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October 22, 2020

BY E-PORTAL

Mr. Adam Teitzman, Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

**Re: Docket No. 20200001-EI: Fuel and Purchased Power Cost Recovery Clause with
Generating Performance Incentive Factor**

Dear Mr. Teitzman:

Attached for filing in the above-referenced docket, please find the Second Revised Petition of Florida Public Utilities Company for Approval of Fuel Adjustment and Purchased Power Factors for 2021, along with the Revised Testimony, Revised Exhibit CDY-2 and Second Revised Exhibit CDY-4 of Mr. Curtis Young, and the Testimony of P. Mark Cutshaw (original), submitted on behalf of the Company.

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. 20200001-EI
| DATED: October 22, 2020

FLORIDA PUBLIC UTILITIES COMPANY'S SECOND REVISED 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 Revised 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 2021 through December 2021. The purpose of this revised Petition is to flow back to the Company's customers the over-recovery of \$1,026,484 in storm interim rates, consistent with the Settlement Agreement approved by Order No. PSC-2020-0347-AS-EI, issued October 8, 2020, in Dockets Nos. 20190155-EI, 20190156-EI, and 20190174-EI and to correct an error identified by Commission staff in the flow through of tax savings. 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
208 Wildlight Ave.
Yulee, FL 32097

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

Beth Keating, Esq.
Gunster, Yoakley & Stewart, P.A.
215 South Monroe Street, Suite 601
Tallahassee, Florida 32301-1839
(850) 521-1706

Mike Cassel
AVP, Regulatory and Governmental Affairs
Florida Public Utilities Company
208 Wildlight Ave.
Yulee, FL 32097
mcassel@fpuc.com

3) Consistent with the requirements for this proceeding, the Company has pre-filed 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.

4) In accordance with Order PSC-2020-0041-PCO-EI, issued January 31, 2020, in this Docket and Order No. PSC-2020-0347-AS-EI, the Company is also submitting, contemporaneously with this Petition, the Revised Direct Testimony Mr. Curtis D. Young, along with Revised Exhibit CDY-4, as well as the Direct Testimony of Mr. Mark Cutshaw¹, in support of the Company's request for approval of the requested factors.

5) The testimonies of the Company's witnesses also address the status of the Company's ongoing initiatives to mitigate fuel costs through arrangements with alternative energy providers, as well as possible new projects. Notably, the Company continues to pursue CHP and solar projects that demonstrate the greatest potential for success and to produce savings for FPUC's customers.

6) In addition, consistent with past requests of the Company, the Company seeks to recover certain legal and consulting costs associated with fuel and purchased power projects designed to reduce fuel and purchased costs for FPUC's customers, which have not otherwise been included for recovery in base rates. These costs are consistent with Commission policy set forth in Order No. 14546, as well as Commission decisions allowing the Company to recover such costs in Order No. PSC-2005-1252-FOF-EI, issued in Docket No. 20050001-EI, as well as similar such decisions by the Commission to allow similar costs to be recovered by the Company through the Fuel and Purchased Power Cost Recovery Clause, including, most recently, in

¹ Mr. Cutshaw's testimony is unchanged from its original filing on September 3, 2020, and is submitted solely for purposes of convenience and efficiency.

Docket No. 20180001-EI and 20190001-EI. Again, the subject legal and consulting costs are not being recovered through the Company's base rates. Moreover, without the legal and consulting assistance associated with these costs, the Company would be unable to identify, analyze, and implement the cost-saving projects that it has implemented thus far, nor similar such projects that it continues to pursue with the objective of obtaining reduced fuel and purchased power costs for the benefit of its customers.

7) As set forth in the Revised Testimony and Revised Exhibit CDY-4 of Witness Young, the Company's total true-up amounts that would be collected or refunded during the period January 2021 through December 2021 is an **over-recovery of \$297,168** for the Consolidated Electric Division, reflecting an estimated consolidated over-recovery of **\$2,315,064** for 2020. Based on estimated sales for January 2021 through December 2021 of 610,578,452 kWhs, this will constitute a reduction of **.04867¢** per kWh to address this over-recovery.

8) 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 2021 through December 2021, excluding demand cost recovery and adjusted for line loss multipliers and including taxes, are as follows:

<i>Rate Schedule</i>	<i>Adjustment</i>
RS	\$0.07269
GS	\$0.07034
GSD	\$0.06719
GSLD	\$0.06495
LS	\$0.05072

<u>Step rate for RS</u>	
RS Sales	\$0.07269
RS with less than 1,000 kWh/month	\$0.06961
RS with more than 1,000 kWh/month	\$0.08211

9) For the Consolidated Electric Division, the total fuel adjustment factor is **4.540¢** per kWh for "other classes." Thus, a customer in either Division using 1,000 kWh will pay **\$128.30**, a decrease of **\$8.61** from the prior period.

10) The Company has also adjusted the Time of Use (TOU) and Interruptible rates for the 2021 period. The Company submits that the methodology used to compute the rates reflected below is consistent with the methodology previously approved by the Commission.

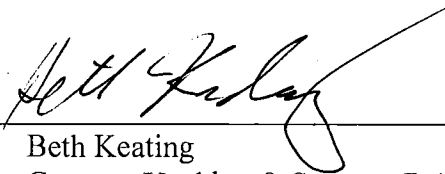
Time of Use/Interruptible

<i>Rate Schedule</i>	<i>Adjustment On Peak</i>	<i>Adjustment Off Peak</i>
RS	\$0.15361	\$0.03061
GS	\$0.11034	\$0.02034
GSD	\$0.10719	\$0.03469
GSLD	\$0.12495	\$0.03495
Interruptible	\$0.04995	\$0.06495

11) 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 for January 2021 through December 2021.

RESPECTFULLY SUBMITTED this 22nd day of October, 2020.



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 Revised Petition for Approval of Fuel Adjustment and Purchased Power Cost Recovery Factors, as well as the SECOND Revised Direct Testimony, Revised Exhibit CDY-2, and SECOND Revised Exhibit CDY-4 of Curtis D. Young, and the Direct Testimony of Mark Cutshaw, have been furnished by Electronic Mail to the following parties of record this 22nd day of October, 2020:

Suzanne Brownless Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399-0850 sbrownle@psc.state.fl.us	James D. Beasley/J. Jeffrey Wahlen/Malcolm Means Ausley Law Firm Post Office Box 391 Tallahassee, FL 32302 jbeasley@ausley.com jwahlen@ausley.com mmeans@ausley.com
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Maria Moncada David Lee Florida Power & Light Company 700 Universe Boulevard Juno Beach, FL 33408-0420 Maria.Moncada@fpl.com David.Lee@fpl.com	Kenneth Hoffman Florida Power & Light Company 215 South Monroe Street, Suite 810 Tallahassee, FL 32301 Ken.Hoffman@fpl.com
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<p>Russell A. Badders Gulf Power Company One Energy Place Pensacola, FL 32520-0780 Russell.Badders@nexteraenergy.com</p>	<p>J.R. Kelly/P. Christensen/S. Morse/T. David Office of Public Counsel c/o The Florida Legislature 111 W. Madison Street, Room 812 Tallahassee, FL 32399-1400 Kelly.JR@leg.state.fl.us Christensen.patty@leg.state.fl.us Morse.stephanie@leg.state.fl.us David.Tad@leg.state.fl.us</p>
<p>Matthew Bernier Duke Energy 106 East College Avenue, Suite 800 Tallahassee, FL 32301 Matthew.Bernier@duke-energy.com</p>	<p>Dianne M. Triplett Duke Energy 299 First Avenue North St. Petersburg, FL 33701 Dianne.Triplett@duke-energy.com</p>

By: 
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1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2 DOCKET NO. 20200001-EI: FUEL AND PURCHASED POWER COST RECOVERY

3 CLAUSE WITH GENERATING PERFORMANCE INCENTIVE FACTOR

4 Second Revised 2021 Projection Testimony of Curtis D. Young

5 On Behalf of

6 Florida Public Utilities Company

7
8 **Q. Please state your name and business address.**

9 A. My name is Curtis D. Young. My business address is 1635 Meathe
10 Drive, West Palm Beach, FL 33411.

11 **Q. By whom are you employed?**

12 A. I am employed by Florida Public Utilities Company ("FPUC" or
13 "Company") as Senior Regulatory Analyst.

14 **Q. Could you give a brief description of your background and business
15 experience?**

16 A. I have a Bachelor of Business Administration Degree in Accounting from
17 Pace University in New York City, New York. I am the Senior
18 Regulatory Analyst for Florida Public Utilities Company. I have
19 performed various accounting and analytical functions including
20 regulatory filings, revenue reporting, account analysis, recovery rate
21 reconciliations and earnings surveillance. I'm also involved in the
22 preparation of special reports and schedules used internally by division
23 managers for decision making projects. Additionally, I coordinate the
24 gathering of data for the FPSC audits.

25 **Q. Have you previously testified in this Docket?**

1 A. Yes, I have.

2 **Q. What is the purpose of your second revised testimony at this time?**

3 A. My testimony will establish the “true-up” collection amount, based on
4 actual January 2019 through June 2020 data and projected July 2020
5 through December 2021 data to be collected or refunded during January
6 2021 – December 2021. My testimony will also summarize the
7 computations that are contained in revised composite exhibit CDY-4
8 supporting the January through December 2021 projected levelized fuel
9 adjustment factors for its consolidated electric divisions which now
10 include the flow-through of the over-collection of interim rates as
11 addressed in the Company’s position to Issue 3A of the prehearing
12 statements. Additionally, these factors include a refund to customers per
13 the settlement agreement for the corporate state income tax savings
14 approved in Docket No. 20200033-EI by Order No. PSC-2020-0083-
15 PAA-EI, issued on March 20, 2020

16 **Q. What is the monetary impact of the over-collected interim rates**
17 **adjustment to your 2020 true-up balance?**

18 A. The adjustment is a \$1,026,484 over-recovery to the true-up balance.
19 This amount is comprised of \$890,966 interim base rates collected from
20 our customers from January through September 2020 and an additional
21 \$135,246 is estimated to be collected for October 2020. Finally, we

1 compute \$272 accrued interest for the period September through
2 December 2020.

3 **Q. What is the monetary impact of the state tax savings refund**
4 **adjustment to your 2020 true-up balance?**

5 A. The adjustment is a \$35,851 over-recovery to the true-up balance. This
6 amount is comprised of the NOI annual tax savings impact of \$35,825
7 state tax savings and \$26 of computed accrued interest.

8 **Q. Were the schedules filed by the Company completed by you or under**
9 **your direct supervision?**

10 A. Yes, they were completed by me.

11 **Q. Is FPUC providing the required schedules with this filing?**

12 A. Yes. Included with this filing are the Revised Consolidated Electric
13 Schedules E1, E1A, E2, E7, E8, and E10. These schedules are included
14 in my Second Revised Exhibit CDY-4, which is appended to my
15 testimony. Also included with this filing are the Revised Schedules E1-
16 A, E1-B and E1-B1 as Revised Exhibit CDY-2. Revised Schedule E1-B
17 shows the Calculation of Purchased Power Costs and Calculation of
18 True-Up and Interest Provision for the period January 2020 – December
19 2020 based on 6 Months Actual and 6 Months Estimated data.

20 **Q. Did you include costs in addition to the costs specific to purchased**
21 **fuel in the calculations of your true-up and projected amounts?**

1 A. Yes, included with our fuel and purchased power costs are charges for
2 contracted consultants and legal services that are directly fuel-related and
3 appropriate for recovery in the fuel and purchased power clause.
4 FPUC engaged Sterling Energy Services, LLC. (“Sterling”) Christensen
5 Associates Energy, LLC (“Christensen”), Locke Lord, LLP (“Locke”),
6 and Pierpont and McClelland (“Pierpont”) for assistance in the
7 development and enactment of projects/programs designed to reduce
8 their purchased power rates to its customers. The associated legal and
9 consulting costs, included in the rate calculation of the Company’s 2021
10 Projection factors, were not included in expenses during the last FPUC
11 consolidated electric base rate proceeding and are not being recovered
12 through base rates.
13 Mr. Cutshaw addresses these project assignments more specifically in his
14 testimony.

15 **Q. Please explain how these costs were determined to be recoverable**
16 **under the fuel and purchased power clause?**

17 A. Consistent with the Commission’s policy set forth in Order No. 14546,
18 issued in Docket No. 850001-EI-B, on July 8, 1985, the other fuel related
19 costs included in the fuel clause are directly related to purchased power,
20 have not been recovered through base rates.
21 Specifically, consistent with item 10 of Order 14546, the costs the
22 Company has included are fuel-related costs that were not anticipated or
23 included in the cost levels used to establish the current base rates.
24 Similar expenses paid to Christensen and Associates associated with the

1 design for a Request for Proposals of purchased power costs, and the
2 evaluation of those responses, were deemed appropriate for recovery by
3 FPUC through the fuel and purchased power clause in Order No. PSC-
4 05-1252-FOF-EI, Item II E, issued in Docket No. 050001-EI.
5 Additionally, in more recent Docket Nos. 20150001-EI, 20160001-EI,
6 20170001-EI, 20180001-EI, 20190001-EI and 20200001-EI the
7 Commission determined that many of the costs associated with the legal
8 and consulting work incurred by the Company as fuel related,
9 particularly those costs related to the purchase power agreement review
10 and analysis, were recoverable under the fuel clause. As the Commission
11 has recognized time and again, the Company simply does not have the
12 internal resources to pursue projects and initiatives designed to produce
13 purchased power savings without engaging outside assistance for project
14 analytics and due diligence, as well as negotiation and contract
15 development expertise. Likewise, the Company believes that the costs
16 addressed herein are appropriate for recovery through the fuel clause.

17 **Q. What are the final remaining true-up amounts for the period**
18 **January – December 2019?**

19 A. The final remaining consolidated true-up amount was an under-recovery
20 of \$2,017,896.

21 **Q. What are the estimated true-up amounts for the period of January –**
22 **December 2020?**

23 A. There is an estimated consolidated over-recovery of **\$2,315,064.**

24 **Q. Please address the calculation of the total true-up amount to be**

1 **collected or refunded during the January - December 2021 year?**

2 A. The Company has determined that at the end of December 2020, based
3 on six months actual and six months estimated, we will have a
4 consolidated electric over-recovery of \$297,168.

5 **Q. What will the total consolidated fuel adjustment factor, excluding**
6 **demand cost recovery, be for the consolidated electric division for**
7 **the period?**

8 A. The total fuel adjustment factor as shown on line 43, Schedule E-1 is
9 4.540¢ per KWH.

10 **Q. Please advise what a residential customer using 1,000 KWH will pay**
11 **for the period January - December 2021 including base rates,**
12 **conservation cost recovery factors, gross receipts tax and fuel**
13 **adjustment factor and after application of a line loss multiplier.**

14 A. As shown on consolidated Schedule E-10 in Revised Composite Exhibit
15 Number CDY-4, a residential customer using 1,000 KWH will pay
16 \$128.30. This is a decrease of \$8.61 below the previous period.

17 **Q. Does this conclude your testimony?**

18 A. Yes.

FLORIDA PUBLIC UTILITIES COMPANY
CALCULATION OF TRUE-UP SURCHARGE
APPLICABLE TO LEVELIZED FUEL ADJUSTMENT PERIOD
JANUARY 2020 - DECEMBER 2020
BASED ON SIX MONTHS ACTUAL AND SIX MONTHS ESTIMATED OPERATIONS

Revised 10_22_2020

Florida Division -CONSOLIDATED

Over-recovery of purchased power costs for the period
January 2020 - December 2020. (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 2020.)(Estimated)

\$ (297,168)

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U
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 2020 THROUGH DECEMBER 2020																					
BASED ON SIX MONTHS ACTUAL AND SIX MONTHS ESTIMATED																					
(EXCLUDES LINE LOSSES, EXCLUDES TAXES)																					
Schedule E-1b																					
Revised 10_22_2020																					
CONSOLIDATED																					
	Jan 2020	Feb 2020	Mar 2020	Apr 2020	May 2020	Jun 2020	Estimated Jul 2020	Estimated Aug 2020	Estimated Sep 2020	Estimated Oct 2020	Estimated Nov 2020	Estimated Dec 2020	Total								
9	Total System Sales - KWH																				
10	West-Rock Purchases - KWH																				
11	Rayonier Purchases - KWH - On Peak																				
12	Rayonier Purchases - KWH - Off Peak																				
13	Eight Flags Purchases - KWH - KWH																				
14	FPL Purchases - KWH																				
15	Gulf Purchases - KWH																				
16	Generation Demand - KW - FPL																				
17	Demand Demand - KW - Gulf																				
18	Transmission Demand - KW - FPL																				
19	Transmission Demand - KW - Southern																				
20	Purchased Power Rates:																				
21	West Rock Fuel Costs - \$/KWH																				
22	Rayonier Energy Charge - On Peak - \$/KWH																				
23	Rayonier Energy Charge - Off Peak - \$/KWH																				
24	Eight Flags Charge - \$/KWH																				
25	Base Fuel Costs - \$/KWH - FPL																				
26	Base Fuel Costs - \$/KWH - GULF																				
27	Energy Charge - \$/KWH - FPL																				
28	Demand and Non-Fuel:																				
29	Demand Charge - \$/KW - FPL																				
30	Demand Charge - \$/KW - Gulf																				
31	Distribution Facility Charge																				
32	Transmission Charge \$/KW - FPL																				
33	Transmission Charge \$/KW - Southern																				
34	Purchased Power Costs:																				
35	West-Rock Fuel Costs																				
36	Rayonier Standby Costs																				
37	Eight Flags																				
38	Gulf Base Fuel Costs																				
39	FPL Base Fuel Costs																				
40	FPL Fuel Adjustment																				
41	Subtotal Fuel Costs																				
42	Demand and Non-Fuel Costs: Demand Capacity Charge																				
43	Distr. Fac. Charge																				
44	Customer Charge																				
45	Transmission Charge																				
46	Subtotal Demand & Non-Fuel Costs																				
47	Total System Purchased Power Costs																				
48	Less Direct Billing To GSD1 Class:																				
49	Demand Commodity																				
50	Net Purchased Power Costs																				
51	Special Costs*																				
52	Total Costs and Charges																				
53	Sales Revenues - Fuel Adjustment Revenues:																				
54	RS<																				
55	RS>																				
56	GS																				
57	GSD																				
58	GSLD																				
59	LS																				
60	Unbilled Fuel Revenues																				
61	Total Fuel Revenues (Excl. GSD1)																				
62	GSD1 Fuel Revenues 17197																				
63	Non-Fuel Revenues																				
64	Total Sales Revenue																				
65	KWH Sales:																				
66	RS<																				
67	RS>																				
68	GS																				
69	GSD																				
70	GSLD																				
71	GSD1																				
72	LS																				
73	True-up Calculation (Excl. GSD1):																				
74	Fuel Revenues																				
75	True-up Provision - collect/(refund)																				
76	Gross Receipts Tax Refund																				
77	Fuel Revenue																				
78	Net Purchased Power and Other Fuel Costs																				
79	True-up Provision for the Period																				
80	Interest Provision for the Period																				
81	Beginning of Period True-up and Interest Provision																				
82	True-up Collected or (Refunded)																				
83	Overcollected Interim Rates-Hurricane Michael																				
84	End of Period, Net True-up and Int. Prov.																				
85	Beginning True-up Amount																				
86	Ending True-up Amount Before Interest																				
87	Total Beginning and Ending True-up																				
88	Average True-up Amount																				
89	Average Annual Interest Rate																				
90	Interest Provision																				
91	10% Rule Interest Provision:																				
92	0.74%																				
93	Includes: Consulting fees, Legal fees and Taxes on Company Use.																				

Exhibit No.
DOCKET NO. 2020001-EI
Florida Public Utilities Compar
(Revised CDY-2)
Page 2 of 3

FLORIDA PUBLIC UTILITIES COMPANY
 CONSOLIDATED FLORIDA DIVISIONS
 COMPARISON OF ESTIMATED/ACTUAL VERSUS ORIGINAL PROJECTIONS
 OF THE FUEL AND PURCHASED POWER COST RECOVERY FACTOR
 JANUARY 2020 - DECEMBER 2020

Revised 10_22_2020

	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)	11,761,218	12,007,308	(246,091)	-2.1%	448,143	429,024	19,119	4.5%	2.62443	2.79875	(0.17432)	-6.2%
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)	14,911,056	15,020,005	(108,949)	-0.7%	448,143	429,024	19,119	4.5%	3.32730	3.50097	(0.17367)	-5.0%
11 Energy Payments to Qualifying Facilities (A8a)	13,711,079	15,601,107	(1,890,028)	-12.1%	184,646	193,850	(9,204)	-4.8%	7.42560	8.04803	(0.62243)	-7.7%
12 TOTAL COST OF PURCHASED POWER	40,383,352	42,628,420	(2,245,068)	-5.3%	632,789	622,874	9,915	1.6%	6.38180	6.84383	(0.46203)	-6.8%
13 TOTAL AVAILABLE MWH (LINE 5 + LINE 12)					632,789	622,874	9,915	1.6%				
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)	117,726	221,000	(103,274)	-46.7%								
18 TOTAL FUEL COST AND GAINS OF POWER SALES (LINE 14 + 15 + 16 + 17)	117,726	221,000	(103,274)	-46.7%	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)	40,501,079	42,849,420	(2,348,341)	-5.5%	632,789	622,874	9,915	1.6%	6.40041	6.87931	(0.47890)	-7.0%
21 Net Unbilled Sales (A4)	0 *	0 *	0	0.0%	0	0	0	0.0%	0.00000	0.00000	0.00000	0.0%
22 Company Use (A4)	31,426 *	31,714 **	(288)	-0.9%	491	461	30	6.5%	0.00536	0.00530	0.00006	1.1%
23 T & D Losses (A4)	2,917,755 *	1,629,502 *	1,288,253	79.1%	45,587	23,687	21,900	92.5%	0.49731	0.27216	0.22515	82.7%
24 SYSTEM KWH SALES	40,501,079	42,849,420	(2,348,341)	-5.5%	586,711	598,726	(12,015)	-2.0%	6.90308	7.15677	(0.25369)	-3.5%
25 Wholesale KWH Sales												
26 Jurisdictional KWH Sales	40,501,079	42,849,420	(2,348,341)	-5.5%	586,711	598,726	(12,015)	-2.0%	6.90308	7.15677	(0.25369)	-3.5%
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	40,501,079	42,849,420	(2,348,341)	-5.5%	586,711	598,726	(12,015)	-2.0%	6.90308	7.15677	(0.25369)	-3.5%
28 GPIF**												
29 TRUE-UP**	1,934,452	1,934,452	0	0.0%	586,711	598,726	(12,015)	-2.0%	0.32971	0.32309	0.00662	2.1%
30 TOTAL JURISDICTIONAL FUEL COST	42,435,531	44,783,872	(2,348,341)	-5.2%	586,711	598,726	(12,015)	-2.0%	7.23278	7.47986	(0.24708)	-3.3%
31 Revenue Tax Factor									1.00072	1.00072	0.00000	0.0%
32 Fuel Factor Adjusted for Taxes									7.23799	7.48525	(0.24726)	-3.3%
33 FUEL FAC ROUNDED TO NEAREST .001 (CENTS/KWH)									7.238	7.485	(0.247)	-3.3%

*Included for Informational Purposes Only

**Calculation Based on Jurisdictional KWH Sales

FLORIDA PUBLIC UTILITIES COMPANY
FUEL AND PURCHASED POWER
COST RECOVERY CLAUSE CALCULATION

ESTIMATED FOR THE PERIOD: JANUARY 2021 THROUGH DECEMBER 2021

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FLORIDA DIVISION-CONSOLIDATED

	(a) DOLLARS	(b) MWH	(c) CENTS/KWH
1 Fuel Cost of System Net Generation (E3)			
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)	13,359,070	468,492	2.85150
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 & Non Fuel Cost of Purch Power (E2)	16,362,377	468,492	3.49256
10a Demand Costs of Purchased Power	15,135,244 *		
10b Non-fuel Energy & Customer Costs of Purchased Power	1,227,132 *		
11 Energy Payments to Qualifying Facilities (E8a)	14,686,523	196,205	7.48529
12 TOTAL COST OF PURCHASED POWER (LINE 6 THRU 11)	44,407,969	664,697	6.68093
13 TOTAL AVAILABLE KWH (LINE 5 + LINE 12)	44,407,969	664,697	6.68093
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)	44,407,969	664,697	6.68093
21 Net Unbilled Sales	0 *	0	0.00000
22 Company Use	44,361 *	664	0.00701
23 T & D Losses	2,070,307 *	30,988	0.32704
24 SYSTEM MWH SALES	44,407,969	633,045	7.01498
25 Wholesale MWH Sales			
26 Jurisdictional MWH Sales	44,407,969	633,045	7.01498
26a Jurisdictional Loss Multiplier	1.00000	1.00000	
27 Jurisdictional MWH Sales Adjusted for Line Losses	44,407,969	633,045	7.01498
27a GSLD1 MWH Sales		22,466	
27b Other Classes MWH Sales		610,578	
27c GSLD1 CP KW		90,000 *	
28 Projected Unbilled Revenues	0	610,578	0.00000
29 GPIF **			
30 TRUE-UP (OVER) UNDER RECOVERY **	(297,168)	610,578	-0.04867
31 TOTAL JURISDICTIONAL FUEL COST	44,110,801	610,578	7.22443
31a Demand Purchased Power Costs (Line 10a)	15,135,244 *		
31b Non-demand Purchased Power Costs (Lines 6 + 10b + 11)	29,272,725 *		
31c True up Over/Under Recovery (Line 29)	(297,168) *		
31d Unbilled Revenues	0		

* For Informational Purposes Only

** Calculation Based on Jurisdictional KWH Sales

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FLORIDA PUBLIC UTILITIES COMPANY
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FLORIDA PUBLIC UTILITIES COMPANY
FUEL AND PURCHASED POWER
COST RECOVERY CLAUSE CALCULATION

ESTIMATED FOR THE PERIOD: JANUARY 2021 THROUGH DECEMBER 2021

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FLORIDA DIVISION-CONSOLIDATED

	(a)	(b)	(c)
	DOLLARS	MWH	CENTS/KWH
APPORTIONMENT OF DEMAND COSTS			
31	Total Demand Costs (Line 31a)	15,135,244	
32	GSLD1 Portion of Demand Costs (Line 31a) Including Line Losses(Line 27c x \$5.85)	374,724	370,900 (KW) \$1.01 /KW
33	Balance to Other Classes	14,760,520	610,578 2.41747
APPORTIONMENT OF NON-DEMAND COSTS			
34	Total Non-demand Costs(Line 31b)	29,272,725	
35	Total KWH Purchased (Line 12)	664,697 KWH	
36	Average Cost per KWH Purchased		4.40392
37	Average Cost Adjusted for Line Losses (Line 36 x 1.03)		4.53604
38	GSLD1 Non-demand Costs (Line 27a x Line 37)	1,275,244	22,466 5.67627
39	Balance to Other Classes	27,997,481	610,578 4.58540
GSLD1 PURCHASED POWER COST RECOVERY FACTORS			
40a	Total GSLD1 Demand Costs (Line 32)	374,724	370,900 (KW) \$1.01 /KW
40b	Revenue Tax Factor		1.00072
40c	GSLD1 Demand Purchased Power Factor Adjusted for Taxes & Rounded		\$1.01 /KW
40d	Total Current GSLD1 Non-demand Costs(Line 38)	1,275,244	22,466 5.67627
40e	Total Non-demand Costs Including True-up	1,275,244	22,466 5.67627
40f	Revenue Tax Factor		1.00072
40g	GSLD1 Non-demand Costs Adjusted for Taxes & Rounded		5.68036
OTHER CLASSES PURCHASED POWER COST RECOVERY FACTORS			
41a	Total Demand & Non-demand Purchased Power Costs of Other Classes(Line 33 + 39)	42,758,001	610,578 7.00287
41b	Less: Total Demand Cost Recovery	14,760,520 ***	
41c	Total Other Costs to be Recovered	27,997,481	610,578 4.58540
41d	Unbilled Revenue	0	610,578 0.00000
41e	Other Classes' Portion of True-up (Line 30c)	(297,168)	610,578 -0.04867
41f	Total Demand & Non-demand Costs Including True-up	27,700,313	610,578 4.53673
42	Revenue Tax Factor		1.00072
43	Other Classes Purchased Power Factor Adjusted for Taxes & Rounded	27,720,257	4.540

* For Informational Purposes Only

** Calculation Based on Jurisdictional KWH Sales

*** Calculation on Schedule E1 Page 3

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FLORIDA PUBLIC UTILITIES COMPANY
FUEL AND PURCHASED POWER
COST RECOVERY CLAUSE CALCULATION

ESTIMATED FOR THE PERIOD: JANUARY 2021 THROUGH DECEMBER 2021

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FLORIDA DIVISION-CONSOLIDATED

	(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
44 RS	293,132,452	57.542%	58,153.0	1.089	1.030	63,328.6	301,926,426	54.67%	48.01%
45 GS	53,674,502	63.463%	9,654.8	1.089	1.030	10,514.1	55,284,737	9.08%	8.79%
46 GSD	172,118,500	73.488%	26,736.6	1.089	1.030	29,116.2	177,282,055	25.14%	28.19%
47 GSLD	84,164,138	82.761%	11,609.1	1.089	1.030	12,642.3	86,689,062	10.92%	13.78%
48 LS	7,488,860	416.653%	205.2	1.089	1.030	223.5	7,713,526	0.19%	1.23%
49	0	416.653%	0.0	1.089	1.030	0.0	0	0.00%	0.00%
TOTAL	610,578,452		106,358.7			115,824.7	628,895,806	100.00%	100.00%

	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
	12/13 * (8)	1/13 * (9)	(10) + (11)	Tot. Col. 13 * (9)	(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
50 RS	50.46%	3.69%	54.15%	\$7,992,822	0.02727	0.02729	0.04540	\$ 0.07269
51 GS	8.38%	0.68%	9.06%	1,337,303	0.02492	0.02494	0.04540	\$ 0.07034
52 GSD	23.21%	2.17%	25.38%	3,746,220	0.02177	0.02179	0.04540	\$ 0.06719
53 GSLD	10.08%	1.06%	11.14%	1,644,322	0.01954	0.01955	0.04540	\$ 0.06495
54 LS	0.18%	0.09%	0.27%	39,853	0.00532	0.00532	0.04540	\$ 0.05072
TOTAL	92.31%	7.69%	100.00%	\$14,760,520				

Step Rate Allocation for Residential Customers

	(18)	(19)	(20)	(21)
				(19) * (20)
Rate Schedule	Allocation	Annual kWh	Levelized Adj.	Revenues
56 RS	Sales	293,132,452	\$0.07269	\$21,307,798
57 RS	<= 1,000kWh/mo.	220,796,544	\$0.06961	\$15,368,630
58 RS	> 1,000 kWh/mo.	72,335,909	\$0.08211	\$5,939,168
59 RS	Total Sales	293,132,452		\$21,307,798

(2) From Gulf Power 2015 Load Research results.

TOU Rates

	(22)	(23)	(24)	(25)
	On Peak Rate	Off Peak Rate	Levelized Adj. On Peak	Levelized Adj. Off Peak
Rate Schedule	Differential	Differential		
60 RS	0.0840	(0.0390)	\$0.15361	\$0.03061
61 GS	0.0400	(0.0500)	\$0.11034	\$0.02034
62 GSD	0.0400	(0.0325)	\$0.10719	\$0.03469
63 GSLD	0.0600	(0.0300)	\$0.12495	\$0.03495
64 Interruptible	(0.0150)	-	\$0.04995	\$0.06495

FLORIDA PUBLIC UTILITIES COMPANY
CALCULATION OF TRUE-UP SURCHARGE
APPLICABLE TO LEVELIZED FUEL ADJUSTMENT PERIOD
JANUARY 2020 - DECEMBER 2020
BASED ON SIX MONTHS ACTUAL AND SIX MONTHS ESTIMATED OPERATIONS

REVISED 10_22_2020

FLORIDA DIVISION-CONSOLIDATED

Over-recovery of purchased power costs for the period January 2020 - December 2020. (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 2020.)(Estimated)	\$	(297,168)
Portion of 2020 Over-recovery to be refunded for the period January 2021 - December 2021	\$	(297,168)
Estimated kilowatt hour sales for the months of January 2021 - December 2021 as per estimate filed with the Commission. (Excludes GSLD1 customers)		610,578,452
Cents per kilowatt hour necessary to refund over-recovered purchased power costs over the period January 2021- December 2021		-0.04867

FLORIDA PUBLIC UTILITIES COMPANY
FLORIDA DIVISION-CONSOLIDATED
FUEL & PURCHASED POWER COST RECOVERY CLAUSE CALCULATION

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ESTIMATED FOR THE PERIOD: JANUARY 2021 THROUGH DECEMBER 2021

LINE NO.		(a)	(b)	(c)	(d)	(e)	(f)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	LINE NO.	
		JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE ESTIMATED	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL PERIOD		
1	FUEL COST OF SYSTEM GENERATION														0	1
1a	NUCLEAR FUEL DISPOSAL														0	1a
2	FUEL COST OF POWER SOLD														0	2
3	FUEL COST OF PURCHASED POWER	1,061,384	1,200,971	660,727	774,054	802,711	1,312,959	1,375,650	1,428,105	1,497,300	1,280,638	866,017	1,098,553	13,359,070	3	
3a	DEMAND & NON FUEL COST OF PUR POWER	1,414,432	1,201,333	1,152,753	1,136,450	1,324,222	1,537,211	1,515,874	1,504,767	1,526,253	1,456,966	1,160,028	1,211,088	16,141,377	3a	
3b	QUALIFYING FACILITIES	1,105,543	793,259	1,361,837	1,316,239	1,300,920	1,256,084	1,286,004	1,203,963	1,169,010	1,297,970	1,297,900	1,297,794	14,686,523	3b	
4	OTHER FUEL RELATED COSTS	17,850	17,850	19,300	17,850	17,850	19,300	17,850	17,850	19,300	17,850	17,850	20,300	221,000	4	
5	TOTAL FUEL & NET POWER TRANSACTIONS (SUM OF LINES A-1 THRU A-4)	3,599,209	3,213,413	3,194,617	3,244,594	3,445,703	4,125,553	4,195,378	4,154,684	4,211,863	4,053,424	3,341,795	3,627,735	44,407,969	5	
5a	LESS: TOTAL DEMAND COST RECOVERY	1,296,893	1,092,259	1,064,815	1,043,754	1,218,156	1,409,479	1,382,820	1,369,738	1,390,632	1,333,433	1,063,871	1,094,669	14,760,520	5a	
5b	TOTAL OTHER COST TO BE RECOVERED	2,302,316	2,121,155	2,129,803	2,200,840	2,227,547	2,716,074	2,812,558	2,784,946	2,821,230	2,719,992	2,277,924	2,533,065	29,647,449	5b	
6	APPORTIONMENT TO GSLD1 CLASS	135,396	190,407	151,419	105,618	65,280	104,867	124,704	161,270	151,488	205,610	109,091	144,818	1,649,968	6	
6a	BALANCE TO OTHER CLASSES	2,166,920	1,930,748	1,978,384	2,095,222	2,162,266	2,611,207	2,687,854	2,623,676	2,669,742	2,514,381	2,168,833	2,388,248	27,997,481	6a	
6b	SYSTEM KWH SOLD (MWH)	51,382	48,709	41,098	43,926	46,626	59,044	61,606	62,150	63,143	57,849	44,600	52,912	633,045	6b	
7	GSLD1 MWH SOLD	1,918	3,188	1,838	1,180	568	1,328	1,700	2,428	2,263	3,028	1,234	1,798	22,466	7	
7a	BALANCE MWH SOLD OTHER CLASSES	49,464	45,521	39,261	42,746	46,058	57,717	59,906	59,722	60,881	54,822	43,367	51,114	610,578	7a	
7b	COST PER KWH SOLD (CENTS/KWH) APPLICABLE TO OTHER CLASSES	4.38079	4.2414	5.03908	4.90155	4.69462	4.52418	4.48682	4.39314	4.38521	4.58646	5.00117	4.67235	4.5854	7b	
8	JURISDICTIONAL LOSS MULTIPLIER	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 COST (CENTS/KWH)	4.38079	4.24140	5.03908	4.90155	4.69462	4.52418	4.48682	4.39314	4.38521	4.58646	5.00117	4.67235	4.58540	9	
10	PROJECTED UNBILLED REVENUES(CENTS/KWH)	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	10	
11	GPIF (CENTS/KWH)														11	
12	TRUE-UP (CENTS/KWH)	(297,168)	(0.04867)	(0.04867)	(0.04867)	(0.04867)	(0.04867)	(0.04867)	(0.04867)	(0.04867)	(0.04867)	(0.04867)	(0.04867)	(0.04867)	12	
13	TOTAL	4.33212	4.19273	4.99041	4.85288	4.64595	4.47551	4.43815	4.34447	4.33654	4.53779	4.95250	4.62368	4.53673	13	
14	REVENUE TAX FACTOR	0.00072	0.00312	0.00302	0.00359	0.00349	0.00335	0.00322	0.00320	0.00313	0.00312	0.00327	0.00357	0.00327	14	
15	RECOVERY FACTOR ADJUSTED FOR TAXES	4.33524	4.19575	4.99400	4.85637	4.64930	4.47873	4.44135	4.34760	4.33966	4.54106	4.95607	4.62701	4.54000	15	
16	RECOVERY FACTOR ROUNDED TO NEAREST .001 CENT/KWH	4.335	4.196	4.994	4.856	4.649	4.479	4.441	4.348	4.34	4.541	4.956	4.627	4.540	16	

FLORIDA PUBLIC UTILITIES COMPANY
FLORIDA DIVISION-CONSOLIDATED
PURCHASED POWER
(EXCLUSIVE OF ECONOMY ENERGY PURCHASES)

ESTIMATED FOR THE PERIOD: JANUARY 2021 THROUGH DECEMBER 2021

REVISED 10_22_2020

(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 2021	FPL / GULF POWER	MS	38,479,672			38,479,672	2.758298	6.434088	1,061,384
FEBRUARY 2021	FPL / GULF POWER	MS	39,619,393			39,619,393	3.031271	6.063456	1,200,971
MARCH 2021	FPL / GULF POWER	MS	24,253,236			24,253,236	2.724284	7.477272	660,727
APRIL 2021	FPL / GULF POWER	MS	27,542,425			27,542,425	2.810407	6.936588	774,054
MAY 2021	FPL / GULF POWER	MS	30,847,138			30,847,138	2.602222	6.895074	802,711
JUNE 2021	FPL / GULF POWER	MS	45,706,371			45,706,371	2.872595	6.235825	1,312,959
JULY 2021	FPL / GULF POWER	MS	48,072,840			48,072,840	2.861596	6.014882	1,375,650
AUGUST 2021	FPL / GULF POWER	MS	49,549,074			49,549,074	2.882202	5.919124	1,428,105
SEPTEMBER 2021	FPL / GULF POWER	MS	51,087,205			51,087,205	2.930871	5.918415	1,497,300
OCTOBER 2021	FPL / GULF POWER	MS	44,190,759			44,190,759	2.897978	6.194970	1,280,638
NOVEMBER 2021	FPL / GULF POWER	MS	30,130,266			30,130,266	2.874243	6.724286	866,017
DECEMBER 2021	FPL / GULF POWER	MS	39,013,549			39,013,549	2.815824	5.920099	1,098,553
TOTAL			468,491,927	0	0	468,491,927	2.851505	6.296895	13,359,070

FLORIDA PUBLIC UTILITIES COMPANY
FLORIDA DIVISION-CONSOLIDATED
PURCHASED POWER
ENERGY PAYMENT TO QUALIFYING FACILITIES

REVISED 10_22_2020

ESTIMATED FOR THE PERIOD: JANUARY 2021 THROUGH DECEMBER 2021

(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 2021	WEST-ROCK / RAYONIER / EIGHT FLAGS	
FEBRUARY 2021	WEST-ROCK / RAYONIER / EIGHT FLAGS		11,525,000			11,525,000	6.882941	6.882941	793,259
MARCH 2021	WEST-ROCK / RAYONIER / EIGHT FLAGS		18,900,000			18,900,000	7.205487	7.205487	1,361,837
APRIL 2021	WEST-ROCK / RAYONIER / EIGHT FLAGS		18,580,000			18,580,000	7.084171	7.084171	1,316,239
MAY 2021	WEST-ROCK / RAYONIER / EIGHT FLAGS		18,110,000			18,110,000	7.183435	7.183435	1,300,920
JUNE 2021	WEST-ROCK / RAYONIER / EIGHT FLAGS		16,290,000			16,290,000	7.710767	7.710767	1,256,084
JULY 2021	WEST-ROCK / RAYONIER / EIGHT FLAGS		16,613,000			16,613,000	7.740950	7.740950	1,286,004
AUGUST 2021	WEST-ROCK / RAYONIER / EIGHT FLAGS		15,708,000			15,708,000	7.664649	7.664649	1,203,963
SEPTEMBER 2021	WEST-ROCK / RAYONIER / EIGHT FLAGS		15,213,000			15,213,000	7.684283	7.684283	1,169,010
OCTOBER 2021	WEST-ROCK / RAYONIER / EIGHT FLAGS		16,551,000			16,551,000	7.842245	7.842245	1,297,970
NOVEMBER 2021	WEST-ROCK / RAYONIER / EIGHT FLAGS		16,700,000			16,700,000	7.771856	7.771856	1,297,900
DECEMBER 2021	WEST-ROCK / RAYONIER / EIGHT FLAGS		16,544,000			16,544,000	7.844500	7.844500	1,297,794
TOTAL			196,205,000	0	0	196,205,000	7.485295	7.485295	14,686,523

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**FLORIDA PUBLIC UTILITIES COMPANY
FLORIDA DIVISION-CONSOLIDATED
RESIDENTIAL BILL COMPARISON**

REVISED 10_22_2020

ESTIMATED FOR THE PERIOD: JANUARY 2021 THROUGH DECEMBER 2021

JANUARY 2021	FEBRUARY 2021	MARCH 2021	APRIL 2021	MAY 2021	JUNE 2021	JULY 2021
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BASE RATE REVENUES ** \$	57.02	57.02	57.02	55.48	55.48	55.48	55.48
FUEL RECOVERY FACTOR CENTS/KWH	6.96	6.96	6.96	6.96	6.96	6.96	6.96
GROUP LOSS MULTIPLIER	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
FUEL RECOVERY REVENUES \$	69.61	69.61	69.61	69.61	69.61	69.61	69.61
GROSS RECEIPTS TAX	3.25	3.25	3.25	3.21	3.21	3.21	3.21
TOTAL REVENUES *** \$	129.88	129.88	129.88	128.30	128.30	128.30	128.30

AUGUST 2021	SEPTEMBER 2021	OCTOBER 2021	NOVEMBER 2021	DECEMBER 2021
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PERIOD TOTAL

BASE RATE REVENUES ** \$	55.48	55.48	55.48	55.48	55.48	670.38
FUEL RECOVERY FACTOR CENTS/KWH	6.96	6.96	6.96	6.96	6.96	
GROUP LOSS MULTIPLIER	1.00000	1.00000	1.00000	1.00000	1.00000	
FUEL RECOVERY REVENUES \$	69.61	69.61	69.61	69.61	69.61	835.32
GROSS RECEIPTS TAX	3.21	3.21	3.21	3.21	3.21	38.64
TOTAL REVENUES *** \$	128.30	128.30	128.30	128.30	128.30	1,544.34

* MONTHLY AND CUMULATIVE TWELVE MONTH ESTIMATED DATA

** BASE RATE REVENUES PER 1000 KWH:	<u>April 2021</u>	
CUSTOMER CHARGE	17.16	17.16
CENTS/KWH	24.02	24.02
CONSERVATION FACTOR	1.50	1.50
STORM SURCHARGE		
(Matthew/Irma)	1.54	
STORM SURCHARGE		
(Michael/Dorian)	12.80	12.80
	<u>57.02</u>	<u>55.48</u>

EXHIBIT NO. _____
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FLORIDA PUBLIC UTILITIES COMPANY
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*** EXCLUDES FRANCHISE TAXES

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 20200001-EI

FUEL AND PURCHASED POWER COST RECOVERY CLAUSE WITH GENERATING
PERFORMANCE INCENTIVE FACTOR

2021 Projection Testimony of P. Mark Cutshaw

On Behalf of

Florida Public Utilities Company

Q. Please state your name and business address.

A. My name is P. Mark Cutshaw, 208 Wildlight Avenue, Yulee, Florida 32097.

Q. By whom are you employed?

A. I am employed by Florida Public Utilities Company (“FPUC” or “Company”).

Q. Could you give a brief description of your background and business experience?

A. I graduated from Auburn University in 1982 with a B.S. in Electrical Engineering and began my career with Mississippi Power Company in June 1982. I spent 9 years with Mississippi Power Company and held positions of increasing responsibility that involved budgeting, as well as operations and maintenance activities at various Company locations. I joined FPUC in 1991 as Division Manager in our Northwest Florida Division and have since worked extensively in both the Northwest Florida and Northeast Florida Divisions. Since joining FPUC, my responsibilities have included all aspects of budgeting, customer service, operations and maintenance in both the Northeast and

1 Northwest Florida Divisions. My responsibilities also included involvement with
2 Cost of Service Studies and Rate Design in other rate proceedings before the
3 Commission as well as other regulatory issues. During 2019 I moved into my
4 current role as Director, Generation and Pipeline Development.

5 **Q. Have you previously testified before the Florida Public Service Commission**
6 **(“Commission”)?**

7 A. Yes, I’ve provided testimony in a variety of Commission proceedings, including
8 the Company’s 2014 rate case, addressed in Docket No. 20140025-EI. Most
9 recently, I provided written, pre-filed testimony in Docket No. 20190001-EI, the
10 Commission’s regular fuel cost recovery proceeding, and also provided both pre-
11 filed and live testimony the prior year, in Docket No. 20180001-EI, the
12 Commissions’ regular fuel cost recovery. I have also been involved in and filed
13 testimony in Docket No. 20191056 for the Limited Proceeding to Recover
14 Incremental Storm Restoration Costs.

15 **Q. What is the purpose of your direct testimony in this Docket?**

16 A. My direct testimony addresses several aspects of the purchased power cost for
17 our FPUC electric customers. This includes activities to investigate the potential
18 for reduced purchase power costs, execution/amendment of purchased power
19 agreements with Gulf Power Company (“Gulf”)/Florida Power & Light (“FPL”),
20 Combined Heat and Power (“CHP”) generation supply located on Amelia Island
21 and investigation into the opportunities of energy provided from solar and battery
22 installations.

1 **Q. What new opportunities has the Company implemented with the intent of**
2 **achieving energy resiliency and reducing costs for its customers in its**
3 **consolidated electric divisions?**

4 A. The Company regularly pursues opportunities to achieve energy resiliency and
5 reduced purchased power costs for the benefit of our customers. During 2018,
6 FPUC began by executing a transmission interconnection agreement and a new
7 purchased power agreement with Florida Power & Light (FPL) for our Northeast
8 Florida Division. During 2019, a purchased power agreement with Gulf/FPL for
9 our Northwest Florida Division was executed along with an amendment of the
10 existing FPL purchased power agreement for our Northeast Florida Division.

11 **Q. What is the status of the existing purchase power agreements in place with**
12 **Gulf Power and FPL?**

13 A. The existing agreement for our Northwest Florida Division with Gulf/FPL
14 became effective January 1, 2020 and will continue in effect through December
15 31, 2026 unless extended by FPUC. The existing agreement for our Northeast
16 Florida Division with FPL which became effective January 1, 2018 was amended
17 in 2019 to continue in effect through the December 31, 2026 unless extended by
18 FPUC.

19 **Q. Can you provide background on the new purchased power agreement with**
20 **FPL for the Northwest Florida Division and the amendment of the**
21 **purchased power agreement for the Northeast Florida Division that became**
22 **effective January 1, 2020?**

1 A. Yes. Informal solicitations occurred with four providers that were capable of
2 providing wholesale power to the Northwest Florida Division delivery points
3 located in Jackson, Calhoun and Liberty Counties. Additional consideration was
4 given to the ability to combine agreements for the Northeast and Northwest
5 Florida Divisions in order to provide additional flexibility, reduce cost and
6 increased energy resiliency between divisions. Proposals were received from
7 four parties and the evaluation and discussions began immediately thereafter.
8 Based on the differences in the bids submitted, the evaluation required additional
9 time for soliciting additional information to allow for further assessment. After
10 the evaluation was completed, FPL was determined to be the most appropriate
11 selection and additional negotiations were conducted in order to develop a
12 comprehensive purchased power agreement covering both the Northwest and
13 Northeast Florida Divisions. On August 12, 2019, the “Native Load Firm All
14 Requirements Power and Energy Agreement” (“Agreement”) for the Northwest
15 Florida Division was executed by both parties with an effective date of January
16 1, 2020 and continuing in effect through December 31, 2026. Additionally, on
17 August 12, 2019, the “First Amendment to the Native Load Firm All
18 Requirements Power and Energy Agreement” (“Amendment”) for the Northeast
19 Florida Division was executed by both parties. The “Amendment” will have the
20 effect of extending the existing agreement for the Northeast Florida Division
21 through December 31, 2026. Both the “Agreement” and “Amendment” include a

1 provision that will allow FPUC the sole right to extend the agreements through
2 December 31, 2030.

3 **Q. Are there other efforts underway to identify projects that will lead to lower**
4 **cost energy for FPUC customers?**

5 A. Yes. FPUC continues to work with consultants, as well as project developers, to
6 identify new projects and opportunities that can lead to increased energy
7 resiliency and reduced fuel costs for our customers. We also continue to analyze
8 the feasibility of energy production and supply opportunities that have been on
9 our planning horizon for some time and noted in prior fuel clause proceedings,
10 namely additional Combined Heat and Power (CHP) projects, potential Solar
11 Photovoltaic (“PV”) projects and associated utility scale battery projects.

12 More specifically, Pierpont & McLelland has been engaged to perform analysis
13 and provide consulting services for FPUC as it relates to the structuring of, and
14 operation under, the Company’s power purchase agreements with the purpose of
15 identifying measures that will minimize cost increases and/or provide
16 opportunities for cost reductions. Locke Lord is a law firm with particular
17 expertise in the regulatory requirements of the Federal Energy Regulatory
18 Commission. Attorneys with the firm have provided legal guidance and
19 oversight regarding the contracts and regulatory requirements for generation and
20 transmission-related issues for the Northeast Florida Division. The Company’s

1 in-house experience in these areas is limited; thus, without this outside
2 assistance, the Company's ability to pursue potential purchased power savings
3 opportunities would be limited, as would its ability to properly evaluate
4 proposals to meet our generation and transmission needs and ensure compliance
5 with federal regulatory requirements.

6 Sterling Energy and Christensen Associates have been involved to assist the
7 Company in the most cost-effective means of incorporating additional energy
8 sources, such as power available from certain industrial customers, including
9 customers with Combined Heat and Power ("CHP") capability, to further reduce
10 the overall purchased power impact to all FPUC customers. Christensen
11 Associates also assisted the Company with analysis regarding the purchase
12 power agreements.

13 **Q. Can you provide additional information on these CHP projects?**

14 A. Yes. The success of the Eight Flags project has sparked interest in other CHP
15 opportunities on Amelia Island. When coupled with industrial expansion in the
16 area and the ability to do so within the context of the "Agreement" and
17 "Amendment" with FPL, the already quantifiable benefits of the existing project
18 has piqued the interest of others to contemplate partnering with a new CHP-
19 based project. Given that FPUC would again be the recipient of any power
20 generated by such project, FPUC has been actively involved in the initial
21 development and engineering of a new project located on Amelia Island.
22 Significant efforts have continued to develop this CHP which, similar to Eight
23 Flags, will be located on Amelia Island and will allow FPUC to provide

1 additional reliability and resilience to its electricity supply for its customers on
2 Amelia Island. This second CHP will provide competitively priced electricity for
3 FPUC's customers while providing high pressure steam and hot water to a local
4 industrial customer. Preliminary engineering, financial modeling, operating
5 agreements and Florida Department of Environmental Protection permitting have
6 been completed for this CHP unit. FPUC anticipates that work will continue on
7 this project with the projected in-service date of second quarter of 2022.

8 **Q. Can you provide additional information on the PV and battery projects you**
9 **referenced above?**

10 A. Yes. FPUC has completed the analysis related to smaller PV systems within the
11 FPUC electric service territory. Based on the results from the analysis, the
12 economic feasibility of smaller PV installations has been difficult to achieve due
13 to many different factors. At this time, FPUC is investigating opportunities
14 involving larger PV installations which have proved to be more economically
15 feasible. Not only will this increase the renewable energy available to FPUC, the
16 cost is expected to complement the overall purchased power portfolio which will
17 provide additional benefits to FPUC customers. The "Agreement" and the
18 "Amendment" have provisions that allow for the development of PV installations
19 by FPUC and provides for the possibility of a partnership between the parties that
20 would allow for the development of a PV project.

21 Additionally, exploration into the inclusion of battery storage capacity in
22 conjunction with the PV installation is being considered. These projects have
23 been difficult to justify economically at this point but are still under

1 consideration by FPUC. Nonetheless, the potential benefits of the PV and
2 battery projects under consideration will be continued.

3 **Q. Does this include your testimony?**

4 **A. Yes.**