



MESSER CAPARELLO & SELF, P.A.

Attorneys At Law

[www.lawfla.com](http://www.lawfla.com)

February 23, 2009

**VIA ELECTRONIC FILING**

Ms. Ann Cole, Commission Clerk  
Office of Commission Clerk  
Room 110, Easley Building  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, Florida 32399-0850

Re: Docket No. 080366-GU

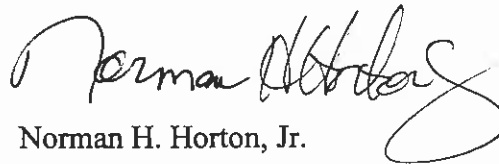
Dear Ms. Cole:

Enclosed for inclusion in the file is a copy of the Synopsis of the Rate Case. Also enclosed is a copy of the service list for the Synopsis.

These documents were reviewed and approved by staff prior to distribution.

Thank you for your assistance with this filing.

Sincerely yours,



Norman H. Horton, Jr.

NHH/amb  
Enclosures

cc: Jennifer Brubaker, Esq.  
Ms. Cheryl Martin

## CERTIFICATE OF SERVICE

I HEREBY CERTIFY that true and correct copy of the Synopsis has been served upon the following parties by U.S. Mail this 23<sup>rd</sup> day of February, 2009.

Chief Executive Officer  
City of Atlantis  
260 Orange Tree Drive  
Atlantis, Florida 33462

Chief Executive Officer  
City of Greenacres  
5800 Melaleuca Lane  
Greenacres, FL 33463

Chief Executive Officer  
City of Boca Raton  
201 West Palmetto Park Road  
Boca Raton, FL 33432

Chief Executive Officer  
City of Gulfstream  
100 Sea Road  
Gulfstream, FL 33483

Chief Executive Officer  
City of Boynton Beach  
100 E. Boynton Beach Boulevard  
Boynton Beach, FL 33435

Chief Executive Officer  
Town of Haverhill  
4585 Charlotte Street  
Haverhill, FL 33417

Chief Executive Officer  
Town of Briny Breezes  
5000 Ocean Blvd.  
Boynton Beach, FL 33435

Chief Executive Officer  
Town of Highland Beach  
3614 S. Ocean Blvd.  
Highland Beach, FL 33487

Chief Executive Officer  
Town of Cloud Lake  
100 Lange Road  
West Palm Beach, FL 33406-3222

Chief Executive Officer  
Town of Hypoluxo  
7580 S. Federal Highway  
Hypoluxo, Florida 33462-6034

Chief Executive Officer  
City of Delray Beach  
100 NW 1<sup>st</sup> Avenue  
Delray Beach, FL 33444

Chief Executive Officer  
Town of Juno Beach  
340 Ocean Drive  
Juno Beach, FL 33408

Chief Executive Officer  
Town of Glen Ridge  
1501 Glen Road  
West Palm Beach, FL 33406

Chief Executive Officer  
Town of Manalapan  
600 S. Ocean Blvd.  
Manalapan, FL 33462-3398

Chief Executive Officer  
Village of Golf  
21 Country Road  
Village of Golf, Florida 33436-5299

Chief Executive Officer  
Town of Mangonia Park  
1755 E. Tiffany Drive  
Mangonia Park, FL 33407

Chairman  
Palm Beach County Board of County  
Commissioners  
301 N. Olive Avenue  
West Palm Beach, FL 33401

Chief Executive Officer  
Town of Lake Clarke Shores  
1701 Barbados Road  
Lake Clarke Shores, FL 33406

Chief Executive Officer  
Town of Lake Park  
535 Park Avenue  
Lake Park, FL 33403

Chief Executive Officer  
City of Lake Worth  
7 North Dixie Highway  
Lake Worth, FL 33460

Chief Executive Officer  
Town of Lantana  
500 Greynolds Circle  
Lantana, FL 33462

Chief Executive Officer  
Village of North Palm Beach  
501 U.S. Highway #1  
North Palm Beach, FL 33408

Chief Executive Officer  
Town of Ocean Ridge  
6450 N. Ocean Blvd.  
Ocean Ridge, FL 33435

Chief Executive Officer  
Town of Palm Beach  
360 S. County Road  
Palm Beach, FL 33480

Chief Executive Officer  
City of Palm Beach Gardens  
10500 North Military Trail  
Palm Beach Gardens, FL 33410

Chief Executive Officer  
Town of Palm Beach Shores  
Town Hall  
247 Edwards Lane  
Palm Beach Shores, FL 33404-5792

Chief Executive Officer  
The Village of Palm Springs  
226 Cypress Lane  
Palm Springs, FL 33461-1699

Chief Executive Officer  
City of Riviera Beach  
600 West Blue Heron Blvd.  
Riviera Beach, FL 33404

Chief Executive Officer  
Village of Royal Palm Beach  
1050 Royal Palm Beach Boulevard  
Royal Palm Beach, FL 33411

Chief Executive Officer  
Town of South Palm Beach  
3577 South Ocean Blvd  
South Palm Beach, FL 33480

Chief Executive Officer  
Village of Wellington  
Wellington Municipal Complex  
14000 Greenbriar Boulevard  
Wellington, FL 33414

Chairman  
Volusia County Board of County  
Commissioners  
123 W. Indiana Avenue  
DeLand, FL 32720

Chief Executive Officer  
City of DeBary  
137 South Highway 17-92  
DeBary, FL 32713

Chairman  
Martin County Board of County  
Commissioners  
2401 S. E. Monterey Road  
Stuart, FL 34996

Chairman  
Marion County Board of County  
Commissioners  
Marion County Administration  
601 SE 25th Avenue  
Ocala, FL 34471

Chief Executive Officer  
City of DeLand  
120 S. Florida Avenue  
DeLand, FL 32720

Chief Executive Officer  
City of Deltona  
2345 Providence Boulevard  
Deltona, FL 32725

Chief Executive Officer  
City of Edgewater  
104 N. Riverside Drive  
Edgewater, Florida 32132

Chief Executive Officer  
City of New Smyrna Beach  
210 Sams Avenue  
New Smyrna Beach, FL 32168

Chief Executive Officer  
Town of Orange City  
205 E. Graves Avenue  
Orange City, FL 32763

Chairman  
Broward County Board of County  
Commissioners  
115 S. Andrews Avenue  
Fort Lauderdale, FL 33301

Chief Executive Officer  
City of Deerfield Beach  
150 N.E. 2<sup>nd</sup> Avenue  
Deerfield Beach, FL 33441

Chairman  
Seminole County Board of County  
Commissioners  
1101 East First Street  
Sanford, FL 32771

Chief Executive Officer  
City of Lake Mary  
P.O. Box 958445  
Lake Mary, FL 32795-8445

Chief Executive Officer  
City of Longwood  
175 West Warren Avenue  
Longwood, FL 32750

Chief Executive Officer  
City of Sanford  
300 N. Park Avenue  
Sanford, FL 32771

Chief Executive Officer  
City of Winter Springs  
1126 E. State Road 434  
Winter Springs, FL 32708

Palm Beach County  
3650 Summit Boulevard  
West Palm Beach, FL 33406

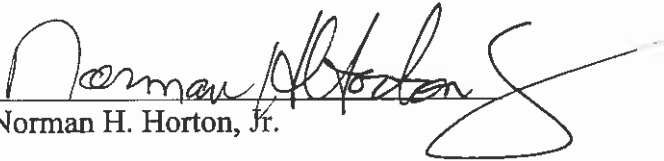
Broward County Library  
100 S. Andrews Avenue  
Fort Lauderdale, FL 33301

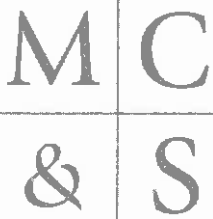
Seminole County Library  
215 N. Oxford Road  
Casselberry, Florida 32707

Volusia County Library  
1290 Indian Lake Rd.  
Daytona Beach, FL 32124

Martin County Library  
2351 S.E. Monterey Road  
Stuart, Florida 34996

Headquarters  
Marion County Public Library  
2720 E. Silver Springs Boulevard  
Ocala, FL 34470

  
Norman H. Horton, Jr.



MESSER CAPARELLO & SELF, P.A.

Attorneys At Law

[www.lawfla.com](http://www.lawfla.com)

February 23, 2009

To: Mayors and Chief Executive Officers of Counties  
Librarian, County Library

Re: Docket No. 080366-GU, Petition of Florida Public Utilities Company for an Increase  
in Rates Charged to Natural Gas Customers

On December 17, 2008, Florida Public Utilities Company filed a Petition for Rate Relief with the Florida Public Service Commission ("FPSC") seeking an increase in its rates and charges for natural gas service. As part of the review process, the FPSC requires that the Company prepare a synopsis of the rate request and distribute it to the main county library within the service area of the utility and to the chief executive officer of each county and municipality in the service area. In compliance with that requirement, enclosed herein is a copy of the Synopsis prepared by Florida Public Utilities Company which we ask that you make available to the public for review if requested.

Questions concerning this petition and process may be referred to the Florida Public Service Commission at 1-800-342-3552.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Norman H. Horton, Jr.'.

Norman H. Horton, Jr.

NHH/amb  
Enclosures

# FLORIDA PUBLIC UTILITIES COMPANY

## RATE CASE SYNOPSIS

DOCKET NO. 080366-GU

Florida Public Utilities Company (the "Company") is a natural gas utility providing gas service and gas transportation service to customers in Broward, Marion, Martin, Palm Beach, Seminole, and Volusia counties. The Company is headquartered in West Palm Beach and has offices in DeBary and Inglis.

On December 17, 2008, the Company filed a request for a rate increase with the Florida Public Service Commission ("Commission") seeking both a permanent and interim increase in rates. In this proceeding, the Company is requesting a permanent increase of \$9,917,690 and an interim increase of \$984,504. Under Florida law, the Commission regulates the rates, charges and service provided by natural gas utilities in Florida and will review the request filed by the Company.

The Company is requesting this increase because it continues to experience sharply rising costs and expenses associated with the provision of gas service. In order to continue to provide efficient, sufficient and adequate facilities and services and earn a fair, reasonable return on its investment, relief is necessary.

Along with the impacts of the current economic conditions facing the entire country, costs have increased significantly over the last several years. Despite the Company's efforts to keep expenses down, many are beyond the control of the Company. The Company has experienced increases in pension costs, medical insurance, compliance programs and maintenance and, higher costs associated with the inflationary impacts to our operating expenses and new and replacement utility plant. Since the last case rate base has increased by more than 14 million dollars and to maintain the level of service, there is a need for further additions to and replacement of existing facilities.

The major issues to be considered by the Commission in this case will include the determination of the proper rate base, net operating income (to include a determination of the legitimate and prudent operating expenses), earned rate of return, fair and reasonable rate of return, the proper rate structure, and the quality of service provided by the Company.

The Company is entitled by law to be given the opportunity to earn a reasonable return on its property used and useful in the public service. The Company's existing rates and charges are inadequate to provide fair and reasonable compensation for the services it provides to the public. The Company achieved an overall rate of return of 6.64% for the year ended December 31, 2007. In the absence of any rate relief, the Company's overall rate of return is projected to further deteriorate. The existing return denies the Company the financial strength and integrity necessary to maintain and improve the Company's quality of service to customers and to extend that service to more customers.

In setting the appropriate rates for a utility, the Commission utilizes a test year to evaluate the request. In this request, Florida Public Utilities Company has presented its case for increased rates on a projected test year for the calendar year 2009, based on an historic test year of 2007. The Company has filed a detailed set of financial and accounting schedules, called Minimum Filing Requirements or MFRs, with the Commission using actual and projected data for these test periods. Additionally, the Company has prefiled testimony and exhibits of several witnesses addressing and supporting the development of rate base, capital structure, achieved and required net operating income, adjustments to expenses and rate base, tariff changes, quality of service and other issues which affect the operations and earnings of the Company. The MFRs, testimony and exhibits demonstrate that additional base revenues of \$9,917,690 annually are necessary on a permanent basis. The requested permanent revenue increase would give the Company the opportunity to earn a fair and reasonable rate of return on 8.74%, including a return on equity of 11.75%, plus or minus 100 basis points, on a projected 2009 average rate base of \$73,747,220.

The Company has also requested that the Commission approve interim rates that would generate additional base revenues of \$984,504 annually, during the pendency of the rate case. The Commission is required to act on this interim rate request within sixty (60) days of the Company's filing. The Commission staff reviewed the request for interim relief and prepared a recommendation for the Commission that was considered at a regular public agenda conference on February 10, 2009. The Commission granted the Company's interim rate request. Any interim rate increase authorized by the Commission is subject to refund, with interest, to the extent ultimately found by the Commission not to be justified.

To produce the requested permanent revenue, the Company has submitted revised tariff schedules which include increases in several rate schedules. The adjustments to the tariffs are based on a cost of service study conducted by the Company that served as a general guide for setting the levels of each schedule. The specific impact of the proposed revisions will vary between customers depending on usage but for comparison, a residential customer using 20 therms currently would pay \$ 33.67 including a purchased gas adjustment of 80 cents per therm. If the proposed charges in this docket are approved, a residential customer using 20 therms will pay a monthly bill of \$ 38.56 including the purchased gas adjustment of 80 cents per therm. The purchased gas adjustment varies from month to month based on the cost of fuel.

A comparison of present and proposed rates is attached. Also attached is a copy of the Executive Summary filed as part of the Company's rate application.

Pursuant to Florida law, the Company has chosen to have the request for a permanent rate increase processed under the Commission's Proposed Agency Action procedures. Under this procedure, the staff of the Commission will conduct a detailed review and investigation of the Company's request for permanent rate relief and will perform an audit of the Company's books. They may also request additional data from the Company. In addition, the Commission will conduct customer meetings in West Palm Beach, Ocala, and Delton to take comments from customers on the Company's quality of service and on other matters pertaining to the Company's



rate request. Following completion of this investigation and the customer meetings, the Commission staff will make a recommendation to the Commission on what rate relief, if any, should be granted. The Commission will act on its staff's recommendation at another Agenda Conference in Tallahassee within five months after the Company's petition was filed. The Commission is currently scheduled to consider the permanent rate request on May 5, 2009.

In addition to the Commission Staff, the Office of Public Counsel has intervened in this docket and will be reviewing the documents and data filed by the Company as well as additional information which may be developed by Staff as a result of an audit of the request or as a result of submission of additional information filed as a result of requests from the Commission or Office of Public Counsel. The Office of Public Counsel may be contacted at: Office of Public Counsel, c/o The Florida Legislature, 111 West Madison St., Room 812, Tallahassee, FL 32399-1400.

After the Commission votes on the Company's rate request, it will issue an Order on Proposed Agency Action containing its findings and conclusions. Substantially affected persons have twenty-one (21) days after the written order is issued to decide whether to accept the Commission's decision or to request a formal hearing. If no party protests the order, the Commission's decision becomes final, the new rates go into effect, and the case is closed. If there is a protest, the case will proceed to a formal hearing process, which must be completed within eight months after the date the protest was filed.

After June 19, 2009, if the Commission has not taken action or if a protest is filed by a party other than the Company, the Company has the right to place its requested permanent rates in effect, subject to refund, until the case is concluded.

Customer meetings have been scheduled in West Palm Beach, Ocala, and Deltona as follows:

March 26, 2009, 4:00 p.m.  
Florida Department of Environmental  
Protection  
Southeast District Office  
400 N. Congress Avenue, Suite 200  
West Palm Beach, Florida 33401

April 2, 2009, 11:00 a.m.  
Marion County Commissioners Auditorium  
McPherson Government complex  
601 SE 25<sup>th</sup> Avenue  
Ocala, Florida 34471

April 2, 2009, 6:00 p.m.  
City of Deltona  
City Commission Chambers, City Hall  
2345 Providence Blvd.  
Deltona, Florida 32725

Customers are urged to be present at the beginning of the meeting, since customer meetings may be adjourned once all customers present have been allowed to speak. One or more Commissioners may be present at the customer meetings.

The following is the current rate case schedule established by the Commission that contains all the critical events and dates. This schedule is subject to change by the Commission.

Customer meeting, West Palm Beach	March 26, 2009
Customer meeting, Ocala	April 2, 2009
Customer meeting, Deltona	April 2, 2009
Standard Order on Interim Rates	March 2, 2009
Audit Report Due	March 9, 2009
Staff Recommendation on Final Rates	April 23, 2009
Agenda Conference on Final Rates	May 5, 2009
Proposed Agency Action Order on Final Rates	May 26, 2009

More detailed information on the Company's proposed rate increase is contained in the complete minimum filing requirements, located at the following Company offices:

401 South Dixie Highway  
West Palm Beach, Florida 33401-5886  
(561) 832-0872

450 South Highway 17-92  
DeBary, Florida 32713  
(386) 668-2600

50 SE Diana Street  
Inglis, Florida 34449  
(352) 447-2790

Additionally, a copy of these documents is available for review at the Headquarters of the Marion County Public Library located at:

2720 E. Silver Springs Boulevard  
Ocala Florida, 34470  
(352) 671-8551

Inspection of the filing at any of the Company's offices may be conducted during normal business hours (8:00 a.m. – 5:00 p.m., Monday – Friday) and at the library during their regular hours.

Any customer comments regarding the Company's service or the proposed rate increase should refer to Docket No. 080366-GU, which is the docket number for this case and be addressed to:

Commission Clerk, Office of Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

For your information, we are also providing the address and telephone number of the Florida Public Service Commission's Division of Service, Safety and Consumer Assistance:

Division of Service, Safety and Consumer Assistance  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

1-800-342-3552 (Toll Free Number)

Company personnel may be contacted to answer questions concerning the rate request at the address shown on your gas service bill, or by calling one of the company offices listed above.

**APPENDIX A**  
**FLORIDA PUBLIC UTILITIES COMPANY**  
**COMPARISON OF CURRENT AND PROPOSED RATES**

(INSERT SEPARATE DOCUMENT HERE)

**APPENDIX A  
FLORIDA PUBLIC UTILITIES COMPANY  
COMPARISON OF PRESENT AND PROPOSED RATES**

	<u>Present</u>	<u>Proposed</u>
<b>Residential Service: Standard (RS)</b>		
Customer Charge per month	\$ 8.00	\$ 12.00
Energy Charge per therm	\$ .48340	\$ .52786
<b>Residential Standby Generator Service (RS-GS)</b>		
Customer Charge per month	\$ 18.72	\$ 22.45
Energy Charge per therm	\$ .48340 - over 22.17 therms/mth	\$ .52786 - over 19.80 therms/mth
<b>General Service 1: under 600 therms per month (GS-1)</b>		
Customer Charge per month	\$ 15.00	\$ 20.00
Energy Charge per therm	\$ .32107	\$ .41265
<b>General Service Transportation Service 1: under 600 therms per month (GSTS-1)</b>		
Customer Charge per month	\$ 15.00	\$ 20.00
Energy Charge per therm	\$ .32107	\$ .41265
Transportation Administration Charge per month	\$ 4.50	\$ 4.50
<b>General Service 2: equal to or over 600 therms per month (GS-2)</b>		
Customer Charge per month	\$ 15.00	\$ 33.00
Energy Charge per therm	\$ .32107	\$ .41265
<b>General Service Transportation Service 2: equal to or over 600 therms per month (GSTS-2)</b>		
Customer Charge per month	\$ 15.00	\$ 33.00
Energy Charge per therm	\$ .32107	\$ .41265
Transportation Administration Charge per month	\$4.50	\$4.50
<b>Commercial Standby Generator Service (CS-GS)</b>		
Customer Charge per month	NA	\$ 36.31
Energy Charge per therm	NA	\$ .41265 - over 39.52 therms/mth
<b>Large Volume Service (LVS)</b>		
Customer Charge per month	\$ 45.00	\$ 90.00
Energy Charge per therm	\$ .23809	\$ .37897
<b>Large Volume Transportation Service: less than 50,000 therms (LVTS)</b>		
Customer Charge per month	\$ 45.00	\$ 90.00
Energy Charge per therm	\$ .23809	\$ .37897
Transportation Administration Charge per month	\$4.50	\$4.50

	<u>Present</u>	<u>Proposed</u>
<b>Large Volume Transportation Service: equal to or greater than 50,000 therms (LVTS)</b>		
Customer Charge per month	\$ 45.00	\$ 90.00
Energy Charge per therm	\$ .23809	\$ .37897
Transportation Administration Charge per month	\$ 20.50	\$ 20.50
Telemetry Maintenance Charge per month	\$ 30.00	\$ 30.00
<b>Interruptible Service (IS)</b>		
Customer Charge per month	\$ 240.00	\$ 240.00
Energy Charge per therm	\$ .10039	\$ .27106
Telemetry Maintenance Charge per month	\$ 30.00	\$ 30.00
<b>Interruptible Transportation Service (ITS)</b>		
Customer Charge per month	\$ 240.00	\$ 240.00
Energy Charge per therm	\$.10039	\$.27106
Transportation Administration Charge per month	\$ 20.50	\$ 20.50
Telemetry Maintenance Charge per month	\$ 30.00	\$ 30.00
<b>Gas Lighting Service (GLS)</b>		
Customer Charge per month (1)	\$ 0	\$ 0
Energy Charge per therm	\$ .17689	\$.25552
<b>Gas Lighting Service Transportation Service (GLSTS)</b>		
Customer Charge per month (1)	\$0	\$0
Energy Charge per therm	\$ .17689	\$ .25552
Transportation Administration Charge per month	(2)	(2)
Telemetry Maintenance Charge per month	(2)	(2)

(1) For customers not receiving service under another rate schedule, the equivalent substitute rate will be applicable.

(2) This charge will equal the Transportation Administration Charge and Telemetry Maintenance Charge under the corresponding rate schedule.

Miscellaneous Service Charges		CURRENT			PROPOSED		
		RS & RS-GS	GS-1, GS-2, CS-GS, GSTS-1 & GSTS-2	LVS, LVTS, IS & ITS	RS & RS-GS	GS-1, GS-2, CS-GS, GSTS-1 & GSTS-2	LVS, LVTS, IS & ITS
Establishment of Service	Regularly Scheduled	\$42.00	\$60.00	\$90.00	\$52.00	\$75.00	\$112.00
	Same Day or Outside Normal Business Hours	\$56.00	\$79.00	\$119.00	\$69.00	\$96.00	\$144.00
Change of Account (Read Meter Only)	Regularly Scheduled	\$19.00	\$19.00	\$19.00	\$23.00	\$23.00	\$23.00
	Same Day or Outside Normal Business Hours	\$24.00	\$24.00	\$24.00	\$29.00	\$29.00	\$29.00
Reconnection After Disconnection for Non-Pay	Regularly Scheduled	\$60.00	\$78.00	\$108.00	\$81.00	\$104.00	\$141.00
	Same Day or Outside Normal Business Hours	\$74.00	\$97.00	\$137.00	\$98.00	\$125.00	\$173.00
Bill Collection in Lieu of Disconnection for Non-Pay		\$16.00	\$16.00	\$16.00	\$25.00	\$25.00	\$25.00
Failed Trip Charge-applies when customer fails to keep scheduled appointment with the Company's employee, agent, or representative	Regularly Scheduled	\$19.00	\$19.00	\$19.00	\$23.00	\$23.00	\$23.00
	Same Day or Outside Normal Business Hours	\$24.00	\$24.00	\$24.00	\$29.00	\$29.00	\$29.00
Temporary Disconnection of Service for Cause or at Customer's Request	Regularly Scheduled	NA	NA	NA	\$29.00	\$29.00	\$29.00
	Same Day or Outside Normal Business Hours	NA	NA	NA	\$35.00	\$35.00	\$35.00
Worthless Check Charge	The service charge for each worthless check shall be determined in accordance with Section 68.065, Florida Statutes. Such service charge shall be added to the customer's bill for gas service for each check dishonored by the bank upon which it is drawn.						
Late Payment Charge	A bill shall be considered past due upon the expiration of twenty (20) days from the date of mailing or other delivery thereof by Company. The balance of all past due charges for services rendered are subject to a Late Payment Charge of 1.5% or \$5.00, whichever is greater, except the accounts of federal, state, and local governmental entities, and agencies. A Late Payment Charge shall be applied to the accounts of federal, state, and local government entities at a rate no greater than allowed, and in a manner permitted by applicable law.						

# APPENDIX B

## FLORIDA PUBLIC UTILITIES COMPANY CONSOLIDATED NATURAL GAS DIVISION

### BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION DOCKET NO. 080366-GU

#### MINIMUM FILING REQUIREMENTS SCHEDULE A – EXECUTIVE SUMMARY SCHEDULES



FLORIDA PUBLIC UTILITIES COMPANY  
CONSOLIDATED NATURAL GAS DIVISION  
DOCKET NO.: 080366-GU  
MINIMUM FILING REQUIREMENTS

INDEX: A SCHEDULES

EXECUTIVE SUMMARY

SCHEDULE NO.		PAGE
A-1	MAGNITUDE OF CHANGE-PRESENT vs PRIOR RATE CASE	1
A-2	ANALYSIS OF PERMANENT RATE INCREASE REQUESTED	2
A-3	ANALYSIS OF JURISDICTIONAL RATE BASE	3
A-4	ANALYSIS OF JURISDICTIONAL N. O. I.	4
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FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY: FLORIDA PUBLIC UTILITIES COMPANY  
 CONSOLIDATED NATURAL GAS DIVISION  
 DOCKET NO.: 080368-GU

EXPLANATION: PROVIDE A SCHEDULE SHOWING  
 THE MAGNITUDE OF CHANGE - PRESENT VS. PRIOR RATE CASE

TYPE OF DATA SHOWN:  
 TEST YEAR LAST CASE 2005  
 TEST YEAR CURRENT CASE 2009  
 WITNESS: MARTIN

LAST RATE CASE: DOCKET NO. 040216-GU  
 ORDER NO. PSC-04-1110-PAA-GU

LINE NO.	ITEM	REQUESTED			AUTHORIZED			CURRENT RATE CASE REQUESTED				
		(1)* Historical	(2)* Attrition	(3)* Total	(4)* Projected Test Year 12/31/05	(5)* Historical	(6)* Attrition	(7)* Total	(8)* Projected Test Year 12/31/05	(9) Projected Test Year 12/31/09	(10)** Dollar or Percent Difference	(11)** Percentage Change
1	Docket Number				040216-GU				040216-GU	080368-GU		
2	Historical Data or Test Year											
3	Projected Test Year				12/31/05				12/31/05			
4	Rate Increase - Permanent			8,186,989				5,865,903	9,917,690	4,051,787	69.07%	
5	Rate Increase - Interim			1,490,980				1,236,108	984,054	(252,054)	-20.39%	
6	Jurisdictional Rate Base			65,835,210				59,171,674	73,747,220	14,575,546	24.63%	
7	Before Rate Relief			641,221				880,787	335,922	(544,865)	-81.86%	
	Jurisdictional Net Operating Income											
	Before Rate Relief											
8	Rate of Return Before Rate Relief			0.97%				1.49%	0.46%		24.63%	
9	System Capitalization			65,835,210				59,171,674	73,747,220	14,575,546	14.70%	
10	Overall Rate of Return			8.66%				7.62%	8.74%	1.12%	-1.74%	
11	Cost of Long-Term Debt			8.04%				8.04%	7.90%	-0.14%	0.00%	
12	Cost of Preferred Stock			4.75%				4.75%	4.75%	0.00%	16.77%	
13	Cost of Short-Term Debt			5.98%				4.03%	4.71%	0.68%	-2.43%	
14	Cost of Customer Deposits			6.28%				6.28%	6.13%	-0.15%	4.44%	
15	Cost of Common Equity			11.50%				11.25%	11.75%	0.50%		
16	Number of Customers - Average			49,208				49,208	52,137			
17	Date New Permanent Rates Effective							11/18/2004				

(A) As determined by the "File and Suspend" provisions of Section 366.06 (4), Florida Statutes.

\* If Company's Last Rate Case Included a Historic and Attrition Year, Complete Columns (1) - (3) and Columns (5) - (7) under the heading "Last Rate Case". If the Company's Last Rate Case was based on a Projected Test Year, Complete Columns (4) AND (8) under the heading "Last Rate Case".

\*\* If the Company's Last Rate Case included a Historic and Attrition Year, this calculation will be the difference between Column (9) and Column (7). If the Company's Last Rate Case was based on a Projected Test Year, this calculation will be the difference between Column (9) and Column (8).

FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY: FLORIDA PUBLIC UTILITIES COMPANY  
 CONSOLIDATED NATURAL GAS DIVISION  
 DOCKET NO.: 080388-GU

EXPLANATION: PROVIDE A SCHEDULE SHOWING AN ANALYSIS  
 OF PERMANENT RATE INCREASE REQUESTED.

TYPE OF DATA SHOWN:  
 HISTORIC YEAR LAST CASE 2003  
 TEST YEAR LAST CASE 2005  
 TEST YEAR CURRENT CASE 2009  
 WITNESS: MARTIN

Line No.	Description	INCREASE IN GROSS REVENUE DOLLARS	INCREMENTAL AMOUNT OVER PREVIOUS ITEM	PERCENT OF TOTAL INCREASE
1	REVENUE AMOUNT REQUESTED TO RESTORE ADJUSTED NET OPERATING INCOME TO PREVIOUSLY ALLOWED OVERALL RATE OF RETURN OF 7.62% ON PREVIOUSLY AUTHORIZED 2005 RATE BASE			
	2005 AUTHORIZED RATE BASE	59,171,674		
	PREVIOUSLY ALLOWED RATE OF RETURN	7.62%		
	N.O.I. REQUIREMENTS @ PREVIOUSLY ALLOWED RATE OF RETURN	4,508,882		
	2009 PROJECTED N.O.I.	335,922		
	N.O.I. DEFICIENCY	4,172,960		
	EXPANSION FACTOR	1,6233		
	REVENUE DEFICIENCY	6,773,886	6,773,886	68.3%
2	REVENUE AMOUNT REQUESTED TO ALLOW UTILITY TO EARN 2008 REQUESTED RATE OF RETURN ON PREVIOUSLY AUTHORIZED 2005 RATE BASE			
	2005 AUTHORIZED RATE BASE	59,171,674		
	REQUESTED RATE OF RETURN	8.74%		
	N.O.I. REQUIREMENTS @ REQUESTED RATE OF RETURN	5,171,604		
	2009 PROJECTED N.O.I.	335,922		
	N.O.I. DEFICIENCY	4,835,682		
	EXPANSION FACTOR	1,6233		
	REVENUE DEFICIENCY	7,849,763	1,075,788	10.8%
3	EFFECT OF PROJECTED TEST YEAR: REVENUE AMOUNT REQUESTED TO ALLOW UTILITY TO EARN A REQUESTED RATE OF RETURN OF 8.74% ON 2009 RATE BASE			
	2009 ADJUSTED RATE BASE	73,747,220		
	REQUESTED RATE OF RETURN	8.74%		
	N.O.I. REQUIREMENTS @ REQUESTED RATE OF RETURN	6,445,507		
	LESS: ADJUSTED 2009 N.O.I.	335,922		
	N.O.I. DEFICIENCY	6,109,585		
	EXPANSION FACTOR	1,6233		
	INCREASE IN REVENUE TO ALLOWED REQUESTED RATE OF RETURN OF 8.74%	9,917,690	2,087,927	20.9%
	PROJECTED 2008 TEST YEAR BASE REVENUE AT CURRENT RATES	22,225,975		
5	TOTAL PERMANENT RATE INCREASE OVER CURRENT BASE RATES	44,62%	9,917,690	100%

FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY: FLORIDA PUBLIC UTILITIES COMPANY  
 CONSOLIDATED NATURAL GAS DIVISION  
 DOCKET NO.: 080366-GU

EXPLANATION: PROVIDE A SCHEDULE SHOWING  
 AN ANALYSIS OF JURISDICTIONAL RATE BASE.

TYPE OF DATA SHOWN:  
 HISTORIC YEAR LAST CASE 2003  
 TEST YEAR LAST CASE 2005  
 TEST YEAR CURRENT CASE 2009  
 WITNESS: MARTIN

Line No.	Item	Rate Base Determined by Commission In Last Rate Case			Rate Base Requested by Company In Current Rate Case		(6)** Dollar Difference	(7)** Percent Difference
		(1)* Historic	(2)* Attrition	(3)* Projected Test Year 12/31/05	(4)* Projected Test Year 12/31/05	(5) Projected Test Year 12/31/09		
	<u>Utility Plant</u>			<u>Requested</u>	<u>Ordered</u>			
1	Plant In Service			89,939,143	86,086,339	112,805,057	26,718,718	31%
2	(Common Plant)			3,429,181	3,429,181	3,494,938	65,757	2%
3	Construction Work In Progress			194,004	235,540	359,427	123,887	53%
4	Utility Plant Acquisition Adjustment			3,603,400	1,263,776	1,263,776	-	0%
5	Gross Utility Plant			97,165,728	91,014,836	117,923,198	26,908,362	30%
	<u>Deductions</u>							
6	Accumulated Depreciation (Common Plant)			28,935,572	28,663,344	(35,836,083)	(64,499,427)	-225%
7	Accumulated Amortization Limited Term Utility Plant			1,039,014	1,039,014	(1,269,018)	(2,308,032)	-222%
8	Acquisition Adjustment			-	-	-	-	
9	Customer Advances for Construction			358,128	436,317	(544,545)	(980,862)	-225%
10				997,805	997,805	(1,659,376)	(2,657,181)	-266%
11				-	-	-	-	
12	Total Deductions			31,330,519	31,136,480	(39,309,022)	(70,445,502)	-226%
13	Net Utility Plant			65,835,209	59,878,356	78,614,176	18,735,820	31%
14	Allowance for Working Capital			-	(706,682)	(4,866,956)	(4,160,274)	569%
15	Rate Base			65,835,209	59,171,674	73,747,220	14,575,546	25%

\* If the Company's Last Rate Case Included a Historic and Attrition Year, Complete Columns (1) - (3).  
 If the Company's Last Rate Case was based on a Projected Test Year, Complete Column (4).

\*\* If the Company's Last Rate Case Included a Historic and Attrition Year, this calculation will be the difference between Column (5) and Column (3). If the Company's Last Rate Case was based on a Projected Test Year, this calculation will be the difference between Column (5) and Column (4).

FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY: FLORIDA PUBLIC UTILITIES COMPANY  
 CONSOLIDATED NATURAL GAS DIVISION  
 DOCKET NO.: 080366-GU

EXPLANATION: PROVIDE A SCHEDULE SHOWING AN ANALYSIS OF JURISDICTIONAL NET OPERATING INCOME

TYPE OF DATA SHOWN:  
 HISTORIC YEAR LAST CASE 2003  
 TEST YEAR LAST CASE 2005  
 TEST YEAR CURRENT CASE 2009  
 WITNESS: MARTIN

LINE NO.	ITEM	NET OPERATING INCOME AS DETERMINED BY COMMISSION IN LAST RATE CASE				CURRENT CASE		(6)**	(7)**
		(1)* Historic	(2)* Attrition	(3)* Projected Test Year 12/31/05	(4)* Projected Test Year 12/31/05	(5) Projected Test Year 12/31/09	DOLLAR DIFFERENCE		
1	OPERATING REVENUES (A)			22,586,224	22,571,824	27,916,917	5,347,093	23.7%	
	OPERATING REVENUE DEDUCTIONS:			<u>REQUESTED</u>	<u>ORDERED</u>				
2	OPERATING & MAINTENANCE EXPENSE			14,795,629	14,178,039	19,003,604	4,825,765	34.0%	
3	DEPRECIATION EXPENSE			2,827,875	2,945,890	3,388,490	442,600	15.0%	
4	AMORTIZATION EXPENSE			932,654	1,053,711	1,110,518	56,807	5.4%	
5	TAXES OTHER THAN INCOME			4,484,720	4,324,539	5,609,864	1,285,325	29.7%	
6	INCOME TAXES (FEDERAL & STATE)			(2,450,857)	(2,168,126)	277,413	2,445,539	-112.8%	
7	DEFERRED TAXES (FEDERAL & STATE)			1,397,315	1,397,315	(1,772,431)	(3,169,746)		
8	INVESTMENT TAX CREDITS			(40,331)	(40,331)	(34,663)	5,668	-14.1%	
9	TOTAL OPERATING REVENUE DEDUCTIONS			21,927,005	21,691,037	27,582,995	5,691,958	27.2%	
10	NET OPERATING INCOME (B)			641,219	880,787	335,922	(544,865)	-61.9%	

(A) EXCLUDES FUEL REVENUE  
 (B) BEFORE RATE RELIEF

\* IF THE COMPANY'S LAST RATE CASE INCLUDED A HISTORIC AND ATTRITION YEAR, COMPLETE COLUMNS (1) - (3). IF THE COMPANY'S LAST RATE CASE WAS BASED ON A PROJECTED TEST YEAR, COMPLETE COLUMN (4).

\*\* IF THE COMPANY'S LAST RATE CASE INCLUDED A HISTORIC AND ATTRITION YEAR, THIS CALCULATION WILL BE THE DIFFERENCE BETWEEN COLUMN (5) AND COLUMN (3). IF THE COMPANY'S LAST RATE CASE WAS BASED ON A PROJECTED TEST YEAR, THIS CALCULATION WILL BE THE DIFFERENCE BETWEEN COLUMN (5) AND COLUMN (4).

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: PROVIDE A SCHEDULE SHOWING

TYPE OF DATA SHOWN:

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY  
 CONSOLIDATED NATURAL GAS DIVISION  
 DOCKET NO.: 080366-GU

TEST YEAR LAST CASE 2005  
 TEST YEAR CURRENT CASE 2009  
 WITNESS: COX

LINE NO. ITEM	DOLLARS	RATIO	EMBEDDED COST	WEIGHTED COST
<b>LAST RATE CASE (AUTHORIZED)*</b>				
1 Long Term Debt	21,870,836	36.96%	8.04%	2.97%
2 Short-Term Debt	2,484,853	4.20%	4.03%	0.17%
3 Preferred Stock	260,642	0.44%	4.75%	0.02%
4 Common Equity	20,938,759	35.39%	11.25%	3.98%
5 Customer Deposits	4,094,408	6.92%	6.28%	0.43%
6 Deferred Taxes	9,245,613	15.62%	0.00%	0.00%
7 ITC at Zero Cost	-	0.00%	0.00%	0.00%
8 ITC at Overall Cost	276,563	0.47%	9.28%	0.04%
9				
10				
11 TOTAL CAPITALIZATION	59,171,674	100.00%	NA	7.62%
12				
13				
<b>CURRENT RATE CASE (REQUESTED)</b>				
14				
15				
16				
17 Long Term Debt	25,861,386	35.1%	7.90%	2.77%
18 Short-Term Debt	7,363,771	10.0%	4.71%	0.47%
19 Preferred Stock	320,500	0.4%	4.75%	0.02%
20 Common Equity	31,130,696	42.2%	11.75%	4.96%
21 Customer Deposits	6,181,495	8.4%	6.13%	0.51%
22 Deferred Taxes	2,773,818	3.8%	0.00%	0.00%
23 ITC at Zero Cost	-	0.0%	0.00%	0.00%
24 ITC at Overall Cost	115,553	0.2%	9.38%	0.01%
25				
26				
27 TOTAL CAPITALIZATION	73,747,220	100.00%		8.74%

\* IF THE COMPANY'S LAST RATE CASE INCLUDED A HISTORIC AND ATTRITION YEAR, REPORT THE CAPITAL STRUCTURE FOR THE ATTRITION YEAR. IF THE COMPANY'S LAST RATE CASE WAS BASED ON A PROJECTED TEST YEAR, REPORT THE CAPITAL STRUCTURE FOR THE PROJECTED TEST YEAR.

FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY: FLORIDA PUBLIC UTILITIES COMPANY  
 CONSOLIDATED NATURAL GAS DIVISION  
 DOCKET NO.: 080366-GU

EXPLANATION: PROVIDE A SUMMARY OF FINANCIAL INDICATORS AS SPECIFIED  
 BELOW FOR THE HISTORIC DATA BASE YEAR OF THE LAST RATE CASE, HISTORIC  
 DATA BASE YEAR FOR THIS CASE, AND THE YEAR IMMEDIATELY FOLLOWING THE  
 PRESENT HISTORIC DATA BASE YEAR.

TYPE OF DATA SHOWN:  
 TY OR BASE YR LAST CASE: 12/31/05  
 HIS. BASE YR DATA CURRENT: 12/31/2007  
 BASE YR + 1 CURRENT CASE: 12/31/2008  
 PROJECTED TY CURRENT CASE: 12/31/2009  
 WITNESS: COX

LINE NO.	INDICATORS	(1) 12/31/2005 DATA FROM HISTORIC BASE YR OR TY RELATED TO COMPANY'S PRIOR CASE	(2) 12/31/2007 DATA FROM HISTORIC BASE YEAR RELATED TO COMPANY'S CURRENT CASE	(3) 12/31/2008 YEAR AFTER CURRENT HISTORIC BASE YEAR WITHOUT ANY RATE INCREASE *	(4) 12/31/2009 PROJECTED TEST YEAR WITHOUT ANY RATE INCREASE	(5) 12/31/2009 PROJECTED TEST YEAR INCLUDING REQUESTED RATE INCREASE
<b>INTEREST COVERAGE RATIOS:</b>						
1	INCLUDING AFUDC IN INCOME BEFORE INTEREST CHARGES	2.43	2.03	2.50		
2	EXCLUDING AFUDC FROM INCOME BEFORE INTEREST CHARGES	2.43	2.03	2.50		
<b>OTHER FINANCIAL RATIOS:</b>						
3	AFUDC AS A PERCENT OF INCOME AVAILABLE FOR COMMON	65%	73%	N/A		
4	PERCENT OF CONSTRUCTION FUNDS GENERATED INTERNALLY	65%	73%	N/A		
<b>PREFERRED DIVIDEND COVERAGE:</b>						
5	INCLUDING AFUDC	148.48	113.83	155.45		
6	EXCLUDING AFUDC	148.48	113.83	155.45		
<b>RATIO OF EARNINGS TO FIXED CHARGES:</b>						
7	INCLUDING AFUDC	2.43	2.03	2.50		
8	EXCLUDING AFUDC	2.43	2.03	2.50		
<b>EARNINGS PER SHARE:</b>						
9	INCLUDING AFUDC	** \$ 0.71	\$ 0.54	\$ 0.66		
10	EXCLUDING AFUDC	** \$ 0.71	\$ 0.54	\$ 0.66		
11	DIVIDENDS DECLARED PER SHARE	** \$ 0.41	\$ 0.45	\$ 0.42		

\* Budget 2008

\*\* Re-stated for Stock Splits July 2005 3:2