

Diamond Williams

From: Keating, Beth [BKeating@gunster.com]
Sent: Monday, September 26, 2011 4:36 PM
To: Filings@psc.state.fl.us
Subject: Docket No. 110001-EI
Attachments: 20110926162350158.pdf; FPUC issues and positions (Fuel) 2011.DOC

Attached for electronic filing, please find Florida Public Utilities Company's Preliminary List of Issues and Positions, along with a copy of the filing in native format. Please do not hesitate to contact me if you have any questions.

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b. Docket No. 110001-EI - In re: Fuel and purchased power cost recovery clause with generating performance incentive factor.

c. On behalf of: Florida Public Utilities Company

d. File 1 (PDF): 9 pages, includes cover page
 File 2 (Word): 8 pages

e. Description: FPUC's Preliminary List of Issues and Positions



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September 26, 2011

BY ELECTRONIC FILING

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

Re: Docket No. 110001-EI - Fuel and purchased power cost recovery clause with generating performance incentive factor.

Dear Ms. Cole:

Attached for filing in the above-referenced Docket, please find the Preliminary List of Issues and Positions of Florida Public Utilities Company.

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

Sincerely,

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FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and purchased power cost recovery
clause with generating performance incentive
factor.

DOCKET NO. 110001-EI

DATED: September 26, 2011

FLORIDA PUBLIC UTILITIES COMPANY
PRELIMINARY STATEMENT OF ISSUES AND POSITIONS

The following is the preliminary statement of issues and positions filed on behalf of the Florida Public Utilities Company, consistent with the schedule for this Docket:

COMPANY-SPECIFIC ISSUES – FLORIDA PUBLIC UTILITIES

ISSUE 3A: Is it appropriate for FPUC to include unbilled fuel revenues in its fuel factor calculations for the Northwest and Northeast Divisions?

FPUC's Position: Yes. It is appropriate to include the unbilled fuel revenues that relate to the actual fuel costs for the same period when computing any over-recovery or under-recovery of fuel costs. This treatment provides a permanent benefit to customers and reduces the under recovery of fuel costs attributable to a billing cycle timing difference. *(Martin, Young)*

ISSUE 3B: Is FPUC's proposed method to allocate demand costs to the rate classes appropriate?

FPUC's Position: Yes. The methodology proposed by the Company more accurately reflects the demand usage of customers and thus, more appropriately allocates costs across each rate classification. *(Martin)*

GENERIC FUEL ADJUSTMENT ISSUES

ISSUE 6: What are the appropriate actual benchmark levels for calendar year 2011 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

FPUC's Position: No position at this time.

ISSUE 7: What are the appropriate estimated benchmark levels for calendar year 2012 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

FPUC's Position: No position at this time.

ISSUE 8: What are the appropriate fuel adjustment true-up amounts for the period January 2010 through December 2010?

FPUC's Position:

Northwest Division (Marianna): \$885,786 (Overrecovery)
Northeast Division (Fernandina Beach): \$856,166 (Overrecovery)
(Young)

ISSUE 9: What are the appropriate fuel adjustment actual/estimated true-up amounts for the period January 2011 through December 2011?

FPUC's Position:

Northwest Division (Marianna): \$682,002 (Overrecovery)
Northeast Division (Fernandina Beach): \$2,292,856 (Overrecovery)
(Young)

ISSUE 10: What are the appropriate total fuel adjustment true-up amounts to be collected/refunded from January 2012 to December 2012?

FPUC's Position:

Northwest Division (Marianna): \$1,567,788 (Overrecovery)
Northeast Division (Fernandina Beach): \$3,149,022 (Overrecovery)
(Young)

ISSUE 11: What are the appropriate projected total fuel and purchased power cost recovery amounts for the period January 2012 through December 2012?

FPUC's Position:

Northwest Division (Marianna): \$34,443,981

Northeast Division (Fernandina Beach): \$40,276,293

(Martin)

FUEL FACTOR CALCULATION ISSUES

ISSUE 18: What are the appropriate projected net fuel and purchased power cost recovery and Generating Performance Incentive amounts to be included in the recovery factor for the period January 2012 through December 2012?

FPUC's Position:

Northwest Division (Marianna): \$34,443,981

Northeast Division (Fernandina Beach): \$40,276,293

(Martin)

ISSUE 19: What is the appropriate revenue tax factor to be applied in calculating each investor-owned electric utility's levelized fuel factor for the projection period January 2012 through December 2012?

FPUC's Position:

Northwest Division (Marianna): 1.00072

Northeast Division (Fernandina Beach): 1.00072

(Martin)

ISSUE 20: What are the appropriate levelized fuel cost recovery factors for the period January 2012 through December 2012?

FPUC's Position:

Northwest Division (Marianna): 6.544¢ /kwh

Northeast Division (Fernandina Beach): 5.961 ¢ /kwh

(Martin)

ISSUE 21: What are the appropriate fuel recovery line loss multipliers to be used in calculating the fuel cost recovery factors charged to each rate class/delivery voltage level class?

FPUC's Position:

Northwest Division (Marianna): 1.0000 (All rate schedules)

Northeast Division (Fernandina Beach): 1.0000 (All rate schedules)

(Martin)

ISSUE 22: What are the appropriate fuel cost recovery factors for each rate class/delivery voltage level class adjusted for line losses?

FPUC's Position: The appropriate levelized fuel adjustment and purchased power cost recovery factors for the period January 2012 through December 2012 for the Northwest Division, adjusted for line loss multipliers and including taxes, are as follows:

Northwest Division

<i>Rate Schedule</i>	<i>Adjustment</i>
RS	\$0.10073
GS	\$0.10227
GSD	\$0.10212
GSLD	\$0.10111
OL,O11	\$0.09981
SL1, SL2, and SL3	\$0.09918
Step rate for RS	
RS with less than 1,000 kWh/month	\$0.09713
RS with more than 1,000 kWh/month	\$0.10713

Consistent with the revised fuel projections for the 2012 period, the appropriate adjusted Time of Use (TOU) and Interruptible rates for the 2012 period are:

Time of Use/Interruptible

<i>Rate Schedule</i>	<i>Adjustment On Peak</i>	<i>Adjustment Off Peak</i>
RS	\$0.18113	\$0.05813
GS	\$0.14227	\$0.05227
GSD	\$0.14212	\$0.06962
GSLD	\$0.16111	\$0.07111
Interruptible	\$0.08611	\$0.10111

The appropriate levelized fuel adjustment and purchased power cost recovery factors for the period January 2012 through December 2012 for the Northeast Division, adjusted for line loss multipliers and including taxes, are as follows:

Northeast Division


<i>Rate Schedule</i>	<i>Adjustment</i>
RS	\$0.09267
GS	\$0.09217
GSD	\$0.09223
GSLD	\$0.09231
OL	\$0.09286
SL	\$0.09245
Step rate for RS	
RS with less than 1,000 kWh/month	\$0.08924
RS with more than 1,000 kWh/month	\$0.09924

(Martin)

ISSUE 34: What should be the effective date of the fuel adjustment charge and capacity cost recovery charge for billing purposes?

FPUC's Position: The effective date for FPUC's cost recovery factors should be January 1, 2012, beginning with the first billing cycle for the period January 2012. *(Martin)*

RESPECTFULLY SUBMITTED this 26th day of September, 2011.

BY:  _____

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by Electronic Mail to the following parties of record this 26th day of September, 2011:

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