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September 17, 2004

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Ms. Blanca Bayo, Director
Division of Records and Reporting
Room 110, Easley Building
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

Re: Docket No. 040001-EI

Dear Ms. Bayo:

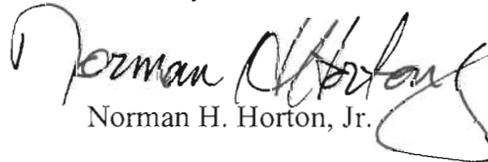
Enclosed for filing on behalf of Florida Public Utilities Company are an original and 10 copies of the following documents in the above referenced docket:

1. Petition for Approval of Florida Public Utilities Company's Fuel Adjustment and Purchased Power Cost Recovery Factor; 10071-04
2. Schedules E1, E1-A, E2, E7, and E10 for the Marianna Division and Schedules E1, E1-A, E2, E7, E8, and E10 for the Fernandina Beach Division; and
3. Direct Testimony of George M. Bachman. 10072-04

Please indicate receipt of this document by stamping the enclosed extra copy of this letter.

Thank you for your assistance in this matter.

Sincerely,


Norman H. Horton, Jr.

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NHH:amb
Enclosures
cc: Mr. George Bachman
Parties of Record

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 040001-EI
Filed: September 17, 2004

**PETITION FOR APPROVAL OF FLORIDA
PUBLIC UTILITIES' FUEL ADJUSTMENT AND
PURCHASED POWER COST RECOVERY FACTOR**

Florida Public Utilities Company ("the Company"), through its undersigned attorneys and pursuant to the requirements of this docket, hereby petitions the Commission for approval of the Company's fuel adjustment and purchased power cost recovery factors for Marianna and Fernandina Beach for the period January, 2005 through December, 2005. In support hereof, the Company states:

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

Florida Public Utilities
P.O. Box 3395
West Palm Beach, FL 33420-3395

- 2) The name and address of the person authorized to receive notices and communications with respect to this Petition are:

Norman H. Horton, Jr.,
Messer, Caparello & Self, P. A.
Suite 701, First Florida Bank Building
Post Office Box 1876
Tallahassee, FL 32302-1876

- 3) Pursuant to the requirements of this Docket, the Company has prefiled the fuel adjustment and purchased power cost recovery forms supplied by the Electric & Gas Department in a manner consistent with the Department's instructions. Although the consolidation of the Fernandina Beach and Marianna Divisions was approved by the Florida Public Service Commission

in Docket No. 030438-EI. The fuel and purchased power recovery clause remains calculated on a division basis and the schedules and calculations reflect this basis.

4) As indicated in the prefiled forms, the final remaining fuel and purchased power adjustment true-up amounts for the period January 2003 through December 2003 is an underrecovery of \$624,352 for Marianna and an overrecovery of \$1,837,973 for Fernandina Beach.

5) The testimony and exhibits also demonstrate that based upon actual data for January 2004 through June 2004 and projected data for July 2004 through December 2004, the estimated fuel and purchased power adjustment true-up amounts for the period January 2004 through December 2004 are an underrecovery of \$230,633 for Marianna and an underrecovery of \$1,907,817 for Fernandina Beach.

6) The total true-up amount to be collected/refunded for the period January 2005 through December 2005 are underrecovery of \$854,985 for Marianna and \$69,844 for Fernandina Beach. The appropriate levelized fuel adjustment and purchased power cost recovery factors for the period January 2005 through December 2005, adjusted for line loss multipliers and including taxes are as follows:

MARIANNA

<u>Rate Schedule</u>	<u>Adjustment</u>
RS	\$.04464
GS	\$.04412
GSD	\$.04220
GSLD	\$.04002
OL, OL1	\$.03502
SL, SL2, SL3	\$.03538

FERNANDINA BEACH

<u>Rate Schedule</u>	<u>Adjustment</u>
RS	\$.03263
GS	\$.03144
GSD	\$.03029
CSL	\$.02956
OL	\$.02185
SL	\$.02208

WHEREFORE, Florida Public Utilities petitions the Commission to approve the foregoing fuel adjustment and purchased power cost recovery factors for the Marianna and Fernandina Beach divisions to be applied to customer bills for the period January, 2005 through December, 2005, and to billings thereafter until other fuel adjustment and purchased power cost recovery factors are approved by the Commission.

DATED this 16th day of September, 2004.

Respectfully submitted,
MESSER, CAPARELLO & SELF, P. A.
Post Office Box 1876
Tallahassee, FL 32302-1876
(850) 222-0720


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 Hand Delivery (*) and/or U. S. Mail this 17th day of September, 2004 upon the following:

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NORMAN H. HORTON, JR.

FLORIDA PUBLIC UTILITIES COMPANY
FUEL AND PURCHASED POWER
COST RECOVERY CLAUSE CALCULATION
ESTIMATED FOR THE PERIOD: JANUARY 2005 - DECEMBER 2005

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)	7,536,301	336,442	2.24000
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)	5,219,208	336,442	1.55130
10a Demand Costs of Purchased Power	4,828,860 *		
10b Transformation Energy & Customer Costs of Purchased Power	390,348 *		
11 Energy Payments to Qualifying Facilities (E8a)			
12 TOTAL COST OF PURCHASED POWER (LINE 6 THRU 11)	12,755,509	336,442	3.79130
13 TOTAL AVAILABLE KWH (LINE 5 + LINE 12)	12,755,509	<u>336,442</u>	3.79130
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)	<u>12,755,509</u>	<u>336,442</u>	<u>3.79130</u>
21 Net Unbilled Sales	0 *	0	0.00000
22 Company Use	9,478 *	250	0.00301
23 T & D Losses	<u>805,234 *</u>	<u>21,239</u>	<u>0.25567</u>
24 SYSTEM MWH SALES	12,755,509	314,953	4.04997
25 Less Total Demand Cost Recovery	4,828,860 ***		
26 Jurisdictional MWH Sales	7,926,649	314,953	2.51677
26a Jurisdictional Loss Multiplier	1.00000	1.00000	
27 Jurisdictional MWH Sales Adjusted for Line Losses	7,926,649	314,953	2.51677
28 GPIF **			
29 TRUE-UP **	854,985	314,953	0.27146
30 TOTAL JURISDICTIONAL FUEL COST	8,781,634	314,953	2.78824
31 Revenue Tax Factor			1.00072
32 Fuel Factor Adjusted for Taxes			2.79025
33 FUEL FAC ROUNDED TO NEAREST .001 CENTS/KWH			2.790

* For Informational Purposes Only

** Calculation Based on Jurisdictional KWH Sales

***Calculation on Schedule E1 Page 2

EXHIBIT NO. _____
DOCKET NO. 040001-EI
FLORIDA PUBLIC UTILITIES COMPANY
(GMB-2)
PAGE 1 OF 14

FLORIDA PUBLIC UTILITIES COMPANY
FUEL FACTOR ADJUSTED FOR
LINE LOSS MULTIPLIER
ESTIMATED FOR THE PERIOD: JANUARY 2005 - DECEMBER 2005

MARIANNA 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	149,152,998	61.971%	54,950.2	1.089	1.000	59,840.8	149,152,998	52.06%	47.35%
35 GS	29,469,134	64.200%	10,479.9	1.089	1.000	11,412.6	29,469,134	9.93%	9.36%
36 GSD	105,180,585	73.168%	32,820.1	1.083	1.000	35,544.2	105,180,585	30.93%	33.40%
37 GSLD	26,117,895	84.178%	7,083.8	1.038	1.000	7,353.0	26,117,895	6.40%	8.29%
38 OL, OL1	3,805,245	160.732%	540.5	1.089	1.000	588.6	3,805,245	0.51%	1.21%
39 SL1, SL2 & SL3	1,228,307	160.732%	174.5	1.089	1.000	190.0	1,228,307	0.17%	0.39%
40 TOTAL	<u>314,954,164</u>		<u>106,049.0</u>			<u>114,929.2</u>	<u>314,954,164</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)	ot. Col. 13 * (12)	(13)/(1)	(14) * 1.00072		(15) + (16)
Rate Schedule	12/13 Of 12 CP	1/13 Of Energy	emand Allocation Percentage	Demand Dollars	Demand Cost Recovery	Demand Cost Recovery Adj for Taxes	Other Charges	Levelized Adjustment
41 RS	48.05%	3.64%	51.69%	\$2,496,038	0.01673	0.01674	0.02790	\$0.04464
42 GS	9.17%	0.72%	9.89%	477,574	0.01621	0.01622	0.02790	\$0.04412
43 GSD	28.55%	2.57%	31.12%	1,502,741	0.01429	0.01430	0.02790	\$0.04220
44 GSLD	5.91%	0.64%	6.55%	316,290	0.01211	0.01212	0.02790	\$0.04002
45 OL, OL1	0.47%	0.09%	0.56%	27,042	0.00711	0.00712	0.02790	\$0.03502
46 SL1, SL2 & SL3	0.16%	0.03%	0.19%	9,175	0.00747	0.00748	0.02790	\$0.03538
47 TOTAL	<u>92.31%</u>	<u>7.69%</u>	<u>100.00%</u>	<u>\$4,828,860</u>				

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

FLORIDA PUBLIC UTILITIES COMPANY
CALCULATION OF TRUE-UP SURCHARGE
 APPLICABLE TO LEVELIZED FUEL ADJUSTMENT PERIOD
 JANUARY 2003 - DECEMBER 2003
BASED ON SIX MONTHS ACTUAL & SIX MONTHS ESTIMATED

Marianna Division

Under-recovery of purchased power costs for the period January 2004 - December 2004. (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 2004)(Estimated)	\$ (854,985)
Estimated kilowatt hour sales for the months of January 2005 - December 2005 as per estimate filed with the Commission.	314,954,164
Cents per kilowatt hour necessary to collect under-recovered purchased power costs over the period January 2005 - December 2005.	(0.27146)

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

ESTIMATED FOR THE PERIOD: JANUARY 2005 - DECEMBER 2005

LINE NO.	(a)	(b)	(c)	(d)	(e)	(f)	(g)	TOTAL PERIOD	LINE NO.					
	2005 JANUARY	2005 FEBRUARY	2005 MARCH	2005 APRIL	2005 MAY	2005 JUNE	2005 JULY			2005 AUGUST	2005 SEPTEMBER	2005 OCTOBER	2005 NOVEMBER	2005 DECEMBER
1	ESTIMATED												0	1
1a	FUEL COST OF SYSTEM GENERATION												0	1a
2	NUCLEAR FUEL DISPOSAL												0	2
3	676,614	521,942	535,360	534,621	640,954	682,349	741,910	749,347	668,954	581,930	543,581	658,739	7,536,301	3
3a	516,249	427,289	372,384	359,874	432,154	464,124	494,704	473,854	446,749	396,709	377,249	457,869	5,219,208	3a
3b	FUEL COST OF PURCHASED POWER												0	3b
4	QUALIFYING FACILITIES												0	4
4	ENERGY COST OF ECONOMY PURCHASES												0	4
5	1,192,863	949,231	907,744	894,495	1,073,108	1,146,473	1,236,614	1,223,201	1,115,703	978,639	920,830	1,116,608	12,755,509	5
6	483,720	394,760	339,855	327,345	399,625	431,595	462,175	441,325	414,220	364,180	344,720	425,340	4,828,860	6
7	709,143	554,471	567,889	567,150	673,483	714,878	774,439	781,876	701,483	614,459	576,110	691,268	7,926,649	7
7a	29,693	25,478	21,442	20,730	24,500	27,886	28,978	29,325	31,065	25,501	22,559	27,796	314,953	7a
7b	2.38825	2.17627	2.64849	2.73589	2.74891	2.56357	2.67251	2.66624	2.25811	2.40955	2.55379	2.48693	2.51677	7b
8	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	8
9	2.38825	2.17627	2.64849	2.73589	2.74891	2.56357	2.67251	2.66624	2.25811	2.40955	2.55379	2.48693	2.51677	9
10	GPIF (CENTS/KWH)													10
11	0.27146	0.27146	0.27146	0.27146	0.27146	0.27146	0.27146	0.27146	0.27146	0.27146	0.27146	0.27146	0.27146	11
12	2.65971	2.44773	2.91995	3.00735	3.02037	2.83503	2.94397	2.93770	2.52957	2.68101	2.82525	2.75839	2.78823	12
13	0.00072	0.00191	0.00176	0.00210	0.00217	0.00204	0.00212	0.00212	0.00182	0.00193	0.00203	0.00199	0.00201	13
14	2.66162	2.44949	2.92205	3.00952	3.02254	2.83707	2.94609	2.93982	2.53139	2.68294	2.82728	2.76038	2.79024	14
15	2.662	2.449	2.922	3.010	3.023	2.837	2.946	2.940	2.531	2.683	2.827	2.760	2.790	15

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

ESTIMATED FOR THE PERIOD: JANUARY 2005 - DECEMBER 2005

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)		(9)
MONTH	PURCHASED FROM	TYPE & SCHEDULE	TOTAL KWH PURCHASED	KWH FOR OTHER UTILITIES	KWH FOR INTERRUPTIBLE	KWH FOR FIRM	CENTS/KWH		TOTAL \$ FOR FUEL ADJ. (7) x (8) (A)
							(A) FUEL COST	(B) TOTAL COST	
JANUARY 2005	GULF POWER COMPANY	RE	30,206,000			30,206,000	2.239999	3.949093	676,614
FEBRUARY 2005	GULF POWER COMPANY	RE	23,301,000			23,301,000	2.239998	4.073778	521,942
MARCH 2005	GULF POWER COMPANY	RE	23,900,000			23,900,000	2.240001	3.798092	535,360
APRIL 2005	GULF POWER COMPANY	RE	23,867,000			23,867,000	2.240001	3.747832	534,621
MAY 2005	GULF POWER COMPANY	RE	28,614,000			28,614,000	2.240000	3.750290	640,954
JUNE 2005	GULF POWER COMPANY	RE	30,462,000			30,462,000	2.240000	3.763617	682,349
JULY 2005	GULF POWER COMPANY	RE	33,121,000			33,121,000	2.240000	3.733625	741,910
AUGUST 2005	GULF POWER COMPANY	RE	33,453,000			33,453,000	2.240000	3.656476	749,347
SEPTEMBER 2005	GULF POWER COMPANY	RE	29,864,000			29,864,000	2.240001	3.735946	668,954
OCTOBER 2005	GULF POWER COMPANY	RE	25,979,000			25,979,000	2.240000	3.767039	581,930
NOVEMBER 2005	GULF POWER COMPANY	RE	24,267,000			24,267,000	2.239999	3.794577	543,581
DECEMBER 2005	GULF POWER COMPANY	RE	29,408,000			29,408,000	2.239997	3.796953	658,739
TOTAL			336,442,000	0	0	336,442,000	2.240000	3.791295	7,536,301

EXHIBIT NO. _____
 DOCKET NO. 040001-EI
 FLORIDA PUBLIC UTILITIES COMPANY
 (GMB-2)
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FLORIDA PUBLIC UTILITIES COMPANY
MARIANNA DIVISION
 RESIDENTIAL BILL COMPARISON
FOR MONTHLY USAGE OF 1000 KWH

ESTIMATED FOR THE PERIOD: JANUARY 2005 - DECEMBER 2005

	JANUARY 2005	FEBRUARY 2005	MARCH 2005	APRIL 2005	MAY 2005	JUNE 2005	JULY 2005
BASE RATE REVENUES ** \$	24.26	24.26	24.26	24.26	24.26	24.26	24.26
FUEL RECOVERY FACTOR CENTS/KWH	4.46	4.46	4.46	4.46	4.46	4.46	4.46
GROUP LOSS MULTIPLIER	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
FUEL RECOVERY REVENUES \$	44.64	44.64	44.64	44.64	44.64	44.64	44.64
GROSS RECEIPTS TAX	1.77	1.77	1.77	1.77	1.77	1.77	1.77
TOTAL REVENUES *** \$	70.67	70.67	70.67	70.67	70.67	70.67	70.67

	AUGUST 2005	SEPTEMBER 2005	OCTOBER 2005	NOVEMBER 2005	DECEMBER 2005	PERIOD TOTAL
BASE RATE REVENUES ** \$	24.26	24.26	24.26	24.26	24.26	291.12
FUEL RECOVERY FACTOR CENTS/KWH	4.46	4.46	4.46	4.46	4.46	
GROUP LOSS MULTIPLIER	1.00000	1.00000	1.00000	1.00000	1.00000	
FUEL RECOVERY REVENUES \$	44.64	44.64	44.64	44.64	44.64	535.68
GROSS RECEIPTS TAX	1.77	1.77	1.77	1.77	1.77	21.24
TOTAL REVENUES *** \$	70.67	70.67	70.67	70.67	70.67	848.04

* MONTHLY AND CUMULATIVE SIX MONTH ESTIMATED DATA

** BASE RATE REVENUES PER 1000 KWH:

CUSTOMER CHARGE 10.00
 CENTS/KWH 13.73
 CONSERVATION FACTOR 0.530

24.26

*** EXCLUDES FRANCHISE TAXES

EXHIBIT NO. _____
 DOCKET NO. 040001-EI
 FLORIDA PUBLIC UTILITIES COMPANY
 (GMB-2)
 PAGE 6 OF 14

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

ESTIMATED FOR THE PERIOD: JANUARY 2005 THROUGH DECEMBER 2005

FERNANDINA BEACH DIVISON

	(a) DOLLARS	(b) MWH	(c) CENTS/KWH
1 Fuel Cost of System Net Generation (E3)			
2 Nuclear Fuel Disposal Costs (E2)			
3 Coal Car Investment			
4 Adjustments to Fuel Cost			
5 TOTAL COST OF GENERATED POWER (LINE 1 THRU 4)	0	0	0.00000
6 Fuel Cost of Purchased Power (Exclusive of Economy) (E7)	8,687,929	470,890	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)	6,396,947	470,890	1.35848
10a Demand Costs of Purchased Power	5,899,812 *		
10b Non-fuel Energy & Customer Costs of Purchased Power	497,135 *		
11 Energy Payments to Qualifying Facilities (E8a)	56,056	2,998	1.86978
12 TOTAL COST OF PURCHASED POWER (LINE 6 THRU 11)	15,140,932	473,888	3.19504
13 TOTAL AVAILABLE KWH (LINE 5 + LINE 12)	15,140,932	473,888	3.19504
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)	15,140,932	473,888	3.19504
21 Net Unbilled Sales	0 *	(0)	0.00000
22 Company Use	13,930 *	436	0.00294
23 T & D Losses	(13,930) *	(436)	-0.00294
24 SYSTEM MWH SALES	15,140,932	473,888	3.19504
25 Wholesale MWH Sales			
26 Jurisdictional MWH Sales	15,140,932	473,888	3.19504
26a Jurisdictional Loss Multiplier	1.00000	1.00000	
27 Jurisdictional MWH Sales Adjusted for Line Losses	15,140,932	473,888	3.19504
27a GSLD1 MWH Sales		126,705	
27b Other Classes MWH Sales		347,183	
27c GSLD1 CP KW		258,000 *	
28 GPIF **			
29 TRUE-UP (OVER) UNDER RECOVERY **	69,844	473,888	0.01474
30 TOTAL JURISDICTIONAL FUEL COST	15,210,776	473,888	3.20978
30a Demand Purchased Power Costs (Line 10a)	5,899,812 *		
30b Non-demand Purchased Power Costs (Lines 6 + 10b + 11)	9,241,120 *		
30c True up Over/Under Recovery (Line 29)	69,844 *		

* 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

ESTIMATED FOR THE PERIOD: JANUARY 2005 THROUGH DECEMBER 2005

FERNANDINA BEACH DIVISION

		(a)	(b)	(c)
		DOLLARS	MWH	CENTS/KWH
APPORTIONMENT OF DEMAND COSTS				
31	Total Demand Costs (Line 30a)	5,899,812		
32	GSLD1 Portion of Demand Costs (Line 30a) Including Line Losses(Line 27c x \$6.18)	1,594,440	258,000 (KW)	\$6.18 /KW
33	Balance to Other Classes	<u>4,305,372</u>	<u>347,183</u>	<u>1.24009</u>
APPORTIONMENT OF NON-DEMAND COSTS				
34	Total Non-demand Costs(Line 30b)	9,241,120		
35	Total KWH Purchased (Line 12)		473,888	
36	Average Cost per KWH Purchased			1.95006
37	Average Cost Adjusted for Line Losses (Line 36 x 1.03)			2.00856
38	GSLD1 Non-demand Costs (Line 27a x Line 37)	2,544,945	126,705	2.00856
39	Balance to Other Classes	<u>6,696,175</u>	<u>347,183</u>	<u>1.92871</u>
GSLD1 PURCHASED POWER COST RECOVERY FACTORS				
40a	Total GSLD1 Demand Costs (Line 32)	1,594,440	258,000 (KW)	\$6.18 /KW
40b	Revenue Tax Factor			1.00072
40c	GSLD1 Demand Purchased Power Factor Adjusted for Taxes & Rounded			\$6.18 /KW
40d	Total Current GSLD1 Non-demand Costs(Line 38)	2,544,945	126,705	2.00856
40e	Total Non-demand Costs Including True-up	<u>2,544,945</u>	<u>126,705</u>	<u>2.00856</u>
40f	Revenue Tax Factor			1.00072
40g	GSLD1 Non-demand Costs Adjusted for Taxes & Rounded			2.01001
OTHER CLASSES PURCHASED POWER COST RECOVERY FACTORS				
41a	Total Demand & Non-demand Purchased Power Costs of Other Classes(Line 33 + 39)	11,001,547	347,183	3.16880
41b	Less: Total Demand Cost Recovery	4,305,372 ***		
41c	Total Other Costs to be Recovered	6,696,175	347,183	1.92871
41d	Other Classes' Portion of True-up (Line 30c)	69,844	347,183	0.02012
41e	Total Demand & Non-demand Costs Including True-up	<u>6,766,019</u>	<u>347,183</u>	<u>1.94883</u>
42	Revenue Tax Factor			1.00072
43	Other Classes Purchased Power Factor Adjusted for Taxes & Rounded			1.950

* 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

ESTIMATED FOR THE PERIOD: JANUARY 2005 THROUGH DECEMBER 2005

FERNANDINA BEACH DIVISON

	(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	204,266,826	63.060%	73,955.4	1.089	1.000	80,537.4	204,266,826	62.67%	57.70%
45 GS	32,015,259	69.973%	10,446.1	1.089	1.000	11,375.8	32,015,259	8.85%	9.04%
46 GSD	104,244,617	77.702%	30,630.0	1.083	1.000	33,172.3	104,244,617	25.81%	29.45%
47 GSLD	11,350,703	83.923%	3,087.9	1.083	1.000	3,344.2	11,350,703	2.60%	3.21%
48 OL	1,281,755	565.360%	51.8	1.089	1.000	56.4	1,281,755	0.04%	0.36%
49 SL	834,724	565.360%	33.7	1.089	1.000	36.7	834,724	0.03%	0.24%
TOTAL	353,993,884		118,204.9			128,522.8	353,993,884	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	57.83%	4.44%	62.27%	\$2,680,955	0.01312	0.01313	0.01950	0.03263
51 GS	8.17%	0.70%	8.87%	381,886	0.01193	0.01194	0.01950	0.03144
52 GSD	23.82%	2.27%	26.09%	1,123,272	0.01078	0.01079	0.01950	0.03029
53 GSLD	2.40%	0.25%	2.65%	114,092	0.01005	0.01006	0.01950	0.02956
54 OL	0.04%	0.03%	0.07%	3,014	0.00235	0.00235	0.01950	0.02185
55 SL	0.03%	0.02%	0.05%	2,153	0.00258	0.00258	0.01950	0.02208
TOTAL	92.29%	7.71%	100.00%	\$4,305,372				

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

FLORIDA PUBLIC UTILITIES COMPANY
CALCULATION OF TRUE-UP SURCHARGE
APPLICABLE TO LEVELIZED FUEL ADJUSTMENT PERIOD
JANUARY 2005 - DECEMBER 2005
BASED ON SIX MONTHS ACTUAL AND SIX MONTHS ESTIMATED OPERATIONS

Fernandina Beach Division

Over-recovery of purchased power costs for the period January 2004 - December 2004. (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 2004.)(Estimated)	\$ (69,844)
Estimated kilowatt hour sales for the months of January 2005 - December 2005 as per estimate filed with the Commission. (Excludes GSLD1 customers)	353,993,884
Cents per kilowatt hour necessary to refund over-recovered purchased power costs over the period January 2005 - December 2005.	-0.01973

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

ESTIMATED FOR THE PERIOD: JANUARY 2005 THROUGH DECEMBER 2005

LINE NO.		(a)	(b)	(c)	(d)	(e)	(f)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	LINE NO.
		JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	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	713,006	678,712	641,283	582,428	659,708	891,980	877,384	912,469	809,151	636,140	514,118	769,550	8,687,929	3
3a	DEMAND & NON FUEL COST OF PUR POWER	552,872	559,620	555,858	405,958	466,774	562,391	706,874	715,555	532,843	440,593	406,187	491,422	6,396,947	3a
3b	QUALIFYING FACILITIES	3,099	4,392	2,917	6,468	2,508	5,732	6,865	4,393	5,071	4,600	3,545	6,466	56,056	3b
4	ENERGY COST OF ECONOMY PURCHASES													0	4
5	TOTAL FUEL & NET POWER TRANSACTIONS (SUM OF LINES A-1 THRU A-4)	1,268,977	1,242,724	1,200,058	994,854	1,128,990	1,460,103	1,591,123	1,632,417	1,347,065	1,083,333	923,850	1,267,438	15,140,932	5
5a	LESS: TOTAL DEMAND COST RECOVERY	376,964	375,680	332,888	289,754	342,788	410,840	415,148	413,612	406,910	323,546	262,010	355,232	4,305,372	5a
5b	TOTAL OTHER COST TO BE RECOVERED	892,013	867,044	867,170	705,100	786,202	1,049,263	1,175,975	1,218,805	940,155	759,787	661,840	912,206	10,835,560	5b
6	APPORTIONMENT TO GSLD CLASS	344,946	344,949	344,949	344,949	344,949	344,949	344,949	344,949	344,949	344,949	344,949	344,949	4,139,385	6
6a	BALANCE TO OTHER CLASSES	547,067	522,095	522,221	360,151	441,253	704,314	831,026	873,856	595,206	414,838	316,891	567,257	6,696,175	6a
6b	SYSTEM KWH SOLD (MWH)	38,811	37,021	34,914	31,914	35,891	48,652	47,922	49,691	44,128	34,834	28,055	42,056	473,888	6b
7	GSLD MWH SOLD	10,559	10,559	10,560	10,559	10,559	10,560	10,551	10,559	10,559	10,562	10,559	10,559	126,705	7
7a	BALANCE MWH SOLD OTHER CLASSES	28,252	26,462	24,354	21,355	25,332	38,092	37,371	39,132	33,569	24,272	17,496	31,497	347,183	7a
7b	COST PER KWH SOLD (CENTS/KWH) APPLICABLE TO OTHER CLASSES	1.93638	1.97297	2.1443	1.68651	1.7419	1.84897	2.22373	2.23308	1.7731	1.70915	1.81121	1.80099	1.92871	7b
8	JURISDICTIONAL LOSS MULTIPLIER	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	8
9	JURISDICTIONAL COST (CENTS/KWH)	1.93638	1.97297	2.14430	1.68651	1.74190	1.84897	2.22373	2.23308	1.77310	1.70915	1.81121	1.80099	1.92871	9
10	GPIF (CENTS/KWH)														10
11	TRUE-UP (CENTS/KWH)	69,844	0.02012	0.02012	0.02012	0.02012	0.02012	0.02012	0.02012	0.02012	0.02012	0.02012	0.02012	0.02012	11
12	TOTAL	1.95650	1.99309	2.16442	1.70663	1.76202	1.86909	2.24385	2.25320	1.79322	1.72927	1.83133	1.82111	1.94883	12
13	REVENUE TAX FACTOR	0.00072	0.00141	0.00144	0.00156	0.00123	0.00127	0.00135	0.00162	0.00162	0.00129	0.00125	0.00132	0.00131	13
14	RECOVERY FACTOR ADJUSTED FOR TAXES	1.95791	1.99453	2.16598	1.70786	1.76329	1.87044	2.24547	2.25482	1.79451	1.73052	1.83265	1.82242	1.95023	14
15	RECOVERY FACTOR ROUNDED TO NEAREST .001 CENT/KWH	1.958	1.995	2.166	1.708	1.763	1.87	2.245	2.255	1.795	1.731	1.833	1.822	1.950	15

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

ESTIMATED FOR THE PERIOD: JANUARY 2005 THROUGH DECEMBER 2005

MONTH	PURCHASED FROM	TYPE & SCHEDULE	(4)	(5)	KWH FOR INTERRUPTIBLE	KWH FOR FIRM	CENTS/KWH		TOTAL \$ FOR FUEL ADJ. (7) x (8) (A)
			TOTAL KWH PURCHASED	KWH FOR OTHER UTILITIES			(A) FUEL COST	(B) TOTAL COST	
FEBRUARY 2005	JACKSONVILLE ELECTRIC AUTHORITY	MS	36,786,543			36,786,543	1.845001	3.366264	678,712
MARCH 2005	JACKSONVILLE ELECTRIC AUTHORITY	MS	34,757,897			34,757,897	1.844999	3.444227	641,283
APRIL 2005	JACKSONVILLE ELECTRIC AUTHORITY	MS	31,567,895			31,567,895	1.845001	3.130985	582,428
MAY 2005	JACKSONVILLE ELECTRIC AUTHORITY	MS	35,756,543			35,756,543	1.844999	3.150422	659,708
JUNE 2005	JACKSONVILLE ELECTRIC AUTHORITY	MS	48,345,789			48,345,789	1.845000	3.008268	891,980
JULY 2005	JACKSONVILLE ELECTRIC AUTHORITY	MS	47,554,698			47,554,698	1.845000	3.331444	877,384
AUGUST 2005	JACKSONVILLE ELECTRIC AUTHORITY	MS	49,456,290			49,456,290	1.845001	3.291844	912,469
SEPTEMBER 2005	JACKSONVILLE ELECTRIC AUTHORITY	MS	43,856,398			43,856,398	1.845001	3.059973	809,151
OCTOBER 2005	JACKSONVILLE ELECTRIC AUTHORITY	MS	34,587,543			34,587,543	1.845000	3.118848	638,140
NOVEMBER 2005	JACKSONVILLE ELECTRIC AUTHORITY	MS	27,865,498			27,865,498	1.844998	3.302668	514,118
DECEMBER 2005	JACKSONVILLE ELECTRIC AUTHORITY	MS	41,710,045			41,710,045	1.844999	3.023185	769,550
TOTAL			470,890,463	0	0	470,890,463	1.845000	3.203479	8,687,929

**FLORIDA PUBLIC UTILITIES COMPANY
 FERNANDINA BEACH DIVISION
 PURCHASED POWER
 ENERGY PAYMENT TO QUALIFYING FACILITIES**

ESTIMATED FOR THE PERIOD: JANUARY 2005 THROUGH DECEMBER 2005

MONTH	PURCHASED FROM	TYPE & SCHEDULE	TOTAL KWH PURCHASED	KWH FOR OTHER UTILITIES	(6)	(7)	(8)		(9)
					KWH FOR INTERRUPTIBLE	KWH FOR FIRM	CENTS/KWH		TOTAL \$ FOR FUEL ADJ. (7) x (8) (A)
							(A) FUEL COST	(B) TOTAL COST	
JANUARY 2005	JEFFERSON SMURFIT CORPORATION		165,700			165,700	1.870247	1.870247	3,099
FEBRUARY 2005	JEFFERSON SMURFIT CORPORATION		234,888			234,888	1.869827	1.869827	4,392
MARCH 2005	JEFFERSON SMURFIT CORPORATION		156,000			156,000	1.869872	1.869872	2,917
APRIL 2005	JEFFERSON SMURFIT CORPORATION		345,876			345,876	1.870034	1.870034	6,468
MAY 2005	JEFFERSON SMURFIT CORPORATION		134,098			134,098	1.870274	1.870274	2,508
JUNE 2005	JEFFERSON SMURFIT CORPORATION		306,500			306,500	1.870147	1.870147	5,732
JULY 2005	JEFFERSON SMURFIT CORPORATION		367,098			367,098	1.870073	1.870073	6,865
AUGUST 2005	JEFFERSON SMURFIT CORPORATION		234,945			234,945	1.869799	1.869799	4,393
SEPTEMBER 2005	JEFFERSON SMURFIT CORPORATION		271,200			271,200	1.869838	1.869838	5,071
OCTOBER 2005	JEFFERSON SMURFIT CORPORATION		245,987			245,987	1.870018	1.870018	4,600
NOVEMBER 2005	JEFFERSON SMURFIT CORPORATION		189,564			189,564	1.870081	1.870081	3,545
DECEMBER 2005	JEFFERSON SMURFIT CORPORATION		345,765			345,765	1.870056	1.870056	6,466
TOTAL			2,997,621	0	0	2,997,621	1.870016	1.870016	56,056

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**FLORIDA PUBLIC UTILITIES COMPANY
FERNANDINA BEACH DIVISION
RESIDENTIAL BILL COMPARISON**

ESTIMATED FOR THE PERIOD: JANUARY 2005 THROUGH DECEMBER 2005

	JANUARY 2005	FEBRUARY 2005	MARCH 2005	APRIL 2005	MAY 2005	JUNE 2005	JULY 2005
BASE RATE REVENUES ** \$	24.26	24.26	24.26	24.26	24.26	24.26	24.26
FUEL RECOVERY FACTOR CENTS/KWH	3.26	3.26	3.26	3.26	3.26	3.26	3.26
GROUP LOSS MULTIPLIER	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
FUEL RECOVERY REVENUES \$	32.63	32.63	32.63	32.63	32.63	32.63	32.63
GROSS RECEIPTS TAX	0.58	0.58	0.58	0.58	0.58	0.58	0.58
TOTAL REVENUES *** \$	57.47	57.47	57.47	57.47	57.47	57.47	57.47

	AUGUST 2005	SEPTEMBER 2005	OCTOBER 2005	NOVEMBER 2005	DECEMBER 2005	PERIOD TOTAL
BASE RATE REVENUES ** \$	24.26	24.26	24.26	24.26	24.26	291.12
FUEL RECOVERY FACTOR CENTS/KWH	3.26	3.26	3.26	3.26	3.26	
GROUP LOSS MULTIPLIER	1.00000	1.00000	1.00000	1.00000	1.00000	
FUEL RECOVERY REVENUES \$	32.63	32.63	32.63	32.63	32.63	391.56
GROSS RECEIPTS TAX	0.58	0.58	0.58	0.58	0.58	6.96
TOTAL REVENUES *** \$	57.47	57.47	57.47	57.47	57.47	689.64

* MONTHLY AND CUMULATIVE TWELVE MONTH ESTIMATED DATA

** BASE RATE REVENUES PER 1000 KWH:

CUSTOMER CHARGE	10.00
CENTS/KWH	13.73
CONSERVATION FACTOR	0.530
	<u>24.26</u>

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*** EXCLUDES FRANCHISE TAXES