

MESSER CAPARELLO & SELF, P.A.

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August 1, 2007

ORIGINAL

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BY HAND DELIVERY

Ms. Ann Cole, Director
Commission Clerk and Administrative Services
Room 110, Easley Building
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

Re: Docket 070001-EI

Dear Ms. Cole:

Enclosed for filing on behalf of Florida Public Utilities Company are an original and 15 copies of Florida Public Utilities Company's Petition for Approval of Mid Course Correction in the above referenced docket.

Please acknowledge receipt of this letter by stamping the extra copy of this letter "filed" and returning the same to me.

- CMP _____
- COM _____
- CTR _____
- ECR _____
- GCL 2
- OPC _____
- RCA 1
- SCR _____
- SGA _____ NHH/amb
- SEC _____ Enclosures
- OTH _____

Thank you for your assistance with this filing.

Sincerely yours,

Norman H. Horton, Jr.

cc: Ms. Cheryl M. Martin
Parties of Record

DOCUMENT NUMBER-DATE
06603 AUG-1 20
FPSC-COMMISSION CLERK

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and Purchased Power Cost)
Recovery Clause and Generating)
Performance Incentive Factor)
_____)

Docket No. 070001-EI
Filed: August 1, 2007

**PETITION OF FLORIDA PUBLIC UTILITIES COMPANY
FOR APPROVAL OF MID COURSE CORRECTION**

Florida Public Utilities Company (FPUC), by the undersigned, hereby files this petition for approval of a revision, through a mid-course correction, to the purchased power cost recovery factor to be applied to bills immediately, and in support thereof says:

- 1) The exact name of Petitioner and the address of its principal office is

Florida Public Utilities
401 South Dixie Highway
West Palm Beach, FL 33401

- 2) The names and mailing addresses of the persons authorized to receive notices and communications with respect to this Petition are:

Norman H. Horton, Jr.
Messer, Caparello & Self, P. A.
2618 Centennial Place
Tallahassee, FL 32308
(850)222-0720

Ms. Cheryl Martin
Controller
Florida Public Utilities Company
Post Office Box 3395
West Palm Beach, FL 33402-3395
(561)838-1731

- 3) Fuel and purchased power cost recovery factor is established by the Commission annually for each utility. The factor is used by electric utilities in the next calendar year to recover the cost of fuel and purchased power. The factor is calculated using actual costs from the prior year, actual and projected costs for the current year and projected costs for the next calendar year. The data used for the calculations is presented on schedules prescribed by the Commission and the

DOCUMENT NUMBER-DATE

06603 AUG-1 5

calculations are performed pursuant to Commission requirements. Once the factors are developed, the utility applies the factor to customer bills in order to recover the costs of fuel and purchased power. Since FPUC does not generate power but purchases power through contracts with power providers, the factor permits FPUC to recover these costs.

4) In Docket 060001-EI, the Commission approved a factor for FPUC to use to recover purchased power costs in each of its divisions for 2007. The factors for the Northeast and Northwest Division are different but calculated similarly. These factors currently applied to customer bills are 3.412 cents per KWH for the Northeast Division and 2.709 cents per KWH for the Northwest Division.

5) As show on attached Exhibit CMM-4, Schedules E1, A2, M1, and F1 and within the related testimony, FPUC has under recovered in both Divisions. The under recovery for the Northeast Division, year-to-date June 30, 2007 is \$803,546 and for the Northwest Division is \$652,398. The under recovery is due in part to less demand for power than was projected in Docket 060001-EI, a situation which is expected to continue, and a significant under estimate of purchases. FPUC does not expect the under recovery to improve or reduce before year end. If the trends continue, the under recovered amount will increase and be incorporated in next year's recovery factor. With fuel costs expected to increase even further beginning January 1, 2008, the additional burden of under recovered fuel costs from 2007 would be significant to the customers. It is more appropriate to collect the under recovered fuel costs attributable to 2007, in 2007 before further price increases. Fuel rates will remain lower than those expected in 2008 with this 2007 increase in their purchased fuel rates.

6) As shown on attached Schedules M1 and F1, FPUC is expected to under recover additional fuel costs in 2007. The under recovery for the Northeast Division, at September 30, 2007 is \$855,335 and for the Northwest Division is \$651,314. These under recovered amounts have been included for recovery and are shown in schedule E1 for the period October 31, 2007 through December 31, 2007.

7) With this Petition, FPUC is requesting that the Commission approve a mid-course correction and allow FPUC to increase its purchased power recovery factor to 4.494 cents per KWH for the Northeast Division and 3.583 cents per KWH for the Northwest Division. Approval of this request would allow FPUC to reduce the underrecovered amount and recover current purchased power costs from current customers. To deny the request would result in an additional recovery amount for next calendar year.

8) The Commission has, in the past, allowed mid-course corrections in both the electric and natural gas industries, with most of the requests and approvals being in the gas industry. The issue of mid-course corrections was addressed by the Commission in Order 13964 and as to electric utilities as recently as Order No. PSC-07-0333-PAA-EI issued April 16, 2007. This latter order was entered to dispose of two issues raised in the 2006 cost recovery proceeding:

(1) Issue 12: What is the appropriate methodology for calculating over- or Under recoveries of projected fuel costs, pursuant to Commission Order Nos. 13694 and PSC-98-0691-FOF-PU?

(2) Issue 13: At what point in time should a utility notify the Commission that an over- or underrecovery exceeds 10% of the projected fuel costs?

In Order PSC-07-0333 the Commission in part reiterated the requirement that utilities “promptly notify” the Commission of a 10% under- or overrecovery situation and also offered further clarification of the method of calculating the over-/under recovery amount.

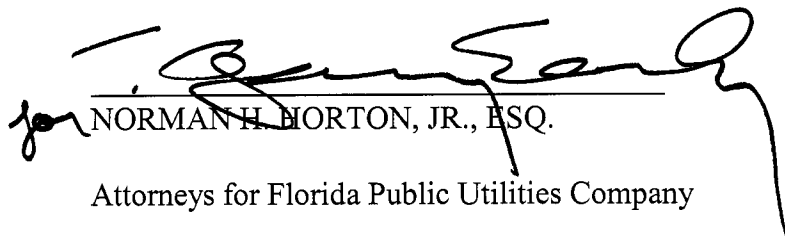
9) FPUC has calculated the underrecovery consistent with Order No. PSC-07-0333, and although the current underrecovery does not exceed 10%, it is nevertheless significant. There is no restriction or prohibition in approving a mid-course correction that is less than 10% and in this instance it would be appropriate to do so as it would reduce the amount of underrecovered purchased power costs that would be included in next years’ projections.

10) FPUC requests that the Commission approve this mid-course correction without a hearing. A hearing will unduly delay recovery of the underrecovered amounts and impose unnecessary demands on personnel resources for all parties as well as cause all parties to incur additional expenses. The Commission will have an opportunity to review and analyze the data as part of this request and more thoroughly with the scheduled review in Docket 070001-EI. The Commission have the opportunity to make adjustments as may be necessary at that time and flow any adjustment through to the customers, thus they will be protected from any change which may be found to be imprudent.

WHEREFORE, Florida Public Utilities Company requests that the Commission approve the mid course correction requested herein and permit FPUC to apply these revised purchased power cost recovery factors effective on the date of the vote approving same.

DATED this 1st day of August, 2007.

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for NORMAN H. HORTON, JR., ESQ.
Attorneys for Florida Public Utilities Company

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that true and correct copies of the foregoing have been served by U. S. Mail this 1st day of July, 2007 upon the following:

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NORMAN H. MORTON, JR.

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 070001-EI
CONTINUING SURVEILLANCE AND REVIEW OF
FUEL COST RECOVERY CLAUSES OF ELECTRIC UTILITIES

Direct Testimony of
Cheryl M. Martin
On Behalf of
Florida Public Utilities Company

- 1 Q. Please state your name and business address.
- 2 A. Cheryl M. Martin, 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 midcourse Schedules that we
- 11 have submitted in support of the October 2007 - December 2007 fuel
- 12 cost recovery adjustments for our two electric divisions. In
- 13 addition, I will advise the Commission of the projected differences
- 14 between the revenues collected under the levelized fuel adjustment
- 15 and the purchased power costs allowed in developing the levelized
- 16 fuel adjustment for the period January 2007 - June 2007 and to
- 17 establish a "true-up" amount to be collected or refunded during
- 18 October 2007 - December 2007.
- 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?
- 24 A. We have filed Schedules E1, A2, and M1 for Marianna (Northwest

1 division) and E1, A2 and F1 for Fernandina Beach (Northeast
2 division). They are included in Composite Prehearing
3 Identification Number CMM-4. These schedules support the
4 calculation of the levelized fuel adjustment factor for October
5 2007 - December 2007 (Midcourse Correction). Schedule M1 and F1
6 shows the true-up amount for January 2007 through September 2007 to
7 be included in the midcourse rates effective October 2007 through
8 December 2007.

9 Q. In derivation of the projected cost factor for the October 2007 -
10 December 2007 period, did you follow the same procedures that were
11 used in the prior period filings?

12 A. Yes.

13 Q. What is the reason for the midcourse correction?

14 A. The under recovery for the Northeast Division, year-to-date June
15 30, 2007 is \$803,546 and for the Northwest Division is \$652,398.
16 The under recovery is due in part to less demand for power than was
17 projected in Docket 060001-EI, a situation which is expected to
18 continue, and a significant under estimate of purchases. FPUC does
19 not expect the under recovery to improve or reduce before year end.
20 If the trends continue, the under recovered amount will increase
21 and be incorporated in next year's recovery factor. With fuel costs
22 expected to increase even further beginning January 1, 2008, the
23 additional burden of under recovered fuel costs from 2007 would be
24 significant to the customers. It is more appropriate to collect the
25 under recovered fuel costs attributable to 2007, in 2007 before
26 further price increases. Fuel rates will remain lower than those
27 expected in 2008 with this 2007 increase in purchased fuel rates.

28 Q. Why has the GS LD1 rate class for Fernandina Beach (Northeast
29 division) been excluded from these computations?

1 A. Demand and other purchased power costs are assigned to the GSLD1
2 rate class directly based on their actual CP KW and their actual
3 KWH consumption. That procedure for the GSLD1 class has been in
4 use for several years and has not been changed herein. Costs to be
5 recovered from all other classes are determined after deducting
6 from total purchased power costs those costs directly assigned to
7 GSLD1.

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

10 A. The demand cost recovery factors for each of the RS, GS, GSD, GSLD,
11 GSLD1 and OL-SL rate classes will become one element of the total
12 cost recovery factor for those classes. All other costs of
13 purchased power will be recovered by the use of the levelized
14 factor that is the same for all those rate classes. Thus the total
15 factor for each class will be the sum of the respective demand cost
16 factor and the levelized factor for all other costs.

17 Q. Please address the calculation of the total true-up amount to be
18 collected or refunded during the October 2007 - December 2007.

19 A. We have determined that at the end of September 2007 based on six
20 months actual and three months estimated, we will have under-
21 recovered \$651,314 in purchased power costs in our Marianna
22 (Northwest division). Based on estimated sales for the period
23 October 2007 - December 2007, it will be necessary to add .087957¢
24 per KWH to collect this under-recovery.

25 In Fernandina Beach (Northeast division) we will have under-
26 recovered \$855,335 in purchased power costs. This amount will be
27 collected at .80216¢ per KWH during the October 2007 - December
28 2007 period (excludes GSLD1 customers). Schedules M1 and F1 of
29 Composite Prehearing Identification Number CMM-4 provides a detail

1 of the calculation of the true-up amounts.

2 Q. What will the total fuel adjustment factor, excluding demand cost
3 recovery, be for both divisions for the period?

4 A. In Marianna (Northwest division) the total fuel adjustment factor
5 for the mid course correction as shown on Line 33, Schedule E1, is
6 3.583¢ per KWH. In Fernandina Beach (Northwest division) the total
7 fuel adjustment factor for "other classes" for the mid course
8 correction, as shown on Line 43, Schedule E1, amounts to 4.494¢ per
9 KWH.

10 Q. Please advise what a residential customer using 1,000 KWH will pay
11 for the period October 2007 - December 2007 including base rates,
12 conservation cost recovery factors, and fuel adjustment factor and
13 after application of a line loss multiplier.

14 A. In Marianna (Northwest division) a residential customer using 1,000
15 KWH will pay \$79.81, an increase of \$9.67 from the previous period.
16 In Fernandina Beach (Northeast division) a customer will pay
17 \$90.13, an increase of \$12.29 from the previous period.

18 Q. Does this conclude your testimony?

19 A. Yes.

FLORIDA PUBLIC UTILITIES COMPANY
FUEL AND PURCHASED POWER
COST RECOVERY CLAUSE MIDCOURSE CALCULATION
ESTIMATED FOR THE PERIOD: OCTOBER 2007 - DECEMBER 2007

SCHEDULE E1
PAGE 1 OF 2

MARIANNA (NORTHWEST 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)	1,876,909	78,862	2.37999
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)	1,299,946	78,862	1.64838
10a Demand Costs of Purchased Power	1,177,009 *		
10b Transformation Energy & Customer Costs of Purchased Power	122,937 *		
11 Energy Payments to Qualifying Facilities (E8a)			
12 TOTAL COST OF PURCHASED POWER (LINE 6 THRU 11)	3,176,855	78,862	4.02837
13 TOTAL AVAILABLE KWH (LINE 5 + LINE 12)	3,176,855	78,862	4.02837
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)	3,176,855	78,862	4.02837
21 Net Unbilled Sales	0 *	0	0.00000
22 Company Use	13,777 *	342	0.01861
23 T & D Losses	316,528 *	4,471	0.42746
24 SYSTEM MWH SALES	3,176,855	74,049	4.29021
25 Less Total Demand Cost Recovery	1,177,009 ***		
26 Jurisdictional MWH Sales	1,999,846	74,049	2.70071
26a Jurisdictional Loss Multiplier	1.00000	1.00000	
27 Jurisdictional MWH Sales Adjusted for Line Losses	1,999,846	74,049	2.70071
28 GPIF **			
29 TRUE-UP **	651,314	74,049	0.87957
30 TOTAL JURISDICTIONAL FUEL COST	2,651,160	74,049	3.58028
31 Revenue Tax Factor			1.00072
32 Fuel Factor Adjusted for Taxes			3.58286
33 FUEL FAC ROUNDED TO NEAREST .001 CENTS/KWH			3.583

* For Informational Purposes Only

** Calculation Based on Jurisdictional KWH Sales

***Calculation on Schedule E1 Page 2

EXHIBIT NO. _____
DOCKET NO. 070001-E1
FLORIDA PUBLIC UTILITIES COMPANY
(CMM-4)
PAGE 1 OF 15

FLORIDA PUBLIC UTILITIES COMPANY
FUEL FACTOR ADJUSTED FOR
LINE LOSS MULTIPLIER - MIDCOURSE CORRECTION
ESTIMATED FOR THE PERIOD: OCTOBER 2007 - DECEMBER 2007

MARIANNA (NORTHWEST DIVISION)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
			(1)/((2)*4,380)			(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
34 RS	31,332,701	61.971%	11,543.4	1.089	1.030	12,570.8	32,272,682	47.35%	42.31%
35 GS	7,007,199	64.200%	2,491.9	1.089	1.030	2,713.7	7,217,415	10.22%	9.46%
36 GSD	20,164,140	73.168%	6,291.9	1.089	1.030	6,851.9	20,769,064	25.80%	27.23%
37 GSLD	14,304,600	84.178%	3,879.7	1.089	1.030	4,225.0	14,733,738	15.91%	19.32%
38 OL, OL1	961,200	160.732%	136.5	1.089	1.030	148.6	990,036	0.56%	1.30%
39 SL1, SL2 & SL3	278,700	160.732%	39.6	1.089	1.030	43.1	287,061	0.16%	0.38%
40 TOTAL	<u>74,048,540</u>		<u>24,383.0</u>			<u>26,553.1</u>	<u>76,269,996</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) * 1.00072 Demand Cost Recovery Adj for Taxes	Other Charges	(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	43.69%	3.26%	46.95%	\$552,606	0.01764	0.01765	0.03583	\$0.05348
42 GS	9.43%	0.73%	10.16%	119,584	0.01707	0.01708	0.03583	\$0.05291
43 GSD	23.82%	2.09%	25.91%	304,963	0.01512	0.01513	0.03583	\$0.05096
44 GSLD	14.69%	1.49%	16.18%	190,440	0.01331	0.01332	0.03583	\$0.04915
45 OL, OL1	0.52%	0.10%	0.62%	7,297	0.00759	0.00760	0.03583	\$0.04343
46 SL1, SL2 & SL3	0.15%	0.03%	0.18%	2,119	0.00760	0.00761	0.03583	\$0.04344
47 TOTAL	<u>92.30%</u>	<u>7.70%</u>	<u>100.00%</u>	<u>\$1,177,009</u>				

(2) From Gulf Power Co. 2003 Load Research results.
(4) From Fernandina Rate Case.

MIDCOURSE CALCULATION OF TRUE-UP AND INTEREST PROVISION

SCHEDULE A2

Page 1 of 4

Company: FLORIDA PUBLIC UTILITIES COMPANY

Division: MARIANNA DIVISION

Month of: JUNE 2007

	CURRENT MONTH				PERIOD TO DATE			
	ACTUAL	ESTIMATED	DIFFERENCE AMOUNT	%	ACTUAL	ESTIMATED	DIFFERENCE AMOUNT	%
A. Fuel Cost & Net Power Transactions								
1. Fuel Cost of System Net Generation	\$	\$	\$		\$	\$	\$	
1a. Fuel Related Transactions (Nuclear Fuel Disposal)								
2. Fuel Cost of Power Sold								
3. Fuel Cost of Purchased Power	823,551	772,542	51,009	6.60%	4,115,625	3,954,151	161,474	4.08%
3a. Demand & Non Fuel Cost of Purchased Power	560,043	519,769	40,274	7.75%	3,003,383	2,811,345	192,038	6.83%
3b. Energy Payments to Qualifying Facilities								
4. Energy Cost of Economy Purchases								
5. Total Fuel & Net Power Transactions	1,383,594	1,292,311	91,283	7.06%	7,119,008	6,765,496	353,512	5.23%
6. Adjustments to Fuel Cost (Describe Items)								
6a. Special Meetings - Fuel Market Issue	5,597		5,597	0.00%	19,394		19,394	0.00%
7. Adjusted Total Fuel & Net Power Transactions	\$ 1,389,191	\$ 1,292,311	\$ 96,880	7.50%	\$ 7,138,402	\$ 6,765,496	\$ 372,906	5.51%

EXHIBIT NO. _____
 DOCKET NO. 070001-EI
 FLORIDA PUBLIC UTILITIES COMPANY
 (CMM-4)
 PAGE 3 OF 15

MIDCOURSE CALCULATION OF TRUE-UP AND INTEREST PROVISION

SCHEDULE A2

Page 2 of 4

Company: FLORIDA PUBLIC UTILITIES COMPANY

Division: MARIANNA DIVISION

Month of: JUNE 2007

	CURRENT MONTH				PERIOD TO DATE			
	ACTUAL	ESTIMATED	DIFFERENCE AMOUNT	%	ACTUAL	ESTIMATED	DIFFERENCE AMOUNT	%
B. Sales Revenues (Exclude Revenue Taxes & Franchise Taxes)								
1. Jurisdictional Sales Revenue	\$	\$	\$		\$	\$	\$	
a. Base Fuel Revenue								
b. Fuel Recovery Revenue	1,249,374	1,248,342	1,032	0.08%	6,738,882	6,830,094	(91,212)	-1.34%
c. Jurisdictional Fuel Revenue	1,249,374	1,248,342	1,032	0.08%	6,738,882	6,830,094	(91,212)	-1.34%
d. Non Fuel Revenue	707,314	735,558	(28,244)	-3.84%	4,018,732	4,142,806	(124,074)	-2.99%
e. Total Jurisdictional Sales Revenue	1,956,688	1,983,900	(27,212)	-1.37%	10,757,614	10,972,900	(215,286)	-1.96%
2. Non Jurisdictional Sales Revenue	0	0	0	0.00%	0	0	0	0.00%
3. Total Sales Revenue	\$ 1,956,688	\$ 1,983,900	\$ (27,212)	-1.37%	\$ 10,757,614	\$ 10,972,900	\$ (215,286)	-1.96%
C: KWH Sales								
1. Jurisdictional Sales								
2. Non Jurisdictional Sales								
3. Total Sales								
4. Jurisdictional Sales % of Total KWH Sales								
	29,393,524	29,351,833	41,691	0.14%	158,398,808	160,474,702	(2,075,894)	-1.29%
	0	0	0	0.00%	0	0	0	0.00%
	29,393,524	29,351,833	41,691	0.14%	158,398,808	160,474,702	(2,075,894)	-1.29%
	100.00%	100.00%	0.00%	0.00%	100.00%	100.00%	0.00%	0.00%

EXHIBIT NO. _____
 DOCKET NO. 070001-E1
 FLORIDA PUBLIC UTILITIES COMPANY
 (CMM-4)
 PAGE 4 OF 15

MIDCOURSE CALCULATION OF TRUE-UP AND INTEREST PROVISION

Company: FLORIDA PUBLIC UTILITIES COMPANY

Division: MARIANNA DIVISION

Month of: JUNE 2007

	CURRENT MONTH				PERIOD TO DATE			
	ACTUAL	ESTIMATED	DIFFERENCE AMOUNT	%	ACTUAL	ESTIMATED	DIFFERENCE AMOUNT	%
D. True-up Calculation								
1. Jurisdictional Fuel Rev. (line B-1c)	\$ 1,249,374	\$ 1,248,342	\$ 1,032	0.08%	6,738,882	\$ 6,830,094	\$ (91,212)	-1.34%
2. Fuel Adjustment Not Applicable								
a. True-up Provision	20,205	20,205	0	0.00%	121,230	121,230	0	0.00%
b. Incentive Provision								
c. Transition Adjustment (Regulatory Tax Refund)	0	0	0	0.00%	0	0	0	0.00%
3. Jurisdictional Fuel Revenue Applicable to Period	1,229,169	1,228,137	1,032	0.08%	6,617,652	6,708,864	(91,212)	-1.36%
4. Adjusted Total Fuel & Net Power Transaction (Line A-7)	1,389,191	1,292,311	96,880	7.50%	7,138,402	6,765,496	372,906	5.51%
5. Jurisdictional Sales % of Total KWH Sales (Line C-4)	100%	100%	0.00%	0.00%	N/A	N/A		
6. Jurisdictional Total Fuel & Net Power Transactions (Line D-4 x Line D-5 x *)	1,389,191	1,292,311	96,880	7.50%	7,138,402	6,765,496	372,906	5.51%
7. True-up Provision for the Month Over/Under Collection (Line D-3 - Line D-6)	(160,022)	(64,174)	(95,848)	149.36%	(520,750)	(56,632)	(464,118)	819.53%
8. Interest Provision for the Month	(2,547)		(2,547)	0.00%	121,230	121,230	0	0.00%
9. True-up & Inst. Provision Beg. of Month	(510,034)	1,400,743	(1,910,777)	-136.41%			0	0.00%
9a. Deferred True-up Beginning of Period					0	0		
10. True-up Collected (Refunded)	20,205	20,205	0	0.00%	121,230	121,230	0	0.00%
11. End of Period - Total Net True-up (Lines D7 through D10)	\$ (652,398)	\$ 1,356,774	\$ (2,009,172)	-148.08%	(278,290)	\$ 185,828	\$ (464,118)	-249.76%

* Jurisdictional Loss Multiplier

EXHIBIT NO. _____
DOCKET NO. 070001-EI
FLORIDA PUBLIC UTILITIES COMPANY
(CMM-4)
PAGE 5 OF 15

MIDCOURSE CALCULATION OF TRUE-UP AND INTEREST PROVISION

SCHEDULE A2

Page 4 of 4

Company: FLORIDA PUBLIC UTILITIES COMPANY

Division: MARIANNA DIVISION

Month of: JUNE 2007

	CURRENT MONTH				PERIOD TO DATE			
	ACTUAL	ESTIMATED	DIFFERENCE AMOUNT	%	ACTUAL	ESTIMATED	DIFFERENCE AMOUNT	%
E. Interest Provision							--	--
1. Beginning True-up Amount (lines D-9 + 9a)	\$ (510,034)	\$ 1,400,743	\$ (1,910,777)	-136.41%	N/A	N/A	--	--
2. Ending True-up Amount Before Interest (line D-7 + Lines D-9 + 9a + D-10)	(649,851)	1,356,774	(2,006,625)	-147.90%	N/A	N/A	--	--
3. Total of Beginning & Ending True-up Amount	(1,159,885)	2,757,517	(3,917,402)	-142.06%	N/A	N/A	--	--
4. Average True-up Amount (50% of Line E-3)	\$ (579,943)	\$ 1,378,759	\$ (1,958,702)	-142.06%	N/A	N/A	--	--
5. Interest Rate - First Day Reporting Business Month	5.2600%	N/A	--	--	N/A	N/A	--	--
6. Interest Rate - First Day Subsequent Business Month	5.2800%	N/A	--	--	N/A	N/A	--	--
7. Total (Line E-5 + Line E-6)	10.5400%	N/A	--	--	N/A	N/A	--	--
8. Average Interest Rate (50% of Line E-7)	5.2700%	N/A	--	--	N/A	N/A	--	--
9. Monthly Average Interest Rate (Line E-8 / 12)	0.4392%	N/A	--	--	N/A	N/A	--	--
10. Interest Provision (Line E-4 x Line E-9)	(2,547)	N/A	--	--	N/A	N/A	--	--

EXHIBIT NO. _____
 DOCKET NO. 070001-EI
 FLORIDA PUBLIC UTILITIES COMPANY
 (CMM-4)
 PAGE 6 OF 15

FLORIDA PUBLIC UTILITIES COMPANY
MIDCOURSE CALCULATION OF PURCHASED POWER COSTS AND CALCULATION OF TRUE-UP AND INTEREST PROVISION
ESTIMATED FOR THE PERIOD: JANUARY 2007 - DECEMBER 2007
BASED ON SIX MONTHS ACTUAL AND SIX MONTHS ESTIMATED

Schedule M1

MARIANNA DIVISION

	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ESTIMATED	ESTIMATED	ESTIMATED	ESTIMATED	ESTIMATED	ESTIMATED	Total	
	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER		
	2007	2007	2007	2007	2007	2007	2007	2007	2007	2007	2007	2007		
Total System Sales - KWH	27,900,167	27,200,186	26,306,274	23,246,285	24,352,372	29,393,524	31,459,470	30,296,766	29,423,174	25,743,548	22,941,252	25,363,740	323,626,758	
Total System Purchases - KWH	29,666,454	27,779,249	25,545,303	25,055,771	30,275,669	34,602,974	33,504,336	32,266,056	31,335,680	27,416,879	24,432,433	27,012,383	348,893,187	
System Billing Demand - KW	72,065	70,474	62,166	45,428	58,163	71,504	66,591	68,192	63,563	50,369	48,002	63,975	740,492	
Purchased Power Rates:														
Base Fuel Costs - \$/KWH	0.02380	0.02380	0.02380	0.02380	0.02380	0.02380	0.02380	0.02380	0.02380	0.02380	0.02380	0.02380		
Demand and Non-Fuel:														
Demand Charge - \$/KW	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25		
Customer Charge - \$	660.00	660.00	660.00	660.00	660.00	660.00	660.00	0.00	0.00	0.00	0.00	0.00		
Transformation Charge	37,211	37,211	37,211	37,211	37,211	37,211	37,211	37,211	37,211	37,211	37,211	37,211		
Purchased Power Costs:														
Base Fuel Costs	706,062	661,146	607,978	596,327	720,561	823,551	797,403	767,932	745,789	652,522	581,492	642,895	8,303,658	
Subtotal Fuel Costs	706,062	661,146	607,978	596,327	720,561	823,551	797,403	767,932	745,789	652,522	581,492	642,895	8,303,658	
Demand and Non-Fuel Costs:														
Demand Charge	522,471	510,936	450,703	329,353	421,682	518,404	482,785	494,392	460,832	365,175	348,015	463,819	5,368,567	
Customer Charge	660	660	660	660	660	660	0	0	0	0	0	0	3,960	
Equipment Rental & Other	3,768	3,768	3,768	3,768	3,768	3,768	3,768	3,768	3,768	3,768	3,768	3,768	45,216	
Transformation Charge	37,211	37,211	37,211	37,211	37,211	37,211	37,211	37,211	37,211	37,211	37,211	37,211	446,532	
Subtotal Demand & Non-Fuel Costs	564,110	552,575	492,342	370,992	463,321	560,043	523,764	535,371	501,811	406,154	388,994	504,798	5,864,275	
Total System Purchased Power Costs	1,270,172	1,213,721	1,100,320	967,319	1,183,882	1,383,594	1,321,167	1,303,303	1,247,600	1,058,676	970,486	1,147,693	14,167,933	
Special Costs	(5,430)	6,523	8,500	1,225	2,979	5,597							19,394	
Total Costs and Charges	1,264,742	1,220,244	1,108,820	968,544	1,186,861	1,389,191	1,321,167	1,303,303	1,247,600	1,058,676	970,486	1,147,693	14,187,327	
Sales Revenues - Fuel Adjustment Revenues:														
Residential	RS .04417 .05344	578,320	598,363	537,878	419,345	438,784	557,501	619,746	593,858	585,766	591,289	478,341	6,604,028	
Commercial, Small	GS .04363 .05287	104,150	99,803	100,224	91,230	96,433	116,360	129,091	125,708	120,031	132,690	115,297	1,353,513	
Commercial, Large	GSD .04174 .05092	293,082	267,476	279,519	271,088	285,742	332,404	333,434	328,026	312,246	366,473	332,327	3,729,842	
Industrial	GSLD .03998 .04911	198,219	180,714	187,781	189,071	197,004	228,118	242,659	227,954	220,546	223,943	239,316	2,574,631	
Outside Lighting Private	OL-OL-2 .03445 .04340	11,866	11,793	11,824	11,799	11,676	11,732	10,986	10,934	11,045	13,922	13,827	13,966	
Street Lighting-Public	SL-1, 2, 3 .03461 .04341	3,269	3,267	3,264	3,265	3,259	3,219	3,212	3,208	4,024	4,020	4,054	41,320	
Total Fuel Revenues		1,188,906	1,161,416	1,120,490	985,798	1,032,898	1,249,374	1,339,135	1,289,692	1,252,842	1,332,341	1,183,128	14,448,704	
Non-Fuel Revenues		697,091	694,215	672,532	616,240	631,362	707,314	855,965	839,708	818,758	503,659	474,772	8,034,232	
Total Sales Revenue		1,885,997	1,855,631	1,793,022	1,602,038	1,664,260	1,956,688	2,195,100	2,129,400	2,071,600	1,836,000	1,657,900	22,482,936	
KWH Sales:														
Residential	RS	13,093,518	13,547,367	12,177,959	9,494,279	9,935,341	12,622,236	14,030,933	13,444,833	13,261,633	11,064,233	8,950,733	11,317,735	142,940,800
Commercial, Small	GS	2,387,084	2,287,539	2,297,191	2,091,065	2,210,319	2,667,051	2,958,773	2,881,233	2,751,113	2,509,653	2,180,693	2,316,853	29,538,567
Commercial, Large	GSD	7,021,438	6,408,162	6,696,659	6,494,683	6,845,758	7,963,679	7,988,364	7,858,800	7,480,728	7,196,562	6,441,552	84,922,411	
Industrial	GSLD	4,957,816	4,519,952	4,696,732	4,728,992	4,927,412	5,705,644	6,069,500	5,701,700	5,516,400	4,559,600	4,872,600	4,872,400	61,128,748
Outside Lighting-Private	OL-OL-2	345,863	342,770	343,422	342,914	339,375	340,739	318,900	317,400	320,600	320,800	318,600	321,800	3,973,183
Street Lighting-Public	SL-1, 2, 3	94,448	94,396	94,311	94,352	94,167	94,175	93,000	92,800	92,700	92,700	92,600	93,400	1,123,049
Total KWH Sales		27,900,167	27,200,186	26,306,274	23,246,285	24,352,372	29,393,524	31,459,470	30,296,766	29,423,174	25,743,548	22,941,252	25,363,740	323,626,758
True-up Calculation:														
Fuel Revenues		1,188,906	1,161,416	1,120,490	985,798	1,032,898	1,249,374	1,339,135	1,289,692	1,252,842	1,332,341	1,183,128	1,312,684	to Date
True-up Provision for the Period - collect/(refund)		20,205	20,205	20,205	20,205	20,205	20,205	20,205	20,205	20,205	20,205	20,205	20,205	14,448,704
Gross Receipts Tax Refund		0	0	0	0	0	0	0	0	0	0	0	0	242,460
Fuel Revenue		1,168,701	1,141,211	1,100,285	965,593	1,012,693	1,229,169	1,318,930	1,269,487	1,232,637	1,312,136	1,162,923	1,292,479	0
Total Purchased Power Costs		1,264,742	1,220,244	1,108,820	968,544	1,186,861	1,389,191	1,321,167	1,303,303	1,247,600	1,058,676	970,486	1,147,693	14,206,244
True-up Provision for the Period		(96,041)	(79,033)	(8,535)	(2,951)	(174,168)	(160,022)	(2,237)	(33,816)	(14,963)	253,460	192,437	144,786	14,187,327
Interest Provision for the Period		(1,230)	(1,529)	(1,639)	(1,583)	(1,890)	(2,547)	(2,826)	(2,829)	(2,860)	(2,260)	(1,202)	(378)	18,917
True-up and Interest Provision														(22,773)
Beginning of Period		(242,460)	(319,526)	(379,883)	(369,852)	(354,181)	(510,034)	(652,398)	(637,256)	(653,696)	(651,314)	(379,909)	(168,469)	(242,460)
True-up Collected or (Refunded)		20,205	20,205	20,205	20,205	20,205	20,205	20,205	20,205	20,205	20,205	20,205	20,205	14,448,704
End of Period, Net True-up		(319,526)	(379,883)	(369,852)	(354,181)	(510,034)	(652,398)	(637,256)	(653,696)	(651,314)	(379,909)	(168,469)	(3,856)	242,460
10% Rule - Interest Provision:														-0.03%
Beginning True-up Amount		(242,460)	(319,526)	(379,883)	(369,852)	(354,181)	(510,034)	(652,398)	(637,256)	(653,696)	(651,314)	(379,909)	(168,469)	
Ending True-up Amount Before Interest		(318,296)	(378,354)	(368,213)	(352,598)	(508,144)	(649,851)	(634,430)	(650,867)	(648,454)	(377,649)	(167,267)	(3,478)	
Total Beginning and Ending True-up		(560,756)	(697,880)	(748,096)	(722,450)	(862,325)	(1,159,885)	(1,286,828)	(1,288,123)	(1,302,150)	(1,028,963)	(547,176)	(171,947)	
Average True-up Amount		(280,378)	(348,940)	(374,048)	(361,225)	(431,163)	(579,943)	(643,414)	(644,062)	(651,075)	(514,482)	(273,588)	(85,974)	
Average Annual Interest Rate		5.2650%	5.2600%	5.2600%	5.2600%	5.2600%	5.2700%	5.2700%	5.2700%	5.2700%	5.2700%	5.2700%	5.2700%	
Monthly Average Interest Rate		0.4388%	0.4383%	0.4383%	0.4383%	0.4383%	0.4392%	0.4392%	0.4392%	0.4392%	0.4392%	0.4392%	0.4392%	
Interest Provision		(1,230)	(1,529)	(1,639)	(1,583)	(1,890)	(2,547)	(2,826)	(2,829)	(2,860)	(2,260)	(1,202)	(378)	

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

ESTIMATED FOR THE PERIOD: OCTOBER 2007 THROUGH DECEMBER 2007

FERNANDINA BEACH (NORTHEAST 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)	<u>0</u>	<u>0</u>	<u>0.00000</u>
6 Fuel Cost of Purchased Power (Exclusive of Economy) (E7)	2,014,235	112,779	1.78600
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)	3,083,518	112,779	2.73412
10a Demand Costs of Purchased Power	1,561,000 *		
10b Non-fuel Energy & Customer Costs of Purchased Power	1,522,518 *		
11 Energy Payments to Qualifying Facilities (E8a)	<u>19,608</u>	<u>781</u>	<u>2.51063</u>
12 TOTAL COST OF PURCHASED POWER (LINE 6 THRU 11)	<u>5,117,361</u>	<u>113,560</u>	<u>4.50631</u>
13 TOTAL AVAILABLE KWH (LINE 5 + LINE 12)	5,117,361	<u>113,560</u>	4.50631
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	<u>0</u>	<u>0</u>	<u>0.00000</u>
19 Net Inadvertent Interchange			
20 TOTAL FUEL & NET POWER TRANSACTIONS (LINE 5 + 12 + 18 + 19)	<u>5,117,361</u>	<u>113,560</u>	<u>4.50631</u>
21 Net Unbilled Sales	0 *	0	0.00000
22 Company Use	22,802 *	506	0.02138
23 T & D Losses	289,530 *	6,425	0.27153
24 SYSTEM MWH SALES	<u>5,117,361</u>	<u>106,629</u>	<u>4.79922</u>
25 Wholesale MWH Sales			
26 Jurisdictional MWH Sales	5,117,361	106,629	4.79922
26a Jurisdictional Loss Multiplier	1.00000	1.00000	
27 Jurisdictional MWH Sales Adjusted for Line Losses	5,117,361	106,629	4.79922
27a GSLD1 MWH Sales		29,726	
27b Other Classes MWH Sales		76,903	
27c GSLD1 CP KW		35,000 *	
28 GPIF **			
29 TRUE-UP (OVER) UNDER RECOVERY **	<u>855,335</u>	<u>106,629</u>	<u>0.80216</u>
30 TOTAL JURISDICTIONAL FUEL COST	<u>5,972,696</u>	<u>106,629</u>	<u>5.60138</u>
30a Demand Purchased Power Costs (Line 10a)	1,561,000 *		
30b Non-demand Purchased Power Costs (Lines 6 + 10b + 11)	3,556,361 *		
30c True up Over/Under Recovery (Line 29)	855,335 *		

* For Informational Purposes Only

** Calculation Based on Jurisdictional KWH Sales

EXHIBIT NO. _____
DOCKET NO. 070001-EI
FLORIDA PUBLIC UTILITIES COMPANY
(CMM-4)
PAGE 8 OF 15

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

ESTIMATED FOR THE PERIOD: OCTOBER 2007 THROUGH DECEMBER 2007

FERNANDINA BEACH (NORTHEAST DIVISION)

		(a)	(b)	(c)
		DOLLARS	MWH	CENTS/KWH
APPORTIONMENT OF DEMAND COSTS				
31	Total Demand Costs (Line 30a)	1,561,000		
32	GSLD1 Portion of Demand Costs (Line 30a) Including Line Losses(Line 27c x \$7.21)	252,350	35,000 (KW)	\$7.21 /KW
33	Balance to Other Classes	1,308,650	76,903	1.70169
APPORTIONMENT OF NON-DEMAND COSTS				
34	Total Non-demand Costs(Line 30b)	3,556,361		
35	Total KWH Purchased (Line 12)		113,560	
36	Average Cost per KWH Purchased			3.13170
37	Average Cost Adjusted for Line Losses (Line 36 x 1.03)			3.22240
38	GSLD1 Non-demand Costs (Line 27a x Line 37)	957,890	29,726	3.22240
39	Balance to Other Classes	2,598,471	76,903	3.37889
GSLD1 PURCHASED POWER COST RECOVERY FACTORS				
40a	Total GSLD1 Demand Costs (Line 32)	252,350	35,000 (KW)	\$7.21 /KW
40b	Revenue Tax Factor			1.00072
40c	GSLD1 Demand Purchased Power Factor Adjusted for Taxes & Rounded			\$7.22 /KW
40d	Total Current GSLD1 Non-demand Costs(Line 38)	957,890	29,726	3.22240
40e	Total Non-demand Costs Including True-up	957,890	29,726	3.22240
40f	Revenue Tax Factor			1.00072
40g	GSLD1 Non-demand Costs Adjusted for Taxes & Rounded			3.22472
OTHER CLASSES PURCHASED POWER COST RECOVERY FACTORS				
41a	Total Demand & Non-demand Purchased Power Costs of Other Classes(Line 33 + 39)	3,907,121	76,903	5.08058
41b	Less: Total Demand Cost Recovery	1,308,650 ***		
41c	Total Other Costs to be Recovered	2,598,471	76,903	3.37889
41d	Other Classes' Portion of True-up (Line 30c)	855,335	76,903	1.11223
41e	Total Demand & Non-demand Costs Including True-up	3,453,806	76,903	4.49112
42	Revenue Tax Factor			1.00072
43	Other Classes Purchased Power Factor Adjusted for Taxes & Rounded			4.494

* For Informational Purposes Only

** Calculation Based on Jurisdictional KWH Sales

*** Calculation on Schedule E1 Page 3

EXHIBIT NO. _____
DOCKET NO. 070001-EI
FLORIDA PUBLIC UTILITIES COMPANY
(CMM-4)
PAGE 9 OF 15

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

ESTIMATED FOR THE PERIOD: OCTOBER 2007 THROUGH DECEMBER 2007

FERNANDINA BEACH (NORTHEAST DIVISION)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
			(1)/(2)*4,380			(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	40,640,782	61.793%	15,015.8	1.089	1.030	16,352.2	41,860,005	58.17%	52.84%
45 GS	7,218,120	66.413%	2,481.4	1.089	1.030	2,702.2	7,434,664	9.62%	9.39%
46 GSD	21,940,380	79.105%	6,332.4	1.089	1.030	6,896.0	22,598,591	24.54%	28.53%
47 GSLD	6,592,950	76.791%	1,960.2	1.089	1.030	2,134.7	6,790,739	7.60%	8.57%
48 OL	313,200	696.444%	10.3	1.089	1.030	11.2	322,596	0.04%	0.41%
49 SL	198,000	696.444%	6.5	1.089	1.030	7.1	203,940	0.03%	0.26%
TOTAL	76,903,432		25,806.6			28,103.4	79,210,535	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 Allocation Percentage	Demand Dollars	Demand Cost Recovery	Demand Cost Recovery Adj for Taxes	Other Charges	Levelized Adjustment
50 RS	53.70%	4.06%	57.76%	\$755,876	0.01860	0.01861	0.04494	0.06355
51 GS	8.88%	0.72%	9.60%	125,630	0.01740	0.01741	0.04494	0.06235
52 GSD	22.65%	2.19%	24.84%	325,069	0.01482	0.01483	0.04494	0.05977
53 GSLD	7.02%	0.66%	7.68%	100,504	0.01524	0.01525	0.04494	0.06019
54 OL	0.04%	0.03%	0.07%	916	0.00292	0.00292	0.04494	0.04786
55 SL	0.03%	0.02%	0.05%	654	0.00330	0.00330	0.04494	0.04824
TOTAL	92.32%	7.68%	100.00%	\$1,308,650				

(2) From Florida Power & Light Co. 2003 Load Research results.
(4) From Fernandina Beach Rate Case 881056-EI.

MIDCOURSE CALCULATION OF TRUE-UP AND INTEREST PROVISION

Company: FLORIDA PUBLIC UTILITIES COMPANY

Division: FERNANDINA BEACH DIVISION

Month of: JUNE 2007

	CURRENT MONTH				PERIOD TO DATE			
	ACTUAL	ESTIMATED	DIFFERENCE AMOUNT	%	ACTUAL	ESTIMATED	DIFFERENCE AMOUNT	%
A. Fuel Cost & Net Power Transactions								
1. Fuel Cost of System Net Generation	\$	\$	\$		\$	\$	\$	
1a. Fuel Related Transactions (Nuclear Fuel Disposal)								
2. Fuel Cost of Power Sold								
3. Fuel Cost of Purchased Power	770,029	863,456	(93,427)	-10.8%	4,110,574	4,097,658	12,916	0.3%
3a. Demand & Non Fuel Cost of Purchased Power	1,138,374	1,303,668	(165,294)	-12.7%	6,419,178	6,446,134	(26,956)	-0.4%
3b. Energy Payments to Qualifying Facilities	10,358	5,548	4,810	86.7%	116,653	24,317	92,336	379.7%
4. Energy Cost of Economy Purchases								
5. Total Fuel & Net Power Transactions	1,918,761	2,172,672	(253,911)	-11.7%	10,646,405	10,568,109	78,296	0.7%
6. Adjustments to Fuel Cost (Describe Items)								
6a. Special Meetings - Fuel Market Issue	5,747		5,747	0.0%	21,957		21,957	0.0%
7. Adjusted Total Fuel & Net Power Transactions	1,924,508	2,172,672	(248,164)	-11.4%	10,668,362	10,568,109	100,253	1.0%
8. Less Apportionment To GSLD Customers	334,399	437,157	(102,758)	-23.5%	2,813,965	3,209,491	(395,526)	-12.3%
9. Net Total Fuel & Power Transactions To Other Classes	\$ 1,590,109	\$ 1,735,515	\$ (145,406)	-8.4%	\$ 7,854,397	\$ 7,358,618	\$ 495,779	6.7%

EXHIBIT NO. _____
DOCKET NO. 070001-EI
FLORIDA PUBLIC UTILITIES COMPANY
(CMM-4)
PAGE 11 OF 15

MIDCOURSE CALCULATION OF TRUE-UP AND INTEREST PROVISION

Company: FLORIDA PUBLIC UTILITIES COMPANY

Division: FERNANDINA BEACH DIVISION

Month of: JUNE 2007

	CURRENT MONTH				PERIOD TO DATE			
	ACTUAL	ESTIMATED	DIFFERENCE AMOUNT	%	ACTUAL	ESTIMATED	DIFFERENCE AMOUNT	%
B. Sales Revenues (Exclude Revenue Taxes & Franchise Taxes)								
1. Jurisdictional Sales Revenue (Excluding GSLD)	\$	\$	\$		\$	\$	\$	
a. Base Fuel Revenue								
b. Fuel Recovery Revenue	1,475,497	1,551,535	(76,038)	-4.9%	7,688,217	8,181,018	(492,801)	-6.0%
c. Jurisdictional Fuel Revenue	1,475,497	1,551,535	(76,038)	-4.9%	7,688,217	8,181,018	(492,801)	-6.0%
d. Non Fuel Revenue	668,915	57,908	611,007	1055.1%	3,723,674	304,991	3,418,683	1120.9%
e. Total Jurisdictional Sales Revenue	2,144,412	1,609,443	534,969	33.2%	11,411,891	8,486,009	2,925,882	34.5%
2. Non Jurisdictional Sales Revenue	0	0	0	0.0%	0	0	0	0.0%
3. Total Sales Revenue (Excluding GSLD)	\$ 2,144,412	\$ 1,609,443	\$ 534,969	33.2%	\$ 11,411,891	\$ 8,486,009	\$ 2,925,882	34.5%
C. KWH Sales (Excluding GSLD)								
1. Jurisdictional Sales KWH	35,389,418	39,477,600	(4,088,182)	-10.4%	204,066,615	226,932,600	(22,865,985)	-10.1%
2. Non Jurisdictional Sales	0	0	0	0.0%	0	0	0	0.0%
3. Total Sales	35,389,418	39,477,600	(4,088,182)	-10.4%	204,066,615	226,932,600	(22,865,985)	-10.1%
4. Jurisdictional Sales % of Total KWH Sales	100.00%	100.00%	0.00%	0.0%	100.00%	100.00%	0.00%	0.0%

EXHIBIT NO. _____
DOCKET NO. 070001-EI
FLORIDA PUBLIC UTILITIES COMPANY
(CMM-4)
PAGE 12 OF 15

MIDCOURSE CALCULATION OF TRUE-UP AND INTEREST PROVISION

Company: FLORIDA PUBLIC UTILITIES COMPANY

Division: FERNANDINA BEACH DIVISION

Month of: JUNE 2007

	CURRENT MONTH				PERIOD TO DATE			
	ACTUAL	ESTIMATED	DIFFERENCE AMOUNT	%	ACTUAL	ESTIMATED	DIFFERENCE AMOUNT	%
D. True-up Calculation (Excluding GSLED)								
1. Jurisdictional Fuel Rev. (line B-1c)	\$ 1,475,497	\$ 1,551,535	\$ (76,038)	-4.9%	\$ 7,688,217	\$ 8,181,018	\$ (492,801)	-6.0%
2. Fuel Adjustment Not Applicable								
a. True-up Provision	51,646	51,646	0	0.0%	309,878	309,878	0	0.0%
b. Incentive Provision								
c. Transition Adjustment (Regulatory Tax Refund)							0	0.0%
3. Jurisdictional Fuel Revenue Applicable to Period	1,423,851	1,499,889	(76,038)	-5.1%	7,378,339	7,871,140	(492,801)	-6.3%
4. Adjusted Total Fuel & Net Power Transaction (Line A-7)	1,590,109	1,735,515	(145,406)	-8.4%	7,854,397	7,358,618	495,779	6.7%
5. Jurisdictional Sales % of Total KWH Sales (Line C-4)	100.00%	100.00%	0.00%	0.0%	N/A	N/A		
6. Jurisdictional Total Fuel & Net Power Transactions (Line D-4 x Line D-5 x *)	1,590,109	1,735,515	(145,406)	-8.4%	7,854,397	7,358,618	495,779	6.7%
7. True-up Provision for the Month Over/Under Collection (Line D-3 - Line D-6)	(166,258)	(235,626)	69,368	-29.4%	(476,058)	512,522	(988,580)	-192.9%
8. Interest Provision for the Month	(3,263)		(3,263)	0.0%	(17,612)		(17,612)	0.0%
9. True-up & Inst. Provision Beg. of Month	(685,671)	(131,270)	(554,401)	422.3%	(619,754)	(1,137,650)	517,896	-45.5%
9a. Deferred True-up Beginning of Period								
10. True-up Collected (Refunded)	51,646	51,646	0	0.0%	309,878	309,878	0	0.0%
11. End of Period - Total Net True-up (Lines D7 through D10)	\$ (803,546)	\$ (315,250)	\$ (488,296)	154.9%	\$ (803,546)	\$ (315,250)	\$ (488,296)	154.9%

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* Jurisdictional Loss Multiplier

EXHIBIT NO. _____
 DOCKET NO. 070001-EI
 FLORIDA PUBLIC UTILITIES COMPANY
 (CMM-4)
 PAGE 13 OF 15

MIDCOURSE CALCULATION OF TRUE-UP AND INTEREST PROVISION

Company: FLORIDA PUBLIC UTILITIES COMPANY

Division: FERNANDINA BEACH DIVISION

Month of: JUNE 2007

	CURRENT MONTH				PERIOD TO DATE			
	ACTUAL	ESTIMATED	DIFFERENCE AMOUNT	%	ACTUAL	ESTIMATED	DIFFERENCE AMOUNT	%
E. Interest Provision (Excluding GSLD)							--	--
1. Beginning True-up Amount (lines D-9 + 9a)	\$ (685,671)	\$ (131,270)	(554,401)	422.3%	N/A	N/A	--	--
2. Ending True-up Amount Before Interest (line D-7 + Lines D-9 + 9a + D-10)	(800,283)	(315,250)	(485,033)	153.9%	N/A	N/A	--	--
3. Total of Beginning & Ending True-up Amount	(1,485,954)	(446,520)	(1,039,434)	232.8%	N/A	N/A	--	--
4. Average True-up Amount (50% of Line E-3)	\$ (742,977)	\$ (223,260)	(519,717)	232.8%	N/A	N/A	--	--
5. Interest Rate - First Day Reporting Business Month	5.2600%	N/A	--	--	N/A	N/A	--	--
6. Interest Rate - First Day Subsequent Business Month	5.2800%	N/A	--	--	N/A	N/A	--	--
7. Total (Line E-5 + Line E-6)	10.5400%	N/A	--	--	N/A	N/A	--	--
8. Average Interest Rate (50% of Line E-7)	5.2700%	N/A	--	--	N/A	N/A	--	--
9. Monthly Average Interest Rate (Line E-8 / 12)	0.4392%	N/A	--	--	N/A	N/A	--	--
10. Interest Provision (Line E-4 x Line E-9)	(3,263)	N/A	--	--	N/A	N/A	--	--

EXHIBIT NO. _____
DOCKET NO. 070001-EI
FLORIDA PUBLIC UTILITIES COMPANY
(CMM-4)
PAGE 14 OF 15

FLORIDA PUBLIC UTILITIES COMPANY

Schedule F1

MIDCOURSE CALCULATION OF PURCHASED POWER COSTS AND CALCULATION OF TRUE-UP AND INTEREST PROVISION-EXCLUDING GSLD1

ESTIMATED FOR THE PERIOD: JANUARY 2007 THROUGH DECEMBER 2007

BASED ON SIX MONTH ACTUAL AND SIX MONTHS ESTIMATED

(EXCLUDES LINE LOSS, EXCLUDES TAXES)

FERNANDINA BEACH

	ACTUAL Jan 2007	ACTUAL Feb 2007	ACTUAL Mar 2007	ACTUAL Apr 2007	ACTUAL May 2007	ACTUAL Jun 2007	ESTIMATED Jul 2007	ESTIMATED Aug 2007	ESTIMATED Sep 2007	ESTIMATED Oct 2007	ESTIMATED Nov 2007	ESTIMATED Dec 2007	Total
Total System Sales - KWH	37,229,194	38,711,439	33,812,786	34,494,204	35,063,354	37,734,458	41,083,350	42,369,127	43,232,868	39,463,171	35,578,426	31,587,835	450,360,212
JSC Purchases - KWH	580,000	200,000	2,058,667	697,139	710,194	412,667	367,100	234,900	271,200	245,900	189,600	345,700	6,313,067
JEA Purchases - KWH	40,473,652	38,734,863	32,592,023	35,656,297	39,583,748	43,114,724	43,386,668	44,888,220	45,771,804	41,782,377	37,701,424	33,295,344	476,981,145
System Billing Demand - KW	86,643	82,835	81,312	77,594	70,202	79,475	95,000	97,000	78,000	72,000	74,000	77,000	971,061
Purchased Power Rates:													
CCA Fuel Costs - \$/KWH	0.025100	0.025100	0.025100	0.025100	0.025100	0.025100	0.025100	0.025100	0.025100	0.025100	0.025100	0.025100	
Base Fuel Costs - \$/KWH	0.01786	0.01786	0.01786	0.01786	0.01786	0.01786	0.01786	0.01786	0.01786	0.01786	0.01786	0.01786	
Fuel Adjustment - \$/KWH	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	
Demand and Non-Fuel:													
Demand Charge - \$/KW	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	
Customer Charge - \$	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Energy Charge (Excl. Fuel) \$/KWH	0.01350	0.01350	0.01350	0.01350	0.01350	0.01350	0.01350	0.01350	0.01350	0.01350	0.01350	0.01350	
Purchased Power Costs: CCA Fuel Costs	14,558	4,739	51,673	17,498	17,826	10,358	9,214	5,896	6,807	6,172	4,759	8,677	158,177
JEA Base Fuel Costs	722,859	691,805	582,094	636,822	706,965	770,029	774,886	801,704	817,484	746,233	673,347	594,655	8,518,883
JEA Fuel Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal Fuel Costs	737,417	696,544	633,767	654,320	724,791	780,387	784,100	807,600	824,291	752,405	678,106	603,332	8,677,060
Demand and Non-Fuel Cc Demand Charge	601,250	579,844	569,184	543,157	491,414	556,325	665,000	679,000	546,000	504,000	518,000	539,000	6,792,174
Customer Charge	0	0	0	0	0	0	0	0	0	0	0	0	0
Energy Charge	517,302	522,921	439,992	481,360	534,381	582,049	585,720	605,991	617,919	564,062	508,969	449,487	6,410,153
Subtotal Demand & Non-Fuel Costs	1,118,552	1,102,765	1,009,176	1,024,517	1,025,795	1,138,374	1,250,720	1,284,991	1,163,919	1,068,062	1,026,969	988,487	13,202,327
Total System Purchased Power Costs	1,855,969	1,799,309	1,642,943	1,678,837	1,750,586	1,918,761	2,034,820	2,092,591	1,988,210	1,820,467	1,705,075	1,591,819	21,879,387
Less Direct Billing To GSLD Class: Demand	99,937	91,076	149,394	185,911	81,588	55,889	66,332	84,357	69,216	85,078	136,990	30,282	1,136,050
Commodity	395,965	418,033	294,614	396,781	366,267	278,510	259,258	324,928	348,360	348,666	357,575	251,649	4,040,606
Net Purchased Power Costs	1,360,067	1,290,200	1,198,935	1,096,145	1,302,731	1,584,362	1,709,230	1,683,306	1,570,634	1,386,723	1,210,510	1,309,888	16,702,731
Special Costs	(5,366)	8,514	8,619	366	4,077	5,747							21,957
Total Costs and Charges	1,354,701	1,298,714	1,207,554	1,096,511	1,306,808	1,590,109	1,709,230	1,683,306	1,570,634	1,386,723	1,210,510	1,309,888	16,724,688
Sales Revenues - Fuel Adjustment Revenues:													
RS 0.05166 0.06350	736,149	800,839	751,146	628,643	682,915	849,271	1,000,386	954,066	970,289	981,723	808,964	790,176	9,954,567
GS 0.05052 0.06231	111,928	105,160	111,901	106,427	111,871	130,742	155,836	156,058	156,281	166,133	143,940	139,653	1,595,930
GSD 0.04809 0.05973	314,466	280,231	300,151	314,348	308,164	375,232	386,113	393,230	387,411	481,158	427,942	401,333	4,369,779
GSLD 0.04847 0.06015	106,788	109,147	102,161	98,357	98,915	113,653	115,783	115,783	112,695	137,928	126,434	132,181	1,369,825
OL 0.03681 0.04783	4,048	4,067	4,096	4,173	4,123	4,075	3,836	3,836	3,836	4,993	4,993	4,993	51,069
SL,CSL 0.03694 0.04821	2,487	2,488	2,488	2,519	2,524	2,524	2,438	2,438	2,519	3,182	3,182	3,182	31,890
Total Fuel Revenues (Excl. GSLD1)	1,275,866	1,301,932	1,271,943	1,154,467	1,208,512	1,475,497	1,664,392	1,625,411	1,632,950	1,775,117	1,515,455	1,471,518	17,373,060
GSLD1 Fuel Revenues	495,902	509,109	444,008	582,692	447,855	334,399	161,608	202,382	217,044	217,285	222,789	156,989	3,992,062
Non-Fuel Revenues	712,790	757,527	705,915	673,138	678,111	741,407	355,000	373,807	363,906	24,998	125,256	31,093	5,542,948
Total Sales Revenue	2,484,558	2,568,568	2,421,866	2,410,297	2,334,478	2,551,303	2,181,000	2,201,600	2,213,900	2,017,400	1,863,500	1,659,600	26,908,070
KWH Sales:													
RS	14,247,565	15,502,346	14,539,379	12,169,435	13,219,151	16,439,199	19,364,800	18,468,177	18,782,218	15,459,171	12,738,726	12,442,885	183,373,052
GS	2,213,919	2,081,406	2,214,821	2,106,499	2,214,236	2,587,746	3,084,640	3,089,040	3,093,440	2,666,440	2,310,240	2,241,440	29,903,867
GSD	6,557,019	5,827,787	6,242,039	6,537,274	6,408,684	7,803,449	8,028,960	8,176,960	8,055,960	8,055,960	7,164,960	6,719,460	85,578,512
GSLD	2,203,400	2,252,060	2,107,920	2,029,440	2,040,960	2,345,040	2,388,750	2,388,750	2,325,050	2,293,200	2,102,100	2,197,650	26,674,320
GSLD1	11,830,000	12,870,000	8,530,000	11,470,000	11,000,000	8,380,000	8,046,000	10,076,000	10,806,000	10,818,000	11,092,000	7,816,000	122,734,000
OL	109,974	110,490	111,269	113,356	112,000	110,701	104,200	104,200	104,200	104,000	104,400	104,400	1,293,590
SL,CSL	67,317	67,350	67,358	68,200	68,323	68,323	66,000	66,000	66,000	66,000	66,000	66,000	802,871
Total KWH Sales	37,229,194	38,711,439	33,812,786	34,494,204	35,063,354	37,734,458	41,083,350	42,369,127	43,232,868	39,463,171	35,578,426	31,587,835	450,360,212
True-up Calculation (Excl. GSLD1):													
Fuel Revenues	1,275,866	1,301,932	1,271,943	1,154,467	1,208,512	1,475,497	1,664,392	1,625,411	1,632,950	1,775,117	1,515,455	1,471,518	17,373,060
True-up Provision - collect/(refund)	51,648	51,646	51,646	51,646	51,646	51,646	51,646	51,646	51,646	51,646	51,646	51,646	619,754
Gross Receipts Tax Refund	0	0	0	0	0	0	0	0	0	0	0	0	0
Fuel Revenue	1,224,218	1,250,286	1,220,297	1,102,821	1,156,866	1,423,851	1,612,746	1,573,765	1,581,304	1,723,471	1,463,809	1,419,872	16,753,306
Net Purchased Power and Other Fuel Costs	1,354,701	1,298,714	1,207,554	1,096,511	1,306,808	1,590,109	1,709,230	1,683,306	1,570,634	1,386,723	1,210,510	1,309,888	16,724,688
True-up Provision for the Period	(130,483)	(48,428)	12,743	6,310	(149,942)	(166,258)	(96,484)	(109,541)	10,670	336,748	253,299	109,984	28,618
Interest Provision for the Period	(2,892)	(3,068)	(2,933)	(2,678)	(2,778)	(3,263)	(3,628)	(3,869)	(3,876)	(2,904)	(1,394)	(375)	(33,658)
Beginning of Period True-up and Interest Provision	(619,754)	(701,481)	(701,331)	(639,875)	(584,597)	(685,671)	(803,546)	(852,012)	(913,775)	(855,335)	(469,845)	(166,295)	(619,754)
True-up Collected or (Refunded)	51,648	51,646	51,646	51,646	51,646	51,646	51,646	51,646	51,646	51,646	51,646	51,646	619,754
End of Period, Net True-up and Int. Prov.	(701,481)	(701,331)	(639,875)	(584,597)	(685,671)	(803,546)	(852,012)	(913,775)	(855,335)	(469,845)	(166,295)	(5,040)	(5,040)
Beginning True-up Amount	(619,754)	(701,481)	(701,331)	(639,875)	(584,597)	(685,671)	(803,546)	(852,012)	(913,775)	(855,335)	(469,845)	(166,295)	
Ending True-up Amount Before Interest	(698,589)	(698,263)	(636,942)	(581,919)	(682,893)	(800,283)	(848,384)	(909,906)	(851,459)	(466,941)	(164,901)	(4,665)	
Total Beginning and Ending True-up	(1,318,343)	(1,399,744)	(1,338,273)	(1,221,794)	(1,267,490)	(1,485,954)	(1,651,930)	(1,761,918)	(1,765,234)	(1,322,277)	(634,746)	(170,960)	
Average True-up Amount	(659,172)	(699,872)	(669,137)	(610,897)	(633,745)	(742,977)	(825,965)	(880,959)	(882,617)	(661,138)	(317,373)	(85,480)	
Average Annual Interest Rate	5.2650%	5.2600%	5.2600%	5.2600%	5.2600%	5.2700%	5.2700%	5.2700%	5.2700%	5.2700%	5.2700%	5.2700%	
Interest Provision	(2,892)	(3,068)	(2,933)	(2,678)	(2,778)	(3,263)	(3,628)	(3,869)	(3,876)	(2,904)	(1,394)	(375)	

10% Rule Interest Provision: -0.02%

EXHIBIT NO. _____
DOCKET NO. 070001-EI
FLORIDA PUBLIC UTILITIES COMPANY
(CMM-4)
PAGE 15 OF 15