

VOTE SHEET

August 14, 2007

Docket No. 070107-GU – Investigation into 2005 earnings of the gas division of Florida Public Utilities Company.

Issue 1: What is the appropriate amount of rate base for the Gas Division of Florida Public Utilities Company for determining the amount of excess earnings for 2005?

Recommendation: The appropriate rate base for the Gas Division for 2005 is \$57,808,910.

APPROVED

Issue 2: What is the appropriate overall rate of return for the Gas Division of Florida Public Utilities Company for determining the amount of excess earnings for 2005?

Recommendation: The appropriate overall rate of return for the Gas Division of Florida Public Utilities Company for determining the amount of excess earnings for 2005 is 8.40 percent.

APPROVED

COMMISSIONERS ASSIGNED: All Commissioners

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

Neil A. Dwyer

Katrina J. McMurrian

Jim E. J.

[Signature]

[Signature]

REMARKS/DISSENTING COMMENTS:

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

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Issue 3: What is the appropriate net operating income for the Gas Division of Florida Public Utilities Company for determining the amount of excess earnings for 2005?

Recommendation: The appropriate net operating income for 2005 is \$5,265,100.

APPROVED

Issue 4: What is the amount of excess earnings for the Gas Division of Florida Public Utilities Company for 2005?

Recommendation: The total amount of excess earnings for 2005 for the Gas Division is \$666,099, plus interest of \$69,083, through July 31, 2007. Interest should continue to accrue until a final disposition of the excess earnings is made.

APPROVED

Issue 5: What is the appropriate disposition of the 2005 excess earnings for the Gas Division of Florida Public Utilities Company?

Recommendation: The total 2005 excess earnings of \$735,182, including interest, should first be used to offset the uncollected remainder of the natural gas storm surcharge authorized by Order No. PSC-05-1040-PAA-GU.¹³ FPUC should stop collecting the natural gas storm surcharge in the first billing cycle within a new calendar month thirty days after the order approving this recommended offset becomes final. The remaining amount of the 2005 excess earnings should be applied to the storm reserve to cover future storm-related costs.

APPROVED

¹³ Docket No. 041441-GU, issued October 25, 2005, In re: Petition for approval of storm cost recovery clause to recover storm damage costs in excess of existing storm damage reserve, by Florida Public Utilities Company.

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Issue 6: Did Florida Public Utilities Company appropriately cease its accrual to the storm damage reserve after 2002?

Recommendation: Yes. FPUC is not required to seek Commission approval to either start or cease an accrual to the storm damage reserve.

APPROVED

Issue 7: Should this docket be closed?

Recommendation: If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the order, this docket should be closed upon the issuance of a consummating order.

APPROVED