

State of Florida



## Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD  
TALLAHASSEE, FLORIDA 32399-0850

**-M-E-M-O-R-A-N-D-U-M-**

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**DATE:** May 1, 2015  
**TO:** Office of Commission Clerk  
**FROM:** Lynn M. Deamer, Chief of Auditing, Office of Auditing and Performance Analysis  
**RE:** Docket No.: 150001-EI  
Company Name: Florida Public Utilities Company  
Company Code: EI803  
Audit Purpose: Fuel Cost Recovery Clause  
Audit Control No: 15-026-4-1

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Attached is the final audit report for the Utility stated above. I am sending the Utility a copy of this memo and the audit report. If the Utility desires to file a response to the audit report, it should send a response to the Office of Commission Clerk. There is no confidential work papers associated with this audit.

LMD/cp

Attachment: Audit Report

cc: Office of Auditing and Performance Analysis File

State of Florida



**Public Service Commission**

Office of Auditing and Performance Analysis  
Bureau of Auditing  
Miami District Office

**Auditor's Report**

Florida Public Utilities Company  
Fuel and Purchased Power Cost Recovery Clause

**Twelve Months Ended December 31, 2014**

Docket No. 150001-EI  
Audit Control No. 15-026-4-1  
**April 28, 2014**

A blue ink signature of Jeffery A. Small, written in a cursive style.

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Jeffery A. Small  
Audit Manager

A blue ink signature of Yen N. Ngo, written in a cursive style.

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Yen N. Ngo  
Audit Staff

A blue ink signature of Iliana H. Piedra, written in a cursive style.

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Iliana H. Piedra  
Reviewer

Table of Contents

Purpose .....2

Objectives and Procedures.....3

Audit Findings

    1: Revised True-up .....5

Exhibits

    1: True-up .....8

## Purpose

To: Florida Public Service Commission

We have performed the procedures described later in this report to meet the agreed-upon objectives set forth by the Division of Accounting and Finance in its audit service request dated January 26, 2015. We have applied these procedures to the attached summary exhibits and to several related schedules prepared by Florida Public Utilities Company in support of its 2014 Fuel and Purchased Power Cost Recovery filing in Docket No. 150001-EI.

This audit was performed following General Standards and Fieldwork Standards found in the AICPA Statements on Standards for Attestation Engagements. Our report is based on agreed-upon procedures. The report is intended only for internal Commission use.

## Objectives and Procedures

### **General**

#### Definitions

FPUC/Utility refers to Florida Public Utilities Company.

FAC refers to the Fuel and Purchased Power Cost Recovery Clause.

#### Change in Filing

Order No. PSC-14-0701-FOF-EI, issued December 19, 2014, approved FPUC's request to consolidate its fuel factors for the Northeast (Marianna) and Northwest (Fernandina) Divisions. The FAC for this proceeding contains the consolidated results from operations for both divisions. This differs from prior years filings that contained separate filings for each division.

### **Revenue**

**Objectives:** The objectives were to determine the actual Kilowatt Hours (KWH) sold for the period January 1, 2014 through December 31, 2014, and whether FPUC applied the Commission approved cost recovery factor to actual KWH sales for the FAC.

**Procedures:** We computed revenues using the factors in Order No. PSC-13-0665-FOF-EI, issued December 18, 2013 and actual KWH sales from the Fuel Revenue Reports and reconciled them to the general ledger and filing. We selected a sample of residential and commercial customers' bills for the period and recalculated each to verify the use of the correct tariff rate. No exceptions were noted.

### **Expense**

**Objectives:** The objectives were to determine whether expenses listed on the FAC filing are supported by adequate documentation and that the expenses are appropriately recoverable through the FAC and meet the criteria in Order 14546, issued July 8, 1985. In addition, we were to determine whether the energy payments to qualifying facilities are based on the appropriate standard offer or negotiated contract rate.

**Procedures:** We traced expenses in the filing to the general ledger. We judgmentally selected a sample of 2014 Expenses for testing. The source documentation for selected items was reviewed to ensure the expense was related to the FAC and that the expense was charged to the correct accounts. We also read the contracts with the qualifying facilities and compared the rates billed to the contracts. No exceptions were noted.

## **True-up**

**Objectives:** The objective was to determine whether the True-Up and Interest Provision as filed was properly calculated.

**Procedures:** We traced the December 31, 2013, True-Up Provision to the Commission Order. We recalculated the True-Up and Interest Provision amounts as of December 31, 2014, using the Commission approved beginning balance as of December 31, 2013, the Financial Commercial Paper rates, and the 2014 FAC revenues and costs. Finding 1 discusses our adjustments to the FAC true-up balance.

## Audit Findings

### **Finding 1: Revised True-up**

**Audit Analysis:** The Utility's FAC filing reflects a combined under recovery balance of \$1,548,212, for the Fernandina and Mariana divisions as of December 31, 2014. Our review of the Utility's filing indicates that it contained the following two errors in its compilation.

- The Utility's 2013 FAC filing for Docket No. 140002-EG, which was approved in Order No. PSC-14-0701-FOF-EI, issued December 19, 2014, reflects a combined ending net true-up refund balance of \$1,408,536 as of December 31, 2013, for the Fernandina and Mariana divisions. The Utility's filing in the instant proceeding reflects a combined beginning net true-up refund balance of \$1,336,819 as of January 1, 2014. The difference between the two understates the refund balance by \$71,717. This error was carried forward into the monthly interest provision calculations for the final true-up balance as of December 31, 2014.
- Order No. PSC-13-0665-FOF-EI, issued December 18, 2013, approved a combined net true-up over collection of \$1,930,304 for the Fernandina and Mariana divisions which should have been refunded by the Utility in increments of \$160,859 per month in 2014. The Utility's filing in the instant proceeding reflects a combined net true-up \$3,441,050, or \$286,754 per month, that was collected for the Fernandina and Mariana divisions in 2014. This error was carried forward into the monthly interest provision calculations for the final true-up balance as of December 31, 2014.

The Utility provided a revised true-up calculation for the filing that corrected the two errors discussed above. We reviewed the Utility's calculations and verified that the other information contained in the revised schedule reconciled with the original filing and the audit work we performed.

**Effect on the General Ledger:** The end of the period net true-up and interest provision should be reduced by \$71,759, from a net under recovery balance of \$4,455,677 to a net under recovery balance of \$4,383,918, as of December 31, 2014.

**Effect on the Filing:** The final combined FAC over(under) balances for the period January 2014 through December 2014 are presented below. The revised combined schedule and calculations provided by the Utility are displayed on Table 1-1 that follows.

<u>Consolidated Electric Divisions</u>	<u>Amount</u>
1 Jurisdictional Fuel Cost	\$62,109,647
2 Jurisdictional Fuel Revenues	<u>\$56,318,678</u>
3 Actual Over(Under) Recovered Fuel Cost	(\$5,790,969)
4 Adjustments	\$1,930,304
5 Interest	(\$1,485)
6 True-Up Collected(Refunded)	(\$1,930,304)
7 Prior Period True-Up (Actual Ending 12/13)	<u>\$1,408,536</u>
8 Actual Over(Under) Recovery for the Period	(\$4,383,918)
9 Projected Over(Under) Recovery (Filed 9/14)	(\$2,907,565)
10 <b>Final Over(Under) Recovery</b>	<b><u>(\$1,476,353)</u></b>

**Table 1-1 – Revised True-up Calculation**

**FLORIDA PUBLIC UTILITIES COMPANY**  
**SCHEDULE C1**  
**CALCULATION OF PURCHASED POWER COSTS AND CALCULATION OF TRUE-UP AND INTEREST PROVISION-EXCLUDING GSLDI**  
**ACTUAL/ ESTIMATED FOR THE PERIOD: JANUARY 2014 THROUGH DECEMBER 2014**  
**BASED ON TWELVE MONTHS ACTUAL**  
**(EXCLUDES LINE LOSS , EXCLUDES TAXES)**

	2014												Total
	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	
<b>Total System Sales - KWH</b>	57,247,021	59,217,584	49,460,085	41,999,045	49,171,934	55,786,791	69,615,482	61,667,595	63,302,967	49,485,857	45,364,649	49,546,494	651,865,504
<b>ROCKTENN Purchases - KWH</b>	581,556	662,603	440,945	460,817	976,667	1,486,387	1,376,129	407,898	689,774	648,780	2,959,801	609,517	11,300,874
<b>Rayonier Purchases - KWH - On Peak</b>	522,269	232,753	440,927	621,637	392,986	479,191	218,803	376,292	236,077	204,221	389,817	340,215	4,455,188
<b>Rayonier Purchases - KWH - Off Peak</b>	675,841	339,791	650,623	1,168,277	746,082	914,696	391,747	648,502	526,307	456,045	574,069	450,094	7,542,074
<b>JEA Purchases - KWH</b>	32,740,736	25,999,885	27,411,795	21,710,309	29,987,884	30,668,645	35,143,257	34,950,052	29,068,728	24,996,836	21,881,605	24,785,578	339,345,310
<b>Gulf Purchases - KWH</b>	32,651,753	22,559,528	23,396,311	18,952,601	25,562,899	29,040,143	30,776,863	32,087,806	27,520,883	21,326,010	24,694,074	27,067,284	315,636,155
<b>System Billing Demand - JEA KW</b>	109,088	64,512	74,095	47,255	72,352	68,051	76,115	77,011	65,318	58,150	68,499	57,344	837,790
<b>System Billing Demand - Gulf KW</b>	91,000	91,000	91,000	91,000	91,000	91,000	91,000	91,000	91,000	91,000	91,000	91,000	1,092,000
<b>Peak Billing Demand - Gulf KW</b>	56,046	57,285	59,557	59,533	58,122	57,805	57,612	56,998	57,360	57,585	57,576	56,888	692,367
<b>DEMAND-KW(network load) JEA TRANS</b>	124,915	99,827	75,259	67,726	99,926	100,660	102,787	105,614	96,941	88,454	103,813	91,764	1,157,685
<b>Purchased Power Rates:</b>													
RockTenn Fuel Costs - \$/KWH	0.04426	0.04426	0.04426	0.04426	0.04426	0.04426	0.04426	0.04426	0.04426	0.04426	0.04426	0.04426	0.04426
Rayonier - Energy Charge - On Peak - \$/KWH	0.09378	0.04563	0.09378	0.10478	0.10478	0.10478	0.04563	0.10478	0.04563	0.04563	0.04563	0.04563	0.04563
Rayonier - Energy Charge - Off Peak - \$/KWH	0.05460	0.05460	0.05460	0.05460	0.05460	0.05460	0.05463	0.04563	0.04563	0.04563	0.05460	0.04563	0.04563
JEA Base Fuel Costs - \$/KWH	0.04360	0.04360	0.04360	0.04360	0.04360	0.04360	0.04360	0.04360	0.04360	0.04360	0.04360	0.04360	0.04360
JEA Energy Charge - \$/KWH	0.01162	0.01162	0.01162	0.01162	0.01162	0.01162	0.01162	0.01162	0.01162	0.01162	0.01162	0.01162	0.01162
JEA Demand and Non-Fuel													
Demand Charge - \$/KW	14.31	14.31	14.31	14.31	14.31	14.31	14.31	14.31	14.31	14.31	14.31	14.31	14.31
Distribution Facilities Charge - \$	79.472	79.472	79.472	79.472	79.472	79.472	79.472	79.472	79.472	79.472	79.472	79.472	79.472
Transmission Charge \$/KW	1.51000	1.51000	1.51000	1.51000	1.51000	1.51000	1.51000	1.51000	1.51000	1.51000	1.51000	1.51000	1.51000
Gulf Ener Line Loss Fctr	0.97400	0.05490	0.05490	0.05490	0.05490	0.05490	0.05490	0.05490	0.05490	0.05490	0.05490	0.05490	0.05490
Gulf Fuel Demand and Non-Fuel													
Capacity Charge - \$/KW	10.05	10.05	10.05	10.05	10.05	10.05	10.05	10.05	10.05	10.05	10.05	10.05	10.05
Transmission and Interconnection	2.60911	2.60911	2.60911	2.60911	2.60911	2.60911	2.60911	2.60911	2.60911	2.60911	2.60911	2.60911	2.60911
Distribution Charge													
<b>Purchased Power Costs:</b>													
RockTenn Fuel Costs	25,743	29,328	19,516	20,396	43,231	65,793	60,907	18,055	30,531	28,717	131,013	26,975	500,205
Rayonier Standby Costs	85,879	29,175	76,874	128,923	81,913	100,152	27,859	69,019	34,787	30,129	49,131	36,062	749,903
Gulf Base Fuel Costs	1,840,432	1,271,579	1,318,745	1,068,273	1,440,866	1,636,862	1,734,753	1,808,645	1,551,228	1,202,051	1,391,894	1,525,661	17,790,989
JEA Base Fuel Costs	1,427,496	1,133,595	1,195,154	946,569	1,307,472	1,337,153	1,532,246	1,523,822	533,135	1,089,862	954,038	1,080,651	14,061,193
JEA Fuel Adjustment	380,447	302,119	318,525	252,274	348,459	356,370	408,365	406,120	337,779	290,463	254,264	288,008	3,943,193
Subtotal Fuel Costs	3,759,997	2,765,796	2,928,814	2,416,435	3,221,941	3,496,330	3,764,130	3,825,661	2,487,460	2,641,222	2,780,340	2,957,357	37,045,483
<b>Demand and Non-Fuel Costs:</b>													
JEA Demand Charge	1,561,050	923,167	1,060,299	676,219	1,035,357	973,810	1,089,206	1,102,027	934,701	832,127	980,221	820,593	11,988,777
Southern Dist Facilities Charge	79,472	79,472	79,472	79,472	79,472	79,472	79,472	79,472	79,472	79,472	79,472	79,472	953,664
JEA Transmission Charge	188,622	150,738	113,644	102,269	150,888	151,997	155,216	159,477	146,380	133,566	156,757	138,564	1,748,118
Gulf Capacity Charge	914,550	914,550	914,550	914,550	914,550	914,550	914,550	914,550	914,550	914,550	914,550	914,550	10,974,600
Southern Transmission/ Inter c	147,949	151,654	156,905	156,197	152,919	163,394	152,264	150,779	142,848	152,092	151,701	150,300	1,829,002
Meter Reading and Processing	775	775	775	775	775	775	775	775	775	775	775	775	9,300
Subtotal Demand & Non-Fuel Costs	2,892,418	2,220,356	2,325,645	1,929,482	2,333,961	2,283,998	2,391,483	2,407,080	2,218,726	2,112,582	2,283,476	2,104,254	27,503,461
<b>Total System Purchased Power Costs</b>	<b>6,652,415</b>	<b>4,986,152</b>	<b>5,254,459</b>	<b>4,345,917</b>	<b>5,555,902</b>	<b>5,780,328</b>	<b>6,155,613</b>	<b>6,232,741</b>	<b>4,706,186</b>	<b>4,753,804</b>	<b>5,063,816</b>	<b>5,061,611</b>	<b>64,548,944</b>
<b>Less Direct Billing To GSDI Class:</b>													
Demand	377,428	33,966	213,317	47,706	156,512	177,265	51,773	47,706	23,419	47,706	47,811	47,706	1,272,315
Commodity	84,477	207,633	256,654	94,295	238,394	80,481	81,541	51,407	58,092	81,143	139,633	65,764	1,439,514
<b>Net Purchased Power Costs</b>	<b>6,190,510</b>	<b>4,744,553</b>	<b>4,784,488</b>	<b>4,203,916</b>	<b>5,160,996</b>	<b>5,522,582</b>	<b>6,022,299</b>	<b>6,133,628</b>	<b>4,624,675</b>	<b>4,624,955</b>	<b>4,876,372</b>	<b>4,948,141</b>	<b>61,837,115</b>
<b>Other Fuel Costs</b>	<b>45,568</b>	<b>94,246</b>	<b>44,991</b>	<b>22,401</b>	<b>17,004</b>	<b>6,503</b>	<b>23,675</b>	<b>17,639</b>	<b>13,891</b>	<b>33,967</b>	<b>(1,827)</b>	<b>(45,526)</b>	<b>272,532</b>
<b>Total Costs and Charges</b>	<b>6,236,078</b>	<b>4,838,799</b>	<b>4,829,479</b>	<b>4,226,317</b>	<b>5,178,000</b>	<b>5,529,085</b>	<b>6,045,974</b>	<b>6,151,267</b>	<b>4,638,566</b>	<b>4,658,922</b>	<b>4,874,545</b>	<b>4,902,615</b>	<b>62,109,647</b>



**Table 1-1 – Revised True-up Calculation, continued**

**FLORIDA PUBLIC UTILITIES COMPANY**  
**CALCULATION OF PURCHASED POWER COSTS AND CALCULATION OF TRUE-UP AND INTEREST PROVISION-EXCLUDING GSLD1**  
**ACTUAL/ ESTIMATED FOR THE PERIOD: JANUARY 2014 THROUGH DECEMBER 2014**  
**BASED ON TWELVE MONTHS ACTUAL**  
**(EXCLUDES LINE LOSS , EXCLUDES TAXES)**

Schedule C1

		2014												
		ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	Total
		JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	
<b>Sales Revenues - Fuel Adjustment Revenues</b>														
RS< 1,000kwh		1,728,336	1,758,535	1,600,349	1,434,824	1,474,878	1,693,536	1,834,421	1,810,256	1,808,689	1,544,661	1,448,514	1,632,636	19,769,635
RS> 1,000kwh		1,276,694	1,299,815	567,254	328,770	439,621	857,122	1,381,611	1,199,338	1,227,775	521,900	368,440	778,957	10,247,297
GS		435,532	461,645	387,333	373,511	431,014	522,083	623,108	576,977	609,455	493,786	417,203	426,735	5,758,382
GSD		1,120,314	1,088,019	945,981	976,856	1,055,071	1,192,488	1,392,511	1,301,089	1,395,356	1,185,049	1,056,997	1,030,159	13,739,890
GSLD		608,373	542,962	546,039	506,272	651,582	693,010	724,262	691,461	679,422	607,646	560,806	556,703	7,368,538
OL		31,858	31,152	32,120	31,602	31,677	31,486	31,652	31,566	31,592	31,267	31,362	31,447	378,781
SL,CSL		11,611	11,581	11,582	11,582	11,580	11,580	11,580	11,580	11,583	11,583	11,583	11,581	139,006
Unbilled Fuel Revenues		(2,348,958)	1,255,292	(454,514)	26,092	269,336	356,613	(49,529)	327,799	(349,297)	(259,332)	(132,491)	276,137	(1,082,851)
<b>Total Fuel Revenues (Excl. GSLD1)</b>		<b>2,863,760</b>	<b>6,449,001</b>	<b>3,636,144</b>	<b>3,689,509</b>	<b>4,364,759</b>	<b>5,357,918</b>	<b>5,949,616</b>	<b>5,950,066</b>	<b>5,414,575</b>	<b>4,136,560</b>	<b>3,762,414</b>	<b>4,744,355</b>	<b>56,318,678</b>
GSLD1 Fuel Revenues		461,905	241,599	469,971	142,001	394,906	257,746	133,314	99,113	81,511	128,849	187,444	113,470	2,711,829
Non-Fuel Revenues		3,117,394	1,007,200	1,799,172	1,581,000	1,724,746	1,957,306	2,169,362	2,249,743	2,349,111	1,979,682	1,928,110	2,167,837	24,030,666
<b>Total Sales Revenue</b>		<b>6,443,060</b>	<b>7,697,800</b>	<b>5,905,287</b>	<b>5,412,510</b>	<b>6,484,412</b>	<b>7,572,970</b>	<b>8,252,292</b>	<b>8,298,922</b>	<b>7,845,198</b>	<b>6,245,090</b>	<b>5,877,969</b>	<b>7,025,662</b>	<b>83,061,173</b>
<b>KWH Sales:</b>														
RS< 1,000kwh		18,592,874	18,929,285	17,231,318	15,450,626	15,886,611	18,255,355	19,775,629	19,515,657	19,488,429	16,637,690	15,575,505	17,557,225	212,896,204
RS> 1,000kwh		12,052,124	12,289,805	5,395,174	3,138,890	4,198,781	8,169,463	13,152,933	11,434,310	11,673,750	4,970,308	3,493,060	7,353,570	97,322,168
GS		4,785,856	5,090,053	4,276,730	4,143,957	4,781,417	5,780,316	6,890,056	6,395,100	6,749,598	5,374,825	4,608,205	4,732,928	63,609,041
GSD		12,745,453	12,377,104	11,171,870	11,166,515	12,046,193	13,600,209	15,816,595	14,870,676	15,832,258	13,478,889	12,120,695	11,727,968	156,954,425
GSLD		6,971,540	6,234,168	6,269,948	5,813,400	7,461,708	7,947,140	8,293,886	7,926,460	7,802,716	6,959,812	6,424,794	6,381,034	84,486,606
GSLD1		1,470,000	3,680,000	4,480,000	1,660,000	4,170,000	1,410,000	5,060,000	900,000	1,130,000	1,440,000	2,520,000	1,170,000	29,090,000
OL		454,774	442,940	460,821	451,428	453,026	450,109	452,185	451,194	451,977	450,094	448,151	449,535	5,416,234
SL,CSL		174,400	174,229	174,224	174,198	174,198	174,198	174,198	174,198	174,239	174,239	174,239	174,234	2,090,825
<b>Total KWH Sales</b>		<b>57,247,021</b>	<b>59,217,584</b>	<b>49,460,085</b>	<b>41,999,045</b>	<b>49,171,934</b>	<b>55,786,791</b>	<b>69,615,482</b>	<b>61,667,595</b>	<b>63,302,967</b>	<b>49,485,857</b>	<b>45,364,649</b>	<b>49,546,494</b>	<b>651,865,503</b>
<b>True-up Calculation (Excl. GSLD1)</b>														
Fuel Revenues		2,863,760	6,449,001	3,636,144	3,689,509	4,364,759	5,357,918	5,949,616	5,950,066	5,414,575	4,136,560	3,762,414	4,744,355	56,318,678
True-up Provision- collect/(refund)		(84,498)	406,222	160,858	160,858	160,858	160,858	160,858	160,858	160,858	160,858	160,858	160,858	1,930,304
Gross Receipts Tax Refund		0	0	0	0	0	0	0	0	0	0	0	0	0
Fuel Revenue		2,948,258	6,042,779	3,475,286	3,528,651	4,203,901	5,197,060	5,788,758	5,789,208	5,253,717	3,975,702	3,601,556	4,583,497	54,388,374
Net Purchased Power and Other Fuel Costs		6,236,078	4,838,799	4,829,479	4,226,317	5,178,000	5,529,085	6,045,974	6,151,267	4,638,566	4,658,922	4,874,545	4,902,615	62,109,647
True-up Provision for the Period		(3,287,820)	1,203,980	(1,354,193)	(697,666)	(974,099)	(332,025)	(257,216)	(362,059)	615,152	(683,220)	(1,272,989)	(319,118)	(7,721,273)
Interest Provision for the Period		(8)	(49)	(44)	(84)	(105)	(137)	(168)	(176)	(125)	(120)	(198)	(271)	(1,485)
Beginning of Period True-up and Interest Provision		1,408,536	(1,963,790)	(353,637)	(1,547,015)	(2,083,907)	(2,897,253)	(3,068,557)	(3,165,083)	(3,366,460)	(2,590,575)	(3,113,058)	(4,225,387)	1,408,536
True-up Collected or (Refunded)		(84,498)	406,222	160,858	160,858	160,858	160,858	160,858	160,858	160,858	160,858	160,858	160,858	1,930,304
<b>End of Period, Net True-up and Int. Prov.</b>		<b>(1,963,790)</b>	<b>(353,637)</b>	<b>(1,547,015)</b>	<b>(2,083,907)</b>	<b>(2,897,253)</b>	<b>(3,068,557)</b>	<b>(3,165,083)</b>	<b>(3,366,460)</b>	<b>(2,590,575)</b>	<b>(3,113,058)</b>	<b>(4,225,387)</b>	<b>(4,383,918)</b>	<b>(4,383,918)</b>
Beginning True-up Amount		1,408,536	(1,963,790)	(353,637)	(1,547,015)	(2,083,907)	(2,897,253)	(3,068,557)	(3,165,083)	(3,366,460)	(2,590,575)	(3,113,058)	(4,225,387)	
Ending True-up Amount Before Interest		(1,963,782)	(353,588)	(1,546,971)	(2,083,823)	(2,897,148)	(3,068,420)	(3,164,915)	(3,366,284)	(2,590,450)	(3,112,938)	(4,225,189)	(4,383,647)	
Total Beginning and Ending True-up		(555,246)	(2,317,377)	(1,900,608)	(3,630,838)	(4,981,055)	(5,965,673)	(6,233,472)	(6,531,368)	(5,956,911)	(5,703,513)	(7,338,247)	(8,609,034)	
Average True-up Amount		(277,623)	(1,158,689)	(950,304)	(1,815,419)	(2,490,528)	(2,982,837)	(3,116,736)	(3,265,684)	(2,978,455)	(2,851,757)	(3,669,123)	(4,304,517)	
Average Annual Interest Rate		0.0400%	0.0500%	0.0550%	0.0550%	0.0500%	0.0550%	0.0650%	0.0650%	0.0500%	0.0500%	0.0650%	0.0750%	
Interest Provision		(8)	(49)	(44)	(84)	(105)	(137)	(168)	(176)	(125)	(120)	(198)	(271)	

10% Rule Interest Provision	-6.79%
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# Exhibits

## Exhibit 1: True-up

**FLORIDA PUBLIC UTILITIES COMPANY**  
**CALCULATION OF PURCHASED POWER COSTS AND CALCULATION OF TRUE-UP AND INTEREST PROVISION-EXCLUDING GSLDI**  
**ACTUAL/ESTIMATED FOR THE PERIOD: JANUARY 2014 THROUGH DECEMBER 2014**  
**BASED ON TWELVE MONTHS ACTUAL**  
**(EXCLUDES LINE LOSS , EXCLUDES TAXES)**

Schedule C1

	2014												
	ACTUAL JANUARY	ACTUAL FEBRUARY	ACTUAL MARCH	ACTUAL APRIL	ACTUAL MAY	ACTUAL JUNE	ACTUAL JULY	ACTUAL AUGUST	ACTUAL SEPTEMBER	ACTUAL OCTOBER	ACTUAL NOVEMBER	ACTUAL DECEMBER	Total
Total System Sales - KWH	57,247,021	59,217,584	49,460,085	41,999,045	49,171,934	55,786,791	69,615,482	61,667,595	63,302,967	49,485,857	45,364,649	49,546,494	651,865,504
ROCKTENN Purchases - KWH	581,556	662,603	440,945	460,817	976,667	1,486,387	1,376,129	407,898	689,774	648,780	2,959,801	609,517	11,300,874
Rayonier Purchases - KWH - On Peak	522,269	232,753	440,927	621,637	392,986	479,191	218,803	376,292	236,077	204,221	389,817	340,215	4,455,188
Rayonier Purchases - KWH - Off Peak	675,841	339,791	650,623	1,168,277	746,082	914,696	391,747	648,502	526,307	456,045	574,069	450,094	7,542,074
JEA Purchases - KWH	32,740,736	25,999,885	27,411,795	21,710,309	29,987,884	30,668,645	35,143,257	34,950,052	29,068,728	24,996,836	21,881,605	24,785,578	339,345,310
Gulf Purchases - KWH	32,651,753	22,559,528	23,396,311	18,952,601	25,562,899	29,040,143	30,776,863	32,087,806	27,520,883	21,326,010	24,694,074	27,067,284	315,636,155
System Billing Demand - JEA KW	109,088	64,512	74,095	47,255	72,352	68,051	76,115	77,011	65,318	58,150	68,499	57,344	837,790
System Billing Demand - Gulf KW	91,000	91,000	91,000	91,000	91,000	91,000	91,000	91,000	91,000	91,000	91,000	91,000	1,092,000
Peak Billing Demand - Gulf KW	56,046	57,285	59,557	59,533	58,122	57,805	57,612	56,998	57,360	57,585	57,576	56,888	692,367
DEMAND-KW(network load) JEA TRANS	124,915	99,827	75,259	67,726	99,926	100,660	102,787	105,614	96,941	88,454	103,813	91,764	1,157,685
<b>Purchased Power Rates:</b>													
RockTenn Fuel Costs - \$/KWH	0.04426	0.04426	0.04426	0.04426	0.04426	0.04426	0.04426	0.04426	0.04426	0.04426	0.04426	0.04426	0.04426
Rayonier -Energy Charge-On Peak - \$/KWH	0.09378	0.04563	0.09378	0.10478	0.10478	0.10478	0.04563	0.10478	0.04563	0.04563	0.04563	0.04563	0.04563
Rayonier -Energy Charge -Off Peak - \$/KWH	0.05460	0.05460	0.05460	0.05460	0.05460	0.05460	0.04563	0.04563	0.04563	0.04563	0.05460	0.04563	0.04563
JEA Base Fuel Costs - \$/KWH	0.04360	0.04360	0.04360	0.04360	0.04360	0.04360	0.04360	0.04360	0.04360	0.04360	0.04360	0.04360	0.04360
JEA Energy Charge - \$/KWH	0.01162	0.01162	0.01162	0.01162	0.01162	0.01162	0.01162	0.01162	0.01162	0.01162	0.01162	0.01162	0.01162
<b>JEA Demand and Non-Fuel:</b>													
Demand Charge - \$/KW	14.31	14.31	14.31	14.31	14.31	14.31	14.31	14.31	14.31	14.31	14.31	14.31	14.31
Distribution Facilities Charge - \$	79,472	79,472	79,472	79,472	79,472	79,472	79,472	79,472	79,472	79,472	79,472	79,472	79,472
Transmission Charge \$/KW	1.51000	1.51000	1.51000	1.51000	1.51000	1.51000	1.51000	1.51000	1.51000	1.51000	1.51000	1.51000	1.51000
Gulf Ener Line Loss Fctr	0.05490	0.05490	0.05490	0.05490	0.05490	0.05490	0.05490	0.05490	0.05490	0.05490	0.05490	0.05490	0.05490
<b>Gulf Fuel Demand and Non-Fuel:</b>													
Capacity Charge-\$/KW	10.05	10.05	10.05	10.05	10.05	10.05	10.05	10.05	10.05	10.05	10.05	10.05	10.05
Transmission and Interconnection	2.60911	2.60911	2.60911	2.60911	2.60911	2.60911	2.60911	2.60911	2.60911	2.60911	2.60911	2.60911	2.60911
Distribution Charge													
<b>Purchased Power Costs</b>													
RockTenn Fuel Costs	25,743	29,328	19,516	20,396	43,231	65,793	60,907	18,055	30,531	28,717	131,013	26,975	500,205
Rayonier Standby Costs	85,879	29,175	76,874	128,923	81,913	100,152	27,859	69,019	34,787	30,129	49,131	36,062	749,903
Gulf Base Fuel Costs	1,840,432	1,271,579	1,318,745	1,068,273	1,440,866	1,636,862	1,734,753	1,808,645	1,551,228	1,202,051	1,391,894	1,525,661	17,790,989
JEA Base Fuel Costs	1,427,496	1,133,595	1,195,154	946,569	1,307,472	1,337,153	1,532,246	1,523,822	533,135	1,089,862	954,038	1,080,651	14,061,193
JEA Fuel Adjustment	380,447	302,119	318,525	252,274	348,459	356,370	408,365	406,120	337,779	290,463	254,264	288,008	3,943,193
Subtotal Fuel Costs	3,759,997	2,765,796	2,928,814	2,416,435	3,221,941	3,496,330	3,764,130	3,825,661	2,487,460	2,641,222	2,780,340	2,957,357	37,045,483
<b>Demand and Non-Fuel Costs:</b>													
JEA Demand Charge	1,561,050	923,167	1,060,299	676,219	1,035,357	973,810	1,089,206	1,102,027	934,701	832,127	980,221	820,593	11,988,777
Southern Dist Facilities Charge	79,472	79,472	79,472	79,472	79,472	79,472	79,472	79,472	79,472	79,472	79,472	79,472	79,472
JEA Transmission Charge	188,622	150,738	113,644	102,269	150,888	151,997	155,216	159,477	146,380	133,566	156,757	138,564	1,748,118
Gulf Capacity Charge	914,550	914,550	914,550	914,550	914,550	914,550	914,550	914,550	914,550	914,550	914,550	914,550	10,974,600
Southern Transmission/ Inter	147,949	151,654	156,905	156,197	152,919	163,394	152,264	150,779	142,848	152,092	151,701	150,300	1,829,002
Meter Reading and Processing	775	775	775	775	775	775	775	775	775	775	775	775	9,300
Subtotal Demand & Non-Fuel Costs	2,892,418	2,220,356	2,325,645	1,929,482	2,333,961	2,283,998	2,391,483	2,407,080	2,218,726	2,112,582	2,283,476	2,104,254	27,503,461
<b>Total System Purchased Power Costs</b>	<b>6,652,415</b>	<b>4,986,152</b>	<b>5,254,459</b>	<b>4,345,917</b>	<b>5,555,902</b>	<b>5,780,328</b>	<b>6,155,613</b>	<b>6,232,741</b>	<b>4,706,186</b>	<b>4,753,804</b>	<b>5,063,816</b>	<b>5,061,611</b>	<b>64,548,944</b>
Less Direct Billing To GSLDI Class:													
Demand	377,428	33,966	213,317	47,706	156,512	177,265	51,773	47,706	23,419	47,706	47,811	47,706	1,272,315
Commodity	84,477	207,633	256,654	94,295	238,394	80,481	81,541	51,407	58,092	81,143	139,633	65,764	1,439,514
<b>Net Purchased Power Costs</b>	<b>6,190,510</b>	<b>4,744,553</b>	<b>4,784,488</b>	<b>4,203,916</b>	<b>5,160,996</b>	<b>5,522,582</b>	<b>6,022,299</b>	<b>6,133,628</b>	<b>4,624,675</b>	<b>4,624,955</b>	<b>4,874,372</b>	<b>4,948,141</b>	<b>61,837,115</b>
Other Fuel Costs	45,568	94,246	44,991	22,401	17,004	6,503	23,675	17,639	13,891	33,967	(1,827)	(45,526)	272,532
<b>Total Costs and Charges</b>	<b>6,236,078</b>	<b>4,838,799</b>	<b>4,829,479</b>	<b>4,226,317</b>	<b>5,178,000</b>	<b>5,529,085</b>	<b>6,045,974</b>	<b>6,151,267</b>	<b>4,638,566</b>	<b>4,658,922</b>	<b>4,874,545</b>	<b>4,902,615</b>	<b>62,109,647</b>

# Exhibit 1: True-Up, continued

**FLORIDA PUBLIC UTILITIES COMPANY**  
**CALCULATION OF PURCHASED POWER COSTS AND CALCULATION OF TRUE-UP AND INTEREST PROVISION-EXCLUDING GSLD1**  
**ACTUAL/ ESTIMATED FOR THE PERIOD: JANUARY 2014 THROUGH DECEMBER 2014**  
**BASED ON TWELVE MONTHS ACTUAL**  
**(EXCLUDES LINE LOSS , EXCLUDES TAXES)**

Schedule C1

		2014												
		ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	Total
		JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	
<b>Sales Revenues - Fuel Adjustment Revenues:</b>														
RS< 1,000kwh		1,728,336	1,758,535	1,600,349	1,434,824	1,474,878	1,693,536	1,834,421	1,810,256	1,808,689	1,544,661	1,448,514	1,632,636	19,769,635
RS> 1,000kwh		1,276,694	1,299,815	567,254	328,770	439,621	857,122	1,381,611	1,199,338	1,227,775	521,900	368,440	778,957	10,247,297
GS		435,532	461,645	387,333	373,511	431,014	522,083	623,108	576,977	609,455	493,786	417,203	426,735	5,758,382
GSD		1,120,314	1,088,019	945,981	976,856	1,055,071	1,192,488	1,392,511	1,301,089	1,395,356	1,185,049	1,056,997	1,030,159	13,739,890
GSLD		608,373	542,962	546,039	506,272	651,582	693,010	724,262	691,461	679,422	607,646	560,806	556,703	7,368,538
OL		31,858	31,152	32,120	31,602	31,677	31,486	31,652	31,566	31,592	31,267	31,362	31,447	378,781
SL,CSL		11,611	11,581	11,582	11,582	11,580	11,580	11,580	11,580	11,583	11,583	11,583	11,581	139,006
Unbilled Fuel Revenues		(2,348,958)	1,255,292	(454,514)	26,092	269,336	356,613	(49,529)	327,799	(349,297)	(259,332)	(132,491)	276,137	(1,082,851)
Total Fuel Revenues (Excl. GSLD1)		2,863,760	6,449,001	3,636,144	3,689,509	4,364,759	5,357,918	5,949,616	5,950,066	5,414,575	4,136,560	3,762,414	4,744,355	56,318,678
GSLD1 Fuel Revenues		461,905	241,599	469,971	142,001	394,906	257,746	133,314	99,113	81,511	128,849	187,444	113,470	2,711,829
Non-Fuel Revenues		3,117,394	1,007,200	1,799,172	1,581,000	1,724,746	1,957,306	2,169,362	2,249,743	2,349,111	1,979,682	1,928,110	2,167,837	24,030,666
Total Sales Revenue		6,443,060	7,697,800	5,905,287	5,412,510	6,484,412	7,572,970	8,252,292	8,298,922	7,845,198	6,245,090	5,877,969	7,025,662	83,061,173
<b>KWH Sales:</b>														
RS< 1,000kwh		18,592,874	18,929,285	17,231,318	15,450,626	15,886,611	18,255,355	19,775,629	19,515,657	19,488,429	16,637,690	15,575,505	17,557,225	212,896,204
RS> 1,000kwh		12,052,124	12,289,805	5,395,174	3,138,890	4,198,781	8,169,463	13,152,933	11,434,310	11,673,750	4,970,308	3,493,060	7,353,570	97,322,168
GS		4,785,856	5,090,053	4,276,730	4,143,957	4,781,417	5,780,316	6,890,056	6,395,100	6,749,598	5,374,825	4,608,205	4,732,928	63,609,041
GSD		12,745,453	12,377,104	11,171,870	11,166,515	12,046,193	13,600,209	15,816,595	14,870,676	15,832,258	13,478,889	12,120,695	11,727,968	156,954,425
GSLD		6,971,540	6,234,168	6,269,948	5,813,400	7,461,708	7,947,140	8,293,886	7,926,460	7,802,716	6,959,812	6,424,794	6,381,034	84,486,606
GSLD1		1,470,000	3,680,000	4,480,000	1,660,000	4,170,000	1,410,000	5,060,000	900,000	1,130,000	1,440,000	2,520,000	1,170,000	29,090,000
OL		454,774	442,940	460,821	451,428	453,026	450,109	452,185	451,194	451,977	450,094	448,151	449,535	5,416,234
SL,CSL		174,400	174,229	174,224	174,229	174,198	174,198	174,198	174,198	174,239	174,239	174,239	174,234	2,090,824
Total KWH Sales		57,247,021	59,217,584	49,460,085	41,999,045	49,171,934	55,786,791	69,615,482	61,667,595	63,302,967	49,485,857	45,364,649	49,546,494	651,865,503
<b>True-up Calculation (Excl. GSLD1):</b>														
Fuel Revenues		2,863,760	6,449,001	3,636,144	3,689,509	4,364,759	5,357,918	5,949,616	5,950,066	5,414,575	4,136,560	3,762,414	4,744,355	56,318,678
True-up Provision- collect/ (refund)		41,392	532,118	286,754	286,754	286,754	286,754	286,754	286,754	286,754	286,754	286,754	286,754	3,441,050
Gross Receipts Tax Refund		0	0	0	0	0	0	0	0	0	0	0	0	0
Fuel Revenue		2,822,368	5,916,883	3,349,390	3,402,755	4,078,005	5,071,164	5,662,862	5,663,312	5,127,821	3,849,806	3,475,660	4,457,601	52,877,628
Net Purchased Power and Other Fuel Costs		6,236,078	4,838,799	4,829,479	4,226,317	5,178,000	5,529,085	6,045,974	6,151,267	4,638,566	4,658,922	4,874,545	4,902,615	62,109,647
True-up Provision for the Period		(3,413,710)	1,078,084	(1,480,089)	(823,562)	(1,099,995)	(457,921)	(383,112)	(487,955)	489,256	(809,116)	(1,398,885)	(445,014)	(9,232,019)
Interest Provision for the Period		(11)	(52)	(47)	(87)	(108)	(141)	(172)	(180)	(128)	(123)	(202)	(276)	(1,527)
Beginning of Period True-up and Interest Provision		1,336,819	(2,035,510)	(425,360)	(1,618,741)	(2,155,636)	(2,968,985)	(3,140,293)	(3,236,823)	(3,438,204)	(2,662,322)	(3,184,808)	(4,297,141)	1,336,819
True-up Collected or (Refunded)		41,392	532,118	286,754	286,754	286,754	286,754	286,754	286,754	286,754	286,754	286,754	286,754	3,441,050
End of Period, Net True-up and Int. Prov.		(2,035,510)	(425,360)	(1,618,741)	(2,155,636)	(2,968,985)	(3,140,293)	(3,236,823)	(3,438,204)	(2,662,322)	(3,184,808)	(4,297,141)	(4,455,677)	(4,455,677)
Beginning True-up Amount		1,336,819	(2,035,510)	(425,360)	(1,618,741)	(2,155,636)	(2,968,985)	(3,140,293)	(3,236,823)	(3,438,204)	(2,662,322)	(3,184,808)	(4,297,141)	
Ending True-up Amount Before Interest		(2,035,499)	(425,308)	(1,618,694)	(2,155,549)	(2,968,877)	(3,140,152)	(3,236,651)	(3,438,024)	(2,662,194)	(3,184,685)	(4,296,939)	(4,455,401)	10% Rule Interest
Total Beginning and Ending True-up		(698,680)	(2,460,817)	(2,044,054)	(3,774,290)	(5,124,513)	(6,109,137)	(6,376,944)	(6,674,848)	(6,100,399)	(5,847,007)	(7,481,747)	(8,752,542)	Provision
Average True-up Amount		(349,340)	(1,230,409)	(1,022,027)	(1,887,145)	(2,562,257)	(3,054,569)	(3,188,472)	(3,337,424)	(3,050,199)	(2,923,504)	(3,740,873)	(4,376,271)	-6.90%
Average Annual Interest Rate		0.0400%	0.0500%	0.0550%	0.0550%	0.0500%	0.0550%	0.0650%	0.0650%	0.0500%	0.0500%	0.0650%	0.0750%	
Interest Provision		(11)	(52)	(47)	(87)	(108)	(141)	(172)	(180)	(128)	(123)	(202)	(276)	

Exhibit No. \_\_\_\_\_  
DOCKET NO. 150001-EI  
Florida Public Utilities Company  
(CDY - I)  
Page 1 of 4