actual	Actual	Actual	Total
	OCTOBER 1997	NOVEMBER 1997	DECEMBER 1997	JANUARY 1998	FEBRUARY 1998	MARCH 1998	
Total System Sales - KWH	24,762,123	19,112,885	22,084,225	22,890,431	21,626,801	20,253,417	130,729,882
Total System Purchases - KWH	22,889,240	20,836,679	24,880,812	22,911,320	20,567,070	21,473,500	133,608,621
System Billing Demand - KW	51,473	55,029	53,426	49,159	50,163	47,735	306,965
Purchased Power Rates:							
Base Fuel Costs - \$/KWH	0.02200	0.02200	0.02200	0.02150	0.02150	0.02150	
Demand and Non-Fuel							
Demand Charge - \$/KW	6.92	6.92	6.92	6.77	6.77	6.77	
Customer Charge - \$	550.00	550.00	550.00	550.00	550.00	550.00	
Transformation Charge	31,979	31,979	31,979	31,979	31,979	31,979	
Purchased Power Costs:							
Base Fuel Costs	503,563	460,607	547,378	492,593	442,192	461,080	2,908,013
Subtotal Fuel Costs	503,563	460,607	547,378	492,593	442,192	461,080	2,908,013
Demand and Non-Fuel Costs:							
Demand Charge	356,193	380,801	369,708	332,806	339,804	323,166	2,102,278
Customer Charge	550	550	550	550	550	550	3,300
Transformation Charge	31,980	31,979	31,979	31,980	31,979	31,979	191,876
Subtotal Demand & Non-Fuel Costs	388,723	413,330	402,237	365,336	372,133	355,605	2,297,454
Total System Purchased Power Costs	892,286	873,937	949,615	857,929	814,325	817,375	5,205,467
Sales Revenues							
Fuel Adjustment Revenues:	Rate						
Residential RS	0.04412	461,323	357,914	467,525	509,640	462,478	2,671,797
Commercial GS	0.04343	95,134	72,624	71,885	79,203	75,647	465,984
Commercial GSD	0.03856	214,499	233,297	246,240	250,599	245,176	1,535,612
Industrial GSLD	0.03720	137,355	111,918	118,083	102,030	103,013	688,664
Residential OL,OL-2	0.02969	4,905	4,967	5,089	5,123	5,160	30,506
Other SL-1,SL-2,SL-3	0.02964	2,780	2,758	2,785	2,751	2,751	16,527
Total Fuel Revenues		1,016,026	783,498	911,557	949,346	894,226	5,389,090
Non-Fuel Revenues		308,819	439,302	483,484	504,037	482,183	2,879,250
Total Sales Revenue		1,324,845	1,222,800	1,395,041	1,453,383	1,376,409	8,268,340
KWH Sales:							
Residential RS		10,453,782	8,111,492	10,595,677	11,550,163	10,481,295	60,559,436
Commercial GS		2,190,305	1,672,090	1,855,036	1,823,533	1,741,646	10,728,541
Commercial GSD		8,156,506	6,090,555	6,386,228	6,499,288	6,358,627	39,826,030
Industrial GSLD		3,892,424	3,000,828	3,174,360	2,742,816	2,769,240	17,575,292
Residential OL,OL-2		172,734	173,836	178,718	178,597	179,891	1,063,473
Other SL-1,SL-2,SL-3		96,372	96,324	96,204	96,054	96,102	577,110
Total KWH Sales		24,762,123	19,112,885	22,084,225	22,890,431	21,626,801	130,729,882
True-up Calculation							Period to Date
Fuel Revenues		1,016,026	783,498	911,557	949,346	894,226	5,389,090
True-up Provision		(11,409)	(11,409)	(11,409)	(11,409)	(11,409)	(68,452)
Gross Receipts Tax Refund		0	0	0	0	0	0
Fuel Revenues		1,027,435	794,907	922,966	960,735	905,635	5,457,547
Total Purchased Power Costs		892,286	873,937	949,615	857,929	814,325	5,205,467
True-up Provision for the Period		135,149	(79,030)	(26,649)	102,826	91,310	252,075
Interest Provision for the Period		601	684	397	521	907	4,249
True-up and Interest Provision		68,452	192,793	103,038	65,377	157,315	68,452
Beginning of Period		(11,409)	(11,409)	(11,409)	(11,409)	(11,409)	(68,452)
True-up Collected or (Refunded)		192,793	103,038	65,377	157,315	238,123	238,123
End of Period, Net True-up							4.92%
10% Rule							
Interest Provision:							
Beginning True-up Amount		68,452	192,793	103,038	65,377	157,315	238,123
Ending True-up Amount Before Interest		182,192	102,354	64,980	156,794	237,216	255,185
Total Beginning and Ending True-up		260,644	295,147	168,018	222,171	394,531	493,308
Average True-up Amount		130,322	147,574	84,009	111,086	197,266	246,654
Interest Rate		5.5300%	5.5650%	5.8750%	5.6250%	5.5150%	5.5400%
Monthly Average Interest Rate		0.4608%	0.4638%	0.4729%	0.4688%	0.4596%	0.4617%
Interest Provision		601	684	397	521	907	4,249

STATE OF FLORIDA

Commissioners:
JULIA L. JOHNSON, CHAIRMAN
J. TERRY DEASON
SUSAN F. CLARK
JOE GARCIA
E. LEON JACOBS, JR.



DIVISION OF RECORDS & REPORTING
BLANCA S. BAYO
DIRECTOR
(850) 413-6770

Public Service Commission

June 16, 1998

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

Re: Docket No. 980001 - EI - Florida Public Utilities Company
Audit Report - Fuel - Period Ended March 31, 1998
Audit Control # 98-057-4-2

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 case will be forwarded for consideration by the staff analyst in the preparation of a recommendation for this case.

Thank you for your cooperation.

Sincerely,

A handwritten signature in cursive script that reads "Kay Flynn".

Kay Flynn

KF/ABF

Enclosure

cc: Public Counsel
Division of Audit and Financial Analysis
Kenneth Hoffman