

June 11, 2015

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FLORIDA PUBLIC SERVICE
COMMISSION
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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
 FT. MEADE 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
I. AVERAGE RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ 2,837	(\$9,410)	(\$6,573)	\$ (29,235)	(\$35,808)
AVERAGE RATE BASE	\$739,427	(\$571,412)	\$168,016	\$686,166	\$854,162
AVERAGE RATE OF RETURN	0.38%		-3.91%		-4.19%
II. YEAR-END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$2,837	(\$9,116)	(\$6,279)	(\$29,235)	(\$34,514)
YEAR-END RATE BASE	\$425,078	(\$91,183)	\$333,895	\$662,366	\$996,263
YEAR-END RATE OF RETURN	0.67%		-1.58%		-3.46%
III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)					
LOW	6.49%				
MIDPOINT	6.97%				
HIGH	7.44%				
IV. EARNED RETURN ON EQUITY (FPSC ADJUSTED BASIS)					
A. RETURN ON COMMON EQUITY					-11.72%

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

FLORIDA PUBLIC UTILITIES COMPANY
 FT. MEADE DIVISION
AVERAGE RATE OF RETURN
 For the 12 Months Ending December 31, 2014
 RATE BASE - Revised 6_5_2015

	(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	\$ 705,584	\$ (43,333)	\$ 662,252	\$ -	\$ 1,202	\$ 663,454	\$ 75,973	\$ 739,427
FPSC ADJUSTMENTS:								
REMOVE CONS. & PGA UNDER-RECOVERY CORRECT RECORDING OF ACQUISITION	\$ (169,133)	\$ (365,499)	\$ (534,632)	\$ -	\$ -	\$ (534,632)	\$ (36,780)	\$ (36,780) \$ (534,632)
TOTAL FPSC ADJUSTMENTS	\$ (169,133)	\$ (365,499)	\$ (534,632)	\$ -	\$ -	\$ (534,632)	\$ (36,780)	\$ (671,412)
FPSC ADJUSTED	\$ 536,452	\$ (408,831)	\$ 127,620	\$ -	\$ 1,202	\$ 128,823	\$ 39,193	\$ 168,016
PROFORMA ADJUSTMENTS								
RECORD ACQUISITION ADJUSTMENT	\$ 713,930	\$ (27,764)	\$ 686,166	\$ -	\$ -	\$ 686,166	\$ -	\$ 686,166
TOTAL PRO FORMA ADJUSTMENTS	\$ 713,930	\$ (27,764)	\$ 686,166	\$ -	\$ -	\$ 686,166	\$ -	\$ 686,166
PRO FORMA ADJUSTED	\$ 1,250,382	\$ (436,595)	\$ 813,786	\$ -	\$ 1,202	\$ 814,989	\$ 39,193	\$ 854,182

FLORIDA PUBLIC UTILITIES COMPANY
 FT. MEADE DIVISION
AVERAGE RATE OF RETURN
 For the 12 Months Ending December 31, 2014
 INCOME STATEMENT- Revised 6_6_2015

SCHEDULE 2
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	(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	\$ 398,486	\$ 173,020	\$ 167,559	\$ 13,706	\$ 44,834	\$ (3,471)				\$ 395,649	\$ 2,837
FPSC ADJUSTMENTS:											
1) Interest Synchronization						\$2,124				\$ 2,124	\$ (2,124)
2) Correct Depreciation of Acquisition				\$ (990)		382				\$ (608)	\$ 808
3) Elim. Conservation Rev & Exp.	\$ (12,163)	\$ (12,101)			\$ (61)	\$ (0)				\$ (12,162)	\$ (1)
4) Elim. PGA Revenues & Expense	\$ (176,053)	\$ (160,919)			\$ (2,285)	\$ (4,956)				\$ (168,161)	\$ (7,892)
TOTAL FPSC ADJUSTMENTS	\$ (188,216)	\$ (173,020)	\$ -	\$ (990)	\$ (2,346)	\$ (2,451)	\$ -	\$ -	\$ -	\$ (178,806)	\$ (9,410)
FPSC ADJUSTED	\$ 210,270	\$ 0	\$ 167,559	\$ 12,716	\$ 42,488	\$ (5,922)	\$ -	\$ -	\$ -	\$ 218,843	\$ (6,573)
PROFORMA ADJUSTMENTS											
1) Amortize Acquisition Adjustment				\$ 47,595		\$ (18,360)				\$ 29,235	\$ (29,235)
TOTAL PRO FORMA ADJUSTMENTS	\$ -	\$ -	\$ -	\$ 47,595	\$ -	\$ (18,360)	\$ -	\$ -	\$ -	\$ 29,235	\$ (29,235)
PRO FORMA ADJUSTED	\$ 210,270	\$ 0	\$ 167,559	\$ 60,312	\$ 42,488	\$ (24,282)	\$ -	\$ -	\$ -	\$ 248,078	\$ (35,808)

	(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	\$ 632,087	\$ (410,053)	\$ 222,034	\$ -	\$ 331	\$ 222,365	\$ 202,713	\$ 425,078
FPSC ADJUSTMENTS:								
CORRECT RECORDING OF ACQUISITION		\$ (1,348)	\$ (1,348)			\$ (1,348)		\$ (1,348)
REMOVE CONS. & PGA UNDER-RECOVERIES		\$ -	\$ -			\$ -	\$ (89,835)	\$ (89,835)
TOTAL FPSC ADJUSTMENTS	\$ -	\$ (1,348)	\$ (1,348)	\$ -	\$ -	\$ (1,348)	\$ (89,835)	\$ (91,183)
FPSC ADJUSTED	\$ 632,087	\$ (411,401)	\$ 220,686	\$ -	\$ 331	\$ 221,017	\$ 112,878	\$ 333,895
PROFORMA ADJUSTMENTS								
RECORD ACQUISITION ADJUSTMENT	\$ 713,930	\$ (51,562)	\$ 662,368			\$ 662,368		\$ 662,368
TOTAL PRO FORMA ADJUSTMENTS	\$ 713,930	\$ (51,562)	\$ 662,368	\$ -	\$ -	\$ 662,368	\$ -	\$ 662,368
PRO FORMA ADJUSTED	\$ 1,346,017	\$ (462,962)	\$ 883,054	\$ -	\$ 331	\$ 883,385	\$ 112,878	\$ 996,263

FLORIDA PUBLIC UTILITIES COMPANY
 FT. MEADE DIVISION
YEAR END RATE OF RETURN
 For the 12 Months Ending December 31, 2014
 INCOME STATEMENT- Revised 6_5_2015

SCHEDULE 3
 PAGE 2 OF 2

	(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	\$ 398,486	\$ 173,020	\$ 167,559	\$ 13,706	\$ 44,834	\$ (3,471)				\$ 395,649	\$ 2,837
FPSC ADJUSTMENTS:											
1) Interest Synchronization						\$ 831				\$ 831	\$ (831)
2) Correct Depreciation of Acquisition				\$ (990)		\$ 382				\$ (608)	\$ 608
3) Elim. Conservation Rev & Exp.	\$ (12,163)	\$ (12,101)			\$ (61)	\$ (0)				\$ (12,162)	\$ (1)
4) Elim. PGA Revenues & Expense	\$ (176,053)	\$ (160,919)			\$ (2,285)	\$ (4,956)				\$ (188,161)	\$ (7,892)
TOTAL FPSC ADJUSTMENTS	\$ (188,216)	\$ (173,020)	\$ -	\$ (990)	\$ (2,346)	\$ (3,744)	\$ -	\$ -	\$ -	\$ (180,100)	\$ (8,116)
FPSC ADJUSTED	\$ 210,270	\$ 0	\$ 167,559	\$ 12,716	\$ 42,488	\$ (7,215)	\$ -	\$ -	\$ -	\$ 215,549	\$ (5,279)
PROFORM ADJUSTMENTS											
1) Amortize Acquisition Adjustment				\$ 47,595		\$ (18,360)				\$ 29,235	\$ (29,235)
TOTAL PRO FORMA ADJUSTMENTS	\$ -	\$ -	\$ -	\$ 47,595	\$ -	\$ (18,360)	\$ -	\$ -	\$ -	\$ 29,235	\$ (29,235)
PRO FORMA ADJUSTED	\$ 210,270	\$ 0	\$ 167,559	\$ 60,312	\$ 42,488	\$ (25,575)	\$ -	\$ -	\$ -	\$ 244,784	\$ (34,514)

AVERAGE	ADJUSTMENTS		ADJUSTED BOOKS	PRO-RATA	SPECIFIC	BALANCE	RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT	
	PER BOOKS	NON-UTILITY						COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
COMMON EQUITY	\$409,556	\$0	\$409,556	\$0	(\$329,122)	\$80,434	47.87%	10.00%	4.79%	11.00%	5.27%	12.00%	5.74%
LONG TERM DEBT	\$194,169	\$0	\$194,169	\$0	(\$156,036)	\$38,133	22.70%	5.25%	1.19%	5.25%	1.19%	5.25%	1.19%
SHORT TERM DEBT	\$80,864	\$0	\$80,864	\$0	(\$64,983)	\$15,881	9.45%	1.21%	0.11%	1.21%	0.11%	1.21%	0.11%
SHORT TERM DEBT REFINANCED LTD	\$26,469	\$0	\$26,469	\$0	(\$21,271)	\$5,198	3.09%	3.32%	0.10%	3.32%	0.10%	3.32%	0.10%
CUSTOMER DEPOSITS	\$33,971	\$0	\$33,971	\$0	\$0	\$33,971	20.22%	1.50%	0.30%	1.50%	0.30%	1.50%	0.30%
DEFERRED INCOME TAXES	(\$5,602)	\$0	(\$5,602)	\$0	\$0	(\$5,602)	-3.33%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	6.19%	0.00%	6.67%	0.00%	7.14%	0.00%
TOTAL AVERAGE	\$739,427	\$0	\$739,427	\$0	(\$571,412)	\$168,015	100.00%		6.49%		6.97%		7.44%

YEAR-END	ADJUSTMENTS		ADJUSTED BOOKS	PRO-RATA	SPECIFIC	BALANCE	RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT	
	PER BOOKS	NON-UTILITY						COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
COMMON EQUITY	\$266,116	\$0	\$266,116	\$0	(\$50,817)	\$215,299	64.48%	10.00%	6.45%	11.00%	7.09%	12.00%	7.74%
LONG TERM DEBT	\$134,656	\$0	\$134,656	\$0	(\$25,713)	\$108,943	32.63%	4.78%	1.56%	4.78%	1.56%	4.78%	1.56%
SHORT TERM DEBT	\$76,731	\$0	\$76,731	\$0	(\$14,652)	\$62,079	18.59%	0.81%	0.15%	0.81%	0.15%	0.81%	0.15%
SHORT TERM DEBT REFINANCED LTD	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$34,759	\$0	\$34,759	\$0	\$0	\$34,759	10.41%	1.46%	0.15%	1.46%	0.15%	1.46%	0.15%
DEFERRED INCOME TAXES	(\$87,185)	\$0	(\$87,185)	\$0	\$0	(\$87,185)	-26.11%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	8.16%	0.00%	8.80%	0.00%	9.45%	0.00%
TOTAL YEAR-END	\$425,077	\$0	\$425,077	\$0	(\$91,182)	\$333,895	100.00%		8.31%		8.95%		9.60%