

Schedule of Requested Cost of Capital  
13 Month Average Balance

Florida Public Service Commission

Company: Utilities, Inc. of Florida - Lake Placid  
Docket No.: 160101-WS  
Test Year Ended: 12/31/2015  
Interim [ ] Final [x]  
Historical [x] Projected [ ]

Schedule D-1  
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Explanation: Provide a schedule which calculates the requested cost of capital on a 13-month average basis. If a year-end basis is used, submit an additional schedule reflecting year-end calculations.

| Line No. | Class of Capital   | (1) | (2)  | (3)            | (4)       | (5)           |
|----------|--|-----|--|----------------|-----------|---------------|
|          |  |     | Reconciled to<br>Requested Rate Base<br>AYE 12/31/13 | Ratio          | Cost Rate | Weighted Cost |
| 1        | Long Term Debt   |     | \$130,743  | 46.22%         | 6.70%     | 3.09%         |
| 2        | Short Term Debt  |     | 12,417   | 4.39%          | 2.32%     | 0.10%         |
| 3        | Preferred Stock  |     | -  | 0.00%          | 0.00%     | 0.00%         |
| 4        | Common Equity  |     | 139,039  | 49.15%         | 10.40%    | 5.11%         |
| 5        | Customer Deposits  |     | 696  | 0.25%          | 2.00%     | 0.00%         |
| 6        | Tax Credits - Zero Cost  |     | -  | 0.00%          | 0.00%     | 0.00%         |
| 7        | Tax Credits - Weighted Cost  |     | -  | 0.00%          | 0.00%     | 0.00%         |
| 8        | Accumulated Deferred Income Tax  |     | -  | 0.00%          | 0.00%     | 0.00%         |
| 9        | Other (Explain)  |     | -  | 0.00%          | 0.00%     | 0.00%         |
| 10       |  |     |  |                |           |               |
| 11       | Total  |     | <u>\$282,895</u>                                     | <u>100.00%</u> |           | <u>8.30%</u>  |
| 12       |  |     |  |                |           |               |
| 13       | Note: The cost of equity is based on the leverage formula in effect pursuant to Order No. PSC-16-0254-PAA-WS                   |     |  |                |           |               |
| 14       |  |     |  |                |           |               |
| 15       | Note: Long term debt, short term debt, preferred stock, and common equity are actual for UIF's parent company, Utilities, Inc. |     |  |                |           |               |

Supporting Schedules: D-2

Recap Schedules: A-1, A-2