

September 4, 2018

**E-PORTAL FILING**

Ms. Carlotta Stauffer, Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

**Re: New Filing** – Joint Petition for Approval of GRIP Cost Recovery Factors by Florida Public Utilities Company, Florida Public Utilities Company-Fort Meade, and Florida Division of Chesapeake Utilities Corporation.

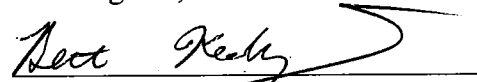
Dear Ms. Stauffer:

Attached for filing, please find the Joint Petition for Approval of GRIP Cost Recovery Factors by Florida Public Utilities Company, Florida Public Utilities Company-Fort Meade, and Florida Division of Chesapeake Utilities Corporation, along with the Direct Testimony and Exhibit GAW-1 of Mr. Geoffrey Alexander Wight. Also included with this filing are the following revised tariff pages:

CFG Fifth Revised Sheet No. 105.1  
CFG Sixth Revised Sheet No. 105.2  
FPUC NG Twelfth Revised Sheet No. 35.4  
FPUC-FORT MEADE First Revised Sheet No. 64

Thank you for your assistance with this filing. As always, please don't hesitate to let me know if you have any questions whatsoever.

Kind regards,



Beth Keating  
Gunster, Yoakley & Stewart, P.A.  
215 South Monroe St., Suite 601  
Tallahassee, FL 32301  
(850) 521-1706

MEK  
cc://(Certificate of Service)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Joint Petition for Approval of Gas Reliability Infrastructure Program (GRIP) True-Up by Florida Public Utilities Company and the Florida Division of Chesapeake Utilities Corporation and Florida Public Utilities Company-Fort Meade	DOCKET NO. DATED: September 4, 2018
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**JOINT PETITION FOR APPROVAL OF GRIP  
COST RECOVERY FACTORS BY FLORIDA PUBLIC UTILITIES COMPANY,  
FLORIDA PUBLIC UTILITIES COMPANY-FORT MEADE, AND THE FLORIDA  
DIVISION OF CHESAPEAKE UTILITIES CORPORATION**

Florida Public Utilities Company, Florida Public Utilities Company-Fort Meade (“Fort Meade”) (herein jointly “FPUC”), and the Florida Division of Chesapeake Utilities Corporation (“CFG”)(also referred to herein individually as “Company” and jointly as “Companies”), by and through their undersigned counsel, hereby file this Petition, pursuant to Section 366.06, Florida Statutes, and Order No. PSC-2012-0490-TRF-GU, seeking approval from the Florida Public Service Commission (“FPSC” or “Commission”) of FPUC's and CFG's GRIP cost recovery factors for the period January 2019 through December 2019. In support of this request, the Companies hereby state:

- 1) FPUC is a natural gas utility subject to the Commission's jurisdiction under Chapter 366, Florida Statutes.<sup>1</sup> Its principal business address is:

Florida Public Utilities Company  
1750 S 14th Street, Suite 200  
Fernandina Beach FL 32034

Florida Public Utilities Company – Fort Meade is a division of FPUC with its principal business address being the same as FPUC.

- 2) CFG is also a natural gas utility subject to the Commission's jurisdiction under Chapter 366, Florida Statutes. Its principal business address is:

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<sup>1</sup> FPUC's Indiantown Division does not participate in a GRIP program.

GRIP True-Up

Florida Division of Chesapeake Utilities Corporation  
1750 S 14th Street, Suite 200  
Fernandina Beach FL 32034

3) The name and mailing address of the persons authorized to receive notices are:

Beth Keating, Esq.  
Gunster, Yoakley & Stewart, P.A.  
215 South Monroe Street, Suite 601  
Tallahassee, Florida 32301-1839  
(850) 521-1706

Mike Cassel  
Director, Regulatory and Governmental Affairs  
Florida Public Utilities Company/Chesapeake  
1750 S 14th Street, Suite 200  
Fernandina Beach FL 32034  
mcassel@fpuc.com

4) The Commission is vested with jurisdiction in this matter in accordance with Sections 366.04, 366.041, 366.05, and 366.06, Florida Statutes, pursuant to which the Commission is authorized to establish rates and charges for public utilities, including the relief requested herein, and to consider, among other things, the adequacy of facilities, as well as the utility's ability to improve such facilities. Likewise, in accordance with Section 368.05(2), Florida Statutes, the Commission has the authority to require improvements to natural gas distribution systems as may be necessary to promote the protection of the public.

5) Consistent with the requirements of Order No. PSC-12-0490-TRF-GU, issued September 24, 2012, the Companies have included with this filing Schedules A-D, which support the Companies' calculations of the yearly GRIP surcharge factors for the calendar year 2019.

6) The Companies are also submitting, contemporaneously with this Petition, the Direct Testimony and Exhibit GAW-1, which includes the referenced schedules, of Mr. Geoffrey Alexander Wight in support of the Companies' request for approval of the requested factors. Therein, Mr. Wight explains that projects in high consequence areas continue to be a priority. As also noted by Mr. Wight, the Companies continue to discover new bare steel,

## GRIP True-Up

cast iron, and steel tubing beyond that which was originally anticipated. Of note, Mr. Wight identifies steel tubing services recently discovered in the Fort Meade system.

7) Mr. Wight also notes in his testimony that the federal Tax Cuts and Jobs Act of 2017<sup>2</sup> (“Act”) has been taken into account in the calculation of the GRIP surcharges. To the extent that the Act had an impact on the GRIP collections in 2018, that issue is currently being addressed in Commission Dockets No. 20180051, 20180053, and 20180054. For demonstrative purposes only, attached to this Petition as Exhibit B are the pertinent schedules reflecting the flow-through of the Act’s impacts on the Companies in 2018.

8) As reflected on Schedule B-1, the final GRIP true-up amount for the period January 2017 through December 2017 was an over-recovery of \$2,231,264 for FPUC, an under-recovery of \$161,174 for CFG, and an over-recovery of \$13,528 for Fort Meade.

9) The Company projects total GRIP expenditures of \$8,500,000 for mains and \$3,500,000 for services for FPUC, \$2,700,000 for mains and \$300,000 for services for CHPK, and \$20,000 for Fort Meade for the period January 2019 through December 2019. The projected net true-up is an over-recovery of \$1,413,891 for FPUC, an under-recovery of \$301,825 for CFG, and an under-recovery of \$6,178 for Fort Meade. After adding the projected GRIP revenue requirement to the (over/under) recovery amount, a total of \$9,252,863 for FPUC, \$4,169,955 for CFG, and \$35,757 for Fort Meade remains to be recovered during the period January 1, 2019 through December 31, 2019. After adding the projected revenue requirements for the programs and the true-up amounts then dividing this total among the Companies’ rate classes, the following are the GRIP Cost Recovery factors for which the Companies seek approval in this petition:

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<sup>2</sup> HR-1, Pub. L. No. 115-97, December 22, 2017, 131 Stat 2054.

GRIP True-Up

<u>CFG</u>	
RATE	GRIP
CLASS	FACTORS
	PER THERM
FTS-A	\$ 0.70423
FTS-B	\$ 0.21886
FTS-1	\$ 0.13593
FTS-2	\$ 0.14607
FTS-2.1	\$ 0.13888
FTS-3	\$ 0.06580
FTS-3.1	\$ 0.07337
FTS-4	\$ 0.08382
FTS-5	\$ 0.08837
FTS-6	\$ 0.06666
FTS-7	\$ 0.09056
FTS-8	\$ 0.08269
FTS-9	\$ 0.15897
FTS-10	\$ 0.11276
FTS-11	\$ 0.15044
FTS-12	\$ 0.03753

GRIP True-Up

FTS-13            N/A

**CFG**  
**Experimental**

<u>CLASS</u> <u>Rate Schedule</u>	<u>GRIP</u> <u>FACTORS</u> <u>Rate per bill</u>
FTS-A (Exp)	\$     4.19
FTS-B (Exp)	\$     2.22
FTS-1 (Exp)	\$     2.04
FTS-2 (Exp)	\$     8.55
FTS-2.1 (Exp)	\$    15.90
FTS-3 (Exp)	\$    19.96
FTS-3.1 (Exp)	\$    43.37

**FPUC**

<u>RATE</u> <u>SCHEDULE</u>	<u>GRIP FACTORS</u> <u>PER THERM</u>
RESIDENTIAL	\$0.21356
COMMERCIAL SMALL (General Service 1 & 2 & GS 1 & 2 Transportation)	\$0.13672
COMM. LRG VOLUME (Large Vol & LV Transportation)	\$0.08606
INTERRUPTIBLE SERVICE (Int Service & IS Transportation)	\$0.05830
GENERAL LIGHTING SERVICE (Gen Light Service & GLS Transportation)	\$0.37469
Rate Schedule NGV	\$0.13672
Rate Schedule NGVTS	\$0.13672

GRIP True-Up

**Fort Meade**

<u>RATE</u> <u>SCHEDULE</u>	<u>FACTORS</u> <u>PER THERM</u>
RESIDENTIAL	\$0.29382
COMMERCIAL SMALL  (General Service & GS Transportation)	\$0.08883
COMM. LRG VOLUME  (Large Vol & LV Transportation)	\$0.00000
INTERRUPTIBLE SERVICE (Int Service & IS Transportation)	\$0.00000
GENERAL LIGHTING SERVICE	\$0.00000

10) The Companies attest that these factors have been calculated correctly and consistent with Commission requirements. Thus, the Companies ask that the Commission approve the proposed factors as set forth herein.

11) Attached to this Petition as Attachment A are proposed tariff pages, in clean and legislative format, reflecting the GRIP factors set forth herein.

**WHEREFORE**, FPUC, FPUC-Fort Meade, and CFG respectfully request that the Commission approve the proposed GRIP cost recovery factors to be effective for all meter

GRIP True-Up

readings for the period January 2019 through December 2019.

RESPECTFULLY SUBMITTED this 4th day of September, 2018, by:



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Beth Keating  
Gunster, Yoakley & Stewart, P.A.  
215 South Monroe St., Suite 601  
Tallahassee, FL 32301  
(850) 521-1706  
*Attorneys for Florida Public Utilities  
Company and the Florida Division of  
Chesapeake Utilities Corporation*



**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing has been served upon the following by Electronic Mail this 4th day of September, 2018.

Jennifer Crawford Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399-0850 <a href="mailto:jcrawfor@psc.state.fl.us">jcrawfor@psc.state.fl.us</a>	J.R. Kelly/P. Christensen Office of Public Counsel c/o The Florida Legislature 111 W. Madison Street, Room 812 Tallahassee, FL 32399-1400 <a href="mailto:Kelly.JR@leg.state.fl.us">Kelly.JR@leg.state.fl.us</a>
Mike Cassel 1750 S.W. 14th Street, Suite 200 Fernandina Beach, FL 32034-3052 <a href="mailto:Mcassel@fpuc.com">Mcassel@fpuc.com</a>	

By:   
Beth Keating  
Gunster, Yoakley & Stewart, P.A.  
215 South Monroe St., Suite 601  
Tallahassee, FL 32301  
(850) 521-1706

ATTACHMENT A

Florida Public Utilities Company, Florida Public Utilities Company – Indiantown Division,  
Florida Public Utilities Company-Fort Meade, and  
The Florida Division of Chesapeake Utilities Corporation

**Revised Tariff Sheets**

*(Clean and Legislative Versions)*

CFG Fifth Revised Sheet No. 105.1  
CFG Sixth Revised Sheet No. 105.2  
FPUC NG Twelfth Revised Sheet No. 35.4  
FPUC-FORT MEADE First Revised Sheet No. 64

*RATE SCHEDULES*  
*MONTHLY RATE ADJUSTMENTS*

Rate Schedule MRA

7. GAS REPLACEMENT INFRASTRUCTURE PROGRAM (GR1P):

Applicability:

All Customers receiving Transportation Service from the Company and are assigned to or have selected rate schedules FTS-A, FTS-B, FTS-1, FTS-2, FTS-2.1, FTS-3, FTS-3.1, FTS-4, FTS-5, FTS-6, FTS-7, FTS-8, FTS-9, FTS-10, FTS-11, FTS-12, and FTS-13.

The Usage Rate for Transportation Service to each applicable rate classification shall be adjusted by the following recovery factors. The recovery factors for all meters read for the period January 1, 2018 through December 31, 2018 for each rate classification are as follows:

<u>Rate Schedule</u>	<u>Classification of Service</u>	<u>Rate per therm</u>
FTS A	< 130 therms	\$0.55340\$0.70423
FTS-B	> 130 therms up to 250 therms	\$0.17785\$0.21886
FTS-1	> 0 up to 500 therms	\$0.11838\$0.13593
FTS-2	> 500 therms up to 1,000 therms	\$0.12603\$0.14607
FTS-2.1	> 1,000 therms up to 2,500 therms	\$0.12095\$0.13888
FTS-3	> 2,500 therms up to 5,000 therms	\$0.05359\$0.06580
FTS-3.1	> 5,000 therms up to 10,000 therms	\$0.06238\$0.07337
FTS-4	> 10,000 therms up to 25,000- therms	\$0.07404\$0.08382
FTS-5	> 25,000 therms up to 50,000 therms	\$0.07777\$0.08837
FTS-6	> 50,000 therms up to 100,000 therms	\$0.06234\$0.06666
FTS-7	> 100,000 therms up to 200,000 therms	\$0.07864\$0.09056
FTS-8	> 200,000 therms up to 400,000 therms	\$0.07326\$0.08269
FTS-9	> 400,000 therms up to 700,000 therms	\$0.10860\$0.15897
FTS-10	> 700,000 therms up to 1,000,000 therms	\$0.12848\$0.11276
FTS-11	> 1,000,000 therms up to 2,500,000	\$0.12575\$0.15044
FTS-12	> 2,500,000 therms up to 12,500,000	\$0.03277\$0.03753
FTS-13	> 12,500,000 therms	N/A

(Continued to Sheet No. 105.2)

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*RATE SCHEDULES*  
*MONTHLY RATE ADJUSTMENTS*

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Rate Schedule MRA  
(Continued from Sheet No. 105.1)

7. GAS INFRASTRUCTURE REPLACEMENT PROGRAM (GRIP) (Experimental):

Applicability:

All Customers, assigned to a TTS Shipper, receiving Transportation Service from the Company and are assigned to or have selected rate schedules FTS-A (Exp), FTS-B (Exp), FTS-1 (Exp), FTS-2 (Exp), FTS-2.1 (Exp), FTS-3 (Exp), and FTS-3.1 (Exp).

The Firm Transportation Charge for Transportation Service to each applicable rate classification shall be adjusted by the following recovery factors. The recovery factors for all meters read for the period January 1, 2019 through December 31, 2019 for each rate classification are as follows:

Consumer Rate Schedule	Rate per bill
FTS-A (Exp)	\$ 4.19
FTS-B (Exp)	\$ 2.22
FTS-1 (Exp)	\$ 2.04
FTS-2 (Exp)	\$ 8.55
FTS-2.1 (Exp)	\$ 15.90
FTS-3 (Exp)	\$ 19.96
FTS-3.1 (Exp)	\$ 43.37

(Continued to Sheet No. 105.3)

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*BILLING ADJUSTMENTS*

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(Continued from Sheet No. 35.3)

Gas Reliability Infrastructure Program (GRIP)

Applicability

The bill for gas or transportation service supplied to a Customer in any Billing Period shall be adjusted as follows:

The GRIP factors for the period from the first billing cycle for January 2019 through the last billing cycle for December 2019 are as follows:

<u>Rate Class</u>	<u>Rates Per Therm</u>
Rate Schedule RS	\$0.21356
Schedule GS-1	\$0.13672
Rate Schedule GS-2	\$0.13672
Rate Schedule GSTS-1	\$0.13672
Rate Schedule GSTS-2	\$0.13672
Rate Schedule LVS	\$0.08606
Schedule LVTS	\$0.08606
Schedule IS	\$0.05830
Schedule ITS	\$0.05830
Schedule GLS	\$0.37469
Rate Schedule GLSTS	\$0.37469
Rate Schedule NGV	\$0.13672
Rate Schedule NGVTS	\$0.13672

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*BILLING ADJUSTMENTS*

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(Continued from Sheet No. 35.3)

Gas Reliability Infrastructure Program (GRIP)

Applicability

The bill for gas or transportation service supplied to a Customer in any Billing Period shall be adjusted as follows:

The GRIP factors for the period from the first billing cycle for January 2018~~9~~ through the last billing cycle for December 2019~~8~~ are as follows:

<u>Rate Class</u>	<u>Rates Per Therm</u>
Rate Schedule RS	<del>\$0.24395</del> <u>\$0.21356</u>
Schedule GS-1	<del>\$0.16442</del> <u>\$0.13672</u>
Rate Schedule GS-2	<del>\$0.16442</del> <u>\$0.13672</u>
Rate Schedule GSTS-1	<del>\$0.16442</del> <u>\$0.13672</u>
Rate Schedule GSTS-2	<del>\$0.16442</del> <u>\$0.13672</u>
Rate Schedule LVS	<del>\$0.09644</del> <u>\$0.08606</u>
Schedule LVTS	<del>\$0.09644</del> <u>\$0.08606</u>
Schedule IS	<del>\$0.06494</del> <u>\$0.05830</u>
Schedule ITS	<del>\$0.06494</del> <u>\$0.05830</u>
Schedule GLS	<del>\$0.37921</del> <u>\$0.37469</u>
Rate Schedule GLSTS	<del>\$0.37921</del> <u>\$0.37469</u>
Rate Schedule NGV	<del>\$0.16442</del> <u>\$0.13672</u>
Rate Schedule NGVTS	<del>\$0.16442</del> <u>\$0.13672</u>

*RATE SCHEDULES*  
*MONTHLY RATE ADJUSTMENTS*

Rate Schedule MRA  
(Continued from Sheet No. 105.1)

7. GAS INFRASTRUCTURE REPLACEMENT PROGRAM (GRIP) (Experimental):

Applicability:

All Customers, assigned to a TTS Shipper, receiving Transportation Service from the Company and are assigned to or have selected rate schedules FTS-A (Exp), FTS-B (Exp), FTS-1 (Exp), FTS-2 (Exp), FTS-2.1 (Exp), FTS-3 (Exp), and FTS-3.1 (Exp).

The Firm Transportation Charge for Transportation Service to each applicable rate classification shall be adjusted by the following recovery factors. The recovery factors for all meters read for the period January 1, 2018~~9~~ through December 31, 2018~~9~~ for each rate classification are as follows:

Consumer Rate Schedule	Rate per bill	
FTS-A (Exp)	\$	<u>3.394.19</u>
FTS-B (Exp)	\$	<u>1.882.22</u>
FTS-1 (Exp)	\$	<u>1.812.04</u>
FTS-2 (Exp)	\$	<u>7.378.55</u>
FTS-2.1 (Exp)	\$	<u>13.8215.90</u>
FTS-3 (Exp)	\$	<u>17.4819.96</u>
FTS-3.1 (Exp)	\$	<u>37.5943.37</u>

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(Continued to Sheet No. 105.3)

*RATE SCHEDULES*  
*MONTHLY RATE ADJUSTMENTS*

Rate Schedule MRA

7. GAS REPLACEMENT INFRASTRUCTURE PROGRAM (GR1P):

Applicability:

All Customers receiving Transportation Service from the Company and are assigned to or have selected rate schedules FTS-A, FTS-B, FTS-1, FTS-2, FTS-2.1, FTS-3, FTS-3.1, FTS-4, FTS-5, FTS-6, FTS-7, FTS-8, FTS-9, FTS-10, FTS-11, FTS-12, and FTS-13.

The Usage Rate for Transportation Service to each applicable rate classification shall be adjusted by the following recovery factors. The recovery factors for all meters read for the period January 1, 2019 through December 31, 2019 for each rate classification are as follows:

<u>Rate Schedule</u>	<u>Classification of Service</u>	<u>Rate per therm</u>
FTS A	< 130 therms	\$0.70423
FTS-B	> 130 therms up to 250 therms	\$0.21886
FTS-1	> 0 up to 500 therms	\$0.13593
FTS-2	> 500 therms up to 1,000 therms	\$0.14607
FTS-2.1	> 1,000 therms up to 2,500 therms	\$0.13888
FTS-3	> 2,500 therms up to 5,000 therms	\$0.06580
FTS-3.1	> 5,000 therms up to 10,000 therms	\$0.07337
FTS-4	> 10,000 therms up to 25,000- therms	\$0.08382
FTS-5	> 25,000 therms up to 50,000 therms	\$0.08837
FTS-6	> 50,000 therms up to 100,000 therms	\$0.06666
FTS-7	> 100,000 therms up to 200,000 therms	\$0.09056
FTS-8	> 200,000 therms up to 400,000 therms	\$0.08269
FTS-9	> 400,000 therms up to 700,000 therms	\$0.15897
FTS-10	> 700,000 therms up to 1,000,000 therms	\$0.11276
FTS-11	> 1,000,000 therms up to 2,500,000 therms	\$0.15044
FTS-12	> 2,500,000 therms up to 12,500,000	\$0.03753
FTS-13	> 12,500,000 therms	N/A

(Continued to Sheet No. 105.2)



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*BILLING ADJUSTMENTS*

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Gas Reliability Infrastructure Program (GRIP)

Applicability

The bill for gas or transportation service supplied to a Customer in any Billing Period shall be adjusted as follows:

The GRIP factors for the period from the first billing cycle for January 2019 through the last billing cycle for December 2019 are as follows:

<u>Rate Class</u>	<u>Rates Per Therm</u>
Rate Schedule RS	\$0.29382
Rate Schedule GS-1	\$0.08883
Rate Schedule GS-2	\$0.08883
Rate Schedule GSTS-1	\$0.08883
Rate Schedule GSTS-2	\$0.08883
Rate Schedule LVS	\$0.00000
Rate Schedule LVTS	\$0.00000
Rate Schedule IS	\$0.00000
Rate Schedule ITS	\$0.00000
Rate Schedule GLS	\$0.00000
Rate Schedule GLSTS	\$0.00000
Rate Schedule NGV	\$0.00000
Rate Schedule NGVTS	\$0.00000

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*BILLING ADJUSTMENTS*

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Gas Reliability Infrastructure Program (GRIP)

Applicability

The bill for gas or transportation service supplied to a Customer in any Billing Period shall be adjusted as follows:

The GRIP factors for the period from the first billing cycle for January 20198 through the last billing cycle for December 20189 are as follows:

<u>Rate Class</u>	<u>Rates Per Therm</u>
Rate Schedule RS	<del>\$0.08198</del> <u>\$0.29382</u>
Rate Schedule GS-1	<del>\$0.02325</del> <u>\$0.08883</u>
Rate Schedule GS-2	<del>\$0.02325</del> <u>\$0.08883</u>
Rate Schedule GSTS-1	<del>\$0.02325</del> <u>\$0.08883</u>
Rate Schedule GSTS-2	<del>\$0.02325</del> <u>\$0.08883</u>
Rate Schedule LVS	\$0.00000
Rate Schedule LVTS	\$0.00000
Rate Schedule IS	\$0.00000
Rate Schedule ITS	\$0.00000
Rate Schedule GLS	\$0.00000
Rate Schedule GLSTS	\$0.00000
Rate Schedule NGV	\$0.00000
Rate Schedule NGVTS	\$0.00000

ATTACHMENT B

Florida Public Utilities Company, Florida Public Utilities Company – Indiantown Division,  
Florida Public Utilities Company-Fort Meade, and  
The Florida Division of Chesapeake Utilities Corporation

*For Demonstrative Purposes Only*

GRIP Schedules Reflecting Tax Flow Through

**Attachment B**

**Florida Public Utilities Company**  
 Gas Reliability Infrastructure Program (GRIP)  
 Projection of Qualified Mains & Services Revenue Requirements  
 Surcharge Calculation - January 1, 2019 through December 31, 2019  
 Per Therm Rate

1. 1/1/19-12/31/19 Qualified Mains & Services Replacement Revenue Requirements			\$10,666,754
Mains	74%	\$7,893,398	
Services	26%	<u>\$2,773,356</u>	
Net		<u><u>\$10,666,754</u></u>	
2. 2018 Tax Savings Refund			\$ (1,040,141)
2. TRUE-UP from Prior Period (Over)/Under Recovery Estimated thru 12/2018			\$ (1,413,891)
3. 2019 Qualified Mains & Services Replacement Revenue Requirements			\$ 8,212,722
Mains	74%	\$6,077,414	
Services	26%	<u>\$2,135,308</u>	
Net		<u><u>\$8,212,722</u></u>	

RATE SCHEDULE	2019 THERMS	SERVICES COS %	MAINS COS %	SERVICES REV REQ	MAINS REV REQ	GRIP REV REQ	DOLLARS PER THERM	TAX FACTOR	GRIP FACTORS PER THERM	TYPICAL ANNUAL THERMS	ANNUAL COST	AVERAGE MONTHLY COST
RESIDENTIAL	13,655,661	58.00%	22.00%	\$1,238,479	\$1,337,031	\$2,575,510	\$0.18860	1.00503	\$0.18955	250	\$47.39	\$3.95
COMMERCIAL SMALL (General Service & GS Transportation & NGVS & NGVTS)	14,582,963	17.00%	23.00%	\$363,002	\$1,397,805	\$1,760,808	\$0.12074	1.00503	\$0.12135	2,500	\$303.38	\$25.28
COMM. LRG VOLUME (Large Vol & LV Transportation)	43,808,650	25.00%	46.00%	\$533,827	\$2,795,610	\$3,329,437	\$0.07600	1.00503	\$0.07638	25,000	\$1,909.55	\$159.13
INTERRUPTIBLE SERVICE (Int Service & IS Transportation)	9,443,163	0.00%	8.00%	\$0	\$486,193	\$486,193	\$0.05149	1.00503	\$0.05175	50,000	\$2,587.26	\$215.61
GENERAL LIGHTING SERVICE ( Gen Light Service & GLS Transportation)	183,662	0.00%	1.00%	\$0	\$60,774	\$60,774	\$0.33090	1.00503	\$0.33257	500	\$166.28	\$13.86
<b>TOTAL</b>	<u><u>81,674,100</u></u>	<u><u>100.00%</u></u>	<u><u>100.00%</u></u>	<u><u>\$2,135,308</u></u>	<u><u>\$6,077,414</u></u>	<u><u>\$8,212,722</u></u>						

**Florida Division of Chesapeake Utilities Corporation**

Gas Reliability Infrastructure Program (GRIP)

Projection of Qualified Mains & Services Revenue Requirements

Surcharge Calculation - January 1, 2019 through December 31, 2019

Per Therm/Bill Rate

1.	1/1/19-12/31/19 Qualified Mains & Services Replacement Revenue Requirements		\$	3,868,130
	Mains	96%	\$3,713,405	
	Services	4%	\$154,725	
	Net		<u>\$3,868,130</u>	
2.	2018 Tax Savings Refund		\$	(324,362)
3.	TRUE-UP from Prior Period (Over)/Under Recovery Estimated thru 12/2017		\$	301,825
4.	2019 Qualified Mains & Services Replacement Revenue Requirements		\$	3,845,593
	Mains	96%	\$3,691,770	
	Services	4%	\$153,824	
	Net		<u>\$3,845,594</u>	

RATE CLASS	2019 BILLS	2019 THERMS	SERVICES COS %	MAINS COS %	SERVICES REV REQ	MAINS REV REQ	GRIP REV REQ	DOLLARS PER THERM	EXPANSION FACTOR	GRIP FACTORS PER THERM	\$ PER BILL	EXPANSION FACTOR	Experimental		TYPICAL ANNUAL THERMS	ANNUAL COST	AVERAGE MONTHLY COST
													GRIP FACTORS PER BILL	ANNUAL COST PER BILL			
FTS-A	14,868	88,467	14.34%	0.951%	\$ 22,058	\$ 35,109	\$57,167	\$0.64620	1.00503	\$ 0.64945	\$ 3.84	1.00503	\$ 3.86	\$ 46.37	110	\$71.44	\$5.95
FTS-B	28,047	284,540	9.74%	1.142%	\$ 14,982	\$ 42,160	\$57,142	\$0.20082	1.00503	\$ 0.20183	\$ 2.04	1.00503	\$ 2.05	\$ 24.57	215	\$43.39	\$3.62
FTS-1	143,301	2,152,404	33.87%	5.861%	\$ 52,100	\$ 216,375	\$268,475	\$0.12473	1.00503	\$ 0.12536	\$ 1.87	1.00503	\$ 1.88	\$ 22.60	275	\$34.47	\$2.87
FTS-2	10,070	589,377	12.69%	1.611%	\$ 19,520	\$ 59,474	\$78,994	\$0.13403	1.00503	\$ 0.13470	\$ 7.84	1.00503	\$ 7.88	\$ 94.61	875	\$117.87	\$9.82
FTS-2.1	8,905	1,019,525	7.83%	3.193%	\$ 12,044	\$ 117,878	\$129,922	\$0.12743	1.00503	\$ 0.12807	\$ 14.59	1.00503	\$ 14.66	\$ 175.96	1,575	\$201.72	\$16.81
FTS-3	3,488	1,058,231	3.93%	1.567%	\$ 6,045	\$ 57,850	\$63,895	\$0.06038	1.00503	\$ 0.06068	\$ 18.32	1.00503	\$ 18.41	\$ 220.93	4,000	\$242.73	\$20.23
FTS-3.1	4,135	2,443,850	3.91%	4.294%	\$ 6,015	\$ 158,525	\$164,540	\$0.06733	1.00503	\$ 0.06767	\$ 39.79	1.00503	\$ 39.99	\$ 479.91	7,300	\$493.97	\$41.16
FTS-4		3,045,171	4.37%	6.162%	\$ 6,722	\$ 227,487	\$234,209	\$0.07691	1.00503	\$ 0.07730					12,500	\$966.23	\$80.52
FTS-5		1,193,628	1.24%	2.570%	\$ 1,907	\$ 94,878	\$96,785	\$0.08108	1.00503	\$ 0.08149					37,500	\$3,055.97	\$254.66
FTS-6		1,691,324	1.25%	2.750%	\$ 1,923	\$ 101,524	\$103,447	\$0.06116	1.00503	\$ 0.06147					75,000	\$4,610.32	\$384.19
FTS-7		3,423,797	2.20%	7.615%	\$ 3,384	\$ 281,128	\$284,512	\$0.08310	1.00503	\$ 0.08352					150,000	\$12,527.46	\$1,043.95
FTS-8		5,242,982	1.62%	10.708%	\$ 2,492	\$ 395,315	\$397,807	\$0.07587	1.00503	\$ 0.07626					300,000	\$22,876.75	\$1,906.40
FTS-9		3,855,159	1.48%	15.171%	\$ 2,277	\$ 560,078	\$562,355	\$0.14587	1.00503	\$ 0.14660					550,000	\$80,632.47	\$6,719.37
FTS-10		2,339,730	0.45%	6.539%	\$ 692	\$ 241,405	\$242,097	\$0.10347	1.00503	\$ 0.10399					850,000	\$88,393.77	\$7,366.15
FTS-11		3,630,703	0.61%	13.551%	\$ 938	\$ 500,272	\$501,210	\$0.13805	1.00503	\$ 0.13874					1,750,000	\$242,798.57	\$20,233.21
FTS-12		17,512,520	0.47%	16.315%	\$ 723	\$ 602,312	\$603,035	\$0.03443	1.00503	\$ 0.03461					3,000,000	\$103,823.14	\$8,651.93
FTS-13		N/A	N/A	0.000%	\$ -	\$ -	\$0	N/A		N/A					-	N/A	
TOTAL	212,814	49,571,405	100.00%	100.000%	\$ 153,824	\$ 3,691,770	\$ 3,845,592										

**Florida Public Utilities Company-Fort Meade**  
Gas Reliability Infrastructure Program (GRIP)  
Projection of Qualified Mains & Services Revenue Requirements  
Surcharge Calculation - January 1, 2019 through December 31, 2019  
Per Therm Rate

1. 1/1/19-12/31/19 Qualified Mains & Services Replacement Revenue Requirements	\$	29,579
Mains	0%	\$0
Services	100%	<u>\$29,579</u>
Net		<u><u>\$29,579</u></u>
2. TRUE-UP from Prior Period (Over)/Under Recovery Estimated thru 12/2018	\$	6,178
<i>2018 Tax Savings Refund - [Docket No. 20180053-GU: FT. Meade has proposed retaining the \$2,376 in 2018 savings]</i>		
3. 2019 Qualified Mains & Services Replacement Revenue Requirements	\$	35,757
Mains	0%	\$0
Services	100%	<u>\$35,757</u>
Net		<u><u>\$35,757</u></u>

RATE SCHEDULE	2019 THERMS	SERVICES COS %	MAINS COS %	SERVICES REV REQ	MAINS REV REQ	GRIP REV REQ	DOLLARS PER THERM	TAX FACTOR	GRIP FACTORS PER THERM	TYPICAL ANNUAL THERMS	ANNUAL COST	AVERAGE MONTHLY COST
RESIDENTIAL	70,940	58.00%	22.00%	\$20,739	\$0	\$20,739	\$0.29235	1.00503	\$0.29382	250	\$73.45	\$6.12
COMMERCIAL SMALL (General Service & GS Transportation)	68,773	17.00%	23.00%	\$6,079	\$0	\$6,079	\$0.08839	1.00503	\$0.08883	2,500	\$222.08	\$18.51
COMM. LRG VOLUME (Large Vol & LV Transportation)	0	25.00%	46.00%	\$8,939	\$0	\$8,939	\$0.00000	1.00503	\$0.00000	25,000	\$0.00	\$0.00
INTERRUPTIBLE SERVICE (Int Service & IS Transportation)	0	0.00%	8.00%	\$0	\$0	\$0	\$0.00000	1.00503	\$0.00000	50,000	\$0.00	\$0.00
GENERAL LIGHTING SERVICE	0	0.00%	1.00%	\$0	\$0	\$0	\$0.00000	1.00503	\$0.00000	500	\$0.00	\$0.00
TOTAL	<u>139,713</u>	<u>100.00%</u>	<u>100.00%</u>	<u>\$35,757</u>	<u>\$0</u>	<u>\$35,757</u>						

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Gas Reliability Infrastructure Program

DIRECT TESTIMONY OF GEOFFREY ALEXANDER WIGHT

On behalf of

Florida Public Utilities Company,

Florida Division of Chesapeake Utilities Corporation and Florida Public Utilities

Company-Fort Meade

**Q. Please state your name, occupation, and business address.**

A. My name is Geoffrey Alexander Wight. I am employed by Florida Public Utilities Company (FPUC or Company) as a Senior Regulatory Analyst. My business address is 1641 Worthington Road, Suite 220, West Palm Beach, FL 33409

**Q. Describe briefly your education and relevant professional background.**

A. I graduated from the University of North Florida in 2014 with a BBA in Finance and a BBA in Economics. I began my career at Tyco Integrated Security in 2014 as a Financial Analyst. In 2015, I was employed by FPUC and began working as a Business Planning Analyst, budgeting and forecasting for the Electric Division. In 2017, I took a new role as a Senior Business Planning Analyst primarily working on strategic planning and analyzing capital investments. At the end of 2017, I moved into the Regulatory Department as a Senior Regulatory Analyst focusing on revenue analytics for the regulated business units and the PGA.

**Q. Have you filed testimony before the Florida Public Service Commission in prior cases?**

A. Yes, I have submitted written, pre-filed testimony in the Actual True-Up, as well as the 2019 Projection for the Company's annual PGA proceeding, Docket No 20180003-GU.

1 **Q. Are you familiar with the Gas Reliability Infrastructure Program (“GRIP”) of**  
2 **the Company and the associated projected and actual revenues and costs?**

3 A. Yes.

4 **Q. What is the purpose of your testimony in this docket?**

5 A. My testimony will provide the actual true-up for January 1, 2017 to December 1,  
6 2017 and the actual/estimated true-up based on seven months actual 2018 data and  
7 five months projected 2018 data. My testimony will describe the Company’s forecast  
8 of GRIP investment for natural gas mains and services for 2019. Finally, I will  
9 summarize the computations that are contained in composite exhibit GAW-1  
10 supporting the January through December 2019 projected GRIP surcharge factors for  
11 the FPUC, Florida Division of Chesapeake Utilities Corporation (CFG), and Fort  
12 Meade natural gas divisions.

13 **Q. Which set of schedules has your company completed and filed?**

14 A. The Company has prepared and filed in composite Exhibit GAW-1, Schedules A, B,  
15 C, and D that support the calculation of the yearly GRIP surcharge factors for  
16 January 2019 through December 2019 for FPUC, CFG and Fort Meade.

17 **Q. Were the schedules filed by the Company completed by you or under your**  
18 **direct supervision?**

19 A. Yes, they were completed by me.

20 **Q. What is the projection period for this filing?**

21 A. The projection period is January through December 2019.

22 **Q. What is the appropriate final GRIP true-up amount for the period**  
23 **January through December 2017?**

24 A. As shown on Schedule B-1, page 2 of 15, the total over-recovery for FPUC is  
25 \$2,231,264 inclusive of interest and CFG, Schedule B-1 page 7 of 15, has a total  
26 under-recovery of \$161,174 inclusive of interest. Fort Meade, Schedule B-1 page 12



1 of 15, has a total over-recovery of \$13,528 inclusive of interest.

2 **Q. What is the projected GRIP true-up amount for the period January through**  
3 **December 2018?**

4 A. For FPUC, the projected GRIP true-up amount is an under-recovery of \$817,373  
5 inclusive of interest, for the period January through December 2018. CFG has  
6 projected an under-recovery for the same period of \$137,652 inclusive of interest.  
7 Fort Meade has projected an under-recovery for the same period of \$19,707 inclusive  
8 of interest.

9 **Q. What is the total projected GRIP true-up amount to be collected from or**  
10 **refunded to customers for the period January through December 2018?**

11 A. As shown on Schedule C-1, page 3 of 15, the total net over-recovery to be refunded  
12 for FPUC is \$1,413,891 and CFG, Schedule C-1 page 8 of 15, has a total net under-  
13 recovery of \$301,825 to be collected for the period January through December 2018.  
14 Fort Meade, Schedule C-1 page 13 of 15, has a total net under-recovery of \$6,178 to  
15 be collected.

16 **Q. Was there an impact to GRIP associated with the Tax Cuts and Jobs Act of**  
17 **2017<sup>1</sup> (“Act”)?**

18 A. Yes. The new tax rate has been utilized for purposes of our projections.

19 **Q. How will the Company handle the impact of the Act on GRIP in 2018?**

20 A. The Commission has opened separate dockets to address this issue for each of the  
21 Company’s business units. For reference purposes, in two of those dockets, a refund  
22 has been proposed by the Company’s business units. The proposed refund in Docket  
23 20180051-GU, which applies to FPUC, is \$1,040,141, while the proposed refund in  
24 Docket 20180054, which applies to CFG, is \$324,362.

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1 HR-1, Pub. L. No. 115-97, December 22, 2017, 131 Stat 2054.

1    **Q.    Please describe how the forecasts for the replacement of qualifying distribution**  
2           **mains and services were developed for the projection period.**

3    A.    In the initial joint petition for approval of GRIP (Order No. PSC-12-0490-TRF-GU),  
4           FPUC and CFG reviewed the remaining eligible infrastructure and developed a  
5           replacement plan based on our Distribution Integrity Management Program  
6           (“DIMP”) and estimated it would take approximately 10 years to replace our bare  
7           steel and cast iron facilities at an accelerated pace. Both Companies prioritized the  
8           potential replacement projects focusing initially on areas of high consequence and  
9           areas more susceptible to corrosion. FPUC provides service to large metropolitan  
10          areas and the replacement of eligible infrastructure in high-density, urban areas  
11          typically cost more than areas that are primarily rural. FPUC and CFG have  
12          continued to replace eligible infrastructure aggressively. The Company continues to  
13          discover new bare steel, cast iron and steel tubing mains and services for replacement  
14          that was not included in the original petition. For example, the Company discovered  
15          steel tubing services in Fort Meade that require replacing.

16   **Q.    Please describe how the forecasts of the revenue requirements are developed for**  
17           **the projection period.**

18   A.    The projected revenue requirements include several components: 1) the return on  
19          estimated qualified investments for the projection period as calculated using the  
20          equity and debt components of the weighted average cost of capital from each  
21          companies respective prior rate cases. 2) depreciation expense (respectively  
22          calculated using the currently approved depreciation rates) and 3) expenses for  
23          customer and general public notifications associated with GRIP and ad valorem  
24          taxes, grossed up for federal and state income taxes. Since FPUC has a bare steel  
25          replacement and recovery program, originally approved in the Company’s 2004 rate  
26          case proceeding, the revenue requirement is net of the existing bare steel program,

1 which equates to \$747,727 embedded in base rate revenues. CFG and Fort Meade do  
2 not have any recovery amounts embedded in their base rates. The 2019 projected  
3 mains and services to be replaced are shown on Exhibit GAW-1, Schedule C-1, pages  
4 4, 9 and 14. FPUC is expecting to invest \$8,500,000 in mains and \$3,500,000 for  
5 services. CFG is expecting to invest \$2,700,000 in mains, and \$300,000 in services  
6 and Fort Meade is expecting to invest \$20,000 in services.

7 **Q. What are the resulting net total projected revenue requirements to be recovered**  
8 **during this projection period?**

9 A. The total projected revenue requirements to be recovered are \$9,252,863 for FPUC,  
10 Schedule D-1 page 5 of 15, \$4,169,955 for CFG, Schedule D-1 page 10 of 15, and  
11 \$35,757 for Fort Meade, Schedule D-1 page 14 of 15.

12 **Q. Have you prepared a schedule that shows the calculation of the proposed GRIP**  
13 **surcharges for each rate class to be applied during the billing period**  
14 **January 1, 2019 through December 31, 2019?**

15 A. Yes, Please see Schedule D-1 pages 5, 10 and 15 for FPUC, CFG, and Fort Meade,  
16 respectively. For CFG, rate class FTS-13 is excluded from the GRIP surcharge factor  
17 calculation because there are no customers in the rate class and it is closed.

18 **Q. What should be the effective date of the GRIP surcharge factors for billing**  
19 **purposes?**

20 A. The GRIP surcharge factors should be effective for all meter reading during the  
21 period of January 1, 2019 through December 31, 2019.

22 **Q. Does this conclude your testimony?**

23 A. Yes, it does.

**Florida Public Utilities Company**  
 Gas Reliability Infrastructure Program (GRIP)  
 Calculation of Equity and Debt Returns

Schedule A-1  
 Exhibit \_\_\_\_\_  
 Geoffrey A Wight (GAW-1)  
 Page 1 of 15

Earnings Surveillance Report - December 31, 2017

Equity Cost Rate	10.85%
Weighted Equity Cost Rate	4.73%
Revenue Expansion Factor	1.3500
Weighted Equity Cost Rate , times Revenue Expansion Factor	<u>6.390%</u>
Long Term Debt-CU	0.690%
Short Term Debt	0.380%
Long Term Debt-FC	0.290%
Short Term Debt-Refinanced LTD	0.000%
Customer Deposits	0.080%
Weighted Debt Cost Rate	<u>1.440%</u>
Overall Weighted Cost Rate	<u>6.17%</u>

**Florida Public Utilities Company**  
 Gas Reliability Infrastructure Program (GRIP)  
 Calculation of the Projected Revenue Requirements  
 January 1, 2017 through December 31, 2017

Schedule B-1  
 Exhibit  
 Geoffrey A Wight (GAW-1)  
 Page 2 of 15

Item	Beginning Balance	Actual Jan	Actual Feb	Actual Mar	Actual Apr	Actual May	Actual Jun	Actual Jul	Actual Aug	Actual Sep	Actual Oct	Actual Nov	Actual Dec	Year End Total/Balance
<b>Qualified Investment</b>														
Qualified Investment - Mains - Current Year 1070 Activity		\$330,017	\$455,719	\$434,089	\$306,338	\$191,053	\$446,144	\$518,387	\$348,259	\$272,736	\$549,557	\$931,110	\$531,492	\$5,314,900
Qualified Investment - Mains - Closed 1070 Activity to Plant		\$0	(\$336,801)	(\$161,074)	(\$733,288)	(\$192,464)	\$0	(\$788,423)	(\$605,709)	(\$287,150)	(\$179,504)	\$0	(\$2,064,140)	(\$5,348,554)
Qualified Investment - Services - Current Year 1070 Activity		\$213,896	\$185,403	\$165,184	\$211,894	\$162,992	\$153,407	\$155,783	\$101,847	\$335,356	\$79,602	\$62,930	\$65,526	\$1,893,820
Qualified Investment - Services - Closed 1070 Activity to Plant		\$0	(\$329,347)	(\$37,850)	(\$309,284)	(\$168,217)	(\$192,024)	(\$73,411)	(\$178,398)	(\$96,422)	(\$323,670)	\$0	(\$179,876)	(\$1,888,498)
Qualified Investment - Mains - Current 1010 Activity		\$0	\$336,801	\$161,074	\$733,288	\$192,464	\$0	\$788,423	\$605,709	\$287,150	\$179,504	\$0	\$2,064,140	\$5,348,554
Qualified Investment - Services - Current 1010 Activity		\$0	\$329,347	\$37,850	\$309,284	\$168,217	\$192,024	\$73,411	\$178,398	\$96,422	\$323,670	\$0	\$179,876	\$1,888,498
<b>Total Qualified Investment - Mains 1070</b>	\$440,847	\$770,864	\$889,782	\$1,162,797	\$735,847	\$734,436	\$1,180,579	\$910,543	\$653,094	\$638,679	\$1,008,733	\$1,939,843	\$407,194	\$407,194
Total Qualified Investment - Service 1070	\$0	\$213,896	\$69,952	\$197,286	\$99,897	\$94,672	\$56,055	\$138,427	\$61,876	\$300,810	\$56,742	\$119,672	\$5,322	\$5,322
Total Qualified Investment - Mains 1010	\$60,714,424	\$60,714,424	\$61,051,225	\$61,212,299	\$61,945,587	\$62,138,052	\$62,138,052	\$62,926,475	\$63,532,183	\$63,819,334	\$63,998,837	\$63,998,837	\$66,062,978	\$66,062,978
Total Qualified Investment - Service 1010	\$18,971,549	\$18,971,549	\$19,300,896	\$19,338,746	\$19,648,030	\$19,816,247	\$20,008,271	\$20,081,682	\$20,260,080	\$20,356,502	\$20,680,172	\$20,680,172	\$20,860,048	\$20,860,048
<b>Total Qualified Investment</b>	<b>\$80,126,821</b>	<b>\$80,670,734</b>	<b>\$81,311,856</b>	<b>\$81,911,129</b>	<b>\$82,429,361</b>	<b>\$82,783,406</b>	<b>\$83,382,957</b>	<b>\$84,057,127</b>	<b>\$84,507,233</b>	<b>\$85,115,325</b>	<b>\$85,744,484</b>	<b>\$86,738,524</b>	<b>\$87,335,542</b>	<b>\$87,335,542</b>
Less: Accumulated Depreciation	(\$3,470,070)	(\$3,644,304)	(\$3,818,538)	(\$3,994,243)	(\$4,170,381)	(\$4,348,805)	(\$4,528,024)	(\$4,707,675)	(\$4,889,200)	(\$5,072,438)	(\$5,256,515)	(\$5,441,710)	(\$5,626,904)	(\$5,626,904)
Net Book Value	\$76,656,751	\$77,026,430	\$77,493,318	\$77,916,886	\$78,258,980	\$78,434,602	\$78,854,934	\$79,349,452	\$79,618,034	\$80,042,887	\$80,487,969	\$81,296,814	\$81,708,638	\$81,708,638
<b>Average Net Qualified Investment</b>		<b>\$76,841,590</b>	<b>\$77,259,874</b>	<b>\$77,705,102</b>	<b>\$78,087,933</b>	<b>\$78,346,791</b>	<b>\$78,644,768</b>	<b>\$79,102,193</b>	<b>\$79,483,743</b>	<b>\$79,830,460</b>	<b>\$80,265,428</b>	<b>\$80,892,392</b>	<b>\$81,502,726</b>	
<b>Depreciation Rates</b>														
Approved Depreciation Rate-Mains		2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%
Approved Depreciation Rate-Services		2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%
<b>Return on Average Net Qualified Investment</b>														
Equity - Cost of Capital, inclusive of Income Tax Gross-up		7.8600%	7.8600%	7.8600%	7.8600%	7.8600%	7.8600%	7.8600%	7.8600%	7.8600%	7.8600%	7.8600%	7.8600%	7.8600%
Debt - Cost of Capital		1.4100%	1.4100%	1.4100%	1.4100%	1.4100%	1.4100%	1.4100%	1.4100%	1.4100%	1.4100%	1.4100%	1.4100%	1.4100%
<b>Equity Component - inclusive of Income Tax Gross-up</b>	\$503,312	\$506,052	\$508,968	\$511,476	\$513,171	\$515,123	\$518,119	\$520,619	\$522,890	\$525,739	\$529,845	\$533,843	\$537,843	\$6,209,158
Debt Component	\$90,289	\$90,780	\$91,303	\$91,753	\$92,057	\$92,408	\$92,945	\$93,393	\$93,801	\$94,312	\$95,049	\$95,766	\$96,526	\$1,113,857
Return Requirement	\$593,601	\$596,833	\$600,272	\$603,229	\$605,229	\$607,531	\$611,064	\$614,012	\$616,690	\$620,050	\$624,894	\$629,609	\$634,369	\$7,323,014
<b>Investment Expenses</b>														
Depreciation Expense - Mains		\$131,548	\$131,548	\$132,278	\$132,627	\$134,215	\$134,632	\$134,632	\$136,341	\$137,653	\$138,275	\$138,664	\$138,664	\$1,621,078
Depreciation Expense - Services		\$42,686	\$42,686	\$43,427	\$43,512	\$44,208	\$44,587	\$45,019	\$45,184	\$45,585	\$45,802	\$46,530	\$46,530	\$555,756
Property Taxes		\$127,761	\$127,761	\$127,761	\$127,761	\$127,761	\$127,761	\$127,761	\$127,761	\$127,761	\$127,761	\$127,761	\$127,761	\$1,533,135
General Public Notice Expense & Customer Notice Expense		\$0	\$0	\$0	\$0	\$875	\$7,124	\$0	\$0	\$4,694	\$484	\$0	\$0	\$13,178
Total Expense		\$301,995	\$301,995	\$303,466	\$303,900	\$307,059	\$314,105	\$307,412	\$309,286	\$315,693	\$312,323	\$312,956	\$312,956	\$3,703,147
<b>Total Revenue Requirements</b>	\$895,596	\$898,828	\$903,738	\$907,129	\$912,288	\$921,636	\$918,477	\$923,298	\$932,384	\$932,374	\$937,850	\$942,564	\$942,564	\$11,026,161
<b>Annual Revenue Requirement for Bare Steel Replacement Investment</b>	\$62,310	\$62,310	\$62,310	\$62,310	\$62,310	\$62,310	\$62,310	\$62,310	\$62,310	\$62,310	\$62,310	\$62,310	\$62,310	\$747,727
<b>Net Annual Revenue Requirements</b>	\$833,286	\$836,518	\$841,428	\$844,819	\$849,978	\$859,326	\$856,167	\$860,988	\$870,074	\$870,064	\$875,540	\$880,247	\$880,247	\$10,278,434
<b>GRIP Surcharge Revenues Collected Month</b>	\$1,506,872	\$1,365,764	\$1,393,571	\$1,270,509	\$1,050,178	\$1,006,048	\$952,034	\$899,658	\$1,041,602	\$978,266	\$1,126,638	\$1,365,863	\$1,365,863	\$13,957,004
<b>Beginning True-Up</b>														\$1,456,443
(Over) and Under Recovery for the Month	\$ (673,586)	\$ (529,246)	\$ (552,143)	\$ (425,690)	\$ (200,200)	\$ (146,722)	\$ (95,867)	\$ (38,670)	\$ (171,528)	\$ (108,202)	\$ (251,099)	\$ (485,616)	\$ (485,616)	\$ (3,678,570)
Monthly Interest (Expense)/Income	\$ 582	\$ 270	\$ (13)	\$ (347)	\$ (585)	\$ (728)	\$ (930)	\$ (1,081)	\$ (1,191)	\$ (1,321)	\$ (1,568)	\$ (2,225)	\$ (2,225)	\$ (9,137)
Ending (Over) and Under Recovery	\$ 1,456,443	\$ 783,440	\$ 254,463	\$ (297,693)	\$ (723,729)	\$ (924,514)	\$ (1,071,965)	\$ (1,168,762)	\$ (1,208,513)	\$ (1,381,232)	\$ (1,490,756)	\$ (1,743,423)	\$ (2,231,264)	\$ (2,231,264)
<b>End of Month Annual Interest Rate</b>	0.63%	0.62%	0.63%	0.80%	0.84%	0.86%	0.90%	1.08%	1.11%	1.09%	1.12%	1.20%	1.20%	1.20%
<b>End of Month Annual Interest Rate</b>	0.62%	0.63%	0.800%	0.840%	0.86%	0.90%	1.08%	1.11%	1.09%	1.12%	1.20%	1.20%	1.49%	1.49%
<b>Average Monthly Interest Rate</b>	0.052%	0.052%	0.060%	0.068%	0.071%	0.073%	0.083%	0.091%	0.092%	0.092%	0.097%	0.097%	0.112%	0.112%

**Florida Public Utilities Company**  
 Gas Reliability Infrastructure Program (GRIP)  
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Item	Beginning Balance	Actual Jan	Actual Feb	Actual Mar	Actual Apr	Actual May	Actual Jun	Actual Jul	Forecast Aug	Forecast Sep	Forecast Oct	Forecast Nov	Forecast Dec	Year End Total/Balance
Qualified Investment														
Qualified Investment - Mains - Current Year 1070 Activity		\$326,853	\$531,442	\$1,330,778	\$409,002	\$527,490	\$171,753	\$177,133	\$266,925	\$266,925	\$266,925	\$266,925	\$266,925	\$4,809,076
Qualified Investment - Mains - Closed 1070 Activity to Plant			(\$712,143)	(\$1,031,358)	(\$432,533)	(\$205,277)	(\$1,064,690)	(\$222,909)	(\$266,925)	(\$266,925)	(\$266,925)	(\$266,925)	(\$266,925)	(\$5,003,535)
Qualified Investment - Services - Current Year 1070 Activity		\$39,526	\$35,740	\$224,492	\$43,381	\$237,879	\$154,820	\$143,303	\$88,975	\$88,975	\$88,975	\$88,975	\$88,975	\$1,324,016
Qualified Investment - Services - Closed 1070 Activity to Plant			(\$58,894)	(\$203,768)	(\$47,093)	(\$109,600)	(\$169,678)	(\$225,049)	(\$88,975)	(\$88,975)	(\$88,975)	(\$88,975)	(\$88,975)	(\$1,258,957)
Qualified Investment - Mains - Current 1010 Activity		\$0	\$712,143	\$1,031,358	\$432,533	\$205,277	\$1,064,690	\$222,909	\$266,925	\$266,925	\$266,925	\$266,925	\$266,925	\$5,003,535
Qualified Investment - Services - Current 1010 Activity		\$0	\$58,894	\$203,768	\$47,093	\$109,600	\$169,678	\$225,049	\$88,975	\$88,975	\$88,975	\$88,975	\$88,975	\$1,258,957
<b>Total Qualified Investment - Mains 1070</b>	<b>\$407,194</b>	<b>\$734,047</b>	<b>\$553,346</b>	<b>\$852,766</b>	<b>\$829,235</b>	<b>\$1,151,447</b>	<b>\$258,511</b>	<b>\$212,735</b>	<b>\$212,735</b>	<b>\$212,735</b>	<b>\$212,735</b>	<b>\$212,735</b>	<b>\$212,735</b>	<b>\$212,735</b>
<b>Total Qualified Investment - Service 1070</b>	<b>\$5,322</b>	<b>\$44,848</b>	<b>\$21,695</b>	<b>\$42,419</b>	<b>\$38,706</b>	<b>\$166,986</b>	<b>\$152,127</b>	<b>\$70,381</b>	<b>\$70,381</b>	<b>\$70,381</b>	<b>\$70,381</b>	<b>\$70,381</b>	<b>\$70,381</b>	<b>\$70,381</b>
<b>Total Qualified Investment - Mains 1010</b>	<b>\$66,062,978</b>	<b>\$66,062,978</b>	<b>\$66,775,121</b>	<b>\$67,806,479</b>	<b>\$68,239,012</b>	<b>\$68,444,289</b>	<b>\$69,508,979</b>	<b>\$69,731,888</b>	<b>\$69,998,813</b>	<b>\$70,265,738</b>	<b>\$70,532,663</b>	<b>\$70,799,588</b>	<b>\$71,066,512</b>	<b>\$71,066,512</b>
<b>Total Qualified Investment - Service 1010</b>	<b>\$20,860,048</b>	<b>\$20,860,048</b>	<b>\$20,918,942</b>	<b>\$21,122,710</b>	<b>\$21,169,803</b>	<b>\$21,279,403</b>	<b>\$21,449,081</b>	<b>\$21,674,130</b>	<b>\$21,763,105</b>	<b>\$21,852,080</b>	<b>\$21,941,055</b>	<b>\$22,030,030</b>	<b>\$22,119,005</b>	<b>\$22,119,005</b>
<b>Total Qualified Investment</b>	<b>\$87,335,542</b>	<b>\$87,701,921</b>	<b>\$88,269,103</b>	<b>\$89,824,373</b>	<b>\$90,276,756</b>	<b>\$91,042,125</b>	<b>\$91,368,698</b>	<b>\$91,689,135</b>	<b>\$92,045,034</b>	<b>\$92,400,934</b>	<b>\$92,756,834</b>	<b>\$93,112,734</b>	<b>\$93,468,634</b>	<b>\$93,468,634</b>
								\$18,288,069	\$16,697,357					
Less: Accumulated Depreciation	(\$5,626,904)	(\$5,816,976)	(\$6,007,047)	(\$6,198,794)	(\$6,393,234)	(\$6,588,718)	(\$6,784,892)	(\$6,983,756)	(\$7,183,608)	(\$7,384,239)	(\$7,585,649)	(\$7,787,837)	(\$7,990,804)	(\$7,990,804)
Net Book Value	\$81,708,638	\$81,884,945	\$82,262,056	\$83,625,579	\$83,883,521	\$84,453,407	\$84,583,805	\$84,705,379	\$84,861,426	\$85,016,695	\$85,171,185	\$85,324,897	\$85,477,830	\$85,477,830
<b>Average Net Qualified Investment</b>	<b>\$81,796,791</b>	<b>\$82,073,501</b>	<b>\$82,943,817</b>	<b>\$83,754,550</b>	<b>\$84,168,464</b>	<b>\$84,518,606</b>	<b>\$84,644,592</b>	<b>\$84,783,403</b>	<b>\$84,939,061</b>	<b>\$85,093,940</b>	<b>\$85,248,041</b>	<b>\$85,401,364</b>		
<b>Depreciation Rates</b>														
Approved Depreciation Rate-Mains		2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%
Approved Depreciation Rate-Services		2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%
<b>Return on Average Net Qualified Investment</b>														
Equity - Cost of Capital, inclusive of Income Tax Gross-up		7.7600%	7.7600%	7.7600%	7.7600%	7.7600%	7.7600%	7.7600%	7.7600%	7.7600%	7.7600%	7.7600%	7.7600%	7.7600%
Debt - Cost of Capital		1.4400%	1.4400%	1.4400%	1.4400%	1.4400%	1.4400%	1.4400%	1.4400%	1.4400%	1.4400%	1.4400%	1.4400%	1.4400%
Equity Component - inclusive of Income Tax Gross-up	\$528,953	\$530,742	\$536,370	\$541,613	\$544,289	\$546,554	\$547,368	\$548,266	\$549,273	\$550,274	\$551,271	\$552,262	\$552,262	\$6,527,234
Debt Component	\$98,156	\$98,488	\$99,533	\$100,505	\$101,002	\$101,422	\$101,574	\$101,740	\$101,927	\$102,113	\$102,298	\$102,482	\$102,482	\$1,211,239
Return Requirement	\$627,109	\$629,230	\$635,903	\$642,118	\$645,292	\$647,976	\$648,942	\$650,006	\$651,199	\$652,387	\$653,568	\$654,744	\$654,744	\$7,738,474
<b>Investment Expenses</b>														
Depreciation Expense - Mains	\$143,136	\$143,136	\$144,679	\$146,914	\$147,851	\$148,296	\$150,603	\$151,086	\$151,664	\$152,242	\$152,821	\$153,399	\$153,399	\$1,785,828
Depreciation Expense - Services	\$46,935	\$46,935	\$47,068	\$47,526	\$47,632	\$47,879	\$48,260	\$48,767	\$48,967	\$49,167	\$49,367	\$49,568	\$49,568	\$578,071
Property Taxes	\$136,181	\$136,181	\$136,181	\$136,181	\$136,181	\$136,181	\$136,181	\$136,181	\$136,181	\$136,181	\$136,181	\$136,181	\$136,181	\$1,634,173
General Public Notice Expense & Customer Notice Expense	\$0	\$0	\$1,971	\$943	\$2,190	\$0	\$708	\$708	\$4,694	\$484	\$0	\$0	\$0	\$11,698
<b>Total Expense</b>	<b>\$326,253</b>	<b>\$326,253</b>	<b>\$329,899</b>	<b>\$331,564</b>	<b>\$333,854</b>	<b>\$332,356</b>	<b>\$335,752</b>	<b>\$336,742</b>	<b>\$341,506</b>	<b>\$338,075</b>	<b>\$338,369</b>	<b>\$339,148</b>	<b>\$339,148</b>	<b>\$4,009,770</b>
<b>Total Revenue Requirements</b>	<b>\$953,361</b>	<b>\$955,483</b>	<b>\$965,802</b>	<b>\$973,682</b>	<b>\$979,145</b>	<b>\$980,332</b>	<b>\$984,694</b>	<b>\$986,748</b>	<b>\$992,706</b>	<b>\$990,462</b>	<b>\$991,938</b>	<b>\$993,892</b>	<b>\$993,892</b>	<b>\$11,748,243</b>
Annual Revenue Requirement for Bare Steel Replacement Investment	\$62,310	\$62,310	\$62,310	\$62,310	\$62,310	\$62,310	\$62,310	\$62,310	\$62,310	\$62,310	\$62,310	\$62,310	\$62,310	\$747,727
Net Annual Revenue Requirements	\$891,051	\$893,173	\$903,492	\$911,372	\$916,835	\$918,022	\$922,384	\$924,438	\$930,396	\$928,152	\$929,628	\$931,575	\$931,575	\$11,000,516
<b>GRIP Surcharge Revenues Collected Month</b>	<b>\$ 1,237,987</b>	<b>\$ 1,024,324</b>	<b>\$ 964,815</b>	<b>\$ 959,446</b>	<b>\$ 807,569</b>	<b>\$ 772,269</b>	<b>\$ 678,842</b>	<b>\$ 633,182</b>	<b>\$ 649,050</b>	<b>\$ 687,301</b>	<b>\$ 782,117</b>	<b>\$ 944,393</b>	<b>\$ 944,393</b>	<b>\$10,141,296</b>
<b>Beginning True-Up</b>														
(Over) and Under Recovery for the Month	\$ (346,936)	\$ (131,151)	\$ (61,323)	\$ (48,074)	\$ 109,266	\$ 145,752	\$ 243,542	\$ 291,255	\$ 281,346	\$ 240,851	\$ 147,511	\$ (12,819)	\$ (12,819)	\$ 859,221
Monthly Interest (Expense)/Income	\$ (3,006)	\$ (3,494)	\$ (4,037)	\$ (4,404)	\$ (4,363)	\$ (4,276)	\$ (4,068)	\$ (3,612)	\$ (3,148)	\$ (2,725)	\$ (2,411)	\$ (2,304)	\$ (2,304)	\$ (41,848)
Ending (Over) and Under Recovery	\$ (2,231,264)	\$ (2,581,205)	\$ (2,715,851)	\$ (2,781,211)	\$ (2,833,689)	\$ (2,728,786)	\$ (2,587,309)	\$ (2,347,835)	\$ (2,060,192)	\$ (1,781,994)	\$ (1,545,868)	\$ (1,398,768)	\$ (1,413,891)	\$ (1,413,891)
<b>Beg of Month Annual Interest Rate</b>	<b>1.49%</b>	<b>1.50%</b>	<b>1.66%</b>	<b>1.86%</b>	<b>1.90%</b>	<b>1.86%</b>	<b>2.00%</b>	<b>1.97%</b>	<b>1.97%</b>	<b>1.97%</b>	<b>1.97%</b>	<b>1.97%</b>	<b>1.97%</b>	<b>1.97%</b>
<b>End of Month Annual Interest Rate</b>	<b>1.50%</b>	<b>1.66%</b>	<b>1.86%</b>	<b>1.90%</b>	<b>1.86%</b>	<b>2.00%</b>	<b>1.97%</b>	<b>1.97%</b>	<b>1.97%</b>	<b>1.97%</b>	<b>1.97%</b>	<b>1.97%</b>	<b>1.97%</b>	<b>1.97%</b>
<b>Average Monthly Interest Rate</b>	<b>0.125%</b>	<b>0.132%</b>	<b>0.147%</b>	<b>0.157%</b>	<b>0.157%</b>	<b>0.157%</b>	<b>0.165%</b>	<b>0.164%</b>	<b>0.164%</b>	<b>0.164%</b>	<b>0.164%</b>	<b>0.164%</b>	<b>0.164%</b>	<b>0.164%</b>

**Florida Public Utilities Company**  
 Gas Reliability Infrastructure Program (GRIP)  
 Calculation of the Projected Revenue Requirements  
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 Geoffrey A Wight (GAW-1)  
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Item	Beginning Balance	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year End Total/Balance
<b>Qualified Investment</b>														
Qualified Investment - Mains - Current Year 1070 Activity		\$708,333	\$708,333	\$708,333	\$708,333	\$708,333	\$708,333	\$708,333	\$708,333	\$708,333	\$708,333	\$708,333	\$708,333	\$8,500,000
Qualified Investment - Mains - Closed 1070 Activity to Plant		(\$708,333)	(\$708,333)	(\$708,333)	(\$708,333)	(\$708,333)	(\$708,333)	(\$708,333)	(\$708,333)	(\$708,333)	(\$708,333)	(\$708,333)	(\$708,333)	(\$8,500,000)
Qualified Investment - Services - Current Year 1070 Activity		\$291,667	\$291,667	\$291,667	\$291,667	\$291,667	\$291,667	\$291,667	\$291,667	\$291,667	\$291,667	\$291,667	\$291,667	\$3,500,000
Qualified Investment - Services - Closed 1070 Activity to Plant		(\$291,667)	(\$291,667)	(\$291,667)	(\$291,667)	(\$291,667)	(\$291,667)	(\$291,667)	(\$291,667)	(\$291,667)	(\$291,667)	(\$291,667)	(\$291,667)	(\$3,500,000)
Qualified Investment - Mains - Current 1010 Activity		\$708,333	\$708,333	\$708,333	\$708,333	\$708,333	\$708,333	\$708,333	\$708,333	\$708,333	\$708,333	\$708,333	\$708,333	\$8,500,000
Qualified Investment - Services - Current 1010 Activity		\$291,667	\$291,667	\$291,667	\$291,667	\$291,667	\$291,667	\$291,667	\$291,667	\$291,667	\$291,667	\$291,667	\$291,667	\$3,500,000
<b>Total Qualified Investment - Mains 1070</b>	\$212,735	\$212,735	\$212,735	\$212,735	\$212,735	\$212,735	\$212,735	\$212,735	\$212,735	\$212,735	\$212,735	\$212,735	\$212,735	\$212,735
<b>Total Qualified Investment - Service 1070</b>	\$70,381	\$70,381	\$70,381	\$70,381	\$70,381	\$70,381	\$70,381	\$70,381	\$70,381	\$70,381	\$70,381	\$70,381	\$70,381	\$70,381
<b>Total Qualified Investment - Mains 1010</b>	\$71,066,512	\$71,774,846	\$72,483,179	\$73,191,512	\$73,899,846	\$74,608,179	\$75,316,512	\$76,024,846	\$76,733,179	\$77,441,512	\$78,149,846	\$78,858,179	\$79,566,512	\$79,566,512
<b>Total Qualified Investment - Service 1010</b>	\$22,119,005	\$22,410,672	\$22,702,338	\$22,994,005	\$23,285,672	\$23,577,338	\$23,869,005	\$24,160,672	\$24,452,338	\$24,744,005	\$25,035,672	\$25,327,338	\$25,619,005	\$25,619,005
<b>Total Qualified Investment</b>	<u>\$93,468,634</u>	<u>\$94,468,634</u>	<u>\$95,468,634</u>	<u>\$96,468,634</u>	<u>\$97,468,634</u>	<u>\$98,468,634</u>	<u>\$99,468,634</u>	<u>\$100,468,634</u>	<u>\$101,468,634</u>	<u>\$102,468,634</u>	<u>\$103,468,634</u>	<u>\$104,468,634</u>	<u>\$105,468,634</u>	<u>\$105,468,634</u>
Less: Accumulated Depreciation	(\$7,990,804)	(\$8,194,549)	(\$8,400,485)	(\$8,608,612)	(\$8,818,930)	(\$9,031,439)	(\$9,246,139)	(\$9,463,030)	(\$9,682,112)	(\$9,903,385)	(\$10,126,849)	(\$10,352,504)	(\$10,580,350)	(\$10,580,350)
<b>Net Book Value</b>	<u>\$85,477,830</u>	<u>\$86,274,085</u>	<u>\$87,068,149</u>	<u>\$87,860,022</u>	<u>\$88,649,703</u>	<u>\$89,437,194</u>	<u>\$90,222,494</u>	<u>\$91,005,603</u>	<u>\$91,786,521</u>	<u>\$92,565,248</u>	<u>\$93,341,784</u>	<u>\$94,116,129</u>	<u>\$94,888,284</u>	<u>\$94,888,284</u>
<b>Average Net Qualified Investment</b>	<u>\$85,875,958</u>	<u>\$86,671,117</u>	<u>\$87,464,085</u>	<u>\$88,254,863</u>	<u>\$89,043,449</u>	<u>\$89,829,844</u>	<u>\$90,614,049</u>	<u>\$91,396,062</u>	<u>\$92,175,885</u>	<u>\$92,953,516</u>	<u>\$93,728,957</u>	<u>\$94,502,206</u>		
<b>Depreciation Rates</b>														
Approved Depreciation Rate-Mains		2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%
Approved Depreciation Rate-Services		2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%
<b>Return on Average Net Qualified Investment</b>														
Equity - Cost of Capital, inclusive of Income Tax Gross-up		6.3900%	6.3900%	6.3900%	6.3900%	6.3900%	6.3900%	6.3900%	6.3900%	6.3900%	6.3900%	6.3900%	6.3900%	6.3900%
Debt - Cost of Capital		1.4400%	1.4400%	1.4400%	1.4400%	1.4400%	1.4400%	1.4400%	1.4400%	1.4400%	1.4400%	1.4400%	1.4400%	1.4400%
<b>Equity Component - inclusive of Income Tax Gross-up</b>	\$457,289	\$461,524	\$465,746	\$469,957	\$474,156	\$478,344	\$482,520	\$486,684	\$490,837	\$494,977	\$499,107	\$503,224	\$507,324	\$5,764,366
<b>Debt Component</b>	\$103,051	\$104,005	\$104,957	\$105,906	\$106,852	\$107,796	\$108,737	\$109,675	\$110,611	\$111,544	\$112,475	\$113,403	\$114,327	\$1,299,012
<b>Return Requirement</b>	<u>\$560,341</u>	<u>\$565,529</u>	<u>\$570,703</u>	<u>\$575,863</u>	<u>\$581,009</u>	<u>\$586,140</u>	<u>\$591,257</u>	<u>\$596,359</u>	<u>\$601,448</u>	<u>\$606,522</u>	<u>\$611,581</u>	<u>\$616,627</u>	<u>\$621,667</u>	<u>\$7,063,378</u>
<b>Investment Expenses</b>														
Depreciation Expense - Mains		\$153,977	\$155,512	\$157,047	\$158,582	\$160,116	\$161,651	\$163,186	\$164,720	\$166,255	\$167,790	\$169,325	\$170,859	\$1,949,021
Depreciation Expense - Services		\$49,768	\$50,424	\$51,080	\$51,737	\$52,393	\$53,049	\$53,705	\$54,362	\$55,018	\$55,674	\$56,330	\$56,987	\$640,526
Property Taxes		\$142,463	\$142,463	\$142,463	\$142,463	\$142,463	\$142,463	\$142,463	\$142,463	\$142,463	\$142,463	\$142,463	\$142,463	\$1,709,557
General Public Notice Expense & Customer Notice Expense		\$4,333	\$4,333	\$4,333	\$4,333	\$4,333	\$4,333	\$4,333	\$4,333	\$4,333	\$4,333	\$4,333	\$4,333	\$52,000
<b>Total Expense</b>	<u>\$350,542</u>	<u>\$352,733</u>	<u>\$354,924</u>	<u>\$357,115</u>	<u>\$359,305</u>	<u>\$361,496</u>	<u>\$363,687</u>	<u>\$365,878</u>	<u>\$368,069</u>	<u>\$370,260</u>	<u>\$372,451</u>	<u>\$374,642</u>	<u>\$376,833</u>	<u>\$4,351,103</u>
<b>Total Revenue Requirements</b>	<u>\$910,882</u>	<u>\$918,262</u>	<u>\$925,627</u>	<u>\$932,977</u>	<u>\$940,314</u>	<u>\$947,636</u>	<u>\$954,944</u>	<u>\$962,238</u>	<u>\$969,517</u>	<u>\$976,782</u>	<u>\$984,033</u>	<u>\$991,269</u>	<u>\$998,505</u>	<u>\$11,414,481</u>
<b>Annual Revenue Requirement for Bare Steel Replacement Investment</b>	\$62,310	\$62,310	\$62,310	\$62,310	\$62,310	\$62,310	\$62,310	\$62,310	\$62,310	\$62,310	\$62,310	\$62,310	\$62,310	\$747,727
<b>Net Annual Revenue Requirements</b>	<u>\$848,572</u>	<u>\$855,952</u>	<u>\$863,317</u>	<u>\$870,667</u>	<u>\$878,004</u>	<u>\$885,326</u>	<u>\$892,634</u>	<u>\$899,928</u>	<u>\$907,207</u>	<u>\$914,472</u>	<u>\$921,723</u>	<u>\$928,952</u>	<u>\$936,183</u>	<u>\$10,666,754</u>

**Florida Public Utilities Company**  
 Gas Reliability Infrastructure Program (GRIP)  
 Projection of Qualified Mains & Services Revenue Requirements  
 Surcharge Calculation - January 1, 2019 through December 31, 2019  
 Per Therm Rate

Schedule D-1  
 Exhibit \_\_\_\_\_  
 Geoffrey A Wight (GAW-1)  
 Page 5 of 15

1. 1/1/19-12/31/19 Qualified Mains & Services Replacement Revenue Requirements		\$10,666,754
Mains	74%	\$7,893,398
Services	26%	\$2,773,356
Net		<u>\$10,666,754</u>
2. TRUE-UP from Prior Period (Over)/Under Recovery Estimated thru 12/2018		\$(1,413,891)
3. 2019 Qualified Mains & Services Replacement Revenue Requirements		\$ 9,252,863
Mains	74%	\$6,847,119
Services	26%	\$2,405,744
Net		<u>\$9,252,863</u>

RATE SCHEDULE	2019 THERMS	SERVICES COS %	MAINS COS %	SERVICES REV REQ	MAINS REV REQ	GRIP REV REQ	DOLLARS PER THERM	TAX FACTOR	GRIP FACTORS PER THERM	TYPICAL ANNUAL THERMS	ANNUAL COST	AVERAGE MONTHLY COST
RESIDENTIAL	13,655,661	58.00%	22.00%	\$1,395,332	\$1,506,366	\$2,901,698	\$0.21249	1.00503	\$0.21356	250	\$53.39	\$4.45
COMMERCIAL SMALL (General Service & GS Transportation & NGVS & NGVTS)	14,582,963	17.00%	23.00%	\$408,976	\$1,574,837	\$1,983,814	\$0.13604	1.00503	\$0.13672	2,500	\$341.80	\$28.48
COMM. LRG VOLUME (Large Vol & LV Transportation)	43,808,650	25.00%	46.00%	\$601,436	\$3,149,675	\$3,751,111	\$0.08562	1.00503	\$0.08606	25,000	\$2,151.39	\$179.28
INTERRUPTIBLE SERVICE (Int Service & IS Transportation)	9,443,163	0.00%	8.00%	\$0	\$547,770	\$547,770	\$0.05801	1.00503	\$0.05830	50,000	\$2,914.94	\$242.91
GENERAL LIGHTING SERVICE (Gen Light Service & GLS Transportation)	183,662	0.00%	1.00%	\$0	\$68,471	\$68,471	\$0.37281	1.00503	\$0.37469	500	\$187.34	\$15.61
<b>TOTAL</b>	<u>81,674,100</u>	<u>100.00%</u>	<u>100.00%</u>	<u>\$2,405,744</u>	<u>\$6,847,119</u>	<u>\$9,252,863</u>						



## Florida Division of Chesapeake Utilities Corporation

Gas Reliability Infrastructure Program (GRIP)

Calculation of Equity and Debt Returns

Schedule A-1

Exhibit \_\_\_\_\_

Geoffrey A Wight (GAW-1)

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Earnings Surveillance Report - December 31, 2017

Equity Cost Rate	10.80%
Weighted Equity Cost Rate	4.65%
Revenue Expansion Factor	1.3415
Weighted Equity Cost Rate , times Revenue Expansion Factor	<u>6.238%</u>
Long Term Debt-CU	0.740%
Short Term Debt	0.370%
Short Term Debt-Refinanced LTD	0.000%
Customer Deposits	0.030%
Tax Credits-Weighted Cost	0.000%
Weighted Debt Cost Rate	<u>1.140%</u>
Overall Weighted Cost Rate	<u><u>5.79%</u></u>

**Florida Division of Chesapeake Utilities Corporation**

Gas Reliability Infrastructure Program (GRIP)  
Calculation of the Projected Revenue Requirements  
January 1, 2017 through December 31, 2017

Schedule B-1  
Exhibit  
Geoffrey A Wight (GAW-1)  
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Item	Beginning Balance	Actual Jan	Actual Feb	Actual Mar	Actual Apr	Actual May	Actual Jun	Actual Jul	Actual Aug	Actual Sep	Actual Oct	Actual Nov	Actual Dec	Year End Total
<b>Qualified Investment</b>														
Qualified Investment - Mains - Current 1070 Activity		\$422,786	\$197,035	\$250,549	\$226,760	\$273,400	\$369,218	\$153,649	\$233,547	\$226,821	\$247,404	\$280,724	\$370,780	\$3,252,674
Qualified Investment - Mains - Closed 1070 Activity to Plant		\$0	(\$91,990)	(\$1,752,836)	(\$299,429)	(\$188,904)	(\$177,424)	(\$510,323)	(\$206,074)	(\$356,212)	(\$149,371)	\$0	(\$685,510)	(\$4,418,074)
Qualified Investment - Services - Current 1070 Activity		\$37,298	\$45,767	\$97,326	\$29,062	\$5,770	\$34,094	\$33,801	\$12,794	\$8,997	\$1,797	\$26,692	\$42,379	\$375,777
Qualified Investment - Services - Closed 1070 Activity to Plant		\$0	(\$46,569)	(\$61,466)	\$2,530	(\$103,456)	(\$47,750)	(\$28,159)	(\$18,270)	(\$15,218)	(\$2,180)	\$0	(\$73,769)	(\$394,307)
Qualified Investment - Mains - Current 1010 Activity		\$0	\$91,990	\$1,752,836	\$299,429	\$188,904	\$177,424	\$510,323	\$206,074	\$356,212	\$149,371	\$0	\$685,510	\$4,418,074
Qualified Investment - Services - Current 1010 Activity		\$0	\$46,569	\$61,466	(\$2,530)	\$103,456	\$47,750	\$28,159	\$18,270	\$15,218	\$2,180	\$0	\$73,769	\$394,307
<b>Total Qualified Investment - Mains 1070</b>	\$1,485,442	\$1,908,228	\$2,013,274	\$510,986	\$438,318	\$522,813	\$714,607	\$357,934	\$385,407	\$256,016	\$354,049	\$634,773	\$320,043	\$320,043
<b>Total Qualified Investment - Services 1070</b>	\$22,531	\$59,829	\$59,027	\$94,887	\$126,479	\$28,793	\$15,137	\$20,780	\$15,304	\$9,083	\$8,700	\$35,392	\$4,001	\$4,001
<b>Total Qualified Investment - Mains 1010</b>	\$19,504,159	\$19,504,159	\$19,596,149	\$21,348,986	\$21,648,414	\$21,837,319	\$22,014,743	\$22,525,065	\$22,731,139	\$23,087,351	\$23,236,723	\$23,236,723	\$23,922,233	\$23,922,233
<b>Total Qualified Investment - Services 1010</b>	\$1,733,029	\$1,733,029	\$1,779,598	\$1,841,065	\$1,838,534	\$1,941,990	\$1,989,740	\$2,017,898	\$2,036,168	\$2,051,386	\$2,053,566	\$2,053,566	\$2,127,336	\$2,127,336
<b>Total Qualified Investment</b>	\$22,745,161	\$23,205,245	\$23,448,048	\$23,795,923	\$24,051,746	\$24,330,915	\$24,734,227	\$24,921,678	\$25,168,018	\$25,403,837	\$25,653,038	\$25,960,454	\$26,373,613	\$26,373,613
Less: Accumulated Depreciation	(\$984,361)	(\$1,030,519)	(\$1,076,677)	(\$1,123,139)	(\$1,173,537)	(\$1,224,579)	(\$1,276,262)	(\$1,328,438)	(\$1,381,782)	(\$1,435,614)	(\$1,490,253)	(\$1,545,220)	(\$1,600,187)	(\$1,600,187)
<b>Net Book Value</b>	\$21,760,800	\$22,174,726	\$22,371,371	\$22,672,784	\$22,878,209	\$23,106,336	\$23,457,965	\$23,593,240	\$23,786,236	\$23,968,223	\$24,162,785	\$24,415,234	\$24,773,426	\$24,773,426
<b>Average Net Qualified Investment</b>	\$21,967,763	\$22,273,048	\$22,522,077	\$22,775,496	\$22,992,272	\$23,282,150	\$23,525,602	\$23,689,738	\$23,877,229	\$24,065,504	\$24,289,009	\$24,594,330		
<b>Depreciation Rates</b>														
Approved Depreciation Rate-Mains		2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%
Approved Depreciation Rate-Services		2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%
<b>Return on Average Net Qualified Investment</b>														
Equity - Cost of Capital, inclusive of Income Tax Gross-up		7.5750%	7.5750%	7.5750%	7.5750%	7.5750%	7.5750%	7.5750%	7.5750%	7.5750%	7.5750%	7.5750%	7.5750%	7.5750%
Debt - Cost of Capital		1.0800%	1.0800%	1.0800%	1.0800%	1.0800%	1.0800%	1.0800%	1.0800%	1.0800%	1.0800%	1.0800%	1.0800%	1.0800%
<b>Equity Component - inclusive of Income Tax Gross-up</b>	\$138,672	\$140,599	\$142,171	\$143,770	\$145,139	\$146,969	\$148,505	\$149,541	\$150,725	\$151,913	\$153,324	\$155,252	\$156,580	\$1,766,580
<b>Debt Component</b>	\$19,771	\$20,046	\$20,270	\$20,498	\$20,693	\$20,954	\$21,173	\$21,321	\$21,490	\$21,659	\$21,860	\$22,135	\$22,135	\$251,869
<b>Return Requirement</b>	\$158,442	\$160,644	\$162,440	\$164,268	\$165,832	\$167,923	\$169,678	\$170,862	\$172,215	\$173,572	\$175,184	\$177,387	\$178,715	\$2,018,449
<b>Investment Expenses</b>														
Depreciation Expense - Mains		\$42,259	\$42,259	\$42,458	\$46,256	\$46,905	\$47,314	\$47,699	\$48,804	\$49,251	\$50,023	\$50,346	\$50,346	\$563,920
Depreciation Expense - Services		\$3,899	\$3,899	\$4,004	\$4,142	\$4,137	\$4,369	\$4,477	\$4,540	\$4,581	\$4,616	\$4,621	\$4,621	\$51,906
Property Taxes		\$36,268	\$36,268	\$36,268	\$36,268	\$36,268	\$36,268	\$36,268	\$36,268	\$36,268	\$36,268	\$36,268	\$36,268	\$435,216
General Public Notice Expense and Customer Notice Expense		(\$1,963)	\$0	\$0	\$0	\$0	\$3,392	\$0	\$292	\$2,359	\$0	\$0	\$0	\$4,080
<b>Total Expense</b>	\$80,463	\$82,426	\$82,730	\$86,666	\$87,310	\$91,343	\$88,444	\$89,904	\$92,459	\$90,907	\$91,235	\$91,235	\$91,235	\$1,055,122
<b>Total Revenue Requirements</b>	\$238,906	\$243,070	\$245,170	\$250,934	\$253,142	\$259,266	\$258,122	\$260,766	\$264,673	\$264,479	\$266,419	\$266,419	\$268,622	\$3,073,570
<b>GRIP Surcharge Revenues Collected Month</b>	\$ 320,712	\$ 297,164	\$ 304,997	\$ 268,374	\$ 158,855	\$ 220,099	\$ 215,254	\$ 208,632	\$ 191,467	\$ 214,569	\$ 251,742	\$ 267,199	\$ 267,199	\$2,919,064
<b>Beginning True-Up (Over) and Under Recovery for the Month</b>	\$ (81,806)	\$ (54,094)	\$ (59,827)	\$ (17,440)	\$ 94,287	\$ 39,167	\$ 42,868	\$ 52,134	\$ 73,206	\$ 49,910	\$ 14,677	\$ 1,423	\$ 1,423	\$ 9,679
<b>Monthly Interest (Expense)/Income</b>	\$ (16)	\$ (52)	\$ (94)	\$ (133)	\$ (111)	\$ (66)	\$ (41)	\$ (1)	\$ 56	\$ 113	\$ 150	\$ 183	\$ 183	\$ (12)
<b>Ending (Over) and Under Recovery</b>	\$ 9,679	\$ (72,143)	\$ (126,289)	\$ (186,209)	\$ (203,782)	\$ (109,606)	\$ (70,506)	\$ (27,678)	\$ 24,455	\$ 97,717	\$ 147,741	\$ 162,568	\$ 164,174	\$ 164,174
<b>Beg of Month Annual Interest Rate</b>		0.63%	0.62%	0.63%	0.80%	0.84%	0.86%	0.90%	1.08%	1.11%	1.09%	1.12%	1.20%	1.20%
<b>End of Month Annual Interest Rate</b>		0.62%	0.63%	0.80%	0.84%	0.86%	0.90%	1.11%	1.09%	1.12%	1.20%	1.20%	1.49%	1.49%
<b>Average Monthly Interest Rate</b>		0.05%	0.05%	0.06%	0.07%	0.07%	0.07%	0.08%	0.09%	0.09%	0.09%	0.10%	0.11%	0.11%

Florida Division of Chesapeake Utilities Corporation  
 Gas Reliability Infrastructure Program (GRIP)  
 Calculation of the Projected Revenue Requirements  
 January 1, 2018 through December 31, 2018

Schedule C-1  
 Exhibit \_\_\_\_\_  
 Geoffrey A Wight (GAW-1)  
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Item	Beginning Balance	Actual Jan	Actual Feb	Actual Mar	Actual Apr	Actual May	Actual Jun	Actual Jul	Forecast Aug	Forecast Sep	Forecast Oct	Forecast Nov	Forecast Dec	Year End Total
<b>Qualified Investment</b>														
Qualified Investment - Mains - Current 1070 Activity		\$65,104	\$209,453	\$420,099	\$568,280	\$463,831	\$363,299	\$405,095	\$604,239	\$604,239	\$604,239	\$604,239	\$604,239	\$5,516,358
Qualified Investment - Mains - Closed 1070 Activity to Plant			(\$135,245)	(\$455,006)	(\$99,739)	(\$1,059,421)	(\$413,604)	(\$291,003)	(\$604,239)	(\$604,239)	(\$604,239)	(\$604,239)	(\$604,239)	(\$5,475,213)
Qualified Investment - Services - Current 1070 Activity		\$13,361	\$37,667	\$47,894	\$35,292	\$65,555	\$55,655	\$20,630	\$201,413	\$201,413	\$201,413	\$201,413	\$201,413	\$1,283,120
Qualified Investment - Services - Closed 1070 Activity to Plant			(\$35,332)	(\$50,128)	(\$15,239)	(\$38,113)	(\$27,844)	(\$54,773)	(\$201,413)	(\$201,413)	(\$201,413)	(\$201,413)	(\$201,413)	(\$1,228,494)
Qualified Investment - Mains - Current 1010 Activity		\$0	\$135,245	\$455,006	\$99,739	\$1,059,421	\$413,604	\$291,003	\$604,239	\$604,239	\$604,239	\$604,239	\$604,239	\$5,475,213
Qualified Investment - Services - Current 1010 Activity		\$0	\$35,332	\$50,128	\$15,239	\$38,113	\$27,844	\$54,773	\$201,413	\$201,413	\$201,413	\$201,413	\$201,413	\$1,228,494
<b>Total Qualified Investment - Mains 1070</b>	\$320,043	\$385,147	\$459,356	\$424,449	\$892,990	\$297,401	\$247,096	\$361,188	\$361,188	\$361,188	\$361,188	\$361,188	\$361,188	\$361,188
<b>Total Qualified Investment - Services 1070</b>	\$4,001	\$17,363	\$19,697	\$17,463	\$37,516	\$64,958	\$92,770	\$58,626	\$58,626	\$58,626	\$58,626	\$58,626	\$58,626	\$58,626
<b>Total Qualified Investment - Mains 1010</b>	\$23,922,233	\$23,922,233	\$24,057,478	\$24,512,484	\$24,612,223	\$25,671,644	\$26,085,248	\$26,376,251	\$26,980,490	\$27,584,729	\$28,188,968	\$28,793,207	\$29,397,446	\$29,397,446
<b>Total Qualified Investment - Services 1010</b>	\$2,127,336	\$2,127,336	\$2,162,668	\$2,212,796	\$2,228,035	\$2,266,148	\$2,293,992	\$2,348,765	\$2,550,178	\$2,751,591	\$2,953,004	\$3,154,417	\$3,355,830	\$3,355,830
<b>Total Qualified Investment</b>	\$26,373,613	\$26,452,078	\$26,699,199	\$27,167,192	\$27,770,764	\$28,300,151	\$28,719,105	\$29,144,830	\$29,950,482	\$30,756,134	\$31,561,786	\$32,367,438	\$33,173,090	\$33,173,090
Less: Accumulated Depreciation	(\$1,600,187)	(\$1,656,806)	(\$1,713,425)	(\$1,770,416)	(\$1,828,505)	(\$1,886,844)	(\$1,947,565)	(\$2,009,244)	(\$2,071,678)	(\$2,135,874)	(\$2,201,832)	(\$2,269,552)	(\$2,339,034)	(\$2,339,034)
<b>Net Book Value</b>	\$24,773,426	\$24,795,272	\$24,985,774	\$25,396,776	\$25,942,259	\$26,413,307	\$26,771,540	\$27,135,586	\$27,878,804	\$28,620,260	\$29,359,954	\$30,097,886	\$30,834,056	\$30,834,056
<b>Average Net Qualified Investment</b>	\$24,784,349	\$24,890,523	\$25,191,275	\$25,669,518	\$26,177,783	\$26,592,423	\$26,953,563	\$27,507,195	\$28,249,532	\$28,990,107	\$29,728,920	\$30,465,971		
<b>Depreciation Rates</b>														
Approved Depreciation Rate-Mains		2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%
Approved Depreciation Rate-Services		2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%
<b>Return on Average Net Qualified Investment</b>														
Equity - Cost of Capital, inclusive of Income Tax Gross-up		7.6740%	7.6740%	7.6740%	7.6740%	7.6740%	7.6740%	7.6740%	7.6740%	7.6740%	7.6740%	7.6740%	7.6740%	7.6740%
Debt - Cost of Capital		1.1400%	1.1400%	1.1400%	1.1400%	1.1400%	1.1400%	1.1400%	1.1400%	1.1400%	1.1400%	1.1400%	1.1400%	1.1400%
<b>Equity Component - inclusive of Income Tax Gross-up</b>	\$158,496	\$159,175	\$161,098	\$164,157	\$167,407	\$170,059	\$172,368	\$175,909	\$180,656	\$185,392	\$190,116	\$194,830	\$207,961	\$2,079,661
<b>Debt Component</b>	\$23,545	\$23,646	\$23,932	\$24,386	\$24,869	\$25,263	\$25,606	\$26,132	\$26,837	\$27,541	\$28,242	\$28,943	\$308,943	\$308,943
<b>Return Requirement</b>	\$182,041	\$182,821	\$185,030	\$188,543	\$192,276	\$195,321	\$197,974	\$202,040	\$207,493	\$212,932	\$218,359	\$223,773	\$2,388,603	\$2,388,603
<b>Investment Expenses</b>														
Depreciation Expense - Mains		\$51,832	\$51,832	\$52,125	\$53,110	\$53,326	\$55,622	\$56,518	\$57,149	\$58,458	\$59,767	\$61,076	\$62,385	\$673,200
Depreciation Expense - Services		\$4,787	\$4,787	\$4,866	\$4,979	\$5,013	\$5,099	\$5,161	\$5,285	\$5,738	\$6,191	\$6,644	\$7,097	\$65,647
Property Taxes		\$41,289	\$41,289	\$41,289	\$41,289	\$41,289	\$41,289	\$41,289	\$41,289	\$41,289	\$41,289	\$41,289	\$41,289	\$495,468
General Public Notice Expense and Customer Notice Expense		\$2,205	\$1,319	\$2,148	\$0	\$0	\$0	\$1,729	\$0	\$0	\$0	\$0	\$0	\$7,402
<b>Total Expense</b>	\$100,113	\$99,227	\$100,428	\$99,378	\$99,628	\$102,010	\$104,697	\$103,723	\$105,485	\$107,247	\$109,009	\$110,771	\$1,241,717	\$1,241,717
<b>Total Revenue Requirements</b>	\$282,154	\$282,048	\$285,458	\$287,921	\$291,904	\$297,331	\$302,671	\$305,763	\$312,978	\$320,179	\$327,368	\$334,544	\$3,630,319	\$3,630,319
<b>GRIP Surcharge Revenues Collected Month</b>	\$ 359,901	\$ 291,756	\$ 303,021	\$ 308,816	\$ 280,471	\$ 275,325	\$ 269,065	\$ 268,052	\$ 251,269	\$ 281,741	\$ 292,051	\$ 313,725	\$3,495,194	\$3,495,194
<b>Beginning True-Up</b>														\$ 164,174
(Over) and Under Recovery for the Month	\$ (77,747)	\$ (9,708)	\$ (17,563)	\$ (20,896)	\$ 11,433	\$ 22,006	\$ 33,606	\$ 37,711	\$ 61,709	\$ 38,439	\$ 35,317	\$ 20,818	\$135,126	\$135,126
Monthly Interest (Expense)/Income	\$ 157	\$ 108	\$ 100	\$ 77	\$ 70	\$ 99	\$ 147	\$ 205	\$ 287	\$ 369	\$ 430	\$ 477	\$2,526	\$2,526
<b>Ending (Over) and Under Recovery</b>	\$ 164,174	\$ 86,584	\$ 76,984	\$ 59,521	\$ 58,703	\$ 50,205	\$ 72,310	\$ 106,064	\$ 143,980	\$ 205,976	\$ 244,783	\$ 280,530	\$ 301,825	\$ 301,825
<b>Beg of Month Annual Interest Rate</b>		1.49%	1.50%	1.66%	1.86%	1.90%	1.86%	2.00%	1.97%	1.97%	1.97%	1.97%	1.97%	1.97%
<b>End of Month Annual Interest Rate</b>		1.50%	1.66%	1.86%	1.90%	1.86%	2.00%	1.97%	1.97%	1.97%	1.97%	1.97%	1.97%	1.97%
<b>Average Monthly Interest Rate</b>		0.13%	0.13%	0.15%	0.16%	0.16%	0.16%	0.17%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%

**Florida Division of Chesapeake Utilities Corporation**  
 Gas Reliability Infrastructure Program (GRIP)  
 Calculation of the Projected Revenue Requirements  
 January 1, 2019 through December 31, 2019

Schedule C-2  
 Exhibit  
 Geoffrey A Wight (GAW-1)  
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Item	Beginning Balance	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year End Total
<b>Qualified Investment</b>														
Qualified Investment - Mains - Current 1070 Activity		\$225,000	\$225,000	\$225,000	\$225,000	\$225,000	\$225,000	\$225,000	\$225,000	\$225,000	\$225,000	\$225,000	\$225,000	\$2,700,000
Qualified Investment - Mains - Closed 1070 Activity to Plant		(\$225,000)	(\$225,000)	(\$225,000)	(\$225,000)	(\$225,000)	(\$225,000)	(\$225,000)	(\$225,000)	(\$225,000)	(\$225,000)	(\$225,000)	(\$225,000)	(\$2,700,000)
Qualified Investment - Services - Current 1070 Activity		\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$300,000
Qualified Investment - Services - Closed 1070 Activity to Plant		(\$25,000)	(\$25,000)	(\$25,000)	(\$25,000)	(\$25,000)	(\$25,000)	(\$25,000)	(\$25,000)	(\$25,000)	(\$25,000)	(\$25,000)	(\$25,000)	(\$300,000)
Qualified Investment - Mains - Current 1010 Activity		\$225,000	\$225,000	\$225,000	\$225,000	\$225,000	\$225,000	\$225,000	\$225,000	\$225,000	\$225,000	\$225,000	\$225,000	\$2,700,000
Qualified Investment - Services - Current 1010 Activity		\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$300,000
<b>Total Qualified Investment - Mains 1070</b>	<b>\$361,188</b>	<b>\$361,188</b>	<b>\$361,188</b>	<b>\$361,188</b>	<b>\$361,188</b>	<b>\$361,188</b>	<b>\$361,188</b>	<b>\$361,188</b>	<b>\$361,188</b>	<b>\$361,188</b>	<b>\$361,188</b>	<b>\$361,188</b>	<b>\$361,188</b>	<b>\$361,188</b>
<b>Total Qualified Investment - Services 1070</b>	<b>\$58,626</b>	<b>\$58,626</b>	<b>\$58,626</b>	<b>\$58,626</b>	<b>\$58,626</b>	<b>\$58,626</b>	<b>\$58,626</b>	<b>\$58,626</b>	<b>\$58,626</b>	<b>\$58,626</b>	<b>\$58,626</b>	<b>\$58,626</b>	<b>\$58,626</b>	<b>\$58,626</b>
<b>Total Qualified Investment - Mains 1010</b>	<b>\$29,397,446</b>	<b>\$29,622,446</b>	<b>\$29,847,446</b>	<b>\$30,072,446</b>	<b>\$30,297,446</b>	<b>\$30,522,446</b>	<b>\$30,747,446</b>	<b>\$30,972,446</b>	<b>\$31,197,446</b>	<b>\$31,422,446</b>	<b>\$31,647,446</b>	<b>\$31,872,446</b>	<b>\$32,097,446</b>	<b>\$32,097,446</b>
<b>Total Qualified Investment - Services 1010</b>	<b>\$3,355,830</b>	<b>\$3,380,830</b>	<b>\$3,405,830</b>	<b>\$3,430,830</b>	<b>\$3,455,830</b>	<b>\$3,480,830</b>	<b>\$3,505,830</b>	<b>\$3,530,830</b>	<b>\$3,555,830</b>	<b>\$3,580,830</b>	<b>\$3,605,830</b>	<b>\$3,630,830</b>	<b>\$3,655,830</b>	<b>\$3,655,830</b>
<b>Total Qualified Investment</b>	<b>\$35,173,090</b>	<b>\$35,423,090</b>	<b>\$35,673,090</b>	<b>\$35,923,090</b>	<b>\$36,173,090</b>	<b>\$36,423,090</b>	<b>\$36,673,090</b>	<b>\$36,923,090</b>	<b>\$37,173,090</b>	<b>\$37,423,090</b>	<b>\$37,673,090</b>	<b>\$37,923,090</b>	<b>\$38,173,090</b>	<b>\$38,173,090</b>
Less: Accumulated Depreciation	(\$2,339,034)	(\$2,410,279)	(\$2,482,068)	(\$2,554,400)	(\$2,627,276)	(\$2,700,696)	(\$2,774,660)	(\$2,849,167)	(\$2,924,218)	(\$2,999,813)	(\$3,075,952)	(\$3,152,634)	(\$3,229,860)	(\$3,229,860)
<b>Net Book Value</b>	<b>\$30,834,056</b>	<b>\$31,012,811</b>	<b>\$31,191,022</b>	<b>\$31,368,690</b>	<b>\$31,545,814</b>	<b>\$31,722,394</b>	<b>\$31,898,430</b>	<b>\$32,073,923</b>	<b>\$32,248,872</b>	<b>\$32,423,277</b>	<b>\$32,597,138</b>	<b>\$32,770,456</b>	<b>\$32,943,230</b>	<b>\$32,943,230</b>
<b>Average Net Qualified Investment</b>	<b>\$30,923,434</b>	<b>\$31,101,917</b>	<b>\$31,279,856</b>	<b>\$31,457,252</b>	<b>\$31,634,104</b>	<b>\$31,810,412</b>	<b>\$31,986,177</b>	<b>\$32,161,398</b>	<b>\$32,336,075</b>	<b>\$32,510,208</b>	<b>\$32,683,797</b>	<b>\$32,856,843</b>		
<b>Depreciation Rates</b>														
Approved Depreciation Rate-Mains		2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%
Approved Depreciation Rate-Services		2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%
<b>Return on Average Net Qualified Investment</b>														
Equity - Cost of Capital, inclusive of Income Tax Gross-up		6.2380%	6.2380%	6.2380%	6.2380%	6.2380%	6.2380%	6.2380%	6.2380%	6.2380%	6.2380%	6.2380%	6.2380%	6.2380%
Debt - Cost of Capital		1.1400%	1.1400%	1.1400%	1.1400%	1.1400%	1.1400%	1.1400%	1.1400%	1.1400%	1.1400%	1.1400%	1.1400%	1.1400%
Equity Component - inclusive of Income Tax Gross-up	\$160,750	\$161,678	\$162,603	\$163,525	\$164,445	\$165,361	\$166,275	\$167,186	\$168,094	\$168,999	\$169,901	\$170,801	\$170,801	\$1,989,618
Debt Component	\$29,377	\$29,547	\$29,716	\$29,884	\$30,052	\$30,220	\$30,387	\$30,553	\$30,719	\$30,885	\$31,050	\$31,214	\$31,214	\$363,604
<b>Return Requirement</b>	<b>\$190,128</b>	<b>\$191,225</b>	<b>\$192,319</b>	<b>\$193,410</b>	<b>\$194,497</b>	<b>\$195,581</b>	<b>\$196,662</b>	<b>\$197,739</b>	<b>\$198,815</b>	<b>\$199,884</b>	<b>\$200,951</b>	<b>\$202,015</b>	<b>\$202,015</b>	<b>\$2,353,222</b>
<b>Investment Expenses</b>														
Depreciation Expense - Mains	\$63,694	\$64,182	\$64,669	\$65,157	\$65,644	\$66,132	\$66,619	\$67,107	\$67,594	\$68,082	\$68,569	\$69,057	\$69,057	\$796,506
Depreciation Expense - Services	\$7,551	\$7,607	\$7,663	\$7,719	\$7,776	\$7,832	\$7,888	\$7,944	\$8,001	\$8,057	\$8,113	\$8,169	\$8,169	\$94,320
Property Taxes	\$51,390	\$51,390	\$51,390	\$51,390	\$51,390	\$51,390	\$51,390	\$51,390	\$51,390	\$51,390	\$51,390	\$51,390	\$51,390	\$616,680
General Public Notice Expense and Customer Notice Expense	\$2,205	\$1,319	\$2,148	\$0	\$0	\$0	\$1,729	\$0	\$0	\$0	\$0	\$0	\$0	\$7,402
<b>Total Expense</b>	<b>\$124,840</b>	<b>\$124,498</b>	<b>\$125,870</b>	<b>\$124,266</b>	<b>\$124,810</b>	<b>\$125,354</b>	<b>\$127,626</b>	<b>\$126,441</b>	<b>\$126,985</b>	<b>\$127,529</b>	<b>\$128,072</b>	<b>\$128,616</b>	<b>\$128,616</b>	<b>\$1,514,908</b>
<b>Total Revenue Requirements</b>	<b>\$314,968</b>	<b>\$315,723</b>	<b>\$318,189</b>	<b>\$317,676</b>	<b>\$319,307</b>	<b>\$320,935</b>	<b>\$324,288</b>	<b>\$324,180</b>	<b>\$325,798</b>	<b>\$327,413</b>	<b>\$329,023</b>	<b>\$330,631</b>	<b>\$330,631</b>	<b>\$3,868,130</b>

**Florida Division of Chesapeake Utilities Corporation**  
 Gas Reliability Infrastructure Program (GRIP)  
 Projection of Qualified Mains & Services Revenue Requirements  
 Surcharge Calculation - January 1, 2019 through December 31, 2019  
 Per Therm/Bill Rate

Schedule D-1  
 Exhibit \_\_\_\_\_  
 Geoffrey A Wight (GAW-1)  
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1.	1/1/19-12/31/19 Qualified Mains & Services Replacement Revenue Requirements		\$	3,868,130
	Mains	96%	\$3,713,405	
	Services	4%	\$154,725	
	Net		<u>\$3,868,130</u>	
2.	TRUE-UP from Prior Period (Over)/Under Recovery Estimated thru 12/2017		\$	301,825
3.	2019 Qualified Mains & Services Replacement Revenue Requirements		\$	4,169,955
	Mains	96%	\$4,003,157	
	Services	4%	\$166,798	
	Net		<u>\$4,169,955</u>	

RATE CLASS	2019 BILLS	2019 THERMS	SERVICES COS %	MAINS COS %	SERVICES REV REQ	MAINS REV REQ	GRIP REV REQ	DOLLARS PER THERM	EXPANSION FACTOR	GRIP FACTORS PER THERM	\$ PER BILL	EXPANSION FACTOR	Experimental GRIP FACTORS PER BILL	ANNUAL COST PER BILL	TYPICAL ANNUAL THERMS	ANNUAL COST	AVERAGE MONTHLY COST
FTS-A	14,868	88,467	14.34%	0.951%	\$ 23,919	\$ 38,070	\$61,989	\$0.70070	1.00503	\$ 0.70423	\$ 4.17	1.00503	\$ 4.19	\$ 50.28	110	\$77.46	\$6.46
FTS-B	28,047	284,540	9.74%	1.142%	\$ 16,246	\$ 45,716	\$61,962	\$0.21776	1.00503	\$ 0.21886	\$ 2.21	1.00503	\$ 2.22	\$ 26.64	215	\$47.05	\$3.92
FTS-1	143,301	2,152,404	33.87%	5.861%	\$ 56,494	\$ 234,625	\$291,119	\$0.13525	1.00503	\$ 0.13593	\$ 2.03	1.00503	\$ 2.04	\$ 24.50	275	\$37.38	\$3.12
FTS-2	10,070	589,377	12.69%	1.611%	\$ 21,167	\$ 64,491	\$85,658	\$0.14534	1.00503	\$ 0.14607	\$ 8.51	1.00503	\$ 8.55	\$ 102.59	875	\$127.81	\$10.65
FTS-2.1	8,905	1,019,525	7.83%	3.193%	\$ 13,060	\$ 127,821	\$140,881	\$0.13818	1.00503	\$ 0.13888	\$ 15.82	1.00503	\$ 15.90	\$ 190.80	1,575	\$218.73	\$18.23
FTS-3	3,488	1,058,231	3.93%	1.567%	\$ 6,555	\$ 62,729	\$69,284	\$0.06547	1.00503	\$ 0.06580	\$ 19.86	1.00503	\$ 19.96	\$ 239.56	4,000	\$263.20	\$21.93
FTS-3.1	4,135	2,443,850	3.91%	4.294%	\$ 6,522	\$ 171,896	\$178,418	\$0.07301	1.00503	\$ 0.07337	\$ 43.15	1.00503	\$ 43.37	\$ 520.38	7,300	\$535.63	\$44.64
FTS-4		3,045,171	4.37%	6.162%	\$ 7,289	\$ 246,675	\$253,964	\$0.08340	1.00503	\$ 0.08382					12,500	\$1,047.73	\$87.31
FTS-5		1,193,628	1.24%	2.570%	\$ 2,068	\$ 102,881	\$104,949	\$0.08792	1.00503	\$ 0.08837					37,500	\$3,313.75	\$276.15
FTS-6		1,691,324	1.25%	2.750%	\$ 2,085	\$ 110,087	\$112,172	\$0.06632	1.00503	\$ 0.06666					75,000	\$4,999.17	\$416.60
FTS-7		3,423,797	2.20%	7.615%	\$ 3,670	\$ 304,840	\$308,510	\$0.09011	1.00503	\$ 0.09056					150,000	\$13,584.12	\$1,132.01
FTS-8		5,242,982	1.62%	10.708%	\$ 2,702	\$ 428,658	\$431,360	\$0.08227	1.00503	\$ 0.08269					300,000	\$24,806.29	\$2,067.19
FTS-9		3,855,159	1.48%	15.171%	\$ 2,469	\$ 607,319	\$609,788	\$0.15817	1.00503	\$ 0.15897					550,000	\$87,433.58	\$7,286.13
FTS-10		2,339,730	0.45%	6.539%	\$ 751	\$ 261,766	\$262,517	\$0.11220	1.00503	\$ 0.11276					850,000	\$95,849.47	\$7,987.46
FTS-11		3,630,703	0.61%	13.551%	\$ 1,017	\$ 542,468	\$543,485	\$0.14969	1.00503	\$ 0.15044					1,750,000	\$263,277.63	\$21,939.80
FTS-12		17,512,520	0.47%	16.315%	\$ 784	\$ 653,115	\$653,899	\$0.03734	1.00503	\$ 0.03753					3,000,000	\$112,580.28	\$9,381.69
FTS-13		N/A	N/A	0.000%	\$ -	\$ -	\$0 N/A			N/A					-	N/A	
<b>TOTAL</b>	<b>212,814</b>	<b>49,571,405</b>	<b>100.00%</b>	<b>100.000%</b>	<b>\$ 166,798</b>	<b>\$ 4,003,157</b>	<b>\$ 4,169,955</b>										

**Florida Public Utilities Company -Ft. Meade**

Gas Reliability Infrastructure Program (GRIP)

Investment and Calculation of Equity and Debt Returns

Schedule A-1

Exhibit \_\_\_\_\_

Geoffrey A Wight (GAW-1)

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	<u># of Services</u>	<u>Cost per Service</u>	<u>Projected Total Investment</u>
Earnings Surveillance Report - December 31, 2017			
Equity Cost Rate			11.00%
Weighted Equity Cost Rate			4.35%
Revenue Expansion Factor			1.3645
Weighted Equity Cost Rate , times Revenue Expansion Factor			<u>5.940%</u>
Long Term Debt-CU			0.680%
Short Term Debt			0.340%
Short Term Debt-Refinanced LTD			0.000%
Customer Deposits			0.000%
Tax Credits-Weighted Cost			<u>0.000%</u>
Weighted Debt Cost Rate			<u>1.020%</u>
Overall Weighted Cost Rate			<u><u>5.37%</u></u>

**Florida Public Utilities-Ft. Meade**  
 Gas Reliability Infrastructure Program (GRIP)  
 Calculation of the Projected Revenue Requirements  
 January 1, 2017 through December 31, 2017

Schedule B-1  
 Exhibit \_\_\_\_\_  
 Geoffrey A Wight (GAW-1)  
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Item	Beginning Balance	Actual Jan	Actual Feb	Actual Mar	Actual Apr	Actual May	Actual Jun	Actual Jul	Actual Aug	Actual Sep	Actual Oct	Actual Nov	Actual Dec	Year End Total
Qualified Investment														
Qualified Investment - Mains - Current 1070 Activity		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Qualified Investment - Mains - Closed 1070 Activity to Plant		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Qualified Investment - Services - Current 1070 Activity		\$38,132	(\$762)	(\$2,592)	\$24,406	\$16,625	\$1,701	\$4,206	\$7,735	\$14,679	\$135	\$4,716	\$8,879	\$117,860
Qualified Investment - Services - Closed 1070 Activity to Plant		\$0	\$0	(\$26,283)	\$0	(\$32,901)	(\$17,919)	(\$3,023)	\$0	\$0	(\$24,138)	\$0	(\$13,595)	(\$117,860)
Qualified Investment - Mains - Current 1010 Activity		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Qualified Investment - Services - Current 1010 Activity		\$0	\$0	\$26,283	\$0	\$32,901	\$17,919	\$3,023	\$0	\$0	\$24,138	\$0	\$13,595	\$117,860
Total Qualified Investment - Mains 1070	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Qualified Investment - Services 1070	(\$1)	\$38,132	\$37,369	\$8,495	\$32,901	\$16,625	\$407	\$1,589	\$9,324	\$24,003	(\$1)	\$4,715	(\$1)	(\$1)
Total Qualified Investment - Mains 1010	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Qualified Investment - Services 1010	\$70,871	\$70,871	\$70,871	\$97,154	\$97,154	\$130,056	\$147,975	\$150,998	\$150,998	\$150,998	\$175,136	\$175,136	\$188,731	\$188,731
Total Qualified Investment	\$70,871	\$109,003	\$108,240	\$105,649	\$130,055	\$146,680	\$148,382	\$152,587	\$160,322	\$175,001	\$175,136	\$179,852	\$188,731	\$188,731
Less: Accumulated Depreciation	\$0	(\$159)	(\$318)	(\$477)	(\$696)	(\$915)	(\$1,208)	(\$1,541)	(\$1,881)	(\$2,221)	(\$2,561)	(\$2,955)	(\$3,349)	(\$3,349)
Net Book Value	\$70,871	\$108,844	\$107,922	\$105,172	\$129,359	\$145,765	\$147,174	\$151,046	\$158,441	\$172,780	\$172,575	\$176,897	\$185,382	\$185,382
Average Net Qualified Investment		\$89,857	\$108,383	\$106,547	\$117,265	\$137,562	\$146,470	\$149,110	\$154,743	\$165,610	\$172,677	\$174,736	\$181,139	
Depreciation Rates														
Approved Depreciation Rate-Mains		2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%
Approved Depreciation Rate-Services		2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%
Return on Average Net Qualified Investment														
Equity - Cost of Capital, inclusive of Income Tax Gross-up		7.4500%	7.4500%	7.4500%	7.4500%	7.4500%	7.4500%	7.4500%	7.4500%	7.4500%	7.4500%	7.4500%	7.4500%	7.4500%
Debt - Cost of Capital		1.0400%	1.0400%	1.0400%	1.0400%	1.0400%	1.0400%	1.0400%	1.0400%	1.0400%	1.0400%	1.0400%	1.0400%	1.0400%
Equity Component - inclusive of Income Tax Gross-up		\$558	\$673	\$661	\$728	\$854	\$909	\$926	\$961	\$1,028	\$1,072	\$1,085	\$1,125	\$10,580
Debt Component		\$78	\$94	\$92	\$102	\$119	\$127	\$129	\$134	\$144	\$150	\$151	\$157	\$1,477
Return Requirement		\$636	\$767	\$754	\$830	\$973	\$1,036	\$1,055	\$1,095	\$1,172	\$1,222	\$1,236	\$1,282	\$12,057
Investment Expenses														
Depreciation Expense - Mains		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Depreciation Expense - Services		\$159	\$159	\$159	\$219	\$293	\$333	\$340	\$340	\$340	\$340	\$394	\$394	\$3,349
Property Taxes		\$118	\$118	\$118	\$118	\$118	\$118	\$118	\$118	\$118	\$118	\$118	\$118	\$1,416
General Public Notice Expense and Customer Notice Expense		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expense		\$277	\$277	\$277	\$337	\$337	\$411	\$451	\$458	\$458	\$458	\$512	\$512	\$4,765
Total Revenue Requirements		\$913	\$1,044	\$1,031	\$1,167	\$1,310	\$1,447	\$1,506	\$1,553	\$1,630	\$1,680	\$1,748	\$1,794	\$16,822
GRIP Surcharge Revenues Collected Month		\$ 3,807	\$ 4,084	\$ 3,222	\$ 2,988	\$ 2,243	\$ 2,200	\$ 1,892	\$ 1,871	\$ 2,211	\$ 2,243	\$ 2,691	\$ 3,400	\$32,852
Beginning True-Up		\$ 2,582												\$ 2,582
(Over) and Under Recovery for the Month		\$ (2,894)	\$ (3,040)	\$ (2,191)	\$ (1,821)	\$ (933)	\$ (753)	\$ (386)	\$ (318)	\$ (581)	\$ (563)	\$ (943)	\$ (1,607)	\$ (16,031)
Monthly Interest (Expense)/Income		\$ 1	\$ (1)	\$ (3)	\$ (4)	\$ (6)	\$ (6)	\$ (8)	\$ (9)	\$ (9)	\$ (10)	\$ (11)	\$ (14)	\$ (80)
Ending (Over) and Under Recovery		\$ 2,582	\$ (311)	\$ (3,352)	\$ (5,546)	\$ (7,372)	\$ (8,310)	\$ (9,069)	\$ (9,463)	\$ (9,790)	\$ (10,381)	\$ (10,954)	\$ (11,908)	\$ (13,528)
Beg of Month Annual Interest Rate		0.63%	0.62%	0.63%	0.80%	0.84%	0.86%	0.90%	1.08%	1.11%	1.09%	1.12%	1.20%	
End of Month Annual Interest Rate		0.62%	0.63%	0.80%	0.84%	0.86%	0.90%	1.08%	1.11%	1.12%	1.20%	1.49%		
Average Monthly Interest Rate		0.05%	0.05%	0.060%	0.068%	0.07%	0.07%	0.08%	0.09%	0.09%	0.09%	0.10%	0.11%	

**Florida Public Utilities-Ft. Meade**  
 Gas Reliability Infrastructure Program (GRIP)  
 Calculation of the Projected Revenue Requirements  
 January 1, 2018 through December 31, 2018

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Item	Beginning Balance	Actual Jan	Actual Feb	Actual Mar	Actual Apr	Actual May	Actual Jun	Actual Jul	Forecast Aug	Forecast Sep	Forecast Oct	Forecast Nov	Forecast Dec	Year End Total
Qualified Investment														
Qualified Investment - Mains - Current 1070 Activity				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Qualified Investment - Mains - Closed 1070 Activity to Plant				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Qualified Investment - Services - Current 1070 Activity		\$1,138	\$933	\$2,750	\$0	\$0	\$39,036	\$11,721	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$68,079
Qualified Investment - Services - Closed 1070 Activity to Plant			(\$733)	(\$1,338)	(\$2,750)	\$0	(\$19,321)	(\$21,945)	(\$2,500)	(\$2,500)	(\$2,500)	(\$2,500)	(\$2,500)	(\$58,587)
Qualified Investment - Mains - Current 1010 Activity		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Qualified Investment - Services - Current 1010 Activity		\$0	\$733	\$1,338	\$2,750	\$0	\$19,321	\$21,945	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$58,587
<b>Total Qualified Investment - Mains 1070</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Qualified Investment - Services 1070</b>	(\$1)	\$1,137	\$1,337	\$2,749	(\$1)	(\$1)	\$19,715	\$9,491	\$9,491	\$9,491	\$9,491	\$9,491	\$9,491	\$9,491
<b>Total Qualified Investment - Mains 1010</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Qualified Investment - Services 1010</b>	\$188,731	\$188,731	\$189,464	\$190,802	\$193,552	\$193,552	\$212,873	\$234,818	\$237,318	\$239,818	\$242,318	\$244,818	\$247,318	\$247,318
<b>Total Qualified Investment</b>	\$188,730	\$189,868	\$190,801	\$193,552	\$193,552	\$193,552	\$232,588	\$244,309	\$246,809	\$249,309	\$251,809	\$254,309	\$256,809	\$256,809
Less: Accumulated Depreciation	(\$3,349)	(\$3,774)	(\$4,199)	(\$4,625)	(\$5,054)	(\$5,489)	(\$5,924)	(\$6,403)	(\$6,931)	(\$7,465)	(\$8,005)	(\$8,550)	(\$9,101)	(\$9,101)
<b>Net Book Value</b>	\$185,381	\$186,094	\$186,602	\$188,927	\$188,498	\$188,063	\$226,664	\$237,906	\$239,878	\$241,844	\$243,804	\$245,759	\$247,708	\$247,708
<b>Average Net Qualified Investment</b>	\$185,738	\$186,348	\$187,764	\$188,712	\$188,280	\$207,363	\$232,285	\$238,892	\$240,861	\$242,824	\$244,781	\$246,733		
<b>Depreciation Rates</b>														
Approved Depreciation Rate-Mains		2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%
Approved Depreciation Rate-Services		2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%
<b>Return on Average Net Qualified Investment</b>														
Equity - Cost of Capital, inclusive of Income Tax Gross-up		7.2000%	7.2000%	7.2000%	7.2000%	7.2000%	7.2000%	7.2000%	7.2000%	7.2000%	7.2000%	7.2000%	7.2000%	7.2000%
Debt - Cost of Capital		1.0200%	1.0200%	1.0200%	1.0200%	1.0200%	1.0200%	1.0200%	1.0200%	1.0200%	1.0200%	1.0200%	1.0200%	1.0200%
<b>Equity Component - inclusive of Income Tax Gross-up</b>	\$1,114	\$1,118	\$1,127	\$1,132	\$1,130	\$1,244	\$1,394	\$1,433	\$1,445	\$1,457	\$1,469	\$1,480	\$1,480	\$15,543
<b>Debt Component</b>	\$158	\$158	\$160	\$160	\$160	\$176	\$197	\$203	\$205	\$206	\$208	\$210	\$210	\$2,202
<b>Return Requirement</b>	\$1,272	\$1,276	\$1,286	\$1,293	\$1,290	\$1,420	\$1,591	\$1,636	\$1,650	\$1,663	\$1,677	\$1,690	\$1,690	\$17,745
<b>Investment Expenses</b>														
Depreciation Expense - Mains	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Depreciation Expense - Services	\$425	\$425	\$426	\$429	\$435	\$435	\$479	\$528	\$534	\$540	\$545	\$551	\$551	\$5,752
Property Taxes	\$309	\$309	\$309	\$309	\$309	\$309	\$309	\$309	\$309	\$309	\$309	\$309	\$309	\$3,708
General Public Notice Expense and Customer Notice Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Expense</b>	\$734	\$734	\$735	\$738	\$744	\$744	\$788	\$837	\$843	\$849	\$854	\$860	\$860	\$9,460
<b>Total Revenue Requirements</b>	\$2,006	\$2,010	\$2,021	\$2,031	\$2,034	\$2,164	\$2,379	\$2,473	\$2,493	\$2,512	\$2,531	\$2,550	\$2,550	\$27,205
<b>GRIP Surcharge Revenues Collected Month</b>	\$ 1,216	\$ 864	\$ 624	\$ 680	\$ 508	\$ 536	\$ 402	\$ 413	\$ 449	\$ 456	\$ 522	\$ 742		\$7,414
<b>Beginning True-Up (Over) and Under Recovery for the Month</b>	\$ 790	\$ 1,146	\$ 1,397	\$ 1,350	\$ 1,525	\$ 1,629	\$ 1,977	\$ 2,060	\$ 2,044	\$ 2,056	\$ 2,008	\$ 1,808		\$ (13,528)
<b>Monthly Interest (Expense)/Income Ending (Over) and Under Recovery</b>	\$ (16)	\$ (16)	\$ (16)	\$ (15)	\$ (13)	\$ (11)	\$ (8)	\$ (5)	\$ (1)	\$ 2	\$ 5	\$ 9		\$ (85)
<b>Total</b>	\$ (13,528)	\$ (12,754)	\$ (11,624)	\$ (10,243)	\$ (8,908)	\$ (7,396)	\$ (5,778)	\$ (3,809)	\$ (1,754)	\$ 289	\$ 2,348	\$ 4,361	\$ 6,178	\$ 6,178
<b>Begin of Month Annual Interest Rate</b>	1.49%	1.50%	1.66%	1.86%	1.90%	1.86%	2.00%	1.97%	1.97%	1.97%	1.97%	1.97%	1.97%	1.97%
<b>End of Month Annual Interest Rate</b>	1.50%	1.66%	1.86%	1.90%	1.86%	1.97%	1.97%	1.97%	1.97%	1.97%	1.97%	1.97%	1.97%	1.97%
<b>Average Monthly Interest Rate</b>	0.13%	0.13%	0.15%	0.16%	0.16%	0.16%	0.17%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%



**Florida Public Utilities-Ft. Meade**  
 Gas Reliability Infrastructure Program (GRIP)  
 Calculation of the Projected Revenue Requirements  
 January 1, 2019 through December 31, 2019

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Item	Beginning Balance	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year End Total
<b>Qualified Investment</b>														
Qualified Investment - Mains - Current 1070 Activity				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Qualified Investment - Mains - Closed 1070 Activity to Plant				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Qualified Investment - Services - Current 1070 Activity		\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$20,000
Qualified Investment - Services - Closed 1070 Activity to Plant		(\$1,667)	(\$1,667)	(\$1,667)	(\$1,667)	(\$1,667)	(\$1,667)	(\$1,667)	(\$1,667)	(\$1,667)	(\$1,667)	(\$1,667)	(\$1,667)	(\$20,000)
Qualified Investment - Mains - Current 1010 Activity		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Qualified Investment - Services - Current 1010 Activity		\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$20,000
<b>Total Qualified Investment - Mains 1070</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Qualified Investment - Services 1070</b>	\$9,491	\$9,491	\$9,491	\$9,491	\$9,491	\$9,491	\$9,491	\$9,491	\$9,491	\$9,491	\$9,491	\$9,491	\$9,491	\$9,491
<b>Total Qualified Investment - Mains 1010</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Qualified Investment - Services 1010</b>	\$247,318	\$248,984	\$250,651	\$252,318	\$253,984	\$255,651	\$257,318	\$258,984	\$260,651	\$262,318	\$263,984	\$265,651	\$267,318	\$267,318
<b>Total Qualified Investment</b>	<b>\$256,809</b>	<b>\$258,475</b>	<b>\$260,142</b>	<b>\$261,809</b>	<b>\$263,475</b>	<b>\$265,142</b>	<b>\$266,809</b>	<b>\$268,475</b>	<b>\$270,142</b>	<b>\$271,809</b>	<b>\$273,475</b>	<b>\$275,142</b>	<b>\$276,809</b>	<b>\$276,809</b>
<b>Less: Accumulated Depreciation</b>	<b>(\$9,101)</b>	<b>(\$9,657)</b>	<b>(\$10,217)</b>	<b>(\$10,781)</b>	<b>(\$11,349)</b>	<b>(\$11,920)</b>	<b>(\$12,495)</b>	<b>(\$13,074)</b>	<b>(\$13,657)</b>	<b>(\$14,243)</b>	<b>(\$14,833)</b>	<b>(\$15,427)</b>	<b>(\$16,025)</b>	<b>(\$16,025)</b>
<b>Net Book Value</b>	<b>\$247,708</b>	<b>\$248,818</b>	<b>\$249,925</b>	<b>\$251,028</b>	<b>\$252,126</b>	<b>\$253,222</b>	<b>\$254,314</b>	<b>\$255,401</b>	<b>\$256,485</b>	<b>\$257,566</b>	<b>\$258,642</b>	<b>\$259,715</b>	<b>\$260,784</b>	<b>\$260,784</b>
<b>Average Net Qualified Investment</b>		<b>\$248,263</b>	<b>\$249,372</b>	<b>\$250,476</b>	<b>\$251,577</b>	<b>\$252,674</b>	<b>\$253,768</b>	<b>\$254,857</b>	<b>\$255,943</b>	<b>\$257,025</b>	<b>\$258,104</b>	<b>\$259,179</b>	<b>\$260,249</b>	
<b>Depreciation Rates</b>														
Approved Depreciation Rate-Mains		2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%
Approved Depreciation Rate-Services		2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%
<b>Return on Average Net Qualified Investment</b>														
Equity - Cost of Capital, inclusive of Income Tax Cross-up		5.9400%	5.9400%	5.9400%	5.9400%	5.9400%	5.9400%	5.9400%	5.9400%	5.9400%	5.9400%	5.9400%	5.9400%	5.9400%
Debt - Cost of Capital		1.0200%	1.0200%	1.0200%	1.0200%	1.0200%	1.0200%	1.0200%	1.0200%	1.0200%	1.0200%	1.0200%	1.0200%	1.0200%
<b>Equity Component - inclusive of Income Tax Cross-up</b>	<b>\$1,229</b>	<b>\$1,234</b>	<b>\$1,240</b>	<b>\$1,245</b>	<b>\$1,251</b>	<b>\$1,256</b>	<b>\$1,262</b>	<b>\$1,267</b>	<b>\$1,272</b>	<b>\$1,278</b>	<b>\$1,283</b>	<b>\$1,288</b>	<b>\$1,288</b>	<b>\$15,105</b>
<b>Debt Component</b>	<b>\$211</b>	<b>\$212</b>	<b>\$213</b>	<b>\$214</b>	<b>\$215</b>	<b>\$216</b>	<b>\$217</b>	<b>\$218</b>	<b>\$218</b>	<b>\$219</b>	<b>\$220</b>	<b>\$221</b>	<b>\$221</b>	<b>\$2,594</b>
<b>Return Requirement</b>	<b>\$1,440</b>	<b>\$1,446</b>	<b>\$1,453</b>	<b>\$1,459</b>	<b>\$1,466</b>	<b>\$1,472</b>	<b>\$1,478</b>	<b>\$1,484</b>	<b>\$1,491</b>	<b>\$1,497</b>	<b>\$1,503</b>	<b>\$1,509</b>	<b>\$1,509</b>	<b>\$17,699</b>
<b>Investment Expenses</b>														
Depreciation Expense - Mains	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Depreciation Expense - Services	\$556	\$560	\$564	\$568	\$571	\$575	\$579	\$583	\$586	\$590	\$594	\$598	\$598	\$6,924
Property Taxes	\$413	\$413	\$413	\$413	\$413	\$413	\$413	\$413	\$413	\$413	\$413	\$413	\$413	\$4,956
General Public Notice Expense and Customer Notice Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Expense</b>	<b>\$969</b>	<b>\$973</b>	<b>\$977</b>	<b>\$981</b>	<b>\$984</b>	<b>\$988</b>	<b>\$992</b>	<b>\$996</b>	<b>\$999</b>	<b>\$1,003</b>	<b>\$1,007</b>	<b>\$1,011</b>	<b>\$1,011</b>	<b>\$11,880</b>
<b>Total Revenue Requirements</b>	<b>\$2,409</b>	<b>\$2,419</b>	<b>\$2,430</b>	<b>\$2,440</b>	<b>\$2,450</b>	<b>\$2,460</b>	<b>\$2,470</b>	<b>\$2,480</b>	<b>\$2,490</b>	<b>\$2,500</b>	<b>\$2,510</b>	<b>\$2,520</b>	<b>\$2,520</b>	<b>\$29,579</b>

**Florida Public Utilities Company-Fort Meade**  
 Gas Reliability Infrastructure Program (GRIP)  
 Projection of Qualified Mains & Services Revenue Requirements  
 Surcharge Calculation - January 1, 2019 through December 31, 2019  
 Per Therm Rate

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1. 1/1/19-12/31/19 Qualified Mains & Services Replacement Revenue Requirements		\$	29,579
Mains	0%	\$0	
Services	100%	\$29,579	
Net		<u>\$29,579</u>	
2. TRUE-UP from Prior Period (Over)/Under Recovery Estimated thru 12/2018		\$	6,178
3. 2019 Qualified Mains & Services Replacement Revenue Requirements		\$	35,757
Mains	0%	\$0	
Services	100%	\$35,757	
Net		<u>\$35,757</u>	

RATE SCHEDULE	2019 THERMS	SERVICES COS %	MAINS COS %	SERVICES REV REQ	MAINS REV REQ	GRIP REV REQ	DOLLARS PER THERM	TAX FACTOR	GRIP FACTORS PER THERM	TYPICAL ANNUAL THERMS	ANNUAL COST	AVERAGE MONTHLY COST
RESIDENTIAL	70,940	58.00%	22.00%	\$20,739	\$0	\$20,739	\$0.29235	1.00503	\$0.29382	250	\$73.45	\$6.12
COMMERCIAL SMALL (General Service & GS Transportation)	68,773	17.00%	23.00%	\$6,079	\$0	\$6,079	\$0.08839	1.00503	\$0.08883	2,500	\$222.08	\$18.51
COMM. LRG VOLUME (Large Vol & LV Transportation)	0	25.00%	46.00%	\$8,939	\$0	\$8,939	\$0.00000	1.00503	\$0.00000	25,000	\$0.00	\$0.00
INTERRUPTIBLE SERVICE (Int Service & IS Transportation)	0	0.00%	8.00%	\$0	\$0	\$0	\$0.00000	1.00503	\$0.00000	50,000	\$0.00	\$0.00
GENERAL LIGHTING SERVICE	0	0.00%	1.00%	\$0	\$0	\$0	\$0.00000	1.00503	\$0.00000	500	\$0.00	\$0.00
<b>TOTAL</b>	<u>139,713</u>	<u>100.00%</u>	<u>100.00%</u>	<u>\$35,757</u>	<u>\$0</u>	<u>\$35,757</u>						