

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 010001-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 2002 - December 2002 fuel cost
12 recovery adjustments for our two electric divisions. In addition,
13 I will advise the Commission of the projected differences between
14 the 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 2001 - December 2001 and to
17 establish a "true-up" amount to be collected or refunded during
18 January 2002 - December 2002.
- 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
23 and filed?
- 24 A. We have filed Schedules E1, E1A, E1-B, E1B-1, E2, E7, and E10 for

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

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

6 These schedules support the calculation of the levelized fuel
7 adjustment factor for January 2002 - December 2002. Schedule E1-B
8 shows the Calculation of Purchased Power Costs and Calculation of
9 True-Up and Interest Provision for the period January 2001 -
10 December 2001 based on 6 Months Actual and 6 Months Estimated data.

11 Q. In derivation of the projected cost factor for the January 2002 -
12 December 2002, 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
18 rate class directly based on their actual CP KW and their actual
19 KWH consumption. That procedure for the GSLD class has been in use
20 for 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
26 OL-SL rate classes will become one element of the total cost
27 recovery factor for those classes. All other costs of purchased
28 power will be recovered by the use of the levelized factor that is
29 the same for all those rate classes. Thus the total factor for each

1 class will be the sum of the respective demand cost factor and the
2 levelized factor for all other costs.

3 Q. Please address the calculation of the total true-up amount to be
4 collected or refunded during the January 2002 - December 2002.

5 A. We have determined that at the end of December 2001 based on six
6 months actual and six months estimated, we will have under-
7 recovered \$62,173 in purchased power costs in our Marianna
8 division. Based on estimated sales for the period January 2002 -
9 December 2002, it will be necessary to add .02050¢ per KWH to
10 collect this under-recovery.

11 In Fernandina Beach we will have under-recovered \$16,863 in
12 purchased power costs. This amount will be collected at .00528¢
13 per KWH during the January 2002 - December 2002 period (excludes
14 GSLD customers). Page 3 and 10 of Composite Prehearing
15 Identification Number GMB-2 provides a detail of the calculation of
16 the true-up amounts.

17 Q. Looking back upon the January 2000 - December 2000 period, what
18 were the actual End of Period - True-Up amounts for Marianna and
19 Fernandina Beach, and their significance, if any?

20 A. The Marianna Division experienced an over-recovery of \$87,926 and
21 Fernandina Beach Division over-recovered \$508,053. The amounts
22 both represent fluctuations of less than 10% from the total fuel
23 charges for the period and are not considered significant variances
24 from projections.

25 Q. What are the final remaining true-up amounts for the period January
26 2000 - December 2000 for both divisions?

27 A. In Marianna the final remaining true-up amount was an under-
28 recovery of \$60,625. The final remaining true-up amount for
29 Fernandina Beach was under-recovery of \$109,370.

- 1 Q. What are the estimated true-up amounts for the period of January
2 2001 - December 2001.
- 3 A. In Marianna, there is an estimated under-recovery of \$1,548.
4 Fernandina Beach has an estimated over-recovery of \$92,507.
- 5 Q. What will the total fuel adjustment factor, excluding demand cost
6 recovery, be for both divisions for the period?
- 7 A. In Marianna the total fuel adjustment factor as shown on Line 33,
8 Schedule E1, is 2.333¢ per KWH. In Fernandina Beach the total fuel
9 adjustment factor for "other classes", as shown on Line 43,
10 Schedule E1, amounts to 2.095¢ per KWH.
- 11 Q. Please advise what a residential customer using 1,000 KWH will pay
12 for the period January 2001 - December 2001 including base rates,
13 conservation cost recovery factors, and fuel adjustment factor and
14 after application of a line loss multiplier.
- 15 A. In Marianna a residential customer using 1,000 KWH will pay \$63.04,
16 an increase of 2.28 from the previous period. In Fernandina Beach
17 a customer will pay \$59.91, an increase of \$5.30 from the previous
18 period.
- 19 Q. Does this conclude your testimony?
- 20 A. Yes.

21
22
23
24
25
26

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

SCHEDULE E1
PAGE 1 OF 2

ESTIMATED FOR THE PERIOD: JANUARY 2002 - DECEMBER 2002

MARIANNA DIVISION

	(a)	(b)	(c)
	DOLLARS	MWH	CENTS/KWH
1		0	
2			
3			
4			
5	0	0	0.0000
6	6,620,206	322,937	2.05000
7			
8			
9			
10	4,927,523	322,937	1.52585
10a	4,537,163 *		
10b	390,360 *		
11			
12	11,547,729	322,937	3.57585
13	11,547,729	322,937	3.57585
14			
15			
16			
17			
18	0	0	0.0000
19			
20	11,547,729	322,937	3.57585
	(LINE 5 + 12 + 18 + 19)		
21	0 *	0	0.0000
22	8,940 *	250	0.00295
23	692,320 *	19,361	0.22824
24	11,547,729	303,326	3.80704
25	4,537,163 ***		
26	7,010,566	303,326	2.31123
26a	1.00000	1.00000	
27	7,010,566	303,326	2.31123
28			
29	62,173	303,326	0.02050
30	7,072,739	303,326	2.33173
31			1.00072
32			2.33341
33			2.333

* 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 2002 - DECEMBER 2002

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	135,832,621	58.269848%	53,221.4	1.089	1.000	57,958.1	135,832,621	52.22%	44.79%
35 GS	26,903,512	58.862369%	10,435.1	1.089	1.000	11,363.8	26,903,512	10.24%	8.87%
36 GSD	92,437,398	77.395927%	27,268.1	1.083	1.000	29,531.4	92,437,398	26.61%	30.47%
37 GSLD	43,499,952	85.767459%	11,579.6	1.038	1.000	12,019.6	43,499,952	10.83%	14.34%
38 OL, OL1	3,711,483	979.964079%	86.5	1.089	1.000	94.2	3,711,483	0.08%	1.22%
39 SL1, SL2 & SL3	941,265	979.964079%	21.9	1.089	1.000	23.8	941,265	0.02%	0.31%
40 TOTAL	<u>303,326,231</u>		<u>102,612.6</u>			<u>110,990.9</u>	<u>303,326,231</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		(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	48.21%	3.46%	51.67%	\$2,344,352	0.01726	0.01727	0.02333	\$0.04060
42 GS	9.45%	0.68%	10.13%	459,615	0.01708	0.01709	0.02333	\$0.04042
43 GSD	24.56%	2.34%	26.90%	1,220,497	0.01320	0.01321	0.02333	\$0.03654
44 GSLD	10.00%	1.10%	11.10%	503,625	0.01158	0.01159	0.02333	\$0.03492
45 OL, OL1	0.07%	0.09%	0.16%	7,259	0.00196	0.00196	0.02333	\$0.02529
46 SL1, SL2 & SL3	0.02%	0.02%	0.04%	1,815	0.00193	0.00193	0.02333	\$0.02526
47 TOTAL	<u>92.31%</u>	<u>7.69%</u>	<u>100.00%</u>	<u>\$4,537,163</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 2001 - DECEMBER 2001
BASED ON SIX MONTHS ACTUAL & SIX MONTHS ESTIMATED

Marianna Division

Under-recovery of purchased power costs for the period January 2001 - December 2001. (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 2001)(Estimated)	\$ (62,173)
Estimated kilowatt hour sales for the months of January 2002 - December 2002 as per estimate filed with the Commission.	303,326,231
Cents per kilowatt hour necessary to collect under-recovered purchased power costs over the period January 2002 - December 2002.	-0.02050

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

ESTIMATED FOR THE PERIOD JANUARY 2002 - DECEMBER 2002

LINE NO.	(a)	(b)	(c)	(d)	(e)							(f)	(g)	LINE NO.	
	2002 JANUARY	2002 FEBRUARY	2002 MARCH	2002 APRIL	2002 MAY	2002 JUNE	2002 JULY	2002 AUGUST	2002 SEPTEMBER	2002 OCTOBER	2002 NOVEMBER	2002 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													5,620,206	3
3a	587,667	451,844	450,882	464,503	568,865	605,785	672,257	680,816	620,175	485,808	462,649	568,955	6,620,206	3a	
3b	438,824	410,651	334,843	337,340	412,574	447,737	461,037	465,504	418,820	380,339	376,551	443,303	4,927,523	3b	
4	ENERGY COST OF ECONOMY PURCHASES													0	4
5	1,026,491	862,495	785,725	801,843	981,439	1,053,522	1,133,294	1,146,320	1,038,995	866,147	839,200	1,012,258	11,547,729	5	
6	406,294	378,121	302,313	304,810	380,044	415,207	428,507	432,974	386,290	347,809	344,021	410,773	4,537,163	6	
7	620,197	484,374	483,412	497,033	601,395	638,315	704,787	713,346	652,705	518,338	495,179	601,485	7,010,566	7	
7a	27,563	22,846	21,133	20,772	21,607	27,256	29,267	30,246	31,513	25,667	21,093	24,363	303,326	7a	
7b	2 25011	2 12017	2 28747	2 3928	2 78333	2 34192	2 40813	2 35848	2.07122	2.01947	2.3476	2 46885	2 31123	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 25011	2 12017	2.28747	2 39280	2 78333	2 34192	2 40813	2 35848	2.07122	2.01947	2 34760	2.46885	2 31123	9	
10	GPIF (CENTS/KWH)														10
11	0 02050	0 02050	0.02050	0 02050	0 02050	0.02050	0 02050	0 02050	0 02050	0 02050	0.02050	0 02050	0 02050	11	
12	2 27061	2.14067	2.30797	2.41330	2 80383	2 36242	2 42863	2 37898	2 09172	2 03997	2.36810	2 48935	2.33173	12	
13	0.00072	0 00163	0 00154	0.00166	0 00174	0 00202	0.00170	0 00175	0 00171	0.00151	0.00147	0.00171	0 00179	0 00168	13
14	2 27224	2 14221	2.30963	2.41504	2 80585	2.36412	2 43038	2 38069	2.09323	2 04144	2.36981	2 49114	2 33341	14	
15	2 272	2.142	2.310	2 415	2.806	2 364	2 430	2.381	2 093	2.041	2.370	2.491	2 333	15	

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

ESTIMATED FOR THE PERIOD: JANUARY 2002 - DECEMBER 2002

(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 2002	GULF POWER COMPANY	RE	28,666,679			28,666,679	2.050000	3.580781	587,667
FEBRUARY 2002	GULF POWER COMPANY	RE	22,041,166			22,041,166	2.050000	3.913110	451,844
MARCH 2002	GULF POWER COMPANY	RE	21,994,244			21,994,244	2.050000	3.572412	450,882
APRIL 2002	GULF POWER COMPANY	RE	22,658,678			22,658,678	2.050000	3.538790	464,503
MAY 2002	GULF POWER COMPANY	RE	27,749,510			27,749,510	2.050000	3.536780	568,865
JUNE 2002	GULF POWER COMPANY	RE	29,550,501			29,550,501	2.050000	3.565158	605,785
JULY 2002	GULF POWER COMPANY	RE	32,793,020			32,793,020	2.050000	3.455900	672,257
AUGUST 2002	GULF POWER COMPANY	RE	33,210,540			33,210,540	2.050000	3.451675	680,816
SEPTEMBER 2002	GULF POWER COMPANY	RE	30,252,456			30,252,456	2.050000	3.434415	620,175
OCTOBER 2002	GULF POWER COMPANY	RE	23,697,970			23,697,970	2.050000	3.654942	485,808
NOVEMBER 2002	GULF POWER COMPANY	RE	22,568,243			22,568,243	2.050000	3.718499	462,649
DECEMBER 2002	GULF POWER COMPANY	RE	27,753,904			27,753,904	2.050000	3.647263	568,955
TOTAL			322,936,911	0	0	322,936,911	2.050000	3.575847	6,620,206

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

ESTIMATED FOR THE PERIOD: JANUARY 2002 - DECEMBER 2002

	JANUARY 2002	FEBRUARY 2002	MARCH 2002	APRIL 2002	MAY 2002	JUNE 2002	JULY 2002
BASE RATE REVENUES ** \$	20.86	20.86	20.86	20.86	20.86	20.86	20.86
FUEL RECOVERY FACTOR CENTS/KWH	4.06	4.06	4.06	4.06	4.06	4.06	4.06
GROUP LOSS MULTIPLIER	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
FUEL RECOVERY REVENUES \$	40.60	40.60	40.60	40.60	40.60	40.60	40.60
GROSS RECEIPTS TAX	1.58	1.58	1.58	1.58	1.58	1.58	1.58
TOTAL REVENUES *** \$	63.04	63.04	63.04	63.04	63.04	63.04	63.04

	AUGUST 2002	SEPTEMBER 2002	OCTOBER 2002	NOVEMBER 2002	DECEMBER 2002	PERIOD TOTAL
BASE RATE REVENUES ** \$	20.86	20.86	20.86	20.86	20.86	250.32
FUEL RECOVERY FACTOR CENTS/KWH	4.06	4.06	4.06	4.06	4.06	
GROUP LOSS MULTIPLIER	1.00000	1.00000	1.00000	1.00000	1.00000	
FUEL RECOVERY REVENUES \$	40.60	40.60	40.60	40.60	40.60	487.20
GROSS RECEIPTS TAX	1.58	1.58	1.58	1.58	1.58	18.96
TOTAL REVENUES *** \$	63.04	63.04	63.04	63.04	63.04	756.48

* 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
	<u>20.86</u>

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*** EXCLUDES FRANCHISE TAXES

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

ESTIMATED FOR THE PERIOD: JANUARY 2002 THROUGH DECEMBER 2002

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)	8,923,811	483,675	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)	7,514,269	483,675	1.55358
10a Demand Costs of Purchased Power	7,003,710 *		
10b Non-fuel Energy & Customer Costs of Purchased Power	510,559 *		
11 Energy Payments to Qualifying Facilities (E8a)	89,760	4,800	1.87000
12 TOTAL COST OF PURCHASED POWER (LINE 6 THRU 11)	16,527,840	488,475	3.38356
13 TOTAL AVAILABLE KWH (LINE 5 + LINE 12)	16,527,840	488,475	3.38356
14 Fuel Cost of Economy Sales (E6)			
15 Gain on Economy Sales (E6)			
16 Fuel Cost of Unit Power Sales (SL2 Partpts) (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)	16,527,840	488,475	3.38356
21 Net Unbilled Sales	0 *	0	0.00000
22 Company Use	14,752 *	436	0.00316
23 T & D Losses	728,988 *	21,545	0.15627
24 SYSTEM MWH SALES	16,527,840	466,494	3.54299
25 Wholesale MWH Sales			
26 Jurisdictional MWH Sales	16,527,840	466,494	3.54299
26a Jurisdictional Loss Multiplier	1.00000	1.00000	
27 Jurisdictional MWH Sales Adjusted for Line Losses	16,527,840	466,494	3.54299
27a GSLD MWH Sales		147,237	
27b Other Classes MWH Sales		319,257	
27c GSLD CP KW		258,000 *	
28 GPIF **			
29 TRUE-UP (OVER) UNDER RECOVERY **	16,863	466,494	0.00361
30 TOTAL JURISDICTIONAL FUEL COST	16,544,703	466,494	3.54661
30a Demand Purchased Power Costs (Line 10a)	7,003,710 *		
30b Non-demand Purchased Power Costs (Lines 6 + 10b + 11)	9,524,130 *		
30c True up Over/Under Recovery (Line 29)	16,863 *		

* 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 2002 THROUGH DECEMBER 2002

FERNANDINA BEACH DIVISON

	(a)	(b)	(c)
	DOLLARS	MWH	CENTS/KWH
APPORTIONMENT OF DEMAND COSTS			
31	Total Demand Costs (Line 30a)	7,003,710	
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	5,409,270	319,257 1.69433
APPORTIONMENT OF NON-DEMAND COSTS			
34	Total Non-demand Costs(Line 30b)	9,524,130	
35	Total KWH Purchased (Line 12)	488,475	
36	Average Cost per KWH Purchased		1.94977
37	Average Cost Adjusted for Line Losses (Line 36 x 1.03)		2.00825
38	GSLD Non-demand Costs (Line 27a x Line 37)	2,956,914	147,237 2.00827
39	Balance to Other Classes	6,567,216	319,257 2.05703
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)	2,956,914	147,237 2.00827
40e	Total Non-demand Costs Including True-up	2,956,914	147,237 2.00827
40f	Revenue Tax Factor		1.01597
40g	GSLD Non-demand Costs Adjusted for Taxes & Rounded		2.04034
OTHER CLASSES PURCHASED POWER COST RECOVERY FACTORS			
41a	Total Demand & Non-demand Purchased Power Costs of Other Classes(Line 33 + 39)	11,976,486	319,257 3.75136
41b	Less: Total Demand Cost Recovery	5,409,270 ***	
41c	Total Other Costs to be Recovered	6,567,216	319,257 2.05703
41d	Other Classes' Portion of True-up (Line 30c)	16,863	319,257 0.00528
41e	Total Demand & Non-demand Costs Including True-up	6,584,079	319,257 2.06231
42	Revenue Tax Factor		1.01597
43	Other Classes Purchased Power Factor Adjusted for Taxes & Rounded		2.095

* For Informational Purposes Only

** Calculation Based on Jurisdictional KWH Sales

*** Calculation on Schedule E1 Page 3

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(GMB-2)
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FLORIDA PUBLIC UTILITIES COMPANY
FUEL AND PURCHASED POWER
COST RECOVERY CLAUSE CALCULATION

ESTIMATED FOR THE PERIOD. JANUARY 2002 THROUGH DECEMBER 2002

FERNANDINA BEACH DIVISON

	(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	181,554,188	60.938%	68,021.1	1.089	1.000	74,075.0	181,554,188	62.82%	56.87%
45 GS	32,395,169	71.059%	10,408.5	1.089	1.000	11,334.9	32,395,169	9.61%	10.15%
46 GSD	102,536,322	78.573%	29,794.1	1.083	1.000	32,267.0	102,536,322	27.37%	32.12%
47 OL, SL, CSL	2,771,057	297.393%	212.7	1.089	1.000	231.6	2,771,057	0.20%	0.87%
48 TOTAL	<u>319,256,736</u>		<u>108,436.4</u>			<u>117,908.5</u>	<u>319,256,736</u>	<u>100.00%</u>	<u>100.01%</u>

	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
	12/13 * (8)	1/13 * (9)	(10) + (11) Demand Allocation Percentage	Tot Col. 13 * (12) Demand Dollars	(13)/(1) Demand Cost Recovery	(14) * 1.01597 Demand Cost Recovery Adj for Taxes	Other Charges	(15) + (16) Levelized Adjustment
Rate Schedule	12/13 Of 12 CP	1/13 Of Energy						
49 RS	58.00%	4.37%	62.37%	\$3,373,762	0.01858	0.01888	0.02095	0.03983
50 GS	8.87%	0.78%	9.65%	521,995	0.01611	0.01637	0.02095	0.03732
51 GSD	25.26%	2.47%	27.73%	1,499,991	0.01463	0.01486	0.02095	0.03581
52 OL, OL2, SL1, SL3 & CSL	0.18%	0.07%	0.25%	13,523	0.00488	0.00496	0.02095	0.02591
53 TOTAL	<u>92.31%</u>	<u>7.69%</u>	<u>100.00%</u>	<u>\$5,409,270</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 2001 - DECEMBER 2001
BASED ON SIX MONTHS ACTUAL AND SIX MONTHS ESTIMATED OPERATIONS

Fernandina Beach Division

Under-recovery of purchased power costs for the period January 2001 - December 2001. (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 2001.)(Estimated)	\$ (16,863)
Estimated kilowatt hour sales for the months of January 2002 - December 2002 as per estimate filed with the Commission. (Excludes GSLD customers)	319,256,736
Cents per kilowatt hour necessary to collect under-recovered purchased power costs over the period January 2002 - December 2002.	-0.00528

FLORIDA PUBLIC UTILITIES COMPANY
FERNANDINA BEACH DIVISION
FUEL & PURCHASED POWER COST RECOVERY CLAUSE CALCULATION
 ESTIMATED FOR THE PERIOD JANUARY 2002 THROUGH DECEMBER 2002

LINE NO		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	TOTAL PERIOD	LINE NO
		JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	ESTIMATED			
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	695,616	644,921	692,144	635,370	746,642	852,679	925,759	851,661	750,893	716,078	670,557	741,491	8,923,811		3	
3a	DEMAND & NON FUEL COST OF PUR POWER	672,297	588,844	576,627	540,330	598,971	679,087	710,510	695,926	657,443	599,871	544,805	649,558	7,514,269		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)	1,375,393	1,241,245	1,276,251	1,183,180	1,353,093	1,539,246	1,643,749	1,555,067	1,415,816	1,323,429	1,222,842	1,398,529	16,527,840		5	
5a	LESS TOTAL DEMAND COST RECOVERY	477,984	397,416	382,512	349,446	401,754	475,836	503,100	492,732	459,984	404,394	351,918	452,634	5,149,710		5a	
5b	TOTAL OTHER COST TO BE RECOVERED	897,409	843,829	893,739	833,734	951,339	1,063,410	1,140,649	1,062,335	955,832	919,035	870,924	945,895	11,378,130		5b	
6	APPORTIONMENT TO GSLD CLASS	359,046	373,289	419,829	360,704	390,792	439,235	418,312	421,402	402,989	422,976	432,039	370,294	4,810,907		6	
6a	BALANCE TO OTHER CLASSES	538,363	470,540	473,910	473,030	560,547	624,175	722,337	640,933	552,843	496,059	438,885	575,601	6,567,223		6a	
6b	SYSTEM KWH SOLD (MWH)	37,943	36,051	36,545	32,978	35,317	43,541	45,391	45,107	42,067	39,969	35,808	35,777	466,494		6b	
7	GSLD MWH SOLD	10,185	10,895	13,212	10,268	11,766	14,178	13,136	13,290	12,373	13,369	13,820	10,745	147,237		7	
7a	BALANCE MWH SOLD OTHER CLASSES	27,758	25,156	23,333	22,710	23,551	29,363	32,255	31,817	29,694	26,600	21,968	25,032	319,257		7a	
7b	COST PER KWH SOLD (CENTS/KWH) APPLICABLE TO OTHER CLASSES	1.93949	1.87049	2.03107	2.08292	2.38014	2.12572	2.23946	2.01444	1.8618	1.86488	1.99602	2.29946	2.05703		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)	1.93949	1.87049	2.03107	2.08292	2.38014	2.12572	2.23946	2.01444	1.86180	1.86488	1.99602	2.29946	2.05703		9	
10	GPIF (CENTS/KWH)																10
11	TRUE-UP (CENTS/KWH)	16,863	0.00528	0.00528	0.00528	0.00528	0.00528	0.00528	0.00528	0.00528	0.00528	0.00528	0.00528	0.00528		11	
12	TOTAL	1.94477	1.87577	2.03635	2.08820	2.38542	2.13100	2.24474	2.01972	1.86708	1.87016	2.00130	2.30474	2.06231		12	
13	REVENUE TAX FACTOR	0.01597	0.03106	0.02996	0.03252	0.03335	0.03810	0.03403	0.03585	0.03225	0.02982	0.02987	0.03196	0.03681		13	
14	RECOVERY FACTOR ADJUSTED FOR TAXES	1.97583	1.90573	2.06887	2.12155	2.42352	2.16503	2.28059	2.05197	1.89690	1.90003	2.03326	2.34155	2.09525		14	
15	RECOVERY FACTOR ROUNDED TO NEAREST .001 CENT/KWH	1.976	1.906	2.069	2.122	2.424	2.165	2.281	2.052	1.897	1.9	2.033	2.342	2.095		15	

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

ESTIMATED FOR THE PERIOD: JANUARY 2002 THROUGH DECEMBER 2002

(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 2002	JACKSONVILLE ELECTRIC AUTHORITY	MS	37,702,753			37,702,753	1.845001	3.628152	695,616
FEBRUARY 2002	JACKSONVILLE ELECTRIC AUTHORITY	MS	34,955,087			34,955,087	1.844999	3.529572	644,921
MARCH 2002	JACKSONVILLE ELECTRIC AUTHORITY	MS	37,514,607			37,514,607	1.844999	3.382072	692,144
APRIL 2002	JACKSONVILLE ELECTRIC AUTHORITY	MS	34,437,380			34,437,380	1.845001	3.414023	635,370
MAY 2002	JACKSONVILLE ELECTRIC AUTHORITY	MS	40,468,427			40,468,427	1.844999	3.325093	746,642
JUNE 2002	JACKSONVILLE ELECTRIC AUTHORITY	MS	46,215,658			46,215,658	1.845000	3.314388	852,679
JULY 2002	JACKSONVILLE ELECTRIC AUTHORITY	MS	50,176,641			50,176,641	1.845000	3.261017	925,759
AUGUST 2002	JACKSONVILLE ELECTRIC AUTHORITY	MS	46,160,491			46,160,491	1.845000	3.352622	851,661
SEPTEMBER 2002	JACKSONVILLE ELECTRIC AUTHORITY	MS	40,698,822			40,698,822	1.844999	3.460385	750,893
OCTOBER 2002	JACKSONVILLE ELECTRIC AUTHORITY	MS	38,811,789			38,811,789	1.845001	3.390591	716,078
NOVEMBER 2002	JACKSONVILLE ELECTRIC AUTHORITY	MS	36,344,540			36,344,540	1.845001	3.344002	670,557
DECEMBER 2002	JACKSONVILLE ELECTRIC AUTHORITY	MS	40,189,229			40,189,229	1.844999	3.461248	741,491
TOTAL			483,675,424	0	0	483,675,424	1.845000	3.398577	8,923,811

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

ESTIMATED FOR THE PERIOD: JANUARY 2002 THROUGH DECEMBER 2002

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	
							(1)	(2)	
JANUARY 2002	JEFFERSON SMURFIT CORPORATION		400,000			400,000	1.870000	1.870000	7,480
FEBRUARY 2002	JEFFERSON SMURFIT CORPORATION		400,000			400,000	1.870000	1.870000	7,480
MARCH 2002	JEFFERSON SMURFIT CORPORATION		400,000			400,000	1.870000	1.870000	7,480
APRIL 2002	JEFFERSON SMURFIT CORPORATION		400,000			400,000	1.870000	1.870000	7,480
MAY 2002	JEFFERSON SMURFIT CORPORATION		400,000			400,000	1.870000	1.870000	7,480
JUNE 2002	JEFFERSON SMURFIT CORPORATION		400,000			400,000	1.870000	1.870000	7,480
JULY 2002	JEFFERSON SMURFIT CORPORATION		400,000			400,000	1.870000	1.870000	7,480
AUGUST 2002	JEFFERSON SMURFIT CORPORATION		400,000			400,000	1.870000	1.870000	7,480
SEPTEMBER 2002	JEFFERSON SMURFIT CORPORATION		400,000			400,000	1.870000	1.870000	7,480
OCTOBER 2002	JEFFERSON SMURFIT CORPORATION		400,000			400,000	1.870000	1.870000	7,480
NOVEMBER 2002	JEFFERSON SMURFIT CORPORATION		400,000			400,000	1.870000	1.870000	7,480
DECEMBER 2002	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 2002 THROUGH DECEMBER 2002

JANUARY 2002	FEBRUARY 2002	MARCH 2002	APRIL 2002	MAY 2002	JUNE 2002	JULY 2002
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BASE RATE REVENUES ** \$	19.47	19.47	19.47	19.47	19.47	19.47	19.47
FUEL RECOVERY FACTOR CENTS/KWH	3.98	3.98	3.98	3.98	3.98	3.98	3.98
GROUP LOSS MULTIPLIER	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
FUEL RECOVERY REVENUES \$	39.83	39.83	39.83	39.83	39.83	39.83	39.83
GROSS RECEIPTS TAX	0.61	0.61	0.61	0.61	0.61	0.61	0.61
TOTAL REVENUES *** \$	59.91	59.91	59.91	59.91	59.91	59.91	59.91

AUGUST 2002	SEPTEMBER 2002	OCTOBER 2002	NOVEMBER 2002	DECEMBER 2002
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PERIOD TOTAL

BASE RATE REVENUES ** \$	19.47	19.47	19.47	19.47	19.47	233.64
FUEL RECOVERY FACTOR CENTS/KWH	3.98	3.98	3.98	3.98	3.98	
GROUP LOSS MULTIPLIER	1.00000	1.00000	1.00000	1.00000	1.00000	
FUEL RECOVERY REVENUES \$	39.83	39.83	39.83	39.83	39.83	477.96
GROSS RECEIPTS TAX	0.61	0.61	0.61	0.61	0.61	7.32
TOTAL REVENUES *** \$	59.91	59.91	59.91	59.91	59.91	718.92

* 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