



GUNSTER

ATTORNEYS AT LAW

Our File Number: 33016
Writer's Direct Dial Number: 850-521-1706

December 14, 2010

100459-E1

RECEIVED-FPSO
10 DEC 14 PM 4:56
COMMISSION
CLERK

BY HAND DELIVERY

Ms. Ann Cole, Commission Clerk
Office of the Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Petition for Authority to Implement a Demonstration Project of Proposed Time-of-Use and Interruptible Rate Schedules on an Experimental Basis and Request for Expedited Treatment

Dear Ms. Cole:

Enclosed for filing on behalf of Florida Public Utilities Company, please find an original and 7 copies of a Petition for Authority to Implement a Demonstration Project of Proposed Time-of-Use and Interruptible Rate Schedules and Corresponding Fuel Rates in the Company's Northwest Division on an Experimental Basis and Request for Expedited Treatment, along with a copy of the pleading on disk in native format.

Please do not hesitate to let me know if you have any questions at all in this regard.

Sincerely,

Gunster, Yoakley & Stewart, P.A.

Beth Keating, Esquire
Gunster, Yoakley & Stewart, P.A.
Suite 618
215 South Monroe Street
Tallahassee, Florida 32301
(850) 521-1706
Attorneys for Florida Public Utilities Company

- COM _____
- APA _____
- ECR (or) CO containing the same
- GCL _____
- RAD _____
- SSC _____
- ADM _____
- OPC _____
- CLK _____

BK

cc: Connie Kummer (hand delivery)
Office of Public Counsel (via e-mail)
Robert Scheffel Wright (via e-mail)

RECEIVED
10 DEC 14 2 46 50
FPSO-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

100459-EI

IN RE: Florida Public Utilities Company's petition for)
authority to implement a Demonstration Project consisting)
of proposed Time-of-Use and Interruptible rate schedules)
and corresponding fuel rates in the Northwest Division on)
an experimental basis and request for expedited treatment)

Docket No. _____-EI
Filed:

**PETITION FOR AUTHORITY TO IMPLEMENT A DEMONSTRATION
PROJECT CONSISTING OF PROPOSED TIME-OF-USE AND
INTERRUPTIBLE RATE SCHEDULES AND CORRESPONDING FUEL RATES
IN THE NORTHWEST DIVISION ON AN EXPERIMENTAL BASIS AND
REQUEST FOR EXPEDITED TREATMENT**

Florida Public Utilities Company ("FPU", or "the Company"), by and through its undersigned counsel, hereby petitions the Florida Public Service Commission ("the Commission") for authority to implement a Demonstration Project consisting of proposed Time-of-Use and Interruptible rate schedules and corresponding fuel rates in the Northwest Division on an experimental basis and request for expedited treatment. This petition, along with the information and proposed tariff sheets set forth in the attachments hereto, is intended to meet the requirements of Rule 25-9.005(4)-(5) of the Florida Administrative Code.

In support of this petition, the Company states:

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

Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 S. Monroe Street, Suite 618
Tallahassee, FL 32301-1804

Thomas A. Geoffroy
Vice President – Regulatory Affairs &
Business Planning
Florida Public Utilities Company
401 South Dixie Highway
West Palm Beach, FL 33401

2. FPU is an investor-owned electric utility providing retail electric service to customers within its Northwest and Northeast Divisions in Florida and, pursuant to the provisions of

Chapter 366 of the Florida Statutes, is subject to economic regulation by the Commission. The Company's principal offices are located at 401 South Dixie Highway, West Palm Beach, Florida 33401.

3. Attachment A to this petition are the Company's proposed new Time-of-Use ("TOU") and Interruptible rate schedules and corresponding fuel rates (First Revised Sheet Nos. 27.0, 38.0, 39.0 and 40.0; Original Sheet Nos. 27.1, 27.2, 31.1, 31.2, 33.1, 33.2, 33.3, 34.2, 34.3 and 34.4; and Tenth Revised Sheet No. 41.0). The Company's Demonstration Project proposes to implement TOU and Interruptible rates on an experimental basis only in its Northwest Division. The Northwest Division provides electric distribution service to approximately 13,000 customers in Jackson, Liberty and Calhoun counties.
4. The Company, based upon the experience to be gained if this Petition is approved by the Commission, will evaluate the feasibility of expanding the Demonstration Project by petitioning for these rates to become permanent and potentially expanding their availability into its Northeast Division (Amelia Island) in the future.
5. In February 2009, the Company entered into an electric distribution franchise agreement with the City of Marianna. The agreement includes a provision that the Company must put into effect TOU and Interruptible rates by February 17, 2011. As explained later in this Petition, the development of these rates has taken substantial time and has involved negotiation of amended terms in the Company's purchased power agreement for the Northwest Division. In spite of diligent efforts by all involved, the Company only now finds itself in a position to propose new TOU and Interruptible rates for Commission approval just a couple of months prior to the deadline specified in the franchise agreement. In the event the rates are not in effect by the deadline, the City of Marianna

has certain rights under the franchise which may lead to termination of the franchise and purchase of the Company's distribution facilities within the city limit. The Company, therefore, is respectfully asking that Commission address this Petition on an expedited basis.

6. FPU does not own or operate electric generation facilities. FPU purchases electric power from third parties and delivers the electricity to end-use customers through its distribution systems. To serve the Northwest Division, FPU entered into a long-term (10-year) firm service Agreement for Generation Services with Gulf Power Company ("the Agreement"), dated December 28, 2006, and approved by the Commission through Order No. PSC-07-0476-PAA-EI, dated June 6, 2007. An important feature in the Agreement is the obligation placed on Gulf Power that it must stand ready to serve the peak demand requirements of the Company's Northwest Division on a firm basis, excused only for events of Force Majeure, throughout the term of the Agreement. The Agreement includes compensation to Gulf Power for this level of service reliability through a Monthly Capacity Payment based on the Capacity Purchase quantity. The Capacity Purchase quantity is determined by recording actual demand during the summer Peak Season period (defined in the Agreement as May through September) adjusted through a defined methodology for transmission loss, calculated forecasted growth and a reserve margin.
7. The original Capacity Purchase quantity (effective in 2008) under the Agreement was established by determining the peak capacity requirement during the Peak Season demand period for the four (4) year historic period 2004 through 2007. The Capacity Purchase quantity, beginning in 2008, was calculated to be 97.944 MW. The Monthly Capacity Payment is a fixed amount based on the Capacity Purchase quantity and the

Monthly Capacity Rate established in the Agreement. The Agreement provides that the original Capacity Purchase quantity (and by extension the Monthly Capacity Payment) may increase over the term of the Agreement if the system demand (actual demand adjusted for transmission losses, forecasted growth and reserve margin) increases during any subsequent annual Peak Season period. In the event the Capacity Purchase quantity increases in a given year, the increased Capacity Purchase quantity ratchets up in the subsequent year and establish a new minimum level for the remaining term of the Agreement. If actual demand requirements are reduced in the future, there is no reduction in the Capacity Purchase quantity. Due to this ratchet feature, demand reduction during the Peak Season period attributable to conservation, load control, changes in customer usage habits or other actions does not result in any reduction of the Capacity Purchase quantity under the Agreement. Thus, efforts by both the Company and customers to reduce peak demand, under the existing Agreement, do not result in savings to customers in the fuel portion of their bill.

8. The electric utility industry in general, and FPU in particular, continue to face rising pressure to find ways to mitigate high energy prices. FPU Northwest Division customers have experienced significant increases in the cost of electricity since 2008, primarily due to increased purchase power costs that are passed through to customers. As a result of these cost increases and the current general economic conditions, customers are reducing energy use. For instance, in FPU's Northwest Division annual kWh sales have declined by over 70 million kWh's from 2007 to the forecasted 2010 recorded customer usage. Customers are actively seeking options that will allow them to adjust their energy usage

patterns that result in saving money. In addition, FPU has stepped up its conservation program advertising promoting energy audits and various energy savings measures.

9. While customers are achieving energy savings through conservation, the Capacity Purchase quantity in FPU's existing Agreement does not provide for demand cost savings as result of these customer efforts. Moreover, the Company's conservation programs are primarily directed at consumer energy savings and achieve demand savings largely as an indirect consequence of a consumer action. As an example, upgrading the efficiency of an air conditioning system will reduce usage, but the air conditioner is likely to continue to be used during coincident peak periods. FPU has been exploring the adoption of several demonstration, conservation, load control and rate design programs that not only encourage customers to conserve energy and lower demand, but also shift electric usage to off-peak periods. Under the existing Agreement, such programs would have the effect of lowering the chance that a future increase in the Capacity Purchase quantity would occur, to the benefit of all ratepayers. As a demonstration and experimental project, the implementation of TOU and Interruptible rates is a first step in providing voluntary customer incentives for the modification of usage habits. TOU rates would provide discounts for consumers that shift electric usage, and correspondingly demand, to defined off-peak periods. Interruptible rates would provide similar discounts for certain large volume non-residential consumers that agreed to allow FPU to temporarily discontinue service to their facility under defined conditions for the purpose of reducing system demand. The TOU and Interruptible rates are not designed to benefit every customer. These rates target customers who are capable of modifying their electric usage patterns to

fit the TOU and Interruptible tariff provisions. The Company continues to work to develop other demand mitigation programs that benefit all ratepayers.

10. As noted above, the current Agreement does not provide for a reduction in the Capacity Purchase quantity if demand is reduced. The implementation of TOU and Interruptible rates that affect consumer behavior would not result in cost decreases under the current Agreement. Without modification to the Agreement, the proposed retail rate discounts proposed by FPU to TOU and Interruptible consumers, would have no cost relationship to the actual purchased power costs passed through to customers. To ensure that such a cost relationship exists, FPU entered into discussions with Gulf Power, through its agent Southern Company Services, Inc., to modify the demand ratchet component of the Agreement. As a result, both parties have agreed in principal to amend the Agreement. The modifications, if approved by the Commission, would allow for an initial reduction in the Capacity Purchase quantity from the current level of 97.944 MW to 91.000 MW. The amended Capacity Purchase quantity would remain constant for the remainder of the term of the Agreement as long as actual Peak Season demand (as increased by transmission loss, calculated forecasted growth and the reserve margin) during the months of May through September do not exceed 91.000 MW. If the Capacity Purchase quantity rises above the 91.000 MW floor in any particular year, the demand will rise to the new level in the subsequent year. However, if the Capacity Purchase quantity subsequently reverts back to the 91.000 MW floor or lower, then the Capacity Purchase quantity will revert back to the floor in subsequent years. The result of these proposed changes is an average annualized savings, assuming no increases in the Capacity Purchase quantity, of approximately \$900,000 over the extended term of the Agreement.

The purchase power cost savings that result from the amendment to the Agreement would form the cost basis for providing the retail fuel rate discounts in the Company's proposed TOU and Interruptible rates, as is more fully described later in this petition. To be clear, the Company is not proposing to modify any of its existing non-fuel base rates. The Company anticipates some increase in operating costs related to the implementation of TOU and Interruptible customer rates. The Company would absorb all of the administrative costs associated with implementing the experimental rates as well as the cost of installing customer meters that record usage in support of the TOU tariff provisions, until such time as the Commission allowed recovery of such costs.

11. Under the terms of its franchise agreement with the City of Marianna, FPU is obligated to allow the City to review any material modification to the Agreement. The City is currently reviewing the amendment to the Agreement. Given the franchise requirement that TOU and Interruptible rates be in place as of February 17, 2011 and the time required for the Commission to review the proposed rates, the Company is requesting that the Commission begin its review of the proposed rates prior to the execution of the amendment. It is the Company's intention to file the amendment to the Agreement within the next thirty (30) days for approval by the Commission.
12. The Company is proposing to implement a demonstration project consisting of experimental TOU rate classifications for each of its existing rate classifications, RS, GS, GSD and GSLD and the establishment of a new experimental Interruptible rate classification. The corresponding TOU and Interruptible fuel rates are proposed in the Rate Adjustment Rider tariff sheet (Tenth Revised Sheet No. 41.0). As a demonstration project, each experimental TOU and Interruptible rate classification tariff sheet details the

eligibility requirements and other provisions for customers that voluntarily select the experimental rates.

Time-of-Use (TOU) Rates

13. The Company believes that it is important to provide incentives to customers to voluntarily elect the proposed experimental TOU Rate Schedules. However, to the extent participating customer usage does not conform to the prescribed off-peak TOU periods, customers would experience a disincentive. The proposed TOU rates provide discounts for usage in off-peak periods and rate increases for usage that does not shift to an off-peak period. These rate treatments are intended to ensure that the Peak Season demand reductions are sustainable, at a minimum, over the remaining term of the amended Agreement. Although the amended Agreement continues the practice of looking at the defined Peak Season, which is May 1st through September 30th, to determine the Capacity Purchase quantity, the Company is proposing that the TOU fuel rates are applicable year round. While the current Agreement does not recognize increased demands experienced in non-Peak Season periods, it is likely that some future agreement will reflect monthly coincident peaks for Capacity Purchase quantities. The proposed TOU rate incentives will encourage customers to modify usage every month, a behavior change that will provide future system benefits.
14. Given that the cost reductions negotiated in the proposed amendment to the Agreement are limited to an annual average of approximately \$900,000 per year, as noted above, the Company is proposing to share said savings with both participants and non-participants in the TOU and Interruptible demonstration program. Therefore, for purposes of developing experimental TOU fuel rates, the Company has allocated approximately 50%

of the expected annualized savings resulting from the amendment Agreement to the proposed TOU fuel rates. The remaining expected annualized savings are allocated to Interruptible rates and to non-participants of this program. The Company has allocated the expected annualized savings for 2011 using the same allocation method that distributes capacity demand charges in its annual fuel filing to each TOU fuel rate (RS-TOU, GS-TOU, GSD-TOU and GSLD-TOU), excluding the Street Lighting and Outdoor Lighting rate classifications (the Company is not proposing TOU fuel rates for these classifications). The Company has also utilized its 2011 budget information for the following parameters: number of customers by rate class and average usage per customer by rate class, in developing the proposed TOU fuel rates. These specific parameters are shown on Attachment B.

15. The Company's application of the parameters described above was used to derive targeted annual savings levels for each classification's TOU fuel rate. The Company then determined a reasonable level of savings, on an individual customer basis, that may be required to not only incent voluntary migration to the TOU fuel rates, but also to change customer usage pattern habits in a sustainable manner.
16. Since the Company is a distribution only electric provider in the Northwest Division, relevant data is limited, making it difficult to precisely predict the results of a TOU rate implementation. The Company has engaged a consulting firm, Christensen Associates Energy Consulting, LLC (CA Energy), to develop a model that projects demand reductions and annual kWh usage during on-peak and off-peak times based on TOU peak and non-peak price differentials and annual bill savings compared to the Company's standard fuel rates. The Company has utilized this information as a basis to correlate

projected demand reductions to annual savings for TOU customers in the respective rate classifications. In part, it is because of these uncertainties that the Company is proposing TOU rate classifications and corresponding TOU fuel rates on an experimental basis. Over the life of the demonstration program, the Company will gather customer-specific data that should provide better insights into the correlation of customer demand response to the approved TOU fuel rates. The Company expects to utilize this information to derive future annual TOU fuel rates that improve the correlation between demand reductions and customer participation savings.

17. Based upon these parameters, the Company has developed incremented peak and decremented off-peak pricing, compared to the Commission-approved 2011 standard fuel rates and the projected resulting demand reductions.
18. As stated above, the experimental TOU fuel on-peak and off-peak rates seek to correlate the overall level of demand reductions with the savings allocated to the experimental TOU rate classifications. In order to preserve the integrity of this correlation, the Company is proposing to limit participation in the experimental TOU program. Too much participation would increase the proportion of savings enjoyed by those customers who select the experimental TOU fuel rates and would reduce the savings to all other customers who have already contributed to the overall reduction of Peak Season demand on the system. As part of an "Open Enrollment" process, customers would be enrolled in the respective rate classes on a "first-come, first-served" basis. At the point that the sum of all participating customer rate discounts meets the targeted annual savings threshold for each rate classification, enrollment would be discontinued. In the event customers leave the program, a participant waiting list would be maintained so that new entrants

could participate. The proposed maximum participation levels for each TOU rate classification are reflected in the Applicability section of the respective tariff sheets in Attachment A. It is important to note that if customer participation in the demonstration program is below the established maximum levels, then all remaining targeted annual savings will benefit non-participants. The TOU and Interruptible retail rate discounts proposed by the Company would be applicable to the fuel adjustment rates of participating customers.

19. The proposed experimental TOU fuel rates are shown on the Tenth Revised Sheet No. 41.0 in Attachment A.

Interruptible Rates

20. The Company is also proposing to implement, as part of this demonstration project, an experimental Interruptible rate schedule and a corresponding Interruptible fuel rate (included in the Rate Adjustment Rider tariff sheet) to customers in the Northwest Division. The Company is proposing that only customers in the existing GSLD rate classification are eligible to participate in the experimental Interruptible rate program. The experimental Interruptible fuel rate was derived utilizing similar methodologies that are described above for the TOU fuel rates. For purposes of developing these experimental TOU fuel rates, the Company has allocated approximately 5% of the expected annualized savings resulting from the Amendment to the proposed Interruptible fuel rates. The proposed Interruptible fuel rates would only apply during the Peak Season demand period (May through September) defined in the Agreement. For all other months, the applicable GSLD standard fuel rate would apply.

21. The Company believes that there should be a correlation of the overall level of Peak Season demand reductions with the percentage of savings allocated to the experimental Interruptible rate classification over the life of the amended Agreement. In order to preserve the integrity of this correlation, the Company is also proposing to limit participation in the experimental Interruptible rate classification. Too much participation would increase the proportion of savings enjoyed by customers who select the experimental Interruptible fuel rate and would reduce the savings to all other customers who have contributed to the overall reduction of demand on the system. The proposed maximum participation level for the Interruptible rate classification is reflected in the Applicability section of the Interruptible rate classification tariff sheet in Attachment A.
22. The proposed experimental Interruptible fuel rate is shown on the Tenth Revised Sheet No. 41.0 in Attachment A.

Company Responsibilities

23. As noted above, the Company is proposing that it will absorb all incremental costs related to the experimental programs, including costs for any TOU and Interruptible metering requirements (inclusive of installation costs) and program administration costs, until such time as the Commission may authorized the recovery of such costs. Absorbing the administrative and operational implementation costs is being proposed by the Company to ensure that program-entry cost barriers do not exist.
24. The Company is also proposing to implement a customer education program, consisting of materials provided to all customers and a mandatory Energy Audit for each participant in the experimental program. Once a customer is enrolled through the “Open Enrollment” process, the Company will schedule an Energy Audit with each participant.

Participants will receive all of the benefits normally associated with the audit (and as more fully described in the Company's Energy Conservation program descriptions) as well as a one-on-one educational discussion on the applicable TOU or Interruptible program. As a result of this effort, customers will be better educated on the value and benefits of TOU and Interruptible rates, along with the potential penalties associated with a failure to adhere to the tariff requirements applicable to usage periods and interruption. The Company plans to seek future recovery of these costs, as the Commission may authorize, through the Company's existing Energy Conservation programs.

25. By this petition, the Company seeks authority to implement new, experimental Time-of-Use and Interruptible rate schedules to meet and respond to customers' interest, while providing savings to all customers through the expected reduction in the demand ratchet provisions of the amended Agreement. The Company also seeks authority to modify its existing Rate Adjustment Rider (existing tariff sheet number 41.0) to include the fuel rates for the experimental TOU and Interruptible rate classifications.
26. The Company has developed certain customer qualifications for TOU and interruptible service, which are shown on the attached Rate Schedules for each classification. The Company has also defined "On-Peak Period" as follows (also shown on each Rate Schedule):

The on-peak period for calendar months May through September is defined as being those hours between 12:00 PM (noon) and 6:00 PM local time, Monday through Friday. The on-peak period for calendar months October through April is defined as being those hours between 6:00 AM and 10:00 AM and between 6:00 PM and 10:00 PM local time, Monday through Friday.

All other times are defined as "Off-Peak Periods," as more fully described within each applicable Rate Schedule.

27. The Company also proposes to allow customers to revert back or opt out of the TOU rate classifications as shown on each Rate Schedule, including an initial reversion option at any time by written or personal notice from the Customer. This provision is specially designed to ensure that customers are not penalized for a full year with higher than normal bills due to their selection of the experimental TOU rate classifications.
28. The Company is not proposing to change its Customer Facilities Charge or Base Energy Charge to customers in the TOU or Interruptible rate schedules; thus, non-fuel revenues to the Company are not expected to change as a result of customers selecting the proposed experimental rate options. The Purchased Power Charges will reflect on- and off-peak rate differentials supported by the expected reduction in the Monthly Capacity Payments resulting from the amendment to the Agreement described herein.
29. The Commission is authorized to approve experimental rates in accordance with Section 366.075, Florida Statutes, which provides, in part:

The commission is authorized to approve rates on an experimental or transitional basis for any public utility to encourage conservation or to encourage efficiency. The application of such rates may be for limited geographic areas and for a limited period.

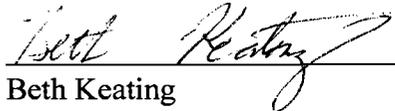
The Company's petition seeks approval of its proposed experimental rates, which conform to the authorization cited above and recognizes, consistent with past Commission decisions that "usage which occurs outside the designated peak periods can

be served at a lower cost."¹ The Company would propose to provide to the Commission an annual report each year for remainder of the term of the amended Agreement. This report would provide, at a minimum, the number of customers, by rate class, that have selected the experimental TOU/Interruptible rate classifications; the amount of participant savings (in aggregate), as compared to standard rates; the annual savings resulting from the amended Agreement; and the net benefit to all other Northwest Division ratepayers. Each Annual Report would be due within 90 days of each calendar year end.

WHEREFORE, Florida Public Utilities Company respectfully requests that the Florida Public Service Commission address this Petition on an expedited basis prior to February 17, 2011, and authorize the Company to implement its Demonstration Project consisting of proposed Time-of-Use and Interruptible rate schedules and respective fuel rates for 2011 in the Northwest Division on an experimental basis as set forth in Attachment A to this petition, effective with the date of the Commission vote on this Petition.

¹ See Order No. 10-0131-FOF-EI, issued March 5, 2010, at p. 140. See also, Order No. PSC-09-0501-TRF-EG, issued July 15, 2009, approving TECO's Small General Service Price Responsive Load Management Program as a pilot program, which, similarly, introduced peak-use load control options to better enable customers to manage their energy needs and costs.

Respectfully submitted this 14th day of December, 2010.

A handwritten signature in cursive script, reading "Beth Keating", written over a horizontal line.

Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 S. Monroe Street, Suite 618
Tallahassee, FL 32301-1804
(850) 521-1706
bkeating@gunster.com

Attorneys for Florida Public Utilities Company

Attachment A

Proposed Tariff Sheets
Final Format

RATE SCHEDULE RST - EXP
RESIDENTIAL SERVICE
TIME OF USE (EXPERIMENTAL)

Availability

Available within the territory served by the Company in Jackson, Calhoun and Liberty Counties. This service is limited to a maximum of 940 customers.

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:
\$12.00 per customer per month

Base Energy Charge:
All KWH 1.958¢/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. 41.0.

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. 27.1)

RATE SCHEDULE RST - EXP
RESIDENTIAL SERVICE
TIME OF USE (EXPERIMENTAL)

(Continued from Sheet No. 27.0)

Purchased Power Costs
See Sheet No. 41.0

Conservation Costs
See Sheet No. 41.0

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.

Determination of the On-Peak Period

The on-peak period for calendar months May through September is defined as being those hours between 12:00 PM (noon) and 6:00 PM local time, Monday through Friday.

The on-peak period for calendar months October through April is defined as being those hours between 6:00 AM and 10:00 AM and between 6:00 PM and 10:00 PM local time, Monday through Friday.

Determination of the Off-Peak Period

All hours not included above and all hours of the observed holidays of New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas are in the off-peak period.

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.

(Continued on Sheet No. 27.2)

RATE SCHEDULE RST - EXP
RESIDENTIAL SERVICE
TIME OF USE (EXPERIMENTAL)

(Continued from Sheet No. 27.1)

Term of Contract

Service under this Schedule shall be for a period of not less than one year and thereafter from year to year until terminated by three (3) months written notice by either party to the other.

The initial selection of this optional rate schedule by a Rate Schedule RS Customer may be terminated at any time by written or personal notice from the Customer. After such termination, any subsequent selection of this option by the same Customer for service at the same premises shall have a term of contract as specified above.

Terms and Conditions

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

RATE SCHEDULE GST - EXP
GENERAL SERVICE - NON-DEMAND
TIME OF USE (EXPERIMENTAL)

Availability

Available within the territory served by the Company in Jackson, Calhoun and Liberty Counties. This service is limited to a maximum of 75 customers.

Applicability

Applicable to commercial and industrial lighting, heating, cooking and small power loads aggregating 25 KW or less.

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:
\$18.00 per customer per month

Base Energy Charge:

All KWH 1.927¢/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. 41.0.

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. 31.2)

RATE SCHEDULE GST - EXP
GENERAL SERVICE - NON-DEMAND
TIME OF USE (EXPERIMENTAL)

(Continued from Sheet No. 31.1)

Purchased Power Costs
See Sheet No. 41.0

Conservation Costs
See Sheet No. 41.0

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.

Determination of the On-Peak Period

The on-peak period for calendar months May through September is defined as being those hours between 12:00 PM (noon) and 6:00 PM local time, Monday through Friday.

The on-peak period for calendar months October through April is defined as being those hours between 6:00 AM and 10:00 AM and between 6:00 PM and 10:00 PM local time, Monday through Friday.

Determination of the Off-Peak Period

All hours not included above and all hours of the observed holidays of New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas are in the off-peak period.

Term of Contract

Service under this Schedule shall be for a period of not less than one year and thereafter from year to year until terminated by three (3) months written notice by either party to the other.

The initial selection of this optional rate schedule by a Rate Schedule RS Customer may be terminated at any time by written or personal notice from the Customer. After such termination, any subsequent selection of this option by the same Customer for service at the same premises shall have a term of contract as specified above.

Terms and Conditions

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

RATE SCHEDULE GSdT - EXP
GENERAL SERVICE - DEMAND
TIME OF USE (EXPERIMENTAL)

Availability

Available within the territory served by the Company in Jackson, Calhoun and Liberty Counties. This service is limited to a maximum of 25 customers.

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:
\$52.00 per customer per month

Demand Charge:
Each KW of Maximum Billing Demand \$2.80/KW

Base Energy Charge
All KWH 0.340¢/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. 41.0.

Minimum Bill

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

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. 41.0

(Continued on Sheet No. 33.2)

RATE SCHEDULE GSDT - EXP
GENERAL SERVICE - DEMAND
TIME OF USE (EXPERIMENTAL)

(Continued from Sheet No. 33.1)

Conservation Costs

See Sheet No. 41.0

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.

Determination of the On-Peak Period

The on-peak period for calendar months May through September is defined as being those hours between 12:00 PM (noon) and 6:00 PM local time, Monday through Friday.

The on-peak period for calendar months October through April is defined as being those hours between 6:00 AM and 10:00 AM and between 6:00 PM and 10:00 PM local time, Monday through Friday.

Determination of the Off-Peak Period

All hours not included above and all hours of the observed holidays of New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas are in the off-peak period.

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.

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.

(Continued on Sheet No. 33.3)

RATE SCHEDULE GSDT - EXP
GENERAL SERVICE - DEMAND
TIME OF USE (EXPERIMENTAL)

(Continued from Sheet No. 33.2)

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.

Term of Contract

Service under this Schedule shall be for a period of not less than one year and thereafter from year to year until terminated by three (3) months written notice by either party to the other.

The initial selection of this optional rate schedule by a Rate Schedule GSD Customer may be terminated at any time by written or personal notice from the Customer. After such termination, any subsequent selection of this option by the same Customer for service at the same premises shall have a term of contract as specified above.

Terms and Conditions

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

RATE SCHEDULE GSLDT - EXP
GENERAL SERVICE - LARGE DEMAND
TIME OF USE (EXPERIMENTAL)

Availability

Available within the territory served by the Company in Jackson, Calhoun and Liberty Counties. This service is limited to a maximum of 1 customer.

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

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:
\$100.00 per customer per month

Demand Charge:
Each KW of Maximum Billing Demand \$4.00/KW

Base Energy Charge
All KWH 0.145¢/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. 41.0.

Minimum Bill

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

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. 41.0

(Continued on Sheet No. 34.3)

RATE SCHEDULE GSLDT - EXP
GENERAL SERVICE - LARGE DEMAND
TIME OF USE (EXPERIMENTAL)

(Continued from Sheet No. 34.2)

Conservation Costs

See Sheet No. 41.0

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.

Determination of the On-Peak Period

The on-peak period for calendar months May through September is defined as being those hours between 12:00 PM (noon) and 6:00 PM local time, Monday through Friday.

The on-peak period for calendar months October through April is defined as being those hours between 6:00 AM and 10:00 AM and between 6:00 PM and 10:00 PM local time, Monday through Friday.

Determination of the Off-Peak Period

All hours not included above and all hours of the observed holidays of New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas are in the off-peak period.

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.

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.

(Continued on Sheet No. 34.4)

RATE SCHEDULE GSLDT - EXP
GENERAL SERVICE - LARGE DEMAND
TIME OF USE (EXPERIMENTAL)

(Continued from Sheet No. 34.3)

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.

Term of Contract

Service under this Schedule shall be for a period of not less than one year and thereafter from year to year until terminated by three (3) months written notice by either party to the other.

The initial selection of this optional rate schedule by a Rate Schedule GSD Customer may be terminated at any time by written or personal notice from the Customer. After such termination, any subsequent selection of this option by the same Customer for service at the same premises shall have a term of contract as specified above.

Terms and Conditions

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

RATE SCHEDULE IS - EXP
INTERRUPTIBLE (EXPERIMENTAL)

Availability

Available within the territory served by the Company in Jackson, Calhoun and Liberty Counties. This service is limited to a maximum of 1 customer.

Applicability

Applicable to customers eligible for Rate Schedule GSLD with a load factor equal to or exceeding 35% and who have executed a Special Contract approved by the Commission. The company reserves the right to limit the total load and type customer served under this rate. Accounts established under this rate will be limited to premises where the interruption will primarily affect the customer, its employees, agents, lessees, tenants and guests and will not significantly affect members of the general public nor interfere with functions performed for the protection of public health or safety.

Character of Service

Three-phase service at available standard voltage.

Limitations of Service

Service shall be at a single metering point at one voltage. Interruptible service under this rate is subject to interruption during any On-Peak time period that the Company elects to notify customer, with a minimum of two (2) hours notice, that the customer must fully interrupt taking electric power from the Company. The Company is limited to an On-Peak period maximum of 200 hours of required interruption per year per customer.

Monthly Rate

Customer Facilities Charge:
\$100.00 per customer per month

Demand Charge:
Each KW of Billing Demand \$ 4.00/KW

Base Energy Charge
All KWH 0.145¢/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. 41.0.

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.

(Continued on Page 39.0)

RATE SCHEDULE IS - EXP
INTERRUPTIBLE (EXPERIMENTAL)

(Continued from Sheet No. 38.0)

Purchased Power Costs
See Sheet No. 41.0

Conservation Costs
See Sheet No. 41.0

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.

Determination of the On-Peak Period

The on-peak period is defined as calendar months May through September.

Determination of the Off-Peak Period

The off-peak period is defined as calendar months October through April.

Definition of Interruptible Service

Interruptible service is electric service that can be interrupted either automatically or manually by the company.

Definition of Average Load Factor

Average Load Factor = $\frac{12 \text{ month average consumption (KWH)}}{12 \text{ month average demand (KW)} \times 730 \text{ (hours/month)}}$

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.

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.

(Continued on Sheet No. 40.0)

RATE SCHEDULE IS - EXP
INTERRUPTIBLE (EXPERIMENTAL)

(Continued from Sheet No. 39.0)

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.

Term of Contract

Service under this Schedule shall be for a period of not less than three years and thereafter from year to year until terminated by one (1) year written notice by either party to the other.

The initial selection of this optional rate schedule by a Rate Schedule GSLD Customer may be terminated at any time by written or personal notice from the Customer. After such termination, any subsequent selection of this option by the same Customer for service at the same premises shall have a term of contract as specified above.

Terms and Conditions

Service under this rate schedule is subject to the Company's Rules and Regulations applicable to electric service after execution of a Special Contract which will be subject to approval by the Commission. Service or terms under this schedule may be modified or terminated at any time with approval from the Commission.

Customer taking service under this rate schedule will be required to install necessary and mutually agreed upon equipment to fully interrupt the entire load of the customer. Service under this rate scheduled will not begin until equipment has been installed and verified by the Company.

Customer will provide reasonable access by the Company for the purposes of checking the condition of the interrupting equipment.

Company may, a maximum of one time per calendar year with 30 days advance written notice or at a mutually agreed upon date and time, interrupt service to the customer to test the availability and operability of the interrupting capacity.

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, 2011 through December 31, 2011 is as follows:

<u>Rate Class</u>	<u>Rate Schedule</u>	<u>Levelized Adjustment</u>
Residential (1 st 1000 KWH's)	RS	11.553¢/KWH
Residential (above 1000 KWH's)	RS	12.553¢/KWH
General Service	GS	11.560¢/KWH
General Service-Demand	GSD	10.977¢/KWH
Outdoor Lighting	OL, OL-2	8.619¢/KWH
Street Lighting	SL1-2, SL-3	8.566¢/KWH
General Service-Large Demand	GSLD	10.586¢/KWH
General Service-Large Demand 1	GSLD 1	Not Applicable At This Time

<u>Time of Use Rate Class</u>	<u>Rate Schedule</u>	<u>Levelized Adjustment</u>	
		<u>On-Peak</u>	<u>Off-Peak</u>
Residential TOU	RST - EXP	19.953¢/KWH	7.653¢/KWH
General Service TOU	GST - EXP	15.560¢/KWH	6.560¢/KWH
General Service-Demand TOU	GSDT - EXP	14.977¢/KWH	7.727¢/KWH
General Service-Large Demand TOU	GSLDT - EXP	16.586¢/KWH	7.586¢/KWH
Interruptible - EXP	IS - EXP	8.750¢/KWH	10.586¢/KWH

Energy Conservation Cost Recovery Clause

Each base energy rate per KWH of the above rate schedules for the period January 1, 2011 through December 31, 2011 shall be increased by 0.115¢/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.

**Proposed Tariff Sheets
Legislative Format**

~~Reserved For Future Use~~
RATE SCHEDULE RST - EXP
RESIDENTIAL SERVICE
TIME OF USE (EXPERIMENTAL)

Availability

Available within the territory served by the Company in Jackson, Calhoun and Liberty Counties. This service is limited to a maximum of 940 customers.

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:
\$12.00 per customer per month

Base Energy Charge:
All KWH 1.958¢/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. 41.0.

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. 27.1)

RATE SCHEDULE RST - EXP
RESIDENTIAL SERVICE
TIME OF USE (EXPERIMENTAL)

(Continued from Sheet No. 27.0)

Purchased Power Costs
See Sheet No. 41.0

Conservation Costs
See Sheet No. 41.0

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.

Determination of the On-Peak Period

The on-peak period for calendar months May through September is defined as being those hours between 12:00 PM (noon) and 6:00 PM local time, Monday through Friday.

The on-peak period for calendar months October through April is defined as being those hours between 6:00 AM and 10:00 AM and between 6:00 PM and 10:00 PM local time, Monday through Friday.

Determination of the Off-Peak Period

All hours not included above and all hours of the observed holidays of New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas are in the off-peak period.

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.

(Continued on Sheet No. 27.2)

RATE SCHEDULE RST - EXP
RESIDENTIAL SERVICE
TIME OF USE (EXPERIMENTAL)

(Continued from Sheet No. 27.1)

Term of Contract

Service under this Schedule shall be for a period of not less than one year and thereafter from year to year until terminated by three (3) months written notice by either party to the other.

The initial selection of this optional rate schedule by a Rate Schedule RS Customer may be terminated at any time by written or personal notice from the Customer. After such termination, any subsequent selection of this option by the same Customer for service at the same premises shall have a term of contract as specified above.

Terms and Conditions

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

RATE SCHEDULE GST - EXP
GENERAL SERVICE - NON-DEMAND
TIME OF USE (EXPERIMENTAL)

Availability

Available within the territory served by the Company in Jackson, Calhoun and Liberty Counties. This service is limited to a maximum of 75 customers.

Applicability

Applicable to commercial and industrial lighting, heating, cooking and small power loads aggregating 25 KW or less.

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:

\$18.00 per customer per month

Base Energy Charge:

All KWH 1.927¢/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. 41.0.

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. 31.2)

RATE SCHEDULE GST - EXP
GENERAL SERVICE - NON-DEMAND
TIME OF USE (EXPERIMENTAL)

(Continued from Sheet No. 31.1)

Purchased Power Costs
See Sheet No. 41.0

Conservation Costs
See Sheet No. 41.0

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.

Determination of the On-Peak Period

The on-peak period for calendar months May through September is defined as being those hours between 12:00 PM (noon) and 6:00 PM local time, Monday through Friday.

The on-peak period for calendar months October through April is defined as being those hours between 6:00 AM and 10:00 AM and between 6:00 PM and 10:00 PM local time, Monday through Friday.

Determination of the Off-Peak Period

All hours not included above and all hours of the observed holidays of New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas are in the off-peak period.

Term of Contract

Service under this Schedule shall be for a period of not less than one year and thereafter from year to year until terminated by three (3) months written notice by either party to the other.

The initial selection of this optional rate schedule by a Rate Schedule RS Customer may be terminated at any time by written or personal notice from the Customer. After such termination, any subsequent selection of this option by the same Customer for service at the same premises shall have a term of contract as specified above.

Terms and Conditions

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

RATE SCHEDULE GSdT - EXP
GENERAL SERVICE - DEMAND
TIME OF USE (EXPERIMENTAL)

Availability

Available within the territory served by the Company in Jackson, Calhoun and Liberty Counties. This service is limited to a maximum of 25 customers.

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:

\$52.00 per customer per month

Demand Charge:

Each KW of Maximum Billing Demand \$2.80/KW

Base Energy Charge

All KWH 0.340¢/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. 41.0.

Minimum Bill

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

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. 41.0

(Continued on Sheet No. 33.2)

RATE SCHEDULE GSDT - EXP
GENERAL SERVICE - DEMAND
TIME OF USE (EXPERIMENTAL)

(Continued from Sheet No. 33.1)

Conservation Costs

See Sheet No. 41.0

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.

Determination of the On-Peak Period

The on-peak period for calendar months May through September is defined as being those hours between 12:00 PM (noon) and 6:00 PM local time, Monday through Friday.

The on-peak period for calendar months October through April is defined as being those hours between 6:00 AM and 10:00 AM and between 6:00 PM and 10:00 PM local time, Monday through Friday.

Determination of the Off-Peak Period

All hours not included above and all hours of the observed holidays of New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas are in the off-peak period.

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.

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.

(Continued on Sheet No. 33.3)

RATE SCHEDULE GSDT - EXP
GENERAL SERVICE - DEMAND
TIME OF USE (EXPERIMENTAL)

(Continued from Sheet No. 33.2)

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.

Term of Contract

Service under this Schedule shall be for a period of not less than one year and thereafter from year to year until terminated by three (3) months written notice by either party to the other.

The initial selection of this optional rate schedule by a Rate Schedule GSD Customer may be terminated at any time by written or personal notice from the Customer. After such termination, any subsequent selection of this option by the same Customer for service at the same premises shall have a term of contract as specified above.

Terms and Conditions

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

RATE SCHEDULE GSLDT - EXP
GENERAL SERVICE - LARGE DEMAND
TIME OF USE (EXPERIMENTAL)

Availability

Available within the territory served by the Company in Jackson, Calhoun and Liberty Counties. This service is limited to a maximum of 1 customer.

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

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:
\$100.00 per customer per month

Demand Charge:
Each KW of Maximum Billing Demand \$4.00/KW

Base Energy Charge
All KWH 0.145¢/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. 41.0.

Minimum Bill

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

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. 41.0

(Continued on Sheet No. 34.3)

RATE SCHEDULE GSLDT - EXP
GENERAL SERVICE - LARGE DEMAND
TIME OF USE (EXPERIMENTAL)

(Continued from Sheet No. 34.2)

Conservation Costs

See Sheet No. 41.0

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.

Determination of the On-Peak Period

The on-peak period for calendar months May through September is defined as being those hours between 12:00 PM (noon) and 6:00 PM local time, Monday through Friday.

The on-peak period for calendar months October through April is defined as being those hours between 6:00 AM and 10:00 AM and between 6:00 PM and 10:00 PM local time, Monday through Friday.

Determination of the Off-Peak Period

All hours not included above and all hours of the observed holidays of New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas are in the off-peak period.

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.

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.

(Continued on Sheet No. 34.4)

RATE SCHEDULE GSLDT - EXP
GENERAL SERVICE - LARGE DEMAND
TIME OF USE (EXPERIMENTAL)

(Continued from Sheet No. 34.3)

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.

Term of Contract

Service under this Schedule shall be for a period of not less than one year and thereafter from year to year until terminated by three (3) months written notice by either party to the other.

The initial selection of this optional rate schedule by a Rate Schedule GSD Customer may be terminated at any time by written or personal notice from the Customer. After such termination, any subsequent selection of this option by the same Customer for service at the same premises shall have a term of contract as specified above.

Terms and Conditions

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

Reserved for Future Use

RATE SCHEDULE IS - EXP
INTERRUPTIBLE (EXPERIMENTAL)

Availability

Available within the territory served by the Company in Jackson, Calhoun and Liberty Counties. This service is limited to a maximum of 1 customer.

Applicability

Applicable to customers eligible for Rate Schedule GSLD with a load factor equal to or exceeding 35% and who have executed a Special Contract approved by the Commission. The company reserves the right to limit the total load and type customer served under this rate. Accounts established under this rate will be limited to premises where the interruption will primarily affect the customer, its employees, agents, lessees, tenants and guests and will not significantly affect members of the general public nor interfere with functions performed for the protection of public health or safety.

Character of Service

Three-phase service at available standard voltage.

Limitations of Service

Service shall be at a single metering point at one voltage. Interruptible service under this rate is subject to interruption during any On-Peak time period that the Company elects to notify customer, with a minimum of two (2) hours notice, that the customer must fully interrupt taking electric power from the Company. The Company is limited to an On-Peak period maximum of 200 hours of required interruption per year per customer.

Monthly Rate

Customer Facilities Charge:
\$100.00 per customer per month

Demand Charge:
Each KW of Billing Demand \$ 4.00/KW

Base Energy Charge
All KWH 0.145¢/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. 41.0.

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.

(Continued on Page 39.0)

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

First Revised~~Original~~ Sheet No. 39.0
Cancel~~Original~~ Sheet No. 39.0

~~Reserved for Future Use~~

RATE SCHEDULE IS - EXP
INTERRUPTIBLE (EXPERIMENTAL)

(Continued from Sheet No. 38.0)

Purchased Power Costs
See Sheet No. 41.0

Conservation Costs
See Sheet No. 41.0

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.

Determination of the On-Peak Period

The on-peak period is defined as calendar months May through September.

Determination of the Off-Peak Period

The off-peak period is defined as calendar months October through April.

Definition of Interruptible Service

Interruptible service is electric service that can be interrupted either automatically or manually by the company.

Definition of Average Load Factor

Average Load Factor = $\frac{12 \text{ month average consumption (KWH)}}{12 \text{ month average demand (KW)} \times 730 \text{ (hours/month)}}$

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.

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.

(Continued on Sheet No. 40.0)

Issued by: Jeffry M. Householder~~John T. English~~, President

Effective:

~~Reserved for Future Use~~

RATE SCHEDULE IS - EXP
INTERRUPTIBLE (EXPERIMENTAL)

(Continued from Sheet No. 39.0)

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.

Term of Contract

Service under this Schedule shall be for a period of not less than three years and thereafter from year to year until terminated by one (1) year written notice by either party to the other.

The initial selection of this optional rate schedule by a Rate Schedule GSLD Customer may be terminated at any time by written or personal notice from the Customer. After such termination, any subsequent selection of this option by the same Customer for service at the same premises shall have a term of contract as specified above.

Terms and Conditions

Service under this rate schedule is subject to the Company's Rules and Regulations applicable to electric service after execution of a Special Contract which will be subject to approval by the Commission. Service or terms under this schedule may be modified or terminated at any time with approval from the Commission.

Customer taking service under this rate schedule will be required to install necessary and mutually agreed upon equipment to fully interrupt the entire load of the customer. Service under this rate scheduled will not begin until equipment has been installed and verified by the Company.

Customer will provide reasonable access by the Company for the purposes of checking the condition of the interrupting equipment.

Company may, a maximum of one time per calendar year with 30 days advance written notice or at a mutually agreed upon date and time, interrupt service to the customer to test the availability and operability of the interrupting capacity.

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, 2011 through December 31, 2011 is as follows:

Rate Class	Rate Schedule	Levelized Adjustment
Residential (1 st 1000 KWH's)	RS	11.553¢/KWH
Residential (above 1000 KWH's)	RS	12.553¢/KWH
General Service	GS	11.560¢/KWH
General Service-Demand	GSD	10.977¢/KWH
Outdoor Lighting	OL, OL-2	8.619¢/KWH
Street Lighting	SL1-2, SL-3	8.566¢/KWH
General Service-Large Demand	GSLD	10.586¢/KWH
General Service-Large Demand 1	GSLD 1	Not Applicable
Large Demand 1		At This Time

Time of Use Rate Class	Rate Schedule	Levelized Adjustment	
		On-Peak	Off-Peak
Residential TOU	RST - EXP	19.953¢/KWH	7.653¢/KWH
General Service TOU	GST - EXP	15.560¢/KWH	6.560¢/KWH
General Service-Demand TOU	GSDT - EXP	14.977¢/KWH	7.727¢/KWH
General Service-Large Demand TOU	GSLDT - EXP	16.586¢/KWH	7.586¢/KWH
Interruptible - EXP	IS - EXP	8.750¢/KWH	10.586¢/KWH

Energy Conservation Cost Recovery Clause

Each base energy rate per KWH of the above rate schedules for the period January 1, 2011 through December 31, 2011 shall be increased by 0.115¢/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.

Attachment B

Attachment B

FLORIDA PUBLIC UTILITIES COMPANY
 FUEL FACTOR ADJUSTED FOR
 LINE LOSS MULTIPLIER
 ESTIMATED FOR THE PERIOD: JANUARY 2011 - DECEMBER 2011

**NORTHWEST DIVISION
 ALLOCATION OF DEMAND CHARGES TO RATE CLASSIFICATIONS**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
			(1)/(2)*8,760			(3)*(4)	(1)*(5)	(6)/Total Col. (6)	(7)/Total Col. (7)
Rate Schedule	KWH Sales	12 CP Load Factor	CP KW At Meter	Demand Loss Factor	Energy Loss Factor	CP KW At GEN	KWH At GEN	12 CP Demand Percentage	Energy Percentage
34 RS	141,977,000	58.020%	27,934.2	1.089	1.030	30,420.3	146,236,310	51.34%	44.36%
35 GS	28,412,000	63.781%	5,085.2	1.089	1.030	5,537.8	29,264,360	9.35%	8.88%
36 GSD	90,208,000	75.860%	13,574.6	1.089	1.030	14,782.7	92,914,240	24.95%	28.18%
37 GSLD	59,472,000	86.886%	7,813.7	1.089	1.030	8,509.1	61,256,160	14.36%	18.58%
38 OL, OL1	0	321.886%	0.0	1.089	1.030	0.0	0	0.00%	0.00%
39 SL1, SL2 & SL3	0	321.886%	0.0	1.089	1.030	0.0	0	0.00%	0.00%
40 TOTAL	<u>320,069,000</u>		<u>54,407.7</u>			<u>59,249.9</u>	<u>329,671,070</u>	<u>100.00%</u>	<u>100.00%</u>

Adjusted to eliminate OL and SL rate classifications from TOU calculations

	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
	12/13 * (8)	1/13 * (9)	(10) + (11)	Tot. Col. 13 * (12)	(13)/(1)	(14) * 1.00072		(15) + (16)
Rate Schedule	12/13 Of 12 CP	1/13 Of Energy	Demand Allocation Percentage	Demand Dollars	Demand Cost Recovery	Demand Cost Recovery Adj for Taxes	Other Charges	Levelized Adjustment
41 RS	47.39%	3.41%	50.80%	\$6,147,529	0.04330	0.04333	0.07609	\$0.11942
42 GS	8.63%	0.68%	9.31%	1,126,644	0.03965	0.03968	0.07609	\$0.11577
43 GSD	23.03%	2.17%	25.20%	3,049,562	0.03381	0.03383	0.07609	\$0.10992
44 GSLD	13.26%	1.43%	14.69%	1,777,701	0.02989	0.02991	0.07609	\$0.10600
45 OL, OL1	0.00%	0.00%	0.00%	0	#DIV/0!	#DIV/0!	0.07609	#DIV/0!
46 SL1, SL2 & SL3	0.00%	0.00%	0.00%	0	#DIV/0!	#DIV/0!	0.07609	#DIV/0!
47 TOTAL	<u>92.31%</u>	<u>7.69%</u>	<u>100.00%</u>	<u>\$12,101,436</u>				

Adjusted to eliminate OL and SL rate classifications from TOU calculations

NORTHWEST DIVISION BUDGET STATISTICS

	2011 Budget Average Number of Customers	2011 Budget Average KWH Per Customer
RESIDENTIAL	10,101	1,171
GENERAL SERVICE	2,078	1,138
GS - DEMAND	457	16,404
GS - LARGE DEMAND	13	378,767
OUTDOOR LIGHTS	N/A	N/A
STREET LIGHTS	N/A	N/A
	<u>12,650</u>	