

Diamond Williams100459 - EI

From: Beth Keating [BKeating@gunster.com]
Sent: Friday, January 21, 2011 3:29 PM
To: Filings@psc.state.fl.us
Cc: Schef Wright; cecilia.bradley@myfloridalegal.com; CHRISTENSEN.PATTY; Katherine Fleming; Elisabeth Draper
Subject: Docket NO. 100459
Attachments: 20110121153006827.pdf

Attached for electronic filing, please find Florida Public Utilities Company's responses to staff's second set of data requests. Please do not hesitate to contact me if you have any questions.

Beth Keating

Gunster, Yoakley & Stewart, P.A.

215 S. Monroe St., Suite 618

Tallahassee, FL 32301

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Direct Line: (850) 521-1706

a. Person responsible for this electronic filing:

Beth Keating

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215 S. Monroe St., Suite 618

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Direct Line: (850) 521-1706

b. Docket No. 100459-EI - 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, by Florida Public Utilities Company.

c. On behalf of: Florida Public Utilities Company

d. There are a total of 22 pages.

e. Description: FPUC's Responses to Staff's Data Requests

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DOCUMENT NUMBER DATE

00494 JAN 21 =

FPSC-COMMISSION CLERK

1/21/2011

Tax Advice Disclosure: To ensure compliance with requirements imposed by the IRS under Circular 230, we inform you that any U.S. federal tax advice contained in this communication (including any attachments), unless otherwise specifically stated, was not intended or written to be used, and cannot be used, for the purpose of (1) avoiding penalties under the Internal Revenue Code or (2) promoting, marketing or recommending to another party any matters addressed herein. Click the following hyperlink to view the complete Gunster IRS Disclosure & Confidentiality note.

<http://www.gunster.com/terms-of-use/>

January 21, 2011

BY ELECTRONIC FILING

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

Re: Docket No. 100459-EI - 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, by Florida Public Utilities Company.

Dear Ms. Cole:

Attached for electronic filing in the referenced Docket, please find Florida Public Utilities Company's responses to Staff's second set of data requests in this proceeding. The Company anticipates submitting supplemental responses early next week.

Thank you for your assistance with this filing. If you have any questions whatsoever, please do not hesitate to let me know.

Sincerely,


Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 618
Tallahassee, FL 32301
(850) 521-1706

MEK

cc: Robert Scheffel Wright, Esquire (via email)
Patricia Christensen, Esquire (via email)
Cecilia Bradley, Esquire (via email)

**FLORIDA PUBLIC UTILITIES COMPANY
RESPONSES TO
STAFF'S SECOND DATA REQUEST
DOCKET NO. 100459-EI**

1. FPUC's response to Staff's First Data Request, No. 7 states that "the on-peak rate was derived from the expected number of kwh's for the customer electing this service during May through September and the allocation of approximately 5 % of the annual savings" Please identify the expected number of kwh's and the amount of savings allocated. Please provide and discuss the actual calculation.

Company Response: The projected number of kwh's for the Interruptible Service during the on-peak months of May through September is 2,000,000 kwh. The average monthly kwh for those customers that are eligible for this service (those in rate class GSLD) is 400,000 kwh. This average quantity times the five peak season months equals the 2,000,000 kwh projection.

The allocated savings is calculated as follows: Projected 2011 savings from the Amended Agreement (\$725,000) times 5% of the savings being allocated to Interruptible Service equals \$36,250.

See attached spreadsheet that provides the detailed calculations.

(Response provided by Thomas A. Geoffroy)

2. FPUC's response to Staff's First Data Request, No. 11 states that "the amended agreement includes language so that if the City of Marianna does not renew or replace the franchise at the end of the current expiration date, then, under certain conditions, the capacity minimum may be reduced by the Marianna load beginning January 1, 2018." Please respond to the following:

- a. When does the current franchise with the City of Marianna expire?

Company Response: February 1, 2020.

(Response provided by Thomas A. Geoffroy)

b. What certain conditions have to occur?

Company Response: The unexecuted, final version of the amended agreement is attached for review and contains the conditions requested as set forth in Attachment 2 of the Amendment. Certain confidential information has been redacted from the attached copy.

(Response provided by Thomas A. Geoffroy)

c. What percentage of the FPUC Northwest Division's total load does the Marianna load represent?

Company Response: The Marianna load represents approximately 33.75% of the 2010 kwh usage in the Northwest Division.

(Response provided by Thomas A. Geoffroy)

d. If the City of Marianna does not renew the franchise agreement, please explain or describe how FPUC's remaining customers will be able to pay the monthly capacity payment?

Company Response: If the City does not renew the franchise agreement in 2020, at the expiration of the current term, the existing PPA will have also expired. The amended term of the PPA is set to expire at December 31, 2019. If the City attempts to exercise its option, as defined in Section 17 of the Franchise agreement, to purchase the electric system inside the City of Marianna corporate limits, the Company believes that the demand related charges incurred on behalf of the current City of Marianna customers will become stranded costs and will be passed on to the City as part of the transaction to purchase the electric assets. Therefore, the Company does not believe that the remaining customers would pay any costs resulting from the Amended PPA with Gulf Power if the City is successful in acquiring the electric assets described herein.

(Response provided by Thomas A. Geoffroy)

The following questions refer to the study prepared by Christensen Associates Energy Consulting:

3. Please refer to Table 3 and explain how the price premiums and discounts were calculated.

Company Response: To be provided.

4. FPUC stated that approximately 50 percent of the annual savings are allocated to TOU rates, which would be about \$450,000 (50% * \$900,000). Page 26 of the study states that “the economic impacts include immediate revenue reductions of about \$256,000.” Please explain how the \$256,000 compares to the \$450,000?

Company Response: The \$900,000 reference in the question is the annual average over the remaining term of the PPA. For 2011, the estimated annual savings is \$725,000. The Company has allocated 50% to the TOU rate classifications. Based on the participation caps proposed for each TOU rate classification, the Company expects that the customers selecting the proposed TOU rates would enjoy these savings (about \$362,500 annually). The rates that the Company proposed for the TOU rate classifications were derived, in part, by using the Christensen Associates model for TOU rate derivation and, in part, through other factors, such as local competing TOU rates, average annual savings levels per customer and to meet the terms and conditions of the City of Marianna franchise agreement. Once the Company determined the specific TOU rate proposals, Christensen Associates inputs these rates into their model to determine if the results (the \$256,000 savings noted in the question) of the model were reasonable with the Company’s projections. The Company and Christensen Associates were satisfied that, given the various assumptions being used, the results were reasonable.

(Response provided by Thomas A. Geoffroy)

5. Please provide a discussion of the information shown in Tables 9 – 12. Please state whether the model searches for the target level of pilot participation, e.g., 940 for RS class, that provide the desired revenue reduction. If not, please explain or describe how FPUC determined the target level of participation for each rate class.

Company Response: To be provided.

6. Please update of the status of the amended agreement including the review process. Has the amended agreement been signed by parties? If not, is the amended agreement being further negotiated?

Company Response: The Company has executed the amended agreement on Friday, January 21, 2011.

(Response provided by Thomas A. Geoffroy)

7. Please provide the cumulative savings and savings by year for the period January 1, 2011 through December 31, 2017. Please explain the method and assumptions used.

Company Response: The savings by year for the period January 1, 2011 through December 31, 2017, assuming the amended Capacity Purchase Quantity does not increase over this time period, is approximately as follows: 2011 - \$725,000; 2012 - \$750,000; 2013 - \$790,000; 2014 - \$840,000; 2015 - \$880,000; 2016 - \$930,000; and 2017 - 975,000. The cumulative savings is estimated at approximately \$5,890,000.

(Response provided by Thomas A. Geoffroy)

8. Please provide the cumulative savings and savings by year for the period January 1, 2018 through December 31, 2019. Please explain the method and assumptions used.

Company Response: The savings by year for the period January 1, 2018 through December 31, 2019, assuming the amended Capacity Purchase Quantity does not increase over this time period, is approximately as follows: 2018 - \$1,000,000; and 2019 - \$1,100,000. The cumulative savings is estimated at approximately \$2,100,000.

(Response provided by Thomas A. Geoffroy)

**AMENDMENT NO. 1
TO THE
AGREEMENT FOR GENERATION SERVICES
BETWEEN
GULF POWER COMPANY
AND
FLORIDA PUBLIC UTILITIES COMPANY**

THIS AMENDMENT, effective as of the ____ day of January, 2011 ("Amendment No. 1"), amends the Agreement for Generation Services between Gulf Power Company ("Gulf Power") and Florida Public Utilities Company ("FPUC") dated as of December 28, 2006 ("Agreement"). Gulf Power and FPUC are individually referred to herein as a "Party" and collectively as the "Parties".

WITNESSETH:

WHEREAS, pursuant to the Agreement, Gulf Power has agreed to sell to FPUC, and FPUC has agreed to purchase from Gulf Power, capacity and energy in order for FPUC to supply the native load electric requirements of FPUC's Northwest Division;

WHEREAS, the Parties desire to amend the Agreement in order to modify the method for calculating the amount of capacity to be purchased by FPUC from Gulf Power, subject to the terms and conditions hereof; and

WHEREAS, the Parties desire to further amend the Agreement in order extend the term of the Agreement, subject to the terms and conditions hereof.

NOW, THEREFORE, in consideration of the premises, the mutual promises and agreements contained herein and other good and valuable consideration, the receipt, sufficiency and adequacy of which are hereby acknowledged, the Parties each intending to be legally bound hereby agree as follows:

DOCUMENT NUMBER-DATE

00494 JAN 21 =

FPSC-COMMISSION CLERK

A. Amendments to Agreement.

Subject to the satisfaction of the condition set forth in Section B.1 of this Amendment No. 1, the Parties hereby agree to amend and modify the Agreement as follows.

1. In Section 1.1 of the Agreement, the definition of “Monthly Capacity Rate” is hereby modified by adding the following capacity rates for the following years to the table within that definition:

Year	Capacity Rate (\$/kW-Mo.)
2018	██████
2019	██████

2. In Section 1.1 of the Agreement, the definition of “Term” is hereby modified by replacing the date “December 31, 2017” with the date “December 31, 2019”.

3. Section 2.1 of the Agreement is hereby modified by replacing the reference to “December 31, 2017” with “December 31, 2019”.

4. Appendix A of the Agreement is hereby modified by replacing the reference to the year “2016” in the first paragraph with the year “2018”.

5. Appendix A of the Agreement is hereby modified by deleting Section D of that Appendix and replacing it with the revised Section D set forth in Attachment 1 to this Amendment No. 1.

6. Appendix A of the Agreement is hereby modified by deleting Section E of that Appendix and replacing it with the revised Section E set forth in Attachment 2 to this Amendment No. 1.

7. Exhibit 1 to Appendix A of the Agreement is hereby modified by: (a) replacing the

words "Example Calculation of Capacity Purchase" with the words "Example Calculation of Capacity Purchase for Years 2008 through 2010"; and (b) adding to that exhibit the contents of Attachment 3 to this Amendment No. 1.

B. Regulatory.

1. By no later than January 31, 2011, FPUC shall make a filing with the FPSC requesting approval of this Amendment No. 1, without any modification or condition with respect to the Agreement other than as specifically set forth in Section A of this Amendment No. 1 ("Requested Approval"). After making such filing, FPUC shall utilize diligent efforts to obtain a Final Order that grants the Requested Approval by no later than July 31, 2011 ("Approval Deadline"). The amendments and modifications to the Agreement set forth in Section A of this Amendment No. 1 are expressly conditioned upon the receipt of a Final Order by the Approval Deadline that grants the Requested Approval. For purposes of this Amendment, a "Final Order" means an order of the FPSC that is no longer subject to appeal or further review by a court or other governmental authority.

2. FPUC shall promptly notify Gulf Power when it receives a ruling from the FPSC regarding the Requested Approval. FPUC shall keep Gulf Power reasonably informed as to the progress of its efforts to obtain the Requested Approval.

3. In the event that: (i) there is no Final Order by the Approval Deadline that grants the Requested Approval; or (ii) the FPSC issues an order or issuance denying the Requested Approval or an order or issuance requiring any modifications or conditions with respect to the Agreement or this Amendment No. 1 that are not specifically provided for in Section A of this Amendment No. 1, then in either case of (i) or (ii), this Amendment No. 1 shall immediately terminate and be rendered null and void, *ab initio*, without further action of the Parties; provided, however, Gulf Power shall be entitled to invoice, and FPUC shall pay, amounts as provided in the penultimate sentence of Section

C below. If this Amendment No. 1 so terminates, the Agreement shall continue in full force effect as it existed prior to the execution by the Parties of this Amendment No. 1.

C. Adjustment of Invoices.

1. Consistent with the Parties' intent to modify the method for determining the Capacity Purchase under Section D of Appendix A of the Agreement, commencing with the payment for capacity provided for January 2011, Gulf Power shall calculate the Monthly Capacity Payment for each Month utilizing a Capacity Purchase that is determined in accordance with the revised Section D of Appendix A under this Amendment No. 1 (each such Month, commencing with January 2011 being referred to as a "Modified Month").

2. Notwithstanding the foregoing, in the event that this Amendment No. 1 terminates under Section B.3 above, in order for payments to be made in accordance with the original terms of this Agreement, Gulf Power shall be entitled to retroactively invoice FPUC for the full amount of the Monthly Capacity Payments for the Modified Months as such payments would have been calculated if this Amendment No. 1 had never existed (less any amounts previously paid by FPUC as Monthly Capacity Payments for such Months), plus interest at the Interest Rate. FPUC shall pay such invoiced amount in accordance with Article 6 of the Agreement.

D. Other Provisions.

1. Unless otherwise specifically provided in this Amendment No. 1, capitalized terms in this Amendment No. 1 shall have the meaning assigned to such terms in the Agreement.

2. Except as amended hereby, the terms and conditions of the Agreement shall remain in full force and effect.

3. This Amendment No. 1 may be executed in multiple counterparts (including by facsimile, electronic mail, or similar electronic transmission device pursuant to which the signature

of or on behalf of each party hereto can be seen), each of which shall be deemed an original and all of which shall constitute a single instrument.

4. This Amendment No. 1 shall be considered for all purposes as prepared through the joint efforts of the Parties and shall not be construed against one Party or the other as a result of the preparation or other event of negotiation, drafting or execution hereof.

5. This Amendment No. 1 (including the attachments hereto) and the terms and conditions hereof shall constitute Confidential Information of each Party subject to Article 15 of the Agreement. The Parties agree to seek confidential treatment of this Amendment No. 1 and other Confidential Information from the FPSC to the maximum extent possible pursuant to Chapter 366.093, Florida Statutes, and Rule 25-22.006 of the Florida Administrative Code. In the event any Confidential Information will need to be disclosed in connection with any application for the FPSC approval of this Amendment No. 1 or the rates to be charged hereunder, FPUC shall consult and cooperate with Gulf Power prior to such disclosure, including, without limitation, in determining the extent to which confidential treatment will be sought for such terms, conditions and provisions.

[The next page is the signature page.]

EXECUTION VERSION

REDACTED

IN WITNESS WHEREOF, the Parties have duly executed this Amendment No. 1 as of
the date first written above.

GULF POWER COMPANY

By and through its agent
Southern Company Services, Inc.

BY: _____

NAME: _____

TITLE: _____

FLORIDA PUBLIC UTILITIES COMPANY

BY: _____

NAME: _____

TITLE: _____

ATTACHMENT 1

REVISED SECTION D OF APPENDIX A OF THE AGREEMENT

D. Capacity Purchase.

The Capacity Purchase for the Year following each Calculation Year shall be rounded to the nearest kilowatt (kW), and shall be determined as follows:

1. Capacity Purchase for Years 2008 through 2010.

For each of the Years 2008, 2009 and 2010, the Capacity Purchase shall be equal to the greater of:

(1) the lesser of :

(a) the product of:

(i) the Reserve Requirement plus one (1); multiplied by the

(ii) Forecasted Northwest Annual Peak Demand.

Or

(b) the product of:

(i) one and one-hundredth (1.01) plus the Growth Rate;
multiplied by the

(ii) Capacity Purchase for the Calculation Year.

Or

(2) the Capacity Purchase for the Calculation Year.

Notwithstanding the foregoing, the Capacity Purchase for Year 2008 shall be equal to the product of: (i) the Reserve Requirement plus one (1); multiplied by (ii) the Forecasted Northwest Annual Peak Demand.

2. Capacity Purchase for Years after 2010.

For each Year of the Service Term after 2010, the Capacity Purchase shall be equal to the greater of:

- (1) the lesser of:
 - (a) the product of:
 - (i) the Reserve Requirement plus one (1); multiplied by the
 - (ii) Forecasted Northwest Annual Peak Demand.
 - Or
 - (b) the product of:
 - (i) one and one-hundredth (1.01) plus the Growth Rate; multiplied by the
 - (ii) Capacity Purchase for the Calculation Year.
 - Or
- (2) 91 MW (“Capacity Minimum”) (subject to reduction for Year 2018 and/or Year 2019 under the circumstances described in Section E.2(b) of this Appendix A).

ATTACHMENT 2

REVISED SECTION E OF APPENDIX A OF THE AGREEMENT

E. Reductions in Capacity Purchase.**1. Required Purchases from Third Parties.**

If in any Year of the Service Term FPUC is required to purchase capacity from a third party under applicable Law pursuant to Section 3.4(ii) or (iii) and the Parties cannot agree upon feasible actions (if any) to be taken by either or both Parties such that FPUC can satisfy and/or comply with such Law for such Year while simultaneously leaving this Agreement in full force and effect as originally executed, then the Capacity Purchase calculated for such Year (or applicable portion thereof) pursuant to the provisions of this Appendix A shall be reduced by such amount necessary for FPUC to comply with applicable Law.

2. Expiration of the Marianna Franchise Agreement.

If during the Service Term, FPUC's franchise agreement with the City of Marianna, Florida expires and is not renewed, extended or replaced (the date of such expiration being the "Marianna Expiration Date"), then the following shall apply as applicable:

(a) If Gulf Power and/or any of its Affiliates sells electric capacity to the City of Marianna after the Marianna Expiration Date, then for the period of time during the Service Term that Gulf Power and/or its Affiliates sells capacity to the City of Marianna, the Capacity Purchase to FPUC shall be reduced by the amount of capacity sold to the City of Marianna by Gulf Power and/or its Affiliates; provided, however, there shall be no such reduction if the Capacity Minimum has already been reduced by the Marianna Load Amount pursuant to subsection (b) below.

(b) If neither Gulf Power nor any of its Affiliates sells electric capacity to the City of Marianna during the period of the Service Term after the Marianna Expiration Date, then

commencing with the later of: (i) Year 2018, or (ii) the Year after the Year in which the Marianna Expiration Date occurs, the Capacity Minimum under Section D of this Appendix A shall be reduced by the Marianna Load Amount for purposes of calculating the Capacity Purchase for such Year (but in no event shall the Capacity Minimum be reduced for purposes of calculating the Capacity Purchase for any Year prior to 2018).

For purposes hereof, the Marianna Load Amount shall equal:

- (1) the sum of:
 - (a) the Marianna Load Ratio times the Northwest Annual Peak Demand, each for the Peak Season of the third Year prior to the Year in which the Marianna Expiration Date occurs; plus
 - (b) the Marianna Load Ratio times the Northwest Annual Peak Demand, each for the Peak Season of the second Year prior to the Year in which the Marianna Expiration Date occurs; plus
 - (c) the Marianna Load Ratio times the Northwest Annual Peak Demand, each for the Peak Season of the first Year prior to the Year in which the Marianna Expiration Date occurs.
- (2) divided by three (3).

For purposes hereof, the Marianna Load Ratio for a given Peak Season shall equal the quotient of: (a) the aggregate total of all kWh of energy billed by FPUC for such Peak Season to retail customers in the City of Marianna franchise area; divided by (b) the aggregate total of all kWh of energy billed by FPUC for such Peak Season to all Northwest Division retail customers.

In no event shall a reduction in the Capacity Purchase under Section E.2(a) above and a reduction in the Capacity Minimum under Section E.2(b) above be effective concurrently.

ATTACHMENT 3

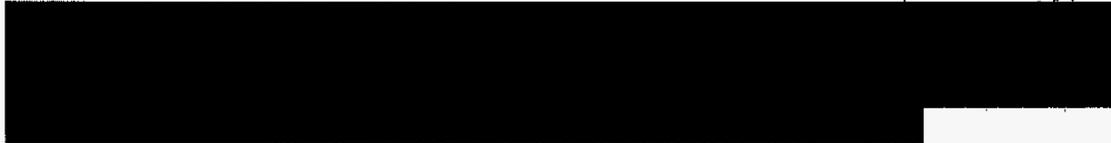
ADDITION TO EXHIBIT 1 TO APPENDIX A OF THE AGREEMENT

Example Calculation of Capacity Purchase for Years After 2010

Note: All data is for example purposes only, and is not representative of actual or forecasted data.
Calculation Year = 2010

A. Marianna Annual Peak Demand

Year Peak Season MW Transmission Loss Factor Peak Season MW (after loss adj.)



A table with four columns: Year, Peak Season MW, Transmission Loss Factor, and Peak Season MW (after loss adj.). The entire table content is redacted with a black box.

Peak Season is defined as May through September

B. Growth Rate



A table with two columns: Year and Growth Rate. The entire table content is redacted with a black box.

C. Forecasted Marianna Annual Peak Demand



A table with two columns: Year and Peak Demand. The entire table content is redacted with a black box.

D. Capacity Purchase



A table with two columns: Year and Capacity Purchase. The entire table content is redacted with a black box.

(2) 91.000 → 91.000 Highest amount
2011 Capacity Purchase: 91.000 MW

2011 Rate Comparison
 Large Power Service Time of Use (LPT) Rate

Energy Consumption			
On Peak	KWH	88,000	22%
Off Peak	KWH	312,000	78%
On Peak	KW	1,073.3	97%
Max Peak	KW	1,106.8	100%

Total KWH	400,000	Peak Demand Reduction	3.03%
Total KW	1,106.8	On-Peak Increment	\$0.0600
		Off-Peak Decrease	\$0.0300

Peak is: April - October 12 pm - 8 pm CST M-F and November - March 6 am - 10 am and 6 pm - 10 pm CST M-F

Peak is: May - October 2 pm - 7 pm and November - April 5 am - 9 am

Peak is: April - October 3 pm - 7 pm and November - March 6 am - 9 am

	Gulf Power		Northwest Florida		Northeast Florida		West Fla Electric		Chelco		Talquin		Gulf Coast		Tri-County Electric		City of Blountstown	
	Unit Cost	Amount	Unit Cost	Amount	Unit Cost	Amount	Unit Cost	Amount	Unit Cost	Amount	Unit Cost	Amount	Unit Cost	Amount	Unit Cost	Amount	Unit Cost	Amount
Customer Charge	\$155.00	\$155.00	\$100.00	\$100.00		\$0.00			\$40.00	\$40.00					\$225.00	\$225.00		
On Peak Base Rate Demand Charges (\$/KW)	\$7.03	\$7,545.30				\$0.00			\$0.00	\$0.00					\$13.00	\$13,952.90		
Max. Peak Base Rate Demand Charges (\$/KW)	\$1.77	\$1,959.04	\$4.00	\$4,427.20		\$0.00			\$6.22000	\$6,884.30						\$0.00		
On Peak Base Rate Energy Charges (\$/KWH)	\$0.00668	\$587.84	\$0.00145	\$380.00		\$0.00			\$0.09702	\$8,597.76					\$0.04440	\$3,907.20		
Off Peak Base Rate Energy Charges (\$/KWH)	\$0.00668	\$2,084.16				\$0.00			\$0.05648	\$17,621.76					\$0.04440	\$13,852.80		
On Peak Fossil Fuel/Purchased Power Cost Recovery (\$/KWH)	\$0.05777	\$5,083.76	\$0.00796	\$14,595.68		\$0.00				\$0.00						\$0.00		
Off Peak Fossil Fuel/Purchased Power Cost Recovery (\$/KWH)	\$0.04913	\$15,328.56	\$0.07586	\$23,668.32		\$0.00				\$0.00						\$0.00		
Purchased Power Capacity Cost Recovery (\$/KWH)	\$0.00339	\$1,356.00				\$0.00				\$0.00						\$0.00		
Wholesale Power Cost Adjustment (\$/KWH)									\$0.027399	\$10,959.60					\$0.03280	\$13,120.00		
Environmental Cost Recovery (\$/KWH)	\$0.01343	\$5,372.00				\$0.00				\$0.00						\$0.00		
Energy Conservation Cost Recovery (\$/KWH)	\$0.00095	\$380.00	\$0.00115	\$460.00		\$0.00				\$0.00						\$0.00		
Total Monthly Bill less taxes		\$39,851.66		\$43,831.20		\$0.00				\$44,043.42						\$45,057.90		

Monthly Savings	\$4,080.00
Annual Savings	\$48,960.00
Total Contract Savings in 2011	\$725,000
Percentage to TOU Rates	50.0%

2011 Rate Comparison

INTERRUPTIBLE RATES

Assuming three phase

Energy Consumption	
KWH	400,000
KW	1,106.8

Interruptible Decrease \$ 0.0350

How Interruptible Rates are Calculated

	Gulf Power		Northwest Florida		Northeast Florida		West Fla Electric		Chelco		Takquin		Gulf Coast		Tri-County Electric		City of Blountstown		
	Unit Cost	Amount	Unit Cost	Amount	Unit Cost	Amount	Unit Cost	Amount	Unit Cost	Amount	Unit Cost	Amount	Unit Cost	Amount	Unit Cost	Amount	Unit Cost	Amount	
Customer Charge		\$0.00	\$100.00	\$100.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00			
Base Rate Demand Charges (\$/KW)		\$0.00	\$4.00	\$4,427.20		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00			
Base Rate Energy Charges (\$/KWH)		\$0.00	\$0.00145	\$580.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00			
Fossil Fuel/Purchased Power Cost Recovery (\$/KWH)		\$0.00	\$35,000.00		\$0.00		\$0.00		\$0.00							\$0.00			
Purchased Power Capacity Cost Recovery (\$/KWH)		\$0.00	\$0.00		\$0.00		\$0.00		\$0.00							\$0.00			
Wholesale Power Cost Adjustment (\$/KWH)								\$0.00		\$0.00		\$0.00		0		\$0.00			
Environmental Cost Recovery (\$/KWH)		\$0.00	\$0.00		\$0.00		\$0.00		\$0.00							\$0.00			
Energy Conservation Cost Recovery (\$/KWH)		\$0.00	\$0.00115	\$460.00		\$0.00		\$0.00		\$0.00						\$0.00			
Total Monthly Bill less taxes		\$0.00	\$40,567.20		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		

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	81,256,180	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	47.38%	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	0.02889	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>				

NORTHWEST DIVISION STATISTICS

	2011 Budget Average Number <u>of Customers</u>	2011 Budget Average KWH <u>Per Customer</u>
<u>CUSTOMERS</u>		
RESIDENTIAL	10,101	1,171
COMMERCIAL SMALL	2,078	1,138
COMMERCIAL	457	16,404
COMMERCIAL - LARGE	13	378,767
INDUSTRIAL	0	0
OUTDOOR LIGHTS	N/A	N/A
STREET LIGHTS	N/A	N/A
INTERDEPARTMENTAL	N/A	N/A
	<u>12,650</u>	

Florida Public Utilities
2011 Rate Comparison

Energy Consumption	Residential	GS	GSD	GSLD	INT
On Peak KWH	252	300	3,630	88,000	0
Off Peak KWH	948	900	12,870	812,000	400,000
First 1,000 KWH	1,000				
Over 1,000 KWH	200				
Total KWH	1,200	1,200	16,500	400,000	400,000
On Peak KW			53.4	1,073.3	0.0
Max Peak KW			54.0	1,106.8	1,106.8
TOU On Peak KWH	21%	25%	27%	22%	0%
TOU Off Peak KWH	79%	75%	78%	78%	100%
TOU On Peak KW	95%	95%	99%	97%	0%
On-Peak Increment	\$0.08400	\$0.12500	\$0.04000	\$0.06000	\$0.08750
Off-Peak Decrease	\$0.03900	\$0.09200	\$0.03250	\$0.03000	\$0.08750

	Residential		Residential TOU		GS		GS - TOU		GSD		GSD - TOU		GSLD		GSLD - TOU		INTERRUPTIBLE	
	Unit Cost	Amount	Unit Cost	Amount	Unit Cost	Amount	Unit Cost	Amount	Unit Cost	Amount	Unit Cost	Amount	Unit Cost	Amount	Unit Cost	Amount	Unit Cost	Amount
Customer Charge	\$12.00	\$12.00	\$12.00	\$12.00	\$18.00	\$18.00	\$18.00	\$18.00	\$52.00	\$52.00	\$52.00	\$52.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00
Base Rate Energy Charges (\$/KWH)	\$0.01958	\$23.50	\$0.01958	\$23.50	\$0.01927	\$23.12	\$0.01927	\$23.12	\$0.00340	\$56.10	\$0.00340	\$56.10	\$0.00145	\$580.00	\$0.00145	\$580.00	\$0.00145	\$580.00
Max. Peak Base Rate Demand Charges (\$/KW)									\$2.80	\$151.20	\$2.80	\$151.20	\$4.00	\$4,427.20	\$4.00	\$4,427.20	\$4.00	\$4,427.20
Fossil Fuel/Purchased Power Cost Recovery <= 1,000 KWh (\$/KWH)	\$0.11553	\$115.53																
Fossil Fuel/Purchased Power Cost Recovery > 1,000 KWh (\$/KWH)	\$0.12553	\$25.11																
Fossil Fuel/Purchased Power Cost Recovery (\$/KWH)					\$0.11560	\$138.72			\$0.10977	\$1,811.21			\$0.10586	\$42,344.00			\$0.08750	\$35,000.00
On Peak Fossil Fuel/Purchased Power Cost Recovery (\$/KWH)			\$0.09533	\$52.80			\$0.09533	\$72.18			\$0.14077	\$543.67					\$14,595.68	
Off Peak Fossil Fuel/Purchased Power Cost Recovery (\$/KWH)			\$0.07533	\$72.55			\$0.07533	\$21.24			\$0.07727	\$994.46					\$23,668.32	
Energy Conservation Cost Recovery (\$/KWH)	\$0.00115	\$1.38	\$0.00115	\$1.38	\$0.00115	\$1.38	\$0.00115	\$1.38	\$0.00115	\$18.98	\$0.00115	\$18.98	\$0.00115	\$460.00	\$0.00115	\$460.00	\$0.00115	\$460.00
Total Monthly Bill less taxes		\$177.52		\$162.23		\$181.22		\$135.92		\$2,089.49		\$1,816.41		\$47,911.20		\$43,831.20		\$40,567.20

	Residential TOU	GS - TOU	GSD - TOU	GSLD - TOU	INT
Projected Monthly Savings	\$15.29	\$45.30	\$273.08	\$4,080.00	\$7,344.00
Projected Annual Savings	\$183.48	\$543.60	\$3,276.96	\$48,960.00	\$88,128.00
Projected Total Savings in 2011	\$725,000	\$725,000	\$725,000	\$725,000	\$725,000
Percentage to Experimental Rates	50.0%	50.0%	50.0%	50.0%	10.0%

