

REQUEST TO ESTABLISH DOCKET

(Please Type)

ORIGIN

Date: 2/8/2007 Docket No.: 070107-GU

1. Division Name/Staff Name: Division of Economic Regulation / Slemkewicz JS

2. OPR: ECR

3. OCR:

4. Suggested Docket Title: Investigation into 2005 earnings of the gas division of Florida Public Utilities Company

5. Suggested Docket Mailing List (attach separate sheet if necessary)

- A. Provide NAMES OR ACRONYMS ONLY if a regulated company.
B. Provide COMPLETE NAME AND ADDRESS for all others. (Match representatives to companies.)

1. Parties and their representatives (if any):

Table with 2 columns for party name and address, currently empty.

2. Interested persons and their representatives (if any):

Table with 2 columns for party name and address, currently empty.

6. Check one:

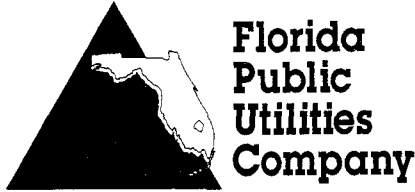
- [X] Documentation is attached.
[] Documentation will be provided with recommendation.

DOCUMENT NUMBER-DATE

01310 FEB-8 07

Document2

FPSC-COMMISSION CLERK



401 South Dixie Hwy
West Palm Beach, Fl 33401

September 28, 2005

Mr. John Slemkewicz
Florida Public Service Commission
2540 Shumard Oak Blvd
Tallahassee, Fl 32399-0865

05 OCT -5 4:10:09
COMMUNICATIONS

Dear Mr. Slemkewicz:

Florida Public Utilities Company agrees to cap its earned return on equity (ROE) for calendar year 2005 at 12.25% for the Consolidated Natural Gas Division. This cap represents the maximum authorized ROE for this division.

The calculation of the earned ROE will be based on the "FPSC Adjusted Basis" in the Earnings Surveillance Reports for December 2005, using the same adjustments approved in our last FPSC Consolidated Natural Gas rate case. All reasonable and prudent expenses and investment will be allowed in the calculation. The calculation is subject to fine-tuning by Florida Public Utilities Company and Commission audit. The company is not waiving any rights with this letter with respect to the determination of the over earnings.

The Company requests that over earnings be applied to the environmental reserve or the storm reserve.

Sincerely,

A handwritten signature in cursive script that reads "Cheryl M. Martin".

Cheryl M. Martin
Controller

CC:
Office of Public Counsel
FPUC (Bachman, English, Stein, Schneidermann, Kitner)
Norman Horton