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FLORIDA PUBLIC UTILITIES

P.O. Box 3395
West Palm Beach, Florida 33402-3395

March 13, 2007

Ms. Blanca S. Bayo, Director
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0950

Re: Docket No. 070001-EI
CONTINUING SURVEILLANCE AND REVIEW OF FUEL COST RECOVERY CLAUSES OF ELECTRIC UTILITIES

Dear Ms. Bayo:

We are enclosing twenty (20) copies of our true-up schedules and testimony for the January 2006-December 2006 period. This information is based on 12 months of actual data.

1. M 1 – Florida Public Utilities Calculation of Purchased Power Costs & Calculation of Final True-Up and Interest Provision – Marianna Division
2. F 1 - Florida Public Utilities Calculation of Purchased Power Costs & Calculation of Final True-Up and Interest Provision- Fernandina Beach Division.
3. E1-B - Florida Public Utilities Calculation of Purchased Power Costs & Calculation of 1st True-Up and Interest Provision- Marianna and Fernandina Beach Divisions. Reference purposes.

CMP ____
COM 5
CTR 1
ECR ____
GCL 2
OPC ____
RCA 1
SCR ____
SGA ____
SEC ____
OTH ____

Sincerely,

Curtis D. Young

Curtis D. Young
Senior Regulatory Accountant

Enclosure

Cc: Kathy Welch/ FPSC
Doc Horton
George Bachman (no enclosure)
Mark Cutshaw (no enclosure)
Jack English (no enclosure)
Don Myers (no enclosure)
Chuck Stein (no enclosure)
SJ 80-441

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Docket No. 070001-EI
Fuel and Purchased Power Cost Recovery Clause

Direct Testimony of
Cheryl M. Martin
on behalf of
Florida Public Utilities Company

Q. Please state your name and business address.

A. Cheryl M. Martin, 401 South Dixie Highway, West Palm Beach, Florida 33401.

Q. By whom are you employed?

A. I am employed by Florida Public Utilities Company.

Q. Could you give a brief description of your background and business experience?

A. I graduated from Florida State University in 1984 with a BS degree in Accounting and I am a Certified Public Accountant in the state of Florida. I have been employed by FPU since 1985 and performed numerous accounting functions until I was promoted to Corporate Accounting Manager in 1995 with responsibilities for managing the Corporate Accounting Department including regulatory accounting (Fuel, PGA, conservation, rate cases, Surveillance reports, reporting), tax accounting, external reports and special projects. In January 2002 I was promoted to my current position of Controller where my responsibilities are the same as above with additional responsibilities in the purchasing and general accounting areas and Security and Exchange Commission (SEC) filings.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to present the calculation of the final remaining true-up amounts for the period Jan. 2006 through Dec. 2006.

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1 Q. Have you prepared any exhibits to support your testimony?

2 A. Yes. Exhibit_____ (CMM-2) consists of Schedules M1 , F1 and E1-B for the

3 Marianna and Fernandina Beach Divisions. These schedules were prepared from the

4 records of the company.

5 Q. What has FPUC calculated as the final remaining true-up amounts for the period Jan. -

6 Dec. 2006?

7 A. For Marianna the final remaining true-up amount is an over recovery of $74,131. For

8 Fernandina Beach the calculation is an over recovery of $272,928.

9 Q. How were these amounts calculated?

10 A. They are the difference between the actual end of period true-up amounts for the Jan. -

11 Dec. 2006 period and the total true-up amounts to be collected or refunded during the

12 Jan. - Dec. 2007 period.

13 Q. What was the actual end of period true-up amount for Jan. - Dec. 2006?

14 A. For Marianna it was $242,460 under recovery and for Fernandina Beach it was

15 $619,754 under recovery.

16 Q. What have you calculated to be the total true-up amount to be collected or refunded

17 during the Jan. - Dec. 2007 period?

18 A. Using six months actual and six months estimated amounts, we calculated an under

19 recovery for Marianna of $316,591 and an under recovery of $892,682 for Fernandina

20 Beach.

21 Q. Does this conclude your direct testimony?

22 A. Yes, it does.

FLORIDA PUBLIC UTILITIES COMPANY **Schedule M1**

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

ESTIMATED FOR THE PERIOD: JANUARY 2006 - DECEMBER 2006

BASED ON TWELVE MONTHS ACTUAL

MARIANNA DIVISION			ACTUAL JANUARY 2006	ACTUAL FEBRUARY 2006	ACTUAL MARCH 2006	ACTUAL APRIL 2006	ACTUAL MAY 2006	ACTUAL JUNE 2006	ACTUAL JULY 2006	ACTUAL AUGUST 2006	ACTUAL SEPTEMBER 2006	ACTUAL OCTOBER 2006	ACTUAL NOVEMBER 2006	ACTUAL DECEMBER 2006	Total
Total System Sales - KWH			29,562,352	24,909,037	24,413,482	24,756,095	25,732,093	30,596,141	34,623,228	34,255,425	35,624,818	28,427,870	23,339,935	28,403,744	344,644,220
Total System Purchases - KWH			27,379,744	26,705,114	25,520,327	26,762,533	30,636,387	34,990,035	37,130,081	38,731,829	30,914,235	27,758,617	26,563,904	28,817,035	361,909,841
System Billing Demand - KW			57,440	73,750	45,613	62,137	66,480	73,095	71,860	71,223	60,385	62,902	55,614	71,300	771,799
Purchased Power Rates:															
Base Fuel Costs - $/KWH			0.02310	0.02310	0.02310	0.02310	0.02310	0.02310	0.02310	0.02310	0.02310	0.02310	0.02310	0.02310	
Demand and Non-Fuel:															
Demand Charge - $/KW			7.10	7.10	7.10	7.10	7.10	7.10	7.10	7.10	7.10	7.10	7.10	7.10	
Customer Charge - $			660.00	660.00	660.00	660.00	660.00	660.00	660.00	660.00	660.00	660.00	660.00	660.00	
Transformation Charge			37,211	37,211	37,211	37,211	37,211	37,211	37,211	37,211	37,211	37,211	37,211	37,211	
Purchased Power Costs:															
Base Fuel Costs			632,472	616,888	589,520	618,215	707,701	808,270	857,705	894,705	714,119	641,224	613,626	665,674	8,360,119
Subtotal Fuel Costs			632,472	616,888	589,520	618,215	707,701	808,270	857,705	894,705	714,119	641,224	613,626	665,674	8,360,119
Demand and Non-Fuel Costs:															
Demand Charge			407,824	523,625	323,852	441,173	472,008	518,974	510,206	505,683	428,733	446,604	394,859	506,230	5,479,771
Customer Charge			660	660	660	660	660	660	660	660	660	660	660	660	7,920
Equipment Rental & Other			3,768	3,768	3,768	3,768	3,768	3,768	3,768	3,768	3,768	3,768	3,768	3,768	45,216
Transformation Charge			37,211	37,211	37,211	37,211	37,211	37,211	37,211	37,211	37,211	37,211	37,211	37,211	446,532
Subtotal Demand & Non-Fuel Costs			449,463	565,264	365,491	482,812	513,647	560,613	551,845	547,322	470,372	488,243	436,498	547,869	5,979,439
Total System Purchased Power Costs			1,081,935	1,182,152	955,011	1,101,027	1,221,348	1,368,883	1,409,550	1,442,027	1,184,491	1,129,467	1,050,124	1,213,543	14,339,558
Special Costs			(326)	2,670	(8,304)	68	15,509	52,701	195	13,313	29,860	510	19,878	27,102	153,176
Total Costs and Charges			1,081,609	1,184,822	946,707	1,101,095	1,236,857	1,421,584	1,409,745	1,455,340	1,214,351	1,129,977	1,070,002	1,240,645	14,492,734
Sales Revenues - Fuel Adjustment Revenues:															
Residential	RS	.04526	657,537	526,746	488,457	455,423	459,968	597,328	712,271	700,502	713,725	515,625	420,331	589,809	6,837,722
Commercial, Small	GS	.04471	108,817	89,850	92,865	94,492	102,172	121,871	137,752	136,433	143,917	117,237	91,580	101,287	1,338,273
Commercial, Large	GSD	.04275	308,363	271,494	280,456	301,157	319,422	360,980	394,001	393,242	416,616	351,120	275,924	299,454	3,972,229
Industrial	GSLD	.04099	203,144	184,016	186,895	209,508	220,677	237,797	252,499	249,980	264,899	236,455	209,693	232,374	2,687,937
Outside Lighting Private	OL,OL-2	.03546	11,669	11,565	11,620	11,664	11,736	11,750	11,787	11,809	11,782	11,842	12,023	11,960	141,207
Street Lighting-Public	SL-1, 2, 3	.03553	3,547	3,339	3,365	3,361	3,358	3,367	3,366	3,366	3,373	3,371	3,360	3,358	40,531
Total Fuel Revenues			1,293,077	1,087,010	1,063,658	1,075,605	1,117,333	1,333,093	1,511,676	1,495,332	1,554,312	1,235,650	1,012,911	1,238,242	15,017,899
Non-Fuel Revenues			722,986	646,744	635,696	628,948	637,215	718,079	781,843	780,651	796,241	682,058	610,275	695,296	8,336,032
Total Sales Revenue			2,016,063	1,733,754	1,699,354	1,704,553	1,754,548	2,051,172	2,293,519	2,275,983	2,350,553	1,917,708	1,623,186	1,933,538	23,353,931
KWH Sales:															
Residential	RS		14,529,729	11,638,875	10,793,731	10,062,946	10,165,431	13,198,454	15,738,205	15,478,432	15,770,326	11,393,132	9,287,557	13,032,294	151,089,112
Commercial, Small	GS		2,434,000	2,009,711	2,077,138	2,113,535	2,285,305	2,725,948	3,081,146	3,051,677	3,219,053	2,623,637	2,048,407	2,265,526	29,935,083
Commercial, Large	GSD		7,213,445	6,350,857	6,560,489	7,044,742	7,471,987	8,444,121	9,216,559	9,198,831	9,745,564	8,213,479	6,454,463	7,004,902	92,919,439
Industrial	GSLD		4,955,884	4,489,232	4,559,488	5,111,112	5,383,628	5,801,264	6,159,944	6,098,472	6,462,464	5,768,552	5,115,648	5,669,000	65,574,688
Outside Lighting-Private	OL,OL-2		329,476	326,392	327,929	329,177	331,221	331,599	332,640	333,259	332,498	334,188	339,298	337,522	3,985,199
Street Lighting-Public	SL-1, 2, 3		99,818	93,970	94,707	94,583	94,521	94,755	94,734	94,754	94,913	94,882	94,562	94,500	1,140,699
Total KWH Sales			29,562,352	24,909,037	24,413,482	24,756,095	25,732,093	30,596,141	34,623,228	34,255,425	35,624,818	28,427,870	23,339,935	28,403,744	344,644,220
True-up Calculation:															to Date
Fuel Revenues			1,293,077	1,087,010	1,063,658	1,075,605	1,117,333	1,333,093	1,511,676	1,495,332	1,554,312	1,235,650	1,012,911	1,238,242	15,017,899
True-up Provision for the Period - collect/(refund)			61,856	61,847	61,847	61,847	61,847	61,847	61,847	61,847	61,847	61,847	61,847	61,847	742,173
Gross Receipts Tax Refund			0	0	0	0	0	0	0	0	0	0	0	0	0
Fuel Revenue			1,231,221	1,025,163	1,001,811	1,013,758	1,055,486	1,271,246	1,449,829	1,433,485	1,492,465	1,173,803	951,064	1,176,395	14,275,726
Total Purchased Power Costs			1,081,609	1,184,822	946,707	1,101,095	1,236,857	1,421,584	1,409,745	1,455,340	1,214,351	1,129,977	1,070,002	1,240,645	14,492,734
True-up Provision for the Period			149,612	(159,659)	55,104	(87,337)	(181,371)	(150,338)	40,084	(21,855)	278,114	43,826	(118,938)	(64,250)	(217,008)
Interest Provision for the Period			(2,336)	(2,192)	(2,229)	(2,155)	(2,516)	(3,057)	(3,145)	(2,838)	(1,991)	(1,022)	(918)	(1,053)	(25,452)
True-up and Interest Provision															
Beginning of Period			(742,173)	(533,041)	(633,045)	(518,323)	(545,968)	(668,008)	(759,556)	(660,770)	(623,616)	(285,646)	(180,995)	(239,004)	(742,173)
True-up Collected or (Refunded)			61,856	61,847	61,847	61,847	61,847	61,847	61,847	61,847	61,847	61,847	61,847	61,847	742,173
End of Period, Net True-up			(533,041)	(633,045)	(518,323)	(545,968)	(668,008)	(759,556)	(660,770)	(623,616)	(285,646)	(180,995)	(239,004)	(242,460)	(242,460)
10% Rule - Interest Provision:															-1.69%
Beginning True-up Amount			(742,173)	(533,041)	(633,045)	(518,323)	(545,968)	(668,008)	(759,556)	(660,770)	(623,616)	(285,646)	(180,995)	(239,004)	
Ending True-up Amount Before Interest			(530,705)	(630,853)	(516,094)	(543,813)	(665,492)	(756,499)	(657,625)	(620,778)	(283,655)	(179,973)	(238,086)	(241,407)	
Total Beginning and Ending True-up			(1,272,878)	(1,163,894)	(1,149,139)	(1,062,136)	(1,211,460)	(1,424,507)	(1,417,181)	(1,281,548)	(907,271)	(465,619)	(419,081)	(480,411)	
Average True-up Amount			(636,439)	(581,947)	(574,570)	(531,068)	(605,730)	(712,254)	(708,591)	(640,774)	(453,636)	(232,810)	(209,541)	(240,206)	
Average Annual Interest Rate			4.4050%	4.5200%	4.6550%	4.8700%	4.9850%	5.1500%	5.3250%	5.3150%	5.2650%	5.2650%	5.2600%	5.2600%	
Monthly Average Interest Rate			0.3671%	0.3767%	0.3879%	0.4058%	0.4154%	0.4292%	0.4438%	0.4429%	0.4388%	0.4388%	0.4383%	0.4383%	
Interest Provision			(2,336)	(2,192)	(2,229)	(2,155)	(2,516)	(3,057)	(3,145)	(2,838)	(1,991)	(1,022)	(918)	(1,053)	

Exhibit No._____
DOCKET NO. 070001-EI
Florida Public Utilities Company
(CMM-2)
Page 1 of 4

FLORIDA PUBLIC UTILITIES COMPANY

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

ESTIMATED FOR THE PERIOD: JANUARY 2006 THROUGH DECEMBER 2006

BASED ON TWELVE MONTHS ACTUAL

(EXCLUDES LINE LOSS , EXCLUDES TAXES)

FERNANDINA BEACH

	ACTUAL Jan 2006	ACTUAL Feb 2006	ACTUAL Mar 2006	ACTUAL Apr 2006	ACTUAL May 2006	ACTUAL Jun 2006	ACTUAL Jul 2006	ACTUAL Aug 2006	ACTUAL Sep 2006	ACTUAL Oct 2006	ACTUAL Nov 2006	ACTUAL Dec 2006	Total
Total System Sales - KWH	39,553,556	45,657,322	40,110,866	35,551,139	40,536,947	42,873,390	52,739,089	48,095,515	48,782,950	41,540,251	32,656,416	35,976,105	504,073,546
JSC Purchases - KWH	240,000	610,000	100,000	270,000	230,000	160,000	260,000	390,000	360,000	280,000	490,000	480,000	3,870,000
JEA Purchases - KWH	39,217,068	45,873,328	39,637,662	36,746,326	46,801,092	47,892,666	54,123,921	53,611,577	44,433,457	39,826,068	33,679,228	35,119,470	516,961,863
System Billing Demand - KW	77,549	123,603	75,622	70,157	82,611	83,731	87,763	88,301	77,146	66,842	71,098	72,352	976,775
Purchased Power Rates:													
CCA Fuel Costs - $/KWH	0.018700	0.018700	0.018700	0.018700	0.018700	0.018700	0.018700	0.018700	0.018700	0.018700	0.018700	0.018700	
Base Fuel Costs - $/KWH	0.01786	0.01786	0.01786	0.01786	0.01786	0.01786	0.01786	0.01786	0.01786	0.01786	0.01786	0.01786	
Fuel Adjustment - $/KWH	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	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	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	225.00	225.00	225.00	225.00	225.00	225.00	
Energy Charge (Excl. Fuel) $/KWH	0.00164	0.00164	0.00164	0.00164	0.00164	0.00164	0.00164	0.00164	0.00164	0.00164	0.00164	0.00164	
Purchased Power Costs: CCA Fuel Costs	4,488	11,407	1,870	5,049	4,301	2,992	4,862	7,293	6,732	5,236	9,163	8,976	72,369
JEA Base Fuel Costs	700,417	819,298	707,929	656,289	835,868	855,363	966,653	957,503	793,582	711,294	601,511	627,234	9,232,941
JEA Fuel Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal Fuel Costs	704,905	830,705	709,799	661,338	840,169	858,355	971,515	964,796	800,314	716,530	610,674	636,210	9,305,310
Demand and Non-Fuel Co Demand Charge	465,294	741,618	453,731	420,942	495,665	502,386	526,578	529,806	462,875	401,051	426,588	434,112	5,860,646
Customer Charge	225	225	225	225	225	225	225	225	225	225	225	225	2,700
Energy Charge	64,316	75,232	65,006	60,264	76,754	78,544	88,763	87,923	72,871	65,315	55,234	57,596	847,818
Subtotal Demand & Non-Fuel Costs	529,835	817,075	518,962	481,431	572,644	581,155	615,566	617,954	535,971	466,591	482,047	491,933	6,711,164
Total System Purchased Power Costs	1,234,740	1,647,780	1,228,761	1,142,769	1,412,813	1,439,510	1,587,081	1,582,750	1,336,285	1,183,121	1,092,721	1,128,143	16,016,474
Less Direct Billing To GSLD Class: Demand	67,442	233,433	140,836	88,332	85,082	90,875	75,783	59,705	56,178	49,037	84,110	67,035	1,097,848
Commodity	237,357	402,326	301,371	252,003	305,231	255,247	278,786	277,234	237,320	234,220	191,785	227,794	3,200,674
Net Purchased Power Costs	929,941	1,012,021	786,554	802,434	1,022,500	1,093,388	1,232,512	1,245,811	1,042,787	899,864	816,826	833,314	11,717,952
Special Costs	(239)	2,751	(8,197)	177	29,064	52,805	846	13,337	29,937	571	19,933	52,077	193,062
Total Costs and Charges	929,702	1,014,772	778,357	802,611	1,051,564	1,146,193	1,233,358	1,259,148	1,072,724	900,435	836,759	885,391	11,911,014
Sales Revenues - Fuel Adjustment Revenues:													
RS 0.03285	548,936	498,956	469,432	406,341	453,614	577,258	773,635	680,156	728,695	544,350	396,989	452,846	6,531,208
GS 0.03214	73,678	67,404	68,616	66,595	73,082	84,775	101,992	92,991	100,699	86,922	69,881	69,194	955,829
GSD 0.03091	193,435	183,662	192,842	192,344	215,342	227,818	292,097	249,148	278,566	250,767	203,956	194,294	2,674,271
GSLD 0.02996	69,088	65,999	67,747	64,839	63,346	70,031	73,294	72,226	72,452	68,184	59,991	65,166	812,363
OL 0.02261	2,714	2,411	2,031	2,301	2,375	2,391	2,449	2,393	2,404	2,406	2,424	2,431	28,730
SL,CSL 0.02301	1,511	1,509	1,513	1,513	1,518	1,536	1,538	1,543	1,543	1,545	1,545	1,547	18,361
Total Fuel Revenues (Excl. GSLD1)	889,362	819,941	802,181	733,933	809,277	963,809	1,245,005	1,098,457	1,184,359	954,174	734,786	785,478	11,020,762
GSLD1 Fuel Revenues	304,799	635,759	442,207	340,335	390,313	346,122	354,569	336,939	293,498	283,257	275,895	294,829	4,298,522
Non-Fuel Revenues	712,872	729,996	698,707	641,269	683,434	749,621	880,185	815,672	848,356	731,755	628,576	658,861	8,779,304
Total Sales Revenue	1,907,033	2,185,696	1,943,095	1,715,537	1,883,024	2,059,552	2,479,759	2,251,068	2,326,213	1,969,186	1,639,257	1,739,168	24,098,588
KWH Sales: RS	16,710,810	15,190,803	14,293,219	12,370,970	13,810,192	17,574,479	23,553,160	20,707,190	22,184,963	16,572,622	12,086,297	13,786,776	198,841,481
GS	2,292,994	2,097,534	2,136,621	2,072,217	2,274,095	2,637,914	3,173,681	2,893,595	3,133,456	2,704,768	2,174,458	2,153,096	29,744,429
GSD	6,255,947	5,944,040	6,239,276	6,223,158	6,967,244	7,370,920	9,450,622	8,061,020	9,012,785	8,113,392	6,598,855	6,286,235	86,523,494
GSLD	2,306,140	2,203,020	2,261,380	2,164,280	2,114,440	2,337,620	2,446,520	2,410,880	2,418,440	2,275,960	2,002,480	2,175,200	27,116,360
GSLD1	11,820,000	20,050,000	15,010,000	12,550,000	15,200,000	12,780,000	13,940,000	13,850,000	11,860,000	11,700,000	9,620,000	11,400,000	159,780,000
OL	102,008	106,349	104,609	104,753	105,014	105,701	108,269	105,788	106,264	106,354	107,171	107,562	1,269,842
SL,CSL	65,657	65,576	65,761	65,761	65,962	66,756	66,837	67,042	67,042	67,155	67,155	67,236	797,940
Total KWH Sales	39,553,556	45,657,322	40,110,866	35,551,139	40,536,947	42,873,390	52,739,089	48,095,515	48,782,950	41,540,251	32,656,416	35,976,105	504,073,546
True-up Calculation (Excl. GSLD1):													
Fuel Revenues	889,362	819,941	802,181	733,933	809,277	963,809	1,245,005	1,098,457	1,184,359	954,174	734,786	785,478	11,020,762
True-up Provision - collect/(refund)	(23,599)	(23,602)	(23,602)	(23,602)	(23,602)	(23,602)	(23,602)	(23,602)	(23,602)	(23,602)	(23,602)	(23,602)	(283,221)
Gross Receipts Tax Refund	0	0	0	0	0	0	0		0				0
Fuel Revenue	912,961	843,543	825,783	757,535	832,879	987,411	1,268,607	1,122,059	1,207,961	977,776	758,388	809,080	11,303,983
Net Purchased Power and Other Fuel Costs	929,702	1,014,772	778,357	802,611	1,051,564	1,146,193	1,233,358	1,259,148	1,072,724	900,435	836,759	885,391	11,911,014
True-up Provision for the Period	(16,741)	(171,229)	47,426	(45,076)	(218,685)	(158,782)	35,249	(137,089)	135,237	77,341	(78,371)	(76,311)	(607,031)
Interest Provision for the Period	966	552	238	159	(482)	(1,411)	(1,845)	(2,179)	(2,276)	(1,923)	(2,035)	(2,487)	(12,723)
Beginning of Period True-up and Interest Provision	283,221	243,847	49,568	73,630	5,111	(237,658)	(421,453)	(411,651)	(574,521)	(465,162)	(413,346)	(517,354)	283,221
True-up Collected or (Refunded)	(23,599)	(23,602)	(23,602)	(23,602)	(23,602)	(23,602)	(23,602)	(23,602)	(23,602)	(23,602)	(23,602)	(23,602)	(283,221)
End of Period, Net True-up and Int. Prov.	243,847	49,568	73,630	5,111	(237,658)	(421,453)	(411,651)	(574,521)	(465,162)	(413,346)	(517,354)	(619,754)	(619,754)
Beginning True-up Amount	283,221	243,847	49,568	73,630	5,111	(237,658)	(421,453)	(411,651)	(574,521)	(465,162)	(413,346)	(517,354)	
Ending True-up Amount Before Interest	242,881	49,016	73,392	4,952	(237,176)	(420,042)	(409,806)	(572,342)	(462,886)	(411,423)	(515,319)	(617,267)	
Total Beginning and Ending True-up	526,102	292,863	122,960	78,582	(232,065)	(657,700)	(831,259)	(983,993)	(1,037,407)	(876,585)	(928,665)	(1,134,621)	
Average True-up Amount	263,051	146,432	61,480	39,291	(116,033)	(328,850)	(415,630)	(491,997)	(518,704)	(438,293)	(464,333)	(567,311)	
Average Annual Interest Rate	4.4050%	4.5200%	4.6550%	4.8700%	4.9850%	5.1500%	5.3250%	5.3150%	5.2650%	5.2650%	5.2600%	5.2600%	
Interest Provision	966	552	238	159	(482)	(1,411)	(1,845)	(2,179)	(2,276)	(1,923)	(2,035)	(2,487)	

10% Rule Interest Provision:
-3.87%

Exhibit No._____
DOCKET NO. 070001-EI
Florida Public Utilities Company
(CMM-2)
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FLORIDA PUBLIC UTILITIES COMPANY
CALCULATION OF PURCHASED POWER COSTS AND
CALCULATION OF TRUE-UP AND INTEREST PROVISION
ESTIMATED FOR THE PERIOD: JANUARY 2006 - DECEMBER 2006
BASED ON SIX MONTHS ACTUAL & SIX MONTHS ESTIMATED

MARIANNA DIVISION			ACTUAL JANUARY 2006	ACTUAL FEBRUARY 2006	ACTUAL MARCH 2006	ACTUAL APRIL 2006	ACTUAL MAY 2006	ACTUAL JUNE 2006	Estimated JULY 2006	Estimated AUGUST 2006	Estimated SEPTEMBER 2006	Estimated OCTOBER 2006	Estimated NOVEMBER 2006	Estimated DECEMBER 2006	Total
Total System Sales - KWH			29,562,352	24,909,037	24,413,482	24,756,095	25,732,093	30,596,141	32,258,200	31,570,600	30,086,600	26,930,000	23,833,900	25,641,200	330,289,700
Total System Purchases - KWH			27,379,744	26,705,114	25,520,327	26,762,533	30,636,387	34,990,035	34,009,915	34,484,049	29,636,857	26,125,396	24,802,581	31,542,814	352,595,752
System Billing Demand - KW			57,440	73,750	45,613	62,137	66,480	73,095	65,932	67,517	62,934	50,673	48,443	63,342	737,356
Purchased Power Rates:															
Base Fuel Costs - $/KWH			0.02310	0.02310	0.02310	0.02310	0.02310	0.02310	0.02310	0.02310	0.02310	0.02310	0.02310	0.02310	
Demand and Non-Fuel:															
Demand Charge - $/KW			7.10	7.10	7.10	7.10	7.10	7.10	7.10	7.10	7.10	7.10	7.10	7.10	
Customer Charge - $			660.00	660.00	660.00	660.00	660.00	660.00	660.00	660.00	660.00	660.00	660.00	660.00	
Transformation Charge			37,211	37,211	37,211	37,211	37,211	37,211	37,211	37,211	37,211	37,211	37,211	37,211	
Purchased Power Costs:															
Base Fuel Costs			632,472	616,888	589,520	618,215	707,701	808,270	785,629	796,582	684,611	603,497	572,940	728,639	8,144,964
Subtotal Fuel Costs			632,472	616,888	589,520	618,215	707,701	808,270	785,629	796,582	684,611	603,497	572,940	728,639	8,144,964
Demand and Non-Fuel Costs:															
Demand Charge			407,824	523,625	323,852	441,173	472,008	518,974	468,116	479,370	446,830	359,777	343,944	449,727	5,235,220
Customer Charge			660	660	660	660	660	660	660	660	660	660	660	660	7,920
Equipment Rental & Other			3,768	3,768	3,768	3,768	3,768	3,768	3,768	3,768	3,768	3,768	3,768	3,768	45,216
Transformation Charge			37,211	37,211	37,211	37,211	37,211	37,211	37,211	37,211	37,211	37,211	37,211	37,211	446,532
Subtotal Demand & Non-Fuel Costs			449,463	565,264	365,491	482,812	513,647	560,613	509,755	521,009	488,469	401,416	385,583	491,366	5,734,888
Total System Purchased Power Costs			1,081,935	1,182,152	955,011	1,101,027	1,221,348	1,368,883	1,295,384	1,317,591	1,173,080	1,004,913	958,523	1,220,005	13,879,852
Special Costs			(326)	2,670	(8,304)	68	15,509	52,701							62,318
Total Costs and Charges			1,081,609	1,184,822	946,707	1,101,095	1,236,857	1,421,584	1,295,384	1,317,591	1,173,080	1,004,913	958,523	1,220,005	13,942,170
Sales Revenues - Fuel Adjustment Revenues															
Residential	RS	0.04526	657,537	526,746	488,457	455,423	459,968	597,328	639,995	628,222	589,258	505,654	412,368	500,666	6,461,622
Commercial,Small	GS	0.04471	108,817	89,850	92,865	94,492	102,172	121,871	133,948	130,513	123,206	113,515	99,496	98,564	1,309,309
Commercial, Large	GSD	0.04275	308,363	271,494	280,456	301,157	319,422	360,980	393,521	393,672	372,738	356,739	325,675	321,603	4,005,820
Industrial	GSLD	0.04099	203,144	184,016	186,895	209,508	220,677	237,797	225,703	211,254	212,357	182,901	183,213	181,918	2,439,383
Outside Lighting Private	OL,OL-2	0.03546	11,669	11,565	11,620	11,664	11,736	11,750	11,485	11,432	11,546	11,553	11,471	11,588	139,079
Street Lighting, Public	SL-1,SL-2,SL-3	0.03553	3,547	3,339	3,365	3,361	3,358	3,367	3,073	3,066	3,063	3,063	3,059	3,088	38,749
Total Fuel Revenues			1,293,077	1,087,010	1,063,658	1,075,605	1,117,333	1,333,093	1,407,725	1,378,159	1,312,168	1,173,425	1,035,282	1,117,427	14,393,962
Non-Fuel Revenues			722,986	646,744	635,696	628,948	637,215	718,079	658,275	655,241	627,232	568,375	522,118	580,573	7,601,482
Total Sales Revenue			2,016,063	1,733,754	1,699,354	1,704,553	1,754,548	2,051,172	2,066,000	2,033,400	1,939,400	1,741,800	1,557,400	1,698,000	21,995,444
KWH Sales:															
Residential	RS		14,529,729	11,638,875	10,793,731	10,062,946	10,165,431	13,198,454	14,140,400	13,880,300	13,019,400	11,172,200	9,111,100	11,062,000	142,774,566
Commercial	GS		2,434,000	2,009,711	2,077,138	2,113,535	2,285,305	2,725,948	2,995,940	2,919,100	2,755,680	2,538,920	2,225,360	2,204,520	29,285,157
Commercial	GSD		7,213,445	6,350,857	6,560,489	7,044,742	7,471,987	8,444,121	9,205,160	9,208,700	8,719,020	8,344,780	7,618,140	7,522,880	93,704,321
Industrial	GSLD		4,955,884	4,489,232	4,559,488	5,111,112	5,383,628	5,801,264	5,506,300	5,153,800	5,180,700	4,462,100	4,469,700	4,438,100	59,511,308
Residential	OL,OL-2		329,476	326,392	327,929	329,177	331,221	331,599	323,900	322,400	325,600	325,800	323,500	326,800	3,923,794
Other	SL-1,SL-2,SL-3		99,818	93,970	94,707	94,583	94,521	94,755	86,500	86,300	86,200	86,200	86,100	86,900	1,090,554
Total KWH Sales			29,562,352	24,909,037	24,413,482	24,756,095	25,732,093	30,596,141	32,258,200	31,570,600	30,086,600	26,930,000	23,833,900	25,641,200	330,289,700
True-up Calculation:															to Date
Fuel Revenues			1,293,077	1,087,010	1,063,658	1,075,605	1,117,333	1,333,093	1,407,725	1,378,159	1,312,168	1,173,425	1,035,282	1,117,427	14,393,962
True-up Provision for the Period - collect/(refund)			61,856	61,847	61,847	61,847	61,847	61,847	61,847	61,847	61,847	61,847	61,847	61,847	742,173
Gross Receipts Tax Refund			0	0	0	0	0	0	0	0	0	0	0	0	0
Fuel Revenue			1,231,221	1,025,163	1,001,811	1,013,758	1,055,486	1,271,246	1,345,878	1,316,312	1,250,321	1,111,578	973,435	1,055,580	13,651,789
Total Purchased Power Costs			1,081,609	1,184,822	946,707	1,101,095	1,236,857	1,421,584	1,295,384	1,317,591	1,173,080	1,004,913	958,523	1,220,005	13,942,170
True-up Provision for the Period			149,612	(159,659)	55,104	(87,337)	(181,371)	(150,338)	50,494	(1,279)	77,241	106,665	14,912	(164,425)	(290,381)
Interest Provision for the Period			(2,336)	(2,192)	(2,229)	(2,155)	(2,516)	(3,057)	(3,019)	(2,661)	(2,244)	(1,593)	(1,074)	(1,134)	(26,210)
True-up and Interest Provision															
Beginning of Period			(742,173)	(533,041)	(633,045)	(518,323)	(545,968)	(668,008)	(759,556)	(650,234)	(592,327)	(455,483)	(288,564)	(212,879)	(742,173)
True-up Collected or (Refunded)			61,856	61,847	61,847	61,847	61,847	61,847	61,847	61,847	61,847	61,847	61,847	61,847	742,173
End of Period, Net True-up			(533,041)	(633,045)	(518,323)	(545,968)	(668,008)	(759,556)	(650,234)	(592,327)	(455,483)	(288,564)	(212,879)	(316,591)	(316,591)
10% Rule - Interest Provision															-2.28%
Beginning True-up Amount			(742,173)	(533,041)	(633,045)	(518,323)	(545,968)	(668,008)	(759,556)	(650,234)	(592,327)	(455,483)	(288,564)	(212,879)	
Ending True-up Amount Before Interest			(530,705)	(630,853)	(516,094)	(543,813)	(665,492)	(756,499)	(647,215)	(589,666)	(453,239)	(286,971)	(211,805)	(315,457)	
Total Beginning and Ending True-up			(1,272,878)	(1,163,894)	(1,149,139)	(1,062,136)	(1,211,460)	(1,424,507)	(1,406,771)	(1,239,900)	(1,045,566)	(742,454)	(500,369)	(528,336)	
Average True-up Amount			(636,439)	(581,947)	(574,570)	(531,068)	(605,730)	(712,254)	(703,386)	(619,950)	(522,783)	(371,227)	(250,185)	(264,168)	
Average Annual Interest Rate			4.4050%	4.5200%	4.6550%	4.8700%	4.9850%	5.1500%	5.1500%	5.1500%	5.1500%	5.1500%	5.1500%	5.1500%	
Monthly Average Interest Rate			0.3671%	0.3767%	0.3879%	0.4058%	0.4154%	0.4292%	0.4292%	0.4292%	0.4292%	0.4292%	0.4292%	0.4292%	
Interest Provision			(2,336)	(2,192)	(2,229)	(2,155)	(2,516)	(3,057)	(3,019)	(2,661)	(2,244)	(1,593)	(1,074)	(1,134)	

FLORIDA PUBLIC UTILITIES COMPANY

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

ESTIMATED FOR THE PERIOD: JANUARY 2006 THROUGH DECEMBER 2006

BASED ON SIX MONTHS ACTUAL AND SIX MONTHS ESTIMATED

(EXCLUDES LINE LOSS , EXCLUDES TAXES)

FERNANDINA BEACH

		ACTUAL Jan 2006	ACTUAL Feb 2006	ACTUAL Mar 2006	ACTUAL Apr 2006	ACTUAL May 2006	ACTUAL June 2006	Estimated July 20056	Estimated Aug 2006	Estimated Sept 2006	Estimated Oct 2006	Estimated Nov 2006	Estimated Dec 2006	Total
Total System Sales - KWH		39,553,556	45,657,322	40,110,866	35,551,139	40,536,947	42,873,390	45,848,900	44,553,100	45,012,700	40,731,700	36,641,500	32,426,900	489,498,020
JSC Purchases - KWH		240,000	610,000	100,000	270,000	230,000	160,000	400,000	250,000	270,000	250,000	200,000	350,000	3,330,000
JEA Purchases - KWH		39,217,068	45,873,328	39,637,662	36,746,326	46,801,092	47,892,666	47,879,436	49,768,486	42,348,623	39,465,987	36,345,876	37,654,184	509,630,734
System Billing Demand - KW		77,549	123,603	75,622	70,157	82,611	83,731	108,000	98,000	75,000	78,000	71,000	78,000	1,021,273
Purchased Power Rates:														
CCA Fuel Costs - $/KWH		0.018700	0.018700	0.018700	0.018700	0.018700	0.018700	0.018700	0.018700	0.018700	0.018700	0.018700	0.018700	
Base Fuel Costs - $/KWH		0.01786	0.01786	0.01786	0.01786	0.01786	0.01786	0.01786	0.01786	0.01786	0.01786	0.01786	0.01786	
Fuel Adjustment - $/KWH		0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	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	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	225.00	225.00	225.00	225.00	225.00	225.00	
Energy Charge (Excl. Fuel) $/KWH		0.00164	0.00164	0.00164	0.00164	0.00164	0.00164	0.00164	0.00164	0.00164	0.00164	0.00164	0.00164	
Purchased Power Costs:	CCA Fuel Costs	4,488	11,407	1,870	5,049	4,301	2,992	7,480	4,675	5,049	4,675	3,740	6,545	62,271
	JEA Base Fuel Costs	700,417	819,298	707,929	656,289	835,868	855,363	855,127	888,865	756,346	704,863	649,137	672,504	9,102,006
	JEA Fuel Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0
	Subtotal Fuel Costs	704,905	830,705	709,799	661,338	840,169	858,355	862,607	893,540	761,395	709,538	652,877	679,049	9,164,277
Demand and Non-Fuel Costs:	Demand Charge	465,294	741,618	453,731	420,942	495,665	502,386	647,999	587,999	449,999	467,999	425,999	467,999	6,127,630
	Customer Charge	225	225	225	225	225	225	225	225	225	225	225	225	2,700
	Energy Charge	64,316	75,232	65,006	60,264	76,754	78,544	78,522	81,620	69,452	64,724	59,607	61,753	835,794
Subtotal Demand & Non-Fuel Costs		529,835	817,075	518,962	481,431	572,644	581,155	726,746	669,844	519,676	532,948	485,831	529,977	6,966,124
Total System Purchased Power Costs		1,234,740	1,647,780	1,228,761	1,142,769	1,412,813	1,439,510	1,589,353	1,563,384	1,281,071	1,242,486	1,138,708	1,209,026	16,130,401
Less Direct Billing To GSLD Class:	Demand	67,442	233,433	140,836	88,332	85,082	90,875	68,511	80,340	54,372	104,807	114,726	49,440	1,178,196
	Commodity	237,357	402,326	301,371	252,003	305,231	255,247	220,109	209,693	233,591	237,412	206,894	148,819	3,010,053
Net Purchased Power Costs		929,941	1,012,021	786,554	802,434	1,022,500	1,093,388	1,300,733	1,273,351	993,108	900,267	817,088	1,010,767	11,942,152
Special Costs		(239)	2,751	(8,197)	177	29,064	52,805							76,361
Total Costs and Charges		929,702	1,014,772	778,357	802,611	1,051,564	1,146,193	1,300,733	1,273,351	993,108	900,267	817,088	1,010,767	12,018,513
Sales Revenues - Fuel Adjustments Revenue														
RS	.03285	548,936	498,956	469,432	406,341	453,614	577,258	676,480	641,567	638,841	521,990	452,390	423,624	6,309,429
GS	.03214	73,678	67,404	68,616	66,595	73,082	84,775	94,051	96,872	87,552	80,594	74,878	69,178	937,275
GSD	.03091	193,435	183,662	192,842	192,344	215,342	227,818	274,410	275,434	280,633	255,586	240,695	228,134	2,760,335
GSLD	.02996	69,088	65,999	67,747	64,839	63,346	70,031	69,546	74,358	58,503	62,023	68,378	72,189	806,047
OL	.02261	2,714	2,411	2,031	2,301	2,375	2,391	2,725	2,546	2,627	2,523	2,433	2,605	29,682
SL,CSL	.02301	1,511	1,509	1,513	1,513	1,518	1,536	1,153	1,461	1,461	1,461	1,461	1,461	17,558
Total Fuel Revenues (Excl. GSLD1)		889,362	819,941	802,181	733,933	809,277	963,809	1,118,365	1,092,238	1,069,617	924,177	840,235	797,191	10,860,326
GSLD1 Fuel Revenues		304,799	635,759	442,207	340,335	390,313	346,122	288,620	290,033	287,963	342,219	321,620	198,259	4,188,249
Non-Fuel Revenues		712,872	729,996	698,707	641,269	683,434	749,621	948,815	933,829	913,820	835,604	780,845	746,350	9,375,162
Total Sales Revenue		1,907,033	2,185,696	1,943,095	1,715,537	1,883,024	2,059,552	2,355,800	2,316,100	2,271,400	2,102,000	1,942,700	1,741,800	24,423,737
KWH Sales:	RS	16,710,810	15,190,803	14,293,219	12,370,970	13,810,192	17,574,479	20,593,000	19,530,200	19,447,200	15,890,100	13,771,400	12,895,700	192,078,073
	GS	2,292,994	2,097,534	2,136,621	2,072,217	2,274,095	2,637,914	2,926,280	3,014,060	2,724,080	2,507,580	2,329,740	2,152,400	29,165,515
	GSD	6,255,947	5,944,040	6,239,276	6,223,158	6,967,244	7,370,920	8,877,720	8,910,840	9,079,020	8,268,720	7,786,960	7,380,600	89,304,445
	GSLD	2,306,140	2,203,020	2,261,380	2,164,280	2,114,440	2,337,620	2,321,300	2,481,900	1,952,700	2,070,200	2,282,300	2,409,500	26,904,780
	GSLD1	11,820,000	20,050,000	15,010,000	12,550,000	15,200,000	12,780,000	10,960,000	10,440,000	11,630,000	11,820,000	10,300,000	7,410,000	149,970,000
	OL	102,008	106,349	104,609	104,753	105,014	105,701	120,500	112,600	116,200	111,600	107,600	115,200	1,312,134
	SL,CSL	65,657	65,576	65,761	65,761	65,962	66,756	50,100	63,500	63,500	63,500	63,500	63,500	763,073
Total KWH Sales		39,553,556	45,657,322	40,110,866	35,551,139	40,536,947	42,873,390	45,848,900	44,553,100	45,012,700	40,731,700	36,641,500	32,426,900	489,498,020
True-up Calculation (Excl. GSLD1):														
Fuel Revenues		889,362	819,941	802,181	733,933	809,277	963,809	1,118,365	1,092,238	1,069,617	924,177	840,235	797,191	10,860,326
True-up Provision - collect/(refund)		(23,599)	(23,602)	(23,602)	(23,602)	(23,602)	(23,602)	(23,602)	(23,602)	(23,602)	(23,602)	(23,602)	(23,602)	(283,221)
Gross Receipts Tax Refund		0	0	0	0	0	0	0	0	0	0	0	0	0
Fuel Revenue		912,961	843,543	825,783	757,535	832,879	987,411	1,141,967	1,115,840	1,093,219	947,779	863,837	820,793	11,143,547
Net Purchased Power Costs		929,702	1,014,772	778,357	802,611	1,051,564	1,146,193	1,300,733	1,273,351	993,108	900,267	817,088	1,010,767	12,018,513
True-up Provision for the Period		(16,741)	(171,229)	47,426	(45,076)	(218,685)	(158,782)	(158,766)	(157,511)	100,111	47,512	46,749	(189,974)	(874,966)
Interest Provision for the Period		966	552	238	159	(482)	(1,411)	(2,200)	(2,990)	(3,227)	(3,025)	(2,937)	(3,359)	(17,716)
Beginning ofTrue-up and Interest Provision		283,221	243,847	49,568	73,630	5,111	(237,658)	(421,453)	(606,021)	(790,124)	(716,842)	(695,957)	(675,747)	283,221
True-up Collected or (Refunded)		(23,599)	(23,602)	(23,602)	(23,602)	(23,602)	(23,602)	(23,602)	(23,602)	(23,602)	(23,602)	(23,602)	(23,602)	(283,221)
End of Period, Net True-up and Int. Prov.		243,847	49,568	73,630	5,111	(237,658)	(421,453)	(606,021)	(790,124)	(716,842)	(695,957)	(675,747)	(892,682)	(892,682)
Beginning True-up Amount		283,221	243,847	49,568	73,630	5,111	(237,658)	(421,453)	(606,021)	(790,124)	(716,842)	(695,957)	(675,747)	
Ending True-up Amount Before Interest		242,881	49,016	73,392	4,952	(237,176)	(420,042)	(603,821)	(787,134)	(713,615)	(692,932)	(672,810)	(889,323)	
Total Beginning and Ending True-up		526,102	292,863	122,960	78,582	(232,065)	(657,700)	(1,025,274)	(1,393,155)	(1,503,739)	(1,409,774)	(1,368,767)	(1,565,070)	
Average True-up Amount		263,051	146,432	61,480	39,291	(116,033)	(328,850)	(512,637)	(696,578)	(751,870)	(704,887)	(684,384)	(782,535)	
Average Annual Interest Rate		4.4050%	4.5200%	4.6550%	4.8700%	4.9850%	5.1500%	5.1500%	5.1500%	5.1500%	5.1500%	5.1500%	5.1500%	
Interest Provision		966	552	238	159	(482)	(1,411)	(2,200)	(2,990)	(3,227)	(3,025)	(2,937)	(3,359)	

10% Rule Interest Provision:
-5.53%

Exhibit No. _____
DOCKET NO. 070001-EI
Florida Public Utilities Company
(CMM-2)
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