



May 13, 2015

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FLORIDA PUBLIC SERVICE
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DIVISION OF
ACCOUNTING & FINANCE

VIA HAND DELIVERY

Mr. Andrew Maurey, Director
Division of Accounting and Finance
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Florida Public Utilities Company (Electric and Gas Divisions) 1st Quarter Surveillance Reports

Dear Mr. Maurey:

In accordance with Rules 25-6.1352(3) and 25-7.1352(3), F.A.C., Florida Public Utilities Company (Gas and Electric Divisions) hereby submit the original and four (4) copies of the required 1st Quarter Earnings Surveillance Reports for 2015.

As always, please don't hesitate to let me know if you have any questions whatsoever.

Sincerely,

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

cc: Bart Fletcher

FLORIDA PUBLIC UTILITIES COMPANY
 NATURAL GAS
 RATE OF RETURN REPORT SUMMARY
 For the 12 Months Ending March 31, 2015

SCHEDULE 1

	(1) ACTUAL PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
I. AVERAGE RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ 7,158,122	\$ (88,557)	\$ 7,069,565	\$ 1,397,452	\$ 8,467,017
AVERAGE RATE BASE	\$ 150,816,155	\$ 2,115,080	\$ 152,931,235	\$ (28,690,106)	\$ 124,241,129
AVERAGE RATE OF RETURN	4.75%		4.62%		6.81%
II. YEAR-END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ 7,158,122	\$ (33,724)	\$ 7,124,398	\$ 1,397,452	\$ 8,521,850
YEAR-END RATE BASE	\$ 168,105,771	\$ 2,389,591	\$ 170,495,362	\$ (28,018,854)	\$ 142,476,508
YEAR-END RATE OF RETURN	4.26%		4.18%		5.98%
III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)			IV. EARNED RETURN ON EQUITY (FPSC ADJUSTED BASIS)		
LOW	6.32%		A.	INCL ACQUISITION ADJUSTMENT	6.17%
MIDPOINT	6.78%		B.	EXCL ACQUISITION ADJUSTMENT	11.70%
HIGH	7.24%				

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

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

Michael Cassel
 Director - Regulatory Affairs


 Signature

5/11/15
 Date

FLORIDA PUBLIC UTILITIES COMPANY
 NATURAL GAS
 AVERAGE RATE OF RETURN
 For the 12 Months Ending March 31, 2015
 RATE BASE

SCHEDULE 2
 PAGE 1 OF 2

	(1) PLANT IN SERVICE	(2) ACCUMULATED DEPRECIATION & AMORTIZATION	(3) PLANT IN SERVICE	(4) NET PROPERTY HELD FOR FUTURE USE	(5) CONSTRUCTION WORK IN PROGRESS	(6) NET UTILITY PLANT	(7) WORKING CAPITAL	(8) TOTAL RATE BASE
PER BOOKS	\$ 210,044,195	\$ (62,310,156)	\$ 147,734,038	\$ -	\$ 8,278,760	\$ 156,012,798	\$ (5,196,643)	\$ 150,816,155
FPSC ADJUSTMENTS:								
1) ELIMINATIONS TO NON-UTILITY RECEIVABLES	\$ -	\$ -	\$ -			\$ -	\$ 396,401	\$ 396,401
2) ELIMINATE GOODWILL	\$ (2,469,682)	\$ -	\$ (2,469,682)			\$ (2,469,682)		\$ (2,469,682)
	\$ -	\$ -	\$ -			\$ -		\$ -
3) ELIM. NON-UTILITY PLANT	\$ (2,301,526)	\$ 878,819	\$ (1,422,708)			\$ (1,422,708)		\$ (1,422,708)
	\$ -	\$ -	\$ -			\$ -		\$ -
	\$ -	\$ -	\$ -			\$ -	\$ -	\$ -
4) ELIMINATE DEFERRED ENVIRONMENTAL COSTS						\$ -	\$ 5,611,069	\$ 5,611,069
TOTAL FPSC ADJUSTMENTS	\$ (4,771,208)	\$ 878,819	\$ (3,892,390)	\$ -	\$ -	\$ (3,892,390)	\$ 6,007,470	\$ 2,115,080
FPSC ADJUSTED	\$ 205,272,986	\$ (61,431,337)	\$ 143,841,649	\$ -	\$ 8,278,760	\$ 152,120,409	\$ 810,826	\$ 152,931,235
FLEX RATE REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ADJUSTED FOR FLEX RATE REVENUES	\$ 205,272,986	\$ (61,431,337)	\$ 143,841,649	\$ -	\$ 8,278,760	\$ 152,120,409	\$ 810,826	\$ 152,931,235
PROFORMA ADJUSTMENTS								
			\$ -			\$ -		\$ -
			\$ -			\$ -		\$ -
ELIM. ACQUISITION ADJUSTMENT	\$ (33,510,381)	\$ 4,921,653	\$ (28,588,728)			\$ (28,588,728)		\$ (28,588,728)
ELIM. REG ASSET-TRNSCTN & TRNSITN CSTS							\$ (101,378)	\$ (101,378)
TOTAL PRO FORMA ADJUSTMENTS	\$ (33,510,381)	\$ 4,921,653	\$ (28,588,728)	\$ -	\$ -	\$ (28,588,728)	\$ (101,378)	\$ (28,690,106)
PRO FORMA ADJUSTED	\$ 171,762,605	\$ (56,509,684)	\$ 115,252,921	\$ -	\$ 8,278,760	\$ 123,531,681	\$ 709,448	\$ 124,241,129

FLORIDA PUBLIC UTILITIES COMPANY
 NATURAL GAS
 YEAR END RATE OF RETURN
 For the 12 Months Ending March 31, 2015
 RATE BASE

SCHEDULE 3
 PAGE 1 OF 2

	(1) PLANT IN SERVICE	(2) ACCUMULATED DEPRECIATION & AMORTIZATION	(3) PLANT IN SERVICE	(4) NET PROPERTY HELD FOR FUTURE USE	(5) CONSTRUCTION WORK IN PROGRESS	(6) NET UTILITY PLANT	(7) WORKING CAPITAL	(8) TOTAL RATE BASE
PER BOOKS	\$ 229,973,090	\$ (64,168,105)	\$ 165,804,985	\$ -	\$ 6,892,304	\$ 172,697,289	\$ (4,591,518)	\$ 168,105,771
FPSC ADJUSTMENTS:								
1) ELIMINATIONS TO NON-UTILITY RECEIVABLES	\$ -	\$ -	\$ -			\$ -	\$ 752,898	\$ 752,898
2) ELIMINATE GOODWILL	\$ (2,469,682)	\$ -	\$ (2,469,682)			\$ (2,469,682)		\$ (2,469,682)
	\$ -	\$ -	\$ -			\$ -		\$ -
3) ELIM. NON-UTILITY PLANT	\$ (2,422,357)	\$ 917,663	\$ (1,504,694)			\$ (1,504,694)		\$ (1,504,694)
	\$ -	\$ -	\$ -			\$ -		\$ -
	\$ -	\$ -	\$ -			\$ -	\$ -	\$ -
4) ELIMINATE DEFERRED ENVIRONMENTAL COSTS	\$ -	\$ -	\$ -			\$ -	\$ 5,611,069	\$ 5,611,069
TOTAL FPSC ADJUSTMENTS	\$ (4,892,039)	\$ 917,663	\$ (3,974,376)	\$ -	\$ -	\$ (3,974,376)	\$ 6,363,967	\$ 2,389,591
FPSC ADJUSTED	\$ 225,081,052	\$ (63,250,442)	\$ 161,830,609	\$ -	\$ 6,892,304	\$ 168,722,913	\$ 1,772,449	\$ 170,495,362
COMP RATE ADJ REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ADJUSTED FOR COMP RATE ADJ REVENUE	\$ 225,081,052	\$ (63,250,442)	\$ 161,830,609	\$ -	\$ 6,892,304	\$ 168,722,913	\$ 1,772,449	\$ 170,495,362
PROFORMA ADJUSTMENTS								
ELIM. ACQUISITION ADJUSTMENT	\$ (33,835,353)	\$ 5,816,499	\$ (28,018,854)			\$ (28,018,854)		\$ (28,018,854)
ELIM. REG ASSET-TRNSCTN & TRNSITN CSTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL PRO FORMA ADJUSTMENTS	\$ (33,835,353)	\$ 5,816,499	\$ (28,018,854)	\$ -	\$ -	\$ (28,018,854)	\$ -	\$ (28,018,854)
PRO FORMA ADJUSTED	\$ 191,245,699	\$ (57,433,943)	\$ 133,811,755	\$ -	\$ 6,892,304	\$ 140,704,059	\$ 1,772,449	\$ 142,476,508

FLORIDA PUBLIC UTILITIES COMPANY
 NATURAL GAS
 CAPITAL STRUCTURE
 For the 12 Months Ending March 31, 2015
 FPSC ADJUSTED BASIS

SCHEDULE 4

AVERAGE	ADJUSTMENTS					RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT		
	PER BOOKS	NON-UTILITY	ADJUSTED BOOKS	PRO-RATA	SPECIFIC		BALANCE	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
COMMON EQUITY	\$ 70,333,326		\$ 70,333,326	\$ 2,619,431	\$ (2,469,682)	\$ 70,483,075	46.09%	9.85%	4.54%	10.85%	5.00%	11.85%	5.46%
LONG TERM DEBT - CU	\$ 31,351,677		\$ 31,351,677	\$ 1,167,634		\$ 32,519,311	21.26%	5.15%	1.09%	5.15%	1.09%	5.15%	1.09%
SHORT TERM DEBT	\$ 14,799,110		\$ 14,799,110	\$ 551,165		\$ 15,350,275	10.04%	1.27%	0.13%	1.27%	0.13%	1.27%	0.13%
LONG TERM DEBT - FC	\$ 4,844,208		\$ 4,844,208	\$ 180,413		\$ 5,024,621	3.29%	12.85%	0.42%	12.85%	0.42%	12.85%	0.42%
SHORT TERM DEBT - REFINANCED LTD	\$ 1,775,345		\$ 1,775,345	\$ 66,119		\$ 1,841,464	1.20%	2.07%	0.02%	2.07%	0.02%	2.07%	0.02%
CUSTOMER DEPOSITS	\$ 7,496,005		\$ 7,496,005			\$ 7,496,005	4.90%	2.40%	0.12%	2.40%	0.12%	2.40%	0.12%
DEFERRED INCOME TAXES	\$ 20,212,559		\$ 20,212,559			\$ 20,212,559	13.22%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$ 3,924		\$ 3,924			\$ 3,924	0.00%	6.18%	0.00%	6.64%	0.00%	7.10%	0.00%
TOTAL AVERAGE	\$ 150,816,155	\$ -	\$ 150,816,155	\$ 4,584,762	\$ (2,469,682)	\$ 152,931,235	100.00%		6.32%		6.78%		7.24%

YEAR-END	ADJUSTMENTS					RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT		
	PER BOOKS	NON-UTILITY	ADJUSTED BOOKS	PRO-RATA	SPECIFIC		BALANCE	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
COMMON EQUITY	\$ 80,280,049		\$ 80,280,049	\$ 2,858,772	\$ (2,469,682)	\$ 80,669,139	47.32%	9.85%	4.66%	10.85%	5.13%	11.85%	5.61%
LONG TERM DEBT - CU	\$ 34,607,355		\$ 34,607,355	\$ 1,232,368		\$ 35,839,723	21.02%	5.06%	1.06%	5.06%	1.06%	5.06%	1.06%
SHORT TERM DEBT	\$ 16,579,627		\$ 16,579,627	\$ 590,400		\$ 17,170,027	10.07%	1.22%	0.12%	1.22%	0.12%	1.22%	0.12%
LONG TERM DEBT - FC	\$ 4,991,087		\$ 4,991,087	\$ 177,733		\$ 5,168,819	3.03%	12.74%	0.39%	12.74%	0.39%	12.74%	0.39%
SHORT TERM DEBT - REFINANCED LTD	\$ -		\$ -	\$ -		\$ -	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$ 7,675,403		\$ 7,675,403			\$ 7,675,403	4.50%	2.34%	0.11%	2.34%	0.11%	2.34%	0.11%
DEFERRED INCOME TAXES	\$ 23,972,251		\$ 23,972,252			\$ 23,972,252	14.06%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$ -		\$ -			\$ -	0.00%	6.23%	0.00%	6.70%	0.00%	7.18%	0.00%
TOTAL YEAR-END	\$ 168,105,771	\$ -	\$ 168,105,772	\$ 4,859,272	\$ (2,469,682)	\$ 170,495,362	100.00%		6.34%		6.81%		7.29%

FLORIDA PUBLIC UTILITIES COMPANY
 NATURAL GAS
 CAPITAL STRUCTURE
 For the 12 Months Ending March 31, 2015
 PROFORMA ADJUSTED BASIS

SCHEDULE 4

AVERAGE	ADJUSTMENTS						LOW POINT		MIDPOINT		HIGH POINT		
	PER BOOKS	NON-UTILITY	ADJUSTED BOOKS	PRO-RATA	SPECIFIC	BALANCE	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
COMMON EQUITY	\$ 70,333,326		\$ 70,333,326	\$ (13,772,206)	\$ (2,469,682)	\$ 54,091,438	43.54%	9.85%	4.29%	10.85%	4.72%	11.85%	5.16%
LONG TERM DEBT - CU	\$ 31,351,677		\$ 31,351,677	\$ (6,139,077)		\$ 25,212,600	20.29%	5.15%	1.04%	5.15%	1.04%	5.15%	1.04%
SHORT TERM DEBT	\$ 14,799,110		\$ 14,799,110	\$ (2,897,863)		\$ 11,901,247	9.58%	1.27%	0.12%	1.27%	0.12%	1.27%	0.12%
LONG TERM DEBT - FC	\$ 4,844,208		\$ 4,844,208	\$ (948,561)		\$ 3,895,647	3.14%	12.85%	0.40%	12.85%	0.40%	12.85%	0.40%
SHORT TERM DEBT - REFINANCED LTD	\$ 1,775,345		\$ 1,775,345	\$ (347,637)		\$ 1,427,708	1.15%	2.07%	0.02%	2.07%	0.02%	2.07%	0.02%
CUSTOMER DEPOSITS	\$ 7,496,005		\$ 7,496,005			\$ 7,496,005	6.03%	2.40%	0.14%	2.40%	0.14%	2.40%	0.14%
DEFERRED INCOME TAXES	\$ 20,212,559		\$ 20,212,559			\$ 20,212,559	16.27%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$ 3,924		\$ 3,924			\$ 3,924	0.00%	5.85%	0.00%	6.28%	0.00%	6.72%	0.00%
TOTAL AVERAGE	\$ 150,816,155	\$ -	\$ 150,816,155	\$ (24,105,344)	\$ (2,469,682)	\$ 124,241,129	100.00%		6.01%		6.44%		6.88%

YEAR-END	ADJUSTMENTS						LOW POINT		MIDPOINT		HIGH POINT		
	PER BOOKS	NON-UTILITY	ADJUSTED BOOKS	PRO-RATA	SPECIFIC	BALANCE	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
COMMON EQUITY	\$ 80,280,049		\$ 80,280,049	\$ (13,625,077)	\$ (2,469,682)	\$ 64,185,290	45.05%	9.85%	4.44%	10.85%	4.89%	11.85%	5.34%
LONG TERM DEBT - CU	\$ 34,607,355		\$ 34,607,355	\$ (5,873,536)		\$ 28,733,818	20.17%	5.06%	1.02%	5.06%	1.02%	5.06%	1.02%
SHORT TERM DEBT	\$ 16,579,627		\$ 16,579,627	\$ (2,813,884)		\$ 13,765,743	9.66%	1.22%	0.12%	1.22%	0.12%	1.22%	0.12%
LONG TERM DEBT - FC	\$ 4,991,087		\$ 4,991,087	\$ (847,083)		\$ 4,144,003	2.91%	12.74%	0.37%	12.74%	0.37%	12.74%	0.37%
SHORT TERM DEBT - REFINANCED LTD	\$ -		\$ -			\$ -	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$ 7,675,403		\$ 7,675,403			\$ 7,675,403	5.39%	2.34%	0.13%	2.34%	0.13%	2.34%	0.13%
DEFERRED INCOME TAXES	\$ 23,972,251		\$ 23,972,251			\$ 23,972,251	16.83%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$ -		\$ -			\$ -	0.00%	5.95%	0.00%	6.40%	0.00%	6.85%	0.00%
TOTAL YEAR-END	\$ 168,105,771	\$ -	\$ 168,105,771	\$ (23,159,581)	\$ (2,469,682)	\$ 142,476,508	100.00%		6.08%		6.53%		6.98%