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April 4, 2014

BY HAND DELIVERY

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

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

Dear Ms. Stauffer:

Enclosed for filing, please find an original and seven (7) 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

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In Re: Petition of Florida Public Utilities Company for approval of revisions to its Renewable Energy Tariff Docket No.

Filed: April 4, 2014

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. The Company acknowledges that this submission is not timely under the Rule. The failure to timely file was inadvertent and unintentional. Immediately upon discovering the oversight, Company representatives acted to remedy the situation as quickly as possible. To the Company's knowledge, no prejudice or harm has or will come to any party as a result of the delayed filing. As such, the Company apologizes for any inconvenience the delay may have caused and respectfully asks that the Commission nonetheless accept this filing for consideration and approval. In support of this Petition, FPUC states:

1. The Company is a public 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 <u>bkeating@gunster.com</u> 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.
- 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 Sheet 23.
- 6. FPUC respectfully asks that the Commission accept and approve the Company's updated Renewable Energy Tariff, attached hereto as Exhibit "A", and containing Seventh Revised Sheets 18, 20, 23, 26, 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.

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

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

RESPECTFULLY SUBMITTED this 4th day of April, 2014.

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

Attorneys for Florida Public Utilities Company

EXHIBIT "A"

- 1. Renewable Energy Tariff, Seventh Revised Sheet Nos. 18, 20, 23, 26, and 29 (legislative format)
- 2. Renewable Energy Tariff, Seventh Revised Sheet Nos. 18, 20, 23, 26, and 29 (final format)

Seventh Revised Sheet No. 18 Cancels Sixth Sheet No. 18

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

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 4.146 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.

Seventh Revised Sheet No. 20 Cancels Sixth Sheet No. 20

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.

Year	Estimated Average Rate per KWH
2006	2.31 cents
2007	2.38 cents
2008	4.109 cents
2009	5.851 cents
2010	5.705 cents
2011	5.056 cents
2012	4.840 cents
2013	3.823 cents
2014	4.146 cents

SeventhSixth Revised Sheet No. 23 Cancels Sixth FifthSheet No. 23

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.
- 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.

	Estimate	Average	Rate	
	Capacity		Energ	У
Year	\$ per KW	Ce	ents pe	er KWH
2006	\$7.10	12	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
2013	\$0.00		3.823	cents
2014	\$0.00		4.146	cents

Seventh Revised Sheet No. 26 Cancels Sixth 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.

Year	Estimated Average <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
2012	4.774 cents
2013	4.360 cents
2014	4.360 cents

Seventh Revised Sheet No. 29 Cancels Sixth Sheet No. 29

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

- 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.

	Estimate A	Average Rate
	Capacity	Energy
Year	\$ per KW	cents per KWH
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
2013	\$11.38	4.360 cents
2014	\$14.31	4.360 cents

Seventh Sixth Revised Sheet No. 18 Cancels Sixth Fifth Sheet No. 18

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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
- 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 4.146 3.823 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.

Issued by: Jeffry Householder, President

Seventh Sixth Revised Sheet No. 20-Cancels Sixth Fifth Sheet No. 20

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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

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2014	.4.146 cents

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Seventh Sixth Revised Sheet No. 23 Cancels Sixth Fifth Sheet No. 23

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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

- It shall be the QF's responsibility to inform the Company in writing of any change in the QF's electric generating capacity.
- 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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2013	\$0.00	3.823 cents
2014	\$0.00	4.146 cents

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Seventh Sixth Revised Sheet No. 26 Cancels Sixth Fifth Sheet No. 26

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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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Year	Rate per KWH
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2013	4.360 cents
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Seventh Sixth Revised Sheet No. 29 Cancels Sixth Fifth Sheet No. 29

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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

- It shall be the QF's responsibility to inform the Company in writing of any change in the QF's electric generating capacity.
- 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.
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2014	\$14.31	.4.360 cents

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