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September 8, 2011

**BY HAND DELIVERY**

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

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CLERK

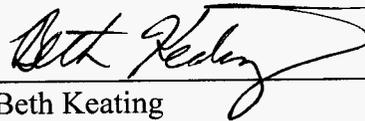
**Re: Docket No. 110001-EI - Fuel and purchased power cost recovery clause with generating performance incentive factor.**

Dear Ms. Cole:

Enclosed for filing in the referenced Docket, please find the original and 15 copies of Florida Public Utilities Company's Petition for Approval of Fuel and Purchased Power Cost Recovery Factors, along with the supporting Testimony of Ms. Cheryl Martin and her Composite Exhibit CMM-1. The referenced Attachment is also provided in native format on CD.

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 601  
Tallahassee, FL 32301  
(850) 521-1706

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12+1 CD with exhibits in excel format.

DOCUMENT NUMBER - DATE  
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FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and purchased power cost recovery  
clause with generating performance incentive  
factor.

DOCKET NO. 110001-EI

DATED: September 8, 2011

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

Florida Public Utilities Company (FPUC or Company), by and through its undersigned counsel, hereby files this Petition asking the Florida Public Service Commission (FPSC or Commission) for approval of FPUC's fuel adjustment and purchased power cost recovery factors for the period January 2012 through December 2012. In support of this request, the Company hereby states:

- 1) FPUC is an electric utility subject to the Commission's jurisdiction. Its principal business address is:

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

- 2) The name and mailing address of the persons authorized to receive notices are:

Beth Keating  
Gunster, Yoakley & Stewart, P.A.  
215 South Monroe St., Suite 601  
Tallahassee, FL 32301  
(850) 521-1706

Thomas A. Geoffroy/Cheryl Martin  
Florida Public Utilities Company  
401 South Dixie Hwy.  
West Palm Beach, FL  
33401

- 3) Consistent with the requirements for this proceeding, the Company has prefiled the fuel adjustment and purchased power cost recovery schedules supplied by the Commission consistent with the requirements for such filings, and have reflected therein the Company's calculated fuel adjustment factors for the Company's Northwest (Marianna) and Northeast (Fernandina Beach) divisions.

4) In accordance with Order No. PSC-11-0132-PCO-EI, issued February 25, 2011, in this Docket, the Company is also submitting, contemporaneously with this Petition, the Direct Testimony and Exhibit CMM-1 of Ms. Cheryl Martin in support of the Company's request for approval of the requested factors.

5) As set forth in the Company's Revised Estimated/Actual filing, filed in the Docket contemporaneously with this Petition, the Company's total true-up amounts that would be collected or refunded during the period January 2012 through December 2012 are an over-recovery of \$1,567,788 for the Marianna Division. Based on estimated sales for January 2012 through December 2012, an additional .48272¢ per kWh will need to be collected to address this under-recovery. With regard to the Fernandina Beach (Northeast) Division, the total true-up amount is an over-recovery of \$3,149,022, which equates to an amount of .95005¢ per kWh to be refunded during 2012. This amount reflects an adjustment in the estimated true-up amount for January 2011 through December 2011 for the Northeast Division.

6) In the Company's August 4 amended filing, the estimated true-up amount for this period was an under-recovery of \$1,070,885 for the Northwest Division and an over-recovery of \$602,799 for the Northeast Division. But, as noted in the revised testimony of Mr. Curtis Young submitted today, the Company is now reflecting the actual 2011 unbilled revenues associated with fuel revenues in the net over/under recovery amount. The revised estimated true-up amount for the Northeast Division for January 2011 through December 2011 is an over-recovery of \$682,002 for the Northwest Division and an over-recovery of \$2,292,856 for the Northeast Division.

7) Based upon the Company's projections and the total true-up amounts to be collected for both Divisions, the appropriate levelized fuel adjustment and purchased power cost

recovery factors for the period January 2012 through December 2012, adjusted for line loss multipliers and including taxes, are as follows:

**Northwest Division**

<i>Rate Schedule</i>	<i>Adjustment</i>
RS	\$0.10073
GS	\$0.10227
GSD	\$0.10212
GSLD	\$0.10111
OL,O11	\$0.09981
SL1, SL2, and SL3	\$0.09981
Step rate for RS	
RS with less than 1,000 kWh/month	\$0.09713
RS with more than 1,000 kWh/month	\$0.10713

**Northeast Division**

<i>Rate Schedule</i>	<i>Adjustment</i>
RS	\$0.09267
GS	\$0.09217
GSD	\$0.09223
GSLD	\$0.09231
OL	\$0.09286
SL	\$0.09245

Step rate for RS	
RS with less than 1,000 kWh/month	\$0.08924
RS with more than 1,000 kWh/month	\$0.09924

8) The total fuel adjustment factor for the Northwest Division is 6.544¢ per kWh and for the Northeast Division is 5.961¢ per kWh for "other classes." As a result, a customer in Marianna using 1,000 kWh will pay \$133.19, a decrease of \$4.34 from the prior period. Likewise, a customer in Fernandina Beach using 1,000 kWh will pay \$125.10, a decrease of \$7.23 from the prior period.

9) The Company has also adjusted the Time of Use (TOU) and Interruptible rates for the 2012 period, consistent with the revised fuel projections for the 2012 period, as further explained at page 16 of Ms. Martin's testimony. The Company submits that the methodology used to compute the rates reflected below is consistent with the methodology previously approved by the Commission.

*Time of Use/Interruptible*

<i>Rate Schedule</i>	<i>Adjustment On Peak</i>	<i>Adjustment Off Peak</i>
RS	\$0.18113	\$0.05813
GS	\$0.14227	\$0.05227
GSD	\$0.14212	\$0.06962
GSLD	\$0.16111	\$0.07111
Interruptible	\$0.08611	\$0.10111

10) The Company attests that these factors have been calculated correctly and consistent with Commission requirements. Thus, the Company asks that the Commission approve the proposed factors as set forth herein.

WHEREFORE, FPUC respectfully requests that the Commission approve the Company's proposed fuel adjustment and purchased power cost recovery factors and step billing for January 2012 through December 2012.

RESPECTFULLY SUBMITTED this 8th day of September, 2011.



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Beth Keating  
Gunster, Yoakley & Stewart, P.A.  
215 South Monroe St., Suite 601  
Tallahassee, FL 32301  
(850) 521-1706

*Attorneys for Florida Public Utilities Company*

**CERTIFICATE OF SERVICE**

**I HEREBY CERTIFY** that a true and correct copy of the foregoing has been furnished by U.S. Mail to the following parties of record this 8th day of September, 2011:

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