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March 30, 2012

BY HAND DELIVERY

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

120069-ER

RECEIVED-PPSC
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COMMISSION
CLERK

Re: Petition of Florida Public Utilities Company for Approval of revisions to its Renewable Energy Tariff

Dear Ms. Cole:

Enclosed for filing, please find an original and 15 copies of Florida Public Utilities Company's Petition for Approval of revisions to its standard offer Renewable Energy Tariff (REN-1 and REN-2). This Petition is submitted in accordance with Rules 25-17.200 through 25-17.310, Florida Administrative Code. A copy of the Petition in Word is included on the enclosed CD.

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

Sincerely,

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

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition of Florida Public Utilities)
Company for approval of revisions to)
its Renewable Energy Tariff)

Docket No. 1200691-EQ

Filed: March 30, 2012

**PETITION FOR APPROVAL OF REVISIONS
TO RENEWABLE ENERGY TARIFF
BY FLORIDA PUBLIC UTILITIES COMPANY**

Florida Public Utilities Company ("FPUC" or "the Company") hereby files its petition for approval of the Company's revised Renewable Energy Tariff, in accordance with Rule 25-17.250, Florida Administrative Code. In support of this Petition, FPUC states:

1. The Company is a natural gas utility with its principal office located at:

Florida Public Utilities Company
1641 Worthington Road, Suite 220
West Palm Beach, FL 33409

2. The name and mailing address of the persons authorized to receive notices are:

Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 S. Monroe Street, Suite 601
Tallahassee, FL 32301-1804
(850) 521-1706
bkeating@gunster.com

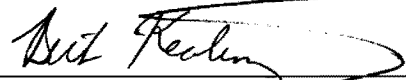
Mr. P. Mark Cutshaw
Florida Public Utilities Company
P.O. Box 418
Fernandina Beach, FL 32035-0418

3. Pursuant to the requirement in Rule 25-17.250, Florida Administrative Code, and consistent with the provisions in Rule 25-17.0832, Florida Administrative Code, and 25-17.200 through 25-17.310, Florida Administrative Code, investor-owned utilities are required to file a standard offer contract for the purchase of firm capacity and energy from renewable generating facilities and small qualifying facilities with a design capacity of 100 kW or less. These standard offer contracts must, in accordance with the Commission's Rules, be filed by April 1 of each year.

4. Because FPUC does not own or operate any of its own electric generating facilities and, instead, purchases its electric energy under long term contracts, the avoided costs upon which the Renewable Energy Tariff is based, are those costs associated with avoiding or deferring a planned purchase, as contemplated by Rule 25-17.250(1), Florida Administrative Code.
5. The current electric power purchase agreement between FPUC and Gulf Power Company/Southern Company Services, Inc., as modified and amended, contains a so-called "ratchet" provision based upon prior demand levels.¹ Consequently, capacity payments under this tariff are correctly reflected as \$0.00 for the current year, as set forth on revised Tariff Sheets 21 and 23.
6. FPUC respectfully asks for Commission approval of the revised and updated Renewable Energy Tariff, attached hereto as Exhibit "A", and containing Fourth Revised Sheets 18, 20, 21, 23, 24, 26, 27, and 29 in both legislative and finalized format. As revised, the Tariff complies with the Commission's Rules and with Section 366.91, Florida Statutes.

WHEREFORE, FPUC respectfully requests that the Commission approve the Company's revised Renewable Energy Tariff as filed.

RESPECTFULLY SUBMITTED this 30th day of March, 2012.



Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 S. Monroe Street, Suite 601
Tallahassee, FL 32301-1804
(850) 521-1706
bkeating@gunster.com

Attorneys for Florida Public Utilities Company

¹ The Agreement was approved by the Commission in Docket No. 070108-EI, while Amendment No. 1 was approved in Docket No. 110041-EI.

EXHIBIT "A"

1. Renewable Energy Tariff, Third Revised Sheet Nos. 18, 20, 21, 23, 24, 26, 27, and 29 (legislative format)
2. Renewable Energy Tariff, Third Revised Sheet Nos. 18, 20, 21, 23, 24, 26, 27, and 29 (final format)

NORTHWEST FLORIDA DIVISION
RATE SCHEDULE REN-1

STANDARD RATE FOR PURCHASE OF AS-AVAILABLE ENERGY FROM
RENEWABLE ENERGY PRODUCTION FACILITIES
(QUALIFYING FACILITIES)

Availability

Available within the territory served by the Company in Jackson, Calhoun, and Liberty Counties.

Applicability

To any cogeneration or small power producing "qualifying facility".

Character of Service

Alternating current, 60 cycle, single phase or three phase at the options of the Company, at a specified interconnection point and voltage.

Limitations of Service

The capacity rating of the QF's generator shall not exceed:

1. One-half of the Company's minimum requirements of the interconnected distribution circuit; or
2. The thermal capacity of the connected distribution lines or transformers of the Company.

Monthly Rate

1. Payments to QF's for energy sales to Company
 - A. As-Available energy is purchased at a unit cost calculated from avoided fuel costs. Avoided energy costs are the Company's actual fuel cost for energy purchased by the Company from its wholesale supplier for the applicable calendar month.
 - B. The actual fuel costs as defined above will be adjusted upward by a fixed percentage factor for avoided line losses (if any). Such factor will be determined by the Company for each QF based upon the locations of the QF on the Company's distribution system and the applicable voltage level.
 - C. The current base fuel cost in the energy rate of the Company's wholesale supplier is ~~5.056~~ 4.840 cents per KWH.
 - D. Because the Company's avoided energy cost is based on the wholesale supplier's monthly average fuel cost for energy, the price per KWH is uniform without regard to time of day or system peak, and no variations in computing the amount to be paid is made on the basis of metering techniques.

NORTHWEST FLORIDA DIVISION
RATE SCHEDULE REN-1

STANDARD RATE FOR PURCHASE OF AS-AVAILABLE ENERGY FROM
RENEWABLE ENERGY PRODUCTION FACILITIES
(QUALIFYING FACILITIES)

Continued from Sheet No. 19

Estimated Future Rates

The following are the current estimates of the Company's future average rates for the purchase of as-available energy from QF's. These are based on data of estimated fuel costs of the Company's wholesale supplier and are for informational purposes only.

<u>Year</u>	<u>Estimated Average Rate per KWH</u>
2006	2.31 cents
2007	2.38 cents
2008	4.109 cents
2009	5.851 cents
2010	5.705 cents
2011	5.056 cents
<u>2012</u>	<u>4.840 cents</u>

NORTHWEST FLORIDA DIVISION
RATE SCHEDULE REN-2

STANDARD RATE FOR PURCHASE OF FIRM ENERGY FROM
RENEWABLE ENERGY PRODUCTION FACILITIES
(QUALIFYING FACILITIES)

Purpose

The purpose of this tariff is to promote the generation of firm power by qualifying facilities so that the Company can commit to the reduction by a specified amount of capacity of demand on its wholesale supplier's system thereby freeing an equivalent amount of capacity in the supplier. Through the QF's commitment to the Company and the Company's commitment to its supplier, the QF's generation capacity may be used by the supplier to defer additional generation plant, either in its system or in that of another generating utility in the state.

Availability

Available within the territory served by the Company in Jackson, Calhoun, and Liberty Counties.

Applicability

To any cogeneration or small power producing "qualifying facility" who contract with Company for the sale of firm energy and capacity and who meet the eligibility criteria set out in Rule 25-17.83(3)(a) of the Florida Public Service Commission.

Character of Service

Alternating current, 60 cycle, single phase or three phase at the options of the Company, at a specified interconnection point and voltage.

Limitations of Service

- The capacity rating of the QF's generator shall not exceed:
1. One-half of the Company's minimum requirements of the interconnected distribution circuit; or
 2. The thermal capacity of the connected distribution lines or transformers of the Company.

Monthly Rate

1. Capacity Payments
 - A. Amount
Payments to QF for capacity to the Company:
Each KW of Billing Capacity - \$0.00
 - B. Basis of Payment
Payments to QF for capacity to the Company are based on the avoided demand (capacity) cost to the Company from its wholesale supplier if and when the QF's capacity does result in a reduction in the applicable month's billing demand.

NORTHWEST FLORIDA DIVISION
RATE SCHEDULE REN-2

STANDARD RATE FOR PURCHASE OF FIRM ENERGY FROM
RENEWABLE ENERGY PRODUCTION FACILITIES
(QUALIFYING FACILITIES)

Continued from Sheet No. 22

Special Provisions

1. It shall be the QF's responsibility to inform the Company in writing of any change in the QF's electric generating capacity.
2. The QF shall agree to maintain a seventy percent capacity factor for energy delivered on a 12-month rolling average basis. Failure to do so may disqualify the QF for capacity payments under this rate schedule.
3. Any electric service delivered by the Company to the QF shall be metered separately and billed under the rate schedule applicable to the Company's other customers with similar load characteristics. The terms and conditions of the Company's standard rate schedule applicable to the class of service shall pertain.
4. Service under this rate schedule is subject to the rules and regulations of the Company and the Florida Public Service Commission.

Estimated Future Rates

The following are the currently estimates of the Company's future average rates for the purchase of firm capacity and energy from QF's. These are based on data of estimated capacity and fuel costs of the Company's wholesale supplier and are for informational purposes only.

<u>Year</u>	<u>Estimate Average Rate</u>	
	<u>Capacity</u> <u>\$ per KW</u>	<u>Energy</u> <u>cents per KWH</u>
2006	\$7.10	2.31 cents
2007	\$7.25	2.38 cents
2008	\$7.80	4.109 cents
2009	\$0.00	5.851 cents
2010	\$0.00	5.705 cents
2011	\$0.00	5.056 cents
2012	\$0.00	4.840 cents

Issued by: Jeffry Householder, President

Effective:

NORTHEAST FLORIDA DIVISION
RATE SCHEDULE REN-1

STANDARD RATE FOR PURCHASE OF AS-AVAILABLE ENERGY FROM
RENEWABLE ENERGY PRODUCTION FACILITIES
(QUALIFYING FACILITIES)

Availability

Available within the territory served by the Company in Nassau County.

Applicability

To any cogeneration or small power producing "qualifying facility".

Character of Service

Alternating current, 60 cycle, single phase or three phase at the options of the Company, at a specified interconnection point and voltage.

Limitations of Service

The capacity rating of the QF's generator shall not exceed:

1. One-half of the Company's minimum requirements of the interconnected distribution circuit; or
2. The thermal capacity of the connected distribution lines or transformers of the Company.

Monthly Rate

1. Payments to QF's for energy sales to Company
 - A. As-Available energy is purchased at a unit cost calculated from avoided fuel costs. Avoided energy costs are the Company's actual fuel cost for energy purchased by the Company from its wholesale supplier for the applicable calendar month.
 - B. The actual fuel costs as defined above will be adjusted upward by a fixed percentage factor for avoided line losses (if any). Such factor will be determined by the Company for each QF based upon the locations of the QF on the Company's distribution system and the applicable voltage level.
 - C. The current base fuel cost in the energy rate of the Company's wholesale supplier is ~~5.064~~ 4.774 cents per KWH.
 - D. Because the Company's avoided energy cost is based on the wholesale supplier's monthly average fuel cost for energy, the price per KWH is uniform without regard to time of day or system peak, and no variations in computing the amount to be paid is made on the basis of metering techniques.

Florida Public Utilities Company
F.P.S.C. Renewable Energy Tariff
Original Volume No. I

~~Fourth~~ Fifth Revised Sheet No. 26
Cancels ~~Third~~ Fourth Sheet No. 26

NORTHEAST FLORIDA DIVISION
RATE SCHEDULE REN-1

STANDARD RATE FOR PURCHASE OF AS-AVAILABLE ENERGY FROM
RENEWABLE ENERGY PRODUCTION FACILITIES
(QUALIFYING FACILITIES)

Continued from Sheet No. 25

Estimated Future Rates

The following are the current estimates of the Company's future average rates for the purchase of as-available energy from QF's. These are based on data of estimated fuel costs of the Company's wholesale supplier and are for informational purposes only.

<u>Year</u>	<u>Estimated Average</u> <u>Rate per KWH</u>
2006	1.95 cents
2007	2.474 cents
2008	4.014 cents
2009	5.514 cents
2010	4.416 cents
2011	5.064 cents
<u>2012</u>	<u>4.774 cents</u>

Issued by: Jeffry Householder, President

Effective:

NORTHEAST FLORIDA DIVISION
RATE SCHEDULE REN-2

STANDARD RATE FOR PURCHASE OF FIRM ENERGY FROM
RENEWABLE ENERGY PRODUCTION FACILITIES
(QUALIFYING FACILITIES)

Purpose

The purpose of this tariff is to promote the generation of firm power by qualifying facilities so that the Company can commit to the reduction by a specified amount of capacity of demand on its wholesale supplier's system thereby freeing an equivalent amount of capacity in the supplier. Through the QF's commitment to the Company and the Company's commitment to its supplier, the QF's generation capacity may be used by the supplier to defer additional generation plant, either in its system or in that of another generating utility in the state.

Availability

Available within the territory served by the Company in Nassau County.

Applicability

To any cogeneration or small power producing "qualifying facility" who contract with Company for the sale of firm energy and capacity and who meet the eligibility criteria set out in Rule 25-17.83(3)(a) of the Florida Public Service Commission.

Character of Service

Alternating current, 60 cycle, single phase or three phase at the options of the Company, at a specified interconnection point and voltage.

Limitations of Service

The capacity rating of the QF's generator shall not exceed:

1. One-half of the Company's minimum requirements of the interconnected distribution circuit; or
2. The thermal capacity of the connected distribution lines or transformers of the Company.

Monthly Rate

1. Capacity Payments
 - A. Amount
Payments to QF for capacity to the Company:
Each KW of Billing Capacity - \$11.38
 - B. Basis of Payment
Payments to QF for capacity to the Company are based on the avoided demand (capacity) cost to the Company from its wholesale supplier if and when the QF's capacity does result in a reduction in the applicable month's billing demand.

NORTHEAST FLORIDA DIVISION
RATE SCHEDULE REN-2

STANDARD RATE FOR PURCHASE OF FIRM ENERGY FROM
RENEWABLE ENERGY PRODUCTION FACILITIES
(QUALIFYING FACILITIES)

Continued from Sheet No. 28

Special Provisions

1. It shall be the QF's responsibility to inform the Company in writing of any change in the QF's electric generating capacity.
2. The QF shall agree to maintain a seventy percent capacity factor for energy delivered on a 12-month rolling average basis. Failure to do so may disqualify the QF for capacity payments under this rate schedule.
3. Any electric service delivered by the Company to the QF shall be metered separately and billed under the rate schedule applicable to the Company's other customers with similar load characteristics. The terms and conditions of the Company's standard rate schedule applicable to the class of service shall pertain.
4. Service under this rate schedule is subject to the rules and regulations of the Company and the Florida Public Service Commission.

Estimated Future Rates

The following are the currently estimates of the Company's future average rates for the purchase of firm capacity and energy from QF's. These are based on data of estimated capacity and fuel costs of the Company's wholesale supplier and are for informational purposes only.

<u>Year</u>	<u>Estimate Average Rate</u>	
	<u>Capacity</u> <u>\$ per KW</u>	<u>Energy</u> <u>cents per KWH</u>
2006	\$6.00	1.95 cents
2007	\$7.00	2.474 cents
2008	\$7.00	4.014 cents
2009	\$8.91	5.514 cents
2010	\$10.67	4.416 cents
2011	\$11.38	5.064 cents
2012	\$11.38	4.774 cents



NORTHWEST FLORIDA DIVISION
RATE SCHEDULE REN-1

STANDARD RATE FOR PURCHASE OF AS-AVAILABLE ENERGY FROM
RENEWABLE ENERGY PRODUCTION FACILITIES
(QUALIFYING FACILITIES)

Availability

Available within the territory served by the Company in Jackson, Calhoun, and Liberty Counties.

Applicability

To any cogeneration or small power producing "qualifying facility".

Character of Service

Alternating current, 60 cycle, single phase or three phase at the options of the Company, at a specified interconnection point and voltage.

Limitations of Service

The capacity rating of the QF's generator shall not exceed:

1. One-half of the Company's minimum requirements of the interconnected distribution circuit; or
2. The thermal capacity of the connected distribution lines or transformers of the Company.

Monthly Rate

1. Payments to QF's for energy sales to Company
 - A. As-Available energy is purchased at a unit cost calculated from avoided fuel costs. Avoided energy costs are the Company's actual fuel cost for energy purchased by the Company from its wholesale supplier for the applicable calendar month.
 - B. The actual fuel costs as defined above will be adjusted upward by a fixed percentage factor for avoided line losses (if any). Such factor will be determined by the Company for each QF based upon the locations of the QF on the Company's distribution system and the applicable voltage level.
 - C. The current base fuel cost in the energy rate of the Company's wholesale supplier is 4.840 cents per KWH.
 - D. Because the Company's avoided energy cost is based on the wholesale supplier's monthly average fuel cost for energy, the price per KWH is uniform without regard to time of day or system peak, and no variations in computing the amount to be paid is made on the basis of metering techniques.

NORTHWEST FLORIDA DIVISION
RATE SCHEDULE REN-1

STANDARD RATE FOR PURCHASE OF AS-AVAILABLE ENERGY FROM
RENEWABLE ENERGY PRODUCTION FACILITIES
(QUALIFYING FACILITIES)

Continued from Sheet No. 19

Estimated Future Rates

The following are the current estimates of the Company's future average rates for the purchase of as-available energy from QF's. These are based on data of estimated fuel costs of the Company's wholesale supplier and are for informational purposes only.

<u>Year</u>	<u>Estimated Average Rate per KWH</u>
2006	2.31 cents
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2008	4.109 cents
2009	5.851 cents
2010	5.705 cents
2011	5.056 cents
2012	4.840 cents

NORTHWEST FLORIDA DIVISION
RATE SCHEDULE REN-2

STANDARD RATE FOR PURCHASE OF FIRM ENERGY FROM
RENEWABLE ENERGY PRODUCTION FACILITIES
(QUALIFYING FACILITIES)

Purpose

The purpose of this tariff is to promote the generation of firm power by qualifying facilities so that the Company can commit to the reduction by a specified amount of capacity of demand on its wholesale supplier's system thereby freeing an equivalent amount of capacity in the supplier. Through the QF's commitment to the Company and the Company's commitment to its supplier, the QF's generation capacity may be used by the supplier to defer additional generation plant, either in its system or in that of another generating utility in the state.

Availability

Available within the territory served by the Company in Jackson, Calhoun, and Liberty Counties.

Applicability

To any cogeneration or small power producing "qualifying facility" who contract with Company for the sale of firm energy and capacity and who meet the eligibility criteria set out in Rule 25-17.83(3)(a) of the Florida Public Service Commission.

Character of Service

Alternating current, 60 cycle, single phase or three phase at the options of the Company, at a specified interconnection point and voltage.

Limitations of Service

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Monthly Rate

1. Capacity Payments
 - A. Amount
Payments to QF for capacity to the Company:
Each KW of Billing Capacity - \$0.00
 - B. Basis of Payment
Payments to QF for capacity to the Company are based on the avoided demand (capacity) cost to the Company from its wholesale supplier if and when the QF's capacity does result in a reduction in the applicable month's billing demand.

NORTHWEST FLORIDA DIVISION
RATE SCHEDULE REN-2

STANDARD RATE FOR PURCHASE OF FIRM ENERGY FROM
RENEWABLE ENERGY PRODUCTION FACILITIES
(QUALIFYING FACILITIES)

Continued from Sheet No. 22

Special Provisions

1. It shall be the QF's responsibility to inform the Company in writing of any change in the QF's electric generating capacity.
2. The QF shall agree to maintain a seventy percent capacity factor for energy delivered on a 12-month rolling average basis. Failure to do so may disqualify the QF for capacity payments under this rate schedule.
3. Any electric service delivered by the Company to the QF shall be metered separately and billed under the rate schedule applicable to the Company's other customers with similar load characteristics. The terms and conditions of the Company's standard rate schedule applicable to the class of service shall pertain.
4. Service under this rate schedule is subject to the rules and regulations of the Company and the Florida Public Service Commission.

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2012	\$0.00	4.840 cents

NORTHEAST FLORIDA DIVISION
RATE SCHEDULE REN-1

STANDARD RATE FOR PURCHASE OF AS-AVAILABLE ENERGY FROM
RENEWABLE ENERGY PRODUCTION FACILITIES
(QUALIFYING FACILITIES)

Availability

Available within the territory served by the Company in Nassau County.

Applicability

To any cogeneration or small power producing "qualifying facility".

Character of Service

Alternating current, 60 cycle, single phase or three phase at the options of the Company, at a specified interconnection point and voltage.

Limitations of Service

The capacity rating of the QF's generator shall not exceed:

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Monthly Rate

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 - B. The actual fuel costs as defined above will be adjusted upward by a fixed percentage factor for avoided line losses (if any). Such factor will be determined by the Company for each QF based upon the locations of the QF on the Company's distribution system and the applicable voltage level.
 - C. The current base fuel cost in the energy rate of the Company's wholesale supplier is 4.774 cents per KWH.
 - D. Because the Company's avoided energy cost is based on the wholesale supplier's monthly average fuel cost for energy, the price per KWH is uniform without regard to time of day or system peak, and no variations in computing the amount to be paid is made on the basis of metering techniques.

NORTHEAST FLORIDA DIVISION
RATE SCHEDULE REN-1

STANDARD RATE FOR PURCHASE OF AS-AVAILABLE ENERGY FROM
RENEWABLE ENERGY PRODUCTION FACILITIES
(QUALIFYING FACILITIES)

Continued from Sheet No. 25

Estimated Future Rates

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<u>Year</u>	<u>Estimated Average Rate per KWH</u>
2006	1.95 cents
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2009	5.514 cents
2010	4.416 cents
2011	5.064 cents
2012	4.774 cents

NORTHEAST FLORIDA DIVISION
RATE SCHEDULE REN-2

STANDARD RATE FOR PURCHASE OF FIRM ENERGY FROM
RENEWABLE ENERGY PRODUCTION FACILITIES
(QUALIFYING FACILITIES)

Purpose

The purpose of this tariff is to promote the generation of firm power by qualifying facilities so that the Company can commit to the reduction by a specified amount of capacity of demand on its wholesale supplier's system thereby freeing an equivalent amount of capacity in the supplier. Through the QF's commitment to the Company and the Company's commitment to its supplier, the QF's generation capacity may be used by the supplier to defer additional generation plant, either in its system or in that of another generating utility in the state.

Availability

Available within the territory served by the Company in Nassau County.

Applicability

To any cogeneration or small power producing "qualifying facility" who contract with Company for the sale of firm energy and capacity and who meet the eligibility criteria set out in Rule 25-17.83(3)(a) of the Florida Public Service Commission.

Character of Service

Alternating current, 60 cycle, single phase or three phase at the options of the Company, at a specified interconnection point and voltage.

Limitations of Service

- The capacity rating of the QF's generator shall not exceed:
1. One-half of the Company's minimum requirements of the interconnected distribution circuit; or
 2. The thermal capacity of the connected distribution lines or transformers of the Company.

Monthly Rate

1. Capacity Payments
 - A. Amount
Payments to QF for capacity to the Company:
Each KW of Billing Capacity - \$11.38
 - B. Basis of Payment
Payments to QF for capacity to the Company are based on the avoided demand (capacity) cost to the Company from its wholesale supplier if and when the QF's capacity does result in a reduction in the applicable month's billing demand.

NORTHEAST FLORIDA DIVISION
RATE SCHEDULE REN-2

STANDARD RATE FOR PURCHASE OF FIRM ENERGY FROM
RENEWABLE ENERGY PRODUCTION FACILITIES
(QUALIFYING FACILITIES)

Continued from Sheet No. 28

Special Provisions

1. It shall be the QF's responsibility to inform the Company in writing of any change in the QF's electric generating capacity.
2. The QF shall agree to maintain a seventy percent capacity factor for energy delivered on a 12-month rolling average basis. Failure to do so may disqualify the QF for capacity payments under this rate schedule.
3. Any electric service delivered by the Company to the QF shall be metered separately and billed under the rate schedule applicable to the Company's other customers with similar load characteristics. The terms and conditions of the Company's standard rate schedule applicable to the class of service shall pertain.
4. Service under this rate schedule is subject to the rules and regulations of the Company and the Florida Public Service Commission.

Estimated Future Rates

The following are the currently estimates of the Company's future average rates for the purchase of firm capacity and energy from QF's. These are based on data of estimated capacity and fuel costs of the Company's wholesale supplier and are for informational purposes only.

<u>Year</u>	<u>Estimate Average Rate</u>	
	<u>Capacity</u> <u>\$ per KW</u>	<u>Energy</u> <u>cents per KWH</u>
2006	\$6.00	1.95 cents
2007	\$7.00	2.474 cents
2008	\$7.00	4.014 cents
2009	\$8.91	5.514 cents
2010	\$10.67	4.416 cents
2011	\$11.38	5.064 cents
2012	\$11.38	4.774 cents

Issued by: Jeffrey Householder, President

Effective: