



June 11, 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) and Florida Division of Chesapeake Utilities Corporation 4th 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 (all Divisions) and the Florida Division of Chesapeake Utilities Corporation hereby submits the original and four (4) copies of the REVISED 4th Quarter Earnings Surveillance Reports for 2014. The reports have been revised as a result of corrections to the common allocation rates in working capital.

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  
 INDIANTOWN DIVISION  
 RATE OF RETURN REPORT SUMMARY  
 December 31, 2014 - Revised 6\_5\_2015

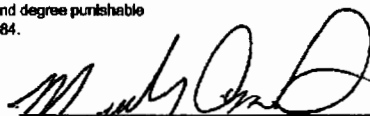
SCHEDULE 1

	(1) ACTUAL PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
<b>I. AVERAGE RATE OF RETURN (JURISDICTIONAL)</b>					
NET OPERATING INCOME	\$ 18,718	\$ 5,011	\$ 23,727	\$ 30,541	\$ 54,267
AVERAGE RATE BASE	\$ 2,079,932	\$ -	\$ 2,079,932	\$ (561,085)	\$ 1,528,867
AVERAGE RATE OF RETURN	0.90%		1.14%		3.65%
<b>II. YEAR-END RATE OF RETURN (JURISDICTIONAL)</b>					
NET OPERATING INCOME	\$ 18,718	\$ 4,221	\$ 22,937	\$ 30,541	\$ 53,477
YEAR-END RATE BASE	\$ 2,242,637	\$ -	\$ 2,242,637	\$ (626,205)	\$ 1,716,432
YEAR-END RATE OF RETURN	0.83%		1.02%		3.12%
<b>III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)</b>					
LOW	6.82%				
MIDPOINT	7.33%				
HIGH	7.84%				
<b>IV. EARNED RETURN ON EQUITY (FPSC ADJUSTED BASIS)</b>					
		A.	INCL ACQUISITION ADJUSTMENT		-0.71%
		B.	EXCL ACQUISITION ADJUSTMENT		4.40%

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.

Mike Cassel  
 Director, Regulatory Affairs

  
 Signature

6-10-15  
 Date

	(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	2,994,948	(1,026,516)	1,968,432	-	8,036	1,978,468	103,464	2,079,932
FPSC ADJUSTMENTS: REMOVE NET UNRECOVERED PGA COST DKT 030854-GU								
TOTAL FPSC ADJUSTMENTS	-	-	-	-	-	-	-	-
FPSC ADJUSTED	2,994,948	(1,026,516)	1,968,432	-	8,036	1,978,468	103,464	2,079,932
PROFORMA ADJUSTMENTS Remove Acquisition Adjustment	(745,800)	194,735	(551,065)			(551,065)		(551,065)
TOTAL PRO FORMA ADJUSTMENTS	(745,800)	194,735	(551,065)	-	-	(551,065)	-	(551,065)
PRO FORMA ADJUSTED	2,249,148	(831,781)	1,417,367	-	8,036	1,425,403	103,464	1,528,867

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	OPERATING REVENUES	O & M GAS EXPENSE	O & M OTHER	DEPREC. & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	D.I.T. (NET)	I.T.C. (NET)	GAIN/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
PER BOOKS	\$ 473,208	\$ 8,855	\$ 315,090	\$ 115,631	\$ 14,398	\$ 318				\$ 454,492	\$ 18,716
FPSC ADJUSTMENTS:											
1) Interest Synchronization						\$ (4,689)				\$ (4,689)	\$ 4,689
2) Elim. Conservation Rev & Exp.	\$ (8,900)	\$ (8,855)			\$ (45)	\$ (0)				\$ (8,900)	\$ (1)
3) Elimination of Revenue Taxes	\$ (2,461)				\$ (2,461)	\$ -				\$ (2,461)	\$ -
4) Income Tax Effective Rate Adjustment						\$ (322)				\$ (322)	\$ 322
5) Remove PGA						\$ -				\$ -	\$ -
						\$ -				\$ -	\$ -
TOTAL FPSC ADJUSTMENTS	\$ (11,361)	\$ (8,855)	\$ -	\$ -	\$ (2,506)	\$ (5,012)	\$ -	\$ -	\$ -	\$ (16,372)	\$ 5,011
FPSC ADJUSTED	\$ 461,847	\$ 0	\$ 315,090	\$ 115,631	\$ 12,093	\$ (4,693)	\$ -	\$ -	\$ -	\$ 438,120	\$ 23,727
PROFORMA ADJUSTMENTS											
Remove Acquisition Adjustment Amortization				\$ (49,720)		\$ 19,179				\$ (30,541)	\$ 30,541
TOTAL PROFORMA ADJUSTMENTS	\$ -	\$ -	\$ -	\$ (49,720)	\$ -	\$ 19,179	\$ -	\$ -	\$ -	\$ (30,541)	\$ 30,541
PROFORMA ADJUSTED	\$ 461,847	\$ 0	\$ 315,090	\$ 65,911	\$ 12,093	\$ 14,487	\$ -	\$ -	\$ -	\$ 407,579	\$ 54,267

	(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	\$ 3,424,962	\$ (1,206,162)	\$ 2,218,800	\$ -	\$ 10,124	\$ 2,228,923	\$ 13,714	\$ 2,242,637
FPSC ADJUSTMENTS:								
REMOVE NET UNREC. PGA COST DKT 030954-GU			\$ -			\$ -		\$ -
TOTAL FPSC ADJUSTMENTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FPSC ADJUSTED	\$ 3,424,962	\$ (1,206,162)	\$ 2,218,800	\$ -	\$ 10,124	\$ 2,228,923	\$ 13,714	\$ 2,242,637
PROFORMA ADJUSTMENTS								
Remove Acquisition Adjustment	\$ (745,800)	\$ 219,595	\$ (526,205)			\$ (526,205)		\$ (526,205)
TOTAL PRO FORMA ADJUSTMENTS	\$ (745,800)	\$ 219,595	\$ (526,205)	\$ -	\$ -	\$ (526,205)	\$ -	\$ (526,205)
PRO FORMA ADJUSTED	\$ 2,679,162	\$ (986,567)	\$ 1,692,595	\$ -	\$ 10,124	\$ 1,702,718	\$ 13,714	\$ 1,716,432

FLORIDA PUBLIC UTILITIES COMPANY  
 INDIANTOWN DIVISION  
 YEAR END RATE OF RETURN  
 For the 12 Months Ending December 31, 2014  
 INCOME STATEMENT- Revised 8. 5. 2015

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	OPERATING REVENUES	O & M GAS EXPENSE	O & M OTHER	DEPREC. & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	D.I.T. (NET)	I.T.C. (NET)	GAIN/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
PER BOOKS	\$ 473,208	\$ 8,853	\$ 315,090	\$ 115,831	\$ 14,598	\$ 319				\$ 454,492	\$ 18,716
Fpsc ADJUSTMENTS:											
1) Interest Synchronization						\$ (3,900)				\$ (3,900)	\$ 3,900
2) Elim. Conservation Rev & Exp.	\$ (8,900)	\$ (8,853)			\$ (45)	\$ (1)				\$ (8,898)	\$ (2)
3) Elimination of Revenue Taxes	\$ (2,461)				\$ (2,461)	\$ -				\$ (2,461)	\$ -
4) Income Tax Effective Rate Adjustment						\$ (322)				\$ (322)	\$ 322
5) Remove PGA						\$ -				\$ -	\$ -
TOTAL Fpsc ADJUSTMENTS	\$ (11,361)	\$ (8,853)	\$ -	\$ -	\$ (2,506)	\$ (4,224)	\$ -	\$ -	\$ -	\$ (15,582)	\$ 4,221
Fpsc ADJUSTED	\$ 461,847	\$ 0	\$ 315,090	\$ 115,831	\$ 12,093	\$ (3,905)	\$ -	\$ -	\$ -	\$ 438,910	\$ 22,937
PROFORM ADJUSTMENTS											
Remove Acquisition Adjustment Amortization				\$ (49,720)		\$ 19,179				\$ (30,541)	\$ 30,541
TOTAL PRO FORMA ADJUSTMENTS	\$ -	\$ -	\$ -	\$ (49,720)	\$ -	\$ 19,179	\$ -	\$ -	\$ -	\$ (30,541)	\$ 30,541
PRO FORMA ADJUSTED	\$ 461,847	\$ 0	\$ 315,090	\$ 65,911	\$ 12,093	\$ 15,275	\$ -	\$ -	\$ -	\$ 408,369	\$ 53,477

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	\$ 1,054,654	\$ -	\$ 1,054,654	\$ -	\$ -	\$ 1,054,654	50.71%	10.50%	5.32%	11.50%	5.83%	12.50%	6.34%
LONG TERM DEBT	\$ 500,006	\$ -	\$ 500,006	\$ -	\$ -	\$ 500,006	24.04%	5.25%	1.26%	5.25%	1.26%	5.25%	1.26%
SHORT TERM DEBT	\$ 208,235	\$ -	\$ 208,235	\$ -	\$ -	\$ 208,235	10.01%	1.21%	0.12%	1.21%	0.12%	1.21%	0.12%
SHORT TERM DEBT REFINANCED LTD	\$ 68,160	\$ -	\$ 68,160	\$ -	\$ -	\$ 68,160	3.28%	3.32%	0.11%	3.32%	0.11%	3.32%	0.11%
CUSTOMER DEPOSITS	\$ 6,577	\$ -	\$ 6,577	\$ -	\$ -	\$ 6,577	0.32%	2.06%	0.01%	2.06%	0.01%	2.06%	0.01%
DEFERRED INCOME TAXES	\$ 242,300	\$ -	\$ 242,300	\$ -	\$ -	\$ 242,300	11.65%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	6.81%	0.00%	7.32%	0.00%	7.83%	0.00%
<b>TOTAL AVERAGE</b>	<b>\$ 2,079,932</b>	<b>\$ -</b>	<b>\$ 2,079,932</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,079,932</b>	<b>100.00%</b>		<b>6.82%</b>		<b>7.33%</b>		<b>7.84%</b>

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	\$ 1,097,877	\$ -	\$ 1,097,877	\$ -	\$ -	\$ 1,097,877	48.95%	10.50%	5.14%	11.50%	5.63%	12.50%	6.12%
LONG TERM DEBT	\$ 555,533	\$ -	\$ 555,533	\$ -	\$ -	\$ 555,533	24.77%	4.78%	1.18%	4.78%	1.18%	4.78%	1.18%
SHORT TERM DEBT	\$ 318,560	\$ -	\$ 318,560	\$ -	\$ -	\$ 318,560	14.12%	0.81%	0.11%	0.81%	0.11%	0.81%	0.11%
SHORT TERM DEBT REFINANCED LTD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$ 7,055	\$ -	\$ 7,055	\$ -	\$ -	\$ 7,055	0.31%	1.92%	0.01%	1.92%	0.01%	1.92%	0.01%
DEFERRED INCOME TAXES	\$ 265,611	\$ -	\$ 265,611	\$ -	\$ -	\$ 265,611	11.84%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	6.43%	0.00%	6.92%	0.00%	7.41%	0.00%
<b>TOTAL YEAR-END</b>	<b>\$ 2,242,636</b>	<b>\$ -</b>	<b>\$ 2,242,636</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,242,636</b>	<b>100.00%</b>		<b>6.44%</b>		<b>6.93%</b>		<b>7.42%</b>