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September 1, 2023

BY E-PORTAL

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

Re: (New Docket)- Petition for Approval of Gas Utility Access and Replacement Directive (GUARD) True-Up and Cost Recovery Factors by Florida Public Utilities Company.

Dear Mr. Teitzman:

Attached for electronic filing, please find the Petition of Florida Public Utilities Company requesting approval of its GUARD True Up and Cost Recovery Factors for January through December 2024, along with the supporting Testimony and Exhibits RCW-1 and RCW-2 of Witness Robert C. Waruszewski. Also enclosed are the following proposed revised tariff sheets:

Consolidated Natural Gas First Revised Tariff Sheets 7.000-7.002 (Index)

Consolidated Natural Gas First Revised Tariff Sheet 7.403

Consolidated Natural Gas First Revised Tariff Sheet 7.404

Consolidated Natural Gas First Revised Tariff Sheet 7.405

As always, thank you for your assistance in connection with this filing. If you have any questions whatsoever, please do not hesitate to let me know.

Sincerely,



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

Cc:// Office of Public Counsel (Trierweiler)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for Approval of Gas Utility Access and Replacement Directive (GUARD) True-Up and Cost Recovery Factors by Florida Public Utilities Company. | DOCKET NO. | DATED: September 1, 2023

**PETITION FOR APPROVAL OF GUARD
COST RECOVERY FACTORS BY FLORIDA PUBLIC UTILITIES COMPANY**

Florida Public Utilities Company (herein, "FPUC" or "Company") by and through its undersigned counsel, hereby files this Petition, pursuant to Section 366.06, Florida Statutes, and Order No. PSC-2023-0235-PAA-GU, seeking approval from the Florida Public Service Commission ("FPSC" or "Commission") of FPUC's GUARD cost recovery factors for the period January 2024 through December 2024. In support of this request, the Company hereby states:

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

Florida Public Utilities Company
208 Wildlight Avenue
Yulee, FL 32097

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

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

Michelle Napier
Florida Public Utilities Company
1635 Meathe Drive
West Palm Beach, FL 33411
mnapier@fpuc.com

3) 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

GUARD True-Up

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.

4) By way of background, the Commission approved the Company's Gas Reliability and Infrastructure Program ("GRIP") in 2012 by Order No. PSC-2012-0490-TRF-GU. The program was designed to accelerate replacement of higher risk facility segments, primarily mains and services made of cast iron and bare steel. The program has now concluded and, as reflected in Order No. PSC-2023-0103-FOF-GU, recovery of GRIP has been moved from a surcharge in base rates, with the exception on one project that was delayed due to permitting and not completed until 2023.

5) While the Company's original GRIP program is complete, the Company identified additional safety risks that were not covered in the GRIP program, such as: (1) certain remaining system segments are composed of problematic pipe which needs to be replaced; and (2) certain facilities located in rear easements or other difficult to access areas need to be relocated on an expedited basis. As such, the Company filed its request for a new Gas Utility Access and Replacement Directive ("GUARD") petition on February 21, 2023. Therein, the Company proposed that, since the Company already has an approved surcharge to recover investments related to infrastructure replacement, the same mechanism could be used to recover the additional programs identified for GUARD. The Company proposed that the cost allocation methodology utilized for GRIP also be utilized for GUARD but updated with the revisions from the Company's recent rate case, as reflected in Order No. PSC-2023-

GUARD True-Up

0103-FOF-GU, issued in Docket No. 20220067-GU. By Order No. PSC-2023-0235-PAA-GU, (“GUARD Order”) issued August 15, 2023, the Commission approved the Company’s request to establish a new GUARD program for the purposes identified in paragraph 5 above, but excluded certain projects deemed to be related primarily to reliability issues, rather than safety.¹ The Commission also allowed the remaining GRIP investments that were not included for recovery in base rates in Docket No. 20220067-GU to be included in the beginning balance for the GUARD program and recovered through the GUARD, and that any remaining over or under recovery for GRIP be included in GUARD. Like GRIP, the Commission also directed the Company to file, on September 1 of each year, the calculations of the final true-up for the prior year, the actual-estimated true up for the current year, projected year investments in the program and associated revenue requirements, and the calculations of the GUARD factors by rate class.

6) Consistent with the requirements of Order No. PSC-2023-0235-PAA-GU, the Company has included schedules reflecting the transfer of GRIP assets to rate base and the remaining GRIP expenses, as well as schedules reflecting the beginning GUARD amount, the projected true up of GUARD, inclusive of the final GRIP true up, as well as the appropriate calculation of the weighted average cost of capital used and the calculation of the proposed GUARD cost recovery factors for 2024.

7) The Company is also submitting, contemporaneously with this Petition, the Direct Testimony and Exhibits RCW-1 and RCW-2, which include the referenced schedules, of Mr. Robert C. Waruszewski in support of the Company’s request for approval of the requested factors. Therein, Mr. Waruszewski explains that, based upon the assessment of an independent contractor, projects in high consequence areas and higher risk continue to be

¹ GUARD Order at p. 6.

GUARD True-Up

a priority. As also noted by Mr. Waruszewski, the Company has also included certain costs necessitated by relocation of customer meters.

8) As reflected in Exhibit RCW-1, the final GRIP true-up amount was an over-recovery of \$332,795, which is included in the GUARD beginning balance as of July 2023. The GUARD actual/estimated true-up amount is an over-recovery of \$227,566 inclusive of interest, for the period January through December 2023. The over-recovery is primarily due to the GRIP revenues, expected through the remainder of 2023, being applied to the GUARD under-recovery. Thus, the total projected GUARD true-up, which includes the final true-up for GRIP, to be refunded to customers in 2024 is a net over-recovery of \$560,361, inclusive of interest.

9) FPUC is expecting to invest \$12,415,872 in mains and \$7,955,613 for services in 2024 with a total revenue requirement for the program of \$2,856,584. After adding the projected revenue requirement for the program and the true-up amount then dividing this total among the Company's rate classes, the following are the proposed GUARD Cost Recovery factors for which the Company seeks approval in this petition:

RATE SCHEDULE	GUARD FACTORS PER THERM
RES-1	\$0.05887
RES-2	\$0.03263
RES-3	\$0.01557
RES-SG	\$0.04523
GS-1	\$0.02654
GS-2	\$0.01824
GS-3	\$0.01686

GUARD True-Up

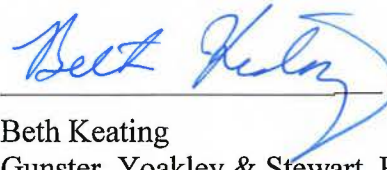
GS-4	\$0.01621
GS-5	\$0.01451
GS-6	\$0.01356
GS-7	\$0.01249
GS-8 (A-D)	\$0.01559
COM-INT	\$0.00710
COM-NGV	\$0.01161
COM-OL	\$0.02092
COM-SG	\$0.05010

10) The Company attest that these factors have been calculated correctly and consistent with Commission requirements. Thus, the Company ask that the Commission approve the proposed factors as set forth herein.

11) Attached to this Petition as Attachment A are proposed tariff pages, in clean and legislative format, reflecting the GUARD factors set forth herein.

WHEREFORE, FPUC respectfully requests that the Commission approve the proposed GUARD cost recovery factors to be effective for all meter readings for the period January 2024 through December 2024.

RESPECTFULLY SUBMITTED this 1st day of September, 2023, by:



Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301

Attorneys for Florida Public Utilities Company

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, 2023.

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

By: 
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

Revised Tariff Sheets

(Clean and Legislative Versions)

Consolidated Natural Gas First Revised Tariff Sheets 7.000-7.002 (Index)

Consolidated Natural Gas First Revised Tariff Sheet 7.403

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ATTACHMENT A

FLORIDA PUBLIC UTILITIES COMPANY

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GAS UTILITY ACCESS AND REPLACEMENT DIRECTIVE (GUARD)

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 GUARD factors for the period from the first billing cycle for January 2024 through the last billing cycle for December 2024 are as follows:

<u>Rate Schedule</u>	<u>Rates per Therm</u>
RES-1 and REST-1	\$0.05887
RES-2 and REST-2	\$0.03263
RES-3 and REST-3	\$0.01557
RES-SG and SGT	\$0.04523
GS-1 and GTS-1	\$0.02654
GS-2 and GTS-2	\$0.01824
GS-3 and GTS-3	\$0.01686
GS-4 and GTS4	\$0.01621
GS-5 and GTS-5	\$0.01451
GS-6 and GTS-6	\$0.01356
GS-7 and GTS-7	\$0.01249
GS-8A and GTS-8A	\$0.01559
GS-8B and GTS-8B	\$0.01559
GS-8C and GTS-8C	\$0.01559
GS-8D and GTS-8D	\$0.01559
COM-INT and COM-INTT	\$0.00710
COM-NGV and COM-NGVT	\$0.01161
COM-OL and COM-OLT	\$0.02092
COM-SG and COM-SGT	\$0.05010

GAS UTILITY ACCESS AND REPLACEMENT DIRECTIVE – CONTINUED

Definitions:

The GUARD Program minimizes impact to Customers, but at the same time, allows the Company to accelerate its replacement program for eligible infrastructure. Costs incurred to remove the existing eligible distribution Mains and Service Lines are not recoverable under the GUARD Program

The Eligible Infrastructure Replacement includes the following:

1. Company plant investment that
 - a. Does 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 Rear Lot facilities and other problematic 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.

The Company is recovering its revenue requirement on the actual investment amounts. The revenue requirements are inclusive of:

1. Return on investment as calculated using the allowable equity and debt components of the Company's weighted cost of capital,
2. Depreciation expense (respectively calculated using the currently approved depreciation rates),
3. Customer and general public notification expenses associated with GUARD for:
 - a. All Customers regarding the implementation of the GUARD Program and the approved surcharge factors:
 - b. The immediately affected Customers where the eligible infrastructure is being replaced, and
 - c. The general public through publications (newspapers) covering the geographic areas of the eligible infrastructure replacement activities.
4. Ad valorem taxes, grossed up for federal and state income taxes.

GAS UTILITY ACCESS AND REPLACEMENT DIRECTIVE– CONTINUED

The Company is utilizing a surcharge mechanism in order to recoup the costs associated with the GUARD Program. The Company has developed its GUARD surcharge factors for each rate classification utilizing the same investment data developed and approved in its most recent rate case.

The GUARD surcharge for each Customer class will be a per Therm rate per Month that is calculated by multiplying the GUARD revenue requirements by the percentage representing a class share of such requirements and dividing the result by the projected therm sales.

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**GAS RELIABILITY INFRASTRUCTURE PROGRAM UTILITY ACCESS AND
REPLACEMENT DIRECTIVE (GUARD)**

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 GRIPGUARD factors for the period from the first billing cycle for January 2024~~March 2023~~ through the last billing cycle for December 2024~~3~~ are as follows:

<u>Rate Schedule</u>	<u>Rates per Therm</u>
RES-1 and REST-1	<u>\$0.110160.05887</u>
RES-2 and REST-2	<u>\$0.044430.03263</u>
RES-3 and REST-3	<u>\$0.018690.01557</u>
RES-SG and SGT	<u>\$0.075550.04523</u>
GS-1 and GTS-1	<u>\$0.036530.02654</u>
GS-2 and GTS-2	<u>\$0.014490.01824</u>
GS-3 and GTS-3	<u>\$0.012640.01686</u>
G4-4 and GTS4	<u>\$0.011640.01621</u>
GS-5 and GTS-5	<u>\$0.010750.01451</u>
GS-6 and GTS-6	<u>\$0.010620.01356</u>
GS-7 and GTS-7	<u>\$0.010410.01249</u>
GS-8A and GTS-8A	<u>\$0.010320.01559</u>
GS-8B and GTS-8B	<u>\$0.010320.01559</u>
GS-8C and GTS-8C	<u>\$0.010320.01559</u>
GS-8D and GTS-8D	<u>\$0.010320.01559</u>
COM-INT and COM-INTT	<u>\$0.005220.00710</u>
COM-NGV and COM-NGVT	<u>\$0.008260.01161</u>
COM-OL and COM-OLT	<u>\$0.011440.02092</u>
COM-SG and COM-SGT	<u>\$0.057500.05010</u>

**GAS RELIABILITY INFRASTRUCTURE PROGRAM – UTILITY ACCESS AND
REPLACEMENT DIRECTIVE -CONTINUED**

Definitions:

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

~~Definitions Continued~~ program- for eligible infrastructure. Costs incurred to remove the existing eligible distribution Mains and Service Lines are not recoverable under the GRIPGUARD Program.

The Eligible Infrastructure Replacement includes the following:

1. Company plant investment that
 - a. Does 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 ~~east iron, wrought iron, and Rear Lot bare steel facilities and other problematic 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.

The Company is recovering its revenue requirement on the actual investment amounts. The revenue requirements are inclusive of:

1. Return on investment as calculated using the allowable equity and debt components of the Company's weighted cost of capital,
2. Depreciation expense (respectively calculated using the currently approved depreciation rates),
3. Customer and general public notification expenses associated with GRIPGUARD for:
 - a. All Customers regarding the implementation of the GRIP GUARD Program and the approved surcharge factors,

- b. The immediately affected Customers where the eligible infrastructure is being replaced, and

~~**GAS RELIABILITY INFRASTRUCTURE PROGRAM – CONTINUED**~~

- c. The general public through publications (newspapers) covering the geographic areas of the eligible infrastructure replacement activities.
4. Ad valorem taxes, grossed-up for federal and state income taxes.

GAS UTILITY ACCESS AND REPLACEMENT DIRECTIVE - CONTINUED

The Company is utilizing a surcharge mechanism in order to recoup the costs associated with the GRIPGUARD Program. The Company has developed its GRIPGUARD surcharge factors for each rate classification utilizing the same investment data developed and approved in its most recent rate case.

The GRIPGUARD surcharge for each Customer class will be a per Therm rate per Month that is calculated by multiplying the GRIPGUARD revenue requirements by the percentage representing a class share of such requirements and dividing the result by the projected therm sales surcharge.

1 BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

2 In Re: Gas Utility Access and Replacement Directive

3 DIRECT TESTIMONY OF ROBERT C. WARUSZEWSKI

4 On behalf of

5 Florida Public Utilities Company

6 **Q. Please state your name, occupation, and business address.**

7 A. My name is Robert C. Waruszewski. I am employed by Florida Public Utilities
8 Company (FPUC or Company) as a Regulatory Manager, South. My business address
9 is 500 Energy Lane, Suite 100, Dover, DE 19901.

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

11 A. I received a Bachelor of Science Degree in mathematics and economics from St.
12 Vincent College, Latrobe, Pennsylvania. After graduation, I worked as a junior
13 accounting clerk for the Bank of New York Mellon, assisting in the preparation of
14 audits as well as gathering local tax data for the bank's employees before joining
15 Columbia Gas of Pennsylvania in November 2011 in the Regulatory Department.
16 There, I prepared rate case and gas cost filings and in 2013, I was promoted to Senior
17 Regulatory Analyst. I joined Peoples Natural Gas, a distribution company operating in
18 Pennsylvania, West Virginia, and Kentucky in December 2017, as the Senior Rates
19 and Regulatory Analyst, where I was responsible for assisting in budget preparation
20 and compiling regulatory filings for the Company's Pennsylvania and West Virginia
21 affiliates. I was subsequently promoted to Finance and Rates Analyst IV. In January
22 2022, I joined Chesapeake Utilities Corporation where my responsibilities include the
23 fulfillment of many regulatory activities for FPUC, which range from instances of
24 regulatory analysis to various filings (Purchased Gas Adjustment, Swing Service and

1 the Gas Reliability Infrastructure Program) before the Florida Public Service
2 Commission.

3 **Q. Have you previously filed testimony before this Commission?**

4 A. Yes.

5 **Q. Are you familiar with the Gas Utility Access and Replacement Directive**
6 **(“GUARD”) of the Company and the associated projected and actual revenues**
7 **and costs?**

8 A. Yes.

9 **Q. What is the purpose of your testimony in this docket?**

10 A. My testimony will discuss the Company’s recently approved rate case and how the
11 approval to move GRIP investments into rate base in that proceeding have affected the
12 GUARD surcharge being proposed in this proceeding. My testimony will also provide
13 both the actual final true-up for remaining GRIP Program costs through July 2023, as
14 well as the actual/estimated true-up based on seven months of actual 2023 data and
15 five months of projected 2023 data for the GUARD program. My testimony will
16 confirm that the calculated weighted average cost of capital satisfies the Internal
17 Revenue Service normalization rules on Schedule E-1. In addition, the testimony will
18 summarize the computations that are contained in composite Exhibit RCW-1
19 supporting the January through December 2024 projected GUARD surcharge factors
20 for FPUC

21 **Q. Which set of schedules has your company completed and filed?**

22 A. The Company has prepared and filed in composite Exhibit RCW-1, Schedules A, B,
23 C, D and E that support the calculation of the yearly GUARD surcharge factors for
24 January 2024 through December 2024, as well as the appropriate calculation of the
25 weighted average cost of capital used for the 2024 GUARD Projection filing (as it

1 pertains to the normalization method of accounting identified by the Internal Revenue
2 Code). Exhibit RCW-2 includes the projected areas to be addressed by the GUARD
3 program in 2023 and 2024.

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

6 A. Yes.

7 **Q. What is the projection period for this filing?**

8 A. The projection period is January through December 2024.

9 **Q. Did the outcome of the Company's rate case in Docket No. 20220067-GU affect**
10 **the GUARD filing?**

11 A. Yes. Within the rate case proceeding, the Company proposed and received approval as
12 reflected in Order No. PSC-2023-0103-FOF-GU that the GRIP investments should be
13 transferred into rate base and the associated revenue requirement on those investments
14 be recovered through the base rates set in that case. Exhibit RCW-1, Schedule C-1 page
15 5 of 9, reflects the GRIP investments from the rate case being removed from the filing
16 as of February 28, 2023 and only reflects the GRIP investments above the amount
17 approved in the rate case. This amount has been incorporated into the GUARD
18 investment balance as of July 2023.

19 **Q. The GRIP program was expected to conclude in 2022, why are there additional**
20 **investments in 2023?**

21 A. These investments represent a project that was not completed at the end of 2022 due
22 to permit delays, which was mentioned as a possibility in my GRIP filing testimony
23 last year in Docket No. 20220155. This project has been finished and the Company's
24 GRIP program was completed in July 2023.

25

1 **Q. What is the appropriate final GRIP true-up amount for the period ending July**
2 **31, 2023?**

3 A. The final true-up for GRIP is an over recovery of \$332,795, and has been included as
4 the beginning balance for the GUARD program at July 2023. See Schedule C-1 page
5 6 of 9.

6 **Q. When did the Company begin incurring costs for GUARD?**

7 A. As shown on Schedule C-1, page 6 of 9, the Company began incurring costs for
8 GUARD in April 2023.

9 **Q. What is the projected GUARD true-up amount for the period January through**
10 **December 2023?**

11 A. The projected GUARD true-up amount is an over-recovery of \$227,566 inclusive of
12 interest, for the period January through December 2023. The over-recovery is
13 primarily due to the GRIP revenues, expected through the remainder of 2023, being
14 applied to the GUARD under-recovery.

15 **Q. What is the total projected GUARD true-up amount to be collected or refunded**
16 **to customers for the period January through December 2023?**

17 A. The total projected GUARD true-up, which includes the final true-up for GRIP, to be
18 refunded to customers is a net over-recovery of \$560,361, inclusive of interest.

19 **Q. Please describe how the forecasts for the replacement of qualifying distribution**
20 **mains, services and metering and regulating equipment were developed for the**
21 **projection period.**

22 A. In Order No. PSC-2023-0235-PAA-GU, FPUC received approval to seek recovery of
23 the revenue requirement of an expedited program to address (1) relocation of mains
24 and service lines located in rear easement and other difficult to access areas, and (2)
25 replacement of problematic pipes, facilities and metering and regulating (M&R)

1 equipment. Based on an assessment performed by an independent contractor, FPUC
2 has prioritized the projected replacement projects that would address the highest risk.
3 To be clear, the GUARD program identifies and addresses certain risks associated with
4 existing infrastructure and is not intended to expand the Company's natural gas
5 distribution system. Projected areas to be addressed in 2023 and 2024 are included as
6 Exhibit RCW-2.

7 **Q. Please describe how the forecasts of the revenue requirement were developed for**
8 **the projection period.**

9 A. The projected revenue requirements include several components: 1) the return on
10 estimated qualified investments for the projection period as calculated using the equity
11 and debt components of the weighted average cost of capital 2) depreciation expense
12 (respectively calculated using the currently approved depreciation rates) and 3) O&M
13 expense, which is discussed in more detail below, and ad valorem taxes, grossed up for
14 federal and state income taxes. The 2024 projected mains and services to be replaced
15 are shown on Exhibit RCW-1, Schedule C-2, page 7 of 9. FPUC is expecting to invest
16 \$12,415,872 in mains and \$7,955,613 for services in 2024.

17 **Q. What other expenses, besides capital, have been included in the projection**
18 **period.**

19 A. The Company estimated and included the costs of extending customer-owned fuel lines
20 to connect to meters that are required to be relocated due to safety concerns, as well as
21 costs to notify the public and our customers of construction occurring in their area.

22 **Q. What is the resulting net total projected revenue requirement to be recovered**
23 **during the 2024 projection period?**

24 A. The total projected revenue requirements to be recovered is \$2,296,223 as shown on
25 Schedule D-1 page 8 of 9.

1 **Q. Have you prepared a schedule that shows the calculation of the proposed GUARD**
2 **surcharge factors for each rate class to be applied during the billing period**
3 **January 1, 2024 through December 31, 2024?**

4 A. Yes, please see Schedule D-1 page 8 of 9.

5 **Q. What should be the effective date of the GUARD surcharge factors for billing**
6 **purposes?**

7 A. The GUARD surcharge factors should be effective for all meter reading during the
8 period of January 1, 2024 through December 31, 2024.

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

10 A. Yes, it does.

Florida Public Utilities Company
 Gas Utility Access and Replacement Directive
 Calculation of Equity and Debt Returns

Schedule A-1
 Exhibit _____
 Robert C. Waruszewski (RCW-1)
 Page 1 of 9

Earnings Surveillance Report - December 31, 2022

Equity Cost Rate	10.84%
Weighted Equity Cost Rate	4.565%
Revenue Expansion Factor	1.3529
Weighted Equity Cost Rate , times Revenue Expansion Factor	6.18%
Long Term Debt-CU	1.072%
Short Term Debt	0.247%
Customer Deposits	0.064%
Weighted Debt Cost Rate	1.38%
Overall Weighted Cost Rate	5.95%

Earnings Surveillance Report - March 31, 2023

Equity Cost Rate	10.25%
Weighted Equity Cost Rate	4.340%
Revenue Expansion Factor	1.3529
Weighted Equity Cost Rate , times Revenue Expansion Factor	5.87%
Long Term Debt-CU	1.080%
Short Term Debt	0.330%
Customer Deposits	0.060%
Weighted Debt Cost Rate	1.47%
Overall Weighted Cost Rate	5.81%

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 B-1
 Exhibit _____
 Robert C. Waruszewski (RCW-1)
 Page 2 of 9

Item	Beginning Balance	Actual Jan	Actual Feb	Actual Mar	Actual Apr	Actual May	Actual Jun	Actual Jul	Actual Aug	Actual Sep	Actual Oct	Actual Nov	Actual Dec	Year End Total
Qualified Investment														
Qualified Investment - Mains - Current 1070 Activity		\$81,734	\$52,473	\$8,185	(\$2,631)	\$18,113	(\$3,110)	\$13,843	\$0	\$0	\$0	\$5,237	\$0	\$173,843
Qualified Investment - Mains - Closed 1070 Activity to Plant		(\$71,676)	(\$47,709)	(\$28,461)	\$2,631	(\$18,113)	\$3,110	(\$13,843)	\$0	\$0	\$0	(\$5,237)	\$0	(\$179,298)
Qualified Investment - Services - Current 1070 Activity		\$4,590	\$9,596	\$4,333	\$776	\$0	\$0	\$1,845	\$10,281	\$0	\$0	\$4,590	\$0	\$36,012
Qualified Investment - Services - Closed 1070 Activity to Plant		(\$4,536)	(\$9,596)	(\$4,333)	(\$776)	\$0	\$0	(\$1,845)	(\$10,281)	\$0	\$0	(\$4,590)	\$0	(\$35,958)
Qualified Investment - Mains - Current 1010 Activity		\$71,676	\$47,709	\$28,461	(\$2,631)	\$18,113	(\$3,110)	\$13,843	\$0	\$0	\$0	\$5,237	\$0	\$179,298
Qualified Investment - Services - Current 1010 Activity		\$4,536	\$9,596	\$4,333	\$776	\$0	\$0	\$1,845	\$10,281	\$0	\$0	\$4,590	\$0	\$35,958
Total Qualified Investment - Mains 1070	(\$134,474)	(\$124,415)	(\$119,652)	(\$139,928)	(\$139,928)	(\$139,928)	(\$139,928)	(\$139,928)	(\$139,928)	(\$139,928)	(\$139,928)	(\$139,928)	(\$139,928)	(\$139,928)
Total Qualified Investment - Services 1070	\$4,206	\$4,260	\$4,260	\$4,260	\$4,260	\$4,260	\$4,260	\$4,260	\$4,260	\$4,260	\$4,260	\$4,260	\$4,260	\$4,260
Total Qualified Investment - Mains 1010	\$38,020,087	\$38,091,763	\$38,139,472	\$38,167,933	\$38,165,302	\$38,183,415	\$38,180,305	\$38,194,148	\$38,194,148	\$38,194,148	\$38,194,148	\$38,199,385	\$38,199,385	\$38,199,385
Total Qualified Investment - Services 1010	\$3,782,909	\$3,787,446	\$3,797,041	\$3,801,375	\$3,802,151	\$3,802,151	\$3,803,996	\$3,814,277	\$3,814,277	\$3,814,277	\$3,814,277	\$3,818,867	\$3,818,867	\$3,818,867
Total Qualified Investment	\$41,672,729	\$41,759,053	\$41,821,121	\$41,833,639	\$41,831,785	\$41,849,898	\$41,846,788	\$41,862,476	\$41,872,757	\$41,872,757	\$41,872,757	\$41,882,584	\$41,882,584	\$41,882,584
Less: Accumulated Depreciation	(\$4,716,622)	(\$4,790,092)	(\$4,863,697)	(\$4,937,402)	(\$5,011,165)	(\$5,084,925)	(\$5,158,717)	(\$5,232,504)	(\$5,306,318)	(\$5,380,151)	(\$5,453,984)	(\$5,527,817)	(\$5,601,667)	(\$5,601,667)
Net Book Value	\$36,956,106	\$36,968,961	\$36,957,424	\$36,896,237	\$36,820,620	\$36,764,973	\$36,688,071	\$36,629,972	\$36,566,439	\$36,492,606	\$36,418,773	\$36,354,767	\$36,280,917	\$36,280,917
Average Net Qualified Investment	\$36,962,534	\$36,963,193	\$36,926,831	\$36,858,429	\$36,792,796	\$36,726,522	\$36,659,021	\$36,598,205	\$36,529,522	\$36,455,689	\$36,386,770	\$36,317,842		
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%	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		6.08%	6.08%	6.08%	6.08%	6.08%	6.08%	6.08%	6.08%	6.08%	6.08%	6.08%	6.08%	6.08%
Debt - Cost of Capital		1.24%	1.24%	1.24%	1.24%	1.24%	1.24%	1.24%	1.24%	1.24%	1.24%	1.24%	1.24%	1.24%
Equity Component - inclusive of Income Tax Gross-up	\$187,369	\$187,373	\$187,188	\$186,842	\$186,509	\$186,173	\$185,831	\$185,522	\$185,222	\$184,922	\$184,622	\$184,322	\$184,022	\$221,332
Debt Component	\$38,195	\$38,195	\$38,158	\$38,087	\$38,019	\$37,951	\$37,881	\$37,811	\$37,741	\$37,671	\$37,601	\$37,531	\$37,461	\$454,850
Return Requirement	\$225,564	\$225,568	\$225,346	\$224,929	\$224,528	\$224,124	\$223,712	\$223,341	\$222,921	\$222,471	\$222,050	\$221,630	\$221,210	\$2,686,182
Investment Expenses														
Depreciation Expense - Mains		\$66,535	\$66,661	\$66,744	\$66,794	\$66,789	\$66,821	\$66,816	\$66,840	\$66,840	\$66,840	\$66,840	\$66,849	\$801,369
Depreciation Expense - Services		\$6,935	\$6,944	\$6,961	\$6,969	\$6,971	\$6,971	\$6,971	\$6,974	\$6,993	\$6,993	\$6,993	\$7,001	\$83,676
Property Taxes		\$61,594	\$61,594	\$61,594	\$61,594	\$61,594	\$61,594	\$61,594	\$61,594	\$61,594	\$61,594	\$61,594	\$61,594	\$739,128
General Public Notice Expense and Customer Notice Expense		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expense	\$135,064	\$135,199	\$135,299	\$135,357	\$135,354	\$135,386	\$135,381	\$135,408	\$135,427	\$135,427	\$135,427	\$135,427	\$135,444	\$1,624,173
Total Revenue Requirements	\$360,628	\$360,767	\$360,645	\$360,286	\$359,882	\$359,510	\$359,093	\$358,749	\$358,348	\$357,898	\$357,477	\$357,074	\$356,673	\$4,310,355
GRIP Surcharge Revenues Collected Month	\$ 361,085	\$ 358,825	\$ 348,578	\$ 340,511	\$ 310,039	\$ 307,328	\$ 279,262	\$ 292,273	\$ 265,255	\$ 323,805	\$ 310,408	\$ 352,019	\$ 352,019	\$3,849,387
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	1.00503	
Net GRIP Surcharge Revenue Collected	\$ 359,278	\$ 357,029	\$ 346,833	\$ 338,806	\$ 308,487	\$ 305,790	\$ 277,864	\$ 290,811	\$ 263,927	\$ 322,184	\$ 308,854	\$ 350,257	\$ 350,257	
Beginning True-Up														\$ 314,115
(Over) and Under Recovery for the Month	\$ 1,349.70	\$ 3,738.16	\$ 13,811.95	\$ 21,479.09	\$ 51,394.58	\$ 53,719.58	\$ 81,228.52	\$ 67,938.00	\$ 94,421.29	\$ 35,713.71	\$ 48,622.89	\$ 6,816.58	\$ 480,234	\$480,234
Monthly Interest (Expense)/Income	\$ 16	\$ 41	\$ 82	\$ 127	\$ 221	\$ 433	\$ 812	\$ 1,124	\$ 1,489	\$ 2,017	\$ 2,424	\$ 2,743	\$ 3,115	\$11,529
Ending (Over) and Under Recovery	314,115	\$ 315,481	\$ 319,260	\$ 333,154	\$ 354,760	\$ 406,376	\$ 460,528	\$ 542,569	\$ 611,631	\$ 707,541	\$ 745,272	\$ 796,319	\$ 805,878	\$ 805,878
Beg of Month Annual Interest Rate		0.05%	0.06%	0.25%	0.35%	0.54%	0.86%	1.55%	2.34%	2.34%	3.08%	3.59%	3.97%	
End of Month Annual Interest Rate		0.06%	0.25%	0.35%	0.54%	0.86%	1.55%	2.34%	2.34%	3.08%	3.59%	3.97%	4.25%	
Average Monthly Interest Rate		0.01%	0.01%	0.03%	0.04%	0.06%	0.10%	0.16%	0.20%	0.23%	0.28%	0.32%	0.34%	

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

Schedule B-1
 Exhibit _____
 Robert C. Waruszewski (RCW-1)
 Page 3 of 9

Item	Beginning Balance	Actual Jan	Actual Feb	Actual Mar	Actual Apr	Actual May	Actual Jun	Actual Jul	Actual Aug	Actual Sep	Actual Oct	Actual Nov	Actual 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		5.48%	5.48%	5.48%	5.48%	5.48%	5.48%	5.48%	5.48%	5.48%	5.48%	5.48%	5.48%	5.48%
Debt - Cost of Capital		1.06%	1.06%	1.06%	1.06%	1.06%	1.06%	1.06%	1.06%	1.06%	1.06%	1.06%	1.06%	1.06%
Equity Component - inclusive of Income Tax Gross-up	\$1,040	\$1,038	\$1,036	\$1,034	\$1,032	\$1,030	\$1,027	\$1,025	\$1,023	\$1,021	\$1,019	\$1,017	\$1,017	\$12,342
Debt Component	\$201	\$201	\$200	\$200	\$200	\$199	\$199	\$198	\$198	\$198	\$198	\$197	\$197	\$2,387
Return Requirement	\$1,241	\$1,239	\$1,236	\$1,234	\$1,231	\$1,229	\$1,226	\$1,224	\$1,221	\$1,219	\$1,216	\$1,213	\$1,213	\$14,729
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	\$2,087	\$2,085	\$2,082	\$2,080	\$2,077	\$2,075	\$2,072	\$2,070	\$2,067	\$2,065	\$2,062	\$2,059	\$2,059	\$24,881
GRIP Surcharge Revenues Collected Month	\$3,351	\$5,125	\$3,198	\$3,220	\$2,477	\$2,583	\$1,326	\$1,637	(\$44,824)	\$1,130	\$901	\$958	(\$18,917)	
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	1.00503	
Net GRIP Surcharge Revenue Collected	\$3,335	\$5,100	\$3,182	\$3,204	\$2,465	\$2,570	\$1,320	\$1,629	(\$44,600)	\$1,124	\$897	\$953	\$953	
Beginning True-Up (Over) and Under Recovery for the Month														\$ (10,696)
Monthly Interest (Expense)/Income		(\$1,247)	(\$3,015)	(\$1,100)	(\$1,124)	(\$388)	(\$495)	\$752	\$441	\$46,667	\$941	\$1,166	\$1,107	\$43,704
Ending (Over) and Under Recovery		(\$10,696)	(\$14,961)	(\$16,064)	(\$17,194)	(\$17,592)	(\$18,105)	(\$17,382)	(\$16,974)	\$29,707	\$0,731	\$31,996	\$33,214	\$33,214
Beg of Month Annual Interest Rate		0.05%	0.06%	0.25%	0.35%	0.54%	0.86%	1.55%	2.34%	2.34%	3.08%	3.59%	3.97%	
End of Month Annual Interest Rate		0.06%	0.25%	0.35%	0.54%	0.86%	1.55%	2.34%	2.34%	3.08%	3.59%	3.97%	4.25%	
Average Monthly Interest Rate		0.01%	0.01%	0.03%	0.04%	0.06%	0.10%	0.16%	0.20%	0.23%	0.28%	0.32%	0.34%	

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

Schedule B-1
 Exhibit _____
 Robert C. Waruszewski (RCW-1)
 Page 4 of 9

Item	Beginning Balance	Actual Jan	Actual Feb	Actual Mar	Actual Apr	Actual May	Actual Jun	Actual Jul	Actual Aug	Actual Sep	Actual Oct	Actual Nov	Actual Dec	Year End Total/Balances
Qualified Investment														
Qualified Investment - Mains - Current Year 1070 Activity		\$879,049	\$966,348	\$1,401,545	\$1,027,074	\$700,920	\$664,813	\$188,026	\$829,391	\$312,467	\$198,465	\$319,205	\$332,933	\$7,820,235
Qualified Investment - Mains - Closed 1070 Activity to Plant		(\$260,290)	(\$350,365)	(\$699,739)	(\$2,116,999)	(\$3,290,934)	(\$593,123)	(\$133,690)	(\$1,201,438)	\$42,630	(\$341,357)	(\$274,093)	(\$310,210)	(\$9,529,608)
Qualified Investment - Services - Current Year 1070 Activity		\$192,112	\$218,573	\$857,165	\$991,469	\$312,171	\$785,872	\$287,926	\$722,378	\$408,924	\$307,924	\$339,012	\$279,211	\$5,702,737
Qualified Investment - Services - Closed 1070 Activity to Plant		(\$192,112)	(\$211,547)	(\$1,059,020.48)	(\$987,904)	(\$295,752)	(\$778,179)	(\$264,873)	(\$706,477)	(\$398,002)	(\$286,390)	(\$331,403)	(\$254,229)	(\$5,765,888)
Qualified Investment - Mains - Current 1010 Activity		\$260,290	\$350,365	\$699,739	\$2,116,999	\$3,290,934	\$593,123	\$133,690	\$1,201,438	(\$42,630)	\$341,357	\$274,093	\$310,210	\$9,529,608
Qualified Investment - Services - Current 1010 Activity		\$192,112	\$211,547	\$1,059,020	\$987,904	\$295,752	\$778,179	\$264,873	\$706,477	\$398,002	\$286,390	\$331,403	\$254,229	\$5,765,888
Total Qualified Investment - Mains 1070	\$2,223,051	\$2,841,810	\$3,457,792	\$4,159,598	\$3,069,673	\$479,659	\$551,350	\$605,685	\$233,638	\$588,735	\$445,843	\$490,955	\$513,677	\$513,677
Total Qualified Investment - Service 1070	\$1,148,559	\$1,148,559	\$1,155,586	\$953,731	\$957,296	\$973,715	\$981,408	\$1,004,461	\$1,020,362	\$1,031,284	\$1,052,818	\$1,060,427	\$1,085,409	\$1,085,409
Total Qualified Investment - Mains 1010	\$103,353,181	\$103,613,471	\$103,963,836	\$104,663,575	\$106,780,574	\$110,071,508	\$110,664,630	\$110,798,321	\$111,999,759	\$111,957,129	\$112,298,486	\$112,572,579	\$112,882,789	\$112,882,789
Total Qualified Investment - Service 1010	\$40,846,374	\$41,038,486	\$41,250,032	\$42,309,053	\$43,296,957	\$43,592,709	\$44,370,887	\$44,635,760	\$45,342,238	\$45,740,240	\$46,026,629	\$46,358,032	\$46,612,262	\$46,612,262
Total Qualified Investment	\$147,571,165	\$148,642,325	\$149,827,246	\$152,085,956	\$154,104,500	\$155,117,591	\$156,568,276	\$157,044,228	\$158,595,997	\$159,317,388	\$159,823,776	\$160,481,993	\$161,094,137	\$161,094,137
Less: Accumulated Depreciation	(\$15,242,013)	(\$15,497,766)	(\$15,754,327)	(\$16,011,889)	(\$16,272,617)	(\$16,538,861)	(\$16,811,406)	(\$17,086,415)	(\$17,362,145)	(\$17,641,272)	(\$17,921,054)	(\$18,201,958)	(\$18,483,950)	(\$18,483,950)
Net Book Value	\$132,329,152	\$133,144,559	\$134,072,919	\$136,074,067	\$137,831,883	\$138,578,730	\$139,756,870	\$139,957,812	\$141,233,852	\$141,676,116	\$141,902,722	\$142,280,035	\$142,610,187	\$142,610,187
Average Net Qualified Investment	\$132,736,855	\$133,608,739	\$135,073,493	\$136,952,975	\$138,205,307	\$139,167,800	\$139,857,341	\$140,595,832	\$141,454,984	\$141,789,419	\$142,091,379	\$142,445,111		
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		6.13%	6.13%	6.13%	6.13%	6.13%	6.13%	6.13%	6.13%	6.13%	6.13%	6.13%	6.13%	6.13%
Debt - Cost of Capital		1.30%	1.30%	1.30%	1.30%	1.30%	1.30%	1.30%	1.30%	1.30%	1.30%	1.30%	1.30%	1.30%
Equity Component - inclusive of Income Tax Gross-up	\$678,064	\$682,518	\$690,000	\$699,601	\$705,999	\$710,916	\$714,438	\$718,210	\$722,599	\$724,308	\$725,850	\$727,657	\$727,657	\$8,500,161
Debt Component	\$143,798	\$144,743	\$146,330	\$148,366	\$149,722	\$150,765	\$151,512	\$152,312	\$153,243	\$153,605	\$153,932	\$154,316	\$154,316	\$1,802,644
Return Requirement	\$821,862	\$827,261	\$836,330	\$847,967	\$855,721	\$861,681	\$865,950	\$870,523	\$875,842	\$877,913	\$879,782	\$881,973	\$881,973	\$10,302,805
Investment Expenses														
Depreciation Expense - Mains		\$180,868	\$181,324	\$181,937	\$183,161	\$186,866	\$192,625	\$193,663	\$193,897	\$196,000	\$195,925	\$196,522	\$197,002	\$2,279,790
Depreciation Expense - Services		\$74,885	\$75,237	\$75,625	\$77,567	\$79,378	\$79,920	\$81,347	\$81,832	\$83,127	\$83,857	\$84,382	\$84,990	\$962,147
Property Taxes		\$220,549	\$220,549	\$220,549	\$220,549	\$220,549	\$220,549	\$220,549	\$220,549	\$220,549	\$220,549	\$220,549	\$220,549	\$2,646,583
General Public Notice Expense & Customer Notice Expense		\$0	\$872	\$954	\$0	\$420	\$0	\$0	\$314	\$1,219	\$0	\$0	\$0	\$3,778
Total Expense	\$476,302	\$477,981	\$479,064	\$481,276	\$487,212	\$493,094	\$495,558	\$496,592	\$500,895	\$500,331	\$501,453	\$502,540	\$502,540	\$5,892,298
Total Revenue Requirements	\$1,298,164	\$1,305,242	\$1,315,394	\$1,329,244	\$1,342,933	\$1,354,774	\$1,361,508	\$1,367,114	\$1,376,737	\$1,378,243	\$1,381,236	\$1,384,513	\$1,384,513	\$16,195,103
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	\$1,235,854	\$1,242,932	\$1,253,084	\$1,266,934	\$1,280,623	\$1,292,464	\$1,299,198	\$1,304,804	\$1,314,427	\$1,315,933	\$1,318,926	\$1,322,196	\$1,322,196	\$15,447,376
GRIP Surcharge Revenues Collected Month	\$1,800,121	\$1,732,070	\$1,560,623	\$1,482,694	\$1,284,128	\$1,237,314	\$1,129,884	\$1,087,630	\$1,136,059	\$1,208,784	\$1,284,769	\$1,519,813	\$1,519,813	\$16,463,889
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	1.00503	1.00503
Net GRIP Surcharge Revenue Collected	\$1,791,112	\$1,723,401	\$1,552,812	\$1,475,274	\$1,277,701	\$1,231,121	\$1,124,229	\$1,082,187	\$1,130,373	\$1,202,734	\$1,278,339	\$1,512,206	\$1,512,206	
Beginning True-Up (Over) and Under Recovery for the Month		(\$555,258)	(\$480,469)	(\$299,728)	(\$208,340)	\$2,922	\$61,343	\$174,969	\$222,618	\$184,054	\$113,199	\$40,586	(\$190,010)	\$1,786,751
Monthly Interest (Expense)/Income Ending (Over) and Under Recovery		\$75	\$129	\$150	\$129	\$142	\$277	\$641	\$1,160	\$1,807	\$2,641	\$3,286	\$3,286	\$13,680
	\$1,786,751	\$1,231,568	\$751,227	\$451,649	\$243,438	\$246,502	\$308,122	\$483,732	\$707,510	\$893,370	\$1,009,211	\$1,053,040	\$866,316	\$866,316
Beg of Month Annual Interest Rate		0.05%	0.06%	0.25%	0.35%	0.54%	0.86%	1.55%	2.34%	2.34%	3.08%	3.59%	3.97%	
End of Month Annual Interest Rate		0.06%	0.25%	0.35%	0.54%	0.86%	1.55%	2.34%	2.34%	3.08%	3.59%	3.97%	4.25%	
Average Monthly Interest Rate		0.005%	0.013%	0.025%	0.037%	0.058%	0.100%	0.162%	0.195%	0.226%	0.278%	0.315%	0.343%	

Florida Public Utilities Company
Gas Reliability Infrastructure Program (GRIP)
Calculation of the Projected Revenue Requirements
January 1, 2023 through December 31, 2023

Schedule C-1
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Item	Balance	FPU		CPG		FLHeads		Consolidated Balance	Rate Case Adjustments		Adjusted Bcr Balance	Actual Mar	Actual Apr	Actual May	Actual Jun	Actual Jul	Year End Total/Balance
		Actual Jan	Actual Feb	Actual Jan	Actual Feb	Actual Jan	Actual Feb		From the Rate Case								
Qualified Investment																	
Qualified Investment - Mains - Current Year 1070 Activity		(\$3,437)	\$36,231		\$6,974	\$0	\$0	\$0	\$0			\$67,377	\$19,383	(\$43,917)	\$196,187	(\$16,396)	\$262,302
Qualified Investment - Mains - Closed 1070 Activity to Plant		\$9,035	(\$274,966)		(\$6,974)	\$0	\$0	\$0	\$0			(\$180,619)	\$45,451	(\$82,382)	(\$12,918)		(\$530,694)
Qualified Investment - Services - Current Year 1070 Activity		\$186,061	\$77,029		\$0	\$0	\$0	\$0	\$0			\$47,725	\$31,752	(\$99,418)	\$319	\$0	\$243,468
Qualified Investment - Services - Closed 1070 Activity to Plant		(\$158,330)	(\$76,074)		\$0	\$0	\$0	\$0	\$0			(\$47,716)	(\$31,752)	(\$22,489)	(\$319)	\$0	(\$336,679)
Qualified Investment - Mains - Current 1010 Activity		(\$9,035)	\$274,966		\$6,974	\$0	\$0	\$0	\$0			\$27,322	\$180,619	(\$45,451)	\$82,382	\$12,918	\$530,694
Qualified Investment - Services - Current 1010 Activity		\$158,330	\$76,074		\$0	\$0	\$0	\$0	\$0			\$47,716	\$31,752	\$22,489	\$319	\$0	\$336,679
Total Qualified Investment - Mains 1070	\$513,677	\$519,176	\$280,442	(\$139,928)	(\$139,928)	(\$139,928)	\$0	\$0	\$140,514	\$0	\$140,514	\$180,568	\$19,333	\$20,867	\$134,673	\$105,358	\$105,358
Total Qualified Investment - Service 1070	\$1,085,409	\$1,113,140	\$1,114,095	\$4,260	\$4,260	\$4,260	\$0	\$0	\$1,118,354	\$0	\$1,118,354	\$1,118,364	\$1,118,364	\$996,457	\$996,457	\$996,457	\$996,457
Total Qualified Investment - Mains 1010	\$112,882,789	\$112,873,754	\$113,148,720	\$38,199,385	\$38,206,358	\$38,206,358	\$0	\$0	\$151,493,611	(\$146,906,029)	\$4,587,582	\$4,614,904	\$4,795,523	\$4,750,072	\$4,832,453	\$4,845,371	\$4,845,371
Total Qualified Investment - Service 1010	\$46,612,262	\$46,770,592	\$46,846,666	\$3,818,867	\$3,818,867	\$3,818,867	\$253,934	\$253,934	\$50,919,396	(\$48,993,831)	\$1,925,565	\$1,973,281	\$2,005,032	\$2,027,521	\$2,027,840	\$2,027,840	\$2,027,840
Total Qualified Investment	\$161,094,137	\$161,276,662	\$161,389,922	\$41,882,584	\$41,889,557	\$41,889,557	\$253,934	\$253,934	\$203,671,875	(\$195,899,860)	\$7,772,015	\$7,887,117	\$7,938,252	\$7,794,917	\$7,991,423	\$7,975,027	\$7,975,027
Less: Accumulated Depreciation	(\$18,483,950)	(\$18,731,569)	(\$18,979,506)	(\$5,601,667)	(\$5,660,556)	(\$5,719,454)	(\$31,493)	(\$32,022)	(\$24,761,309)	\$21,186,391	(\$3,574,918)	(\$3,585,047)	(\$3,595,311)	(\$3,605,882)	(\$3,616,439)	(\$3,627,107)	(\$3,627,107)
Net Book Value	\$142,610,187	\$142,545,092	\$142,410,415	\$36,280,917	\$36,229,001	\$36,170,103	\$222,442	\$221,913	\$178,910,565	(\$174,713,469)	\$4,197,096	\$4,302,070	\$4,342,940	\$4,189,034	\$4,374,984	\$4,347,919	\$4,347,919
Average Net Qualified Investment	\$142,577,640	\$142,477,754	\$142,410,415	\$36,254,959	\$36,199,552	\$36,144,150	\$222,177	\$221,648	\$178,910,565	(\$174,713,469)	\$4,197,096	\$4,249,583	\$4,292,505	\$4,265,987	\$4,282,009	\$4,261,452	\$4,261,452
Depreciation Rates																	
Approved Depreciation Rate-Mains		1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%
Approved Depreciation Rate-Services		2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Return on Average Net Qualified Investment																	
Equity - Cost of Capital, inclusive of Income Tax Gross-up		6.21%	6.21%	6.08%	6.08%	5.47%	5.47%	5.47%	5.47%	6.18%	6.18%	6.18%	6.18%	6.18%	6.18%	6.18%	6.18%
Debt - Cost of Capital		1.40%	1.40%	1.32%	1.32%	1.14%	1.14%	1.14%	1.14%	1.38%	1.38%	1.38%	1.38%	1.38%	1.38%	1.38%	1.38%
Equity Component - inclusive of Income Tax Gross-up	\$737,839	\$737,322	\$737,322	\$183,752	\$183,471	\$101,013	\$101,010	\$101,010	\$101,010	\$21,885	\$22,261	\$21,970	\$22,052	\$22,461	\$22,461	\$22,461	\$1,955,037
Debt Component	\$166,341	\$166,224	\$166,224	\$39,880	\$39,820	\$211	\$211	\$211	\$211	\$4,898	\$4,982	\$4,917	\$4,935	\$5,027	\$5,027	\$5,027	\$437,445
Return Requirement	\$904,180	\$903,546	\$903,546	\$223,633	\$223,291	\$122,024	\$122,021	\$122,021	\$122,021	\$26,783	\$27,243	\$26,887	\$27,017	\$27,488	\$27,488	\$27,488	\$2,392,483
Investment Expenses																	
Depreciation Expense - Mains	\$150,510	\$150,498	\$150,498	\$50,933	\$50,942	\$0	\$0	\$0	\$0	\$6,117	\$6,153	\$6,394	\$6,333	\$6,443	\$6,443	\$6,443	\$434,324
Depreciation Expense - Services	\$97,109	\$97,439	\$97,439	\$7,946	\$7,956	\$529	\$529	\$529	\$529	\$4,012	\$4,111	\$4,177	\$4,224	\$4,224	\$4,224	\$4,224	\$232,267
Property Taxes	\$237,684	\$237,684	\$237,684	\$60,468	\$60,468	\$371	\$371	\$371	\$371	\$6,995	\$6,995	\$6,995	\$6,995	\$6,995	\$6,995	\$6,995	\$632,020
General Public Notice Expense & Customer Notice Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expense	\$485,303	\$485,621	\$485,621	\$119,357	\$119,366	\$900	\$900	\$900	\$900	\$17,124	\$17,259	\$17,566	\$17,552	\$17,663	\$17,663	\$17,663	\$1,298,610
Total Revenue Requirements	\$1,389,483	\$1,389,167	\$1,389,167	\$342,990	\$342,657	\$212,024	\$212,021	\$212,021	\$212,021	\$43,907	\$44,502	\$44,453	\$44,539	\$44,539	\$44,539	\$44,539	\$3,691,093
Annual Revenue Requirement for Bare Steel Replacement Investment	\$62,310	\$62,310	\$62,310														\$0
Net Annual Revenue Requirements	\$1,327,173	\$1,326,857	\$1,326,857									\$43,907	\$44,502	\$44,453	\$44,539	\$44,539	\$3,691,093
GRIP Surcharge Revenues Collected Month	\$ 2,064,178	\$ 1,745,881	\$ 1,745,881	\$ 568,367	\$ 491,210	\$ 1,602	\$ 1,520	\$ 1,520	\$ 1,520	\$ 155,467	\$ 176,895	\$ 143,031	\$ 146,296	\$ 143,034	\$ 143,034	\$ 143,034	\$5,637,481
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	1.00503	1.00503	1.00503	1.00503	
Net GRIP Surcharge Revenue Collected	\$ 2,053,847	\$ 1,737,143	\$ 1,737,143	\$ 565,522	\$ 488,752	\$ 1,594	\$ 1,512	\$ 1,512	\$ 1,512	\$ 154,689	\$ 176,010	\$ 142,315	\$ 145,564	\$ 142,318	\$ 142,318	\$ 142,318	
Beginning True-Up																	\$ 1,705,398
(Over) and Under Recovery for the Month	(\$726,674)	(\$410,286)	(\$410,286)	(\$222,533)	(\$146,095)	\$529	\$608	\$608	\$608	(\$110,782)	(\$131,508)	(\$97,862)	(\$101,025)	(\$97,167)	(\$97,167)	(\$97,167)	(\$2,042,794)
Monthly Interest (Expense)/Income	\$ 1,806	\$ (238)	\$ (238)	\$ 2,494	\$ 1,913	\$ 120	\$ 127	\$ 127	\$ 127	\$ 596	\$ 126	\$ (144)	\$ (778)	\$ (1,220)	\$ (1,220)	\$ (1,220)	\$ 4,602
Ending (Over) and Under Recovery	\$ 866,316	\$ 141,448	\$ (269,076)	\$ 805,878	\$ 585,839	\$ 441,657	\$ 33,203	\$ 33,852	\$ 34,588	\$ 207,169	\$ 96,983	\$ (34,399)	\$ (132,605)	\$ (234,408)	\$ (234,408)	\$ (234,408)	\$ (332,795)
Beg of Month Annual Interest Rate	4.25%	4.36%	4.36%	4.25%	4.36%	4.25%	4.36%	4.36%	4.36%	4.60%	4.83%	4.83%	4.83%	5.08%	5.12%	5.23%	5.12%
End of Month Annual Interest Rate	4.35%	4.60%	4.60%	4.35%	4.60%	4.35%	4.60%	4.60%	4.60%	4.83%	4.83%	4.83%	4.83%	5.08%	5.12%	5.23%	5.12%
Average Monthly Interest Rate	0.359%	0.373%	0.373%	0.359%	0.373%	0.359%	0.373%	0.373%	0.373%	0.393%	0.403%	0.403%	0.403%	0.425%	0.425%	0.431%	0.431%

Florida Public Utilities Company
Gas Utility Access and Replacement Directive
Calculation of the Projected Revenue Requirements
January 1, 2023 through December 31, 2023

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Robert C. Waruszewski (RCW-1)
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Item	Beginning Balance	Actual Jan	Actual Feb	Actual Mar	Actual Apr	Actual May	Actual Jun	Actual Jul	Rollover from GRIP Balance	Adjusted Balance	Forecast Aug	Forecast Sep	Forecast Oct	Forecast Nov	Forecast Dec	Year End Total/Balance
Qualified Investment																
Qualified Investment - Mains - Current Year 1070 Activity	\$0	\$0	\$0	\$0	\$79,377	(\$29,480)	\$1,071,315	\$992,269			\$1,150,000	\$1,455,000	\$1,708,739	\$1,495,364	\$834,634	\$8,757,218
Qualified Investment - Mains - Closed 1070 Activity to Plant	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			(\$2,908,926)	(\$1,542,136)	(\$1,984,464)	(\$1,472,864)	(\$952,134)	(\$8,860,524)
Qualified Investment - Services - Current Year 1070 Activity	\$0	\$0	\$0	\$0	\$0	\$0	\$186,220	\$317,527			\$775,000	\$700,000	\$775,000	\$825,000	\$589,062	\$3,967,809
Qualified Investment - Services - Closed 1070 Activity to Plant	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			(\$1,575,000)	(\$1,200,204)	(\$775,000)	(\$825,000)	(\$589,062)	(\$4,964,266)
Qualified Investment - M&R - Current Year 1070 Activity	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$0	\$0	\$0	\$0	\$0
Qualified Investment - M&R - Closed 1070 Activity to Plant	\$0	\$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			\$2,908,926	\$1,542,136	\$1,984,464	\$1,472,864	\$952,134	\$8,860,524
Qualified Investment - Services - Current 1010 Activity	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$1,575,000	\$1,200,204	\$775,000	\$825,000	\$589,062	\$4,964,266
Qualified Investment - M&R - Current 1010 Activity	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$0	\$0	\$0	\$0	\$0
Total Qualified Investment - Mains 1070	\$0	\$0	\$0	\$0	\$79,377	\$49,897	\$1,121,213	\$2,113,481	\$105,358	\$2,218,839	\$499,913	\$372,777	\$97,052	\$119,552	\$2,052	\$2,052
Total Qualified Investment - Service 1070	\$0	\$0	\$0	\$0	\$0	\$0	\$186,220	\$503,747	\$996,457	\$1,500,204	\$500,204	\$0	\$0	\$0	\$0	\$0
Total Qualified Investment - M&R 1070	\$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	\$4,845,371	\$4,845,371	\$7,754,298	\$9,296,434	\$11,280,898	\$12,753,762	\$13,705,895	\$13,705,895
Total Qualified Investment - Service 1010	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,027,840	\$2,027,840	\$3,602,840	\$4,803,044	\$5,578,044	\$6,403,044	\$6,992,106	\$6,992,106
Total Qualified Investment - M&R 1010	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Qualified Investment	\$0	\$0	\$0	\$0	\$79,377	\$49,897	\$1,307,433	\$2,617,228	\$7,975,027	\$10,592,755	\$12,317,255	\$14,472,255	\$16,955,994	\$19,276,358	\$20,700,054	\$20,700,054
Less: Accumulated Depreciation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$3,627,107)	(\$3,627,107)	(\$3,637,792)	(\$3,655,637)	(\$3,678,038)	(\$3,704,700)	(\$3,735,045)	(\$3,735,045)
Net Book Value	\$0	\$0	\$0	\$0	\$79,377	\$49,897	\$1,307,433	\$2,617,228	\$4,347,919	\$6,965,648	\$8,679,463	\$10,816,618	\$13,277,956	\$15,571,657	\$16,965,008	\$16,965,008
Average Net Qualified Investment	\$0	\$0	\$0	\$39,688	\$64,637	\$678,665	\$1,962,330				\$7,822,305	\$9,748,040	\$12,047,287	\$14,424,807	\$16,268,333	
Depreciation Rates																
Approved Depreciation Rate-Mains	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%			1.60%	1.60%	1.60%	1.60%	1.60%	1.60%
Approved Depreciation Rate-Services	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%			2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Approved Depreciation Rate - M&R City Gate	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%			2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Return on Average Net Qualified Investment																
Equity - Cost of Capital, inclusive of Income Tax Gross-up	6.18%	6.18%	6.18%	6.18%	6.18%	6.18%	6.18%	6.18%			6.18%	6.18%	6.18%	6.18%	6.18%	6.18%
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%	1.38%
Equity Component - inclusive of Income Tax Gross-up	\$0	\$0	\$0	\$204	\$333	\$3,493	\$10,099				\$40,256	\$50,167	\$62,000	\$74,235	\$83,722	\$324,509
Debt Component	\$0	\$0	\$0	\$46	\$74	\$782	\$2,261				\$9,013	\$11,232	\$13,881	\$16,621	\$18,745	\$72,653
Return Requirement	\$0	\$0	\$0	\$250	\$407	\$4,275	\$12,360				\$49,269	\$61,399	\$75,881	\$90,856	\$102,467	\$397,164
Investment Expenses																
Depreciation Expense - Mains	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$6,460	\$10,339	\$12,395	\$15,041	\$17,005	\$61,240
Depreciation Expense - Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$4,225	\$7,506	\$10,006	\$11,621	\$13,340	\$46,698
Depreciation Expense - M&R City Gate	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$0	\$0	\$0	\$0	\$0
O&M Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$4,118	\$4,118	\$4,118	\$4,118	\$4,118	\$20,590
Property Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$6,995	\$6,995	\$6,995	\$6,995	\$6,995	\$34,975
General Public Notice Expense & Customer Notice Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$5,000
Total Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$22,798	\$29,958	\$34,514	\$38,775	\$42,458	\$168,503
Total Revenue Requirements	\$0	\$0	\$0	\$250	\$407	\$4,275	\$12,360				\$72,067	\$91,357	\$110,395	\$129,631	\$144,925	\$565,667
Revenue																
GRIP Surcharge Revenues Collected Month	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			136,197	139,128	147,256	164,487	200,494	
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	1.00503	
Net GUARD Surcharge Revenue Collected	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$135,515	\$138,432	\$146,519	\$163,664	\$199,490	
Beginning True-Up																\$ (332,795)
(Over) and Under Recovery for the Month	\$0	\$0	\$0	\$250	\$407	\$4,275	\$12,360				(\$63,448)	(\$47,075)	(\$36,124)	(\$34,033)	(\$54,565)	\$ (217,953)
Monthly Interest (Expense)/Income	\$	- \$	- \$	- \$	1 \$	1 \$	9 \$	27		\$	(1,514)	(1,761)	(1,950)	(2,112)	(2,314)	(9,613)
Ending (Over) and Under Recovery	\$	- \$	- \$	- \$	251 \$	659 \$	4,943 \$	17,330 \$	(\$332,795)	(\$315,465)	(\$380,427)	(\$429,263)	(\$467,337)	(\$503,482)	(\$560,361)	(\$603,361)
Beg of Month Annual Interest Rate	4.25%	4.36%	4.60%	4.83%	4.83%	5.08%	5.12%				5.23%	5.23%	5.23%	5.23%	5.23%	
End of Month Annual Interest Rate	4.36%	4.60%	4.83%	4.83%	5.08%	5.12%	5.23%				5.23%	5.23%	5.23%	5.23%	5.23%	
Average Monthly Interest Rate	0.359%	0.373%	0.393%	0.403%	0.413%	0.425%	0.431%				0.436%	0.436%	0.436%	0.436%	0.436%	

Florida Public Utilities Company
Gas Utility Access and Replacement Directive
Calculation of the Projected Revenue Requirements
January 1, 2024 through December 31, 2024

Schedule C-2
Exhibit _____
Robert C. Waruszewski (RCW-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/Balance
Qualified Investment														
Qualified Investment - Mains - Current Year 1070 Activity		\$966,538	\$875,000	\$875,000	\$801,280	\$791,747	\$1,010,000	\$1,115,307	\$1,215,000	\$1,240,000	\$1,415,000	\$1,142,803	\$968,197	\$12,415,872
Qualified Investment - Mains - Closed 1070 Activity to Plant		(\$856,538)	(\$807,500)	(\$875,000)	(\$903,780)	(\$629,747)	(\$930,000)	(\$1,215,807)	(\$1,152,000)	(\$1,215,000)	(\$1,507,500)	(\$1,379,803)	(\$1,028,197)	(\$12,500,872)
Qualified Investment - Services - Current Year 1070 Activity		\$239,648	\$560,000	\$595,000	\$579,063	\$419,165	\$550,000	\$742,387	\$800,000	\$850,000	\$1,025,000	\$882,441	\$712,909	\$7,955,613
Qualified Investment - Services - Closed 1070 Activity to Plant		(\$239,648)	(\$560,000)	(\$595,000)	(\$579,063)	(\$419,165)	(\$550,000)	(\$742,387)	(\$800,000)	(\$850,000)	(\$1,025,000)	(\$882,441)	(\$712,909)	(\$7,955,613)
Qualified Investment - M&R - Current Year 1070 Activity		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Qualified Investment - M&R - Closed 1070 Activity to Plant		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Qualified Investment - Mains - Current 1010 Activity		\$856,538	\$807,500	\$875,000	\$903,780	\$629,747	\$930,000	\$1,215,807	\$1,152,000	\$1,215,000	\$1,507,500	\$1,379,803	\$1,028,197	\$12,500,872
Qualified Investment - Services - Current 1010 Activity		\$239,648	\$560,000	\$595,000	\$579,063	\$419,165	\$550,000	\$742,387	\$800,000	\$850,000	\$1,025,000	\$882,441	\$712,909	\$7,955,613
Qualified Investment - M&R - Current 1010 Activity		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Qualified Investment - Mains 1070	\$2,052	\$112,052	\$179,552	\$179,552	\$77,052	\$239,052	\$319,052	\$218,552	\$281,552	\$306,552	\$214,052	(\$22,948)	(\$82,948)	(\$82,948)
Total Qualified Investment - Service 1070	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Qualified Investment - M&R 1070	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Qualified Investment - Mains 1010	\$13,705,895	\$14,562,433	\$15,369,933	\$16,244,933	\$17,148,713	\$17,778,460	\$18,708,460	\$19,924,267	\$21,076,267	\$22,291,267	\$23,798,767	\$25,178,570	\$26,206,767	\$26,206,767
Total Qualified Investment - Service 1010	\$6,992,106	\$7,231,754	\$7,791,754	\$8,386,754	\$8,965,817	\$9,384,982	\$9,934,982	\$10,677,369	\$11,477,369	\$12,327,369	\$13,352,369	\$14,234,810	\$14,947,719	\$14,947,719
Total Qualified Investment - M&R 1010	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Qualified Investment	\$20,700,054	\$21,906,240	\$23,341,240	\$24,811,240	\$26,191,583	\$27,402,495	\$28,962,495	\$30,820,189	\$32,835,189	\$34,925,189	\$37,365,189	\$39,390,433	\$41,071,539	\$41,071,539
Less: Accumulated Depreciation	(\$3,735,045)	(\$3,767,887)	(\$3,802,370)	(\$3,839,096)	(\$3,878,228)	(\$3,919,772)	(\$3,963,029)	(\$4,008,672)	(\$4,057,483)	(\$4,109,496)	(\$4,164,900)	(\$4,224,449)	(\$4,287,676)	(\$4,287,676)
Net Book Value	\$16,965,008	\$18,138,352	\$19,538,869	\$20,972,143	\$22,313,354	\$23,482,722	\$24,999,465	\$26,811,516	\$28,777,705	\$30,815,692	\$33,200,288	\$35,165,983	\$36,783,862	\$36,783,862
Average Net Qualified Investment		\$17,551,680	\$18,838,611	\$20,255,506	\$21,642,749	\$22,898,038	\$24,241,094	\$25,905,491	\$27,794,611	\$29,796,699	\$32,007,990	\$34,183,136	\$35,974,923	
Depreciation Rates														
Approved Depreciation Rate-Mains		1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%
Approved Depreciation Rate-Services		2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Approved Depreciation Rate - M&R City Gate		2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Return on Average Net Qualified Investment														
Equity - Cost of Capital, inclusive of Income Tax Gross-up		5.87%	5.87%	5.87%	5.87%	5.87%	5.87%	5.87%	5.87%	5.87%	5.87%	5.87%	5.87%	5.87%
Debt - Cost of Capital		1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%
Equity Component - inclusive of Income Tax Gross-up	\$85,880	\$92,176	\$99,109	\$105,897	\$112,039	\$118,611	\$126,754	\$135,998	\$145,794	\$156,614	\$167,257	\$176,024	\$176,024	\$1,522,153
Debt Component	\$21,501	\$23,077	\$24,813	\$26,512	\$28,050	\$29,695	\$31,734	\$34,048	\$36,501	\$39,210	\$41,874	\$44,069	\$44,069	\$381,084
Return Requirement	\$107,381	\$115,253	\$123,922	\$132,409	\$140,089	\$148,306	\$158,488	\$170,046	\$182,295	\$195,824	\$209,131	\$220,093	\$220,093	\$1,903,237
Investment Expenses														
Depreciation Expense - Mains		\$18,275	\$19,417	\$20,493	\$21,660	\$22,865	\$23,705	\$24,945	\$26,566	\$28,102	\$29,722	\$31,732	\$33,571	\$301,053
Depreciation Expense - Services		\$14,567	\$15,066	\$16,233	\$17,472	\$18,679	\$19,552	\$20,698	\$22,245	\$23,911	\$25,682	\$27,817	\$29,656	\$251,578
Depreciation Expense - M&R City Gate		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
O&M Expense		\$4,118	\$4,118	\$4,118	\$4,118	\$4,118	\$4,118	\$4,118	\$4,118	\$4,118	\$4,118	\$4,118	\$4,118	\$49,416
Property Taxes		\$28,275	\$28,275	\$28,275	\$28,275	\$28,275	\$28,275	\$28,275	\$28,275	\$28,275	\$28,275	\$28,275	\$28,275	\$339,300
General Public Notice Expense & Customer Notice Expense		\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$12,000
Total Expense	\$66,235	\$67,876	\$70,119	\$72,525	\$74,937	\$76,650	\$79,036	\$82,204	\$85,406	\$88,797	\$92,942	\$96,620	\$95,347	\$953,347
Total Revenue Requirements	\$173,616	\$183,129	\$194,041	\$204,934	\$215,026	\$224,956	\$237,524	\$252,250	\$267,701	\$284,621	\$302,073	\$316,713	\$316,713	\$2,856,584

Florida Public Utilities Company
Gas Utility Access and Replacement Directive
Projection of Qualified Mains & Services Revenue Requirements
Surcharge Calculation - January 1, 2024 through December 31, 2024
Per Therm Rate

Schedule D-1
Exhibit _____
Robert C. Waruszewski (RCW-1)
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1. 1/1/24-12/31/24 Qualified Mains & Services Replacement Revenue Requirements		\$	2,856,584
Mains	88%	\$2,513,794	
Services	12%	\$342,790	
M&R	0%	\$0	
Net		<u>\$2,856,584</u>	
2. TRUE-UP from Prior Period (Over)/Under Recovery Estimated thru 12/2023		\$	(560,361)
3. 2024 Qualified Mains & Services Replacement Revenue Requirements		\$	2,296,223
Mains	88%	\$2,020,676	
Services	12%	\$275,547	
M&R	0%	\$0	
Net		<u>\$2,296,223</u>	

RATE SCHEDULE	2024 THERMS	SERVICES COS %	MAINS COS %	M&R COS %	SERVICES REV REQ	MAINS REV REQ	M&R REV REQ	GUARD REV REQ	DOLLARS PER THERM	TAX FACTOR	GUARD FACTORS PER THERM	TYPICAL ANNUAL THERMS	ANNUAL COST	AVERAGE MONTHLY COST
RES-1	1,702,443	27.37%	1.20%	1.20%	\$75,417	\$24,310	\$0	\$99,728	\$0.05858	1.00503	\$0.05887	54	\$3.17	\$0.26
RES-2	6,029,806	36.49%	4.71%	4.71%	\$100,536	\$95,259	\$0	\$195,795	\$0.03247	1.00503	\$0.03263	159	\$5.19	\$0.43
RES-3	16,512,023	19.15%	10.05%	10.05%	\$52,755	\$203,003	\$0	\$255,758	\$0.01549	1.00503	\$0.01557	665	\$10.35	\$0.86
RES-SG	108,587	1.09%	0.09%	0.09%	\$2,997	\$1,891	\$0	\$4,887	\$0.04501	1.00503	\$0.04523	109	\$4.93	\$0.41
GS-1	782,561	3.10%	0.60%	0.60%	\$8,549	\$12,119	\$0	\$20,668	\$0.02641	1.00503	\$0.02654	322	\$8.55	\$0.71
GS-2	7,336,585	4.14%	6.03%	6.03%	\$11,419	\$121,753	\$0	\$133,172	\$0.01815	1.00503	\$0.01824	2,902	\$52.95	\$4.41
GS-3	12,093,249	3.40%	9.57%	9.57%	\$9,378	\$193,460	\$0	\$202,839	\$0.01677	1.00503	\$0.01686	7,312	\$123.26	\$10.27
GS-4	25,538,908	3.66%	19.88%	19.88%	\$10,079	\$401,743	\$0	\$411,822	0.01613	1.00503	\$0.01621	17,805	\$288.55	\$24.05
GS-5	13,688,758	0.55%	9.71%	9.71%	\$1,508	\$196,159	\$0	\$197,667	\$0.01444	1.00503	\$0.01451	110,084	\$1,597.62	\$133.13
GS-6	13,865,084	0.21%	9.23%	9.23%	\$585	\$186,508	\$0	\$187,094	\$0.01349	1.00503	\$0.01356	350,534	\$4,753.86	\$396.15
GS-7	11,507,490	0.08%	7.06%	7.06%	\$222	\$142,749	\$0	\$142,971	\$0.01242	1.00503	\$0.01249	771,728	\$9,636.29	\$803.02
GS-8 (A-D)	22,497,463	0.05%	17.26%	17.26%	\$134	\$348,781	\$0	\$348,915	\$0.01551	1.00503	\$0.01559	2,842,207	\$44,301.71	\$3,691.81
COM-INT	10,295,977	0.17%	3.58%	3.58%	\$473	\$72,299	\$0	\$72,772	\$0.00707	1.00503	\$0.00710	558,968	\$3,970.66	\$330.89
COM-NGV	1,557,083	0.01%	0.89%	0.89%	\$27	\$17,958	\$0	\$17,985	\$0.01155	1.00503	\$0.01161	340,759	\$3,955.75	\$329.65
COM-OL	76,658	0.02%	0.08%	0.08%	\$51	\$1,545	\$0	\$1,596	\$0.02082	1.00503	\$0.02092	3,439	\$71.94	\$6.00
COM-SG	51,258	0.51%	0.06%	0.06%	\$1,417	\$1,138	\$0	\$2,555	\$0.04985	1.00503	\$0.05010	207	\$10.37	\$0.86
TOTAL	143,643,933	100%	100%	100%	275,547	2,020,676	0	2,296,223						

FPU

Schedule E-1
Exhibit _____

Robert C. Waruszewski (RCW-1)
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2022 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	\$196,889,083	(\$5,967,075)	(\$2,469,934)	\$188,452,074	42.12%	10.84%	4.57%
Long Term Debt - CU	\$143,120,386	(\$4,337,519)	(\$182)	\$138,782,685	31.02%	3.46%	1.07%
Short Term Debt	\$42,296,610	(\$1,281,875)	(\$53)	\$41,014,682	9.17%	2.66%	0.24%
Long Term Debt - FC	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%
Customer Deposits	\$11,072,435	\$0	\$0	\$11,072,435	2.47%	2.28%	0.06%
Deferred Income Taxes	\$68,088,651	\$0	\$0	\$68,088,651	15.22%	0.00%	0.00%
Total	\$461,467,165	(\$11,586,469)	(\$2,470,169)	\$447,410,527	100%		5.94%

2022 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	\$196,889,083	(\$2,013,986)	\$194,875,097	\$5,967,075	(\$2,469,934)	\$198,372,239	42.15%	10.84%	4.57%
Long Term Debt - CU	\$143,120,386	(\$1,463,984)	\$141,656,402	\$4,337,519	(\$182)	\$145,993,739	31.02%	3.46%	1.07%
Short Term Debt	\$42,296,610	(\$432,654)	\$41,863,956	\$1,281,875	(\$53)	\$43,145,778	9.17%	2.66%	0.24%
Long Term Debt - FC	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%
Customer Deposits	\$11,072,435	\$0	\$11,072,435	\$0	\$0	\$11,072,435	2.35%	2.28%	0.05%
Deferred Income Taxes	\$68,088,651	\$3,910,623	\$71,999,274	\$0	\$0	\$71,999,274	15.30%	0.00%	0.00%
Total	\$461,467,165		\$461,467,165	\$11,586,469	(\$2,470,169)	\$470,583,466	100%		5.94%

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-23	77,884,367	80,960,799					80,960,799
Projected	Jan-24	78,332,947	81,427,098	466,299	31	338	430,626	81,391,425
Projected	Feb-24	78,691,520	81,799,835	372,736	29	309	314,687	81,706,113
Projected	Mar-24	79,050,093	82,172,571	372,736	31	278	283,117	81,989,229
Projected	Apr-24	79,408,665	82,545,308	372,736	30	248	252,565	82,241,794
Projected	May-24	79,278,580	82,410,084	(135,224)	31	217	(80,174)	82,161,620
Projected	Jun-24	79,646,037	82,792,055	381,971	30	187	195,160	82,356,780
Projected	Jul-24	80,013,493	83,174,026	381,971	31	156	162,807	82,519,588
Projected	Aug-24	80,397,934	83,573,652	399,626	31	125	136,484	82,656,072
Projected	Sep-24	80,782,375	83,973,278	399,626	30	95	103,728	82,759,800
Projected	Oct-24	81,166,815	84,372,904	399,626	31	64	69,880	82,829,680
Projected	Nov-24	81,551,256	84,772,530	399,626	30	34	37,124	82,866,804
Projected	Dec-24	81,935,696	85,172,156	399,626	31	3	3,276	82,870,079
		79,856,906	83,011,254	4,211,357	366		1,909,280	82,254,599
2022 YE Surveil Bal.		68,088,651	78,343,976				13-Month Avg. Bal	83,011,254
Consistency Adjustment		11,768,255	4,667,278 *				Proration Adj.	(756,655)
Proration Adjustment			(756,655)					
Total Adjustment			3,910,623					

* Positive variance shows that the limitation provision is met.

Project Name	Location City/Town	Location County	Program Category	Program Sub-Category	Construction Estimate Start Date	Construction Estimate Completed Date	2023-2024 Estimated Investment
Lake Park - North	Lake Park	Palm Beach	Accessibility	Rear-to-Front	Jun-23	Dec-23	\$ 4,109,604
Winter Springs Ph.1	Winter Springs	Seminole	Accessibility	Rear-to-Front	Jun-23	Dec-23	\$ 1,894,849
Indiantown - North Ph.1	Indiantown	Martin	Problematic	Obsolete/Aldyl-A	Jul-23	Dec-23	\$ 3,169,036
Turnpike and Jog	West Palm Beach	Palm Beach	Problematic	Span	Jul-23	Oct-23	\$ 550,000
Turnpike and Belvedere	West Palm Beach	Palm Beach	Problematic	Span	Sep-23	Nov-23	\$ 850,000
Lake Park - South	Lake Park	Palm Beach	Accessibility	Rear-to-Front	Oct-23	Jan-24	\$ 2,121,186
Mercer Ave	West Palm Beach	Palm Beach	Problematic	Span	Oct-23	Dec-23	\$ 341,538
Sanford Ph.1	Sanford	Seminole	Accessibility	Rear-to-Front	Jan-24	Apr-24	\$ 935,343
Forest Hill Villages	West Palm Beach	Palm Beach	Accessibility	Rear-to-Front	Jan-24	Jul-24	\$ 4,702,694
Indiantown - North Ph.2	Indiantown	Martin	Problematic	Obsolete/Aldyl-A	Jan-24	May-24	\$ 1,560,912
Winter Springs Ph.2	Winter Springs	Seminole	Accessibility	Rear-to-Front	Jun-24	Dec-24	\$ 2,684,684
Indiantown - South Ph.1	Indiantown	Martin	Problematic	Obsolete/Aldyl-A	Jun-24	Dec-24	\$ 2,800,000
Park Manor	Riviera Beach	Palm Beach	Accessibility	Rear-to-Front	Jun-24	Nov-24	\$ 3,410,244
Grammercy Park	Riviera Beach	Palm Beach	Accessibility	Rear-to-Front	Jul-24	Dec-24	\$ 2,720,854
Le Chalet	Boynton Beach	Palm Beach	Problematic	Obsolete/Aldyl-A	Oct-24	Dec-24	\$ 1,245,568
							\$ 33,096,512