

RECEIVED-FPSC

11 JUL 20 PM 3: 37

COMMISSION
CLERK

Writer's Direct Dial Number: (850) 521-1706
Writer's E-Mail Address: bkeating@gunster.com

July 20, 2011

HAND DELIVERY

Ms. Ann Cole
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket No. 110003-GU - **Purchased gas adjustment (PGA) true-up.**

Dear Ms. Cole:

Attached for filing, please find the original and five (5) copies of Florida Public Utilities Company's Responses to Staff's First Data Requests in the above-referenced Docket.

Thank you for your assistance with this filing. If you have any questions, please do not hesitate to contact me.

Sincerely,



Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301
(850) 521-1706

COM _____ MEK
APA 1 cc: Parties of Record
ECR 3
GCL 1
RAD _____
SSC _____
ADM _____
OPC _____
CLK _____

DOCUMENT NUMBER-DATE
05035 JUL 20 =
FPSC-COMMISSION CLERK

**FLORIDA PUBLIC UTILITIES COMPANY'S
RESPONSES TO STAFF'S FIRST SET OF DATA REQUESTS**

1. Does your company conduct physical or financial hedging of natural gas? If so, please provide the following:
 - A. percentage of natural gas hedged by financial hedging and monthly realized hedging gain or loss in 2010.
 - B. percentage of natural gas hedged by physical hedging in 2010 and the price, term, and supplier of the contracts.
 - C. percentage of natural gas hedged by financial hedging and monthly realized hedging gain or loss in 2011.
 - D. percentage of natural gas hedged by physical hedging in 2011 and the price, term, and supplier of the contracts.

Response: Florida Public Utilities Company does not conduct physical or financial hedging of natural gas.

2. Please provide the rationale that supports your company's activity (or inactivity) in physical or financial hedging, including:
 - A. whether the market conditions and financial regulation support physical or financial hedging (please explain).
 - B. whether new developments in domestic gas-supply conditions, such as LNG and shale gas, affect physical or financial hedging (please explain).
 - C. administrative cost or availability of the hedging instruments (please explain).
 - D. other (please explain).

Response: Florida Public Utilities Company does not conduct physical or financial hedging of natural gas due to the financial risks associated with this type of activity and lack of long term price advantages. There is also a significant increase in administrative costs associated with both the process of providing hedging services, and the accounting and reporting requirements related to hedging and derivatives. The technical expertise to provide this service would be very costly without an associated long term benefit.

3. Please explain the federal income tax effect of hedging, if any.

Response: Florida Public Utilities does not offer hedging, and accordingly does not have any income tax impact.

4. Please explain your company's use of the PGA annual price cap and monthly flex down mechanism to stabilize gas prices and customer bills.

Response: Florida Public Utilities uses the PGA annual price cap and monthly flex down mechanism to stabilize gas prices to customers by eliminating the need to fluctuate price to customers with actual price fluctuations. If actual price changes are not material or long term, then this mechanism can be used to keep prices to customers more stable.

DOCUMENT NUMBER-DATE

05035 JUL 20 =

FPSC-COMMISSION CLERK

5. Please provide the actual PGA commodity and transportation costs, revenues, therm sales to customers, and PGA factors for each month in 2008, 2009 and 2010. As part of this response, please provide a spreadsheet (hard copy and electronic version) showing the calculations, including the commodity, transportation, and total costs.

Response: See attached Exhibit 5.1 for the data requested.

If your company conducts financial hedging, please answer the following five questions.

6. Please provide the 2010 monthly actual and unrealized hedging effects based on the NYMEX natural gas price as of May 1, 2010. As part of this response, please provide a spreadsheet (hard copy and electronic version) showing the calculations, including the number of hedging contracts, the settlement or Mark-to-Market prices, and the net realized and unrealized gains or losses.

Response: N/A

7. Please provide the 2010 monthly actual and unrealized hedging effects based on the NYMEX natural gas price as of December 31, 2010. As part of this response, please provide a spreadsheet (hard copy and electronic version) showing the calculations, including the number of hedging contracts, the settlement or Mark-to-Market prices, and the net realized and unrealized gains or losses.

Response: N/A

8. Please provide the 2011 monthly actual and unrealized hedging effects based on the NYMEX natural gas price as of February 1, 2011. As part of this response, please provide a spreadsheet (hard copy and electronic version) showing the calculations, including the number of hedging contracts, the settlement or Mark-to-Market prices, and the net realized and unrealized gains or losses.

Response: N/A

9. Please provide the 2011 monthly actual and unrealized hedging effects based on the NYMEX natural gas price as of April 1, 2011. As part of this response, please provide a spreadsheet (hard copy and electronic version) showing the calculations, including the number of hedging contracts, the settlement or Mark-to-Market prices, and the net realized and unrealized gains or losses.

Response: N/A

10. Please provide the 2011 monthly actual and unrealized hedging effects based on the NYMEX natural gas price as of July 1, 2011. As part of this response, please provide a spreadsheet (hard copy and electronic version) showing the calculations, including the number of hedging contracts, the settlement or Mark-to-Market prices, and the net realized and unrealized gains or losses.

Response: N/A

**Florida Public Utilities Company
PGA Data Request
2010**

**Exhibit 5.1
Page 1 of 3**

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
PGA FACTOR:	0.70000	0.70000	0.65000	0.60000	0.60000	0.55000	0.55000	0.55000	0.45000	0.45000	0.45000	0.50000	
PGA:													
COSTS:													
COMMODITY (Pipeline)	18,431.68	17,585.69	18,454.65	17,308.19	11,117.43	8,062.89	8,751.34	7,834.48	8,435.62	15,702.29	22,212.29	33,719.64	187,616.19
NO NOTICE	9,207.00	6,583.50	6,061.28	3,570.84	1,513.79	1,464.96	1,500.28	1,500.28	1,438.80	2,838.36	4,617.24	6,420.10	46,716.43
SWING SERVICE	95,893.62	(89.98)	0.00	0.00	0.00	17,217.58	0.02	132,986.44	1,555.93			700,721.55	948,285.16
COMMODITY (Other)	3,595,979.75	2,817,265.25	2,409,660.23	1,385,309.13	1,139,947.84	907,610.24	1,113,310.10	1,138,517.01	864,383.66	1,161,989.17	1,239,287.30	2,382,606.88	20,155,866.56
DEMAND	510,942.92	462,421.66	523,960.56	547,780.65	204,184.88	197,397.72	203,423.34	142,890.06	154,193.54	191,897.91	511,434.54	520,233.11	4,170,760.89
OTHER	3,399.86	1,459.40	1,804.20	2,043.58	1,065.83	794.71	1,185.36	515.84	945.51	270.12	488.03	334.53	14,306.97
TOTAL	4,233,854.83	3,305,225.52	2,959,940.92	1,956,012.39	1,357,829.77	1,132,548.10	1,328,170.44	1,424,244.11	1,030,953.06	1,372,697.85	1,778,039.40	3,644,035.81	25,523,552.20 \$
UNITS (THERMS):													
COMMODITY (Pipeline)	5,696,015	5,437,955	4,956,160	3,472,690	2,851,570	2,195,220	2,349,940	2,075,840	2,277,270	2,534,080	3,568,250	5,046,450	42,461,440
NO NOTICE	186,000	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	8,443,400
SWING SERVICE	68,590	0	0	0	0	16,880	0	139,500	480			749,250	974,700
COMMODITY (Other)	5,797,200	5,119,050	4,897,420	3,411,520	2,579,950	2,113,250	2,237,510	2,400,560	2,299,190	2,891,640	3,532,660	6,036,690	43,316,640
DEMAND	9,500,880	7,602,560	9,084,860	6,891,300	3,144,020	3,039,300	3,131,930	2,080,100	2,289,000	2,913,690	5,128,800	5,134,220	59,940,660
OTHER	1,720	820	780	1,060	400	210	0	0	780	(780)	0	0	4,990
REVENUES:													
MONETARY													
	3,653,073.17	3,461,096.95	3,434,802.26	2,621,080.76	2,068,260.19	1,437,978.55	1,292,066.40	1,431,416.87	1,099,215.86	1,223,326.83	1,465,705.12	2,370,326.40	25,558,349.36
THERMS													
	7,380,065.08	6,814,713.25	7,311,332.95	6,208,300.13	5,194,411.27	4,403,667.34	4,137,950.03	4,343,136.94	3,859,402.39	4,514,447.85	5,089,224.01	6,731,544.19	65,988,195.43
LESS:													
TRANSPORTATION	1,878,475.64	1,785,548.40	1,953,940.13	1,779,345.81	1,631,726.80	1,624,514.27	1,558,896.00	1,582,822.84	1,250,665.26	1,596,776.49	1,715,180.07	1,971,597.24	20,329,488.95
UNITS SOLD FOR PGA	5,501,589.44	5,029,164.85	5,357,392.82	4,428,954.32	3,562,684.47	2,779,153.07	2,579,054.03	2,760,314.10	2,608,737.13	2,917,671.36	3,374,043.94	4,759,946.95	45,658,706.48

**Florida Public Utilities Company
PGA Data Request
2009**

**Exhibit 5.1
Page 2 of 3**

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
PGA FACTOR:	0.80000	0.80000	0.80000	0.70000	0.40000	0.30000	0.30000	0.30000	0.30000	0.40000	0.40000	0.40000	
PGAs:													
COSTS:													
COMMODITY (Pipeline) \$	36,976.84	\$ 44,133.48	\$ 33,656.04	\$ 11,607.61	\$ 12,121.01	\$ 10,382.05	\$ 10,213.03	\$ 11,777.87	\$ 12,074.67	\$ 11,284.39	\$ 11,009.95	\$ 13,167.05	\$ 218,403.99
NO NOTICE \$	9,207.00	\$ 6,583.50	\$ 6,061.28	\$ 4,054.05	\$ 1,718.64	\$ 1,663.20	\$ 1,703.30	\$ 1,703.30	\$ 1,633.50	\$ 3,222.45	\$ 5,242.05	\$ 7,288.88	\$ 50,081.15
SWING SERVICE \$	-0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
COMMODITY (Other) \$	3,186,464.75	\$ 1,965,765.63	\$ 1,788,799.37	\$ 1,353,250.99	\$ 969,053.93	\$ 905,230.70	\$ 918,786.31	\$ 588,869.40	\$ 642,995.51	\$ 972,538.46	\$ 1,465,499.19	\$ 1,915,238.29	\$ 16,672,492.53
DEMAND \$	542,711.93	\$ 485,693.13	\$ 519,217.85	\$ 448,332.73	\$ 177,590.02	\$ 171,709.40	\$ 177,503.29	\$ 177,318.65	\$ 171,671.65	\$ 191,597.61	\$ 532,529.50	\$ 521,864.81	\$ 4,117,740.57
OTHER \$	570.87	\$ 181.11	\$ 657.41	\$ 579.86	\$ 485.77	\$ 542.74	\$ 517.02	\$ 507.89	\$ 632.45	\$ 568.02	\$ 719.43	\$ 1,043.41	\$ 7,005.98
TOTAL \$	3,775,931.39	\$ 2,502,356.85	\$ 2,348,391.95	\$ 1,817,825.24	\$ 1,160,969.37	\$ 1,089,528.09	\$ 1,108,722.95	\$ 780,177.11	\$ 829,007.78	\$ 1,179,210.93	\$ 2,015,000.12	\$ 2,458,602.44	\$ 21,065,724.22
UNITS (THERMS):													
COMMODITY (Pipeline)	5,010,600	4,617,370	4,439,480	3,388,320	2,805,090	2,426,800	2,342,760	2,333,800	2,302,270	2,606,880	3,469,220	4,118,150	39,860,740
NO NOTICE	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
SWING SERVICE	0	0	0	0	0	0	0	0	0	0	0	0	0
COMMODITY (Other)	4,997,200	4,612,130	4,411,790	3,351,940	2,768,130	2,262,450	2,239,590	2,046,580	2,184,850	2,551,900	3,407,320	4,065,450	38,899,330
DEMAND	9,455,930	8,255,240	7,898,800	6,350,100	3,192,380	3,087,000	2,459,261	3,186,800	3,085,800	2,725,551	10,253,790	8,942,820	68,893,472
OTHER	0	0	0	0	0	0	0	0	180	60	190	510	940
REVENUES:													
MONETARY	3,677,807.84	3,969,015.40	4,389,715.26	2,635,804.08	1,170,970.42	833,109.72	728,701.22	690,941.38	684,227.77	933,511.46	1,162,267.19	1,488,339.31	22,364,411.05
THERMS	6,329,052.19	6,756,489.37	7,050,808.37	5,488,016.70	4,778,473.37	4,449,743.54	3,966,179.94	3,820,265.51	3,934,607.71	3,730,952.70	4,651,153.53	5,592,488.22	60,548,231.15
LESS:													
TRANSPORTATION	1,692,718.54	1,705,867.49	1,596,954.75	1,635,824.34	1,581,791.82	1,502,964.84	1,402,001.43	1,360,390.60	1,438,861.09	1,246,817.61	1,504,261.28	1,815,499.17	18,483,952.96
UNITS SOLD FOR PGA	4,636,333.65	5,050,621.88	5,453,853.62	3,852,192.36	3,196,681.55	2,946,778.70	2,564,178.51	2,459,874.91	2,495,746.62	2,484,135.09	3,146,892.25	3,776,989.05	42,064,278.19

**Florida Public Utilities Company
PGA Data Request
2008**

Exhibit 5.1
Page 3 of 3

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
PGA FACTOR:	0.80000	0.90000	1.00000	1.10000	1.25000	1.35000	1.40000	1.00000	0.95000	0.75000	0.55000	0.70000	
PGA:													
COSTS:													
COMMODITY (Pipeline)	\$ 15,267.10	\$ 14,016.47	\$ 15,811.42	\$ 6,416.71	\$ 8,752.60	\$ 6,071.20	\$ 5,975.23	\$ 6,328.11	\$ 6,170.30	\$ 24,513.66	\$ 8,746.91	\$ 32,754.20	\$ 150,823.91
NO NOTICE	\$ 9,207.00	\$ 6,818.63	\$ 6,061.28	\$ 4,054.05	\$ 1,718.64	\$ 1,663.20	\$ 1,703.30	\$ 1,703.30	\$ 1,633.50	\$ 3,222.45	\$ 5,242.05	\$ 7,288.88	\$ 50,316.28
SWING SERVICE	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
COMMODITY (Other)	\$ 3,564,083.40	\$ 3,289,651.59	\$ 3,812,203.40	\$ 3,796,780.60	\$ 3,206,389.00	\$ 3,500,818.36	\$ 3,930,500.70	\$ 2,054,382.56	\$ 1,553,043.96	\$ 2,017,570.16	\$ 2,635,152.09	\$ 3,249,924.15	\$ 36,610,499.97
DEMAND	\$ 542,727.72	\$ 503,226.48	\$ 518,717.27	\$ 456,526.23	\$ 188,665.10	\$ 183,147.90	\$ 189,590.51	\$ 189,248.94	\$ 183,474.66	\$ 203,856.45	\$ 502,943.25	\$ 528,934.01	\$ 4,191,058.52
OTHER	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 1,684.28	\$ 1,431.49	\$ 1,309.79	\$ 1,260.69	\$ 1,029.55	\$ 964.84	\$ 652.89	\$ 552.55	\$ 8,886.08
TOTAL	\$ 4,131,285.22	\$ 3,813,713.17	\$ 4,352,793.37	\$ 4,263,777.59	\$ 3,407,209.62	\$ 3,693,132.15	\$ 4,129,079.53	\$ 2,252,923.60	\$ 1,745,351.97	\$ 2,250,127.56	\$ 3,152,737.19	\$ 3,819,453.79	\$ 41,011,584.76
UNITS (THERMS):													
COMMODITY (Pipeline)	4,739,650	3,966,660	4,265,670	3,500,820	2,897,690	2,568,210	2,649,580	2,455,170	2,369,240	2,933,991	3,792,650	4,355,610	40,494,941
NO NOTICE	1,860,000	1,377,500	1,224,500	81,900	347,200	336,000	344,100	344,100	330,000	650,000	1,059,000	1,472,500	9,426,800
SWING SERVICE	0	0	0	0	0	0	0	0	0	0	0	0	0
COMMODITY (Other)	4,718,690	3,920,720	4,243,480	3,451,900	2,865,390	2,400,160	2,439,680	2,418,880	2,341,120	3,051,560	3,782,830	4,335,100	39,969,510
DEMAND	9,426,170	8,526,000	7,892,290	3,990,300	3,398,530	3,299,700	3,414,960	3,408,760	3,304,800	3,718,140	7,655,700	8,529,340	66,564,690
OTHER	0	0	0	0	0	0	0	0	0	0	0	0	0
REVENUES:													
MONETARY	3,637,435	3,706,772	4,519,062	4,051,189	4,029,661	3,787,860	3,760,795	2,377,199	2,339,712	1,963,753	1,791,301	3,081,373	39,046,113
THERMS	6,372,060.31	5,741,775.28	6,308,568.36	5,235,410.18	4,793,469.38	4,230,564.98	4,135,727.37	3,806,112.55	3,796,972.29	4,142,121.12	4,909,592.57	6,035,215.98	59,507,590.37
LESS:													
TRANSPORTATION	1,690,086.63	1,483,575.06	1,669,558.43	1,435,790.39	1,420,724.76	1,303,598.11	1,337,976.83	1,267,101.84	1,226,321.77	1,350,505.36	1,511,317.98	1,593,514.71	17,290,071.87
UNITS SOLD FOR PGA	4,681,973.68	4,258,200.22	4,639,009.93	3,799,619.79	3,372,744.62	2,926,966.87	2,797,750.54	2,539,010.71	2,570,650.52	2,791,615.76	3,398,274.59	4,441,701.27	42,217,518.50

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of Florida Public Utilities Company's Responses to Staff's First Data Requests in Docket No. 110003-GU has been furnished by regular U.S. Mail to the following parties of record this 20th day of July 2011:

Thomas A. Geoffroy/Cheryl Martin Florida Public Utilities Company P.O. Box 3395 West Palm Beach, FL 33402-3395	Ansley Watson, Jr. MacFarlane Ferguson Law Firm P.O. Box 1531 Tampa, FL 33601-1531
Charles A. Costin Costin and Costin Law Firm P.O. Box 98 Port Saint Joe, FL 32457-1159	J.R. Kelly/Patricia Christensen Office of Public Counsel c/o The Florida Legislature 111 West Madison Street Room 812 Tallahassee, FL 32399-1400
Paula Brown Peoples Gas System P.O. Box 111 Tampa, FL 33601-0111	Mr. Stuart L. Shoaf St. Joe Natural Gas Company, Inc. P.O. Box 549 Port St. Joe, FL 32457-0549
TECO Energy, Inc. Javier Cuebas P.O. Box 111 Tampa, FL 33601-0111	Elizabeth Wade/David Weaver/Brian Sulmonetti AGL Resources Inc. Ten Peachtree Place Location 1470 Atlanta, GA 30309
Melvin Williams Florida City Gas 933 East 25 th Street Hialeah, FL 33013-3498	Jennifer Crawford Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399



Matt Feil
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301
(850) 521-1708