

*CONFIDENTIAL*

120220-PU

**FLORIDA PUBLIC UTILITIES COMPANY AND  
FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION**

EXHIBIT A

(HIGHLIGHTED CONFIDENTIAL FORECASTED EARNINGS SURVEILLANCE  
REPORTS)

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*W/m* 10.4.12

(DN contains)  
3 parts  
DOCUMENT NUMBER-DATE

05459 AUG-99

FPSC-COMMISSION CLERK

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**DECLASSIFIED**

FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION  
NATURAL GAS  
RATE OF RETURN REPORT SUMMARY  
December 31, 2012

SCHEDULE 1

	(1) ACTUAL PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
<b>I. AVERAGE RATE OF RETURN (JURISDICTIONAL)</b>					
NET OPERATING INCOME	\$ 3,100,866	575,450	\$3,176,316	50	\$3,176,316
AVERAGE RATE BASE	\$44,527,531	(\$16,574)	\$44,510,957	50	\$44,510,957
AVERAGE RATE OF RETURN	6.96%		7.14%		7.14%
<b>II. YEAR-END RATE OF RETURN (JURISDICTIONAL)</b>					
NET OPERATING INCOME	\$3,100,866	\$98,220	\$3,199,086	50	\$3,199,086
YEAR-END RATE BASE	\$44,253,900	(\$99,539)	\$44,154,361	50	\$44,154,361
YEAR-END RATE OF RETURN	7.01%		7.25%		7.25%
<b>III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)</b>			<b>IV. EARNED RETURN ON EQUITY (FPSC ADJUSTED BASIS)</b>		
LOW	6.32%		A. INCL COMP RATE ADJ REVENUES		11.73%
MIDPOINT	6.75%		B. EXCL COMP RATE ADJ REVENUES		11.73%
HIGH	7.19%				

I am aware that Section 837.06, Florida Statutes, provides:

Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree punishable as provided in s. 775.082, s. 775.083, or s. 775.084

Cheryl M. Martin  
Director - Regulatory Affairs

*Cheryl M. Martin*  
Signature

8/8/2012  
Date

(P+ 1 of 3)  
DOCUMENT NUMBER-DATE  
05459 AUG-9 2012  
FPSC-COMMISSION CLERK

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FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION  
 NATURAL GAS  
 RATE OF RETURN REPORT SUMMARY  
 December 31, 2012

SCHEDULE 1

	(1) ACTUAL PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
<b>I. AVERAGE RATE OF RETURN (JURISDICTIONAL)</b>					
NET OPERATING INCOME	\$ 3,100,866	\$75,450	\$3,176,316	\$0	\$3,176,316
AVERAGE RATE BASE	\$44,527,531	(\$16,574)	\$44,510,957	\$0	\$44,510,957
AVERAGE RATE OF RETURN	6.96%		7.14%		7.14%
<b>II. YEAR-END RATE OF RETURN (JURISDICTIONAL)</b>					
NET OPERATING INCOME	\$3,100,866	\$98,220	\$3,199,086	\$0	\$3,199,086
YEAR-END RATE BASE	\$44,253,900	(\$99,539)	\$44,154,361	\$0	\$44,154,361
YEAR-END RATE OF RETURN	7.01%		7.25%		7.25%
<b>III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)</b>					
LOW	6.32%				
MIDPOINT	6.75%				
HIGH	7.19%				
<b>IV. EARNED RETURN ON EQUITY (FPSC ADJUSTED BASIS)</b>					
A.	INCL COMP RATE ADJ REVENUES				11.73%
B.	EXCL COMP RATE ADJ REVENUES				11.73%

I am aware that Section 837.06, Florida Statutes, provides:

Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

Cheryl M. Martin  
 Director - Regulatory Affairs

\_\_\_\_\_  
 Signature

\_\_\_\_\_  
 Date

**DECLASSIFIED**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	PLANT IN SERVICE	ACCUMULATED DEPRECIATION & AMORTIZATION	PLANT IN SERVICE	NET PROPERTY HELD FOR FUTURE USE	CONSTRUCTION WORK IN PROGRESS	NET UTILITY PLANT	WORKING CAPITAL	TOTAL RATE BASE
PER BOOKS	\$64,436,986	(\$24,208,466)	\$40,228,520	\$0	\$2,528,382	\$42,756,902	\$1,770,629	\$44,527,531
FPSC ADJUSTMENTS:								
ELIMINATIONS TO WORKING CAPITAL	\$0	\$0	\$0			\$0	(\$16,574)	(\$16,574)
	\$0	\$0	\$0			\$0	\$0	\$0
			\$0			\$0	\$0	\$0
			\$0			\$0	\$0	\$0
TOTAL FPSC ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	(\$16,574)	(\$16,574)
FPSC ADJUSTED	\$64,436,986	(\$24,208,466)	\$40,228,520	\$0	\$2,528,382	\$42,756,902	\$1,754,055	\$44,510,957
FLEX RATE REVENUES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ADJUSTED FOR FLEX RATE REVENUES	\$64,436,986	(\$24,208,466)	\$40,228,520	\$0	\$2,528,382	\$42,756,902	\$1,754,055	\$44,510,957
PROFORMA ADJUSTMENTS								
ACQUISITION ADJUSTMENT			\$0			\$0		\$0
TRANSACTION & TRANSITION COSTS								\$0
TOTAL PRO FORMA ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PRO FORMA ADJUSTED	\$64,436,986	(\$24,208,466)	\$40,228,520	\$0	\$2,528,382	\$42,756,902	\$1,754,055	\$44,510,957



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	(1) PLANT IN SERVICE	(2) ACCUMULATED DEPRECIATION & AMORTIZATION	(3) PLANT IN SERVICE	(4) NET PROPERTY HELD FOR FUTURE USE	(5) CONSTRUCTION WORK IN PROGRESS	(6) NET UTILITY PLANT	(7) WORKING CAPITAL	(8) TOTAL RATE BASE
PER BOOKS	\$63,952,456	(\$25,389,161)	\$38,563,295	\$0	\$3,726,528	\$42,289,823	\$1,964,077	\$44,253,900
FPSC ADJUSTMENTS:								
ELIMINATIONS TO WORKING CAPITAL	\$0	\$0	\$0			\$0	(\$99,539)	(\$99,539)
		\$0	\$0			\$0	\$0	\$0
			\$0			\$0	\$0	\$0
TOTAL FPSC ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	(\$99,539)	(\$99,539)
FPSC ADJUSTED	\$63,952,456	(\$25,389,161)	\$38,563,295	\$0	\$3,726,528	\$42,289,823	\$1,864,538	\$44,154,361
COMP RATE ADJ REVENUES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ADJUSTED FOR COMP RATE ADJ REVENUE	\$63,952,456	(\$25,389,161)	\$38,563,295	\$0	\$3,726,528	\$42,289,823	\$1,864,538	\$44,154,361
PROFORMA ADJUSTMENTS			\$0			\$0		\$0
TOTAL PRO FORMA ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PRO FORMA ADJUSTED	\$63,952,456	(\$25,389,161)	\$38,563,295	\$0	\$3,726,528	\$42,289,823	\$1,864,538	\$44,154,361



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FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION  
 NATURAL GAS  
 CAPITAL STRUCTURE  
 December 31, 2012  
 FPSC ADJUSTED BASIS

SCHEDULE 4

AVERAGE	ADJUSTMENTS						LOW POINT		MIDPOINT		HIGH POINT		
	PER BOOKS	NON-UTILITY	ADJUSTED BOOKS	PRO-RATA	SPECIFIC	BALANCE	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
COMMON EQUITY	\$19,422,076	\$0	\$19,422,076	(\$9,743)		\$19,412,333	43.61%	9.85%	4.30%	10.85%	4.73%	11.85%	5.17%
LONG TERM DEBT	\$11,437,604		\$11,437,604	(\$5,738)		\$11,431,866	25.68%	6.84%	1.76%	6.84%	1.76%	6.84%	1.76%
SHORT TERM DEBT	\$2,181,157		\$2,181,157	(\$1,094)		\$2,180,063	4.90%	1.23%	0.06%	1.23%	0.06%	1.23%	0.06%
CUSTOMER DEPOSITS	\$1,413,692		\$1,413,692			\$1,413,692	3.18%	6.00%	0.19%	6.00%	0.19%	6.00%	0.19%
DEFERRED INCOME TAXES	\$9,988,699		\$9,988,699			\$9,988,699	22.44%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$84,304		\$84,304			\$84,304	0.19%	6.12%	0.01%	6.55%	0.01%	6.99%	0.01%
<b>TOTAL AVERAGE</b>	<b>\$44,527,532</b>	<b>\$0</b>	<b>\$44,527,532</b>	<b>(\$16,575)</b>	<b>\$0</b>	<b>\$44,510,957</b>	<b>100.00%</b>		<b>6.32%</b>		<b>6.75%</b>		<b>7.19%</b>

YEAR-END	ADJUSTMENTS						LOW POINT		MIDPOINT		HIGH POINT		
	PER BOOKS	NON-UTILITY	ADJUSTED BOOKS	PRO-RATA	SPECIFIC	BALANCE	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
COMMON EQUITY	\$17,341,121		\$17,341,121	(\$53,987)		\$17,287,134	39.15%	9.85%	3.86%	10.85%	4.25%	11.85%	4.64%
LONG TERM DEBT	\$11,725,826		\$11,725,826	(\$36,505)		\$11,689,321	26.47%	6.73%	1.78%	6.73%	1.78%	6.73%	1.78%
SHORT TERM DEBT	\$2,906,231		\$2,906,231	(\$9,048)		\$2,897,183	6.56%	2.31%	0.15%	2.31%	0.15%	2.31%	0.15%
CUSTOMER DEPOSITS	\$1,539,774		\$1,539,774			\$1,539,774	3.49%	6.46%	0.23%	6.46%	0.23%	6.46%	0.23%
DEFERRED INCOME TAXES	\$10,666,269		\$10,666,269			\$10,666,269	24.16%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$74,679		\$74,679			\$74,679	0.17%	5.79%	0.01%	6.18%	0.01%	6.57%	0.01%
<b>TOTAL YEAR-END</b>	<b>\$44,253,900</b>	<b>\$0</b>	<b>\$44,253,900</b>	<b>(\$99,540)</b>	<b>\$0</b>	<b>\$44,154,360</b>	<b>100.00%</b>		<b>6.03%</b>		<b>6.42%</b>		<b>6.81%</b>





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FLORIDA PUBLIC UTILITIES COMPANY  
ELECTRIC  
RATE OF RETURN REPORT SUMMARY  
December 31, 2012

SCHEDULE 1

	(1) ACTUAL PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
<b>I. AVERAGE RATE OF RETURN (JURISDICTIONAL)</b>					
NET OPERATING INCOME	\$2,175,202	(\$118,228)	\$2,056,974	\$0	\$2,056,974
AVERAGE RATE BASE	\$34,212,390	\$4,312,960	\$38,525,350	\$0	\$38,525,350
AVERAGE RATE OF RETURN	6.36%		5.34%		5.34%
<b>II. YEAR-END RATE OF RETURN (JURISDICTIONAL)</b>					
NET OPERATING INCOME	\$2,175,202	(\$66,892)	\$2,108,310	\$0	\$2,108,310
YEAR-END RATE BASE	\$34,099,341	\$4,506,924	\$38,606,265	\$0	\$38,606,265
YEAR-END RATE OF RETURN	6.38%		5.46%		5.46%
<hr/>					
<b>III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)</b>			<b>IV. EARNED RETURN ON EQUITY (FPSC ADJUSTED BASIS)</b>		
LOW	6.40%		A. INCL COMP RATE ADJ REVENUES		7.34%
MIDPOINT	6.82%		B. EXCL COMP RATE ADJ REVENUES		7.34%
HIGH	7.24%				

I am aware that Section 837.06, Florida Statutes, provides:

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Cheryl M. Martin  
Director - Regulatory Affairs

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Signature

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Date

# DECLASSIFIED

FLORIDA PUBLIC UTILITIES COMPANY  
 ELECTRIC  
**AVERAGE RATE OF RETURN**  
 For the 12 Months Ending December 31, 2012  
 RATE BASE

SCHEDULE 2  
 PAGE 1 OF 2

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	PLANT IN SERVICE	ACCUMULATED DEPRECIATION & AMORTIZATION	PLANT IN SERVICE	NET PROPERTY HELD FOR FUTURE USE	CONSTRUCTION WORK IN PROGRESS	NET UTILITY PLANT	WORKING CAPITAL	TOTAL RATE BASE
PER BOOKS	\$81,149,484	(\$48,618,175)	\$32,531,309	\$0	\$2,528,382	\$35,059,691	(\$847,302)	\$34,212,390
FPSC ADJUSTMENTS:								
ELIMINATIONS TO WORKING CAPITAL	\$0	\$0	\$0			\$0	\$4,368,642	\$4,368,642
	\$0	\$0	\$0			\$0		\$0
ELIM. NON-UTILITY PLANT	(\$132,493)	\$76,811	(\$55,682)			(\$55,682)	\$0	(\$55,682)
TOTAL FPSC ADJUSTMENTS	(\$132,493)	\$76,811	(\$55,682)	\$0	\$0	(\$55,682)	\$4,368,642	\$4,312,960
FPSC ADJUSTED	\$81,016,991	(\$48,541,364)	\$32,475,627	\$0	\$2,528,382	\$35,004,009	\$3,521,340	\$38,525,350
FLEX RATE REVENUES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ADJUSTED FOR FLEX RATE REVENUES	\$81,016,991	(\$48,541,364)	\$32,475,627	\$0	\$2,528,382	\$35,004,009	\$3,521,340	\$38,525,350
PROFORMA ADJUSTMENTS								
ACQUISITION ADJUSTMENT			\$0			\$0		\$0
TRANSACTION & TRANSITION COSTS								\$0
TOTAL PRO FORMA ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PRO FORMA ADJUSTED	\$81,016,991	(\$48,541,364)	\$32,475,627	\$0	\$2,528,382	\$35,004,009	\$3,521,340	\$38,525,350



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FLORIDA PUBLIC UTILITIES COMPANY  
ELECTRIC  
YEAR END RATE OF RETURN  
For the 12 Months Ending December 31, 2012  
RATE BASE

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	PLANT IN SERVICE	ACCUMULATED DEPRECIATION & AMORTIZATION	PLANT IN SERVICE	NET PROPERTY HELD FOR FUTURE USE	CONSTRUCTION WORK IN PROGRESS	NET UTILITY PLANT	WORKING CAPITAL	TOTAL RATE BASE
PER BOOKS	\$81,791,262	(\$50,168,274)	\$31,622,988	\$0	\$3,726,528	\$35,349,516	(\$1,250,175)	\$34,099,341
FPSC ADJUSTMENTS:								
ELIMINATIONS TO WORKING CAPITAL	\$0	\$0 \$0	\$0 \$0			\$0 \$0	\$4,622,694	\$4,622,694 \$0 \$0
ELIM. NON-UTILITY PLANT	(\$194,293)	\$78,523	(\$115,770)			(\$115,770)		(\$115,770)
TOTAL FPSC ADJUSTMENTS	(\$194,293)	\$78,523	(\$115,770)	\$0	\$0	(\$115,770)	\$4,622,694	\$4,506,924
FPSC ADJUSTED	\$81,596,969	(\$50,089,751)	\$31,507,218	\$0	\$3,726,528	\$35,233,746	\$3,372,519	\$38,606,265
COMP RATE ADJ REVENUES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ADJUSTED FOR COMP RATE ADJ REVENUE	\$81,596,969	(\$50,089,751)	\$31,507,218	\$0	\$3,726,528	\$35,233,746	\$3,372,519	\$38,606,265
PROFORMA ADJUSTMENTS								
ACQUISITION ADJUSTMENT			\$0			\$0		\$0
TRANSACTION & TRANSITION COSTS								\$0
TOTAL PRO FORMA ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PRO FORMA ADJUSTED	\$81,596,969	(\$50,089,751)	\$31,507,218	\$0	\$3,726,528	\$35,233,746	\$3,372,519	\$38,606,265



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FLORIDA PUBLIC UTILITIES COMPANY  
ELECTRIC  
CAPITAL STRUCTURE  
December 31, 2012  
FPSC ADJUSTED BASIS

SCHEDULE 4

AVERAGE	ADJUSTMENTS						LOW POINT		MIDPOINT		HIGH POINT		
	PER BOOKS	NON-UTILITY	ADJUSTED BOOKS	PRO-RATA	SPECIFIC	BALANCE	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
COMMON EQUITY	\$12,827,253	(\$55,682)	\$12,771,571	\$4,141,169		\$16,912,740	42.20%	9.85%	4.16%	10.85%	4.58%	11.85%	5.00%
LONG TERM DEBT	\$7,553,932		\$7,553,932	\$1,492,999		\$9,046,931	22.58%	6.84%	1.54%	6.84%	1.54%	6.84%	1.54%
SHORT TERM DEBT	\$1,440,539		\$1,440,539	\$284,715		\$1,725,254	4.31%	1.23%	0.05%	1.23%	0.05%	1.23%	0.05%
CUSTOMER DEPOSITS	\$4,361,494		\$4,361,494			\$4,361,494	10.88%	6.00%	0.65%	6.00%	0.65%	6.00%	0.65%
DEFERRED INCOME TAXES	\$8,012,546		\$8,012,546			\$8,012,546	19.99%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$16,626		\$16,626			\$16,626	0.04%	5.75%	0.00%	6.17%	0.00%	6.59%	0.00%
<b>TOTAL AVERAGE</b>	<b>\$34,212,390</b>	<b>(\$55,682)</b>	<b>\$34,156,708</b>	<b>\$5,918,883</b>	<b>\$0</b>	<b>\$40,075,591</b>	<b>100.00%</b>		<b>6.40%</b>		<b>6.82%</b>		<b>7.24%</b>

YEAR-END	ADJUSTMENTS						LOW POINT		MIDPOINT		HIGH POINT		
	PER BOOKS	NON-UTILITY	ADJUSTED BOOKS	PRO-RATA	SPECIFIC	BALANCE	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
COMMON EQUITY	\$6,713,190	(\$1,260,032)	\$5,453,158	\$4,321,578		\$9,774,736	24.92%	9.85%	2.45%	10.85%	2.70%	11.85%	2.95%
LONG TERM DEBT	\$4,539,366		\$4,539,366	\$1,652,867		\$6,192,233	15.79%	6.73%	1.06%	6.73%	1.06%	6.73%	1.06%
SHORT TERM DEBT	\$1,125,076		\$1,125,076	\$409,661		\$1,534,737	3.91%	2.31%	0.09%	2.31%	0.09%	2.31%	0.09%
CUSTOMER DEPOSITS	\$8,656,409		\$8,656,409			\$8,656,409	22.07%	6.46%	1.43%	6.46%	1.43%	6.46%	1.43%
DEFERRED INCOME TAXES	\$13,010,512		\$13,010,512			\$13,010,512	33.17%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$54,788		\$54,788			\$54,788	0.14%	3.60%	0.01%	3.85%	0.01%	4.10%	0.01%
<b>TOTAL YEAR-END</b>	<b>\$34,099,341</b>	<b>(\$1,260,032)</b>	<b>\$32,839,309</b>	<b>\$6,384,106</b>	<b>\$0</b>	<b>\$39,223,415</b>	<b>100.00%</b>		<b>5.04%</b>		<b>5.29%</b>		<b>5.54%</b>

MM 10.4.12  
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120220-PV

FLORIDA PUBLIC UTILITIES COMPANY  
NATURAL GAS  
RATE OF RETURN REPORT SUMMARY  
December 31, 2012

SCHEDULE 1

	(1) ACTUAL PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
<b>I. AVERAGE RATE OF RETURN (JURISDICTIONAL)</b>					
NET OPERATING INCOME	\$ 8,020,316	(\$82,677)	\$7,937,639	\$0	\$7,937,639
AVERAGE RATE BASE	\$113,438,862	\$551,877	\$113,990,739	\$0	\$113,990,739
AVERAGE RATE OF RETURN	7.07%		6.96%		6.96%
<b>II. YEAR-END RATE OF RETURN (JURISDICTIONAL)</b>					
NET OPERATING INCOME	\$8,020,316	\$470,807	\$8,491,123	\$0	\$8,491,123
YEAR-END RATE BASE	\$113,510,212	\$667,982	\$114,168,194	\$0	\$114,168,194
YEAR-END RATE OF RETURN	7.07%		7.44%		7.44%
<b>III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)</b>					
LOW	6.84%				
MIDPOINT	7.30%				
HIGH	7.75%				
<b>IV. EARNED RETURN ON EQUITY (FPSC ADJUSTED BASIS)</b>					
A.			INCL COMP RATE ADJ REVENUES		10.11%
B.			EXCL COMP RATE ADJ REVENUES		10.11%

I am aware that Section 837.06, Florida Statutes, provides:

Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

Cheryl M. Martin  
Director - Regulatory Affairs

*Cheryl M. Martin per [Signature]*  
Signature

8/8/2012  
Date

(PT 3 of 3)  
DOCUMENT NUMBER-DATE  
05459 AUG-9 2012  
FPSC-COMMISSION CLERK



# DECLASSIFIED

FLORIDA PUBLIC UTILITIES COMPANY  
 NATURAL GAS  
 RATE OF RETURN REPORT SUMMARY  
 December 31, 2012

SCHEDULE 1

	(1) ACTUAL PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
<b>I. AVERAGE RATE OF RETURN (JURISDICTIONAL)</b>					
NET OPERATING INCOME	\$ 8,020,316	(\$82,677)	\$7,937,639	\$0	\$7,937,639
AVERAGE RATE BASE	\$113,438,862	\$551,877	\$113,990,739	\$0	\$113,990,739
AVERAGE RATE OF RETURN	7.07%		6.96%		6.96%
<b>II. YEAR-END RATE OF RETURN (JURISDICTIONAL)</b>					
NET OPERATING INCOME	\$8,020,316	\$470,807	\$8,491,123	\$0	\$8,491,123
YEAR-END RATE BASE	\$113,510,212	\$657,982	\$114,168,194	\$0	\$114,168,194
YEAR-END RATE OF RETURN	7.07%		7.44%		7.44%

**III. REQUIRED RATES OF RETURN  
 AVERAGE CAPITAL STRUCTURE  
 (FPSC ADJUSTED BASIS)**

LOW	6.84%
MIDPOINT	7.30%
HIGH	7.75%

**IV. EARNED RETURN ON EQUITY  
 (FPSC ADJUSTED BASIS)**

A.	INCL COMP RATE ADJ REVENUES	10.11%
B.	EXCL COMP RATE ADJ REVENUES	10.11%

I am aware that Section 837.06, Florida Statutes, provides:

Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

Cheryl M. Martin  
 Director - Regulatory Affairs

\_\_\_\_\_  
 Signature

\_\_\_\_\_  
 Date

FLORIDA PUBLIC UTILITIES COMPANY  
 NATURAL GAS  
**AVERAGE RATE OF RETURN**  
 For the 12 Months Ending December 31, 2012  
 RATE BASE

**DECLASSIFIED**

SCHEDULE 2  
 PAGE 1 OF 2

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	PLANT IN SERVICE	ACCUMULATED DEPRECIATION & AMORTIZATION	PLANT IN SERVICE	NET PROPERTY HELD FOR FUTURE USE	CONSTRUCTION WORK IN PROGRESS	NET UTILITY PLANT	WORKING CAPITAL	TOTAL RATE BASE
PER BOOKS	\$170,856,128	(\$52,372,541)	\$118,483,587	\$0	\$2,528,382	\$121,011,969	(\$7,573,108)	\$113,438,862
FPSC ADJUSTMENTS:								
ELIMINATIONS TO WORKING CAPITAL	\$0	\$0	\$0			\$0	\$1,809,894	\$1,809,894
	\$0	\$0	\$0			\$0	\$0	\$0
ELIM. NON-UTILITY PLANT	(\$1,960,364)	\$702,347	(\$1,258,017)			(\$1,258,017)	\$0	(\$1,258,017)
TOTAL FPSC ADJUSTMENTS	(\$1,960,364)	\$702,347	(\$1,258,017)	\$0	\$0	(\$1,258,017)	\$1,809,894	\$551,877
FPSC ADJUSTED	\$168,895,764	(\$51,670,194)	\$117,225,570	\$0	\$2,528,382	\$119,753,952	(\$5,763,213)	\$113,990,739
FLEX RATE REVENUES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ADJUSTED FOR FLEX RATE REVENUES	\$168,895,764	(\$51,670,194)	\$117,225,570	\$0	\$2,528,382	\$119,753,952	(\$5,763,213)	\$113,990,739
PROFORMA ADJUSTMENTS								
ACQUISITION ADJUSTMENT			\$0			\$0		\$0
TRANSACTION & TRANSITION COSTS								\$0
TOTAL PRO FORMA ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PRO FORMA ADJUSTED	\$168,895,764	(\$51,670,194)	\$117,225,570	\$0	\$2,528,382	\$119,753,952	(\$5,763,213)	\$113,990,739



**DECLASSIFIED**

	(1) PLANT IN SERVICE	(2) ACCUMULATED DEPRECIATION & AMORTIZATION	(3) PLANT IN SERVICE	(4) NET PROPERTY HELD FOR FUTURE USE	(5) CONSTRUCTION WORK IN PROGRESS	(6) NET UTILITY PLANT	(7) WORKING CAPITAL	(8) TOTAL RATE BASE
PER BOOKS	\$170,967,107	(\$53,887,414)	\$117,079,693	\$0	\$3,726,528	\$120,806,221	(\$7,296,009)	\$113,510,212
Fpsc ADJUSTMENTS:								
ELIMINATIONS TO WORKING CAPITAL	\$0	\$0 \$0	\$0 \$0			\$0 \$0	\$1,918,014	\$1,918,014 \$0 \$0
ELIM. NON-UTILITY PLANT	(\$1,883,979)	\$623,947	(\$1,260,032)			(\$1,260,032)		(\$1,260,032)
TOTAL Fpsc ADJUSTMENTS	(\$1,883,979)	\$623,947	(\$1,260,032)	\$0	\$0	(\$1,260,032)	\$1,918,014	\$657,982
Fpsc ADJUSTED	\$169,083,128	(\$53,263,467)	\$115,819,661	\$0	\$3,726,528	\$119,546,189	(\$5,377,995)	\$114,168,194
COMP RATE ADJ REVENUES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ADJUSTED FOR COMP RATE ADJ REVENUE	\$169,083,128	(\$53,263,467)	\$115,819,661	\$0	\$3,726,528	\$119,546,189	(\$5,377,995)	\$114,168,194
PROFORMA ADJUSTMENTS								
ACQUISITION ADJUSTMENT			\$0			\$0		\$0
TRANSACTION & TRANSITION COSTS			\$0			\$0		\$0
TOTAL PRO FORMA ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PRO FORMA ADJUSTED	\$169,083,128	(\$53,263,467)	\$115,819,661	\$0	\$3,726,528	\$119,546,189	(\$5,377,995)	\$114,168,194



**DECLASSIFIED**

AVERAGE	ADJUSTMENTS						LOW POINT		MIDPOINT		HIGH POINT		
	PER BOOKS	NON-UTILITY	ADJUSTED BOOKS	PRO-RATA	SPECIFIC	BALANCE	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
COMMON EQUITY	\$51,231,460	(\$1,258,017)	\$49,973,443	\$1,582,421		\$51,555,864	45.23%	9.85%	4.45%	10.85%	4.91%	11.85%	5.36%
LONG TERM DEBT	\$30,170,058		\$30,170,058	\$191,041		\$30,361,099	26.64%	6.84%	1.82%	6.84%	1.82%	6.84%	1.82%
SHORT TERM DEBT	\$5,753,446		\$5,753,446	\$36,431		\$5,789,877	5.08%	1.23%	0.06%	1.23%	0.06%	1.23%	0.06%
CUSTOMER DEPOSITS	\$9,710,089		\$9,710,089			\$9,710,089	8.52%	6.00%	0.51%	6.00%	0.51%	6.00%	0.51%
DEFERRED INCOME TAXES	\$16,524,409		\$16,524,409			\$16,524,409	14.50%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$49,400		\$49,400			\$49,400	0.04%	6.33%	0.00%	6.79%	0.00%	7.24%	0.00%
TOTAL AVERAGE	\$113,438,863	(\$1,258,017)	\$112,180,846	\$1,809,893	\$0	\$113,990,739	100.00%		6.84%		7.30%		7.75%

YEAR-END	ADJUSTMENTS						LOW POINT		MIDPOINT		HIGH POINT		
	PER BOOKS	NON-UTILITY	ADJUSTED BOOKS	PRO-RATA	SPECIFIC	BALANCE	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
COMMON EQUITY	\$49,782,839	(\$1,260,032)	\$48,522,807	\$1,616,898		\$50,139,705	43.92%	9.85%	4.33%	10.85%	4.76%	11.85%	5.20%
LONG TERM DEBT	\$33,662,465		\$33,662,465	\$241,308		\$33,903,773	29.70%	6.73%	2.00%	6.73%	2.00%	6.73%	2.00%
SHORT TERM DEBT	\$8,343,199		\$8,343,199	\$59,808		\$8,403,007	7.36%	2.31%	0.17%	2.31%	0.17%	2.31%	0.17%
CUSTOMER DEPOSITS	\$8,656,409		\$8,656,409			\$8,656,409	7.58%	6.46%	0.49%	6.46%	0.49%	6.46%	0.49%
DEFERRED INCOME TAXES	\$13,010,512		\$13,010,512			\$13,010,512	11.40%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$54,788		\$54,788			\$54,788	0.05%	6.50%	0.00%	6.93%	0.00%	7.37%	0.00%
TOTAL YEAR-END	\$113,510,212	(\$1,260,032)	\$112,250,180	\$1,918,014	\$0	\$114,168,194	100.00%		6.99%		7.42%		7.86%