

DOCKET NO. 20210150-GU FILED 9/1/2021 DOCUMENT NO. 10033-2021 FPSC - COMMISSION CLERK

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September 1, 2021

E-PORTAL FILING

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

Re: [New Filing] - Joint petition for approval of GRIP cost recovery factors for January 2022 through December 2022, by Florida Public Utilities Company, Florida Public Utilities Company-Fort Meade, and Florida Division of Chesapeake Utilities Corporation.

Dear Mr. Teitzman:

Attached for filing, please find the Joint Petition for Approval of GRIP Cost Recovery Factors by Florida Public Utilities Company, Florida Public Utilities Company-Fort Meade, and Florida Division of Chesapeake Utilities Corporation, along with the Direct Testimony and Exhibit DMC-1 of Mr. Derrick M. Craig. Also included with this filing are the following revised tariff pages:

Revised Tariff Sheets

(Clean and Legislative Versions)

Consolidated Natural Gas Tariff Sheet 7.906

Consolidated Natural Gas Tariff Sheet 7.907

Consolidated Natural Gas Tariff Sheet 7.910

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

Kind regards,

s/Beth Keating

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

cc:/(Office of Public Counsel)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Joint Petition for Approval of Gas DOCKET NO. Reliability Infrastructure Program (GRIP) True-Up by Florida Public Utilities Company and the Florida Division of Chesapeake Utilities Corporation and Florida Public Utilities Company-Fort Meade

DATED: September 1, 2021

JOINT PETITION FOR APPROVAL OF GRIP COST RECOVERY FACTORS BY FLORIDA PUBLIC UTILITIES COMPANY, FLORIDA PUBLIC UTILITIES COMPANY-FORT MEADE, AND THE FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION

Florida Public Utilities Company, Florida Public Utilities Company-Fort Meade ("Fort Meade") (herein jointly "FPUC"), and the Florida Division of Chesapeake Utilities Corporation ("CFG")(also referred to herein individually as "Company" and jointly as "Companies"), by and through their undersigned counsel, hereby file this Petition, pursuant to Section 366.06, Florida Statutes, and Order No. PSC-2012-0490-TRF-GU, seeking approval from the Florida Public Service Commission ("FPSC" or "Commission") of FPUC's and CFG's GRIP cost recovery factors for the period January 2022 through December 2022. In support of this request, the Companies hereby state:

1) FPUC is a natural gas utility subject to the Commission's jurisdiction under Chapter 366, Florida Statutes. ¹ Its principal business address is:

Florida Public Utilities Company 208 Wildlight Avenue Yulee, FL 32097

Florida Public Utilities Company – Fort Meade is a division of FPUC with its principal business address being the same as FPUC.

¹ FPUC's Indiantown Division does not participate in a GRIP program.

2) CFG is also a natural gas utility subject to the Commission's jurisdiction under Chapter

366, Florida Statutes. Its principal business address is:

Florida Division of Chesapeake Utilities Corporation

208 Wildlight Avenue

Yulee, FL 32097

3) 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/Chesapeake

208 Wildlight Ave.

Yulee, FL 32097

mcassel@fpuc.com

4) The Commission is vested with jurisdiction in this matter in accordance with Sections

366.04, 366.041, 366.05, and 366.06, Florida Statutes, pursuant to which the Commission is

authorized to establish rates and charges for public utilities, including the relief requested

herein, and to consider, among other things, the adequacy of facilities, as well as the utility's

ability to improve such facilities. Likewise, in accordance with Section 368.05(2), Florida

Statutes, the Commission has the authority to require improvements to natural gas

distribution systems as may be necessary to promote the protection of the public.

5) Consistent with the requirements of Order No. PSC-12-0490-TRF-GU, issued

September 24, 2012, the Companies have included with this filing Schedules A-D, which

support the Companies' calculations of the yearly GRIP surcharge factors for the calendar

year 2022.

6) Consistent with the requirements of Order No. PSC-20-0165-PAA-EU, issued May

20, 2020, the Companies have included with this filing Schedule E, which supports the

Companies' determination of whether a limitation provision is met and what the calculation

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of the weighted average cost of capital would have been for the 2022 projection period if a proration adjustment was necessary.

- 7) The Companies are also submitting, contemporaneously with this Petition, the Direct Testimony and Exhibit DMC-1, which includes the referenced schedules, of Mr. Derrick M. Craig in support of the Companies' request for approval of the requested factors. Therein, Mr. Craig explains that projects in high consequence areas continue to be a priority. As also noted by Mr. Craig, the Companies continue to discover new bare steel, cast iron, and steel tubing beyond that which was originally anticipated, however, the Company does expect to complete all replacements for the program by July 2022.
- 8) As reflected on Schedule B-1, the final GRIP true-up amount for the period January 2020 through December 2020 was an over-recovery of \$326,118 for FPUC, an under-recovery of \$278,276 for CFG, and an over-recovery of \$8,427 for Fort Meade.
- 9) The Company projects total revenue requirements for the program of \$14,201,960 for FPUC, \$4,074,608 for CHPK, and \$23,918 for Fort Meade for the period January 2022 through December 2022. As set forth in the Testimony and Exhibit of Mr. Craig, the Companies' total true-up amounts to be collected or refunded during the period January 2022 through December 2022 are net under-recoveries of \$1,784,263 for FPUC and \$157,503 for CFG, and a net over-recovery \$5,808 for Fort Meade. After adding the projected revenue requirements for the programs and the true-up amounts then dividing this total among the Companies' rate classes, the following are the GRIP Cost Recovery factors for which the Companies seek approval in this petition:

| CFG RATE CLASS | | GRIP FACTORS PER THERM | _ |
|----------------------------|-----------|------------------------------|-----------------|
| FTS-A | \$ | 0.71307 | |
| FTS-B | \$ | 0.21508 | |
| FTS-1 | \$ | 0.11405 | |
| FTS-2 | \$ | 0.15536 | |
| FTS-2.1 | \$ | 0.15932 | |
| FTS-3 | \$ | 0.05948 | |
| FTS-3.1 | \$ | 0.07553 | |
| FTS-4 | \$ | 0.08381 | |
| FTS-5 | \$ | 0.08987 | |
| FTS-6 | \$ | 0.05768 | |
| FTS-7 | \$ | 0.07716 | |
| FTS-8 | \$ | 0.08318 | |
| FTS-9 | \$ | 0.12900 | |
| FTS-10 | \$ | 0.07393 | |
| FTS-11 | \$ | 0.05328 | |
| FTS-12 | \$ | 0.03708 | |
| FTS-NGV | \$ | 0.05329 | |
| <u>CFG</u> Experimental | | | - |
| CLASS | | | GRIP FACTORS |
| Rate Schedu | <u>le</u> | | Rate per bill |
| FTS-A (Exp) |) | | \$ 4.50 |

| FTS-B (Exp) | \$ 2.28 |
|---------------|-------------|
| FTS-1 (Exp) | \$ 1.69 |
| FTS-2 (Exp) | \$ 8.17 |
| FTS-2.1 (Exp) | \$ 16.58 |
| FTS-3 (Exp) | \$ 18.01 |
| FTS-3.1 (Exp) | \$ 43.36 |
| | |

FPUC

| RATE | GRIP FACTORS |
|-----------------|--------------|
| <u>SCHEDULE</u> | PER THERM |

RESIDENTIAL \$0.31642

COMMERCIAL SMALL \$0.22966

(General Service 1 & 2 & GS 1 & 2 Transportation)

COMM. LRG VOLUME \$0.16008

(Large Vol & LV Transportation)

INTERRUPTIBLE SERVICE \$0.09536

(Int Service & IS Transportation)

GENERAL LIGHTING SERVICE \$1.14051

(Gen Light Service & GLS Transportation)

Rate Schedule NGV \$0.22966

Rate Schedule NGVTS \$0.22966

Fort Meade

RATE FACTORS
SCHEDULE PER THERM

RESIDENTIAL \$0.15245

COMMERCIAL SMALL \$0.01456

(General Service & GS Transportation)

COMM. LRG VOLUME \$0.00000

(Large Vol & LV Transportation)

INTERRUPTIBLE SERVICE \$0.00000

(Int Service & IS Transportation)

GENERAL LIGHTING SERVICE \$0.00000

- 9) The Companies attest that these factors have been calculated correctly and consistent with Commission requirements. Thus, the Companies ask that the Commission approve the proposed factors as set forth herein.
- 10) Attached to this Petition as Attachment A are proposed tariff pages, in clean and legislative format, reflecting the GRIP factors set forth herein.

WHEREFORE, FPUC, FPUC-Fort Meade, and CFG respectfully request that the Commission approve the proposed GRIP cost recovery factors to be effective for all meter

readings for the period January 2022 through December 2022.

RESPECTFULLY SUBMITTED this 1st day of September, 2021, by:

s/Beth Keating__

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 and the Florida Division of
Chesapeake Utilities Corporation

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been served upon the following by Electronic Mail this 1st day of September, 2021.

| Richard Gentry Office of Public Counsel | |
|---|--|
| c/o The Florida Legislature | |
| 111 W. Madison Street, Room 812 Tallahassee, FL 32399-1400 | |
| Gentry.Richard@leg.state.fl.us | |
| | |
| Mike Cassel | |
| 208 Wildlight Avenue | |
| Yulee, FL 32097 | |
| Mcassel@fpuc.com | |
| | |

By: <u>s/Beth Keating</u>

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

ATTACHMENT A

Florida Public Utilities Company, Florida Public Utilities Company – Indiantown Division, Florida Public Utilities Company-Fort Meade, and The Florida Division of Chesapeake Utilities Corporation

Revised Tariff Sheets

(Clean and Legislative Versions)

Consolidated Natural Gas Tariff Sheet 7.906 Consolidated Natural Gas Tariff Sheet 7.907 Consolidated Natural Gas Tariff Sheet 7.910

All Companies GAS RELIABILITY INFRASTRUCTURE PROGRAM

Applicability:

The bill for Regulated Gas Sales Service or Transportation Service, as applicable, supplied to a Customer in any Billing Period shall be adjusted as follows:

The GRIP factors for the period from the first billing cycle for January 2022 through the last billing cycle for December 2022 are as follows:

INDIANTOWN:

| Rate Schedule | Rates per Therm |
|---------------|-----------------|
| TS-1 | Not applicable |
| TS-2 | Not applicable |
| TS-3 | Not applicable |
| TS-4 | Not applicable |
| NGVTS | Not applicable |

FT. MEADE:

| I I MILITIDE. | |
|---------------|-----------------|
| Rate Schedule | Rates per Therm |
| RS | \$0.15245 |
| GS-1 | \$0.01456 |
| GS-2 | \$0.01456 |
| GSTS-1 | \$0.01456 |
| GSTS-2 | \$0.01456 |
| LVS | \$0.0000 |
| LVTS | \$0.00000 |
| IS | \$0.0000 |
| ITS | \$0.0000 |
| GLS | \$0.0000 |
| GLSTS | \$0.00000 |
| NGV | \$0.0000 |
| NGVTS | \$0.0000 |
| | |

Issued by: Jeffry Householder, Chief Executive Officer Florida Public Utilities Company and Chesapeake Utilities Corporation Florida Public Utilities Company and Florida Division of Chesapeake Utilities

FPSC Tariff —SecondFirst Revised Sheet

No. 7.906

Original Volume No. 1

Cancels Original First Revised Sheet No. 7.906

All Companies GAS RELIABILITY INFRASTRUCTURE PROGRAM

Applicability:

The bill for Regulated Gas Sales Service or Transportation Service, as applicable, supplied to a Customer in any Billing Period shall be adjusted as follows:

The GRIP factors for the period from the first billing cycle for January 20212 through the last billing cycle for December 20242 are as follows:

INDIANTOWN:

| Rate Schedule | Rates per Therm |
|---------------|-----------------|
| TS-1 | Not applicable |
| TS-2 | Not applicable |
| TS-3 | Not applicable |
| TS-4 | Not applicable |
| NGVTS | Not applicable |

| FT. MEADE: | |
|---------------|------------------------------------|
| Rate Schedule | Rates per Therm |
| RS | \$0. 16325 <u>15245</u> |
| GS-1 | \$0. 01959 <u>01456</u> |
| GS-2 | \$0. 01959 <u>01456</u> |
| GSTS-1 | \$0. 01959 <u>01456</u> |
| GSTS-2 | \$0. 01959 <u>01456</u> |
| LVS | \$0.00000 |
| LVTS | \$0.00000 |
| IS | \$0.00000 |
| ITS | \$0.00000 |
| GLS | \$0.00000 |
| GLSTS | \$0.00000 |
| NGV | \$0.00000 |
| NGVTS | \$0.00000 |
| | |

Issued by: Jeffry Householder, Chief Executive Officer Effective: JAN 01 2021 Original Volume No. 1

Cancels First Revised Sheet No. 7.907

All Companies GAS RELIABILITY INFRASTRUCTURE PROGRAM – CONTINUED

FLORIDA PUBLIC UTILITIES:

| Rates per Therm |
|-----------------|
| \$0.31642 |
| \$0.22966 |
| \$0.22966 |
| \$0.22966 |
| \$0.22966 |
| \$0.16008 |
| \$0.16008 |
| \$0.09536 |
| \$0.09536 |
| \$1.14051 |
| \$1.14051 |
| \$0.22966 |
| \$0.22966 |
| |

CENTRAL FLORIDA GAS:

| Rate Schedule | Rates per Therm |
|---------------|-----------------|
| FTS-A | \$0.71307 |
| FTS-B | \$0.21508 |
| FTS-1 | \$0.11405 |
| FTS-2 | \$0.15536 |
| FTS-2.1 | \$0.15932 |
| FTS-3 | \$0.05948 |
| FTS-3.1 | \$0.07553 |
| FTS-4 | \$0.08381 |
| FTS-5 | \$0.08987 |
| FTS-6 | \$0.05768 |
| FTS-7 | \$0.07716 |
| FTS-8 | \$0.08318 |
| FTS-9 | \$0.12900 |
| FTS-10 | \$0.07393 |
| FTS-11 | \$0.05328 |
| FTS-12 | \$0.03708 |
| FTS-NGV | \$0.05329 |

Definitions:

The Company has prioritized the potential replacement projects focusing initially on areas of high consequence and areas more susceptible to corrosion. The GRIP Program minimizes impact to Customers, but at the same time, allows the Company to accelerate its replacement

Issued by: Jeffry Householder, Chief Executive Officer Florida Public Utilities Company and Chesapeake Utilities Corporation Florida Public Utilities Company and Florida Division of Chesapeake Utilities

FPSC Tariff — First Second Revised Sheet

No. 7.907

Original Volume No. 1

Cancels Original First Revised Sheet No. 7.907

All Companies GAS RELIABILITY INFRASTRUCTURE PROGRAM – CONTINUED

FLORIDA PUBLIC UTILITIES:

| Rate Schedule | Rates per Therm |
|---------------|--------------------------------------|
| RS | \$0. 22417 <u>31642</u> |
| GS-1 | \$0. 15180 22966 |
| GS-2 | \$0. 15180 22966 |
| GSTS-1 | \$0. 15180 22966 |
| GSTS-2 | \$0. 15180 22966 |
| LVS | \$0. 10221 <u>16008</u> |
| LVTS | \$0. 10221 <u>16008</u> |
| IS | \$0. 06114 <u>09536</u> |
| ITS | \$0. 06114 <u>09536</u> |
| GLS | \$ 0.80046 <u>1.14051</u> |
| GLSTS | \$ 0.80046 <u>1.14051</u> |
| NGV | \$0. 15180 22966 |
| NGVTS | \$0. 15180 22966 |
| | |

CENTRAL FLORIDA GAS:

| D . C 1 . 1 1 | D |
|----------------------------|-------------------------------------|
| Rate Schedule | Rates per Therm |
| FTS-A | \$0. 74443 <u>71307</u> |
| FTS-B | \$0. 21667 21508 |
| FTS-1 | \$0. 11567 11405 |
| FTS-2 | \$0. 13791 <u>15536</u> |
| FTS-2.1 | \$0. 14624 <u>15932</u> |
| FTS-3 | \$0. 06057 <u>05948</u> |
| FTS-3.1 | \$0. 07469 <u>07553</u> |
| FTS-4 | \$0. 0790 4 <u>08381</u> |
| FTS-5 | \$0. 09368 <u>08987</u> |
| FTS-6 | \$0. 06387 <u>05768</u> |
| FTS-7 | \$0. 07896 <u>07716</u> |
| FTS-8 | \$0. 08472 <u>08318</u> |
| FTS-9 | \$0. 17979 <u>12900</u> |
| FTS-10 | \$0. 10789 <u>07393</u> |
| FTS-11 /FTS-NGV | \$0. 14366 <u>05328</u> |
| FTS-12 | \$0. 03326 <u>03708</u> |
| FTS-13NGV | N/A <u>\$0.05329</u> |
| | |

Definitions:

The Company has prioritized the potential replacement projects focusing initially on areas of high consequence and areas more susceptible to corrosion. The GRIP Program minimizes impact to Customers, but at the same time, allows the Company to accelerate its replacement

Issued by: Jeffry Householder, Chief Executive Officer Effective: JAN 01 2021

CFG

GAS INFRASTRUCTURE REPLACEMENT PROGRAM (GRIP) - FIXED

Applicability:

All CFG Customers, receiving Transportation Service from the Company and are assigned to or have selected rate schedules FTS-A Fixed), FTS-B (Fixed), FTS-1 Fixed), FTS-2 (Fixed), FTS-2.1 (Fixed), FTS-3 (Fixed), and FTS-3.1 (Fixed).

The Transportation Charge for Transportation Service to each applicable rate classification shall be adjusted by the following recovery factors. The recovery factors for all Meters read for the period January 1, 2022 through December 31, 2022 for each rate classification are as follows:

| Dollars per Bill |
|------------------|
| \$4.50 |
| \$2.28 |
| \$1.69 |
| \$8.17 |
| \$16.58 |
| \$18.01 |
| \$43.36 |
| |

Definitions

The Company has prioritized the potential replacement projects focusing initially on areas of high consequence and areas more susceptible to corrosion. The GRIP Program minimizes impact to Customers, but at the same time, allows the Company to accelerate its replacement Program-eligible infrastructure. Costs incurred to remove the existing eligible distribution Mains and Service Lines are not recoverable under the GRIP Program.

The Eligible Infrastructure Replacement includes the following:

- 1. Company plant investment that
 - a. Do not increase revenues by directly connecting new Customer to the plant asset,
 - b. is in service and used and useful in providing utility service, and
 - c. was not included in the Company's rate base for purposed of determining the Company's base rates in its most recent general base rate proceeding.
- 2. Mains and Service Lines, as replacements for existing cast iron, wrought iron and bare steel facilities, and regulation station and other pipeline system components, the installation of which is required as a consequence of the replacement of the aforesaid facilities.

Issued by: Jeffry Householder, Chief Executive Officer Florida Public Utilities Company and Chesapeake Utilities Corporation Florida Public Utilities Company and Florida Division of Chesapeake Utilities

FPSC Tariff — First Second Revised Sheet

No. 7.910

Original Volume No. 1

Cancels Original First Revised Sheet No. 7.910

CFG

GAS INFRASTRUCTURE REPLACEMENT PROGRAM (GRIP) - FIXED

Applicability:

All CFG Customers, receiving Transportation Service from the Company and are assigned to or have selected rate schedules FTS-A Fixed), FTS-B (Fixed), FTS-1 Fixed), FTS-2 (Fixed), FTS-2.1 (Fixed), FTS-3 (Fixed), and FTS-3.1 (Fixed).

The Transportation Charge for Transportation Service to each applicable rate classification shall be adjusted by the following recovery factors. The recovery factors for all Meters read for the period January 1, 20242 through December 31, 20242 for each rate classification are as follows:

| Rate Schedule | Dollars per Bill |
|-----------------|----------------------------------|
| FTS-A (Fixed) | \$4. 41 <u>50</u> |
| FTS-B (Fixed) | \$2. 24 28 |
| FTS-1 (Fixed) | \$1. 70 <u>69</u> |
| FTS-2 (Fixed) | \$ 7.94 <u>8.17</u> |
| FTS-2.1 (Fixed) | \$16. 26 <u>58</u> |
| FTS-3 (Fixed) | \$ 17.66 18.01 |
| FTS-3.1 (Fixed) | \$ 42.92 <u>43.36</u> |

Definitions

The Company has prioritized the potential replacement projects focusing initially on areas of high consequence and areas more susceptible to corrosion. The GRIP Program minimizes impact to Customers, but at the same time, allows the Company to accelerate its replacement Program-eligible infrastructure. Costs incurred to remove the existing eligible distribution Mains and Service Lines are not recoverable under the GRIP Program.

The Eligible Infrastructure Replacement includes the following:

- 1. Company plant investment that
 - a. Do not increase revenues by directly connecting new Customer to the plant asset,
 - b. is in service and used and useful in providing utility service, and
 - c. was not included in the Company's rate base for purposed of determining the Company's base rates in its most recent general base rate proceeding.
- 2. Mains and Service Lines, as replacements for existing cast iron, wrought iron and bare steel facilities, and regulation station and other pipeline system components, the installation of which is required as a consequence of the replacement of the aforesaid facilities.

Issued by: Jeffry Householder, Chief Executive Officer Effective: JAN 01 2021

| 1 | | BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION |
|----|----|--|
| 2 | | In Re: Gas Reliability Infrastructure Program |
| 3 | | DIRECT TESTIMONY OF DERRICK MAURICE CRAIG |
| 4 | | On behalf of |
| 5 | | Florida Public Utilities Company, |
| 6 | | Florida Division of Chesapeake Utilities Corporation and Florida Public Utilities |
| 7 | | Company-Fort Meade |
| 8 | Q. | Please state your name, occupation, and business address. |
| 9 | A. | My name is Derrick Maurice Craig. I am employed by Florida Public Utilities |
| LO | | Company (FPUC or Company) as a Senior Regulatory Analyst. My business address |
| L1 | | is 208 Wildlight Avenue; Yulee, Florida 32097. |
| L2 | Q. | Describe briefly your education and relevant professional background. |
| L3 | A. | In 1991, I received a Bachelor of Electrical Engineering degree from the Georgia |
| L4 | | Institute of Technology in Atlanta, Georgia, and in 1997, I received a Masters of |
| L5 | | Business Administration from the University of Virginia (Darden Graduate Business |
| L6 | | School) in Charlottesville, Virginia. I have worked in various engineering and financial |
| L7 | | analysis roles for several utilities, including Baltimore Gas and Electric, Oglethorpe |
| L8 | | Power Company and the Southern Company. I have been in my current position as |
| L9 | | Senior Regulatory Analyst with Florida Public Utilities Company (FPUC) since April |
| 20 | | 2019. My responsibilities include the fulfillment of many regulatory activities for |
| 21 | | FPUC, which range from instances of regulatory analysis to various filings (Purchased |
| 22 | | Gas Adjustment, Swing Service and the Gas Reliability Infrastructure Program) before |
| 23 | | the Florida Public Service Commission. |
| 24 | Q. | Have you previously filed testimony in this Docket? |
| 25 | A. | Yes, I have. |

- 1 Q. Are you familiar with the Gas Reliability Infrastructure Program ("GRIP") of
- 2 the Company and the associated projected and actual revenues and costs?
- 3 A. Yes.
- 4 Q. What is the purpose of your testimony in this docket?
- 5 A. My testimony will provide both the actual true-up for January 2020 to December 2020,
- as well as the actual/estimated true-up based on seven months of actual 2021 data and
- five months of projected 2021 data. My testimony will describe the Company's
- 8 forecast of GRIP investment for natural gas mains and services for 2022. My
- 9 testimony will confirm that the calculated weighted average cost of capital satisfies the
- 10 Internal Revenue Service normalization rules. Finally, the testimony will summarize
- the computations that are contained in composite Exhibit DMC-1 supporting the
- January through December 2022 projected GRIP surcharge factors for FPUC, Florida
- Division of Chesapeake Utilities Corporation (CFG), and Fort Meade natural gas
- 14 divisions.
- 15 Q. Which set of schedules has your company completed and filed?
- 16 A. The Company has prepared and filed in composite Exhibit DMC-1, Schedules A, B,
- 17 C, D and E that support the calculation of the yearly GRIP surcharge factors for January
- 18 2022 through December 2022 for FPUC, CFG and Fort Meade as well as the
- appropriate calculation of the weighted average cost of capital used for the 2022 GRIP
- 20 Projection filing (as it pertains to the normalization method of accounting identified by
- 21 the Internal Revenue Code).
- Q. Were the schedules filed by the Company completed by you or under your direct
- 23 **supervision?**
- A. Yes, they were completed by me.
- 25 Q. What is the projection period for this filing?
- 26 A. The projection period is January through December 2022.

| 1 | Q. | What is the appropriate final GRIP true-up amount for the period |
|----|----|--|
| 2 | | January through December 2020? |
| 3 | A. | As shown on Schedule B-1, page 2 of 18, the total over-recovery for FPUC is \$326,118 |
| 4 | | inclusive of interest, and for CFG, Schedule B-1, page 8 of 18, has a total under- |
| 5 | | recovery of \$278,276 inclusive of interest. For Fort Meade, Schedule B-1, page 14 of |
| 6 | | 18, has a total over-recovery of \$8,427 inclusive of interest. |
| 7 | Q. | What is the projected GRIP true-up amount for the period January through |
| 8 | | December 2021? |
| 9 | A. | For FPUC, the projected GRIP true-up amount is an under-recovery of \$2,110,381 |
| 10 | | inclusive of interest, for the period January through December 2021. CFG has a |
| 11 | | projected over-recovery for the same period of \$120,773 inclusive of interest. Fort |
| 12 | | Meade has a projected under-recovery for the same period of \$2,618 inclusive of |
| 13 | | interest. |
| 14 | Q. | What is the total projected GRIP true-up amount to be collected or refunded to |
| 15 | | customers for the period January through December 2021? |
| 16 | A. | As shown on Schedule C-1, page 3 of 18, the total net under-recovery to be collected |
| 17 | | for FPUC is \$1,784,263, and for CFG, Schedule C-1, page 9 of 18, has a total net |
| 18 | | under-recovery of \$157,503 to be collected for the period January through December |
| 19 | | 2021. Fort Meade, Schedule C-1 page 15 of 18, has a total net over-recovery of \$5,808 |
| 20 | | to be refunded. |
| 21 | Q. | Please describe how the forecasts for the replacement of qualifying distribution |
| 22 | | mains and services were developed for the projection period. |
| 23 | A. | In the initial joint petition for approval of GRIP (Order No. PSC-12-0490-TRF-GU), |
| 24 | | FPUC and CFG reviewed the remaining eligible infrastructure and developed a |
| 25 | | replacement plan based on our Distribution Integrity Management Program ("DIMP") |
| 26 | | and estimated it would take approximately 10 years to replace our bare steel and cast |

iron facilities at an accelerated pace. Both companies prioritized the potential replacement projects focusing initially on areas of high consequence and areas more susceptible to corrosion. FPUC provides service to large metropolitan areas and the replacement of eligible infrastructure in high-density, urban areas typically cost more than areas that are primarily rural. FPUC and CFG have continued to replace eligible infrastructure aggressively. Although the Company continues to discover new bare steel, cast iron and steel tubing mains and services for replacement that were not included in the original petition, the Company does expect to complete all replacements for the program by July 2022.

A.

10 Q. Please describe how the forecasts of the revenue requirements are developed for the projection period.

The projected revenue requirements include several components: 1) the return on estimated qualified investments for the projection period as calculated using the equity and debt components of the weighted average cost of capital from each companies respective prior rate cases. 2) depreciation expense (respectively calculated using the currently approved depreciation rates) and 3) expenses for customer and general public notifications associated with GRIP and ad valorem taxes, grossed up for federal and state income taxes. Since FPUC has a bare steel replacement and recovery program, originally approved in the Company's 2004 rate case proceeding, the revenue requirement is net of the existing bare steel program, which equates to \$747,727 embedded in base rate revenues. CFG and Fort Meade do not have any recovery amounts embedded in their base rates. The 2022 projected mains and services to be replaced are shown on Exhibit DMC-1, Schedule C-2, pages 4, 10 and 16. FPUC is expecting to invest \$3,420,000 in mains and \$1,874,520 for services. CFG and Fort Meade have no investments expected in 2022.

| 1 | Q. | What are the resulting net total projected revenue requirements to be recovered |
|----|----|--|
| 2 | | during the 2022 projection period? |
| 3 | A. | The total projected revenue requirements to be recovered are \$15,986,222 for FPUC, |
| 4 | | as shown in Schedule D-1 page 5 of 18, \$4,232,111 for CFG, as shown in Schedule D- |
| 5 | | 1 page 11 of 18, and \$18,109 for Fort Meade, as shown in Schedule D-1 page 17 of 18. |
| б | Q. | Have you prepared a schedule that shows the calculation of the proposed GRIP |
| 7 | | surcharge factors for each rate class to be applied during the billing period |
| 8 | | January 1, 2022 through December 31, 2022? |
| 9 | A. | Yes, please see Schedule D-1 pages 5, 11 and 17 for FPUC, CFG, and Fort Meade, |
| 10 | | respectively. |
| 11 | Q. | What should be the effective date of the GRIP surcharge factors for billing |
| 12 | | purposes? |
| 13 | A. | The GRIP surcharge factors should be effective for all meter reading during the period |
| 14 | | of January 1, 2022 through December 31, 2022. |
| 15 | Q. | Does this conclude your testimony? |
| 16 | A. | Yes, it does. |

Florida Public Utilities Company

Gas Reliability Infrastructure Program (GRIP)
Calculation of Equity and Debt Returns

Schedule A-1
Exhibit____
Derrick M. Craig (DMC-1)
Page 1 of 18

| Earnings Surveillance Report - December 31, 2020 | |
|---|--------|
| Equity Cost Rate | 10.85% |
| Weighted Equity Cost Rate | 4.00% |
| Revenue Expansion Factor | 1.335 |
| Weighted Equity Cost Rate, times Revenue Expansion Factor | 5.34% |
| Long Term Debt-CU | 1.04% |
| Short Term Debt | 0.26% |
| Long Term Debt-FC | 0.20% |
| Short Term Debt-Refinanced LTD | 0.00% |
| Customer Deposits | 0.08% |
| Weighted Debt Cost Rate | 1.58% |
| Overall Weighted Cost Rate | 5.58% |

Florida Public Utilities Company Gas Reliability Infrastructure Program (GRIP) Actual Revenue Requirements January 1, 2020 through December 31, 2020

Schedule B-1

| <u>Item</u> | Beginning Balance | Actual <u>Jan</u> | Actual <u>Feb</u> | Actual <u>Mar</u> | Actual Apr | Actual May | Actual <u>Jun</u> | Actual <u>Jul</u> | Actual Aug | Actual Sep | Actual Oct | Actual Nov | Actual Dec | Year End Total/Balance |
|---|------------------------------|---|---|--|---|---|---|---|---|--|--|--|---|---------------------------------------|
| Qualified Investment | | | | | | | | | | | | | | |
| Qualified Investment - Mains - Current Year 1070 Activity | | \$687,808 | \$840,892 | \$1,115,871 | \$869,653 | \$837,546 | \$1,023,132 | \$1,418,556 | \$1,103,030 | \$1,088,624 | \$822,257 | \$604,102 | \$1,114,605 | \$11,526,076 |
| Qualified Investment - Mains - Closed 1070 Activity to Plant | | \$0 | (\$537,850) | (\$534,502) | (\$285,345) | (\$123,584) | (\$4,959,043) | \$0 | \$0 | (\$285,888) | (\$2,607,501) | (\$261,372) | (\$301,887) | (\$9,896,970) |
| Qualified Investment - Services - Current Year 1070 Activity | | \$251,154 | \$338,657 | \$1,073,730 | \$714,371 | \$475,101 | \$446,405 | \$440,690 | \$482,740 | \$819,325 | \$585,419 | \$747,593 | \$961,112 | \$7,336,297 |
| Qualified Investment - Services - Closed 1070 Activity to Plant | | \$0 | (\$420,549) | (\$487,229) | (\$985,156) | (\$679,909) | (\$454,306) | (\$469,346) | (\$421,752) | (\$1,028,142) | (\$676,330) | (\$740,250) | (\$498,071) | (\$6,861,040) |
| Qualified Investment - Mains - Current 1010 Activity | | \$0 | \$537,850 | \$534,502 | \$285,345 | \$123,584 | \$4,959,043 | \$0 | \$0 | \$285,888 | \$2,607,501 | \$261,372 | \$301,887 | \$9,896,970 |
| Qualified Investment - Services - Current 1010 Activity | | \$0 | \$420,549 | \$487,229 | \$985,156 | \$679,909 | \$454,306 | \$469,346 | \$421,752 | \$1,028,142 | \$676,330 | \$740,250 | \$498,071 | \$6,861,040 |
| | | | | | | | | | | | | | | |
| T . 10 . 15 . 11 M 1070 | \$288.818 | \$976,625 | \$1,279,668 | 61.061.027 | \$2,445,345 | \$3,159,308 | (6777 ((02) | \$641,953 | 61 744 002 | \$2,547,719 | 67/2 47/ | 61 105 205 | 61.017.022 | \$1.917.923 |
| Total Qualified Investment - Mains 1070 | | | . , , | \$1,861,037 | \$2,445,345 \$487.624 | \$3,159,308 | (\$776,602) \$274,917 | , | \$1,744,983 | | \$762,476 | \$1,105,205 | \$1,917,923 | \$1,917,923 \$477,904 |
| Total Qualified Investment - Service 1070 Total Qualified Investment - Mains 1010 | \$2,647 \$79,712,208 | \$253,801 \$79,712,208 | \$171,909 \$80,250,057 | \$758,410 \$80,784,559 | \$487,624 \$81,069,904 | \$282,817 \$81,193,487 | \$274,917 \$86,152,530 | \$246,261 \$86,152,530 | \$307,249 \$86,152,530 | \$98,431 \$86,438,418 | \$7,521 \$89,045,919 | \$14,863 \$89,307,291 | \$477,904 \$89,609,177 | \$89,609,177 |
| Total Qualified Investment - Mains 1010 Total Qualified Investment - Service 1010 | \$79,712,208 \$26,433,705 | \$79,712,208 \$26,433,705 | \$26,854,254 | \$80,784,559 \$27.341.483 | \$81,069,904 \$28,326,640 | \$81,193,487 \$29,006,548 | \$29,460,854 | \$86,152,530 \$29,930,200 | \$30,351,952 | \$31,380,094 | \$32,056,424 | \$89,307,291 \$32,796,674 | \$33,294,745 | \$33,294,745 |
| Total Qualified Investment | \$106,437,378 | \$107,376,339 | \$108,555,888 | \$110,745,489 | \$112,329,513 | \$113,642,160 | \$115,111,698 | \$116,970,944 | \$118,556,714 | \$120,464,663 | \$121,872,339 | \$123,224,034 | \$125,299,750 | \$125,299,750 |
| Total Qualified investment | \$100,437,376 | \$107,370,339 | \$100,333,000 | \$110,743,489 | \$112,329,313 | \$113,042,100 | \$113,111,098 | \$110,970,944 | \$116,336,714 | \$120,404,003 | \$121,672,339 | \$125,224,054 | \$123,299,730 | \$123,299,730 |
| Less: Accumulated Depreciation | (\$10.070.403) | (\$10.258.361) | (\$10.446.320) | (\$10.635.990) | (\$10.827.489) | (\$11.021.293) | (\$11,216,561) | (\$11.421.339) | (\$11.626.978) | (\$11.833.390) | (\$12.042.188) | (\$12,256,788) | (\$12,473,203) | (\$12,473,203) |
| Net Book Value | \$96,366,975 | \$97,117,978 | \$98,109,569 | \$100,109,499 | \$101.502.024 | \$102,620,867 | \$103.895.137 | \$105,549,605 | \$106,929,736 | \$108,631,272 | \$109,830,151 | \$110.967.245 | \$112,826,547 | \$112,826,547 |
| Net Book Value | 390,300,973 | 357,117,578 | \$50,105,505 | 3100,105,455 | \$101,302,024 | 3102,020,807 | \$103,893,137 | \$105,545,005 | 3100,727,730 | \$100,031,272 | \$109,830,131 | 3110,507,243 | 3112,820,347 | 3112,020,347 |
| Average Net Qualified Investment | • | \$96,742,476 | \$97,613,773 | \$99,109,534 | \$100,805,762 | \$102,061,445 | \$103,258,002 | \$104,722,371 | \$106,239,670 | \$107,780,504 | \$109,230,712 | \$110,398,698 | \$111,896,896 | |
| Average Net Quantied investment | | \$90,742,470 | \$97,015,775 | \$99,109,334 | \$100,803,762 | \$102,001,443 | \$105,238,002 | \$104,722,571 | \$100,239,070 | \$107,780,304 | \$109,230,712 | \$110,398,098 | \$111,890,890 | |
| Depreciation Rates | | | | | | | | | | | | | | |
| Approved Depreciation Rate-Mains | | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | |
| Approved Depreciation Rate-Services | | 2.20% | 2.20% | 2.20% | 2.20% | 2.20% | 2.20% | 2.20% | 2.20% | 2.20% | 2.20% | 2.20% | 2.20% | |
| Approved Depreciation Rate-3ct vices | | 2.2070 | 2.2070 | 2.2070 | 2.2070 | 2.2070 | 2.2070 | 2.2070 | 2.2070 | 2.2070 | 2.2070 | 2.2070 | 2.2070 | |
| Return on Average Net Qualified Investment | | | | | | | | | | | | | | |
| Equity - Cost of Capital, inclusive of Income Tax Gross-up | | 5.37% | 5,37% | 5.37% | 5.37% | 5.37% | 5.37% | 5.37% | 5.37% | 5.37% | 5.37% | 5.37% | 5.37% | |
| Debt - Cost of Capital | | 1.76% | 1.7600% | 1.7600% | 1.7600% | 1.7600% | 1.7600% | 1.7600% | 1.7600% | 1.7600% | 1.7600% | 1.7600% | 1.7600% | |
| | | | | | | | | | | | | | | |
| Equity Component - inclusive of Income Tax Gross-up | | \$432,923 | \$436,822 | \$443,515 | \$451,106 | \$456,725 | \$462,080 | \$468,633 | \$475,423 | \$482,318 | \$488,807 | \$494,034 | \$500,739 | \$5,593,125 |
| Debt Component | | \$141,889 | \$143,167 | \$145,361 | \$147,848 | \$149,690 | \$151,445 | \$153,593 | \$155,818 | \$158,078 | \$160,205 | \$161,918 | \$164,115 | \$1,833,127 |
| Return Requirement | • | \$574,812 | \$579,989 | \$588,876 | \$598,954 | \$606,415 | \$613,525 | \$622,226 | \$631,241 | \$640,396 | \$649,012 | \$655,952 | \$664,854 | \$7,426,252 |
| · | • | | | | | | | | | | | | | |
| Investment Expenses | | | | | | | | | | | | | | |
| Depreciation Expense - Mains | | \$139,496 | \$139,496 | \$140,438 | \$141,373 | \$141,872 | \$142,089 | \$150,767 | \$150,767 | \$150,767 | \$151,267 | \$155,830 | \$156,288 | \$1,760,450 |
| Depreciation Expense - Services | | \$48,462 | \$48,462 | \$49,233 | \$50,126 | \$51,932 | \$53,179 | \$54,012 | \$54,872 | \$55,645 | \$57,530 | \$58,770 | \$60,127 | \$642,350 |
| Property Taxes | | \$160,612 | \$160,612 | \$160,612 | \$160,612 | \$160,612 | \$160,612 | \$160,612 | \$160,612 | \$160,612 | \$160,612 | \$160,612 | \$160,612 | \$1,927,339 |
| General Public Notice Expense & Customer Notice Expense | | \$0 | \$681 | \$1,737 | \$2,646 | \$0 | \$0 | \$3,028 | \$0 | \$676 | \$735 | \$566 | \$1,300 | \$11,370 |
| Total Expense | | \$348,570 | \$349,251 | \$352,019 | \$354,756 | \$354,416 | \$355,879 | \$368,419 | \$366,251 | \$367,700 | \$370,144 | \$375,779 | \$378,327 | \$4,341,509 |
| | | | | | | | | | | | | | | |
| Total Revenue Requirements | | \$923,382 | \$929,240 | \$940,895 | \$953,710 | \$960,831 | \$969,404 | \$990,645 | \$997,492 | \$1,008,096 | \$1,019,156 | \$1,031,731 | \$1,043,181 | \$11,767,761 |
| | | | | | | | | | | | | | | |
| Annual Revenue Requirement for Bare Steel Replacement Investment | | \$62,310 | \$62,310 | \$62,310 | \$62,310 | \$62,310 | \$62,310 | \$62,310 | \$62,310 | \$62,310 | \$62,310 | \$62,310 | \$62,317 | \$747,727 |
| Net Annual Revenue Requirements | | \$861,071.78 | \$866,930 | \$878,585 | \$891,400 | \$898,521 | \$907,094 | \$928,335 | \$935,182 | \$945,786 | \$956,846 | \$969,421 | \$980,864 | \$11,020,034 |
| | | , | | | | | | | | | | | | |
| GRIP Surcharge Revenues Collected Month | | | | | | | | | | | | | | |
| OKIF Surcharge Revenues Confected Month | • | \$ 1,087,884 | \$ 995,592 | \$ 921,502 | \$ 741,256 \$ | 706,771 \$ | 646,503 \$ | 645,968 \$ | 611,555 \$ | 610,392 \$ | 643,708 \$ | 764,402 \$ | 993,582 | \$9,369,115 |
| - | | | \$ 995,592 | \$ 921,502 | \$ 741,256 \$ | 706,771 \$ | 646,503 \$ | 645,968 \$ | 611,555 \$ | 610,392 \$ | 643,708 \$ | 764,402 \$ | | |
| Beginning True-Up | - | \$ 1,087,884 | | | | | | | , | | | | s | (1,965,077) |
| Beginning True-Up (Over) and Under Recovery for the Month | | \$ 1,087,884 (\$226,812) | (\$128,662) | (\$42,918) | \$150,145 | \$191,751 | \$260,591 | \$282,367 | \$323,627 | \$335,393 | \$313,138 | \$205,019 | \$ (\$12,718) \$ | (1,965,077) 1,650,921 |
| Beginning True-Up (Over) and Under Recovery for the Month Monthly Interest (Expense)/Income | | \$ 1,087,884 (\$226,812) \$ (2,764) | (\$128,662) \$ (2,914) | (\$42,918) \$ (3,357) | \$150,145 \$ (2,045) \$ | \$191,751 (298) \$ | \$260,591 (171) \$ | \$282,367 (131) \$ | \$323,627 (106) \$ | \$335,393 (70) \$ | \$313,138 (47) \$ | \$205,019 (33) \$ | \$ (\$12,718) \$ (26) \$ | (1,965,077) (1,650,921 (11,962) |
| Beginning True-Up (Over) and Under Recovery for the Month | \$ (1,965,077) | \$ 1,087,884 (\$226,812) \$ (2,764) | (\$128,662) | (\$42,918) \$ (3,357) | \$150,145 \$ (2,045) \$ | \$191,751 (298) \$ | \$260,591 | \$282,367 | \$323,627 (106) \$ | \$335,393 | \$313,138 | \$205,019 | \$ (\$12,718) \$ | (1,965,077) (1,650,921 (11,962) |
| Beginning True-Up (Over) and Under Recovery for the Month Monthly Interest (Expense)/Income Ending (Over) and Under Recovery | \$ (1,965,077) | \$ 1,087,884 (\$226,812) \$ (2,764) \$ (2,194,653) | (\$128,662) \$ (2,914) \$ (2,326,229) | (\$42,918) \$ (3,357) \$ (2,372,504) | \$150,145 \$ (2,045) \$ \$ (2,224,404) \$ | \$191,751 (298) \$ (2,032,951) \$ | \$260,591 (171) \$ (1,772,531) \$ | \$282,367 (131) \$ (1,490,295) \$ | \$323,627 (106) \$ (1,166,774) \$ | \$335,393 (70) \$ (831,451) \$ | \$313,138 (47) \$ (518,360) \$ | \$205,019 (33) \$ (313,374) \$ | (\$12,718) \$ (26) \$ (326,118) \$ | (1,965,077) (1,650,921 (11,962) |
| Beginning True-Up (Over) and Under Recovery for the Month Monthly Interest (Expense)/Income Ending (Over) and Under Recovery Beg of Month Annual Interest Rate | \$ (1,965,077) | \$ 1,087,884 (\$226,812) \$ (2,764) \$ (2,194,653) 1.59% | (\$128,662) \$ (2,914) \$ (2,326,229) | (\$42,918) \$ (3,357) \$ (2,372,504) | \$150,145 \$ (2,045) \$ \$ (2,224,404) \$ | \$191,751 (298) \$ (2,032,951) \$ 0.22% | \$260,591 (171) \$ (1,772,531) \$ 0.11% | \$282,367 (131) \$ (1,490,295) \$ 0.10% | \$323,627 (106) \$ (1,166,774) \$ | \$335,393 (70) \$ (831,451) \$ | \$313,138 (47) \$ (518,360) \$ | \$205,019 (33) \$ (313,374) \$ 0.09% | \$ (\$12,718) \$ (26) \$ (326,118) \$ 0.09% | (1,965,077) (1,650,921 (11,962) |
| Beginning True-Up (Over) and Under Recovery for the Month Monthly Interest (Expense)/Income Ending (Over) and Under Recovery Beg of Month Annual Interest Rate End of Month Annual Interest Rate | \$ (1,965,077) | \$ 1,087,884 (\$226,812) \$ (2,764) \$ (2,194,653) 1.59% 1.59% | (\$128,662) \$ (2,914) \$ (2,326,229) 1.59% 1.51% | (\$42,918) \$ (3,357) \$ (2,372,504) 1.51% 1.91% | \$150,145 \$ (2,045) \$ \$ (2,224,404) \$ 1.91% 0.22% | \$191,751 (298) \$ (2,032,951) \$ 0.22% 0.11% | \$260,591 (171) \$ (1,772,531) \$ 0.11% 0.10% | \$282,367 (131) \$ (1,490,295) \$ 0.10% 0.10% | \$323,627 (106) \$ (1,166,774) \$ 0.10% 0.08% | \$335,393 (70) \$ (831,451) \$ 0.08% 0.08% | \$313,138 (47) \$ (518,360) \$ 0.08% 0.09% | \$205,019 (33) \$ (313,374) \$ 0.09% 0.09% | \$ (\$12,718) \$ (26) \$ (326,118) \$ 0.09% 0.09% | (1,965,077) (1,650,921 (11,962) |
| Beginning True-Up (Over) and Under Recovery for the Month Monthly Interest (Expense)/Income Ending (Over) and Under Recovery Beg of Month Annual Interest Rate | \$ (1,965,077) | \$ 1,087,884 (\$226,812) \$ (2,764) \$ (2,194,653) 1.59% | (\$128,662) \$ (2,914) \$ (2,326,229) | (\$42,918) \$ (3,357) \$ (2,372,504) | \$150,145 \$ (2,045) \$ \$ (2,224,404) \$ | \$191,751 (298) \$ (2,032,951) \$ 0.22% | \$260,591 (171) \$ (1,772,531) \$ 0.11% | \$282,367 (131) \$ (1,490,295) \$ 0.10% | \$323,627 (106) \$ (1,166,774) \$ | \$335,393 (70) \$ (831,451) \$ | \$313,138 (47) \$ (518,360) \$ | \$205,019 (33) \$ (313,374) \$ 0.09% | \$ (\$12,718) \$ (26) \$ (326,118) \$ 0.09% | (1,965,077) (1,650,921 (11,962) |

Florida Public Utilities Company

Gas Reliability Infrastructure Program (GRIP)
Calculation of the Projected Revenue Requirements
January 1, 2021 through December 31, 2021

Schedule C-1
Exhibit____
Derrick M. Craig (DMC-1)
Page 3 of 18

| <u>Item</u> Oualified Investment | Beginning Balance | Actual <u>Jan</u> | Actual <u>Feb</u> | Actual <u>Mar</u> | Actual Apr | Actual <u>May</u> | Actual <u>Jun</u> | Actual <u>Jul</u> | Forecast Aug | Forecast Sep | Forecast Oct | Forecast Nov | Forecast Dec | Year End Total/Balance |
|--|---------------------------------|---|--|--|--|---|---|--|---|---|---|--|---|---------------------------------|
| Qualified Investment - Mains - Current Year 1070 Activity Qualified Investment - Mains - Closed 1070 Activity to Plant | | \$393,201 (\$258,833) | \$927,550 (\$365,208) | \$2,641,469 (\$834,283) | \$987,673 (\$50,268) | \$1,135,798 (\$63,741) | \$1,065,600 (\$1,571,531) | \$1,224,145 (\$227,251) | \$1,108,500 (\$1,108,500) | \$979,000 (\$979,000) | \$1,683,000 (\$1,683,000) | \$1,265,000 (\$1,265,000) | \$662,000 (\$662,000) | \$14,072,936 (\$9,068,615) |
| Qualified Investment - Services - Current Year 1070 Activity | | (\$112,371) | \$602,390 | \$1,794,909 | \$433,091 | \$566,755 | \$529,311 | \$831,634 | \$730,000 | \$680,000 | \$680,000 | \$530,000 | \$280,000 | \$7,545,719 |
| Qualified Investment - Services - Closed 1070 Activity to Plant Qualified Investment - Mains - Current 1010 Activity | | (\$350,577) \$258,833 | (\$602,390) \$365,208 | (\$1,794,916) \$834,283 | (\$433,091) \$50,268 | \$47 \$63,741 | (\$529,311) \$1,571,531 | (\$831,529) \$227,251 | (\$730,000) \$1,108,500 | (\$680,000) \$979,000 | (\$680,000) \$1,683,000 | (\$530,000) \$1,265,000 | (\$280,000) \$662,000 | (\$7,441,767) \$9,068,615 |
| Qualified Investment - Nams - Current 1010 Activity Qualified Investment - Services - Current 1010 Activity | | \$350,577 | \$602,390 | \$1,794,916 | \$433,091 | (\$47) | \$529,311 | \$831,529 | \$730,000 | \$680,000 | \$680,000 | \$530,000 | \$280,000 | \$7,441,767 |
| ~ , | | ********** | | 41,111,111 | 4.00,000 | (+11) | ******** | ****** | ******* | , | , | 4444,444 | 1-00,000 | 41,112,111 |
| Total Qualified Investment - Mains 1070 | \$1,917,923 | \$2,052,291 | \$2,614,633 | \$4,421,819 | \$5,359,224 | \$6,431,281 | \$5,925,350 | \$6,922,244 | \$6,922,244 | \$6,922,244 | \$6,922,244 | \$6,922,244 | \$6,922,244 | \$6,922,244 |
| Total Qualified Investment - Service 1070 | \$477,904 | \$14,956 | \$14,956 | \$14,949 | \$14,949 | \$581,752 | \$581,752 | \$581,856 | \$581,856 | \$581,856 | \$581,856 | \$581,856 | \$581,856 | \$581,856 |
| Total Qualified Investment - Mains 1010 Total Qualified Investment - Service 1010 | \$89,609,177 \$33,294,745 | \$89,868,010 \$33,645,322 | \$90,233,218 \$34,247,713 | \$91,067,501 \$36,042,628 | \$91,117,769 \$36,475,719 | \$91,181,511 \$36,475,672 | \$92,753,042 \$37,004,983 | \$92,980,293 \$37,836,512 | \$94,088,793 \$38,566,512 | \$95,067,793 \$39,246,512 | \$96,750,793 \$39,926,512 | \$98,015,793 \$40,456,512 | \$98,677,793 \$40,736,512 | \$98,677,793 \$40,736,512 |
| Total Qualified Investment Total Qualified Investment | \$125,299,750 | \$125,580,579 | \$127,110,520 | \$131,546,898 | | \$134,670,215 | \$136,265,126 | \$138,320,905 | | \$141,818,405 | \$144,181,405 | \$145,976,405 | \$146,918,405 | \$146,918,405 |
| * | | | | | | | | | | | | | | |
| Less: Accumulated Depreciation Net Book Value | (\$12,473,203) \$112.826.547 | (\$12,691,060) \$112,889,520 | (\$12,910,012) \$114,200,508 | (\$13,130,707) \$118,416,191 | (\$13,356,154) \$119.611.508 | (\$13,582,482) \$121,087,733 | (\$13,808,922) \$122,456,205 | (\$14,039,082) \$124,281,823 | (\$14,271,164) \$125,888,241 | (\$14,506,525) \$127,311,880 | (\$14,744,846) \$129,436,559 | (\$14,987,358) \$130,989,047 | (\$15,233,056) \$131,685,349 | (\$15,233,056) \$131,685,349 |
| Net Book value | \$112,826,547 | \$112,889,520 | \$114,200,508 | \$118,410,191 | \$119,611,508 | \$121,087,733 | \$122,456,205 | \$124,281,823 | \$125,888,241 | \$127,311,880 | \$129,436,559 | \$130,989,047 | \$131,085,349 | \$131,085,349 |
| Average Net Qualified Investment | | \$112,858,033 | \$113,545,014 | \$116,308,349 | \$119,013,849 | \$120,349,621 | \$121,771,969 | \$123,369,014 | \$125,085,032 | \$126,600,060 | \$128,374,220 | \$130,212,803 | \$131,337,198 | |
| Depreciation Rates | | | | | | | | | | | | | | |
| Approved Depreciation Rate-Mains | | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | |
| Approved Depreciation Rate-Services | | 2.20% | 2.20% | 2.20% | 2.20% | 2.20% | 2.20% | 2.20% | 2.20% | 2.20% | 2.20% | 2.20% | 2.20% | |
| Return on Average Net Qualified Investment | | | | | | | | | | | | | | |
| Equity - Cost of Capital, inclusive of Income Tax Gross-up | | 5.34% | 5.34% | 5.34% | 5.34% | 5.34% | 5.34% | 5.34% | 5.34% | 5.34% | 5.34% | 5.34% | 5.34% | |
| Debt - Cost of Capital | | 1.58% | 1.58% | 1.58% | 1.58% | 1.58% | 1.58% | 1.58% | 1.58% | 1.58% | 1.58% | 1.58% | 1.58% | |
| Equity Component - inclusive of Income Tax Gross-up | | \$502,218 | \$505,275 | \$517,572 | \$529,612 | \$535,556 | \$541,885 | \$548,992 | \$556,628 | \$563,370 | \$571,265 | \$579,447 | \$584,451 | \$6,536,271 |
| Debt Component | | \$148,596 | \$149,501 | \$153,139 | \$156,702 | \$158,460 | \$160,333 | \$162,436 | \$164,695 | \$166,690 | \$169,026 | \$171,447 | \$172,927 | \$1,933,952 |
| Return Requirement | | \$650,814 | \$654,776 | \$670,711 | \$686,314 | \$694,016 | \$702,218 | \$711,428 | \$721,323 | \$730,060 | \$740,291 | \$750,894 | \$757,378 | \$8,470,223 |
| Investment Expenses | | | | | | | | | | | | | | |
| Depreciation Expense - Mains | | \$156,816 | \$157,269 | \$157,908 | \$159,368 | \$159,456 | \$159,568 | \$162,318 | \$162,716 | \$164,655 | \$166,369 | \$169,314 | \$171,528 | \$1,947,284 |
| Depreciation Expense - Services | | \$61,040 | \$61,683 | \$62,787 | \$66,078 | \$66,872 | \$66,872 | \$67,842 | \$69,367 | \$70,705 | \$71,952 | \$73,199 | \$74,170 | \$812,569 |
| Property Taxes | | \$188,044 \$0 | \$188,044 \$0 | \$188,044 \$4,272 | \$188,044 \$0 | \$188,044 \$0 | \$188,044 \$0 | \$188,044 \$490 | \$188,044 \$833 | \$188,044 \$833 | \$188,044 \$833 | \$188,044 \$833 | \$188,044 \$833 | \$2,256,531 \$8,927 |
| General Public Notice Expense & Customer Notice Expense Total Expense | • | \$405,901 | \$406,996 | \$4,272 | \$413,491 | \$414,372 | \$414,484 | \$490 \$418,694 | \$420,960 | \$424,238 | \$427,198 | \$431,390 | \$434,575 | \$5,025,311 |
| | • | | T.00,550 | - | | | + · · · · · · · · · | | | • | 2.2., | | 7.0.1,0.1 | |
| Total Revenue Requirements | | \$1,056,715 | \$1,061,772 | \$1,083,723 | \$1,099,805 | \$1,108,388 | \$1,116,702 | \$1,130,122 | \$1,142,283 | \$1,154,298 | \$1,167,489 | \$1,182,284 | \$1,191,953 | \$13,495,534 |
| Annual Revenue Requirement for Bare Steel Replacement Investment | | \$62,310 | \$62,310 | \$62,310 | \$62,310 | \$62,310 | \$62,310 | \$62,310 | \$62,310 | \$62,310 | \$62,310 | \$62,310 | \$62,317 | \$747,727 |
| Net Annual Revenue Requirements | | \$994,405 | \$999,462 | \$1,021,413 | \$1,037,495 | \$1,046,078 | \$1,054,392 | \$1,067,812 | \$1,079,973 | \$1,091,988 | \$1,105,179 | \$1,119,974 | \$1,129,636 | \$12,747,807 |
| GRIP Surcharge Revenues Collected Month | | | | | | | #45.005 A | | | 502 coo o | | 040.542 | 4.040.040 | \$10,691,045 |
| Tax Factor | | \$ 1,264,922 | \$ 1,062,109 | \$ 999,379 | \$ 989,601 \$ | 852,682 \$ | 745,895 \$ | 752,769 \$ | 701,594 \$ | 702,699 \$ | 706,871 \$ | 848,563 | 1,063,962 | |
| Net GRIP Surcharge Revenue Collected | _ | \$ 1,264,922 1.00503 | \$ 1,062,109 1.00503 | 1.00503 | \$ 989,601 \$ 1.00503 | 852,682 \$ 1.00503 | 745,895 \$ 1.00503 | 752,769 \$ 1.00503 | 701,594 \$ 1.00503 | 702,699 \$ 1.00503 | 706,871 \$ 1.00503 | 1.00503 | 1,063,962 | \$10,071,043 |
| y . | | 1.00503 | 1.00503 | 1.00503 | | | 1.00503 | | 1.00503 | | | 1.00503 | 1.00503 | \$10,071,045 |
| Beginning True-Up | | 1.00503 \$ 1,258,591 | 1.00503 \$ 1,056,793 | 1.00503 \$ 994,377 | 1.00503 \$ 984,649 \$ | 1.00503 848,414 \$ | 1.00503 742,162 \$ | 1.00503 749,002 \$ | 1.00503 698,083 \$ | 1.00503 699,182 \$ | 1.00503 703,333 \$ | 1.00503 844,316 | 1.00503 1,058,637 | (326,118) |
| Beginning True-Up (Over) and Under Recovery for the Month | | 1.00503 \$ 1,258,591 (\$264,186) | 1.00503 \$ 1,056,793 (\$57,331) | \$ 994,377 \$ 27,036 | 1.00503 \$ 984,649 \$ \$52,846 | 1.00503 848,414 \$ \$197,664 | 1.00503 742,162 \$ \$312,230 | 1.00503 749,002 \$ \$318,811 | 1.00503 698,083 \$ \$381,890 | 1.00503 699,182 \$ \$392,806 | 1.00503 703,333 \$ \$401,846 | 1.00503 8 844,316 \$ \$275,658 | 1.00503 1,058,637 \$ \$70,999 \$ | (326,118) 2,110,269 |
| Beginning True-Up | \$ (326,118) | 1.00503 \$ 1,258,591 (\$264,186) \$ (32) | 1.00503 \$ 1,056,793 (\$57,331) | \$ 994,377 \$ 27,036 | 1.00503 \$ 984,649 \$ | 1.00503 848,414 \$ | 1.00503 742,162 \$ \$312,230 (6) \$ | 1.00503 749,002 \$ | 1.00503 698,083 \$ | 1.00503 699,182 \$ | 1.00503 703,333 \$ | 1.00503 844,316 | 1.00503 1,058,637 | (326,118) |
| Beginning True-Up (Over) and Under Recovery for the Month Monthly Interest (Expense)/Income Ending (Over) and Under Recovery | | 1.00503 \$ 1,258,591 (\$264,186) \$ (32) \$ (590,336) | 1.00503 \$ 1,056,793 (\$57,331) \$ (31) \$ (647,698) | 1.00503 \$ 994,377 \$27,036 \$ (25) \$ (620,687) | 1.00503 \$ 984,649 \$ \$52,846 \$ (18) \$ \$ (567,859) \$ | \$1,00503 848,414 \$ \$197,664 (14) \$ (370,209) \$ | 1.00503 742,162 \$ \$312,230 (6) \$ (57,985) \$ | 1.00503 749,002 \$ \$318,811 4 \$ 260,830 \$ | 1.00503 698,083 \$ \$381,890 18 \$ 642,737 \$ | 1.00503 699,182 \$ \$392,806 34 \$ 1,035,578 \$ | 1.00503 703,333 \$ \$401,846 49 \$ 1,437,472 \$ | 1.00503 844,316 \$ \$275,658 6 63 \$ 1,713,193 \$ | 1.00503 1,058,637 \$ \$70,999 \$ \$ 70 \$ \$ 1,784,263 \$ | (326,118) 2,110,269 112 |
| Beginning True-Up (Over) and Under Recovery for the Month Monthly Interest (Expense)/Income | | 1.00503 \$ 1,258,591 (\$264,186) \$ (32) | 1.00503 \$ 1,056,793 (\$57,331) \$ (31) | \$ 994,377 \$ 27,036 \$ (25) | \$ 984,649 \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ | 1.00503 848,414 \$ \$197,664 (14) \$ | 1.00503 742,162 \$ \$312,230 (6) \$ | 1.00503 749,002 \$ \$318,811 4 \$ | 1.00503 698,083 \$ \$381,890 18 \$ | 1.00503 699,182 \$ \$392,806 34 \$ | 1.00503 703,333 \$ \$401,846 49 \$ | 1.00503 844,316 \$ \$275,658 6 63 \$ | 1.00503 1,058,637 \$ \$70,999 \$ \$ 70 \$ | (326,118) 2,110,269 112 |
| Beginning True-Up (Over) and Under Recovery for the Month Monthly Interest (Expense)/Income Ending (Over) and Under Recovery Beg of Month Annual Interest Rate | | 1.00503 \$ 1,258,591 (\$264,186) \$ (32) \$ (590,336) | 1.00503 \$ 1,056,793 (\$57,331) \$ (31) \$ (647,698) | 1.00503 \$ 994,377 \$27,036 \$ (25) \$ (620,687) | 1.00503 \$ 984,649 \$ \$ \$52,846 \$ (18) \$ \$ (567,859) \$ | 1.00503 848,414 \$ \$197,664 (14) \$ (370,209) \$ | 1.00503 742,162 \$ \$312,230 (6) \$ (57,985) \$ | 1.00503 749,002 \$ \$318,811 4 \$ 260,830 \$ | 1.00503 698,083 \$ \$381,890 18 \$ 642,737 \$ | 1.00503 699,182 \$ \$392,806 34 \$ 1,035,578 \$ | 1.00503 703,333 \$ \$401,846 49 \$ 1,437,472 \$ | 1.00503 6 844,316 \$ \$275,658 6 63 \$ 6 1,713,193 \$ 0.05% | 1.00503 1,058,637 \$ \$70,999 \$ \$ 70 \$ \$ 1,784,263 \$ | (326,118) 2,110,269 112 |

Florida Public Utilities Company Gas Reliability Infrastructure Program (GRIP) Calculation of the Projected Revenue Requirements January 1, 2022 through December 31, 2022

Schedule C-2

| <u>Item</u> | Beginning Balance | Forecast <u>Jan</u> | Forecast Feb | Forecast <u>Mar</u> | Forecast Apr | Forecast <u>May</u> | Forecast <u>Jun</u> | Forecast <u>Jul</u> | Forecast Aug | Forecast Sep | Forecast Oct | Forecast Nov | Forecast Dec | Year End Total/Balance |
|---|----------------------|------------------------|-----------------|------------------------|-----------------|------------------------|------------------------|------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|---------------------------|
| Qualified Investment Oualified Investment - Mains - Current Year 1070 Activity | | \$488,571 | \$488,571 | \$488,571 | \$488,571 | \$488.571 | \$488.571 | \$488.571 | \$0 | \$0 | \$0 | \$0 | \$0 | \$3,420,000 |
| Qualified Investment - Mains - Closed 1070 Activity Qualified Investment - Mains - Closed 1070 Activity to Plant | | (\$488,571) | (\$488,571) | (\$488,571) | (\$488,571) | (\$488,571) | (\$488,571) | (\$488,571) | \$0 \$0 | \$0 \$0 | \$0 \$0 | \$0 \$0 | \$0 \$0 | (\$3,420,000) |
| Qualified Investment - Services - Current Year 1070 Activity | | \$267,789 | \$267,789 | \$267,789 | \$267,789 | \$267,789 | \$267,789 | \$267,789 | \$0 | \$0 | \$0 | \$0 | \$0 | \$1.874.520 |
| Qualified Investment - Services - Closed 1070 Activity to Plant | | (\$267,789) | (\$267,789) | (\$267,789) | (\$267,789) | (\$267,789) | (\$267,789) | (\$267,789) | \$0 | \$0 | \$0 | \$0 | \$0 | (\$1,874,520) |
| Qualified Investment - Mains - Current 1010 Activity | | \$488,571 | \$488,571 | \$488,571 | \$488,571 | \$488,571 | \$488,571 | \$488,571 | \$0 | \$0 | \$0 | \$0 | \$0 | \$3,420,000 |
| Qualified Investment - Services - Current 1010 Activity | | \$267,789 | \$267,789 | \$267,789 | \$267,789 | \$267,789 | \$267,789 | \$267,789 | \$0 | \$0 | \$0 | \$0 | \$0 | \$1,874,520 |
| | | | | | | | | | | | | | | |
| Total Qualified Investment - Mains 1070 | \$6,922,244 | \$6,922,244 | \$6,922,244 | \$6,922,244 | \$6,922,244 | \$6,922,244 | \$6,922,244 | \$6,922,244 | \$6,922,244 | \$6,922,244 | \$6,922,244 | \$6,922,244 | \$6,922,244 | \$6,922,244 |
| Total Qualified Investment - Service 1070 | \$581,856 | \$581,856 | \$581,856 | \$581,856 | \$581,856 | \$581,856 | \$581,856 | \$581,856 | \$581,856 | \$581,856 | \$581,856 | \$581,856 | \$581,856 | \$581,856 |
| Total Qualified Investment - Mains 1010 | \$98,677,793 | \$99,166,364 | \$99,654,936 | \$100,143,507 | \$100,632,079 | \$101,120,650 | \$101,609,221 | \$102,097,793 | \$102,097,793 | \$102,097,793 | \$102,097,793 | \$102,097,793 | \$102,097,793 | \$102,097,793 |
| Total Qualified Investment - Service 1010 | \$40,736,512 | \$41,004,301 | \$41,272,089 | \$41,539,878 | \$41,807,667 | \$42,075,455 | \$42,343,244 | \$42,611,032 | \$42,611,032 | \$42,611,032 | \$42,611,032 | \$42,611,032 | \$42,611,032 | \$42,611,032 |
| Total Qualified Investment | \$146,918,405 | \$147,674,765 | \$148,431,125 | \$149,187,485 | \$149,943,845 | \$150,700,205 | \$151,456,565 | \$152,212,925 | \$152,212,925 | \$152,212,925 | \$152,212,925 | \$152,212,925 | \$152,212,925 | \$152,212,925 |
| Less: Accumulated Depreciation | (\$15,233,056) | (\$15,480,426) | (\$15,729,141) | (\$15,979,203) | (\$16,230,611) | (\$16,483,364) | (\$16,737,464) | (\$16,992,909) | (\$17,249,700) | (\$17,506,492) | (\$17,763,283) | (\$18,020,075) | (\$18,276,866) | (\$18,276,866) |
| Net Book Value | \$131,685,349 | \$132,194,339 | \$132,701,984 | \$133,208,282 | \$133,713,234 | \$134,216,841 | \$134,719,101 | \$135,220,016 | \$134,963,225 | \$134,706,433 | \$134,449,642 | \$134,192,851 | \$133,936,059 | \$133,936,059 |
| | | | | | | | | | | | | | | |
| Average Net Qualified Investment | • | \$131,939,844 | \$132,448,161 | \$132,955,133 | \$133,460,758 | \$133,965,038 | \$134,467,971 | \$134,969,559 | \$135,091,620 | \$134,834,829 | \$134,578,038 | \$134,321,246 | \$134,064,455 | |
| Depreciation Rates | | | | | | | | | | | | | | |
| Approved Depreciation Rate-Mains | | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | |
| Approved Depreciation Rate-Services | | 2.20% | 2.20% | 2.20% | 2.20% | 2.20% | 2.20% | 2.20% | 2.20% | 2.20% | 2.20% | 2.20% | 2.20% | |
| Return on Average Net Qualified Investment | | | | | | | | | | | | | | |
| Equity - Cost of Capital, inclusive of Income Tax Gross-up | | 5.34% | 5.34% | 5.34% | 5.34% | 5.34% | 5.34% | 5.34% | 5.34% | 5.34% | 5.34% | 5.34% | 5.34% | |
| Debt - Cost of Capital | | 1.58% | 1.58% | 1.58% | 1.58% | 1.58% | 1.58% | 1.58% | 1.58% | 1.58% | 1.58% | 1.58% | 1.58% | |
| Equity Component - inclusive of Income Tax Gross-up | | \$587,098 | \$589,360 | \$591,616 | \$593,866 | \$596,110 | \$598,347 | \$600,579 | \$601,123 | \$599,980 | \$598,837 | \$597,695 | \$596,552 | \$7,151,161 |
| Debt Component | | \$173,721 | \$174,390 | \$175,058 | \$175,723 | \$176,387 | \$177,049 | \$177,710 | \$177,871 | \$177,533 | \$177,194 | \$176,856 | \$176,518 | \$2,116,011 |
| Return Requirement | | \$760,819 | \$763,750 | \$766,673 | \$769,589 | \$772,497 | \$775,397 | \$778,289 | \$778,993 | \$777,512 | \$776,032 | \$774,551 | \$773,070 | \$9,267,172 |
| Investment Expenses | | | | | | | | | | | | | | |
| Depreciation Expense - Mains | | \$172,686 | \$173,541 | \$174,396 | \$175,251 | \$176,106 | \$176,961 | \$177.816 | \$178.671 | \$178,671 | \$178.671 | \$178.671 | \$178,671 | \$2,120,114 |
| Depreciation Expense - Services | | \$74,684 | \$75,175 | \$75,665 | \$76,156 | \$76,647 | \$77,138 | \$77,629 | \$78,120 | \$78,120 | \$78,120 | \$78,120 | \$78,120 | \$923,696 |
| Property Taxes | | \$219,476 | \$219,476 | \$219,476 | \$219,476 | \$219,476 | \$219,476 | \$219,476 | \$219,476 | \$219,476 | \$219,476 | \$219,476 | \$219,476 | \$2,633,707 |
| General Public Notice Expense & Customer Notice Expense | | \$833 | \$833 | \$833 | \$833 | \$833 | \$833 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$4,998 |
| Total Expense | · | \$467,678 | \$469,024 | \$470,370 | \$471,716 | \$473,062 | \$474,408 | \$474,921 | \$476,267 | \$476,267 | \$476,267 | \$476,267 | \$476,267 | \$5,682,515 |
| Total Revenue Requirements | i | \$1,228,497 | \$1,232,774 | \$1,237,044 | \$1,241,305 | \$1,245,559 | \$1,249,805 | \$1,253,210 | \$1,255,260 | \$1,253,779 | \$1,252,299 | \$1,250,818 | \$1,249,337 | \$14,949,687 |
| Annual Revenue Requirement for Bare Steel Replacement Investment | | \$62,310 | \$62,310 | \$62,310 | \$62,310 | \$62,310 | \$62,310 | \$62,310 | \$62,310 | \$62,310 | \$62,310 | \$62,310 | \$62,317 | \$747,727 |
| Net Annual Revenue Requirements | | \$1,166,187 | \$1,170,464 | \$1.174.734 | \$1.178.995 | \$1.183.249 | \$1.187.495 | \$1,190,900 | \$1.192.950 | \$1.191.469 | \$1.189.989 | \$1.188.508 | \$1.187.020 | \$14.201.960 |
| | į | ,,-0/ | ,,-01 | 4-,,- | ********* | 7-,,12 | *********** | 4-,,-,- | , | ,,-07 | ******** | 7-,,70 | ,,-20 | 4,2,. 50 |

Florida Public Utilities Company

Gas Reliability Infrastructure Program (GRIP)
Projection of Qualified Mains & Services Revenue Requirements
Surcharge Calculation - January 1, 2022 through December 31, 2022
Per Therm Rate

Schedule D-1
Exhibit____
Derrick M. Craig (DMC-1)
Page 5 of 18

1. 1/1/22-12/31/22 Qualified Mains & Services Replacement Revenue Requirements \$ 14,201,960 Mains \$10,509,450 Services \$3,692,510 \$14,201,960 Net 2. TRUE-UP from Prior Period (Over)/Under Recovery Estimated thru 12/2021 1,784,263 3. 2022 Qualified Mains & Services Replacement Revenue Requirements 15,986,222 \$11,829,805 Mains 74% Services 26% \$4,156,418 \$15,986,222 Net

| RATE SCHEDULE | 2022 THERMS | SERVICES COS % | MAINS COS % | SERVICES REV REQ | MAINS REV REQ | GRIP REV REQ | DOLLARS PER THERM | TAX FACTOR | GRIP FACTORS PER THERM | TYPICAL ANNUAL THERMS | ANNUAL COST | AVERAGE MONTHLY COST |
|---|----------------|-------------------|----------------|---------------------|------------------|-----------------|-------------------------|---------------|------------------------------|-----------------------------|----------------|----------------------------|
| RESIDENTIAL | 15,923,694 | 58.00% | 22.00% | \$2,410,722 | \$2,602,557 | \$5,013,279 | \$0.31483 | 1.00503 | \$0.31642 | 250 | \$79.10 | \$6.59 |
| COMMERCIAL SMALL (General Service & GS Transportation & NGVS &NGVTS) | 14,999,052 | 17.00% | 23.00% | \$706,591 | \$2,720,855 | \$3,427,446 | \$0.22851 | 1.00503 | \$0.22966 | 2,500 | \$574.15 | \$47.85 |
| COMM. LRG VOLUME (Large Vol & LV Transportation) | 40,687,436 | 25.00% | 46.00% | \$1,039,104 | \$5,441,710 | \$6,480,815 | \$0.15928 | 1.00503 | \$0.16008 | 25,000 | \$4,002.10 | \$333.51 |
| INTERRUPTIBLE SERVICE (Int Service & IS Transportation) | 9,974,467 | 0.00% | 8.00% | \$0 | \$946,384 | \$946,384 | \$0.09488 | 1.00503 | \$0.09536 | 50,000 | \$4,767.90 | \$397.32 |
| GENERAL LIGHTING SERVICE (Gen Light Service & GLS Transportation) | 104,246 | 0.00% | 1.00% | \$0 | \$118,298 | \$118,298 | \$1.13480 | 1.00503 | \$1.14051 | 500 | \$570.25 | \$47.52 |

| TOTAL 81,688,895 100% 100% 4,156,418 11,829,805 15,986,222 | | | | | | | |
|--|-------|------------|------|------|-----------|------------|------------|
| | TOTAL | 81,688,895 | 100% | 100% | 4.130.410 | 11.047.003 | 15,986,222 |

FPU

| 2020 YE Forecast Survell | iance (13-month average) at ROE% midpoint | | | | | | |
|--------------------------|---|-------------|---------------|-------------------------|-------------|-----------|---------------|
| | | Pro-Rata | Specific | | | | |
| | Per Book | Adjustment | Adjustment | Adjusted Balance | Cap Ratio C | Cost Rate | Weighted Cost |
| Common Equity | \$101,415,776 | \$1,005,691 | (\$2,469,682) | \$99,951,785 | 36.85% | 10.85% | 4.00% |
| Long Term Debt - CU | \$75,910,586 | \$752,769 | \$0 | \$76,663,355 | 28.27% | 3.69% | 1.04% |
| Short Term Debt | \$38,252,388 | \$379,330 | \$0 | \$38,631,718 | 14.24% | 1.83% | 0.26% |
| Long Term Debt - FC | \$4,759,969 | \$47,202 | \$0 | \$4,807,171 | 1.77% | 11.34% | 0.20% |
| Customer Deposits | \$8,578,228 | \$0 | \$0 | \$8,578,228 | 3.16% | 2.44% | 0.08% |
| Deffered Income Taxes | \$42,574,783 | \$0 | \$0 | \$42,574,783 | 15.70% | 0.00% | 0.00% |
| | | | | | | | |
| Total | \$271,491,730 | \$2,184,992 | (\$2,469,682) | \$271,207,040 | 100% | | 5.58% |

| 2020 YE Forecast Survel | liance with ADFIT | Consistency and Prorat | ion Adjustments (: | 13-month averag | ge) | | | | |
|-------------------------|-------------------|-------------------------------|-----------------------|-----------------|---------------|------------------|--------------|----------|---------------|
| | | Consistency and Pro- | | Pro-Rata | Specific | | | | |
| | Per Book | Rata Adjustment | Books Adjusted | Adjustment | Adjustment | Adjusted Balance | Cap Ratio Co | ost Rate | Weighted Cost |
| Common Equity | \$101,415,776 | (\$496,880) | \$100,918,896 | \$1,005,691 | (\$2,469,682) | \$99,454,905 | 36.67% | 10.85% | 3.98% |
| Long Term Debt - CU | \$75,910,586 | (\$371,919) | \$75,538,667 | \$752,769 | \$0 | \$76,291,436 | 28.13% | 3.69% | 1.04% |
| Short Term Debt | \$38,252,388 | (\$187,415) | \$38,064,973 | \$379,330 | \$0 | \$38,444,303 | 14.18% | 1.83% | 0.26% |
| Long Term Debt - FC | \$4,759,969 | (\$23,321) | \$4,736,647 | \$47,202 | \$0 | \$4,783,849 | 1.76% | 11.34% | 0.20% |
| Customer Deposits | \$8,578,228 | | \$8,578,228 | \$0 | \$0 | \$8,578,228 | 3.16% | 2.44% | 0.08% |
| Deffered Income Taxes | \$42,574,783 | \$1,079,535 | \$43,654,318 | \$0 | \$0 | \$43,654,318 | 16.10% | 0.00% | 0.00% |
| | | | | | | | | | |
| Total | \$271,491,730 | | \$271,491,730 | \$2,184,992 | (\$2,469,682) | \$271,207,040 | 100% | | 5.55% |

| _ | Month | Fotal Deferred Income Tax Balance | Deprec Related ADFIT Balance | Deprec Related ADFIT Activity | | Future Days in Period | Prorated Deprec- Related ADFIT Activity | Prorated Deprec- Related ADFIT Balance |
|------------------------|--------|--------------------------------------|---------------------------------|----------------------------------|-----|--------------------------|---|--|
| Projected | Dec-21 | 32,509,822 | 33,498,120 | | | | | 33,498,120 |
| Projected | Jan-22 | 32,607,584 | 33,598,854 | 100,734 | 31 | 336 | 92,730 | 33,590,851 |
| Projected | Feb-22 | 32,705,346 | 33,699,588 | 100,734 | 28 | 308 | 85,003 | 33,675,854 |
| Projected | Mar-22 | 32,803,108 | 33,800,322 | 100,734 | 31 | 277 | 76,447 | 33,752,301 |
| Projected | Apr-22 | 32,900,870 | 33,901,056 | 100,734 | 30 | 247 | 68,168 | 33,820,469 |
| Projected | May-22 | 32,998,632 | 34,001,790 | 100,734 | 31 | 216 | 59,612 | 33,880,082 |
| Projected | Jun-22 | 33,096,394 | 34,102,524 | 100,734 | 30 | 186 | 51,333 | 33,931,414 |
| Projected | Jul-22 | 33,194,156 | 34,203,258 | 100,734 | 31 | 155 | 42,777 | 33,974,192 |
| Projected | Aug-22 | 33,291,918 | 34,303,992 | 100,734 | 31 | 124 | 34,222 | 34,008,414 |
| Projected | Sep-22 | 33,389,680 | 34,404,726 | 100,734 | 30 | 94 | 25,942 | 34,034,356 |
| Projected | Oct-22 | 33,487,442 | 34,505,460 | 100,734 | 31 | 63 | 17,387 | 34,051,743 |
| Projected | Nov-22 | 33,585,204 | 34,606,194 | 100,734 | 30 | 33 | 9,107 | 34,060,851 |
| Projected | Dec-22 | 33,682,966 | 34,706,928 | 100,734 | 31 | 2 | 552 | 34,061,403 |
| · <u> </u> | | 33,096,394 | 34,102,524 | 1,208,808 | 365 | • | 563,282 | 33,872,312 |
| 2020 YE Surveil Bal. | _ | 42,574,783 | 32,792,777 | | | | 13-Month Avg. Bal | 34,102,524 |
| Consistency Adjustment | _ | (9,478,389) | 1,309,747 | * | | | Proration Adj. | (230,213) |
| Proration Adjustment | | | (230,213) | | | | | |
| Total Adjustment | | • | 1,079,535 | • | | | | |

^{*} Positive variance shows that the limitation provision is met.

Schedule E-1
Exhibit____

Derrick M. Craig (DMC-1)
Page 6 of 18

Gas Reliability Infrastructure Program (GRIP)
Calculation of Equity and Debt Returns

Schedule A-1
Exhibit____
Derrick M. Craig (DMC-1)
Page 7 of 18

| Earnings | Surveillance | Report - | December | 31, 2020 |
|----------|--------------|----------|----------|----------|
| | | | | |

| Survemance Report - December 51, 2020 | |
|--|--------|
| Equity Cost Rate | 10.80% |
| Weighted Equity Cost Rate | 4.06% |
| Revenue Expansion Factor | 1.334 |
| Weighted Equity Cost Rate , times Revenue Expansion Factor | 5.42% |
| Long Term Debt-CU | 1.09% |
| Short Term Debt | 0.26% |
| Short Term Debt-Refinanced LTD | 0.00% |
| Customer Deposits | 0.03% |
| Tax Credits-Weighted Cost | 0.00% |
| Weighted Debt Cost Rate | 1.38% |
| Overall Weighted Cost Rate | 5.44% |
| | |

Gas Reliability Infrastructure Program (GRIP)
Calculation of the Projected Revenue Requirements
January 1, 2020 through December 31, 2020

Schedule B-1
Exhibit____
Derrick M. Craig (DMC - 1)
Page 8 of 18

| <u>Item</u> | Beginning Balance | Actual <u>Jan</u> | Actual <u>Feb</u> | Actual <u>Mar</u> | Actual Apr | Actual <u>May</u> | Actual <u>Jun</u> | Actual <u>Jul</u> | Actual Aug | Actual Sep | Actual Oct | Actual <u>Nov</u> | Actual <u>Dec</u> | Year End <u>Total</u> |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Qualified Investment Qualified Investment - Mains - Current 1070 Activity | | \$47,862 | \$376,659 | \$266,052 | \$291,428 | \$197,549 | \$279,925 | \$170,618 | \$211,077 | \$189,729 | \$346,832 | \$203,088 | \$97,176 | \$2,677,997 |
| Qualified Investment - Mains - Closed 1070 Activity to Plant | | \$0 | \$0 | (\$131,609) | (\$951,848) | (\$474,620) | (\$633) | \$170,010 | (\$47,493) | (\$275,215) | (\$124,886) | (\$39,892) | (\$56,129) | (\$2,102,325) |
| Qualified Investment - Services - Current 1070 Activity | | \$3,331 | \$26,703 | \$23,888 | \$24,006 | \$49,368 | \$39,848 | \$84,172 | (\$46,376) | \$43,317 | \$27,153 | \$118,645 | \$37,105 | \$431,160 |
| Qualified Investment - Services - Closed 1070 Activity to Plant | | \$0 | \$0 | (\$43,056) | (\$14,035) | (\$49,505) | (\$41,536) | (\$21,915) | (\$16,343) | (\$61,869) | (\$27,151) | (\$118,676) | (\$37,105) | (\$431,189) |
| Qualified Investment - Mains - Current 1010 Activity Qualified Investment - Services - Current 1010 Activity | | \$0 \$0 | \$0 \$0 | \$131,609 \$43,056 | \$951,848 \$14,035 | \$474,620 \$49,505 | \$633 \$41,536 | \$0 \$21,915 | \$47,493 \$16,343 | \$275,215 \$61,869 | \$124,886 \$27,151 | \$39,892 \$118,676 | \$56,129 \$37,105 | \$2,102,325 \$431,189 |
| Qualified investment - Services - Current 1010 Activity | | 50 | 30 | \$45,050 | 314,033 | 349,505 | 341,330 | 321,913 | \$10,545 | \$01,009 | \$27,131 | 3110,070 | 337,103 | 5431,169 |
| Total Qualified Investment - Mains 1070 | \$418,598 | \$466,461 | \$843,120 | \$977,563 | \$317,143 | \$40,072 | \$319,365 | \$489,983 | \$653,566 | \$568,080 | \$790,027 | \$953,223 | \$994,270 | \$994,270 |
| Total Qualified Investment - Services 1070 | \$4,004 | \$7,335 | \$34,037 | \$14,869 | \$24,841 | \$24,704 | \$23,016 | \$85,274 | \$22,555 | \$4,003 | \$4,006 | \$3,975 | \$3,975 | \$3,975 |
| Total Qualified Investment - Mains 1010 | \$33,764,597 | \$33,764,597 | \$33,764,597 | \$33,896,206 | \$34,848,054 | \$35,322,675 | \$35,323,307 | \$35,323,307 | \$35,370,801 | \$35,646,015 | \$35,770,902 | \$35,810,793 | \$35,866,923 | \$35,866,923 |
| Total Qualified Investment - Services 1010 Total Qualified Investment | \$3,073,919 \$37,261,118 | \$3,073,919 \$37,312,311 | \$3,073,919 \$37,715,674 | \$3,116,975 \$38,005,614 | \$3,131,010 \$38,321,048 | \$3,180,514 \$38,567,966 | \$3,222,050 \$38,887,738 | \$3,243,965 \$39,142,528 | \$3,260,307 \$39,307,229 | \$3,322,176 \$39,540,276 | \$3,349,327 \$39,914,261 | \$3,468,003 \$40,235,994 | \$3,505,108 \$40,370,275 | \$3,505,108 \$40,370,275 |
| Total Qualified investment | \$37,201,116 | \$37,312,311 | \$57,715,074 | \$36,003,014 | \$30,321,040 | \$38,307,900 | \$30,007,730 | \$39,142,326 | \$39,307,229 | \$39,340,270 | \$39,914,201 | \$40,233,994 | \$40,370,273 | \$40,370,273 |
| Less: Accumulated Depreciation | (\$3,054,047) | (\$3,118,771) | (\$3,183,495) | (\$3,248,219) | (\$3,313,251) | (\$3,379,975) | (\$3,447,621) | (\$3,515,344) | (\$3,583,107) | (\$3,650,983) | (\$3,719,455) | (\$3,788,194) | (\$3,857,221) | (\$3,857,221) |
| Net Book Value | \$34,207,071 | \$34,193,540 | \$34,532,178 | \$34,757,394 | \$35,007,797 | \$35,187,990 | \$35,440,117 | \$35,627,184 | \$35,724,122 | \$35,889,292 | \$36,194,806 | \$36,447,799 | \$36,513,054 | \$36,513,054 |
| Average Net Qualified Investment | | \$34,200,306 | \$34,362,859 | \$34,644,786 | \$34,882,596 | \$35,097,894 | \$35,314,054 | \$35,533,651 | \$35,675,653 | \$35,806,707 | \$36,042,049 | \$36,321,303 | \$36,480,427 | |
| Depreciation Rates | | | | | | | | | | | | | | |
| Approved Depreciation Rate-Mains | | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | |
| Approved Depreciation Rate-Services | | 2.20% | 2.20% | 2.20% | 2.20% | 2.20% | 2.20% | 2.20% | 2.20% | 2.20% | 2.20% | 2.20% | 2.20% | |
| Return on Average Net Qualified Investment | | | | | | | | | | | | | | |
| Equity - Cost of Capital, inclusive of Income Tax Gross-up | | 5.4780% | 5.4780% | 5.4780% | 5.4780% | 5.4780% | 5.4780% | 5.4780% | 5.4780% | 5.4780% | 5.4780% | 5.4780% | 5.4780% | |
| Debt - Cost of Capital | | 1.5400% | 1.5400% | 1.5400% | 1.5400% | 1.5400% | 1.5400% | 1.5400% | 1.5400% | 1.5400% | 1.5400% | 1.5400% | 1.5400% | |
| Equity Component - inclusive of Income Tax Gross-up | | \$156,124 | \$156,866 | \$158,153 | \$159,239 | \$160,222 | \$161,209 | \$162,211 | \$162,859 | \$163,458 | \$164,532 | \$165,807 | \$166,533 | \$1,937,214 |
| Debt Component | | \$43,890 | \$44,099 | \$44,461 | \$44,766 | \$45,042 | \$45,320 | \$45,602 | \$45,784 | \$45,952 | \$46,254 | \$46,612 | \$46,817 | \$544,598 |
| Return Requirement | | \$200,015 | \$200,965 | \$202,614 | \$204,005 | \$205,264 | \$206,528 | \$207,813 | \$208,643 | \$209,410 | \$210,786 | \$212,419 | \$213,350 | \$2,481,812 |
| Investment Expenses | | | | | | | | | | | | | | |
| Depreciation Expense - Mains | | \$59,088 | \$59,088 | \$59,088 | \$59,318 | \$60,984 | \$61,815 | \$61,816 | \$61,816 | \$61,899 | \$62,381 | \$62,599 | \$62,669 | \$732,561 |
| Depreciation Expense - Services | | \$5,636 | \$5,636 | \$5,636 | \$5,714 | \$5,740 | \$5,831 | \$5,907 | \$5,947 | \$5,977 | \$6,091 | \$6,140 | \$6,358 | \$70,613 |
| Property Taxes General Public Notice Expense and Customer Notice Expense | | \$57,012 \$0 | \$57,012 \$0 | \$57,012 \$0 | \$57,012 \$1,212 | \$57,012 \$0 | \$684,141 \$1,212 |
| Total Expense | | \$121,736 | \$121,736 | \$121,736 | \$1,212 | \$123,736 | \$124,658 | \$124,735 | \$124,775 | \$124,888 | \$125,484 | \$125,751 | \$126,039 | \$1,488,527 |
| • | | | | | | | | | | | | | | |
| Total Revenue Requirements | | \$321,751 | \$322,701 | \$324,350 | \$327,261 | \$329,000 | \$331,186 | \$332,547 | \$333,418 | \$334,297 | \$336,270 | \$338,170 | \$339,388 | \$3,970,339 |
| GRIP Surcharge Revenues Collected Month | | \$ 312,526 | \$ 291,089 | \$ 294,203 | \$ 233,276 | \$ 239,311 | \$ 225,875 | \$ 226,179 | \$ 234,340 | \$ 232,925 | \$ 245,868 | \$ 249,361 | \$ 304,420 | \$3,089,373 |
| Beginning True-Up | | | | | | | | | | | | | | \$ (599,886) |
| (Over) and Under Recovery for the Month Monthly Interest (Expense)/Income | | \$9,225 \$ (792) | \$31,612 \$ (743) | \$30,148 \$ (780) | \$93,984 \$ (431) | \$89,689 \$ (55) | \$105,311 \$ (27) | \$106,368 \$ (15) | \$99,078 \$ (7) | \$101,372 | \$90,402 \$ 8 | \$88,809 \$ 16 | \$34,968 \$ 21 | \$880,966 (\$2,804) |
| Monthly Interest (Expense)/Income Ending (Over) and Under Recovery | \$ (599,886) | | | | \$ (437,663) | \$ (348,029) | | \$ (136,392) | | \$ 64,052 | | \$ 243,287 | \$ 278,276 | \$ 278,276 |
| Beg of Month Annual Interest Rate | | 1.59% | 1.59% | 1.51% | 1.91% | 0.22% | 0.11% | 0.10% | 0.10% | 0.08% | 0.08% | 0.09% | 0.09% | |
| End of Month Annual Interest Rate | | 1.59% | 1.51% | 1.91% | 0.22% | 0.11% | 0.10% | 0.10% | 0.08% | 0.08% | 0.09% | 0.09% | 0.09% | |
| Average Monthly Interest Rate | | 0.13% | 0.13% | 0.14% | 0.09% | 0.01% | 0.01% | 0.01% | 0.01% | 0.01% | 0.01% | 0.01% | 0.01% | |

Gas Reliability Infrastructure Program (GRIP)
Calculation of the Projected Revenue Requirements
January 1, 2021 through December 31, 2021

Schedule C-1
Exhibit_____
Derrick M. Craig (DMC-1)
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| <u>Item</u> | Beginning Balance | Actual <u>Jan</u> | Actual Feb | Actual <u>Mar</u> | Actual Apr | Actual <u>May</u> | Actual <u>Jun</u> | Actual <u>Jul</u> | Forecast Aug | Forecast Sep | Forecast Oct | Forecast Nov | Forecast Dec | Year End Total |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Qualified Investment | | | | | | | | | | | | | | |
| Qualified Investment - Mains - Current 1070 Activity | | \$308,385 | \$60,624 | \$234,452 | \$14,672 | \$70,862 | \$125,967 | \$14,687 | \$16,000 | \$9,000 | \$1,000 | \$0 | \$0 | \$855,651 |
| Qualified Investment - Mains - Closed 1070 Activity to Plant | | (\$56,048) | \$2,062 | (\$40,028) | (\$367,885) | (\$1,363,191) | (\$124,058) | \$130,594 | (\$16,000) | (\$9,000) | (\$1,000) | \$0 | \$0 | (\$1,844,554) |
| Qualified Investment - Services - Current 1070 Activity | | \$43,767 | \$23,388 | \$73,318 | \$15,265 | \$32,124 | \$4,338 | \$11,454 | \$7,000 | \$7,000 | \$0 | \$0 | \$0 | \$217,653 |
| Qualified Investment - Services - Closed 1070 Activity to Plant | | (\$43,767) | (\$23,384) | (\$73,318) | (\$15,100) | (\$13) | (\$4,328) | (\$11,439) | (\$7,000) | (\$7,000) | \$0 | \$0 | \$0 | (\$185,349) |
| Qualified Investment - Mains - Current 1010 Activity | | \$56,048 | (\$2,062) | \$40,028 | \$367,885 | \$1,363,191 | \$124,058 | (\$130,594) | \$16,000 | \$9,000 | \$1,000 | \$0 \$0 | \$0 \$0 | \$1,844,554 |
| Qualified Investment - Services - Current 1010 Activity | | \$43,767 | \$23,384 | \$73,318 | \$15,100 | \$13 | \$4,328 | \$11,439 | \$7,000 | \$7,000 | \$0 | 20 | 20 | \$185,349 |
| Total Qualified Investment - Mains 1070 | \$994,270 | \$1,246,607 | \$1,309,293 | \$1,503,718 | \$1,150,505 | (\$141,824) | (\$139,914) | \$5,366 | \$5,366 | \$5,366 | \$5,366 | \$5,366 | \$5,366 | \$5,366 |
| Total Qualified Investment - Services 1070 | \$3,975 | \$3,975 | \$3,978 | \$3,978 | \$4,143 | \$36,255 | \$36,265 | \$36,279 | \$36,279 | \$36,279 | \$36,279 | \$36,279 | \$36,279 | \$36,279 |
| Total Qualified Investment - Mains 1010 | \$35,866,923 | \$35,922,971 | \$35,920,909 | \$35,960,936 | \$36,328,821 | \$37,692,013 | \$37,816,070 | \$37,685,477 | \$37,701,477 | \$37,710,477 | \$37,711,477 | \$37,711,477 | \$37,711,477 | \$37,711,477 |
| Total Qualified Investment - Services 1010 | \$3,505,108 | \$3,548,876 | \$3,572,260 | \$3,645,578 | \$3,660,678 | \$3,660,690 | \$3,665,018 | \$3,676,457 | \$3,683,457 | \$3,690,457 | \$3,690,457 | \$3,690,457 | \$3,690,457 | \$3,690,457 |
| Total Qualified Investment | \$40,370,275 | \$40,722,428 | \$40,806,439 | \$41,114,210 | \$41,144,147 | \$41,247,133 | \$41,377,438 | \$41,403,579 | \$41,426,579 | \$41,442,579 | \$41,443,579 | \$41,443,579 | \$41,443,579 | \$41,443,579 |
| Less: Accumulated Depreciation | (\$3,857,221) \$36,513,054 | (\$3,926,414) \$36,796,013 | (\$3,995,785) \$36,810,654 | (\$4,065,196) \$37,049,013 | (\$4,134,812) \$37,009,335 | (\$4,205,098) \$37,042,035 | (\$4,277,770) \$37,099,668 | (\$4,350,667) \$37,052,912 | (\$4,423,357) \$37,003,222 | (\$4,496,088) \$36,946,491 | (\$4,568,847) \$36,874,732 | (\$4,641,608) \$36,801,971 | (\$4,714,369) \$36,729,210 | (\$4,714,369) \$36,729,210 |
| Net Book Value | \$36,513,054 | \$36,796,013 | \$36,810,654 | \$37,049,013 | \$37,009,335 | \$37,042,035 | \$37,099,668 | \$37,052,912 | \$37,003,222 | \$36,946,491 | \$36,874,732 | \$36,801,971 | \$36,729,210 | \$36,729,210 |
| Average Net Qualified Investment | | \$36,654,534 | \$36,803,334 | \$36,929,834 | \$37,029,174 | \$37,025,685 | \$37,070,852 | \$37,076,290 | \$37,028,067 | \$36,974,856 | \$36,910,611 | \$36,838,351 | \$36,765,590 | |
| Depreciation Rates | | | | | | | | | | | | | | |
| Approved Depreciation Rate-Mains | | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | |
| Approved Depreciation Rate-Services | | 2.20% | 2.20% | 2.20% | 2.20% | 2.20% | 2.20% | 2.20% | 2.20% | 2.20% | 2.20% | 2.20% | 2.20% | |
| | | | | | | | | | | | | | | |
| Return on Average Net Qualified Investment | | | | | | | | | | | | | | |
| Equity - Cost of Capital, inclusive of Income Tax Gross-up | | 5.42% | 5.42% | 5.42% | 5.42% | 5.42% | 5.42% | 5.42% | 5.42% | 5.42% | 5.42% | 5.42% | 5.42% | |
| Debt - Cost of Capital | | 1.38% | 1.38% | 1.38% | 1.38% | 1.38% | 1.38% | 1.38% | 1.38% | 1.38% | 1.38% | 1.38% | 1.38% | |
| Equity Component - inclusive of Income Tax Gross-up | | \$165,465 | \$166,136 | \$166,707 | \$167,156 | \$167,140 | \$167,344 | \$167,369 | \$167,151 | \$166,911 | \$166,621 | \$166,294 | \$165,966 | \$2,000,260 |
| Debt Component | | \$42,153 | \$42,324 | \$42,469 | \$42,584 | \$42,580 | \$42,631 | \$42,638 | \$42,582 | \$42,521 | \$42,447 | \$42,364 | \$42,280 | \$509,573 |
| Return Requirement | • | \$207,617 | \$208,460 | \$209,177 | \$209,739 | \$209,720 | \$209,975 | \$210,006 | \$209,733 | \$209,432 | \$209,068 | \$208,659 | \$208,246 | \$2,509,833 |
| | • | | | | | | | | | | | | | |
| Investment Expenses | | | | | | | | | | | | | | |
| Depreciation Expense - Mains | | \$62,767 | \$62,865 | \$62,862 | \$62,932 | \$63,575 | \$65,961 | \$66,178 | \$65,950 | \$65,978 | \$65,993 | \$65,995 | \$65,995 | \$777,051 |
| Depreciation Expense - Services | | \$6,426 | \$6,506 | \$6,549 | \$6,684 | \$6,711 | \$6,711 | \$6,719 | \$6,740 | \$6,753 | \$6,766 | \$6,766 | \$6,766 | \$80,097 |
| Property Taxes | | \$60,855 \$0 | \$730,260 \$0 |
| General Public Notice Expense and Customer Notice Expense Total Expense | | \$130,048 | \$130,226 | \$130,266 | \$130,471 | \$131,141 | \$133,527 | \$133,752 | \$133,545 | \$133,586 | \$133,614 | \$133,616 | \$133,616 | \$1,587,408 |
| Total Expense | | \$150,048 | \$130,220 | \$130,200 | \$130,471 | \$151,141 | \$133,327 | \$133,732 | \$133,343 | \$155,560 | \$155,014 | \$155,010 | \$155,010 | \$1,367,408 |
| Total Revenue Requirements | • | \$337,665 | \$338,686 | \$339,443 | \$340,210 | \$340,861 | \$343,502 | \$343,758 | \$343,278 | \$343,018 | \$342,682 | \$342,275 | \$341,862 | \$4,097,241 |
| GRIP Surcharge Revenues Collected Month | | \$ 416,737 | \$ 360,702 | \$ 385,514 | \$ 372,764 | \$ 319,226 | \$ 296,124 | \$ 314,109 | \$ 336,842 | \$ 327,036 | \$ 340,562 | \$ 368,765 | \$ 400,947 | \$4,239,328 |
| Tax Factor | | 1.00503 | 1.00503 | 1.00503 | 1.00503 | 1.00503 | 1.00503 | 1.00503 | 1.00503 | 1.00503 | 1.00503 | 1.00503 | 1.00503 | |
| Net GRIP Surcharge Revenue Collected | • | \$ 414,651 | \$ 358,897 | \$ 383,585 | \$ 370,898 | \$ 317,628 | \$ 294,642 | \$ 312,537 | \$ 335,156 | \$ 325,399 | \$ 338,857 | \$ 366,920 | \$ 398,941 | |
| | | | | | | | | | | | | | | |
| Beginning True-Up | | 6 (76 005 11) | 6 (20.210.55) | 6 (44 142 00) | £ (20.697.95) | e 22.222.52 | 6 40 000 12 | 6 21 221 22 | 6 0 122 20 | 6 17 (10 (0 | 6 2 924 55 | ¢ (24.645.20) | ¢ (57.070.24) | \$ 278,276 |
| (Over) and Under Recovery for the Month | | | | | | \$ 23,232.62 \$ 4 | | | \$ 8,122.39 \$ 9 | \$ 17,618.69 \$ 9 | | \$ (24,645.30) \$ 9 | \$ (57,078.34) | (\$120,870) |
| Monthly Interest (Expense)/Income Ending (Over) and Under Recovery | 278.276 | | Ψ 10 | Ψ | Ψ | Ψ . | Ψ 5 | Ψ 0 | Ψ , | \$ 9 \$ 235,377 | 9 | Ψ , | Ψ , | \$97 \$ 157,503 |
| Ending (Over) and Olider Recovery | 210,210 | φ 201,308 | φ 101,107 | φ 130,9/I | φ 100,267 | φ 129,324 | φ 1/0,389 | g 209,018 | φ 211,149 | φ 433,311 | φ 239,211 | φ 414,3/4 | φ 137,303 | φ 137,303 |
| Beg of Month Annual Interest Rate | | 0.09% | 0.07% | 0.06% | 0.04% | 0.04% | 0.03% | 0.04% | 0.05% | 0.05% | 0.05% | 0.05% | 0.05% | |
| End of Month Annual Interest Rate | | 0.07% | 0.06% | 0.04% | 0.04% | 0.03% | 0.04% | 0.05% | 0.05% | 0.05% | 0.05% | 0.05% | 0.05% | |
| Average Monthly Interest Rate | | 0.01% | 0.01% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | |
| | | | | | | | | | | | | | | |

Florida Division of Chesapeake Utilities Corporation
Gas Reliability Infrastructure Program (GRIP)
Calculation of the Projected Revenue Requirements
January 1, 2022 through December 31, 2022

Schedule C-2 Exhibit_____ Derrick M. Craig (DMC-1) Page 10 of 18

| <u>Item</u> | Beginning Balance | Forecast <u>Jan</u> | Forecast Feb | Forecast Mar | Forecast Apr | Forecast <u>May</u> | Forecast Jun | Forecast <u>Jul</u> | Forecast Aug | Forecast Sep | Forecast Oct | Forecast Nov | Forecast Dec | Year End Total |
|---|----------------------|------------------------|-----------------|-----------------|-----------------|------------------------|-----------------|------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------|
| Qualified Investment | | | | | | | | | | | | | | |
| Qualified Investment - Mains - Current 1070 Activity | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Qualified Investment - Mains - Closed 1070 Activity to Plant | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Qualified Investment - Services - Current 1070 Activity | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Qualified Investment - Services - Closed 1070 Activity to Plant | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Qualified Investment - Mains - Current 1010 Activity | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Qualified Investment - Services - Current 1010 Activity | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Qualified Investment - Mains 1070 | \$5,366 | \$5,366 | \$5,366 | \$5,366 | \$5,366 | \$5,366 | \$5,366 | \$5,366 | \$5,366 | \$5,366 | \$5,366 | \$5,366 | \$5,366 | \$5,366 |
| Total Qualified Investment - Services 1070 | \$36,279 | \$36,279 | \$36,279 | \$36,279 | \$36,279 | \$36,279 | \$36,279 | \$36,279 | \$36,279 | \$36,279 | \$36,279 | \$36,279 | \$36,279 | \$36,279 |
| Total Qualified Investment - Mains 1010 | \$37,711,477 | \$37,711,477 | \$37,711,477 | \$37,711,477 | \$37,711,477 | \$37,711,477 | \$37,711,477 | \$37,711,477 | \$37,711,477 | \$37,711,477 | \$37,711,477 | \$37,711,477 | \$37,711,477 | \$37,711,477 |
| Total Qualified Investment - Services 1010 | \$3,690,457 | \$3,690,457 | \$3,690,457 | \$3,690,457 | \$3,690,457 | \$3,690,457 | \$3,690,457 | \$3,690,457 | \$3,690,457 | \$3,690,457 | \$3,690,457 | \$3,690,457 | \$3,690,457 | \$3,690,457 |
| Total Qualified Investment | \$41,443,579 | \$41,443,579 | \$41,443,579 | \$41,443,579 | \$41,443,579 | \$41,443,579 | \$41,443,579 | \$41,443,579 | \$41,443,579 | \$41,443,579 | \$41,443,579 | \$41,443,579 | \$41,443,579 | \$41,443,579 |
| Less: Accumulated Depreciation | (\$4,714,369) | (\$4,787,130) | (\$4,859,891) | (\$4,932,652) | (\$5,005,413) | (\$5,078,174) | (\$5,150,935) | (\$5,223,696) | (\$5,296,457) | (\$5,369,218) | (\$5,441,979) | (\$5,514,740) | (\$5,587,501) | (\$5,587,501) |
| Net Book Value | \$36,729,210 | \$36,656,449 | \$36,583,688 | \$36,510,927 | \$36,438,166 | \$36,365,405 | \$36,292,644 | \$36,219,883 | \$36,147,122 | \$36,074,361 | \$36,001,600 | \$35,928,839 | \$35,856,078 | \$35,856,078 |
| Average Net Qualified Investment | | \$36,692,829 | \$36,620,068 | \$36,547,307 | \$36,474,546 | \$36,401,785 | \$36,329,024 | \$36,256,263 | \$36,183,502 | \$36,110,741 | \$36,037,980 | \$35,965,219 | \$35,892,458 | |
| Depreciation Rates | | | | | | | | | | | | | | |
| Approved Depreciation Rate-Mains | | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | |
| Approved Depreciation Rate-Services | | 2.20% | 2.20% | 2.20% | 2.20% | 2.20% | 2.20% | 2.20% | 2.20% | 2.20% | 2.20% | 2.20% | 2.20% | |
| Return on Average Net Qualified Investment | | | | | | | | | | | | | | |
| Equity - Cost of Capital, inclusive of Income Tax Gross-up | | 5.42% | 5.42% | 5.42% | 5.42% | 5.42% | 5.42% | 5.42% | 5.42% | 5.42% | 5.42% | 5.42% | 5.42% | |
| Debt - Cost of Capital | | 1.38% | 1.38% | 1.38% | 1.38% | 1.38% | 1.38% | 1.38% | 1.38% | 1.38% | 1.38% | 1.38% | 1.38% | |
| | | | | | | | | | | | | | | |
| Equity Component - inclusive of Income Tax Gross-up | | \$165,645 | \$165,316 | \$164,988 | \$164,659 | \$164,331 | \$164,002 | \$163,674 | \$163,345 | \$163,017 | \$162,688 | \$162,360 | \$162,032 | \$1,966,057 |
| Debt Component | | \$42,197 | \$42,113 | \$42,029 | \$41,946 | \$41,862 | \$41,778 | \$41,695 | \$41,611 | \$41,527 | \$41,444 | \$41,360 | \$41,276 | \$500,838 |
| Return Requirement | | \$207,841 | \$207,429 | \$207,017 | \$206,605 | \$206,193 | \$205,781 | \$205,369 | \$204,956 | \$204,544 | \$204,132 | \$203,720 | \$203,308 | \$2,466,896 |
| Investment Expenses | | | | | | | | | | | | | | |
| Depreciation Expense - Mains | | \$65,995 | \$65,995 | \$65,995 | \$65,995 | \$65,995 | \$65,995 | \$65,995 | \$65,995 | \$65,995 | \$65,995 | \$65,995 | \$65,995 | \$791,940 |
| Depreciation Expense - Services | | \$6,766 | \$6,766 | \$6,766 | \$6,766 | \$6,766 | \$6,766 | \$6,766 | \$6,766 | \$6,766 | \$6,766 | \$6,766 | \$6,766 | \$81,192 |
| Property Taxes | | \$61,215 | \$61,215 | \$61,215 | \$61,215 | \$61,215 | \$61,215 | \$61,215 | \$61,215 | \$61,215 | \$61,215 | \$61,215 | \$61,215 | \$734,580 |
| General Public Notice Expense and Customer Notice Expense | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Expense | | \$133,976 | \$133,976 | \$133,976 | \$133,976 | \$133,976 | \$133,976 | \$133,976 | \$133,976 | \$133,976 | \$133,976 | \$133,976 | \$133,976 | \$1,607,712 |
| Total Revenue Requirements | | \$341,817 | \$341,405 | \$340,993 | \$340,581 | \$340,169 | \$339,757 | \$339,345 | \$338,932 | \$338,520 | \$338,108 | \$337,696 | \$337,284 | \$4,074,608 |

Gas Reliability Infrastructure Program (GRIP) Projection of Qualified Mains & Services Revenue Requirements Surcharge Calculation - January 1, 2022 through December 31, 2022 Per Therm/Bill Rate

Schedule D-1 Exhibit_ Derrick M. Craig (DMC-1) Page 11 of 18

1. 1/1/22-12/31/22 Qualified Mains & Services Replacement Revenue Requirements

Mains 96% \$3,911,623 Services Net

4,074,608

\$162,984 \$4,074,607

2. TRUE-UP from Prior Period (Over)/Under Recovery Estimated thru 12/2021

157,503

4,232,111

2022 Qualified Mains & Services Replacement Revenue Requirements

| Services 4% \$169,284 Net \$4,232,110 | Mains | 96% | \$4,062,826 |
|---------------------------------------|----------|-----|-------------|
| Net <u>\$4,232,110</u> | Services | 4% | \$169,284 |
| | Net | | \$4,232,110 |
| | | • | |
| | | | |

| RATIE 2022 2022 3687 2022 3687 2022 2022 2022 2023 | | | | | | | | | | | | | | Experimental | | | | |
|---|---------|---------|------------|----------|----------|------------|----------|-----------------|--------------|--------------|------------|----------|-----------|--------------|-----------|-----------|--------------|------------|
| Fig. | DATE | 2022 | 2022 | CEDVICEC | MAINIC | CEDIMOEC | MAIN | CDID | | | GRIP | ¢ DED | EVDANCION | GRIP | ANNUAL | TYPICAL | ANINITIAT | AVERAGE |
| FIS-A 14,036 88,671 14.34% 0.951% \$ 24,275 \$ 38,637 \$62,012 \$07,095 \$1,0503 \$ 0.71307 \$ 4.48 \$1,00503 \$ 4.50 \$ 5.406 \$110 \$78.44 \$6.54 \$151.8 \$27.749 \$293,857 \$9.74% \$1.142% \$ 16,488 \$ 46,397 \$62,885 \$0,21400 \$1,0503 \$ 0.21508 \$ 2.27 \$1,00503 \$ 2.28 \$ 27.33 \$215 \$46.24 \$33.85 \$1751 \$175,236 \$2,603,640 \$33.87% \$5.861% \$ 57,336 \$238,122 \$295,658 \$0,1134 \$1,0503 \$ 0.11405 \$ 1.69 \$1,00503 \$ 1.69 \$ 2.033 \$275 \$31.36 \$2.61 \$175.21 \$10,044 \$62,374 \$12,69% \$1.611% \$ 21,482 \$ 65,452 \$86,934 \$0,15458 \$1,00503 \$ 0.1536 \$ 8.13 \$1,00503 \$ 8.17 \$ 9.004 \$375 \$31.36 \$2.261 \$175.21 \$1.0607 \$1 | | | | | | | | | | | | | | | | | | |
| FIS-B 27,49 293,857 9,44 1,142 5 16,48 8 4,4397 862,888 50,2140 1,0050 8 0,2150 8 2,27 1,0050 8 2,28 8 27,3 215 346,24 33.85 175.21 175,226 2,603,640 33.87% 5,661% 5 73.36 8 28,112 2 529,458 50,1134 1,0050 8 0,1145 8 1,0050 8 1, | CLASS | BILLS | THERMS | CO3 70 | CO3 70 | KEV KEQ | KEVKI | Q KEVKEQ | THEKW | TACTOR F | EK IIIEKW | DILL | TACTOR | FER BILL | FER BILL | THERMS | CO31 | CO31 |
| FTS-1 175,236 | FTS-A | 14,036 | 88,671 | 14.34% | 0.951% | \$ 24,275 | \$ 38. | 537 \$62,9 | 2 \$0.70950 | 1.00503 \$ | \$ 0.71307 | \$ 4.48 | 1.00503 | \$ 4.50 | \$ 54.06 | 110 | \$78.44 | \$6.54 |
| FTS-2 | FTS-B | 27,749 | 293,857 | 9.74% | 1.142% | \$ 16,488 | \$ 46. | 397 \$62,88 | 85 \$0.21400 | 1.00503 \$ | 0.21508 | \$ 2.27 | 1.00503 | \$ 2.28 | \$ 27.33 | 215 | \$46.24 | \$3.85 |
| FTS-2.1 8,667 901,779 7.83% 3.193% \$ 13.255 \$ 129,726 \$142,981 \$0.15852 1.00503 \$ 0.15932 \$ 16.50 1.00503 \$ 16.58 \$ 198.96 1.575 \$250.92 \$20.91 FTS-3 3,925 1,188,092 3.93% 1.567% \$ 6.653 \$ 6.6564 \$730,317 \$0.05918 1.00503 \$ 0.05948 \$ 17.92 1.00503 \$ 18.01 \$ 216.06 4.000 \$2337,93 \$19.83 FTS-3.1 4.197 2.409,559 3.91% 4.294% \$ 6.619 \$ 174,458 \$181,077 \$0.07515 1.00503 \$ 0.0753 \$ 4.314 1.00503 \$ 4.36 \$ 5.20.34 7.300 \$551.35 \$45.95 FTS-4 3.090,787 4.37% 6.162% \$ 7.398 \$ 2.20,351 \$257,749 \$0.08339 1.00503 \$ 0.08381 \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ | FTS-1 | 175,236 | 2,603,640 | 33.87% | 5.861% | \$ 57,336 | \$ 238 | 122 \$295,45 | 58 \$0.1134 | 8 1.00503 \$ | \$ 0.11405 | \$ 1.69 | 1.00503 | \$ 1.69 | \$ 20.33 | 275 | \$31.36 | \$2.61 |
| FTS-3 | FTS-2 | 10,694 | 562,374 | 12.69% | 1.611% | \$ 21,482 | \$ 65. | \$86,93° | 34 \$0.1545 | 8 1.00503 \$ | 0.15536 | \$ 8.13 | 1.00503 | \$ 8.17 | \$ 98.04 | 875 | \$135.94 | \$11.33 |
| FTS-3.1 4,197 2,409,559 3,91% 4.294% \$ 6,619 \$ 174,458 \$ \$181,077 \$0.07515 1.00503 \$ 0.07553 \$ 43.14 1.00503 \$ 43.36 \$ \$20.44 7,300 \$ \$551.35 \$ \$45.05 \$ \$1.00505 \$ \$1.00503 \$ 0.005003 \$ 0.00503 \$ 0.00503 \$ 0.00503 \$ 0.00503 \$ 0.00503 \$ 0.00503 \$ | FTS-2.1 | 8,667 | 901,979 | 7.83% | 3.193% | \$ 13,255 | \$ 129 | 726 \$142,98 | \$0.1585 | 2 1.00503 \$ | \$ 0.15932 | \$ 16.50 | 1.00503 | \$ 16.58 | \$ 198.96 | 1,575 | \$250.92 | \$20.91 |
| FTS-4 3,090,787 4.37% 6.162% \$ 7,398 \$ 250,351 \$257,749 \$0.08339 1.00503 \$ 0.08381 12,500 \$1.04.65 \$87.30 FTS-5 1,191,156 1.24% 2.570% \$ 2,099 \$ 104,415 \$106,514 \$0.08942 1.00503 \$ 0.08987 37,500 \$3.370.14 \$280.85 FTS-6 1,983,651 1.25% 2.750% \$ 2,116 \$ 111,728 \$113,844 \$0.05739 1.00503 \$ 0.05768 75,000 \$4.325.99 \$360.50 FTS-7 4,078,074 2.20% 7.615% \$ 3,724 \$ 309,384 \$313,108 \$0.07678 1.00503 \$ 0.0716 150,000 \$11,574.69 \$964.56 FTS-8 5,289,549 1.62% 10.708% \$ 2,742 \$ 435,047 \$437,789 \$0.08276 1.00503 \$ 0.08318 300,000 \$24,954.36 \$2,079.53 FTS-9 4,821,550 1.48% 15.171% \$ 2,505 \$ 616,371 \$618,876 \$0.12836 1.00503 \$ 0.08318 300,000 \$70,951.02 \$5,912.59 FTS-10 3,622,089 0.45% 6.539% \$ 762 \$ 265,668 \$266,430 \$0.07356 1.00503 \$ 0.07356 1.00503 \$ 0.07393 \$850,000 \$93,248.17 \$7,770.68 FTS-11 \$7,42,108 0.51% 11.387% \$ 863 \$ 462,626 \$463,489 \$0.05302 1.00503 \$ 0.05328 1.750,000 \$93,255.95 \$7,771.33 FTS-12 17,985,906 0.47% 16.315% \$ 796 \$ 662,850 \$663,646 \$0.03690 1.00503 \$ 0.03708 \$0.03708 \$0.03708 \$111,251.13 \$9,270.93 | FTS-3 | 3,925 | 1,188,092 | 3.93% | 1.567% | \$ 6,653 | \$ 63. | \$70,3 | 7 \$0.0591 | 8 1.00503 \$ | 0.05948 | \$ 17.92 | 1.00503 | \$ 18.01 | \$ 216.06 | 4,000 | \$237.93 | \$19.83 |
| FTS-5 | FTS-3.1 | 4,197 | 2,409,559 | 3.91% | 4.294% | \$ 6,619 | \$ 174 | 458 \$181,0° | \$0.0751 | 5 1.00503 \$ | 0.07553 | \$ 43.14 | 1.00503 | \$ 43.36 | \$ 520.34 | 7,300 | \$551.35 | \$45.95 |
| FTS-6 | FTS-4 | | 3,090,787 | 4.37% | 6.162% | \$ 7,398 | \$ 250 | 351 \$257,74 | 19 \$0.08339 | 9 1.00503 \$ | 0.08381 | | | | | 12,500 | \$1,047.65 | \$87.30 |
| FTS-7 4,078,074 2.20% 7.615% \$ 3,724 \$ 309,384 \$313,108 \$0.07678 1.00503 \$ 0.07716 150,000 \$11,574.69 \$964.56 FTS-8 5,289,549 1.62% 10.708% \$ 2,742 \$ 435,047 \$437,789 \$0.08276 1.00503 \$ 0.08318 300,000 \$24,954.36 \$2,079,53 FTS-9 4,821,550 1.48% 15.171% \$ 2,505 \$ 616,371 \$618,876 \$0.12836 1.00503 \$ 0.12836 1.00503 \$ 0.12900 550,000 \$70,951.02 \$5,912.59 FTS-10 3,622,089 0.45% 6.539% \$ 762 \$ 265,668 \$266,430 \$0.07356 1.00503 \$ 0.07393 850,000 \$62,837.93 \$5,236.49 FTS-11 8,742,108 0.51% 11.387% \$ 863 \$ 462,626 \$463,489 \$0.05302 1.00503 \$ 0.05328 1,750,000 \$93,248.17 \$7,770.68 FTS-NGV 1,661,505 0.10% 2.164% \$ 169 \$ 87,928 \$88,097 \$0.05302 1.00503 \$ 0.05329 1,750,000 \$93,255.95 \$7,771.33 \$9,270.93 | FTS-5 | | 1,191,156 | 1.24% | 2.570% | \$ 2,099 | \$ 104 | \$106,5 | 4 \$0.08942 | 2 1.00503 \$ | 0.08987 | | | | | 37,500 | \$3,370.14 | \$280.85 |
| FTS-8 5,289,549 1.62% 10.708% \$ 2,742 \$ 435,047 \$437,789 \$0.08276 1.00503 \$ 0.08318 300,000 \$24,954.36 \$2,079.53 \$ FTS-9 4,821,550 1.48% 15.171% \$ 2,505 \$ 616,371 \$618,876 \$0.12836 1.00503 \$ 0.12900 550,000 \$70,951.02 \$5,912.59 \$ FTS-10 3,622,089 0.45% 6.539% \$ 762 \$ 265,668 \$266,430 \$0.07356 1.00503 \$ 0.07393 \$850,000 \$62,837.93 \$5,236.49 \$ FTS-11 8,742,108 0.51% 11.387% \$ 863 \$ 462,626 \$463,489 \$0.05302 1.00503 \$ 0.05328 \$ 1,750,000 \$93,248.17 \$7,770.68 \$ FTS-NGV 1,661,505 0.10% 2.164% \$ 169 \$ 87,928 \$88,097 \$0.05302 1.00503 \$ 0.05329 \$ 1,750,000 \$93,255.95 \$7,771.33 \$ FTS-12 17,985,906 0.47% 16.315% \$ 796 \$ 662,850 \$663,646 \$0.03690 1.00503 \$ 0.03708 | FTS-6 | | 1,983,651 | 1.25% | 2.750% | \$ 2,116 | \$ 111 | 728 \$113,84 | 14 \$0.05739 | 9 1.00503 \$ | 0.05768 | | | | | 75,000 | \$4,325.99 | \$360.50 |
| FTS-9 4,821,550 1.48% 15.171% \$ 2,505 \$ 616,371 \$618,876 \$0.12836 1.00503 \$ 0.12900 550,000 \$70,951.02 \$5,912.59 \$ FTS-10 3,622,089 0.45% 6.539% \$ 762 \$ 265,668 \$266,430 \$0.07356 1.00503 \$ 0.07393 \$85,000 \$62,837.93 \$5,236.49 \$ FTS-11 8,742,108 0.51% 11.387% \$ 863 \$ 462,626 \$463,489 \$0.05302 1.00503 \$ 0.05328 1,750,000 \$93,248.17 \$7,770.68 \$ FTS-NGV 1,661,505 0.10% 2.164% \$ 169 \$ 87,928 \$88,097 \$0.05302 1.00503 \$ 0.05329 1,750,000 \$93,255.95 \$7,771.33 \$ FTS-12 17,985,906 0.47% 16.315% \$ 796 \$ 662,850 \$663,646 \$0.03690 1.00503 \$ 0.03708 | FTS-7 | | 4,078,074 | 2.20% | 7.615% | \$ 3,724 | \$ 309 | 384 \$313,10 | 08 \$0.07678 | 8 1.00503 \$ | 0.07716 | | | | | 150,000 | \$11,574.69 | \$964.56 |
| FTS-10 3,622,089 0.45% 6.539% \$ 762 \$ 265,668 \$266,430 \$0.07356 1.00503 \$ 0.07393 | FTS-8 | | 5,289,549 | 1.62% | 10.708% | \$ 2,742 | \$ 435 | 047 \$437,78 | 89 \$0.0827 | 5 1.00503 \$ | 0.08318 | | | | | 300,000 | \$24,954.36 | \$2,079.53 |
| FTS-11 8,742,108 0.51% 11.387% \$ 863 \$ 462,626 \$463,489 \$0.05302 1.00503 \$ 0.05328 1,750,000 \$93,248.17 \$7,770.68 FTS-NGV 1,661,505 0.10% 2.164% \$ 169 \$ 87,928 \$88,097 \$0.05302 1.00503 \$ 0.05329 1,750,000 \$93,255.95 \$7,771.33 FTS-12 17,985,906 0.47% 16.315% \$ 796 \$ 662,850 \$663,646 \$0.03690 1.00503 \$ 0.03708 3,000,000 \$111,251.13 \$9,270.93 | FTS-9 | | 4,821,550 | 1.48% | 15.171% | \$ 2,505 | \$ 616 | 371 \$618,8° | 76 \$0.1283 | 5 1.00503 \$ | 0.12900 | | | | | 550,000 | \$70,951.02 | \$5,912.59 |
| FTS-NGV 1,661,505 0.10% 2.164% \$ 169 \$ 87,928 \$88,097 \$0.05302 1.00503 \$ 0.05329 1,750,000 \$93,255.95 \$7,771.33 FTS-12 17,985,906 0.47% 16.315% \$ 796 \$ 662,850 \$663,646 \$0.03690 1.00503 \$ 0.03708 3,000,000 \$111,251.13 \$9,270.93 | FTS-10 | | 3,622,089 | 0.45% | 6.539% | \$ 762 | \$ 265 | 568 \$266,43 | 80.0735 | 5 1.00503 \$ | 0.07393 | | | | | 850,000 | \$62,837.93 | \$5,236.49 |
| FTS-12 17,985,906 0.47% 16.315% \$ 796 \$ 662,850 \$663,646 \$0.03690 1.00503 \$ 0.03708 3,000,000 \$111,251.13 \$9,270.93 | FTS-11 | | 8,742,108 | 0.51% | 11.387% | \$ 863 | \$ 462 | 526 \$463,44 | 89 \$0.0530 | 2 1.00503 \$ | 0.05328 | | | | | 1,750,000 | \$93,248.17 | \$7,770.68 |
| | FTS-NGV | | 1,661,505 | 0.10% | 2.164% | \$ 169 | \$ 87 | 928 \$88,09 | 97 \$0.0530 | 2 1.00503 \$ | 0.05329 | | | | | 1,750,000 | \$93,255.95 | \$7,771.33 |
| TOTAL 244,504 60,514,548 100.00% 100.000% \$ 169,284 \$ 4,062,826 \$ 4,232,106 | FTS-12 | | 17,985,906 | 0.47% | 16.315% | \$ 796 | \$ 662 | 350 \$663,64 | \$0.03690 | 1.00503 \$ | 0.03708 | | | | | 3,000,000 | \$111,251.13 | \$9,270.93 |
| | TOTAL | 244,504 | 60,514,548 | 100.00% | 100.000% | \$ 169,284 | \$ 4,062 | 326 \$ 4,232,10 | 6 | | | | | | | | | |

CFG

| 2020 YE Forecast Survelli | iance (13-month average) at ROE% midpoint | | | | | | |
|---------------------------|---|------------|-------------|-------------------------|-------------|----------|---------------|
| | | Pro-Rata | Specific | | | | |
| | Per Book | Adjustment | Adjustment | Adjusted Balance | Cap Ratio C | ost Rate | Weighted Cost |
| Common Equity | \$41,005,996 | \$0 | (\$248,342) | \$40,757,654 | 37.60% | 10.80% | 4.06% |
| Long Term Debt | \$32,181,973 | \$0 | (\$194,901) | \$31,987,072 | 29.51% | 3.69% | 1.09% |
| Short Term Debt | \$15,466,798 | \$0 | (\$93,671) | \$15,373,127 | 14.18% | 1.83% | 0.26% |
| Long Term Debt - FC | \$0 | \$0 | \$0 | \$0 | 0.00% | 0.00% | 0.00% |
| Customer Deposits | \$1,396,704 | \$0 | \$0 | \$1,396,704 | 1.29% | 2.24% | 0.03% |
| Deffered Income Taxes | \$18,896,602 | \$0 | \$0 | \$18,896,602 | 17.43% | 0.00% | 0.00% |
| | | | | | | | |
| Total | \$108,948,073 | \$0 | (\$536,914) | \$108,411,159 | 100% | | 5.44% |

| 2020 YE Forecast Survel | liance with ADFIT | Consistency and Prorat | ion Adjustments (| 13-month averag | ge) | | | | |
|-------------------------|-------------------|------------------------|-----------------------|-----------------|-------------|------------------|---------------------|--------|---------------|
| | | Consistency and Pro- | | Pro-Rata | Specific | | | | |
| | Per Book | Rata Adjustment | Books Adjusted | Adjustment | Adjustment | Adjusted Balance | Cap Ratio Cost Rate | , | Weighted Cost |
| Common Equity | \$41,005,996 | (\$292,949) | \$40,713,047 | \$0 | (\$248,342) | \$40,464,705 | 37.33% | 10.80% | 4.03% |
| Long Term Debt | \$32,181,973 | (\$229,910) | \$31,952,063 | \$0 | (\$194,901) | \$31,757,162 | 29.29% | 3.79% | 1.11% |
| Short Term Debt | \$15,466,798 | (\$110,496) | \$15,356,302 | \$0 | (\$93,671) | \$15,262,631 | 14.08% | 3.26% | 0.46% |
| Long Term Debt - FC | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | 0.00% | 0.00% | 0.00% |
| Customer Deposits | \$1,396,704 | | \$1,396,704 | \$0 | \$0 | \$1,396,704 | 1.29% | 2.31% | 0.03% |
| Deffered Income Taxes | \$18,896,602 | \$633,354 | \$19,529,956 | \$0 | \$0 | \$19,529,956 | 18.01% | 0.00% | 0.00% |
| Total | \$108,948,073 | | \$108,948,073 | \$0 | (\$536,914) | \$108,411,159 | 100% | | 5.63% |

| _ | Month | Total Deferred Income Tax Balance | Deprec Related ADFIT Balance | Deprec Related ADFIT Activity | Days to Prorate | Future Days in Period | Prorated Deprec- Related ADFIT Activity | Prorated Deprec- Related ADFIT Balance |
|------------------------|--------|--------------------------------------|---------------------------------|----------------------------------|-----------------|--------------------------|---|--|
| Projected | Dec-21 | 11,311,088 | 14,054,027 | | | | | 14,054,027 |
| Projected | Jan-22 | 11,333,435 | 14,081,793 | 27,766 | 31 | 336 | 25,560 | 14,079,587 |
| Projected | Feb-22 | 11,355,782 | 14,109,560 | 27,766 | 28 | 308 | 23,430 | 14,103,017 |
| Projected | Mar-22 | 11,378,129 | 14,137,326 | 27,766 | 31 | 277 | 21,072 | 14,124,089 |
| Projected | Apr-22 | 11,400,476 | 14,165,092 | 27,766 | 30 | 247 | 18,790 | 14,142,879 |
| Projected | May-22 | 11,422,823 | 14,192,858 | 27,766 | 31 | 216 | 16,431 | 14,159,310 |
| Projected | Jun-22 | 11,445,170 | 14,220,624 | 27,766 | 30 | 186 | 14,149 | 14,173,460 |
| Projected | Jul-22 | 11,467,517 | 14,248,390 | 27,766 | 31 | 155 | 11,791 | 14,185,251 |
| Projected | Aug-22 | 11,489,864 | 14,276,156 | 27,766 | 31 | 124 | 9,433 | 14,194,684 |
| Projected | Sep-22 | 11,512,211 | 14,303,923 | 27,766 | 30 | 94 | 7,151 | 14,201,835 |
| Projected | Oct-22 | 11,534,558 | 14,331,689 | 27,766 | 31 | 63 | 4,793 | 14,206,627 |
| Projected | Nov-22 | 11,556,905 | 14,359,455 | 27,766 | 30 | 33 | 2,510 | 14,209,137 |
| Projected | Dec-22 | 11,579,252 | 14,387,221 | 27,766 | 31 | 2 | 152 | 14,209,290 |
| | • | 11,445,170 | 14,220,624 | 333,194 | 365 | • | 155,262 | 14,157,169 |
| 2020 YE Surveil Bal. | | 18,896,602 | 13,523,815 | | | | 13-Month Avg. Bal | 14,220,624 |
| Consistency Adjustment | - | (7,451,431) | 696,810 | * | | | Proration Adj. | (63,455) |
| Proration Adjustment | | | (63,455) | | | | | |
| Total Adjustment | | • | 633,354 | - | | | | |

^{*} Positive variance shows that the limitation provision is met.

Schedule E-1
Exhibit____

Derrick M. Craig (DMC-1)
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Florida Public Utilities Company -Ft. Meade

Gas Reliability Infrastructure Program (GRIP)
Investment and Calculation of Equity and Debt Returns

Schedule A-1
Exhibit____
Derrick M. Craig (DMC-1)
Page 13 of 18

| Earnings | Surveillance | e Report - | December | 31, 2020 |
|----------|---------------|------------|----------|-------------|
| | Sai (Ciliano) | report | Decement | J 1, _ 0_ 0 |

| · · · · · · · · · · · · · · · · · · · | |
|--|--------|
| Equity Cost Rate | 11.00% |
| Weighted Equity Cost Rate | 3.66% |
| Revenue Expansion Factor | 1.342 |
| Weighted Equity Cost Rate , times Revenue Expansion Factor | 4.91% |
| Long Term Debt-CU | 0.96% |
| Short Term Debt | 0.23% |
| Short Term Debt-Refinanced LTD | 0.00% |
| Customer Deposits | 0.01% |
| Tax Credits-Weighted Cost | 0.00% |
| Weighted Debt Cost Rate | 1.20% |
| Overall Weighted Cost Rate | 4.86% |
| | |

Florida Public Utilities-Ft. Meade

Gas Reliability Infrastructure Program (GRIP)
Calculation of the Projected Revenue Requirements
January 1, 2020 through December 31, 2020

Schedule B-1
Exhibit____
Derrick M. Craig (DMC - 1)
Page 14 of 18

| <u>Item</u> Qualified Investment | Beginning Balance | Actual <u>Jan</u> | Actual Feb | Actual <u>Mar</u> | Actual Apr | Actual May | Actual Jun | Actual Jul | Actual Aug | Actual Sep | Actual Oct | Actual Nov | Actual Dec | Year End Total |
|--|----------------------|----------------------|---------------|----------------------|---------------|---------------|---------------|---|---------------|---------------|---------------|---|---------------|-------------------|
| Qualified Investment - Mains - Current 1070 Activity | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Qualified Investment - Mains - Closed 1070 Activity to Plant | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Qualified Investment - Services - Current 1070 Activity | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Qualified Investment - Services - Closed 1070 Activity to Plant | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Qualified Investment - Mains - Current 1010 Activity | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Qualified Investment - Services - Current 1010 Activity | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| E 10 10 10 10 10 10 10 10 10 10 10 10 10 | ** | *** | | ** | ** | ** | ** | | ** | ** | ** | ** | *** | *** |
| Total Qualified Investment - Mains 1070 Total Qualified Investment - Services 1070 | \$0 \$0 | \$0 \$0 | \$0 \$0 | \$0 \$0 | \$0 \$0 | \$0 \$0 | \$0 \$0 | \$0 \$0 | \$0 \$0 | \$0 \$0 | \$0 \$0 | \$0 \$0 | \$0 \$0 | \$0 \$0 |
| Total Qualified Investment - Mains 1010 | \$0 | \$0 \$0 | \$0 \$0 | \$0 | \$0 \$0 | \$0 \$0 | \$0 | \$0 \$0 | \$0 \$0 | \$0 \$0 | \$0 \$0 | \$0 | \$0 | \$0 \$0 |
| Total Qualified Investment - Services 1010 | \$253,934 | \$253,934 | \$253,934 | \$253,934 | \$253,934 | \$253,934 | \$253,934 | \$253,934 | \$253,934 | \$253,934 | \$253,934 | \$253,934 | \$253,934 | \$253,934 |
| Total Qualified Investment | \$253,934 | \$253,934 | \$253,934 | \$253,934 | \$253,934 | \$253,934 | \$253,934 | \$253,934 | \$253,934 | \$253,934 | \$253,934 | \$253,934 | \$253,934 | \$253,934 |
| • | | | • | | | | | | | | | | | |
| Less: Accumulated Depreciation | (\$14,733) | (\$15,199) | (\$15,665) | (\$16,131) | (\$16,597) | (\$17,063) | (\$17,529) | (\$17,995) | (\$18,461) | (\$18,927) | (\$19,393) | (\$19,859) | (\$20,325) | (\$20,325) |
| Net Book Value | \$239,201 | \$238,735 | \$238,269 | \$237,803 | \$237,337 | \$236,871 | \$236,405 | \$235,939 | \$235,473 | \$235,007 | \$234,541 | \$234,075 | \$233,609 | \$233,609 |
| Average Net Qualified Investment | - | \$238,968 | \$238,502 | \$238.036 | \$237,570 | \$237,104 | \$236,638 | \$236,172 | \$235,706 | \$235,240 | \$234,774 | \$234.308 | \$233,842 | |
| | - | | | | | | | , | | | | , | | |
| Depreciation Rates | | | | | | | | | | | | | | |
| Approved Depreciation Rate-Mains | | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | |
| Approved Depreciation Rate-Services | | 2.20% | 2.20% | 2.20% | 2.20% | 2.20% | 2.20% | 2.20% | 2.20% | 2.20% | 2.20% | 2.20% | 2.20% | |
| Return on Average Net Qualified Investment | | | | | | | | | | | | | | |
| Equity - Cost of Capital, inclusive of Income Tax Gross-up | | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% | |
| Debt - Cost of Capital | | 1.39% | 1.39% | 1.39% | 1.39% | 1.39% | 1.39% | 1.39% | 1.39% | 1.39% | 1.39% | 1.39% | 1.39% | |
| | | | | | | | | | | | | | | |
| Equity Component - inclusive of Income Tax Gross-up | | \$996 | \$994 | \$992 | \$990 | \$988 | \$986 | \$984 | \$982 | \$980 | \$978 | \$976 | \$974 | \$11,820 |
| Debt Component | _ | \$277 | \$276 | \$276 | \$275 | \$275 | \$274 | \$274 | \$273 | \$272 | \$272 | \$271 | \$271 | \$3,286 |
| Return Requirement | _ | \$1,273 | \$1,270 | \$1,268 | \$1,265 | \$1,263 | \$1,260 | \$1,258 | \$1,255 | \$1,253 | \$1,250 | \$1,248 | \$1,245 | \$15,106 |
| Investment Expenses | | | | | | | | | | | | | | |
| Depreciation Expense - Mains | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Depreciation Expense - Services | | \$466 | \$466 | \$466 | \$466 | \$466 | \$466 | \$466 | \$466 | \$466 | \$466 | \$466 | \$466 | \$5,592 |
| Property Taxes | | \$399 | \$399 | \$399 | \$399 | \$399 | \$399 | \$399 | \$399 | \$399 | \$399 | \$399 | \$399 | \$4,788 |
| General Public Notice Expense and Customer Notice Expense | _ | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Expense | _ | \$865 | \$865 | \$865 | \$865 | \$865 | \$865 | \$865 | \$865 | \$865 | \$865 | \$865 | \$865 | \$10,380 |
| Total Revenue Requirements | - | \$2,138 | \$2,135 | \$2,133 | \$2,130 | \$2,128 | \$2,125 | \$2,123 | \$2,120 | \$2,118 | \$2,115 | \$2,113 | \$2,110 | \$25,486 |
| GRIP Surcharge Revenues Collected Month | <u>-</u> | \$4,089 | \$4,162 | \$3,764 | \$2,836 | \$1,728 | \$1,665 | \$1,766 \$ | 1,492 | \$1,713 | \$2,034 | \$2,714 | \$3,943 | \$31,904 |
| Beginning True-Up | | | | | | | | | | | | | 9 | (1,972) |
| (Over) and Under Recovery for the Month | \$ (1,818) | \$ (1,951.22) \$ | (2,027) \$ | (1,631) \$ | (706) \$ | 400 \$ | 461 \$ | 357 \$ | 628 \$ | 405 \$ | 81 \$ | (602) \$ | (1,833) \$ | |
| Monthly Interest (Expense)/Income | \$ (154) | \$ (4.00) \$ | 6 (6) \$ | (10) \$ | (7) \$ | (1) \$ | (1) \$ | (1) \$ | (1) \$ | - \$ | - \$ | (1) \$ | (5) | (\$37) |
| Ending (Over) and Under Recovery | \$ (1,972) | \$ (3,927.219) \$ | 5 (5,960) \$ | (7,601) \$ | (8,314) \$ | (7,915) \$ | (7,455) \$ | (7,100) \$ | (6,473) \$ | (6,068) \$ | (5,986) \$ | (6,589) \$ | (8,427) \$ | (8,427) |
| Beg of Month Annual Interest Rate | | 1.59% | 1.59% | 1.51% | 1.91% | 0.22% | 0.11% | 0.10% | 0.10% | 0.08% | 0.08% | 0.09% | 0.09% | |
| End of Month Annual Interest Rate | | 1.59% | 1.51% | 1.91% | 0.22% | 0.11% | 0.11% | 0.10% | 0.10% | 0.08% | 0.09% | 0.09% | 1.59% | |
| Average Monthly Interest Rate | | 0.13% | 0.13% | 0.14% | 0.09% | 0.01% | 0.01% | 0.01% | 0.01% | 0.01% | 0.01% | 0.01% | 0.07% | |
| - - | | | | | | | | | | | | | | |

Florida Public Utilities-Ft. Meade

Gas Reliability Infrastructure Program (GRIP)
Calculation of the Projected Revenue Requirements
January 1, 2021 through December 31, 2021

Schedule C-1
Exhibit_____
Derrick M. Craig (DMC-1)
Page 15 of 18

| • | Beginning | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Forecast | Forecast | Forecast | Forecast | Forecast | Year End |
|---|---------------|------------|----------------|-------------|-------------|-------------|-------------|-------------|------------|------------|------------|------------|------------|------------|
| Item Qualified Investment | Balance | <u>Jan</u> | <u>Feb</u> | <u>Mar</u> | <u>Apr</u> | May | <u>Jun</u> | <u>Jul</u> | Aug | <u>Sep</u> | Oct | Nov | <u>Dec</u> | Total |
| Qualified Investment - Mains - Current 1070 Activity | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Qualified Investment - Mains - Closed 1070 Activity to Plant | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Qualified Investment - Services - Current 1070 Activity | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Qualified Investment - Services - Closed 1070 Activity to Plant | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Qualified Investment - Mains - Current 1010 Activity | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Qualified Investment - Services - Current 1010 Activity | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Quantité infestiteur Services Carlein 1919 Actually | | 40 | 90 | 90 | | 40 | - | 90 | 40 | - | 50 | 40 | Ψ0 | 40 |
| Total Qualified Investment - Mains 1070 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Qualified Investment - Services 1070 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Qualified Investment - Mains 1010 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Qualified Investment - Services 1010 | \$253,934 | \$253,934 | \$253,934 | \$253,934 | \$253,934 | \$253,934 | \$253,934 | \$253,934 | \$253,934 | \$253,934 | \$253,934 | \$253,934 | \$253,934 | \$253,934 |
| Total Qualified Investment | \$253,934 | \$253,934 | \$253,934 | \$253,934 | \$253,934 | \$253,934 | \$253,934 | \$253,934 | \$253,934 | \$253,934 | \$253,934 | \$253,934 | \$253,934 | \$253,934 |
| Less: Accumulated Depreciation | (\$20,325) | (\$20,791) | (\$21,257) | (\$21,723) | (\$22,189) | (\$22,655) | (\$23,121) | (\$23,587) | (\$24,053) | (\$24,519) | (\$24,985) | (\$25,451) | (\$25,917) | (\$25,917) |
| Net Book Value | \$233,609 | \$233,143 | \$232,677 | \$232,211 | \$231,745 | \$231,279 | \$230,813 | \$230,347 | \$229,881 | \$229,415 | \$228,949 | \$228,483 | \$228,017 | \$228,017 |
| Average Net Qualified Investment | _ | \$233,376 | \$232,910 | \$232,444 | \$231.978 | \$231,512 | \$231.046 | \$230,580 | \$230,114 | \$229,648 | \$229,182 | \$228,716 | \$228,250 | |
| Average (ver Quantieu investment | _ | \$233,370 | \$232,910 | 3232,444 | 9231,976 | 3231,312 | \$231,040 | \$230,380 | \$230,114 | \$227,048 | 3229,102 | \$228,710 | \$220,230 | |
| Depreciation Rates | | | | | | | | | | | | | | |
| Approved Depreciation Rate-Mains | | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | |
| Approved Depreciation Rate-Services | | 2.20% | 2.20% | 2.20% | 2.20% | 2.20% | 2.20% | 2.20% | 2.20% | 2.20% | 2.20% | 2.20% | 2.20% | |
| Return on Average Net Qualified Investment | | | | | | | | | | | | | | |
| Equity - Cost of Capital, inclusive of Income Tax Gross-up | | 4.91% | 4.91% | 4.91% | 4.91% | 4.91% | 4.91% | 4.91% | 4.91% | 4.91% | 4.91% | 4.91% | 4.91% | |
| Debt - Cost of Capital | | 1.20% | 1.20% | 1.20% | 1.20% | 1.20% | 1.20% | 1.20% | 1.20% | 1.20% | 1.20% | 1.20% | 1.20% | |
| Equity Component - inclusive of Income Tax Gross-up | | \$955 | \$953 | \$951 | \$949 | \$947 | \$945 | \$943 | \$942 | \$940 | \$938 | \$936 | \$934 | \$11,333 |
| Debt Component | | \$233 | \$233 | \$232 | \$232 | \$232 | \$231 | \$231 | \$230 | \$230 | \$229 | \$229 | \$228 | \$2,770 |
| Return Requirement | | \$1,188 | \$1,186 | \$1,184 | \$1,181 | \$1,179 | \$1,176 | \$1,174 | \$1,172 | \$1,169 | \$1,167 | \$1,165 | \$1,162 | \$14,103 |
| Investment Expenses | | | | | | | | | | | | | | |
| Depreciation Expense - Mains | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Depreciation Expense - Services | | \$466 | \$466 | \$466 | \$466 | \$466 | \$466 | \$466 | \$466 | \$466 | \$466 | \$466 | \$466 | \$5,592 |
| Property Taxes | | \$389 | \$389 | \$389 | \$389 | \$389 | \$389 | \$389 | \$389 | \$389 | \$389 | \$389 | \$389 | \$4,668 |
| General Public Notice Expense and Customer Notice Expense | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Expense | _ | \$855 | \$855 | \$855 | \$855 | \$855 | \$855 | \$855 | \$855 | \$855 | \$855 | \$855 | \$855 | \$10,260 |
| Total Revenue Requirements | | \$2,043 | \$2.041 | \$2,039 | \$2.036 | \$2.034 | \$2.031 | \$2,029 | \$2.027 | \$2.024 | \$2,022 | \$2,020 | \$2.017 | \$24,363 |
| • | _ | | | ,,,,,, | . , , | , ,,,, | | | | | | | _ | |
| GRIP Surcharge Revenues Collected Month | | \$3,295 | \$2,867 | \$2,244 | \$2,505 | \$2,108 | \$1,921 | \$1,138 \$ | | \$939 | \$966 | \$1,134 | \$1,791 | \$21,852 |
| Tax Factor | | 1.00503 | 1.00503 | 1.00503 | 1.00503 | 1.00503 | 1.00503 | 1.00503 | 1.00503 | 1.00503 | 1.00503 | 1.00503 | 1.00503 | |
| Net GRIP Surcharge Revenue Collected | | \$3,278 | \$2,853 | \$2,233 | \$2,492 | \$2,097 | \$1,911 | \$1,133 | \$940 | \$934 | \$961 | \$1,129 | \$1,782 | |
| Beginning True-Up | | | | | | | | | | | | | | \$ (8,427) |
| (Over) and Under Recovery for the Month | | (\$1,235) | (\$812) | (\$194) | (\$456) | (\$63) | \$120 | \$896 | \$1,086 | \$1,090 | \$1,061 | \$891 | \$236 | |
| Monthly Interest (Expense)/Income | \$ | (1.00) | | - \$ | - | - \$ | - \$ | - \$ | | | | | \$ - | (\$2) |
| Ending (Over) and Under Recovery | \$ (8,427) \$ | (9,663) | \$ (10,475) \$ | (10,670) \$ | (11,126) \$ | (11,189) \$ | (11,069) \$ | (10,172) \$ | (9,086) | (7,996) | \$ (6,935) | (6,044) | \$ (5,808) | \$ (5,808) |
| Beg of Month Annual Interest Rate | | 0.09% | 0.07% | 0.06% | 0.04% | 0.04% | 0.03% | 0.04% | 0.05% | 0.05% | 0.05% | 0.05% | 0.05% | |
| End of Month Annual Interest Rate | | 0.07% | 0.06% | 0.04% | 0.04% | 0.03% | 0.04% | 0.05% | 0.05% | 0.05% | 0.05% | 0.05% | 0.05% | |
| Average Monthly Interest Rate | | 0.01% | 0.01% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | |
| | | | | | | | | | | | | | | |

Florida Public Utilities-Ft. Meade

Gas Reliability Infrastructure Program (GRIP)
Calculation of the Projected Revenue Requirements
January 1, 2022 through December 31, 2022

Schedule C-2
Exhibit____
Derrick M. Craig (DMC-1)
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| Item Qualified Investment | Beginning Balance | Forecast <u>Jan</u> | Forecast Feb | Forecast <u>Mar</u> | Forecast Apr | Forecast <u>May</u> | Forecast Jun | Forecast <u>Jul</u> | Forecast Aug | Forecast Sep | Forecast Oct | Forecast Nov | Forecast Dec | Year End <u>Total</u> |
|---|----------------------|------------------------|-----------------|------------------------|-----------------|------------------------|-----------------|------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|--------------------------|
| Qualified Investment - Mains - Current 1070 Activity | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Qualified Investment - Mains - Closed 1070 Activity to Plant | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Qualified Investment - Services - Current 1070 Activity | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Qualified Investment - Services - Closed 1070 Activity to Plant | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Qualified Investment - Mains - Current 1010 Activity | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Qualified Investment - Services - Current 1010 Activity | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Qualified Investment - Mains 1070 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Qualified Investment - Services 1070 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Qualified Investment - Mains 1010 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Qualified Investment - Services 1010 | \$253,934 | \$253,934 | \$253,934 | \$253,934 | \$253,934 | \$253,934 | \$253,934 | \$253,934 | \$253,934 | \$253,934 | \$253,934 | \$253,934 | \$253,934 | \$253,934 |
| Total Qualified Investment | \$253,934 | \$253,934 | \$253,934 | \$253,934 | \$253,934 | \$253,934 | \$253,934 | \$253,934 | \$253,934 | \$253,934 | \$253,934 | \$253,934 | \$253,934 | \$253,934 |
| Less: Accumulated Depreciation | (\$25,917) | (\$26,383) | (\$26,849) | (\$27,315) | (\$27,781) | (\$28,247) | (\$28,713) | (\$29,179) | (\$29,645) | (\$30,111) | (\$30,577) | (\$31,043) | (\$31,509) | (\$31,509) |
| Net Book Value | \$228,017 | \$227,551 | \$227,085 | \$226,619 | \$226,153 | \$225,687 | \$225,221 | \$224,755 | \$224,289 | \$223,823 | \$223,357 | \$222,891 | \$222,425 | \$222,425 |
| Average Net Qualified Investment | = | \$227,784 | \$227,318 | \$226,852 | \$226,386 | \$225,920 | \$225,454 | \$224,988 | \$224,522 | \$224,056 | \$223,590 | \$223,124 | \$222,658 | |
| Providing Press | _ | | | | | | | | | | | | | |
| Depreciation Rates Approved Depreciation Rate-Mains | | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | |
| Approved Depreciation Rate-Services | | 2.20% | 2.20% | 2.20% | 2.20% | 2.20% | 2.20% | 2.20% | 2.20% | 2.20% | 2.20% | 2.20% | 2.20% | |
| Return on Average Net Qualified Investment | | | | | | | | | | | | | | |
| Equity - Cost of Capital, inclusive of Income Tax Gross-up | | 4.91% | 4.91% | 4.91% | 4.91% | 4.91% | 4.91% | 4.91% | 4.91% | 4.91% | 4.91% | 4.91% | 4.91% | |
| Debt - Cost of Capital | | 1.20% | 1.20% | 1.20% | 1.20% | 1.20% | 1.20% | 1.20% | 1.20% | 1.20% | 1.20% | 1.20% | 1.20% | |
| Equity Component - inclusive of Income Tax Gross-up | | \$932 | \$930 | \$929 | \$927 | \$925 | \$923 | \$921 | \$919 | \$917 | \$915 | \$913 | \$911 | \$11,063 |
| Debt Component | _ | \$228 | \$227 | \$227 | \$226 | \$226 | \$225 | \$225 | \$225 | \$224 | \$224 | \$223 | \$223 | \$2,703 |
| Return Requirement | _ | \$1,160 | \$1,158 | \$1,155 | \$1,153 | \$1,151 | \$1,148 | \$1,146 | \$1,144 | \$1,141 | \$1,139 | \$1,136 | \$1,134 | \$13,766 |
| Investment Expenses | | | | | | | | | | | | | | |
| Depreciation Expense - Mains | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Depreciation Expense - Services | | \$466 | \$466 | \$466 | \$466 | \$466 | \$466 | \$466 | \$466 | \$466 | \$466 | \$466 | \$466 | \$5,592 |
| Property Taxes | | \$380 | \$380 | \$380 | \$380 | \$380 | \$380 | \$380 | \$380 | \$380 | \$380 | \$380 | \$380 | \$4,560 |
| General Public Notice Expense and Customer Notice Expense | _ | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Expense | _ | \$846 | \$846 | \$846 | \$846 | \$846 | \$846 | \$846 | \$846 | \$846 | \$846 | \$846 | \$846 | \$10,152 |
| Total Revenue Requirements | - | \$2,006 | \$2,004 | \$2,001 | \$1,999 | \$1,997 | \$1,994 | \$1,992 | \$1,990 | \$1,987 | \$1,985 | \$1,982 | \$1,980 | \$23,918 |

Florida Public Utilities Company-Fort Meade

Gas Reliability Infrastructure Program (GRIP)
Projection of Qualified Mains & Services Revenue Requirements
Surcharge Calculation - January 1, 2022 through December 31, 2022
Per Therm Rate

Schedule D-1
Exhibit_____
Derrick M. Craig (DMC-1)
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| 1. | 1/1/22-12/31/22 Qualified Mains & Services Replacement Revenue | e Requirements | | \$ 23,918 |
|----|--|----------------|----------|---------------|
| | Mains | 0% | \$0 | |
| | Services | 100% | \$23,918 | |
| | Net | _ | \$23,918 | |
| 2. | TRUE-UP from Prior Period (Over)/Under Recovery Estimated th | ru 12/2020 | | \$ (5,808) |
| 3. | 2022 Qualified Mains & Services Replacement Revenue Requiren | nents | | \$ 18,109 |
| | Mains | 0% | \$0 | |
| | Services | 100% | \$18,109 | |
| | Net | | \$18,109 | |
| | | | | |

| | | | | | | | DOLLARS | | GRIP | TYPICAL | | AVERAGE | |
|--|---------|----------|--------|----------|---------|----------|-----------|---------|-----------|---------|---------|---------|--|
| RATE | 2022 | SERVICES | MAINS | SERVICES | MAINS | GRIP | PER | TAX | FACTORS | ANNUAL | ANNUAL | MONTHLY | |
| SCHEDULE | THERMS | COS % | COS % | REV REQ | REV REQ | REV REQ | THERM | FACTOR | PER THERM | THERMS | COST | COST | |
| RESIDENTIAL | 69,242 | 58.00% | 22.00% | \$10,503 | \$0 | \$10,503 | \$0.15169 | 1.00503 | \$0.15245 | 250 | \$38.11 | \$3.18 | |
| COMMERCIAL SMALL (General Service & GS Transportation) | 212,459 | 17.00% | 23.00% | \$3,079 | \$0 | \$3,079 | \$0.01449 | 1.00503 | \$0.01456 | 2,500 | \$36.41 | \$3.03 | |
| COMM. LRG VOLUME (Large Vol & LV Transportation) | 0 | 25.00% | 46.00% | \$4,527 | \$0 | \$4,527 | \$0.00000 | 1.00503 | \$0.00000 | 25,000 | \$0.00 | \$0.00 | |
| INTERRUPTIBLE SERVICE (Int Service & IS Transportation) | 0 | 0.00% | 8.00% | \$0 | \$0 | \$0 | \$0.00000 | 1.00503 | \$0.00000 | 50,000 | \$0.00 | \$0.00 | |
| GENERAL LIGHTING SERVICE | 0 | 0.00% | 1.00% | \$0 | \$0 | \$0 | \$0.00000 | 1.00503 | \$0.00000 | 500 | \$0.00 | \$0.00 | |

| TOTAL | 281,701 | 100.00% | 100.00% | \$18,109 | \$0 | \$18,109 |
|-------|---------|---------|---------|----------|-----|----------|
| | | | | | | |

Fort Meade

| | Per Book | Pro-Rata Adjustment | Specific Adjustment | Adjusted Balance | Cap Ratio Cost Rat | e We | eighted Cost |
|-------------------------|-------------|------------------------|------------------------|------------------|--------------------|--------|--------------|
| Common Equity | \$394,749 | \$0 | (8) | \$394,741 | 33.30% | 11.00% | 3.66% |
| Long Term Debt | \$309,803 | \$0 | (7) | \$309,796 | 26.14% | 3.69% | 0.96% |
| Short Term Debt | \$148,893 | \$0 | (4) | \$148,889 | 12.56% | 1.83% | 0.23% |
| Long Term Debt - FC | \$0 | \$0 | 0 | \$0 | 0.00% | 0.00% | 0.00% |
| Customer Deposits | \$23,196 | \$0 | 0 | \$23,196 | 1.96% | 0.44% | 0.01% |
| Deffered Income Taxes _ | \$308,714 | \$0 | 0 | \$308,714 | 26.04% | 0.00% | 0.00% |
| Total | \$1,185,355 | \$0 | (19) | \$1,185,336 | 100% | | 4.87% |

| | | Consistency and Pro- | | Pro-Rata | Specific | | | | |
|-----------------------|-------------|----------------------|-----------------------|------------|------------|-------------------------|----------------|--------|---------------|
| | Per Book | Rata Adjustment | Books Adjusted | Adjustment | Adjustment | Adjusted Balance | Cap Ratio Cost | Rate | Weighted Cost |
| Common Equity | \$394,749 | (\$16,302) | \$378,447 | \$0 | \$0 | \$378,447 | 31.93% | 11.00% | 3.51% |
| Long Term Debt | \$309,803 | (\$12,794) | \$297,009 | \$0 | \$0 | \$297,009 | 25.06% | 3.79% | 0.95% |
| Short Term Debt | \$148,893 | (\$6,149) | \$142,744 | \$0 | \$0 | \$142,744 | 12.04% | 3.26% | 0.39% |
| Long Term Debt - FC | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | 0.00% | 0.00% | 0.00% |
| Customer Deposits | \$23,196 | | \$23,196 | \$0 | \$0 | \$23,196 | 1.96% | 1.98% | 0.04% |
| Deffered Income Taxes | \$308,714 | \$35,245 | \$343,958 | \$0 | \$0 | \$343,958 | 29.02% | 0.00% | 0.00% |
| Total | \$1,185,355 | | \$1,185,355 | \$0 | \$0 | \$1,185,355 | 100% | | 4.89% |

| | Month | Total Deferred Income Tax Balance | Deprec Related ADFIT Balance | Deprec Related ADFIT Activity | | Future Days in Period | Prorated Deprec- Related ADFIT Activity | Prorated Deprec- Related ADFIT Balance |
|------------------------|--------|--------------------------------------|---------------------------------|----------------------------------|-----|--------------------------|---|--|
| Projected | Dec-21 | 244,475 | 156,024 | | | | | 156,024 |
| Projected | Jan-22 | 245,798 | 156,868 | 844 | 31 | 336 | 777 | 156,801 |
| Projected | Feb-22 | 247,121 | 157,712 | 844 | 28 | 308 | 712 | 157,514 |
| Projected | Mar-22 | 248,444 | 158,557 | 844 | 31 | 277 | 641 | 158,154 |
| Projected | Apr-22 | 249,767 | 159,401 | 844 | 30 | 247 | 571 | 158,726 |
| Projected | May-22 | 251,090 | 160,246 | 844 | 31 | 216 | 500 | 159,225 |
| Projected | Jun-22 | 252,413 | 161,090 | 844 | 30 | 186 | 430 | 159,656 |
| Projected | Jul-22 | 253,736 | 161,934 | 844 | 31 | 155 | 359 | 160,014 |
| Projected | Aug-22 | 255,059 | 162,779 | 844 | 31 | 124 | 287 | 160,301 |
| Projected | Sep-22 | 256,382 | 163,623 | 844 | 30 | 94 | 217 | 160,518 |
| Projected | Oct-22 | 257,705 | 164,467 | 844 | 31 | 63 | 146 | 160,664 |
| Projected | Nov-22 | 259,028 | 165,312 | 844 | 30 | 33 | 76 | 160,741 |
| Projected | Dec-22 | 260,351 | 166,156 | 844 | 31 | 2 | 5 | 160,745 |
| _ | • | 252,413 | 161,090 | 10,132 | 365 | • | 4,721 | 159,160 |
| 2020 YE Surveil Bal. | | 308,714 | 123,915 | | | | 13-Month Avg. Bal | 161,090 |
| Consistency Adjustment | - | (56,301) | 37,174 | * | | | Proration Adj. | (1,930 |
| Proration Adjustment | | | (1,930) | | | | | |
| Total Adjustment | | • | 35,245 | - | | | | |

^{*} Positive variance shows that the limitation provision is met.

Schedule E-1
Exhibit____

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