CONFIDENTIAL

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FLORIDA PUBLIC UTILITIES COMPANY AND FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION

EXHIBIT A

(HIGHLIGHTED CONFIDENTIAL FORECASTED EARNINGS SURVEILLANCE REPORTS)

CONFIDENTIAL

DECLASSIFIED

No. 10.4.12

ON Contains

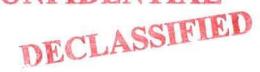
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FPSC-COMMISSION CLERK

CONFIDENTIAL

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



SCHEDULE 1

I AVERAGE RATE OF RETURN (JURISDICTIONAL)	(1) ACTUAL PER BOOKS	FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
NET OPERATING INCOME	\$ 3,100,866	\$75,450	53,176,316	50	\$3,176,316
AVERAGE RATE BASE	\$44,527,531	(516,574)	\$44,510,957	\$0	\$44,510,957
AVERAGE RATE OF RETURN	6.96%		7.14%		7,14%
II. YEAR-END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$3,100,866	598,220	\$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%
III REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)			IV. EARNED RETURN ON (FPSC ADJUSTED BAS	15)	
row	6 32%		A. INCL	COMP RATE ADJ REVENUES	11.73%
MIDPOINT	6.75%		B. EXC	COMP RATE ADI REVENUES	11.73%
HIGH	7.19%				

Lam 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 M. Martin 180 Date 8/8/2012

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FPSC-COMMISSION CLERK



FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION NATURAL GAS RATE OF RETURN REPORT SUMMARY December 31, 2012 SCHEDULE 1

I. AVERAGE RATE OF RETURN (JURISDICTIONAL)	(1) ACTUAL PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(S) PRO FORMA ADJUSTED
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%
II. YEAR-END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	53,100,866	\$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%
III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE			IV. EARNED RETURN ON (FPSC ADJUSTED BAS		
(FPSC ADJUSTED BASIS)	6.32%		A. INCL	COMP RATE ADJ REVENUES	11.73%
MIDPOINT	6,75%		B. EXCL	COMP RATE ADJ REVENUES	11.73%
HIGH	7.19%				

Whoever knowingly makes a false stateme	nt in writing with the	
intent to mislead a public servant in the pe	-	
duty shall be guilty of a misdemeanor of th		
as provided in s. 775.082, s. 775.083, or s. 7		
countries Commission C		
heryl M. Martin		
heryl M. Martin irector - Regulatory Affairs		

FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION NATURAL GAS AVERAGE RATE OF RETURN For the 12 Months Ending December 31, 2012 RATE BASE



SCHEDULE 2 PAGE 1 OF 2

	(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	\$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	\$0 \$0 \$0 \$0			\$0 \$0 \$0 \$0	(\$16,574) \$0	(\$16,574) \$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
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 TRANSACTION & TRANSITION COSTS TOTAL PRO FORMA ADJUSTMENTS	\$0_	\$0	\$0	\$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

FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION NATURAL GAS AVERAGE RATE OF RETURN For the 12 Months Ending December 31, 2012 INCOME STATEMENT

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9) GAIN/LOSS	(10) TOTAL	(11) NET
	OPERATING REVENUES	O & M GAS EXPENSE	O & M OTHER	DEPREC. & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	D.I.T. (NET)	I.T.C. (NET)	ON DISPOSITION	OPERATING EXPENSES	OPERATING INCOME
PER BOOKS	\$15,798,160	\$ 885,846	\$6,732,283	\$2,389,137	\$1,184,496	\$1,505,532				\$12,697,294	\$3,100,866
FPSC ADJUSTMENTS: 1)INCOME TAX SYNCH ADJUSTMENT 2) ELIMINATE FUEL REVENUES AND EXPENSES 3) ELIMINATE CONSERVATION 4)NON-UTILITY DEPRECIATION EXPENSE	(\$885,846)	(\$885,846)				(\$75,450) \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0				(\$75,450) \$0 (\$885,846) \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0	\$75,450 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0
TOTAL FPSC ADJUSTMENTS	(\$885,846)	(\$885,846)	\$0	\$0	\$0	(\$75,450)	\$0	\$0	\$0	(\$961,296)	\$75,450
FPSC ADJUSTED	\$14,912,314	\$0	\$6,732,283	\$2,389,137	\$1,184,496	\$1,430,082	\$0	\$0	\$0	\$11,735,998	\$3,176,316
FLEX RATE REVENUES - DEFICIT/(SURPLUS)	\$0					\$0				\$0	\$0
ADJUSTED FOR FLEX RATE REVENUES	\$14,912,314	\$0	\$6,732,283	\$2,389,137	\$1,184,496	\$1,430,082	\$0	\$0	\$0	\$11,735,998	3,176,316
TOTAL PRO FORMA ADJUSTMENTS	\$0		50	\$0			\$0		\$0	\$0 \$0 \$0 \$0 \$0	\$0 \$0 \$0 \$0 \$0
TOTAL FRO TORINA ADJUSTINENTS	30	30				30		30		30	30
PRO FORMA ADJUSTED	\$14,912,314	\$0	\$6,732,283	\$2,389,137	\$1,184,496	\$1,430,082	\$0	S0	\$0	\$11,735,998	\$3,176,316

FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION NATURAL GAS YEAR END RATE OF RETURN For the 12 Months Ending December 31, 2012 RATE BASE

	(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	50	\$3,726,528	\$42,289,823	\$1,964,077	544,253,900
FPSC ADJUSTMENTS:								
ELIMINATIONS TO WORKING CAPITAL	\$0	\$0 \$0	\$0 \$0 \$0			\$0 \$0	(\$99,539) 50	(\$99,539) \$0 \$0 \$0
TOTAL FPSC ADJUSTMENTS	50	50	\$0	50	\$0	50	(\$99,539)	(\$99,539)
FPSC ADJUSTED	\$63,952,456	(\$25,389,161)	\$38,563,295	. 50	\$3,726,528	542,289,823	\$1,864,538	\$44,154,361
COMP RATE ADJ REVENUES	50	\$0	50	50	50		- 50	\$0
ADJUSTED FOR COMP RATE ADJ REVENUE	\$63,952,456	(\$25,389,161)	538,563,295	50	53,726,528	\$42,289,823	\$1,864,538	\$44,154,361
PROFORMA ADJUSTMENTS			\$0			50		\$0 \$0
TOTAL PRO FORMA ADJUSTMENTS	50	\$0	\$0	\$0	50	50	50	\$0
PRO FORMA ADJUSTED	\$63,952,456	(\$25,389,161)	\$38,563,295	\$0	53,726,528	\$42,289,823	51,864,538	\$44,154,361

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FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION NATURAL GAS YEAR END RATE OF RETURN FOR 12 Months Ending December 31, 2012 INCOME STATEMENT

	(1) OPERATING REVENUES	(2) O & M GAS EXPENSE	(3) O & M OTHER	(4) DEPREC. & AMORTIZATION	(5) TAXES OTHER THAN INCOME	(6) INCOME TAXESCURRENT	(7) D.I.T. (NET)	(8) 1.T.C. (NET)	(9) GAIN/LOSS ON DISPOSITION	(10) TOTAL OPERATING EXPENSES	(11) NET OPERATING INCOME
PER BOOKS	\$15,798,160	\$ 885,846	\$6,732,283	\$2,389,137	\$1,184,496	\$1,505,532				\$12,697,294	\$3,100,866
FPSC ADJUSTMENTS: 1) INCOME TAX SYNCH ADJUSTMENT 2) ELIMINATE FUEL REVENUES AND EXPENSES 3) ELIMINATE CONSERVATION 4) NON-UTILITY DEPRECIATION EXPENSE 0	(\$885,846)	\$ (885,846)		\$0		(\$98,220)				(\$98,220) \$0 (\$885,846) \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0	\$98,220 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0
TOTAL FPSC ADJUSTMENTS	(\$885,846)	(\$885,846)	\$0	\$0	50	(598,220)	\$0	\$0	50	(5984,066)	\$98,220
FPSC ADJUSTED	\$14,912,314	50_	\$6,732,283	\$2,389,137	\$1,184,496	\$1,407,312	50_	\$0_	\$0	\$11,713,228	\$3,199,086
COMP RATE ADJ REVENUES - DEFICIT/(SURPLUS)		I 								- 50	
ADJUSTED FOR COMP RATE ADJ REVENUES	\$14,912,314	so	\$6,732,283	\$2,389,137	\$1,184,496	\$1,407,312	So	50	\$0	\$11,713,228	\$3,199,086
TOTAL PRO FORMA ADJUSTMENTS	\$0	\$0	.\$0	\$0	\$0.	\$0.	\$0	50	\$0	\$0 \$0 \$0 \$0 \$0	\$0 \$0 \$0 \$0 \$0
PRO FORMA ADJUSTED	514,912,314	\$0	\$6,732,283	\$2,389,137	\$1,184,496	\$1,407,312	50	50	50	\$11,713,228	\$3,199,086

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

								LO	W POINT	N	MIDPOINT	Н	IGH POINT
AVERAGE	PER BOOKS	ADJUSTMENTS 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%
DEFFERED 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%
TOTAL AVERAGE	\$44,527,532	\$0	\$44,527,532	(\$16,575)	50	\$44,510,957	100.00%		6.32%		6.75%		7.19%

								LO	W POINT	N.	IIDPOINT	HI	GH POINT
YEAR-END	PER BOOKS	ADJUSTMENTS 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%
DEFFERED 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%
TOTAL YEAR-END	\$44,253,900	\$0	\$44,253,900	(\$99,540)	\$0	\$44,154,360	100.00%		6.03%		6.42%		6.81%

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FLORIDA PUBLIC UTILITIES COMPANY SCHEDULF 1 ELECTRIC RATE OF RETURN REPORT SUMMARY December 31, 2012 (3) (5) (1) (2) ACTUAL FPSC FPSC PRO FORMA PRO FORMA LAVERAGE RATE OF RETURN ADJUSTED ADJUSTMENTS ADJUSTED PER BOOKS ADJUSTMENTS (JURISDICTIONAL) NET OPERATING INCOME 52,175,202 (\$118,228) 52,056,974 50 \$2,056,974 \$38,525,350 AVERAGE RATE BASE \$34,212,390 \$4,312,960 538,525,350 AVERAGE RATE OF RETURN 6.36% 5.34% 5.34% II. YEAR-END RATE OF RETURN (JURISDICTIONAL) NET OPERATING INCOME 52,175,202 (\$66,892) 52,108,310 50 \$2,108,310 YEAR-END RATE BASE \$34,099,341 \$4,506,924 538,606,265 YEAR-END RATE OF RETURN 6.38% 5.46% 5:46% III. REQUIRED RATES OF RETURN IV. EARNED BETURN ON EQUITY (FPSC ADJUSTED BASIS) AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS) INCL COMP RATE ADJ REVENUES 7.34% LOW 6.40% MIDPOINT EXCL COMP RATE ADJ REVENUES 7.34% 6.82%

1 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.

7.24%

Cheryl M. Martin Director - Regulatory Affairs

HIGH

Chery M. Martin per Coy 8/8/2012
Signature
Date

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FPSC-COMMISSION CLERK

DECLASSIFIED

FLORIDA PUBLIC UTILITIES COMPANY ELECTRIC RATE OF RETURN REPORT SUMMARY December 31, 2012 SCHEDULE 1

I. AVERAGE RATE OF RETURN (JURISDICTIONAL)	(1) ACTUAL PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
NET OPERATING INCOME	\$2,175,202	(5118,228)	\$2,056,974	50	\$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%
II. YEAR-END RATE OF RETURN (JURISDICTIONAL)					
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	50	\$38,606,265
YEAR-END RATE OF RETURN	6.38%		5.46%		5.46%
III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE			IV. EARNED RETURN OF (FPSC ADJUSTED BA		
(FPSC ADJUSTED BASIS) LOW	6.40%		A. INC	L COMP RATE ADJ REVENUES	7.34%
MIDPOINT	6.82%		B. EXC	L COMP RATE ADJ REVENUES	7.34%
HIGH	7.24%				

n aware that Section 837.06, Florida Statutes, provi	des:	
Whoever knowingly makes a false stateme	and the control of th	
intent to mislead a public servant in the pe	rformance of his official	
duty shall be guilty of a misdemeanor of th	e second degree punishable	
as provided in s. 775.082, s. 775.083, or s. 7	75.084.	
- 4		
Cheryl M. Martin		
Director - Regulatory Affairs		
	Signature	Date



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) PLANT IN SERVICE	(2) ACCUMULATED DEPRECIATION & AMORTIZATION	(3) PLANT IN SERVICE	(4) NET PROPERTY HELD FOR FUTURE USE	(S) CONSTRUCTION WORK IN PROGRESS	(6) NET UTILITY PLANT	(7) WORKING CAPITAL	(8) 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
ELIM. NON-UTUILITY PLANT	\$0 (\$132,493)	\$76,811	\$0 \$0 (\$55,682)			\$0 \$0 (\$55,682)	\$0	\$0 \$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 TRANSACTION & TRANSITION COSTS TOTAL PRO FORMA ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	50	\$0	50 50 50
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

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

	(1) OPERATING REVENUES	(2) O & M GAS EXPENSE	(3) O & M OTHER	(4) DEPREC. & AMORTIZATION	(5) TAXES OTHER THAN INCOME	(6) INCOME TAXES CURRENT	(7) D.I.T. (NET)	(8) I.T.C. (NET)	(9) GAIN/LOSS ON DISPOSITION	(10) TOTAL OPERATING EXPENSES	(11) NET OPERATING INCOME
PER BOOKS	\$97,330,402	\$ 73,661,100	\$10,679,839	\$3,504,602	\$6,681,538	\$628,121				\$95,155,200	\$2,175,202
FPSC ADJUSTMENTS: 1)INCOME TAX SYNCH ADJUSTMENT 2) ELIMINATE FUEL REVENUES AND EXPENSES 3) ELIMINATE CONSERVATION 4)NON-UTILITY DEPRECIATION EXPENSE	\$ (72,882,200) (\$778,900)	\$ (72,882,200) (\$778,900)		(\$1,070)		\$118,885 \$0 \$0 \$413 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0				\$118,885 (\$72,882,200) (\$778,900) (\$657) \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0	(\$118,885) \$0 \$0 \$657 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0
TOTAL FPSC ADJUSTMENTS	(\$73,661,100)	(\$73,661,100)	50	(\$1,070)	\$0	\$119,298	\$0	\$0	\$0	(\$73,542,872)	(\$118,228)
FPSC ADJUSTED	\$23,669,302	\$0_	\$10,679,839	\$3,503,532	\$6,681,538	\$747,419	\$0	\$0	\$0	\$21,612,328	\$2,056,974
FLEX RATE REVENUES - DEFICIT/(SURPLUS)	\$0					\$0				\$0	\$0
ADJUSTED FOR FLEX RATE REVENUES	\$23,669,302	\$0_	\$10,679,839	\$3,503,532	\$6,681,538	\$747,419	\$0	\$0	50	\$21,612,328	2,056,974
TOTAL PRO FORMA ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0 \$0 \$0 \$0 \$0	\$0 \$0 \$0 \$0 \$0
PRO FORMA ADJUSTED	\$23,669,302	\$0	\$10,679,839	\$3,503,532	\$6,681,538	\$747,419	\$0	\$0	\$0	\$21,612,328	\$2,056,974

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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) 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	\$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	50 50			\$0 \$0	\$4,622,694	\$4,622,694
ELIM. NON-UTUILITY PLANT	(\$194,293)	578,523	(\$115,770)			(\$115,770)	\$0	\$0 (\$115,770)
TOTAL FPSC ADJUSTMENTS	(\$194,293)	\$78,523	(\$115,770)	50	50	(\$115,770)	\$4,622,694	\$4,506,924
FPSC ADJUSTED	\$81,596,969	(\$50,089,751)	\$31,507,218	50_	\$3,726,528	\$35,233,746	\$3,372,519	\$38,606,265
COMP RATE ADJ REVENUES	SO		so	.50	50	so	\$0	50
ADJUSTED FOR COMP RATE ADJ REVENUE	\$81,596,969	(\$50,089,751)	\$31,507,218	50_	53,726,528	\$35,233,746	\$3,372,519	\$38,606,265
PROFORMA ADJUSTMENTS ACQUISITION ADJUSTMENT TRANSACTION & TRANSITION COSTS TOTAL PRO FORMA ADJUSTMENTS	50	50	\$0	50	\$0	\$0 	\$0	\$0 \$0 \$0
PRO FORMA ADJUSTED	\$81,596,969	(550,089,751)	\$31,507,218	\$0	\$3,726,528	\$35,233,746	\$3,372,519	\$38,606,265

SCHEDULE 3 PAGE 2 OF 2

DECLASSIFIED

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

	(1) OPERATING REVENUES	(2) O & M GAS EXPENSE	(3) O & M OTHER	(4) DEPREC. & AMORTIZATION	(5) TAXES OTHER THAN INCOME	(6) INCOME TAXES CURRENT	(7) D.I.T. (NET)	(8) I.T.C. (NET)	(9) GAIN/LOSS ON DISPOSITION	(10) TOTAL OPERATING EXPENSES	(11) NET OPERATINGINCOME
PER BOOKS	\$97,330,402	\$ 73,661,100	\$10,679,839	\$3,504,602	\$6,681,538	\$628,121				\$95,155,200	\$2,175,202
FPSC ADJUSTMENTS: 1)INCOME TAX SYNCH ADJUSTMENT 2) ELIMINATE FUEL REVENUES AND EXPENSES 3) ELIMINATE CONSERVATION 4)NON-UTILITY DEPRECIATION EXPENSE	\$ (72,882,200) (\$778,900)	\$ (72,882,200) \$ (778,900)		(51,070)		\$67,549 \$0 \$0 \$413 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0				\$67,549 (\$72,882,200) (\$778,900) (\$657) \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0	(567,549) 50 50 5657 50 50 50 50 50 50 50 50 50 50
TOTAL FPSC ADJUSTMENTS	(573,661,100)	(573,661,100)	\$0	(\$1,070)	\$0	567,962	\$0	\$0	\$0	(\$73,594,208)	(\$66,892)
FPSC ADJUSTED	\$23,669,302	50	\$10,679,839	\$3,503,532	56,681,538	5696,083	\$0_	\$0		\$21,560,992	\$2,108,310
COMP RATE ADJ REVENUES - DEFICIT/(SURPLUS)					-	50_				50	
ADJUSTED FOR COMP RATE ADJ REVENUES	523,669,302	50	\$10,679,839	\$3,503,532	\$6,681,538	\$696,083	50	\$0	50	\$21,560,992	\$2,108,310
TOTAL PRO FORMA ADJUSTMENTS	\$0	.50	\$0	50	\$0.	50	50	50	\$0	\$0 \$0 \$0 \$0 \$0	\$0 \$0 \$0 \$0 \$0
PRO FORMA ADJUSTED	\$23,669,302	\$0	\$10,679,839	\$3,503,532	\$6,681,538	\$696,083	\$0		50	\$21,560,992	\$2,108,310

SCHEDULE 4

HIGH POINT

WEIGHTED

COST

(%)

2.95%

1.06%

0.09%

1.43%

0.00%

0.01%

5.54%

DECLASSIFIED

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

AVERAGE COMMON EQUITY LONG TERM DEBT SHORT TERM DEBT CUSTOMER DEPOSITS DEFFERED INCOME TAXES TAX CREDITS - WEIGHTED COST TOTAL AVERAGE

					LOW POINT		N	MIDPOINT	HIGH POINT			
PER BOOKS	ADJUSTMENTS NON-UTILITY	ADJUSTED BOOKS	PRO-RATA	SPECIFIC	BALANCE	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTE COST (%)
\$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.
\$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.
\$1,440,539		\$1,440,539	\$284,715		\$1,725,254	4.31%	1.23%	0.05%	1.23%	0.05%	1.23%	0.
\$4,361,494		\$4,361,494			\$4,361,494	10.88%	6.00%	0.65%	6.00%	0.65%	6.00%	0.
\$8,012,546		\$8,012,546			\$8,012,546	19.99%	0.00%	0.00%	0.00%	0.00%	0.00%	0.
\$16,626		\$16,626			\$16,626	0.04%	5.75%	0.00%	6.17%	0.00%	6.59%	0.0
\$34,212,390	(\$55,682)	\$34,156,708	\$5,918,883	\$0	\$40,075,591	100.00%		6.40%		6.82%		7.

LOW POINT

MIDPOINT

									Section Section 1				
YEAR-END	PER BOOKS	ADJUSTMENTS NON-UTILITY	ADJUSTED BOOKS	PRO-RATA	SPECIFIC	BALANCE	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	
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%	
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%	
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%	
CUSTOMER DEPOSITS	\$8,656,409		\$8,656,409			\$8,656,409	22.07%	6.46%	1.43%	6.46%	1.43%	6.46%	
DEFFERED INCOME TAXES	\$13,010,512		\$13,010,512			\$13,010,512	33.17%	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%	
TOTAL YEAR-END	\$34,099,341	(\$1,260,032)	\$32,839,309	\$6,384,106	s	0 \$39,223,415	100.00%		5.04%		5.29%		

NHM 10.4.12 DECLASSIFIED

FLORIDA PUBLIC UTILITIES COMPANY NATURAL GAS RATE OF RETURN REPORT SUMMARY December 21, 2012

SCHEDULE 1

December 31, 2012					
I. AVERAGE RATE OF RETURN	(1) ACTUAL PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
(JURISDICTIONAL)					
NET OPERATING INCOME	\$ 8,020,316	(\$82,677)	\$7,937,639	\$0	57,937,639
AVERAGE RATE 6/358	\$113,438,862	\$551,877	5113,990,739	50	5113,990,739
AVERAGE RATE OF RETURN	7.07%		6.96%		6.96%
)I. YEAR-END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$8,020,316	5470,807	58,491,123	So	\$8,491,123
YEAR-END RATE BASE	\$113,510,212	\$657,982	5114,168,194		5114,168,194
YEAR-END RATE OF RETURN	7.07%		7,44%		7.44%
III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)			IV. EARNED RETURI (FPSC ADJUSTED	BASIS)	
LOW	6.84%		Α.	INCL COMP RATE ADJ REVENUES	10.11%
MIDPOINT	7,30%		8.	EXCL COMP RATE ADJ REVENUES	10.11%
HIGH	7.75%				

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 Mery M. Martin per CBy 8/8/2012

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FPSC-COMMISSION CLERK

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

HIGH

DECLASSIFIED

5CHEDULE 1

I. AVERAGE RATE OF RETURN (JURISDICTIONAL)	(1) ACTUAL PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
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%		5.96%		6.96%
II. YEAR-END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$8,020,316	\$470,807	\$8,491,123	50	58,491,123
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)			IV. EARNED RETURN ON (FPSC ADJUSTED BASI		
(FPSC ADJUSTED BASIS)	6.84%		A. INCL	COMP RATE ADJ REVENUES	10.11%
MIDPOINT	7.30%		B. EXCL	COMP RATE ADJ REVENUES	10.11%

Date
Date

7.75%

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) 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	\$170,856,128	(\$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
ELIM. NON-UTUILITY PLANT	\$0 (\$1,960,364)	\$0 \$702,347	\$0 \$0 (\$1,258,017)			\$0 \$0 (\$1,258,017)	\$0	\$0 \$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 TRANSACTION & TRANSITION COSTS TOTAL PRO FORMA ADJUSTMENTS	\$0	\$0	\$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

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

DECLASSIFIED

SCHEDULE 2 PAGE 2 OF 2

	(1) OPERATING REVENUES	(2) O & M GAS EXPENSE	(3) O & M OTHER	(4) DEPREC. & AMORTIZATION	(5) TAXES OTHER THAN INCOME	(6) INCOME TAXES CURRENT	(7) D.I.T. (NET)	(8) I.T.C. (NET)	(9) GAIN/LOSS ON DISPOSITION	(10) TOTAL OPERATING EXPENSES	(11) NET OPERATING INCOME
							(1421)	(1421)	<u> </u>		
PER BOOKS	\$61,462,895	\$ 20,643,600	\$14,399,053	\$8,497,297	\$6,837,556	\$3,065,073				\$53,442,579	\$8,020,316
FPSC ADJUSTMENTS: 1)INCOME TAX SYNCH ADJUSTMENT 2) ELIMINATE FUEL REVENUES AND EXPENSES 3) ELIMINATE CONSERVATION 4)NON-UTILITY DEPRECIATION EXPENSE 5) ELIMINATE AEP REVENUES AND EXPENSES	\$ (17,736,000) (\$2,907,600) (\$529,800)	\$ (17,736,000) (\$2,907,600)		(\$126,186) (\$529,800)		\$160,187 \$0 \$0 \$48,676 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0				\$160,187 (\$17,736,000) (\$2,907,600) (\$77,510) (\$529,800) \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0	(\$160,187) \$0 \$70 \$77,510 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0
TOTAL FPSC ADJUSTMENTS	(\$21,173,400)	(\$20,643,600)	\$0	(\$655,986)	\$0	\$208,863	\$0	\$0	\$0	(\$21,090,723)	(\$82,677)
FPSC ADJUSTED	\$40,289,495	50	\$14,399,053	\$7,841,311	\$6,837,556	\$3,273,936	\$0	\$0	50	\$32,351,856	\$7,937,639
FLEX RATE REVENUES - DEFICIT/(SURPLUS)	\$0					\$0				\$0	\$0
ADJUSTED FOR FLEX RATE REVENUES	\$40,289,495		\$14,399,053	\$7,841,311	\$6,837,556	\$3,273,936	\$0	\$0	\$0	\$32,351,856	7,937,639
TOTAL PRO FORMA ADJUSTMENTS	\$0	50	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0 \$0 \$0 \$0 \$0 \$0	\$0 \$0 \$0 \$0 \$0 \$0
PRO FORMA ADJUSTED	\$40,289,495	50	\$14,399,053	\$7,841,311	\$6,837,556	\$3,273,936	\$0	50	\$0	\$32,351,856	\$7,937,639

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

	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	(553,887,414)	\$117,079,693	50	\$3,726,528	5120,806,221	(\$7,296,009)	\$113,510,212
FPSC ADJUSTMENTS:								
ELIMINATIONS TO WORKING CAPITAL	\$0	ŠO	50			50	\$1,918,014	\$1,918,014
ELIM. NON-UTUILITY PLANT	(51,883,979)	\$0 \$623,947	\$0 (\$1,260,032)			(\$1,260,032)	\$0	\$0 \$0 (\$1,260,032)
TOTAL FPSC ADJUSTMENTS	(\$1,883,979 <u>)</u>	\$623,947	(\$1,260,032)	\$0	\$0	(\$1,260,032)	\$1,918,014	\$657,982
FPSC ADJUSTED	\$169,083,128	(553,263,467)	\$115,819,661	\$0	\$3,726,528	\$119,546,189	(\$5,377,995)	\$114,168,194
COMP RATE ADJ REVENUES	50	\$0	\$0	50	\$0	50	50	50
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 TRANSACTION & TRANSITION COSTS TOTAL PRO FORMA ADJUSTMENTS	\$0	\$0.	50 50	\$0	\$0	\$0 \$0	\$0	\$0 \$0 \$0
PRO FORMA ADJUSTED	\$169,083,128	(\$53,263,467)	\$115,819,661	50	\$3,726,528	\$119,546,189	(\$5,377,995)	\$114,168,194

FLORIDA PUBLIC UTILITIES COMPANY NATURAL GAS YEAR END RATE OF RETURN For the 12 Months Ending December 31, 2012 INCOME STATEMENT

	(1) OPERATING REVENUES	(2) O & M GAS EXPENSE	(3) O & M OTHER	(4) DEPREC. & AMORTIZATION	(5) TAXES OTHER THAN INCOME	(6) INCOME TAXES CURRENT	(7) D.I.T. (NET)	(8) I.T.C. (NET)	(9) GAIN/LOSS ON DISPOSITION	(10) TOTAL OPERATING EXPENSES	(11) NET OPERATING INCOME
PER BOOKS	\$61,462,895	\$ 20,643,600	514,399,053	\$8,497,297	\$6,837,556	\$3,065,073				\$53,442,579	\$8,020,316
FPSC ADJUSTMENTS: 1)INCOME TAX SYNCH ADJUSTMENT 2) ELIMINATE FUEL REVENUES AND EXPENSES 3) ELIMINATE CONSERVATION 4)NON-UTILITY DEPRECIATION EXPENSE S) ELIMINATE AEP REVENUES AND EXPENSES	5 (21,729,369) (52,727,474) (5796,443)	5 (21,627,111) 5 (2,721,704)		(\$126,186) (\$792,461)	(5106,154) (510,676)	(\$390,336) \$1,533 \$1,832 \$48,676 (\$1,536) \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0				(\$390,336) (\$21,731,762) (\$2,730,487) (\$77,510) (\$793,997) \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0	\$390,336 \$2,393 \$3,013 \$77,510 (\$2,446) \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0
TOTAL FPSC ADJUSTMENTS	(\$25,253,286)	(\$24,348,815)	\$0	(\$918,647)	(\$116,830)	(\$339,801)	\$0	\$0	50	(\$25,724,093)	\$470,807
FPSC ADJUSTED	\$36,209,609	(\$3,705,215)	\$14,399,053	\$7,578,650	\$6,720,726	\$2,725,272		50	50	\$27,718,486	\$8,491,123
COMP RATE ADJ REVENUES - OFFICIT/(SURPLUS)				·		50_				\$0	\$0
ADJUSTED FOR COMP RATE ADJ REVENUES	536,209,609	(\$3,705,215)	\$14,399,053	\$7,578,650	\$6,720,726	\$2,725,272	\$0	\$0	50	\$27,718,486	\$8,491,123
TOTAL PRO FORMA ADJUSTMENTS	\$0	50	\$0	\$0	\$0	50	50	50	\$0	\$0 50 50 \$0 \$0	50 50 50 50 50
PRO FORMA ADJUSTED	\$36,209,609	(\$3,705,215)	\$14,399,053	\$7,578,650	\$6,720,726	\$2,725,272	50	50		\$27,718,486	58,491,123

SCHEDULE 4

HIGH POINT

WEIGHTED

COST

(%)

5.36%

1.82%

0.06%

0.51%

0.00%

0.00%

7.75%

COST

RATE

(%)

11.85%

6.84%

1.23%

6.00%

0.00%

7.24%

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

FPSC AUJUSTED BASIS									W POINT	MIDPOINT		
AVERAGE	PER BOOKS	ADJUSTMENTS NON-UTILITY	ADJUSTED BOOKS	PRO-RATA	SPECIFIC	BALANCE	RATIO (%)	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%	
LONG TERM DEBT	\$30,170,058		\$30,170,058	\$191,041		\$30,361,099	26.64%	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%	
CUSTOMER DEPOSITS	\$9,710,089		\$9,710,089			\$9,710,089	8.52%	6.00%	0.51%	6.00%	0.51%	
DEFFERED INCOME TAXES	\$16,524,409		\$16,524,409			\$16,524,409	14.50%	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%	
TOTAL AVERAGE	\$113,438,863	(\$1,258,017)	\$112,180,846	\$1,809,893	\$0	\$113,990,739	100.00%		6.84%		7.30%	

_								LO	W POINT	MIDPOINT		HIGH POINT	
YEAR-END	PER BOOKS	ADJUSTMENTS 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%
DEFFERED 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	5114,168,194	100.00%		6.99%		7.42%		7.86%