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Writer's Direct Dial Number: (850) 521-1706
Writer's E-Mail Address: bkeating@gunster.com

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 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

DOCKET NO.

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.

GRIP True-Up

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

GRIP True-Up

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:

GRIP True-Up

<u>CFG</u> 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

CFG
Experimental

<u>CLASS</u> <u>Rate Schedule</u>	GRIP FACTORS <u>Rate per bill</u>
FTS-A (Exp)	\$ 4.50

GRIP True-Up

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

SCHEDULE

GRIP FACTORS

PER THERM

RESIDENTIAL	\$0.31642
COMMERCIAL SMALL (General Service 1 & 2 & GS 1 & 2 Transportation)	\$0.22966
COMM. LRG VOLUME (Large Vol & LV Transportation)	\$0.16008
INTERRUPTIBLE SERVICE (Int Service & IS Transportation)	\$0.09536
GENERAL LIGHTING SERVICE (Gen Light Service & GLS Transportation)	\$1.14051
Rate Schedule NGV	\$0.22966
Rate Schedule NGVTS	\$0.22966

GRIP True-Up

Fort Meade

<u>RATE</u> <u>SCHEDULE</u>	<u>FACTORS</u> <u>PER THERM</u>
RESIDENTIAL	\$0.15245
COMMERCIAL SMALL (General Service & GS Transportation)	\$0.01456
COMM. LRG VOLUME (Large Vol & LV Transportation)	\$0.00000
INTERRUPTIBLE SERVICE (Int Service & IS Transportation)	\$0.00000
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

GRIP True-Up

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: s/Beth Keating
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:

<u>Rate Schedule</u>	<u>Rates per Therm</u>
TS-1	Not applicable
TS-2	Not applicable
TS-3	Not applicable
TS-4	Not applicable
NGVTS	Not applicable

FT. MEADE:

<u>Rate Schedule</u>	<u>Rates per Therm</u>
RS	\$0.15245
GS-1	\$0.01456
GS-2	\$0.01456
GSTS-1	\$0.01456
GSTS-2	\$0.01456
LVS	\$0.00000
LVTS	\$0.00000
IS	\$0.00000
ITS	\$0.00000
GLS	\$0.00000
GLSTS	\$0.00000
NGV	\$0.00000
NGVTS	\$0.00000

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 202~~1~~2 through the last billing cycle for December 202~~1~~2 are as follows:

INDIANTOWN:

<u>Rate Schedule</u>	<u>Rates per Therm</u>
TS-1	Not applicable
TS-2	Not applicable
TS-3	Not applicable
TS-4	Not applicable
NGVTS	Not applicable

FT. MEADE:

<u>Rate Schedule</u>	<u>Rates per Therm</u>
RS	\$0. 16325 <u>15245</u>
GS-1	\$0. 019590 <u>1456</u>
GS-2	\$0. 019590 <u>1456</u>
GSTS-1	\$0. 019590 <u>1456</u>
GSTS-2	\$0. 019590 <u>1456</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

All Companies
GAS RELIABILITY INFRASTRUCTURE PROGRAM – CONTINUED

FLORIDA PUBLIC UTILITIES:

<u>Rate Schedule</u>	<u>Rates per Therm</u>
RS	\$0.31642
GS-1	\$0.22966
GS-2	\$0.22966
GSTS-1	\$0.22966
GSTS-2	\$0.22966
LVS	\$0.16008
LVTS	\$0.16008
IS	\$0.09536
ITS	\$0.09536
GLS	\$1.14051
GLSTS	\$1.14051
NGV	\$0.22966
NGVTS	\$0.22966

CENTRAL FLORIDA GAS:

<u>Rate Schedule</u>	<u>Rates per Therm</u>
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

All Companies
GAS RELIABILITY INFRASTRUCTURE PROGRAM – CONTINUED

FLORIDA PUBLIC UTILITIES:

<u>Rate Schedule</u>	<u>Rates per Therm</u>
RS	\$0. 2241731642
GS-1	\$0. 1518022966
GS-2	\$0. 1518022966
GSTS-1	\$0. 1518022966
GSTS-2	\$0. 1518022966
LVS	\$0. 1022116008
LVTS	\$0. 1022116008
IS	\$0. 0611409536
ITS	\$0. 0611409536
GLS	\$0. 800461.14051
GLSTS	\$0. 800461.14051
NGV	\$0. 1518022966
NGVTS	\$0. 1518022966

CENTRAL FLORIDA GAS:

<u>Rate Schedule</u>	<u>Rates per Therm</u>
FTS-A	\$0. 7444371307
FTS-B	\$0. 2166721508
FTS-1	\$0. 1156711405
FTS-2	\$0. 1379115536
FTS-2.1	\$0. 1462415932
FTS-3	\$0. 0605705948
FTS-3.1	\$0. 0746907553
FTS-4	\$0. 0790408381
FTS-5	\$0. 0936808987
FTS-6	\$0. 0638705768
FTS-7	\$0. 0789607716
FTS-8	\$0. 0847208318
FTS-9	\$0. 1797912900
FTS-10	\$0. 1078907393
FTS-11/ FTS-NGV ___	\$0. 1436605328
FTS-12	\$0. 0332603708
FTS- 13 NGV	N/A\$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

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:

<u>Rate Schedule</u>	<u>Dollars per Bill</u>
FTS-A (Fixed)	\$4.50
FTS-B (Fixed)	\$2.28
FTS-1 (Fixed)	\$1.69
FTS-2 (Fixed)	\$8.17
FTS-2.1 (Fixed)	\$16.58
FTS-3 (Fixed)	\$18.01
FTS-3.1 (Fixed)	\$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.

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, 2024 through December 31, 2024 for each rate classification are as follows:

<u>Rate Schedule</u>	<u>Dollars per Bill</u>
FTS-A (Fixed)	\$4. 41 <u>50</u>
FTS-B (Fixed)	\$2. 24 <u>28</u>
FTS-1 (Fixed)	\$1. 70 <u>69</u>
FTS-2 (Fixed)	\$ 7.948 <u>.17</u>
FTS-2.1 (Fixed)	\$16. 26 <u>58</u>
FTS-3 (Fixed)	\$ 17.66 <u>18.01</u>
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.

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
10 Company (FPUC or Company) as a Senior Regulatory Analyst. My business address
11 is 208 Wildlight Avenue; Yulee, Florida 32097.

12 **Q. Describe briefly your education and relevant professional background.**

13 A. In 1991, I received a Bachelor of Electrical Engineering degree from the Georgia
14 Institute of Technology in Atlanta, Georgia, and in 1997, I received a Masters of
15 Business Administration from the University of Virginia (Darden Graduate Business
16 School) in Charlottesville, Virginia. I have worked in various engineering and financial
17 analysis roles for several utilities, including Baltimore Gas and Electric, Oglethorpe
18 Power Company and the Southern Company. I have been in my current position as
19 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,
6 as well as the actual/estimated true-up based on seven months of actual 2021 data and
7 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
11 the computations that are contained in composite Exhibit DMC-1 supporting the
12 January through December 2022 projected GRIP surcharge factors for FPUC, Florida
13 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
19 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).

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

24 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

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

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

12 A. The projected revenue requirements include several components: 1) the return on
13 estimated qualified investments for the projection period as calculated using the equity
14 and debt components of the weighted average cost of capital from each companies
15 respective prior rate cases. 2) depreciation expense (respectively calculated using the
16 currently approved depreciation rates) and 3) expenses for customer and general public
17 notifications associated with GRIP and ad valorem taxes, grossed up for federal and
18 state income taxes. Since FPUC has a bare steel replacement and recovery program,
19 originally approved in the Company's 2004 rate case proceeding, the revenue
20 requirement is net of the existing bare steel program, which equates to \$747,727
21 embedded in base rate revenues. CFG and Fort Meade do not have any recovery
22 amounts embedded in their base rates. The 2022 projected mains and services to be
23 replaced are shown on Exhibit DMC-1, Schedule C-2, pages 4, 10 and 16. FPUC is
24 expecting to invest \$3,420,000 in mains and \$1,874,520 for services. CFG and Fort
25 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.

6 **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	<u>5.34%</u>
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	<u>1.58%</u>
Overall Weighted Cost Rate	<u><u>5.58%</u></u>

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

Schedule B-1
 Exhibit _____
 Derrick M. Craig (DMC - 1)
 Page 2 of 18

<u>Item</u>	<u>Beginning Balance</u>	<u>Actual Jan</u>	<u>Actual Feb</u>	<u>Actual Mar</u>	<u>Actual Apr</u>	<u>Actual May</u>	<u>Actual Jun</u>	<u>Actual Jul</u>	<u>Actual Aug</u>	<u>Actual Sep</u>	<u>Actual Oct</u>	<u>Actual Nov</u>	<u>Actual Dec</u>	<u>Year End Total/Balance</u>
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	\$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)	(\$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	\$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)	(\$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	\$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	\$498,071	\$6,861,040
Total Qualified Investment - Mains 1070	\$288,818	\$976,625	\$1,279,668	\$1,861,037	\$2,445,345	\$3,159,308	(\$776,602)	\$641,953	\$1,744,983	\$2,547,719	\$762,476	\$1,105,205	\$1,917,923	\$1,917,923
Total Qualified Investment - Service 1070	\$2,647	\$253,801	\$171,909	\$758,410	\$487,624	\$282,817	\$274,917	\$246,261	\$307,249	\$98,431	\$7,521	\$14,863	\$477,904	\$477,904
Total Qualified Investment - Mains 1010	\$79,712,208	\$79,712,208	\$80,250,057	\$80,784,559	\$81,069,904	\$81,193,487	\$86,152,530	\$86,152,530	\$86,152,530	\$86,438,418	\$89,045,919	\$89,307,291	\$89,609,177	\$89,609,177
Total Qualified Investment - Service 1010	\$26,433,705	\$26,433,705	\$26,854,254	\$27,341,483	\$28,326,640	\$29,006,548	\$29,460,854	\$29,930,200	\$30,351,952	\$31,380,094	\$32,056,424	\$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
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
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		
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%	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%	2.20%	2.20%
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%	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%	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	\$507,739	\$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	\$166,384	\$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	\$674,252	\$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	\$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	\$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	\$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	\$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	\$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	\$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	\$62,310	\$62,310	\$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	\$980,864	\$11,020,034
GRIP Surcharge Revenues Collected 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	\$ 993,582	\$9,369,115
Beginning True-Up														
(Over) and Under Recovery for the Month	(\$226,812)	(\$128,662)	(\$42,918)	\$150,145	\$191,751	\$260,591	\$282,367	\$323,627	\$335,393	\$313,138	\$205,019	(\$12,718)	(\$12,718)	\$ 1,650,921
Monthly Interest (Expense)/Income	\$ (2,764)	\$ (2,914)	\$ (3,357)	\$ (2,045)	\$ (298)	\$ (171)	\$ (131)	\$ (106)	\$ (70)	\$ (47)	\$ (33)	\$ (26)	\$ (26)	\$ (11,962)
Ending (Over) and Under Recovery	\$ (1,965,077)	\$ (2,194,653)	\$ (2,326,229)	\$ (2,372,504)	\$ (2,224,404)	\$ (2,032,951)	\$ (1,772,531)	\$ (1,490,295)	\$ (1,166,774)	\$ (831,451)	\$ (518,360)	\$ (313,374)	\$ (326,118)	\$ (326,118)
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%	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%	0.09%	0.09%
Average Monthly Interest Rate	0.133%	0.129%	0.143%	0.089%	0.014%	0.009%	0.008%	0.008%	0.007%	0.007%	0.008%	0.008%	0.008%	0.008%

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
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 Derrick M. Craig (DMC-1)
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<u>Item</u>	<u>Beginning Balance</u>	<u>Forecast Jan</u>	<u>Forecast Feb</u>	<u>Forecast Mar</u>	<u>Forecast Apr</u>	<u>Forecast May</u>	<u>Forecast Jun</u>	<u>Forecast Jul</u>	<u>Forecast Aug</u>	<u>Forecast Sep</u>	<u>Forecast Oct</u>	<u>Forecast Nov</u>	<u>Forecast Dec</u>	<u>Year End Total/Balance</u>
Qualified Investment														
Qualified 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 to Plant		(\$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 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%	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%	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%	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%	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	\$595,410	\$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	\$176,180	\$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	\$771,590	\$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	\$476,267	\$5,682,515
Total Revenue Requirements	\$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	\$1,247,856	\$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	\$62,310	\$62,310	\$747,727
Net Annual Revenue Requirements	\$1,166,187	\$1,170,464	\$1,174,734	\$1,178,995	\$1,183,249	\$1,187,495	\$1,191,900	\$1,192,950	\$1,191,469	\$1,189,989	\$1,188,508	\$1,187,020	\$1,185,540	\$14,201,960

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
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Derrick M. Craig (DMC-1)
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1. 1/1/22-12/31/22 Qualified Mains & Services Replacement Revenue Requirements			\$	14,201,960
Mains	74%	\$10,509,450		
Services	26%	\$3,692,510		
Net		<u>\$14,201,960</u>		
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
Mains	74%	\$11,829,805		
Services	26%	\$4,156,418		
Net		<u>\$15,986,222</u>		

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	<u>81,688,895</u>	<u>100%</u>	<u>100%</u>	<u>4,156,418</u>	<u>11,829,805</u>	<u>15,986,222</u>						

FPU

2020 YE Forecast Surveillance (13-month average) at ROE% midpoint								
	Per Book	Pro-Rata Adjustment	Specific Adjustment	Adjusted Balance	Cap Ratio	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%	
Deferred 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 Surveillance with ADFIT Consistency and Proration Adjustments (13-month average)										
	Per Book	Consistency and Pro-Rata Adjustment		Books Adjusted	Pro-Rata Adjustment	Specific Adjustment	Adjusted Balance	Cap Ratio	Cost 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%	
Deferred 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%	

Proration Adjustment and Consistency Adjustment To Reflect Projected ADFIT Consistent with Projection Year								
	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	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
		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.

Florida Division of Chesapeake Utilities Corporation

Gas Reliability Infrastructure Program (GRIP)

Calculation of Equity and Debt Returns

Schedule A-1

Exhibit _____

Derrick M. Craig (DMC-1)

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Earnings Surveillance Report - December 31, 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	<u>5.42%</u>
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	<u>1.38%</u>
Overall Weighted Cost Rate	<u><u>5.44%</u></u>

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

Item	Beginning Balance	Forecast Jan	Forecast Feb	Forecast Mar	Forecast Apr	Forecast May	Forecast Jun	Forecast Jul	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%	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%	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%	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%	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	\$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	\$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	\$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	\$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	\$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	\$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	\$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	\$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	\$337,284	\$4,074,608

CFG

2020 YE Forecast Surveillance (13-month average) at ROE% midpoint							
	Per Book	Pro-Rata Adjustment	Specific Adjustment	Adjusted Balance	Cap Ratio	Cost 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 Surveillance with ADFIT Consistency and Proration Adjustments (13-month average)										
	Per Book	Consistency and Pro-Rata Adjustment		Books Adjusted	Pro-Rata Adjustment	Specific 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%

Proration Adjustment and Consistency Adjustment To Reflect Projected ADFIT Consistent with Projection Year									
	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.

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)

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Earnings Surveillance Report - December 31, 2020

Equity Cost Rate	11.00%
Weighted Equity Cost Rate	3.66%
Revenue Expansion Factor	1.342
Weighted Equity Cost Rate , times Revenue Expansion Factor	<u>4.91%</u>
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	<u>1.20%</u>
Overall Weighted Cost Rate	<u><u>4.86%</u></u>

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	Beginning Balance	Forecast Jan	Forecast Feb	Forecast Mar	Forecast Apr	Forecast May	Forecast Jun	Forecast Jul	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	\$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	
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%	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%	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%	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%	1.20%
Equity Component - inclusive of Income Tax Gross-up	\$932	\$930	\$929	\$927	\$925	\$923	\$921	\$919	\$917	\$915	\$913	\$911	\$911	\$11,063
Debt Component	\$228	\$227	\$227	\$226	\$226	\$225	\$225	\$225	\$224	\$224	\$223	\$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	\$1,134	\$13,766
Investment Expenses														
Depreciation Expense - Mains	\$0	\$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	\$466	\$5,592
Property Taxes	\$380	\$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	\$0
Total Expense	\$846	\$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	\$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 Requirements		\$	23,918
Mains	0%	\$0	
Services	100%	\$23,918	
Net		<u>\$23,918</u>	
2. TRUE-UP from Prior Period (Over)/Under Recovery Estimated thru 12/2020		\$	(5,808)
3. 2022 Qualified Mains & Services Replacement Revenue Requirements		\$	18,109
Mains	0%	\$0	
Services	100%	\$18,109	
Net		<u>\$18,109</u>	

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	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	<u>281,701</u>	<u>100.00%</u>	<u>100.00%</u>	<u>\$18,109</u>	<u>\$0</u>	<u>\$18,109</u>						

Fort Meade

Schedule E-1

Exhibit _____

Derrick M. Craig (DMC-1)

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2020 YE Forecast Surveillance (13-month average) at ROE% midpoint								
	Per Book	Pro-Rata Adjustment	Specific Adjustment	Adjusted Balance	Cap Ratio	Cost Rate	Weighted 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%	
Deferred 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%	

2020 YE Forecast Surveillance with ADFIT Consistency and Proration Adjustments (13-month average)									
	Per Book	Consistency and Pro-Rata Adjustment	Books Adjusted	Pro-Rata Adjustment	Specific 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%
Deferred 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%

Proration Adjustment and Consistency Adjustment To Reflect Projected ADFIT Consistent with Projection Year								
	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	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.