BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION DOCKET NO. 120001-EI CONTINUING SURVEILLANCE AND REVIEW OF FUEL COST RECOVERY CLAUSES OF ELECTRIC UTILITIES

Direct Testimony of Curtis D. Young (Revised Actual/Estimated True-Up) On Behalf of Florida Public Utilities

Please state your name and business address.

Q.

	2	A.	Curtis D. Young, 1641 Worthington Road Suite 220, West Palm Beach, FL
	3		33409.
	4	Q.	By whom and in what capacity are you employed?
	5	A.	I am employed by Florida Public Utilities as Senior Regulatory Analyst.
	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 Company's computations that were
1	0		made in preparation of the <u>revised</u> schedules that have been submitted to
1	1		support the calculation of the levelized fuel adjustment factor for January
L	2		2013 – December 2013.
AFD 1	35	Q.	Were the schedules filed by the Company completed by you or under your
-	41		direction?
GCL 1	5.1	A.	Yes.
TEL I	6 [+ Rep-1	Q.	Which of the Staff's set of schedules has the Company completed and filed? DOCUMENT NUMBER-DATE
			05933 AUG 30 º

FPSC-COMMISSION CLERK

1	A.	The Company has filed revised Schedules E1-A, E1-B, and E1-B1 for the
2		Northwest Division. They are included in Revised Composite Exhibit Number
3		CDY-2. Schedule E1-B shows the Calculation of Purchased Power Costs and
4		Calculation of True-Up and Interest Provision for the period January 2012 -
5		December 2012 based on 6 Months Actual and 6 Months Estimated data.
6	Q.	What has prompted these revisions to Schedules E1-A, E1-B, and E1-B1 for
7		the Company's Northwest Division?
8	A.	By Order PSC-12-0342-PCO-EI, issued July 2, 2012, the Commission granted
9		Gulf Power a mid-course reduction to Gulf Power's fuel factors for the
10		remaining months of 2012. Florida Public Utilities Company's Northwest
11		Division has experienced savings as a result of Gulf Power's reduced fuel
12		factors, necessitating a downward adjustment to the Company's
13		Actual/Estimated True Up.
14	Q.	What is the final remaining true-up amount for the period January 2011 -
15		December 2011 for the Northwest division?
16	A.	In the Northwest Division, the final remaining true-up amount was an under-
17		recovery of \$1,316,601.
18	Q.	What is the estimated true-up amount for the period January 2012 – December
19		2012?
20	A.	In the Northwest Division, there is an estimated under-recovery of \$187,139.
21	Q.	What is the total true-up amount to be collected or refunded during January

2013 – December 2013?

A. The Company has determined that at the end of December 2012, based on six months actual and six months estimated, the Company will under-recover \$1,503,740 in purchased power costs in the Northwest Division.

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- Q. Has the Company included any additional Schedules for consideration and possible approval in this Docket?
- A. Yes, the Company has also prepared and included a set of additional Schedules in Composite Exhibit Number CDY-3 for its Northwest Division only.
- Q. For what purpose were these additional Schedules in Composite Exhibit Number CDY-3 being included?
- A. The Schedules herein for the Northwest Division Composite Exhibit Number CDY-3 were prepared in light of the City of Marianna's ("City") appeal, filed with Florida Supreme Court, of the Commission's Order(s) approving Amendment 1 to the Company's Purchased Power Agreement (PPA) with Gulf Power, PAA Order PSC-11-0269-PAA-EI, Order PSC-12-0056-FOF-EI, and Order PSC-12-0081-CO-EI. The Amendment reduces the monthly KW Peak Demand level and resultant costs while extending the Gulf Power Contract for two additional years. Because the status of the Amendment remains uncertain due to the City's appeal, Gulf Power is currently billing the Company at the original calculated Demand level until the Supreme Court has ruled on the City's appeal of the Commission's Order, or the matter is otherwise resolved in a manner that affirms and preserves the Amendment.

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The City's appeal of the Commission's Order disputes the benefits of the Amendment and its prudency for purposes of cost recovery. The City's appeal is also integrally tied to the City's separate appeal of the Commission's Order(s)(Order PSC-11-0112-TRF-EI, Order PSC 11-0290-FOF-EI, and Order PSC-12-0066-FOF-EI) approving the Company's implemented TOU and Interruptible Service rates, which are supported by the significant demand savings produced by the PPA with Gulf Power Company. The Schedules for Northwest Division Composite Exhibit Number CDY-3 present the Company's calculations of its fuel cost true-up amount to be used in its 2013 fuel cost recovery factors based on the contingency that the PPA is ultimately reinstated before the hearing date in November 2012.

- Q. Please advise what would be the total true-up amount to be collected or refunded during January 2013 – December 2013 based on the Company's calculations within the Schedules for Northwest Division Composite Exhibit Number CDY-3?
- A. The Company has determined that at the end of December 2012, based on six months actual and six months estimated, the Company will over-recover \$3,248 in purchased power costs in the Northwest Division to be refunded during January 2013 December 2013.
- Q. What is the Company requesting with respect to this alternative set of Schedules and related fuel true-up calculations for its Northwest division?
- A. The Company requests that the Commission review and consider these

schedules for contingency approval if the legal proceedings regarding the Amendment to the Company's PPA with Gulf Power are resolved such that the Gulf Power contract, inclusive of the Amendment No. 1, is reinstated as of the original effective date of the Amendment. In addition, if the resolution of the referenced legal proceedings occurs after the hearing date in the Docket, but in the first half of 2013, the Company requests that the Commission consider these true-up amounts for purposes of a midcourse correction for the reduction of the rates to its customers in the Northwest Division, including the customers within the city limits of Marianna, to be immediately implemented upon notice provided by the Company to the Commission of the Court's reinstatement of Amendment No. 1 as of the original effective date.

- Q. Does this conclude your testimony?
- A. Yes.

Revised Exhibit No. CDY-2____

To the Direct Testimony

Of

Curtis D. Young

On behalf of Florida Public Utilities Company

SCHEDULE E1-A

FLORIDA PUBLIC UTILITIES COMPANY CALCULATION OF TRUE-UP SURCHARGE APPLICABLE TO LEVELIZED FUEL ADJUSTMENT PERIOD - without Gulf Power Amendment 1 JANUARY 2012 - DECEMBER 2012 BASED ON SIX MONTHS ACTUAL AND SIX MONTHS ESTIMATED

Northwest Florida Division

Under-recovery of purchased power costs for the period January 2012 - December 2012. (See Schedule E1-B, Calculation of Estimated Purchased Power Costs and Calculation of True-Up and Interest Provision for the Twelve Month Period ended December 2012)(Estimated)

\$ (1,503,740)

Exhibit No.

DOCKET NO. 120001-EI

Florida Public Utilities Company
(CDY-2) revised

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FLORIDA PUBLIC UTILITIES COMPANY

CALCULATION OF PURCHASED POWER COSTS AND CALCULATION OF TRUE-UP AND INTEREST PROVISION - without Gulf Power Amendment 1 ACTUALIESTIMATED FOR THE PERIOD: JANUARY 2012 - DECEMBER 2012

BASED ON SIX MONTHS ACTUAL AND SIX MONTHS ESTIMATED

MARIANNA DIVISION			ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	
· · · · · · · · · · · · · · · · · · ·			JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	Total
			2012	2012	2012	2012	2012	2012	2012	2012	2012	2012	2012	2012	
Total System Sales - KWH			24,570,022	20,870,527	21,438,280	20,821,645	21,734,442	25,872,164	31,577,000	32,181,000	30,842,000	28,381,000	23,568,000	25,861,000	307,717,080
Total System Purchases - KWH			25,334,508	22,472,613	23,052,445	22,576,393	27,942,808	28,825,730	31,333,192	31,264,804	29,804,083	27,212,825	22,630,754	24,992,271	317,442,426
System Billing Demand - KW			97,944	97,944	97,944	97,944	97,944	97,944	97,944	97,944	97,944	97,944	97,944	97,944	1,175,328
Peak Billing Demand-KW			60,722	59,442	58,004	58,567	58,634	59,278	60,900	60,900	60,900	60,900	60,900	60,900	720,047
Purchased Power Rates:															
Energy/Environmental - \$/KWH	Loss Factor	0 974	0.06078	0 06078	0.06078	0.06078	0.06078	0.06078	0.05328	0.05328	0.05328	0 05328	0.05328	0.05328	
Demand and Non-Fuel			0.00000					0.000000	0.00000	0.000000	0.000000	0.00000			
Capacity Charge - \$/KWH	Tuesta and the second		9.00000	9 000000	9.000000	9.000000	9 000000	9 000000	9 000000	9 000000	9 000000	9.000000	9.000000	9.000000	
Transmission and Interconnection	on - \$/KWH		2.43707	2.43707	2 43707	2.43707	2 43707	2.43707	2.35199	2.35199	2.35199	2.35199	2 35199	2.35199	170 000
Distribution Charge			39,736	39,736	39,736	39,736	39,736	39,736	39,736	39,736	39,736	39,736	39,736	39,736	476,832
Purchased Power Costs:			4 500 000				. 7.10.700	4 700 707	4 740 000	4 740 055	4 000 054				10 501 100
Base Fuel Costs			1,580,936	1,402,346	1,438,529	1,408,823	1,743,700	1,798,797	1,713,996	1,710,255	1,630,351	1,488,603	1,237,953	1,367,134	18,521,423
Subtotal Fuel Costs			1,580,936	1,402,346	1,438,529	1,408,823	1,743,700	1,798,797	1,713,996	1,710,255	1,630,351	1,488,603	1,237,953	1,367,134	18,521,423
Demand and Non-Fuel Costs			004 400	004 400	004 400	004 400	4 007 544	004 400	004 400	004 400	004 400	004 400	004 400	004 400	44 000 007
Capacity Charge			881,496 147.984	881,496	881,496 141.360	881,496	1,637,541	881,496	881,496	881,496	881,496	881,496	881,496	881,496	11,333,997
Transmission and Interconection				144,864	3.00	142,732	142,895	144,465 41,845	(33,058)	143,236 42,544	143,236	143,236	143,236	143,236	1,547,422
Distribution Facilities Charge (incl F	•		41,636 775	41,649 775	36,702	41,476 775	41,836	41,845 775	42,549 775	42,544 775	42,420 775	42,202 775	41,773	41,972	498,604
Meter Reading and Processing Cha					775		775			- 10 1/2 A-7/2			775	775	9,300
Subtotal Demand & Non-Fuel C	osts		1,071,891	1,068,784	1,060,333	1,066,479	1,823,047	1,068,581	891,762	1,068,051	1,067,927	1,067,709	1,067,280	1,067,479	13,389,323 31,910,746
Total System Purchased Power Costs			2,652,827	2,471,130	2,498,862	2,475,302	3,566,747	2,867,378	2,605,758	2,778,306 6,000	2,698,278	2,556,312	2,305,233 6,000	2,434,613	
Special Costs			375	12,039	(1,967)	9,751	14,906	9,630	6,000		6,000	6,000		6,000	80,734
Total Costs and Charges			2,653,202	2,483,169	2,496,895	2,485,053	3,581,653	2,877,008	2,611,758	2,784,306	2,704,278	2,562,312	2,311,233	2,440,613	31,991,480
Sales Revenues - Fuel Adjustment Revenu			770.000	700 100			0.17.00	700 700		000 110	7.0.054	705 100	500.000	707 101	
Residential<	0.10300	0 09847	779,890	728,109	698,104	630,001	647,485	732,728	747,577	809,416	749,251	725,422	582,839	727,194	8,558,016
Residential>	0 11299	0.10846	379,913	211,676	171,515	128,238	168,079	333,926	572,679	682,551	643,179	454,781	361,395	455,865	4,563,797
Commercial, Small	0 10298	0 09847	232,599	199,047	199,209	203,666	203,286	244,543	299,641	282,212	266,457	253,656	204,225	209,148	2,797,689
Commercial, Large	0 09796	0.09345	616,059	536,445	585,789	571,303	590,144	711,955	866,120	828,739	816,683	791,171	652,206	644,450	8,211,064
Industrial	0.09436	0.08989	439,728	385,851	425,072	437,153	426,166	432,030	536,435	495,358	488,796	481,785	435,314	434,236	5,417,924
Outside Lighting Private	0.08049	0.07614	25,289	25,559	25,339	24,971	24,462	24,417	25,201	24,972	24,744	24,744	24,820	24,896	299,414
Street Lighting-Public	0.08072	0 07636	7,593	7,891	8,402	8,218	8,098	8,098	7,254	7,254	7,254	7,177	7,254	7,254	91,747
Unbilled Fuel Revenues			(337,464)	96,625	(13,487)	22,007	299,752	12,448						220,000	299,881
Total Fuel Revenues			2,143,607	2,191,203	2,099,943	2,025,557	2,367,472	2,500,145	3,054,907	3,130,502	2,996,364	2,738,736	2,268,053	2,723,043	30,239,532
Non-Fuel Revenues			930,406	842,146	843,308	805,160	829,311	937,210	1,242,985	1,184,091	1,143,328	1,070,364	948,047	1,014,257	11,790,613
Total Sales Revenue			3,074,013	3,033,349	2,943,251	2,830,717	3,196,783	3,437,355	4,297,892	4,314,593	4,139,692	3,809,100	3,216,100	3,737,300	42,030,145
KWH Sales:			120220 000 0		10 000 000								2 000 222		ciare autoriore
Residential<	RS		7,571,044	7,068,654	6,853,197	6,308,580	6,574,583	7,440,088	7,592,000	8,220,000	7,609,000	7,367,000	5,919,000	7,385,000	85,908,146
Residential>	RS		3,364,093	1,874,589	1,530,566	1,181,586	1,551,177	3,080,852	5,280,000	6,293,000	5,930,000	4,193,000	3,332,000	4,203,000	41,813,863
Commercial, Small	GS		2,258,787	1,932,949	1,955,831	2,046,353	2,064,621	2,483,452	3,043,000	2,866,000	2,706,000	2,576,000	2,074,000	2,124,000	28,130,993
Commercial, Large	GSD		6,305,451	5,488,146	6,095,240	6,069,594	6,377,443	7,634,371	9,268,000	8,868,000	8,739,000	8,466,000	6,979,000	6,896,000	87,186,245
Industrial	GSLD		4,660,008	4,089,048	4,579,376	4,785,056	4,741,224	4,806,464	5,968,000	5,511,000	5,438,000	5,360,000	4,843,000	4,831,000	59,612,176
Outside Lighting-Private	OL.OL-2		316,557	319,375	318,508	324,418	319,336	320,879	331,000	328,000	325,000	325,000	326,000	327,000	3,881,073
Street Lighting-Public	SL-1, 2, 3		94,082	97,766	105,562	106,058	106,058	106,058	95,000	95,000	95,000	94,000	95,000	95,000	1,184,584
Total KWH Sales			24,570,022	20,870,527	21,438,280	20,821,645	21,734,442	25,872,164	31,577,000	32,181,000	30,842,000	28,381,000	23,568,000	25,861,000	307,717,080
True-up Calculation:															to Date
Fuel Revenues			2,143,607	2,191,203	2,099,943	2,025,557	2,367,472	2,500,145	3,054,907	3,130,502	2,996,364	2,738,736	2,268,053	2,723,043	30,239,532
True-up Provision for the Period - co	ollect/(refund)		(130,649)	(130,649)	(130,649)	(130,649)	(130,649)	(130,649)	(130,649)	(130,649)	(130,649)	(130,649)	(130,649)	(130,649)	(1,567,788)
Gross Receipts Tax Refund			0	0	0	0	0	0	0	0	0	0	0	0	0
Fuel Revenue			2,274,256	2,321,852	2,230,592	2,156,206	2,498,121	2,630,794	3,185,556	3,261,151	3,127,013	2,869,385	2,398,702	2,853,692	31,807,320
Total Purchased Power Costs			2,653,202	2,483,169	2,496,895	2,485,053	3,581,653	2,877,008	2,611,758	2,784,306	2,704,278	2,562,312	2,311,233	2,440,613	31,991,480
True-up Provision for the Period			(378,946)	(161,317)	(266,303)	(328,847)	(1,083,532)	(246,214)	573,798	476,845	422,735	307,073	87,469	413,079	(184,160)
Interest Provision for the Period			0	(36)	(75)	(118)	(209)	(317)	(647)	(555)	(481)	(426)	(411)	(383)	(3,658)
True-up and Interest Provision					(5.40.70.4)	(0.10.750)	// /00 070	(0.000.700)	(0.007.040)	10 555 110			// 7/0 /00	// Dec 2021	
Beginning of Period			251,866	(257,729)	(549,731)	(946,758)	(1,406,372)	(2,620,762)	(2,997,942)	(2,555,440)	(2,209,799)	(1,918,194)	(1,742,196)	(1,785,787)	251,866
True-up Collected or (Refunded)			(130,649)	(130,649)	(130,649)	(130,649)	(130,649)	(130,649)	(130,649)	(130,649)	(130,649)	(130,649)	(130,649)	(130,649)	(1,567,788)
End of Period, Net True-up			(257,729)	(549,731)	(946,758)	(1,406,372)	(2,620,762)	(2,997,942)	(2,555,440)	(2,209,799)	(1,918,194)	(1,742,196)	(1,785,787)	(1,503,740)	(1,503,740)
10% Rule - Interest Provision:															-4.71%
Beginning True-up Amount			251,866	(257,729)	(549,731)	(946,758)	(1,406,372)	(2,620,762)	(2,997,942)	(2,555,440)	(2,209,799)	(1,918,194)	(1,742,196)	(1,785,787)	
Ending True-up Amount Before Inte			(257,729)	(549,695)	(946,683)	(1,406,254)	(2,620,553)	(2,997,625)	(2,554,793)	(2,209,244)	(1,917,713)	(1,741,770)	(1,785,376)	(1,503,357)	
Total Beginning and Ending True-up)		(5,863)	(807,424)	(1,496,413)	(2,353,012)	(4,026,924)	(5,618,386)	(5,552,734)	(4,764,683)	(4,127,511)	(3,659,963)	(3,527,571)	(3,289,143)	
Average True-up Amount			(2,932)	(403,712)	(748,207)	(1,176,506)	(2,013,462)	(2,809,193)	(2,776,367)	(2,382,342)	(2,063,756)	(1,829,982)	(1,763,786)	(1,644,572)	
Average Annual Interest Rate			0 0650%	0.1050%	0.1200%	0.1200%	0.1250%	0.1350%	0.2800%	0.2800%	0.2800%	0.2800%	0.2800%	0.2800%	
Monthly Average Interest Rate			0.0054%	0.0088%	0.0100%	0.0100%	0.0104%	0.0113%	0.0233%	0 0233%	0.0233%	0.0233%	0.0233%	0.0233%	
Interest Provision			0	(36)	(75)	(118)	(209)	(317)	(647)	(555)	(481)	(426)	(411)	(383)	

Exhibit No DOCKET NO. 120001-EI Flonda Public Utilities Company (CDY-2) revised Page 2 of 3

SCHEDULE E1-B1

DIFFERENCE AMOUNT

0.0%

0.0%

-6.5%

17 4%

2.2%

0.0%

2.3%

0.0%

4.5%

1.3%

1.3%

1.3%

5.6%

1.1%

0.0%

1.1%

-23.1%

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0.105

FLORIDA PUBLIC UTILITIES COMPANY MARIANNA DIVISION

COMPARISON OF ESTIMATED/ACTUAL VERSUS ORIGINAL PROJECTIONS
OF THE FUEL AND PURCHASED POWER COST RECOVERY FACTOR - without Guif Power Amendment 1 FOR THE PERIOD JANUARY 2012 - DECEMBER 2012

			DOLLARS				MWH				CENTS/KWH
		ESTIMATED/ ACTUAL	ESTIMATED/ ORIGINAL	DIFFERENCE AMOUNT	%	ESTIMATED/ ACTUAL	ESTIMATED/ ORIGINAL	DIFFERENCE	%	ESTIMATED/ ACTUAL	ESTIMATED/ ORIGINAL
1 2 3	Fuel Cost of System Net Generation (A3) Nuclear Fuel Disposal Cost Coal Car Investment					0	0	0	0 0%	0.00000	0.00000
5	Adjustments to Fuel Cost (A2, Page 1) TOTAL COST OF GENERATED POWER	0	0	0	0 0%	0	0	0	0.0%	0.00000	0.00000
6	Fuel Cost of Purchased Power (Exclusive of Economy) (A7)	18,521,423	21,114,334	(2,592,911)	-12.3%	317,442	338,357	(20,915)	-6.2%	5.83458	6.24025
7 8	Energy Cost of Sched C & X Econ Purch (Broker)(A9) Energy Cost of Other Econ Purch (Non-Broker)(A9)			· · · · · · · · · · · · · · · · · · ·	11000000000			No contraction (
9 10 11	Energy Cost of Sched E Economy Purch (A9) Demand and Non Fuel Cost of Purchased Power (A9) Energy Payments to Qualifying Facilities (A8a)	13,389,323	12,152,949	1,236,374	10.2%	317,442	338,357	(20,915)	-6.2%	4.21788	3 59175
12	TOTAL COST OF PURCHASED POWER	31,910,746	33,267,283	(1,356,537)	-4.1%	317,442	338,357	(20,915)	-6.2%	10.05247	9 83201
14	TOTAL AVAILABLE MWH (LINE 5 + LINE 12) Fuel Cost of Economy Sales (A6)					317,442	338,357	(20,915)	-6.2%		
15 16	Gain on Economy Sales (A6) Fuel Cost of Unit Power Sales (SL2 Partpts)(A6) 7 Other Fuel Related Costs	80,734	70.000								
18	TOTAL FUEL COST AND GAINS OF POWER SALES (LINE 14 + 15 + 16 + 17)	80,734 80,734	72,000 72,000	8,734	12 1%	0	0	0	0 0%	0.00000	0.00000
19	NET INADVERTENT INTERCHANGE										
20	TOTAL FUEL AND NET POWER TRANSACTIONS (LINES 5 + 12 + 18 + 19)	31,991,480	33,339,283	(1,347,803)	-4.0%	317,442	338,357	(20,915)	-6.2%	10.07790	9,85329
21	Net Unbilled Sales	0 .	21.086	0	0.0%	0 207	0	0	0.0%	0.00000	0.00000
22 23	Company Use T & D Losses	20,861 • 959,215 •	1,316,400	(225) (357,185)	-1.1% -27.1%	9,518	214 13,360	(7) (3,842)	-3.3% -28.8%	0.00678 0.31172	0.00649 0.40532
24 25	SYSTEM KWH SALES Wholesale KWH Sales	31,991,480	33,339,283	(1,347,803)	-4.0%	307,717	324,783	(17,066)	-5.3%	10.39640	10.26510
26	Junsdictional KWH Sales	31,991,480	33,339,283	(1,347,803)	-4.0%	307,717	324,783	(17,066)	-5.3%	10,39640	10 26510
26a 27	Jurisdictional Loss Multiplier Jurisdictional KWH Sales Adjusted for	1.000	1.000	0.000	0.0%	1 000	1.000	0.000	0.0%	1.000	1 000
	Line Losses	31,991,480	33,339,283	(1,347.803)	-4.0%	307,717	324,783	(17,066)	-5.3%	10.39640	10.26510
28 29	GPIF** TRUE-UP**	(1,567,788)	(1,567,788)	0	0.0%	307,717	324,783	(17,066)	-5 3%	(0.50949)	(0.48272)
30	TOTAL JURISDICTIONAL FUEL COST	30,423,692	31,771,495	(1,347,803)	-4.2%	307,717	324,783	(17,066)	-5.3%	9.88691	9.78238
31 32 33	Revenue Tax Factor Fuel Factor Adjusted for Taxes FUEL FAC ROUNDED TO NEAREST .001 (CENTS/KWH)									1,00072 9,89403 9,894	1 00072 9 78942 9 789

EXHIBIT NO. DOCKET NO. 120001-EI FLORIDA PUBLIC UTILITIES COMPANY (CDY-2) revised PAGE 3 OF 3

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

Exhibit No. CDY-3_____

To the Direct Testimony

Of

Curtis D. Young

On behalf of Florida Public Utilities Company

SCHEDULE E1-A

FLORIDA PUBLIC UTILITIES COMPANY CALCULATION OF TRUE-UP SURCHARGE APPLICABLE TO LEVELIZED FUEL ADJUSTMENT PERIOD - with Gulf Power Amendment 1 JANUARY 2012 - DECEMBER 2012 BASED ON SIX MONTHS ACTUAL AND SIX MONTHS ESTIMATED

Northwest Florida Division

Over-recovery of purchased power costs for the period January 2012 - December 2012. (See Schedule E1-B, Calculation of Estimated Purchased Power Costs and Calculation of True-Up and Interest Provision for the Twelve Month Period ended December 2012)(Estimated)

3.248

FLORIDA PUBLIC UTILITIES COMPANY

CALCULATION OF PURCHASED POWER COSTS AND CALCULATION OF TRUE-UP AND INTEREST PROVISION - with Gulf Power Amendment 1 ACTUALIESTIMATED FOR THE PERIOD: JANUARY 2012 - DECEMBER 2012

BASED ON SIX MONTHS ACTUAL AND SIX MONTHS ESTIMATED

Part	NORTHWEST FLORIDA DIVISION	1		ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	
Exercise				JANUARY	FEBRUARY	MARCH	APRIL	MAY		JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	Total
Part			1-													
Part May Part P	•							- Control of the cont								PROPERTY OF A PROPERTY
Part														Company of the second		
Part																
Design Communication 1985				00,722	35,442	38,004	36,307	38,034	39,210	00,300	00,900	00,300	00,900	00,500	00,900	120,041
Cause Caus		Loss Factor	n 974	0.06078	0.06078	0.06078	0.06078	0.06078	0.06078	0.05328	0.05328	0.05328	0.05328	0.05328	0.05328	
Causes Clayer Sewer Sewer		20001 0010	0.07	0.000,0		0.000.0	0.00070	0.00070	0.00070	0.00020	0.00020	0,00020	0.00020	0 00020	0.00020	
Part				9 00000	9.000000	9.000000	9.000000	9 000000	9 000000	9.000000	9.000000	9.000000	9 000000	9 000000	9.000000	
Chemben Charge 19.70 19.		on - S/KWH														
Part				39,736		39,736		39,736	39,736	39,736					39,736	476,832
Estands from Case 1809 36 1409 36 1409 36 1749 370 1749 67 1739 67 1730 68 1810	Purchased Power Costs.															
Performance and Non-Index Convertice Country	Base Fuel Costs			1,580,936	1,402,346	1,438,529	1,408,823	1,743,700	1,798,797	1,713,996	1,710,255	1,630,351	1,488,603	1,237,953	1,367,134	18,521,423
Commercial processes Series Serie	Subtotal Fuel Costs			1,580,936	1,402,346	1,438,529	1,408,823	1,743,700	1,798,797	1,713,996	1,710,255	1,630,351	1,488,603	1,237,953	1,367,134	18,521,423
Telephone 147,964	Demand and Non-Fuel Costs:															
Pubbelooks Fairbine Cheeging (F. FELC Normal) 41,649	Capacity Charge															
Part	Transmission and Interconection															
Part							270 10 10 10 10 10 10 10 10 10 10 10 10 10									
				1977												
Professional Content		costs														
September 1,000	The residence of the re							J								
Residentian			79													
Resistenciars Re				2,653,202	2,483,169	2,496,895	2,485,053	3,581,653	2,877,008	2,611,758	2,784,306	2,704,278	2,562,312	2,311,233	933,800	30,484,667
Residentiable 1.1798 1.1798 1.1791 271.976 171.915 128.238 188.079 333.926 572.679 682.551 68.179 454.761 351.395 455.865 45.83778 457.769 454.761 457.7769 457.769	45		2.000.00	770.000	700 100			0.17.105	700 700			7.0.05.	705 100	500.000	707	2.552.242
Commercial, Large Commercial,																
Commercial Lings																
Industrial Countable Cou								\$5.000 (MODELLE)								
Chastic Lightings Public 0.0844 0.0761 25,289 25,599 24,971 24,467 24,417 24,271 24,741 24,744 24,820 24,865 299,414 1.01616			E888(E) (E)													
Sheet Lybings-Public 0.0807 0.0807 0.0808 0.789 7.891 8.090 8.098 0.098 7.254 7.254 7.254 7.254 7.254 7.254 9.1747 7.254 9.1747 7.254 9.1747 7.254 9.1747 7.254 9.1747 7.254 9.1747 7.254 9.1747 7.254 9.1747 7.254 9.1747																
Unablider furst Revenues 13.7 (469) 96.625 11.4 (47) 2.9 (57) 2.9 (57) 2.9 (47) 2.9 (57) 2.9																
Total Fuer Revenues		0.00072	0.07030							1,254	1,254	7,204	71.11.1	1,254		
Non-fruit Revenues 30,406 84,146 843,08 80,160 829,11 937,210 1,242,085 1,184,061 1,143,028 1,070,384 94,074 1,014,275 1,179,061,185 1,185										3 054 907	3 130 502	2 996 364	2 738 736	2 268 053		
Total Sales Revenue																
New Sales:																
Residential+ Resid	KWH Sales:						- Contraction					- decreasing the s				
Residential> RS		RS		7.571.044	7.068.654	6.853,197	6.308.580	6.574.583	7.440.088	7.592,000	8.220.000	7.609.000	7.367.000	5.919.000	7.385.000	85.908.146
Commercial, Expair Commerc	Residential>			3,364,093		1,530,566	1,181,586	1,551,177	3,080,852	5,280,000	6,293,000	5,930,000	4,193,000	3,332,000	4.203.000	41,813,863
Industrial CSLD CLORED	Commercial, Small	GS		2,258,787	1,932,949	1,955,831	2,046,353	2,064,621	2,483,452	3,043,000	2,866,000	2,706,000	2,576,000	2,074,000	2,124,000	28,130,993
Outside Lighting-Pharle	Commercial, Large	GSD		6,305,451	5,488,146	6,095,240	6,069,594	6,377,443	7,634,371	9,268,000	8,868,000	8,739,000	8,466,000	6,979,000	6,896,000	87,186,245
Street Lighting-Public Su.1.2.3 24,070.022 20,070.527 21,438,280 20,821.645 21,734,442 25,877,164 31,577,000 39,5000 95,000 94,000 95,000 25,861,000 30,7171.080 37,71	Industrial	GSLD														
True-up Provision for the Period Collect/(refund) (130,649) (130,6	Outside Lighting-Private	OL,OL-2												326,000	327,000	3,881,073
True-up Calculation' Fuel Revenues 2,143,607 2,191,203 2,099,943 2,025,557 2,367,472 2,500,145 3,054,907 3,130,649 1(130,649) 1(130,		SL-1, 2, 3														
Fuel Revenues				24,570,022	20,870,527	21,438,280	20,821,645	21,734,442	25,872,164	31,577,000	32,181,000	30,842,000	28,381,000	23,568,000	25,861,000	
True-up Provision for the Period - collect/(refund) Gross Receipts Tax Refund 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0																
Gross Receipts Tax Retund Q Q Q Q Q Q Q Q Q Q Q Q Q Q Q Q Q Q Q																
Fuel Revenue 2,274,256 2,321,852 2,30,592 2,156,206 2,498,121 2,630,794 3,185,556 3,261,151 3,127,013 2,869,385 2,398,702 2,853,692 31,807,320 2,463,144,64,637 2,444,144,144,144,144,144,144,144,144,14	AND DESCRIPTION OF THE PROPERTY OF THE PROPERT	ollect/(refund)		The second second second			A section to the section of	The second secon			The second second				Control of the contro	
Total Purchased Power Costs 2,653,202 2,483,169 2,496,895 2,485,053 3,581,653 2,877,008 2,611,758 2,784,306 2,704,278 2,562,312 2,311,233 933,800 30,484,667 7rue-up Provision for the Period (378,946) (161,317) (266,933) (328,847) (1,083,532) (246,214) 573,788 476,845 422,735 307,073 87,469 1,919,892 1,322,653 10terest Provision for the Period (30 0) (36) (75) (118) (209) (317) (647) (555) (481) (426) (410) (426) (411) (208) (3,483) 17rue-up and Interest Provision Beginning of Period (813,649) (130,649										200 200-000-000-000-000-000-000-000-000-			-		•	
True-up Provision for the Period (378,946) (161,317) (266,303) (328,847) (1,083,532) (246,214) 573,798 476,845 422,735 307,073 87,469 1,919,892 1,322,653 (37,903) (3,483) (3,																
Interest Provision for the Period True-up and Interest Provision True-up and Interest Provision Beginning of Penod 251,866 (257,729) (549,731) (946,758) (1,406,372) (2,620,762) (2,997,942) (2,555,440) (2,209,799) (1,918,194) (1,742,196) (1,785,787) 251,866 (70,000) (1																
True-up and Interest Provision Beginning of Penod Interest Provision Internation (257,729) (549,731) (946,758) (1,406,372) (2,620,762) (2,997,942) (2,555,440) (2,209,799) (1,918,194) (1,742,196) (1,785,787) (1,587,788) (1,587,788) (1,406,372) (2,620,762) (2,997,942) (2,555,440) (2,209,799) (1,918,194) (1,742,196) (1,785,787) (1,587,788) (1,587,788) (1,587,788) (1,406,372) (2,620,762) (2,997,942) (2,555,440) (2,209,799) (1,918,194) (1,742,196) (1,785,787) (1,785,787) (1,785,788) (1,485,788) (1,																
Beginning of Penod 251,866 (257,729) (549,731) (946,758) (1,406,372) (2,620,762) (2,997,942) (2,555,440) (2,097,99) (1,918,194) (1,742,196) (1,785,787) 251,866 (1,785,788) (1,587,7				J	(30)	(13)	(110)	(209)	(317)	(047)	(333)	(401)	(420)	(~11)	(200)	(3,403)
True-up Collected or (Refunded) (130,649) (130				251.866	(257 729)	(549 731)	(946.758)	(1.406.372)	(2.620.762)	(2 997 942)	(2.555.440)	(2 209 799)	(1 918 194)	(1 742 196)	(1 785 787)	251.866
End of Period, Net True-up (257,729) (549,731) (946,758) (1,406,372) (2,620,762) (2,997,942) (2,555,440) (2,209,799) (1,918,194) (1,742,196) (1,785,787) 3,248 (3,248) (4,147,51) (3,659,963) (3,527,571) (1,743,786) (3,488) (3,488) (3,488) (3,488) (4,127,511) (3,659,963) (3,527,571) (1,763,786) (3,488) (4,148) (4,148) (4,148) (4,148) (4,148) (4,148) (4,148) (4,148) (4,148) (4,148) (4,148) (4,148)																
10% Rule - Interest Provision: Beginning True-up Amount 251,866 (257,729) (549,731) (946,758) (1,406,372) (2,620,762) (2,997,942) (2,555,440) (2,209,799) (1,918,194) (1,742,196) (1,785,787) (1,741,770) (1,785,787) (1,741,770) (1,741,																
Beginning True-up Amount 251,866 (257,729) (549,731) (946,758) (1,406,372) (2,620,762) (2,997,942) (2,555,440) (2,209,799) (1,918,194) (1,742,196) (1,785,787) Ending True-up Amount Before Interest (257,729) (549,695) (946,683) (1,406,254) (2,620,553) (2,997,625) (2,554,793) (2,209,244) (1,917,713) (1,741,770) (1,785,787) Total Beginning and Ending True-up (5,863) (807,424) (1,496,413) (2,355,012) (4,026,924) (5,618,386) (5,552,734) (4,764,683) (4,127,511) (3,659,963) (3,527,571) (1,783,300) Average Tune-up Amount (2,932) (403,712) (748,207) (1,176,506) (2,013,462) (2,809,193) (2,776,367) (2,382,342) (2,063,756) (1,829,982) (1,785,786) (891,165) Average Annual Interest Rate 0.0650% 0.1200% 0.1200% 0.1250% 0.1250% 0.1280% 0.2800% 0.2800% 0.2800% 0.2800% 0.2800% 0.2800% 0.0230% 0.0033% 0.0033% 0.0033				V=== (1.20)	12 (2) (3)	1	, , , , , , , , , , , , , , , , , , , ,	,_,	,2,2,1,2,12	,=,===,,0)	,-,,	, ., ,	3.11.33)	.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	-1-70	
Ending True-up Amount Before Interest (257,729) (549,695) (946,683) (1,406,254) (2,620,553) (2,997,625) (2,554,793) (2,209,244) (1,917,713) (1,741,770) (1,785,376) 3,456 Total Beginning and Ending True-up Amount (5,863) (807,424) (1,496,413) (2,353,012) (4,026,924) (5,618,386) (5,552,734) (4,764,683) (4,127,511) (3,659,963) (3,527,571) (1,782,330) Average True-up Amount (2,932) (403,712) (748,207) (1,176,506) (2,013,462) (2,013,462) (2,809,193) (2,776,367) (2,382,342) (2,063,756) (1,829,982) (1,763,786) (891,655) Average Annual Interest Rate (0,0650% 0,1050% 0,1200% 0,1200% 0,1250% 0,1250% 0,2800% 0,2800% 0,2800% 0,2800% 0,2800% 0,2800% Monthly Average Interest Rate (0,0054% 0,0005% 0,0100% 0,0100% 0,0104% 0,0113% 0,00233% 0,00233% 0,00233% 0,00233% 0,00233%				251 866	(257 729)	(549 731)	(946 758)	(1.406.372)	(2.620 762)	(2.997.942)	(2.555 440)	(2.209 799)	(1.918 194)	(1.742.196)	(1.785 787)	3.5170
Total Beginning and Ending True-up (5,863) (807,424) (1,496,413) (2,353,012) (4,026,924) (5,618,386) (5,552,734) (4,764,683) (4,127,511) (3,659,963) (3,527,571) (1,782,330) (4,782,330) (rest										, ,				
Average True-up Amount (2,932) (403,712) (748,207) (1,176,506) (2,013,462) (2,809,193) (2,776,367) (2,382,342) (2,063,756) (1,829,982) (1,763,786) (891,165) Average Annual Interest Rate 0.0650% 0.1050% 0.1200% 0.1200% 0.1250% 0.1350% 0.2800% 0.2800% 0.2800% 0.2800% 0.2800% 0.2800% 0.2800% 0.2800% 0.2033% 0.0233% 0.0233% 0.0233% 0.0233% 0.0233% 0.0233%					,											
Average Annual Interest Rate 0.0650% 0.1050% 0.1200% 0.1250% 0.1350% 0.2800% 0.2800% 0.2800% 0.2800% 0.2800% 0.2800% 0.0233% 0.																
Monthly Average Interest Rate 0.0054% 0.088% 0.0100% 0.0100% 0.0104% 0.0113% 0.0233% 0.0233% 0.0233% 0.0233% 0.0233% 0.0233%																
Interest Provision 0 (36) (75) (118) (209) (317) (647) (555) (481) (426) (411) (208)	Monthly Average Interest Rate															
	Interest Provision		_	0	(36)	(75)	(118)	(209)	(317)	(647)	(555)	(481)	(426)	(411)	(208)	

FLORIDA PUBLIC UTILITIES COMPANY
NORTHWEST FLORIDA DIVISION

COMPARISON OF ESTIMATEDIACTUAL VERSUS ORIGINAL PROJECTIONS
OF THE FUEL AND PURCHASED POWER COST RECOVERY FACTOR - with Gulf Power Amendment 1
FOR THE PERIOD JANUARY 2012 - DECEMBER 2012

		Ī
1	Fuel Cost of System Net Generation (A3)	
2	Nuclear Fuel Disposal Cost	
3	Coal Car Investment	
4	Adjustments to Fuel Cost (A2, Page 1)	
5	TOTAL COST OF GENERATED POWER	
6	Fuel Cost of Purchased Power (Exclusive	
7	of Economy) (A7)	
8	Energy Cost of Sched C & X Econ Purch (Broker)(A9) Energy Cost of Other Econ Purch (Non-Broker)(A9)	
9	Energy Cost of Sched E Economy Purch (A9)	
10	Demand and Non Fuel Cost of Purchased Power (A9)	
11	Energy Payments to Qualifying Facilities (A8a)	
- 11	Energy Payments to Qualifying Pacifies (Aoa)	
12	TOTAL COST OF PURCHASED POWER	
13	TOTAL AVAILABLE MWH (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 Partpts)(A6)	
17	Other Fuel Related Costs	
18	TOTAL FUEL COST AND GAINS OF POWER SALES	
	(LINE 14 + 15 + 16 + 17)	
19	NET INADVERTENT INTERCHANGE	
20	TOTAL FUEL AND NET POWER TRANSACTIONS	
	(LINES 5 + 12 + 18 + 19)	
21	Net Unbilled Sales	
22	Company Use	
23	T & D Losses	
24	SYSTEM KWH SALES	
25	Wholesale KWH Sales	
26	Jurisdictional KWH Sales	
26a	Jurisdictional Loss Multiplier	
27	Jurisdictional KWH Sales Adjusted for	
	Line Losses	
28	GPIF**	
29	TRUE-UP**	
	1000 0	
30	TOTAL JURISDICTIONAL FUEL COST	_
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

	DOLLARS				MWH				CENTS/KWH		
STIMATED/ ACTUAL	ESTIMATED/ ORIGINAL	DIFFERENCE AMOUNT	%	ESTIMATED/ ACTUAL	ESTIMATED/ ORIGINAL	DIFFERENCE AMOUNT	%	ESTIMATED/ ACTUAL	ESTIMATED/ ORIGINAL	DIFFERENCE AMOUNT	
				D	0	0	0 0%	0 00000	0.00000	0.00000	0
0	0	0	0.0%	0	0	0	0 0%	0.00000	0.00000	0.00000	c
18,521,423	21,114,334	(2,592,911)	-12.3%	317,442	338,357	(20,915)	-6 2%	5,83458	6.24025	(0.40567)	-€
11,882,510	12,152,949	(270,439)	-2.2%	317,442	338,357	(20,915)	-6.2%	3,74321	3,59175	0 15146	
30,403,933	33,267,283	(2,863,350)	-8 6%	317,442	338,357	(20,915)	-6.2%	9.57779	9 83201	(0.25422)	-4
				317,442	338,357	(20,915)	-6 2%				
80,734 80,734	72,000 72,000	8,734	12.1%	0	0	0	0.0%	0.00000	0 00000	0.00000	
30,484,667	33,339,283	(2,854,616)	-8.6%	317,442	338,357	(20,915)	-6.2%	9.60322	9.85329	(0.25007)	
0.	0 .	0	0.0%	0	0	0	0.0%	0.00000	0.00000	0,00000	
19,879 *	21,086 *	(1,207)	-5.7%	207	214	(7)	-3.3%	0.00646	0.00649	(0.00003)	
914,034	1,316,400	(402,366)	-30.6%	9,518	13,360	(3,842)	-28.8%	0.29704	0.40532	(0.10828)	-2
30,484,667	33,339,283	(2,854,616)	-8.6%	307,717	324,783	(17,066)	-5.3%	9.90672	10.26510	(0.35838)	
30,484,667 1.000	33,339,283 1.000	(2,854,616) 0,000	-8,6% 0,0%	307,717 1.000	324,783 1.000	(17,066) 0.000	-5.3% 0.0%	9.90672 1.000	10.26510 1.000	(0.35838) 0.00000	
30,484,667	33,339,283	(2,854,616)	-8.6%	307,717	324,783	(17,066)	-5.3%	9.90672	10.26510	(D.35838)	
(1,567,788)	(1,567,788)	0	0.0%	307,717	324,783	(17,066)	-5.3%	(0.50949)	(0.48272)	(0.02677)	
28,916,879	31,771,495	(2,854,616)	-9.0%	307,717	324,783	(17,066)	-5.3%	9.39723	9.78238	(0.38515)	
								1,00072	1,00072	0.00000	
								9.40400	9.78942	(0.38542)	
							- 1	9.404	9 789	(0.385)	

EXHIBIT NO DOCKET NO. 120001-EI FLORIDA PUBLIC UTILITIES COMPANY (CDY-3) PAGE 3 OF 3