

MEMORANDUM

October 19, 2007

REDACTED

TO: OFFICE OF COMMISSION CLERK

FROM: OFFICE OF THE GENERAL COUNSEL (ZELLNER) *P.Z.*

RE: DOCKET NO. 070001-EI – FUEL AND PURCHASED POWER COST RECOVERY CLAUSE WITH GENERATING PERFORMANCE INCENTIVE FACTOR.

Please file the attached REDACTED Exhibit MK-1 to the prefiled testimony of FPUC witness Mehrdad Khojasteh, in the above-referenced docket.

DATE TRANSFERRED TO CLK 10/19/07

PZ
Attachment

CMP _____

COM S

CTR orig.

ECR _____

GCL _____

OPC _____

RCA _____

SCR _____

SGA _____

SEC _____

OTH M-L

DOCUMENT NUMBER-DATE

09571 OCT 19 07

FPSC-COMMISSION CLERK

LAW OFFICES
 MESSER, CAPARELLO & SELF, P.A.
 A PROFESSIONAL ASSOCIATION
 P.O. BOX 15579
 TALLAHASSEE, FLORIDA 32317
 STREET ADDRESS: 2618 CENTENNIAL PLACE (32308)
 TELEPHONE: (850) 222-0720
 TELECOPIER: (850)224-4359

TELECOPY MEMORANDUM

TO: Patty

FAX PHONE NO.: 413-6209

FROM: Norman H. Horton, Jr.

DATE: October 19, 2007

SUBJECT/
 MESSAGE: Docket No. 070001-EI

Florida Public Utilities Company's Redacted version of Exhibit MK-1 filed on
 September 5, 2007

Number of Pages (including this cover page): 7

Contact: Please call Ann Bassett at 201-5225 if you have problems or questions about this
 transmission.

THE INFORMATION CONTAINED IN THIS TELECOPY MESSAGE IS
 CONFIDENTIAL, ATTORNEY-CLIENT PRIVILEGED INFORMATION
 INTENDED ONLY FOR THE USE OF THE INDIVIDUAL OR ENTITY NAMED
 ABOVE. IF THE READER OF THIS MESSAGE IS NOT THE INTENDED
 RECIPIENT, YOU ARE HEREBY NOTIFIED THAT ANY DISSEMINATION,
 DISTRIBUTION, OR COPYING OF THIS COMMUNICATION IS STRICTLY
 PROHIBITED. IF YOU HAVE RECEIVED THIS COMMUNICATION IN
 ERROR, PLEASE IMMEDIATELY NOTIFY US BY TELEPHONE, AND
 RETURN THE ORIGINAL MESSAGE TO US AT THE ABOVE ADDRESS VIA
 THE U.S. POSTAL SERVICE. THANK YOU.

DOCUMENT NUMBER-DATE

09571 OCT 19 8

FPSC-COMMISSION CLERK

EXHIBIT "A"

<u>Identification</u>	<u>Page</u>	<u>Lines</u>	<u>Columns</u>
Direct Testimony of Mehrdad Khojasteh	4	29	
Exhibit MK-1; (Schedule E1)	1 of 14	6	a and c
		10	a and c
		10a	a
		12	a and c
		13	a and c
		20	a and c
		24	a and c
		25	a
		26	a and c
		27	a and c
		30	a and c
		32	c
		33	c
Exhibit MK-1, (Schedule E1)	2 of 14	41 - 47	13
		41 - 46	16
Exhibit MK-1 (Schedule E2)	4 of 14	3	a - m
		3a	a - m
		5	a - m
		6	a - m
		7	a - m
		7b	a - m
		9	a - m
12	a - m		
Exhibit MK-1 (Schedule E-7)	5 of 14	all	8 - 10
Exhibit MK-1 (Schedule E-10)	6 of 14	all but total	all

FLORIDA PUBLIC UTILITIES COMPANY
FUEL AND PURCHASED POWER
COST RECOVERY CLAUSE CALCULATION
 ESTIMATED FOR THE PERIOD: JANUARY 2008 - DECEMBER 2008

SCHEDULE E1
 PAGE 1 OF 2

MARIANNA (NORTHWEST DIVISION)

	(a)	(b)	(c)
	DOLLARS	MWH	CENTS/KWH
1 Fuel Cost of System Net Generation (E3)		0	
2 Nuclear Fuel Disposal Costs (E2)			
3 Coal Car Investment			
4 Adjustments to Fuel Cost			
5 TOTAL COST OF GENERATED POWER (LINE 1 THRU 4)	0	0	0.00000
6 Fuel Cost of Purchased Power (Exclusive of Economy) (E7)		383,453	
7 Energy Cost of Sched C & X Econ Purch (Broker) (E9)			
8 Energy Cost of Other Econ Purch (Non-Broker) (E9)			
9 Energy Cost of Sched E Economy Purch (E9)			
10 Demand & Transformation Cost of Purch Power (E2)		383,453	
10a Demand Costs of Purchased Power			
10b Transformation Energy & Customer Costs of Purchased Power	984,240 *		
11 Energy Payments to Qualifying Facilities (E8a)			
12 TOTAL COST OF PURCHASED POWER (LINE 6 THRU 11)		383,453	
13 TOTAL AVAILABLE KWH (LINE 5 + LINE 12)		383,453	
14 Fuel Cost of Economy Sales (E6)			
15 Gain on Economy Sales (E6)			
16 Fuel Cost of Unit Power Sales (SL2 Partpts) (E6)			
17 Fuel Cost of Other Power Sales			
18 TOTAL FUEL COST AND GAINS OF POWER SALES	0	0	0.00000
19 Net Inadvertent Interchange			
20 TOTAL FUEL & NET POWER TRANSACTIONS (LINE 5 + 12 + 18 + 19)		383,453	
21 Net Unbilled Sales	0 *	0	0.00000
22 Company Use	24,136 *	342	0.00680
23 T & D Losses	2,000,107 *	28,341	0.56378
24 SYSTEM MWH SALES		354,770	
25 Less Total Demand Cost Recovery			
26 Jurisdictional MWH Sales		354,770	
26a Jurisdictional Loss Multiplier	1.00000	1.00000	
27 Jurisdictional MWH Sales Adjusted for Line Losses		354,770	
28 GPIF **			
29 TRUE-UP **	3,856	354,770	0.00109
30 TOTAL JURISDICTIONAL FUEL COST		354,770	
31 Revenue Tax Factor			1.00072
32 Fuel Factor Adjusted for Taxes			
33 FUEL FAC ROUNDED TO NEAREST .001 CENTS/KWH			

EXHIBIT NO. _____
 DOCKET NO. 070001-EI
 FLORIDA PUBLIC UTILITIES COMPANY
 (MK-1)
 PAGE 1 OF 14

* For Informational Purposes Only
 ** Calculation Based on Jurisdictional KWH Sales
 *** Calculation on Schedule E1 Page 2

FLORIDA PUBLIC UTILITIES COMPANY
FUEL FACTOR ADJUSTED FOR
LINE LOSS MULTIPLIER
ESTIMATED FOR THE PERIOD: JANUARY 2008 - DECEMBER 2008
0

MARIANNA (NORTHWEST DIVISION)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
			(1)/(2)*4,380			(3)*(4)	(1)*(5)	(8)/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	156,110,893	61.971%	57,513.6	1.089	1.030	62,632.3	160,794,220	49.06%	44.00%
35 GS	30,861,060	64.200%	10,974.9	1.089	1.030	11,951.7	31,796,892	9.36%	8.70%
36 GSD	96,134,852	73.168%	29,997.5	1.089	1.030	32,867.3	99,018,898	25.58%	27.10%
37 GSLD	66,464,661	64.179%	18,026.8	1.089	1.030	19,631.2	66,458,601	15.97%	18.79%
38 OL, OL1	4,040,542	160.732%	573.9	1.089	1.030	625.0	4,161,758	0.49%	1.14%
39 SL1, SL2 & SL3	1,156,154	160.732%	164.2	1.089	1.030	178.8	1,190,899	0.14%	0.33%
40 TOTAL	<u>354,768,162</u>		<u>117,250.9</u>			<u>127,886.3</u>	<u>365,411,208</u>	<u>100.00%</u>	<u>100.00%</u>

Rate Schedule	(10) 12/13 * (8) 12/13 Of 12 CP	(11) 1/13 * (9) 1/13 Of Energy	(12) (10) + (11) Demand Allocatio Percentage	(13) Tot. Col. 13 * (12) Demand Dollars	(14) (13)/(1) Demand Cost Recovery	(15) (14) * 1.00072 Demand Cost Recovery Adj for Taxes	(16) Other Charges	(17) (15) + (16) Levelized Adjustment
41 RS	45.28%	3.39%	48.67%		0.03232	0.03234		\$0.07945
42 GS	8.64%	0.67%	9.31%		0.03127	0.03129		\$0.07840
43 GSD	23.61%	2.08%	25.69%		0.02770	0.02772		\$0.07483
44 GSLD	14.19%	1.44%	15.63%		0.02438	0.02440		\$0.07151
45 OL, OL1	0.45%	0.09%	0.54%		0.01385	0.01386		\$0.08097
46 SL1, SL2 & SL3	0.13%	0.03%	0.16%		0.01434	0.01435		\$0.06146
47 TOTAL	<u>92.30%</u>	<u>7.70%</u>	<u>100.00%</u>					

Step Rate Allocation for Residential Customers
(18)

Rate Schedule	(18) Allocation	(19) Annual kWh	(20) Levelized Adj.	(21) (19) * (20) Revenues
48 RS	Sales	156,110,893	\$0.07945	\$12,403,010
49 RS	<= 1,000kWh/mo.	103,746,616	\$0.07610	\$7,894,671
50 RS	> 1,000 kWh/mo.	52,364,277	\$0.08610	\$4,508,339
51 RS	Total Sales	156,110,893		\$12,403,010

(2) From Gulf Power Co. 2003 Load Research results.
(4) From Fernandina Rate Case.

FLORIDA PUBLIC UTILITIES COMPANY
 MARIANNA (NORTHWEST DIVISION)
 FUEL & PURCHASED POWER COST RECOVERY CLAUSE CALCULATION

ESTIMATED FOR THE PERIOD: JANUARY 2008 - DECEMBER 2008

LINE NO.	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	LINE NO.
	2008 JANUARY	2008 FEBRUARY	2008 MARCH	2008 APRIL	2008 MAY	2008 JUNE	2008 JULY	2008 AUGUST	2008 SEPTEMBER	2008 OCTOBER	2008 NOVEMBER	2008 DECEMBER	TOTAL PERIOD	
1	ESTIMATED												0	1
1a	FUEL COST OF SYSTEM GENERATION												0	1a
2	NUCLEAR FUEL DISPOSAL												0	2
3	FUEL COST OF POWER SOLD												0	3
3a	FUEL COST OF PURCHASED POWER													3a
3b	DEMAND & TRANSFORMATION CHARGE OF PURCHASED POWER												0	3b
4	QUALIFYING FACILITIES												0	4
4	ENERGY COST OF ECONOMY PURCHASES													
5	TOTAL FUEL & NET POWER TRANSACTIONS (SUM OF LINES A-1 THRU A-4)													5
6	LESS: TOTAL DEMAND COST RECOVERY													6
7	TOTAL OTHER COST TO BE RECOVERED													7
7a	31,248	25,540	25,792	25,298	25,454	31,991	35,201	34,007	38,136	31,697	23,797	28,813	354,770	7a
7b	SYSTEM KWH SOLD (MWH)													7b
8	COST PER KWH SOLD (CENTS/KWH)													
8	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	8
9	JURISDICTIONAL LOSS MULTIPLIER													9
9	JURISDICTIONAL COST (CENTS/KWH)													
10	GPIF (CENTS/KWH)													10
11	0.00109	0.00109	0.00109	0.00109	0.00109	0.00109	0.00109	0.00109	0.00109	0.00109	0.00109	0.00109	0.00109	11
12	TRUE-UP (CENTS/KWH)													12
13	0.00072	0.00338	0.00342	0.00342	0.00342	0.00337	0.00336	0.00338	0.00335	0.00338	0.00344	0.00340	0.00339	13
14	4.69571	4.75450	4.75129	4.75751	4.75547	4.68959	4.66628	4.67440	4.66025	4.69198	4.77797	4.71993	4.71069	14
15	4.696	4.754	4.751	4.758	4.755	4.690	4.668	4.674	4.660	4.692	4.778	4.720	4.711	15
	REVENUE TAX FACTOR													
	RECOVERY FACTOR ADJUSTED FOR TAXES													
	RECOVERY FACTOR ROUNDED TO NEAREST .001 CENT/KWH													

EXHIBIT NO. _____
 DOCKET NO. 070001-EJ
 FLORIDA PUBLIC UTILITIES COMPANY
 (MAX-1)
 PAGE 4 OF 14

P.05

Oct 19 2007 10:50

MESSER CAPARELLO & SELF Fax: 8502244359

**FLORIDA PUBLIC UTILITIES COMPANY
 MARIANNA (NORTHWEST DIVISION)
 PURCHASED POWER
 (EXCLUSIVE OF ECONOMY ENERGY PURCHASES)**

ESTIMATED FOR THE PERIOD: JANUARY 2008 - DECEMBER 2008

(1) MONTH	(2) PURCHASED FROM	(3) TYPE & SCHEDULE	(4) TOTAL KWH PURCHASED	(5) KWH FOR OTHER UTILITIES	(6) KWH FOR INTERRUPTIBLE	(7) KWH FOR FIRM	(8) CENTS/KWH		(9) TOTAL \$ FOR FUEL ADJ. (7) x (8) (A)
							(A) FUEL COST	(B) TOTAL COST	
JANUARY 2008	GULF POWER COMPANY	RE	33,771,952			33,771,952			
FEBRUARY 2008	GULF POWER COMPANY	RE	27,605,321			27,605,321			
MARCH 2008	GULF POWER COMPANY	RE	27,877,261			27,877,261			
APRIL 2008	GULF POWER COMPANY	RE	27,341,053			27,341,053			
MAY 2008	GULF POWER COMPANY	RE	27,511,673			27,511,673			
JUNE 2008	GULF POWER COMPANY	RE	34,577,240			34,577,240			
JULY 2008	GULF POWER COMPANY	RE	38,047,206			38,047,206			
AUGUST 2008	GULF POWER COMPANY	RE	38,756,345			38,756,345			
SEPTEMBER 2008	GULF POWER COMPANY	RE	39,058,077			39,058,077			
OCTOBER 2008	GULF POWER COMPANY	RE	34,259,455			34,259,455			
NOVEMBER 2008	GULF POWER COMPANY	RE	25,720,954			25,720,954			
DECEMBER 2008	GULF POWER COMPANY	RE	30,926,387			30,926,387			
TOTAL			383,452,924	0	0	383,452,924			

EXHIBIT NO. _____
 DOCKET NO. 070001-E1
 FLORIDA PUBLIC UTILITIES COMPANY
 (NK-1)
 PAGE 5 OF 14

P.06
 Oct 19 2007 10:50
 MESSEER CAPARELLO & SELF Fax: 8502244359

**FLORIDA PUBLIC UTILITIES COMPANY
 MARIANNA (NORTHWEST DIVISION)
 RESIDENTIAL BILL COMPARISON
 FOR MONTHLY USAGE OF 1000 KWH**

ESTIMATED FOR THE PERIOD: JANUARY 2008 - DECEMBER 2008

JANUARY 2008	FEBRUARY 2008	MARCH 2008	APRIL 2008	MAY 2008	JUNE 2008	JULY 2008
-----------------	------------------	---------------	---------------	-------------	--------------	--------------

BASE RATE REVENUES ** \$							
FUEL RECOVERY FACTOR CENTS/KWH							
GROUP LOSS MULTIPLIER							
FUEL RECOVERY REVENUES \$							
GROSS RECEIPTS TAX							
TOTAL REVENUES *** \$	103.01	103.01	103.01	103.01	103.01	103.01	103.01

AUGUST 2008	SEPTEMBER 2008	OCTOBER 2008	NOVEMBER 2008	DECEMBER 2008
----------------	-------------------	-----------------	------------------	------------------

PERIOD TOTAL

BASE RATE REVENUES ** \$						
FUEL RECOVERY FACTOR CENTS/KWH						
GROUP LOSS MULTIPLIER						
FUEL RECOVERY REVENUES \$						
GROSS RECEIPTS TAX						
TOTAL REVENUES *** \$	103.01	103.01	103.01	103.01	103.01	1,236.12

* MONTHLY AND CUMULATIVE SIX MONTH ESTIMATED DATA

** BASE RATE REVENUES PER 1000 KWH:

CUSTOMER CHARGE
 CENTS/KWH
 CONSERVATION FACTOR



EXHIBIT NO. _____
 DOCKET NO. _070001-EI
 FLORIDA PUBLIC UTILITIES COMPANY
 (MK-1)
 PAGE 6 OF 14

*** EXCLUDES FRANCHISE TAXES