

VOTE SHEET

December 17, 2013

Docket No. 120311-GU – Petition for approval of positive acquisition adjustment to reflect the acquisition of Indiantown Gas Company by Florida Public Utilities Company.

Issue 1: Should the Commission approve FPUC's proposal to record a \$745,800 positive acquisition adjustment to be amortized over a 15-year period, beginning August 1, 2010?

Recommendation: Yes. FPUC should be allowed to record the \$745,800 purchase price premium as a positive acquisition adjustment to be amortized over a 15-year period, beginning August 1, 2010. The acquisition adjustment should be recorded in Account 114 – Gas Plant Acquisition Adjustments and the amortization expense should be recorded in Account 406 – Amortization of Gas Plant Acquisition Adjustments. The level of the actual cost savings supporting FPUC's request should be subject to review in FPUC's next rate case proceeding, and if it is determined in that proceeding that the cost savings no longer exist, the acquisition adjustment could be partially or totally removed as deemed appropriate by the Commission. FPUC-Indiantown should file its earnings surveillance reports (ESRs) with and without the effect of the acquisition adjustment.

MODIFIED at Commission Conference this date.

Table 1-3 of staff recommendation revised to show \$100,000 savings associated with contract expiration. Clarification of staff recommendation re: book value of IGC (page 4 of staff recommendation).

COMMISSIONERS ASSIGNED: All Commissioners

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

Julie Brown KEF
[Signature]
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REMARKS/DISSENTING COMMENTS:

Commissioner Brown participated via telephone.

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Issue 2: What is the amount, if any, of excess earnings for 2011 and 2012 for the FPUC-Indiantown Division?

Recommendation: The FPUC-Indiantown Division does not have excess earnings for 2011 and 2012, based on the inclusion of the acquisition adjustment recommended in previous issues.

APPROVED

Issue 3: What is the appropriate disposition of the 2011 and 2012 excess earnings, if any, for the FPUC-Indiantown Division?

Recommendation: The FPUC-Indiantown Division does not have any excess earnings for 2011 and 2012. Staff notes that this issue is moot if the recommendation in Issue 2 is approved.

APPROVED

Issue 4: Should this docket be closed?

Recommendation: Yes. 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 the consummating order.

APPROVED