

BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET NO. 050003-GU  
DETERMINATION OF PURCHASED  
GAS/COST RECOVERY FACTOR

Direct Testimony of  
Cheryl M. Martin  
On Behalf of  
Florida Public Utilities Company

1 Q. Please state your name and business address.

2 A. Cheryl M. Martin, 401 South Dixie Highway, West Palm  
3 Beach, FL 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

9 Q. What is the purpose of your testimony at this time?

10 A. I will summarize our projected gas recoveries  
11 computations which are contained in composite  
12 exhibit CMM-1 which supports the January 2006 -  
13 December 2006 projected purchased gas adjustments  
14 for our consolidated gas division. In addition, I  
15 will advise the Commission of the projected  
16 differences between the revenues collected and the  
17 purchased gas costs allowed in developing the  
18 levelized purchased gas adjustment for the periods  
19 January 2004 - December 2004, and January 2005

1 December 2005. From these periods I will establish  
2 a "true-up" amount to be collected or refunded  
3 during January 2006 - December 2006.

4 Q. Were the schedules filed by your Company completed  
5 under your direction?

6 A. Yes.

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

9 A. We have prepared and previously filed True-Up  
10 schedules A-1, A-2, A-3, A-4, A-5, and A-6, in  
11 addition to filing composite exhibit CMM-1 which  
12 contains Schedules E1, E-1/R, E2, E3, E4 and E5 for  
13 our consolidated gas division. These schedules  
14 support the calculation of the purchase gas  
15 adjustment factors for January 2006 - December 2006.

16 Q. Have the January 2005 - December 2005 projections  
17 been revised?

18 A. Yes. FPUC has filed a request with the FPSC for a  
19 mid-course change of the PGCRF to be effective for  
20 October 2005 through December 2005. The 2005 four-  
21 months projection data contained in the 2006 PGA  
22 projection filing reflect the requested increases.

23 Q. What is the appropriate final purchased gas  
24 adjustment true-up amount for the period January  
25 2004 through December 2004?

1 A. The final purchased gas adjustment true-up amount  
2 for the period January 2004 - December 2004 is an  
3 over-recovery of \$772,395. Monthly PGA filings for  
4 2004 incorrectly indicated total amounts for the  
5 "True-up Refunded" as \$526,292. This was a \$338,901  
6 overstatement of the FPSC approved total amount of  
7 \$187,391. Form E-4, Section 2, of the 2006 PGA  
8 Projection filing has been modified to reflect the  
9 \$338,901 over-reported refund.

10 Q. What is the estimated purchased gas adjustment true-  
11 up amount for the period January 2005 through  
12 December 2005?

13 A. We have estimated that we will have an under-  
14 recovery \$2,208,051 for the period January 2005 -  
15 December 2005.

16 Q. What is the total purchased gas adjustment true-up  
17 amount to be collected during the period January  
18 2006 through December 2006?

19 A. The total net under-recovery to be collected during  
20 the period January 2006 - December 2006 is  
21 \$1,435,656.

22 Q. What is the appropriate levelized purchased gas  
23 adjustment recovery (cap) factor for the period

1 January 2006 through December 2006?

2 A. The 2006 Purchased Gas Cost Recovery Factor will be  
3 a maximum of 155.053¢ per therm.

4 Q. What should be the effective date of the new  
5 purchased gas adjustment charge for billing  
6 purposes?

7 A. The factor should be effective for all meter  
8 readings on or after January 1, 2006, beginning with  
9 the first applicable billing cycle for the period  
10 January 2006 - December 2006.

11

12 Q. Does this conclude your testimony?

13 A. Yes.

COMPANY: FLORIDA PUBLIC UTILITIES		PURCHASED GAS ADJUSTMENT COST RECOVERY CLAUSE CALCULATION												SCHEDULE E-1
ESTIMATE FOR THE PROJECTED PERIOD JANUARY 2006 THROUGH DECEMBER 2006														
		PROJECTED			PROJECTED			PROJECTED			PROJECTED			
		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
<b>COST OF GAS PURCHASED</b>														
1	COMMODITY (Pipeline)	29,293	28,068	23,298	18,473	30,882	16,495	15,842	15,468	17,798	18,169	15,941	22,341	252,068
2	NO NOTICE SERVICE	9,207	6,584	6,061	4,054	1,719	1,663	1,703	1,703	1,634	3,222	5,242	7,289	50,081
3	SWING SERVICE	-	-	-	-	-	-	-	-	-	-	-	-	-
4	COMMODITY (Other)	8,386,796	7,936,782	7,039,864	5,909,374	4,106,537	3,309,249	3,212,550	3,148,084	3,533,686	3,644,712	5,328,557	6,824,978	62,381,169
5	DEMAND	512,042	456,889	502,742	443,133	164,999	159,677	164,999	164,999	159,677	168,511	479,024	505,842	3,882,534
6	OTHER	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>LESS END-USE CONTRACT</b>														
7	COMMODITY (Pipeline)	-	-	-	-	-	-	-	-	-	-	-	-	-
8	DEMAND	-	-	-	-	-	-	-	-	-	-	-	-	-
9	COMMODITY (Other)	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Second Prior Month Purchase Adj. (OPTIONAL)	-	-	-	-	-	-	-	-	-	-	-	-	-
11	TOTAL COST (1+2+3+4+5+6+10)-(7+8+9)	8,937,338	8,428,323	7,571,965	6,375,034	4,304,137	3,487,084	3,395,094	3,330,254	3,712,795	3,834,614	5,828,764	7,360,450	66,565,852
12	NET UNBILLED	-	-	-	-	-	-	-	-	-	-	-	-	-
13	COMPANY USE	9,700	9,200	8,200	6,900	6,200	5,000	4,800	4,700	5,300	5,600	6,100	7,900	79,600
14	TOTAL THERM SALES	8,927,638	8,419,123	7,563,765	6,368,134	4,297,937	3,482,084	3,390,294	3,325,554	3,707,495	3,829,014	5,822,664	7,352,550	66,486,252
<b>THERMS PURCHASED</b>														
15	COMMODITY (Pipeline)	5,386,000	5,097,000	4,521,000	3,795,000	3,440,000	2,772,000	2,691,000	2,637,000	2,960,000	3,053,000	3,422,000	4,383,000	44,157,000
16	NO NOTICE SERVICE	1,860,000	1,330,000	1,224,500	819,000	347,200	336,000	344,100	344,100	330,000	651,000	1,059,000	1,472,500	10,117,400
17	SWING SERVICE	-	-	-	-	-	-	-	-	-	-	-	-	-
18	COMMODITY (Other)	5,386,000	5,097,000	4,521,000	3,795,000	3,440,000	2,772,000	2,691,000	2,637,000	2,960,000	3,053,000	3,422,000	4,383,000	44,157,000
19	DEMAND	8,758,120	6,790,560	6,898,120	5,269,500	3,265,230	3,159,900	3,265,230	3,265,230	3,159,900	3,290,340	5,175,600	7,518,120	59,815,850
20	OTHER	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>LESS END-USE CONTRACT</b>														
21	COMMODITY (Pipeline)	-	-	-	-	-	-	-	-	-	-	-	-	-
22	DEMAND	-	-	-	-	-	-	-	-	-	-	-	-	-
23	COMMODITY (Other)	-	-	-	-	-	-	-	-	-	-	-	-	-
24	TOTAL PURCHASES (+17+18+20)-(21+23)	5,386,000	5,097,000	4,521,000	3,795,000	3,440,000	2,772,000	2,691,000	2,637,000	2,960,000	3,053,000	3,422,000	4,383,000	44,157,000
25	NET UNBILLED	-	-	-	-	-	-	-	-	-	-	-	-	-
26	COMPANY USE	9,710	9,190	8,150	6,840	6,200	5,000	4,850	4,760	5,340	5,500	6,170	7,910	79,620
27	TOTAL THERM SALES (For Estimated, 24 - 26)	5,376,290	5,087,810	4,512,850	3,788,160	3,433,800	2,767,000	2,686,150	2,632,240	2,954,660	3,047,500	3,415,830	4,375,090	44,077,380
<b>CENTS PER THERM</b>														
28	COMMODITY (Pipeline) (1/15)	0.544	0.551	0.515	0.487	0.898	0.595	0.589	0.587	0.601	0.595	0.466	0.510	0.571
29	NO NOTICE SERVICE (2/16)	0.495	0.495	0.495	0.495	0.495	0.495	0.495	0.495	0.495	0.495	0.495	0.495	0.495
30	SWING SERVICE (3/17)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
31	COMMODITY (Other) (4/18)	155.715	155.715	155.715	155.715	119.376	119.381	119.381	119.381	119.381	119.381	155.715	155.715	141.271
32	DEMAND (5/19)	5.846	6.728	7.288	8.409	5.053	5.053	5.053	5.053	5.053	5.121	9.255	6.728	6.491
33	OTHER (6/20)	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>LESS END-USE CONTRACT</b>														
34	COMMODITY Pipeline (7/21)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
35	DEMAND (8/22)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
36	COMMODITY Other (9/23)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
37	TOTAL COST OF PURCHASES (11/24)	165.936	165.359	167.484	167.985	125.120	125.797	126.165	126.289	125.432	125.602	170.332	167.932	150.748
38	NET UNBILLED (12/25)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
39	COMPANY USE (13/26)	99.897	100.109	100.613	100.877	100.000	100.000	98.969	98.739	99.251	101.818	98.865	99.874	99.975
40	TOTAL COST OF THERM SOLD (11/27)	166.236	165.657	167.787	168.288	125.346	125.024	126.393	126.518	125.659	125.828	170.640	168.235	151.020
41	TRUE-UP (E-4)	3.257	3.257	3.257	3.257	3.257	3.257	3.257	3.257	3.257	3.257	3.257	3.257	3.257
42	TOTAL COST OF GAS (40+41)	169.493	168.914	171.044	171.545	128.603	129.281	129.650	129.775	128.916	129.085	173.897	171.492	154.277
43	REVENUE TAX FACTOR	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503
44	PGA FACTOR ADJUSTED FOR TAXES (42+43)	170.34486	169.76298	171.90326	172.40742	129.24941	129.93063	130.30106	130.42699	129.56376	129.73384	174.77059	172.35415	155.05268
45	PGA FACTOR ROUNDED TO NEAREST .001	170.345	169.763	171.903	172.407	129.249	129.931	130.301	130.427	129.564	129.734	174.771	172.354	155.053

COMPANY: FLORIDA PUBLIC UTILITIES		PURCHASED GAS ADJUSTMENT COST RECOVERY CLAUSE CALCULATION												SCHEDULE E-1R
REVISED PROJECTION: ACTUAL JANUARY 2005 THROUGH AUGUST 2005; ESTIMATED SEPTEMBER 2005 THROUGH DECEMBER 2005														
		----- ACTUAL -----		----- ACTUAL -----		----- ACTUAL -----		----- ACTUAL -----		---- PROJECTED ----		---- PROJECTED ----		
		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
<b>COST OF GAS PURCHASED</b>														
1	COMMODITY (Pipeline)	40,681	36,772	38,190	24,968	21,441	18,332	16,889	16,996	14,695	14,347	13,347	22,496	279,154
2	NO NOTICE SERVICE	9,207	6,583	6,061	4,054	1,719	1,663	1,703	1,703	1,634	3,222	5,242	7,289	50,080
3	SWING SERVICE	60,758	-	-	-	-	-	128,039	-	-	-	-	-	188,797
4	COMMODITY (Other)	3,202,099	2,869,601	3,019,960	2,633,499	1,918,747	1,663,722	1,800,031	1,839,574	2,804,135	3,065,268	3,939,643	5,938,773	34,695,052
5	DEMAND	489,640	440,613	489,092	433,335	158,489	141,662	146,335	154,497	139,547	159,449	451,989	486,586	3,691,234
6	OTHER	-	-	-	1,386	56	510	581	1,475	-	-	-	-	4,008
<b>LESS END-USE CONTRACT</b>														
7	COMMODITY (Pipeline)	-	-	-	-	-	-	-	-	-	-	-	-	-
8	DEMAND	-	-	-	-	-	-	-	-	-	-	-	-	-
9	COMMODITY (Other)	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Second Prior Month Purchase Adj. (OPTIONAL)	-	-	-	-	-	-	-	-	-	-	-	-	-
11	TOTAL COST (1+2+3+4+5+6)-(7+8+9)	3,802,385	3,353,569	3,553,303	3,097,242	2,100,452	1,825,869	2,093,578	2,014,245	2,960,011	3,242,286	4,410,221	6,455,144	38,908,325
12	NET UNBILLED	-	-	-	-	-	-	-	-	-	-	-	-	-
13	COMPANY USE	2,894	3,323	2,362	4,803	4,913	5,510	7,229	6,919	2,739	2,720	3,331	4,826	51,569
14	TOTAL THERM SALES	3,640,202	3,547,468	3,430,848	3,082,937	2,756,202	2,079,352	2,172,013	2,090,831	2,219,028	2,830,346	3,463,503	5,014,922	36,327,652
<b>THERMS PURCHASED</b>														
15	COMMODITY (Pipeline)	4,839,680	4,247,920	4,471,440	3,680,220	2,973,380	2,553,150	2,340,240	2,354,080	2,488,230	2,475,290	3,029,020	4,385,820	39,838,470
16	NO NOTICE SERVICE	1,860,000	1,330,000	1,224,500	819,000	347,200	336,000	344,100	344,100	330,000	651,000	1,059,000	1,472,500	10,117,400
17	SWING SERVICE	46,340	-	-	-	-	-	74,550	-	-	-	-	-	120,890
18	COMMODITY (Other)	4,808,680	4,219,930	4,443,540	3,654,570	2,922,910	2,503,380	2,283,610	2,417,380	2,488,230	2,475,290	3,029,020	4,385,820	39,632,360
19	DEMAND	7,741,320	6,959,680	7,701,950	6,344,100	3,119,840	2,715,300	2,805,810	2,955,230	2,715,300	3,140,300	5,332,200	7,679,940	59,210,970
20	OTHER	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>LESS END-USE CONTRACT</b>														
21	COMMODITY (Pipeline)	-	-	-	-	-	-	-	-	-	-	-	-	-
22	DEMAND	-	-	-	-	-	-	-	-	-	-	-	-	-
23	COMMODITY (Other)	-	-	-	-	-	-	-	-	-	-	-	-	-
24	TOTAL PURCHASES (+17+18+20)-(21+23)	4,855,020	4,219,930	4,443,540	3,654,570	2,922,910	2,503,380	2,358,160	2,417,380	2,488,230	2,475,290	3,029,020	4,385,820	39,753,250
25	NET UNBILLED	-	-	-	-	-	-	-	-	-	-	-	-	-
26	COMPANY USE	3,931	4,513	3,208	6,523	6,250	7,484	8,649	8,278	4,490	4,460	5,460	7,910	71,156
27	TOTAL THERM SALES (For Estimated, 24 - 26)	6,924,843	6,630,140	6,524,263	5,894,554	5,236,212	4,389,538	4,243,466	3,942,813	3,588,968	4,111,322	4,674,144	6,015,833	39,682,094
<b>CENTS PER THERM</b>														
28	COMMODITY (Pipeline)	(1/15) 0.841	0.866	0.854	0.678	0.721	0.718	0.722	0.722	0.591	0.580	0.441	0.513	0.701
29	NO NOTICE SERVICE	(2/16) 0.495	0.495	0.495	0.495	0.495	0.495	0.495	0.495	0.495	0.495	0.495	0.495	0.495
30	SWING SERVICE	(3/17) 131.114	0.000	0.000	0.000	0.000	0.000	171.749	0.000	0.000	0.000	0.000	0.000	156.173
31	COMMODITY (Other)	(4/18) 66.590	68.001	67.963	72.060	65.645	66.459	78.824	76.098	112.696	123.835	130.063	135.408	87.542
32	DEMAND	(5/19) 6.325	6.331	6.350	6.831	5.080	5.217	5.215	5.228	5.139	5.078	8.477	6.336	6.234
33	OTHER	(6/20)												
<b>LESS END-USE CONTRACT</b>														
34	COMMODITY Pipeline	(7/21) 0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
35	DEMAND	(8/22) 0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
36	COMMODITY Other	(9/23) 0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
37	TOTAL COST OF PURCHASES	(11/24) 78.319	79.470	79.966	84.750	71.862	72.937	88.780	83.323	118.961	130.986	145.599	147.182	97.875
38	NET UNBILLED	(12/25) 0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
39	COMPANY USE	(13/26) 73.620	73.632	73.628	73.632	78.608	73.624	83.582	83.583	61.002	60.987	61.007	61.011	72.473
40	TOTAL COST OF THERM SOLD	(11/27) 54.909	50.581	54.463	52.544	40.114	41.596	49.337	51.086	82.475	78.862	94.354	107.303	98.050
41	TRUE-UP (E-4)	(0.821)	(0.821)	(0.821)	(0.821)	(0.821)	(0.821)	(0.821)	(0.821)	(0.821)	(0.821)	(0.821)	(0.821)	(0.821)
42	TOTAL COST OF GAS	(40+41) 54.088	49.760	53.642	51.723	39.293	40.775	48.516	50.265	81.654	78.041	93.533	106.482	97.229
43	REVENUE TAX FACTOR	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503
44	PGA FACTOR ADJUSTED FOR TAXES (42x43)	54.36013	50.00971	53.91145	51.98304	39.49041	40.98028	48.75930	50.51808	82.06458	78.43353	94.00256	107.01685	97.71766
45	PGA FACTOR ROUNDED TO NEAREST .001	54.360	50.010	53.911	51.983	39.490	40.980	48.759	50.518	82.065	78.434	94.003	107.017	97.718

PURCHASED GAS ADJUSTMENT  
 CALCULATION OF TRUE-UP AMOUNT  
 ACTUAL FOR THE PERIOD JANUARY 2005 THROUGH AUGUST 2005  
 ESTIMATED FOR THE PERIOD SEPTEMBER 2005 THROUGH DECEMBER 2005

SCHEDULE E-2

		----- ACTUAL -----		----- ACTUAL -----		----- ACTUAL -----		----- ACTUAL -----		----- PROJECTED -----		----- PROJECTED -----		TOTAL
		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	
<b>TRUE-UP CALCULATION</b>														
1	PURCHASED GAS COST	3,202,099	2,869,601	3,019,960	2,633,499	1,918,747	1,663,722	1,800,031	1,839,574	2,804,135	3,065,268	3,939,643	5,938,773	34,695,052
2	TRANSPORTATION COST	600,286	483,968	533,343	463,743	181,705	162,167	293,547	174,671	155,876	177,018	470,578	516,371	4,213,273
3	TOTAL	3,802,385	3,353,569	3,553,303	3,097,242	2,100,452	1,825,889	2,093,578	2,014,245	2,960,011	3,242,286	4,410,221	6,455,144	38,908,325
4	FUEL REVENUES (NET OF REVENUE TAX)	3,640,202	3,547,468	3,430,848	3,082,937	2,756,202	2,079,352	2,172,013	2,090,831	2,219,028	2,830,346	3,463,503	5,014,922	36,327,652
5	TRUE-UP - (COLLECTED) OR REFUNDED	27,979	27,978	27,978	27,978	27,978	27,978	27,978	27,978	27,978	27,978	27,978	27,978	335,737
6	FUEL REVENUE APPLICABLE TO PERIOD	3,668,181	3,575,446	3,458,826	3,110,915	2,784,180	2,107,330	2,199,991	2,118,809	2,247,006	2,858,324	3,491,481	5,042,900	36,663,389
7	TRUE-UP - OVER(UNDER) - THIS PERIOD	(134,204)	221,877	(94,477)	13,673	683,728	281,441	106,413	104,564	(713,005)	(383,962)	(918,740)	(1,412,244)	(2,244,936)
8	INTEREST PROVISION - THIS PERIOD	2,071	2,242	2,450	2,441	3,373	4,743	5,496	6,044	5,235	3,502	1,452	(2,164)	36,885
9	BEGINNING OF PERIOD TRUE-UP AND INTEREST	1,108,132	948,020	1,144,161	1,024,156	1,012,292	1,671,415	1,929,621	2,013,552	2,096,182	1,360,434	951,996	6,730	1,108,132
10	TRUE-UP COLLECTED OR (REFUNDED)	(27,979)	(27,978)	(27,978)	(27,978)	(27,978)	(27,978)	(27,978)	(27,978)	(27,978)	(27,978)	(27,978)	(27,978)	(335,737)
10a	FLEX RATE REFUND (if applicable)													
11	TOTAL ESTIMATED/ACTUAL TRUE-UP	948,020	1,144,161	1,024,156	1,012,292	1,671,415	1,929,621	2,013,552	2,096,182	1,360,434	951,996	6,730	(1,435,656)	(1,435,656)
<b>INTEREST PROVISION</b>														
12	BEGINNING TRUE-UP	1,108,132	948,020	1,144,161	1,024,156	1,012,292	1,671,415	1,929,621	2,013,552	2,096,182	1,360,434	951,996	6,730	1,108,132
13	ENDING TRUE-UP BEFORE INTEREST	945,949	1,141,919	1,021,706	1,009,851	1,668,042	1,924,878	2,008,056	2,090,138	1,355,199	948,494	5,278	(1,433,492)	(1,472,541)
14	TOTAL (12+13)	2,054,081	2,089,939	2,165,867	2,034,007	2,680,334	3,596,293	3,937,677	4,103,690	3,451,381	2,308,928	957,274	(1,426,762)	(364,409)
15	AVERAGE INTEREST RATE - FIRST DAY OF MONTH	1,027,041	1,044,970	1,082,934	1,017,004	1,340,167	1,798,147	1,968,839	2,051,845	1,725,691	1,154,464	478,637	(713,381)	(182,204)
16	INTEREST RATE - FIRST DAY OF MONTH	2.34%	2.50%	2.65%	2.78%	2.98%	3.06%	3.27%	3.43%	3.64%	3.64%	3.64%	3.64%	3.64%
17	INTEREST RATE - FIRST DAY OF SUBSEQUENT MONTH	2.50%	2.65%	2.78%	2.98%	3.06%	3.27%	3.43%	3.64%	3.64%	3.64%	3.64%	3.64%	3.64%
18	TOTAL	4.84%	5.15%	5.43%	5.76%	6.04%	6.33%	6.70%	7.07%	7.28%	7.28%	7.28%	7.28%	7.28%
19	AVERAGE	2.420%	2.575%	2.715%	2.880%	3.020%	3.165%	3.350%	3.535%	3.640%	3.640%	3.640%	3.640%	3.640%
20	MONTHLY AVERAGE	0.20167%	0.21458%	0.22625%	0.24000%	0.25167%	0.26375%	0.27917%	0.29458%	0.30333%	0.30333%	0.30333%	0.30333%	0.30333%
21	INTEREST PROVISION	2,071	2,242	2,450	2,441	3,373	4,743	5,496	6,044	5,235	3,502	1,452	(2,164)	36,885

COMPANY: FLORIDA PUBLIC UTILITIES			PURCHASED GAS ADJUSTMENT TRANSPORTATION PURCHASES SYSTEM SUPPLY AND END USE				SCHEDULE E-3				
ESTIMATE FOR THE PROJECTED PERIOD JANUARY 2006 THROUGH DECEMBER 2006											
MONTH	PURCHASED FROM	PURCHASED FOR	SCH TYPE	UNITS SYSTEM SUPPLY	UNITS END USE	UNITS TOTAL PURCHASED	COMMODITY COST		DEMAND COST	OTHER CHARGES ACA/GRI/FUEL	TOTAL CENTS PER THERM
							THIRD PARTY	PIPELINE			
JANUARY	VARIOUS	SYS SUPPLY	N/A	5,386,000	0	5,386,000	8,386,796	29,293	521,249	INCLUDED IN COST	165.94
FEBRUARY	VARIOUS	SYS SUPPLY	N/A	5,097,000	0	5,097,000	7,936,782	28,068	463,473	INCLUDED IN COST	165.36
MARCH	VARIOUS	SYS SUPPLY	N/A	4,521,000	0	4,521,000	7,039,864	23,298	508,803	INCLUDED IN COST	167.48
APRIL	VARIOUS	SYS SUPPLY	N/A	3,795,000	0	3,795,000	5,909,374	18,473	447,187	INCLUDED IN COST	167.99
MAY	VARIOUS	SYS SUPPLY	N/A	3,440,000	0	3,440,000	4,106,537	30,882	166,718	INCLUDED IN COST	125.12
JUNE	VARIOUS	SYS SUPPLY	N/A	2,772,000	0	2,772,000	3,309,249	16,495	161,340	INCLUDED IN COST	125.80
JULY	VARIOUS	SYS SUPPLY	N/A	2,691,000	0	2,691,000	3,212,550	15,842	166,702	INCLUDED IN COST	126.16
AUGUST	VARIOUS	SYS SUPPLY	N/A	2,637,000	0	2,637,000	3,148,084	15,468	166,702	INCLUDED IN COST	126.29
SEPTEMBER	VARIOUS	SYS SUPPLY	N/A	2,960,000	0	2,960,000	3,533,686	17,798	161,311	INCLUDED IN COST	125.43
OCTOBER	VARIOUS	SYS SUPPLY	N/A	3,053,000	0	3,053,000	3,644,712	18,169	171,733	INCLUDED IN COST	125.60
NOVEMBER	VARIOUS	SYS SUPPLY	N/A	3,422,000	0	3,422,000	5,328,557	15,941	484,266	INCLUDED IN COST	170.33
DECEMBER	VARIOUS	SYS SUPPLY	N/A	4,383,000	0	4,383,000	6,824,978	22,341	513,131	INCLUDED IN COST	167.93
<b>TOTAL</b>				<b>44,157,000</b>	<b>0</b>	<b>44,157,000</b>	<b>62,381,169</b>	<b>252,068</b>	<b>3,932,615</b>		<b>150.75</b>



COMPANY: FLORIDA PUBLIC UTILITIES  
 PURCHASED GAS ADJUSTMENT  
 CALCULATION OF TRUE-UP AMOUNT  
 PROJECTED PERIOD  
 ESTIMATE FOR THE PROJECTED PERIOD JANUARY 2006 THROUGH DECEMBER 2006  
 SCHEDULE E-4

		PRIOR PERIOD: JANUARY 2004 THROUGH DECEMBER 2004			CURRENT PERIOD: JANUARY 2005 THROUGH DECEMBER 2005	
		(1) EIGHT MONTHS ACTUAL PLUS FOUR MONTHS PROJECTED	(2) ACTUAL	(3) (2) - (1) DIFFERENCE	(4) EIGHT MONTHS ACTUAL PLUS FOUR MONTHS PROJECTED	(5) (3)+(4) COMBINED TOTAL TRUE-UP
1	TOTAL THERM SALES (\$)	\$28,772,451	\$30,970,980	\$2,198,529	\$36,663,389	\$38,861,918
2	TRUE-UP PROVISION FOR THIS PERIOD OVER/(UNDER) COLLECTION (\$)	(\$18,681)	\$1,088,472	\$1,107,153	(\$2,244,936)	(\$1,476,684)
2a.	EXCESS TRUE-UP REFUNDED DURING 2004 - Explanation Below		(\$338,901)	(\$338,901)		
	ITEM 2 - TOTAL	(\$18,681)	\$749,571	\$768,252	(\$2,244,936)	(\$1,476,684)
3	INTEREST PROVISION FOR THIS PERIOD (\$)	\$15,516	\$19,659	\$4,143	\$36,885	\$41,028
4	END OF PERIOD TOTAL NET TRUE-UP (\$)	(\$3,165)	\$769,230	\$772,395	(\$2,208,051)	(\$1,435,656)

TOTAL TRUE-UP DOLLARS - OVER/(UNDER) RECOVERY (1,435,656)

PROJECTED THERM SALES FOR JANUARY 2006 - DECEMBER 2006 44,077,380

CENTS PER THERM NECESSARY TO REFUND OVERRECOVERY / (COLLECT UNDERRECOVERY) (3.257)

NOTE: EIGHT MONTHS ACTUAL FOUR MONTHS ESTIMATE DATA OBTAINED FROM SCHEDULE (E-2).

**Item 2a Explanation:** The approved 2004 PGA Projection, Schedule E-4 indicated a True-up amount to be refunded of \$187,391 at .458 cents per therm. The .458 cent true-up refund was correctly applied to 2004 customer bills. However, the Schedules A-2 for January 2004 through December 2004 erroneously reflected total true-up refunds for 2004 of \$526,292 (the \$526,292 represented the actual 2003 year-end true-up account balance). The resultant net \$338,901 in over-refunds has the affect of reducing the reported 2004 overrecoveries and is represented as such in the above computation.

PURCHASED GAS ADJUSTMENT													
THERM SALES AND CUSTOMER DATA													
ESTIMATE FOR THE PROJECTED PERIOD JANUARY 2006 THROUGH DECEMBER 2006													
	PROJECTED			PROJECTED			PROJECTED			PROJECTED			TOTAL
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	
<b>COMPANY: FLORIDA PUBLIC UTILITIES</b>													
<b>THERM SALES (Thm) (FIRM)</b>													
GENERAL SERVICE (11)	1,509,550	1,462,050	1,370,850	1,175,150	957,600	743,850	649,800	650,750	646,000	720,100	930,050	1,318,600	12,134,350
RESIDENTIAL (31)	2,037,000	1,868,000	1,403,000	934,000	957,000	666,000	672,000	649,000	946,000	951,000	1,045,000	1,441,000	13,569,000
LARGE VOLUME (51)	1,497,100	1,453,100	1,445,400	1,396,450	1,315,050	1,239,700	1,245,200	1,212,750	1,239,700	1,248,500	1,276,000	1,368,400	15,937,350
OTHER	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL FIRM</b>	<b>5,043,650</b>	<b>4,783,150</b>	<b>4,219,250</b>	<b>3,505,600</b>	<b>3,229,650</b>	<b>2,649,550</b>	<b>2,567,000</b>	<b>2,512,500</b>	<b>2,831,700</b>	<b>2,919,600</b>	<b>3,251,050</b>	<b>4,128,000</b>	<b>41,640,700</b>
<b>THERM SALES (Thm) (INTERRUPTIBLE)</b>													
INTERRUPTIBLE (61)	95,000	92,200	91,200	89,000	88,800	88,800	89,200	91,000	89,800	91,200	92,800	95,800	1,094,800
GS/COMM SMALL TRANS (90)	79,450	76,950	72,150	61,850	50,400	39,150	34,200	34,250	34,000	37,900	48,950	69,400	638,650
FIRM TRANSPORT (91)(94)	1,224,900	1,188,900	1,182,600	1,142,550	1,075,950	1,014,300	1,018,800	992,250	1,014,300	1,021,500	1,044,000	1,119,600	13,039,650
INTERR TRANSPORT (92)	380,000	368,800	364,800	356,000	355,200	355,200	356,800	364,000	359,200	364,800	371,200	383,200	4,379,200
LARGE VOLUME INT (93)	0	0	0	0	0	0	0	0	0	0	0	0	0
LESS: TRANSPORTATION	(1,684,350)	(1,634,650)	(1,619,550)	(1,560,400)	(1,481,550)	(1,408,650)	(1,409,800)	(1,390,500)	(1,407,500)	(1,424,200)	(1,464,150)	(1,572,200)	(18,057,500)
<b>TOTAL INTERRUPTIBLE</b>	<b>95,000</b>	<b>92,200</b>	<b>91,200</b>	<b>89,000</b>	<b>88,800</b>	<b>88,800</b>	<b>89,200</b>	<b>91,000</b>	<b>89,800</b>	<b>91,200</b>	<b>92,800</b>	<b>95,800</b>	<b>1,094,800</b>
<b>TOTAL THERM SALES</b>	<b>5,138,650</b>	<b>4,875,350</b>	<b>4,310,450</b>	<b>3,594,600</b>	<b>3,318,450</b>	<b>2,738,350</b>	<b>2,656,200</b>	<b>2,603,500</b>	<b>2,921,500</b>	<b>3,010,800</b>	<b>3,343,850</b>	<b>4,223,800</b>	<b>42,735,500</b>
<b>NUMBER OF CUSTOMERS (FIRM)</b>													
GENERAL SERVICE (11)	3,278	3,287	3,297	3,304	3,311	3,319	3,326	3,334	3,342	3,355	3,361	3,369	3,323
RESIDENTIAL (31)	46,550	46,705	46,755	46,701	46,550	46,525	46,885	47,095	47,285	47,525	47,765	48,025	47,031
LARGE VOLUME (51)	686	686	688	689	690	692	693	694	695	697	698	699	692
OTHER	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL FIRM</b>	<b>50,513</b>	<b>50,678</b>	<b>50,740</b>	<b>50,694</b>	<b>50,551</b>	<b>50,536</b>	<b>50,904</b>	<b>51,123</b>	<b>51,322</b>	<b>51,577</b>	<b>51,824</b>	<b>52,093</b>	<b>51,046</b>
<b>NUMBER OF CUSTOMERS (INT.)</b>													
INTERRUPTIBLE (61)	3	3	3	3	3	3	3	3	3	3	3	3	3
GS/COMM SMALL TRANS (90)	173	173	174	174	174	175	175	175	176	177	177	177	175
FIRM TRANSPORT (91)(94)	561	562	563	564	565	566	567	568	569	570	571	572	566
INTERR TRANSPORT (92)	10	10	10	10	10	10	10	10	10	10	10	10	10
LARGE VOLUME INT (93)	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL INTERRUPTIBLE</b>	<b>747</b>	<b>748</b>	<b>749</b>	<b>751</b>	<b>752</b>	<b>754</b>	<b>755</b>	<b>756</b>	<b>758</b>	<b>760</b>	<b>761</b>	<b>762</b>	<b>754</b>
<b>TOTAL CUSTOMERS</b>	<b>51,260</b>	<b>51,426</b>	<b>51,489</b>	<b>51,445</b>	<b>51,303</b>	<b>51,290</b>	<b>51,659</b>	<b>51,879</b>	<b>52,080</b>	<b>52,337</b>	<b>52,585</b>	<b>52,855</b>	<b>51,800</b>
<b>THERM USE PER CUSTOMER</b>													
GENERAL SERVICE (11)	461	445	416	356	289	224	195	195	193	215	277	391	3,652
RESIDENTIAL (31)	44	40	30	20	21	14	14	14	20	20	22	30	289
LARGE VOLUME (51)	2,183	2,117	2,101	2,026	1,905	1,792	1,797	1,747	1,783	1,792	1,828	1,958	23,031
OTHER	0	0	0	0	0	0	0	0	0	0	0	0	0
INTERRUPTIBLE (61)	36,538	35,462	35,077	34,231	34,154	34,154	34,308	35,000	34,538	35,077	35,692	36,846	364,933
GS/COMM SMALL TRANS (90)	461	445	416	356	289	224	195	193	193	215	277	391	3,649
FIRM TRANSPORT (91)(94)	2,183	2,117	2,101	2,026	1,905	1,792	1,797	1,747	1,783	1,792	1,828	1,958	23,038
INTERR TRANSPORT (92)	36,538	35,462	35,077	34,231	34,154	34,154	34,308	35,000	34,538	35,077	35,692	36,846	437,920
LARGE VOLUME INT (93)	0	0	0	0	0	0	0	0	0	0	0	0	0