

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 000001-EI
CONTINUING SURVEILLANCE AND REVIEW OF
FUEL COST RECOVERY CLAUSES OF ELECTRIC UTILITIES

Direct Testimony of
George M. Bachman
On Behalf of
Florida Public Utilities Company

- 1 Q. Please state your name and business address.
- 2 A. George M. Bachman, 401 South Dixie Highway, West Palm Beach, FL
3 33401.
- 4 Q. By whom are you employed?
- 5 A. I am employed by Florida Public Utilities Company.
- 6 Q. Have you previously testified in this Docket?
- 7 A. Yes.
- 8 Q. What is the purpose of your testimony at this time?
- 9 A. I will briefly describe the basis for the computations that were
10 made in the preparation of the various Schedules that we have
11 submitted in support of the January 2001 - December 2001 fuel cost
12 recovery adjustments for our two electric divisions. In addition, I
13 will advise the Commission of the projected differences between the
14 revenues collected under the levelized fuel adjustment and the
15 purchased power costs allowed in developing the levelized fuel
16 adjustment for the period January 2000 - December 2000 and to
17 establish a "true-up" amount to be collected or refunded during
18 January 2001 - December 2001.
- 19 Q. Were the schedules filed by your Company completed under your
20 direction?
- 21 A. Yes.
- 22 Q. Which of the Staff's set of schedules has your company completed and
23 filed?

DOCUMENT NUMBER-DATE

11899 SEP 21 8

FPSC-RECORDS/REPORTING

1 A. We have filed Schedules E1, E1A, E2, E7, and E10 for Marianna and
2 E1, E1A, E2, E7, E8 and E10 for Fernandina Beach. They are included
3 in Composite Prehearing Identification Number GMB-2. Schedules E1-B
4 and E1-B1 for both Marianna and Fernandina Beach were filed last
5 month in Composite Prehearing Identification Number GMB-1.

6 These schedules support the calculation of the levelized fuel
7 adjustment factor for January 2001 - December 2001. Schedule E1-B
8 shows the Calculation of Purchased Power Costs and Calculation of
9 True-Up and Interest Provision for the period January 2000 -
10 December 2000 based on 6 Months Actual and 6 Months Estimated data.

11 Q. In derivation of the projected cost factor for the January 2001 -
12 December 2001, period, did you follow the same procedures that were
13 used in the prior period filings?

14 A. Yes.

15 Q Why has the GSLD rate class for Fernandina Beach been excluded from
16 these computations?

17 A. Demand and other purchased power costs are assigned to the GSLD rate
18 class directly based on their actual CP KW and their actual KWH
19 consumption. That procedure for the GSLD class has been in use for
20 several years and has not been changed herein. Costs to be
21 recovered from all other classes is determined after deducting from
22 total purchased power costs those costs directly assigned to GSLD.

23 Q. How will the demand cost recovery factors for the other rate
24 classes be used?

25 A. The demand cost recovery factors for each of the RS, GS, GSD and OL-
26 SL rate classes will become one element of the total cost recovery
27 factor for those classes. All other costs of purchased power will
28 be recovered by the use of the levelized factor that is the same for

1 all those rate classes. Thus the total factor for each class will be
2 the sum of the respective demand cost factor and the levelized
3 factor for all other costs.

4 Q. Please address the calculation of the total true-up amount to be
5 collected or refunded during the January 2001 - December 2001
6 period.

7 A. We have determined that at the end of December 2000 based on six
8 months actual and six months estimated, we will have over-recovered
9 \$148,551 in purchased power costs in our Marianna division. Based
10 on estimated sales for the period January 2001 - December 2001, it
11 will be necessary to subtract .05162¢ per KWH to refund this over-
12 recovery.

13 In Fernandina Beach we will have over-recovered \$617,423 in
14 purchased power costs. This amount will be refunded at .20226¢ per
15 KWH during the January 2001 - December 2001 period (excludes GSLD
16 customers). Page 3 and 10 of Composite Prehearing Identification
17 Number GMB-2 provides a detail of the calculation of the true-up
18 amounts.

19 Q. Looking back upon the January 1999 - December 1999 period, what were
20 the actual End of Period - True-Up amounts for Marianna and
21 Fernandina Beach, and their significance, if any?

22 A. The Marianna Division experienced an over-recovery of \$192,908 and
23 Fernandina Beach Division over-recovered \$1,047,367. The amounts
24 both represent fluctuations of less than 10% from the total fuel
25 charges for the period and are not considered significant variances
26 from projections.

27 Q. What are the final remaining true-up amounts for the period January
28 1999 - December 1999 for both divisions?

1 A. In Marianna the final remaining true-up amount was an over-
2 recovery of \$43,609. The final remaining true-up amount for
3 Fernandina Beach was an over-recovery of \$302,631.

4 Q. What are the estimated true-up amounts for the period of January
5 2000 - December 2000?.

6 A. In Marianna, there is an estimated over-recovery of \$104,942.
7 Fernandina Beach has an estimated over-recovery of \$314,792.

8 Q. What will the total fuel adjustment factor, excluding demand cost
9 recovery, be for both divisions for the period?

10 A. In Marianna the total fuel adjustment factor as shown on Line 33,
11 Schedule E1, is 2.204¢ per KWH. In Fernandina Beach the total fuel
12 adjustment factor for "other classes", as shown on Line 43, Schedule
13 E1, amounts to 1.875¢ per KWH.

14 Q. Please advise what a residential customer using 1,000 KWH will pay
15 for the period January 2001 - December 2001 including base rates,
16 conservation cost recovery factors, and fuel adjustment factor and
17 after application of a line loss multiplier.

18 A. In Marianna a residential customer using 1,000 KWH will pay \$60.76,
19 a decrease of \$1.08 from the previous period. In Fernandina Beach a
20 customer will pay \$54.61, an increase of .04¢ from the previous
21 period.

22 Q. Does this conclude your testimony?

23 A. Yes.

FLORIDA PUBLIC UTILITIES COMPANY
FUEL AND PURCHASED POWER
COST RECOVERY CLAUSE CALCULATION

SCHEDULE E1
PAGE 1 OF 2

ESTIMATED FOR THE PERIOD: JANUARY 2001 - DECEMBER 2001

MARIANNA DIVISION

	(a)	(b)	(c)
	DOLLARS	MWH	CENTS/KWH
1 Fuel Cost of System Net Generation (E3)		0	
2 Nuclear Fuel Disposal Costs (E2)			
3 Coal Car Investment			
4 Adjustments to Fuel Cost			
5 TOTAL COST OF GENERATED POWER (LINE 1 THRU 4)	0	0	0.00000
6 Fuel Cost of Purchased Power (Exclusive of Economy) (E7)	6,096,115	304,806	2.00000
7 Energy Cost of Sched C & X Econ Purch (Broker) (E9)			
8 Energy Cost of Other Econ Purch (Non-Broker) (E9)			
9 Energy Cost of Sched E Economy Purch (E9)			
10 Demand & Transformation Cost of Purch Power (E2)	4,542,519	304,806	1.49030
10a Demand Costs of Purchased Power	4,152,159 *		
10b Transformation Energy & Customer Costs of Purchased Power	390,360 *		
11 Energy Payments to Qualifying Facilities (E8a)			
12 TOTAL COST OF PURCHASED POWER (LINE 6 THRU 11)	10,638,634	304,806	3.49030
13 TOTAL AVAILABLE KWH (LINE 5 + LINE 12)	10,638,634	304,806	3.49030
14 Fuel Cost of Economy Sales (E6)			
15 Gain on Economy Sales (E6)			
16 Fuel Cost of Unit Power Sales (SL2 Pariprts) (E6)			
17 Fuel Cost of Other Power Sales			
18 TOTAL FUEL COST AND GAINS OF POWER SALES	0	0	0.00000
19 Net Inadvertent Interchange			
20 TOTAL FUEL & NET POWER TRANSACTIONS (LINE 5 + 12 + 18 + 19)	10,638,634	304,806	3.49030
21 Net Unbilled Sales	0 *	0	0.00000
22 Company Use	8,726 *	250	0.00303
23 T & D Losses	585,254 *	16,768	0.20336
24 SYSTEM MWH SALES	10,638,634	287,788	3.69669
25 Less Total Demand Cost Recovery	4,152,159 ***		
26 Jurisdictional MWH Sales	6,486,475	287,788	2.25391
26a Jurisdictional Loss Multiplier	1.00000	1.00000	
27 Jurisdictional MWH Sales Adjusted for Line Losses	6,486,475	287,788	2.25391
28 GPIF **			
29 TRUE-UP **	(148,551)	287,788	(0.05162)
30 TOTAL JURISDICTIONAL FUEL COST	6,337,924	287,788	2.20229
31 Revenue Tax Factor			1.00072
32 Fuel Factor Adjusted for Taxes			2.20388
33 FUEL FAC ROUNDED TO NEAREST .001 CENTS/KWH			2.204

* For Informational Purposes Only

** Calculation Based on Jurisdictional KWH Sales

***Calculation on Schedule E1 Page 2

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FLORIDA PUBLIC UTILITIES COMPANY
FUEL FACTOR ADJUSTED FOR
LINE LOSS MULTIPLIER
ESTIMATED FOR THE PERIOD: JANUARY 2001 - DECEMBER 2001

MARIANNA DIVISION

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
			(1)/(2)*4,380			(3)*(4)	(1)*(5)	(6)/Total Col. (6)	(7)/Total Col. (7)
Rate Schedule	KWH Sales	12 CP Load Factor	CP KW At Meter	Demand Loss Factor	Energy Loss Factor	CP KW At GEN.	KWH At GEN.	12 CP Demand Percentage	Energy Percentage
34 RS	130,283,536	57.217702%	51,985.8	1.089	1.000	56,612.5	130,283,536	51.73%	45.27%
35 GS	24,763,081	57.820776%	9,777.9	1.089	1.000	10,648.1	24,763,081	9.73%	8.60%
36 GSD	94,153,549	72.316857%	29,725.1	1.083	1.000	32,192.3	94,153,549	29.42%	32.72%
37 GSLD	35,050,873	85.738506%	9,333.6	1.038	1.000	9,688.3	35,050,873	8.85%	12.18%
38 OL, OL1	2,387,688	299.917227%	181.8	1.089	1.000	198.0	2,387,688	0.18%	0.83%
39 SL1, SL2 & SL3	1,148,412	299.917227%	87.4	1.089	1.000	95.2	1,148,412	0.09%	0.40%
40 TOTAL	<u>287,787,139</u>		<u>101,091.6</u>			<u>109,434.4</u>	<u>287,787,139</u>	<u>100.00%</u>	<u>100.00%</u>

	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
	12/13 * (8)	1/13 * (9)	(10) + (11)	Tot. Col. 13 * (12)	(13)/(1)	(14) * 1.00072 Demand Cost	Other Charges	(15) + (16)
Rate Schedule	12/13 Of 12 CP	1/13 Of Energy	Demand Allocation Percentage	Demand Dollars	Demand Cost Recovery	Recovery Adj for Taxes	Other Charges	Levelized Adjustment
41 RS	47.75%	3.48%	51.23%	\$2,127,151	0.01633	0.01634	0.02204	\$0.03838
42 GS	8.98%	0.66%	9.64%	400,268	0.01616	0.01617	0.02204	\$0.03821
43 GSD	27.16%	2.52%	29.68%	1,232,361	0.01309	0.01310	0.02204	\$0.03514
44 GSLD	8.17%	0.94%	9.11%	378,262	0.01079	0.01080	0.02204	\$0.03284
45 OL, OL1	0.17%	0.06%	0.23%	9,550	0.00400	0.00400	0.02204	\$0.02604
46 SL1, SL2 & SL3	0.08%	0.03%	0.11%	4,567	0.00398	0.00398	0.02204	\$0.02602
47 TOTAL	<u>92.31%</u>	<u>7.66%</u>	<u>100.00%</u>	<u>\$4,152,159</u>				

(2) From Gulf Power Co. 1999 Load Research results.
(4) From Fernandina Rate Case.

**FLORIDA PUBLIC UTILITIES COMPANY
 CALCULATION OF TRUE-UP SURCHARGE
 APPLICABLE TO LEVELIZED FUEL ADJUSTMENT PERIOD
 JANUARY 2000 - DECEMBER 2000
 BASED ON SIX MONTHS ACTUAL & SIX MONTHS ESTIMATED**

Marianna Division

<p>Over-recovery of purchased power costs for the period January 2000 - December 2000. (See Schedule E1-B, Calculation of Estimated Purchased Power Costs and Calculation of True- Up and Interest Provision for the Twelve Month Period ended December 2000)(Estimated)</p>	<p>\$ 148,551</p>
<p>Estimated kilowatt hour sales for the months of January 2001 - December 2001 as per estimate filed with the Commission.</p>	<p>287,787,139</p>
<p>Cents per kilowatt hour necessary to refund over-recovered purchased power costs over the period January 2001 - December 2001.</p>	<p>0.05162</p>

FLORIDA PUBLIC UTILITIES COMPANY
 MARIANNA DIVISION
 FUEL & PURCHASED POWER COST RECOVERY CLAUSE CALCULATION

ESTIMATED FOR THE PERIOD: JANUARY 2001 - DECEMBER 2001

LINE NO.	(a)	(b)	(c)		(d)	(e)		(f)					(g)	LINE NO.	
	2001 JANUARY	2001 FEBRUARY	ESTIMATED 2001 MARCH		2001 APRIL	2001 MAY	2001 JUNE	2001 JULY	2001 AUGUST	2001 SEPTEMBER	2001 OCTOBER	2001 NOVEMBER	2001 DECEMBER		TOTAL PERIOD
1	FUEL COST OF SYSTEM GENERATION													0	1
1a	NUCLEAR FUEL DISPOSAL													0	1a
2	FUEL COST OF POWER SOLD													0	2
3	512,944	439,090	429,109	415,938	511,106	557,381	634,106	833,545	555,211	466,830	430,774	510,079	6,096,115	3	
3a	381,469	379,186	333,743	320,685	367,970	422,820	425,062	434,338	409,732	352,392	340,113	375,019	4,542,519	3a	
3b	QUALIFYING FACILITIES													0	3b
4	ENERGY COST OF ECONOMY PURCHASES													0	4
5	894,413	818,276	762,852	736,823	879,076	960,201	1,058,158	1,067,883	964,943	819,222	770,887	885,098	10,638,634	5	
6	348,939	348,666	301,213	288,166	336,440	390,290	392,622	401,808	377,202	318,862	307,583	342,488	4,152,159	6	
7	545,474	471,620	461,639	448,658	543,636	569,911	665,536	666,075	587,741	499,360	463,304	542,609	6,486,475	7	
7a	24,800	22,594	20,857	18,779	20,380	25,944	28,423	29,098	29,663	24,011	20,224	22,934	287,788	7a	
7b	2.19066	2.08737	2.21335	2.38814	2.87013	2.27379	2.34541	2.289	1.98139	2.07971	2.29086	2.38596	2.25391	7b	
8	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	8	
9	2.19066	2.08737	2.21335	2.38814	2.87013	2.27379	2.34541	2.28900	1.98139	2.07971	2.29086	2.38596	2.25391	9	
10	GPIF (CENTS/KWH)														10
11	(0.05182)	(0.05182)	(0.05182)	(0.06182)	(0.06182)	(0.05182)	(0.06182)	(0.05182)	(0.05182)	(0.05182)	(0.05182)	(0.05182)	(0.06182)	11	
12	2.13904	2.03676	2.16173	2.33652	2.81851	2.22217	2.29379	2.23738	1.92877	2.02809	2.23924	2.31434	2.20229	12	
13	0.00072	0.00154	0.00147	0.00156	0.00168	0.00189	0.00180	0.00166	0.00181	0.00139	0.00146	0.00181	0.00187	0.00159	13
14	2.14058	2.03722	2.16329	2.33820	2.62040	2.22377	2.29544	2.23899	1.93116	2.02856	2.24085	2.31601	2.20388	14	
15	2.141	2.037	2.163	2.338	2.820	2.224	2.295	2.239	1.931	2.030	2.241	2.316	2.204	15	

**FLORIDA PUBLIC UTILITIES COMPANY
 MARIANNA DIVISION
 PURCHASED POWER
 (EXCLUSIVE OF ECONOMY ENERGY PURCHASES)**

ESTIMATED FOR THE PERIOD: JANUARY 2001 - DECEMBER 2001

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)		(9)
MONTH	PURCHASED FROM	TYPE & SCHEDULE	TOTAL KWH PURCHASED	KWH FOR OTHER UTILITIES	KWH FOR INTERRUPTIBLE	KWH FOR FIRM	CENTS/KWH		TOTAL \$ FOR FUEL ADJ. (7) x (8) (A)
							(A) FUEL COST	(B) TOTAL COST	
JANUARY 2001	GULF POWER COMPANY	RE	25,847,184			25,847,184	2.000001	3.487373	512,944
FEBRUARY 2001	GULF POWER COMPANY	RE	21,954,518			21,954,518	1.999998	3.727142	439,090
MARCH 2001	GULF POWER COMPANY	RE	21,455,438			21,455,438	2.000001	3.555519	429,109
APRIL 2001	GULF POWER COMPANY	RE	20,796,877			20,796,877	2.000002	3.541989	415,938
MAY 2001	GULF POWER COMPANY	RE	25,555,401			25,555,401	2.000000	3.439891	511,108
JUNE 2001	GULF POWER COMPANY	RE	27,869,071			27,869,071	1.999998	3.517164	557,381
JULY 2001	GULF POWER COMPANY	RE	31,705,322			31,705,322	1.999999	3.340632	634,106
AUGUST 2001	GULF POWER COMPANY	RE	31,877,231			31,877,231	2.000001	3.371137	633,545
SEPTEMBER 2001	GULF POWER COMPANY	RE	27,760,535			27,760,535	2.000001	3.475952	555,211
OCTOBER 2001	GULF POWER COMPANY	RE	23,341,510			23,341,510	1.999999	3.509722	466,830
NOVEMBER 2001	GULF POWER COMPANY	RE	21,538,682			21,538,682	2.000002	3.579082	430,774
DECEMBER 2001	GULF POWER COMPANY	RE	25,503,943			25,503,943	2.000001	3.470436	510,079
TOTAL			304,805,710	0	0	304,805,710	2.000000	3.490300	6,096,115

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**FLORIDA PUBLIC UTILITIES COMPANY
 MARIANNA DIVISION
 RESIDENTIAL BILL COMPARISON
 FOR MONTHLY USAGE OF 1000 KWH**

ESTIMATED FOR THE PERIOD: JANUARY 2001 - DECEMBER 2001

	JANUARY 2001	FEBRUARY 2001	MARCH 2001	APRIL 2001	MAY 2001	JUNE 2001	JULY 2001
BASE RATE REVENUES ** \$	20.86	20.86	20.86	20.86	20.86	20.86	20.86
FUEL RECOVERY FACTOR CENTS/KWH	3.84	3.84	3.84	3.84	3.84	3.84	3.84
GROUP LOSS MULTIPLIER	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
FUEL RECOVERY REVENUES \$	38.38	38.38	38.38	38.38	38.38	38.38	38.38
GROSS RECEIPTS TAX	1.52	1.52	1.52	1.52	1.52	1.52	1.52
TOTAL REVENUES *** \$	60.76	60.76	60.76	60.76	60.76	60.76	60.76

	AUGUST 2001	SEPTEMBER 2001	OCTOBER 2001	NOVEMBER 2001	DECEMBER 2001	PERIOD TOTAL
BASE RATE REVENUES ** \$	20.86	20.86	20.86	20.86	20.86	250.32
FUEL RECOVERY FACTOR CENTS/KWH	3.84	3.84	3.84	3.84	3.84	
GROUP LOSS MULTIPLIER	1.00000	1.00000	1.00000	1.00000	1.00000	
FUEL RECOVERY REVENUES \$	38.38	38.38	38.38	38.38	38.38	460.56
GROSS RECEIPTS TAX	1.52	1.52	1.52	1.52	1.52	18.24
TOTAL REVENUES *** \$	60.76	60.76	60.76	60.76	60.76	729.12

* MONTHLY AND CUMULATIVE SIX MONTH ESTIMATED DATA

** BASE RATE REVENUES PER 1000 KWH:

CUSTOMER CHARGE 8.30
 CENTS/KWH 12.13
 CONSERVATION FACTOR 0.430

20.86

*** EXCLUDES FRANCHISE TAXES

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FLORIDA PUBLIC UTILITIES COMPANY
FUEL AND PURCHASED POWER
COST RECOVERY CLAUSE CALCULATION

ESTIMATED FOR THE PERIOD: JANUARY 2001 THROUGH DECEMBER 2001

FERNANDINA BEACH DIVISON

	(a) DOLLARS	(b) MWH	(c) CENTS/KWH
1 Fuel Cost of System Net Generation (E3)			
2 Nuclear Fuel Disposal Costs (E2)			
3 Coal Car Investment			
4 Adjustments to Fuel Cost			
5 TOTAL COST OF GENERATED POWER (LINE 1 THRU 4)	0	0	0.00000
6 Fuel Cost of Purchased Power (Exclusive of Economy) (E7)	7,879,154	427,054	1.84500
7 Energy Cost of Sched C & X Econ Purch (Broker) (E9)			
8 Energy Cost of Other Econ Purch (Non-Broker) (E9)			
9 Energy Cost of Sched E Economy Purch (E9)			
10 Demand & Non Fuel Cost of Purch Power (E2)	6,497,561	427,054	1.52148
10a Demand Costs of Purchased Power	6,046,456 *		
10b Non-fuel Energy & Customer Costs of Purchased Power	451,105 *		
11 Energy Payments to Qualifying Facilities (E8a)	89,760	4,800	1.87000
12 TOTAL COST OF PURCHASED POWER (LINE 6 THRU 11)	14,466,475	431,854	3.34985
13 TOTAL AVAILABLE KWH (LINE 5 + LINE 12)	14,466,475	431,854	3.34985
14 Fuel Cost of Economy Sales (E6)			
15 Gain on Economy Sales (E6)			
16 Fuel Cost of Unit Power Sales (SL2 Parpts) (E6)			
17 Fuel Cost of Other Power Sales			
18 TOTAL FUEL COST AND GAINS OF POWER SALES	0	0	0.00000
19 Net Inadvertent Interchange			
20 TOTAL FUEL & NET POWER TRANSACTIONS (LINE 5 + 12 + 18 + 19)	14,466,475	431,854	3.34985
21 Net Unbilled Sales	(42,811) *	(1,278)	-0.01036
22 Company Use	14,605 *	436	0.00353
23 T & D Losses	650,976 *	19,433	0.15752
24 SYSTEM MWH SALES	14,466,475	413,263	3.50055
25 Wholesale MWH Sales			
26 Jurisdictional MWH Sales	14,466,475	413,263	3.50055
26a Jurisdictional Loss Multiplier	1.00000	1.00000	
27 Jurisdictional MWH Sales Adjusted for Line Losses	14,466,475	413,263	3.50055
27a GSLD MWH Sales		108,000	
27b Other Classes MWH Sales		305,263	
27c GSLD CP KW		258,000 *	
28 GPIF **			
29 TRUE-UP (OVER) UNDER RECOVERY **	(617,423)	413,263	-0.14940
30 TOTAL JURISDICTIONAL FUEL COST	13,849,052	413,263	3.35115
30a Demand Purchased Power Costs (Line 10a)	6,046,456 *		
30b Non-demand Purchased Power Costs (Lines 6 + 10b + 11)	8,420,019 *		
30c True up Over/Under Recovery (Line 29)	(617,423) *		

* For Informational Purposes Only

** Calculation Based on Jurisdictional KWH Sales

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FLORIDA PUBLIC UTILITIES COMPANY
FUEL AND PURCHASED POWER
COST RECOVERY CLAUSE CALCULATION

ESTIMATED FOR THE PERIOD: JANUARY 2001 THROUGH DECEMBER 2001

FERNANDINA BEACH DIVISION

	(a)	(b)	(c)
	DOLLARS	MWH	CENTS/KWH
APPORTIONMENT OF DEMAND COSTS			
31	Total Demand Costs (Line 30a)	6,046,456	
32	GSLD Portion of Demand Costs (Line 30a) Including Line Losses(Line 27c x \$6.18)	1,594,440	258,000 (KW) \$6.18 /KW
33	Balance to Other Classes	4,452,016	305,263 1.45842
APPORTIONMENT OF NON-DEMAND COSTS			
34	Total Non-demand Costs(Line 30b)	8,420,019	
35	Total KWH Purchased (Line 12)		431,854
36	Average Cost per KWH Purchased		1.94974
37	Average Cost Adjusted for Line Losses (Line 36 x 1.03)		2.00822
38	GSLD Non-demand Costs (Line 27a x Line 37)	2,168,882	108,000 2.00822
39	Balance to Other Classes	6,251,137	305,263 2.04779
GSLD PURCHASED POWER COST RECOVERY FACTORS			
40a	Total GSLD Demand Costs (Line 32)	1,594,440	258,000 (KW) \$6.18 /KW
40b	Revenue Tax Factor		1.01597
40c	GSLD Demand Purchased Power Factor Adjusted for Taxes & Rounded		\$6.28 /KW
40d	Total Current GSLD Non-demand Costs(Line 38)	2,168,882	108,000 2.00822
40e	Total Non-demand Costs Including True-up	2,168,882	108,000 2.00822
40f	Revenue Tax Factor		1.01597
40g	GSLD Non-demand Costs Adjusted for Taxes & Rounded		2.04029
OTHER CLASSES PURCHASED POWER COST RECOVERY FACTORS			
41a	Total Demand & Non-demand Purchased Power Costs of Other Classes(Line 33 + 39)	10,703,153	305,263 3.50621
41b	Less: Total Demand Cost Recovery	4,452,016 ***	
41c	Total Other Costs to be Recovered	6,251,137	305,263 2.04779
41d	Other Classes' Portion of True-up (Line 30c)	(617,423)	305,263 -0.20226
41e	Total Demand & Non-demand Costs Including True-up	5,633,714	305,263 1.84553
42	Revenue Tax Factor		1.01597
43	Other Classes Purchased Power Factor Adjusted for Taxes & Rounded		1.875

* For Informational Purposes Only

** Calculation Based on Jurisdictional KWH Sales

*** Calculation on Schedule E1 Page 3

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FLORIDA PUBLIC UTILITIES COMPANY
FUEL AND PURCHASED POWER
COST RECOVERY CLAUSE CALCULATION

ESTIMATED FOR THE PERIOD: JANUARY 2001 THROUGH DECEMBER 2001

FERNANDINA BEACH DIVISION

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
			(1)/(2)*4,380			(3)*(4)	(1)*(5)	(6)/Total Col. (6)	(7)/Total Col. (7)
Rate Schedule	KWH Sales	12 CP Load Factor	CP KW At Meter	Demand Loss Factor	Energy Loss Factor	CP KW At GEN.	KWH At GEN.	12 CP Demand Percentage	Energy Percentage
44 RS	174,183,183	65.683%	60,545.1	1.089	1.000	65,933.6	174,183,183	61.32%	57.06%
45 GS	24,866,770	68.507%	8,287.2	1.089	1.000	9,024.8	24,866,770	8.39%	8.15%
46 GSD	104,707,924	79.960%	29,897.3	1.083	1.000	32,378.8	104,707,924	30.11%	34.30%
47 OL, SL, CSL	1,505,160	188.209%	182.6	1.089	1.000	198.9	1,505,160	0.18%	0.49%
48 TOTAL	<u>305,263,037</u>		<u>98,912.2</u>			<u>107,536.1</u>	<u>305,263,037</u>	<u>100.00%</u>	<u>100.00%</u>

	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
	12/13 * (8)	1/13 * (9)	(10) + (11)	Tot. Col. 13 * (12)	(13)/(1)	(14) * 1.01597		(15) + (16)
Rate Schedule	12/13 Of 12 CP	1/13 Of Energy	Demand Allocation Percentage	Demand Dollars	Demand Cost Recovery	Demand Cost Recovery Adj for Taxes	Other Charges	Levelized Adjustment
49 RS	56.60%	4.39%	60.99%	\$2,715,285	0.01559	0.01584	0.01875	0.03459
50 GS	7.74%	0.63%	8.37%	372,634	0.01499	0.01523	0.01875	0.03398
51 GSD	27.79%	2.64%	30.43%	1,354,748	0.01294	0.01315	0.01875	0.03190
52 OL, OL2, SL1, SL3 & CSL	0.17%	0.04%	0.21%	9,349	0.00621	0.00631	0.01875	0.02506
53 TOTAL	<u>92.30%</u>	<u>7.70%</u>	<u>100.00%</u>	<u>\$4,452,016</u>				

(2) From Florida Power & Light Co. 1999 Load Research results.
(4) From Fernandina Beach Rate Case 881056-EI.

FLORIDA PUBLIC UTILITIES COMPANY
CALCULATION OF TRUE-UP SURCHARGE
APPLICABLE TO LEVELIZED FUEL ADJUSTMENT PERIOD
JANUARY 2000 - DECEMBER 2000
BASED ON SIX MONTHS ACTUAL AND SIX MONTHS ESTIMATED OPERATIONS

Fernandina Beach Division

Over-recovery of purchased power costs for the period January 2000 - December 2000. (See Schedule E1-B, Calculation of Estimated Purchased Power Costs and Calculation of True- Up and Interest Provision for the Twelve Month Period ended December 2000.)(Estimated)	\$ 617,423
Estimated kilowatt hour sales for the months of January 2001 - December 2001 as per estimate filed with the Commission. (Excludes GSLD customers)	305,263,037
Cents per kilowatt hour necessary to refund over-recovered purchased power costs over the period January 2001 - December 2001.	0.20226

FLORIDA PUBLIC UTILITIES COMPANY
FERNANDINA BEACH DIVISION
FUEL & PURCHASED POWER COST RECOVERY CLAUSE CALCULATION

ESTIMATED FOR THE PERIOD: JANUARY 2001 THROUGH DECEMBER 2001

LINE NO.		(a)	(b)	(c)	(d)	(e)	(f)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	LINE NO.
		JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL PERIOD	
1	FUEL COST OF SYSTEM GENERATION													0	1
1a	NUCLEAR FUEL DISPOSAL													0	1a
2	FUEL COST OF POWER SOLD													0	2
3	FUEL COST OF PURCHASED POWER	548,507	594,836	583,326	552,024	646,863	707,500	824,920	774,166	714,646	619,591	549,554	683,221	7,879,154	3
3a	DEMAND & NON FUEL COST OF PUR POWER	559,165	554,849	511,403	466,482	524,916	596,420	607,411	602,987	592,896	504,119	438,603	538,290	6,497,561	3a
3b	QUALIFYING FACILITIES	7,480	7,480	7,480	7,480	7,480	7,480	7,480	7,480	7,480	7,480	7,480	7,480	89,760	3b
4	ENERGY COST OF ECONOMY PURCHASES													0	4
5	TOTAL FUEL & NET POWER TRANSACTIONS (SUM OF LINES A-1 THRU A-4)	1,215,172	1,157,165	1,102,209	1,025,966	1,179,259	1,311,400	1,439,811	1,384,633	1,315,022	1,131,190	995,637	1,208,991	14,466,475	5
5a	LESS: TOTAL DEMAND COST RECOVERY	389,183	387,902	345,111	301,971	355,008	423,061	427,369	425,834	419,130	335,763	274,233	367,451	4,452,016	5a
5b	TOTAL OTHER COST TO BE RECOVERED	825,989	769,263	757,098	724,015	824,251	888,339	1,012,442	958,799	895,892	795,427	721,404	841,540	10,014,459	5b
6	APPORTIONMENT TO GSLD CLASS	313,610	313,606	313,607	313,606	313,610	313,613	313,615	313,614	313,613	313,609	313,606	313,611	3,763,322	6
6a	BALANCE TO OTHER CLASSES	512,379	455,655	443,491	410,409	510,641	574,726	698,827	645,185	582,279	481,818	407,798	527,929	6,251,137	6a
6b	SYSTEM KWH SOLD (MWH)	35,402	33,258	30,890	28,746	30,781	36,262	40,617	41,072	40,022	34,613	29,435	32,165	413,263	6b
7	GSLD MWH SOLD	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	108,000	7
7a	BALANCE MWH SOLD OTHER CLASSES	26,402	24,258	21,890	19,746	21,781	27,262	31,617	32,072	31,022	25,613	20,435	23,165	305,263	7a
7b	COST PER KWH SOLD (CENTS/KWH) APPLICABLE TO OTHER CLASSES	1.94068	1.87837	2.026	2.07844	2.34443	2.10816	2.21029	2.01168	1.87699	1.88115	1.99559	2.27899	2.04779	7b
8	JURISDICTIONAL LOSS MULTIPLIER	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	8
9	JURISDICTIONAL COST (CENTS/KWH)	1.94068	1.87837	2.02800	2.07844	2.34443	2.10816	2.21029	2.01168	1.87699	1.88115	1.99559	2.27899	2.04779	9
10	GPIF (CENTS/KWH)														10
11	TRUE-UP (CENTS/KWH)	(617,423)	(0.20226)	(0.20226)	(0.20226)	(0.20226)	(0.20226)	(0.20226)	(0.20226)	(0.20226)	(0.20226)	(0.20226)	(0.20226)	(0.20226)	11
12	TOTAL	1.73842	1.87611	1.82374	1.87618	2.14217	1.90590	2.00803	1.80942	1.87473	1.87889	1.79333	2.07673	1.84553	12
13	REVENUE TAX FACTOR	0.01597	0.02776	0.02677	0.02913	0.02996	0.03044	0.03207	0.02890	0.02675	0.02681	0.02864	0.03317	0.02947	13
14	RECOVERY FACTOR ADJUSTED FOR TAXES	1.76618	1.70288	1.85267	1.90614	2.17636	1.93634	2.04010	1.83832	1.70148	1.70570	1.82197	2.10990	1.87500	14
15	RECOVERY FACTOR ROUNDED TO NEAREST .001 CENT/KWH	1.766	1.703	1.853	1.906	2.176	1.936	2.04	1.838	1.701	1.706	1.822	2.11	1.875	15

**FLORIDA PUBLIC UTILITIES COMPANY
 FERNANDINA BEACH DIVISION
 PURCHASED POWER
 ENERGY PAYMENT TO QUALIFYING FACILITIES**

ESTIMATED FOR THE PERIOD: JANUARY 2001 THROUGH DECEMBER 2001

(1) MONTH	(2) PURCHASED FROM	(3) TYPE & SCHEDULE	(4) TOTAL KWH PURCHASED	(5) KWH FOR OTHER UTILITIES	(6) KWH FOR INTERRUPTIBLE	(7) KWH FOR FIRM	(8) CENTS/KWH		(9) TOTAL \$ FOR FUEL ADJ. (7) x (8) (A)
							(A) FUEL COST	(B) TOTAL COST	
							JANUARY 2001	JEFFERSON SMURFIT CORPORATION	
FEBRUARY 2001	JEFFERSON SMURFIT CORPORATION		400,000			400,000	1.870000	1.870000	7,480
MARCH 2001	JEFFERSON SMURFIT CORPORATION		400,000			400,000	1.870000	1.870000	7,480
APRIL 2001	JEFFERSON SMURFIT CORPORATION		400,000			400,000	1.870000	1.870000	7,480
MAY 2001	JEFFERSON SMURFIT CORPORATION		400,000			400,000	1.870000	1.870000	7,480
JUNE 2001	JEFFERSON SMURFIT CORPORATION		400,000			400,000	1.870000	1.870000	7,480
JULY 2001	JEFFERSON SMURFIT CORPORATION		400,000			400,000	1.870000	1.870000	7,480
AUGUST 2001	JEFFERSON SMURFIT CORPORATION		400,000			400,000	1.870000	1.870000	7,480
SEPTEMBER 2001	JEFFERSON SMURFIT CORPORATION		400,000			400,000	1.870000	1.870000	7,480
OCTOBER 2001	JEFFERSON SMURFIT CORPORATION		400,000			400,000	1.870000	1.870000	7,480
NOVEMBER 2001	JEFFERSON SMURFIT CORPORATION		400,000			400,000	1.870000	1.870000	7,480
DECEMBER 2001	JEFFERSON SMURFIT CORPORATION		400,000			400,000	1.870000	1.870000	7,480
TOTAL			4,800,000	0	0	4,800,000	1.870000	1.870000	89,760

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**FLORIDA PUBLIC UTILITIES COMPANY
FERNANDINA BEACH DIVISION
RESIDENTIAL BILL COMPARISON**

ESTIMATED FOR THE PERIOD: JANUARY 2001 THROUGH DECEMBER 2001

	JANUARY 2001	FEBRUARY 2001	MARCH 2001	APRIL 2001	MAY 2001	JUNE 2001	JULY 2001
BASE RATE REVENUES ** \$	19.47	19.47	19.47	19.47	19.47	19.47	19.47
FUEL RECOVERY FACTOR CENTS/KWH	3.46	3.46	3.46	3.46	3.46	3.46	3.46
GROUP LOSS MULTIPLIER	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
FUEL RECOVERY REVENUES \$	34.59	34.59	34.59	34.59	34.59	34.59	34.59
GROSS RECEIPTS TAX	0.55	0.55	0.55	0.55	0.55	0.55	0.55
TOTAL REVENUES *** \$	54.61	54.61	54.61	54.61	54.61	54.61	54.61

	AUGUST 2001	SEPTEMBER 2001	OCTOBER 2001	NOVEMBER 2001	DECEMBER 2001	PERIOD TOTAL
BASE RATE REVENUES ** \$	19.47	19.47	19.47	19.47	19.47	233.64
FUEL RECOVERY FACTOR CENTS/KWH	3.46	3.46	3.46	3.46	3.46	
GROUP LOSS MULTIPLIER	1.00000	1.00000	1.00000	1.00000	1.00000	
FUEL RECOVERY REVENUES \$	34.59	34.59	34.59	34.59	34.59	415.08
GROSS RECEIPTS TAX	0.55	0.55	0.55	0.55	0.55	6.60
TOTAL REVENUES *** \$	54.61	54.61	54.61	54.61	54.61	655.32

* MONTHLY AND CUMULATIVE TWELVE MONTH ESTIMATED DATA

** BASE RATE REVENUES PER 1000 KWH:

CUSTOMER CHARGE	7.00
CENTS/KWH	12.20
CONSERVATION FACTOR	0.27
	<u>19.47</u>

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*** EXCLUDES FRANCHISE TAXES