

MESSER CAPARELLO & SELF, P.A.

Attorneys At Law

www.lawfla.com

August 30, 2007

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07 AUG 30 PM 2: 18
COMMISSION
CLERK

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 No. 070304-EI

Dear Ms. Cole:

Enclosed for filing on behalf of Florida Public Utilities Company are twenty-one copies of the following:

1. Florida Public Utilities Company's Petition for Permanent Rate Relief; 07839-07
2. Florida Public Utilities Company's Petition for Interim Rate Relief; and 07840-07
3. Volumes I and II containing prefiled testimony and Minimum Filing Requirements.

07841-07 and 07842-07

A copy of these documents have been provided to the Office of Public Counsel.

CMP _____

COM 5

Additionally, a copy of the Petitions have been served on the Chief Executive Officer of counties and municipalities within the service area of the Company as listed on the certificate of service.

CTR _____

ECR _____

Please acknowledge receipt of this letter by stamping the extra copy of this letter "filed" and

GCL 2

returning the same to me.

OPC 1

Thank you for your assistance with this filing.

RCA 1

SCR _____

SGA _____

SEC _____

OTH _____

Sincerely yours,

Norman H. Horton, Jr.

NHH/amb
Enclosures

cc: Mr. John T. English

DOCUMENT NO. DATE

07839-07 8/30/07

FPSC - COMMISSION CLERK

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that true and correct copies of the foregoing have been served by U. S. Mail this 30th day of August, 2007 upon the following:

Chairman
Board of County Commissioners
2864 Madison Street
Marianna, Florida 32447

The Honorable David Culpepper
Mayor
City of Altha
Altha Town Hall
25621 NW First Street
Altha, FL 32421

Chairman
Board of County Commissioners
20859 S.E. Central Ave., Rm 130
Blountstown, FL 32424

The Honorable James Elmore
Mayor
City of Cottondale
P.O. Box 398
Cottondale, FL 32431

Chairman
Board of County Commissioners
P.O. Box 399
Bristol, FL 32321-0399

The Honorable Gene Wright
Mayor
City of Malone
P.O. Box 39
Malone, FL 32445

Chairman
Board of County Commissioners
P.O. Box 456
Fernandina Beach, FL 32035

The Honorable Roger Clay
Mayor
City of Marianna
P.O. Box 936
Marianna, FL 32447

Mr. Michael Czymbor
City Manager
204 Ash Street
Fernandina Beach, FL 32034

The Honorable Tammy Stephens
City of Bristol
Mayor
P.O. Box 173
Bristol, FL 32321

The Honorable George Gay
Mayor
Town of Alford
P.O. Box 128
Alford, FL 32420

The Honorable Marshal F. Harpool
Mayor
City of Blountstown
20591 Central Avenue West
Blountstown, FL 32424

The Honorable John Russell
Mayor
Town of Bascom
P.O. Box 98
Bascom, FL 32423

The Honorable James Barwick
Mayor
Town of Grand Ridge
P.O. Box Drawer 180
Grand Ridge, FL 32442

The Honorable Charles Sanders
Mayor
Town of Greenwood
P.O. Drawer 9
Greenwood, FL 32443


NORMAN H. HORTON, JR.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that true and correct copies of the foregoing have been served by Hand Delivery this 30th day of August, 2007 upon the following:

Katherine Fleming, Esq.
Martha Brown, Esq.
Office of General Counsel
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Patricia A. Christensen, Esq.
Office of the Public Counsel
c/o The Florida Legislature
111 West Madison St., Rm 812
Tallahassee, FL 32399-1400


NORMAN H. HORTON, JR.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of Florida Public Utilities)
Company for a Rate Increase)
_____)

Docket No. 070304-EI
Date Filed: August 30, 2007

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PETITION FOR PERMANENT RATE RELIEF

Florida Public Utilities Company ("Petitioner" or "the Company"), by and through its undersigned attorneys, and pursuant to the provisions of Chapter 366, Florida Statutes, herewith petitions the Florida Public Service Commission ("Commission") for authority to increase the Company's retail rates and charges to the extent necessary to generate additional gross annual revenues in the amount of \$5,249,895 on a permanent basis.

In support of this petition and as the basis for the requested increase, the Company respectfully states:

1. The name and address of the principal office of Petitioner is:

Florida Public Utilities Company
401 South Dixie Highway
West Palm Beach, FL 33401-5886

2. Notices and communications with respect to this petition and docket should be addressed to:

Norman H. Horton, Jr.
Messer, Caparello & Self, P. A.
2618 Centennial Place
Post Office Box 15579
Tallahassee, FL 32317-5579

Ms. Cheryl Martin
Controller
Florida Public Utilities Company
P.O. Box 3395
West Palm Beach, Florida 33402-3395

3. The Company is an investor-owned public utility and provides service as an electric utility under the jurisdiction of this Commission pursuant to the provisions of Chapter

366, Florida Statutes. Petitioner was incorporated March 6, 1924, under the name of Palm Beach Gas Company and changed its name to Florida Public Utilities Company on October 24, 1927. The Company has provided services to the public since then.

4. The Petitioner provides electric service to approximately 31,080 customers in two separate geographic areas; the Northeast Division headquartered in Fernandina Beach and serving approximately 15,670 customers on Amelia Island and the Northwest Division, headquartered in Marianna and serving approximately 15,410 customers in all or parts of Jackson, Calhoun and Liberty counties. At all times, service to these customers has been adequate, reliable and efficient.

5. Petitioner's current rates were established by the Commission in Order No. PSC-04-0369-AS-EI, issued April 6, 2004, using a test year ending December 31, 2004. These rates were established based upon a review and analysis of the company's financial and operating information provided in filings by the Company and in response to requests by Staff and parties. Based on a thorough review and analysis of the supporting documentation, the Company, Office of Public Counsel and Staff reached resolution of each issue raised in the case and presented a proposed resolution to the Commission which was accepted and which resulted in an increase in rates and charges of \$1,820,373.

6. The Petitioner is now and has been encountering increased utility operating costs, increased plant replacement costs, storm hardening mandates, and a need for additional investment and funds that the current rates and charges are inadequate to provide. The current rates and charges do not afford the Company an opportunity to earn a fair and reasonable rate of return as it is entitled. In the most recent rate case the Commission established a fair overall return for the company to be 7.86% for the test year based on a midpoint return on equity of

11.50%. Currently Petitioner is earning an overall return of approximately 6.51% and this will further decline unless there is rate relief.

7. As a regulated provider of electric service to the public, FPUC is obligated to provide electric service in a reasonably sufficient, adequate and efficient manner. FPUC consistently compares favorably to other utilities in overall cost for service, reliability and customer service. For many years, for a variety of reasons, customers of FPUC paid rates well below the average of customers of other utilities but still received service of equal or greater quality.

8. The Company has an obligation to provide service as required by law but is also entitled to a reasonable rate of return and, as recognized by the Commission and Supreme Court of Florida, to provide shareholders with a reasonable, adequate return on their investment. Without the requested revenue increase, FPUC will not be able to meet its obligation to either its customers or investors and both will suffer. If the Company does not have sufficient revenues, service may be affected and, without adequate revenues, the Company will not be able to attract the capital at a reasonable cost from investors necessary to maintain the financial integrity of the Company. The higher costs necessary to attract capital will result in higher costs to customers. The current rates do not provide a sufficient return to insure continued reasonably sufficient, adequate, and efficient service or a fair, reasonable return and thus should be adjusted.

9. Prior to the petition for rate relief filed in 2004, FPUC had been able to operate for several years without rate relief. Unfortunately, increases in expenses beyond the control of the Company, compelled a request at that time. The Company continues to experience these increased expenses. Despite their efforts to reduce and control expenses the Company must now must seek relief again. FPUC continues to experience increases similar to those which required

the last request, such as insurance costs, pension costs, maintenance and replacement costs, regulatory compliance at the federal and state level, and other similar costs discussed in testimony filed with this petition. Required plant expansions and additions brought about by growth, storm hardening mandates and the need to maintain reliability also contribute to the need for relief. As an example, it is projected that net utility plant will increase by approximately \$10 million from the last test year to the current test year. Although the Company has taken steps to control expenses, improve productivity and increase efficiencies, there are many factors beyond the control of the Company which contribute to the need for this increase. If the Company is to be able to continue to provide the level and quality of service to customers required by the Commission, and expected by customers, it is imperative that rate relief be afforded.

10. In this proceeding, the Petitioner will show that a fair overall return is 8.07% for the projected test year of 2008 with a return on equity of 11.50%. When applied to the projected rate base of \$43,020,996 using the adjusted projected NOI of \$206,341 there is a revenue deficiency of \$5,249,895. An increase to recover this deficiency will allow the Company an opportunity to earn a fair return as required by law and enable the Company to continue to provide service in a reasonably, sufficient, adequate and efficient manner as it is obligated to do by law. Moreover, it will afford the financial integrity necessary to attract investment at a lower cost which ultimately benefits customers.

11. The Company has used the projected 12-month period ending December 31, 2008, as the test year for this filing and represents that this is the appropriate period to use. The test year provides a period of utility operations that the Commission can use to analyze the request and this period more accurately represents the conditions to be faced by the Company and is representative of the actual revenues, expenses and investment to be realized under new

rates. Data will also be provided for the historical 12-month period ending December 31, 2006, the 2008 test year represents the year when these increases will be implemented and is more representative of actual conditions than past periods.

12. To support this request, the Company has prepared and submitted Minimum Filing Requirement (“MFR”) schedules pursuant to Rule 25-6.043, Florida Administrative Code. These schedules have been prepared consistent with Commission policies and guidelines and provide an adequate basis upon which the Commission can approve this request. Additionally, the Company has also provided supporting testimony of the witnesses to appear on behalf of the Company in this proceeding. These witnesses present compelling basis for granting the requested relief. The Company has also prepared and included with this Petition, new rate schedules which produce revenues necessary to provide an opportunity to earn a fair, reasonable rate of return. The Company would request that the Commission not withhold consent to the application of these schedules, but allow them to go into effect pursuant to Section 366.06(3), Florida Statutes.

Wherefore for the foregoing, Petitioner respectfully requests that the Commission:

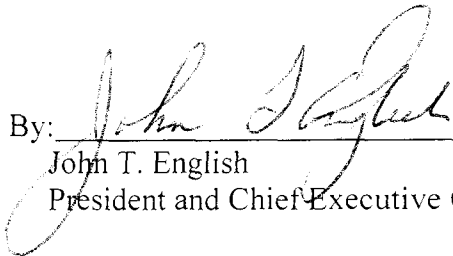
- (a) Accept this petition for final agency action;
- (b) Pursuant to Section 366.06, Florida Statutes, within 60 days of the filing of this Petition, consent to the placing in effect of the new rate schedules designed to produce additional revenues of \$5,249,895 on an annual basis;
- (c) That should the Commission withhold consent to the operation of the new rate schedules, it will conduct a review and find that the Company’s present rates are insufficient to yield a fair rate of return;
- (d) Authorize the Company to revise and increase its rates and charges to produce

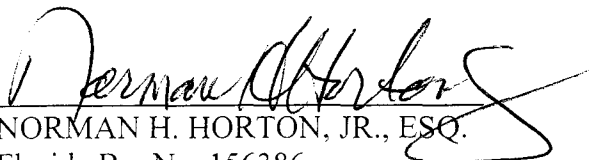
\$5,249,895 so as to have an opportunity to earn a fair rate of return; and

(e) Grant such other relief as the Commission may find reasonable and proper pursuant to Chapter 366, of Florida Statutes.

Respectfully submitted,

FLORIDA PUBLIC UTILITIES COMPANY

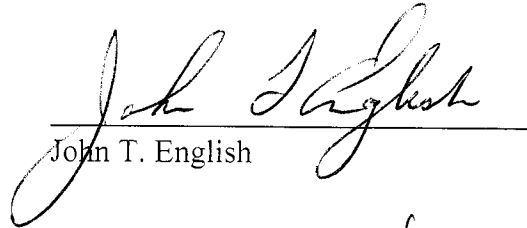
By: 
John T. English
President and Chief Executive Officer


NORMAN H. HORTON, JR., ESQ.
Florida Bar No. 156386
MESSER, CAPARELLO & SELF, P.A.
2618 Centennial Place
Post Office Box 15579
Tallahassee, FL 32317-5579
(850) 222-0720

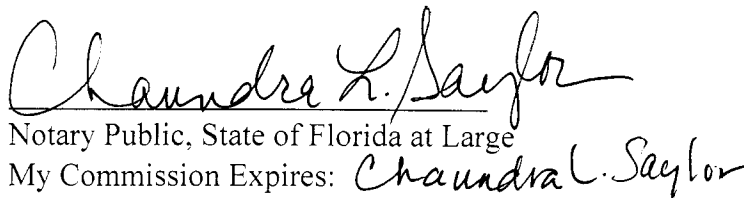
Attorneys for Florida Public Utilities Company

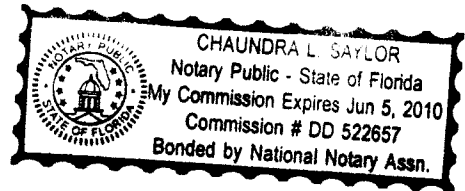
STATE OF FLORIDA
COUNTY OF PALM BEACH

Before the undersigned authority personally appeared John T. English, who, being first duly sworn, says that he is the President and Chief Executive Officer of Florida Public Utilities Company, is fully qualified and acting in that capacity, and is authorized to execute the foregoing petition for said company and to make this oath thereto; that the matters and things stated in said petition are true to the best of his knowledge and belief, and that insofar as they are derived from or depend on the knowledge of others, he verily believes them to be true.


John T. English

Sworn to and subscribed before me, the undersigned authority, this 23rd day of August, 2007 by John T. English, President and Chief Executive Officer of Florida Public Utilities, who is personally known to me.


Notary Public, State of Florida at Large
My Commission Expires: Chaundra L. Saylor



Florida Public Utilities Company
F.P.S.C. Electric Tariff
Second Revised Volume No. I

First Revised Sheet No. 1
Cancels Original Sheet No. 1

F. P. S. C. ELECTRIC TARIFF
SECOND REVISED VOLUME NO. I
OF
FLORIDA PUBLIC UTILITIES COMPANY
FILED WITH
FLORIDA PUBLIC SERVICE COMMISSION

Issued by: John T. English, President

Effective: May 1, 2008

Florida Public Utilities Company
F.P.S.C. Electric Tariff
Second Revised Volume No. I

First Revised Sheet No. 2
Cancels Original Sheet No. 2

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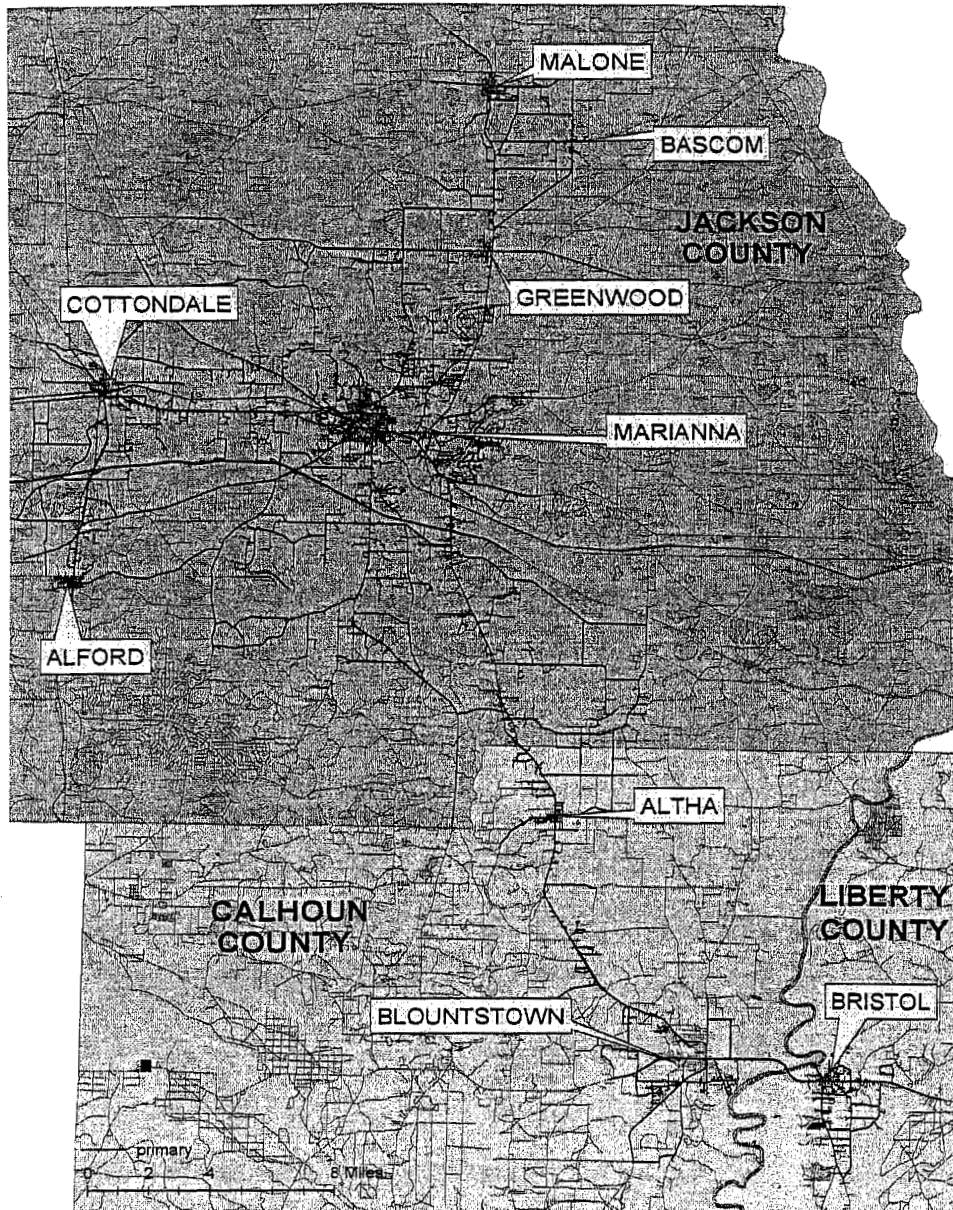
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Issued by: John T. English, President

Effective: May 1, 2008

Northwest Florida Division Service Map
Parts of Jackson, Calhoun and Liberty
Counties

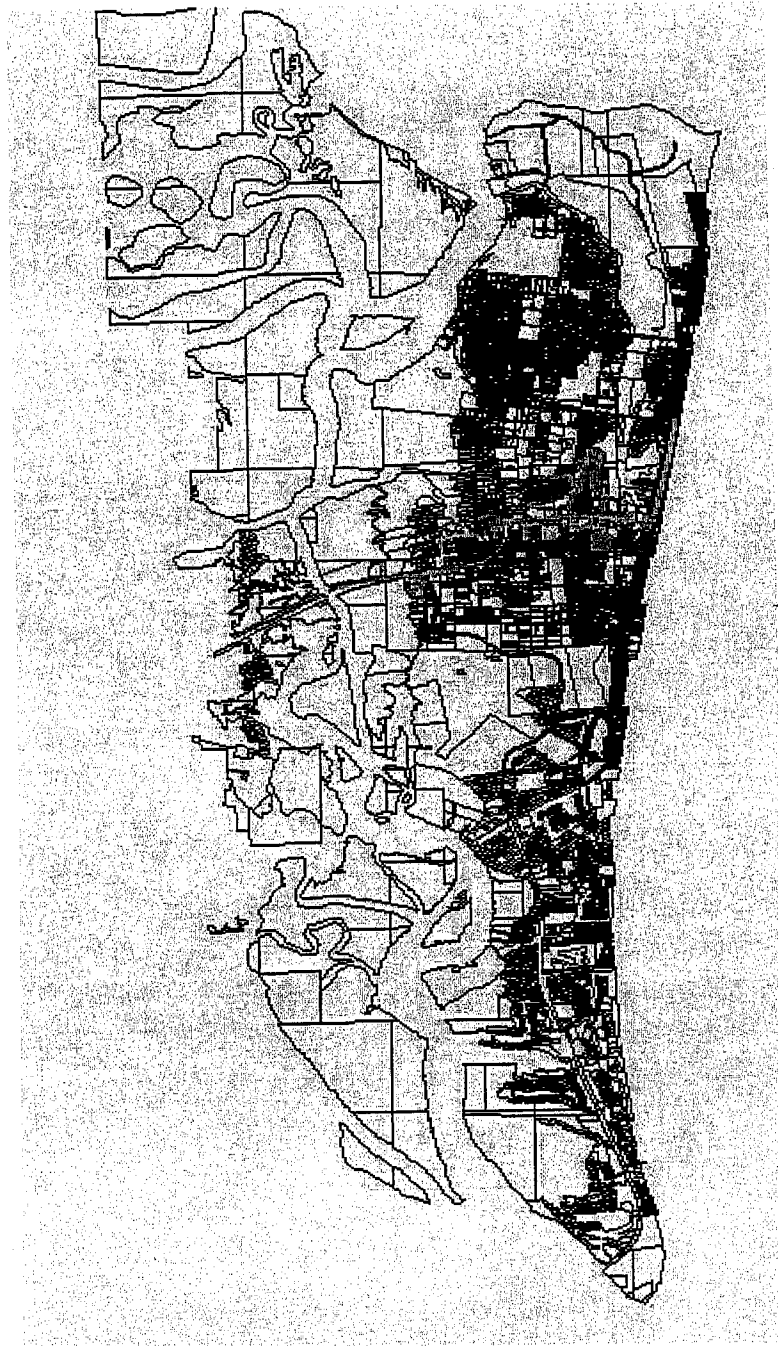
FLORIDA PUBLIC UTILITIES CO.
NORTHWEST FLORIDA



Florida Public Utilities Company
F.P.S.C. Electric Tariff
Second Revised Volume No. I

First Revised Sheet No. 4
Cancels Original Sheet No. 4

Northeast Florida Division Service Map
Amelia Island located in Nassau County



Issued by: John T. English, President

Effective: May 1, 2008

Florida Public Utilities Company
F.P.S.C. Electric Tariff
Second Revised Volume No. I

First Revised Sheet No. 5
Cancels Original Sheet No. 5

Territory Served

As indicated on the System Maps, two areas are served with electricity, both of which are located in the northern part of Florida.

The Northwest Florida Division serves various communities in Jackson, Calhoun and Liberty Counties.

The Northeast Florida Division serves Amelia Island, located in Nassau County.

Issued by: John T. English, President

Effective: May 1, 2008

Miscellaneous General Information

Florida Public Utilities Company was incorporated under the Laws of Florida in 1924 and adopted its present corporate name in 1927.

It is principally engaged in the distribution and sale of natural gas, electricity and water. Its operations are entirely within the State of Florida

The general office of the Company is located at:

401 South Dixie Highway
West Palm Beach, Florida 33401-5886

Division offices are located at:

2825 Pennsylvania Avenue
Marianna, Florida 32446-4004

And

911 South 8th Street
Fernandina Beach, Florida 32034-3706

Communications covering rates should be addressed to:

Florida Public Utilities Company
P. O. Box 3395
West Palm Beach, Florida 33402-3395

TECHNICAL TERMS AND ABBREVIATIONS

When used in the rules and regulations or the rate schedules contained in this volume, the following terms shall have the meanings defined below:

- A. Company - Florida Public Utilities Company acting through its duly authorized officers or employees within the scope of their respective duties.
- B. Applicant - any person, firm, or corporation applying for electric service from the Company at one location.
- C. Customer - any person, firm, or corporation purchasing electric service at one location from the Company under Rules and Regulations of the Company.
- D. Service Classification
- (1) Residential Service - service to Customer supplied for residential purposes in a single family dwelling unit or household. Residential service shall also apply to energy used in commonly-owned facilities in condominium and cooperative apartment buildings subject to the following criteria:
1. 100% of the energy is used exclusively for the co-owners' benefit.
 2. None of the energy is used in any endeavor which sells or rents a commodity or provided service for a fee.
 3. Each point of delivery will be separately metered and billed.
 4. A responsible legal entity is established as the Customer to whom the Company can render its bills for said service.
- (2) Commercial Service - service to Customers engaged in selling, servicing, warehousing, or distributing a commodity, in some business activity or in a profession, or in some form of economic or social activity (offices, stores, clubs, hotels, etc.) and for purposes that do not come directly under another classification of service. A premise which might otherwise, except for business activity conducted thereon, be entitled to Residential Service shall be classified as Commercial unless that portion of said premise use solely for residential purposes is metered separately.
- (3) Industrial Service - service to Customers engaged in a process which creates or changes raw or unfinished material into another form or product. (Factories, mills, machine shops, mines, oil plants, refineries, creameries, canning, and packing plants, shipyards, etc., i.e., in extractive, fabricating, or processing activities.)

Technical Terms and Abbreviations (continued)

- E. Service Line - all wiring between the Company's main line or substation transformer terminals and the point of connection to Customers service entrance.
- F. Single Service - one set of facilities over which Customer may receive electric power.
- G. KW or Kilowatt - one thousand (1,000) watts.
- H. KWh or Kilowatt-hour - one thousand (1,000) watt-hours.
- I. Energy - current consumed, expressed in kilowatt-hours.
- J. BTU or British Thermal Unit - the amount of heat required to raise the temperature of one (1) pound of water one degree Fahrenheit (1°F) at sixty degrees Fahrenheit (60°F).
- K. Horsepower - the nameplate rating of motors or its equivalent in other apparatus. For conversion purposes, on horsepower shall be considered as equivalent to 0.75 kilowatts.
- L. Candlepower - one-tenth of the manufacturer's rating in lumens.
- M. Connected Load - sum of the ratings of the electric power consuming apparatus connected to the installation or system, or part of either, under consideration.
- N. Demand - the load at the terminals of an installation or system averaged over a specified period of time. Demand is expressed in kilowatts, kilovolt-amperes, or other suitable units.
- O. Power Factor - ratio of kilowatts to kilovolt-amperes.
- P. Month - the period between any two (2) regular readings of Company's meters at approximately thirty (30) day intervals.

INDEX OF RULES AND REGULATIONS

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RULES AND REGULATIONS

Applicable to Electric Service and Electric Rate Schedules

1. General

Company shall furnish service under its rate schedules and these Rules and Regulations as approved from time to time by the Florida Public Service Commission and in effect at this time. These Rules and Regulations shall govern all service except as specifically modified by the terms and conditions of the rate schedules or written contracts. Copies of currently effective Rules and Regulations are available at the office of Company

Unless otherwise specifically provided in any applicable rate schedule or in a contract by or with Company, the term of any agreement shall become operative on the day the Customer's installation is connected to Company's facilities for the purpose of taking electric energy and shall continue for a period of one (1) year and continuously thereafter until cancelled by three (3) or more days' notice by either party.

2. Application for Service

An application for service will be required by Company from each Applicant. Such application shall contain the information necessary to determine the type of service desired and the conditions under which service will be rendered. If necessary, the application or contract for service shall be in writing.

The application or depositing of any sum of money by the Applicant shall not require company to render service until the expiration of such time as may be reasonable required by Company to determine if Applicant has complied with the provisions of these Rules and Regulations and as may reasonably be required by Company to install the required facilities.

3. Election of Rate Schedules

Optional rates are available for certain classes of customers. These optional rates and the conditions under which they are applicable are set forth in Company's rate schedules.

Upon application for service or upon request, Applicant or Customer shall elect the applicable rate schedule best suited to his requirements. Company will assist in making such election but does not guarantee that Customers will be served under the most favorable rate schedule at all times. Company shall not be held

RULES AND REGULATIONS (Continued)

3. Election of Rate Schedules (Continued)

responsible to notify Customers of the most favorable rates schedule and will not refund the difference in charge under different rate schedules to the same class of service.

Upon notification of any material changes in Customer's installation or load conditions, Company will assist in determining if a change in rates is desirable, but unless required by substantial changes in the Customer's installation, not more than (1) such change in rates will be made within any twelve (12) month period.

Company will require a written contract with special guarantee from Applicants whose characteristics of load would require excessive investment in facilities of whose requirements for service are of a special nature.

4. Customer Deposits

A. Deposit Required

Residential

An initial deposit or suitable guarantee to cover the payment of bills will be required of the Applicant or Customer before service will be supplied. Such initial deposit shall not exceed an amount necessary to cover charges for service for two billing months.

Non-Residential Service

An initial deposit based on the previous customer's average two month's billings at the same location, or in the case of the establishment of a new account, based on an estimated two month's billing will be required of the Applicant or Customer before service will be supplied.

B. Establishment of Credit

In lieu of cash deposit a customer may:

- (1) Furnish a satisfactory guarantor to secure payment of bills for the service requested, such guarantor to be a customer of the Company with a satisfactory payment record. Guarantors providing security for payment of residential customers' bills shall only be liable for bills contracted at the service address contained in the contract of guaranty.
- (2) Furnish an irrevocable letter of credit from a bank.
- (3) Furnish a surety bond.

RULES AND REGULATIONS (Continued)

4. Customer Deposits (Continued)

C. Refund of Deposits

After a customer has established a satisfactory payment record and has had continuous service for a period of 23 months, the utility shall refund the residential customer's deposits and shall, at its option either refund or pay the higher rate of interest specified below for nonresidential deposits, providing the customer has not, in the preceding 12 months, (a) made more than one late payment of a bill (after the expiration of 20 days from the date of mailing or delivery by the utility), (b) paid with a check refused by a bank, (c) been disconnected for non-payment, or at any time, (d) tampered with the meter, or (e) used service in a fraudulent or unauthorized manner. Company may, at its option, refund a deposit in less than 23 months.

D. Interest on Deposits

Company shall pay a minimum interest on deposits of 6 percent per annum. The Company shall pay an interest rate of 7 percent per annum on deposits of nonresidential customers qualifying under Section (c) above when the Company elects not to refund such deposit after 23 months. No customer shall be entitled to receive interest on his deposit until and unless a customer relationship and the deposit have been in existence for a continuous period of six months, then he shall be entitled to receive interest from the day of the commencement of the customer relationship and the placement of deposit. Deposits shall cease to bear interest upon discontinuance of service.

E. New or Additional Deposits

Company may require, upon reasonable written notice of not less than 30 days, such notice being separate and apart from any bill for service, a new deposit where previously waived or returned, or an additional deposit, in order to secure payment of current bills; provided, however, that the total amount of the required deposit shall not exceed an amount equal to the average actual charges for service for two billing periods for the 12-month period immediately prior to the date of notice. In the event the customer has had service for less than 12 months, then the Company shall base its new or additional deposit upon the average actual monthly billing available.

RULES AND REGULATIONS (Continued)

4. Customer Deposits (Continued)

F. Retention of Deposits

Retention by Company, prior to final settlement, of said deposit shall not be considered as a payment or part payment of any bill for service. Company shall, however, apply said deposit against unpaid bills for service. In such case, Customer shall be required to restore deposit to original amount.

G. Refund of Deposit When Service is Discontinued

Upon discontinuance of service, the deposit and accrued interest shall be credited against the final account and the balance, if any, shall be returned promptly to the customer, but in no event later than fifteen (15) days after service is discontinued.

RULES AND REGULATIONS (Continued)

5. Customer' Facilities

Customer shall make or procure satisfactory conveyance to Company of all necessary easement and rights-of-way, including right of convenient access to Company's property, for furnishing adequate and continuous service or the removal of Company's property upon termination of service.

Customer should furnish Company a description of the load to be connected prior to wiring his premises or purchasing any electric equipment. Company will then furnish customer such information as characteristics of service which is or will be available at the point of delivery.

All wiring and equipment beyond Company's meter and accessories thereto, necessary to utilize service furnished by Company, shall be installed by and belong to the Customer and be maintained at his expense. Customer shall bring his wiring to a point of connection to Company's service lines at a location satisfactory to Company.

All wiring and electric equipment shall conform to the requirements of the National Electrical Code as adopted by Company and local ordinances, if any.

Company reserves the right to inspect and approve the installation of all wiring and equipment to utilize Company's service; but such inspection or failure to make inspection or the fact that Company may connect to such installation shall not make Company liable for any loss or damage which may be occasioned by the use of such installation or equipment used therefrom or of Company's service.

Customer shall install only such motors or other apparatus or appliances as are suitable for operation with the character of the service supplied by Company, and electric energy must not be used in such a manner as to cause detrimental voltage fluctuations or disturbances in Company's distribution system.

All apparatus used by Customer shall be of such type as to secure the highest practicable commercial efficiency, power factor and proper balancing of phases. Motors which are frequently started or motors arranged for automatic control must be equipped with controlling devices, approved by Company, to give maximum starting torque with minimum current flow.

RULES AND REGULATIONS (Continued)

6. Service Connections

A. General

Company reserves the right to designate the location of the point of connection, transformers and meters and to determine the amount of space which must be left unobstructed for the installation and maintenance thereof. Applicant may request an alternation of such a designation but, if consented to by Company, the excess cost of such revised designation over and above the cost of the original Company design shall be borne by Applicant.

Company reserves the right to postpone to a more favorable season the extension of lines and connection of services during seasons of the year when climatic conditions would cause abnormally high construction costs.

B. Overhead Service in Overhead Zone

Customer's wiring must be brought outside the building wall nearest Company's service wires so as to be readily accessible thereto or to transformer terminals if located close to the wall. All connections between the service entrance and meter location shall comply with local ordinances and shall be in rigid conduit or cable approved by Company. Company will furnish, install and maintain the service conductors to the point of connection to Customer's facilities.

C. Underground Service in Overhead Zone

Customers desiring an underground service in an overhead zone may make application for service with the Company. The Company will install and own the underground service from the meter location to the pole from which connection is to be made, including the necessary run of cable or conduit up the side of the pole. The Customer will pay in advance to the Company the estimated difference in the cost of the underground service and or equivalent overhead service.

D. Underground Service in Underground Residential Distribution Systems

The service connection to the building normally will be at the point of the building nearest the point at which the underground system enters the property to be served. If such service connection point on any building is more than seventy-five (75) feet, measured at right angles, from the serving property line, the Customer will pay the difference between an underground service and an equivalent overhead service for all service line in excess of seventy five (75) feet.

RULES AND REGULATIONS (Continued)

E. Underground Service in Underground Zone (Other Than Residential Areas)

Where service is supplied from an underground distribution system, at Company's choice, Company will provide and install the cable conduit or ducts from its manhole or street connection box or main feed lines in street to the property line adjoining the property to be served.

The Customer shall supply and install the cable conduit or ducts from the property line into the building, terminating said conduit or ducts inside the building wall at a point located by the Company inspector. The Customer shall make arrangements with the Company for Company to supply and install continuous run of cable conductors from the manhole or street connection box to the inside of the building wall. Customer shall be charged for materials, labor, and other expenses incurred from the portion of cable installed inside the building.

Where Company is required by governmental or other valid authority to install underground distribution, and abandon overhead distribution, Company shall not be required to bear any of the cost of making the necessary changes on Customer's premises. If, however, Company elects to change an existing Customer's service from overhead to underground, Company shall bear the cost of disconnecting the Customer's service from the overhead system and reconnecting it to the underground system unless such change is necessitated by a change in the Customer's requirements.

7. Line Extensions

A. Overhead Extensions

(1) Free Extensions

- (a) Company shall make extensions to or alterations in its facilities in accordance with Rule 25-6.064 of Florida Public Service Commission, these Rules and Regulations and free of charge to provide service to an applicant or group of applicants located within the Company's service area when the estimated total non-fuel revenue for the first four (4) years from the Applicant or Applicants equals or exceeds the estimated cost of the necessary includable construction; provided, however, that the patronage or demand will be of such permanency as to warrant the expenditure involved.

RULES AND REGULATIONS (Continued)

(b) The formula used to calculate the maximum amount of no-charge extension or alteration will be as follows:

(1) for customers in rate classes that pay only energy charges, i.e., do not pay demand charges:

maximum amount = 4 X (non-fuel energy charge KWH)
(estimated annual KWH usage)

(2) for customers in classes that pay both energy charges and demand charges:

maximum amount = 4 X (non-fuel energy charge KWH)
(estimated annual KWH usage)
+ 4 X (estimated annual demand
charge revenue from sales
over new line)

(2) Other Extensions

When the line extension or alteration required in order to furnish service within Company's service area is a reasonable extension of the Company's facilities but greater than the free construction specified above, and the Applicant or Applicants shall contract to use service for at least four (4) years, such extension or alteration shall be made subject to the following condition;

(a) Applicant or Applicants shall make a non-refundable contribution in aid of construction (CIAC)_{OH} prior to commencement of construction, in an amount equal to the amount that the estimated cost to provide the extension or alteration exceeds the maximum amount of the no-charge extension or alteration as determined in A(b) (1) or A(b) (2) above.

B. Underground Extension

(1) New residential subdivisions and multiple-occupancy buildings.

(a) Company shall make underground extension of its facilities to serve new residential subdivisions or new multiple-occupancy buildings, in accordance with the provisions of the "Rules for Residential Electric Underground Service" of the Florida Public Service Commission; provided that the Applicant or Applicants, in accordance with the Rules of the Florida Public Service Commission, will pay to the Company in an amount equal to the difference in cost between an underground system (exclusive of supply system feeders) and an equivalent overhead system.

RULES AND REGULATIONS (Continued)

(2) Residential, commercial, industrial extensions

- (a) Company shall make underground extensions or alterations in its facilities in accordance with Rule 25-6.064 of Florida Public Service Commission and these Rules and Regulations to provide underground service to an applicant or group of applicants, within the Company's service area provided that the applicant, or group of applicants, pay the Company a contribution in aid of underground construction (CIAC)_{UG} in an amount equal to the estimated difference in cost to provide underground service instead of overhead service to the Applicant(s) plus the amount, if any, by which the estimated cost to provide an overhead service exceeds the maximum amount of no-charge construction (CIAC)_{OH} as determined in A(2) above.
- (b) The following formula shall be used to determine the contribution in aid of underground construction with all cost based on Rule 25-6.0342, FAC, Electric Infrastructure Storm Hardening:

(CIAC)_{UG} = (estimated cost to provide underground service facilities including distribution line, transformer, service drop and other necessary fixtures) minus (the estimated cost to provide service using overhead facilities) plus (CIAC)_{OH}.

RULES AND REGULATIONS (Continued)

UNDERGROUND ELECTRIC DISTRIBUTION FACILITY CHARGES

DEFINITIONS

The following words and terms used under this Part shall have the meaning indicated:

- (1) Applicant: The Applicant is the person or entity seeking the undergrounding of existing or newly planned electric distribution facilities by the Company. When a developer requests local government development approval, the local government shall not be deemed the applicant for purposes of this rule.
- (2) Commission: Florida Public Service Commission.
- (3) Cost Estimate: A non-refundable deposit charged an Applicant by the Company for the purpose of preparing a binding cost estimate of the amount required for the Company to construct or convert particular distribution facilities as underground.
- (4) Company: Florida Public Utilities Company.
- (5) Distribution Facilities: All electrical equipment of the Company required to deliver electricity to homes and businesses.
- (6) Facility Charge: That charge required to be paid by an Applicant for the Company to construct or convert particular distribution facilities as underground.
- (7) High Density Subdivision: A subdivision having a density of six (6) or more dwelling units per acre.
- (8) Low Density Subdivision: A subdivision having a density of at least 1.5 dwelling units per acre but less than six (6) dwelling units per acre.
- (9) Overhead: Pertains to distribution facilities consisting of conductors, switches, transformers, etc. which are installed above ground on supporting poles.
- (10) Underground: Pertains to distribution facilities consisting of conductors, switches, transformers, etc. which are installed below or on the ground.

RULES AND REGULATIONS (Continued)

GENERAL

(1) APPLICATION

This tariff section applies to request for underground electric distribution facilities offered in lieu of overhead facilities. The installation of underground distribution lines in new residential subdivisions is not covered in this section of the tariff. These installations are covered under "Rules of the Florida Public Service Commission", Chapter 25-6, Part V, "Rules for Residential Electric Underground Extensions", and the Company's "Rules and Regulations", Item 7.

(2) APPLICATION REQUEST

An applicant shall submit a request in writing for the Company to develop a cost estimate to accomplish the undergrounding of particular electric facilities. The request shall be accompanied by an appropriate deposit and shall specify the following information:

- (a) the area(s) being sought to be undergrounded
- (b) a list of all electric customers affected
- (c) an estimated time frame for undergrounding to be accomplished
- (d) details of any construction by the Applicant
- (e) any other pertinent information which the Applicant possesses that may assist the Company in preparing an appropriate cost estimate

RULES AND REGULATIONS (Continued)

COST ESTIMATE DEPOSITS

(1) NON-BINDING COST ESTIMATES

The Company will provide a non-binding cost estimate related to the request at no cost to the Applicant. The non-binding cost estimate shall be an order of magnitude estimate to assist the requestor in determining whether to go forward with a binding cost estimate.

(2) BINDING COST ESTIMATES

Upon the payment of a non-refundable deposit, as specified below, the Company shall provide an applicant with a binding cost estimate specifying the facility charge required for the installation. The facility charge to be collected pursuant to a binding cost estimate from an applicant shall not be subject to increase or refund unless the project scope is enlarged or reduced, or the project is not completed at the request of the applicant.

The deposit shall be forfeited, and the binding cost estimate provided to an Applicant shall be considered expired, if the Applicant does not enter into a contract for the installation of the requested underground electric distribution within 180 days of delivery of the binding cost estimate by the Company. For good cause the Company may extend the 180 day time limit.

The deposit for a binding cost estimate, which approximates the engineering costs for underground facilities associated with preparing the requested estimate, shall be calculated as follows:

I. New Construction (Excluding New Residential Subdivisions)

Facilities Classification	Deposit Amount
Urban Commercial	\$3,715 per overhead primary mile
Urban Residential	\$2,565 per overhead primary mile
Rural Residential	\$1,946 per overhead primary mile

II. Conversions

Facilities Classification	Deposit Amount
Urban Commercial	\$5,750 per overhead primary mile
Urban Residential	\$4,511 per overhead primary mile
Rural Residential	\$3,273 per overhead primary mile
Low Density Subdivision	\$18.00 per lot
High Density Subdivision	\$17.00 per lot

The deposit must be paid to the Company to initiate the estimating process. The deposit will be applied in the calculation of the facility charge to be required for the installation of underground distribution facilities.

RULES AND REGULATIONS (Continued)

CONSTRUCTION CONTRACT

(1) GENERAL

Upon acceptance by the Applicant of a binding cost estimate, the Applicant shall execute a contract with the Company to perform the construction of the underground distribution facilities. The contract shall specify the type and character of system to be provided; establish the facility charge to be paid by Applicant prior to commencement of construction; specify details of construction to be performed by Applicant, if any; and address those other terms and conditions described in Part (4) below.

(2) FACILITIES CHARGE

The charge shall be calculated in accordance with the appropriate formula described below with all cost based on Rule 25-6.0342, FAC, Electric Infrastructure Storm Hardening:

(a) NEW CONSTRUCTION

Charge =

Estimated cost of construction of underground facilities including underground service laterals to customers' meters;
Minus, estimated construction cost of overhead facilities including overhead service drops to customers' meters;
Minus, qualifying cost estimate deposit.

(b) CONVERSION

Charge =

Remaining book value of existing overhead facilities to be removed;
Plus, removal cost of existing overhead facilities;
Minus, salvage value of existing overhead facilities;
Plus, estimated cost of construction of underground facilities including underground service laterals to customers' meters;
Minus, estimated construction cost of overhead facilities including overhead service drops to customers' meters;
Minus, qualifying cost estimated deposit.

RULES AND REGULATIONS (Continued)

(3) CONSTRUCTION BY APPLICANT

If agreed upon by the Applicant and the Company, the Applicant may construct or install portions of the underground system as long as such work meets the Company's engineering and construction standards. The Company will own and maintain the completed distribution facilities upon accepting the system as operational. The type of system provided will be determined by the Company's standards.

Any facilities provided by the Applicant will be inspected by Company inspectors prior to acceptance. Any deficiencies discovered as a result of these inspections will be corrected by the applicant at his sole expense, including the costs incurred by performing the inspections. Corrections must be made in a timely manner by the Applicant; otherwise the Company will undertake the correction and bill the Applicant for all costs of such correction. These costs shall be additional to the original binding cost estimate.

(4) OTHER TERMS AND CONDITIONS

- (a) Easements: Easements satisfactory to both the Company and the Customer must be provided for by the Applicant prior to commencement of construction at no expense to the Company. Additional easements are not required when facilities are to be located on private property wholly within an area covered by a recorded subdivision utility easement, namely a reservation and recorded plat of an easement for public utility purposes and where underground electrical facilities are not prohibited. Where underground distribution facilities for serving more than one customer are located on private property, easements are required.

Secondary voltage underground facilities wholly within one property for the purpose of serving only one customer do not require easements. All primary voltage underground facilities require easements. Easements are not required for facilities in public rights-of-way.

RULES AND REGULATIONS (Continued)

- (b) Scheduling, Clearing, and Grading: Rights-of-way and easements suitable to the Company must be furnished by the Applicant in a reasonable time to meet service requirements and must be cleared of trees, tree stumps, paving and other obstruction, staked to show property lines and final grade and must be graded to within six (6) inches of final grade by the Applicant before the Company will commence construction, all at no charge to the Company. Such clearing and grading must be maintained by the Applicant during construction by the Company. Grade stakes must be provided at transformer, pullbox, and switch locations.
- (c) Restoration: All removal and restoration of buildings, roads, driveways, sidewalks, patios, fences, ditches, landscaping, sprinkler systems, other utilities, etc. shall be the full responsibility of the Applicant and shall cause no cost to the Company. Removal of all construction debris not belonging to the Company shall be the responsibility of the Applicant or other.
- (d) Other Joint Users on the Company Poles: Applicant must make arrangements with all other overhead utilities and third parties to remove their overhead facilities from the Company's poles prior to construction or to concurrently convert their facilities to underground or remove them at no cost to the Company. The Applicant shall produce, if requested by the Company, executed agreements with all joint users guaranteeing this requirement.
- (e) Affected Electric Customers: Applicant must make arrangements with all affected Company customers to, in a timely fashion, prepare their premises and service entrance for underground electrical service from the new underground distribution system. All customers affected by the undergrounding request must agree to accept underground service. This customer conversion will be at no cost to the Company.
- (f) Damage to Company's Underground Facilities: The Applicant shall be responsible to ensure the Company's distribution system, once installed, is not damaged, destroyed, or otherwise disturbed during the construction of the project. This responsibility shall extend not only to those in his employ, but also to his subcontractors, and he shall be responsible for the full cost of repairing such damage.

RULES AND REGULATIONS (Continued)

8. Metering

Company will provide each Customer with a meter or meters for each applicable rate schedule.

Customer, acting jointly with Company, may install, maintain and operate at his expense such check measuring equipment as desired provided that such equipment shall be so installed as not to interfere with operation of Company's equipment and that no electric energy shall be remetered for resale to another or others.

Before installation and periodically thereafter, each meter shall be tested and adjusted using methods and accuracy limits prescribed or approved by the Florida Public Service Commission. Periodic test and inspection intervals shall not exceed the maximum period allowed by the Florida Public Service Commission.

If on test the meter is found to be in error in excess of prescribed accuracy limits, fast or slow, the amount of refund or charge to the Customer shall be determined by methods prescribed or approved by the Florida Public Service Commission.

In the event of stoppage or failure of any meter to register, customer may be billed for such period on an estimated consumption based upon his use of electric energy in a similar period of like use or on the basis of check meter readings, if available and accurate.

Meters in use shall be tested at the request of Customer and in his presence, if desired, provided only one (1) such test shall be made free of charge within a twelve (12) month period, and provided Customer shall pay the cost of any additional test within this period unless meter is shown to be inaccurate in excess of the tolerances set forth by the Florida Public Service Commission. If the customer requests a test more frequently, the company may require a deposit, not to exceed \$50.00, to defray the cost of testing.

9. Billing and Collecting

Each Customer's meter will be read at regular intervals and bills will be rendered on a monthly basis or periodically in accordance with the terms of the applicable rate schedule. Bills will be rendered as soon as practical after determination of their amount and shall be due and payable at the office of Company within twenty (20) days after date of bill. Failure to receive a bill will not entitle Customer to any discount or to the omission of any charge for nonpayment within the time specified.

RULES AND REGULATIONS (Continued)

9. Billing and Collecting (continued)

A separate bill will be rendered for each meter used by Customer unless, for the convenience of Company, multiple meters are used for measurement of the same class of service, in which case a bill will be rendered for the total amount registered by all meters. If Company, (as it may under unusual circumstances), permits more than one Customer to be served through one meter, the minimum bill and the first billing block kilowatt-hours of the applicable rate schedule shall be multiplied by the number of Customer so served and the number of kilowatt-hours in each succeeding block of the rate schedule shall be increased in the same proportion.

Billings in general will be based on meter readings but bills will be adjusted to compensate for errors in meter registration, in the reading thereof, or in the application of meter reading schedules to intervals five (5) days greater or lesser than a month.

In case of tampering or unauthorized use, probable consumption will be billed as determined by the maximum quantity of electric energy estimated to have been consumed by the various appliances of Customer and a bill will be rendered for a period encompassing six (6) months prior to the detection of such abuse and /or disconnection for cause.

10. Customer's Liabilities

Company shall have the right to enter the premises of Customer at all reasonable hours for the purpose of making such inspection of Customer's installation as may be necessary for the proper application of Company's rate schedules and Rules and Regulations; for installing, removing, testing, or replacing its apparatus or property; for reading meters; and for the entire removal of Company's property in event of termination of service to Customer for any reason.

All property of Company installed in or upon Customer's premises used and useful in supplying service is placed there under Customer's protection. All reasonable care shall be exercised to prevent loss of or damage to such property and, ordinary wear and tear excepted, Customer will be held liable for any such loss of property or damage thereto and shall pay to Company the cost of necessary repairs or replacements.

Customer will be held responsible for breaking the seals, tampering or interfering with Company's meter or meters or other equipment of Company installed on customer's premises, and no one except employees of Company will be allowed to make any repairs or adjustments to any meter or other piece of apparatus belonging to Company except in case of emergency.

RULES AND REGULATIONS (Continued)

10. Customers Liabilities (continued)

Customer shall not materially increase load without first notifying Company and obtaining consent.

Company shall have the right, if necessary, to construct its poles, lines and circuits on Customer's property, and to place its transformers and other apparatus on the property or within the buildings of Customer, at a point or points convenient for such purpose and Customer shall provide suitable space for such installation.

11. Company's Liabilities

Company will use reasonable diligence in furnishing as uniform a supply of electric energy as practicable, except where rate schedules provide otherwise. Company may interrupt its service hereunder, however, for the purpose of making necessary alterations and repairs, but only for such time as may be reasonable or unavoidable, and Company shall give to those Customers it knows may be seriously affected, except in case of emergency, reasonable notice of its intention so to do, and shall endeavor to arrange such interruption so as to inconvenience Customer as little as possible.

Whenever Company deems an emergency warrants interruption or limitation in the service being rendered, such interruption or limitation shall not constitute a breach of contract and shall not render Company liable for damages suffered thereby or excuse Customer from further fulfillment of the contract.

In the event that the supply of electric energy shall be interrupted from causes other than the foregoing or force majeure and such interruption is due to the negligence of Company and Company is liable because thereof, that liability shall be limited to twice the amount which Customer would have paid for electric energy during the period of such interruption. However, Company shall not be liable to Customer for any loss, injury or damage resulting from use of Customer's equipment or from the use of electric service furnished by Company or from the connection of Company's facilities with Customer's wiring and appliances.

RULES AND REGULATIONS (Continued)

12. Force Majeure

Except for payment of bills due, neither the Company nor the Customer shall be liable in damage to the other for any act, omission or circumstances occasioned by or in consequence of any acts of God, strikes, lockouts, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, unforeseeable or unusual weather conditions, washouts, arrests and restraint of rules and peoples, civil disturbances, explosions, breakage or accident to machinery or electric lines, temporary failure of electric supply, the binding order of any court or governmental authority which has been resisted in good faith by all reasonable legal means, and any other cause, whether of the kind herein enumerated, or otherwise, and whether caused or occasioned by or happening on account of the act or omission of Company or Customer or any other person or concern not reasonably within the control of the party claiming suspension and which by the exercise of due diligence such party is unable to prevent or overcome. A failure to settle or prevent any strike or other controversy with employees or with anyone purporting or seeking to represent employees shall not be considered to be a matter within the control of the party claiming suspension.

13. Discontinuance of Service

The Company reserves the right, but assumes no liability for failure so to do, to discontinue service to any Customer for cause as follows:

A. Without notice,

- (1) if a dangerous condition exists on Customer's premises in wiring or energy-consuming devices.
- (2) because of a fraudulent use of the service or tampering with Company's equipment.
- (3) upon request by Customer, subject to any existing agreement between Customer and Company as to unexpired term of service.

B. After five (5) working days' (any day on which the utility's business office is open and the U.S. Mail is delivered) notice in writing,

- (1) for nonpayment of bill for electric service.
- (2) when Company has reasonable evidence that Customer has been previously disconnected for nonpayment at present or other location and is receiving service for his own use under a different name in order to avoid past due payments to Company.

RULES AND REGULATIONS (Continued)

- (3) for refusal or failure to make a deposit or increase a deposit, when requested, to assure payment of bills.
- (4) for a violation of these Rules and Regulations which Customer refuses or neglects to correct.

C. Discontinuance of Service When That Service is Medically Essential:

For purposes of this section, a Medically Essential Service Customer is a residential customer whose electric service is medically essential, as affirmed through the certificate of a doctor of medicine licensed to practice in the State of Florida. Service is "medically essential" if the customer has continuously operating electric-powered medical equipment necessary to sustain the life of or avoid serious medical complications requiring immediate hospitalization of the customer or another permanent resident at the service address. The physician's certificate shall explain briefly and clearly, in non-medical terms, why continuance of electric service is medically essential, and shall be consistent with the requirements of the Company's tariff. A customer who is certified as a Medically Essential Service Customer must renew such certification periodically through the procedures outlined above. The Company may require certification no more frequently than 12 months.

The Company shall provide Medically Essential Service Customers with a limited extension of time, not to exceed thirty (30) days, beyond the date service would normally be subject to disconnection for non-payment of bills (following the requisite notice pursuant to Rule 25-6.105(5) of the Florida Administrative Code). The Company shall provide the Medically Essential Service Customer with written notice specifying the date of disconnection based on the limited extension. The Medically Essential Service Customer shall be responsible for making mutually satisfactory arrangements to ensure payment within this additional extension of time for service provided by the Company and for which payment is past due, or to make other arrangements for meeting medically essential needs.

RULES AND REGULATIONS (Continued)

No later than 12 noon one day prior to the scheduled disconnection of service of a Medically Essential Service Customer, the Company shall attempt to contact such customer by telephone in order to provide notice of the scheduled disconnect date. If the Medically Essential Service Customer does not have a telephone number listed on the account, or if the utility cannot reach such customer or other adult resident of the premises by telephone by the specified time, a field representative will be sent to the residence to attempt to contact the Medically Essential Service Customer, no later than 4 PM of the day prior to scheduled disconnection. If contact is not made, however, the company may leave written notification at the residence advising the Medically Essential Service Customer of the scheduled disconnect date; thereafter, the Company may disconnect service on the specified date. The Company will grant special consideration to a Medically Essential Service Customer in the application of Rule 26-6.097(3) of the Florida Administrative Code.

In the event that a customer is certified as a Medically Essential customer, the customer shall remain solely responsible for any backup equipment and/or power supply and a planned course of action in the event of a power outage. The Company does not assume, and expressly disclaims, any obligation or duty; to monitor the health or condition of the person requiring medically essential service; to insure continuous service; to call, contact, or otherwise advise of service interruptions; or, except expressly provided by this section, to take any other action (or refrain from any action) that differs from the normal operation of the Company.

14. Reconnection of Service

When service shall have been discontinued for any of the reasons set forth in these Rules and Regulations, Company shall not be required to restore service until the following conditions have been met by the Customer:

A. Where service was discontinued without notice,

- (1) The dangerous condition shall be removed and, if the Customer had been warned of the condition a reasonable time before the discontinuance and had failed to remove the dangerous condition, a reconnection fee shall be paid.
- (2) all bills for service due Company by reason of fraudulent use or tampering shall be paid, a deposit to guarantee the payment of future bills shall be made, and a reconnection fee shall be paid.
- (3) if reconnection is requested on the same premises after discontinuance, a reconnection fee shall be paid.

RULES AND REGULATIONS (Continued)

- B. Where service was discontinued with notice,
- (1) satisfactory arrangements for payment of all bills for service then due shall be made and a reconnection fee shall be paid.
 - (2) a satisfactory arrangement for the payment of bills then due under a different name shall be made and a reconnection fee shall be paid.
 - (3) a satisfactory guarantee of payment for all future bills shall be furnished and a reconnection fee shall be paid.
 - (4) the violation of these Rules and Regulations shall be corrected and a reconnection fee shall be paid.

The reconnection fee as required under items A and B above shall be as follows:

During Normal Business Hours	\$44.00
After Normal Business Hours	\$93.00

15. Termination of Service

Subject to any existing agreement between Customer and Company, if Customer wishes the electric service to be terminated, he shall give notice at the office of the Company at least three (3) days prior to the time that such termination shall become effective. Customer will be held liable both for any electric energy that may pass through the meter and safe custody of the Company's property until three (3) days after such notice shall have been given, provided that the meter and/or other movable equipment shall not have been removed within that time by the Company.

If Customer wishes Company's property to be removed, he shall give notice at the office of the Company at least ten (10) days prior to the time that such removal must be made.

RULES AND REGULATIONS (Continued)

16. Limitations of Supply

Company reserves the right, subject to regulatory authority having jurisdiction, to limit, restrict or refuse service that will result in additions to its distribution system and/or production capacity and/or alterations in its contractual requirements of supply from non-affiliated companies that may jeopardize service to existing Customers.

17. Temporary Service

The Company upon request will supply temporary service when company's distribution system is nearby the requested location.

When the temporary service is to be later replaced with a permanent service, the Company will install a service drop, meter and other facilities as may be necessary to the customers temporary service pole and remove same at the termination of temporary service. To recover the cost of installing and removing such temporary service, an advance of \$200.00 per service to the applicant will be applied. For underground temporary service using customer provided wire, an advance of \$170.00 per service will be required. Should the company be required to install an additional pole, an additional \$200.00 will be added to the advance per service.

When the temporary service will not be replaced by a permanent service or when the location is such that multiple temporary poles and/or extensive facilities are required, the Company will estimate the cost of installing and removing the temporary facilities and the advance charge to the applicant will be that cost estimate.

The rate schedule for temporary service shall be that which is applicable to the class of service for that customer.

18. Fees for Initial Connections

In addition to the deposit or suitable guarantee to cover the payment of bills as required by the Rules and Regulations, each Applicant or Customer shall pay an initial turn-on connection fee of \$52.00.

19. Re-establish or Make Change to Account

There shall be a charge to re-establish or change any account to which service is currently rendered under any of the Company' rate schedules in the amount of \$23.00. Should it be necessary, at the customer's request, to disconnect and then reconnect the service to the account, the customer shall pay a temporary disconnect then reconnect fee in the amount of \$33.00.

RULES AND REGULATIONS (Continued)

20. Returned Check Charge

The service charge for each worthless check shall be determined in accordance with Section 68.065, Florida Statutes. As of October 1, 1996, Section 68.065, F.S., provided for a service charge of \$25.00, if the face value does not exceed \$50.00, \$30.00, if the face value exceeds \$50.00 but does not exceed \$300.00 and \$40.00, or 5 percent of the face amount of the check, whichever is greater if the face value exceeds \$300.00. Such service charge shall be added to the customer's bill for electric service for each check dishonored by the bank upon which it is drawn. Termination of service shall not be made for failure to pay the returned check charge.

21. Late Payment Charge

A bill shall be considered past due upon the expiration of twenty (20) days from the date the bill is generated by Company. The balance of all past due charges for services rendered are subject to a Late Payment charge of 1.5% or \$5.00, whichever is greater, except the accounts of federal, state, and local governmental entities, agencies, and instrumentalities. A Late Payment Charge shall be applied to the accounts of federal, state, and local governmental entities, agencies and instrumentalities at a rate no greater than allowed, and in a manner permitted by applicable law.

22. Measuring Customer Service

- (1) All energy sold to customer, except that sold under flat rate schedule, shall be measured by commercially acceptable measuring devices owned and maintained by the Company, except where it is impractical to meter loads, such as street lighting, temporary or special installations, in which case the consumption may be calculated, or billed on demand or connected load rate or as provided in Company's filed tariff.
- (2) When there is more than one meter at a location the metering equipment shall be so tagged or plainly marked as to indicate the circuit metered. Where similar types of meters record difference quantities, (kilowatt hours and relative power, for example), metering equipment shall be tagged or plainly marked to indicate what the meters are recording.
- (3) Meters which are not direct reading shall have the multiplier plainly marked on the meter. All charts taken from recording meters shall be marked with the date of the record, the meter number, customer, and chart multiplier. The register ratio shall be marked on all meter registers. The watt-hour constant for the meter itself shall be placed on all watt-hour meters.
- (4) Metering equipment shall not be set "fast" or "slow" to compensate for supply transformer or line losses.
- (5)
 - (a) Individual electric metering by Company shall be required for each separate occupancy unit of new commercial establishments, residential buildings, condominiums, cooperatives, marinas, and trailer, mobile home and recreational vehicle parks for which construction is commenced after January 1, 1981. Individual electric meters shall not, however, be required:

(Continued on Sheet No. 22.2)

RULES AND REGULATIONS (Continued)

1. In those portions of a commercial establishment where the floor space dimensions or physical configuration of the units are subject to alteration, as evidenced by non-structural element partition walls, unless the utility determines that adequate provisions can be made to modify the metering to accurately reflect such alterations;
 2. For electricity used in central heating, ventilating and air conditioning systems, or electric back up service to storage heating and cooling systems;
 3. For electricity used in specialized-use housing accommodations such as hospitals, nursing homes, living in facilities located on the same premises as, and operated in conjunction with, a nursing home or other health care facility providing at least the same level and types of services as a nursing home, convalescent homes, facilities certified under chapter 651, Florida Statutes, college dormitories, convents, sorority houses, fraternity houses, motels, hotels, and similar facilities.
 4. For separate, specially-designated areas for overnight occupancy at trailer, mobile home and recreational vehicle parks where permanent residency is not established and for marinas where living aboard is prohibited by ordinance, deed restriction, or other permanent means.
 5. For new and existing time-share plans, provided that all of the occupancy units which are served by the master meter or meters are committed to a timeshare plan as defined in Section 721, Florida Statutes, and none of the occupancy units are used for permanent occupancy. When a time-share plan is converted from individual metering to master metering, the customer must reimburse the utility for the costs incurred by the utility for the conversion. These costs shall include, but not be limited to, the undepreciated cost of any existing distribution equipment which is removed or transferred to the ownership of the customer, plus the cost of removal or relocation of any distribution equipment, less the salvage value of any removed equipment.
- (b) For purpose of this rule:
1. "Occupancy unit" means that portion of any commercial establishment, single and multi-unit residential building, or trailer, mobile home or recreational vehicle park, or marina which is set apart from the rest of such facility by clearly determinable boundaries as described in the rental, lease, or ownership agreement for such unit.
 2. "Time-sharing plan" means any arrangement, plan, scheme or similar device, whether by membership, agreement, tenancy in common, sale, lease, deed, rental agreement, license, or right-to-use agreement or by any other means,

(Continued on Sheet No. 22.3)

RULES AND REGULATIONS (Continued)

whereby a purchaser, in exchange for a consideration, receives a right to use accommodations or facilities, or both, for a specific period of times less than a full year during any given year, but not necessarily for consecutive years, and which extends for a period of more than three years.

3. The construction of a new commercial establishment, residential building, marina, or trailer, mobile home or recreational vehicle park shall be deemed to commence on the date when the building structure permit is issued.
 4. The individual metering requirement is waived for any time sharing facility for which construction was commenced before December 23, 1982, in which separate occupancy units were not metered in accordance with subsection (5) (a).
 5. "Overnight Occupancy" means use of an occupancy unit for a short term such as per day or per week where permanent residency is not established.
 6. The term "cost" as used herein means only those charges specifically authorized by the electric utility's tariff, including but not limited to the customer, energy, demand, fuel, and conservation charges made by the Company plus applicable taxes and fees to customer of record responsible for the master meter payments. The term does not include late payment charges, returned check charges, the cost of distribution system behind the master meter, the cost of billing, and other such costs.
- (6)
- (a) Where individual metering is not required under Subsection (5) (a) and master metering is used in lieu thereof, reasonable apportionment methods, including sub-metering, may be used by customer of record or the owner of such facility solely for the purpose of allocating the cost of the electricity billed by the Company.
 - (b) Any fees or charges allocated by customer of record for electricity billed to customer's account by Company, whether based on the use of sub-metering or any other allocation method, shall be determined in a manner which reimburses the customer of record for no more than the customer's actual cost of electricity.

RULES AND REGULATIONS (Continued)

22. Service Charges

A. Initial establishment of service	\$53.00
B. Re-establish Or Change Account	\$23.00
C. Temporary disconnect then reconnect Service	\$33.00
D Re-connect service after being disconnected for rule violation	
Normal Business Hours	\$44.00
After Normal Business Hours	\$95.00
E. Connect and then disconnect temporary Service	\$51.00
F. Collection Charge	\$14.00

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Florida Public Utilities Company
F.P.S.C. Electric Tariff
Second Revised Volume No. I

First Revised Sheet No. 24
Cancels Original Sheet No. 24

Reserved For Future Use

Issued by: John T. English, President

Effective: May 1, 2008

RATE SCHEDULE RS
RESIDENTIAL SERVICE

Availability

Available within the territory served by the Company in Jackson, Calhoun and Liberty Counties and on Amelia Island in Nassau County.

Applicability

Applicable for service to a single family dwelling unit occupied by one family or household and for energy used in commonly-owned facilities in condominium and cooperative apartment buildings.

Character of Service

Single-phase service at nominal secondary voltage of 115/230 volts; three-phase service if available.

Limitations of Service

The maximum size of any individual single-phase motor hereunder shall not exceed five (5) horsepower.

The Company shall not be required to construct any additional facilities for the purpose of supplying three-phase service unless the revenue to be derived therefrom shall be sufficient to yield the Company a fair return on the value of such additional facilities.

Monthly Rate

Customer Facilities Charge:
\$14.00 per customer per month

Base Energy Charge:
All KWH 1.967¢/KWH

Purchased Power Charges

Purchased power charges are adjusted by the Florida Public Service Commission, normally each year in January. For current purchased power costs included in the tariff, see Sheet No. 41.

Minimum Bill

The minimum monthly bill shall consist of the above Customer Facilities Charge.

(Continued on Sheet No. 26)

RATE SCHEDULE RS
RESIDENTIAL SERVICE

(Continued from Sheet No. 25)

Purchased Power Costs
See Sheet No. 41

Conservation Costs
See Sheet No. 41

Franchise Fee Adjustment

Customers taking service within franchise areas shall pay a franchise fee adjustment in the form of a percentage to be added to their bills prior to the application of any appropriate taxes. This percentage shall reflect the customer's pro rata share of the amount the Company is required to pay under the franchise agreement with the specific governmental body in which the customer is located.

Average Billing Plan (Optional)

Year-round residential customers with a zero balance due to Company and a minimum of 12 months billing history at their current residence may, at their option, elect to pay for their residentially metered electric service by a special payment method called the "Average Billing Plan". The Plan will apply only to metered service on this rate. Qualified customers electing the Plan will be enrolled contingent upon receipt and approval by the Company of a written application on the Company's standard form.

Under the Average Billing Plan, the customer will receive a monthly bill which has been determined by the following method: The previous 12 months average KWH is calculated at the currently effective rate. To this amount is applied an adjustment percentage of any deferred balance (debit or credit), which is the cumulative difference between prior actual billings and average billing amounts. The total of the averaged bill, plus the adjustment percentage of the deferred amount, is rounded to the nearest \$5.00 dollars for the current month's average billing amount. Extraneous charges (balances, taxes, deposit interest credit, etc.) are then added to arrive at the current amount due.

Terms and Conditions

Service under this rate schedule is subject to the Company's Rules and Regulations applicable to electric service.

Florida Public Utilities Company
F.P.S.C. Electric Tariff
Second Revised Volume No. I

First Revised Sheet No. 27
Cancels Original Sheet No. 27

Reserved For Future Use

Issued by: John T. English, President

Effective: May 1, 2008

RATE SCHEDULE OL
OUTDOOR LIGHTING SERVICE
(CLOSED TO NEW INSTALLATIONS)

Availability

Available within the territory served by the Company in Jackson, Calhoun and Liberty Counties and on Amelia Island in Nassau County.

Applicability

Applicable to any customer for non-metered outdoor lighting service.

Character of Service

Lighting service from dusk to dawn.

Limitations of Service

Service is limited to lighting by mercury vapor lamps of 7,000 or 20,000 lumens mounted on wood poles.

Monthly Rate

When lighting fixtures are mounted on existing poles and served directly from existing overhead secondary distribution lines:

<u>Lamp Size</u> <u>Lumens</u>	<u>KWH/Mo.</u> <u>Estimate</u>	<u>Facilities</u> <u>Charge</u>	<u>Maintenance</u> <u>Charge</u>	<u>Energy</u> <u>Charge</u>	<u>Total</u> <u>Charge</u>
7,000	72	\$2.53	\$0.49	\$2.59	\$5.62
20,000	154	\$6.92	\$0.85	\$5.54	\$13.32

Charges for other Company-owned facilities:

Each wood pole and overhead span of wire installed: \$4.24

For concrete or fiberglass poles and/or underground conductors etcetera, the customer shall pay a lump sum amount equal to the estimated differential cost between the special system and the equivalent overhead-wood pole system.

Purchased Power Charges

Purchased power charges are adjusted by the Florida Public Service Commission, normally each year in January. For current purchased power costs included in the tariff, see Sheet No. 41.

Minimum Bill

The above rates times the number of lamps connected.

Terms of Payment

Bills are rendered net and are due and payable within twenty (20) days from date of bill.

(Continued on Sheet No. 28.1)

RATE SCHEDULE OL
OUTDOOR LIGHTING SERVICE

(Continued from Sheet No. 28.0)

Purchased Power Costs
See Sheet No. 41

Conservation Costs
See Sheet No. 41

Franchise Fee Adjustment

Customers taking service within franchise areas shall pay a franchise fee adjustment in the form of a percentage to be added to their bills prior to the application of any appropriate taxes. This percentage shall reflect the customer's pro rata share of the amount the Company is required to pay under the franchise agreement with the specific governmental body in which the customer is located.

Term of Service

Service under this rate schedule shall be by written contract for a period of two or more years.

Terms and Conditions

1. Service under this rate schedule is subject to the Company's Rules and Regulations applicable to electric service.
2. The charges set forth above cover the initial installation of overhead lines, poles and fixture assembly including bracket, and maintenance including lamp renewals due to burn outs only. Lamp renewals and other necessary service will be performed only during regular daytime working hours as soon as practical after notification of the necessity by the customer.

RATE SCHEDULE OL-2
HIGH PRESSURE SODIUM VAPOR and Metal Halide
OUTDOOR LIGHTING SERVICE

Availability

Available within the territory served by the Company in Calhoun, Jackson and Liberty Counties and on Amelia Island in Nassau County.

Applicability

Applicable to any customer for non-metered outdoor lighting service.

Character of Service

Lighting service from dusk to dawn.

Limitations of Service

Service is limited to lighting by high-pressure sodium vapor or metal halide lamps mounted on company poles. Company-owned facilities will be installed only on Company-owned poles.

Monthly Rate

When lighting fixtures are mounted on existing poles and served directly from existing overhead secondary distribution lines:

<u>Type Facility</u>	<u>Lamp Lumens</u>	<u>Size Watts</u>	<u>KWH/Mo. Estimate</u>	<u>Facilities Charge</u>	<u>Maintenance Charge</u>	<u>Energy Charge</u>	<u>Total Charge</u>
<u>High Pressure Sodium Lights</u>							
Acorn	16,000	150	61	\$15.00	\$1.81	\$2.20	\$19.01
ALN 440	16,000	150	61	\$22.32	\$2.59	\$2.20	\$27.11
Amer. Rev.	9,500	100	41	\$8.42	\$1.14	\$1.48	\$11.04
Amer. Rev.	16,000	150	61	\$8.64	\$1.13	\$2.20	\$11.96
Cobra Head	9,500	100	41	\$6.37	\$0.95	\$1.48	\$8.80
Cobra Head	22,000	200	81	\$9.70	\$0.42	\$2.92	\$13.03
Cobra Head	28,500	250	101	\$11.66	\$1.45	\$3.64	\$16.75
Cobra Head	50,000	400	162	\$8.77	\$1.33	\$5.83	\$15.94
Flood	28,500	250	101	\$8.83	\$1.33	\$3.64	\$13.80
Flood	50,000	400	162	\$13.61	\$1.64	\$5.83	\$21.08
Flood	130,000	1,000	405	\$17.04	\$2.17	\$14.58	\$33.79
SP2 Spectra	9,500	100	41	\$18.91	\$3.13	\$1.48	\$23.52
<u>Metal Halide Lights</u>							
ALN 440	16,000	175	71	\$22.46	\$2.64	\$2.56	\$27.66
Flood	50,000	400	162	\$9.17	\$1.38	\$5.83	\$16.38
Flood	130,000	1,000	405	\$15.82	\$2.02	\$14.58	\$32.41
Shoebox	16,000	175	71	\$17.29	\$2.14	\$2.56	\$21.98
Shoebox	28,500	250	101	\$18.40	\$2.38	\$3.64	\$24.41
SP2 Spectra	9,500	100	41	\$18.77	\$2.18	\$1.48	\$22.43
Vertical Shoebox	130,000	1,000	405	\$22.16	\$2.66	\$14.58	\$39.41

(Continued on Sheet No. 29.1)

RATE SCHEDULE OL-2
HIGH PRESSURE SODIUM VAPOR and METAL HALIDE
OUTDOOR LIGHTING SERVICE

(Continued from Sheet No. 29.0)

Charges for other Company-owned facilities:

1) 30' Wood Pole	\$4.02
2) 40' Wood Pole	\$8.11
3) 18' Fiberglass	\$7.12
4) 13' Decorative Concrete	\$10.73
5) 20' Decorative Concrete	\$12.16
6) 35' Concrete	\$11.87
7) 10' Deco Base Aluminum	\$13.97

For the poles shown above that are served from an underground system, the Company will provide up to one hundred (100) feet of conductor to service each fixture. The customer will provide and install the necessary conduit system to Company specifications.

Purchased Power Charges

Purchased power charges are adjusted annually by the Florida Public Service Commission. For current purchased power costs included in the tariff, see Sheet No. 41.

Minimum Bill

The above rates times the number of lamps connected.

Terms of Payment

Bills are rendered net and are due and payable within twenty (20) days from date of bill.

Purchased Power Costs

See Sheet No. 41

Conservation Costs

See Sheet No. 41

Franchise Fee Adjustment

Customers taking service within franchise areas shall pay a franchise fee adjustment in the form of a percentage to be added to their bills prior to the application of any appropriate taxes. This percentage shall reflect the customer's pro rata share of the amount the Company is required to pay under the franchise agreement with the specific governmental body in which the customer is located.

(Continued on Sheet No. 29.2)

RATE SCHEDULE OL-2
HIGH PRESSURE SODIUM VAPOR and METAL HALIDE
OUTDOOR LIGHTING SERVICE

(Continued from Sheet No. 29.1)

Term of Service

Service under this rate schedule shall be by written contract for a period of five or more years.

Terms and Conditions

1. Service under this rate schedule is subject to the Company's Rules and Regulations applicable to electric service.

2. The charges set forth above cover the initial installation of overhead lines, poles and fixture assembly including bracket, and maintenance including lamp renewals due to burn outs only.

RATE SCHEDULE GS
GENERAL SERVICE - NON-DEMAND

Availability

Available within the territory served by the Company in Jackson, Calhoun and Liberty Counties and on Amelia Island in Nassau County.

Applicability

Applicable to commercial and industrial lighting, heating, cooking and small power loads aggregating 25 KW or less. Sports or athletic fields operated by non-profit organizations and having less than 300 KW of connected load will be served under the transitional rate of this rate schedule, unless such organizations, at their options, take service under the GSD rate schedule.

Character of Service

Single or three-phase service at available standard voltage.

Limitations of Service

Service shall be at a single metering point.

Monthly Rate

Customer Facilities Charge:
\$21.00 per customer per month

Base Energy Charge:
All KWH 2.206¢/KWH

Transitional Rate for Non-Profit Sports Fields

Monthly Rate

Customer Facilities Charge:
\$27.08 per customer per month

Base Energy Charge: 4.8660¢/KWH

Purchased Power Charges

Purchased power charges are adjusted by the Florida Public Service Commission, normally each year in January. For current purchased power costs included in the tariff, see Sheet No. 41.

Minimum Bill

The minimum monthly bill shall consist of the above Customer Facilities Charge.

Terms of Payment

Bills are rendered net and are due and payable within twenty (20) days from date of bill.

(Continued on Sheet No. 31)

RATE SCHEDULE GS
GENERAL SERVICE - NON-DEMAND

(Continued from Sheet No. 30)

Purchased Power Costs
See Sheet No. 41

Conservation Costs
See Sheet No. 41

Franchise Fee Adjustment

Customers taking service within franchise areas shall pay a franchise fee adjustment in the form of a percentage to be added to their bills prior to the application of any appropriate taxes. This percentage shall reflect the customer's pro rata share of the amount the Company is required to pay under the franchise agreement with the specific governmental body in which the customer is located.

Terms and Conditions

Service under this rate schedule is subject to the Company's Rules and Regulations applicable to electric service.

RATE SCHEDULE GSD
GENERAL SERVICE - DEMAND

Availability

Available within the territory served by the Company in Jackson, Calhoun and Liberty Counties and on Amelia Island in Nassau County.

Applicability

Applicable to commercial, industrial and municipal service with a measured demand of 25 KW but less than 500 KW for three or more months out of the twelve consecutive months ending with the current billing period. Also available, at the option of the customer, to any customer with demands of less than 25 KW who agrees to pay for service under this rate schedule for a minimum initial term of twelve months.

Character of Service

Single or three-phase service at available standard voltage.

Limitations of Service

Service shall be at a single metering point at one voltage.

Monthly Rate

Customer Facilities Charge:
\$62.00 per customer per month

Demand Charge:
Each KW of Billing Demand \$ 3.47/KW

Base Energy Charge
All KWH 0.3230¢/KWH

Purchased Power Charges

Purchased power charges are adjusted by the Florida Public Service Commission, normally each year in January. For current purchased power costs included in the tariff, see Sheet No. 41.

Minimum Bill

The minimum monthly bill shall consist of the above Customer Facilities Charge plus the Demand Charge for the currently effective billing demand.

Terms of Payment

Bills are rendered net and are due and payable within twenty (20) days from date of bill.

Purchased Power Costs

See Sheet No. 41

(Continued on Sheet No. 33)

MARIANNA DIVISION
RATE SCHEDULE GSD
GENERAL SERVICE - DEMAND

(Continued from Sheet No. 32)

Conservation Costs

See Sheet No. 41

Franchise Fee Adjustment

Customers taking service within franchise areas shall pay a franchise fee adjustment in the form of a percentage to be added to their bills prior to the application of any appropriate taxes. This percentage shall reflect the customer's pro rata share of the amount the company is required to pay under the franchise agreement with the specific governmental body in which the customer is located.

Billing Demand

The billing demand in any month shall be the greatest of the following:

- (a) The highest fifteen-minute average load for the current month, as registered by a demand meter or indicator.
- (b) The highest fifteen-minute average load for the current month after adjustment for power factor, in accordance with the Power Factor Clause of this schedule.
- (c) For those customers electing to take service under this rate schedule in lieu of the otherwise applicable rate schedule the billing demand shall be as in either (a) or (b) above, but not less than 20 KW.

Terms of Service

Not less than one year.

Power Factor of Clause

The Company reserves the right to measure power factor and if it is less than 85%, adjust the maximum demand for any month by multiplying the measured demand by 85% and dividing by the actual power factor.

Transformer Ownership Discount

If the customer elects to take service at the available primary voltage and furnish and maintain any transformers required, the monthly demand charge will be reduced by fifty five (55) cents per kilowatt. Such customers will be metered at primary voltage and in recognition of estimated average transformation losses of 1% the KW and KWH measured units shall be multiplied by a factor of 0.99 for billing purposes.

Terms and Conditions

Service under this rate schedule is subject to the Company's Rules and Regulations applicable to electric service.

RATE SCHEDULE GSLD
GENERAL SERVICE - LARGE DEMAND

Availability

Available within the territory served by the Company in Jackson, Calhoun and Liberty Counties and on Amelia Island in Nassau County.

Applicability

Applicable to commercial, industrial and municipal service with a measured demand of 500 KW but less than 5000 KW for three or more months out of the twelve consecutive months ending with the current billing period. Also available, at the option of the customer, to any customer with demands of less than 500 KW who agrees to pay for service under this rate schedule for a minimum initial term of twelve months.

Character of Service

Three-phase service at available standard voltage.

Limitations of Service

Service shall be at a single metering point at one voltage.

Monthly Rate

Customer Facilities Charge:
\$113.00 per customer per month

Demand Charge:
Each KW of Billing Demand \$ 4.34/KW

Base Energy Charge
All KWH 0.1130¢/KWH

Purchased Power Charges

Purchased power charges are adjusted by the Florida Public Service Commission, normally each year in January. For current purchased power costs included in the tariff, see Sheet No. 41.

Minimum Bill

The minimum monthly bill shall consist of the above Customer Facilities Charge plus the Demand Charge for the currently effective billing demand.

Terms of Payment

Bills are rendered net and are due and payable within twenty (20) days from date of bill.

Purchased Power Costs

See Sheet No. 41

(Continued on Sheet No. 34.1)

RATE SCHEDULE GSLD
GENERAL SERVICE - LARGE DEMAND

(Continued from Sheet No. 34.0)

Conservation Costs
See Sheet No. 41

Franchise Fee Adjustment

Customers taking service within franchise areas shall pay a franchise fee adjustment in the form of a percentage to be added to their bills prior to the application of any appropriate taxes. This percentage shall reflect the customer's pro rata share of the amount the Company is required to pay under the franchise agreement with the specific governmental body in which the customer is located.

Billing Demand

The billing demand in any month shall be the greatest of the following:

- (a) The highest fifteen-minute average load for the current month, as registered by a demand meter or indicator.
- (b) The highest fifteen-minute average load for the current month after adjustment for power factor, in accordance with the Power Factor Clause of this schedule.
- (c) For those customers electing to take service under this rate schedule in lieu of the otherwise applicable rate schedule the billing demand shall be as in either (a) or (b) above, but not less than 400 KW.

Terms of Service

Not less than one year.

Power Factor of Clause

The Company reserves the right to measure power factor and if it is less than 85%, adjust the maximum demand for any month by multiplying the measured demand by 85% and dividing by the actual power factor.

Transformer Ownership Discount

If the customer elects to take service at the available primary voltage and furnish and maintain any transformers required, the monthly demand charge will be reduced by fifty five (55) cents per kilowatt. Such customers will be metered at primary voltage and in recognition of estimated average transformation losses of 1% the KW and KWH measured units shall be multiplied by a factor of 0.99 for billing purposes.

Terms and Conditions

Service under this rate schedule is subject to the Company's Rules and Regulations applicable to electric service.

RATE SCHEDULE GSLD 1
GENERAL SERVICE - LARGE DEMAND 1

Availability

Available within the territory served by the Company in Jackson, Calhoun, and Liberty Counties and on Amelia Island in Nassau County.

Applicability

Applicable to commercial and industrial services of customers contracting for at least 5,000 kilowatts of electric service.

Character of Service

Three-phase, 60 hertz, electric service delivered and metered at a single point at the available transmission voltage, nominally 69,000 volts or higher.

Monthly Rate

Customer Facilities Charge Per
Customer Per Month \$600.00

Transmission Demand
Charge: \$1.12/KW of NCP Billing Demand

Reactive Demand
Charge: \$0.24/kVar of Excess Reactive Demand

Production Demand
Charge: Purchased Power Demand Charge
See Sheet No. 41

Energy Charge: Purchased Power Energy Charge
See Sheet No. 41

NOTE: The Production Demand Charge for the GSLD class will recover the Jacksonville Electric Authority Demand Charge or Southern Company Charge to FPUC plus line losses and applicable taxes. This charge is applied to the customer's demand at the time of the system's monthly coincident peak (CP demand).

Purchased Power Energy Charges

Purchased power charges are adjusted by the Florida Public Service Commission, normally year in January. For correct purchased power energy costs included in the tariff, see Sheet No. 41.

Minimum Bill

The minimum monthly bill is the sum of the Transmission Demand Charge and the Customer Charge.

Terms of Payment

Bills are rendered net and due and payable within twenty (20) days from date of bill.

(Continued on Sheet No. 35.1)

RATE SCHEDULE GSLD 1
GENERAL SERVICE - LARGE DEMAND 1

(Continued from Sheet No. 35.0)

Conservation Costs

See Sheet No. 41

Franchise Fee Adjustment

Customers taking service within franchise areas shall pay a franchise fee adjustment in the form of a percentage to be added to their bills prior to the application of any appropriate taxes. This percentage shall reflect the customer's pro rata share of the amount the Company is required to pay under the franchise agreement with the specific governmental body in which the customer is located.

CP Billing Demand

The CP Billing Demand in any month shall be the customer's greatest fifteen-minute average load as registered by FPUC's demand meter.

NCP Billing Demand

The NCP Billing Demand in any month shall be the customer's greatest fifteen-minute average load as registered by FPUC's demand meter, but not less than 5,000 KW.

Excess Reactive Demand

The Excess Reactive Demand in any month shall be any lagging kVar during the period of FPUC's system maximum demand in excess of one-half of the CP Billing Demand in that month.

Term of Service

Contract for service hereunder shall be for a period of not less than one year.

Terms and Conditions

Service under this rate schedule is subject to the Company's Rules and Regulations applicable to electric service.

RATE SCHEDULE - SB
STANDBY SERVICE

Availability

Available within the territory served by the Company in Jackson, Calhoun and Liberty Counties and on Amelia Island in Nassau County.

Applicability

Applicable only to customers which are self-generators with capabilities of serving the customer's full electronic power requirements and that require backup and/or maintenance service on a firm basis. This rate schedule is not applicable to self-generating customers for supplemental service.

Character of Service

Single or three-phase service at available standard voltage.

Limitations of Service

Service shall be at a single metering point at one voltage. The contract demand shall not exceed the KW capacity of customer's generator.

Monthly Rate

Customer Facilities Charge:

- (a) For those customers who have contracted for standby service capacity of less than 500 KW - the GSD customer facilities charge plus \$25.00.
- (b) For those customers who have contracted for standby service of 500 KW or greater - the GSLD customer facilities charge plus \$25.00.

Local Facilities Charge:

- (a) For those customers who have contracted for standby service capacity of less than 500 KW - \$1.76/KW.
- (b) For those customers who have contracted for standby service of 500 KW or greater - \$0.43/KW.

Purchased Power Charges

Demand and energy used by the customer in any month shall be charged at the then currently effective rates of the Company's wholesale supplier adjusted for estimated line losses and applicable taxes. Such charges will consist of Coincident Peak (CP) Demand charge and an energy charge. The CP Demand shall be the customer's measured KW coincident in time with that of the Company's maximum monthly demand at the substation serving the system to which the customer is connected. The energy charge shall be applied to the measured KWH during the billing period and shall be based on the actual energy charge (including fuel charges) of the Company's wholesale supplier during the billing period.

The currently effective rates of the Company's wholesale supplier would result in the following demand and energy charges for purchased power after adjustment for estimated line losses and applicable taxes. These are shown for illustrative purposes only. Actual purchased power rates in effect at the time of use shall be used for determining the monthly unit charges.

CP Demand Charge - Each KW of CP Demand	\$7.22/KW
Energy Charge - All	3.223¢

(Continued on Sheet No. 36.1)

RATE SCHEDULE SB
STANDBY SERVICE

(Continued from Sheet No. 36.0)

Minimum Bill

The minimum monthly bill shall consist of the above Customer Charge plus the Local Facilities charge for the currently effective Contract Demand.

Terms of Payment

Bills are rendered net and are due and payable within twenty (20) days from date of bill.

Conservation Costs

See Sheet No. 41

Franchise Fee Adjustment

Customers taking service within franchise areas shall pay a franchise fee adjustment in the form of a percentage to be added to their bills prior to the application of any appropriate taxes. This percentage shall reflect the customer's pro rate share of the amount the Company is required to pay under the franchise agreement with the specific governmental body in which the customer is located.

Contract Demand

The Contract Demand shall be that KW demand as specified in the contract for service with the customer and shall represent the maximum demand that customer requires for backup and maintenance service. The specified Contract Demand shall not exceed the KW capacity of customer's generator. The Contract Demand level may be periodically renegotiated if required, but not more than once a year. In the event that customer's maximum measured 15-minute average load in any month exceeds the specified Contract Demand by an amount greater than five (5) percent, that maximum demand shall be used as the Contract Demand for billing of the Local Facilities Charge in the current month and the succeeding eleven (11) months.

CP Demand

The CP billing demand shall be the greater of the following:

- (a) The 15-minute average load for the current month, as measured by a demand meter, at the time of the Company's maximum demand for the current month at the substation serving the system to which the customer is connected.
- (b) Seventy-five (75) percent of the maximum CP demand established in the preceding eleven (11) months.

(Continued on Sheet No. 36.2)

MARIANNA DIVISION
RATE SCHEDULE -SB
STANDBY SERVICE

(Continued from Sheet No. 36.1)

Terms of Service

By written contract for an initial period of not less than five (5) years.

Power Factor Clause

The Company reserves the right to take service at the available primary voltage and furnish and maintain any transformers required, the local facilities charge will be reduced by the following amounts:

- (a) For those customers who have contracted for standby service capacity of less than 500 KW - the GSD transformer ownership discount divided by the ratio of the 100% ratcheted KW to billing KW.
- (b) For those customers who have contracted for standby service capacity of 500 KW or greater - the GSLD transformer ownership discount divided by the ratio of the 100 percent ratcheted KW to billing KW.

Such customers will be metered at primary voltage and in recognition of estimated average transformation losses of 1%, the KW and KWH measured units shall be multiplied by a factor of 0.99 for billing purposes.

Special Metering Requirements

Service under this rate schedule requires the use of time-of-day metering. Customer will be required to pay a one-time Contribution-in-Aid-of-Construction prior to the initiation of service equal to the difference in cost between that of the time-of-day meter and that of the otherwise standard meter. Company will notify customer of the amount of Contribution required prior to the execution of the contract for service. No Contribution will be required in the event customer has previously paid for the cost of time-of-day metering under the Company's cogeneration tariff and that same meter can be utilized without modification for metering under this Standby Service Rate Schedule.

Transfer to Full Requirements Service

In the event of changed circumstances in customer's operations or generating capabilities, customer may, on twelve (12) advance written notice to Company, transfer to the applicable full requirements rate schedule, provided however, that no such transfers shall be accepted as long as continued backup and maintenance service is required. Company may waive the 12-months notice requirement when the Company has in place facilities that will allow serving customer's full requirements.

Terms and Conditions

Service under this rate schedule is subject to the Company's Rules and Regulations applicable to electric service.

Florida Public Utilities Company
F.P.S.C. Electric Tariff
Second Revised Volume No. I

First Revised Sheet No. 37
Cancels Original Sheet NO. 37

Reserved for Future Use

Issued by: John T. English, President

Effective: May 1, 2008

RATE SCHEDULE SL1-2
MERCURY VAPOR STREET LIGHTING SERVICE
(CLOSED TO NEW INSTALLATIONS)

Availability

Available within the territory served by the Company in Calhoun, Jackson and Liberty Counties and on Amelia Island in Nassau County.

Applicability

Applicable to municipal customer for mercury vapor street lighting service.

Character of Service

Lighting service from dusk to dawn.

Limitations of Service

Service is limited to lighting by mercury vapor lamps of 7,000 or 20,000 lumens mounted on wood poles.

Monthly Rate

When lighting fixtures are mounted on existing poles and served directly from existing overhead secondary distribution lines:

<u>Lamp Size</u> <u>Lumens</u>	<u>KWH/Mo.</u> <u>Estimate</u>	<u>Facilities</u> <u>Charge</u>	<u>Maintenance</u> <u>Charge</u>	<u>Energy</u> <u>Charge</u>	<u>Total</u> <u>Charge</u>
7,000	72	\$0.87	\$1.32	\$3.09	\$5.28
20,000	154	\$1.46	\$1.50	\$6.61	\$9.57

Charges for other Company-owned facilities:

Each wood pole and overhead span of wire installed: \$4.24

For concrete or fiberglass poles and/or underground conductors, etcetera, the customer shall pay a lump sum amount equal to the estimated differential cost between the special system and the equivalent overhead-wood pole system.

Purchased Power Charges

Purchased power charges are adjusted by the Florida Public Service Commission, normally each year in January. For current purchased power costs included in the tariff, see Sheet No. 41.

Minimum Bill

The above rates times the number of lamps connected.

Terms of Payment

Bills are rendered net and are due and payable within twenty (20) days from date of bill.

(Continued on Sheet No. 37.2)

RATE SCHEDULE SL1-2
MERCURY VAPOR STREET LIGHTING SERVICE
(CLOSED TO NEW INSTALLATIONS)

(Continued from Sheet No. 37.1)

Purchased Power Costs
See Sheet No. 41

Conservation Costs
See Sheet No. 41

Franchise Fee Adjustment

Customers taking service within franchise areas shall pay a franchise fee adjustment in the form of a percentage to be added to their bills prior to the application of any appropriate taxes. This percentage shall reflect the customer's pro rata share of the amount the Company is required to pay under the franchise agreement with the specific governmental body in which the customer is located.

Terms of Service

Service under this rate schedule shall be by written contract for a period of two or more years.

Terms and Conditions

1. Service under this rate schedule is subject to the Company's Rules and Regulations applicable to electric service.
2. The charges set forth above cover the initial installation of overhead lines, poles and fixture assembly including bracket, and maintenance including lamp renewals due to burn outs only. However, Company shall not be required to replace existing street lighting fixtures with service under this rate.

RATE SCHEDULE SL-3
HIGH PRESSURE SODIUM VAPOR and METAL HALIDE
STREET LIGHTING SERVICE

Availability

Available within the territory served by the Company in Calhoun, Jackson and Liberty Counties and on Amelia Island in Nassau County.

Applicability

Applicable for lighting of public ways and areas.

Character of Service

Lighting service from dusk to dawn.

Limitations of Service

Service is limited to lighting by high pressure sodium vapor or metal halide lamps mounted on company poles. Company-owned facilities will be installed only on Company-owned poles. Customer-owned facilities will be installed only on customer-owned poles.

Monthly Rate

When lighting fixtures are mounted on existing poles and served directly from existing overhead secondary distribution lines:

<u>Type Facility</u>	<u>Lamp Lumens</u>	<u>Size Watts</u>	<u>KWH/Mo. Estimate</u>	<u>Facilities Charge</u>	<u>Maintenance Charge</u>	<u>Energy Charge</u>	<u>Total Charge</u>
<u>High Pressure Sodium Lights</u>							
Acorn	16,000	150	61	\$11.37	\$6.69	\$2.62	\$20.68
Amer. Rev.	9,500	100	41	\$6.51	\$4.13	\$1.76	\$12.40
Amer. Rev.	16,000	150	61	\$6.35	\$4.66	\$2.62	\$13.63
Cobra Head	9,500	100	41	\$4.75	\$3.03	\$1.76	\$9.54
Cobra Head	22,000	200	81	\$6.09	\$3.13	\$3.47	\$12.70
Cobra Head	28,500	250	101	\$5.83	\$4.29	\$4.33	\$14.46
Cobra Head	50,000	400	162	\$6.82	\$4.80	\$6.95	\$18.58
Flood	28,500	250	101	\$10.01	\$5.86	\$4.33	\$20.21
<u>Metal Halide Lights</u>							
ALN 440	16,000	175	71	\$24.27	\$1.86	\$3.05	\$29.17
Flood	50,000	400	162	\$10.45	\$12.61	\$6.95	\$30.02
Flood	130,000	1,000	405	\$12.04	\$7.39	\$17.37	\$36.81

(Continued on Sheet No. 37.4)

RATE SCHEDULE SL-3
HIGH PRESSURE SODIUM VAPOR and METAL HALIDE
STREET LIGHTING SERVICE

(Continued from Sheet No. 37.3)

Charges for other Company-owned facilities:

1) 30' Wood Pole	\$3.98
2) 40' Wood Pole	\$9.80
3) 18' Fiberglass	\$8.27
4) 13' Decorative Concrete	\$11.23
5) 20' Decorative Concrete	\$12.41
6) 35' Concrete	\$13.89
7) 10' Deco Base Aluminum	\$16.17

For the poles shown above that are served from an underground system, the Company will provide up to one hundred (100) feet of conductor to service each fixture. The customer will provide and install the necessary conduit system to Company specifications.

Purchased Power Charges

Purchased power charges are adjusted annually by the Florida Public Service Commission. For current purchased power costs included in the tariff, see Sheet No. 41.

Minimum Bill

The above rates times the number of lamps connected.

Terms of Payment

Bills are rendered net and are due and payable within twenty (20) days from date of bill.

Purchased Power Costs

See Sheet No. 41

Conservation Costs

See Sheet No. 41

Franchise Fee Adjustment

Customers taking service within franchise areas shall pay a franchise fee adjustment in the form of a percentage to be added to their bills prior to the application of any appropriate taxes. The percentage shall reflect the customer's pro rata share of the amount the Company is required to pay under the franchise agreement with the specific governmental body in which the customer is located.

Terms and Conditions

1. Service under this rate schedule is subject to the Company's Rules and Regulations applicable to electric service.
2. The charges set forth above cover the initial installation of overhead lines, poles and fixture assembly including bracket, and maintenance including lamp renewals due to burn outs only.

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Cancels Original Sheet No. 40

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RATE ADJUSTMENT RIDER - NORTHWEST FLORIDA DIVISION

Applicability

Electric service under all rate schedules for the Northwest Florida Division, which specify that rates are subject to adjustment in accordance with the provisions of the Company's Rate Adjustment Rider.

Total Purchased Power Cost Recovery Clause

The total purchased power cost adjustment shall be applied to each kilowatt hour delivered and shall be computed in accordance with the formula prescribed by the Florida Public Service commission. The total purchased power cost adjustment for the period January 1, 2007 through December 31, 2007 is as follows:

<u>Rate Class</u>	<u>Rate Schedule</u>	<u>Levelized Adjustment</u>
Residential	RS	4.420¢/KWH
General Service	GS	4.366¢/KWH
General Service-Demand	GSD	4.177¢/KWH
Outdoor Lighting	OL, OL-2	3.447¢/KWH
Street Lighting	SL1-2, SL-3	3.463¢/KWH
General Service-Large Demand	GSLD	4.001¢/KWH
General Service- Large Demand 1	GSLD 1	Not Applicable At This Time

Energy Conservation Cost Recovery Clause

Each base energy rate per KWH of the above rate schedules for the period January 1, 2007 through December 31, 2007 shall be increased by 0.060¢/KWH of sales to recover conservation related expenditures by the Company. This adjustment is determined in accordance with the formula and procedures specified by the Florida Public Service Commission.

Tax Cost Recovery

There will be added to all bills rendered for electric service a proportionate share of all license fees and taxes imposed by any governmental authorities after November 1, 1946, to an extent sufficient to cover excess increased taxes or license fees.

RATE ADJUSTMENT RIDER - NORTHEAST FLORIDA DIVISION

APPLICABILITY

Electric service under all rate schedules for the Northeast Florida Division which specify that rates are subject to adjustment in accordance with the provisions of the Company's Rate Adjustment Rider.

TOTAL PURCHASED POWER COST RECOVERY CLAUSE

The total purchased power cost adjustment shall be applied to each kilowatt - hour delivered and shall be computed in accordance with the formula prescribed by the Florida Public Service Commission. The total purchased power cost adjustment for the period January 1, 2007 through December 31, 2007 is as follows:

<u>Rate Class</u>	<u>Rate Schedule</u>	<u>Levelized Adjustment</u>
Residential	RS	5.170¢/KWH
General Service	GS	5.056¢/KWH
General Service-Demand	GSD	4.812¢/KWH
General Service-Large Demand	GSLD	4.850¢/KWH
Outdoor Lighting	OL, OL-2	3.684¢/KWH
Street Lighting	SL-2, SL-3	3.697¢/KWH
General Service- Large Demand 1	GSLD 1	CP Demand \$7.22/KW* Energy 3.231¢/KWH*

*Estimated for informational purposes only.
Monthly rate will be billed at actual cost.

ENERGY CONSERVATION COST RECOVERY CLAUSE

Each base energy rate per KWH of the above rate schedules for the period January 1, 2007 through December 31, 2007 shall be increased by 0.060¢/KWH of sales to recover conservation related expenditures by the Company. This adjustment is determined in accordance with the formula and procedures specified by the Florida Public Service Commission.

TAX COST RECOVERY

There will be added to all bills rendered for electric service a proportionate share of all license fees and taxes imposed by any governmental authorities after January 1, 1945, to an extent sufficient to cover excess increased taxes or license fees.

FLORIDA PUBLIC UTILITIES COMPANY
EXTENSION OF FACILITIES AGREEMENT

This Agreement, executed in duplicate as of the ____ day of _____, 20____, by and between Florida Public Utilities Company, a Florida Corporation, hereinafter referred to as the "Company", party of the first part, and _____ hereinafter referred to as the "Customer", party of the second part, witnesseth:

Whereas, the customer is desirous of securing an extension or increase of the facilities of the Company as hereinafter described; and whereas, the Company is willing to make such extension or increase;

Now, therefore, in consideration of the respective and mutual covenants and agreements contained herein and hereinafter set forth, the parties hereto agree with each other as follows:

1. The Company will extend or increase its facilities as follows:

The Company will commence the extension or increase of its facilities forthwith after the execution of this Agreement and use its best efforts to complete the extension or increase of its facilities as soon as reasonably possible; provided, however, that the parties expressly agree that the Company shall not be liable or responsible for any delay caused by or resulting from shortages or unavailability of material or labor, or from any other hindrance or delay beyond the control of the Company.

2. To compensate the Company for the cost and expense of the aforesaid extension or increase of its facilities, the Customer simultaneously with the execution of this Agreement has paid to the Company the sum of \$_____, the receipt of which hereby is acknowledged by the Company. The parties agree that said sum was paid by the Customer to and received by the Company without the right of any rebate, credit, reduction or adjustment in favor of either party.

3. The parties agree that the Company shall at all times have title to and keep ownership and control in and over the aforesaid extended or increased facilities, including but not limited to all new materials and equipment installed therein; and the parties agree further that the Company shall have the sole and exclusive right to use the extended or increased facilities for the purpose of serving other customers of the Company.

EXTENSION OF FACILITIES AGREEMENT
(Continued)

4. After the extension or increase of the facilities described above, the Customer agrees that subject to all applicable terms, provisions, rights, duties and penalties, the Customer will in the usual manner and at the usual times pay for the utilities and services delivered to the Customer by means of the extended or increased facilities at the regular franchise or at special contract rates, whichever is applicable.

5. The parties agree that no representation, warranty, conditions or agreement of any kind or nature whatsoever shall be binding upon either of the parties hereto unless incorporated in this Agreement; and the parties agree further that this Agreement covers and includes the entire agreement between the parties. The parties agree that all covenants and agreements contained herein shall extend to, be obligatory upon and inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns; provided, however, that the Customer may not transfer or assign all or any part of this Agreement or any right which he may obtain hereunder without first obtaining the written consent of the Company.

In witness whereof, the parties hereto have executed this Agreement as of the day and year hereinbefore first written.

Customer _____ FLORIDA PUBLIC UTILITIES COMPANY

By _____ Title By _____ Its Agent

FLORIDA PUBLIC UTILITIES COMPANY
DEPOSIT OF FACILITIES AGREEMENT

This Agreement, executed in duplicate as of the ____ day of _____, 20____, by and between Florida Public Utilities Company, a Florida Corporation, hereinafter referred to as the "Company", party of the first part, and _____ hereinafter referred to as the "Customer", party of the second part, witnesseth:

Whereas, the customer is desirous of securing an extension or increase of the facilities of the Company as hereinafter described; and whereas, the Company is willing to make such extension or increase;

Now, therefore, in consideration of the respective and mutual covenants and agreements contained herein and hereinafter set forth, the parties hereto agree with each other as follows:

1. The Company will extend or increase its facilities as follows:

The Company will commence the extension or increase of its facilities forthwith after the execution of this Agreement and use its best efforts to complete the extension or increase of its facilities as soon as reasonably possible; provided, however, that the parties expressly agree that the Company shall not be liable or responsible for any delay caused by or resulting from shortages or unavailability of material or labor, or from any other hindrance or delay beyond the control of the Company.

2. To compensate the Company for the cost and expense of the aforesaid extension or increase of its facilities in accordance with the Company's Rules and Regulations for extensions, the Customer simultaneously with the execution of this Agreement has paid to the Company the sum of \$_____, the receipt of which hereby is acknowledged by the Company. The parties agree that said sum was paid by the Customer to and received by the Company in accordance with the Company's Rules and Regulations for service requiring extension of facilities within the service area of the Company in _____ County, Florida. The Company's Rules and Regulations as filed with and approved by the Florida Public Service Commission are made a part of this Agreement.

3. The parties agree that the Company shall at all times have title to and keep ownership and control in and over the aforesaid extended or increased

DEPOSIT OF FACILITIES AGREEMENT
(Continued)

facilities, including but not limited to all new materials and equipment installed therein; and the parties agree further that the Company shall have the sole and exclusive right to use the extended or increased facilities for the purpose of serving other customers of the Company.

4. After the extension or increase of the facilities described above, the Customer agrees that subject to all applicable terms, provisions, rights, duties and penalties, the Customer will in the usual manner and at the usual times pay for the utilities and services delivered to the Customer by means of the extended or increased facilities in accordance with the Company's tariffs filed with and approved by the Florida Public Service Commission.

5. The parties agree that no representation, warranty, conditions or agreement of any kind or nature whatsoever shall be binding upon either of the parties hereto unless incorporated in this Agreement; and the parties agree further that this Agreement covers and includes the entire agreement between the parties. The parties agree that all covenants and agreements contained herein shall extend to, be obligatory upon and inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns; provided, however, that the Customer may not transfer or assign all or any part of this Agreement or any right which he may obtain hereunder without first obtaining the written consent of the Company.

In witness whereof, the parties hereto have executed this Agreement as of the day and year hereinbefore first written.

Customer _____ FLORIDA PUBLIC UTILITIES COMPANY

By _____ Title By _____ Its Agent

Florida Public Utilities Company
F.P.S.C. Electric Tariff
Second Revised Volume No. I

First Revised Sheet No. 44
Cancels Original Sheet No. 44

CONTRACTS AND AGREEMENTS

Container Corporation of America
Agreement dated December 15, 1992

ITT Rayonier, Inc., Fernandina Division
Agreement dated April 1, 1982

Issued by: John T. English, President

Effective: May 1, 2008

INTERCONNECTION OF SMALL PHOTOVOLTAIC SYSTEMS
STANDARD INTERCONNECTION AGREEMENT
ORIGINAL VOLUME NO. 1
OF
FLORIDA PUBLIC UTILITIES COMPANY
FILED WITH
FLORIDA PUBLIC SERVICE COMMISSION

FLORIDA PUBLIC UTILITIES COMPANY

STANDARD INTECONNECTION AGREEMENT FOR SMALL
PHOTOVOLTAIC SYSTEMS

This agreement made and entered into as of this _____ day of _____, _____ by and between _____ hereinafter known at the "Customer" and Florida Public Utilities Company hereinafter know as the "Company". This agreement is made in accordance with Florida Public Commission Rule 25-6.065 F.A.C., Interconnection of Small Photovoltaic Systems (SPS) and under the terms and conditions as approved by the Florida Public Service Commission pursuant to Rule 25-6.065(2), F.A.C.

1. The Customer's SPS installation is within the Company service territory and _____ is located at _____ and should be installed and operational by _____.

2. Customer will ensure the installation will meet or exceed all requirements noted below, will provide the Company with reasonable notification prior to the operation of the SPS and will assist the Company in verifying that the installation complies with the agreement prior to operating in parallel with the Company's electric system.

3. The Customer's SPS installation is described as follows:

a. Equipment Manufacturers Name and Address:

b. Manufacturers Reference Number, Serial Number, Type, Style, Model,
Etc.

c. Name Plate Rating (KW and Voltage):

4. During construction and installation of the SPS, the Customer is responsible for compliance with the following codes and standards:
- a. Florida Public Utilities Company Rules and Regulations for Electric Service.
 - b. Applicable city, county, state, and federal construction codes and standards.
 - c. IEEE Standard 929, "Recommended Practice for Utility Interface of Photovoltaic Systems" published April 3, 2000.
 - d. IEEE Standard 1262-1995, "Recommended Practice for Qualification of Photovoltaic Modules, published April 12, 1996.
 - e. UL Standard 1741, "Standard for Safety for Static Inverters and Charge Controllers for use in Photovoltaic Systems", published January 17, 2001.
 - f. UL Standard 1703, "Standard for Safety: Flat Plate Photovoltaic Modules and Panels", published August 1, 1986
 - g. IEC Standard 61646, "Recommended Practice for Qualification of Photovoltaic Modules", published November 1996.
5. The customer will, in accordance with Rule 25-6.035(2)(b), F.A.C., obtain all necessary inspections, certificates and approvals from local code officials and will provide documentation to the Company regarding such inspections. The Company may request the Customer provide notice of inspections and testing times in order that Company personnel may be present.

6. The customer will, in accordance with Rule 25-6.035(2)(c), F.A.C, prior to operation of the SPS, acquire and maintain a general insurance liability rider for personal and property damage in the amount of up to \$100,000 per occurrence. A homeowner's policy that furnishes at least this level of liability coverage will meet the requirement. Documentation of this will be provided to the company prior to parallel operation.
7. The customer will, in accordance with Rule 25-6.035(2)(d), F.A.C., pay the Company \$120 for the processing of the application of the interconnection agreement
8. The customer will install, in accordance with Rule 26-6.035(3)(a), at the customers expense, a manual, visible load break type disconnect switch to provide a separation point between the AC power output of the installation and the Company's electric system. The manual disconnect switch shall be mounted separate from the meter socket and be readily accessible to the Company. The switch shall have a locking mechanism capable of being locked in the open position by the Company. The Company may open and lock the switch, with or without notice, should conditions require this action.
9. Prior to parallel operation of the SPS, in accordance with Rule 25-6.035(2)(e), F.A.C., Company representatives will inspect the installation to verify that all inspection and insurance requirements have been documented and that the system meets all requirements for parallel operation with the Company's electric system. Once the Company has inspected and verified that the installation meets all requirements for parallel operation with the electric system, the Company will issue a written authorization, within 10 days, that parallel operation can begin provided the system remains in compliance with all applicable codes and standards.
10. After initial startup of the installation, in accordance with Rule 25-6.035(2)(f), F.A.C., the Customer is responsible for maintaining protective devices, inverters, system components, generating equipment and other accessories in proper working order that complies with the above-mentioned requirements. Inspections, maintenance and testing in accordance with

manufacturers guidelines must be followed to insure the system is operating properly, safely and is adequately protected during both normal and abnormal operating conditions. Should any modification, component replacement or operational problem occur, the Customer must notify the Company and allow its representatives to inspect, at the Company's discretion and expense, the installation prior to the system being operated in parallel to the electric system. The Company, as necessary, may perform periodic inspections of the installation at it's own expense.

11. The Company will install a single, bi-directional meter, at the Company's expense, for the purpose of metering the net consumption of the installation. This will be the standard metering method for all installations. Under the standard installation, if in any billing cycle there results a net delivery of energy to the Company, the credit will be carried forward for the following 11 months or until the Customer's consumption negates the credit, which ever comes first. Should a credit exist after the 11th month in which the credit occurred, the Company will cancel the credit.

Should the Company estimate that a net delivery of energy will occur on a routine basis or at Customer request; additional metering may be installed to separately register the consumption and delivery of energy. The cost of the additional metering will be at the sole expense of the Company. Consumption of energy will be billed at the normal retail rate for the facility. The delivery of energy will be credited in accordance with the Schedule COG-1 rate for that facility. The monthly bill will reflect the net difference between the charge for the consumption of energy by the Customer at the normal retail rate and the credit for the delivery of energy to the Company at the Schedule COG-1 rate.

12. The Company retains the right to disconnect from the installation for any of the following reasons.
 - a. Company system emergencies, maintenance or safety requirements.

- b. Hazardous, disruptive or adverse conditions on the Company's system caused by the operation of the Customers generating or protective equipment associated with the installation
 - c. Failure of the customer to maintain the required insurance.
13. The Customer agrees to indemnify and hold harmless the Company, its subsidiaries or affiliates, and their respective employees, officers and directors, against any and all liability, loss, damage, cost or expense which the Company, its subsidiaries, affiliates, and their respective employees, officers and directors may hereafter incur, suffer or be required to pay by reason of negligence on the part of the Customer under the obligations of this agreement. The Company agrees to indemnify and hold harmless the Customer, against any and all liability, loss, damage, cost or expense which the Customer may hereafter incur, suffer or be required to pay by reason of negligence on the part of the Company under the obligations of this agreement.
14. Communications, either emergency or routine, related to this agreement or operation of the installation shall be made to the following parties:

Company:

Customer:

IN WITNESS WHEREOF, the Customer and the Company execute this Agreement
this _____ day of _____, _____.

ATTEST:

FLORIDA PUBLIC UTILITIES COMPANY

By: _____

Title: _____

Date: _____

ATTEST:

CUSTOMER

By: _____

Title: _____

Date: _____