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June 22, 1998

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Betty Easley Conference Center, Room 110
Tallahassee, Florida 32399-0850

HAND DELIVERY

Re: Docket No. 980001-EI
Dear Ms. Bayo:

Enclosed herewith for filing in the above-referenced docket on behalf of Florida Public Utilities Company ("FPUC") are the following documents:

1. Original and fifteen copies of Petition for Approval of Florida Public Utilities Company's Fuel Adjustment and Purchased Power Cost Recovery Factors, *06592-98*
2. Original and fifteen copies of Direct Testimony of George M. Bachman, and *06593-98*
3. Original and fifteen copies of the Composite Exhibit GMB-1 for the Marianna and Fernandina Beach divisions. ~~*06594-98*~~

ACK _____
AFA *Wauterei* Please acknowledge receipt of these documents by stamping the extra copy of this letter
APP _____ "filed" and returning the same to me.

CAF _____ Thank you for your assistance with this filing.
CMM _____
CWH _____

Sincerely,

Kenneth A. Hoffman
Kenneth A. Hoffman

Bohrmann
RECEIVED & FILED
ABJ
3FPSC-BUREAU OF RECORDS
reg test

KAH/rl
Enclosures
cc: All Parties of Record
WAS _____
OTH _____

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 980001-EI
CONTINUING SURVEILLANCE AND REVIEW OF
FUEL COST RECOVERY CLAUSES OF ELECTRIC UTILITIES

ORIGINAL

Direct Testimony of
George M. Bachman
On Behalf of
Florida Public Utilities Company

- 1 Q. Please state your name and business address.
2 A. George M. Bachman, 401 South Dixie Highway, West Palm Beach, FL
3 33401.
4 Q. By whom are you employed?
5 A. I am employed by Florida Public Utilities Company.
6 Q. Have you previously testified in this Docket?
7 A. Yes.
8 Q. What is the purpose of your testimony at this time?
9 A. I will briefly describe the basis for the computations that were
10 made in the preparation of the various Schedules that we have
11 submitted in support of the October 1998 - December 1998 fuel cost
12 recovery adjustments for our two electric divisions. In addition,
13 I will advise the Commission of the projected differences between
14 the revenues collected under the levelized fuel adjustment and the
15 purchased power costs allowed in developing the levelized fuel
16 adjustment for the period April 1998 - September 1998 and to
17 establish a "true-up" amount to be collected or refunded during
18 October 1998 - December 1998.
19 Q. Were the schedules filed by your Company completed under your
20 direction?
21 A. Yes.
22 Q. Which of the Staff's set of schedules has your company completed
23 and filed?

DOCUMENT NUMBER-DATE

06593 JUN 22 1998

FPSO-RECORDS/REGISTRATION

1 A. We have filed Schedules E1, E1A, E1-B, E1B-1, E2, E7, and E10 for
2 Marianna and E1, E1A, E1-B, E1B-1, E2, E7, E8, and E10 for
3 Fernandina Beach. They are included in Composite Prehearing
4 Identification Number GMB-1.

5 These schedules support the calculation of the levelized fuel
6 adjustment factor for October 1998 - December 1998. Schedule E1-B
7 shows the Calculation of Purchased Power Costs and Calculation of
8 True-Up and Interest Provision for the period April 1998 -
9 September 1998 based on 2 Months Actual and 4 Months Estimated
10 data.

11 Q. In derivation of the projected cost factor for the October 1998 -
12 December 1998, period, did you follow the same procedures that were
13 used in the prior period filings?

14 A. Yes, with the exception of a shorter period of time. The period
15 covered has been changed to three months.

16 Q. Why has the GSLD rate class for Fernandina Beach been excluded from
17 these computations?

18 A. Demand and other purchased power costs are assigned to the GBLD
19 rate class directly based on their actual CP KW and their actual
20 KWH consumption. That procedure for the GSLD class has been in use
21 for several years and has not been changed herein. Costs to be
22 recovered from all other classes is determined after deducting from
23 total purchased power costs those costs directly assigned to GBLD.

24 Q. How will the demand cost recovery factors for the other rate
25 classes be used?

26 A. The demand cost recovery factors for each of the RS, GS, GBD and
27 OL-SL rate classes will become one element of the total cost
28 recovery factor for those classes. All other costs of purchased
29 power will be recovered by the use of the levelized factor that is

1 the same for all those rate classes. Thus the total factor for each
2 class will be the sum of the respective demand cost factor and the
3 levelized factor for all other costs.

4 Q. Please address the calculation of the total true-up amount to be
5 collected or refunded during the October 1998 - December 1998.

6 A. We have determined that at the end of September 1998 based on two
7 months actual and four months estimated, we will have over-
8 recovered \$172,930 in purchased power costs in our Marianna
9 division. Based on estimated sales for the period October 1998 -
10 December 1998, it will be necessary to subtract .27422¢ per KWH to
11 refund this over-recovery.

12 In Fernandina Beach we will have over-recovered \$247,128 in
13 purchased power costs. This amount will be refunded at .42695¢ per
14 KWH during the October 1998 - December 1998 period (excludes GSLD
15 customers). Page 3 and 12 of Composite Prehearing Identification
16 Number GMB-1 provides a detail of the calculation of the true-up
17 amounts.

18 Q. Looking back upon the October 1997 - March 1998 period, what were
19 the actual End of Period - True-Up amounts for Marianna and
20 Fernandina Beach, and their significance, if any?

21 A. The Marianna Division experienced an over-recovery of \$256,324 and
22 Fernandina Beach Division over-recovered \$390,750. The amounts
23 both represent fluctuations of less than 10% from the total fuel
24 charges for the period and are not considered significant variances
25 from projections.

26 Q. What are the final remaining true-up amounts for the period October
27 1997 - March 1998 for both divisions?

28 A. In Marianna the final remaining true-up amount was an over-recovery
29 of \$125,045. The final remaining true-up amount for Fernandina

1 Beach was an over-recovery of \$121,303.

2 Q. What are the estimated true-up amounts for the period of April 1998
3 - September 1998?

4 A. In Marianna, there is an estimated over-recovery of \$47,885.
5 Fernandina Beach has an estimated over-recovery of \$125,825.

6 Q. What will the total fuel adjustment factor, excluding demand cost
7 recovery, be for both divisions for the period
8 October 1998 - December 1998.

9 A. In Marianna the total fuel adjustment factor as shown on Line 33,
10 Schedule E1, is 2.112¢ per KWH. In Fernandina Beach the total fuel
11 adjustment factor for "other classes", as shown on Line 43,
12 Schedule E1, amounts to 2.006¢ per KWH.

13 Q. Please advise what a residential customer using 1,000 KWH will pay
14 for the period October 1998 - December 1998 including base rates
15 (which include revised conservation cost recovery factors) and fuel
16 adjustment factor and after application of a line loss multiplier.

17 A. In Marianna a residential customer using 1,000 KWH will pay \$63.81,
18 an decrease of \$.94 from the previous period. In Fernandina Beach
19 a customer will pay \$55.96, a decrease of \$4.34 from the previous
20 period.

21 Q. Does this conclude your testimony?

22 A. Yes.

23
24
25 Disk Fuel 1/97

26 Aug98-test.gb
27
28

FLORIDA PUBLIC UTILITIES COMPANY
FUEL AND PURCHASED POWER
COST RECOVERY CLAUSE CALCULATION
 ESTIMATED FOR THE PERIOD: OCTOBER 1995 - DECEMBER 1998

SCHEDULE E1
 PAGE 1 OF 2

MARIANNA DIVISION

| | (a) | (b) | (c) |
|--|---------------|---------|-----------|
| | DOLLARS | MWH | 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) | 1,405,634 | 65,368 | 2.14999 |
| 7 Energy Cost of Sched C & X Econ Purch (Broker) (E8) | | | |
| 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) | 1,182,510 | 65,368 | 1.80645 |
| 10a Demand Costs of Purchased Power | 1,084,920 * | | |
| 10b Transformation Energy & Customer Costs of Purchased Power | 97,590 * | | |
| 11 Energy Payments to Qualifying Facilities (E8a) | | | |
| 12 TOTAL COST OF PURCHASED POWER (LINE 6 THRU 11) | 2,588,344 | 65,368 | 3.95844 |
| 13 TOTAL AVAILABLE KWH (LINE 5 + LINE 12) | 2,588,344 | 65,368 | 3.95844 |
| 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) | 2,588,344 | 65,368 | 3.95844 |
| 21 Net Unbilled Sales | (46,353) * | (1,171) | (0.07350) |
| 22 Company Use | 2,533 * | 64 | 0.00402 |
| 23 T & D Losses | 135,893 * | 3,433 | 0.21549 |
| 24 SYSTEM MWH SALES | 2,588,344 | 63,062 | 4.10444 |
| 25 Less Total Demand Cost Recovery | 1,084,920 *** | | |
| 26 Jurisdictional MWH Sales | 1,503,424 | 63,062 | 2.38404 |
| 26a Jurisdictional Loss Multiplier | 1.00000 | 1.00000 | |
| 27 Jurisdictional MWH Sales Adjusted for Line Losses | 1,503,424 | 63,062 | 2.38404 |
| 28 GPFF ** | | | |
| 29 TRUE-UP ** | (172,930) | 63,062 | (0.27422) |
| 30 TOTAL JURISDICTIONAL FUEL COST | 1,330,494 | 63,062 | 2.10982 |
| 31 Revenue Tax Factor | | | 1.00083 |
| 32 Fuel Factor Adjusted for Taxes | | | 2.11157 |
| 33 FUEL FAC ROUNDED TO NEAREST .001 CENTS/KWH | | | 2.112 |

ORIGINAL

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

EXHIBIT NO _____
 DOCKET NO: 980001-E1
 FLORIDA PUBLIC UTILITIES COMPANY
 (GMB-1)
 PAGE 1 OF 18

DOCUMENT NUMBER DATE

06598 JUN 22 98

FPSC-REGGRUD/REPORTING

FLORIDA PUBLIC UTILITIES COMPANY
FUEL FACTOR ADJUSTED FOR
LINE LOSS MULTIPLIER
 ESTIMATED FOR THE PERIOD: OCTOBER 1998 - DECEMBER 1998

SCHEDULE E1
 PAGE 2 OF 2

MARIANNA DIVISION

| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
|---------------|-------------------|-------------------|-----------------|--------------------|--------------------|-----------------|-------------------|-------------------------|--------------------|
| | | | (1)/(2)*1,380 | | | (3)/(4) | (1)/(5) | (6)/Total Col. (8) | (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 |
| 34 RS | 27,456,408 | 55.052814% | 11,386.5 | 1.089 | 1.000 | 12,399.9 | 27,456,408 | 51.94% | 43.54% |
| 35 GS | 5,390,996 | 57.194949% | 2,152.0 | 1.089 | 1.000 | 2,343.5 | 5,390,996 | 9.81% | 8.55% |
| 36 GSD | 20,642,548 | 77.730853% | 6,063.1 | 1.083 | 1.000 | 6,566.3 | 20,642,548 | 27.50% | 32.73% |
| 37 GSLD | 8,786,271 | 83.217844% | 2,410.5 | 1.038 | 1.000 | 2,502.1 | 8,786,271 | 10.48% | 13.93% |
| 38 OL | 497,187 | 296.003708% | 38.3 | 1.089 | 1.000 | 41.7 | 497,187 | 0.17% | 0.79% |
| 39 SL | 288,543 | 296.003708% | 22.3 | 1.089 | 1.000 | 24.3 | 288,543 | 0.10% | 0.46% |
| 40 TOTAL | <u>63,061,953</u> | | <u>22,072.7</u> | | | <u>23,877.8</u> | <u>63,061,953</u> | <u>100.00%</u> | <u>100.00%</u> |

| | (10) | (11) | (12) | (13) | (14) | (15) | (16) | (17) |
|---------------|----------------|----------------|------------------------------|--------------------|----------------------|------------------------------------|---------------|----------------------|
| | 12/13 * (8) | 1/13 * (9) | (10) * (11) | Tot Col. 13 * (12) | (13)/(11) | (14) * 1.00083 | | (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 |
| 41 RS | 47.92% | 3.35% | 51.27% | \$556,239 | 0.02026 | 0.02026 | 0.02112 | \$0.04140 |
| 42 GS | 9.06% | 0.66% | 9.72% | 105,454 | 0.01956 | 0.01956 | 0.02112 | \$0.04070 |
| 43 GSD | 25.38% | 2.52% | 27.91% | 302,801 | 0.01467 | 0.01468 | 0.02112 | \$0.03580 |
| 44 GSLD | 9.68% | 1.07% | 10.75% | 116,829 | 0.01327 | 0.01328 | 0.02112 | \$0.03440 |
| 45 OL | 0.16% | 0.06% | 0.22% | 2,387 | 0.00480 | 0.00480 | 0.02112 | \$0.02592 |
| 46 SL | 0.09% | 0.04% | 0.13% | 1,410 | 0.00489 | 0.00489 | 0.02112 | \$0.02601 |
| 47 TOTAL | <u>92.29%</u> | <u>7.70%</u> | <u>100.00%</u> | <u>\$1,084,920</u> | | | | |

(2) From Gulf Power Co. 1995 Load Research results.
 (4) From Fernandina Rate Case.

EXHIBIT NO _____
 DOCKET NO 980001-E1
 FLORIDA PUBLIC UTILITIES COMPANY
 (GMB-1)
 PAGE 2 OF 18

FLORIDA PUBLIC UTILITIES COMPANY
CALCULATION OF TRUE-UP SURCHARGE
APPLICABLE TO LEVELIZED FUEL ADJUSTMENT PERIOD
APRIL 1998 - SEPTEMBER 1998
BASED ON TWO MONTHS ACTUAL AND FOUR MONTHS ESTIMATED OPERATIONS

SCHEDULE E1-A

Marianna Division

| | |
|---|------------|
| Over-recovery of purchased power costs for the period April 1998 - September 1998. (See Schedule E1-B, Calculation of Estimated Purchased Power Costs and Calculation of True-Up and Interest Provision for the Six Month Period ended September 1998)(Estimated) | \$ 172,930 |
| Estimated kilowatt hour sales for the months of October 1998 - December 1998 as per estimate filed with the Commission | 63,062,000 |
| Cents per kilowatt hour necessary to refund over-recovered purchased power costs over the period October 1998 - December 1998 | 0.27422 |

Exhibit No. _____
Docket No. 980001-E1
Florida Public Utilities Company
(GMB-1)
Page 3 of 18

FLORIDA PUBLIC UTILITIES COMPANY
 CALCULATION OF PURCHASED POWER COSTS AND
 CALCULATION OF TRUE-UP AND INTEREST PROVISION
 APRIL 1996 - SEPTEMBER 1996
 BASED ON FOUR MONTHS ESTIMATED AND TWO MONTHS ACTUAL

Schedule E 1-B

MARIANNA DIVISION

| | Actual | Actual | Estimated | Estimated | Estimated | Estimated | Total | | |
|---------------------------------------|----------------|-------------|--------------|--------------|----------------|-------------------|-------------------|-------------|-----------|
| | APRIL 1996 | MAY 1996 | JUNE 1996 | JULY 1996 | AUGUST 1996 | SEPTEMBER 1996 | | | |
| Total System Sales - KWH | 18,419,256 | 20,514,533 | 25,607,214 | 27,779,949 | 28,669,268 | 28,311,441 | 149,301,661 | | |
| Total System Purchases - KWH | 19,197,713 | 27,433,865 | 27,100,480 | 30,399,069 | 31,051,270 | 27,178,090 | 162,360,487 | | |
| System Billing Demand - KW | 36,234 | 56,063 | 61,000 | 63,000 | 63,000 | 60,000 | 339,317 | | |
| Purchased Power Rates: | | | | | | | | | |
| Base Fuel Costs - \$/KWH | 0.02150 | 0.02150 | 0.02150 | 0.02150 | 0.02150 | 0.02150 | | | |
| Demand and Non-Fuel: | | | | | | | | | |
| Demand Charge - \$/KW | 6.77 | 6.77 | 6.77 | 6.77 | 6.77 | 6.77 | | | |
| Customer Charge - \$ | 550.00 | 550.00 | 550.00 | 550.00 | 550.00 | 550.00 | | | |
| Transformation Charge | 31,980 | 31,979 | 31,980 | 31,980 | 31,980 | 31,980 | | | |
| Purchased Power Costs: | | | | | | | | | |
| Base Fuel Costs | 412,751 | 589,828 | 582,660 | 653,580 | 667,602 | 584,329 | 3,490,750 | | |
| Subtotal Fuel Costs | 412,751 | 589,828 | 582,660 | 653,580 | 667,602 | 584,329 | 3,490,750 | | |
| Demand and Non-Fuel Costs: | | | | | | | | | |
| Demand Charge | 245,304 | 379,682 | 412,970 | 426,510 | 426,510 | 406,200 | 2,297,176 | | |
| Customer Charge | 550 | 550 | 550 | 550 | 550 | 550 | 3,300 | | |
| Transformation Charge | 31,980 | 31,979 | 31,980 | 31,980 | 31,980 | 31,980 | 191,879 | | |
| Subtotal Demand & Non-Fuel Costs | 277,834 | 412,211 | 445,500 | 459,040 | 459,040 | 438,730 | 2,492,355 | | |
| Total System Purchased Power Costs | 690,585 | 1,002,039 | 1,028,160 | 1,112,620 | 1,126,642 | 1,023,059 | 5,983,105 | | |
| ----- | | | | | | | | | |
| Sales Revenues | | | | | | | | | |
| Fuel Adjustment Revenues | Rate | | | | | | | | |
| Residential | RS | 0.04229 | 330,987 | 361,572 | 473,902 | 542,858 | 562,687 | 528,475 | 2,800,481 |
| Commercial | GS | 0.04164 | 68,258 | 76,494 | 85,810 | 90,392 | 91,503 | 95,289 | 507,746 |
| Commercial | GSD | 0.03713 | 224,708 | 251,501 | 292,478 | 310,969 | 314,125 | 326,165 | 1,720,544 |
| Industrial | GSLD | 0.03984 | 83,899 | 110,153 | 149,557 | 148,541 | 159,217 | 160,510 | 0 |
| Residential | OL,OL-2 | 0.02813 | 5,212 | 5,145 | 4,661 | 4,661 | 4,661 | 4,661 | 29,001 |
| Other | SL-1,SL-2,SL-3 | 0.02812 | 2,703 | 2,710 | 2,704 | 2,704 | 2,704 | 2,704 | 16,229 |
| Total Fuel Revenues | | | 725,767 | 807,575 | 1,010,110 | 1,099,725 | 1,134,897 | 1,117,804 | 5,895,878 |
| Non-Fuel Revenues | | | 416,656 | 440,748 | 487,530 | 519,515 | 530,923 | 524,736 | 2,920,108 |
| Total Sales Revenue | | | 1,142,423 | 1,248,323 | 1,497,640 | 1,619,240 | 1,665,820 | 1,642,540 | 8,815,986 |
| ----- | | | | | | | | | |
| KWH Sales | | | | | | | | | |
| Residential | RS | 7,829,357 | 8,550,876 | 11,207,209 | 12,837,919 | 13,306,868 | 12,497,780 | 66,230,009 | |
| Commercial | GS | 1,639,429 | 1,837,229 | 2,060,989 | 2,171,028 | 2,197,727 | 2,288,653 | 12,195,055 | |
| Commercial | GSD | 6,052,066 | 6,773,671 | 7,904,187 | 8,364,540 | 8,460,318 | 8,784,589 | 46,339,371 | |
| Industrial | GSLD | 2,619,960 | 3,073,464 | 4,172,919 | 4,144,552 | 4,442,445 | 4,478,509 | 22,931,949 | |
| Residential | OL,OL-2 | 185,306 | 182,910 | 165,729 | 165,729 | 165,729 | 165,729 | 1,031,132 | |
| Other | SL-1,SL-2,SL-3 | 96,138 | 96,363 | 96,181 | 96,181 | 96,181 | 96,181 | 577,245 | |
| Total KWH Sales | | 16,422,256 | 20,514,533 | 25,607,214 | 27,779,949 | 28,669,268 | 28,311,441 | 149,304,661 | |
| ----- | | | | | | | | | |
| True-up Calculation: | | | | | | | Period to Date | | |
| Fuel Revenues | | 725,767 | 807,575 | 1,010,110 | 1,099,725 | 1,134,897 | 1,117,804 | 5,895,878 | |
| True-up Provision | | (42,721) | (42,721) | (21,880) | (21,880) | (21,880) | (21,879) | (172,961) | |
| Gross Receipts Tax Refund | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Fuel Revenue | | 768,488 | 850,296 | 1,031,990 | 1,121,905 | 1,156,777 | 1,139,683 | 6,068,839 | |
| Total Purchased Power Costs | | 690,585 | 1,002,039 | 1,028,160 | 1,112,620 | 1,126,642 | 1,023,059 | 5,983,105 | |
| True-up Provision for the Period | | 77,303 | (151,743) | 3,830 | 8,985 | 30,135 | 116,624 | 85,734 | |
| Interest Provision for the Period | | 1,265 | 899 | 414 | 345 | 336 | 574 | 3,833 | |
| True-up and Interest Provision | | | | | | | | | |
| Beginning of Period | | 256,324 | 292,771 | 99,206 | 81,570 | 69,020 | 77,611 | 256,324 | |
| True-up Collected or (Refunded) | | (42,721) | (42,721) | (21,880) | (21,880) | (21,880) | (21,879) | (172,961) | |
| End of Period, Net True-up | | 292,771 | 99,206 | 81,570 | 69,020 | 77,611 | 172,930 | 172,930 | |
| ----- | | | | | | | | | |
| 10% Rule | | | | | | | | 2.89% | |
| Interest Provision | | | | | | | | | |
| Beginning True-up Amount | | 256,324 | 292,771 | 99,206 | 81,570 | 69,020 | 77,611 | | |
| Ending True-up Amount Before Interest | | 291,506 | 98,307 | 81,156 | 68,675 | 77,275 | 172,356 | | |
| Total Beginning and Ending True-up | | 547,830 | 391,078 | 180,362 | 150,245 | 146,295 | 249,967 | | |
| Average True-up Amount | | 273,915 | 195,539 | 90,181 | 75,123 | 73,148 | 124,984 | | |
| Average Annual Interest Rate | | 5.5400% | 5.5150% | 5.5150% | 5.5150% | 5.5150% | 5.5150% | | |
| Monthly Average Interest Rate | | 0.4617% | 0.4596% | 0.4596% | 0.4596% | 0.4596% | 0.4596% | | |
| Interest Provision | | 1,265 | 899 | 414 | 345 | 336 | 574 | | |
| ----- | | | | | | | | | |

EXHIBIT NO. _____
 DOCKET NO. 990001-E)
 FLORIDA PUBLIC UTILITIES COMPANY
 (GMB-1)
 PAGE 4 OF 16

FLORIDA PUBLIC UTILITIES COMPANY
MARIANNA DIVISION
COMPARISON OF ESTIMATED/ACTUAL VERSUS ORIGINAL PROJECTIONS
OF THE FUEL AND PURCHASED POWER COST RECOVERY FACTOR
FOR THE PERIOD APRIL 1998 - SEPTEMBER 1998

SCHEDULE E-1B.1

| | DOLLARS | | | MMH | | | CENTS/KWH | | |
|--|----------------------|------------------------|----------------------|----------------------|------------------------|----------------------|----------------------|------------------------|----------------------|
| | ESTIMATED/ ACTUAL | ESTIMATED/ ORIGINAL | DIFFERENCE AMOUNT | ESTIMATED/ ACTUAL | ESTIMATED/ ORIGINAL | DIFFERENCE AMOUNT | ESTIMATED/ ACTUAL | ESTIMATED/ ORIGINAL | DIFFERENCE AMOUNT |
| 1 Fuel Cost of System Net Generation (A2) | | | | 0 | 0 | 0 | 0 | 0 | 0 |
| 2 Nuclear Fuel Depositor Cost | | | | | | | | | |
| 3 Coal Fuel Investment | | | | | | | | | |
| 4 Adjustments to Fuel Cost (A2, Page 1) | | | | | | | | | |
| 5 TOTAL COST OF GENERATED POWER | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6 Fuel Cost of Purchased Power (Exclusive of Economy) (A7) | 3,490,750 | 3,454,980 | 35,770 | 162,360 | 160,897 | 1,463 | 2,15001 | 2,15000 | 0,00001 |
| 7 Energy Cost of Solved C. & E. Econ Purch (Bnkary)(A8) | | | | | | | | | |
| 8 Energy Cost of Other Econ Purch (Non-Bnkary)(A8) | | | | | | | | | |
| 9 Energy Cost of Solved E. Economy Purch (A8) | 2,492,358 | 2,551,140 | (58,782) | 162,360 | 160,897 | 1,463 | 1,53508 | 1,56755 | (0,00247) |
| 10 Demand and Non Fuel Cost of Purchased Power (A8) | | | | | | | | | |
| 11 Energy Payments to Qualifying Facilities (A8a) | | | | | | | | | |
| 12 TOTAL COST OF PURCHASED POWER | 5,983,105 | 6,006,120 | (23,015) | 162,360 | 160,897 | 1,463 | 3,68508 | 3,73754 | (0,00245) |
| 13 TOTAL AVAILABLE MMH (LINE 5 + LINE 12) | | | | | | | | | |
| 14 Fuel Cost of Economy Sales (A6) | | | | | | | | | |
| 15 Gain on Economy Sales (A6) | | | | | | | | | |
| 16 Fuel Cost of Unit Power Sales (SL2 Parctas)(A6) | | | | | | | | | |
| 17 Fuel Cost of Other Power Sales (A6) | | | | | | | | | |
| 18 TOTAL FUEL COST AND GAINS OF POWER SALES (LINE 14 + 15 + 16 + 17) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 19 NET INADVERTENT INTERCHANGE | | | | | | | | | |
| 20 TOTAL FUEL AND NET POWER TRANSACTIONS (LINES 5 + 12 + 18 + 19) | 5,983,105 | 6,006,120 | (23,015) | 162,360 | 160,897 | 1,463 | 3,68508 | 3,73754 | (0,00245) |
| 21 Net Unbilled Sales | 237,762 | 190,333 | 47,429 | 6,452 | 5,253 | 1,199 | 0,15025 | 0,13185 | 0,02740 |
| 22 Company Use | 4,127 | 4,186 | (59) | 112 | 112 | 0 | 0,00276 | 0,00281 | (0,00005) |
| 23 T & D Losses | 239,310 | 240,249 | (939) | 6,494 | 6,428 | 66 | 0,16029 | 0,16134 | (0,00105) |
| 24 SYSTEM KWH SALES | 5,983,105 | 6,006,120 | (23,015) | 149,302 | 148,904 | 398 | 4,00739 | 4,03354 | (0,02615) |
| 25 Wholesale KWH Sales | | | | | | | | | |
| 26 Jurisdictional KWH Sales | 5,983,105 | 6,006,120 | (23,015) | 149,302 | 148,904 | 398 | 4,00739 | 4,03354 | (0,02615) |
| 26a Jurisdictional Loss Multiplier | 1,000 | 1,000 | 0,000 | 1,000 | 1,000 | 0,000 | 1,000 | 1,000 | 0,00000 |
| 27 Jurisdictional KWH Sales Adjusted for Line Losses | 5,983,105 | 6,006,120 | (23,015) | 149,302 | 148,904 | 398 | 4,00739 | 4,03354 | (0,02615) |
| 28 GPR | | | | | | | | | |
| 29 TRUE-UP | 256,324 | 131,279 | 125,045 | 149,302 | 148,904 | 398 | 0,17168 | 0,08816 | 0,08352 |
| 30 TOTAL JURISDICTIONAL FUEL COST | 6,239,429 | 6,137,399 | 102,030 | 149,302 | 148,904 | 398 | 4,17907 | 4,12172 | 0,05735 |
| 31 Revenue Tax Factor | | | | | | | | | |
| 32 Fuel Factor Adjusted for Taxes | | | | | | | | | |
| 33 FUEL FAC ROUNDED TO NEAREST .001 (CENTS/KWH) | | | | | | | | | |

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

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

SCHEDULE E2

FOR THE PERIOD: OCTOBER 1998 -DECEMBER 1998

| LINE NO | (a) | (b) | (c) | (d) | (e) | (f) | (g) | LINE NO |
|---------|-----------------|------------------|-------------------------------|---------|---------|---------|-----------------|---------|
| | 1998 OCTOBER | 1998 NOVEMBER | ESTIMATED 1998 DECEMBER | | | | TOTAL PERIOD | |
| 1 | | | | | | | 0 | 1 |
| 1a | | | | | | | 0 | 1a |
| 2 | | | | | | | 0 | 2 |
| 3 | 462,157 | 450,481 | 493,196 | | | | 1,405,834 | 3 |
| 3a | 381,293 | 382,817 | 418,400 | | | | 1,182,510 | 3a |
| 3b | | | | | | | 0 | 3b |
| 4 | | | | | | | 0 | 4 |
| 5 | 843,450 | 833,298 | 911,596 | 0 | 0 | 0 | 2,588,344 | 5 |
| 6 | 348,763 | 350,207 | 385,870 | | | | 1,084,920 | 6 |
| 7 | 494,687 | 483,011 | 525,726 | 0 | 0 | 0 | 1,503,424 | 7 |
| 7a | 22,036 | 19,206 | 21,820 | | | | 63,062 | 7a |
| 7b | 2.2449 | 2.5149 | 2.40938 | 0 | 0 | 0 | 2.38404 | 7b |
| 8 | 1.00000 | 1.00000 | 1.00000 | 1.00000 | 1.00000 | 1.00000 | 1.00000 | 8 |
| 9 | 2.24490 | 2.51490 | 2.40938 | 0.00000 | 0.00000 | 0.00000 | 2.38404 | 9 |
| 10 | | | | | | | | 10 |
| 11 | (0.27422) | (0.27422) | (0.27422) | 0.00000 | 0.00000 | 0.00000 | (0.27422) | 11 |
| 12 | 1.97068 | 2.24068 | 2.13516 | 0.00000 | 0.00000 | 0.00000 | 2.10982 | 12 |
| 13 | 0.00164 | 0.00186 | 0.00177 | 0.00000 | 0.00000 | 0.00000 | 0.00175 | 13 |
| 14 | 1.97231 | 2.24254 | 2.13693 | 0.00000 | 0.00000 | 0.00000 | 2.11157 | 14 |
| 15 | 1.972 | 2.243 | 2.137 | 0.000 | 0.000 | 0.000 | 2.112 | 15 |

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

SCHEDULE E7

ESTIMATED FOR THE PERIOD OF OCTOBER 1998 - DECEMBER 1998

| (1) MONTH | (2) PURCHASED FROM | (3) TYPE & SCHEDULE | (4) TOTAL KWH PURCHASED | (5) KWH FOR OTHER UTILITIES | (6) KWH FOR INTERRUPTIBLE | (7) KWH FOR FIRM | (8) CENTS/KWH | | (9) TOTAL \$ FOR FUEL ADJ (7) x (8) (A) |
|---------------|--|------------------------|----------------------------|--------------------------------|------------------------------|---------------------|------------------|-------------------|--|
| | | | | | | | (A) FUEL COST | (B) TOTAL COST | |
| OCTOBER 1998 | GULF POWER COMPANY GULF POWER COMPANY GULF POWER COMPANY | RE | 21,495,689 | | | 21,495,689 | 2.149999 | 3,923,810 | 482,157 |
| NOVEMBER 1998 | | RE | 20,952,602 | | | 20,952,602 | 2.150000 | 3,977,062 | 450,481 |
| DECEMBER 1998 | | RE | 22,939,330 | | | 22,939,330 | 2.150000 | 4,932,064 | 493,196 |
| TOTAL | | | 65,387,621 | 0 | 0 | 65,387,621 | 2.150000 | 4,130,726 | 1,405,834 |

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SCHEDULE E10

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

ESTIMATED FOR THE PERIOD* OF: OCTOBER 1998 - DECEMBER 1998

| | OCTOBER 1998 | NOVEMBER 1998 | DECEMBER 1998 | PERIOD TOTAL |
|--------------------------------|-----------------|------------------|------------------|-----------------|
| BASE RATE REVENUES ** \$ | 20.81 | 20.81 | 20.81 | 62.43 |
| FUEL RECOVERY FACTOR CENTS/KWH | 4.140 | 4.140 | 4.140 | |
| GROUP LOSS MULTIPLIER | 1.00000 | 1.00000 | 1.00000 | |
| FUEL RECOVERY REVENUES \$ | 41.40 | 41.40 | 41.40 | 124.20 |
| GROSS RECEIPTS TAX | 1.60 | 1.60 | 1.60 | 4.80 |
| TOTAL REVENUES *** \$ | 63.81 | 63.81 | 63.81 | 191.43 |

* MONTHLY AND CUMULATIVE SIX MONTH ESTIMATED DATA

| | |
|------------------------|--------------|
| ** BASE RATE REVENUES: | 8.30 |
| CUSTOMER CHARGE | 12.13 |
| CENTS/KWH | 0.38 |
| CONSERVATION FACTOR | |
| | <u>20.81</u> |

*** EXCLUDES FRANCHISE TAXES

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

SCHEDULE E1
 PAGE 1 OF 3

ESTIMATED FOR THE PERIOD: OCTOBER 1998 - DECEMBER 1998

ORIGINAL

FERNANDINA BEACH DIVISION

| | (a) | (b) | (c) |
|--|-------------|----------|-----------|
| | DOLLARS | MWH | 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) | 1,553,726 | 84,213 | 1.84500 |
| 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) | 1,540,080 | 84,213 | 1.82879 |
| 10a Demand Costs of Purchased Power | 1,156,236 * | | |
| 10b Non-fuel Energy & Customer Costs of Purchased Power | 383,844 * | | |
| 11 Energy Payments to Qualifying Facilities (E8a) | 6,171 | 330 | 1.87000 |
| 12 TOTAL COST OF PURCHASED POWER (LINE 6 THRU 11) | 3,099,977 | 84,543 | 3.66675 |
| 13 TOTAL AVAILABLE MWH (LINE 5 + LINE 12) | 3,099,977 | 84,543 | 3.66675 |
| 14 Fuel Cost of Economy Sales (E6) | | | |
| 15 Gain on Economy Sales (E6) | | | |
| 16 Fuel Cost of Unit Power Sales (SL2 Parpts) (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) | 3,099,977 | 84,543 | 3.66675 |
| 21 Net Unbilled Sales | (23,834) * | (850) | -0.02732 |
| 22 Company Use | 3,923 * | 107 | 0.00483 |
| 23 T & D Losses | 139,483 * | 3,804 | 0.17160 |
| 24 SYSTEM MWH SALES | 3,099,977 | 81,282 | 3.81385 |
| 25 Wholesale MWH Sales | | | |
| 26 Jurisdictional MWH Sales | 3,099,977 | 81,282 | 3.81385 |
| 26a Jurisdictional Loss Multiplier | 1.00000 | 1.00000 | |
| 27 Jurisdictional MWH Sales Adjusted for Line Losses | 3,099,977 | 81,282 | 3.81385 |
| 27a GSLD MWH Sales | | 23,400 | |
| 27b Other Classes MWH Sales | | 57,882 | |
| 27c GSD CP KW | | 57,000 * | |
| 28 GPR ** | | | |
| 29 TRUE-UP (OVER) UNDER RECOVERY ** | (247,128) | 81,282 | -0.30404 |
| 30 TOTAL JURISDICTIONAL FUEL COST | 2,852,849 | 81,282 | 3.50982 |
| 30a Demand Purchased Power Costs (Line 10a) | 1,156,236 * | | |
| 30b Non-demand Purchased Power Costs (Lines 6 + 10b + 11) | 1,943,741 * | | |
| 30c True up Over/Under Recovery (Line 29) | (247,128) * | | |

* For Informational Purposes Only

** Calculation Based on Jurisdictional KWH Sales

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

SCHEDULE E1
 PAGE 2 OF 3

ESTIMATED FOR THE PERIOD OCTOBER 1998 - DECEMBER 1998

FERNANDINA BEACH DIVISION

| | (A) | (B) | (C) |
|--|-------------|-------------|------------|
| | DOLLARS | MWH | CENTS/KWH |
| APPORTIONMENT OF DEMAND COSTS | | | |
| 31 Total Demand Costs (Line 30a) | 1,156,236 | | |
| 32 GSLD Portion of Demand Costs (Line 30a) Including Line Losses (Line 27c x \$6.18) | 352,260 | 57,000 (KW) | \$6.18 /KW |
| 33 Balance to Other Classes | 803,976 | 57,882 | 1.38899 |
| APPORTIONMENT OF NON-DEMAND COSTS | | | |
| 34 Total Non-demand Costs (Line 30b) | 1,943,741 | | |
| 35 Total KWH Purchased (Line 12) | | 84,543 | |
| 36 Average Cost per KWH Purchased | | | 2.29912 |
| 37 Average Cost Adjusted for Line Losses (Line 36 x 1.03) | | | 2.36806 |
| 38 GSLD Non-demand Costs (Line 27a x Line 37) | 554,134 | 23,400 | 2.36809 |
| 39 Balance to Other Classes | 1,389,607 | 57,882 | 2.40076 |
| GSLD PURCHASED POWER COST RECOVERY FACTORS | | | |
| 40a Total GSLD Demand Costs (Line 32) | 352,260 | 57,000 (KW) | \$6.18 /KW |
| 40b Revenue Tax Factor | | | 1.01609 |
| 40c GSLD Demand Purchased Power Factor Adjusted for Taxes & Rounded | | | \$6.28 /KW |
| 40d Total Current GSLD Non-demand Costs (Line 38) | 554,134 | 23,400 | 2.36809 |
| 40e Total Non-demand Costs Including True-up | 554,134 | 23,400 | 2.36809 |
| 40f Revenue Tax Factor | | | 1.01609 |
| 40g GSLD Non-demand Costs Adjusted for Taxes & Rounded | | | 2.40619 |
| OTHER CLASSES PURCHASED POWER COST RECOVERY FACTORS | | | |
| 41a Total Demand & Non-demand Purchased Power Costs of Other Classes (Line 33 + 39) | 2,193,583 | 57,882 | 3.78975 |
| 41b Less: Total Demand Cost Recovery | 803,976 *** | | |
| 41c Total Other Costs to be Recovered | 1,389,607 | 57,882 | 2.40076 |
| 41d Other Classes' Portion of True-up (Line 30c) | (247,128) | 57,882 | -0.42695 |
| 41e Total Demand & Non-demand Costs Including True-up | 1,142,479 | 57,882 | 1.97381 |
| 42 Revenue Tax Factor | | | 1.01609 |
| 43 Other Classes Purchased Power Factor Adjusted for Taxes & Rounded | | | 2.006 |

* For Informational Purposes Only

** Calculation Based on Jurisdictional KWH Sales

*** Calculation on Schedule E1 Page 3

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

SCHEDULE E1
 PAGE 3 OF 3

ESTIMATED FOR THE PERIOD: OCTOBER 1996 - DECEMBER 1996

FERNANDINA BEACH DIVISION

| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
|----------------|-------------------|-------------------|-------------------|--------------------|--------------------|-----------------|-------------------|-------------------------|--------------------|
| | | | (1) / (2) * 4,380 | | | (3) * (4) | (1) * (5) | (6) / Tot. Col (6) | (7) / Tot. 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 | 31,637,060 | 60.910% | 11,858.6 | 1.089 | 1.000 | 12,914.0 | 31,637,060 | 62.11% | 54.65% |
| 45 GS | 4,896,087 | 67.794% | 1,648.9 | 1.089 | 1.000 | 1,795.7 | 4,896,087 | 8.64% | 8.46% |
| 46 GSD | 20,951,804 | 85.426% | 5,598.6 | 1.083 | 1.000 | 6,064.4 | 20,951,804 | 29.17% | 36.20% |
| 47 OL, SL, CSL | 396,681 | 585.182% | 15.5 | 1.089 | 1.000 | 16.9 | 396,681 | 0.08% | 0.69% |
| 48 TOTAL | <u>57,881,632</u> | | <u>19,122.6</u> | | | <u>20,791.0</u> | <u>57,881,632</u> | <u>100.00%</u> | <u>100.00%</u> |

| | (10) | (11) | (12) | (13) | (14) | (15) | (16) | (17) |
|----------------|------------------|------------------|------------------------------|--------------------|----------------------|------------------------------------|---------------|----------------------|
| | 12 / 13 * (8) | 1 / 13 * (9) | (10) + (11) | Tot. Col 13 * (12) | (13) / (1) | (14) * 1.01809 | | (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 | 57.33% | 4.21% | 61.54% | \$494,767 | 0.01564 | 0.01569 | 0.02006 | 0.01595 |
| 50 GS | 7.98% | 0.65% | 8.63% | 69,383 | 0.01417 | 0.01440 | 0.02006 | 0.03446 |
| 51 GSD | 26.93% | 2.78% | 29.71% | 238,861 | 0.01140 | 0.01158 | 0.02006 | 0.03164 |
| 52 OL, SL, CSL | 0.07% | 0.05% | 0.12% | 965 | 0.00243 | 0.00247 | 0.02006 | 0.02253 |
| 53 TOTAL | <u>92.31%</u> | <u>7.69%</u> | <u>100.00%</u> | <u>\$803,976</u> | | | | |

(2) From Florida Power & Light Co. 1995 Load Research results.
 (4) From Fernandina Beach Rate Case 881056-E1.

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 DOCKET NO 960001-E1
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FLORIDA PUBLIC UTILITIES COMPANY
CALCULATION OF TRUE-UP SURCHARGE
APPLICABLE TO LEVELIZED FUEL ADJUSTMENT PERIOD
APRIL 1998 - SEPTEMBER 1998
BASED ON TWO MONTHS ACTUAL AND FOUR MONTHS ESTIMATED OPERATIONS

Schedule E1-A

Fernandina Beach Division

| | |
|---|------------|
| Over-recovery of purchased power costs for the period April 1998 - September 1998. (See Schedule E1-B, Calculation of Estimated Purchased Power Costs and Calculation of True- Up and Interest Provision for the Six Month Period ended September 1998.)(Estimated) | \$ 247,128 |
| Estimated kilowatt hour sales for the months of October 1998 - December 1998 as per estimate filed with the Commission. (Excludes GSLD customers) | 57,882,000 |
| Cents per kilowatt hour necessary to refund over-recovered purchased power costs over the period October 1998 - December 1998. | 0.42695 |

Exhibit No. _____
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Florida Public Utilities Company
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FLORIDA PUBLIC UTILITIES COMPANY
 CALCULATION OF PURCHASED POWER COSTS AND
 CALCULATION OF TRUE-UP AND INTEREST PROVISION-EXCLUDING GSLD
 PERIOD APRIL 1998 - SEPTEMBER 1998
 BASED ON FOUR MONTHS ESTIMATED AND TWO MONTHS ACTUAL
 (EXCLUDES LINE LOSS, EXCLUDES TAXES)

Schedule E 1-B

FERNANDINA BEACH

| | Actual APRIL 1998 | Actual MAY 1998 | Estimated JUNE 1998 | Estimated JULY 1998 | Estimated AUGUST 1998 | Estimated SEPTEMBER 1998 | Total Estimated |
|---|-------------------------|-----------------------|---------------------------|---------------------------|-----------------------------|--------------------------------|-----------------------|
| Total System Sales - KWH | 26,081,869 | 28,152,553 | 30,953,015 | 34,696,834 | 35,091,343 | 33,533,729 | 188,479,343 |
| CCA Purchases - KWH | 518,800 | 94,100 | 110,000 | 110,000 | 110,000 | 110,000 | 1,052,700 |
| JEA Purchases - KWH | 26,846,793 | 32,777,897 | 33,747,368 | 37,880,836 | 36,994,349 | 32,879,172 | 200,906,415 |
| System Billing Demand - KW | 63,123 | 82,970 | 79,000 | 81,000 | 81,000 | 81,000 | 468,093 |
| Purchased Power Rates | | | | | | | |
| CCA Fuel Costs - \$/KWH | 0.018700 | 0.018700 | 0.018700 | 0.018700 | 0.018700 | 0.018700 | |
| Base Fuel Costs - \$/KWH | 0.01845 | 0.01845 | 0.01845 | 0.01845 | 0.01845 | 0.01845 | |
| Fuel Adjustment - \$/KWH | 0.00000 | 0.00000 | 0.00000 | 0.00000 | 0.00000 | 0.00000 | |
| Demand and Non-Fuel | | | | | | | |
| Demand Charge - \$/KW | 6.00 | 6.00 | 6.00 | 6.00 | 6.00 | 6.00 | |
| Customer Charge - \$ | 225.00 | 225.00 | 225.00 | 225.00 | 225.00 | 225.00 | |
| Energy Charge (Excl. Fuel) \$/KWH | 0.00455 | 0.00455 | 0.00455 | 0.00455 | 0.00455 | 0.00455 | |
| Purchased Power Costs | | | | | | | |
| CCA Fuel Costs | 9,698 | 1,760 | 2,057 | 2,057 | 2,057 | 2,057 | 19,686 |
| JEA Base Fuel Costs | 491,633 | 604,752 | 622,639 | 698,532 | 662,546 | 606,621 | 3,706,723 |
| JEA Fuel Adjustment | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Subtotal Fuel Costs | 501,331 | 606,512 | 624,696 | 700,589 | 664,603 | 608,678 | 3,726,409 |
| Demand and Non-Fuel Costs | | | | | | | |
| Demand Charge | 378,738 | 497,820 | 474,000 | 486,000 | 486,000 | 496,000 | 2,808,558 |
| Customer Charge | 225 | 225 | 225 | 225 | 225 | 225 | 1,350 |
| Energy Charge | 121,243 | 149,139 | 153,551 | 172,267 | 168,324 | 149,600 | 914,124 |
| Subtotal Demand & Non-Fuel Costs | 500,206 | 647,184 | 627,776 | 658,492 | 654,549 | 635,825 | 3,724,032 |
| Total System Purchased Power Costs | 1,001,537 | 1,253,696 | 1,252,472 | 1,359,081 | 1,339,152 | 1,244,503 | 7,450,441 |
| Less Direct Billing To GSLD Class | | | | | | | |
| Demand | 191,035 | 157,307 | 117,420 | 117,420 | 117,420 | 117,420 | 818,022 |
| Commodity | 174,006 | 184,916 | 184,724 | 184,730 | 184,728 | 184,722 | 1,097,826 |
| Net Purch. Power Costs | 636,496 | 911,473 | 950,328 | 1,056,931 | 1,037,004 | 942,361 | 5,534,593 |
| Sales Revenues | | | | | | | |
| Fuel Adjustment Revenues | Rate | | | | | | |
| RS | 0.03961 | 389,223 | 420,167 | 526,453 | 652,395 | 665,218 | 3,259,264 |
| GS | 0.03802 | 63,382 | 69,564 | 69,826 | 73,679 | 74,223 | 424,830 |
| GSD | 0.03508 | 248,644 | 272,406 | 276,897 | 292,084 | 293,154 | 1,678,303 |
| OL | 0.02550 | 1,469 | 1,745 | 1,412 | 1,412 | 1,412 | 8,862 |
| SL/CSL | 0.02550 | 1,901 | 1,877 | 1,960 | 1,960 | 1,960 | 11,618 |
| Total Fuel Revenues (Excl. GSLD) | | 704,619 | 765,759 | 876,548 | 1,021,530 | 1,037,931 | 5,382,877 |
| GSLD Fuel Revenues | | 365,041 | 342,223 | 302,144 | 302,150 | 302,142 | 1,915,848 |
| Non-Fuel Revenues | | 469,007 | 489,491 | 527,168 | 589,490 | 567,218 | 3,229,365 |
| Total Sales Revenue | | 1,538,667 | 1,597,473 | 1,705,860 | 1,910,170 | 1,845,050 | 10,528,090 |
| KWH Sales | | | | | | | |
| RS | 9,824,740 | 10,609,568 | 13,290,908 | 15,470,469 | 16,794,181 | 15,294,325 | 82,284,191 |
| GS | 1,667,058 | 1,829,877 | 1,836,565 | 1,937,911 | 1,952,209 | 1,950,442 | 11,173,862 |
| GSD | 7,087,914 | 7,765,284 | 7,893,315 | 8,326,227 | 8,412,726 | 8,356,735 | 47,842,201 |
| GSLD | 7,370,000 | 7,806,000 | 7,800,000 | 7,800,000 | 7,800,000 | 7,800,000 | 46,378,000 |
| OL | 57,616 | 68,424 | 55,367 | 55,367 | 55,367 | 55,367 | 347,508 |
| SL/CSL | 74,541 | 73,600 | 76,860 | 76,860 | 76,860 | 76,860 | 455,581 |
| Total KWH Sales | 26,081,869 | 28,152,553 | 30,953,015 | 34,696,834 | 35,091,343 | 33,533,729 | 188,479,343 |
| True-up Calculation (Excl. GSLD) | | | | | | | Period to Date |
| Fuel Revenues | 704,619 | 765,759 | 876,548 | 1,021,530 | 1,037,931 | 976,490 | 5,382,877 |
| True-up Provision | (65,125) | (65,125) | (65,125) | (65,125) | (65,125) | (65,124) | (390,749) |
| Gross Receipts Tax Refund | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Fuel Revenue | 769,744 | 830,884 | 941,673 | 1,086,655 | 1,103,056 | 1,041,614 | 5,773,626 |
| Net Purchased Power Costs | 636,496 | 911,473 | 950,328 | 1,056,931 | 1,037,004 | 942,361 | 5,534,593 |
| True-up Provision for the Period | 133,248 | (80,589) | (8,655) | 29,724 | 66,052 | 99,253 | 239,033 |
| Interest Provision for the Period | 1,961 | 1,783 | 1,287 | 1,042 | 968 | 1,053 | 8,094 |
| True-up and Interest Provision | | | | | | | |
| Beginning of Period | 390,750 | 460,834 | 316,903 | 244,410 | 210,051 | 211,946 | 390,750 |
| True-up Collected or (Refunded) | (65,125) | (65,125) | (65,125) | (65,125) | (65,125) | (65,124) | (390,749) |
| End of Period, Net True-up | 460,834 | 316,903 | 244,410 | 210,051 | 211,946 | 247,126 | 247,128 |
| 10% RULE | | | | | | | 4.47% |
| Interest Provision | | | | | | | |
| Beginning True-up Amount | 390,750 | 460,834 | 316,903 | 244,410 | 210,051 | 211,946 | |
| Ending True-up Amount Before Interest | 458,873 | 315,120 | 243,123 | 209,009 | 210,978 | 246,075 | |
| Total Beginning and Ending True-up | 849,623 | 775,954 | 560,026 | 453,419 | 421,029 | 458,021 | |
| Average True-up Amount | 424,812 | 387,977 | 280,013 | 226,710 | 210,515 | 229,011 | |
| Average Interest Rate | 5.5400% | 5.5150% | 5.5150% | 5.5150% | 5.5150% | 5.5150% | |
| Monthly Average Interest Rate | 0.4617% | 0.4596% | 0.4596% | 0.4596% | 0.4596% | 0.4596% | |
| Interest Provision | 1,961 | 1,783 | 1,287 | 1,042 | 968 | 1,053 | |

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FLORIDA PUBLIC UTILITIES COMPANY
 FERNANDINA BEACH DIVISION
 COMPARISON OF ESTIMATED/ACTUAL VERSUS ORIGINAL PROJECTIONS
 OF THE FUEL AND PURCHASED POWER COST RECOVERY FACTOR
 FOR THE PERIOD APRIL, 1998 - SEPTEMBER 1998

| | DOLLARS | | | CENTS/KWH | | |
|--|---------------------|-------------------|--------|---------------------|-------------------|--------|
| | ESTIMATED/ ORIGINAL | DIFFERENCE AMOUNT | % | ESTIMATED/ ORIGINAL | DIFFERENCE AMOUNT | % |
| 1 Fuel Cost of System Net Generation (A3) | | | | | | |
| 2 Nuclear Fuel Disposal Cost (A13) | | | | | | |
| 3 Coal Car Investment | | | | | | |
| 4 Adjustments to Fuel Cost (A2, Page 1) | | | | | | |
| 5 TOTAL COST OF GENERATED POWER | 0 | 0 | 0.0% | 0 | 0 | 0.0% |
| 6 Fuel Cost of Purchased Power (Exclusive of Economy) (A5) | 3,706,723 | 3,631,059 | 2.1% | 200,906 | 196,805 | 2.1% |
| 7 Energy Cost of Sched C & X Econ Purch (Broker)/ (A8) | | | | | | |
| 8 Energy Cost of Other Econ Purch (Non-Broker)/ (A8) | | | | | | |
| 9 Energy Cost of Sched E Economy Purch (A8) | 3,724,032 | 3,674,815 | 1.3% | 200,906 | 196,805 | 2.1% |
| 10 Demand and Non Fuel Cost of Purchased Power (A9) | 19,696 | 12,342 | 58.5% | 1,003 | 660 | 58.6% |
| 11 Energy Payments to Qualifying Facilities (A1a) | | | | | | |
| 12 TOTAL COST OF PURCHASED POWER | 7,450,441 | 7,318,216 | 1.8% | 201,959 | 197,465 | 2.3% |
| 13 TOTAL AVAILABLE MMH (LINE 5 + LINE 12) | | | | | | |
| 14 Fuel Cost of Economy Sales (A7) | | | | | | |
| 15 Gain on Economy Sales (A7a) | | | | | | |
| 16 Fuel Cost of Unit Power Sales (SL2 Pwr)/ (A7) | | | | | | |
| 17 Fuel Cost of Other Power Sales (A7) | | | | | | |
| 18 TOTAL FUEL COST AND GAINS OF POWER SALES (LINE 14 + 15 + 16 + 17) | 0 | 0 | 0.0% | 0 | 0 | 0.0% |
| 19 NET INCONVERT INTERCHANGE (A10) | | | | | | |
| 20 TOTAL FUEL AND NET POWER TRANSACTIONS (LINES 5 + 12 + 18 + 19) | 7,450,441 | 7,318,216 | 1.8% | 201,959 | 197,465 | 2.3% |
| 21 Net Unbilled Sales (A4) | 90,245 | 24,794 | 102.7% | 1,362 | 669 | 103.6% |
| 22 Company Use (A4) | 0 | 0 | 0.0% | 0 | 0 | 0.0% |
| 23 T & D Losses (A4) | 447,044 | 439,096 | 1.8% | 12,118 | 11,848 | 2.3% |
| 24 SYSTEM KWH SALES | 7,450,441 | 7,318,216 | 1.8% | 188,479 | 184,948 | 1.9% |
| 25 Wholesale KWH Sales | | | | | | |
| 26 Jurisdictional KWH Sales | 7,450,441 | 7,318,216 | 1.8% | 188,479 | 184,948 | 1.9% |
| 27 Jurisdictional Loss Multiplier | 1,000 | 1,000 | 0.0% | 1,000 | 1,000 | 0.0% |
| 28 Line Losses | 7,450,441 | 7,318,216 | 1.8% | 188,479 | 184,948 | 1.9% |
| 29 TRUE-UP** | 390,730 | 269,447 | 45.0% | 186,479 | 184,948 | 1.9% |
| 30 TOTAL JURISDICTIONAL FUEL COST | 7,841,191 | 7,587,663 | 3.3% | 188,479 | 184,948 | 1.9% |
| 31 Revenue Tax Factor | | | | | | |
| 32 Fuel Factor Adjusted for Taxes | | | | | | |
| 33 FUEL FAC ROUNDED TO NEAREST 001 (CENTS/KWH) | | | | | | |

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

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

SCHEDULE E2

FOR THE PERIOD: OCTOBER 1998 - DECEMBER 1998

| LINE NO | | (a) | (b) | (c) | (d) | (e) | (f) | (g) | LINE NO |
|---------|---|-----------|-----------|-----------------------|---------|---------|---------|--------------|---------|
| | | OCTOBER | NOVEMBER | ESTIMATED DECEMBER | | | | TOTAL PERIOD | |
| 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 | 514,755 | 486,681 | 552,290 | | | | 1,553,726 | 3 |
| 3a | DEMAND & NON FUEL COST OF PUR POW | 509,952 | 484,645 | 545,483 | | | | 1,540,080 | 3a |
| 3b | QUALIFYING FACILITIES | 2,057 | 2,057 | 2,057 | | | | 6,171 | 3b |
| 4 | ENERGY COST OF ECONOMY PURCHASES | | | | | | | 0 | 4 |
| 5 | TOTAL FUEL & NET POWER TRANSACTION (SUM OF LINES A-1 THRU A-4) | 1,026,764 | 973,383 | 1,099,830 | | | | 3,099,977 | 5 |
| 5a | LESS: TOTAL DEMAND COST RECOVERY | 265,362 | 246,978 | 291,636 | | | | 803,976 | 5a |
| 5b | TOTAL OTHER COST TO BE RECOVERED | 761,402 | 726,405 | 808,194 | 0 | 0 | 0 | 2,296,001 | 5b |
| 6 | APPORTIONMENT TO GSLD CLASS | 302,131 | 302,127 | 302,136 | | | | 906,394 | 6 |
| 6a | BALANCE TO OTHER CLASSES | 459,271 | 424,278 | 506,058 | 0 | 0 | 0 | 1,389,607 | 6a |
| 6b | SYSTEM KWH SOLD (MWH) | 28,602 | 25,128 | 27,552 | | | | 81,282 | 6b |
| 7 | GSLD MWH SOLD | 7,800 | 7,800 | 7,800 | | | | 23,400 | 7 |
| 7a | BALANCE MWH SOLD OTHER CLASSES | 20,802 | 17,328 | 19,752 | 0 | 0 | 0 | 57,882 | 7a |
| 7b | COST PER KWH SOLD (CENTS/KWH) APPLICABLE TO OTHER CLASSES | 2.20782 | 2.44851 | 2.56206 | 0 | 0 | 0 | 2.40076 | 7b |
| 8 | JURISDICTIONAL LOSS MULTIPLIER | 1.00000 | 1.00000 | 1.00000 | 1.00000 | 1.00000 | 1.00000 | 1.00000 | 8 |
| 9 | JURISDICTIONAL COST (CENTS/KWH) | 2.20782 | 2.44851 | 2.56206 | 0.00000 | 0.00000 | 0.00000 | 2.40076 | 9 |
| 10 | GPIF (CENTS/KWH) | | | | | | | | 10 |
| 11 | TRUE-UP (CENTS/KWH) | (0.42695) | (0.42695) | (0.42695) | 0.00000 | 0.00000 | 0.00000 | (0.42695) | 11 |
| 12 | TOTAL | 1.78087 | 2.02156 | 2.13511 | 0.00000 | 0.00000 | 0.00000 | 1.97381 | 12 |
| 13 | REVENUE TAX FACTOR 0.01609 | 0.02865 | 0.03253 | 0.03435 | 0.00000 | 0.00000 | 0.00000 | 0.03176 | 13 |
| 14 | RECOVERY FACTOR ADJUSTED FOR TAXE | 1.80952 | 2.05409 | 2.16946 | 0.00000 | 0.00000 | 0.00000 | 2.00557 | 14 |
| 15 | RECOVERY FACTOR ROUNDED TO NEAREST .001 CENT/KWH | 1.81 | 2.054 | 2.169 | 0 | 0 | 0 | 2.006 | 15 |

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SCHEDULES
 FLORIDA PUBLIC UTILITIES COMPANY
 FERNANDINA BRANCH PURCHASED POWER
 ENERGY PAYMENT TO QUALIFYING FACILITIES

ESTIMATED FOR THE PERIOD OF OCTOBER 1998 - DECEMBER 1998

| (1) MONTH | (2) PURCHASED FROM | (3) TYPE & SCHEDULE | (4) TOTAL KWH PURCHASED | (5) KWH FOR OTHER UTILITIES | (6) KWH FOR INTERRUPTIBLE | (7) KWH FOR FIRM | (8) CENTS/KWH | | (9) TOTAL \$ FOR FUEL ADJ (7)x(8)(A) |
|---------------|-------------------------------|------------------------|----------------------------|--------------------------------|------------------------------|---------------------|------------------|-------------------|---|
| | | | | | | | (A) FUEL COST | (B) TOTAL COST | |
| OCTOBER 1998 | JEFFERSON SMARTIT CORPORATION | | 110,000 | | | 110,000 | 1.870000 | 1.870000 | 2,057 |
| NOVEMBER 1998 | JEFFERSON SMARTIT CORPORATION | | 110,000 | | | 110,000 | 1.870000 | 1.870000 | 2,057 |
| DECEMBER 1998 | JEFFERSON SMARTIT CORPORATION | | 110,000 | | | 110,000 | 1.870000 | 1.870000 | 2,057 |
| TOTAL | | | 330,000 | 0 | 0 | 330,000 | 0.000000 | 0.000000 | 6,171 |

EXHIBIT NO. 18007-01
 DOCKET NO. 18007-01
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FLORIDA PUBLIC UTILITIES COMPANY
 FERNANDINA BRANCH PURCHASED POWER
 EXCLUSIVE OF ECONOMY ENERGY PURCHASES

ESTIMATED FOR THE PERIOD OF OCTOBER 1998 - DECEMBER 1998

| (1) MONTH | (2) PURCHASED FROM | (3) TYPE & SCHEDULE | (4) TOTAL KWH PURCHASED | (5) KWH FOR OTHER UTILITIES | (6) KWH FOR INTERRUPTIBLE | (7) KWH FOR FIRM | (8) CENTS/KWH | |
|---------------|---------------------------------|------------------------|----------------------------|--------------------------------|------------------------------|---------------------|------------------|-------------------|
| | | | | | | | (A) FUEL COST | (B) TOTAL COST |
| OCTOBER 1998 | JACKSONVILLE ELECTRIC AUTHORITY | | 27,900,000 | | | 27,900,000 | 1.8440 | 1,844 |
| NOVEMBER 1998 | JACKSONVILLE ELECTRIC AUTHORITY | | 29,378,383 | | | 29,378,383 | 1.8440 | 1,844 |
| DECEMBER 1998 | JACKSONVILLE ELECTRIC AUTHORITY | | 29,934,428 | | | 29,934,428 | 1.8440 | 1,844 |
| TOTAL | | | 87,212,811 | 0 | 0 | 87,212,811 | | 1,848 |

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

SCHEDULE E10

ESTIMATED FOR THE PERIOD* OF: OCTOBER 1998 - DECEMBER 1998

| | OCTOBER 1998 | NOVEMBER 1998 | DECEMBER 1998 | | | | PERIOD TOTAL |
|--------------------------------|-----------------|------------------|------------------|--|------|------|-----------------|
| BASE RATE REVENUES ** \$ | 19.44 | 19.44 | 19.44 | | | | 58.32 |
| FUEL RECOVERY FACTOR CENTS/KWH | 3.595 | 3.595 | 3.595 | | | | |
| GROUP LOSS MULTIPLIER | 1.00000 | 1.00000 | 1.00000 | | | | |
| FUEL RECOVERY REVENUES \$ | 35.95 | 35.95 | 35.95 | | | | 107.85 |
| GROSS RECEIPTS TAX | 0.57 | 0.57 | 0.57 | | 0.00 | 0.00 | 1.71 |
| TOTAL REVENUES *** \$ | 55.96 | 55.96 | 55.96 | | 0.00 | 0.00 | 167.88 |

* MONTHLY AND CUMULATIVE SIX MONTH ESTIMATED DATA

** BASE RATE REVENUES:

| | |
|---------------------|--------------|
| CUSTOMER CHARGE | 7.00 |
| CENTS/KWH | 12.20 |
| CONSERVATION FACTOR | 0.24 |
| | <u>19.44</u> |

*** EXCLUDES FRANCHISE TAXES

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