

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Application for a rate increase by FLORIDA PUBLIC UTILITIES COMPANY. ) DOCKET NO. 940620-GU  
) ORDER NO. PSC-94-1519-FOF-GU  
) ISSUED: DECEMBER 9, 1994  
)

The following Commissioners participated in the disposition of this matter:

SUSAN F. CLARK  
JOE GARCIA  
DIANE K. KIESLING

ORDER SUSPENDING PROPOSED RATE  
SCHEDULES AND GRANTING INTERIM RATE RELIEF

BY THE COMMISSION:

1. Suspension of Proposed Rates

Florida Public Utilities Company Consolidated Gas Division (FPUC or the Company) filed its petition and minimum filing requirements (MFR's) on September 23, 1994. The Company has requested a total revenue increase of \$2,079,120 based on a projected test year of 1995. The Company's request produces an 8.61% return on its December 31, 1995 projected rate base. The requested return on equity (ROE) was 12.30%, but the Company's gas division's ROE was reset to 11.00%, plus or minus 100 basis points, by Order No. 94-249-FOF-GU, issued March 7, 1994.

We find that FPUC's request requires further study and review. Therefore, based upon Section 366.06 (4), Florida Statutes, we hereby suspend the rates and charges of \$2,079,120 to allow ourselves and intervenors sufficient time to adequately investigate the request for permanent rate relief.

The Company also requested \$496,326 in interim rate relief in accordance with Section 366.071, Florida Statutes.

DOCUMENT NUMBER-DATE

12411 DEC-94

FPSC-RECORDS/REPORTING

## 2. Interim Rate Base

FPUC has proposed an interim test year rate base of \$24,352,829 (Attachment 1). We have reviewed the Company's interim filing and find that the appropriate interim test year rate base is \$24,352,829.

In its interim filing, the Company made an adjustment to reduce rate base by \$835,984 to allocate a portion of common plant to nonutility operations. This adjustment is consistent with the last rate case, and, therefore, we find it appropriate.

The Company also made an adjustment to reduce accumulated depreciation \$368,541 for the accumulated depreciation associated with common plant. We also find this adjustment to be appropriate.

In addition, the Company has a negative working capital of \$6,555. This adjustment is consistent with the last rate case and is appropriate, as well.

## 3. Interim Test Year Net Operating Income

The Company proposes an interim test year net operating income of \$1,667,225. We find the appropriate interim test year net operating income is \$1,710,916 (Attachment 2) which reflects the adjustments set forth below.

Before discussing these adjustments, we note that prior to the Agenda Conference on staff's recommendation regarding interim rate relief, FPUC sent a letter to staff counsel in which the Company took exception to three adjustments recommended by staff. Such a response is not contemplated by Section 366.071, Florida Statutes. Parties may be allowed to address mistakes or mathematical errors through an appropriate pleading, such as a "Suggestion of Error in Staff Recommendation." However, differences of opinion as to policy or accounting methodology shall not be communicated through such a pleading.

### Adjustment 4: Fuel Revenue Adjustment

The Company eliminated the impact of fuel revenues of \$11,707,618, net gas costs of \$11,711,444, and fuel revenue taxes of \$37,889. Since fuel related items are examined in separate Purchased Gas Recovery Clause proceedings, we agree with this adjustment.

Adjustment 5: Odorant Expense

The Company made a pro forma entry to reflect the cost of odorant for the historical test year. The Company buys odorant in bulk. Even though the quantity purchased lasts several years, the Company expenses the entire cost in the year of purchase, not as it is used. FPUC asserts that an adjustment to allow the inclusion of odorant expense in the 1993 historical interim test period is appropriate. Since the Company did not purchase any odorant during 1993, it made a pro forma adjustment of \$4,423 to account for the cost of the odorant actually used during 1993.

Although this adjustment is consistent with the Company's last rate case, the Company's method of booking the odorant expense is inappropriate. FPUC expenses the bulk quantity when it is purchased rather than including it in an inventory account and expensing it as it is used. As a result, the odorant expense is high during the purchase year and zero in each subsequent year until another purchase is made. The Company's pro forma adjustment was made in order to include an odorant expense during the interim test year because the actual expense for the test year is zero.

Upon consideration, we find that this type of pro forma adjustment is inappropriate. However, such an adjustment is appropriate for the full rate case to set permanent rates on a prospective basis.

Adjustment 6: Gas Used by the Company

The Company increased expenses \$23,756 for the cost of natural gas used by the Company. We agree that it is appropriate to add back the cost of Company-used gas since the total cost of purchased gas was removed in Adjustment 4 above.

Adjustment 7: Uncollectible Accounts

The Company made an adjustment to increase uncollectible accounts expense by \$29,044 to adjust the expense to the level determined using the average charge off rate from the past three calendar years. The Company contends that its adjustment to increase the uncollectible accounts expense by \$29,044 is justified because a three-year average charge-off methodology was utilized in determining the appropriate level in its last rate case.

Although a three-year average methodology was utilized in the Company's last rate case, such a methodology is simply a tool for gauging the reasonableness of the uncollectible expense in projected test years. The three-year average methodology is not a substitute for the actual uncollectible expense incurred during an historical interim test year. Therefore, this type of pro forma adjustment is not appropriate and should not be allowed for interim rate relief purposes. Accordingly, expenses shall be reduced by \$29,044.

Adjustment 8: Other Post Retirements Benefits Expense

The Company made a \$25,604 adjustment to record the post retirement benefits for its life insurance obligation for 1993. The MFRs indicate that this expense was not recorded on the Company's books. The Company is not accruing for post retirement life insurance benefits as they consider the amount to be insignificant. Therefore, this adjustment of \$25,604 is disallowed.

Adjustment 9: Advertising Expenses

The Company has included expenses for 1993 for types of advertising that were disallowed in the last case. There are expenses of \$5,322 for promotional advertising, \$75 for community affairs advertising, \$18,691 for "other" advertising, and \$1,411 for institutional and goodwill advertising for a total of \$25,499. In the last case, only advertising that was of a strictly safety or information related nature was allowed. Although the Company's original MFR Schedule C-9 did not indicate whether any expenses in the "other" category are for informational or safety purposes, upon review it was found that \$11,700 of these expenses is for telephone book listings in the three service areas of Sanford, Deland and West Palm Beach. We find the \$11,700 in expenses for telephone book listings is consistent with the last rate case and should be allowed. However, the remaining advertising expenses of \$13,799 (original \$25,499 - \$11,700) is disallowed.

Adjustment 10: Correction of Depreciation Computation

The Company made an adjustment to remove an expense of \$6,320 on the books which was allocated to natural gas and should have been allocated to other divisions. We find this is an appropriate adjustment.

Adjustment 11: Nonregulated Depreciation Expense

Depreciation expense of \$27,082 relating to nonutility common plant was removed from historical base year expenses. The Company's adjustment for depreciation expense is appropriate.

Adjustment 12: Nonutility Property Taxes

Property taxes of \$21,119 on the nonutility portion of the general office as well as on the LP and merchandise plant were removed from historical base year expenses. This adjustment is also appropriate.

Adjustment 13: Prior Year Income Taxes

In 1993, the Company recorded credits of \$27,089 and \$7,192 to current federal and state income tax expense, respectively, and debits of \$22,861 and \$6,282 to deferred federal and state income tax expense, respectively. The credits to current tax expense and the debits to deferred tax expense were prior period adjustments to "true-up" 1992 income taxes. The Company reversed these adjustments in its interim filing so that interim period income tax expense reflects only those taxes applicable to 1993. Since this adjustment is consistent with the Company's last rate case, we find the adjustment appropriate.

Adjustment 14: Interest Reconciliation & ITC Synchronization

The Company increased federal and state income tax expense by \$12,992 and \$2,224, respectively, to provide for the tax effect of the difference between interest deductible on the tax return and interest deductible for regulatory purposes. To reflect the effects of the change in customer deposit interest rates on the capital structure, we further increased federal and state income tax expense by \$10,040 and \$1,718, respectively.

Adjustment 15: Tax Effect of Other Net Operating Income Adjustments

The Company increased federal and state income taxes by \$4,307 and \$737, respectively, for the tax effect of other net operating income adjustments discussed above. To reflect the net operating adjustments discussed above, we further increased federal and state income taxes by \$27,172 and \$4,651, respectively.



#### 4. Overall Rate of Return

The last Florida Public Gas rate case was dispensed in Order No. 24094, issued February 12, 1991. The Company has considered the capital structure and adjustments ordered in the last rate case and has used a 10.00% return on equity (ROE), which is the bottom of the authorized range established by Order 94-249-FOF-GU issued March 7, 1994. This Order reduced the Company's gas division's authorized ROE to 11.00%, plus or minus 100 basis points for all regulatory purposes, beginning January 1, 1994.

The cost rate for customer deposits has been adjusted from 8.18% to 6.18% to reflect the revision of Rule 25-7.083(5)(a), Florida Administrative Code. This revision became effective April 25, 1994.

Given the 10.00% cost of equity, the current 13-month average cost of the Company's debt and preferred stock, and the change in the cost of customer deposits, an 8.01% overall cost of capital is appropriate for purposes of determining the interim increase.

#### 5. Interim Increase

The Company requested \$496,326 in interim relief for the historical base year ended December 31, 1993. This would have allowed the Company to earn an overall rate of return of 8.15%. Based on the previously discussed adjustments, we have determined the interim rate base to be \$24,352,829 (Attachment 1) and the Net Operating Income to be \$1,710,916 (Attachment 2). Applying a 8.01% overall rate of return (Attachment 3), the Company is entitled to \$386,927 in interim relief (Attachment 4). In addition, certain O & M expenses and tax adjustments are disallowed due to revisions to the Company's capital structure.

#### 6. Allocation of Interim Increase

Any interim increase should be calculated and applied according to the provisions of Rule 25-7.040, Florida Administrative Code. Rule 25-7.040 requires the amount of interim rate relief to be applied uniformly to the base rate of each rate class, exclusive of fuel costs. In addition, the amount must be collected on a cents-per-therm basis. Therefore, it is found that interim relief granted shall be collected as shown in Attachments 5 - 7.

The interim rates will be effective for all meter readings taken on or after thirty days from the date of the vote and decision herein.

The Company shall give appropriate notice to customers commencing with the first bill for service which reflects the increase authorized herein, explaining the nature, purpose and effect of the increase. A copy of the notice shall be submitted to the Bureau of Gas Regulation for approval prior to its use.

7. Interim Increase to be Held Subject to Refund Under A Corporate Undertaking

According to Section 366.071 (2) (c), Florida Statutes, the Commission is required to determine whether a corporate undertaking may be filed in lieu of a bond. It has become standard Commission practice to allow utilities to hold the interim increases subject to refund under a corporate undertaking. There are no factors in this case which would appear to warrant a departure from this standard practice. Accordingly, any amount of interim relief granted to Florida Public Utilities-Gas Division will be collected subject to refund, and FPUC must file an appropriate corporate undertaking.

8. Docket

This docket should remain open until we have completed our review of the Company's requested rate increase.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that rates and charges of \$2,079,120 for Florida Public Utilities Company are hereby suspended. It is further

ORDERED that the interim test year rate base of \$24,352,829 is appropriate. It is further

ORDERED that the interim test year net operating income is \$1,710,916 and the appropriate overall rate of return is 8.01%. It is further

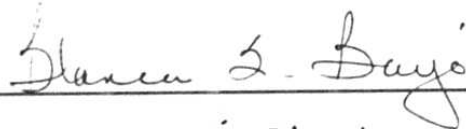
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ORDERED that the Florida Public Utilities Company shall be granted an interim increase of \$386,927 and, that, in accordance with Rule 25-7.040, Florida Administrative Code, the authorized interim increase will be applied uniformly across the board to all rate classes' base rates as set forth in the body of this order. It is further

ORDERED that the interim revenues shall be held subject to refund and Florida Public Utilities Company must file an appropriate corporate undertaking. It is further

ORDERED that this docket will remain open to process the Company's revenue increase request.

By ORDER of the Florida Public Service Commission, this 9th day of December, 1994.



BLANCA S. BAYÓ, Director  
Division of Records and Reporting

( S E A L )

BC

DISSENT

Commissioner Clark dissents from the Commission's decision with regard to the adjustment to uncollectible accounts. It is Commissioner Clark's judgment that the Company's use of the three-year average charge-off methodology to determine the correct level of uncollectible accounts expense is appropriate.



NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by this order, which is preliminary, procedural or intermediate in nature, may request: (1) reconsideration within 10 days pursuant to Rule 25-22.038(2), Florida Administrative Code, if issued by a Prehearing Officer; (2) reconsideration within 15 days pursuant to Rule 25-22.060, Florida Administrative Code, if issued by the Commission; or (3) judicial review by the Florida Supreme Court, in the case of an electric, gas or telephone utility, or the First District Court of Appeal, in the case of a water or wastewater utility. A motion for reconsideration shall be filed with the Director, Division of Records and Reporting, in the form prescribed by Rule 25-22.060, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.

FLORIDA PUBLIC UTILITIES COMPANY  
 DOCKET 940620-GU  
 COMPARATIVE AVERAGE RATE BASES  
 TYE 12/31/93

ATTACHMENT 1  
 Interim

ADJ NO.	COMPANY			STAFF	
	TOTAL PER BOOKS	JURIS. ADJUST.	COMPANY ADJUSTED	JURIS. ADJUST.	ADJ. JURIS.
UTILITY PLANT					
1	Plant in Service	\$36,451,898	(\$835,984)	\$35,615,914	
	Common Plant Allocated	\$695,435		\$695,435	
	Acquisition Adjustment	\$303,400		\$303,400	
	Construction Work in Progress	\$269,372		\$269,372	
	Total Plant	<u>\$37,720,105</u>	<u>(\$835,984)</u>	<u>\$36,884,121</u>	<u>\$0</u> <u>\$36,884,121</u>
DEDUCTIONS					
2	Accum. Depr. - Utility Plant	\$12,057,256	(\$368,541)	\$11,688,715	
	Accum. Depr. - Common Plant	\$281,901		\$281,901	
	Accum. Amort. - Acq. Adj.	\$319,741		\$319,741	
	Customer Adv. for Const.	\$240,935		\$240,935	
	Total Deductions	<u>\$12,899,833</u>	<u>(\$368,541)</u>	<u>\$12,531,292</u>	<u>\$0</u> <u>\$12,531,292</u>
	Plant Net	<u>\$24,820,272</u>	<u>(\$467,443)</u>	<u>\$24,352,829</u>	<u>\$0</u> <u>\$24,352,829</u>
ALLOW. FOR WORKING CAPITAL					
3	Balance Sheet Method	(\$6,655)	\$6,655	\$0	\$0
	TOTAL RATE BASE	<u>\$24,813,617</u>	<u>(\$460,788)</u>	<u>\$24,352,829</u>	<u>\$0</u> <u>\$24,352,829</u>

FLORIDA PUBLIC UTILITIES COMPANY  
DOCKET NO. 940620-GU  
COMPARATIVE NOIs  
TYE 12/31/93

ATTACHMENT 2  
Page 1 of 2  
Interim

ADJ NO.		COMPANY			STAFF	
		TOTAL PER BOOKS	JURIS. ADJUST.	COMPANY ADJUSTED	JURIS. ADJUST.	ADJ. JURIS.
	OPERATING REVENUES	\$22,413,675				
4	Fuel Revenue Adjustment		(\$11,707,618)			
	Totals	<u>\$22,413,675</u>	<u>(\$11,707,618)</u>	<u>\$10,706,057</u>	<u>\$0</u>	<u>\$10,706,057</u>
	OPERATING EXPENSES:					
	Operation and Maintenance	\$17,999,964				
4	Remove Cost of Gas		(\$11,711,444)			
5	Odorant Expense		\$4,423		(\$4,423)	\$0
6	Company-Used Gas		\$23,756			\$0
7	Uncollectible Accounts		\$29,044		(\$29,044)	\$0
8	Pension Expense		\$25,604		(\$25,604)	\$0
9	Advertising Expenses				(\$13,799)	(\$13,799)
	Total O & M Adjustments	<u>\$17,999,964</u>	<u>(\$11,628,617)</u>	<u>\$6,371,347</u>	<u>(\$72,870)</u>	<u>\$6,298,477</u>
	Depreciation and Amortization	\$1,345,537				
10	Correction of Error		(\$6,320)			
11	Nonregulated Depr. Exp.		(\$27,082)			
	Totals	<u>\$1,345,537</u>	<u>(\$33,402)</u>	<u>\$1,312,135</u>	<u>\$0</u>	<u>\$1,312,135</u>
	Amortization Of Environmental	<u>\$239,604</u>	<u>\$0</u>	<u>\$239,604</u>	<u>\$0</u>	<u>\$239,604</u>
	Taxes Other Than Income	\$912,100				
4	Fuel Revenue Taxes		(\$37,889)			
12	Nonutility Property Taxes		(\$21,119)			
	Totals	<u>\$912,100</u>	<u>(\$59,008)</u>	<u>\$853,092</u>	<u>\$0</u>	<u>\$853,092</u>
	Income Taxes--Federal	(\$4,589)				
13	Prior Period Adjustments		\$27,089			
14	Interest Rec. & ITC Synch		\$12,992		\$10,040	
15	Tax Effect of Above Adj.		\$4,307		\$23,413	
	Total	<u>(\$4,589)</u>	<u>\$44,388</u>	<u>\$39,799</u>	<u>\$33,453</u>	<u>\$73,252</u>
	Income Taxes--State	(\$3,392)				
13	Prior Period Adjustments		\$7,192			
14	Interest Rec. & ITC Synch		\$2,224		\$1,718	
15	Tax Effect of Above Adj.		\$737		\$4,008	
	Total	<u>(\$3,392)</u>	<u>\$10,153</u>	<u>\$6,761</u>	<u>\$5,726</u>	<u>\$12,487</u>

FLORIDA PUBLIC UTILITIES COMPANY  
DOCKET NO. 940620-GU  
COMPARATIVE NOIs  
TYE 12/31/93

ATTACHMENT 2  
Page 2 of 2  
Interim

ADJ NO.	COMPANY			STAFF	
	TOTAL PER BOOKS	JURIS. ADJUST.	COMPANY ADJUSTED	JURIS. ADJUST.	ADJ. JURIS.
	Deferred Income Taxes				
	\$231,825				
13		(\$22,861)			
	\$42,052				
		(\$6,282)			
13		(\$29,143)	\$244,734	\$0	\$244,734
	<u>\$273,877</u>	<u>(\$29,143)</u>	<u>\$244,734</u>	<u>\$0</u>	<u>\$244,734</u>
	Investment Tax Credit-Net				
	(\$38,640)				
	<u>(\$38,640)</u>	<u>(\$38,640)</u>		<u>\$0</u>	<u>(\$38,640)</u>
	<u>\$20,724,461</u>	<u>(\$11,695,629)</u>	<u>\$9,028,832</u>	<u>(\$33,691)</u>	<u>\$8,995,141</u>
	<u>\$1,689,214</u>	<u>(\$11,989)</u>	<u>\$1,677,225</u>	<u>(\$33,691)</u>	<u>\$1,710,916</u>
	TOTAL OPERATING EXPENSES				
	OPERATING INCOME				

DOCKET NO. 940620-GU  
 FPUC CONSOLIDATED GAS DIVISION  
 INTERIM TEST YEAR ENDING DECEMBER 31, 1993

ATTACHMENT 3

	PER MFRs	STAFF ADJUSTMENTS		ADJUSTED	WEIGHT	COST RATE	WEIGHTED COST
		SPECIFIC	PRO RATA				
COMMON EQUITY	7,824,359	0	0	7,824,359	32.13%	10.00%	3.21%
PREFERRED STOCK	238,954	0	0	238,954	0.98%	4.75%	0.05%
LONG TERM DEBT	9,804,530	0	0	9,804,530	40.26%	9.69%	3.90%
SHORT TERM DEBT	655,735	0	0	655,735	2.69%	4.86%	0.13%
CUSTOMER DEPOSITS	1,562,611	0	0	1,562,611	6.42%	6.18%	0.40%
TAX CREDITS-ZERO COST	29,349	0	0	29,349	0.12%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	811,473	0	0	811,473	3.33%	9.58%	0.32%
ACC DEF INC TAXES-ZERO COST	3,425,818	0	0	3,425,818	14.07%	0.00%	0.00%
	\$24,352,829	\$0	\$0	\$24,352,829	100.00%		8.01%

OVERALL RATE OF RETURN      8.01%  
 EQUITY RATIO                      42%

FLORIDA PUBLIC UTILITIES COMPANY  
DOCKET 940620-GU  
COMPARATIVE DEFICIENCY CALCULATIONS  
TYE 12/31/93

ATTACHMENT 4  
INTERIM

	<u>COMPANY</u>	<u>STAFF</u>
RATE BASE (AVERAGE)	\$24,352,829	\$24,352,829
RATE OF RETURN REQUIRED NOI	X 8.15% <u>\$1,984,756</u>	X 8.01% <u>\$1,950,662</u>
Operating Revenues	<u>\$10,706,057</u>	<u>\$10,706,057</u>
Operating Expenses:		
Operation & Maintenance	\$6,371,347	\$6,298,477
Depreciation & Amortization	\$1,312,135	\$1,312,135
Amortization of Environmental	\$239,604	\$239,604
Taxes Other Than Income Taxes	\$853,092	\$853,092
Current Income Taxes—Federal	\$39,799	\$73,252
—State	\$6,761	\$12,487
Deferred Income Taxes—Federal	\$208,964	\$208,964
—State	\$35,770	\$35,770
ITC Amortization	(\$38,640)	(\$38,640)
Total Operating Expenses	<u>\$9,028,832</u>	<u>\$8,995,141</u>
ACHEIVED NOI	<u>\$1,677,225</u>	<u>\$1,710,916</u>
NET REVENUE DEFICIENCY	\$307,531	\$239,746
REVENUE TAX FACTOR	1.6139054	1.6139054
TOTAL REVENUE DEFICIENCY	<u>\$496,326</u>	<u>\$386,927</u>



COMPANY: FLORIDA PUBLIC UTILITIES CO.  
 ALLOCATION OF INTERIM INCREASE  
 BASED ON 12 MONTHS ENDED: DEC. 31, 1993

ATTACHMENT 5  
 DOCKET NO. 940620- GU

(1)	(2)	<u>PRESENT REVENUE</u>			<u>INTERIM INCREASE</u>			
		(3)	(4)	(5)	(6)	(7)	(8)	(9)
					(4) + (5)	(6)X(8)	(7)/(6)	(7)/(3)
		THERM	CUSTOMER	ENERGY		\$	%	INCREASE
<u>RATE SCHEDULE</u>	<u>BILLS</u>	<u>SALES</u>	<u>CHARGE</u>	<u>CHARGE</u>	<u>TOTAL</u>	<u>INCREASE</u>	<u>INCREASE</u>	<u>PER THERM</u>
								CENTS
RESIDENTIAL	360,540	8,431,321	\$2,837,952	\$2,493,837	\$5,331,789	\$196,524	3.69	2.3309
GENERAL SERVICE	19,328	4,789,969	\$191,370	\$989,009	\$1,180,379	\$43,508	3.69	0.9083
LARGE VOLUME SERVICE	15,407	20,949,408	\$487,034	\$2,936,134	\$3,423,168	\$126,174	3.69	0.6023
PUBLIC HOUSING AUTH. SVC	10,254	299,711	\$81,463	\$66,921	\$148,384	\$5,469	3.69	1.8249
INTERRUPTIBLE SERVICE	144	3,044,303	\$23,040	\$165,398	\$188,438	\$6,946	3.69	0.2282
INTERRUPTIBLE TRANS. SVC.	1	31,859	\$160	\$1,652	\$1,812	\$67	3.69	0.2096
LARGE VOL. INTERR. TRANSP	12	21,103,660	\$12,000	\$211,526	\$223,526	\$8,239	3.69	0.0390
<b>TOTAL</b>	<b>405,686</b>	<b>58,650,231</b>	<b>\$3,633,019</b>	<b>\$6,864,477</b>	<b>\$10,497,496</b>	<b>\$386,927</b>	<b>3.69</b>	<b>0.6597</b>

NOTE: REVENUE ABOVE DEVOID OF FUEL

COMPANY: FLORIDA PUBLIC UTILITIES CO.  
ALLOCATION OF INTERIM INCREASE  
BASED ON 12 MONTHS ENDED: DEC. 31, 1993

ATTACHMENT 6  
DOCKET NO. 940620-GU

<u>RATE SCHEDULE</u>	<u>PRESENT RATE</u>	<u>INTERIM INCREASE</u>	<u>PROPOSED RATE</u>
<u>RESIDENTIAL</u>			
CUSTOMER CHARGE	\$8.00	0	\$8.00
ENERGY CHARGE (cents/therm)	29.5400	2.3309	31.8709
<u>GENERAL SERVICE</u>			
CUSTOMER CHARGE	\$10.00	0	\$10.00
ENERGY CHARGE (cents/therm)	20.6720	0.9083	21.5803
<u>LARGE VOLUME SERVICE</u>			
CUSTOMER CHARGE	\$30.00	0	\$30.00
ENERGY CHARGE (cents/therm)	13.9610	0.6023	14.5633
<u>PUBLIC HOUSING AUTH. SVC.</u>			
CUSTOMER CHARGE	\$8.00	0	\$8.00
ENERGY CHARGE (cents/therm)	22.1570	1.8249	23.9819
<u>INTERRUPTIBLE SERVICE</u>			
CUSTOMER CHARGE	\$160.00	0	\$160.00
ENERGY CHARGE (cents/therm)	5.1860	0.2282	5.4142
<u>INTERRUPTIBLE TRANS. SVC.</u>			
CUSTOMER CHARGE	\$160.00	0	\$160.00
ENERGY CHARGE (cents/therm)	5.1860	0.2096	5.3956
<u>LARGE VOL. INTERR. TRANSP.</u>			
CUSTOMER CHARGE	\$1,000.00	0	\$1,000.00
ENERGY CHARGE (cents/therm)	0.9650	0.0390	1.0040

COST OF SERVICE SUMMARY

ATTACHMENT 7  
PAGE 1 OF 7

COMPANY: FLORIDA PUBLIC UTILITIES CO.  
 DOCKET # 940620-GU

**RATE COMPARISON**

RATE SCHEDULE: RESIDENTIAL SERVICE (RS)

PRESENT RATES

Customer Charge  
 8.00

PROPOSED RATES

Customer Charge  
 8.0000

Beginning therms	Ending therms	cents per therm	Beginning therms	Ending therms	cents per therm
0	0	0	0	0	0
0	N/A	29.54	0	N/A	31.8709

Gas Cost Cents/Therm 24.117      Therm usage increment 10

therm usage	present monthly bill w/o fuel	present monthly bill with fuel	proposed monthly bill w/o fuel	proposed monthly bill with fuel	percent increase w/o fuel	percent increase with fuel	dollar increase
0	8.00	8.00	8.00	8.00	0.00	0.00	0.00
10	10.95	13.37	11.19	13.60	2.13	1.74	0.23
20	13.91	18.73	14.37	19.20	3.35	2.49	0.47
30	16.86	24.10	17.56	24.80	4.15	2.90	0.70
40	19.82	29.46	20.75	30.40	4.71	3.16	0.93
50	22.77	34.83	23.94	35.99	5.12	3.35	1.17
60	25.72	40.19	27.12	41.59	5.44	3.48	1.40
70	28.68	45.56	30.31	47.19	5.69	3.58	1.63
80	31.63	50.93	33.50	52.79	5.90	3.66	1.86
90	34.59	56.29	36.68	58.39	6.07	3.73	2.10
100	37.54	61.66	39.87	63.99	6.21	3.78	2.33
110	40.49	67.02	43.06	69.59	6.33	3.83	2.56
120	43.45	72.39	46.25	75.19	6.44	3.86	2.80
130	46.40	77.75	49.43	80.78	6.53	3.90	3.03
140	49.36	83.12	52.62	86.38	6.61	3.93	3.26
150	52.31	88.49	55.81	91.98	6.68	3.95	3.50
160	55.26	93.85	58.99	97.58	6.75	3.97	3.73
170	58.22	99.22	62.18	103.18	6.81	3.99	3.96
180	61.17	104.58	65.37	108.78	6.86	4.01	4.20
190	64.13	109.95	68.55	114.38	6.91	4.03	4.43

COST OF SERVICE SUMMARY

ATTACHMENT 7  
PAGE 2 OF 7

COMPANY: FLORIDA PUBLIC UTILITES CO.  
 DOCKET # 940620-GU

RATE COMPARISON

RATE SCHEDULE: GENERAL SERVICE (GS)

PRESENT RATES

PROPOSED RATES

Customer Charge  
 10.00

Customer Charge  
 10.0000

Beginning therms	Ending therms	cents per therm	Beginning therms	Ending therms	cents per therm
0	0	0	0	0	0
0	N/A	20.672	0	N/A	21.5803

Gas Cost Cents/Therm    Therm usage increment  
 24.117                      150

therm usage	present monthly bill w/o fuel	present monthly bill with fuel	proposed monthly bill w/o fuel	proposed monthly bill with fuel	percent increase w/o fuel	percent increase with fuel	dollar increase
0	10.00	10.00	10.00	10.00	0.00	0.00	0.00
150	41.01	77.18	42.37	78.55	3.32	1.77	1.36
300	72.02	144.37	74.74	147.09	3.78	1.89	2.72
450	103.02	211.55	107.11	215.64	3.97	1.93	4.09
600	134.03	278.73	139.48	284.18	4.07	1.96	5.45
750	165.04	345.92	171.85	352.73	4.13	1.97	6.81
900	196.05	413.10	204.22	421.28	4.17	1.98	8.17
1050	227.06	480.28	236.59	489.82	4.20	1.99	9.54
1200	258.06	547.47	268.96	558.37	4.22	1.99	10.90
1350	289.07	614.65	301.33	626.91	4.24	1.99	12.26
1500	320.08	681.84	333.70	695.46	4.26	2.00	13.62
1650	351.09	749.02	366.07	764.01	4.27	2.00	14.99
1800	382.10	816.20	398.45	832.55	4.28	2.00	16.35
1950	413.10	883.39	430.82	901.10	4.29	2.00	17.71
2100	444.11	950.57	463.19	969.64	4.29	2.01	19.07
2250	475.12	1,017.75	495.56	1,038.19	4.30	2.01	20.44
2400	506.13	1,084.94	527.93	1,106.74	4.31	2.01	21.80
2550	537.14	1,152.12	560.30	1,175.28	4.31	2.01	23.16
2700	568.14	1,219.30	592.67	1,243.83	4.32	2.01	24.52
2850	599.15	1,286.49	625.04	1,312.37	4.32	2.01	25.89

COST OF SERVICE SUMMARY

ATTACHMENT 7  
PAGE 3 OF 7

COMPANY: FLORIDA PUBLIC UTILITES CO.  
 DOCKET # 940620-GU

RATE COMPARISON

RATE SCHEDULE: LARGE VOLUME SERVICE (LVS)

PRESENT RATES

PROPOSED RATES

Customer Charge  
 30.00

Customer Charge  
 30.0000

<u>Beginning therms</u>	<u>Ending therms</u>	<u>cents per therm</u>	<u>Beginning therms</u>	<u>Ending therms</u>	<u>cents per therm</u>
0	0	0	0	0	0
0	N/A	13.961	0	N/A	14.5633

Gas Cost Cents/Therm      Therm usage increment  
 24.117                              500

<u>therm usage</u>	<u>present monthly bill w/o fuel</u>	<u>present monthly bill with fuel</u>	<u>proposed monthly bill w/o fuel</u>	<u>proposed monthly bill with fuel</u>	<u>percent increase w/o fuel</u>	<u>percent increase with fuel</u>	<u>dollar increase</u>
0	30.00	30.00	30.00	30.00	0.00	0.00	0.00
500	99.81	220.39	102.82	223.40	3.02	1.37	3.01
1000	169.61	410.78	175.63	416.80	3.55	1.47	6.02
1500	239.42	601.17	248.45	610.20	3.77	1.50	9.03
2000	309.22	791.56	321.27	803.61	3.90	1.52	12.05
2500	379.03	981.95	394.08	997.01	3.97	1.53	15.06
3000	448.83	1,172.34	466.90	1,190.41	4.03	1.54	18.07
3500	518.64	1,362.73	539.72	1,383.81	4.06	1.55	21.08
4000	588.44	1,553.12	612.53	1,577.21	4.09	1.55	24.09
4500	658.25	1,743.51	685.35	1,770.61	4.12	1.55	27.10
5000	728.05	1,933.90	758.17	1,964.02	4.14	1.56	30.12
5500	797.86	2,124.29	830.98	2,157.42	4.15	1.56	33.13
6000	867.66	2,314.68	903.80	2,350.82	4.16	1.56	36.14
6500	937.47	2,505.07	976.61	2,544.22	4.18	1.56	39.15
7000	1,007.27	2,695.46	1,049.43	2,737.62	4.19	1.56	42.16
7500	1,077.08	2,885.85	1,122.25	2,931.02	4.19	1.57	45.17
8000	1,146.88	3,076.24	1,195.06	3,124.42	4.20	1.57	48.18
8500	1,216.69	3,266.63	1,267.88	3,317.83	4.21	1.57	51.20
9000	1,286.49	3,457.02	1,340.70	3,511.23	4.21	1.57	54.21
9500	1,356.30	3,647.41	1,413.51	3,704.63	4.22	1.57	57.22

COST OF SERVICE SUMMARY

ATTACHMENT 7  
PAGE 4 OF 7

COMPANY: FLORIDA PUBLIC UTILITIES CO.  
 DOCKET # 940620-GU

RATE COMPARISON

RATE SCHEDULE: PUBLIC HOUSING AUTHORITY SERVICE (PHAS)

PRESENT RATES

PROPOSED RATES

Customer Charge  
 8.00

Customer Charge  
 8.0000

Beginning therms	Ending therms	cents per therm	Beginning therms	Ending therms	cents per therm
0	0	0	0	0	0
0	N/A	22.157	0	N/A	23.9819

Gas Cost Cents/Therm      Therm usage increment  
 24.117                              5

therm usage	present monthly bill w/o fuel	present monthly bill with fuel	proposed monthly bill w/o fuel	proposed monthly bill with fuel	percent increase w/o fuel	percent increase with fuel	dollar increase
0	8.00	8.00	8.00	8.00	0.00	0.00	0.00
5	9.11	10.31	9.20	10.40	1.00	0.88	0.09
10	10.22	12.63	10.40	12.81	1.79	1.45	0.18
15	11.32	14.94	11.60	15.21	2.42	1.83	0.27
20	12.43	17.25	12.80	17.62	2.94	2.12	0.36
25	13.54	19.57	14.00	20.02	3.37	2.33	0.46
30	14.65	21.88	15.19	22.43	3.74	2.50	0.55
35	15.75	24.20	16.39	24.83	4.05	2.64	0.64
40	16.86	26.51	17.59	27.24	4.33	2.75	0.73
45	17.97	28.82	18.79	29.64	4.57	2.85	0.82
50	19.08	31.14	19.99	32.05	4.78	2.93	0.91
55	20.19	33.45	21.19	34.45	4.97	3.00	1.00
60	21.29	35.76	22.39	36.86	5.14	3.06	1.09
65	22.40	38.08	23.59	39.26	5.29	3.12	1.19
70	23.51	40.39	24.79	41.67	5.43	3.16	1.28
75	24.62	42.71	25.99	44.07	5.56	3.20	1.37
80	25.73	45.02	27.19	46.48	5.67	3.24	1.46
85	26.83	47.33	28.38	48.88	5.78	3.28	1.55
90	27.94	49.65	29.58	51.29	5.88	3.31	1.64
95	29.05	51.96	30.78	53.69	5.97	3.34	1.73



COST OF SERVICE SUMMARY

ATTACHMENT 7  
PAGE 5 OF 7

COMPANY: FLORIDA PUBLIC UTILITIES CO.  
 DOCKET # 940620-GU

RATE COMPARISON

RATE SCHEDULE: INTERRUPTIBLE SERVICE (IS)

PRESENT RATES

PROPOSED RATES

Customer Charge  
 160.00

Customer Charge  
 160.0000

Beginning therms	Ending therms	cents per therm	Beginning therms	Ending therms	cents per therm
0	0	0	0	0	0
0	N/A	5.186	0	N/A	5.4142

Gas Cost Cents/Therm      Therm usage increment  
 24.117                              5000

therm usage	present monthly bill w/o fuel	present monthly bill with fuel	proposed monthly bill w/o fuel	proposed monthly bill with fuel	percent increase w/o fuel	percent increase with fuel	dollar increase
0	160.00	160.00	160.00	160.00	0.00	0.00	0.00
5000	419.30	1,625.15	430.71	1,636.56	2.72	0.70	11.41
10000	678.60	3,090.30	701.42	3,113.12	3.36	0.74	22.82
15000	937.90	4,555.45	972.13	4,589.68	3.65	0.75	34.23
20000	1,197.20	6,020.60	1,242.84	6,066.24	3.81	0.76	45.64
25000	1,456.50	7,485.75	1,513.55	7,542.80	3.92	0.76	57.05
30000	1,715.80	8,950.90	1,784.26	9,019.36	3.99	0.76	68.46
35000	1,975.10	10,416.05	2,054.97	10,495.92	4.04	0.77	79.87
40000	2,234.40	11,881.20	2,325.68	11,972.48	4.09	0.77	91.28
45000	2,493.70	13,346.35	2,596.39	13,449.04	4.12	0.77	102.69
50000	2,753.00	14,811.50	2,867.10	14,925.60	4.14	0.77	114.10
55000	3,012.30	16,276.65	3,137.81	16,402.16	4.17	0.77	125.51
60000	3,271.60	17,741.80	3,408.52	17,878.72	4.19	0.77	136.92
65000	3,530.90	19,206.95	3,679.23	19,355.28	4.20	0.77	148.33
70000	3,790.20	20,672.10	3,949.94	20,831.84	4.21	0.77	159.74
75000	4,049.50	22,137.25	4,220.65	22,308.40	4.23	0.77	171.15
80000	4,308.80	23,602.40	4,491.36	23,784.96	4.24	0.77	182.56
85000	4,568.10	25,067.55	4,762.07	25,261.52	4.25	0.77	193.97
90000	4,827.40	26,532.70	5,032.78	26,738.08	4.25	0.77	205.38
95000	5,086.70	27,997.85	5,303.49	28,214.64	4.26	0.77	216.79



COST OF SERVICE SUMMARY

ATTACHMENT 7  
PAGE 7 OF 7

COMPANY: FLORIDA PUBLIC UTILITIES CO.  
 DOCKET # 940620-GU

RATE COMPARISON

RATE SCHEDULE: LARGE VOL. INTERR. TRANSP. (LVIS)

PRESENT RATES

PROPOSED RATES

Customer Charge  
 1000.00

Customer Charge  
 1000.0000

Beginning therms	Ending therms	cents per therm
0	0	0
0	N/A	0.965

Beginning therms	Ending therms	cents per therm
0	0	0
0	N/A	1.0040

Gas Cost Cents/Therm      Therm usage increment  
 0                                      400000

therm usage	present monthly bill w/o fuel	present monthly bill with fuel	proposed monthly bill w/o fuel	proposed monthly bill with fuel	percent increase w/o fuel	percent increase with fuel	dollar increase
0	1,000.00	1,000.00	1,000.00	1,000.00	0.00	0.00	0.00
400000	4,860.00	4,860.00	5,016.00	5,016.00	3.21	3.21	156.00
800000	8,720.00	8,720.00	9,032.00	9,032.00	3.58	3.58	312.00
1200000	12,580.00	12,580.00	13,048.00	13,048.00	3.72	3.72	468.00
1600000	16,440.00	16,440.00	17,064.00	17,064.00	3.80	3.80	624.00
2000000	20,300.00	20,300.00	21,080.00	21,080.00	3.84	3.84	780.00
2400000	24,160.00	24,160.00	25,096.00	25,096.00	3.87	3.87	936.00
2800000	28,020.00	28,020.00	29,112.00	29,112.00	3.90	3.90	1092.00
3200000	31,880.00	31,880.00	33,128.00	33,128.00	3.91	3.91	1248.00
3600000	35,740.00	35,740.00	37,144.00	37,144.00	3.93	3.93	1404.00
4000000	39,600.00	39,600.00	41,160.00	41,160.00	3.94	3.94	1560.00
4400000	43,460.00	43,460.00	45,176.00	45,176.00	3.95	3.95	1716.00
4800000	47,320.00	47,320.00	49,192.00	49,192.00	3.96	3.96	1872.00
5200000	51,180.00	51,180.00	53,208.00	53,208.00	3.96	3.96	2028.00
5600000	55,040.00	55,040.00	57,224.00	57,224.00	3.97	3.97	2184.00
6000000	58,900.00	58,900.00	61,240.00	61,240.00	3.97	3.97	2340.00
6400000	62,760.00	62,760.00	65,256.00	65,256.00	3.98	3.98	2496.00
6800000	66,620.00	66,620.00	69,272.00	69,272.00	3.98	3.98	2652.00
7200000	70,480.00	70,480.00	73,288.00	73,288.00	3.98	3.98	2808.00
7600000	74,340.00	74,340.00	77,304.00	77,304.00	3.99	3.99	2964.00