

FLORIDA PUBLIC SERVICE COMMISSION
Fletcher Building, 101 East Gaines Street
Tallahassee, Florida 32399-0850

MEMORANDUM

NOVEMBER 9, 1994

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)

FROM: DIVISION OF ELECTRIC & GAS (MCCORMICK, MAKIN, GING) *Mr. W. J. Bay*
DIVISION OF AUDITING & FINANCIAL ANALYSIS (GEIGER, REVELL, C. ROMIG) *1994*
DIVISION OF LEGAL SERVICES (V. JOHNSON) *on Sub* *vdj mp jmj JDJ*

RE: DOCKET NO. 940620-GU - FLORIDA PUBLIC UTILITIES COMPANY - APPLICATION FOR A RATE INCREASE BY FLORIDA PUBLIC UTILITIES COMPANY

AGENDA: 11/22/94 - REGULAR AGENDA - DECISION ON INTERIM RATE PARTICIPATION IS LIMITED TO COMMISSIONERS AND STAFF

CRITICAL DATES: 60-DAY SUSPENSION DATE:
11/22/94 - LAST DAY TO SUSPEND FILED RATES
05/22/95 - PERMANENT RATES TAKE EFFECT

SPECIAL INSTRUCTIONS: I:\PSC\AFA\WP\940620.RCM
R:\PSC\AFA\123\FPUCSCH.WK3 - ATTACHMENTS 1-4
C:\PSC\EAG\123\INTERIM.WK3 - ATTACHMENTS 5-6
C:\PSC\EAG\123\GRP.WK3 - ATTACHMENT 7

CASE BACKGROUND

Florida Public Utilities Company Consolidated Gas Division (Florida Public or the Company) had its last rate case under Docket No. 900151-GU based on a projected test year ending December 31, 1991. By Order No. 24094 in that docket the Commission granted a permanent increase of \$2,320,561 based on a cost of equity of 13.00%, and an overall rate of return of 8.76%.

Order No. 94-249-FOF-GU, issued March 7, 1994, reduced the Company's gas division's authorized Return on Equity to 11.00% plus or minus 100 basis points for all regulatory purposes, beginning January 1, 1994.

DOCUMENT NUMBER-DATE

11342/NOV-94

FPSC-RECORDS/REPORTING

DOCKET NO. 940620-GU
DATE: NOVEMBER 9, 1994

DISCUSSION OF ISSUES

ISSUE 1: Should the request for permanent increase in rates and charges be suspended for Florida Public?

RECOMMENDATION: Yes. Staff recommends that rates and charges of \$2,079,120 be suspended for Florida Public. (REVELL, McCORMICK)

STAFF ANALYSIS: Florida Public filed its petition and MFRs on September 23, 1994. The Company requested a permanent increase of \$2,079,120 which would produce a 8.61% overall return on its 13-month average adjusted rate base. This overall rate of return was calculated using a 12.30% return on equity (ROE) per the Company's request. Order No. 94-249-FOF-GU, issued March 7, 1994, reset the Company's gas division's ROE to 11.00%, plus or minus 100 basis points.

The Company also requested interim rate relief in accordance with Section 366.071, Florida Statutes. The Commission must take action on the interim rate request in 60 days, or before November 23, 1994. The permanent rates will take effect June 23, 1995, absent Commission vote.

The Company's request requires further study and review. Therefore pursuant to Section 366.06(4), Florida Statutes, Staff recommends that the proposed new rates and charges be suspended to allow the Commission and intervenors sufficient time to adequately investigate the request for permanent rate relief. This docket shall remain open pending the completion of the full rate case.

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ISSUE 2: The Company proposes an interim test year rate base of \$24,352,829. Is this appropriate?

RECOMMENDATION: Yes. The appropriate interim test year rate base is \$24,352,829. (REVELL)

STAFF ANALYSIS: Discussed below are the Company's adjustments used to determine the recommended rate base of \$24,352,829:

Adjustment 1: Nonutility Plant - 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. Staff agrees with this adjustment.

Adjustment 2: Accumulated Depreciation of Common Plant - The Company made an adjustment to reduce accumulated depreciation \$368,541 for the accumulated depreciation associated with common plant in Adjustment 1. Staff agrees with this adjustment.

Adjustment 3: Working Capital - The Company has a negative working capital of \$6,555. This adjustment is consistent with the last rate case. Staff agrees with this adjustment.

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ISSUE 3: The Company proposes an interim test year net operating income of \$1,667,225. Is this appropriate?

RECOMMENDATION: No. The appropriate interim test year net operating income is \$1,718,214. (REVELL, C. ROMIG, GEIGER)

STAFF ANALYSIS: Discussed below are the Company's adjustments and any additional staff adjustments used to determine staff's recommended interim test year net operating income of \$1,718,214. (Attachment 2)

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. Staff accepts the Company's adjustments since fuel related items are examined in separate Purchased Gas Recovery Clause proceedings.

Adjustment 5: Odorant expense - The Company made this 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. This adjustment represents the quantity used for 1993 which was not expensed in 1993 because the cost was booked prior to 1993. Since the expense of \$4,423 was not a 1993 expense, it is recommended that it be disallowed for the purposes of determining the interim request in this case. This treatment is also consistent with that made in the last rate case. Therefore, Staff recommends that expenses be reduced by \$4,423.

Adjustment 6: Gas used by the Company - The Company increased expenses \$23,756 for the cost of natural gas used by the Company. Staff agrees 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. This adjustment was not made in the last rate case. Therefore, this adjustment is not appropriate. Staff recommends that expenses be reduced by \$29,044.

Adjustment 8: Other Post Retirements Benefits Expense - The Company made a \$25,604 adjustment to increase expense to record the post retirement benefits for 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

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insurance benefits as they consider the amount to be insignificant. Staff therefore recommends that this proposed adjustment of \$25,604 for 1993 be 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. Staff recommends that expenses be reduced \$25,499 to reflect disallowed expenses.

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. Staff agrees with this adjustment.

Adjustment 11: Nonregulated Depreciation Expense - Depreciation Expense of \$27,082 relating to nonutility common plant was removed from historical base year expenses. Staff agrees with the Company's adjustment.

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. Staff agrees with the Company's adjustment.

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. Consistent with the last rate case, the Company reversed these adjustments in its interim filing so that interim period income tax expense reflects only those taxes applicable to 1993. Staff agrees with these adjustments.

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 Staff's recommended capital structure change addressed in Issue 5 (customer deposit interest rate), Staff further increased federal and state income tax expense by \$10,040 and \$1,718, respectively.

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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 Staff's recommended net operating adjustments discussed above, Staff further increased federal and state income taxes by \$27,172 and \$4,651, respectively.

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ISSUE 4: Is the company proposed overall rate of return of 8.15% appropriate?

RECOMMENDATION: No. The appropriate overall rate of return is 8.01%. (GEIGER)

STAFF ANALYSIS: The last Florida Public Gas rate case was dispensed in Order No. 24094, issued February 12, 1991. The Company has appropriately considered the capital structure and adjustments thereto ordered in the last rate case and has appropriately 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, Staff recommends a 8.01% overall cost of capital for purposes of determining the interim increase.

ISSUE 5: The Company requested an interim increase of \$496,326. Should this amount be granted?

RECOMMENDATION: No. Florida Public Utilities-Gas Division should be granted an interim increase of \$375,149. (REVELL, McCORMICK)

STAFF ANALYSIS: 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, Staff has determined the interim rate base to be \$24,352,829 (Attachment 1) and the Net Operating Income to be \$1,718,214 (Attachment 2). Applying a 8.01% overall rate of return (Attachment 3), the Company is entitled to \$375,149 in interim relief (Attachment 4). The major differences in the Company's request and the Staff's recommendation is the disallowance of certain O & M expenses and tax adjustments due to revisions to the Company's capital structure.

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ISSUE 6: How should the interim increase for Florida Public Utilities Company-Gas Division be distributed among the customers?

RECOMMENDATION: In accordance with Rule 25-7.040, Florida Administrative Code, any interim increase authorized should be applied uniformly across the board to all rate classes' base rates exclusive of fuel costs and collected on a cents-per-therm basis, as shown on Attachments 5 - 7. (MAKIN, GING)

STAFF ANALYSIS: The Company proposed to collect interim rates across the board from all its customers in accordance with Rule 25-7.040, Florida Administrative Code.

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

The Company should be required to 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 should be submitted to the Bureau of Gas Regulation for approval prior to its use.

ISSUE 7: Should any interim increase granted Florida Public be subject to refund under bond or corporate undertaking?

RECOMMENDATION: Yes. Interim revenues should be subject to refund and Florida Public Utilities should file an appropriate corporate undertaking. (REVELL, MCCORMICK, MAKIN)

STAFF ANALYSIS: Any amount of interim relief granted to Florida Public Utilities-Gas Division should be placed subject to refund through a corporate undertaking.

ISSUE 8: Should this Docket be closed?

RECOMMENDATION: No. This docket shall remain open to process the revenue increase request of the Company. (REVELL, JOHNSON)

STAFF ANALYSIS: This docket should remain open until Staff completes its review of the Company's requested rate increase.

DOCKET NO. 940620-GU
 DATE: NOVEMBER 9, 1994

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

ATTACHMENT 1
 November 22, 1994
 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	\$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		
7	Uncollectible Accounts		\$29,044	(\$29,044)	\$0
8	Pension Expense		\$25,604	(\$25,604)	\$0
9	Advertising Expenses			(\$25,499)	(\$25,499)
	Total O & M Adjustments	<u>\$17,999,964</u>	<u>(\$11,628,617)</u>	<u>\$6,371,347</u>	<u>(\$84,570)</u> <u>\$6,286,777</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	\$239,604	\$0	\$239,604	\$0
	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	\$27,172	
	Total	<u>(\$4,589)</u>	<u>\$44,388</u>	<u>\$39,799</u>	<u>\$37,212</u> <u>\$77,011</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	\$4,651	
	Total	<u>(\$3,392)</u>	<u>\$10,153</u>	<u>\$6,761</u>	<u>\$6,369</u> <u>\$13,130</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					
	Federal	\$231,825				
13	Prior Period Adj.		(\$22,861)			
	State	\$42,052				
13	Prior Period Adj.		(\$6,282)			
	Total	<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)				
	Total	<u>(\$38,640)</u>		<u>(\$38,640)</u>	<u>\$0</u>	<u>(\$38,640)</u>
	TOTAL OPERATING EXPENSES	\$20,724,461	(\$11,695,629)	\$9,028,832	(\$40,989)	\$8,987,843
	OPERATING INCOME	<u>\$1,689,214</u>	<u>(\$11,989)</u>	<u>\$1,677,225</u>	<u>(\$40,989)</u>	<u>\$1,718,214</u>

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

ATTACHMENT 3

DOCKET NO. 940620-GU
 DATE: NOVEMBER 9, 1994

	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%
	<u>\$24,352,829</u>	<u>\$0</u>	<u>\$0</u>	<u>\$24,352,829</u>	<u>100.00%</u>		<u>8.01%</u>

OVERALL RATE OF RETURN 8.01%
 EQUITY RATIO 42%

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DOCKET NO. 940620-GU
 DATE: NOVEMBER 9, 1994

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

ATTACHMENT 4
 NOVEMBER 22, 1994
 INTERIM

	<u>COMPANY</u>	<u>STAFF</u>
RATE BASE (AVERAGE)	\$24,352,829	\$24,352,829
RATE OF RETURN REQUIRED NOI	X <u>8.15%</u> <u>\$1,984,756</u>	X <u>8.01%</u> <u>\$1,950,662</u>
Operating Revenues	\$10,706,057	\$10,706,057
Operating Expenses:		
Operation & Maintenance	\$6,371,347	\$6,286,777
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	\$77,011
—State	\$6,761	\$13,130
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>\$8,987,843</u>
ACHIEVED NOI	<u>\$1,677,225</u>	<u>\$1,718,214</u>
NET REVENUE DEFICIENCY	\$307,531	\$232,448
REVENUE TAX FACTOR	1.6139054	1.6139054
TOTAL REVENUE DEFICIENCY	<u>\$496,326</u>	<u>\$375,149</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)
<u>RATE SCHEDULE</u>	<u>BILLS</u>	<u>THERM SALES</u>	<u>CUSTOMER CHARGE</u>	<u>ENERGY CHARGE</u>	<u>TOTAL</u>	<u>\$ INCREASE</u>	<u>% INCREASE</u>	<u>INCREASE PER THERM CENTS</u>
RESIDENTIAL	360,540	8,431,321	\$2,837,952	\$2,493,837	\$5,331,789	\$190,542	3.57	2.2599
GENERAL SERVICE	19,328	4,789,969	\$191,370	\$989,009	\$1,180,379	\$42,183	3.57	0.8807
LARGE VOLUME SERVICE	15,407	20,949,408	\$487,034	\$2,936,134	\$3,423,168	\$122,334	3.57	0.5839
PUBLIC HOUSING AUTH. SVC	10,254	299,711	\$81,463	\$66,921	\$148,384	\$5,303	3.57	1.7693
INTERRUPTIBLE SERVICE	144	3,044,303	\$23,040	\$165,398	\$188,438	\$6,734	3.57	0.2212
INTERRUPTIBLE TRANS. SVC.	1	31,859	\$160	\$1,652	\$1,812	\$65	3.57	0.2033
LARGE VOL. INTERR. TRANSP	12	21,103,660	\$12,000	\$211,526	\$223,526	\$7,988	3.57	0.0379
TOTAL	405,686	58,650,231	\$3,633,019	\$6,864,477	\$10,497,496	\$375,149	3.57	0.6396

NOTE: REVENUE ABOVE DEVOID OF FUEL

DOCKET NO. 940620-GU
 DATE: NOVEMBER 9, 1994

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	2.2599	31.7999
<u>GENERAL SERVICE</u>			
CUSTOMER CHARGE	\$10.00	0	\$10.00
ENERGY CHARGE (cents/therm)	20.6720	0.8907	21.5627
<u>LARGE VOLUME SERVICE</u>			
CUSTOMER CHARGE	\$30.00	0	\$30.00
ENERGY CHARGE (cents/therm)	13.9610	0.5839	14.5449
<u>PUBLIC HOUSING AUTH. SVC.</u>			
CUSTOMER CHARGE	\$8.00	0	\$8.00
ENERGY CHARGE (cents/therm)	22.1570	1.7693	23.9263
<u>INTERRUPTIBLE SERVICE</u>			
CUSTOMER CHARGE	\$160.00	0	\$160.00
ENERGY CHARGE (cents/therm)	5.1860	0.2212	5.4072
<u>INTERRUPTIBLE TRANS. SVC.</u>			
CUSTOMER CHARGE	\$160.00	0	\$160.00
ENERGY CHARGE (cents/therm)	5.1860	0.2033	5.3893
<u>LARGE VOL. INTERR. TRANSP.</u>			
CUSTOMER CHARGE	\$1,000.00	0	\$1,000.00
ENERGY CHARGE (cents/therm)	0.9850	0.0379	1.0229

DOCKET NO. 940620-GU
 DATE: NOVEMBER 9, 1994

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

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

PROPOSED RATES

Customer Charge
 8.0000

Beginning therms	Ending therms	cents per therm
0	0	0
0	N/A	31.7999

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	11.18	13.59	2.06	1.69	0.23
20	13.91	18.73	14.36	19.18	3.25	2.41	0.45
30	16.86	24.10	17.54	24.78	4.02	2.81	0.68
40	19.82	29.46	20.72	30.37	4.56	3.07	0.90
50	22.77	34.83	23.90	35.96	4.96	3.24	1.13
60	25.72	40.19	27.08	41.55	5.27	3.37	1.36
70	28.68	45.56	30.26	47.14	5.52	3.47	1.58
80	31.63	50.93	33.44	52.73	5.72	3.55	1.81
90	34.59	56.29	36.62	58.33	5.88	3.61	2.03
100	37.54	61.66	39.80	63.92	6.02	3.67	2.26
110	40.49	67.02	42.98	69.51	6.14	3.71	2.49
120	43.45	72.39	46.16	75.10	6.24	3.75	2.71
130	46.40	77.75	49.34	80.69	6.33	3.78	2.94
140	49.36	83.12	52.52	86.28	6.41	3.81	3.16
150	52.31	88.49	55.70	91.88	6.48	3.83	3.39
160	55.28	93.85	58.88	97.47	6.54	3.85	3.62
170	58.22	99.22	62.06	103.06	6.60	3.87	3.84
180	61.17	104.58	65.24	108.65	6.65	3.89	4.07
190	64.13	109.95	68.42	114.24	6.70	3.91	4.29

COST OF SERVICE SUMMARY

ATTACHMENT 7
PAGE 2 OF 7

COMPANY: FLORIDA PUBLIC UTILITIES 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	21.5527

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	42.33	78.50	3.22	1.71	1.32
300	72.02	144.37	74.66	147.01	3.67	1.83	2.64
450	103.02	211.55	106.99	215.51	3.85	1.87	3.96
600	134.03	278.73	139.32	284.02	3.94	1.90	5.28
750	165.04	345.92	171.65	352.52	4.00	1.91	6.61
900	196.05	413.10	203.97	421.03	4.04	1.92	7.93
1050	227.06	480.28	236.30	489.53	4.07	1.93	9.25
1200	258.06	547.47	268.63	558.04	4.10	1.93	10.57
1350	289.07	614.65	300.96	626.54	4.11	1.93	11.89
1500	320.08	681.84	333.29	695.05	4.13	1.94	13.21
1650	351.09	749.02	365.62	763.55	4.14	1.94	14.53
1800	382.10	816.20	397.95	832.05	4.15	1.94	15.85
1950	413.10	883.39	430.28	900.56	4.16	1.94	17.17
2100	444.11	950.57	462.61	969.06	4.16	1.95	18.49
2250	475.12	1,017.75	494.94	1,037.57	4.17	1.95	19.82
2400	506.13	1,084.94	527.26	1,106.07	4.18	1.95	21.14
2550	537.14	1,152.12	559.59	1,174.58	4.18	1.95	22.46
2700	568.14	1,219.30	591.92	1,243.08	4.19	1.95	23.78
2850	599.15	1,286.49	624.25	1,311.59	4.19	1.95	25.10

COST OF SERVICE SUMMARY

ATTACHMENT 7
PAGE 3 OF 7

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

RATE COMPARISON

RATE SCHEDULE: LARGE VOLUME SERVICE (LVS)

PRESENT RATES

Customer Charge
 30.00

Beginning therms	Ending therms	cents per therm
0	0	0
0	N/A	13.961

PROPOSED RATES

Customer Charge
 30.0000

Beginning therms	Ending therms	cents per therm
0	0	0
0	N/A	14.5449

Gas Cost Cents/Therm 24.117 Therm usage increment 500

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	30.00	30.00	30.00	30.00	0.00	0.00	0.00
500	99.81	220.39	102.72	223.31	2.93	1.32	2.92
1000	169.61	410.78	175.45	416.62	3.44	1.42	5.84
1500	239.42	601.17	248.17	609.93	3.66	1.46	8.76
2000	309.22	791.56	320.90	803.24	3.78	1.48	11.68
2500	379.03	981.95	393.62	996.55	3.85	1.49	14.60
3000	448.83	1,172.34	466.35	1,189.66	3.90	1.49	17.52
3500	518.64	1,362.73	539.07	1,383.17	3.94	1.50	20.44
4000	588.44	1,553.12	611.80	1,576.48	3.97	1.50	23.36
4500	658.25	1,743.51	684.52	1,769.79	3.99	1.51	26.28
5000	728.05	1,933.90	757.25	1,963.10	4.01	1.51	29.19
5500	797.86	2,124.29	829.97	2,156.40	4.03	1.51	32.11
6000	867.66	2,314.68	902.69	2,349.71	4.04	1.51	35.03
6500	937.47	2,505.07	975.42	2,543.02	4.05	1.52	37.95
7000	1,007.27	2,695.46	1,048.14	2,736.33	4.06	1.52	40.87
7500	1,077.08	2,885.85	1,120.87	2,929.64	4.07	1.52	43.79
8000	1,146.88	3,076.24	1,193.59	3,122.95	4.07	1.52	46.71
8500	1,216.69	3,266.63	1,266.32	3,316.26	4.08	1.52	49.63
9000	1,286.49	3,457.02	1,339.04	3,509.57	4.08	1.52	52.55
9500	1,356.30	3,647.41	1,411.77	3,702.88	4.09	1.52	55.47

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	5.4072

Gas Cost Cents/Therm 24.117 Therm usage increment 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	430.36	1,636.21	2.64	0.68	11.06
10000	678.60	3,090.30	700.72	3,112.42	3.26	0.72	22.12
15000	937.90	4,555.45	971.08	4,588.63	3.54	0.73	33.18
20000	1,197.20	6,020.60	1,241.44	6,064.84	3.70	0.73	44.24
25000	1,456.50	7,485.75	1,511.80	7,541.05	3.80	0.74	55.30
30000	1,715.80	8,950.90	1,782.16	9,017.26	3.87	0.74	66.36
35000	1,975.10	10,416.05	2,052.52	10,493.47	3.92	0.74	77.42
40000	2,234.40	11,881.20	2,322.88	11,969.68	3.96	0.74	88.48
45000	2,493.70	13,346.35	2,593.24	13,445.89	3.99	0.75	99.54
50000	2,753.00	14,811.50	2,863.60	14,922.10	4.02	0.75	110.60
55000	3,012.30	16,276.65	3,133.96	16,398.31	4.04	0.75	121.66
60000	3,271.60	17,741.80	3,404.32	17,874.52	4.06	0.75	132.72
65000	3,530.90	19,206.95	3,674.68	19,350.73	4.07	0.75	143.78
70000	3,790.20	20,672.10	3,945.04	20,826.94	4.09	0.75	154.84
75000	4,049.50	22,137.25	4,215.40	22,303.15	4.10	0.75	165.90
80000	4,308.80	23,602.40	4,485.76	23,779.36	4.11	0.75	176.96
85000	4,568.10	25,067.55	4,756.12	25,255.57	4.12	0.75	188.02
90000	4,827.40	26,532.70	5,026.48	26,731.78	4.12	0.75	199.08
95000	5,086.70	27,997.85	5,296.84	28,207.99	4.13	0.75	210.14

COST OF SERVICE SUMMARY

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

RATE COMPARISON

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

PRESENT RATE

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	1.0029

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	5,011.60	5,011.60	3.12	3.12	151.60
800000	8,720.00	8,720.00	9,023.20	9,023.20	3.48	3.48	303.20
1200000	12,580.00	12,580.00	13,034.80	13,034.80	3.62	3.62	454.80
1600000	16,440.00	16,440.00	17,046.40	17,046.40	3.69	3.69	606.40
2000000	20,300.00	20,300.00	21,058.00	21,058.00	3.73	3.73	758.00
2400000	24,160.00	24,160.00	25,069.60	25,069.60	3.76	3.76	909.60
2800000	28,020.00	28,020.00	29,081.20	29,081.20	3.79	3.79	1061.20
3200000	31,880.00	31,880.00	33,092.80	33,092.80	3.80	3.80	1212.80
3600000	35,740.00	35,740.00	37,104.40	37,104.40	3.82	3.82	1364.40
4000000	39,600.00	39,600.00	41,116.00	41,116.00	3.83	3.83	1516.00
4400000	43,460.00	43,460.00	45,127.60	45,127.60	3.84	3.84	1667.60
4800000	47,320.00	47,320.00	49,139.20	49,139.20	3.84	3.84	1819.20
5200000	51,180.00	51,180.00	53,150.80	53,150.80	3.85	3.85	1970.80
5600000	55,040.00	55,040.00	57,162.40	57,162.40	3.86	3.86	2122.40
6000000	58,900.00	58,900.00	61,174.00	61,174.00	3.86	3.86	2274.00
6400000	62,760.00	62,760.00	65,185.60	65,185.60	3.86	3.86	2425.60
6800000	66,620.00	66,620.00	69,197.20	69,197.20	3.87	3.87	2577.20
7200000	70,480.00	70,480.00	73,208.80	73,208.80	3.87	3.87	2728.80
7600000	74,340.00	74,340.00	77,220.40	77,220.40	3.87	3.87	2880.40