

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 120001-EI
CONTINUING SURVEILLANCE AND REVIEW OF
FUEL COST RECOVERY CLAUSES OF ELECTRIC UTILITIES

Direct Testimony of
Curtis D. Young
(Revised Actual/Estimated True-Up)
On Behalf of
Florida Public Utilities

1 Q. Please state your name and business address.
2 A. Curtis D. Young, 1641 Worthington Road Suite 220, West Palm Beach, FL
3 33409.

4 Q. By whom and in what capacity are you employed?
5 A. I am employed by Florida Public Utilities as Senior Regulatory Analyst.

6 Q. Have you previously testified in this Docket?
7 A. Yes.

8 Q. What is the purpose of your testimony at this time?
9 A. I will briefly describe the basis for the Company's computations that were
10 made in preparation of the revised schedules that have been submitted to
11 support the calculation of the levelized fuel adjustment factor for January
12 2013 – December 2013.

Q. Were the schedules filed by the Company completed by you or under your
direction?

A. Yes.

Q. Which of the Staff's set of schedules has the Company completed and filed?

COM	5
AFD	135
APA	1
ECO	141
ENG	1
GCL	151
IDM	
TEL	16
CLK	(+ Rep - 1)

DOCUMENT NUMBER - DATE

05933 AUG 30 2012

FPSC-COMMISSION CLERK

1 A. The Company has filed revised Schedules E1-A, E1-B, and E1-B1 for the
2 Northwest Division. They are included in Revised Composite Exhibit Number
3 CDY-2. Schedule E1-B shows the Calculation of Purchased Power Costs and
4 Calculation of True-Up and Interest Provision for the period January 2012 –
5 December 2012 based on 6 Months Actual and 6 Months Estimated data.

6 Q. What has prompted these revisions to Schedules E1-A, E1-B, and E1-B1 for
7 the Company's Northwest Division?

8 A. By Order PSC-12-0342-PCO-EI, issued July 2, 2012, the Commission granted
9 Gulf Power a mid-course reduction to Gulf Power's fuel factors for the
10 remaining months of 2012. Florida Public Utilities Company's Northwest
11 Division has experienced savings as a result of Gulf Power's reduced fuel
12 factors, necessitating a downward adjustment to the Company's
13 Actual/Estimated True Up.

14 Q. What is the final remaining true-up amount for the period January 2011 –
15 December 2011 for the Northwest division?

16 A. In the Northwest Division, the final remaining true-up amount was an under-
17 recovery of \$1,316,601.

18 Q. What is the estimated true-up amount for the period January 2012 – December
19 2012?

20 A. In the Northwest Division, there is an estimated under-recovery of \$187,139.

21 Q. What is the total true-up amount to be collected or refunded during January
22 2013 – December 2013?

1 A. The Company has determined that at the end of December 2012, based on six
2 months actual and six months estimated, the Company will under-recover
3 \$1,503,740 in purchased power costs in the Northwest Division.

4 Q. Has the Company included any additional Schedules for consideration and
5 possible approval in this Docket?

6 A. Yes, the Company has also prepared and included a set of additional
7 Schedules in Composite Exhibit Number CDY-3 for its Northwest Division
8 only.

9 Q. For what purpose were these additional Schedules in Composite Exhibit
10 Number CDY-3 being included?

11 A. The Schedules herein for the Northwest Division Composite Exhibit Number
12 CDY-3 were prepared in light of the City of Marianna's ("City") appeal, filed
13 with Florida Supreme Court, of the Commission's Order(s) approving
14 Amendment 1 to the Company's Purchased Power Agreement (PPA) with
15 Gulf Power, PAA Order PSC-11-0269-PAA-EI, Order PSC-12-0056-FOF-EI,
16 and Order PSC-12-0081-CO-EI. The Amendment reduces the monthly KW
17 Peak Demand level and resultant costs while extending the Gulf Power
18 Contract for two additional years. Because the status of the Amendment
19 remains uncertain due to the City's appeal, Gulf Power is currently billing the
20 Company at the original calculated Demand level until the Supreme Court has
21 ruled on the City's appeal of the Commission's Order, or the matter is
22 otherwise resolved in a manner that affirms and preserves the Amendment.

1 The City's appeal of the Commission's Order disputes the benefits of the
2 Amendment and its prudence for purposes of cost recovery. The City's appeal
3 is also integrally tied to the City's separate appeal of the Commission's
4 Order(s)(Order PSC-11-0112-TRF-EI, Order PSC 11-0290-FOF-EI, and Order
5 PSC-12-0066-FOF-EI) approving the Company's implemented TOU and
6 Interruptible Service rates, which are supported by the significant demand
7 savings produced by the PPA with Gulf Power Company. The Schedules for
8 Northwest Division Composite Exhibit Number CDY-3 present the
9 Company's calculations of its fuel cost true-up amount to be used in its 2013
10 fuel cost recovery factors based on the contingency that the PPA is ultimately
11 reinstated before the hearing date in November 2012.

12 Q. Please advise what would be the total true-up amount to be collected or
13 refunded during January 2013 – December 2013 based on the Company's
14 calculations within the Schedules for Northwest Division Composite Exhibit
15 Number CDY-3?

16 A. The Company has determined that at the end of December 2012, based on six
17 months actual and six months estimated, the Company will over-recover
18 \$3,248 in purchased power costs in the Northwest Division to be refunded
19 during January 2013 – December 2013.

20 Q. What is the Company requesting with respect to this alternative set of
21 Schedules and related fuel true-up calculations for its Northwest division?

22 A. The Company requests that the Commission review and consider these

1 schedules for contingency approval if the legal proceedings regarding the
2 Amendment to the Company's PPA with Gulf Power are resolved such that
3 the Gulf Power contract, inclusive of the Amendment No. 1, is reinstated as of
4 the original effective date of the Amendment. In addition, if the resolution of
5 the referenced legal proceedings occurs after the hearing date in the Docket,
6 but in the first half of 2013, the Company requests that the Commission
7 consider these true-up amounts for purposes of a midcourse correction for the
8 reduction of the rates to its customers in the Northwest Division, including the
9 customers within the city limits of Marianna, to be immediately implemented
10 upon notice provided by the Company to the Commission of the Court's
11 reinstatement of Amendment No. 1 as of the original effective date.

12 Q. Does this conclude your testimony?

13 A. Yes.

Revised
Exhibit No. CDY-2_____

To the Direct Testimony

Of

Curtis D. Young

On behalf of
Florida Public Utilities Company

SCHEDULE E1-A

FLORIDA PUBLIC UTILITIES COMPANY
CALCULATION OF TRUE-UP SURCHARGE
APPLICABLE TO LEVELIZED FUEL ADJUSTMENT PERIOD - **without Gulf Power Amendment 1**
JANUARY 2012 - DECEMBER 2012
BASED ON SIX MONTHS ACTUAL AND SIX MONTHS ESTIMATED

Northwest Florida Division

Under-recovery of purchased power costs for the period
January 2012 - December 2012. (See Schedule E1-B, Calculation
of Estimated Purchased Power Costs and Calculation of True-
Up and Interest Provision for the Twelve Month Period ended
December 2012)(Estimated)

\$ (1,503,740)

FLORIDA PUBLIC UTILITIES COMPANY
 CALCULATION OF PURCHASED POWER COSTS AND CALCULATION OF TRUE-UP AND INTEREST PROVISION - without Gulf Power Amendment 1
 ACTUAL/ESTIMATED FOR THE PERIOD: JANUARY 2012 - DECEMBER 2012
 BASED ON SIX MONTHS ACTUAL AND SIX MONTHS ESTIMATED

Schedule E1-B

MARIANNA DIVISION

	ACTUAL JANUARY 2012	ACTUAL FEBRUARY 2012	ACTUAL MARCH 2012	ACTUAL APRIL 2012	ACTUAL MAY 2012	ACTUAL JUNE 2012	Estimated JULY 2012	Estimated AUGUST 2012	Estimated SEPTEMBER 2012	Estimated OCTOBER 2012	Estimated NOVEMBER 2012	Estimated DECEMBER 2012	Total	
Total System Sales - KWH	24,570,022	20,870,527	21,438,280	20,821,645	21,734,442	25,872,164	31,577,000	32,181,000	30,842,000	28,381,000	23,568,000	25,861,000	307,717,080	
Total System Purchases - KWH	25,334,508	22,472,613	23,052,445	22,576,393	27,942,808	28,825,730	31,333,192	31,264,804	29,804,083	27,212,825	22,630,754	24,992,271	317,442,426	
System Billing Demand - KWH	97,944	97,944	97,944	97,944	97,944	97,944	97,944	97,944	97,944	97,944	97,944	97,944	1,175,328	
Peak Billing Demand-KW	60,722	59,442	58,004	58,567	58,634	59,278	60,900	60,900	60,900	60,900	60,900	60,900	720,047	
Purchased Power Rates:														
Energy/Environmental - \$/KWH	0.06078	0.06078	0.06078	0.06078	0.06078	0.06078	0.05328	0.05328	0.05328	0.05328	0.05328	0.05328		
Demand and Non-Fuel														
Capacity Charge - \$/KWH	9.00000	9.00000	9.00000	9.00000	9.00000	9.00000	9.00000	9.00000	9.00000	9.00000	9.00000	9.00000		
Transmission and Interconnection - \$/KWH	2.43707	2.43707	2.43707	2.43707	2.43707	2.43707	2.35199	2.35199	2.35199	2.35199	2.35199	2.35199		
Distribution Charge	39.736	39.736	39.736	39.736	39.736	39.736	39.736	39.736	39.736	39.736	39.736	39.736	476.832	
Purchased Power Costs:														
Base Fuel Costs	1,580,936	1,402,346	1,438,529	1,408,823	1,743,700	1,798,797	1,713,996	1,710,255	1,630,351	1,488,603	1,237,953	1,367,134	18,521,423	
Subtotal Fuel Costs	1,580,936	1,402,346	1,438,529	1,408,823	1,743,700	1,798,797	1,713,996	1,710,255	1,630,351	1,488,603	1,237,953	1,367,134	18,521,423	
Demand and Non-Fuel Costs:														
Capacity Charge	881,496	881,496	881,496	881,496	1,637,541	881,496	881,496	881,496	881,496	881,496	881,496	881,496	11,333,997	
Transmission and Interconnection	147,984	144,864	141,360	142,732	142,895	144,465	(33,058)	143,236	143,236	143,236	143,236	143,236	1,547,422	
Distribution Facilities Charge (incl. FERC lit chrg)	41,636	41,649	36,702	41,476	41,836	41,845	42,549	42,544	42,420	42,202	41,773	41,972	498,604	
Meter Reading and Processing Charge	775	775	775	775	775	775	775	775	775	775	775	775	9,300	
Subtotal Demand & Non-Fuel Costs	1,071,891	1,068,784	1,060,333	1,066,479	1,823,047	1,068,581	891,762	1,068,051	1,067,927	1,067,709	1,067,280	1,067,479	13,389,323	
Total System Purchased Power Costs	2,652,827	2,471,130	2,498,862	2,475,302	3,566,747	2,867,378	2,605,758	2,778,306	2,698,278	2,556,312	2,305,233	2,434,613	31,910,746	
Special Costs	375	12,039	(1,967)	9,751	14,906	9,630	6,000	6,000	6,000	6,000	6,000	6,000	80,734	
Total Costs and Charges	2,653,202	2,483,169	2,496,895	2,485,053	3,581,653	2,877,008	2,611,758	2,784,306	2,704,278	2,562,312	2,311,233	2,440,613	31,991,480	
Sales Revenues - Fuel Adjustment Revenues.														
Residential<	0.10300	0.09847	779,890	728,109	698,104	630,001	647,485	732,728	747,577	809,416	749,251	725,422	8,558,016	
Residential>	0.11299	0.10846	379,913	211,676	171,515	128,238	168,079	333,926	572,679	682,551	643,179	454,781	4,563,797	
Commercial, Small	0.10298	0.09847	232,599	199,047	199,209	203,666	203,286	244,543	299,641	282,212	265,457	204,225	2,797,689	
Commercial, Large	0.09796	0.09345	616,059	536,445	585,789	571,303	590,144	711,955	866,120	828,739	816,683	791,171	8,211,064	
Industrial	0.09436	0.08989	439,728	385,851	425,072	437,153	426,166	432,030	536,435	495,358	488,796	481,785	5,417,924	
Outside Lighting Private	0.08049	0.07614	25,289	25,559	25,339	24,971	24,462	24,417	25,201	24,972	24,744	24,820	299,414	
Street Lighting-Public	0.08072	0.07636	7,593	7,891	8,402	8,218	8,098	8,098	7,254	7,254	7,177	7,254	91,747	
Unbilled Fuel Revenues			(337,464)	96,625	(13,487)	22,007	299,752	12,448					220,000	
Total Fuel Revenues	2,143,607	2,191,203	2,099,943	2,025,557	2,367,472	2,500,145	3,054,907	3,130,502	2,996,364	2,738,736	2,268,053	2,723,043	30,239,532	
Non-Fuel Revenues	930,406	842,146	843,308	805,160	829,311	937,210	1,242,985	1,184,091	1,143,328	1,070,364	948,047	1,014,257	11,790,613	
Total Sales Revenue	3,074,013	3,033,349	2,943,251	2,830,717	3,196,783	3,437,355	4,297,892	4,314,593	4,139,692	3,809,100	3,216,100	3,737,300	42,030,145	
KWH Sales:														
Residential<	RS	7,571,044	7,068,654	6,853,197	6,308,580	6,574,583	7,440,088	7,592,000	8,220,000	7,609,000	7,367,000	5,919,000	7,385,000	85,908,146
Residential>	RS	3,364,093	1,874,589	1,530,566	1,181,586	1,551,177	3,080,852	5,280,000	6,293,000	5,930,000	4,193,000	3,332,000	4,203,000	41,813,863
Commercial, Small	GS	2,258,787	1,932,949	1,955,831	2,046,353	2,064,621	2,483,452	3,043,000	2,866,000	2,706,000	2,576,000	2,074,000	2,124,000	28,130,993
Commercial, Large	GSD	6,305,451	5,488,146	6,095,240	6,069,594	6,377,443	7,634,371	9,268,000	8,868,000	8,739,000	8,466,000	6,979,000	6,896,000	87,186,245
Industrial	GSLD	4,660,008	4,089,048	4,579,376	4,785,056	4,741,224	4,806,464	5,968,000	5,511,000	5,438,000	5,360,000	4,843,000	4,831,000	59,612,176
Outside Lighting Private	OL,OL-2	316,557	319,375	318,508	324,418	319,336	320,879	331,000	328,000	325,000	325,000	326,000	327,000	3,881,073
Street Lighting-Public	SL-1, 2, 3	94,082	97,766	105,562	106,058	106,058	106,058	95,000	95,000	95,000	94,000	95,000	95,000	1,184,584
Total KWH Sales		24,570,022	20,870,527	21,438,280	20,821,645	21,734,442	25,872,164	31,577,000	32,181,000	30,842,000	28,381,000	23,568,000	25,861,000	307,717,080
True-up Calculation:													to Date	
Fuel Revenues		2,143,607	2,191,203	2,099,943	2,025,557	2,367,472	2,500,145	3,054,907	3,130,502	2,996,364	2,738,736	2,268,053	2,723,043	30,239,532
True-up Provision for the Period - collect/(refund)		(130,649)	(130,649)	(130,649)	(130,649)	(130,649)	(130,649)	(130,649)	(130,649)	(130,649)	(130,649)	(130,649)	(130,649)	(1,567,788)
Gross Receipts Tax Refund		0	0	0	0	0	0	0	0	0	0	0	0	0
Fuel Revenue		2,274,256	2,321,852	2,230,592	2,156,206	2,498,121	2,630,794	3,185,556	3,261,151	3,127,013	2,869,385	2,398,702	2,853,692	31,807,320
Total Purchased Power Costs		2,653,202	2,483,169	2,496,895	2,485,053	3,581,653	2,877,008	2,611,758	2,784,306	2,704,278	2,562,312	2,311,233	2,440,613	31,991,480
True-up Provision for the Period		(378,946)	(161,317)	(266,303)	(328,847)	(1,083,532)	(246,214)	573,798	476,845	422,735	307,073	87,469	413,079	(184,160)
Interest Provision for the Period		0	(36)	(75)	(118)	(209)	(317)	(647)	(555)	(481)	(426)	(411)	(383)	(3,658)
True-up and Interest Provision														
Beginning of Period		251,866	(257,729)	(549,731)	(946,758)	(1,406,372)	(2,620,762)	(2,997,942)	(2,555,440)	(2,209,799)	(1,918,194)	(1,742,196)	(1,785,787)	251,866
True-up Collected or (Refunded)		(130,649)	(130,649)	(130,649)	(130,649)	(130,649)	(130,649)	(130,649)	(130,649)	(130,649)	(130,649)	(130,649)	(130,649)	(1,567,788)
End of Period, Net True-up		(257,729)	(549,731)	(946,758)	(1,406,372)	(2,620,762)	(2,997,942)	(2,555,440)	(2,209,799)	(1,918,194)	(1,742,196)	(1,785,787)	(1,503,740)	-4,714
10% Rule - Interest Provision:														-4,714
Beginning True-up Amount		251,866	(257,729)	(549,731)	(946,758)	(1,406,372)	(2,620,762)	(2,997,942)	(2,555,440)	(2,209,799)	(1,918,194)	(1,742,196)	(1,785,787)	
Ending True-up Amount Before Interest		(257,729)	(549,695)	(946,683)	(1,406,254)	(2,620,553)	(2,997,625)	(2,554,793)	(2,209,244)	(1,917,713)	(1,741,770)	(1,785,376)	(1,503,357)	
Total Beginning and Ending True-up		(5,863)	(807,424)	(1,496,413)	(2,353,012)	(4,026,924)	(5,618,386)	(5,552,734)	(4,764,683)	(4,127,511)	(3,659,963)	(3,527,571)	(3,289,143)	
Average True-up Amount		(2,932)	(403,712)	(748,207)	(1,176,506)	(2,013,462)	(2,809,193)	(2,776,367)	(2,382,342)	(2,063,756)	(1,829,982)	(1,763,786)	(1,644,572)	
Average Annual Interest Rate		0.06504%	0.1050%	0.1200%	0.1200%	0.1250%	0.1350%	0.2800%	0.2800%	0.2800%	0.2800%	0.2800%	0.2800%	
Monthly Average Interest Rate		0.0054%	0.0088%	0.0100%	0.0100%	0.0104%	0.0113%	0.0233%	0.0233%	0.0233%	0.0233%	0.0233%	0.0233%	
Interest Provision		0	(36)	(75)	(118)	(209)	(317)	(647)	(555)	(481)	(426)	(411)	(383)	

Exhibit No
 DOCKET NO. 120001-EI
 Florida Public Utilities Company
 (CDY-2) revised
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FLORIDA PUBLIC UTILITIES COMPANY
MARIANNA DIVISION
 COMPARISON OF ESTIMATED/ACTUAL VERSUS ORIGINAL PROJECTIONS
 OF THE FUEL AND PURCHASED POWER COST RECOVERY FACTOR - without Gulf Power Amendment 1
 FOR THE PERIOD JANUARY 2012 - DECEMBER 2012

SCHEDULE E1-B1

	DOLLARS				MWH				CENTS/KWH			
	ESTIMATED/ ACTUAL	ESTIMATED/ ORIGINAL	DIFFERENCE AMOUNT	%	ESTIMATED/ ACTUAL	ESTIMATED/ ORIGINAL	DIFFERENCE AMOUNT	%	ESTIMATED/ ACTUAL	ESTIMATED/ ORIGINAL	DIFFERENCE AMOUNT	%
1 Fuel Cost of System Net Generation (A3)					0	0	0	0.0%	0.00000	0.00000	0.00000	0.0%
2 Nuclear Fuel Disposal Cost												
3 Coal Car Investment												
4 Adjustments to Fuel Cost (A2, Page 1)												
5 TOTAL COST OF GENERATED POWER	0	0	0	0.0%	0	0	0	0.0%	0.00000	0.00000	0.00000	0.0%
6 Fuel Cost of Purchased Power (Exclusive of Economy) (A7)	18,521,423	21,114,334	(2,592,911)	-12.3%	317,442	338,357	(20,915)	-6.2%	5.83458	6.24025	(0.40567)	-6.5%
7 Energy Cost of Sched C & X Econ Purch (Broker)(A9)												
8 Energy Cost of Other Econ Purch (Non-Broker)(A9)												
9 Energy Cost of Sched E Economy Purch (A9)												
10 Demand and Non Fuel Cost of Purchased Power (A9)	13,389,323	12,152,949	1,236,374	10.2%	317,442	338,357	(20,915)	-6.2%	4.21788	3.59175	0.62613	17.4%
11 Energy Payments to Qualifying Facilities (A8a)												
12 TOTAL COST OF PURCHASED POWER	31,910,746	33,267,283	(1,356,537)	-4.1%	317,442	338,357	(20,915)	-6.2%	10.05247	9.83201	0.22046	2.2%
13 TOTAL AVAILABLE MWH (LINE 5 + LINE 12)					317,442	338,357	(20,915)	-6.2%				
14 Fuel Cost of Economy Sales (A6)												
15 Gain on Economy Sales (A6)												
16 Fuel Cost of Unit Power Sales (SL2 Partps)(A6)												
17 Other Fuel Related Costs	80,734	72,000										
18 TOTAL FUEL COST AND GAINS OF POWER SALES (LINE 14 + 15 + 16 + 17)	80,734	72,000	8,734	12.1%	0	0	0	0.0%	0.00000	0.00000	0.00000	0.0%
19 NET INADVERTENT INTERCHANGE												
20 TOTAL FUEL AND NET POWER TRANSACTIONS (LINES 5 + 12 + 18 + 19)	31,991,480	33,339,283	(1,347,803)	-4.0%	317,442	338,357	(20,915)	-6.2%	10.07790	9.85329	0.22461	2.3%
21 Net Unbilled Sales	0	0	0	0.0%	0	0	0	0.0%	0.00000	0.00000	0.00000	0.0%
22 Company Use	20,861	21,086	(225)	-1.1%	207	214	(7)	-3.3%	0.00678	0.00649	0.00029	4.5%
23 T & D Losses	959,215	1,316,400	(357,185)	-27.1%	9,518	13,360	(3,842)	-28.8%	0.31172	0.40532	(0.09360)	-23.1%
24 SYSTEM KWH SALES	31,991,480	33,339,283	(1,347,803)	-4.0%	307,717	324,783	(17,066)	-5.3%	10.39640	10.26510	0.13130	1.3%
25 Wholesale KWH Sales												
26 Jurisdictional KWH Sales	31,991,480	33,339,283	(1,347,803)	-4.0%	307,717	324,783	(17,066)	-5.3%	10.39640	10.26510	0.13130	1.3%
26a Jurisdictional Loss Multiplier	1.000	1.000	0.000	0.0%	1.000	1.000	0.000	0.0%	1.000	1.000	0.00000	0.0%
27 Jurisdictional KWH Sales Adjusted for Line Losses	31,991,480	33,339,283	(1,347,803)	-4.0%	307,717	324,783	(17,066)	-5.3%	10.39640	10.26510	0.13130	1.3%
28 GPIF**												
29 TRUE-UP**	(1,567,788)	(1,567,788)	0	0.0%	307,717	324,783	(17,066)	-5.3%	(0.50949)	(0.48272)	(0.02677)	5.6%
30 TOTAL JURISDICTIONAL FUEL COST	30,423,692	31,771,495	(1,347,803)	-4.2%	307,717	324,783	(17,066)	-5.3%	9.88691	9.78238	0.10453	1.1%
31 Revenue Tax Factor									1.00072	1.00072	0.00000	0.0%
32 Fuel Factor Adjusted for Taxes									9.89403	9.78942	0.10461	1.1%
33 FUEL FAC ROUNDED TO NEAREST .001 (CENTS/KWH)									9.894	9.789	0.105	1.1%

*Included for Informational Purposes Only
 **Calculation Based on Jurisdictional KWH Sales

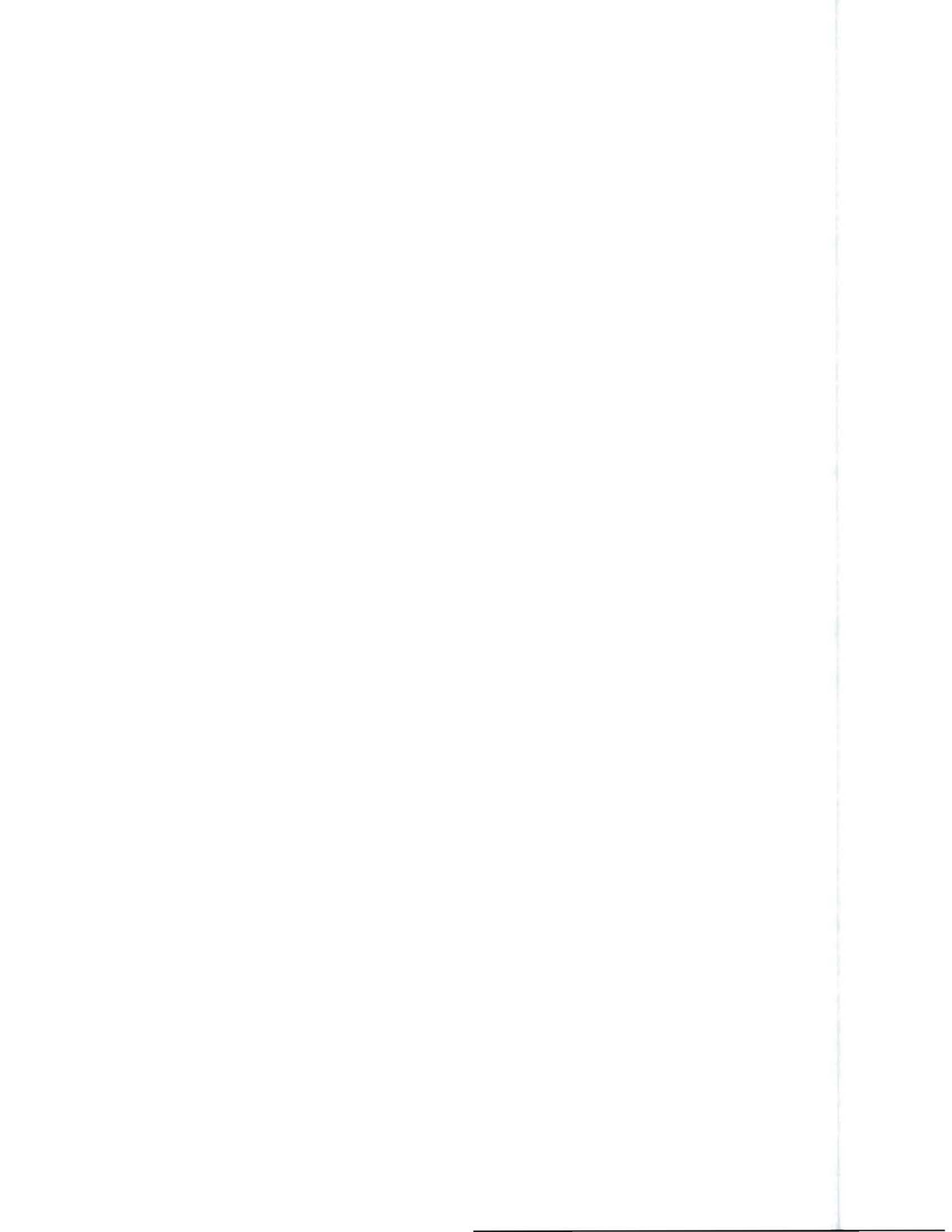


Exhibit No. CDY-3 _____

To the Direct Testimony

Of

Curtis D. Young

On behalf of
Florida Public Utilities Company

SCHEDULE E1-A

FLORIDA PUBLIC UTILITIES COMPANY
CALCULATION OF TRUE-UP SURCHARGE
APPLICABLE TO LEVELIZED FUEL ADJUSTMENT PERIOD - **with Gulf Power Amendment 1**
JANUARY 2012 - DECEMBER 2012
BASED ON SIX MONTHS ACTUAL AND SIX MONTHS ESTIMATED

Northwest Florida Division

Over-recovery of purchased power costs for the period
January 2012 - December 2012. (See Schedule E1-B, Calculation
of Estimated Purchased Power Costs and Calculation of True-
Up and Interest Provision for the Twelve Month Period ended
December 2012)(Estimated)

\$ 3,248

FLORIDA PUBLIC UTILITIES COMPANY
CALCULATION OF PURCHASED POWER COSTS AND CALCULATION OF TRUE-UP AND INTEREST PROVISION - with Gulf Power Amendment 1
ACTUAL/ESTIMATED FOR THE PERIOD: JANUARY 2012 - DECEMBER 2012
BASED ON SIX MONTHS ACTUAL AND SIX MONTHS ESTIMATED

Schedule E1-B

NORTHWEST FLORIDA DIVISION

	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Total
	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	
	2012	2012	2012	2012	2012	2012	2012	2012	2012	2012	2012	2012	
Total System Sales - KWH	24,570,022	20,870,527	21,438,280	20,821,645	21,734,442	25,872,164	31,577,000	32,181,000	30,842,000	28,381,000	23,568,000	25,861,000	307,717,080
Total System Purchases - KWH	25,334,508	22,472,613	23,052,445	22,576,393	27,942,808	28,825,730	31,333,192	31,264,804	29,804,083	27,212,825	22,630,754	24,992,271	317,442,426
System Billing Demand - KW	97,944	97,944	97,944	97,944	97,944	97,944	97,944	97,944	97,944	97,944	97,944	97,944	1,175,328
Peak Billing Demand-KW	60,722	59,442	58,004	58,567	58,634	59,278	60,900	60,900	60,900	60,900	60,900	60,900	720,047
Purchased Power Rates:													
Energy/Environmental - \$/KWH	0.06078	0.06078	0.06078	0.06078	0.06078	0.06078	0.05328	0.05328	0.05328	0.05328	0.05328	0.05328	
Demand and Non-Fuel-													
Capacity Charge - \$/KWH	9.00000	9.00000	9.00000	9.00000	9.00000	9.00000	9.00000	9.00000	9.00000	9.00000	9.00000	9.00000	
Transmission and Interconnection - \$/KWH	2.43707	2.43707	2.43707	2.43707	2.43707	2.43707	2.35199	2.35199	2.35199	2.35199	2.35199	2.35199	
Distribution Charge	39.736	39.736	39.736	39.736	39.736	39.736	39.736	39.736	39.736	39.736	39.736	39.736	476,832
Purchased Power Costs:													
Base Fuel Costs	1,580,936	1,402,346	1,438,529	1,408,823	1,743,700	1,798,797	1,713,996	1,710,255	1,630,351	1,488,603	1,237,953	1,367,134	18,521,423
Subtotal Fuel Costs	1,580,936	1,402,346	1,438,529	1,408,823	1,743,700	1,798,797	1,713,996	1,710,255	1,630,351	1,488,603	1,237,953	1,367,134	18,521,423
Demand and Non-Fuel Costs:													
Capacity Charge	881,496	881,496	881,496	881,496	1,637,541	881,496	881,496	881,496	881,496	881,496	881,496	881,496	(625,317)
Transmission and Interconnection	147,984	144,864	141,360	142,732	142,895	144,465	(33,058)	143,236	143,236	143,236	143,236	143,236	1,547,184
Distribution Facilities Charge (incl. FERC Vt chrg)	41,636	41,649	36,702	41,476	41,836	41,845	42,549	42,544	42,420	42,202	41,773	41,972	498,604
Meter Reading and Processing Charge	775	775	775	775	775	775	775	775	775	775	775	775	9,300
Subtotal Demand & Non-Fuel Costs	1,071,891	1,068,784	1,060,333	1,066,479	1,823,047	1,068,581	891,762	1,068,051	1,067,927	1,067,709	1,067,280	(439,334)	11,882,510
Total System Purchased Power Costs	2,652,827	2,471,130	2,498,862	2,475,302	3,566,747	2,867,378	2,605,758	2,778,306	2,698,278	2,556,312	2,305,233	927,800	30,403,933
Special Costs	375	12,039	(1,967)	9,751	14,906	9,630	6,000	6,000	6,000	6,000	6,000	6,000	80,734
Total Costs and Charges	2,653,202	2,483,169	2,496,895	2,485,053	3,581,653	2,877,008	2,611,758	2,784,306	2,704,278	2,562,312	2,311,233	933,800	30,484,667
Sales Revenues - Fuel Adjustment Revenues:													
Residential< 0.10300 0.09847	779,890	728,109	698,104	630,001	647,485	732,728	747,577	809,416	749,251	725,422	582,839	727,194	8,558,016
Residential> 0.11299 0.10846	379,913	211,676	171,515	128,238	168,079	333,926	572,679	682,551	643,179	454,781	361,395	455,865	4,563,797
Commercial, Small 0.10298 0.09847	232,599	199,047	199,209	203,666	203,286	244,543	299,641	282,212	266,457	253,656	204,225	209,148	2,797,689
Commercial, Large 0.09796 0.09345	616,059	536,445	585,789	571,303	590,144	711,955	866,120	828,739	816,683	791,171	652,206	644,450	8,211,064
Industrial 0.09436 0.08989	439,728	385,851	425,072	437,153	426,166	432,030	536,345	495,358	488,796	481,785	435,314	434,236	5,417,924
Outside Lighting Private 0.08049 0.07614	25,289	25,559	25,339	24,971	24,462	24,417	25,201	24,972	24,744	24,820	24,820	24,896	299,414
Street Lighting-Public 0.08072 0.07636	7,593	7,891	8,402	8,218	8,098	8,098	7,254	7,254	7,254	7,177	7,254	7,254	91,747
Unbilled Fuel Revenues (337,464)	96,625	(13,487)	22,007	299,752	12,448								220,000
Total Fuel Revenues	2,143,607	2,191,203	2,099,943	2,025,557	2,367,472	2,500,145	3,054,907	3,130,502	2,996,364	2,738,736	2,268,053	2,723,043	30,239,532
Non-Fuel Revenues	930,406	842,146	843,308	805,160	829,311	937,210	1,242,985	1,184,091	1,143,328	1,070,364	948,047	1,014,257	11,790,613
Total Sales Revenue	3,074,013	3,033,349	2,943,251	2,830,717	3,196,783	3,437,355	4,297,892	4,314,593	4,139,692	3,809,100	3,216,100	3,737,300	42,030,145
KWH Sales:													
Residential< RS	7,571,044	7,068,654	6,853,197	6,308,580	6,574,583	7,440,088	7,592,000	8,220,000	7,609,000	7,367,000	5,919,000	7,385,000	85,908,146
Residential> RS	3,364,093	1,874,589	1,530,566	1,181,586	1,551,177	3,080,852	5,280,000	6,293,000	4,193,000	3,332,000	4,203,000	4,181,863	41,813,863
Commercial, Small GS	2,258,787	1,932,949	1,955,831	2,046,353	2,064,621	2,483,452	3,043,000	2,866,000	2,706,000	2,576,000	2,074,000	2,124,000	28,130,993
Commercial, Large GSD	6,305,451	5,488,146	6,095,240	6,069,594	6,377,443	7,634,371	9,268,000	8,868,000	8,739,000	8,466,000	6,979,000	6,896,000	87,186,245
Industrial GSLD	4,660,008	4,089,048	4,579,376	4,785,056	4,741,224	4,806,464	5,968,000	5,511,000	5,438,000	5,360,000	4,843,000	4,831,000	59,612,176
Outside Lighting-Private OL-OL-2	316,557	319,375	318,508	324,418	319,336	320,879	331,000	328,000	325,000	325,000	326,000	327,000	3,881,073
Street Lighting-Public SL-1, 2, 3	94,082	97,766	105,562	106,058	106,058	106,058	95,000	95,000	95,000	94,000	95,000	95,000	1,184,584
Total KWH Sales	24,570,022	20,870,527	21,438,280	20,821,645	21,734,442	25,872,164	31,577,000	32,181,000	30,842,000	28,381,000	23,568,000	25,861,000	307,717,080
True-up Calculation:													to Date
Fuel Revenues	2,143,607	2,191,203	2,099,943	2,025,557	2,367,472	2,500,145	3,054,907	3,130,502	2,996,364	2,738,736	2,268,053	2,723,043	30,239,532
True-up Provision for the Period - collect/(refund)	(130,649)	(130,649)	(130,649)	(130,649)	(130,649)	(130,649)	(130,649)	(130,649)	(130,649)	(130,649)	(130,649)	(130,649)	(1,567,788)
Gross Receipts Tax Refund	0	0	0	0	0	0	0	0	0	0	0	0	0
Fuel Revenue	2,274,256	2,321,852	2,230,592	2,156,206	2,498,121	2,630,794	3,185,556	3,261,151	3,127,013	2,869,385	2,398,702	2,853,692	31,807,320
Total Purchased Power Costs	2,653,202	2,483,169	2,496,895	2,485,053	3,581,653	2,877,008	2,611,758	2,784,306	2,704,278	2,562,312	2,311,233	933,800	30,484,667
True-up Provision for the Period (378,946)	(161,317)	(266,303)	(328,847)	(1,083,532)	(246,214)	(573,798)	(476,845)	(422,735)	(307,073)	(87,469)	1,919,892	1,322,653	
Interest Provision for the Period	0	(36)	(75)	(118)	(209)	(317)	(647)	(555)	(481)	(426)	(411)	(208)	(3,483)
True-up and Interest Provision													
Beginning of Period	251,866	(257,729)	(549,731)	(946,758)	(1,406,372)	(2,620,762)	(2,997,942)	(2,555,440)	(2,209,799)	(1,918,194)	(1,742,196)	(1,785,787)	251,866
True-up Collected or (Refunded)	(130,649)	(130,649)	(130,649)	(130,649)	(130,649)	(130,649)	(130,649)	(130,649)	(130,649)	(130,649)	(130,649)	(130,649)	(1,567,788)
End of Period, Net True-up	(257,729)	(549,731)	(946,758)	(1,406,372)	(2,620,762)	(2,997,942)	(2,555,440)	(2,209,799)	(1,918,194)	(1,742,196)	(1,785,787)	3,248	3,248
10% Rule - Interest Provision:													0.01%
Beginning True-up Amount	251,866	(257,729)	(549,731)	(946,758)	(1,406,372)	(2,620,762)	(2,997,942)	(2,555,440)	(2,209,799)	(1,918,194)	(1,742,196)	(1,785,787)	
Ending True-up Amount Before Interest	(257,729)	(549,695)	(946,683)	(1,406,254)	(2,620,553)	(2,997,625)	(2,554,793)	(2,209,244)	(1,917,713)	(1,741,770)	(1,785,376)	3,456	
Total Beginning and Ending True-up	(5,863)	(807,424)	(1,496,413)	(2,353,012)	(4,026,924)	(5,618,386)	(5,552,734)	(4,764,683)	(4,127,511)	(3,659,963)	(3,527,571)	(1,782,330)	
Average True-up Amount	(2,932)	(403,712)	(748,207)	(1,176,506)	(2,013,462)	(2,809,193)	(2,776,367)	(2,382,342)	(2,063,756)	(1,829,982)	(1,763,786)	(891,165)	
Average Annual Interest Rate	0.0650%	0.1050%	0.1200%	0.1200%	0.1250%	0.1350%	0.2800%	0.2800%	0.2800%	0.2800%	0.2800%	0.2800%	
Monthly Average Interest Rate	0.0054%	0.0088%	0.0100%	0.0100%	0.0104%	0.0113%	0.0233%	0.0233%	0.0233%	0.0233%	0.0233%	0.0233%	
Interest Provision	0	(36)	(75)	(118)	(209)	(317)	(647)	(555)	(481)	(426)	(411)	(208)	

Exhibit No. _____
 DOCKET NO. 120001-EI
 Florida Public Utilities Company
 (CDY-3)
 Page 2 of 3

FLORIDA PUBLIC UTILITIES COMPANY

SCHEDULE E1-B1

NORTHWEST FLORIDA DIVISION
 COMPARISON OF ESTIMATED/ACTUAL VERSUS ORIGINAL PROJECTIONS
 OF THE FUEL AND PURCHASED POWER COST RECOVERY FACTOR - with Gulf Power Amendment 1
 FOR THE PERIOD JANUARY 2012 - DECEMBER 2012

	DOLLARS				MWH				CENTS/KWH			
	ESTIMATED/ ACTUAL	ESTIMATED/ ORIGINAL	DIFFERENCE AMOUNT	%	ESTIMATED/ ACTUAL	ESTIMATED/ ORIGINAL	DIFFERENCE AMOUNT	%	ESTIMATED/ ACTUAL	ESTIMATED/ ORIGINAL	DIFFERENCE AMOUNT	%
1 Fuel Cost of System Net Generation (A3)					0	0	0	0.0%	0.00000	0.00000	0.00000	0.0%
2 Nuclear Fuel Disposal Cost												
3 Coal Car Investment												
4 Adjustments to Fuel Cost (A2, Page 1)												
5 TOTAL COST OF GENERATED POWER	0	0	0	0.0%	0	0	0	0.0%	0.00000	0.00000	0.00000	0.0%
6 Fuel Cost of Purchased Power (Exclusive of Economy) (A7)	18,521,423	21,114,334	(2,592,911)	-12.3%	317,442	338,357	(20,915)	-6.2%	5.83458	6.24025	(0.40567)	-6.5%
7 Energy Cost of Sched C & X Econ Purch (Broker)(A9)												
8 Energy Cost of Other Econ Purch (Non-Broker)(A9)												
9 Energy Cost of Sched E Economy Purch (A9)												
10 Demand and Non Fuel Cost of Purchased Power (A9)	11,882,510	12,152,949	(270,439)	-2.2%	317,442	338,357	(20,915)	-6.2%	3.74321	3.59175	0.15146	4.2%
11 Energy Payments to Qualifying Facilities (A8a)												
12 TOTAL COST OF PURCHASED POWER	30,403,933	33,267,283	(2,863,350)	-8.6%	317,442	338,357	(20,915)	-6.2%	9.57779	9.83201	(0.25422)	-2.6%
13 TOTAL AVAILABLE MWH (LINE 5 + LINE 12)					317,442	338,357	(20,915)	-6.2%				
14 Fuel Cost of Economy Sales (A6)												
15 Gain on Economy Sales (A6)												
16 Fuel Cost of Unit Power Sales (SL2 Partpts)(A6)												
17 Other Fuel Related Costs	80,734	72,000										
18 TOTAL FUEL COST AND GAINS OF POWER SALES (LINE 14 + 15 + 16 + 17)	80,734	72,000	8,734	12.1%	0	0	0	0.0%	0.00000	0.00000	0.00000	0.0%
19 NET INADVERTENT INTERCHANGE												
20 TOTAL FUEL AND NET POWER TRANSACTIONS (LINES 5 + 12 + 18 + 19)	30,484,667	33,339,283	(2,854,616)	-8.6%	317,442	338,357	(20,915)	-6.2%	9.60322	9.85329	(0.25007)	-2.5%
21 Net Unbilled Sales	0	0	0	0.0%	0	0	0	0.0%	0.00000	0.00000	0.00000	0.0%
22 Company Use	19,879	21,086	(1,207)	-5.7%	207	214	(7)	-3.3%	0.00646	0.00649	(0.00003)	-0.5%
23 T & D Losses	914,034	1,316,400	(402,366)	-30.6%	9,518	13,360	(3,842)	-28.8%	0.29704	0.40532	(0.10828)	-26.7%
24 SYSTEM KWH SALES	30,484,667	33,339,283	(2,854,616)	-8.6%	307,717	324,783	(17,066)	-5.3%	9.90672	10.26510	(0.35838)	-3.5%
25 Wholesale KWH Sales												
26 Jurisdictional KWH Sales	30,484,667	33,339,283	(2,854,616)	-8.6%	307,717	324,783	(17,066)	-5.3%	9.90672	10.26510	(0.35838)	-3.5%
26a Jurisdictional Loss Multiplier	1.000	1.000	0.000	0.0%	1.000	1.000	0.000	0.0%	1.000	1.000	0.00000	0.0%
27 Jurisdictional KWH Sales Adjusted for Line Losses	30,484,667	33,339,283	(2,854,616)	-8.6%	307,717	324,783	(17,066)	-5.3%	9.90672	10.26510	(0.35838)	-3.5%
28 GPIF**												
29 TRUE-UP**	(1,567,788)	(1,567,788)	0	0.0%	307,717	324,783	(17,066)	-5.3%	(0.50949)	(0.48272)	(0.02677)	5.6%
30 TOTAL JURISDICTIONAL FUEL COST	28,916,879	31,771,495	(2,854,616)	-9.0%	307,717	324,783	(17,066)	-5.3%	9.39723	9.78238	(0.38515)	-3.9%
31 Revenue Tax Factor									1.00072	1.00072	0.00000	0.0%
32 Fuel Factor Adjusted for Taxes									9.40400	9.78942	(0.38542)	-3.9%
33 FUEL FAC ROUNDED TO NEAREST .001 (CENTS/KWH)									9.404	9.789	(0.385)	-3.9%

*Included for Informational Purposes Only
 **Calculation Based on Jurisdictional KWH Sales