GUNSTER
FLORIDA'S LAW FIRM FOR BUSINESS

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

August 22, 2014

BY E-PORTAL/ELECTRONIC FILING

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

Re: **Docket No. 140001-EI: Fuel and Purchased Power Cost Recovery Clause with Generating Performance Incentive Factor**

Dear Ms. Stauffer:

Attached for electronic filing, please find the Petition for Approval of Fuel Adjustment and Purchased Power Cost Recovery Factors submitted on behalf of Florida Public Utilities Company, along with the Direct Panel Testimony and Exhibit CDY-3 of Mr. Curtis Young and Mr. Mark Cutshaw. Consistent with the directions for this docket, copies of the Petition, Testimonies, and Exhibits are being provided to Staff Counsel.

Thank you for your assistance with this filing. As always, please don't hesitate to let me know if you have any questions whatsoever.

Sincerely,

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

MEK
cc:/(Certificate of Service)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and purchased power cost recovery clause with generating performance incentive factor.	DOCKET NO. 140001-EI DATED: August 22, 2014

FLORIDA PUBLIC UTILITIES COMPANY'S PETITION FOR APPROVAL OF FUEL ADJUSTMENT AND PURCHASED POWER COST RECOVERY FACTORS

Florida Public Utilities Company (FPUC or Company), by and through its undersigned counsel, hereby files this Petition asking the Florida Public Service Commission (FPSC or Commission) for approval of FPUC's fuel adjustment and purchased power cost recovery factors for the period January 2015 through December 2015. In support of this request, the Company hereby states:

1) FPUC is an electric utility subject to the Commission's jurisdiction. Its principal business address is:

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 South Monroe St., Suite 601
Tallahassee, FL 32301
(850) 521-1706

Cheryl Martin
Florida Public Utilities Company
911 South 8th St.
Fernandina Beach, Florida 32034

3) Consistent with the requirements for this proceeding, the Company has prefiled the fuel adjustment and purchased power cost recovery schedules supplied by the Commission consistent with the requirements for such filings, and have reflected therein the Company's calculated fuel adjustment factors for the Company's Northwest (Marianna) and Northeast (Fernandina Beach) divisions.

4) In accordance with Order PSC-14-0084-PCO-EI, issued February 4, 2014, in this Docket, the Company is also submitting, contemporaneously with this Petition, the Direct Panel Testimony Mr. Curtis D. Young and Mr. Mark Cutshaw, along with Exhibit CDY-3, in support of the Company's request for approval of the requested factors.

5) With this Petition, the Company is requesting that the Commission allow the Company to consolidate its Fuel Factors for the Northwest (Marianna) and Northeast (Fernandina Beach) divisions. This request, along with the testimony and schedules included herewith are submitted consistent with the Commission's prior directions to the Company in Order No. PSC-13-0665-FOF-EI, issued December 18, 2013, in Docket No. 130001-GU.

6) As set forth more fully in the Panel Testimony of witnesses Young and Cutshaw, consolidation of the Fuel Factors will significantly address the inherent cross-subsidization in the Company's that arises due to the fact that transmission assets in the Northeast division have been included in the Company's consolidated base rates and thus, allocated to both divisions, while the transmission costs arising under the Purchased Power Agreement for the Company's Northwest Division are passed through only to customers in that division by virtue of the Fuel Factor. In Docket No. 130001-EI, the Commission allowed the Company to, temporarily, allocate a portion of the transmission costs arising in the Northwest Division to the Northeast Division in order to alleviate the cross-subsidy, but directed the Company to bring forth testimony and exhibits this year to address whether consolidation of the Fuel Factors for both divisions provides a more permanent solution. FPUC does believe that consolidation provides a more efficient, reasonable, and permanent solution to the cross-subsidization issue, and the scheduling supporting this are included within Exhibit CDY-3.

7) The Panel Testimony of witnesses Young and Cutshaw also addresses the Company's initiatives to address fuel costs in the Northeast through arrangements with alternative energy providers. The benefits of these arrangements would ultimately inure to both divisions in the event that the Company's Fuel Factors are consolidated.

8) In addition, consistent with past requests of the Company, the Company seeks to recover certain legal and consulting costs associated with fuel and purchased power projects designed to reduce fuel and purchased costs for FPUC's customers, but which have not otherwise been included for recovery in base rates. These costs are consistent with Commission policy set forth in Order No. 14546, as well as Commission decisions allowing the Company to recover such costs in Order No. PSC-05-1252-FOF-EI, issued in Docket No. 050001-EI, as well as similar such decisions in Dockets No. 120001-EI and 130001-EI.

9) As set forth in the Panel Testimony and Exhibits of Company witnesses Young and Cutshaw, the Company's total true-up amounts that would be collected or refunded during the period January 2015 through December 2015 are an under-recovery of $2,979,341 for the Consolidated Electric Division. The Company is also seeking approval to under-recover its fuel costs in 2015 for the Consolidated Electric Division in an effort to mitigate and perhaps reduce "rate shock" for the Company's customers. Specifically, as the Commission is aware, the Company has petitioned the Commission for a rate increase, which is currently being addressed in Docket No. 140025-EI. Because the Company anticipates fuel cost reductions in 2016 as a result of new projects with alternative providers, the Company seeks approval to under-recover its fuel costs for 2015 and allocate that under-recovery over a three-year period in order offset to some degree potential base rate increases with the result being a less significant overall increase reflected on customers' bills. This will provide rate stabilization over the next few years by

normalizing the swings in anticipated fuel costs. The Company, therefore, seeks permission to recover only one-third of the projected under-recovery at December 31, 2014, which would result in recovery of $993,114 for the period January 2015 through December 2015. Based on estimated sales for January 2015 through December 2015, an additional .16036¢ per kWh will need to be collected to address this under-recovery.

10) Based upon the Company's projections and the total true-up amounts to be collected for both Divisions, the appropriate levelized fuel adjustment and purchased power cost recovery factors for the period January 2015 through December 2015, excluding demand cost recovery and adjusted for line loss multipliers and including taxes, are as follows:

Rate Schedule	*Adjustment*
RS	$0.10409
GS	$0.10041
GSD	$0.09524
GSLD	$0.09158
LS	$0.07755
Step rate for RS	
RS Sales	$0.10409
RS with less than 1,000 kWh/month	$0.09981
RS with more than 1,000 kWh/month	$0.11231

11) For the Consolidated Electric Division, the total fuel adjustment factor for is 6.187¢ per kWh for "other classes." Thus, a customer in either Division using 1,000 kWh will pay $135.86, an increase of $2.55 from the prior period for the Northwest Division and an

increase of $10.39 over the prior period for the Northeast Division. In addition, if the Commission approves the Company's request to consolidate its Lighting Service rate class, the new fuel rate for the consolidated rate class will be 7.775¢ per kWh.

12) The Company has also adjusted the Time of Use (TOU) and Interruptible rates for the 2015 period. The Company submits that the methodology used to compute the rates reflected below is consistent with the methodology previously approved by the Commission.

Time of Use/Interruptible

Rate Schedule	*Adjustment On Peak*	*Adjustment Off Peak*
RS	$0.18381	$0.06081
GS	$0.14041	$0.05041
GSD	$0.13524	$0.06274
GSLD	$0.15158	$0.06158
Interruptible	$0.07658	$0.09158

13) The Company attests that these factors have been calculated correctly and consistent with Commission requirements. Thus, the Company asks that the Commission approve the proposed factors as set forth herein.

WHEREFORE, FPUC respectfully requests that the Commission approve the Company's proposed fuel adjustment and purchased power cost recovery factors and step billing for January

2015 through December 2015.

RESPECTFULLY SUBMITTED this 22nd day of August, 2014.

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

Attorneys for Florida Public Utilities Company

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing, along with the Direct Panel Testimony of Curtis Young and Mark Cutshaw and Exhibit CDY-3, have been furnished by Electronic Mail to the following parties of record this 22nd day of August, 2014:

Martha Barrera Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399-0850 Mbarrera@PSC.STATE.FL.US	James D. Beasley/J. Jeffry Wahlen/Ashley Daniels Ausley Law Firm Post Office Box 391 Tallahassee, FL 32302 jbeasley@ausley.com jwahlen@ausley.com adaniels@ausley.com
Jeffry Stone/Russell Badders/Steven Griffin Beggs & Lane P.O. Box 12950 Pensacola, FL 32591-2950 jas@beggslane.com	James W. Brew/F. Alvin Taylor Brickfield Law Firm Eighth Floor, West Tower 1025 Thomas Jefferson Street, NW Washington, DC 20007 jbrew@bbrslaw.com
John T. Butler Florida Power & Light Company 700 Universe Boulevard Juno Beach, FL 33408-0420 John.Butler@fpl.com	Kenneth Hoffman Florida Power & Light Company 215 South Monroe Street, Suite 810 Tallahassee, FL 32301 Ken.Hoffman@fpl.com
Ms. Paula K. Brown Tampa Electric Company Regulatory Affairs P.O. Box 111 Tampa, FL 33601-0111 Regdept@tecoenergy.com	Florida Industrial Users Power Group Jon C. Moyle, Jr. Moyle Law Firm 118 North Gadsden Street Tallahassee, FL 32301 jmoyle@moylelaw.com
Cheryl Martin Florida Public Utilities Company 911 South 8th St. Fernandina Beach, Florida 32034 Cheryl_Martin@fpuc.com	Florida Retail Federation Robert Scheffel Wright/John T. LaVia Gardner Law Firm 1300 Thomaswood Drive Tallahassee, FL 32308 schef@gbwlegal.com

Robert L. McGee, Jr. Gulf Power Company One Energy Place Pensacola, FL 32520 rlmcgee@southernco.com	J.R. Kelly/P. Christensen/C. Rehwinkel/ Office of Public Counsel c/o The Florida Legislature 111 W. Madison Street, Room 812 Tallahassee, FL 32399-1400 Christensen.patty@leg.state.fl.us
Matthew Bernier/Paul Lewis, Jr. Duke Energy 106 East College Avenue, Suite 800 Tallahassee, FL 32301 Paul.lewisjr@duke-energy.com Matthew.Bernier@duke-energy.com	John T. Burnett/Dianne M. Triplett Duke Energy 299 First Avenue North St. Petersburg, FL 33701 John.burnett@duke-energy.com Dianne.Triplett@duke-energy.com
	Randy B. Miller White Springs Agricultural Chemicals, Inc. Post Office Box 300 White Springs, FL 32096 Rmiller@pcsphosphate.com

By: Beth Keating

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

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 140001-EI
FUEL AND PURCHASED POWER COST RECOVERY CLAUSE WITH
GENERATING PERFORMANCE INCENTIVE FACTOR

2015 Projection Panel Testimony of
Curtis D. Young and Mark Cutshaw
On Behalf of
Florida Public Utilities Company

Q. Please state your name and business address.

A. Curtis D. Young, 1641 Worthington Road Suite 220, West Palm Beach, FL 33409.

Q. By whom are you employed?

A. I am employed by Florida Public Utilities Company.

Q. Could you give a brief description of your background and business experience?

A. I am the Senior Regulatory Analyst. I have performed various accounting and analytical functions including regulatory filings, revenue reporting, account analysis, recovery rate reconciliations and earnings surveillance. I'm also involved in the preparation of special reports and schedules used internally by division managers for decision making projects. Additionally, I coordinate the gathering of data for the FPSC audits.

Q. Have you previously testified in this Docket?

A. Yes.

Q. Please state your name and business address.

A. My name is P. Mark Cutshaw, 911 South Eighth Street, Fernandina Beach, Florida 32034.

Q. By whom are you employed?

A. I am employed by Florida Public Utilities Company.

Q. Could you give a brief description of your background and business experience?

A. I am the Director of System Planning and Engineering. I joined FPU in May 1991 as Division Manager in the Marianna (Northwest Florida) Division. In January 2006, I became the General Manager of our Northeast Florida Division, and in 2013, I moved into my current position of Director of System Planning and Engineering. I graduated from Auburn University in 1982 with a B.S. in Electrical Engineering and began my career with Mississippi Power Company in June 1982. I spent 9 years with Mississippi Power Company and held positions of increasing responsibility that involved budgeting, as well as operations and maintenance activities at various Company locations. Since joining FPU, my responsibilities have included all aspects of budgeting, customer service, operations and maintenance in both the Northeast and Northwest Florida Divisions. My responsibilities also included involvement with Cost of Service Studies and Rate Design in other rate proceedings before the Commission as well as other regulatory issues.

Q. Have you previously testified in this Docket?

A. Yes.

Q. What is the purpose of your testimony at this time?

A. We will briefly describe the basis for the computations that were made in the preparation of the various Schedules that the Company has submitted in support of the January 2015 - December 2015 fuel cost recovery adjustments for its consolidated electric divisions. In addition, we will explain the projected differences between the revenues collected under the levelized fuel adjustment and the purchased power costs allowed in developing the levelized fuel adjustment for the period January 2014 – December 2014 and to establish a "true-up" amount to be collected or refunded during January 2015 - December 2015. We will also discuss future plans for additional generation capacities that will be available and the beneficial impact on the customers.

Q. Were the schedules filed by the Company completed by you?

A. Yes.

Q. Which of the Staff's set of schedules has your company completed and filed for approval in this Docket?

A. The Company has filed Consolidated Electric Schedules E1, E1A, E2, E7, E8, E10 and Attachment A. Composite Exhibit Number CDY-3 contains this information. The Company has also provided for informational purposes Schedules E1, E1A, E2, E7, and E10 for the Northwest Division and Schedules E1, E1A, E2, E7, E8, and E10 for the Northeast Division.

Q. Did you follow the same procedures that were used in the prior period filings in preparing the projected cost factors for January – December 2015 for both the Northwest and Northeast Divisions?

A. No, the Company has generally used the same methodology as in prior period filings; however, the Company has made some changes in the process. The Company is hereby submitting a consolidated fuel filing of its two electric divisions.

Q. Why is the Company requesting a Consolidated Fuel Filing?

A. In 2003 when FPU first petitioned the Commission for a consolidation of its base rates through its rate case proceedings in Docket No. 030438-EI, there were subsidy effects in base rates. The Company had also petitioned for a consolidation of its fuel rates that year in Docket No. 080001-EI, as was already implemented by other regulated IOU's in the state, which would have ultimately resulted in extinguishing any subsidy effects in base rates. However, while the Commission approved FPU's petition to consolidate its base rates, its request for consolidation of its fuel rates was denied thus creating a subsidy effect in base rates.

Q. What was the nature of this subsidy effect in base rates?

A. Our Northwest division pays for a portion of transmission facilities via a transmission charge through the fuel clause, where similar costs in our Northeast division are paid through consolidated base rates since FPU owns the transmission related plant and it is included in rate base. In the

Northwest division, Gulf Power / Southern Company own the transmission facilities. The Company acknowledges that the Northeast Division transmission assets being in base rates has resulted in an interdivisional inequity and has taken steps to mitigate that inequity through its fuel clause. In its testimony for the 2009 Fuel Projection filing through Docket No. 080001-EI, FPU requested approval to allocate a portion of the distribution substation charges incurred by the NW Division towards the NE Division fuel costs in an effort to allow all customers to contribute to the distribution charge within fuel just as all customers contribute to the substation plant related costs included in base rates. In 2013, in its 2014 Fuel Projection filing through Docket No. 130001-EI, further steps were taken to allocate a portion of the Northwest Division transmission costs for fuel to the Northeast Division as a means of further mitigating the inequity in base rates until consolidation of fuel could be implemented.

Q. Should the Commission approve consolidation of the fuel factors for FPU's Northeast and Northwest divisions for purposes of fuel cost recovery beginning in 2015?

A. Yes. The Company feels this is appropriate based on the consolidation of electric base rates between the two divisions, which matches the methodologies used by most electric utilities that have standard rates for all customers. For the majority of electric utilities in Florida, fuel rates are consolidated even though costs from production capacity or off-system purchases vary based on many factors. This fuel rate consolidation allows

FPUC to standardize fuel costs, as is done by other utilities, and assist in stabilizing fuel rate charges to all customers now and in the future. The Company considers the consolidation of its Northwest Florida and Northeast Florida divisions within the fuel clause as the optimal solution in achieving a fair allocation of fuel-related costs among its customers.

Q. Aside from eliminating the subsidy effects in base rates, what other benefits are provided to your customers from this consolidation of your fuel rates?

A. An obvious benefit is the mitigation of the price shock to the ratepayers derived from periodic changes in fuel costs. By consolidating its two electric divisions through the fuel clause, the Company is able to reduce the impact that the changing fuel costs has on the customers' bills by spreading its effect over a wider customer base. One other benefit to the customers is with regards to the Company's distribution of potential cost savings. FPU continues to pursue available opportunities towards reducing its purchased power costs. These endeavors have reaped cost savings for the Company and its customers in the past and we anticipate that this will trend continue with one exception. In the past, each of these cost-saving programs / projects was typically designated in either the Northwest Florida or Northeast Florida division. As a result the cost savings derived from a given project would only benefit those customers specific to that division. By consolidating the Northwest Florida and Northeast Florida divisions, the benefits of any fuel-related cost savings to the Company may now be shared by all customers regardless of their service location.

Q. **If consolidation of fuel factors for FPU's northeast and northwest division is not approved, should FPU be allowed to continue to allocate transmission costs consistent with the methodology approved in Order No. PSC-13-0665-FOF-EI?**

A. Yes, if consolidation is not approved, the transmission plant inequities will continue between the divisions without an allocation in the fuel clause between the two divisions as described within the testimony.

If the Commission does not approve consolidation of the fuel factors, the Company should be allowed to continue to allocate transmission costs consistent with the methodology approved by Commission Order No. PSC-13-0665-FOF-EI.

Q. **Based on the consolidation request, has the Company investigated means to reduce costs for its customers in its consolidated electric divisions?**

A. Yes. The Company has aggressively sought opportunities to engage its current base load providers for both electric divisions in discussions for an arrangement that would be more beneficial for the FPU customers. Since 2007, when purchased power rates began to increase significantly from both providers, FPU has been very assertive in challenging each cost determination performed by JEA and Southern Company that resulted in an increase to the purchased power rate. These very focused and steady efforts have resulted in the mitigation of the rate of increase in purchased power cost for FPU and its customers. In January 2011, the Company was also successful in an Amendment to the Gulf Power contract, reducing costs to customers in its NW division.

These same focused and steady efforts are continuing today and, in our opinion, have resulted in a reduced rate of increase to FPU and its customers.

During this same time period, the Company has investigated opportunities with other wholesale power suppliers. During the investigation relationships were developed with other suppliers, informal studies of generation and transmission capacity arrangements were reviewed and contract possibilities were discussed. Although these opportunities are not possible until the expiration of the existing contracts, this information does provide FPU with market knowledge and information that assist with discussions.

Also, the Northeast Division provides service to two paper mills on Amelia Island that have significant on site generation capabilities which has created opportunities for some limited purchased power for FPU. Based on this potential, FPU has entered into arrangements with these alternative power providers that have thus far proven very advantageous. FPU is continuing to look at these and all other avenues for reducing purchased power costs that are available to the Company which will provide benefits to all FPU customers with the consolidation of rates.

Q. **What type of investigation has the Company done related to reduction of purchased power cost?**

A. Since the merger with Chesapeake in 2009, the Company has focused many resources on how to reduce the purchased power cost and its impact on customers. As previously mentioned, during this time other wholesale power providers have been approached and opportunities explored, review of new electric generation technology has been conducted, Combined Heat and Power (CHP) partners have been identified, experts in the area of CHP projects have been retained and parties have come together to evaluate electric generation projects. These partners and experts have assisted FPU with the review and evaluation process. Ultimately, most of the projects evaluated were not prudent ventures for the Company. However, the Company's review team found that certain limited projects, one partner in particular, are viable alternative power options for the Company and provide benefits to the partners and customers. FPU is continuing to evaluate this type of opportunity both inside and outside of the FPU service territory.

Q. **What arrangements with "alternative power providers" do you refer to?**

A. The first very successful arrangement that I am referring to is the renewable energy contract with Rayonier Performance Fibers, LLC, which was entered into in early 2012 and approved by the Commission in Docket No. 120058-EQ. Through a cooperative effort, FPU and Rayonier were able to develop a purchased power agreement that allows Rayonier to produce renewable energy and sell that energy to FPU at a cost below that of the current wholesale power provided while still being beneficial to Rayonier. Not only did this increase the amount of renewable energy in the area, it provides lower cost energy that is passed directly through to FPU customers in the form of reduced power cost.

Secondly, FPU is also working in partnership with [redacted] Eight Flags Energy, LLC, a subsidiary of Chesapeake Utilities Corporation (Chesapeake [redacted] The details of the arrangement are currently being finalized and we anticipate filing with the Commission in the very near future. [redacted] will provide customers in both divisions, assuming the consolidation of fuel cost is approved, with a significant benefit in the reduction of purchase power cost

Q. How have these two new arrangements proven beneficial to the Company?

A. With regard to the first contract with Rayonier, that agreement alone is expected to produce overall savings of $1.27 million over the 10-year term of the contract, and the Company has every expectation that the contract will be extended, thereby extending the benefits. The expected annual energy produced will be 16,980 mWh's and an incentive is provided to Rayonier to ensure this occurs in that any failure to maintain the agreed capacity factor will result in reducing the overall monthly payments to Rayonier. [redacted] efforts are underway to get this completed, approved and in service by the second quarter of 2016. Once consummated and in service, this new project is expected to produce even more significant benefits for the Company and all of its electric customers. [redacted]

[redacted]

Q. Did you include costs in addition to the costs specific to purchased fuel in the calculations of your true-up and projected amounts?

A. Yes, included with our fuel and purchased power costs are charges for contracted consultants and legal services that are directly fuel-related and appropriate for recovery in the fuel clause.

Q. Please explain how these costs were determined to be recoverable under the fuel clause?

A. Consistent with the Commission's policy set forth in Order No. 14546, issued in Docket No. 850001-EI-B, on July 8, 1985, the other costs included in the fuel clause are directly related to fuel, have not been recovered through base rates.

Specifically, as illustrated in item 10 of Order 14546, the costs the Company has included are fuel-related costs and were not anticipated or included in the cost levels used to establish the current base rates. To be clear, these costs are not tied to the Company's internal staff involvement in fuel and purchased power procurement and administration. Instead, these costs are associated with external contracts which consequently, tend to be more volatile depending upon the issue. Similar expenses paid to Christensen and Associates associated with the design for a Request for Proposals of Fuel costs, and the evaluation of those responses, were deemed appropriate for recovery by FPUC through the fuel clause in Order No. PSC-05-1252-FOF-EI, Item II E, issued in Docket No. 050001-EI. Additionally, in Docket Nos. 120001-EI and 130001-EI, the Commission determined that many of the costs associated with the legal and consulting work incurred by the Company as fuel related, particularly those costs related to the purchase power agreement review and analysis, were recoverable under the fuel clause. Likewise, the Company believes that the costs addressed herein are appropriate for recovery through the fuel clause.

Q. What were the costs outside of purchased fuel costs, included in the 2014 true-up for Florida Public Utilities Company?

A. Florida Public Utilities engaged Gunster, Yoakley & Stewart, P.A. "Gunster", Christensen and Associates "Christensen" and Cantrell Advisors "Cantrell" for assistance in the development and enactment of projects/programs designed to reduce their fuel rates to its customers. The legal and consulting costs associated with the development and negotiations of the power supply contracts (JEA) are appropriate for recovery through the Fuel and Purchased Power cost recovery clause. Christensen and Cantrell have been performing due diligence in their occasional review and analysis of the terms of the current Renewable Energy Agreement between FPUC and Rayonier in order to increase the production of renewable energy and for further discovering avenues towards negotiating cost reductions. These costs were not included in expenses during the last FPUC consolidated electric base rate proceeding and are not being recovered through base rates. Christensen has been performing due diligence in their occasional review and analysis of the terms of the current Purchased Power Agreement between FPU and JEA in the efforts of further discovering avenues towards minimizing cost increases and/or negotiating cost reductions. The resulting savings from their efforts have been included in the 2013 and 2014 True-up as well as our 2015 Projections. The associated legal and consulting costs, included in the rate calculation of the Company's 2015 Projection factors, were not included in expenses during the last FPU consolidated electric base rate proceeding and are not being recovered through base rates.

Summary Rates

Q. What are the final remaining true-up amounts for the period January – December 2013 for both Divisions?

A. The final remaining consolidated true-up amount was an under-recovery of $593,486.

Q. What are the estimated true-up amounts for the period of January – December 2014?

A. There is an estimated consolidated under-recovery of $2,295,855.

Q. Please address the calculation of the total true-up amount to be collected or refunded during the January - December 2015 year?

A. The Company has determined that at the end of December 2014, based on six months actual and six months estimated, we will have a consolidated electric under-recovery of $2,979,341.

Q. Should the Commission approve FPU's proposal to under recover fuel costs in 2015 in order to mitigate rate increases to customers?

A. Yes. To mitigate the rate shock to our customers, the Company requests a three year period to collect the current under recovery from its consolidated electric division. The Company expects a fuel cost reduction from a generation project beginning in 2016. To provide for stabilization of rates over the next several years, the Company requests permission to collect this under-recovery over a three year period to normalize the swings expected in fuel costs over the next several years. Amortizing one third of this under-recovery in calendar year 2015 will result in a collection of $993,114 in the January through December 2015 year.

Q. What is the amount of under-recovery the Company is requesting to collect over the January through December 2015 period?

The Company has an under-recovery of $993,114, which is 1/3 of the total under recovery that is expected at December 31, 2014. Based on estimated sales during this period on a consolidated electric basis, it will be necessary to add .16036 cents per KWH to collect this under-recovery.

Q. What will the total consolidated fuel adjustment factor, excluding demand cost recovery, be for the consolidated electric division for the period?

A. The total fuel adjustment factor as shown on line 43, Schedule E-1 is 6.187¢ per KWH.

Q. Please advise what a residential customer using 1,000 KWH will pay for the period January - December 2015 including base rates, conservation cost recovery factors, gross receipts tax and fuel adjustment factor and after application of a line loss multiplier.

A. As shown on consolidated Schedule E-10 in Composite Exhibit Number CDY-3, a residential customer using 1,000 KWH will pay $135.86. This is an increase of $2.55 over the previous period in the Northwest Division and an increase of $10.39 over the previous period in the Northeast Division.

Q. If the Commission approves FPUC's request in Docket No. 140025-EI to consolidate the Company's current outdoor lighting (OL-2) and street lighting (SL-3) rate classes into a single Lighting Service (LS) rate class, what is the appropriate consolidated fuel rate for the new LS rate class?

A. The consolidated fuel rate for the new Lighting Service (LS) rate class is 7.775 cents per KWH. The computation of this fuel rate is provided in Attachment A of Composite Exhibit Number CDY-3.

Q. Does this conclude your testimony?

A. Yes.

FLORIDA PUBLIC UTILITIES COMPANY

FUEL AND PURCHASED POWER
COST RECOVERY CLAUSE CALCULATION

ESTIMATED FOR THE PERIOD: JANUARY 2015 THROUGH DECEMBER 2015

FLORIDA DIVISION-CONSOLIDATED		(a) DOLLARS	(b) MWH	(c) CENTS/KWH
1	Fuel Cost of System Net Generation (E3)			
2	Nuclear Fuel Disposal Costs (E2)			
3	Coal Car Investment			
4	Adjustments to Fuel Cost			
5	TOTAL COST OF GENERATED POWER (LINE 1 THRU 4)	0	0	0.00000
6	Fuel Cost of Purchased Power (Exclusive of Economy) (E7)	32,655,875	657,651	4.96553
7	Energy Cost of Sched C & X Econ Purch (Broker) (E9)			
8	Energy Cost of Other Econ Purch (Non-Broker) (E9)			
9	Energy Cost of Sched E Economy Purch (E9)			
10	Demand & Non Fuel Cost of Purch Power (E2)	31,497,027	657,651	4.78932
10a	Demand Costs of Purchased Power	26,518,254 *		
10b	Non-fuel Energy & Customer Costs of Purchased Power	4,978,773 *		
11	Energy Payments to Qualifying Facilities (E8a)	1,560,163	26,400	5.90971
12	TOTAL COST OF PURCHASED POWER (LINE 6 THRU 11)	65,713,065	684,051	9.60646
13	TOTAL AVAILABLE KWH (LINE 5 + LINE 12)	65,713,065	684,051	9.60646
14	Fuel Cost of Economy Sales (E6)			
15	Gain on Economy Sales (E6)			
16	Fuel Cost of Unit Power Sales (SL2 Partpts) (E6)			
17	Fuel Cost of Other Power Sales			
18	TOTAL FUEL COST AND GAINS OF POWER SALES	0	0	0.00000
19	Net Inadvertent Interchange			
20	TOTAL FUEL & NET POWER TRANSACTIONS (LINE 5 + 12 + 18 + 19)	65,713,065	684,051	9.60646
21	Net Unbilled Sales	0 *	0	0.00000
22	Company Use	65,900 *	686	0.01025
23	T & D Losses	3,872,460 *	40,311	0.60220
24	SYSTEM MWH SALES	65,713,065	643,054	10.21890
25	Wholesale MWH Sales			
26	Jurisdictional MWH Sales	65,713,065	643,054	10.21890
26a	Jurisdictional Loss Multiplier	1.00000	1.00000	
27	Jurisdictional MWH Sales Adjusted for Line Losses	65,713,065	643,054	10.21890
27a	GSLD1 MWH Sales		23,740	
27b	Other Classes MWH Sales		619,314	
27c	GSLD1 CP KW		558,000 *	
28	Projected Unbilled Revenues	(500,000)	619,314	-0.08073
29	GPIF **			
30	TRUE-UP (OVER) UNDER RECOVERY **	993,114	619,314	0.16036
31	TOTAL JURISDICTIONAL FUEL COST	66,206,179	619,314	10.69024
31a	Demand Purchased Power Costs (Line 10a)	26,518,254 *		
31b	Non-demand Purchased Power Costs (Lines 6 + 10b + 11)	39,194,811 *		
31c	True up Over/Under Recovery (Line 29)	993,114 *		
31d	Unbilled Revenues	(500,000)		

* For Informational Purposes Only

** Calculation Based on Jurisdictional KWH Sales

FLORIDA PUBLIC UTILITIES COMPANY

FUEL AND PURCHASED POWER
COST RECOVERY CLAUSE CALCULATION

ESTIMATED FOR THE PERIOD: JANUARY 2015 THROUGH DECEMBER 2015

FLORIDA DIVISION-CONSOLIDATED		(a)	(b)		(c)	
		DOLLARS	MWH		CENTS/KWH	
	APPORTIONMENT OF DEMAND COSTS					
31	Total Demand Costs (Line 30a)	26,518,254				
32	GSLD1 Portion of Demand Costs (Line 30a) Including Line Losses(Line 27c x $2.96)	3,320,081	558,000	(KW)	$5.95	/KW
33	Balance to Other Classes	23,198,173	619,314		3.74579	
	APPORTIONMENT OF NON-DEMAND COSTS					
34	Total Non-demand Costs(Line 30b)	39,194,811				
35	Total KWH Purchased (Line 12)		684,051			
36	Average Cost per KWH Purchased				5.72981	
37	Average Cost Adjusted for Line Losses (Line 36 x 1.03)				5.90170	
38	GSLD1 Non-demand Costs (Line 27a x Line 37)	1,398,832	23,740		5.89230	
39	Balance to Other Classes	37,795,979	619,314		6.10288	
	GSLD1 PURCHASED POWER COST RECOVERY FACTORS					
40a	Total GSLD1 Demand Costs (Line 32)	3,320,081	558,000	(KW)	$5.95	/KW
40b	Revenue Tax Factor				1.00072	
40c	GSLD1 Demand Purchased Power Factor Adjusted for Taxes & Rounded				$5.95	/KW
40d	Total Current GSLD1 Non-demand Costs(Line 38)	1,398,832	23,740		5.89230	
40e	Total Non-demand Costs Including True-up	1,398,832	23,740		5.89230	
40f	Revenue Tax Factor				1.00072	
40g	GSLD1 Non-demand Costs Adjusted for Taxes & Rounded				5.89654	
	OTHER CLASSES PURCHASED POWER COST RECOVERY FACTORS					
41a	Total Demand & Non-demand Purchased Power Costs of Other Classes(Line 33 + 39)	60,994,152	619,314		9.84866	
41b	Less: Total Demand Cost Recovery	23,198,173 ***				
41c	Total Other Costs to be Recovered	37,795,979	619,314		6.10288	
41d	Unbilled Revenue	(500,000)	619,314		-0.08073	
41e	Other Classes' Portion of True-up (Line 30c)	993,114	619,314		0.16036	
41f	Total Demand & Non-demand Costs Including True-up	38,289,093	619,314		6.18250	
42	Revenue Tax Factor				1.00072	
43	Other Classes Purchased Power Factor Adjusted for Taxes & Rounded	38,316,661			6.187	

* For Informational Purposes Only
** Calculation Based on Jurisdictional KWH Sales
*** Calculation on Schedule E1 Page 3

FLORIDA PUBLIC UTILITIES COMPANY
FUEL AND PURCHASED POWER
COST RECOVERY CLAUSE CALCULATION

ESTIMATED FOR THE PERIOD: JANUARY 2015 THROUGH DECEMBER 2015

FLORIDA DIVISION-CONSOLIDATED

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
				(1)/((2)*8,760)			(3)*(4)	(1)*(5)	(6)/Total Col. (6)	(7)/Total Col. (7)
	Rate Schedule	KWH Sales	12 CP Load Factor	CP KW At Meter	Demand Loss Factor	Energy Loss Factor	CP KW At GEN.	KWH At GEN.	12 CP Demand Percentage	Energy Percentage
44	RS	304,265,841	57.313%	60,603.3	1.089	1.030	65,997.0	313,393,816	55.85%	49.13%
45	GS	59,699,265	63.216%	10,780.5	1.089	1.030	11,740.0	61,490,243	9.93%	9.64%
46	GSD	160,601,476	73.904%	24,807.2	1.089	1.030	27,015.0	165,419,521	22.86%	25.93%
47	GSLD	87,197,838	84.021%	11,847.1	1.089	1.030	12,901.5	89,813,773	10.92%	14.08%
48	OL	5,454,211	178.492%	348.8	1.089	1.030	379.8	5,617,837	0.32%	0.88%
49	SL	2,094,412	178.492%	133.9	1.089	1.030	145.8	2,157,244	0.12%	0.34%
	TOTAL	619,313,043		108,520.8			118,179.1	637,892,434	100.00%	100.00%

		(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
		12/13 * (8)	1/13 * (9)	(10) + (11)	Tot. Col. 13 * (9)	(13)/(1)	(14) * 1.00072		(15) + (16)
	Rate Schedule	12/13 Of 12 CP	1/13 Of Energy	Demand Allocation Percentage	Demand Dollars	Demand Cost Recovery	Demand Cost Recovery Adj for Taxes	Other Charges	Levelized Adjustment
50	RS	51.55%	3.78%	55.33%	$12,835,549	0.04219	0.04222	0.06187	0.10409
51	GS	9.17%	0.74%	9.91%	2,298,939	0.03851	0.03854	0.06187	0.10041
52	GSD	21.10%	1.99%	23.09%	5,356,458	0.03335	0.03337	0.06187	0.09524
53	GSLD	10.08%	1.08%	11.16%	2,588,916	0.02969	0.02971	0.06187	0.09158
54	OL	0.30%	0.07%	0.37%	85,833	0.01574	0.01575	0.06187	0.07762
55	SL	0.11%	0.03%	0.14%	32,477	0.01551	0.01552	0.06187	0.07739
	TOTAL	92.31%	7.69%	100.00%	$23,198,173				

Step Rate Allocation for Residential Customers

		(18)	(19)	(20)	(21)
					(19) * (20)
	Rate Schedule	Allocation	Annual kWh	Levelized Adj.	Revenues
56	RS	Sales	304,265,841	$0.10409	$31,671,031
57	RS	<= 1,000kWh/mo.	200,167,898	$0.09981	$19,979,438
58	RS	> 1,000 kWh/mo.	104,097,943	$0.11231	$11,691,594
59	RS	Total Sales	304,265,841		$31,671,031

(2) From Gulf Power 2009 Load Research results.

TOU Rates

		(22)	(23)	(24)	(25)
	Rate Schedule	On Peak Rate Differential	Off Peak Rate Differential	Levelized Adj. On Peak	Levelized Adj. Off Peak
60	RS	0.0840	(0.0390)	$0.18381	$0.06081
61	GS	0.0400	(0.0500)	$0.14041	$0.05041
62	GSD	0.0400	(0.0325)	$0.13524	$0.06274
63	GSLD	0.0600	(0.0300)	$0.15158	$0.06158
64	Interruptible	(0.0150)	-	$0.07658	$0.09158

FLORIDA PUBLIC UTILITIES COMPANY
CALCULATION OF TRUE-UP SURCHARGE
APPLICABLE TO LEVELIZED FUEL ADJUSTMENT PERIOD
JANUARY 2014 - DECEMBER 2014
BASED ON SIX MONTHS ACTUAL AND SIX MONTHS ESTIMATED OPERATIONS

FLORIDA DIVISION-CONSOLIDATED

Under-recovery of purchased power costs for the period January 2014 - December 2014. (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 2014.)(Estimated)	$	2,979,341
Portion of 2014 Under-recovery to be collected for the period January 2015 - December 2015 (at one-third of 2014 True-up)	$	993,114
Estimated kilowatt hour sales for the months of January 2015 - December 2015 as per estimate filed with the Commission. (Excludes GSLD1 customers)		619,313,043
Cents per kilowatt hour necessary to collect under-recovered purchased power costs over the period January 2015 - December 2015		0.16036

FLORIDA PUBLIC UTILITIES COMPANY
FLORIDA DIVISION-CONSOLIDATED
FUEL & PURCHASED POWER COST RECOVERY CLAUSE CALCULATION

ESTIMATED FOR THE PERIOD: JANUARY 2015 THROUGH DECEMBER 2015

LINE NO.			(a) JANUARY	(b) FEBRUARY	(c) MARCH	(d) APRIL	(e) MAY	(f) ESTIMATED JUNE	(h) JULY	(i) AUGUST	(j) SEPTEMBER	(k) OCTOBER	(l) NOVEMBER	(m) DECEMBER	(n) TOTAL PERIOD	LINE NO.
1	FUEL COST OF SYSTEM GENERATION														0	1
1a	NUCLEAR FUEL DISPOSAL														0	1a
2	FUEL COST OF POWER SOLD														0	2
3	FUEL COST OF PURCHASED POWER		2,845,312	2,543,306	2,382,618	2,215,999	2,360,557	2,861,980	3,372,457	3,323,552	3,276,256	2,815,571	2,270,645	2,387,622	32,655,875	3
3a	DEMAND & NON FUEL COST OF PUR POWER		2,632,048	2,602,158	2,580,529	2,564,518	2,581,118	2,650,182	2,718,951	2,714,099	2,701,216	2,638,640	2,561,505	2,552,063	31,497,027	3a
3b	QUALIFYING FACILITIES		130,461	99,290	130,461	134,288	134,288	134,288	134,288	134,288	134,288	134,288	129,474	130,461	1,560,163	3b
4	ENERGY COST OF ECONOMY PURCHASES														0	4
5	TOTAL FUEL & NET POWER TRANSACTIONS (SUM OF LINES A-1 THRU A-4)		5,607,821	5,244,754	5,093,608	4,914,805	5,075,963	5,646,450	6,225,696	6,171,939	6,111,760	5,588,499	4,961,624	5,070,146	65,713,065	5
5a	LESS: TOTAL DEMAND COST RECOVERY		1,937,442	1,934,464	1,931,118	1,932,428	1,932,583	1,934,082	1,933,893	1,932,984	1,933,123	1,932,376	1,931,914	1,931,771	23,198,173	5a
5b	TOTAL OTHER COST TO BE RECOVERED		3,670,379	3,310,290	3,162,490	2,982,377	3,143,380	3,712,368	4,291,803	4,238,955	4,178,637	3,656,123	3,029,710	3,138,375	42,514,892	5b
6	APPORTIONMENT TO GSLD1 CLASS		396,851	400,590	407,036	420,119	408,125	391,600	389,265	396,711	383,984	378,598	370,295	375,740	4,718,913	6
6a	BALANCE TO OTHER CLASSES		3,273,529	2,909,700	2,755,455	2,562,258	2,735,256	3,320,768	3,902,538	3,842,244	3,794,654	3,277,526	2,659,416	2,762,635	37,795,979	6a
6b	SYSTEM KWH SOLD (MWH)		55,618	49,880	46,740	43,531	46,338	56,293	66,425	65,504	64,443	55,308	44,438	48,536	643,054	6b
7	GSLD1 MWH SOLD		2,041	2,140	2,203	2,412	2,216	1,952	1,922	2,049	1,830	1,729	1,579	1,667	23,740	7
7a	BALANCE MWH SOLD OTHER CLASSES		53,577	47,740	44,537	41,119	44,122	54,341	64,503	63,455	62,613	53,579	42,859	46,869	619,314	7a
7b	COST PER KWH SOLD (CENTS/KWH) APPLICABLE TO OTHER CLASSES		6.10995	6.09489	6.18689	6.23132	6.1993	6.11098	6.05017	6.05507	6.06049	6.11718	6.20503	5.89438	6.10288	7b
8	JURISDICTIONAL LOSS MULTIPLIER		1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	8
9	JURISDICTIONAL COST (CENTS/KWH)		6.10995	6.09489	6.18689	6.23132	6.19930	6.11098	6.05017	6.05507	6.06049	6.11718	6.20503	5.89438	6.10288	9
10	PROJECTED UNBILLED REVENUES(CENTS/KWH)		(0.0807)	(0.0807)	(0.0807)	(0.0807)	(0.0807)	(0.0807)	(0.0807)	(0.0807)	(0.0807)	(0.0807)	(0.0807)	(0.0807)	(0.0807)	10
11	GPIF (CENTS/KWH)															11
12	TRUE-UP (CENTS/KWH)	993,114	0.16036	0.16036	0.16036	0.16036	0.16036	0.16036	0.16036	0.16036	0.16036	0.16036	0.16036	0.16036	0.16036	12
13	TOTAL		6.18958	6.17452	6.26652	6.31095	6.27893	6.19061	6.12980	6.13470	6.14012	6.19681	6.28466	5.97401	6.18251	13
14	REVENUE TAX FACTOR	0.00072	0.00446	0.00445	0.00451	0.00454	0.00452	0.00446	0.00441	0.00442	0.00442	0.00446	0.00452	0.00430	0.00445	14
15	RECOVERY FACTOR ADJUSTED FOR TAXES		6.19404	6.17897	6.27103	6.31549	6.28345	6.19507	6.13421	6.13912	6.14454	6.20127	6.28918	5.97831	6.18696	15
16	RECOVERY FACTOR ROUNDED TO NEAREST .001 CENT/KWH		6.194	6.179	6.271	6.315	6.283	6.195	6.134	6.139	6.145	6.201	6.289	5.978	6.187	16

FLORIDA PUBLIC UTILITIES COMPANY
FLORIDA DIVISION-CONSOLIDATED
PURCHASED POWER
(EXCLUSIVE OF ECONOMY ENERGY PURCHASES)

ESTIMATED FOR THE PERIOD: JANUARY 2015 THROUGH DECEMBER 2015

(1)		(2)	(3)	(4)	(5)	(6)	(7)		(8)	(9)
MONTH		PURCHASED FROM	TYPE & SCHEDULE	TOTAL KWH PURCHASED	KWH FOR OTHER UTILITIES	KWH FOR INTERRUPTIBLE	KWH FOR FIRM	CENTS/KWH (A) FUEL COST	(B) TOTAL COST	TOTAL $ FOR FUEL ADJ. (7) x (8) (A)
JANUARY	2015	JEA/GULF	MS	57,078,315			57,078,315	4.984926	9.596219	2,845,312
FEBRUARY	2015	JEA/GULF	MS	51,168,680			51,168,680	4.970435	10.055886	2,543,306
MARCH	2015	JEA/GULF	MS	47,949,117			47,949,117	4.969055	10.350862	2,382,618
APRIL	2015	JEA/GULF	MS	44,641,813			44,641,813	4.963954	10.708608	2,215,999
MAY	2015	JEA/GULF	MS	47,538,143			47,538,143	4.965606	10.395179	2,360,557
JUNE	2015	JEA/GULF	MS	57,784,307			57,784,307	4.952867	9.539202	2,861,980
JULY	2015	JEA/GULF	MS	68,218,775			68,218,775	4.943591	8.929225	3,372,457
AUGUST	2015	JEA/GULF	MS	67,269,693			67,269,693	4.940638	8.975291	3,323,552
SEPTEMBER	2015	JEA/GULF	MS	66,177,020			66,177,020	4.950746	9.032549	3,276,256
OCTOBER	2015	JEA/GULF	MS	56,767,969			56,767,969	4.959788	9.607902	2,815,571
NOVEMBER	2015	JEA/GULF	MS	45,571,217			45,571,217	4.982630	10.603513	2,270,645
DECEMBER	2015	JEA/GULF	MS	47,485,772			47,485,772	5.028079	10.402453	2,387,622
TOTAL				657,650,823	0	0	657,650,823	4.965534	9.754858	32,655,875

EXHIBIT NO. ________
DOCKET NO. 140001-EI
FLORIDA PUBLIC UTILITIES COMPANY
(CDY-3)

FLORIDA PUBLIC UTILITIES COMPANY
FLORIDA DIVISION-CONSOLIDATED
PURCHASED POWER
ENERGY PAYMENT TO QUALIFYING FACILITIES

ESTIMATED FOR THE PERIOD: JANUARY 2015 THROUGH DECEMBER 2015

(1)		(2)	(3)	(4)	(5)	(6)	(7)	(8)		(9)
								CENTS/KWH		
MONTH		PURCHASED FROM	TYPE & SCHEDULE	TOTAL KWH PURCHASED	KWH FOR OTHER UTILITIES	KWH FOR INTERRUPTIBLE	KWH FOR FIRM	(A) FUEL COST	(B) TOTAL COST	TOTAL $ FOR FUEL ADJ. (7) x (8) (A)
JANUARY	2015	ROCK-TENN COMPANY / RAYONIER		2,200,000			2,200,000	5.930045	5.930045	130,461
FEBRUARY	2015	ROCK-TENN COMPANY / RAYONIER		2,200,000			2,200,000	4.513182	4.513182	99,290
MARCH	2015	ROCK-TENN COMPANY / RAYONIER		2,200,000			2,200,000	5.930045	5.930045	130,461
APRIL	2015	ROCK-TENN COMPANY / RAYONIER		2,200,000			2,200,000	6.104000	6.104000	134,288
MAY	2015	ROCK-TENN COMPANY / RAYONIER		2,200,000			2,200,000	6.104000	6.104000	134,288
JUNE	2015	ROCK-TENN COMPANY / RAYONIER		2,200,000			2,200,000	6.104000	6.104000	134,288
JULY	2015	ROCK-TENN COMPANY / RAYONIER		2,200,000			2,200,000	6.104000	6.104000	134,288
AUGUST	2015	ROCK-TENN COMPANY / RAYONIER		2,200,000			2,200,000	6.104000	6.104000	134,288
SEPTEMBER	2015	ROCK-TENN COMPANY / RAYONIER		2,200,000			2,200,000	6.104000	6.104000	134,288
OCTOBER	2015	ROCK-TENN COMPANY / RAYONIER		2,200,000			2,200,000	6.104000	6.104000	134,288
NOVEMBER	2015	ROCK-TENN COMPANY / RAYONIER		2,200,000			2,200,000	5.885182	5.885182	129,474
DECEMBER	2015	ROCK-TENN COMPANY / RAYONIER		2,200,000			2,200,000	5.930045	5.930045	130,461
TOTAL				26,400,000	0	0	26,400,000	5.909708	5.909708	1,560,163

EXHIBIT NO. __________
DOCKET NO. 140001-EI
FLORIDA PUBLIC UTILITIES COMPANY
(CDY-3)

FLORIDA PUBLIC UTILITIES COMPANY
FLORIDA DIVISION-CONSOLIDATED
RESIDENTIAL BILL COMPARISON

ESTIMATED FOR THE PERIOD: JANUARY 2015 THROUGH DECEMBER 2015

	JANUARY 2015	FEBRUARY 2015	MARCH 2015	APRIL 2015	MAY 2015	JUNE 2015	JULY 2015
BASE RATE REVENUES ** $	32.65	32.65	32.65	32.65	32.65	32.65	32.65
FUEL RECOVERY FACTOR CENTS/KWH	9.98	9.98	9.98	9.98	9.98	9.98	9.98
GROUP LOSS MULTIPLIER	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
FUEL RECOVERY REVENUES $	99.81	99.81	99.81	99.81	99.81	99.81	99.81
GROSS RECEIPTS TAX	3.40	3.40	3.40	3.40	3.40	3.40	3.40
TOTAL REVENUES *** $	135.86	135.86	135.86	135.86	135.86	135.86	135.86

	AUGUST 2015	SEPTEMBER 2015	OCTOBER 2015	NOVEMBER 2015	DECEMBER 2015	PERIOD TOTAL
BASE RATE REVENUES ** $	32.65	32.65	32.65	32.65	32.65	391.80
FUEL RECOVERY FACTOR CENTS/KWH	9.98	9.98	9.98	9.98	9.98	
GROUP LOSS MULTIPLIER	1.00000	1.00000	1.00000	1.00000	1.00000	
FUEL RECOVERY REVENUES $	99.81	99.81	99.81	99.81	99.81	1,197.72
GROSS RECEIPTS TAX	3.40	3.40	3.40	3.40	3.40	40.80
TOTAL REVENUES *** $	135.86	135.86	135.86	135.86	135.86	1,630.32

* MONTHLY AND CUMULATIVE TWELVE MONTH ESTIMATED DATA

** BASE RATE REVENUES PER 1000 KWH:

CUSTOMER CHARGE	12.00
CENTS/KWH	19.58
CONSERVATION FACTOR	1.070
	32.65

*** EXCLUDES FRANCHISE TAXES

EXHIBIT NO. __________
DOCKET NO. 140001-EI
FLORIDA PUBLIC UTILITIES COMPANY
(CDY-3)

FLORIDA PUBLIC UTILITIES COMPANY
FUEL AND PURCHASED POWER
COST RECOVERY CLAUSE CALCULATION
ESTIMATED FOR THE PERIOD: JANUARY 2015 - DECEMBER 2015

NORTHWEST FLORIDA DIVISION

		(a) DOLLARS		(b) MWH	(c) CENTS/KWH
1	Fuel Cost of System Net Generation (E3)			0	
2	Nuclear Fuel Disposal Costs (E2)				
3	Coal Car Investment				
4	Adjustments to Fuel Cost				
5	TOTAL COST OF GENERATED POWER (LINE 1 THRU 4)	0		0	0.00000
6	Fuel Cost of Purchased Power (Exclusive of Economy) (E7)	18,129,824		324,485	5.58726
7	Energy Cost of Sched C & X Econ Purch (Broker) (E9)				
8	Energy Cost of Other Econ Purch (Non-Broker) (E9)				
9	Energy Cost of Sched E Economy Purch (E9)				
10	Demand & Transformation Cost of Purch Power (E2)	12,880,871		324,485	3.96964
10a	Demand Costs of Purchased Power	12,370,323	*		
10b	Transformation Energy & Customer Costs of Purchased Power	510,548	*		
11	Energy Payments to Qualifying Facilities (E8a)				
12	TOTAL COST OF PURCHASED POWER (LINE 6 THRU 11)	31,010,695		324,485	9.55690
13	TOTAL AVAILABLE KWH (LINE 5 + LINE 12)	31,010,695		324,485	9.55690
14	Fuel Cost of Economy Sales (E6)				
15	Gain on Economy Sales (E6)				
16	Fuel Cost of Unit Power Sales (SL2 Partpts) (E6)				
17	Fuel Cost of Other Power Sales				
18	TOTAL FUEL COST AND GAINS OF POWER SALES	0		0	0.00000
19	Net Inadvertent Interchange				
20	TOTAL FUEL & NET POWER TRANSACTIONS (LINE 5 + 12 + 18 + 19)	31,010,695		324,485	9.55690
21	Net Unbilled Sales	0	*	0	0.00000
22	Company Use	22,841	*	239	0.00725
23	T & D Losses	880,477	*	9,213	0.27949
24	SYSTEM MWH SALES	31,010,695		315,033	9.84363
25	Less Total Demand Cost Recovery	12,370,323	***		
26	Jurisdictional MWH Sales	18,640,372		315,033	5.91696
26a	Jurisdictional Loss Multiplier	1.00000		1.00000	
27	Jurisdictional MWH Sales Adjusted for Line Losses	18,640,372		315,033	5.91696
28	Projected Unbilled Revenues	(500,000)		315,033	(0.15871)
29	TRUE-UP **	884,720		315,033	0.28083
30	TOTAL JURISDICTIONAL FUEL COST	19,025,092		315,033	6.03908
31	Revenue Tax Factor				1.00072
32	Fuel Factor Adjusted for Taxes				6.04343
33	FUEL FAC ROUNDED TO NEAREST .001 CENTS/KWH	19,038,790			6.043

* For Informational Purposes Only
** Calculation Based on Jurisdictional KWH Sales
***Calculation on Schedule E1 Page 2

EXHIBIT NO.____________
DOCKET NO. _140001-EI
FLORIDA PUBLIC UTILITIES COMPANY
(CDY-3)

FLORIDA PUBLIC UTLITIES COMPANY
FUEL FACTOR ADJUSTED FOR
LINE LOSS MULTIPLIER
ESTIMATED FOR THE PERIOD: JANUARY 2015 - DECEMBER 2015

NORTHWEST FLORIDA DIVISION

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
				(1)/((2)*8,760)			(3)*(4)	(1)*(5)	)/Total Col. (7)	(7)/Total Col. (7)
	Rate Schedule	KWH Sales	12 CP Load Factor	CP KW At Meter	Demand Loss Factor	Energy Loss Factor	CP KW At GEN.	KWH At GEN.	2 CP Demar Percentage	Energy Percentage
34	RS	138,567,298	57.313%	27,599.6	1.089	1.030	30,056.0	142,724,317	51.08%	43.98%
35	GS	29,068,201	63.216%	5,249.1	1.089	1.030	5,716.3	29,940,247	9.71%	9.23%
36	GSD	83,570,738	73.904%	12,908.7	1.089	1.030	14,057.6	86,077,860	23.88%	26.53%
37	GSLD	58,534,854	84.021%	7,952.8	1.089	1.030	8,660.6	60,290,900	14.71%	18.58%
38	OL, OL1	4,073,972	178.492%	260.6	1.089	1.030	283.8	4,196,191	0.48%	1.29%
39	SL1, SL2 & SL3	1,218,459	178.492%	77.9	1.089	1.030	84.8	1,255,013	0.14%	0.39%
40	TOTAL	315,033,522		54,048.7			58,859.1	324,484,528	100.00%	100.00%

		(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
		12/13 * (8)	1/13 * (9)	(10) + (11)	Tot. Col. 13 * (12	(13)/(1)	(14) * 1.00072		(15) + (16)
	Rate Schedule	12/13 Of 12 CP	1/13 Of Energy	Demand Allocatio Percentage	Demand Dollars	Demand Cost Recovery	Demand Cost Recovery Adj for Taxes	Other Charges	Levelized Adjustment
41	RS	47.15%	3.39%	50.54%	$6,251,961	0.04512	0.04515	0.06043	$0.10558
42	GS	8.96%	0.71%	9.67%	1,196,210	0.04115	0.04118	0.06043	$0.10161
43	GSD	22.04%	2.04%	24.08%	2,978,774	0.03564	0.03567	0.06043	$0.09610
44	GSLD	13.58%	1.43%	15.01%	1,856,785	0.03172	0.03174	0.06043	$0.09217
45	OL, OL1	0.44%	0.10%	0.54%	66,800	0.01640	0.01641	0.06043	$0.07684
46	SL1, SL2 & SL3	0.13%	0.03%	0.16%	19,793	0.01624	0.01625	0.06043	$0.07668
47	TOTAL	92.30%	7.70%	100.00%	$12,370,323				

Step Rate Allocation for Residential Customers

	Rate Schedule	(18) Allocation	(19) Annual kWh	(20) Levelized Adj.	(21) (19) * (20) Revenues
48	RS	Sales	138,567,298	$0.10558	$14,629,935
49	RS	<= 1,000kWh/mo.	77,033,226	$0.10003	$7,705,563
50	RS	> 1,000 kWh/mo.	61,534,072	$0.11253	$6,924,373
51	RS	Total Sales	138,567,298		$14,629,935

TOU Rates

	Rate Schedule	(22) On Peak Rate Differential	(23) Off Peak Rate Differential	(24) Levelized Adj. On Peak	(25) Levelized Adj. Off Peak
52	RS	0.0840	(0.0390)	$0.18403	$0.06103
53	GS	0.0400	(0.0500)	$0.14161	$0.05161
54	GSD	0.0400	(0.0325)	$0.13610	$0.06360
55	GSLD	0.0600	(0.0300)	$0.15217	$0.06217
56	Interruptible	(0.0150)	-	$0.07717	$0.09217

(2) From Gulf Power Co. 2009 Load Research data results.

FLORIDA PUBLIC UTILITIES COMPANY
CALCULATION OF TRUE-UP SURCHARGE
APPLICABLE TO LEVELIZED FUEL ADJUSTMENT PERIOD
JANUARY 2014 - DECEMBER 2014
BASED ON SIX MONTHS ACTUAL AND SIX MONTHS ESTIMATED

NORTHWEST FLORIDA DIVISION

Under-recovery of purchased power costs for the period January 2014 - December 2014. (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 2014; (Estimated)	$	2,654,159
Portion of 2014 Under-recovery to be collected for the period January 2015 - December 2015 (at one-third of 2014 True-up)	$	884,720
Estimated kilowatt hour sales for the months of January 2015 - December 2015 as per estimate filed with the Commission.		315,033,522
Cents per kilowatt hour necessary to collect under-recovered purchased power costs over the period January 2015 - December 2015.		0.28083

FLORIDA PUBLIC UTILITIES COMPANY
NORTHWEST FLORIDA DIVISION
FUEL & PURCHASED POWER COST RECOVERY CLAUSE CALCULATION

ESTIMATED FOR THE PERIOD: JANUARY 2015 - DECEMBER 2015

LINE NO.			(a) 2015 JANUARY	(b) 2015 FEBRUARY	(c) 2015 MARCH	(d) 2015 APRIL	(e) 2015 MAY	(f) 2015 JUNE	(g) 2015 JULY	(h) 2015 AUGUST	(i) 2015 SEPTEMBER	(j) 2015 OCTOBER	(k) 2015 NOVEMBER	(l) 2015 DECEMBER	(m) TOTAL PERIOD	LINE NO.
1	FUEL COST OF SYSTEM GENERATION														0	1
1a	NUCLEAR FUEL DISPOSAL														0	1a
2	FUEL COST OF POWER SOLD														0	2
3	FUEL COST OF PURCHASED POWER		1,623,903	1,422,010	1,329,526	1,227,454	1,310,667	1,559,651	1,812,472	1,778,217	1,779,784	1,550,107	1,291,755	1,444,278	18,129,824	3
3a	DEMAND & TRANSFORMATION CHARGE OF PURCHASED POWER		1,075,737	1,073,967	1,072,132	1,072,691	1,072,867	1,073,928	1,074,120	1,073,611	1,073,684	1,073,035	1,072,499	1,072,600	12,880,871	3a
3b	QUALIFYING FACILITIES														0	3b
4	ENERGY COST OF ECONOMY PURCHASES														0	4
5	TOTAL FUEL & NET POWER TRANSACTIONS (SUM OF LINES A-1 THRU A-4)		2,699,640	2,495,977	2,401,658	2,300,145	2,383,534	2,633,579	2,886,592	2,851,828	2,853,468	2,623,142	2,364,254	2,516,878	31,010,695	5
6	LESS: TOTAL DEMAND COST RECOVERY		1,033,062	1,031,523	1,029,794	1,030,471	1,030,551	1,031,326	1,031,228	1,030,758	1,030,830	1,030,444	1,030,205	1,030,131	12,370,323	6
7	TOTAL OTHER COST TO BE RECOVERED		1,666,578	1,464,454	1,371,864	1,269,674	1,352,983	1,602,253	1,855,364	1,821,070	1,822,638	1,592,698	1,334,049	1,486,747	18,640,372	7
7a	SYSTEM KWH SOLD (MWH)		28,218	24,710	23,103	21,329	22,775	27,101	31,494	30,899	30,926	26,935	22,446	25,097	315,033	7a
7b	COST PER KWH SOLD (CENTS/KWH)		5.90608	5.92656	5.93803	5.95281	5.94065	5.91215	5.89117	5.89362	5.89355	5.91312	5.94337	5.924	5.91696	7b
8	JURISDICTIONAL LOSS MULTIPLIER		1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	8
9	JURISDICTIONAL COST (CENTS/KWH)		5.90608	5.92656	5.93803	5.95281	5.94065	5.91215	5.89117	5.89362	5.89355	5.91312	5.94337	5.92400	5.91696	9
10	PROJECTED UNBILLED REVENUES (CENTS/KWH)		(0.15871)	(0.15871)	(0.15871)	(0.15871)	(0.15871)	(0.15871)	(0.15871)	(0.15871)	(0.15871)	(0.15871)	(0.15871)	(0.15871)	(0.15871)	10
11	TRUE-UP (CENTS/KWH)		0.28083	0.28083	0.28083	0.28083	0.28083	0.28083	0.28083	0.28083	0.28083	0.28083	0.28083	0.28083	0.28083	11
12	TOTAL		6.02820	6.04868	6.06015	6.07493	6.06277	6.03427	6.01329	6.01574	6.01567	6.03524	6.06549	6.04612	6.03908	12
13	REVENUE TAX FACTOR	0.00072	0.00434	0.00436	0.00436	0.00437	0.00437	0.00434	0.00433	0.00433	0.00433	0.00435	0.00437	0.00435	0.00435	13
14	RECOVERY FACTOR ADJUSTED FOR TAXES		6.03254	6.05304	6.06451	6.07930	6.06714	6.03861	6.01762	6.02007	6.02000	6.03959	6.06986	6.05047	6.04343	14
15	RECOVERY FACTOR ROUNDED TO NEAREST .001 CENT/KWH		6.033	6.053	6.065	6.079	6.067	6.039	6.018	6.020	6.020	6.040	6.070	6.050	6.043	15

EXHIBIT NO. ________
DOCKET NO. _140001-EI
FLORIDA PUBLIC UTILITIES COMPANY
(CDY-3)

FLORIDA PUBLIC UTILITIES COMPANY
NORTHWEST FLORIDA DIVISION
PURCHASED POWER
(EXCLUSIVE OF ECONOMY ENERGY PURCHASES)

ESTIMATED FOR THE PERIOD: JANUARY 2015 - DECEMBER 2015

(1)		(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
MONTH		PURCHASED FROM	TYPE & SCHEDULE	TOTAL KWH PURCHASED	KWH FOR OTHER UTILITIES	KWH FOR INTERRUPTIBLE	KWH FOR FIRM	CENTS/KWH (A) FUEL COST	CENTS/KWH (B) TOTAL COST	TOTAL $ FOR FUEL ADJ. (7) x (8) (A)
JANUARY	2015	GULF POWER COMPANY	RE	29,064,342			29,064,342	5.587269	9.287463	1,623,903
FEBRUARY	2015	GULF POWER COMPANY	RE	25,450,887			25,450,887	5.587271	9.805855	1,422,010
MARCH	2015	GULF POWER COMPANY	RE	23,795,628			23,795,628	5.587271	10.091593	1,329,526
APRIL	2015	GULF POWER COMPANY	RE	21,968,768			21,968,768	5.587268	10.468703	1,227,454
MAY	2015	GULF POWER COMPANY	RE	23,458,093			23,458,093	5.587269	10.159538	1,310,667
JUNE	2015	GULF POWER COMPANY	RE	27,914,377			27,914,377	5.587267	9.433415	1,559,651
JULY	2015	GULF POWER COMPANY	RE	32,439,311			32,439,311	5.587271	8.897513	1,812,472
AUGUST	2015	GULF POWER COMPANY	RE	31,826,220			31,826,220	5.587271	8.959682	1,778,217
SEPTEMBER	2015	GULF POWER COMPANY	RE	31,854,273	21,846,749		31,854,273	5.587269	8.956940	1,779,784
OCTOBER	2015	GULF POWER COMPANY	RE	27,743,559	20,295,932		27,743,559	5.587266	9.453877	1,550,107
NOVEMBER	2015	GULF POWER COMPANY	RE	23,119,617			23,119,617	5.587266	10.224884	1,291,755
DECEMBER	2015	GULF POWER COMPANY	RE	25,849,452			25,849,452	5.587265	9.735518	1,444,278
TOTAL				324,484,528	0	0	324,484,528	5.587269	9.555801	18,129,824

EXHIBIT NO. ________
DOCKET NO. _140001-EI
FLORIDA PUBLIC UTILITIES COMPANY
(CDY-3)

FLORIDA PUBLIC UTILITIES COMPANY
NORTHWEST FLORIDA DIVISION
RESIDENTIAL BILL COMPARISON
FOR MONTHLY USAGE OF 1000 KWH

ESTIMATED FOR THE PERIOD: JANUARY 2015 - DECEMBER 2015

	JANUARY 2015	FEBRUARY 2015	MARCH 2015	APRIL 2015	MAY 2015	JUNE 2015	JULY 2015
BASE RATE REVENUES ** $	32.65	32.65	32.65	32.65	32.65	32.65	32.65
FUEL RECOVERY FACTOR CENTS/KWH	10.00	10.00	10.00	10.00	10.00	10.00	10.00
GROUP LOSS MULTIPLIER	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
FUEL RECOVERY REVENUES $	100.03	100.03	100.03	100.03	100.03	100.03	100.03
GROSS RECEIPTS TAX	3.40	3.40	3.40	3.40	3.40	3.40	3.40
TOTAL REVENUES *** $	136.08	136.08	136.08	136.08	136.08	136.08	136.08

	AUGUST 2015	SEPTEMBER 2015	OCTOBER 2015	NOVEMBER 2015	DECEMBER 2015	PERIOD TOTAL
BASE RATE REVENUES ** $	32.65	32.65	32.65	32.65	32.65	391.80
FUEL RECOVERY FACTOR CENTS/KWH	10.00	10.00	10.00	10.00	10.00	
GROUP LOSS MULTIPLIER	1.00000	1.00000	1.00000	1.00000	1.00000	
FUEL RECOVERY REVENUES $	100.03	100.03	100.03	100.03	100.03	1,200.36
GROSS RECEIPTS TAX	3.40	3.40	3.40	3.40	3.40	40.80
TOTAL REVENUES *** $	136.08	136.08	136.08	136.08	136.08	1,632.96

* MONTHLY AND CUMULATIVE TWELVE MONTH ESTIMATED DATA

** BASE RATE REVENUES PER 1000 KWH:

CUSTOMER CHARGE	12.00
CENTS/KWH	19.58
CONSERVATION FACTOR	1.070
	32.65

*** EXCLUDES FRANCHISE TAXES

EXHIBIT NO. ____________
DOCKET NO. _140001-EI
FLORIDA PUBLIC UTILITIES COMPANY
(CDY-3)
PAGE 14 OF 22

FLORIDA PUBLIC UTILITIES COMPANY
FUEL AND PURCHASED POWER
COST RECOVERY CLAUSE CALCULATION

ESTIMATED FOR THE PERIOD: JANUARY 2015 THROUGH DECEMBER 2015

NORTHEAST FLORIDA DIVISION		(a) DOLLARS	(b) MWH	(c) CENTS/KWH
1	Fuel Cost of System Net Generation (E3)			
2	Nuclear Fuel Disposal Costs (E2)			
3	Coal Car Investment			
4	Adjustments to Fuel Cost			
5	TOTAL COST OF GENERATED POWER (LINE 1 THRU 4)	0	0	0.00000
6	Fuel Cost of Purchased Power (Exclusive of Economy) (E7)	14,526,051	333,166	4.36000
7	Energy Cost of Sched C & X Econ Purch (Broker) (E9)			
8	Energy Cost of Other Econ Purch (Non-Broker) (E9)			
9	Energy Cost of Sched E Economy Purch (E9)			
10	Demand & Non Fuel Cost of Purch Power (E2)	18,616,156	333,166	5.58765
10a	Demand Costs of Purchased Power	14,147,931 *		
10b	Non-fuel Energy & Customer Costs of Purchased Power	4,468,225 *		
11	Energy Payments to Qualifying Facilities (E8a)	1,560,163	26,400	5.90971
12	TOTAL COST OF PURCHASED POWER (LINE 6 THRU 11)	34,702,370	359,566	9.65118
13	TOTAL AVAILABLE KWH (LINE 5 + LINE 12)	34,702,370	359,566	9.65118
14	Fuel Cost of Economy Sales (E6)			
15	Gain on Economy Sales (E6)			
16	Fuel Cost of Unit Power Sales (SL2 Partpts) (E6)			
17	Fuel Cost of Other Power Sales			
18	TOTAL FUEL COST AND GAINS OF POWER SALES	0	0	0.00000
19	Net Inadvertent Interchange			
20	TOTAL FUEL & NET POWER TRANSACTIONS (LINE 5 + 12 + 18 + 19)	34,702,370	359,566	9.65118
21	Net Unbilled Sales	0 *	0	0.00000
22	Company Use	43,141 *	447	0.01315
23	T & D Losses	3,001,227 *	31,097	0.91495
24	SYSTEM MWH SALES	34,702,370	328,022	10.57928
25	Wholesale MWH Sales			
26	Jurisdictional MWH Sales	34,702,370	328,022	10.57928
26a	Jurisdictional Loss Multiplier	1.00000	1.00000	
27	Jurisdictional MWH Sales Adjusted for Line Losses	34,702,370	328,022	10.57928
27a	GSLD1 MWH Sales		23,740	
27b	Other Classes MWH Sales		304,282	
27c	GSLD1 CP KW		558,000 *	
28	GPIF **			
29	TRUE-UP (OVER) UNDER RECOVERY **	108,394	304,282	0.03562
30	TOTAL JURISDICTIONAL FUEL COST	34,810,764	304,282	11.44030
30a	Demand Purchased Power Costs (Line 10a)	14,147,931 *		
30b	Non-demand Purchased Power Costs (Lines 6 + 10b + 11)	20,554,439 *		
30c	True up Over/Under Recovery (Line 29)	108,394 *		

* For Informational Purposes Only
** Calculation Based on Jurisdictional KWH Sales

FLORIDA PUBLIC UTILITIES COMPANY
FUEL AND PURCHASED POWER
COST RECOVERY CLAUSE CALCULATION

ESTIMATED FOR THE PERIOD: JANUARY 2015 THROUGH DECEMBER 2015

	NORTHEAST FLORIDA DIVISION	(a)	(b)	(c)
		DOLLARS	MWH	CENTS/KWH
	APPORTIONMENT OF DEMAND COSTS			
31	Total Demand Costs (Line 30a)	14,147,931		
32	GSLD1 Portion of Demand Costs (Line 30a) Including Line Losses(Line 27c x $2.96)	3,320,081	558,000 (KW)	$5.95 /KW
33	Balance to Other Classes	10,827,850	304,282	3.55849
	APPORTIONMENT OF NON-DEMAND COSTS			
34	Total Non-demand Costs(Line 30b)	20,554,439		
35	Total KWH Purchased (Line 12)		359,566	
36	Average Cost per KWH Purchased			5.71646
37	Average Cost Adjusted for Line Losses (Line 36 x 1.03)			5.89230
38	GSLD1 Non-demand Costs (Line 27a x Line 37)	1,398,832	23,740	5.89230
39	Balance to Other Classes	19,155,607	304,282	6.29535
	GSLD1 PURCHASED POWER COST RECOVERY FACTORS			
40a	Total GSLD1 Demand Costs (Line 32)	3,320,081	558,000 (KW)	$5.95 /KW
40b	Revenue Tax Factor			1.00072
40c	GSLD1 Demand Purchased Power Factor Adjusted for Taxes & Rounded			$5.95 /KW
40d	Total Current GSLD1 Non-demand Costs(Line 38)	1,398,832	23,740	5.89230
40e	Total Non-demand Costs Including True-up	1,398,832	23,740	5.89230
40f	Revenue Tax Factor			1.00072
40g	GSLD1 Non-demand Costs Adjusted for Taxes & Rounded			5.89654
	OTHER CLASSES PURCHASED POWER COST RECOVERY FACTORS			
41a	Total Demand & Non-demand Purchased Power Costs of Other Classes(Line 33 + 39)	29,983,457	304,282	9.85384
41b	Less: Total Demand Cost Recovery	10,827,850 ***		
41c	Total Other Costs to be Recovered	19,155,607	304,282	6.29535
41d	Other Classes' Portion of True-up (Line 30c)	108,394	304,282	0.03562
41e	Total Demand & Non-demand Costs Including True-up	19,264,001	304,282	6.33097
42	Revenue Tax Factor			1.00072
43	Other Classes Purchased Power Factor Adjusted for Taxes & Rounded	19,277,871		6.336

* For Informational Purposes Only
** Calculation Based on Jurisdictional KWH Sales
*** Calculation on Schedule E1 Page 3

FLORIDA PUBLIC UTILITIES COMPANY

FUEL AND PURCHASED POWER
COST RECOVERY CLAUSE CALCULATION

ESTIMATED FOR THE PERIOD: JANUARY 2015 THROUGH DECEMBER 2015

NORTHEAST FLORIDA DIVISION

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
				(1)/((2)*8,760)			(3)*(4)	(1)*(5)	)/Total Col. (	7)/Total Col. (7)
	Rate Schedule	KWH Sales	12 CP Load Factor	CP KW At Meter	Demand Loss Factor	Energy Loss Factor	CP KW At GEN.	KWH At GEN.	2 CP Demar Percentage	Energy Percentage
44	RS	165,698,543	57.313%	33,003.6	1.089	1.030	35,940.9	170,669,499	60.60%	54.45%
45	GS	30,631,064	63.216%	5,531.3	1.089	1.030	6,023.6	31,549,996	10.15%	10.07%
46	GSD	77,030,738	73.904%	11,898.5	1.089	1.030	12,957.5	79,341,660	21.84%	25.32%
47	GSLD	28,662,984	84.021%	3,894.3	1.089	1.030	4,240.9	29,522,874	7.15%	9.42%
48	OL	1,380,239	178.492%	88.3	1.089	1.030	96.2	1,421,646	0.16%	0.45%
49	SL	875,953	178.492%	56.0	1.089	1.030	61.0	902,232	0.10%	0.29%
	TOTAL	304,279,521		54,472.0			59,320.1	313,407,907	100.00%	100.00%

		(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
		12/13 * (8)	1/13 * (9)	(10) + (11)	Tot. Col. 13 * (9)	(13)/(1)	(14) * 1.00072		(15) + (16)
	Rate Schedule	12/13 Of 12 CP	1/13 Of Energy	Demand Allocation Percentage	Demand Dollars	Demand Cost Recovery	Demand Cost Recovery Adj for Taxes	Other Charges	Levelized Adjustment
50	RS	55.95%	4.19%	60.14%	$6,511,869	0.03930	0.03933	0.06336	0.10269
51	GS	9.37%	0.77%	10.14%	1,097,944	0.03584	0.03587	0.06336	0.09923
52	GSD	20.16%	1.95%	22.11%	2,394,038	0.03108	0.03110	0.06336	0.09446
53	GSLD	6.60%	0.72%	7.32%	792,599	0.02765	0.02767	0.06336	0.09103
54	OL	0.15%	0.03%	0.18%	19,490	0.01412	0.01413	0.06336	0.07749
55	SL	0.09%	0.02%	0.11%	11,911	0.01360	0.01361	0.06336	0.07697
	TOTAL	92.32%	7.68%	100.00%	$10,827,850				

Step Rate Allocation for Residential Customers

		(18)	(19)	(20)	(21)
					(19) * (20)
	Rate Schedule	Allocation	Annual kWh	Levelized Adj.	Revenues
56	RS	Sales	165,698,543	$0.10269	$17,015,583
57	RS	<= 1,000kWh/mo.	123,134,672	$0.09948	$12,249,321
58	RS	> 1,000 kWh/mo.	42,563,871	$0.11198	$4,766,262
59	RS	Total Sales	165,698,543		$17,015,583

(2) From Gulf Power Co. 2009 Load Research results.

FLORIDA PUBLIC UTILITIES COMPANY
CALCULATION OF TRUE-UP SURCHARGE
APPLICABLE TO LEVELIZED FUEL ADJUSTMENT PERIOD
JANUARY 2014 - DECEMBER 2014
BASED ON SIX MONTHS ACTUAL AND SIX MONTHS ESTIMATED OPERATIONS

NORTHEAST FLORIDA DIVISION

Under-recovery of purchased power costs for the period January 2014 - December 2014. (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 2014.)(Estimated)	$	325,182
Portion of 2014 Under-recovery to be collected for the period January 2015 - December 2015 (at one-third of 2014 True-up)	$	108,394
Estimated kilowatt hour sales for the months of January 2015 - December 2015 as per estimate filed with the Commission. (Excludes GSLD1 customers)		304,279,521
Cents per kilowatt hour necessary to collect under-recovered purchased power costs over the period January 2015 - December 2015		0.10687

SCHEDULE E2

FLORIDA PUBLIC UTILITIES COMPANY

NORTHEAST FLORIDA DIVISION

FUEL & PURCHASED POWER COST RECOVERY CLAUSE CALCULATION

ESTIMATED FOR THE PERIOD: JANUARY 2015 THROUGH DECEMBER 2015

LINE NO.			(a) JANUARY	(b) FEBRUARY	(c) MARCH	(d) APRIL	(e) MAY	(f) ESTIMATED JUNE	(h) JULY	(i) AUGUST	(j) SEPTEMBER	(k) OCTOBER	(l) NOVEMBER	(m) DECEMBER	(n) TOTAL PERIOD	LINE NO.
1	FUEL COST OF SYSTEM GENERATION														0	1
1a	NUCLEAR FUEL DISPOSAL														0	1a
2	FUEL COST OF POWER SOLD														0	2
3	FUEL COST OF PURCHASED POWER		1,221,409	1,121,296	1,053,092	988,545	1,049,890	1,302,329	1,559,985	1,545,335	1,496,472	1,265,464	978,890	943,344	14,526,051	3
3a	DEMAND & NON FUEL COST OF PUR POWER		1,556,311	1,528,191	1,508,397	1,491,827	1,508,251	1,576,254	1,644,831	1,640,488	1,627,532	1,565,605	1,489,006	1,479,463	18,616,156	3a
3b	QUALIFYING FACILITIES		130,461	99,290	130,461	134,288	134,288	134,288	134,288	134,288	134,288	134,288	129,474	130,461	1,560,163	3b
4	ENERGY COST OF ECONOMY PURCHASES														0	4
5	TOTAL FUEL & NET POWER TRANSACTIONS (SUM OF LINES A-1 THRU A-4)		2,908,181	2,748,777	2,691,950	2,614,660	2,692,429	3,012,871	3,339,104	3,320,111	3,258,292	2,965,357	2,597,370	2,553,268	34,702,370	5
5a	LESS: TOTAL DEMAND COST RECOVERY		904,380	902,941	901,324	901,957	902,032	902,756	902,665	902,226	902,293	901,932	901,709	901,640	10,827,850	5a
5b	TOTAL OTHER COST TO BE RECOVERED		2,003,801	1,845,836	1,790,626	1,712,703	1,790,397	2,110,115	2,436,439	2,417,885	2,355,999	2,063,425	1,695,661	1,651,628	23,874,520	5b
6	APPORTIONMENT TO GSLD1 CLASS		396,851	400,590	407,036	420,119	408,125	391,600	389,265	396,711	383,984	378,598	370,295	375,740	4,718,913	6
6a	BALANCE TO OTHER CLASSES		1,606,951	1,445,246	1,383,591	1,292,584	1,382,273	1,718,515	2,047,174	2,021,174	1,972,016	1,684,828	1,325,367	1,275,888	19,155,607	6a
6b	SYSTEM KWH SOLD (MWH)		27,401	25,171	23,638	22,202	23,563	29,192	34,931	34,605	33,516	28,372	21,991	23,440	328,022	6b
7	GSLD1 MWH SOLD		2,041	2,140	2,203	2,412	2,216	1,952	1,922	2,049	1,830	1,729	1,579	1,667	23,740	7
7a	BALANCE MWH SOLD OTHER CLASSES		25,360	23,031	21,435	19,790	21,347	27,240	33,009	32,556	31,686	26,643	20,412	21,773	304,282	7a
7b	COST PER KWH SOLD (CENTS/KWH) APPLICABLE TO OTHER CLASSES		6.33656	6.27522	6.45482	6.5315	6.47525	6.30879	6.20187	6.2083	6.22362	6.32372	6.49308	5.85996	6.29535	7b
8	JURISDICTIONAL LOSS MULTIPLIER		1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	8
9	JURISDICTIONAL COST (CENTS/KWH)		6.33656	6.27522	6.45482	6.53150	6.47525	6.30879	6.20187	6.20830	6.22362	6.32372	6.49308	5.85996	6.29535	9
10	GPIF (CENTS/KWH)															10
11	TRUE-UP (CENTS/KWH)	108,394	0.03562	0.03562	0.03562	0.03562	0.03562	0.03562	0.03562	0.03562	0.03562	0.03562	0.03562	0.03562	0.03562	11
12	TOTAL		6.37218	6.31084	6.49044	6.56712	6.51087	6.34441	6.23749	6.24392	6.25924	6.35934	6.52870	5.89558	6.33097	12
13	REVENUE TAX FACTOR	0.00072	0.00459	0.00454	0.00467	0.00473	0.00469	0.00457	0.00449	0.00450	0.00451	0.00458	0.00470	0.00424	0.00456	13
14	RECOVERY FACTOR ADJUSTED FOR TAXES		6.37677	6.31538	6.49511	6.57185	6.51556	6.34898	6.24198	6.24842	6.26375	6.36392	6.53340	5.89982	6.33553	14
15	RECOVERY FACTOR ROUNDED TO NEAREST .001 CENT/KWH		6.377	6.315	6.495	6.572	6.516	6.349	6.242	6.248	6.264	6.364	6.533	5.9	6.336	15

EXHIBIT NO. ___________
DOCKET NO. 140001-EI
FLORIDA PUBLIC UTILITIES COMPANY
(CDY-3)

FLORIDA PUBLIC UTILITIES COMPANY
NORTHEAST FLORIDA DIVISION
PURCHASED POWER
(EXCLUSIVE OF ECONOMY ENERGY PURCHASES)

ESTIMATED FOR THE PERIOD: JANUARY 2015 THROUGH DECEMBER 2015

(1)		(2)	(3)	(4)	(5)	(6)	(7)	(8)		(9)
MONTH		PURCHASED FROM	TYPE & SCHEDULE	TOTAL KWH PURCHASED	KWH FOR OTHER UTILITIES	KWH FOR TERRUPTIB	KWH FOR FIRM	CENTS/KWH (A) FUEL COST	CENTS/KWH (B) TOTAL COST	TOTAL $ FOR FUEL ADJ. (7) x (8) (A)
JANUARY	2015	JACKSONVILLE ELECTRIC AUTHORITY	MS	28,013,973			28,013,973	4.359999	9.915480	1,221,409
FEBRUARY	2015	JACKSONVILLE ELECTRIC AUTHORITY	MS	25,717,793			25,717,793	4.360001	10.302155	1,121,296
MARCH	2015	JACKSONVILLE ELECTRIC AUTHORITY	MS	24,153,490			24,153,490	4.359999	10.605047	1,053,092
APRIL	2015	JACKSONVILLE ELECTRIC AUTHORITY	MS	22,673,045			22,673,045	4.360001	10.939739	988,545
MAY	2015	JACKSONVILLE ELECTRIC AUTHORITY	MS	24,080,050			24,080,050	4.359999	10.623487	1,049,890
JUNE	2015	JACKSONVILLE ELECTRIC AUTHORITY	MS	29,869,930			29,869,930	4.360000	9.637060	1,302,329
JULY	2015	JACKSONVILLE ELECTRIC AUTHORITY	MS	35,779,464			35,779,464	4.360001	8.957138	1,559,985
AUGUST	2015	JACKSONVILLE ELECTRIC AUTHORITY	MS	35,443,472			35,443,472	4.359999	8.988462	1,545,335
SEPTEMBER	2015	JACKSONVILLE ELECTRIC AUTHORITY	MS	34,322,747			34,322,747	4.360001	9.101847	1,496,472
OCTOBER	2015	JACKSONVILLE ELECTRIC AUTHORITY	MS	29,024,410			29,024,410	4.359999	9.754096	1,265,464
NOVEMBER	2015	JACKSONVILLE ELECTRIC AUTHORITY	MS	22,451,600			22,451,600	4.360001	10.992072	978,890
DECEMBER	2015	JACKSONVILLE ELECTRIC AUTHORITY	MS	21,636,320			21,636,320	4.360002	11.197870	943,344
TOTAL				333,166,295	0	0	333,166,295	4.360000	9.947647	14,526,051

SCHEDULE E8

FLORIDA PUBLIC UTILITIES COMPANY
NORTHEAST FLORIDA DIVISION
PURCHASED POWER
ENERGY PAYMENT TO QUALIFYING FACILITIES

ESTIMATED FOR THE PERIOD: JANUARY 2015 THROUGH DECEMBER 2015

(1)		(2)	(3)	(4)	(5)	(6)	(7)	(8)		(9)
MONTH		PURCHASED FROM	TYPE & SCHEDULE	TOTAL KWH PURCHASED	KWH FOR OTHER UTILITIES	KWH FOR TERRUPTIB	KWH FOR FIRM	CENTS/KWH (A) FUEL COST	CENTS/KWH (B) TOTAL COST	TOTAL $ FOR FUEL ADJ. (7) x (8) (A)
JANUARY	2015	ROCK-TENN COMPANY / RAYONIER		2,200,000			2,200,000	5.930045	5.930045	130,461
FEBRUARY	2015	ROCK-TENN COMPANY / RAYONIER		2,200,000			2,200,000	4.513182	4.513182	99,290
MARCH	2015	ROCK-TENN COMPANY / RAYONIER		2,200,000			2,200,000	5.930045	5.930045	130,461
APRIL	2015	ROCK-TENN COMPANY / RAYONIER		2,200,000			2,200,000	6.104000	6.104000	134,288
MAY	2015	ROCK-TENN COMPANY / RAYONIER		2,200,000			2,200,000	6.104000	6.104000	134,288
JUNE	2015	ROCK-TENN COMPANY / RAYONIER		2,200,000			2,200,000	6.104000	6.104000	134,288
JULY	2015	ROCK-TENN COMPANY / RAYONIER		2,200,000			2,200,000	6.104000	6.104000	134,288
AUGUST	2015	ROCK-TENN COMPANY / RAYONIER		2,200,000			2,200,000	6.104000	6.104000	134,288
SEPTEMBER	2015	ROCK-TENN COMPANY / RAYONIER		2,200,000			2,200,000	6.104000	6.104000	134,288
OCTOBER	2015	ROCK-TENN COMPANY / RAYONIER		2,200,000			2,200,000	6.104000	6.104000	134,288
NOVEMBER	2015	ROCK-TENN COMPANY / RAYONIER		2,200,000			2,200,000	5.885182	5.885182	129,474
DECEMBER	2015	ROCK-TENN COMPANY / RAYONIER		2,200,000			2,200,000	5.930045	5.930045	130,461
TOTAL				26,400,000	0	0	26,400,000	5.909708	5.909708	1,560,163

EXHIBIT NO. _________
DOCKET NO. 140001-EI
FLORIDA PUBLIC UTILITIES COMPANY
(CDY-3)
PAGE 21 OF 22

FLORIDA PUBLIC UTILITIES COMPANY
NORTHEAST FLORIDA DIVISION
RESIDENTIAL BILL COMPARISON

ESTIMATED FOR THE PERIOD: JANUARY 2015 THROUGH DECEMBER 2015

	JANUARY 2015	FEBRUARY 2015	MARCH 2015	APRIL 2015	MAY 2015	UN ##	JULY 2015
BASE RATE REVENUES ** $	32.65	32.65	32.65	32.65	32.65	##	32.65
FUEL RECOVERY FACTOR CENTS/KWH	9.95	9.95	9.95	9.95	9.95	##	9.95
GROUP LOSS MULTIPLIER	1.00000	1.00000	1.00000	1.00000	1.00000	##	1.00000
FUEL RECOVERY REVENUES $	99.48	99.48	99.48	99.48	99.48	##	99.48
GROSS RECEIPTS TAX	3.39	3.39	3.39	3.39	3.39	##	3.39
TOTAL REVENUES *** $	135.52	135.52	135.52	135.52	135.52	##	135.52

	AUGUST 2015	SEPTEMBER 2015	OCTOBER 2015	NOVEMBER 2015	DECEMBER 2015	PERIOD TOTAL
BASE RATE REVENUES ** $	32.65	32.65	32.65	32.65	32.65	391.80
FUEL RECOVERY FACTOR CENTS/KWH	9.95	9.95	9.95	9.95	9.95	
GROUP LOSS MULTIPLIER	1.00000	1.00000	1.00000	1.00000	1.00000	
FUEL RECOVERY REVENUES $	99.48	99.48	99.48	99.48	99.48	1,193.76
GROSS RECEIPTS TAX	3.39	3.39	3.39	3.39	3.39	40.68
TOTAL REVENUES *** $	135.52	135.52	135.52	135.52	135.52	1,626.24

* MONTHLY AND CUMULATIVE TWELVE MONTH ESTIMATED DATA

** BASE RATE REVENUES PER 1000 KWH:

CUSTOMER CHARGE	12.00
CENTS/KWH	19.58
CONSERVATION FACTOR	1.070
	32.65

*** EXCLUDES FRANCHISE TAXES

EXHIBIT NO. ________
DOCKET NO. 140001-EI
FLORIDA PUBLIC UTILITIES COMPANY
(CDY-3)

FLORIDA PUBLIC UTILITIES COMPANY
FUEL AND PURCHASED POWER
COST RECOVERY CLAUSE CALCULATION

ESTIMATED FOR THE PERIOD: JANUARY 2015 THROUGH DECEMBER 2015

FLORIDA DIVISION-CONSOLIDATED

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
				(1)/((2)*8,760)			(3)*(4)	(1)*(5)	(6)/Total Col. (6)	(7)/Total Col. (7)
	Rate Schedule	KWH Sales	12 CP Load Factor	CP KW At Meter	Demand Loss Factor	Energy Loss Factor	CP KW At GEN.	KWH At GEN.	12 CP Demand Percentage	Energy Percentage
44	RS	304,265,841	57.313%	60,603.3	1.089	1.030	65,997.0	313,393,816	55.85%	49.13%
45	GS	59,699,265	63.216%	10,780.5	1.089	1.030	11,740.0	61,490,243	9.93%	9.64%
46	GSD	160,601,476	73.904%	24,807.2	1.089	1.030	27,015.0	165,419,521	22.86%	25.93%
47	GSLD	87,197,838	84.021%	11,847.1	1.089	1.030	12,901.5	89,813,773	10.92%	14.08%
48	**LS**	**7,548,623**	**178.492%**	**482.8**	**1.089**	**1.030**	**525.8**	**7,775,082**	**0.44%**	**1.22%**
	TOTAL	619,313,043		108,520.9			118,179.3	637,892,435	100.00%	100.00%

		(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
		12/13 * (8)	1/13 * (9)	(10) + (11)	Tot. Col. 13 * (9)	(13)/(1)	(14) * 1.00072		(15) + (16)
	Rate Schedule	12/13 Of 12 CP	1/13 Of Energy	Demand Allocation Percentage	Demand Dollars	Demand Cost Recovery	Demand Cost Recovery Adj for Taxes	Other Charges	Levelized Adjustment
49	RS	51.55%	3.78%	55.33%	$12,835,549	0.04219	0.04222	0.06187	0.10409
50	GS	9.17%	0.74%	9.91%	2,298,939	0.03851	0.03854	0.06187	0.10041
51	GSD	21.10%	1.99%	23.09%	5,356,458	0.03335	0.03337	0.06187	0.09524
52	GSLD	10.08%	1.08%	11.16%	2,588,916	0.02969	0.02971	0.06187	0.09158
53	**LS**	**0.41%**	**0.10%**	**0.51%**	**118,311**	**0.01567**	**0.01568**	**0.06187**	**0.07755**
	TOTAL	92.31%	7.69%	100.00%	$23,198,173				

Step Rate Allocation for Residential Customers

	Rate Schedule	(18) Allocation	(19) Annual kWh	(20) Levelized Adj.	(21) (19) * (20) Revenues
54	RS	Sales	304,265,841	$0.10409	$31,671,031
55	RS	<= 1,000kWh/mo.	200,167,898	$0.09981	$19,979,438
56	RS	> 1,000 kWh/mo.	104,097,943	$0.11231	$11,691,594
57	RS	Total Sales	304,265,841		$31,671,031

(2) From Gulf Power 2009 Load Research results.

TOU Rates

	Rate Schedule	(22) On Peak Rate Differential	(23) Off Peak Rate Differential	(24) Levelized Adj. On Peak	(25) Levelized Adj. Off Peak
58	RS	0.0840	(0.0390)	$0.18381	$0.06081
59	GS	0.0400	(0.0500)	$0.14041	$0.05041
60	GSD	0.0400	(0.0325)	$0.13524	$0.06274
61	GSLD	0.0600	(0.0300)	$0.15158	$0.06158
62	Interruptible	(0.0150)	-	$0.07658	$0.09158