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August 4, 2016

**BY E-PORTAL**

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

**Re: Docket No. 160001-EI: Fuel and Purchased Power Cost Recovery Clause with  
Generating Performance Incentive Factor**

Dear Ms. Stauffer:

Attached for filing, please find the Petition for Approval of Actual/Estimated True-Up Amount submitted on behalf of Florida Public Utilities Company, along with the Direct Testimony and Exhibit MC-1 of Mr. Mike Cassel.

Thank you for your assistance with this filing. As always, please don't hesitate to let me know if you have any questions whatsoever.

Sincerely,



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

MEK  
cc://(Certificate of Service)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and purchased power cost recovery clause with generating performance incentive factor. || DOCKET NO. 160001-EI  
DATED: August 4, 2016

**FLORIDA PUBLIC UTILITIES COMPANY'S  
PETITION FOR APPROVAL  
OF FUEL ADJUSTMENT AND PURCHASED POWER COST RECOVERY  
ESTIMATED/ACTUAL TRUE-UP AMOUNT**

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 estimated true-up amount for the period January 2016 through December 2016. 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  
1750 S 14th Street, Suite 200  
Fernandina Beach FL 32034

- 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

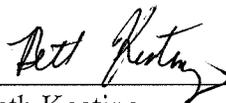
Mike Cassel  
Florida Public Utilities Company  
1750 S 14th Street, Suite 200  
Fernandina Beach FL 32034

- 3) Consistent with the requirements for this proceeding, the Company has prefiled the fuel adjustment and purchased power cost recovery true-up forms supplied by the Commission consistent with the requirements for such filings.

- 4) In accordance with Order No. PSC-16-0109-PCO-EI, issued March 17, 2016, as amended by Order No. PSC-16-0109A-PCO-EI, Order No. PSC-16-0265-PCO-EI, Order No. PSC-16-0301-PCO-EI, and Order No. PSC-16-0301A-PCO-EI, the Company is also submitting, contemporaneously with this Petition, the Direct Testimony and Exhibit MC-1 of Mr. Mike Cassel in support of the Company's request for approval of the requested actual/estimated true-up amount.
- 5) The final true-up amount for the period January 2015 through December 2015 is a consolidated under-recovery of \$28,109.
- 6) The estimated true-up amount for the period January 2016 through December 2016 is an under-recovery of \$1,261,783.
- 7) The Company's total true-up amount that would be collected or refunded during the period January 2017 through December 2017 is an under-recovery of \$1,289,892.

WHEREFORE, FPUC respectfully requests that the Commission approve the estimated true-up amount for January 2016 through December 2016.

RESPECTFULLY SUBMITTED this 4th day of August, 2016.



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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 Petition for Approval of Estimated/Actual True-Up Amount, as well as the Direct Testimony and Exhibit MC-1 of Mike Cassel, has been furnished by Electronic Mail to the following parties of record this 4th day of August, 2016:

Danjela Janjic Suzanne Brownless Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399-0850 <a href="mailto:djanjic@psc.state.fl.us">djanjic@psc.state.fl.us</a> <a href="mailto:sbrownle@psc.state.fl.us">sbrownle@psc.state.fl.us</a>	James D. Beasley/J. Jeffrey Wahlen/Ashley Daniels Ausley Law Firm Post Office Box 391 Tallahassee, FL 32302 <a href="mailto:jbeasley@ausley.com">jbeasley@ausley.com</a> <a href="mailto:jwahlen@ausley.com">jwahlen@ausley.com</a> <a href="mailto:adaniels@ausley.com">adaniels@ausley.com</a>
Jeffrey Stone/Russell Badders/Steven Griffin Beggs & Lane P.O. Box 12950 Pensacola, FL 32591-2950 <a href="mailto:srg@beggslane.com">srg@beggslane.com</a>	James W. Brew/Laura Wynn Stone Matheis Xenopoulos & Brew, PC Eighth Floor, West Tower 1025 Thomas Jefferson Street, NW Washington, DC 20007 <a href="mailto:jbrew@smxblaw.com">jbrew@smxblaw.com</a>
John T. Butler Maria Moncada Florida Power & Light Company 700 Universe Boulevard Juno Beach, FL 33408-0420 <a href="mailto:John.Butler@fpl.com">John.Butler@fpl.com</a>	Kenneth Hoffman Florida Power & Light Company 215 South Monroe Street, Suite 810 Tallahassee, FL 32301 <a href="mailto:Ken.Hoffman@fpl.com">Ken.Hoffman@fpl.com</a>
Ms. Paula K. Brown Tampa Electric Company Regulatory Affairs P.O. Box 111 Tampa, FL 33601-0111 <a href="mailto:Regdept@tecoenergy.com">Regdept@tecoenergy.com</a>	Florida Industrial Users Power Group Jon C. Moyle, Jr. Moyle Law Firm 118 North Gadsden Street Tallahassee, FL 32301 <a href="mailto:jmoyle@moylelaw.com">jmoyle@moylelaw.com</a>
Mike Cassel Florida Public Utilities Company 1750 SW 14th Street, Suite 200 Fernandina Beach, FL 32034 <a href="mailto:mcassel@fpuc.com">mcassel@fpuc.com</a>	Florida Retail Federation Robert Scheffel Wright/John T. LaVia Gardner Law Firm 1300 Thomaswood Drive Tallahassee, FL 32308 <a href="mailto:schef@gbwlegal.com">schef@gbwlegal.com</a>

<p>Robert L. McGee, Jr. Gulf Power Company One Energy Place Pensacola, FL 32520 <a href="mailto:rlmcgee@southernco.com">rlmcgee@southernco.com</a></p>	<p>P. Christensen/C. Rehwinkel/E. Saylor Office of Public Counsel c/o The Florida Legislature 111 W. Madison Street, Room 812 Tallahassee, FL 32399-1400 <a href="mailto:Christensen.patty@leg.state.fl.us">Christensen.patty@leg.state.fl.us</a> <a href="mailto:Rehwinkel.Charles@leg.state.fl.us">Rehwinkel.Charles@leg.state.fl.us</a> <a href="mailto:Saylor.Eric@leg.state.fl.us">Saylor.Eric@leg.state.fl.us</a></p>
<p>Matthew Bernier Duke Energy 106 East College Avenue, Suite 800 Tallahassee, FL 32301 <a href="mailto:Matthew.Bernier@duke-energy.com">Matthew.Bernier@duke-energy.com</a></p>	<p>Dianne M. Triplett Duke Energy 299 First Avenue North St. Petersburg, FL 33701 <a href="mailto:Dianne.Triplett@duke-energy.com">Dianne.Triplett@duke-energy.com</a></p>
	<p>Michael Barrett Division of Accounting and Finance Florida Public Service Commission 2540 Shumard Oak Blvd. Tallahassee, Florida 32399-0850 <a href="mailto:mbarrett@psc.state.fl.us">mbarrett@psc.state.fl.us</a></p>

By:   
Beth Keating  
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215 South Monroe St., Suite 601  
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(850) 521-1706

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Docket No. 160001-EI: Fuel and purchased power cost recovery clause  
with generating performance incentive factor.

Direct Testimony (Actual/Estimated True-Up) of  
Michael Cassel  
On Behalf of  
Florida Public Utilities Company

1 Q. Please state your name, occupation and business address.

2 A. My name is Michael Cassel. I am the Director of Regulatory and  
3 Governmental Affairs for Florida Public Utilities Company's  
4 ("FPUC" or "Company") Electric and Natural Gas Divisions, as well  
5 as the Florida Division of Chesapeake Utilities Corporation  
6 ("CHPK"). Our Companies' have their administrative offices at 1750  
7 S. 14<sup>th</sup> Street, Suite 200, Fernandina Beach, Florida 32034.

8 Q. Describe briefly your education and relevant professional  
9 background.

10 A. I received a Bachelor of Science Degree in Accounting from  
11 Delaware State University in Dover, Delaware in 1996. From 1996  
12 to 1999, I was employed by J.P. Morgan, Inc., where I had various  
13 accounting/finance responsibilities for the firm's private banking  
14 clientele. Subsequently, I was employed by Computer Sciences  
15 Corporation as a Senior Finance Manager from 1999 to 2006. In this  
16 position, I was responsible for the financial operation of the  
17 company's chemical, oil and natural resources business. This

1 included forecasting, financial close and reporting responsibility, as  
2 well as representing Computer Sciences Corporation's financial  
3 interests in contract/service negotiations with existing and potential  
4 clients. From 2006-2008, I was employed by J.P. Morgan Chase &  
5 Company, Inc. as a Financial Manager in their card finance group.  
6 My primary responsibility in this position was the development of  
7 client specific financial models and profit loss statements. In 2008, I  
8 was hired by Chesapeake Utilities Corporation (CUC) as a Senior  
9 Regulatory Analyst. In that position, I was primarily involved in the  
10 areas of gas cost recovery, rate of return analysis, and budgeting for  
11 the CUC's Delaware and Maryland natural gas distribution  
12 companies. In 2010, I moved to Florida to assume the role of Senior  
13 Tax Accountant for CUC's Florida business units, which include  
14 FPUC and CHPK. Since that time, I have held various management  
15 roles including Manager of the Back Office in 2011, and Director of  
16 Business Management in 2012.

17 Q. What are your responsibilities in your current position?

18 A. As the Director of Regulatory and Governmental Affairs, my  
19 responsibilities include directing the regulatory and governmental  
20 affairs for the various business units under the Chesapeake Utilities  
21 Corporation umbrella in Florida, including, but not limited to,

1 regulatory analysis, and reporting and filings before the Florida  
2 Public Service Commission (FPSC) for FPUC, FPUC-Indiantown,  
3 FPUC-Fort Meade, CHPK, and Peninsula Pipeline Company.

4 Q. Have you previously testified in this Docket?

5 A. No, I have not.

6 Q. Have you provided testimony in other proceedings?

7 A. Not in Florida. However, I did submit testimony in the Delaware  
8 Commission's annual Gas Sales Service Rate dockets (GSR) in 2008  
9 and 2009, Docket Nos. 08-269F and 09-398F, respectively.

10 Q. What is the purpose of your testimony at this time?

11 A. I will briefly describe the basis for the Company's computations that  
12 were made in preparation of the schedules that have been submitted  
13 to support the calculation of the levelized fuel adjustment factor for  
14 January 2017 – December 2017.

15 Q. Were the schedules filed by the Company completed by you or under  
16 your direction?

17 A. Yes, they were completed under my direction.

18 Q. Which schedules has the Company completed and filed?

19 A. With this filing, the Company is including Schedules E1-A, E1-B,  
20 and E1-B1. These schedules are included in the exhibit to my  
21 testimony, Exhibit MC-1. Schedule E1-B shows the Calculation of

1 Purchased Power Costs and Calculation of True-Up and Interest  
2 Provision for the period January 2016 – December 2016 based on 6  
3 Months Actual and 6 Months Estimated data.

4 Q. What was the final remaining true-up amount for the period January  
5 2015 – December 2015?

6 A. The final remaining true-up amount was an under-recovery of  
7 \$28,109.

8 Q. What is the estimated true-up amount for the period January 2016 –  
9 December 2016?

10 A. The estimated true-up amount is an under-recovery of \$1,261,783.

11 Q. What is the total true-up amount to be collected or refunded during  
12 January 2017 – December 2017?

13 A. Based upon six months actual data and six months estimated data, the  
14 Company has determined that, at the end of December 2016, the  
15 Company will have under-recovered \$1,289,892 in purchased power  
16 costs, which should be included in the calculation of FPUC's cost  
17 recovery factors to be applied in 2017.

18 Q. By Order No. PSC-15-0586-FOF-EI, issued in Docket No. 150001-  
19 EI, the FPSC approved the recovery by FPUC of depreciation  
20 expense, taxes other than income tax, and a return investment  
21 associated with a project to establish an interconnection between

1 FPUC's Northeast Division and Florida Power & Light Company  
2 ("FPL"). What is the status of that project?

3 A. Consistent with the arrangement between the two companies, FPL is  
4 responsible for construction and implementation of the interconnect  
5 between our Northeast Division and their facilities. It is my  
6 understanding that FPL is currently working on the final design for  
7 interconnecting with the FPU 138 KV transmission system. Early in  
8 the permit approval process, local concerns regarding the original  
9 design resulted in construction being postponed until alternative  
10 designs could be evaluated. As I understand it, an alternative design  
11 option has since been selected, but FPL is still working to obtain the  
12 necessary local approvals so that construction can begin. In spite of  
13 the delay, construction schedules still indicate that construction will  
14 be completed and the interconnection will be in place and operable  
15 prior to January 1, 2018.

16 Q. In Docket No. 150001-EI, the Commission also approved certain  
17 expenses associated with FPUC's purchased power agreement with  
18 Eight Flags Energy. Has Eight Flags initiated deliveries to FPUC  
19 under that contract?

20 A. The Eight Flags Energy facility began deliveries to FPUC in June  
21 2016, which represents the start date for additional fuel savings for

1 FPUC's customers, as recognized by the FPSC in Docket No.  
2 140185-EQ.

3 Q. Has FPUC included other costs in addition to the costs specific to  
4 fuel and purchased power amounts in its calculations?

5 A. Yes, as we have in the past, the Company has included charges for  
6 contracted consultants and legal services that are directly fuel-related  
7 and appropriate for recovery through the fuel clause.

8 Q. Please explain why these costs should be deemed recoverable  
9 through the fuel clause?

10 A. Consistent with the FPSC's policy set forth in Order No. 14546,  
11 issued in Docket No. 850001-EI-B, on July 8, 1985, these are fuel  
12 and purchased power-related costs that are not currently being  
13 recovered through FPUC's base rates. Similar expenses paid by  
14 FPUC to consultants and legal counsel have been determined by the  
15 FPSC to be recoverable by the Company through the fuel clause in  
16 Dockets Nos. 050001-EI, 120001-EI, 130001-EI, 140001-EI, and  
17 most recently in Docket No. 150001-EI. Consistent with the FPSC's  
18 prior decisions, the costs that we have included in 2016 reflect legal  
19 and consulting fees associated with projects designed to reduce fuel  
20 rates for our customers. These legal and consulting fees are not  
21 associated with "fuel procurement administrative functions," because

1                   they are not associated with the performance of the day-to-day  
2                   administration of existing contracts for power purchases from  
3                   FPUC's wholesale providers nor are these costs associated with  
4                   internal staff responsible for fuel procurement. To the contrary, these  
5                   costs were incurred specifically for the purpose of pursuing projects  
6                   and contracts that will inure to the benefit of FPUC's ratepayers in  
7                   the form of fuel savings. Moreover, these costs were not anticipated  
8                   in the Company's last rate case and tend to fluctuate significantly  
9                   from year to year. As such, recovery through the fuel clause is  
10                  consistent with past FPSC decision, including the FPSC's policy set  
11                  forth in Order No. 14546.

12            Q.           Does this conclude your testimony?

13            A.           Yes.

**FLORIDA PUBLIC UTILITIES COMPANY**  
CALCULATION OF TRUE-UP SURCHARGE  
APPLICABLE TO LEVELIZED FUEL ADJUSTMENT PERIOD  
JANUARY 2016 - DECEMBER 2016  
**BASED ON SIX MONTHS ACTUAL AND SIX MONTHS ESTIMATED OPERATIONS**

**Florida Division -CONSOLIDATED**

Under-recovery of purchased power costs for the period  
January 2016 - December 2016. (See Schedule E1-B, Calculation  
of Estimated Purchased Power Costs and Calculation of True-  
Up and Interest Provision for the Twelve Month Period ended  
December 2016.)(Estimated)

\$ 1,289,892

**FLORIDA PUBLIC UTILITIES COMPANY**  
**CALCULATION OF PURCHASED POWER COSTS AND CALCULATION OF TRUE-UP AND INTEREST PROVISION-EXCLUDING GSLD1**  
**ACTUAL/ESTIMATED FOR THE PERIOD: JANUARY 2016 THROUGH DECEMBER 2016**  
**BASED ON SIX MONTHS ACTUAL AND SIX MONTHS ESTIMATED**  
(EXCLUDES LINE LOSS, EXCLUDES TAXES)

Schedule E-1b

**CONSOLIDATED**

	ACTUAL Jan 2016	ACTUAL Feb 2016	ACTUAL Mar 2016	ACTUAL Apr 2016	ACTUAL May 2016	ACTUAL Jun 2016	Estimated Jul 2016	Estimated Aug 2016	Estimated Sep 2016	Estimated Oct 2016	Estimated Nov 2016	Estimated Dec 2016	Total
<b>Total System Sales - KWH</b>	53,893,217	51,683,075	45,119,750	43,174,769	45,403,697	61,225,524	68,382,290	64,687,492	64,503,875	51,223,741	46,213,261	50,756,002	646,166,694
RockTenn Purchases - KWH	811,013	858,655	940,989	1,124,160	1,410,517	1,432,667	925,000	925,000	925,000	925,000	925,000	925,000	12,127,890
Rayonier Purchases - KWH - On Peak	13,717	49,214	21,965	72,269	49,014	30,936	420,000	420,000	420,000	420,000	420,000	420,000	2,757,115
Rayonier Purchases - KWH - Off Peak	24,430	117,881	16,889	163,834	30,567	54,617	980,000	980,000	980,000	980,000	980,000	980,000	6,288,218
Eight Flags Purchases - KWH - KWH						2,959,000	13,875,000	13,875,000	13,875,000	13,876,000	13,876,000	13,876,000	86,214,000
JEA Purchases - KWH	31,019,771	25,816,385	23,052,511	22,575,281	28,053,849	31,490,116	22,300,000	16,800,000	20,600,000	14,200,000	8,000,000	10,800,000	254,807,913
Gulf Purchases - KWH	27,628,571	23,343,210	21,801,748	21,366,561	25,966,698	30,120,479	31,400,000	32,800,000	28,100,000	21,800,000	22,200,000	21,300,000	307,857,267
Generation Demand - KW - JEA	82,342	75,040	49,414	54,208	62,227	75,174	56,000	57,000	45,000	38,000	48,000	37,000	679,405
Generation Demand - KW - Gulf	91,000	91,000	91,000	91,000	91,000	91,000	91,000	91,000	91,000	91,000	91,000	91,000	1,082,000
Transmission Demand - KW - JEA	101,339	103,904	80,927	83,024	86,673	106,737	68,000	94,000	86,000	89,000	89,000	89,000	1,101,604
Transmission Demand - KW - Southern	57,572	56,605	55,545	55,215	54,940	55,276	58,200	57,600	58,000	58,200	58,200	57,500	662,853
<b>Purchased Power Rates:</b>													
West Rock Fuel Costs - \$/KWH	0.04426	0.03731	0.03731	0.03731	0.03731	0.03731	0.04426	0.04426	0.04426	0.04426	0.04426	0.04426	0.04426
Rayonier Energy Charge - On Peak - \$/KWH	0.04563	0.03846	0.03846	0.03846	0.03846	0.03846	0.04563	0.03876	0.03876	0.04563	0.03876	0.03876	0.03876
Rayonier Energy Charge - Off Peak - \$/KWH	0.04563	0.03846	0.03846	0.03846	0.03846	0.03846	0.04563	0.03846	0.03846	0.04563	0.03846	0.03846	0.03846
Eight Flags Charge - \$/KWH													
Base Fuel Costs - \$/KWH - JEA	0.04360	0.03975	0.03975	0.03975	0.03975	0.03975	0.04360	0.04360	0.04360	0.04360	0.04360	0.04360	0.04360
Base Fuel Costs - \$/KWH - GULF	0.974	0.05648	0.05648	0.05648	0.05648	0.05648	0.05648	0.05648	0.05648	0.05648	0.05648	0.05648	0.05648
Energy Charge - \$/KWH - JEA	0.01162	0.01162	0.01162	0.01162	0.01162	0.01162	0.01162	0.01162	0.01162	0.01162	0.01162	0.01162	0.01162
<b>Demand and Non-Fuel:</b>													
Demand Charge - \$/KW - JEA	14.31	14.31	14.31	14.31	14.31	14.31	14.31	14.31	14.31	14.31	14.31	14.31	14.31
Demand Charge - \$/KW - Gulf	11.15	11.15	11.15	11.15	11.15	11.15	10.55	10.55	10.55	10.55	10.55	10.55	10.55
Distribution Facility Charge	79,472	79,472	79,472	79,472	79,472	79,472	79,472	79,472	79,472	79,472	79,472	79,472	79,472
Transmission Charge \$/KW - JEA	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51
Transmission Charge \$/KW - Southern	2.94	2.94	2.94	2.94	2.94	2.94	2.83	2.83	2.83	2.83	2.83	2.83	2.83
<b>Purchased Power Costs:</b>													
RockTenn Fuel Costs	35,895	31,475	35,108	41,942	52,266	53,453	40,941	40,941	40,941	40,941	40,941	40,941	496,145
Rayonier Standby Costs	1,741	6,427	1,495	9,080	3,061	3,291	63,882	62,896	62,896	63,882	62,896	62,896	524,443
Eight Flags							788,495	1,178,820	1,178,905	1,178,905	1,178,905	1,178,905	7,841,840
Gulf Base Fuel Costs	1,602,117	1,353,619	1,264,233	1,238,997	1,507,488	1,746,617	1,620,813	1,901,996	1,629,454	1,264,131	1,267,326	1,236,138	17,851,929
JEA Base Fuel Costs	1,352,462	928,333	647,190	641,971	1,030,979	1,157,262	972,280	736,840	898,160	619,120	346,800	470,880	10,204,267
JEA Fuel Adjustment	380,450	299,996	267,870	292,325	326,986	395,915	258,126	196,378	239,372	165,004	92,950	126,496	2,960,888
Subtotal Fuel Costs	3,352,865	2,619,840	2,415,886	2,394,315	2,920,140	4,095,033	4,335,862	4,147,956	4,079,728	3,331,983	3,041,678	3,144,256	39,879,432
<b>Demand and Non-Fuel Costs:</b>													
Demand Capacity Charge	2,182,964	2,088,472	1,721,764	1,790,366	1,905,118	2,080,390	1,781,410	1,775,720	1,604,000	1,503,830	1,646,930	1,488,520	21,510,484
Distr. Fac. Charge	79,472	79,472	79,472	79,472	79,472	79,472	79,472	79,472	79,472	79,472	79,472	79,472	953,667
FERC & Meter Reading	2,658	3,044	2,654	2,530	2,495	2,868	2,505	2,505	2,505	2,505	2,505	2,505	31,279
Transmission Charge	322,010	323,045	285,238	287,436	292,139	323,422	289,048	304,800	298,482	299,046	298,046	297,067	3,630,883
Subtotal Demand & Non-Fuel Costs	2,597,104	2,494,033	2,088,128	2,159,804	2,279,224	2,496,152	2,142,435	2,162,597	1,984,459	1,684,855	2,027,955	1,868,564	26,166,313
<b>Total System Purchased Power Costs</b>	5,949,769	5,113,873	4,505,014	4,554,119	5,199,364	6,591,185	6,478,297	6,310,553	6,064,187	5,216,838	5,069,783	5,012,820	66,065,805
<b>Less Direct Billing To GSLD1 Class:</b>													
Demand	106,899	115,585	74,826	60,043	86,610	101,829	269,304	269,304	269,304	269,304	269,304	269,304	2,164,626
Commodity	145,357	134,380	68,617	70,811	58,586	110,935	197,932	161,673	105,383	144,206	122,815	117,979	1,529,674
<b>Net Purchased Power Costs</b>	5,897,513	4,863,888	4,361,572	4,423,265	5,050,169	6,378,421	6,011,061	5,879,577	5,689,500	4,803,328	4,587,664	4,625,537	62,371,505
FPL Interconnect	5,918	5,918	5,918	5,918	5,918	5,918	5,918	5,918	5,918	5,918	5,918	5,918	70,928
Special Costs*	2,108	13,233	758	5,915	42,842	1,631	32,497	31,379	30,260	29,143	28,024	26,907	244,688
<b>Total Costs and Charges</b>	5,705,539	4,883,050	4,368,247	4,435,089	5,098,929	6,385,971	6,053,061	5,821,577	5,731,500	4,845,328	4,629,664	4,667,537	62,725,801
<b>Sales Revenues - Fuel Adjustment Revenues:</b>													
RS<	1,840,357	1,873,576	1,703,545	1,551,152	1,633,719	1,964,189	1,978,332	1,948,955	1,945,980	1,648,084	1,537,348	1,743,023	21,378,240
RS>	942,572	918,576	906,606	936,989	952,311	1,175,500	1,057,938	1,454,736	1,485,066	690,491	515,252	972,366	11,105,453
GS	548,223	506,872	482,580	477,741	512,134	641,816	671,193	646,445	663,822	546,615	455,086	472,729	6,528,796
GSD	1,157,540	1,028,603	1,038,853	1,096,403	1,142,676	1,410,059	1,466,933	1,536,643	1,322,679	1,155,325	1,126,457	1,126,457	14,990,768
GSLD	670,516	561,275	607,368	640,347	633,718	734,807	821,492	778,506	740,430	685,735	628,677	621,936	8,156,804
LS	45,221	45,610	45,289	44,658	44,569	44,964	45,324	45,324	45,324	45,324	45,324	45,324	542,256
<b>Unbilled Fuel Revenues</b>	248,714	(252,365)	88,431	(354,626)	488,522	130,565						(100,000)	248,242
<b>Total Fuel Revenues (Excl. GSLD1)</b>	5,453,144	4,712,146	4,472,660	3,802,664	4,907,649	6,101,700	6,680,976	6,341,899	6,415,325	4,938,908	4,342,132	4,881,835	63,051,059
GSLD1 Fuel Revenues - 17187	252,256	249,975	143,443	130,654	149,196	212,764	467,236	374,687	413,510	482,119	387,283	369,304	3,694,300
<b>Non-Fuel Revenues</b>	2,288,475	2,321,991	2,160,694	1,928,308	1,973,481	2,332,567	2,546,202	2,585,909	2,188,142	2,301,469	2,211,046	3,202,533	28,040,827
<b>Total Sales Revenue</b>	7,965,947	7,185,941	6,599,473	5,824,022	7,033,635	8,765,958	9,694,414	9,358,785	8,978,154	7,653,888	7,035,297	6,471,651	94,567,165
<b>KWH Sales:</b>													
RS<	18,078,318	18,403,858	16,733,792	15,334,785	16,051,400	19,285,234	19,432,235	19,143,682	19,114,460	16,188,168	15,100,653	17,120,904	209,997,488
RS>	8,246,539	8,036,696	4,423,582	2,948,341	3,957,302	10,284,547	14,505,432	12,727,806	12,875,844	6,041,166	4,508,244	6,507,314	97,162,534
GS	5,293,378	4,996,092	4,759,531	4,701,392	5,039,862	6,321,298	6,804,247	6,961,592	6,532,891	5,379,177	4,517,615	4,852,070	85,149,234
GSD	11,944,137	10,613,334	10,722,279	11,318,383	11,782,352	14,833,483	15,530,657	15,119,877	15,838,395	13,633,033	11,909,227	11,610,547	154,653,684
GSLD	7,132,968	5,290,000	6,461,178	6,812,036	6,741,513	7,816,901	8,758,659	8,292,408	7,876,870	6,698,529	6,116,174	6,677,359	86,772,894
GSLD1	2,570,000	2,720,000	1,390,000	1,440,000	1,210,000	2,250,000	2,941,567	2,313,333	1,536,667	2,058,333	2,850,000	1,520,000	24,900,000
LS	627,												

**FLORIDA PUBLIC UTILITIES COMPANY**  
**CONSOLIDATED FLORIDA DIVISIONS**  
 COMPARISON OF ESTIMATED/ACTUAL VERSUS ORIGINAL PROJECTIONS  
 OF THE FUEL AND PURCHASED POWER COST RECOVERY FACTOR  
 JANUARY 2016 - DECEMBER 2016

	DOLLARS				MWH				CENTS/KWH			
	ESTIMATED/ ACTUAL	ESTIMATED/ ORIGINAL	DIFFERENCE AMOUNT	%	ESTIMATED/ ACTUAL	ESTIMATED/ ORIGINAL	DIFFERENCE AMOUNT	%	ESTIMATED/ ACTUAL	ESTIMATED/ ORIGINAL	DIFFERENCE AMOUNT	%
1 Fuel Cost of System Net Generation (A3)					0	0	0	0.0%	0.00000	0.00000	0.00000	0.0%
2 Nuclear Fuel Disposal Cost (A13)												
3 Coal Car Investment												
4 Adjustments to Fuel Cost (A2, Page 1)												
5 TOTAL COST OF GENERATED POWER	0	0	0	0.0%	0	0	0	0.0%	0.00000	0.00000	0.00000	0.0%
6 Fuel Cost of Purchased Power (Exclusive of Economy) (A8)	31,017,064	32,446,865	(1,429,801)	-4.4%	562,665	572,000	(9,335)	-1.6%	5.51253	5.67253	(0.16000)	-2.8%
7 Energy Cost of Sched C & X Econ Purch (Broker)(A9)												
8 Energy Cost of Other Econ Purch (Non-Broker)(A9)												
9 Energy Cost of Sched E Economy Purch (A9)												
10 Demand and Non Fuel Cost of Purchased Power (A9)	26,186,313	25,974,799	211,514	0.8%	562,665	572,000	(9,335)	-1.6%	4.65398	4.54105	0.11293	2.5%
11 Energy Payments to Qualifying Facilities (A8a)	8,862,428	5,174,850	3,687,578	71.3%	107,387	111,155	(3,768)	-3.4%	8.25279	4.65553	3.59726	77.3%
12 TOTAL COST OF PURCHASED POWER	<u>66,065,805</u>	<u>63,596,514</u>	<u>2,469,291</u>	3.9%	670,052	683,155	(13,103)	-1.9%	9.85980	9.30924	0.55056	5.9%
13 TOTAL AVAILABLE MWH (LINE 5 + LINE 12)					670,052	683,155	(13,103)	-1.9%				
14 Fuel Cost of Economy Sales (A7)												
15 Gain on Economy Sales (A7a)												
16 Fuel Cost of Unit Power Sales (SL2 Partpts)(A7)												
17 Fuel Cost of Other Power Sales (A7)	353,996	504,000	(150,004)	-29.8%								
18 TOTAL FUEL COST AND GAINS OF POWER SALES (LINE 14 + 15 + 16 + 17)	<u>353,996</u>	<u>504,000</u>	<u>(150,004)</u>	-29.8%	0	0	0	0.0%	0.00000	0.00000	0.00000	0.0%
19 NET INADVERTENT INTERCHANGE (A10)												
20 TOTAL FUEL AND NET POWER TRANSACTIONS (LINES 5 + 12 + 18 + 19)	<u>66,419,801</u>	<u>64,100,514</u>	<u>2,319,287</u>	3.6%	670,052	683,155	(13,103)	-1.9%	9.91263	9.38301	0.52962	5.6%
21 Net Unbilled Sales (A4)	275,769 *	0 *	275,769	0.0%	2,782	0	2,782	0.0%	0.04268	0.00000	0.04268	0.0%
22 Company Use (A4)	57,196 *	56,392 **	804	1.4%	577	601	(24)	-4.0%	0.00885	0.00856	0.00029	3.4%
23 T & D Losses (A4)	2,034,666 *	2,203,037 *	(168,371)	-7.6%	20,526	23,479	(2,953)	-12.6%	0.31488	0.33426	(0.01938)	-5.8%
24 SYSTEM KWH SALES	66,419,801	64,100,514	2,319,287	3.6%	646,167	659,075	(12,908)	-2.0%	10.27904	9.72583	0.55321	5.7%
25 Wholesale KWH Sales												
26 Jurisdictional KWH Sales	66,419,801	64,100,514	2,319,287	3.6%	646,167	659,075	(12,908)	-2.0%	10.27904	9.72583	0.55321	5.7%
26a Jurisdictional Loss Multiplier	1.000	1.000	0.000	0.0%	1.000	1.000	0.000	0.0%	1.000	1.000	0.00000	0.0%
27 Jurisdictional KWH Sales Adjusted for Line Losses	66,419,801	64,100,514	2,319,287	3.6%	646,167	659,075	(12,908)	-2.0%	10.27904	9.72583	0.55321	5.7%
28 GPIF**												
29 TRUE-UP**	<u>1,582,148</u>	<u>1,582,148</u>	<u>0</u>	0.0%	646,167	659,075	(12,908)	-2.0%	0.24485	0.24006	0.00479	2.0%
30 TOTAL JURISDICTIONAL FUEL COST	<u>68,001,949</u>	<u>65,682,662</u>	<u>2,319,287</u>	3.5%	646,167	659,075	(12,908)	-2.0%	10.52390	9.96589	0.55801	5.6%
31 Revenue Tax Factor									1.00072	1.00072	0.00000	0.0%
32 Fuel Factor Adjusted for Taxes									10.53148	9.97307	0.55841	5.6%
33 FUEL FAC ROUNDED TO NEAREST .001 (CENTS/KWH)									<u>10.531</u>	<u>9.973</u>	<u>0.558</u>	5.6%

\*Included for Informational Purposes Only  
 \*\*Calculation Based on Jurisdictional KWH Sales