

Docket No. 20180052-GU
Comprehensive Exhibit List for Entry into Hearing Record
November 27, 2018

Hearing I.D. #	Witness	I.D. # As Filed	Exhibit Description	Issue Nos.	Entered
STAFF					
1		Exhibit List	Comprehensive Exhibit List		
FLORIDA PUBLIC UTILITIES COMPANY- INDIANTOWN DIVISION (INDIANTOWN) - (DIRECT)					
2	Michael Cassel	FIMC-1* ¹	Computation of Gas Tax Savings	1-21	
3	Matthew Dewey	FIMD-1*	Computation of Regulatory Liability	1-5, 9-16	
4	Matthew Dewey	FIMD-2*	Computation of Regulatory Liability Common Division	1-5, 9-16	
OFFICE OF PUBLIC COUNSEL (OPC) – (DIRECT)					
5	Ralph Smith	RCS-1* ²	Qualifications of Ralph C. Smith, CPA	1-9, 11-12, 17-20	
STAFF – HEARING EXHIBITS					
6	Michael Cassel		FPUC - Indiantown response to OPC 1 st Interrogatories Nos. 1-7, 9 See Staff's CD for additional files <i>[Bates No. 00001-00011]</i>	1, 2	
7	Michael Cassel		FPUC - Indiantown response to OPC 2 nd Interrogatories Nos. 11-24 See Staff's CD for additional files <i>[Bates No. 00012-00036]</i>	1-4, 9-13	

¹ *FPUC's testimony revised on August 27, 2018.

² *OPC's witness Ralph Smith's testimony and exhibit substituted on September 18, 2018.

COMPREHENSIVE EXHIBIT LIST
DOCKET NO. 20180052-GU
PAGE 2

8	Matthew Dewey		FPUC - Indiantown response to OPC 3 rd Interrogatories No. 25 <i>[Bates No. 00037-00041]</i>	2, 6, 7	
9	Michael Cassel		FPUC - Indiantown response to OPC 4 th Interrogatories Nos. 26-31 <i>[Bates No. 00042-00053]</i>	12, 13, 18	
10	Michael Cassel		FPUC - Indiantown response to OPC 5 th Interrogatories Nos. 32-33 <i>[Bates No. 00054-00058]</i>	1	
11	Michael Cassel		FPUC - Indiantown response to Staff 1 st interrogatories Nos. 1-3 <i>[Bates No. 00059-00064]</i>	12-15	
12	Michael Cassel		FPUC - Indiantown response to OPC 1 st Production of Documents Nos. 1-5 See Staff's CD for Additional files <i>[Bates No. 00065-00069]</i>	9-16	
13	Michael Cassel		FPUC - Indiantown response to OPC 2 nd Production of Documents No. 7 <i>[Bates No. 00070-00072]</i>	1, 2, 4, 5, 9-16	
14	Matthew Dewey		FPUC - Indiantown response to OPC 3 rd Production of Documents No. 9 <i>[Bates No. 00073-00075]</i>	12-17	
15	Michael Cassel		FPUC - Indiantown response to OPC 4 th Production of Documents No. 10 See Staff's CD for Additional Files <i>[Bates No. 00076-00078]</i>	12-17	

16	Michael Cassel		FPUC - Indiantown response to OPC 5 th Production of Documents No. 11 See Staff's CD for Additional Files <i>[Bates No. 00079-00081]</i>	1, 2, 9-16	
<i>OTHER HEARING EXHIBITS</i>					
Live Exhibit Number	Witness	Party	Description	Moved In/Due Date of Late Filed	
17	Cassel	Staff	FPUC Indiantown Response to staff's 2 nd set of Interrogatories, No. 4		
18	Cassel	OPC	Reedy Creek v PSC		
19	Cassel	OPC	Quarterly Earnings Surveillance Report FPUC Indiantown 2012 to 2018		
20	Cassel	OPC	Quarterly Earnings Surveillance Report FPUC Ft Meade 2014 to 2018		

FLORIDA PUBLIC UTILITIES COMPANY - INDIANTOWN
 Computation of Gas Tax Savings
 Projected 2018 Test Year

DOCKET NO.: 20180052-GU
 EXHIBIT NO.: FIMC-1 - revised
 Page 1 of 1

	FI	FC Allocated	Total FI	ANNUAL
ANNUAL TAX SAVINGS FROM RATE CHANGE:				
NOI BEFORE TAX CHANGE	\$ (156,494)		\$ (156,494)	
NOI AFTER TAX CHANGE	\$ (196,879)		\$ (196,879)	
NET INCOME EFFECT OF TAX CHANGE	\$ (40,385)		\$ (40,385)	
GROSS UP	\$ (13,711)		\$ (13,711)	
PRETAX - GROSSED UP SAVINGS (EXPENSE)	\$ (54,096)	\$ -	\$ (54,096)	\$ (54,096)
REGULATORY TAX LIABILITY:				
ESTIMATED PROTECTED GROSSED UP REG TAX LIABILITY	\$ 219,605	\$ 1,664	\$ 221,269	\$ 8,510 26 YEARS
ESTIMATED UNPROTECTED GROSSED UP REG TAX LIABILITY	\$ (3,403)	\$ (3,081)	\$ (6,484)	\$ (648) 10 YEARS
NET ESTIMATED REGULATORY TAX LIABILITY	\$ 216,202	\$ (1,417)	\$ 214,785	\$ 7,862
TOTAL				\$ (46,234)
As Filed FIMC-1				\$ (44,207)
Difference				\$ (2,027)

FLORIDA PUBLIC SERVICE COMMISSION
 DOCKET: 20180052-GU EXHIBIT: 2
 PARTY: FLORIDA PUBLIC UTILITIES
 COMPANY- INDIANTOWN DIVISION
 (INDIANTOWN) - (DIRECT)

**FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180052-GU EXHIBIT: 3
PARTY: FLORIDA PUBLIC UTILITIES
COMPANY- INDIANTOWN DIVISION
(INDIANTOWN) - (DIRECT)**

FLORIDA PUBLIC UTILITIES-INDIANTOWN DIVISION
Computation of Regulatory Liability (FI)

Docket No.: 20180052-GU
Exhibit No.: FIMD-1 revised

		BEFORE		AFTER											
		35.00%		21.00%		21.00%									
		Blended		38.58%		25.35%				Allocation from Parent		3/31/18			
Seg 3	FERC	Code	Name	Beginning Balance See Note A	Rate Change	Protected	UnProtected Plant	UnProtected NonPlant	OTP Adj	12/31/2017 Balance	UnProtected NonPlant	NetAdjust to LT Bonus	Q1 Entries	03/31/2018 Balance	
25AF	282	UNNP	25AF AFUDC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
25AM	283	UNNP	25AM Customer Based Intangibles	\$ (65,525)	\$ 22,473	\$ -	\$ -	\$ 22,473	\$ 43,052	\$ -	\$ -	\$ -	\$ -	\$ -	
25BD	283	UNNP	25BD Bad Debts	\$ 756	\$ (259)	\$ -	\$ -	\$ (259)	\$ -	\$ 497	\$ -	\$ -	\$ (90)	\$ 407	
25BN	283	UNNP	25BN.01 Short Term Bonus	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,637	\$ 1,158	\$ -	\$ 2,795	
25CN	283	UNNP	25CN Conservation	\$ 3,563	\$ (1,222)	\$ -	\$ -	\$ (1,222)	\$ -	\$ 2,341	\$ -	\$ -	\$ 644	\$ 2,985	
25DP	282	P	25DP.01 Depreciation	\$ (450,908)	\$ 154,647	\$ 154,647	\$ -	\$ -	\$ (28)	\$ (296,289)	\$ -	\$ -	\$ 4,448	\$ (291,841)	
25DP	282	P	25DP.02 Contribution in Aid of Construction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
25DP	282	UNNP	25DP.03 Cost of Removal	\$ 72,370	\$ (24,821)	\$ -	\$ (24,821)	\$ -	\$ -	\$ 47,549	\$ -	\$ -	\$ (80)	\$ 47,469	
25DP	282	P	25DP.04 Asset Gain/Loss	\$ (27,113)	\$ 9,299	\$ 9,299	\$ -	\$ -	\$ -	\$ (17,814)	\$ -	\$ -	\$ -	\$ (17,814)	
25DP	282	P	25DP.05 Adjustment for Repairs Depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
25ID	283	UNNP	25ID Reserve for Insurance Deductibles	\$ (756)	\$ 259	\$ -	\$ -	\$ 259	\$ (1)	\$ (498)	\$ -	\$ -	\$ 63	\$ (435)	
25PG	283	UNNP	25PG Purchased Gas Cots	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1)	\$ (1)	\$ -	\$ -	\$ (495)	\$ (496)	
25RE	282	UNNP	25RE Repairs Deduction	\$ (3,620)	\$ 1,242	\$ -	\$ 1,242	\$ -	\$ (1)	\$ (2,379)	\$ -	\$ -	\$ -	\$ (2,379)	
25RP	282	UNNP	25RP Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
25RT	283	UNNP	25RT Rabbi Trust	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,835	\$ -	\$ -	\$ 1,835	
25SR	283	UNNP	25SR.01 SERP (Current)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,889	\$ -	\$ -	\$ 3,889	
25SD	283	UNNP	25SD ADIT State Decoupling	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
25SL	283	UNNP	S_NOL_SYS S_NOL_SYS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
25SL	283	UNNP	S_NOL_SYS - 2014 - S_NOL_SYS - 2014 - FL	\$ 3,094	\$ 666	\$ -	\$ -	\$ 666	\$ (3,094)	\$ 666	\$ -	\$ -	\$ -	\$ 666	
Total				\$ (468,139)	\$ 162,284	\$ 163,946	\$ (23,579)	\$ 21,917	\$ 39,927	\$ (265,928)	\$ 7,361	\$ 1,158	\$ 4,490	\$ (252,919)	
Protected Gross-up				\$ -	\$ (1)	\$ 55,659	\$ -	\$ -	\$ -	\$ 55,659	\$ -	\$ -	\$ -	\$ 55,659	
UnProtected Plant Gross-up				\$ -	\$ -	\$ -	\$ (8,005)	\$ -	\$ -	\$ (8,005)	\$ -	\$ -	\$ -	\$ (8,005)	
UnProtected NonPlant Gross-up				\$ -	\$ -	\$ -	\$ -	\$ 7,441	\$ -	\$ 7,441	\$ (1,304)	\$ (205)	\$ -	\$ 5,932	
Unrecorded adjustment to correct grossup calculation at year end				\$ -	\$ -	\$ -	\$ -	\$ 4,778	\$ -	\$ 4,778	\$ -	\$ -	\$ -	\$ 4,778	
25TX	25TX		Tax Reform 2017 Reg Asset Gross Up	\$ -	\$ -	\$ 55,659	\$ (8,005)	\$ 12,219	\$ -	\$ 59,873	\$ (1,304)	\$ (205)	\$ -	\$ 58,364	
Total with Gross-up				\$ -	\$ -	\$ 219,605	\$ (31,584)	\$ 34,136	\$ -	\$ (206,055)	\$ 6,057	\$ 953	\$ 4,490	\$ (194,555)	
Excess Deferred Tax Liability before gross up						a	b	c							
Excess Deferred Tax Liability - Protected				\$ -	\$ -	\$ (163,946)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (163,946)	
Excess Deferred Tax Liability - Unprotected Plant				\$ -	\$ -	\$ 23,579	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,762)	
Excess Deferred Tax Liability - Unprotected Non Plant				\$ -	\$ -	\$ (21,917)	\$ -	\$ -	\$ -	\$ -	\$ (7,361)	\$ (1,158)	\$ -	\$ (30,436)	
Excess Deferred Tax Liability - Total				\$ -	\$ -	\$ (162,284)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (196,144)	
										\$ (206,055)	\$ -	\$ -	\$ (194,555)		
										\$ (0)	\$ -	\$ -	\$ (0)		
25TX	25TX		Tax Reform 2017 Reg Asset Gross Up	\$ -	\$ -	\$ 59,873	\$ -	\$ -	\$ -	\$ 59,873	\$ -	\$ -	\$ -	\$ 58,364	
			G/L	\$ -	\$ -	\$ 59,873	\$ -	\$ -	\$ -	\$ 59,873	\$ -	\$ -	\$ -	\$ 58,364	
										\$ (0)	\$ -	\$ -	\$ (0)		
280R-254P			Reg Liability - Protected	\$ -	\$ -	\$ (219,605)	\$ -	\$ -	\$ -	\$ (219,605)	\$ -	\$ -	\$ -	\$ (219,605)	
280R-254N			Reg Liability -UnProtected	\$ -	\$ -	\$ (2,552)	\$ -	\$ -	\$ -	\$ (2,552)	\$ 5,146	\$ 809	\$ -	\$ 3,403	
						\$ (222,157)	\$ -	\$ -	\$ -	\$ (222,157)	\$ -	\$ -	\$ -	\$ (216,202)	
						\$ 31,584	\$ -	\$ -	\$ -	\$ 31,584	\$ -	\$ -	\$ -	\$ 31,584	
						\$ (34,136)	\$ -	\$ -	\$ -	\$ (34,136)	\$ 5,146	\$ 809	\$ -	\$ (28,181)	
						\$ (2,552)	\$ -	\$ -	\$ -	\$ (2,552)	\$ -	\$ -	\$ -	\$ 3,403	

Note A: Highlighted numbers were revised for adjustments discussed in the revised testimony and will be booked in 4th quarter 2018.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180052-GU EXHIBIT: 4
PARTY: FLORIDA PUBLIC UTILITIES
COMPANY- INDIANTOWN DIVISION
(INDIANTOWN) - (DIRECT)

FLORIDA PUBLIC UTILITIES COMPANY
Computation of Regulatory Liability Common Division (FC)

Docket No.: 20180052-EI
Exhibit No.: FIMD-2 revised

			BEFORE		AFTER									
			35.00%	21.00%	21.00%									
			Blended		Allocation from Parent 3/31/18									
			38.58%	25.35%	25.35%									
Seg 3	FERC	Code	Name	Beginning Balance See Note A	Rate Change	Protected	UnProtected Plant	UnProtected NonPlant	OTP Adj	12/31/2017 Balance	UnProtected NonPlant	NetAdjust to LT Bonus	Q1 Entries	03/31/2018 Balance
2500	282	UNNP 2500	ADIT Property LT	\$ 2,791	\$ (957)			\$ (957)		\$ 1,834			\$ -	\$ 1,834
25BN	283	UNNP 25BN.01	Short Term Bonus	\$ 646,396	\$ (221,693)			\$ (221,693)	\$ 43	\$ 424,746			\$ 14,462	\$ 439,208
25BN	283	UNNP 25BN.02	Long Term Bonus	\$ 12,907	\$ (4,427)			\$ (4,427)		\$ 8,480			\$ -	\$ 8,480
25DP	282	P 25DP.01	Depreciation	\$ (888,432)	\$ 304,565	\$ 304,565		\$ -		\$ (583,867)			\$ (43,664)	\$ (627,531)
25DP	282	P 25DP.04	Asset Gain/Loss	\$ (17,530)	\$ 6,012	\$ 6,012		\$ -		\$ (11,518)			\$ (2,334)	\$ (13,852)
25DP	282	P 25DP.05	Adjustment for Repairs Depreciation	\$ -	\$ -	\$ -		\$ -		\$ -			\$ -	\$ -
25EN	283	UNNP 25EN	Environmental	\$ -	\$ -			\$ -		\$ -	\$ -		\$ -	\$ -
25ID	283	UNNP 25ID	Reserve for Insurance Deductibles	\$ (1,421)	\$ 487			\$ 487	\$ (1)	\$ (935)			\$ (1)	\$ (936)
25PN	283	UNNP 25PN	Pension	\$ 1,281,408	\$ (439,482)			\$ (439,482)	\$ 15	\$ 841,941			\$ (5,222)	\$ 836,719
25PR	283	UNNP 25PR	Post Retirement Benefits	\$ (3,007)	\$ 1,031			\$ 1,031	\$ (3,550)	\$ (5,526)			\$ -	\$ (5,526)
25PR	283	UNNP 25PR.02	Post Retirement Benefits (Non-Current)	\$ (7,376)	\$ 2,530			\$ 2,530		\$ (4,846)			\$ -	\$ (4,846)
25RC	283	UNNP 25RC	Rate Case	\$ -	\$ -			\$ -		\$ -			\$ -	\$ -
25RD	283	UNNP 25RD	Loss on Recquired Debt	\$ (397,679)	\$ 136,391			\$ 136,391	\$ 33,873	\$ (227,415)			\$ 7,208	\$ (220,207)
25RE	282	UNNP 25RE	Repairs Deduction	\$ 6,003	\$ (1,920)		\$ (1,920)	\$ -	\$ 5	\$ 4,088			\$ (420)	\$ 3,668
25RT	283	UNNP 25RT	Rabbi Trust					\$ -		\$ -			\$ -	\$ -
25SD	283	UNNP 25SD	ADIT State Decoupling					\$ -		\$ -			\$ -	\$ -
25SD	283	UNNP 25SD	ADIT State Decoupling	\$ -	\$ -			\$ -		\$ -			\$ -	\$ -
25SI	283	UNNP 25SI.01	Self Insurance (Current)	\$ -	\$ -			\$ -		\$ -			\$ -	\$ -
25SI	283	UNNP 25SI.02	Self Insurance (Non-Current)	\$ -	\$ -			\$ -		\$ -			\$ -	\$ -
25SL	283	UNNP 25SL	ADIT State NOL	\$ -	\$ -			\$ -		\$ -			\$ -	\$ -
25VA	283	UNNP 25VA	Vacation	\$ 144,792	\$ (49,659)			\$ (49,659)	\$ 12	\$ 95,145			\$ (1,613)	\$ 93,532
NOL_	283	UNNP NOL_SYS	NOL_SYS	\$ -	\$ -			\$ -		\$ -			\$ -	\$ -
25SL	283	UNNP S_NOL_SYS	S_NOL_SYS	\$ (253,510)	\$ (54,602)			\$ (54,602)	\$ (3,104)	\$ (311,216)			\$ -	\$ (311,216)
25SL	283	UNNP S_NOL_SYS - 20	S_NOL_SYS - 2014 - FL	\$ 256,614	\$ 55,271			\$ 55,271		\$ 311,885			\$ -	\$ 311,885
Total				\$ 781,956	\$ (266,453)	\$ 310,577	\$ (1,920)	\$ (575,110)	\$ 27,293	\$ 542,796	\$ -	\$ -	\$ (31,584)	\$ 511,212
Protected Gross-up				\$ -	\$ -	\$ 105,439				\$ 105,439				\$ 105,439
UnProtected Plant Gross-up							\$ (652)			\$ (652)				\$ (652)
UnProtected NonPlant Gross-up								\$ (195,247)		\$ (195,247)	\$ -			\$ (195,247)
Unrecorded adjustment to correct grossup calculation at year end								\$ 2,735		\$ 2,735				\$ 2,735
25TX	25TX	25TX	Tax Reform 2017 Reg Asset Gross Up			\$ 105,439	\$ (652)	\$ (192,512)		\$ (87,724)	\$ -	\$ -		\$ (87,724)
Total with Gross-up						\$ 416,016	\$ (2,572)	\$ (767,622)		\$ 455,072	\$ -	\$ -	\$ (31,584)	\$ 423,488
						a	b	c						

FLORIDA PUBLIC UTILITIES COMPANY
 Computation of Regulatory Liability Common Division (FC)

Docket No.: 20180052-EI
 Exhibit No.: FIMD-2 revised

FL	5.50%	Fed	BEFORE		AFTER									
			35.00%	21.00%				21.00%	Allocation from Parent		3/31/18			
		Blended	38.58%	25.35%					25.35%					
Seg 3	FERC	Code	Name	Beginning Balance See Note A	Rate Change	Protected	UnProtected Plant	UnProtected NonPlant	OTP Adj	12/31/2017 Balance	UnProtected NonPlant	NetAdjust to LT Bonus	Q1 Entries	03/31/2018 Balance
Excess Deferred Tax Liability before gross up														
			Excess Deferred Tax Liability - Protected			\$ (310,577)								\$ (310,577)
			Excess Deferred Tax Liability - Unprotected Plant			\$ 1,920								\$ 1,920
			Excess Deferred Tax Liability - Unprotected Non Plant			\$ 575,110					\$ -	\$ -		\$ 575,110
			Excess Deferred Tax Liability - Total			\$ 266,453								\$ 266,453

								FN ADIT	G/L	\$ 455,012				\$ 423,428
								Adjust G/L 25TX		\$ 59				\$ 59
		25TX	Tax Reform 2017 Reg Asset Gross Up							\$ (87,724)				\$ (87,724)
		25TX	G/L							\$ (87,725)				\$ (87,725)
								Adjust G/L 25TX		\$ 1				\$ 1
										d				
		280R-254P	Reg Liability - Protected							a	\$ (416,016)			\$ (416,016)
		280R-254N	Reg Liability -UnProtected							d-b-c	\$ 770,194			\$ 770,194
											\$ 354,178			\$ 354,178
			Reg Liability -UnProtected Plant								\$ 2,572			\$ 2,572
			Reg Liability -UnProtected Non Plant								\$ 767,622	\$ -	\$ -	\$ 767,622
											\$ 770,194			\$ 770,194

Note A: Highlighted numbers were revised for adjustments discussed in the revised testimony and will be booked in 4th quarter 2018.

Exhibit RCS-1
QUALIFICATIONS OF RALPH C. SMITH

Accomplishments

Mr. Smith's professional credentials include being a Certified Financial Planner™ professional, a Certified Rate of Return Analyst, a licensed Certified Public Accountant and attorney. He functions as project manager on consulting projects involving utility regulation, regulatory policy and ratemaking and utility management. His involvement in public utility regulation has included project management and in-depth analyses of numerous issues involving telephone, electric, gas, and water and sewer utilities.

Mr. Smith has performed work in the field of utility regulation on behalf of industry, public service commission staffs, state attorney generals, municipalities, and consumer groups concerning regulatory matters before regulatory agencies in Alabama, Alaska, Arizona, Arkansas, California, Connecticut, Delaware, Florida, Georgia, Hawaii, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, New Jersey, New Mexico, New York, Nevada, North Carolina, North Dakota, Ohio, Oregon, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, Washington DC, West Virginia, Canada, Federal Energy Regulatory Commission and various state and federal courts of law. He has presented expert testimony in regulatory hearings on behalf of utility commission staffs and intervenors on several occasions.

Project manager in Larkin & Associates' review, on behalf of the Georgia Commission Staff, of the budget and planning activities of Georgia Power Company; supervised 13 professionals; coordinated over 200 interviews with Company budget center managers and executives; organized and edited voluminous audit report; presented testimony before the Commission. Functional areas covered included fossil plant O&M, headquarters and district operations, internal audit, legal, affiliated transactions, and responsibility reporting. All of our findings and recommendations were accepted by the Commission.

Key team member in the firm's management audit of the Anchorage Water and Wastewater Utility on behalf of the Alaska Commission Staff, which assessed the effectiveness of the Utility's operations in several areas; responsible for in-depth investigation and report writing in areas involving information systems, finance and accounting, affiliated relationships and transactions, and use of outside contractors. Testified before the Alaska Commission concerning certain areas of the audit report. AWWU concurred with each of Mr. Smith's 40 plus recommendations for improvement.

Co-consultant in the analysis of the issues surrounding gas transportation performed for the law firm of Cravath, Swaine & Moore in conjunction with the case of Reynolds Metals Co. vs. the Columbia Gas System, Inc.; drafted in-depth report concerning the regulatory treatment at both state and federal levels of issues such as flexible pricing and mandatory gas transportation.

Lead consultant and expert witness in the analysis of the rate increase request of the City of Austin - Electric Utility on behalf of the residential consumers. Among the numerous ratemaking issues addressed were the economies of the Utility's employment of outside services; provided both written and oral testimony outlining recommendations and their bases. Most of Mr. Smith's recommendations were adopted by the City Council and Utility in a settlement.

FLORIDA PUBLIC SERVICE
COMMISSION
DOCKET: 20180052-GU EXHIBIT: 5
PARTY: OFFICE OF PUBLIC COUNSEL
(OPC) – (DIRECT)

Key team member performing an analysis of the rate stabilization plan submitted by the Southern Bell Telephone & Telegraph Company to the Florida PSC; performed comprehensive analysis of the Company's projections and budgets which were used as the basis for establishing rates.

Lead consultant in analyzing Southwestern Bell Telephone separations in Missouri; sponsored the complex technical analysis and calculations upon which the firm's testimony in that case was based. He has also assisted in analyzing changes in depreciation methodology for setting telephone rates.

Lead consultant in the review of gas cost recovery reconciliation applications of Michigan Gas Utilities Company, Michigan Consolidated Gas Company, and Consumers Power Company. Drafted recommendations regarding the appropriate rate of interest to be applied to any over or under collections and the proper procedures and allocation methodology to be used to distribute any refunds to customer classes.

Lead consultant in the review of Consumers Power Company's gas cost recovery refund plan. Addressed appropriate interest rate and compounding procedures and proper allocation methodology.

Project manager in the review of the request by Central Maine Power Company for an increase in rates. The major area addressed was the propriety of the Company's ratemaking attrition adjustment in relation to its corporate budgets and projections.

Project manager in an engagement designed to address the impacts of the Tax Reform Act of 1986 on gas distribution utility operations of the Northern States Power Company. Analyzed the reduction in the corporate tax rate, uncollectibles reserve, ACRS, unbilled revenues, customer advances, CIAC, and timing of TRA-related impacts associated with the Company's tax liability.

Project manager and expert witness in the determination of the impacts of the Tax Reform Act of 1986 on the operations of Connecticut Natural Gas Company on behalf of the Connecticut Department of Public Utility Control - Prosecutorial Division, Connecticut Attorney General, and Connecticut Department of Consumer Counsel.

Lead Consultant for The Minnesota Department of Public Service ("DPS") to review the Minnesota Incentive Plan ("Incentive Plan") proposal presented by Northwestern Bell Telephone Company ("NWB") doing business as U S West Communications ("USWC"). Objective was to express an opinion as to whether current rates addressed by the plan were appropriate from a Minnesota intrastate revenue requirements and accounting perspective, and to assist in developing recommended modifications to NWB's proposed Plan.

Performed a variety of analytical and review tasks related to our work effort on this project. Obtained and reviewed data and performed other procedures as necessary (1) to obtain an understanding of the Company's Incentive Plan filing package as it relates to rate base, operating income, revenue requirements, and plan operation, and (2) to formulate an opinion concerning the reasonableness of current rates and of amounts included within the Company's Incentive Plan filing. These procedures included requesting and reviewing extensive discovery, visiting the Company's offices to review data, issuing follow-up information requests in many instances, telephone and on-site discussions with Company representatives, and frequent discussions with counsel and DPS Staff assigned to the project.

Lead Consultant in the regulatory analysis of Jersey Central Power & Light Company for the Department of the Public Advocate, Division of Rate Counsel. Tasks performed included on-site review and audit of Company, identification and analysis of specific issues, preparation of data requests, testimony, and cross examination questions. Testified in Hearings.

Assisted the NARUC Committee on Management Analysis with drafting the Consultant Standards for Management Audits.

Presented training seminars covering public utility accounting, tax reform, ratemaking, affiliated transaction auditing, rate case management, and regulatory policy in Maine, Georgia, Kentucky, and Pennsylvania. Seminars were presented to commission staffs and consumer interest groups.

Previous Positions

With Larkin, Chapski and Co., the predecessor firm to Larkin & Associates, was involved primarily in utility regulatory consulting, and also in tax planning and tax research for businesses and individuals, tax return preparation and review, and independent audit, review and preparation of financial statements.

Installed computerized accounting system for a realty management firm.

Education

Bachelor of Science in Administration in Accounting, with distinction, University of Michigan, Dearborn, 1979.

Master of Science in Taxation, Walsh College, Michigan, 1981. Master's thesis dealt with investment tax credit and property tax on various assets.

Juris Doctor, cum laude, Wayne State University Law School, Detroit, Michigan, 1986. Recipient of American Jurisprudence Award for academic excellence.

Continuing education required to maintain CPA license and CFP® certificate.

Passed all parts of CPA examination in first sitting, 1979. Received CPA certificate in 1981 and Certified Financial Planning certificate in 1983. Admitted to Michigan and Federal bars in 1986.

Michigan Bar Association.

American Bar Association, sections on public utility law and taxation.

Partial list of utility cases participated in:

79-228-EL-FAC	Cincinnati Gas & Electric Company (Ohio PUC)
79-231-EL-FAC	Cleveland Electric Illuminating Company (Ohio PUC)
79-535-EL-AIR	East Ohio Gas Company (Ohio PUC)
80-235-EL-FAC	Ohio Edison Company (Ohio PUC)
80-240-EL-FAC	Cleveland Electric Illuminating Company (Ohio PUC)
U-1933	Tucson Electric Power Company (Arizona Corp. Commission)
U-6794	Michigan Consolidated Gas Co. --16 Refunds (Michigan PSC)
81-0035TP	Southern Bell Telephone Company (Florida PSC)
81-0095TP	General Telephone Company of Florida (Florida PSC)
81-308-EL-EFC	Dayton Power & Light Co.- Fuel Adjustment Clause (Ohio PUC)
810136-EU	Gulf Power Company (Florida PSC)
GR-81-342	Northern States Power Co. -- E-002/Minnesota (Minnesota PUC)
Tr-81-208	Southwestern Bell Telephone Company (Missouri PSC))
U-6949	Detroit Edison Company (Michigan PSC)
8400	East Kentucky Power Cooperative, Inc. (Kentucky PSC)
18328	Alabama Gas Corporation (Alabama PSC)
18416	Alabama Power Company (Alabama PSC)
820100-EU	Florida Power Corporation (Florida PSC)
8624	Kentucky Utilities (Kentucky PSC)
8648	East Kentucky Power Cooperative, Inc. (Kentucky PSC)
U-7236	Detroit Edison - Burlington Northern Refund (Michigan PSC)
U6633-R	Detroit Edison - MRCS Program (Michigan PSC)
U-6797-R	Consumers Power Company -MRCS Program (Michigan PSC)
U-5510-R	Consumers Power Company - Energy conservation Finance Program (Michigan PSC)
82-240E	South Carolina Electric & Gas Company (South Carolina PSC)
7350	Generic Working Capital Hearing (Michigan PSC)
RH-1-83	Westcoast Transmission Co., (National Energy Board of Canada)
820294-TP	Southern Bell Telephone & Telegraph Co. (Florida PSC)
82-165-EL-EFC (Subfile A)	Toledo Edison Company(Ohio PUC)
82-168-EL-EFC	Cleveland Electric Illuminating Company (Ohio PUC)
830012-EU	Tampa Electric Company (Florida PSC)
U-7065	The Detroit Edison Company - Fermi II (Michigan PSC)
8738	Columbia Gas of Kentucky, Inc. (Kentucky PSC)
ER-83-206	Arkansas Power & Light Company (Missouri PSC)
U-4758	The Detroit Edison Company – Refunds (Michigan PSC)
8836	Kentucky American Water Company (Kentucky PSC)
8839	Western Kentucky Gas Company (Kentucky PSC)
83-07-15	Connecticut Light & Power Co. (Connecticut DPU)
81-0485-WS	Palm Coast Utility Corporation (Florida PSC)
U-7650	Consumers Power Co. (Michigan PSC)
83-662	Continental Telephone Company of California, (Nevada PSC)
U-6488-R	Detroit Edison Co., FAC & PIPAC Reconciliation (Michigan PSC)
U-15684	Louisiana Power & Light Company (Louisiana PSC)
7395 & U-7397	Campaign Ballot Proposals (Michigan PSC)
820013-WS	Seacoast Utilities (Florida PSC)
U-7660	Detroit Edison Company (Michigan PSC)
83-1039	CP National Corporation (Nevada PSC)
U-7802	Michigan Gas Utilities Company (Michigan PSC)
83-1226	Sierra Pacific Power Company (Nevada PSC)
830465-EI	Florida Power & Light Company (Florida PSC)
U-7777	Michigan Consolidated Gas Company (Michigan PSC)
U-7779	Consumers Power Company (Michigan PSC)

U-7480-R	Michigan Consolidated Gas Company (Michigan PSC)
U-7488-R	Consumers Power Company – Gas (Michigan PSC)
U-7484-R	Michigan Gas Utilities Company (Michigan PSC)
U-7550-R	Detroit Edison Company (Michigan PSC)
U-7477-R**	Indiana & Michigan Electric Company (Michigan PSC)
18978	Continental Telephone Co. of the South Alabama (Alabama PSC)
R-842583	Duquesne Light Company (Pennsylvania PUC)
R-842740	Pennsylvania Power Company (Pennsylvania PUC)
850050-EI	Tampa Electric Company (Florida PSC)
16091	Louisiana Power & Light Company (Louisiana PSC)
19297	Continental Telephone Co. of the South Alabama (Alabama PSC)
76-18788AA	
&76-18793AA	Detroit Edison - Refund - Appeal of U-4807 (Ingham County, Michigan Circuit Court)
85-53476AA	
& 85-534785AA	Detroit Edison Refund - Appeal of U-4758 (Ingham County, Michigan Circuit Court)
U-8091/U-8239	Consumers Power Company - Gas Refunds (Michigan PSC)
TR-85-179**	United Telephone Company of Missouri (Missouri PSC)
85-212	Central Maine Power Company (Maine PSC)
ER-85646001	
& ER-85647001	New England Power Company (FERC)
850782-EI &	
850783-EI	Florida Power & Light Company (Florida PSC)
R-860378	Duquesne Light Company (Pennsylvania PUC)
R-850267	Pennsylvania Power Company (Pennsylvania PUC)
851007-WU	
& 840419-SU	Florida Cities Water Company (Florida PSC)
G-002/GR-86-160	Northern States Power Company (Minnesota PSC)
7195 (Interim)	Gulf States Utilities Company (Texas PUC)
87-01-03	Connecticut Natural Gas Company (Connecticut PUC))
87-01-02	Southern New England Telephone Company (Connecticut Department of Public Utility Control)
3673-	Georgia Power Company (Georgia PSC)
29484	Long Island Lighting Co. (New York Dept. of Public Service)
U-8924	Consumers Power Company – Gas (Michigan PSC)
Docket No. 1	Austin Electric Utility (City of Austin, Texas)
Docket E-2, Sub 527	Carolina Power & Light Company (North Carolina PUC)
870853	Pennsylvania Gas and Water Company (Pennsylvania PUC)
880069**	Southern Bell Telephone Company (Florida PSC)
U-1954-88-102	Citizens Utilities Rural Company, Inc. & Citizens Utilities Company, Kingman Telephone Division (Arizona CC)
T E-1032-88-102	Illinois Bell Telephone Company (Illinois CC)
89-0033	Puget Sound Power & Light Company (Washington UTC))
U-89-2688-T	Philadelphia Electric Company (Pennsylvania PUC)
R-891364	Potomac Electric Power Company (District of Columbia PSC)
F.C. 889	Niagara Mohawk Power Corporation, et al Plaintiffs, v. Gulf+Western, Inc. et al, defendants (Supreme Court County of Onondaga, State of New York)
Case No. 88/546	
87-11628	Duquesne Light Company, et al, plaintiffs, against Gulf+Western, Inc. et al, defendants (Court of the Common Pleas of Allegheny County, Pennsylvania Civil Division)
890319-EI	Florida Power & Light Company (Florida PSC)
891345-EI	Gulf Power Company (Florida PSC)
ER 8811 0912J	Jersey Central Power & Light Company (BPU)
6531	Hawaiian Electric Company (Hawaii PUCs)

R0901595	Equitable Gas Company (Pennsylvania Consumer Counsel)
90-10	Artesian Water Company (Delaware PSC)
89-12-05	Southern New England Telephone Company (Connecticut PUC)
900329-WS	Southern States Utilities, Inc. (Florida PSC)
90-12-018	Southern California Edison Company (California PUC)
90-E-1185	Long Island Lighting Company (New York DPS)
R-911966	Pennsylvania Gas & Water Company (Pennsylvania PUC)
I.90-07-037, Phase II	(Investigation of OPEBs) Department of the Navy and all Other Federal Executive Agencies (California PUC)
U-1551-90-322	Southwest Gas Corporation (Arizona CC)
U-1656-91-134	Sun City Water Company (Arizona RUCO)
U-2013-91-133	Havasu Water Company (Arizona RUCO)
91-174***	Central Maine Power Company (Department of the Navy and all Other Federal Executive Agencies)
U-1551-89-102	Southwest Gas Corporation - Rebuttal and PGA Audit (Arizona Corporation Commission)
& U-1551-89-103	
Docket No. 6998	Hawaiian Electric Company (Hawaii PUC)
TC-91-040A and	Intrastate Access Charge Methodology, Pool and Rates
TC-91-040B	Local Exchange Carriers Association and South Dakota Independent Telephone Coalition
9911030-WS &	General Development Utilities - Port Malabar and
911-67-WS	West Coast Divisions (Florida PSC)
922180	The Peoples Natural Gas Company (Pennsylvania PUC)
7233 and 7243	Hawaiian Nonpension Postretirement Benefits (Hawaiian PUC)
R-00922314	
& M-920313C006	Metropolitan Edison Company (Pennsylvania PUC)
R00922428	Pennsylvania American Water Company (Pennsylvania PUC)
E-1032-92-083 &	
U-1656-92-183	Citizens Utilities Company, Agua Fria Water Division (Arizona Corporation Commission)
92-09-19	Southern New England Telephone Company (Connecticut PUC)
E-1032-92-073	Citizens Utilities Company (Electric Division), (Arizona CC)
UE-92-1262	Puget Sound Power and Light Company (Washington UTC)
92-345	Central Maine Power Company (Maine PUC)
R-932667	Pennsylvania Gas & Water Company (Pennsylvania PUC)
U-93-60**	Matanuska Telephone Association, Inc. (Alaska PUC)
U-93-50**	Anchorage Telephone Utility (Alaska PUC)
U-93-64	PTI Communications (Alaska PUC)
7700	Hawaiian Electric Company, Inc. (Hawaii PUC)
E-1032-93-111 &	Citizens Utilities Company - Gas Division
U-1032-93-193	(Arizona Corporation Commission)
R-00932670	Pennsylvania American Water Company (Pennsylvania PUC)
U-1514-93-169/	Sale of Assets CC&N from Contel of the West, Inc. to
E-1032-93-169	Citizens Utilities Company (Arizona Corporation Commission)
7766	Hawaiian Electric Company, Inc. (Hawaii PUC)
93-2006- GA-AIR	The East Ohio Gas Company (Ohio PUC)
94-E-0334	Consolidated Edison Company (New York DPS)
94-0270	Inter-State Water Company (Illinois Commerce Commission)
94-0097	Citizens Utilities Company, Kauai Electric Division (Hawaii PUC)
PU-314-94-688	Application for Transfer of Local Exchanges (North Dakota PSC)
94-12-005-Phase I	Pacific Gas & Electric Company (California PUC)
R-953297	UGI Utilities, Inc. - Gas Division (Pennsylvania PUC)
95-03-01	Southern New England Telephone Company (Connecticut PUC)
95-0342	Consumer Illinois Water, Kankakee Water District (Illinois CC)
94-996-EL-AIR	Ohio Power Company (Ohio PUC)
95-1000-E	South Carolina Electric & Gas Company (South Carolina PSC)

Non-Docketed Staff Investigation E-1032-95-473 E-1032-95-433	Citizens Utility Company - Arizona Telephone Operations (Arizona Corporation Commission) Citizens Utility Co. - Northern Arizona Gas Division (Arizona CC) Citizens Utility Co. - Arizona Electric Division (Arizona CC) Collaborative Ratemaking Process Columbia Gas of Pennsylvania (Pennsylvania PUC)
GR-96-285 94-10-45 A.96-08-001 et al.	Missouri Gas Energy (Missouri PSC) Southern New England Telephone Company (Connecticut PUC) California Utilities' Applications to Identify Sunk Costs of Non- Nuclear Generation Assets, & Transition Costs for Electric Utility Restructuring, & Consolidated Proceedings (California PUC)
96-324 96-08-070, et al.	Bell Atlantic - Delaware, Inc. (Delaware PSC) Pacific Gas & Electric Co., Southern California Edison Co. and San Diego Gas & Electric Company (California PUC)
97-05-12 R-00973953	Connecticut Light & Power (Connecticut PUC) Application of PECO Energy Company for Approval of its Restructuring Plan Under Section 2806 of the Public Utility Code (Pennsylvania PUC)
97-65	Application of Delmarva Power & Light Co. for Application of a Cost Accounting Manual and a Code of Conduct (Delaware PSC)
16705 E-1072-97-067 Non-Docketed Staff Investigation PU-314-97-12 97-0351 97-8001	Entergy Gulf States, Inc. (Cities Steering Committee) Southwestern Telephone Co. (Arizona Corporation Commission) Delaware - Estimate Impact of Universal Services Issues (Delaware PSC) US West Communications, Inc. Cost Studies (North Dakota PSC) Consumer Illinois Water Company (Illinois CC) Investigation of Issues to be Considered as a Result of Restructuring of Electric Industry (Nevada PSC)
U-0000-94-165	Generic Docket to Consider Competition in the Provision of Retail Electric Service (Arizona Corporation Commission)
98-05-006-Phase I 9355-U 97-12-020 - Phase I U-98-56, U-98-60, U-98-65, U-98-67 (U-99-66, U-99-65, U-99-56, U-99-52) Phase II of 97-SCCC-149-GIT PU-314-97-465 Non-docketed Assistance Contract Dispute	San Diego Gas & Electric Co., Section 386 costs (California PUC) Georgia Power Company Rate Case (Georgia PUC) Pacific Gas & Electric Company (California PUC) Investigation of 1998 Intrastate Access charge filings (Alaska PUC) Investigation of 1999 Intrastate Access Charge filing (Alaska PUC) Southwestern Bell Telephone Company Cost Studies (Kansas CC) US West Universal Service Cost Model (North Dakota PSC) Bell Atlantic - Delaware, Inc., Review of New Telecomm. and Tariff Filings (Delaware PSC) City of Zeeland, MI - Water Contract with the City of Holland, MI (Before an arbitration panel)
Non-docketed Project Non-docketed Project	City of Danville, IL - Valuation of Water System (Danville, IL) Village of University Park, IL - Valuation of Water and Sewer System (Village of University Park, Illinois)

E-1032-95-417	Citizens Utility Co., Maricopa Water/Wastewater Companies et al. (Arizona Corporation Commission)
T-1051B-99-0497	Proposed Merger of the Parent Corporation of Qwest Communications Corporation, LCI International Telecom Corp., and US West Communications, Inc. (Arizona CC)
T-01051B-99-0105	US West Communications, Inc. Rate Case (Arizona CC)
A00-07-043	Pacific Gas & Electric - 2001 Attrition (California PUC)
T-01051B-99-0499	US West/Qwest Broadband Asset Transfer (Arizona CC)
99-419/420	US West, Inc. Toll and Access Rebalancing (North Dakota PSC)
PU314-99-119	US West, Inc. Residential Rate Increase and Cost Study Review (North Dakota PSC)
98-0252	Ameritech - Illinois, Review of Alternative Regulation Plan (Illinois CUB)
00-108	Delmarva Billing System Investigation (Delaware PSC)
U-00-28	Matanuska Telephone Association (Alaska PUC)
Non-Docketed	Management Audit and Market Power Mitigation Analysis of the Merged Gas System Operation of Pacific Enterprises and Enova Corporation (California PUC)
00-11-038	Southern California Edison (California PUC)
00-11-056	Pacific Gas & Electric (California PUC)
00-10-028	The Utility Reform Network for Modification of Resolution E-3527 (California PUC)
98-479	Delmarva Power & Light Application for Approval of its Electric and Fuel Adjustments Costs (Delaware PSC)
99-457	Delaware Electric Cooperative Restructuring Filing (Delaware PSC)
99-582	Delmarva Power & Light dba Conectiv Power Delivery Analysis of Code of Conduct and Cost Accounting Manual (Delaware PSC)
99-03-04	United Illuminating Company Recovery of Stranded Costs (Connecticut OCC)
99-03-36	Connecticut Light & Power (Connecticut OCC)
Civil Action No.	
98-1117	West Penn Power Company vs. PA PUC (Pennsylvania PSC)
Case No. 12604	Upper Peninsula Power Company (Michigan AG)
Case No. 12613	Wisconsin Public Service Commission (Michigan AG)
41651	Northern Indiana Public Service Co Overearnings investigation (Indiana UCC)
13605-U	Savannah Electric & Power Company – FCR (Georgia PSC)
14000-U	Georgia Power Company Rate Case/M&S Review (Georgia PSC)
13196-U	Savannah Electric & Power Company Natural Gas Procurement and Risk Management/Hedging Proposal, Docket No. 13196-U (Georgia PSC)
Non-Docketed	Georgia Power Company & Savannah Electric & Power FPR Company Fuel Procurement Audit (Georgia PSC)
Non-Docketed	Transition Costs of Nevada Vertically Integrated Utilities (US Department of Navy)
Application No.	Post-Transition Ratemaking Mechanisms for the Electric Industry
99-01-016,	Restructuring (US Department of Navy)
Phase I	
99-02-05	Connecticut Light & Power (Connecticut OCC)
01-05-19-RE03	Yankee Gas Service Application for a Rate Increase, Phase I-2002-IERM (Connecticut OCC)
G-01551A-00-0309	Southwest Gas Corporation, Application to amend its rate Schedules (Arizona CC)
00-07-043	Pacific Gas & Electric Company Attrition & Application for a rate increase (California PUC)

97-12-020	
Phase II	Pacific Gas & Electric Company Rate Case (California PUC)
01-10-10	United Illuminating Company (Connecticut OCC)
13711-U	Georgia Power FCR (Georgia PSC)
02-001	Verizon Delaware § 271(Delaware DPA)
02-BLVT-377-AUD	Blue Valley Telephone Company Audit/General Rate Investigation (Kansas CC)
02-S&TT-390-AUD	S&T Telephone Cooperative Audit/General Rate Investigation (Kansas CC)
01-SFLT-879-AUD	Sunflower Telephone Company Inc., Audit/General Rate Investigation (Kansas CC)
01-BSTT-878-AUD	Bluestem Telephone Company, Inc. Audit/General Rate Investigation (Kansas CC)
P404, 407, 520, 413 426, 427, 430, 421/ CI-00-712	Sherburne County Rural Telephone Company, dba as Connections, Etc. (Minnesota DOC)
U-01-85	ACS of Alaska, dba as Alaska Communications Systems (ACS), Rate Case (Alaska Regulatory Commission PAS)
U-01-34	ACS of Anchorage, dba as Alaska Communications Systems (ACS), Rate Case (Alaska Regulatory Commission PAS)
U-01-83	ACS of Fairbanks, dba as Alaska Communications Systems (ACS), Rate Case (Alaska Regulatory Commission PAS)
U-01-87	ACS of the Northland, dba as Alaska Communications Systems (ACS), Rate Case (Alaska Regulatory Commission PAS)
96-324, Phase II	Verizon Delaware, Inc. UNE Rate Filing (Delaware PSC)
03-WHST-503-AUD	Wheat State Telephone Company (Kansas CC)
04-GNBT-130-AUD	Golden Belt Telephone Association (Kansas CC)
Docket 6914	Shoreham Telephone Company, Inc. (Vermont BPU)
Docket No. E-01345A-06-009	Arizona Public Service Company (Arizona Corporation Commission)
Case No. 05-1278-E-PC-PW-42T	Appalachian Power Company and Wheeling Power Company both d/b/a American Electric Power (West Virginia PSC)
Docket No. 04-0113	Hawaiian Electric Company (Hawaii PUC)
Case No. U-14347	Consumers Energy Company (Michigan PSC)
Case No. 05-725-EL-UNC	Cincinnati Gas & Electric Company (PUC of Ohio)
Docket No. 21229-U	Savannah Electric & Power Company (Georgia PSC)
Docket No. 19142-U	Georgia Power Company (Georgia PSC)
Docket No. 03-07-01RE01	Connecticut Light & Power Company (CT DPUC)
Docket No. 19042-U	Savannah Electric & Power Company (Georgia PSC)
Docket No. 2004-178-E	South Carolina Electric & Gas Company (South Carolina PSC)
Docket No. 03-07-02	Connecticut Light & Power Company (CT DPUC)
Docket No. EX02060363, Phases I&II	Rockland Electric Company (NJ BPU)
Docket No. U-00-88	ENSTAR Natural Gas Company and Alaska Pipeline Company (Regulatory Commission of Alaska)
Phase 1-2002 IERM, Docket No. U-02-075	Interior Telephone Company, Inc. (Regulatory Commission of Alaska)
Docket No. 05-SCNT- 1048-AUD	South Central Telephone Company (Kansas CC)
Docket No. 05-TRCT- 607-KSF	Tri-County Telephone Company (Kansas CC)
Docket No. 05-KOKT- 060-AUD	Kan Okla Telephone Company (Kansas CC)
Docket No. 2002-747	Northland Telephone Company of Maine (Maine PUC)

Docket No. 2003-34	Sidney Telephone Company (Maine PUC)
Docket No. 2003-35	Maine Telephone Company (Maine PUC)
Docket No. 2003-36	China Telephone Company (Maine PUC)
Docket No. 2003-37	Standish Telephone Company (Maine PUC)
Docket Nos. U-04-022, U-04-023	Anchorage Water and Wastewater Utility (Regulatory Commission of Alaska)
Case 05-116-U/06-055-U	Entergy Arkansas, Inc. EFC (Arkansas Public Service Commission)
Case 04-137-U	Southwest Power Pool RTO (Arkansas Public Service Commission)
Case No. 7109/7160	Vermont Gas Systems (Department of Public Service)
Case No. ER-2006-0315	Empire District Electric Company (Missouri PSC)
Case No. ER-2006-0314	Kansas City Power & Light Company (Missouri PSC)
Docket No. U-05-043,44	Golden Heart Utilities/College Park Utilities (Regulatory Commission of Alaska)
A-122250F5000	Equitable Resources, Inc. and The Peoples Natural Gas Company, d/b/a Dominion Peoples (Pennsylvania PUC)
E-01345A-05-0816	Arizona Public Service Company (Arizona CC)
Docket No. 05-304	Delmarva Power & Light Company (Delaware PSC)
05-806-EL-UNC	Cincinnati Gas & Electric Company (Ohio PUC)
U-06-45	Anchorage Water Utility (Regulatory Commission of Alaska)
03-93-EL-ATA,	
06-1068-EL-UNC	Duke Energy Ohio (Ohio PUC)
PUE-2006-00065	Appalachian Power Company (Virginia Corporation Commission)
G-04204A-06-0463 et. al	UNS Gas, Inc. (Arizona CC)
U-06-134	Chugach Electric Association, Inc. (Regulatory Commission of Alaska)
Docket No. 2006-0386	Hawaiian Electric Company, Inc (Hawaii PUC)
E-01933A-07-0402	Tucson Electric Power Company (Arizona CC)
G-01551A-07-0504	Southwest Gas Corporation (Arizona CC)
Docket No.UE-072300	Puget Sound Energy, Inc. (Washington UTC)
PUE-2008-00009	Virginia-American Water Company (Virginia SCC)
PUE-2008-00046	Appalachian Power Company (Virginia SCC)
E-01345A-08-0172	Arizona Public Service Company (Arizona CC)
A-2008-2063737	Babcock & Brown Infrastructure Fund North America, LP. and The Peoples Natural Gas Company, d/b/a Dominion Peoples (Pennsylvania PUC)
08-1783-G-42T	Hope Gas, Inc., dba Dominion Hope (West Virginia PSC)
08-1761-G-PC	Hope Gas, Inc., dba Dominion Hope, Dominion Resources, Inc., and Peoples Hope Gas Companies (West Virginia PSC)
Docket No. 2008-0083	Hawaiian Electric Company, Inc. (Hawaii PUC)
Docket No. 2008-0266	Young Brothers, Limited (Hawaii PUC)
G-04024A-08-0571	UNS Gas, Inc. (Arizona CC)
Docket No. 09-29	Tidewater Utilities, Inc. (Delaware PSC)
Docket No. UE-090704	Puget Sound Energy, Inc. (Washington UTC)
09-0878-G-42T	Mountaineer Gas Company (West Virginia PSC)
2009-UA-0014	Mississippi Power Company (Mississippi PSC)
Docket No. 09-0319	Illinois-American Water Company (Illinois CC)
Docket No. 09-414	Delmarva Power & Light Company (Delaware PSC)
R-2009-2132019	Aqua Pennsylvania, Inc. (Pennsylvania PUC)
Docket Nos. U-09-069, U-09-070	ENSTAR Natural Gas Company (Regulatory Commission of Alaska)
Docket Nos. U-04-023, U-04-024	Anchorage Water and Wastewater Utility - Remand (Regulatory Commission of Alaska)
W-01303A-09-0343 & SW-01303A-09-0343	Arizona-American Water Company (Arizona CC)
09-872-EL-FAC & 09-873-EL-FAC	Financial Audits of the FAC of the Columbus Southern Power Company and the Ohio Power Company - Audit I (Ohio PUC)

2010-00036	Kentucky-American Water Company (Kentucky PSC)
E-04100A-09-0496	Southwest Transmission Cooperative, IHnc. (Arizona CC)
E-01773A-09-0472	Arizona Electric Power Cooperative, Inc. (Arizona CC)
R-2010-2166208,	
R-2010-2166210,	
R-2010-2166212, &	
R-2010-2166214	Pennsylvania-American Water Company (Pennsylvania PUC)
PSC Docket No. 09-0602	Central Illinois Light Company D/B/A AmerenCILCO; Central Illinois Public Service Company D/B/A AmerenCIPS; Illinois Power Company D/B/A AmerenIP (Illinois CC)
10-0713-E-PC	Allegheny Power and FirstEnergy Corp. (West Virginia PSC)
Docket No. 31958	Georgia Power Company (Georgia PSC)
Docket No. 10-0467	Commonwealth Edison Company (Illinois CC)
PSC Docket No. 10-237	Delmarva Power & Light Company (Delaware PSC)
U-10-51	Cook Inlet Natural Gas Storage Alaska, LLC (Regulatory Commission of Alaska)
10-0699-E-42T	Appalachian Power Company and Wheeling Power Company (West Virginia PSC)
10-0920-W-42T	West Virginia-American Water Company (West Virginia PSC)
A.10-07-007	California-American Water Company (California PUC)
A-2010-2210326	TWP Acquisition (Pennsylvania PUC)
09-1012-EL-FAC	Financial, Management, and Performance Audit of the FAC for Dayton Power and Light – Audit 1 (Ohio PUC)
10-268-EL FAC et al.	Financial Audit of the FAC of the Columbus Southern Power Company and the Ohio Power Company – Audit II (Ohio PUC)
Docket No. 2010-0080	Hawaiian Electric Company, Inc. (Hawaii PUC)
G-01551A-10-0458	Southwest Gas Corporation (Arizona CC)
10-KCPE-415-RTS	Kansas City Power & Light Company – Remand (Kansas CC)
PUE-2011-00037	Virginia Appalachian Power Company (Commonwealth of Virginia SCC)
R-2011-2232243	Pennsylvania-American Water (Pennsylvania PUC)
U-11-100	Power Purchase Agreement between Chugach Association, Inc. and Fire Island Wind, LLC (Regulatory Commission of Alaska)
A.10-12-005	San Diego Gas & Electric Company (California PUC)
PSC Docket No. 11-207	Artesian Water Company, Inc. (Delaware PSC)
Cause No. 44022	Indiana-American Water Company, Inc. (Indiana Utility Regulatory Commission)
PSC Docket No. 10-247	Management Audit of Tidewater Utilities, Inc. Affiliate Transactions (Delaware Public Service Commission)
G-04204A-11-0158	UNS Gas, Inc. (Arizona Corporation Commission)
E-01345A-11-0224	Arizona Public Service Company (Arizona CC)
UE-111048 & UE-111049	Puget Sound Energy, Inc. (Washington Utilities and Transportation Commission)
Docket No. 11-0721	Commonwealth Edison Company (Illinois CC)
11AL-947E	Public Service Company of Colorado (Colorado PSC)
U-11-77 & U-11-78	Golden Heart Utilities, Inc. and College Utilities Corporation (The Regulatory Commission of Alaska)
Docket No. 11-0767	Illinois-American Water Company (Illinois CC)
PSC Docket No. 11-397	Tidewater Utilities, Inc. (Delaware PSC)
Cause No. 44075	Indiana Michigan Power Company (Indiana Utility Regulatory Commission)
Docket No. 12-0001	Ameren Illinois Company (Illinois CC)
11-5730-EL-FAC	Financial, Management, and Performance Audit of the FAC for Dayton Power and Light – Audit 2 (Ohio PUC)
PSC Docket No. 11-528	Delmarva Power & Light Company (Delaware PSC)
11-281-EL-FAC et al.	Financial Audit of the FAC of the Columbus Southern Power Company and the Ohio Power Company – Audit III (Ohio PUC)

Cause No. 43114-IGCC-4S1	Duke Energy Indiana, Inc. (Indiana Utility Regulatory Commission)
Docket No. 12-0293	Ameren Illinois Company (Illinois CC)
Docket No. 12-0321	Commonwealth Edison Company (Illinois CC)
12-02019 & 12-04005	Southwest Gas Corporation (Public Utilities Commission of Nevada)
Docket No. 2012-218-E	South Carolina Electric & Gas (South Carolina PSC)
Docket No. E-72, Sub 479	Dominion North Carolina Power (North Carolina Utilities Commission)
12-0511 & 12-0512	North Shore Gas Company and The Peoples Gas Light and Coke Company (Illinois CC)
E-01933A-12-0291	Tucson Electric Power Company (Arizona CC)
Case No. 9311	Potomac Electric Power Company (Maryland PSC)
Cause No. 43114-IGCC-10	Duke Energy Indiana, Inc. (Indiana Utility Regulatory Commission)
Docket No. 36498	Georgia Power Company (Georgia PSC)
Case No. 9316	Columbia Gas of Maryland, Inc. (Maryland PSC)
Docket No. 13-0192	Ameren Illinois Company (Illinois CC)
12-1649-W-42T	West Virginia-American Water Company (West Virginia PSC)
E-04204A-12-0504	UNS Electric, Inc. (Arizona CC)
PUE-2013-00020	Virginia and Electric Power Company (Virginia SCC)
R-2013-2355276	Pennsylvania-American Water Company (Pennsylvania PUC)
Formal Case No. 1103	Potomac Electric Power Company (District of Columbia PSC)
U-13-007	Chugach Electric Association, Inc. (The Regulatory Commission of Alaska)
12-2881-EL-FAC	Financial, Management, and Performance Audit of the FAC for Dayton Power and Light – Audit 3 (Ohio PUC)
Docket No. 36989	Georgia Power Company (Georgia PSC)
Cause No. 43114-IGCC-11	Duke Energy Indiana, Inc. (Indiana Utility Regulatory Commission)
UM 1633	Investigation into Treatment of Pension Costs in Utility Rates (Oregon PUC)
13-1892-EL FAC	Financial Audit of the FAC and AER of the Ohio Power Company – Audit I (Ohio PUC)
E-04230A-14-0011 & E-01933A-14-0011	Reorganization of UNS Energy Corporation with Fortis, Inc. (Arizona CC)
14-255-EL RDR	Regulatory Compliance Audit of the 2013 DIR of Ohio Power Company (Ohio PUC)
U-14-001	Chugach Electric Association, Inc. (The Regulatory Commission of Alaska)
U-14-002	Alaska Power Company (The Regulatory Commission of Alaska)
PUE-2014-00026	Virginia Appalachian Power Company (Commonwealth of Virginia SCC)
14-0117-EL-FAC	Financial, Management, and Performance Audit of the FAC and Purchased Power Rider for Dayton Power and Light – Audit 1 (Ohio PUC)
14-0702-E-42T	Monongahela Power Company and The Potomac Edison Company (West Virginia PSC)
Formal Case No. 1119	Merger of Exelon Corporation, Pepco Holdings, Inc., Potomac Electric Power Company, Exelon Energy Delivery Company, LLC, and New Special Purpose Entity, LLC (District of Columbia PSC)
R-2014-2428742	West Penn Power Company (Pennsylvania PUC)
R-2014-2428743	Pennsylvania Electric Company (Pennsylvania PUC)
R-2014-2428744	Pennsylvania Power Company (Pennsylvania PUC)
R-2014-2428745	Metropolitan Edison Company (Pennsylvania PUC)
Cause No. 43114-IGCC-12/13	Duke Energy Indiana, Inc. (Indiana Utility Regulatory Commission)
14-1152-E-42T	Appalachian Power Company and Wheeling Power Company (West Virginia PSC)
WS-01303A-14-0010	EPCOR Water Arizona, Inc. (Arizona CC)
2014-000396	Kentucky Power Company (Kentucky PSC)
15-03-45 [^]	Iberdrola, S.A. Et Al, and UIL Holdings Corporation merger (Connecticut PURA)
A.14-11-003	San Diego Gas & Electric Company (California PUC)
U-14-111	ENSTAR Natural Gas Company (Regulatory Commission of Alaska)

2015-UN-049	Atmos Energy Corporation (Mississippi PSC)
15-0003-G-42T	Mountaineer Gas Company (West Virginia PSC)
PUE-2015-00027	Virginia Electric and Power Company (Commonwealth of Virginia SCC)
Docket No. 2015-0022	Hawaiian Electric Company, Inc., Hawaii Electric Light Company, Inc., Maui Electric Company Limited, and NextEra Energy, Inc. (Hawaii PUC)
15-0676-W-42T	West Virginia-American Water Company (West Virginia PSC)
15-07-38 ^{^^}	Iberdrola, S.A. Et Al, and UIL Holdings Corporation merger (Connecticut PURA)
15-26 ^{^^}	Iberdrola, S.A. Et Al, and UIL Holdings Corporation merger (Massachusetts DPU)
15-042-EL-FAC	Management/Performance and Financial Audit of the FAC and Purchased Power Rider for Dayton Power and Light (Ohio PUC)
2015-UN-0080	Mississippi Power Company (Mississippi PSC)
Docket No. 15-00042	B&W Pipeline, LLC (Tennessee Regulatory Authority)
WR-2015-0301/SR-2015-0302	Missouri American Water Company (Missouri PSC)
U-15-089, U-15-091, & U-15-092	Golden Heart Utilities, Inc. and College Utilities Corporation (The Regulatory Commission of Alaska)
Docket No. 16-00001	Kingsport Power Company d/b/a AEP Appalachian Power (Tennessee Regulatory Authority)
PUE-2015-00097	Virginia-American Water Company (Commonwealth of Virginia SCC)
15-1854-EL-RDR	Management/Performance and Financial Audit of the Alternative Energy Recovery Rider of Duke Energy Ohio, Inc. (Ohio PUC)
P-15-014	PTE Pipeline LLC (Regulatory Commission of Alaska)
P-15-020	Swanson River Oil Pipeline, LLC (Regulatory Commission of Alaska)
Docket No. 40161	Georgia Power Company – Integrated Resource Plan (Georgia PSC)
Formal Case No. 1137	Washington Gas Light Company (District of Columbia PSC)
160021-EI, et al.	Florida Power Company (Florida PSC)
R-2016-2537349	Metropolitan Edison Company (Pennsylvania PUC)
R-2016-2537352	Pennsylvania Electric Company (Pennsylvania PUC)
R-2016-2537355	Pennsylvania Power Company (Pennsylvania PUC)
R-2016-2537359	West Penn Power Company (Pennsylvania PUC)
16-0717-G-390P	Hope Gas, Inc., dba Dominion Hope (West Virginia PSC)
15-1256-G-390P	
(Reopening)/16-0922-G-390P	Mountaineer Gas Company (West Virginia PSC)
16-0550-W-P	West Virginia-American Water Company (West Virginia PSC)
CEPR-AP-2015-0001	Puerto Rico Electric Power Authority (Puerto Rico Energy Commission)
E-01345A-16-0036	Arizona Public Service Company (Arizona CC)
Docket No. 4618	Providence Water Supply Board (Rhode Island PUC)
Docket No. 46238	Joint Report and Application of Oncor Electric Delivery Company LLC and NextEra Energy Inc. (Texas State Office of Administrative Hearings; Texas PUC)
U-16-066	ENSTAR Natural Gas Company (Regulatory Commission of Alaska)
Case No. 2016-00370	Kentucky Utilities Company (Kentucky PSC)
Case No. 2016-00371	Louisville Gas and Electric Company (Kentucky PSC)
P-2015-2508942	Metropolitan Edison Company (Pennsylvania PUC)
P-2015-2508936	Pennsylvania Electric Company (Pennsylvania PUC)
P-2015-2508931	Pennsylvania Power Company (Pennsylvania PUC)
P-2015-2508948	West Penn Power Company (Pennsylvania PUC)
E-04204A-15-0142*	UNS Electric, Inc. (Arizona CC)
E-01933A-15-0322*	Tucson Electric Power Company (Arizona CC)
UE-170033 & UG-170034*	Puget Sound Energy, Inc. (Washington UTC)
Case No. U-18239	Consumers Energy Company (Michigan PSC)
Case No. U-18248	DTE Electric Company (Michigan PSC)

Case No. 9449	Merger of AltaGas Ltd. and WGL Holdings (Maryland PSC)
Formal Case No. 1142	Merger of AltaGas Ltd. and WGL Holdings (District of Columbia PSC)
Case No. 2017-00179	Kentucky Power Company (Kentucky PSC)
Docket No. 29849	Georgia Power Plant Vogtle Units 3 and 4, VCM 17 (Georgia PSC)
Docket No. 2017-AD-112	Mississippi Power Company (Mississippi PSC)
Docket No. D2017.9.79	Montana-Dakota Utilities Co. (Montana PSC)
SW-01428A-17-0058 et al	Liberty Utilities (Litchfield Park Water & Sewer) Corp. (Arizona CC)

* Testimony filed, examination not completed

** Issues stipulated

*** Company withdrew case

^ Testimony filed, case withdrawn after proposed decision issued

^^ Issues stipulated before testimony was filed

6

FPUC's (Indiantown) Responses to OPC's 1st
Interrogatories Nos. 1-7, 9.

**Additional files contained on Staff's Hearing Exhibits
CD for No. 2.**

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180052-GU EXHIBIT: 6
PARTY: STAFF – HEARING EXHIBITS
DESCRIPTION: Michael Cassel

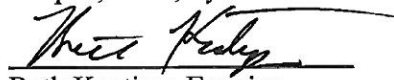
BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Consideration of the tax impacts associated with Tax Cuts and Jobs Act of 2017 for Florida Public Utilities Company – Indiantown Division. | DOCKET NO. 20180052-GU

FLORIDA PUBLIC UTILITIES COMPANY – INDIANTOWN DIVISION’S RESPONSES AND OBJECTIONS TO CITIZEN’S FIRST SET OF INTERROGATORIES (NOS. 1 – 10) AND FIRST REQUESTS FOR PRODUCTION (NOS. 1-5)

Florida Public Utilities Company-Indiantown Division (“Indiantown” or “Company”), pursuant to Rule 28-106.206, Florida Administrative Code, and Rules 1.280 and 1.340 of the Florida Rules of Civil Procedure, hereby submits its Responses and Objections to the First Set of Interrogatories (Nos. 1-10) and First Requests for Production (Nos. 1-5) served on the Company on March 23, 2018, by the Office of Public Counsel (“OPC”). The individual responses and objections follow this cover sheet.

Respectfully submitted this 23rd day of April, 2018, by:



Beth Keating, Esquire
Florida Bar No. 0022756

Gunster Law Firm
215 South Monroe Street
Suite 601
Tallahassee, FL 32301
(850) 521-1706

*Attorneys for Florida Public Utilities Company-
Indiantown Division*

INTERROGATORIES

1. Identify the amounts recorded in each of the following accumulated deferred income tax (ADIT) accounts as of December 31, 2017 and provide a break out of such amounts between federal and state ADIT. If the amounts have been restated to account for the change from the Tax Cuts and Jobs Act (TCJA) that was signed into law by President Trump on December 22, 2017 and provide a side by side comparison of the before and after amounts:
 - a. Account 190
 - b. Account 282
 - c. Account 283
 - d. any other accounts (identify and explain) in which the Company recorded ADIT

Company Response:

Please refer to the Company's response to Citizen's First Requests for Production of Documents ("PODS") question number 3 provided in this Docket. The Company does not have any charges in Account 190. The regulated liability is recorded in account 254N for unprotected and 254P for protected, which is also shown as part of the Company's response to POD question number 3.

Respondent: Mike Cassel

Interrogatory No. 2

2. Identify, quantify and explain each book-tax difference for which ADIT has been recorded as of December 31, 2017 in each of the following accounts, and identify the related amounts of federal and state ADIT, and identify the state and federal income tax rate(s) that were used to quantify the state and federal ADIT. If the amounts have been restated to account for the change from the Tax Cuts and Jobs Act (TCJA) that was signed into law by President Trump on December 22, 2017 provide a side by side comparison of the before and after amounts:
 - a. Account 190
 - b. Account 282
 - c. Account 283
 - d. any other accounts (identify and explain) in which the Company recorded ADIT

Company Response:

Please refer to the Company's response to Citizen's First Set of PODS question number 3 provided in response to this Docket. Additionally, please refer to the Company's attached work paper labeled Attachment ROG 2 for explanations of the book/tax differences.

Respondent: Mike Cassel

Interrogatory No. 3

3. Is the Company is still evaluating the net effect of the Tax Act, and if so please explain what is still being evaluated and identify any issues that are of concern?

Company Response:

Yes, the Company is still evaluating the net effect of the Tax Act. The calculations of the Tax Act impact have been completed; however, the Company has not done any formal work on potential disposition, or treatments of the impact at this point in time.

Respondent: Mike Cassel

Interrogatory No. 4

4. Please explain any nuances the Company believes exist that will affect how the impact of the repair deduction will be factored in or taken into consideration in the determination of the excess deferred tax balances.

Company Response:

In the detail for deferred tax provided in response to Citizen's First PODs, Item 3 in this Docket, the deferred taxes related to the repair deduction taken in 2014 and 2015 which are referenced by "25RE" in the first tab, first column. The Company elected not to take the deduction in 2016 and will elect not to take the deduction in 2017 and 2018.

Respondent: Mike Cassel

Interrogatory No. 5

5. Please explain in detail how the Company plans on returning the excess unprotected deferred income taxes to customers.

Company Response:

Company has not done any formal work on the potential disposition, or treatment of the impact related to excess unprotected income taxes at this point in time.

Respondent: Mike Cassel

Interrogatory No. 6

6. Please provide a detailed summary of: (1) any Net Operating Loss (NOL) deferred tax balance, (2) identify any excess amount resulting from the Tax Cuts and Jobs Act (TCJA) that was signed into law by President Trump on December 22, 2017, (3) show how that excess was calculated, and (4) explain how the Company proposes to recover the excess NOL from customers.

Company Response:

Please refer to the Company's response to Citizen's First Set of Production of Documents question number 3 provided in response to this Docket. It should be noted that the net impact of the NOL will have a net zero impact on a consolidated basis.

Respondent: Mike Cassel

Interrogatory No. 7

7. Please provide a detailed explanation on how the Company has provided for the flowback of the income tax expense currently in base rates.

Company Response:

The Company has recorded the amounts in a “Provision for Rate Refund” account in its books while it evaluates potential disposition and treatment of the impacts.

Respondent: Mike Cassel

Interrogatory No. 9

9. In the Company's last rate filing application, did the Company reflect any impact on income tax expense associated with the domestic production activities deduction under what had been section 199 of the Internal Revenue Code?
 - a. If so, please identify, quantify and explain the amount of such domestic production activities deduction, the impact it had on federal income tax expense, and whether there is a proposal for handling this.

Company Response:

There was no impact in the last filing.

Respondent: Mike Cassel

AFFIDAVIT

STATE OF FLORIDA)

COUNTY OF Nassau

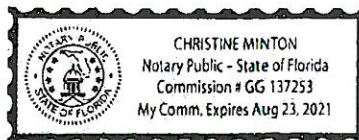
I hereby certify that on this 23 day of April, 2018, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared M. Ke Gossel, who is personally known to me, and he/she acknowledged before me that he/she provided the answers to interrogatory number(s) _____ from in CITIZENS FIRST SET OF INTERROGATORIES TO FLORIDA PUBLIC UTILITIES COMPANY – INDIANTOWN DIVISION (NOS. 1-10) in Docket No. 20180052-GU, and that the responses are true and correct based on his/her personal knowledge.

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 23 day of April, 2018.

Christine Minton

Notary Public
State of Florida, at Large

My Commission Expires: August 23, 2021



7

FPUC's (Indiantown) Responses to OPC's 2nd
Interrogatories Nos. 11-24

**Additional files contained on Staff's Hearing Exhibits
CD for Nos. 11, 14, 15, 16.**

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180052-GU EXHIBIT: 7
PARTY: STAFF – HEARING EXHIBITS
DESCRIPTION: Michael Cassel

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Consideration of the tax impacts associated with Tax Cuts and Jobs Act of 2017 for Florida Public Utilities Company – Indiantown Division. | DOCKET NO. 20180052-GU

FLORIDA PUBLIC UTILITIES COMPANY-INDIANTOWN DIVISION’S RESPONSES AND OBJECTIONS TO CITIZEN’S SECOND SET OF INTERROGATORIES (NOS. 11 – 24) AND SECOND REQUESTS FOR PRODUCTION (NOS. 6-8)

Florida Public Utilities Company-Indiantown Division (“Indiantown” or “Company”), pursuant to Rule 28-106.206, Florida Administrative Code, and Rules 1.280 and 1.340 of the Florida Rules of Civil Procedure, hereby submits its Responses and Objections to the Second Set of Interrogatories (Nos. 11-24) and Second Requests for Production (Nos. 6-8) served on the Company on March 30, 2018, by the Office of Public Counsel (“OPC”). The individual responses and objections follow this cover sheet.

Respectfully submitted this 26th day of April, 2018, by:


Beth Keating, Esquire
Florida Bar No. 0022756

Gunster Law Firm
215 South Monroe Street
Suite 601
Tallahassee, FL 32301
(850) 521-1706

Attorneys for Florida Public Utilities Company-Indiantown Division

INTERROGATORIES

11. Details of ADIT balances at December 31, 2017.
 - a. Identify the December 31, 2017 recorded per-book balance of Accumulated Deferred Income Taxes (ADIT) in each account (account 190, 282, 283 etc.).
 - b. Show by each book-tax difference, the components which comprise the ADIT in each ADIT account.
 - c. For each component of the ADIT listed in response to the above requests, please also provide the following information:
 1. The state income tax rate used to compute the ADIT.
 2. The federal income tax rate used to compute the ADIT.
 3. The combined state and federal income tax rate used to compute the ADIT.
 4. The balance (book-tax difference at 12/31/2017) to which the state and federal income tax rates were applied to compute the ADIT.
 - d. For each component in the ADIT accounts, identify the amount representing "excess" ADIT (i.e., calculated using the new 21% flat federal corporate income tax rate versus the previous FIT rate [e.g., of 34% or 35%] that the Company used).
 - e. For each amount of excess property-related ADIT in account 282, please indicate whether it is "protected" (i.e., related to the use of accelerated tax depreciation including Modified Accelerated Cost Recovery System (MACRS) and bonus tax depreciation) or "non-protected" (i.e., related to other book-tax differences such as repairs deductions, etc.)

Company Response:

- a. Please refer to the Company's response provided to Citizens First Production of Documents, item number 3.

Interrogatory No. 11, cont.

- b. Please refer to the Company's response provided to Citizens First Production of Documents, item number 3.
- c.
 - 1. Although the state income tax rate is 5.5%, because of income tax deduction changes, the change related to state tax was calculated using a before tax reform rate of 3.58% and after tax reform rate of 4.35%.
 - 2. Before tax reform 35%/After tax reform 21%
 - 3. Before tax reform 38.58%/After tax reform 25.35%
 - 4. Please refer to the Company's attached file ROG #11.c.4 FI and ROG #11.c.4 FC.
- d. Please refer to the Company's response provided to Citizens First Production of Documents, number 3.
- e. Please refer to the Company's response provided to Citizens First Production of Documents, number 3.

Respondent: Mike Cassel

Interrogatory No. 12

12. What software does the Company use to track the tax basis and tax depreciation of its utility plant assets?
 - a. Explain the capabilities of that software for tracking tax basis and tax depreciation by plant account by vintage (year in which the plant was placed into service).
 - b. Explain the capabilities of that software for calculating amortization of excess accumulated deferred income taxes (EADIT) using an average rate assumption method (ARAM).

Company Response:

- a. FPU Indiantown utilizes Sage Fixed Asset (FAS) accounting software. The software provides the following features which are utilized by the Florida division:
 1. Plant additions are entered into FAS as placed in service by vintage year at a minimum.
 2. FAS calculates tax depreciation by asset for each year and generates the required IRS forms.
 3. FAS calculates bonus depreciation by asset.
 4. FAS tracks bonus and tax depreciation and provides remaining tax basis.
 5. FAS provides the ability to generate tax depreciation based on each state's requirements
 6. FAS was implemented in the early 90s so assets prior to the implementation maybe not be in FAS by vintage year if they were fully depreciated.
- b. FPU Indiantown doesn't utilize FAS to calculate book depreciation due to a lack of capabilities in the software. Because only the tax basis is available in FAS the amount of excess accumulated deferred income taxes is not able to be calculated in FAS. The

Interrogatory No. 12, cont.

Company uses “One Source Tax Provision” software to calculate the amount of excess accumulated deferred income taxes.

Respondent: Mike Cassel

Interrogatory No. 13

13. What software does the Company use to track the book basis and book depreciation of its utility plant assets?
- a. Explain the capabilities of that software for tracking book basis and book depreciation by plant account by vintage (year in which the plant was placed into service).
 - b. Explain the capabilities of that software for calculating amortization of excess accumulated deferred income taxes (EADIT) using an average rate assumption method (ARAM).

Company Response:

The Company uses Excel to track the book basis and book depreciation of utility plant assets.

- a. FPU's Indiantown Division utilizes Excel worksheets to calculate book depreciation by plant account balance. The book basis is not maintained by individual asset and or vintage year. Book basis is only maintained at total plant account balance level.
- b. The Excel worksheets utilized to calculate book depreciation doesn't calculate or maintain the information required to calculate the amount of excess accumulated deferred income taxes.

Respondent: Mike Cassel

Interrogatory No. 14

14. Provide a listing of each regulatory asset and regulatory liability, by account, that was recorded on the Company's books as of December 31, 2017. For each item, also provide the following information:
- a. the amount
 - b. the amortization period (if any) being applied
 - c. whether the balance accrues carrying charges and, if so, the carrying charge rate and how it is determined
 - d. the amount of ADIT related to the item and how that ADIT was determined (include details for the state and federal income tax rate applied to compute the ADIT and the balance to which the tax rates were applied)
 - e. whether the item was included in utility rate base in the Company's last rate case
 - f. whether the item represents cost deferrals (over- or under-recoveries) that are expected to be recovered via a rider or surcharge and an explanation of such recovery.

Company Response:

- a. Please refer to the Company's attached worksheet POD #14FI included with this response.
- b. Please refer to the Company's attached worksheet POD #14FI included with this response.
- c. Please refer to the Company's attached worksheet POD #14FI included with this response.
- d. Please refer to the Company's attached worksheet POD #14FI included with this response.

Interrogatory No. 14, cont.

- e. Please refer to the Company's attached worksheet POD #14FI included with this response.
- f. Please refer to the Company's attached worksheet POD #14FI included with this response.

Respondent: Mike Cassel

Interrogatory No. 15

15. Referring to the 21% federal corporate income tax rate that became effective January 1, 2018 as part of the Tax Cuts and Jobs Act (TCJA) that was signed into law by President Trump on December 22, 2017 and the identification of excess federal ADIT as of December 31, 2017:
- a. Explain whether and how the Company will be applying the Average Rate Assumption Method (ARAM) to the "protected" portions of the excess federal ADIT balances that relate to the use of accelerated tax depreciation for federal income tax purposes, and show in detail how the Company is calculating the ARAM.
 - b. Is the Company proposing to use an alternative method for amortizing the "protected" portion of its excess ADIT? If so, identify and describe the method and show in detail how the Company is applying it.
 - c. Please provide the Company's currently authorized depreciation rates, by plant account (and sub-account if applicable). For each depreciation rate, please provide a breakout of the rate between (1) the portion related to the recovery of original cost over the plant's estimated useful life and (2) the portion related to cost of removal/negative net salvage.
 - d. How does the Company account for the cost of removal when actual removal costs are incurred, and how does the Company account for the component of depreciation rates (and depreciation expense) that relates to negative net salvage in recording Depreciation Expense and Accumulated Depreciation? Please explain fully, identify and provide accounting policies related to this, and provide illustrative journal entries made in 2017 showing the accounting.
 - e. Does the cost of removal/negative net salvage component of the Company's depreciation rates have any impact on the derivation of the Average Rate Assumption Method that is

Interrogatory No. 15, cont.

specified in the Tax Cuts and Jobs Act for application to excess federal ADIT related to the use of accelerated tax depreciation? If "yes" explain fully, and provide an illustrative example showing how the cost of removal/negative net salvage component of the Company's depreciation rates impacts the ARAM.

- f. What method is the Company proposing to use for the amortization of the "unprotected" portion of its excess ADIT? Please describe the method and show in detail how the Company is applying it.

Company Response:

- a. The Company in the process of determining the methodology to be applied for the amortization of excess deferred income taxes.
- b. Please refer to the Company's response in 15a above.
- c. The depreciation rates follow:

Interrogatory No. 15, cont.

ACCT	DESCRIPTION	Typical Depr Rate	AARC Rate	Total Depreciation Rate Per Order
3741	LAND RIGHTS	17.200%		17.20%
375	STRUCTURES AND IMPROVEMENTS	2.500%		2.50%
3761	MAINS- PLASTIC	2.241%	0.359%	2.60%
3762	MAINS- OTHER	2.188%	0.612%	2.80%
378	MEASURE/REGULATOR EQ.	3.143%	0.157%	3.30%
379	MEASURE/REG.-EQP	3.238%	0.162%	3.40%
3801	SERVICES	2.213%	0.487%	2.70%
3802	SERVICES-OTHER	2.889%	3.611%	6.50%
381	METERS	3.700%		3.70%
382	METER INSTALLATIONS	2.818%	0.282%	3.10%
3821	METER INSTALLATIONS - MTU/DCU	2.364%	0.236%	2.60%
383	HOUSE REGULATORS	3.300%		3.30%
384	HOUSE REGULATOR INST	2.700%		2.70%
385	INDUST MEASURE/REG S	3.400%		3.40%
387	OTHER EQUIPMENT	4.000%		4.00%
390	STRUCTURES AND IMPRO	2.000%		2.00%
3911	OFFICE FURNITURE	3.700%		3.70%
3912	Office Equipment	6.100%		6.10%
3913	E D P EQUIPMENT	5.200%		5.20%
3914	E D P EQUIPMENT-SOFTWARE	5.200%		5.20%
3921	ACCUM DEP/TRANSPORT-AUTO	11.000%		11.00%
3922	ACCUM DEP/TRANSP-LT	8.000%		8.00%
3924	ACC.DEP-TRANS-TRAILER	3.300%		3.30%
393	STORES EQUIPMENT	5.800%		5.80%
394	TOOLS SHOP & GARAGE	7.400%		7.40%
396	POWER OPERATED EQUIP	1.100%		1.10%
397	COMMUNICATION EQUIPM	7.000%		7.00%
398	MISC. EQUIPMENT	4.600%		4.60%
399	MISC-TANGIBLE ASSETS	25.000%		25.00%

d. Costs of removal, when incurred, are charged to the appropriate "ARC -asset removal costs obligation account". The ARC component of the depreciation rate is recorded monthly and is maintained in a separate general ledger account titled "Accumulated Asset Removal Costs Obligation". Please refer to the Company's attached worksheet "ROG#15 d all Cos", which shows an example of a monthly journal entry to record the ARC component of the depreciation rate. The actual costs of removal charges

Interrogatory No. 15, cont.

are primarily contractor charges based on invoices.

e. The company is in the process of reviewing how the costs of removal and salvage costs effect the calculations.

f. The Company is proposing a 10 year amortization.

Respondent: Mike Cassel

Interrogatory No. 16

16. 2017 and 2018 plant additions and bonus tax depreciation.
- a. Please identify by account the Company's actual 2017 plant additions.
 - b. Does the Company anticipate claiming bonus tax depreciation on any of its 2017 plant additions?
 - 1. If "yes", please identify the 2017 plant additions which are eligible for bonus tax depreciation and show the amounts of bonus tax depreciation that the Company intends to claim.
 - c. Please also address whether and how the Company distinguished costs for public utility property (1) through September 27, 2017 and (2) from September 28, 2017 through December 31, 2017, in determining its 2017 bonus tax depreciation amounts.
 - 1. If "no", please explain fully why not, and provide a copy of the related financial and economic analysis.
 - d. Does the Company plan on claiming for tax year 2017 any MACRS tax depreciation on any of its 2017 plant additions?
 - 1. If "yes", please identify the 2017 plant additions for which the Company intends to claim MACRS tax depreciation and show the amounts of MACRS tax depreciation that the Company intends to claim for tax year 2017.
 - e. Does the Company plan on claiming for tax year 2018 any bonus tax depreciation on any of its 2018 plant additions (such as property that was under construction at September 27, 2017 and placed into service in 2018)?
 - 1. If "yes", please identify the 2018 plant additions for which the Company intends to claim bonus tax depreciation and show the amounts of bonus tax depreciation that the Company intends to claim for tax year 2018.

Company Response:

- a. Please refer to the Company's attached worksheet, ROG #16FI, which shows, by plant account, the 2017 additions which total \$205,841.
- b. The company estimated bonus depreciation while completing the year-end tax provision at \$145 on eligible 2017 plant additions. For year-end tax provision purposes, the company didn't take bonus depreciation on assets placed in service October 1, 2017 to December 31, 2017.
- c. The company during the year-end tax provision process assumed all September additions were in service on or before September 27th and are eligible for bonus depreciation. All additions starting in October were not in service by September 27th so they are not eligible for bonus depreciation.
- d. The company, while completing the year-end tax provision, calculated MACRS tax depreciation of \$9,807 on all eligible 2017 plant additions.
- e. At this time the company has not reviewed the 2018 plant additions to see what possible additions, if any, would be eligible for bonus depreciation.

Respondent: Mike Cassel

Interrogatory No. 17

17. How much income tax expense was allowed in the Company's last rate case? Please identify the amount, and provide a breakout showing the amounts for each of the following:
- a. Current federal income tax expense (also provide the amount of federal taxable income and the FIT rate used)
 - b. Current state income tax expense (also provide the amount of state taxable income and the state income tax rate used)
 - c. Deferred federal income tax expense (also provide each book-tax difference for which deferred federal income tax expense was computed and identify the FIT rate used)
 - d. Deferred state income tax expense (also provide each book-tax difference for which deferred state income tax was computed the state income tax rate used)
 - e. Investment tax credit amortization
 - f. Any other components of income tax expense (identify, quantify and explain in detail).

Company Response:

The total income tax in the last rate case order was \$(17,674). Tax expense on the rate increase of \$131,539 at 38.575% would be \$50,741 for a total tax of \$33,067. For regulatory purposes, income tax is a calculated number which includes an interest sync and tax sync. The taxable income in the December 2017 Rate of Return report before income tax was \$(90,282). Using an effective tax rate of 38.575% (35% federal and 5.5% state), the income tax expense was \$(58,820). No differentiation is made in the calculation for deferred and current income tax.

Respondent: Mike Cassel

Interrogatory No. 18

18. Does the Company have a cost of service study file in Excel from its last rate case? If so, please provide it, with formulas and cross references intact.
 - a. How were income taxes allocated among rate classes in the cost of service study in the Company's last rate case? Explain fully and show allocations in detail.
 - b. How were the Company's ADIT balances allocated among rate classes in the cost of service study in the Company's last rate case? Explain fully and show allocations in detail.

Company Response:

A Pdf file of the cost of service study has been provided in the Company's response to Citizen's Second Production of Documents, item number 6 in this Docket. The rate case occurred prior to the purchase by FPUC and we do not have the Excel version of the worksheets to determine the allocation methodology.

Respondent: Mike Cassel

Interrogatory No. 19

19. CIAC. Did the Company receive any collection of contributions in aide of construction (CIAC) during 2017?
 - a. If "yes" please identify the amounts of CIAC and explain to which plant accounts the CIAC amounts relate.
 - b. Does the Company have an opinion on whether any of the CIAC collected in 2017 will be required to be included as taxable income on its federal income tax return for tax year 2017? If not, explain fully why not. If "yes" please explain the opinion and the basis for it.
 - c. Did the Company reflect any amounts of federal income tax for CIAC received in 2017? If so, please identify such amounts.
 - d. Does the Company anticipate receiving any CIAC in 2018? If "yes" please identify the amounts of CIAC and explain to which plant accounts the CIAC amounts relate.
 - e. Does the Company have an opinion on whether any of the CIAC collected in 2018 will be required to be included as taxable income on its federal income tax return for tax year 2018? If not, explain fully why not. If "yes" please explain the opinion and the basis for it.
 - f. Is the Company reflecting any amounts of federal income tax for CIAC received in 2018? If so, please identify, quantify and explain such amounts.

Company Response:

- a. No, the Company did not collect any CIAC in 2017.
- b. Yes, the Company treated CIAC as a timing difference. The amount is taxable in the year the funds are received.

Interrogatory No. 19, cont.

- c. The Company did not reflect any amounts of federal income tax for CIAC in 2017 because there were no collections of CIAC in 2017.
- d. At this time the Company does not expect any CIAC to be received in 2018.
- e. The Company's position is that all CIAC is taxable when received if it is not refundable.
- f. No, the Company does not have any federal income tax calculated on CIAC due to the income tax synchronization adjustment.

Respondent: Mike Cassel

Interrogatory No. 20

20. Does the Company have any journal entries and journal entry workpapers showing how it identified and recorded amounts of EADIT as of December 31, 2017 as a net regulatory liability? If not, explain fully why not. If so, identify and provide the journal entries and journal entry workpapers and supporting calculations. To the extent that the related workpapers are available in Excel (e.g., to support FAS 109 related entries), please include all of the related Excel files.
- a. As a continuing supplement, please provide adjusting journal entries (and the related workpapers) to adjust the 12/31/2017 recording of EADIT as regulatory liability as the Company refines its estimates.

Company Response:

The Company provided the requested journal entries as part of its response to Citizen's First Request for Production of Documents, numbers 1 and 2 in this Docket. The supporting Excel workpapers were also provided in the same response to POD 3.

Respondent: Mike Cassel

Interrogatory No. 21

21. Net operating loss (NOL) carry-forwards.
- a. Does the Company have a net operating loss carry forward for federal income tax purposes as of 12/31/2016 of 12/31/2017? If so:
1. identify the federal NOL carryforward amount as of each date.
 2. show over what period the Company anticipates utilizing the 12/31/2017 NOL carryforward.
 3. identify, quantify and explain how the Company has recorded an ADIT balance related to the NOL carry forward as of each date.
 4. identify, quantify and explain how the Company has or will adjust its 12/31/2017 recorded ADIT balance related to the NOL carryforward for the reduction in the corporate FIT rate from 35% to 21%.
- b. Does the Company have a net operating loss carry forward for state income tax purposes as of 12/31/2016 of 12/31/2017? If so:
1. identify the state NOL carryforward amount as of each date.
 2. show over what period the Company anticipates utilizing the 12/31/2017 state NOL carryforward.
 3. identify, quantify and explain how the Company has recorded an ADIT balance related to the state NOL carry forward as of each date.

Company Response:

The Company does not have a net operating loss carryforward for 2016 or 2017 for either state or federal tax.

Respondent: Mike Cassel

Interrogatory No. 22

22. Identify each regulatory filing, including each filing for each surcharge or rider rate adjustment that the Company plans to file in 2018. For each such filing, please indicate whether the filing includes (1) income tax expense, (2) accumulated deferred income taxes, and (3) any other features which are impacted by the TCJA, and explain how each such surcharge or rider rate is impacted by those items.

Company Response:

The Company plans to file for a conservation rate and a swing service rate.

Respondent: Mike Cassel

23. When does the Company plan to file its next base rate case?

Company Response:

Indiantown objects to this request to the extent that it seeks information that pertains to Company planning that is not relevant to this docket and is not likely to lead to the discovery of admissible evidence in this proceeding. Notwithstanding and without waiving this objection, the Company has no definitive date that it plans to file its next base rate case.

Respondent: Mike Cassel

Interrogatory No. 24

24. Please quantify and explain all savings in 2018 and 2019 that the Company expects to realize from the TCJA.

Company Response:

Please see the Company's Response to Citizen's First Request for Production of Documents item number 4 in this Docket for 2018. At this point in time, the Company has calculated the impact for 2017 and 2018 and has not calculated the tax effect beyond 2018 at this time.

Respondent: Mike Cassel

AFFIDAVIT

STATE OF FLORIDA)

COUNTY OF ~~WASP~~ Palm Beach ^(he)

I hereby certify that on this 25th day of April, 2018, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared Michael Cassel, who is personally known to me, and he/she acknowledged before me that he/she provided the answers to interrogatory number(s) _____ from in CITIZENS SECOND SET OF INTERROGATORIES TO FLORIDA PUBLIC UTILITIES COMPANY – INDIANTOWN DIVISION (NOS. 11-24) in Docket No. 20180052-GU, and that the responses are true and correct based on his/her personal knowledge.

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 25th day of April, 2018.

Bonnie L. Erdek
Notary Public
State of Florida, at Large



My Commission Expires:
May 01, 2019

8

FPUC's (Indiantown) Responses to OPC's 3rd Interrogatories No. 25.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180052-GU EXHIBIT: 8
PARTY: STAFF – HEARING EXHIBITS
DESCRIPTION: Matthew Dewey

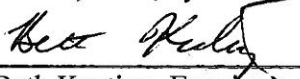
BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Consideration of the tax impacts associated with Tax Cuts and Jobs Act of 2017 for Florida Public Utilities Company – Indiantown Division. | DOCKET NO. 20180052-GU

FLORIDA PUBLIC UTILITIES COMPANY-INDIANTOWN DIVISION’S RESPONSES AND OBJECTIONS TO CITIZEN’S THIRD SET OF INTERROGATORIES (NOS. 25) AND THIRD REQUESTS FOR PRODUCTION (NO. 9)

Florida Public Utilities Company-Indiantown Division (“Indiantown” or “Company”), pursuant to Rule 28-106.206, Florida Administrative Code, and Rules 1.280 and 1.340 of the Florida Rules of Civil Procedure, hereby submits its Responses and Objections to the Third Set of Interrogatories (No. 25) and Third Requests for Production (No. 9) served on the Company on May 23, 2018, by the Office of Public Counsel (“OPC”). The individual responses and objections follow this cover sheet.

Respectfully submitted this 21st day of June, 2018, by:


Beth Keating, Esquire
Florida Bar No. 0022756

Gunster Law Firm
215 South Monroe Street
Suite 601
Tallahassee, FL 32301
(850) 521-1706

Attorneys for Florida Public Utilities Company-Indiantown Division

INTERROGATORIES

25. Please provide an explanation as to how the Company treated Cost of Removal in the calculation of Excess Accumulated Deferred Income Taxes (ADIT) as creating either protected or unprotected deferred taxes.
- a. Explain in detail why you believe the determination by the Company as to whether the ADIT created by recording a Cost of Removal is protected or unprotected is the appropriate recognition, and provide any supporting guidance relied on.
 - b. Provide an analysis showing the calculation of the amount of excess ADIT created by the federal Tax Cuts and Jobs Act related to Cost of Removal.

Company Response:

- (a) Since 2015, when the Company implemented OneSource Tax Provision Software, deferred taxes related to the Cost of Removal, as shown in response to Citizen's Second Set of Interrogatories Number 11.c.4, has been tracked separately from plant. However, prior to that time, the deferred taxes related to cost of removal were grouped with the deferred taxes related to depreciation shown in the response to Citizen's Second Set of Interrogatories Number 11.c.4. Therefore, at the time we calculated the excess ADIT, we estimated that the deferred balance related to cost of removal since 2015 was plant related in order to be consistent with the deferred tax prior to 2015 and grouped these balances with the protected.**
- (a) The calculation for the amount of excess ADIT related to cost of removal was included in the Response to Citizen's First Request to Produce Documents, Item 3 and the Response to Citizen's Second Set of Interrogatories Number 11.c.4. The Company will, within the time permitted by the SEC, review the calculations an additional time.**

Respondent: Matt Dewey

REQUESTS FOR PRODUCTION

9. Please produce any and all analyses prepared by or for the Company showing the calculation of the amount of excess ADIT created by the federal Tax Cuts and Jobs Act. related to recording Cost of Removal. Please produce all documents related to the referenced analyses.

Company Response:

The calculation of the amount of excess ADIT related to cost of removal was included in the Response to Citizen's First Request to Produce Documents, Item 3, and the Response to Citizen's Second Set of Interrogatories Number 11.c.4. The Company will, within the time permitted by the SEC, review the calculations an additional time. There are no other documents responsive to this request.

AFFIDAVIT

STATE OF DELAWARE)

KENT COUNTY)

I hereby certify that on this 20th day of June, 2018, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared Matthew Dewey, who is personally known to me, and he/she acknowledged before me that he/she provided the answers to interrogatory number(s) 25 from in CITIZENS THIRD SET OF INTERROGATORIES TO FLORIDA PUBLIC UTILITIES COMPANY – INDIANTOWN DIVISION (NO. 25) in Docket No. 20180052-GU, and that the responses are true and correct based on his/her personal knowledge.

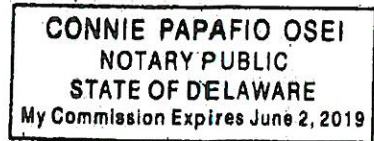
In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 20th day of June, 2018.



Notary Public
State of Delaware

My Commission Expires:

June 2, 2019



9

FPUC's (Indiantown) Responses to OPC's 4th Interrogatories Nos. 26-31.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180052-GU EXHIBIT: 9
PARTY: STAFF – HEARING EXHIBITS
DESCRIPTION: Michael Cassel


BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Consideration of the tax impacts associated with Tax Cuts and Jobs Act of 2017 for Florida Public Utilities Company – Indiantown Division. | DOCKET NO. 20180052-GU

FLORIDA PUBLIC UTILITIES COMPANY-INDIANTOWN DIVISION'S RESPONSES AND OBJECTIONS TO CITIZEN'S FOURTH SET OF INTERROGATORIES (NOS. 26-31) AND FOURTH REQUESTS FOR PRODUCTION (NO. 10)

Florida Public Utilities Company-Indiantown Division (“Indiantown” or “Company”), pursuant to Rule 28-106.206, Florida Administrative Code, and Rules 1.280 and 1.340 of the Florida Rules of Civil Procedure, hereby submits its Responses and Objections to the Fourth Set of Interrogatories (No. 26-31) and Third Requests for Production (No. 10) served on the Company on June 22, 2018, by the Office of Public Counsel (“OPC”). The individual responses and objections follow this cover sheet.

Respectfully submitted this 20th day of July, 2018, by:


Beth Keating
Florida Bar No. 0022756

Gregory Munson
Florida Bar No. 188344

Gunster Law Firm
215 South Monroe Street
Suite 601
Tallahassee, FL 32301
(850) 521-1706

***Attorneys for Florida Public Utilities Company-
Indiantown Division***

INTERROGATORIES

26. What is the Company's authorized return on equity (ROE), its authorized range, and what order approved it?

Company Response:

Indiantown objects to this request to the extent that it seeks publicly available information that is easily accessible by OPC. Notwithstanding this objection and without waiving this objection, Indiantown states that Commission Order No. PSC-04-0565-PAA-GU approved an authorized ROE of 11.50% with a range of plus or minus 100 basis points.

Respondent: *Mike Cassel*

Interrogatory No. 27

27. For each month since January 1, 2016, please describe the Company's earnings relative to its last authorized ROE, and as part of this response, please indicate which month(s) the Company earned outside the authorized range. (Note: A graphical illustration showing the range and where the company earned within that range would be helpful.)

Response:

In accordance with Rule 25-7.1352, the Earning Surveillance Reports are only prepared semiannually and this is the only time ROE is computed using the Commission's methodology and with Commission adjustments. Indiantown earned a negative rate of return, well under the authorized rate of return range for all periods.

The earned returns follow:

06-2016- (8.36)%

12-2016- (8.95)%

06-2017- (9.09)%

12-2017- (8.49)%

The authorized return was 11.5% with a range of 10.5% to 12.5%.

Respondent: *Mike Cassel*

Interrogatory No. 28

28. For each month since January 1, 2016, what were the combination of factors affecting the Company's earnings?

Response:

Indiantown objects to this request because the phrase "combination of factors" is vague, and what constitutes a "factor" is vague. Without waiving this objection, Indiantown states that the ROE was significantly lower on each report than Indiantown's authorized range of return. The December 2017 return showed a slightly higher ROE than the prior period due to a reduction in expenses that is probably related to timing.

Customers have decreased since the purchase. Expenses are high because of increasing costs to comply with government standards. Due to increasing regulations for the US Department of Transportation Pipeline Hazardous Materials Safety Administration (PHMSA), the Company has implemented a Distribution Integrity Plan and the Integrity Management Plan. The plans have increased costs for employees and outside consultants for its safety program, the number of line locates, leak surveys and repairs, atmospheric corrosion surveys, above ground piping inspections, cathodic protection surveys, field odorant tests, patrolling surveys, line markers, gate station and system regulator station inspections, rectifier reads, checks for valve operation and relief tests, critical valve inspections and maintenance, assessment of pipe casing and casing maintenance. PHMSA has also taken on enforcement oversight of the State's One Call Program and the Company now has been working on expanding its Damage Prevention Plan. PHMSA and the FPSC have required additions to the Public Awareness Program to notify customers, the general public, public officials, police, fire departments, etc. of gas being in the vicinity and potential hazards.

Interrogatory No. 28, cont.

The Company has had to obtain tracking software to schedule and track completion of all compliance related requirements. Maintaining and entering data in the software also required additional personnel.

Respondent: *Mike Cassel*

Interrogatory No. 29

29. If the Commission accepts the Company's flow-back proposal, where in the range does the Company earn, and why?

Response:

The ROE would be a negative (21.85)% opposed to a negative (22.58)% if the petition proposals were not made.

Respondent: *Mike Cassel*

Interrogatory No. 30

30. If the Company experienced a “detriment” as a result of the tax rate reduction from 35% to 21%:
- a. please define detriment and how it affects base rates;
 - b. please explain how/why a reduction in the income tax rate caused a detriment;
 - c. please explain how/why a reduction in the tax rate caused a negative net operating income (NOI) amount to increase to a larger negative NOI;
 - d. please review the detriment calculation for accuracy and whether it should be revised;
 - e. please explain why a detriment will accrue to the Company annually until appropriately accounted for in base rates;
 - f. please explain why the Energy Conservation Cost Recovery Clause (ECCR) is the appropriate mechanism for recovery of a detriment;
 - g. please explain where the ECCR statute authorizes gas utilities to recover tax related detriments through the ECCR clause.

Response:

- a. Since Indiantown is operating at a loss, it provides a benefit to consolidated income taxes related to the loss. When the income tax rate is reduced, that benefit is reduced causing a detriment to the Company related to the tax change. If base rates were changed for the tax change, base rates would actually need to be increased to provide enough net income to bring the Company to the same rate of return it would have if the rate of return was computed with the old tax rates.

Interrogatory No. 30, cont.

The Company is projected to be operating at a loss of \$274,246 before taxes. Using interest synchronization and tax synchronization formulas, the Company receives a tax reduction on this projected amount of \$117,752 based on the prior tax rate which results in a net loss of \$156,494. Using the current tax rate, the Company only received a tax reduction of \$77,367 which results in a loss of \$196,879 which is a higher loss than the \$117,752 using the old tax rate. Since the loss is higher using the new tax rate, it is considered a detriment.

- b. Please refer to the response to 30a.
- c. Please refer to the response to 30a.
- d. At this time, no revision is necessary.
- e. Until base rates are established that would increase revenue enough to operate at an income instead of a loss, there would continue to be a detriment.
- f. The Company is using the same mechanism the Office of Public Counsel proposed in its 2017 settlement agreement with FPUC's electric division which was approved by Commission Order PSC-2017-0488-PAA-EI. The settlement agreement approved required that tax effects, from the implementation date until revised base rates related to tax reform were implemented, would be flowed through the ECCR clause.

Interrogatory No. 30, cont.

- g. The Company is not claiming that the detriment is a cost or a revenue related to the ECCR statute. The Company is only asking that the mechanism used to charge or refund customers for ECCR costs be used to recover the detriment.

Respondent: *Mike Cassel*

Interrogatory No. 31

31. Since filing its petition and testimony, please identify any error(s) the Company has found in its filing and describe the appropriate correction(s).

Response:

At this time, the Company has not found any errors or made any corrections since its filing.

Respondent: *Mike Cassel*

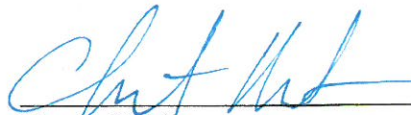
AFFIDAVIT

STATE OF FLORIDA)

COUNTY OF NASSAU)

I hereby certify that on this 12 day of July, 2018, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared Michael Cassel, who is personally known to me, and he/she acknowledged before me that he/she provided the answers to interrogatory number(s) 26 - 31 from in CITIZENS FOURTH SET OF INTERROGATORIES TO FLORIDA PUBLIC UTILITIES COMPANY – INDIANTOWN DIVISION (NOS. 26-31) in Docket No. 20180052-GU, and that the responses are true and correct based on his/her personal knowledge.

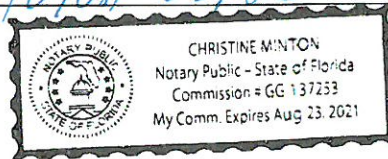
In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 12 day of July, 2018.



Notary Public
State of Florida, at Large

My Commission Expires:

August 23, 2021



10

FPUC's (Indiantown) Responses to OPC's 5th Interrogatories Nos. 32-33.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180052-GU EXHIBIT: 10
PARTY: STAFF – HEARING EXHIBITS
DESCRIPTION: Michael Cassel

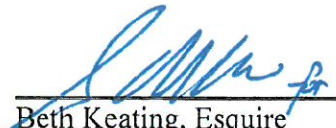
BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Consideration of the tax impacts associated with Tax Cuts and Jobs Act of 2017 for Florida Public Utilities Company – Indiantown Division. || DOCKET NO. 20180052-GU

FLORIDA PUBLIC UTILITIES COMPANY-INDIANTOWN DIVISION’S RESPONSES AND OBJECTIONS TO CITIZEN’S FIFTH SET OF INTERROGATORIES (NOS. 32-34)

Florida Public Utilities Company-Indiantown Division (“Indiantown” or “Company”), pursuant to Rule 28-106.206, Florida Administrative Code, and Rules 1.280 and 1.340 of the Florida Rules of Civil Procedure, hereby submits its Responses and Objections to the Fifth Set of Interrogatories (No. 32-34) served on the Company on July 26, 2018, by the Office of Public Counsel (“OPC”). The individual responses and objections follow this cover sheet.

Respectfully submitted this 24th day of August, 2018, by:


Beth Keating, Esquire
Florida Bar No. 0022756

Gregory Munson
Florida Bar No. 188344

Gunster Law Firm
215 South Monroe Street
Suite 601
Tallahassee, FL 32301
(850) 521-1706

Attorneys for Florida Public Utilities Company-Indiantown Division

INTERROGATORIES

32. Please refer to the Direct Testimony of Michael Cassel, page 4, lines 10-13. Does the Company's calculation indicate that the tax detriment is due to the Company incurring a Net Operating Loss? If yes, please state the amount of income tax expense included in rates when rates were last established.

Company Response:

As set forth in Commission Order No. PSC-04-0565-PAA-GU, Docket No. 030954-GU, issued June 2, 2004, the Company's income tax before the increase was \$(17,674). The approved rate increase was \$131,539, of which \$25,881, based on the approved expansion factor related to income tax. Therefore, \$8,207 for income taxes were included in the calculation of base rates.

Respondent: *Mike Cassel*

Interrogatory No. 33

33. Please refer to exhibit FIMD-1 of the Direct Testimony of Matthew Dewey. Please explain why the amount identified in exhibit FIMD-1 differs from that discussed in the Direct Testimony of Matthew Dewey.

Company Response:

The Regulatory Liability accounts identified in FIMD-1, bottom of page 1, as 280R-254P and 280R-254N, when added together, total \$(216,203). This agrees with Matt Dewey's testimony page 2, line 19. Mr. Dewey's testimony on page 3, line 19 identifies the regulatory asset allocation of the FC Division shown on NGMD-2. The total regulatory asset was \$354,178 of which \$1,417 was allocated to the FPU gas division. The total of the \$(216,203) liability for FI and the \$1,417 asset for the FC allocation totals the \$(214,786) shown on page 4, line 6 of Mr. Dewey's testimony.

Respondent: *Mike Cassel*

AFFIDAVIT

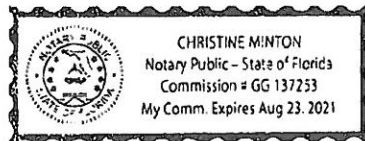
STATE OF FLORIDA)

COUNTY OF Nassau

I hereby certify that on this 16 day of August, 2018, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared Michael Cassel, who is personally known to me, and he/she acknowledged before me that he/she provided the answers to interrogatory number(s) _____ from in CITIZENS FIFTH SET OF INTERROGATORIES TO FLORIDA PUBLIC UTILITIES COMPANY – INDIANTOWN DIVISION (NOS. 32-34) in Docket No. 20180052-GU, and that the responses are true and correct based on his/her personal knowledge.

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 16 day of August, 2018.

Christ Minton
Notary Public
State of Florida, at Large



My Commission Expires:
August 23, 2021

11

FPUC's (Indiantown) Responses to Staff's 1st Interrogatories Nos. 1-3.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180052-GU EXHIBIT: 11
PARTY: STAFF – HEARING EXHIBITS
DESCRIPTION: Michael Cassel

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Consideration of the tax impacts associated with Tax Cuts and Jobs Act of 2017 for Florida Public Utilities Company – Indiantown Division. | DOCKET NO. 20180052-GU

FLORIDA PUBLIC UTILITIES COMPANY-INDIANTOWN DIVISION'S RESPONSES TO STAFF'S FIRST SET OF INTERROGATORIES (NOS. 1-3)

Florida Public Utilities Company-Indiantown Division ("Indiantown" or "Company"), pursuant to Rule 28-106.206, Florida Administrative Code, and Rules 1.280 and 1.340 of the Florida Rules of Civil Procedure, hereby submits its Responses to the First Set of Interrogatories (Nos. 1-3) served on the Company on October 2, 2018, by Commission Staff ("Staff"). The individual responses and objections follow this cover sheet.

Respectfully submitted this 31st day of October, 2018, by:



Beth Keating, Esquire
Florida Bar No. 0022756

Gregory Munson
Florida Bar No. 188344

Gunster Law Firm
215 South Monroe Street
Suite 601
Tallahassee, FL 32301
(850) 521-1706

Attorneys for Florida Public Utilities Company-Indiantown Division

INTERROGATORIES

1. Please explain what FPUC-Indiantown's forecasted Return On Equity (ROE) is for 2018 with tax savings recognized.

Company Response: Assuming that "with tax savings recognized" means the ROE as presented in Witness Cassel's testimony and the detriments are recovered in the conservation docket, the projected ROE is a negative 22%.

Respondent: Mike Cassel

2. Please explain what FPUC-Indiantown's forecasted ROE is for 2018 without tax savings recognized.

Company Response: Assuming that "without tax savings recognized" means that all tax savings are refunded and that they are not offset by tax detriments, the ROE would be a negative 22.58%.

Respondent: Mike Cassel

Interrogatory No. 3

3. Please explain what FPUC-Indiantown's forecasted ROE is for 2019 if the tax savings are retained, and there is no change in base rates.

Company Response: Based on the current budget projections, and only included the savings and not the detriments, the ROE is a negative 19.43%.

Respondent: Mike Cassel

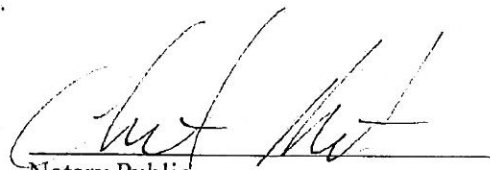
AFFIDAVIT

STATE OF FLORIDA)

COUNTY OF MISSISSIPPI

I hereby certify that on this 29th day of October, 2018, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared Michael Cassel who is personally known to me, and he/she acknowledged before me that he/she provided the answers to interrogatory number(s) 1-3 from STAFF'S FIRST SET OF INTERROGATORIES TO FLORIDA PUBLIC UTILITIES COMPANY INDIANTOWN DIVISION (NOS. 1-3) in Docket No(s). 20180052-GU, and that the responses are true and correct based on his/her personal knowledge.

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 29 day of October, 2018.



Notary Public
State of Florida, at Large

My Commission Expires: August 23, 2021



12

**FPUC's (Indiantown) Responses to OPC's 1st Production
of Documents Nos. 1-5**

**Additional files contained on Staff's Hearing Exhibits
CD for Nos. 1, 2, 3, 4.**

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180052-GU EXHIBIT: 12
PARTY: STAFF – HEARING EXHIBITS
DESCRIPTION: Michael Cassel

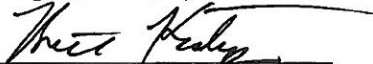
BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Consideration of the tax impacts associated with Tax Cuts and Jobs Act of 2017 for Florida Public Utilities Company – Indiantown Division. | DOCKET NO. 20180052-GU

FLORIDA PUBLIC UTILITIES COMPANY – INDIANTOWN DIVISION’S RESPONSES AND OBJECTIONS TO CITIZEN’S FIRST SET OF INTERROGATORIES (NOS. 1 – 10) AND FIRST REQUESTS FOR PRODUCTION (NOS. 1-5)

Florida Public Utilities Company-Indiantown Division (“Indiantown” or “Company”), pursuant to Rule 28-106.206, Florida Administrative Code, and Rules 1.280 and 1.340 of the Florida Rules of Civil Procedure, hereby submits its Responses and Objections to the First Set of Interrogatories (Nos. 1-10) and First Requests for Production (Nos. 1-5) served on the Company on March 23, 2018, by the Office of Public Counsel (“OPC”). The individual responses and objections follow this cover sheet.

Respectfully submitted this 23rd day of April, 2018, by:


Beth Keating, Esquire
Florida Bar No. 0022756

Gunster Law Firm
215 South Monroe Street
Suite 601
Tallahassee, FL 32301
(850) 521-1706

***Attorneys for Florida Public Utilities Company-
Indiantown Division***

REQUESTS FOR PRODUCTION

1. Please provide a copy of any journal entries recorded in 2017 that were to reflect the impact of from the Tax Cuts and Jobs Act (TCJA) that was signed into law by President Trump on December 22, 2017.

Company Response:

Please see attached file POD #1 2017 Entries.

2. Please provide a copy of any journal entries recorded in 2018 that were to reflect the impact of from the Tax Cuts and Jobs Act (TCJA) that was signed into law by President Trump on December 22, 2017 and explain why they were recorded in 2018 instead of 2017.

Company Response:

Please refer to the Company's attached file POD #2 for the entries recorded in 2018.

The TCJA was signed into law at the end of December 2017 and, as a calendar year end company, the Florida operating units of Chesapeake Utilities Corporation ("CUC") had only the one month to implement the TCJA. Therefore, it was decided that for 2017 the focus would be on adjusting the ADIT for the reduction in the federal tax rate from 35% to 21%. In 2018, CUC began reviewing the adjustments that were recorded in December 2017 related to the rate change. Additionally, CUC reviewed each company's balance sheet to ensure the proper recording of assets and liabilities on the applicable operating unit. This review determined that certain liabilities on the CUC general ledger should be put on the operating unit's general ledger. As such, attached with this response please find POD #2, which depicts all the 2018 journal entries made, on CUC's Florida operating units for the impact of TCJA.

As reference to the attached POD #2, the following acronyms are defined as follows:

FN = FPUC natural gas, FE = FPUC electric; FT = FPUC Ft. Meade; FI = FPUC

Indiantown and CF = the Florida Division of CUC, or CFG. Only the portion of these entries that relate to these Florida companies were included.

3. Please provide all work papers the Company has that would show any calculations in determining the excess deferred income taxes resulting from the Tax Cuts and Jobs Act (TCJA) that was signed into law by President Trump on December 22, 2017.

Company Response:

Please refer to the Company's attached work paper POD #3FI and POD #3FC for the direct amount of deferred taxes and allocation of deferred taxes based on common plant respectively. Additionally, the Company's work paper, POD #4 in response to question number four below, reflects the amount of allocation charged to Electric.

4. Please provide all work papers the Company has that would show any calculations in determining the excess income taxes in base rates and how the flow back of those rates were determined as a result of the Tax Cuts and Jobs Act (TCJA) that was signed into law by President Trump on December 22, 2017.

Company Response:

Please refer to the Company's attached work paper, POD #4 for the calculation and flow back of the rates.

REQUESTS FOR PRODUCTION

5. Please provide a copy of any internally prepared documents the Company has that discuss the impact of the Tax Cuts and Jobs Act (TCJA), that discusses how the change should be accounted for, and/or that discusses any proposed ratemaking treatment.

Company Response:

While the calculations have been prepared, the Company has not done any formal work on potential ratemaking impacts, or treatments at this point in time, beyond that which has been provided in response to POD #4.

13

FPUC's (Indiantown) Responses to OPC's 2nd Production of Documents Nos. 7.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180052-GU EXHIBIT: 13
PARTY: STAFF – HEARING EXHIBITS
DESCRIPTION: Michael Cassel

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Consideration of the tax impacts associated with Tax Cuts and Jobs Act of 2017 for Florida Public Utilities Company – Indiantown Division. | DOCKET NO. 20180052-GU

FLORIDA PUBLIC UTILITIES COMPANY-INDIANTOWN DIVISION'S RESPONSES AND OBJECTIONS TO CITIZEN'S SECOND SET OF INTERROGATORIES (NOS. 11 – 24) AND SECOND REQUESTS FOR PRODUCTION (NOS. 6-8)

Florida Public Utilities Company-Indiantown Division (“Indiantown” or “Company”), pursuant to Rule 28-106.206, Florida Administrative Code, and Rules 1.280 and 1.340 of the Florida Rules of Civil Procedure, hereby submits its Responses and Objections to the Second Set of Interrogatories (Nos. 11-24) and Second Requests for Production (Nos. 6-8) served on the Company on March 30, 2018, by the Office of Public Counsel (“OPC”). The individual responses and objections follow this cover sheet.

Respectfully submitted this 26th day of April, 2018, by:


Beth Keating, Esquire
Florida Bar No. 0022756

Gunster Law Firm
215 South Monroe Street
Suite 601
Tallahassee, FL 32301
(850) 521-1706

Attorneys for Florida Public Utilities Company-Indiantown Division

REQUESTS FOR PRODUCTION

6. Please provide a copy of the Company's cost of service study file in Excel from its last rate case with formulas and cross references intact.

Company Response:

Indiantown was not owned by FPUC at the time of its last rate case and FPUC does not have the Excel spreadsheet calculating the Cost of Service Study. However, we have attached a scanned copy of what was filed with the Commission. See POD #6FI Cost of Service.

7. Please provide a copy of journal entries and journal entry work papers showing how the Company identified and recorded amounts of EADIT as of December 31, 2017.

Company Response:

Please refer to the responses to Citizens' First Request for Production of Documents in this docket, items 1, 2, and 3.

8. From the Company's last rate case, please provide a copy of the Company's documents showing whether or not the Company included income tax debit/credit associated with the domestic production activities deduction under Section 199 of the Internal Revenue Code. If available in Excel, please provide with formulas and cross references intact.

Company Response:

We do not believe Indiantown had any income or tax related to domestic production activities.

14

FPUC's (Indiantown) Response to OPC's 3rd Production of Document No. 9.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180052-GU EXHIBIT: 14
PARTY: STAFF – HEARING EXHIBITS
DESCRIPTION: Matthew Dewey

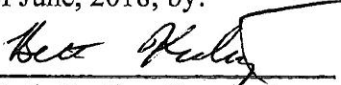
BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Consideration of the tax impacts associated with Tax Cuts and Jobs Act of 2017 for Florida Public Utilities Company – Indiantown Division.	DOCKET NO. 20180052-GU
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FLORIDA PUBLIC UTILITIES COMPANY-INDIANTOWN DIVISION’S RESPONSES AND OBJECTIONS TO CITIZEN’S THIRD SET OF INTERROGATORIES (NOS. 25) AND THIRD REQUESTS FOR PRODUCTION (NO. 9)

Florida Public Utilities Company-Indiantown Division (“Indiantown” or “Company”), pursuant to Rule 28-106.206, Florida Administrative Code, and Rules 1.280 and 1.340 of the Florida Rules of Civil Procedure, hereby submits its Responses and Objections to the Third Set of Interrogatories (No. 25) and Third Requests for Production (No. 9) served on the Company on May 23, 2018, by the Office of Public Counsel (“OPC”). The individual responses and objections follow this cover sheet.

Respectfully submitted this 21st day of June, 2018, by:


Beth Keating, Esquire
Florida Bar No. 0022756

Gunster Law Firm
215 South Monroe Street
Suite 601
Tallahassee, FL 32301
(850) 521-1706

Attorneys for Florida Public Utilities Company-Indiantown Division

REQUESTS FOR PRODUCTION

9. Please produce any and all analyses prepared by or for the Company showing the calculation of the amount of excess ADIT created by the federal Tax Cuts and Jobs Act. related to recording Cost of Removal. Please produce all documents related to the referenced analyses.

Company Response:

The calculation of the amount of excess ADIT related to cost of removal was included in the Response to Citizen's First Request to Produce Documents, Item 3, and the Response to Citizen's Second Set of Interrogatories Number 11.c.4. The Company will, within the time permitted by the SEC, review the calculations an additional time. There are no other documents responsive to this request.

15

FPUC's (Indiantown) Response to OPC 5th Production of Document No. 10.

Additional files contained on Staff's Hearing Exhibits CD for No. 10.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180052-GU EXHIBIT: 15
PARTY: STAFF – HEARING EXHIBITS
DESCRIPTION: Michael Cassel


BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Consideration of the tax impacts associated with Tax Cuts and Jobs Act of 2017 for Florida Public Utilities Company – Indiantown Division. | DOCKET NO. 20180052-GU

FLORIDA PUBLIC UTILITIES COMPANY-INDIANTOWN DIVISION'S RESPONSES AND OBJECTIONS TO CITIZEN'S FOURTH SET OF INTERROGATORIES (NOS. 26-31) AND FOURTH REQUESTS FOR PRODUCTION (NO. 10)

Florida Public Utilities Company-Indiantown Division (“Indiantown” or “Company”), pursuant to Rule 28-106.206, Florida Administrative Code, and Rules 1.280 and 1.340 of the Florida Rules of Civil Procedure, hereby submits its Responses and Objections to the Fourth Set of Interrogatories (No. 26-31) and Third Requests for Production (No. 10) served on the Company on June 22, 2018, by the Office of Public Counsel (“OPC”). The individual responses and objections follow this cover sheet.

Respectfully submitted this 20th day of July, 2018, by:


Beth Keating
Florida Bar No. 0022756

Gregory Munson
Florida Bar No. 188344

Gunster Law Firm
215 South Monroe Street
Suite 601
Tallahassee, FL 32301
(850) 521-1706

***Attorneys for Florida Public Utilities Company-
Indiantown Division***

REQUESTS FOR PRODUCTION

10. Please provide each earning surveillance report provided to the Commission since January 1, 2016.

Company Response

FPUC-Indiantown objects to this request to the extent that it unduly burdensome given that these reports are publicly available and easily accessible via the FPSC's website. Notwithstanding and without waiving this objection, FPUC-Indiantown states that, in accordance with Rule 25-7.1352 F.A.C., Florida Public Utilities Company-Indiantown Division files its Earning Surveillance Reports semi-annually. The following files are attached:

GU606-2016-06-ESR.pdf

GU606-2016-12-ESR.pdf

GU606-2017-06-ESR.pdf

GU606-2017-12-ESR.pdf

16

FPUC's (Indiantown) response to OPC 5th Production of Documents No. 11.

Additional files contained on Staff's Hearing Exhibits CD for No. 11.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180052-GU EXHIBIT: 16
PARTY: STAFF – HEARING EXHIBITS
DESCRIPTION: Michael Cassel

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Consideration of the tax impacts associated with Tax Cuts and Jobs Act of 2017 for Florida Public Utilities Company – Indiantown Division. | DOCKET NO. 20180052-GU

FLORIDA PUBLIC UTILITIES COMPANY-INDIANTOWN DIVISION'S RESPONSES AND OBJECTIONS TO CITIZEN'S FIFTH REQUESTS FOR PRODUCTION (NO. 11)

Florida Public Utilities Company-Indiantown Division ("Indiantown" or "Company"), pursuant to Rule 28-106.206, Florida Administrative Code, and Rules 1.280 and 1.340 of the Florida Rules of Civil Procedure, hereby submits its Responses and Objections to the Fifth Requests for Production (No. 11) served on the Company on August 28, 2018, by the Office of Public Counsel ("OPC"). The individual responses and objections follow this cover sheet.

Respectfully submitted this 27th day of September, 2018, by:



Beth Keating, Esquire
Florida Bar No. 0022756

Gregory Munson
Florida Bar No. 188344

Gunster Law Firm
215 South Monroe Street
Suite 601
Tallahassee, FL 32301
(850) 521-1706

Attorneys for Florida Public Utilities Company-Indiantown Division

REQUESTS FOR PRODUCTION

11. Florida Public Utilities Company - Indiantown Division. Provide the Excel files with formulas intact and associated workpapers for Exhibits FIMC-1 Revised, FIMD-1 Revised and FIMD-2 Revised.

Company Response:

Please refer to Attachment 1 to 3 for these requests on CD for Excel versions of the Company's Exhibits. Attachment 4 is the workpaper calculating the current tax amounts reflected on FIMC-1. The Regulatory Tax Liability amounts reflected on FIMC-1 reference to FIMD-1 and FIMD-2 Revised. Attachment 5 supports the adjustments in columns M & N of FIMD-1 and 2 and FIMC 1 and 2 Revised.

The support for FIMD-1 and FIMD 2 were provided in Citizen's POD 3 and Citizen's ROG 11.c.4. The only changes to these schedules were made for the cost of removal, the repairs deduction, and depreciation, as discussed in the revised testimony. Since the support for the other deferred taxes listed in FIMD-1 and 2 Revised was already provided in Citizen's POD 3 and Citizen's ROG 11.c.4, Attachments 6 thru 10 support the changes to cost of removal, repairs, and depreciation.

EXHIBIT NO. 17

DOCKET NO: 20180052-GU

WITNESS: Michael Cassel

PARTY: Florida Public Utilities Company – Indiantown Division

DESCRIPTION:
FPUC- Indiantown Response to Staff's 2nd Set of Interrogatories, No. 4

PROFFERED BY: Commission Staff

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180052-GU EXHIBIT: 17
PARTY: Staff
DESCRIPTION: FPUC Indiantown Response
to staff's 2nd set of Interrogatories, No. 4



(850) 850-521-1708
bkeating@gunster.com

November 19, 2018

E-PORTAL FILING

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

Re:

DOCKET NO. 20180052-GU

In re: Consideration of the tax impacts associated with Tax Cuts and Jobs Act of 2017 for Florida Public Utilities Company – Indiantown Division.

Dear Ms. Stauffer:

Attached, for electronic filing in the above referenced docket, please find the Notice of Service of Florida Public Utilities Company – Indiantown Division’s Responses to Staff’s 2nd Set of Interrogatories (No. 4). Should you have any questions whatsoever, please do not hesitate to contact me. Thank you for your assistance in this matter.

Respectfully,

A handwritten signature in black ink, appearing to read 'Beth Keating', written over a horizontal line.


Beth Keating
Florida Bar No. 0022756
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301
(850) 521-1706

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Consideration of the tax impacts associated with Tax Cuts and Jobs Act of 2017 for Florida Public Utilities Company - Indiantown Division. | DOCKET NO. 20180052-GU
FILED: November 19, 2018

NOTICE OF SERVICE OF FLORIDA PUBLIC UTILITIES COMPANY-INDIANTOWN DIVISION RESPONSES TO STAFF'S SECOND SET OF INTERROGATORIES (NO. 4)

NOTICE IS HEREBY GIVEN that Florida Public Utilities Company - Indiantown Division ("Indiantown"), by and through its undersigned counsel, has served its Responses to Commission Staff's Second Set of Interrogatories (No. 4) to Rachael A. Dziechciarz and Margo DuVal, at the Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by electronic mail to RDziehc@psc.state.fl.us, and Mduval@psc.state.fl.us, this 19th day of November, 2018.


Beth Keating
Florida Bar No. 0022756


Gregory Munson
Florida Bar No. 188344

Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301
(850) 521-1706
*Attorneys for Florida Public Utilities Company-
Indiantown Division*

CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing Notice of Service of Responses of Florida Public Utilities Company – Indiantown Division, to Staff's Second Set of Interrogatories (No. 4) to the Company in the referenced docket have been served by Electronic Mail this 19th day of November, 2018, upon the following:

Rachael A. Dziechciarz Margo DuVal Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399-0850 RDziehc@psc.state.fl.us Mduval@psc.state.fl.us	J.R. Kelly/V. Ponder Office of Public Counsel c/o The Florida Legislature 111 W. Madison Street, Room 812 Tallahassee, FL 32399-1400 kelly.jr@leg.state.fl.us ponder.virginia@leg.state.fl.us
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Beth Keating
Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301
(850) 521-1706

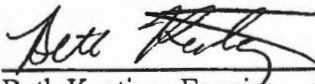
BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Consideration of the tax impacts associated with Tax Cuts and Jobs Act of 2017 for Florida Public Utilities Company – Indiantown Division. | DOCKET NO. 20180052-GU

FLORIDA PUBLIC UTILITIES COMPANY-INDIANTOWN DIVISION'S RESPONSES TO STAFF'S SECOND SET OF INTERROGATORIES (NO. 4)

Florida Public Utilities Company-Indiantown Division ("Indiantown" or "Company"), pursuant to Rule 28-106.206, Florida Administrative Code, and Rules 1.280 and 1.340 of the Florida Rules of Civil Procedure, hereby submits its Responses to the Second Set of Interrogatories (No. 4) served on the Company on October 19, 2018, by Commission Staff ("Staff"). The individual responses and objections follow this cover sheet.

Respectfully submitted this 19th day of November, 2018, by:


Beth Keating, Esquire
Florida Bar No. 0022756

Gregory Munson
Florida Bar No. 188344

Gunster Law Firm
215 South Monroe Street
Suite 601
Tallahassee, FL 32301
(850) 521-1706

Attorneys for Florida Public Utilities Company-Indiantown Division

INTERROGATORIES

4. In Docket No. 20180052-GU, in the Company's June, 1, 2018, petition, on page 4, the Company requests that FPUC-Indiantown be able to collect \$54,096 of annual detrimental impact from tax law changes through the Energy Conservation Cost Recovery (ECCR) clause. If approved by the Commission, please describe:
 - a. What will be the anticipated financial impact on FPUC-Indiantown's ECCR clause factors?
 - b. When will the Company implement the adjustment, and how will the company reflect this adjustment in its clause filings?
 - c. How will the Company ensure that these costs will be passed through to the appropriate division customers under the current consolidated ECCR mechanism?
 - d. If the Company intends to pass these costs through the Company consolidated ECCR, please explain why customers outside FPUC-Indiantown should cover these base rate costs for the Indiantown division, and provide the financial impact to the 2019 Company consolidated ECCR factors.
 - e. Does the Company anticipate fluctuations in this amount over time, and how long does the Company anticipate collecting these funds through the clause? Please explain.

Company Response:

- a. The anticipated financial impact on the Indiantown division's ECCR clause factors would be no more than an additional .1 cent per therm.
- b. Since the Commission Order in this Docket will not be issued until after the 2019 rates go in to effect, the Company will delay implementation until 2020. Using a template of its 2020 ECCR Projection schedules, the Company will add the total annual tax detriment for both 2019 and 2020 to its ECCR Incremental Costs to compute the rate impact.
- c. The Company recommends that the annual tax detriment be collected through the ECCR clause on an entirely consolidated basis, rather than a per-division basis. The Company believes that this computation is more favorable to the Indiantown customers as compared to assigning the detrimental impacts specific to only the

Interrogatory No. 4, cont.

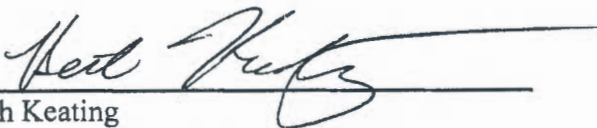
- d. appropriate division customers.
- e. Based on projected 2019 numbers, the anticipated financial impact on the consolidated ECCR clause factors would be no more than an additional .1 cent per therm. If the Company took the detriment specific to Indiantown and divided it by the 2019 projected therm sales used in its ECCR filing to compute a per therm rate, the resulting rate is 27.580 cents per therm. This factor is considerably higher than the rate derived from the consolidated ECCR method. Since the Company will not know the approved methodology until 2019, the 2020 projection will be adjusted for both the 2019 and 2020 detriment based on whichever methodology is approved.
- f. The Company does not expect fluctuations in this amount over time. The Company anticipates collecting these funds through the clause until its next rate proceeding.

Respondent: Mike Cassel

CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing Responses of Florida Public Utilities-Indiantown Division to Staff's Second Set of Interrogatories to the Company in the referenced docket have been served by Electronic Mail this 19th day of November, 2018, upon the following:

Rachael A. Dziechciarz Margo DuVal Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399-0850 RDziehc@psc.state.fl.us Mduval@psc.state.fl.us	J.R. Kelly/V. Ponder Office of Public Counsel c/o The Florida Legislature 111 W. Madison Street, Room 812 Tallahassee, FL 32399-1400 kelly.jr@leg.state.fl.us ponder.virginia@leg.state.fl.us
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By: 
Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301
(850) 521-1706

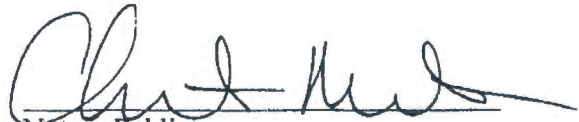
AFFIDAVIT

STATE OF FLORIDA)

COUNTY OF Nassau

I hereby certify that on this 16 day of October, 2018, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared Michael Cassel, who is personally known to me, and he/she acknowledged before me that he/she provided the answers to interrogatory number(s) 4 from STAFF'S SECOND SET OF INTERROGATORIES TO FLORIDA PUBLIC UTILITIES COMPANY INDIANTOWN DIVISION (NO. 4) in Docket No(s). 20180052-GU, and that the responses are true and correct based on his/her personal knowledge.

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 16 day of October, 2018.


Notary Public
State of Florida, at Large

My Commission Expires: August 23, 2021
66137253



EXHIBIT NO. 17-----rvn

DOCKET NOS: 20180051-GU
20180052-GU Exhibit 18
20180053-GU
20180054-GU

18

WITNESS: ~~Ralph Smith, CPA~~ Michael Cassel

PARTY: Florida Public Utilities Company

DESCRIPTION: Reedy Creek Utilities Company v. Florida Public Service Commission

PROFFERED BY: Office of Public Counsel

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180052-GU EXHIBIT: 18
PARTY: OPC
DESCRIPTION: Reedy Creek v PSC



Positive

As of: November 20, 2018 3:04 PM Z

Reedy Creek Utils. Co. v. Fla. Public Serv. Com

Supreme Court of Florida.

July 29, 1982.

No. 60677.

Reporter

418 So. 2d 249 *, 1982 Fla. LEXIS 2489 **

REEDY CREEK UTILITIES CO., Appellant, v. FLORIDA PUBLIC SERVICE COMMISSION, Appellee.

Core Terms

refund, orders, calculated, customer, reduction, agencies, workshop, courts, saving, rate of return, income tax, earnings

Case Summary

Procedural Posture

Appellant utility company requested review of orders of appellee Florida Public Service Commission which required a refund of over-earned revenues resulting from a reduction in corporate tax rates.

Overview

Appellee Florida Public Service Commission declared its intention to seek consumer refunds from excess earnings to utilities expected from the Revenue Act of 1978, which reduced the tax rates on corporations. The parties by stipulation agreed to a one-time refund under certain circumstances. Appellee at first approved the amount of appellant's refund, but later contended that the amount should have been increased by an expansion factor. Appellee denied appellant's petition for reconsideration. On appeal, the court held that there was competent and substantial evidence to support appellee's finding that the parties had agreed to refund the expanded revenues. As to appellee's argument that the second order was not issued until two and a half months later, too late to change the first order under the doctrine of administrative finality, the court held that when appellee determined that it had erred to the detriment of the using public, it had the inherent power and the statutory duty to amend its order to protect the customer. Appellant did not change its position during

the lapse of time between orders, and suffered no prejudice as a consequence. The court affirmed.

Outcome

The court affirmed the orders of appellee Florida Public Service Commission on the grounds that a stipulation between the parties clearly explained how the refund calculation would be made and any mistake was appellant's. Appellee's failure to detect the miscalculation was merely a matter of oversight which appellee had the inherent power and statutory duty to correct, and appellant suffered no prejudice as a consequence.

LexisNexis® Headnotes

Energy & Utilities Law > Regulators > Public Utility Commissions > Authorities & Powers

Energy & Utilities Law > Electric Power Industry > State Regulation > General Overview

HN1 **Public Utility Commissions, Authorities & Powers**

The power of the Florida Public Service Commission to modify its orders is inherent by reason of the nature of the agency and the functions it is empowered to perform. This inherent authority to modify is not without limitation.

Counsel: [**1] Lee G. Schumde, Lake Buena Vista, for appellant.

William S. Bilenky, Gen. Counsel and Virginia Alice Daire, Associate Gen. Counsel, Tallahassee, for appellee.

Judges: Before EHRLICH, Justice. ALDERMAN, C.J., and ADKINS, BOYD, OVERTON and SUNDBERG, J.J., concur. McDONALD, J., dissents.

Opinion by: EHRLICH

Opinion

[*250] EHRLICH, Justice.

This cause is before us on direct appeal brought by Reedy Creek Utilities Co. to review Orders No. 9456-A and No. 9998 of the Public Service Commission. We have jurisdiction under [article V, section 3\(b\)\(2\), Florida Constitution](#), and we hereby affirm those orders.

In November 1978, Congress enacted the Revenue Act of 1978. Among other things this act reduced the tax rates on corporations from 48% to 46% on taxable income in excess of \$ 100,000. Thereafter, on December 29, 1978, the Public Service Commission opened a docket to investigate the effect of these changes on the utilities under its ratemaking jurisdiction. Among those utilities was petitioner, Reedy Creek, an investor-owned electric utility.

The initial Order No. 8624, which opened the docket, advised the utilities that since the new tax act will result in a "beneficial effect [**2] on the earnings of affected utilities," the Commission intended to monitor "the revenues associated with the reduction of income tax liability caused by the enactment by Congress of the Revenue Act of 1978." Recognizing that consumer rates are determined on a projected estimate of costs including taxes, the Commission announced that should this tax reduction result in revenue to the utilities exceeding a fair and reasonable return upon their investment, the utilities could be required to refund these revenues to the consumers.

On January 31, 1979, the Commission issued Order No. 8624-A ¹ which further clarified the Commission's

¹ Paragraphs 4, 5, 6, 7 of Order No. 8624-A, subsequently referred to in the stipulation:

(4) *Measurement of earnings for refund purposes.* Order No. 8624 provides that our initial hearings "shall serve as a basis for attaching jurisdiction over the revenues in question and any accrued thereafter shall be subject to refund or other appropriate disposition depending on the financial condition of the individual utilities." For purposes

stance and outlined the method of calculation.

[**3] [*251] On March 2, 1979, representatives of the six investor-owned electric utilities that were subject to the said orders, the Commission staff, and a representative from the Public Counsel's office met at an informal workshop to discuss the matter. ² At all times the utilities maintained that the Commission lacked the authority to order a refund, as this constituted retroactive ratemaking. The Commission, however, maintained that this authority was an inherent power of the Commission.

[**4] Realizing that litigation over the disagreement would be costly and time consuming, the parties at the workshop signed a stipulation which was prepared by the representatives of the utilities concerning these revenues, agreeing to a one time refund under certain circumstances limited to the year 1979. The agreement set forth the method for calculating the amount subject

of measuring the financial condition of each utility for calendar year 1979, we intend to use the same procedures as are employed under our continuing surveillance program. That is, we shall look at the actual per books earnings together with the actual average net investment rate base which calculations will be consistent with the Commission's determination of rate base and operating income in the utility 's most recent rate proceeding. From this information, the actual per books achieved rate of return for jurisdictional purposes may be derived. This jurisdictional return shall then be compared with the rate of return calculated by using the 13 month average capital structure for calendar year 1979 and ceiling of the last authorized return on equity. The capital structure shall be developed on a basis consistent with the Commission's determination of capital structure in the utility's most recent rate proceeding.

(5) *Disposition of revenues.* All "savings" accumulated during 1979 after the date of our order dealing with the initial hearings shall be subject to refund. If the utility's

to refund.³

actual earned overall rate of return exceeds the ceiling of the zone of reasonableness, as determined in paragraph (4), the utility shall, after notice and hearing, refund to its customers revenues equal to the lesser of the total calculated differential contained in the reports, or the amount of revenue for 1979 that exceeds that which would have been produced by the ceiling of the utility's rate of return as calculated in paragraph (4).

(6) *Refunds. Refunds, if any, shall be made to current customers served by the utility and refund amounts shall be based on each customer's consumption or basic local exchange service during the month immediately preceding the month during which a refund is consummated.*

(7) *FASB. No. 5. The utilities shall account for the revenues associated with the differential between the 1978 federal corporate income tax rate for calendar year 1979 in accordance with generally accepted accounting principles for contingencies. (Underlining in original)*

²At the workshop, the representatives of the utilities conferred privately to see if they could agree on a possible stipulation to resolve the issue and avoid litigation. One of their group said, upon a resumption of the workshop meeting:

MR. WILLIS: I would like to outline a proposal which I think has been accepted by the Public Counsel, but let me state basically what the provisions would be and if we do have an agreement then we can wrap it up and come back and maybe execute it this afternoon.

The first provision that we would insist on would be that the company maintains that the Commission lacks the power to engage in retroactive ratemaking, but that in an effort to amicably settle the question and the disposition of revenues associated with the reduction of federal income tax, that the companies would voluntarily agree not to appeal an order of the Commission for refund of the revenues based on the Commission's Order No. 8624-A, and as specifically described in Paragraphs 4, 5, 6 and 7 of the order; that while we also feel very strongly that the Commission would not have the authority to require refunds to be made back to the beginning of the year, that we would accept that as part of a negotiated settlement, that the tax savings involved would be calculated on the basis of calendar year 1979. (Transcript, Workshop, March 2, 1979, at pages 36-37.)

³The stipulation provides in part:

1. The Companies, although they firmly maintain that the Commission lacks the power to engage in retroactive ratemaking as may be contemplated by Order Nos. 8624 and 8624-A, in an effort to amicably settle the question of the disposition of the revenues associated with the reduction by the Revenue Act of 1978 of the federal

By Order No. 8783 dated March 22, 1979, the Commission approved the stipulation. By this time it had been determined, however, that only two companies, [^{**5}] Reedy Creek and Florida Public Utilities Company, met the criteria for refunding the money.

On April 17, 1980, Reedy Creek forwarded to the Commission documentation computing the refund at \$ 47,833. Reedy Creek arrived at this figure by calculating its taxes first at the 48% bracket and then at the [^{*252}] 46% rate. The difference, it concluded, was the amount of the money subject to refund.

No response to this calculation was forthcoming from the Commission or its staff, until the Commission issued Order No. 9456 on July 21, 1980, which approved the amount of \$ 47,833 for Reedy Creek's refund.

Thereafter, on September 2, 1980, Reedy Creek drafted a plan to allocate the tax saving among its customers and sought approval from the Commission. On October 3, 1980, before any approval was granted, three commissioners issued Supplementary Order No. 9456-A to clarify Order No. 9456. This order stated that the calculations made by Reedy Creek were made on the "actual tax reduction received by the utility and did not specify the revenue equivalent which the tax saving would translate into as far as the customer is concerned." The amount, it said, should have been increased by [^{**6}] an "expansion factor." The amount to be refunded by Reedy Creek was increased to \$ 93,281.

Reedy Creek filed a petition for reconsideration on October 9, 1980, and a full evidentiary hearing was held on April 7, 1981.

On May 6, 1981, the Commission issued Order No. 9998 denying the petition for reconsideration. Reedy Creek filed this appeal, asserting two issues: (1) that there was not substantial competent evidence to support the Commission's finding that the parties had agreed to refund the expanded revenues, and (2) that even so the second order was not issued until two and a half months later, too late to change the first order under the doctrine of administrative finality.

income tax rates voluntarily agree to the incorporation of this stipulation into an order and not to appeal such order by this Commission for a refund of such revenues to be determined and refunded only on the basis described in paragraphs (4), (5), (6) and (7) of Order No. 8624-A.

As to the first issue, we have thoroughly examined the record and find that Orders No. 9456-A and No. 9998 are supported by competent and substantial evidence and this Court will not reevaluate the evidence. [Florida Retail Federation, Inc. v. Mayo, 331 So.2d 308 \(Fla. 1976\)](#).

The Commission's first order spelled out its position. Its amended order of January 31, 1979 explained in further detail how the calculation would be made. The stipulation, which no party questions, incorporated by reference [**7] both orders. All these documents set forth a formula for calculating the revenues.

At the workshop a representative of the Commission was present to explain the formula. Viewing the documents together with the testimony in the record, it is clear that a utility would be required to refund revenues if and only if it were earning in excess of the range of its authorized rate of return.

Reedy Creek was in this "over-earnings position," or above the "zone of reasonableness" to the extent of \$ 151,309. Of these excess earnings, \$ 47,833 could be attributed to the actual tax decrease, but the revenue collected from the consumer to pay the tax was \$ 93,281. ⁴

Reedy Creek insists that the amount contemplated by the stipulation was the tax saved by the company, but it is patent from the record that the Commission intended for a refund to be on the basis of the revenues associated with the reduction in income tax liability and that the parties [**8] agreed to this in the stipulation. Reedy Creek's mistake, if any, was a unilateral one.

The Commission staff's failure to detect the miscalculations only compounded the matter, but we find that to be merely a matter of oversight. The evidence is substantial and supports the Orders.

We turn now to the finality of Order No. 9456, and whether or not the Commission erred in amending that order two and a half months later.

Petitioner makes two arguments. First, it points out that under the Commission's own F.A.C. Rule 25-2.64, any request for reconsideration of an order must be made within 15 days after the order is issued. [*253]

⁴ It appears to be the practice of utilities to pass through as an expense to the customer, the payment of income taxes and in so doing the utility collects roughly twice as much from the customer as it expects to pay in income taxes.

Consequently, the argument runs, the amended order issued in the case at bar, two and a half months later, was void. Petitioner urges that this rule applies to the Commission itself, as the Commission is a party to the proceedings.

We find this position untenable. The Commission is a quasi-judicial body. Sitting in the capacity that it does, it is empowered to promulgate rules which apply to those under its jurisdiction and subject to its regulation. These rules do not apply to the Commission itself, but to those who appear before it. [**9] Notwithstanding the almost adversarial stance it must take at times, it is not a "party" at that level.

Petitioner's final argument deals with the time lapse between orders and the doctrine of "administrative finality." [HN1](#) [†] The power of the Commission to modify its orders is inherent by reason of the nature of the agency and the functions it is empowered to perform. This inherent authority to modify is not without limitation. In *Peoples Gas System v. Mason, 187 So.2d 335 (Fla. 1966)*, this Court set forth the rule that:

The effect of these decisions is that orders of administrative agencies must eventually pass out of the agency's control and become final and no longer subject to modification. This rule assures that there will be a terminal point in every proceeding at which the parties and the public may rely on a decision of such an agency as being final and dispositive of the rights and issues involved therein. This is, of course, the same rule that governs the finality of decisions of courts. It is as essential with respect to orders of administrative bodies as with those of courts.

Id. at 339. This Court reaffirmed that rule in [Austin Tupler Trucking, Inc. v. \[**10\] Hawkins, 377 So.2d 679 \(Fla. 1979\)](#).

Furthermore, in *Peoples Gas System v. Mason*, we recognized the unique function that a regulatory commission serves and the necessity that it be granted a certain degree of latitude in order to effectively carry out that function, and we said:

We understand well the differences between the functions and orders of courts and those of administrative agencies, particularly those

regulatory agencies which exercise a continuing supervisory jurisdiction over the persons and activities regulated. For one thing, although courts seldom, if ever, initiate proceedings on their own motion, regulatory agencies such as the commission often do so. Further, whereas courts usually decide cases on relatively fixed principles of law for the principal purpose of settling the rights of the parties litigant, the actions of administrative agencies are usually concerned with deciding issues according to a public interest that often changes with shifting circumstances and passage of time. Such considerations should warn us against a too doctrinaire analogy between courts and administrative agencies and also against inadvertently precluding agency-initiated action [**11] concerning the subject matter dealt with in an earlier order.

Id. at 339.

Peoples Gas System and *Austin Tupler* dealt with orders amended four years and two years respectively after their inception and "administrative finality" had attached. The instant case deals with a period of two and a half months. The Commission erred in its Order No. 9456 in approving a refund in terms of the actual tax reduction received by the utility but it sought to correct that error by issuing Order No. 9456-A. While it may have been better procedurally to notify the utility of the proposed changes in order to have afforded the utility the opportunity to request a hearing, nevertheless a full evidentiary hearing was held on Reedy Creek's petition for reconsideration.

The Commission is charged with the statutory duty of regulating and supervising public utilities with respect to their rates. When the Commission determined that it had erred to the detriment of the using public, it had the inherent power and the statutory duty to amend its order to protect the customer.

[*254] An underlying purpose of the doctrine of finality is to protect those who rely on a judgment or ruling.

[**12] We find that Reedy Creek did not change its position during the lapse of time between orders, and suffered no prejudice as a consequence

A change in a tax law should no result in a "windfall" to a utility, but in a refund to the customer who paid the revenue that translated into the tax saving.

The orders under review are hereby affirmed.

It is so ordered.

ALDERMAN, C.J., and ADKINS, BOYD, OVERTON and SUNDBERG, JJ., concur.

McDONALD, J., dissents.

End of Document

EXHIBIT NO. 18 ~~rvn~~

DOCKET NO: 20180051-GU
20180052-GU **EXHIBIT 19**
20180053-GU
20180054-GU

WITNESS: ~~Ralph Smith, CPA~~ **MICHAEL CASSEL**

PARTY: Florida Public Utilities Company

DESCRIPTION: Quarterly Earnings Surveillance Report for Florida Public Utilities Company's Indiantown Division (2012-2018)

PROFFERED BY: Office of Public Counsel

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180052-GU EXHIBIT: 19
PARTY: OPC
DESCRIPTION: Quarterly Earnings
Surveillance Report FPUC Indiantown 2012 to

FLORIDA PUBLIC UTILITIES COMPANY
 INDIANTOWN DIVISION
 RATE OF RETURN REPORT SUMMARY
 JUNE 30, 2012

REVISED SCHEDULE 1

	(1) ACTUAL PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
I. AVERAGE RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$144,108	(\$25,845)	\$118,263	(\$30,541)	\$87,722
AVERAGE RATE BASE	\$1,383,304	(\$745,800)	\$637,504	\$675,365	\$1,312,869
AVERAGE RATE OF RETURN	10.42%		18.55%		6.63%
II. YEAR-END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$144,108	(\$26,883)	\$117,245	(\$30,541)	\$86,705
YEAR-END RATE BASE	\$1,297,490	(\$745,800)	\$551,690	\$650,505	\$1,202,195
YEAR-END RATE OF RETURN	11.11%		21.25%		7.21%
III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)					
LOW	7.69%				
MIDPOINT	8.23%				
HIGH	8.78%				
IV. EARNED RETURN ON EQUITY (FPSC ADJUSTED BASIS)					
			A.	INCL COMP RATE ADJ REVENUES	30.92%
			B.	EXCL COMP RATE ADJ REVENUES	30.92%

I am aware that Section 837.06, Florida Statutes, provides:

Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

Cheryl M. Martin
 Director of Regulatory Affairs

Cheryl Martin
 Signature *CM*

11/2/2012
 Date

FLORIDA PUBLIC UTILITIES COMPANY
 INDIANTOWN DIVISION
 RATE OF RETURN REPORT SUMMARY
 JUNE 30, 2012

REVISED SCHEDULE 1

	(1) ACTUAL PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
I. AVERAGE RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$144,108	(\$25,845)	\$118,263	(\$30,541)	\$87,722
AVERAGE RATE BASE	\$1,383,304	(\$745,800)	\$637,504	\$675,365	\$1,312,869
AVERAGE RATE OF RETURN	10.42%		18.55%		6.68%
II. YEAR-END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$144,108	(\$26,853)	\$117,245	(\$30,541)	\$86,705
YEAR-END RATE BASE	\$1,297,490	(\$745,800)	\$551,690	\$650,505	\$1,202,195
YEAR-END RATE OF RETURN	11.11%		21.25%		7.21%
<hr/>					
III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)			IV. EARNED RETURN ON EQUITY (FPSC ADJUSTED BASIS)		
LOW	7.69%		A.	INCL COMP RATE ADJ REVENUES	30.92%
MIDPOINT	8.23%		B.	EXCL COMP RATE ADJ REVENUES	30.92%
HIGH	8.76%				

I am aware that Section 837.06, Florida Statutes, provides:

Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

Cheryl M. Martin
 Director of Regulatory Affairs

Signature

Date

FLORIDA PUBLIC UTILITIES COMPANY
 INDIANTOWN DIVISION
 AVERAGE RATE OF RETURN
 FOR THE THIRTEEN MONTHS ENDED 06/30/2012
 RATE BASE

REVISED SCHEDULE 2
 PAGE 1 OF 2

	(1) PLANT IN SERVICE	(2) ACCUMULATED DEPRECIATION & AMORTIZATION	(3) PLANT IN SERVICE	(4) NET PROPERTY HELD FOR FUTURE USE	(5) CONSTRUCTION WORK IN PROGRESS	(6) NET UTILITY PLANT	(7) WORKING CAPITAL	(8) TOTAL RATE BASE
PER BOOKS	\$1,985,395	(\$710,250)	\$1,275,145	\$0	\$0	\$1,275,145	\$108,159	\$1,383,304
FPSC ADJUSTMENTS:								
ELIMINATIONS TO WORKING CAPITAL ELIMINATE ACQUISITION ADJ.	(\$745,800)		(\$745,800)			(\$745,800)	\$0	\$0 (\$745,800)
TOTAL FPSC ADJUSTMENTS	(\$745,800)	\$0	(\$745,800)	\$0	\$0	(\$745,800)	\$0	(\$745,800)
FPSC ADJUSTED	\$1,239,595	(\$710,250)	\$529,345	\$0	\$0	\$529,345	\$108,159	\$637,504
COMP RATE ADJ REVENUES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ADJUSTED FOR COMP RATE ADJ REVENUE	\$1,239,595	(\$710,250)	\$529,345	\$0	\$0	\$529,345	\$108,159	\$637,504
PROFORMA ADJUSTMENTS								
ACQUISITION ADJUSTMENT	\$745,800	(\$70,435)	\$675,365	\$0	\$0	\$675,365	\$0	\$675,365
TRANSACTION & TRANSITION COSTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL PRO FORMA ADJUSTMENTS	\$745,800	(\$70,435)	\$675,365	\$0	\$0	\$675,365	\$0	\$675,365
PRO FORMA ADJUSTED	\$1,985,395	(\$780,685)	\$1,204,710	\$0	\$0	\$1,204,710	\$108,159	\$1,312,869

FLORIDA PUBLIC UTILITIES COMPANY
 INDIANTOWN DIVISION
 AVERAGE RATE OF RETURN
 FOR THE THIRTEEN MONTHS ENDED 06/30/2012
 INCOME STATEMENT

REVISED IEDULE 2
 PAGE 2 OF 2

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	OPERATING REVENUES	O & M GAS EXPENSE	O & M OTHER	DEPREC. & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	D.I.T. (NET)	I.T.C. (NET)	GAIN/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
PER BOOKS	\$607,249	\$6,346	\$321,468	\$38,277	\$7,141	\$89,889	\$0	\$0	\$0	\$463,141	\$144,108
FPSC ADJUSTMENTS:											
1) Interest Synchronization						(\$5,155)				(\$5,155)	\$5,155
2) Natural Gas Allocation Adjustment			\$49,753			(\$19,192)				\$30,561	(\$30,561)
3) Elimination of Rev Related Taxes (PSC)	(\$3,445)	(\$3,445)				\$0				(\$3,445)	\$0
4) Elimination of Conservation Rev & Exp	(\$3,060)	(\$2,901)				(\$61)				(\$2,962)	(\$68)
5) Income Tax Effective Rate Adjustment						\$342				\$342	(\$342)
						\$0				\$0	\$0
						\$0				\$0	\$0
						\$0				\$0	\$0
						\$0				\$0	\$0
TOTAL FPSC ADJUSTMENTS	(\$6,505)	(\$6,346)	\$49,753	\$0	\$0	(\$24,067)	\$0	\$0	\$0	\$19,340	(\$25,645)
FPSC ADJUSTED	\$600,744	\$0	\$371,241	\$38,277	\$7,141	\$65,822	\$0	\$0	\$0	\$482,481	\$118,263
COMP RATE ADJ REVENUES - DEFICIT/(SURPLUS)	\$0					\$0				\$0	\$0
ADJUSTED FOR COMP RATE ADJ REVENUES	\$600,744	\$0	\$371,241	\$38,277	\$7,141	\$65,822	\$0	\$0	\$0	\$482,481	\$118,263
ACQUISITION ADJ. - AMORT EXP	\$0	\$0	\$0	\$49,720	\$0	(\$19,179)	\$0	\$0	\$0	\$30,541	(\$30,541)
TRANSACTION/TRANSITION COSTS - AMORT EXP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL PRO FORMA ADJUSTMENTS	\$0	\$0	\$0	\$49,720	\$0	(\$19,179)	\$0	\$0	\$0	\$30,541	(\$30,541)
PRO FORMA ADJUSTED	\$600,744	\$0	\$371,241	\$87,997	\$7,141	\$46,643	\$0	\$0	\$0	\$513,022	\$87,722

FLORIDA PUBLIC UTILITIES COMPANY
 INDIANTOWN DIVISION
 YEAR END RATE OF RETURN
 FOR THE THIRTEEN MONTHS ENDED 05/30/2012
 RATE BASE

REVISED SCHEDULE 3
 PAGE 1 OF 2

	(1) PLANT IN SERVICE	(2) ACCUMULATED DEPRECIATION & AMORTIZATION	(3) PLANT IN SERVICE	(4) NET PROPERTY HELD FOR FUTURE USE	(5) CONSTRUCTION WORK IN PROGRESS	(6) NET UTILITY PLANT	(7) WORKING CAPITAL	(8) TOTAL RATE BASE
PER BOOKS	\$2,047,331	(\$729,328)	\$1,318,003	\$0	\$0	\$1,318,003	(\$20,513)	\$1,297,490
FPSC ADJUSTMENTS:								
ELIMINATIONS TO WORKING CAPITAL ELIMINATE ACQUISITION ADJ.	(\$745,800)		(\$745,800)			(\$745,800)	50	\$0 (\$745,800)
TOTAL FPSC ADJUSTMENTS	(\$745,800)	\$0	(\$745,800)	\$0	\$0	(\$745,800)	50	(\$745,800)
FPSC ADJUSTED	\$1,301,531	(\$729,328)	\$572,203	\$0	\$0	\$572,203	(\$20,513)	\$551,690
COMP RATE ADJ REVENUES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ADJUSTED FOR COMP RATE ADJ REVENUE	\$1,301,531	(\$729,328)	\$572,203	\$0	\$0	\$572,203	(\$20,513)	\$551,690
PROFORMA ADJUSTMENTS								
ACQUISITION ADJUSTMENT	\$745,800	(\$95,295)	\$650,505	\$0	\$0	\$650,505	\$0	\$650,505
TRANSACTION & TRANSITION COSTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL PRO FORMA ADJUSTMENTS	\$745,800	(\$95,295)	\$650,505	\$0	\$0	\$650,505	\$0	\$650,505
PRO FORMA ADJUSTED	\$2,047,331	(\$824,623)	\$1,222,708	\$0	\$0	\$1,222,708	(\$20,513)	\$1,202,195

FLORIDA PUBLIC UTILITIES COMPANY
 INDIANTOWN DIVISION
 YEAR END RATE OF RETURN
 FOR THE THIRTEEN MONTHS ENDED 06/30/2012
 INCOME STATEMENT

REVISED SCHEDULE 3
 PAGE 2 OF 2

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	OPERATING REVENUES	O & M GAS EXPENSE	O & M OTHER	DEPREC. & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	D.I.Y. (NET)	I.T.C. (NET)	GAIN/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
PER BOOKS	\$607,240	\$6,346	\$321,488	\$38,277	\$7,141	\$89,889	\$0	\$0	\$0	\$463,141	\$144,109
FPSC ADJUSTMENTS:											
1) Interest Synchronization						(\$4,138)				(\$4,138)	\$4,138
2) Natural Gas Allocation Adjustment			\$49,753			(\$19,192)				\$30,561	(\$30,561)
3) Elimination of Rev Related Taxes (PSC)	(\$3,445)	(\$3,445)				\$0				(\$3,445)	\$0
4) Elimination of Conservation Rev & Exp	(\$3,060)	(\$2,901)				(\$61)				(\$2,962)	(\$98)
5) Income Tax Effective Rate Adjustment						\$342				\$342	(\$342)
						\$0				\$0	\$0
						\$0				\$0	\$0
						\$0				\$0	\$0
						\$0				\$0	\$0
						\$0				\$0	\$0
TOTAL FPSC ADJUSTMENTS	(\$6,505)	(\$6,346)	\$49,753	\$0	\$0	(\$23,049)	\$0	\$0	\$0	\$20,358	(\$26,863)
FPSC ADJUSTED	\$600,744	\$0	\$371,241	\$38,277	\$7,141	\$66,840	\$0	\$0	\$0	\$483,499	\$117,245
COMP RATE ADJ REVENUES - DEPICIT/(SURPLUS)	\$0					\$0				\$0	\$0
ADJUSTED FOR COMP RATE ADJ REVENUES	\$600,744	\$0	\$371,241	\$38,277	\$7,141	\$66,840	\$0	\$0	\$0	\$483,499	\$117,245
ACQUISITION ADJ. - AMORT EXP	\$0	\$0	\$0	\$49,720	\$0	(\$19,179)	\$0	\$0	\$0	\$30,541	(\$30,541)
TRANSACTION/TRANSITION COSTS - AMORT EXP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL PRO FORMA ADJUSTMENTS	\$0	\$0	\$0	\$49,720	\$0	(\$19,179)	\$0	\$0	\$0	\$30,541	(\$30,541)
PRO FORMA ADJUSTED	\$600,744	\$0	\$371,241	\$87,997	\$7,141	\$47,660	\$0	\$0	\$0	\$514,039	\$86,705

AVERAGE	ADJUSTMENTS			ADJUSTED	NON-UTILITY	BALANCE	RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT	
	PER BOOKS	PRO RATA	SPECIFIC					COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
COMMON EQUITY	\$ 339,015			\$ 339,015		\$ 339,015	53.16%	10.50%	5.58%	11.50%	6.12%	12.50%	6.65%
LONG TERM DEBT	\$ 176,710			\$ 176,710		\$ 176,710	27.72%	6.77%	1.88%	6.77%	1.88%	6.77%	1.88%
SHORT TERM DEBT	\$ 33,184			\$ 33,184		\$ 33,184	5.21%	1.26%	0.07%	1.26%	0.07%	1.26%	0.07%
SHORT TERM DEBT REFINANCED LTD	\$ 0			\$ 0		\$ 0	0.00%	6.33%	0.00%	6.33%	0.00%	6.33%	0.00%
CUSTOMER DEPOSITS	\$ 15,929			\$ 15,929		\$ 15,929	2.50%	6.43%	0.16%	6.43%	0.16%	6.43%	0.16%
DEFERRED TAXES	\$ 72,666			\$ 72,666		\$ 72,666	11.40%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TOTAL AVERAGE	\$ 637,504	\$ 0	\$ 0	\$ 637,504	\$ 0	\$ 637,504	100.00%		7.69%		8.23%		8.76%

YEAR-END	ADJUSTMENTS			ADJUSTED	NON-UTILITY	BALANCE	RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT	
	PER BOOKS	PRO RATA	SPECIFIC					COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
COMMON EQUITY	\$ 293,747			\$ 293,747		\$ 293,747	53.25%	10.50%	5.59%	11.50%	6.12%	12.50%	6.66%
LONG TERM DEBT	\$ 144,548			\$ 144,548		\$ 144,548	26.20%	7.01%	1.84%	7.01%	1.84%	7.01%	1.84%
SHORT TERM DEBT	\$ 17,020			\$ 17,020		\$ 17,020	3.09%	2.07%	0.06%	2.07%	0.06%	2.07%	0.06%
SHORT TERM DEBT REFINANCED LTD	\$ 0			\$ 0		\$ 0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$ 5,560			\$ 5,560		\$ 5,560	1.01%	6.43%	0.06%	6.43%	0.06%	6.43%	0.06%
DEFERRED TAXES	\$ 90,815			\$ 90,815		\$ 90,815	16.46%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TOTAL YEAR-END	\$ 551,690	\$ 0	\$ 0	\$ 551,690	\$ 0	\$ 551,690	100.00%		7.55%		8.08%		8.62%

SCHEDULE 1

FLORIDA PUBLIC UTILITIES COMPANY
INDIANTOWN DIVISION
RATE OF RETURN REPORT SUMMARY
JUNE 30, 2013

	(1) ACTUAL PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
I. AVERAGE RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$187,021	(\$29,737)	\$157,284	\$30,541	\$187,824
AVERAGE RATE BASE	\$1,769,860	(\$120,155)	\$1,648,705	(\$625,645)	\$1,023,060
AVERAGE RATE OF RETURN	10.57%		9.54%		18.38%
II. YEAR-END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$187,021	(\$28,032)	\$158,989	\$30,541	\$189,529
YEAR-END RATE BASE	\$2,228,092	(\$145,015)	\$2,081,077	(\$600,785)	\$1,480,292
YEAR-END RATE OF RETURN	8.40%		7.64%		12.80%
III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)					
LOW	7.84%				
MIDPOINT	8.48%				
HIGH	9.08%				
IV. EARNED RETURN ON EQUITY (FPSC ADJUSTED BASIS)					
A.				INCL ACQUISITION ADJUSTMENT	13.27%
B.				EXCL ACQUISITION ADJUSTMENT	28.80%

I am aware that Section 837.06, Florida Statutes, provides:

Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

Cheryl M. Martin
Director of Regulatory Affairs

Cheryl M. Martin
Signature

6/16/14
Date



June 13, 2014

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DIVISION OF
ACCOUNTING & FINANCE

VIA HAND DELIVERY

Mr. Andrew Maurey, Director
Division of Accounting and Finance
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

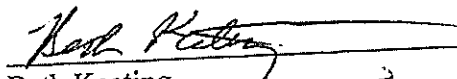
Re: Florida Public Utilities Company – Indiantown Division Surveillance Reports

Dear Mr. Maurey:

In accordance with Rule 25-7.1352(3), F.A.C., Florida Public Utilities Company hereby submits corrected Earnings Surveillance Reports for the Indiantown Division, consistent with the further requirements of Order No. PSC-14-0015-PAA-GU.

As always, please don't hesitate to let me know if you have any questions whatsoever.

Sincerely,


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

cc: Bart Fletcher

SCHEDULE 1

FLORIDA PUBLIC UTILITIES COMPANY
 INDIANTOWN DIVISION
 RATE OF RETURN REPORT SUMMARY
 JUNE 30, 2013

	(1) ACTUAL PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
I. AVERAGE RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$187,021	(\$29,737)	\$157,284	\$30,541	\$187,824
AVERAGE RATE BASE	\$1,759,860	(\$120,165)	\$1,648,705	(\$626,645)	\$1,023,060
AVERAGE RATE OF RETURN	10.57%		9.54%		18.36%
II. YEAR-END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$187,021	(\$28,032)	\$158,989	\$30,541	\$189,529
YEAR-END RATE BASE	\$2,228,992	(\$145,015)	\$2,081,077	(\$600,785)	\$1,480,292
YEAR-END RATE OF RETURN	8.40%		7.64%		12.80%
III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)					
LOW	7.88%				
MIDPOINT	8.48%				
HIGH	9.08%				
IV. EARNED RETURN ON EQUITY (FPSC ADJUSTED BASIS)					
A.				INCL COMP RATE ADJ REVENUES	13.27%
B.				EXCL COMP RATE ADJ REVENUES	13.27%

I am aware that Section 837.06, Florida Statutes, provides:

Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

Cheryl M. Martin
 Director of Regulatory Affairs

Cheryl M. Martin
 Signature

6/13/14
 Date

SCHEDULE 2
PAGE 1 OF 2

FLORIDA PUBLIC UTILITIES COMPANY
INDIAN TOWN DIVISION
AVERAGE RATE OF RETURN
FOR THE THIRTEEN MONTHS ENDED 06/30/2013
RATE BASE

	(1) PLANT IN SERVICE	(2) ACCUMULATED DEPRECIATION & AMORTIZATION	(3) PLANT IN SERVICE	(4) NET PROPERTY HELD FOR FUTURE USE	(5) CONSTRUCTION WORK IN PROGRESS	(6) NET UTILITY PLANT	(7) WORKING CAPITAL	(8) TOTAL RATE BASE
PER BOOKS	\$2,305,828	(\$761,858)	\$1,533,921	\$0	\$22,734	\$1,658,655	\$112,305	\$1,768,859
FPSC ADJUSTMENTS:								
ELIMINATIONS TO WORKING CAPITAL AMORTIZE ACQUISITION ADJ.		(\$120,155)	(\$120,155)			(\$120,155)	\$0	\$0 (\$120,155)
TOTAL FPSC ADJUSTMENTS	\$0	(\$120,155)	(\$120,155)	\$0	\$0	(\$120,155)	\$0	(\$120,155)
FPSC ADJUSTED	\$2,305,828	(\$881,963)	\$1,513,676	\$0	\$22,734	\$1,538,400	\$112,305	\$1,648,705
COMP RATE ADJ REVENUES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ADJUSTED FOR COMP RATE ADJ REVENUE	\$2,305,828	(\$881,963)	\$1,513,676	\$0	\$22,734	\$1,538,400	\$112,305	\$1,648,705
PROFORMA ADJUSTMENTS								
ACQUISITION ADJUSTMENT	(\$745,800)	\$120,155	(\$625,645)	\$0	\$0	(\$625,645)	\$0	(\$625,645)
TRANSACTION & TRANSITION COSTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL PROFORMA ADJUSTMENTS	(\$745,800)	\$120,155	(\$625,645)	\$0	\$0	(\$625,645)	\$0	(\$625,645)
PROFORMA ADJUSTED	\$1,560,028	(\$761,808)	\$888,021	\$0	\$22,734	\$912,755	\$112,305	\$1,023,060

SCHEDULE 2
PAGE 2 OF 2

FLORIDA PUBLIC UTILITIES COMPANY
 PLANTATION DIVISION
 MONTHLY FINANCIAL STATEMENT
 FOR THE THIRTEEN MONTHS ENDED 06/30/2013
 INCOME STATEMENT

	(1) OPERATING REVENUES	(2) O.A.M. EXPENSE	(3) O.A.M. OTHER	(4) DEPRECC. & AMORTIZATION	(5) TAXES OTHER THAN INCOME	(6) INCOME TAXES CURRENT	(7) D.I.T. (NET)	(8) I.T.C. (NET)	(9) GAIN/LOSS ON DISPOSITION	(10) TOTAL OPERATING EXPENSES	(11) TOTAL OPERATING INCOME
PER BOOKS	\$10,198	\$4,174	\$25,090	\$5,499	\$14,321	\$114,593	\$0	\$0	\$0	\$516,177	\$187,021
FFSC ADJUSTMENTS:											
1) Interest Synchrovisors						(18,251)				\$1,262	\$1,262
2) Interest Synchrovisors Acquisition			\$14,987			(18,250)				\$21,481	(21,489)
3) Elimination of Rev Related Taxes (FFSC)	(33,483)				(33,483)	\$0				(33,483)	\$0
4) Elimination of Contribution Rev & Exp	(41,869)	(41,174)			(179)	(159)				(81,938)	\$169
5) Issues Tax Effective Rate Adjustment			(122,243)	\$40,720		(16,179)				(81,672)	\$13,673
6) Fuel Cost Adjustment						\$0				\$0	\$0
7) Intertie Acquisition Adjustment						\$0				\$0	\$0
TOTAL FFSC ADJUSTMENTS	(17,331)	(41,174)	\$12,727	\$49,720	(83,652)	(32,133)	\$0	\$0	\$0	\$2,326	(32,233)
FFSC ADJUSTED	\$92,867	\$0	\$32,817	\$108,219	\$11,419	\$82,358	\$0	\$0	\$0	\$514,651	\$154,788
COMP RATE ADJ (NEG/POS) - DEFICIT/SURPLUS)	\$0					\$0				\$0	\$0
ADJUSTED FOR COMP RATE ADJ REVENUES	\$92,867		\$32,817	\$108,219	\$11,419	\$82,358	\$0	\$0	\$0	\$514,651	\$154,788
ACCOUNTING ADJ - AMORT EXP	\$0	\$0	\$0	(49,720)	\$0	\$19,720	\$0	\$0	\$0	(30,541)	\$20,541
TRANSITION/TRANSITION COSTS - AMORT EXP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL PRO FORMA ADJUSTMENTS	\$0	\$0	\$0	(49,720)	\$0	\$19,720	\$0	\$0	\$0	(30,541)	\$20,541
PRO FORMA ADJUSTED	\$92,867	\$0	\$32,817	\$58,499	\$11,419	\$102,078	\$0	\$0	\$0	\$524,110	\$175,329

FLORIDA PUBLIC UTILITIES COMPANY
INDIAN TOWN DIVISION
YEAR END RATE OF RETURN
FOR THE THIRTEEN MONTHS ENDED 06/30/2013
RATE BASE

	(1) PLANT IN SERVICE	(2) ACCUMULATED DEPRECIATION & AMORTIZATION	(3) PLANT #1 SERVICE	(4) NET PROPERTY HELD FOR FUTURE USE	(5) CONSTRUCTION WORK IN PROGRESS	(6) NET UTILITY PLANT	(7) WORKING CAPITAL	(8) TOTAL RATE BASE
PER BOOKS	\$2,848,217	(800,893)	\$7,047,324	\$0	\$24,872	\$2,072,196	\$153,896	\$2,226,092
FPSC ADJUSTMENTS:							\$0	\$0
ELIMINATIONS TO WORKING CAPITAL AMORTIZE ACQUISITION ADJ.		(\$145,015)	(\$145,015)			(\$145,015)		(\$145,015)
TOTAL FPSC ADJUSTMENTS	\$0	(\$145,015)	(\$145,015)	\$0	\$0	(\$145,015)	\$0	(\$145,015)
FPSC ADJUSTED	\$2,848,217	(\$945,908)	\$1,899,309	\$0	\$24,872	\$1,927,181	\$153,896	\$2,081,077
COMP RATE ADJ REVENUES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ADJUSTED FOR COMP RATE ADJ REVENUE	\$2,848,217	(\$945,908)	\$1,899,309	\$0	\$24,872	\$1,927,181	\$153,896	\$2,081,077
PROFORMA ADJUSTMENTS								
ACQUISITION ADJUSTMENT	(\$745,800)	\$145,015	(\$600,785)	\$0	\$0	(\$600,785)	\$0	(\$600,785)
TRANSACTION & TRANSITION COSTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL PROFORMA ADJUSTMENTS	(\$745,800)	\$145,015	(\$600,785)	\$0	\$0	(\$600,785)	\$0	(\$600,785)
PROFORMA ADJUSTED	\$2,102,417	(\$800,893)	\$1,301,524	\$0	\$24,872	\$1,326,396	\$153,896	\$1,480,292

FLORIDA PUBLIC UTILITIES COMPANY
 FEDERAL INCOME TAX RETURN
 YEAR END DATE OF RETURN
 FOR THE THIRTEEN MONTHS ENDED 06/30/2013
 INCOME STATEMENT

	(1) OPERATING REVENUES	(2) O & M GAS EXPENSE	(3) O & M OTHER	(4) DEPRCC. & AMORTIZATION	(5) TAXES OTHER THAN INCOME	(6) INCOME TAXES CURRENT	(7) D.I.T. D.E.T.	(8) L.T.C. D.E.T.	(9) GAIN/LOSS ON DISPOSITION	(10) TOTAL OPERATING EXPENSES	(11) NET OPERATING REVENUE
PER BOOKS	\$70,108	\$4,174	\$25,990	\$56,499	\$14,901	\$114,993	\$0	\$0	\$0	\$516,177	\$197,021
FFSC ADJUSTMENTS:											
1) National Gas Allocation Adjustment	(2,483)		\$4,587		(3,483)	(33,967)				(33,967)	\$1,937
2) Elimination of Pay Related Taxes (PRT)	(4,064)	(64,174)			(17)	(116,279)				(116,279)	(114,342)
3) Elimination of Pay Related Taxes (PRT)						\$125				\$125	\$0
4) Elimination of Conservation Fees & Exp						(3,159)				(3,159)	\$0
5) Recapture Tax on Depreciation						(18,176)				(18,176)	\$0
6) Recapture Tax on Amortization			(92,260)	\$43,720		(118,176)				(118,176)	(118,176)
7) Amortize Acquisition Adjustment						\$0				\$0	\$0
						\$0				\$0	\$0
TOTAL FFSC ADJUSTMENTS	(6,547)	(68,174)	\$12,167	\$47,720	(3,500)	(154,050)	\$0	\$0	\$0	(154,050)	(152,113)
FFSC ADJUSTED	\$63,561	\$0	\$38,157	\$104,219	\$11,411	\$69,943	\$0	\$0	\$0	\$362,127	\$44,908
COMP RATE ADJ REVENUES - DEFICIT/SURPLUS	\$0					\$0				\$0	\$0
ADJUSTED FOR COMP RATE ADJ REVENUES	\$63,561		\$38,157	\$104,219	\$11,411	\$69,943	\$0	\$0	\$0	\$362,127	\$44,908
ACQUISITION ADJ. - AMORT EXP	\$0	\$0	\$0	\$0	\$0	\$18,176	\$0	\$0	\$0	(18,176)	\$26,732
TRANSACTION/TRANSITION COSTS - AMORT EXP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL PRO FORMA ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$18,176	\$0	\$0	\$0	(18,176)	\$26,732
PRO FORMA ADJUSTED	\$63,561	\$0	\$38,157	\$104,219	\$11,411	\$88,119	\$0	\$0	\$0	\$343,951	\$71,640

SCHEDULE 4

FLORIDA PUBLIC UTILITIES COMPANY
 INDIANTOWN DIVISION
 CAPITAL STRUCTURE
 JUNE 30, 2013
 FPSC ADJUSTED BASIS

AVERAGE	ADJUSTMENTS						LOW POINT		MIDPOINT		HIGH POINT		
	PER BOOKS	PRO RATA	SPECIFIC	ADJUSTED	NON-UTILITY	BALANCE	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
	COMMON EQUITY	\$ 1,001,745		(\$75,417)	\$ 986,328	\$ 986,328	\$ 986,328	59.82%	10.50%	0.28%	11.50%	6.88%	12.50%
LONG TERM DEBT	\$ 422,551		(\$30,014)	\$ 392,537	\$ 392,537	\$ 392,537	23.81%	6.06%	1.44%	6.06%	1.44%	6.06%	1.44%
SHORT TERM DEBT	\$ 207,291		(\$14,724)	\$ 192,567	\$ 192,567	\$ 192,567	11.68%	1.29%	0.15%	1.29%	0.15%	1.29%	0.15%
SHORT TERM DEBT REFINANCED LTD	\$ 0		\$ 0	\$ 0	\$ 0	\$ 0	0.00%	6.33%	0.00%	6.33%	0.00%	6.33%	0.00%
CUSTOMER DEPOSITS	\$ 6,063			\$ 6,063	\$ 6,063	\$ 6,063	0.37%	2.41%	0.01%	2.41%	0.01%	2.41%	0.01%
DEFERRED TAXES	\$ 71,209			\$ 71,209	\$ 71,209	\$ 71,209	4.32%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TOTAL AVERAGE	\$ 1,768,860	\$ 0	(\$120,155)	\$ 1,648,705	\$ 0	\$ 1,648,705	100.00%		7.88%		8.48%		9.08%

YEAR-END	ADJUSTMENTS						LOW POINT		MIDPOINT		HIGH POINT		
	PER BOOKS	PRO RATA	SPECIFIC	ADJUSTED	NON-UTILITY	BALANCE	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
	COMMON EQUITY	\$ 1,266,001		(\$85,189)	\$ 1,180,813	\$ 1,180,813	\$ 1,180,813	58.74%	10.50%	5.96%	11.50%	6.53%	12.50%
LONG TERM DEBT	\$ 507,470		(\$34,147)	\$ 473,323	\$ 473,323	\$ 473,323	22.74%	5.85%	1.33%	6.85%	1.33%	5.85%	1.33%
SHORT TERM DEBT	\$ 381,658		(\$25,681)	\$ 355,977	\$ 355,977	\$ 355,977	17.11%	0.81%	0.14%	0.81%	0.14%	0.81%	0.14%
SHORT TERM DEBT REFINANCED LTD	\$ 0		\$ 0	\$ 0	\$ 0	\$ 0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$ 6,735			\$ 6,735	\$ 6,735	\$ 6,735	0.32%	2.41%	0.01%	2.41%	0.01%	2.41%	0.01%
DEFERRED TAXES	\$ 64,229			\$ 64,229	\$ 64,229	\$ 64,229	3.09%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TOTAL YEAR-END	\$ 2,226,093	\$ 0	(\$145,016)	\$ 2,081,077	\$ 0	\$ 2,081,077	100.00%		7.44%		8.01%		8.57%

FLORIDA PUBLIC UTILITIES COMPANY
 INDIANTOWN DIVISION
 RATE OF RETURN REPORT SUMMARY
 December 31, 2013

SCHEDULE 1
 Revised 6-12-14

	(1) ACTUAL PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
I. AVERAGE RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$108,577	(\$19,185)	\$89,389	\$30,541	\$119,930
AVERAGE RATE BASE	\$2,212,884	(\$268,736)	\$1,943,948	(\$600,786)	\$1,343,161
AVERAGE RATE OF RETURN	4.91%		4.60%		8.93%
II. YEAR-END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$108,577	(\$18,905)	\$89,672	\$30,541	\$120,213
YEAR-END RATE BASE	\$2,381,384	\$0	\$2,381,384	(\$675,925)	\$1,705,459
YEAR-END RATE OF RETURN	4.60%		3.80%		6.73%
III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)			IV. EARNED RETURN ON EQUITY (FPSC ADJUSTED BASIS)		
LOW	7.70%		A.	INCL ACQUISITION ADJUSTMENT	5.17%
MIDPOINT	8.28%		B.	EXCL ACQUISITION ADJUSTMENT	12.93%
HIGH	8.87%				

I am aware that Section 837.08, Florida Statutes, provides:

Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

Cheryl M. Martin
 Director of Regulatory Affairs

Cheryl M. Martin
 Signature

6/16/14
 Date



June 13, 2014

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DIVISION OF
ACCOUNTING & FINANCE

VIA HAND DELIVERY

Mr. Andrew Maurey, Director
Division of Accounting and Finance
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

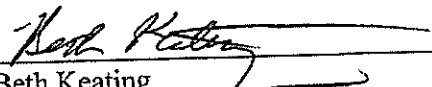
Re: Florida Public Utilities Company – Indiantown Division Surveillance Reports

Dear Mr. Maurey:

In accordance with Rule 25-7.1352(3), F.A.C., Florida Public Utilities Company hereby submits corrected Earnings Surveillance Reports for the Indiantown Division, consistent with the further requirements of Order No. PSC-14-0015-PAA-GU.

As always, please don't hesitate to let me know if you have any questions whatsoever.

Sincerely,


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

cc: Bart Fletcher

FLORIDA PUBLIC UTILITIES COMPANY
 INDIANTOWN DIVISION
 RATE OF RETURN REPORT SUMMARY
 December 31, 2013

SCHEDULE 1
 Revised 6-12-14

	(1) ACTUAL PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
I. AVERAGE RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$108,577	(\$19,168)	\$89,389	\$10,541	\$119,930
AVERAGE RATE BASE	\$2,212,684	(\$286,738)	\$1,843,946	(\$800,785)	\$1,343,161
AVERAGE RATE OF RETURN	4.91%		4.86%		8.93%
II. YEAR-END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$108,577	(\$18,905)	\$89,672	\$10,541	\$120,213
YEAR-END RATE BASE	\$2,361,364	\$0	\$2,261,364	(\$575,925)	\$1,785,439
YEAR-END RATE OF RETURN	4.60%		3.96%		6.73%
III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)			IV. EARNED RETURN ON EQUITY (FPSC ADJUSTED BASIS)		
LOW	7.70%		A.	INCL COMP RATE ADJ REVENUES	5.39%
MIDPOINT	8.28%		B.	EXCL COMP RATE ADJ REVENUES	5.39%
HIGH	8.87%				

I am aware that Section 637.06, Florida Statutes, provides:

Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

Cheryl M. Martin
 Director of Regulatory Affairs

Cheryl M. Martin
 Signature

6/13/14
 Date

FLORIDA PUBLIC UTILITIES COMPANY
 INDIANTOWN DIVISION
 AVERAGE RATE OF RETURN
 FOR THE THIRTEEN MONTHS ENDED 12/31/2013
 RATE BASE

SCHEDULE 2
 PAGE 1 OF 2
 Revised 8-12-14

	(1) PLANT IN SERVICE	(2) ACCUMULATED DEPRECIATION & AMORTIZATION	(3) PLANT IN SERVICE	(4) NET PROPERTY HELD FOR FUTURE USE	(5) CONSTRUCTION WORK IN PROGRESS	(6) NET UTILITY PLANT	(7) WORKING CAPITAL	(8) TOTAL RATE BASE
PER BOOKS	\$2,752,703	(3,788,372)	\$1,874,331	\$0	\$57,175	\$2,031,508	\$181,178	\$2,212,684
FPSC ADJUSTMENTS:								
ELIMINATIONS TO WORKING CAPITAL						\$0	\$0	\$0
CORRECT AMORTIZATION OF ACQUISITION ADJ.	\$13,067	(3145,015)	(3131,948)			(3131,948)		(3131,948)
PSC-14-0015-PAA-GJ							(3136,790)	(3136,790)
REMOVE NET LONG COVERED PURCHASED								
GAS COST DOCKET 030954-GJ								
TOTAL FPSC ADJUSTMENTS	\$13,067	(3145,015)	(3131,948)	\$0	\$0	(3131,948)	(3136,790)	(3268,738)
FPSC ADJUSTED	\$2,775,770	(3,933,387)	\$1,842,383	\$0	\$57,175	\$1,899,558	\$44,388	\$1,943,946
COMP RATE ADJ REVENUES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ADJUSTED FOR COMP RATE ADJ REVENUE	\$2,775,770	(3,933,387)	\$1,842,383	\$0	\$57,175	\$1,899,558	\$44,388	\$1,943,946
PROFORMA ADJUSTMENTS								
REMOVE ACQUISITION ADJUSTMENT	(3745,809)	\$145,015	(3600,785)	\$0	\$0	(3600,785)	\$0	(3600,785)
TOTAL PRO FORMA ADJUSTMENTS	(3745,809)	\$145,015	(3600,785)	\$0	\$0	(3600,785)	\$0	(3600,785)
PRO FORMA ADJUSTED	\$3,029,970	(3788,372)	\$1,241,598	\$0	\$57,175	\$1,298,773	\$44,388	\$1,343,161

FLORIDA PUBLIC UTILITIES COMPANY
 STATEMENT OF OPERATIONS
 AVERAGE RATE OF RETURN
 FOR THE THIRTEEN MONTHS ENDED 12/31/2013
 INCOME STATEMENT

SCHEDULE 2
 FINANCIAL STATEMENTS
 PERIOD ENDED 12/31/14

	(1) OPERATING REVENUES	(2) O & M GAS EXPENSE	(3) O & M OTHER	(4) DEPREC. & AMORTIZATION	(5) TAXES OTHER THAN INCOME	(6) INCOME TAXES CURRENT	(7) D.I.T. (NET)	(8) L.T.C. (NET)	(9) GAIN/LOSS ON DISPOSITION	(10) TOTAL OPERATING EXPENSE	(11) NET OPERATING INCOME
PER BOOKS	\$54,223	\$7,021	\$320,057	\$10,077	\$10,973	\$41,516	\$0	\$0	\$0	\$415,645	\$109,377
FFSC ADJUSTMENTS:											
1) For Land Demolition	(41,336)				(2,859)	(57,157)				(7,123)	\$7,223
2) Elimination of Rev Related Taxes (FSC)	(17,289)	(37,027)			(37)	32,214				(22,859)	\$0
3) Elimination of Conservation Tax & Exp				\$4,970		(19,179)				(14,209)	\$3,125
4) Income Tax Expense Adjustment						\$0				\$0	\$0
5) Contract Amortization Acquisition Adjustment						\$0				\$0	\$0
						\$0				\$0	\$0
TOTAL FFSC ADJUSTMENTS	\$4,158	\$37,027		\$4,970	\$4,822	(24,122)	\$0	\$0	\$0	\$15,983	(119,189)
FFSC ADJUSTED	\$58,381	\$0	\$320,057	\$15,047	\$15,131	\$17,394	\$0	\$0	\$0	\$431,628	\$89,188
COMPUTED FOR RATE ADJUSTMENTS - DEFICIT(SURPLUS)	\$0	\$0	\$320,057	\$15,047	\$15,131	\$17,394	\$0	\$0	\$0	\$431,628	\$89,188
ADJUSTED FOR COMP RATE ADJ REVENUES	\$0	\$0	\$0	(4,970)	\$0	\$0	\$0	\$0	\$0	(4,970)	\$0
1) Reserve Amortization of Acquisition Adjustment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$4,970	\$0	\$0	\$0	\$0	\$0	\$4,970	\$0
TOTAL PRO FORMA ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PRO FORMA ADJUSTED	\$58,381	\$0	\$320,057	\$15,047	\$15,131	\$17,394	\$0	\$0	\$0	\$431,628	\$89,188

FLORIDA PUBLIC UTILITIES COMPANY
REGULATORY DIVISION
STATE OF FLORIDA
FOR THE THREE MONTHS ENDED 3/31/2013
RATE BASE

	(1) PLANT IN SERVICE	(2) ACCUMULATED DEPRECIATION & AMORTIZATION	(3) PLANT IN SERVICE	(4) NET PROPERTY IN FUTURE USE	(5) CONSTRUCTION IN PROGRESS	(6) UTILITY PLANT	(7) WORKING CAPITAL	(8) TOTAL RATE BASE
PER BOOKS	\$7,609,892	(3,774,650)	\$3,835,242	\$0	\$23,653	\$2,450,941	\$21,121	\$2,361,364
FPSC ADJUSTMENTS:								
ELIMINATIONS TO WORKING CAPITAL CORRECT AMORTIZATION OF ACCUMULATED PSC-144015 PAK-00	\$163,875	(163,875)	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL FPSC ADJUSTMENTS	3169,875	(616,921)	\$0	\$0	\$0	\$0	\$0	\$0
FPSC ADJUSTED	\$7,979,767	(3,938,575)	\$3,835,242	\$0	\$23,653	\$2,450,941	\$21,121	\$2,361,364
COMP RATE ADJ REVENUES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ADJUSTED FOR COMP RATE ADJ REVENUE	\$7,979,767	(3,938,575)	\$3,835,242	\$0	\$23,653	\$2,450,941	\$21,121	\$2,361,364
PROGRAM ADJUSTMENTS PERFORMED ADJUSTMENT	(374,820)	319,975	(57,845)	\$0	\$0	(57,845)	\$0	(57,845)
TOTAL PRO FORMA ADJUSTMENTS	(374,820)	319,975	(57,845)	\$0	\$0	(57,845)	\$0	(57,845)
PRO FORMA ADJUSTED	\$7,604,947	(3,618,600)	\$3,777,397	\$0	\$23,653	\$1,893,096	\$21,121	\$1,795,429

FLORIDA PUBLIC UTILITIES COMPANY
 MIDTOWN DIVISION
 YEAR END RATE OF RETURN
 FOR THE THIRTEEN MONTHS ENDED 12/31/2013
 INCOME STATEMENT

SCHEDULE 3
 PAGE 2 OF 2
 RRR-03-14

	(1) OPERATING REVENUES	(2) O & M/GAS EXPENSE	(3) O & M OTHER	(4) DEPRECIATION AMORTIZATION	(5) TAXES OTHER TRANSPORTATION	(6) INCOME TAXES CURRENT	(7) DEL. CASED	(8) I.T.C. ADIT	(9) GROSS ON DISPOSITION	(10) TOTAL OPERATING EXPENSES	(11) NET OPERATING REVENUE
PER BOOKS	\$54,223	\$7,021	\$30,057	\$70,017	\$10,973	\$41,510	\$0	\$0	\$475,848	\$106,577	
FPSC ADJUSTMENTS:											
1) Interest Synchroization	(32,850)				(42,830)	(17,409)			(67,409)	\$7,498	
2) Elimination of Pay Retained Tax (PRT)	(1,287)	(37,021)			(37)	\$2,214			(34,834)	\$3,525	
3) Elimination of Pay Retained Tax (PRT) & L&A				\$48,720		(115,179)			(66,459)	(140,770)	
4) Income Tax Effective Rate Adjustment						\$0			\$0	\$0	
5) Correct Amortization Acquisition Adjustment						\$0			\$0	\$0	
TOTAL FPSC ADJUSTMENTS	18,130	37,021	\$0	\$48,720	(42,830)	(17,409)			(114,763)	\$11,031	
FPSC ADJUSTED	\$50,098	\$0	\$30,057	\$119,737	\$14,131	\$26,442	\$0	\$0	\$400,408	\$88,072	
COMP RATE ADJ REVENUES - DEFICIT(SURPLUS)	\$0					\$0			\$0	\$0	
ADJUSTED FOR COMP RATE ADJ REVENUES	\$50,098	\$0	\$30,057	\$119,737	\$14,131	\$26,442	\$0	\$0	\$400,408	\$88,072	
1) Revenue Acquisition Adjustment	\$0	\$0	\$0	(\$49,720)	\$0	\$19,179	\$0	\$0	(\$30,541)	\$50,541	
TOTAL PRO FORMA ADJUSTMENTS	\$0	\$0	\$0	(\$49,720)	\$0	\$19,179	\$0	\$0	(\$30,541)	\$30,541	
PRO FORMA ADJUSTED	\$50,098	\$0	\$30,057	\$70,017	\$14,131	\$55,621	\$0	\$0	\$459,867	\$122,213	

FLORIDA PUBLIC UTILITIES COMPANY
INDIAN TOWN DIVISION
CAPITAL STRUCTURE
December 31, 2013
FPSC ADJUSTED BASIS

SCHEDULE 4
Revised 6-12-1

AVERAGE	ADJUSTMENTS					LOW POINT		MIDPOINT		HIGH POINT		
	PER BOOKS	PRO RATA	SPECIFIC	ADJUSTED NON-UTILITY BALANCE	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	
	COMMON EQUITY	\$ 1,295,223		(\$163,710)	\$ 1,131,507	\$ 1,131,507	58.21%	10.50%	6.11%	11.50%	6.69%	12.50%
LONG TERM DEBT	\$ 463,693		(\$58,636)	\$ 405,257	\$ 405,257	20.85%	6.02%	1.25%	6.02%	1.25%	6.02%	1.25%
SHORT TERM DEBT	\$ 297,720		(\$37,632)	\$ 260,088	\$ 260,088	13.38%	1.47%	0.20%	1.47%	0.20%	1.47%	0.20%
SHORT TERM DEBT REFINANCED LTD	\$ 69,261		(\$8,754)	\$ 60,507	\$ 60,507	3.11%	4.17%	0.13%	4.17%	0.13%	4.17%	0.13%
CUSTOMER DEPOSITS	\$ 6,421			\$ 6,421	\$ 6,421	0.33%	2.06%	0.01%	2.06%	0.01%	2.06%	0.01%
DEFERRED TAXES	\$ 80,167			\$ 80,167	\$ 80,167	4.12%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TOTAL AVERAGE	\$ 2,212,664	\$ 0	(\$268,738)	\$ 1,943,946	\$ 0	\$ 1,943,946	100.00%	7.70%	8.28%	8.87%		

YEAR-END	ADJUSTMENTS					LOW POINT		MIDPOINT		HIGH POINT		
	PER BOOKS	PRO RATA	SPECIFIC	ADJUSTED NON-UTILITY BALANCE	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	
	COMMON EQUITY	\$ 1,187,426		\$ 0	\$ 1,187,426	\$ 1,187,426	50.29%	10.50%	5.28%	11.50%	5.78%	12.50%
LONG TERM DEBT	\$ 477,823		\$ 0	\$ 477,823	\$ 477,823	20.24%	5.20%	1.05%	5.20%	1.05%	5.20%	1.05%
SHORT TERM DEBT	\$ 234,972		\$ 0	\$ 234,972	\$ 234,972	9.85%	1.66%	0.17%	1.66%	0.17%	1.66%	0.17%
SHORT TERM DEBT REFINANCED LTD	\$ 211,056		\$ 0	\$ 211,056	\$ 211,056	9.94%	1.22%	0.11%	1.22%	0.11%	1.22%	0.11%
CUSTOMER DEPOSITS	\$ 6,230			\$ 6,230	\$ 6,230	0.26%	2.06%	0.01%	2.06%	0.01%	2.06%	0.01%
DEFERRED TAXES	\$ 243,857			\$ 243,857	\$ 243,857	10.33%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TOTAL YEAR-END	\$ 2,361,364	\$ 0	\$ 0	\$ 2,361,364	\$ 0	\$ 2,361,364	100.00%	6.62%	7.12%	7.63%		

FLORIDA PUBLIC UTILITIES COMPANY
 INDIANTOWN DIVISION
 RATE OF RETURN REPORT SUMMARY
 June 30, 2014

SCHEDULE 1

	(1) ACTUAL PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
I. AVERAGE RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ (41,722)	\$ 90,839	\$ 55,117	\$ 30,541	\$ 85,658
AVERAGE RATE BASE	\$ 2,249,416	\$ (106,438)	\$ 2,142,978	\$ (576,925)	\$ 1,567,053
AVERAGE RATE OF RETURN	-1.85%		2.57%		6.47%
II. YEAR-END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ (41,722)	\$ 93,310	\$ 51,608	\$ 30,641	\$ 82,120
YEAR-END RATE BASE	\$ 2,001,232	\$ 7,783	\$ 2,009,015	\$ (576,925)	\$ 1,433,090
YEAR-END RATE OF RETURN	-2.08%		2.57%		6.73%
III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)					
LOW	7.24%				
MIDPOINT	7.76%				
HIGH	8.32%				
IV. EARNED RETURN ON EQUITY (FPSC ADJUSTED BASIS)					
A.	RETURN ON COMMON EQUITY				1.84%
B.	EXCL ACQUISITION ADJUSTMENT				7.64%

I am aware that Section 837.06, Florida Statutes, provides:

Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

Cheryl Martin
 Director, Regulatory Affairs

Cheryl M. Martin
 Signature *per MDA*

8/7/14
 Date

FLORIDA PUBLIC UTILITIES COMPANY
 INDIANTOWN DIVISION
 AVERAGE RATE OF RETURN
 For the 12 Months Ending June 30, 2014
 RATE BASE

SCHEDULE 2
 PAGE 1 OF 2

	(1) PLANT IN SERVICE	(2) ACCUMULATED DEPRECIATION & AMORTIZATION	(3) PLANT IN SERVICE	(4) NET PROPERTY HELD FOR FUTURE USE	(5) CONSTRUCTION WORK IN PROGRESS	(6) NET UTILITY PLANT	(7) WORKING CAPITAL	(8) TOTAL RATE BASE
PER BOOKS	2,000,814	(601,657)	1,099,751	-	87,720	2,000,881	185,478	2,289,418
FPSC ADJUSTMENTS:								
ELIMINATIONS TO WORKING CAPITAL								
CORRECT AMORT. OF ACQ. ADJ. PSC-144015-PA-01		(71,710)	(71,710)			(71,710)		(71,710)
REMOVE NET UNRECOVERED PCA COST DKT 00056-01							(54,728)	(54,728)
TOTAL FPSC ADJUSTMENTS	-	(71,710)	(71,710)	-	-	(71,710)	(54,728)	(158,148)
FPSC ADJUSTED	2,000,814	(673,367)	1,099,041	-	87,720	1,929,171	130,750	2,142,978
PROFORMA ADJUSTMENTS								
Remove Accum. Adjustment	(745,800)	168,875	(576,925)			(576,925)		(576,925)
TOTAL PROFORMA ADJUSTMENTS	(745,800)	168,875	(576,925)	-	-	(576,925)	-	(576,925)
PROFORMA ADJUSTED	1,255,014	(504,492)	522,116	-	87,720	1,352,246	130,750	1,522,022

FLORIDA PUBLIC UTILITIES COMPANY
 REGULATION DIVISION
 AVERAGE RATE OF RETURN
 For the 12 Months Ending June 30, 2014
 INCOME STATEMENT

SCHEDULE 2
 PAGE 2 OF 2

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	OPERATING REVENUES	O & M GAS EXPENSE	O & M OTHER	DEPREC. & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	D.I.T. (NET)	I.T.C. (NET)	GAIN/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
PER BOOKS	\$ 127,192	\$ 7,678	\$ 306,045	\$ 272,698	\$ 17,847	\$ (55,331)				\$ 568,916	\$ (41,722)
FPSC ADJUSTMENTS:											
1) Market Reoptimization						\$ (4,721)				\$ (4,721)	\$ (4,721)
2) Em. Conservation Rev & Exp.	\$ (7,207)	\$ (7,478)			\$ (25)	\$ 196				\$ (12,312)	\$ 310
3) Elimination of Financial Taxes	\$ (2,599)				\$ (2,499)					\$ (2,385)	\$ -
4) Income Tax Effective Rate Adjustment				\$ (145,015)		\$ (732)				\$ (732)	\$ 732
5) Remove Prior Period Adjustment in Acc. Acc.						\$ 56,040				\$ (56,072)	\$ 82,072
6) Remove PCA										\$ -	\$ -
TOTAL FPSC ADJUSTMENTS	\$ (9,803)	\$ (7,478)	\$ -	\$ (145,015)	\$ (2,724)	\$ 48,464	\$ -	\$ -	\$ -	\$ (108,722)	\$ 86,859
FPSC ADJUSTED	\$ 117,389	\$ -	\$ 306,045	\$ 127,673	\$ 15,123	\$ 12,295	\$ -	\$ -	\$ -	\$ 460,194	\$ 56,117
PROFORMA ADJUSTMENTS				\$ (49,720)		\$ 19,179				\$ (29,541)	\$ 29,541
Remove Reoptimization Amortization	\$ -	\$ -	\$ -	\$ (49,720)	\$ -	\$ 19,179	\$ -	\$ -	\$ -	\$ (29,541)	\$ 29,541
TOTAL PROFORMA ADJUSTMENTS	\$ -	\$ -	\$ -	\$ (49,720)	\$ -	\$ 19,179	\$ -	\$ -	\$ -	\$ (29,541)	\$ 29,541
PROFORMA ADJUSTED	\$ 117,389	\$ -	\$ 306,045	\$ 77,953	\$ 15,123	\$ 31,474	\$ -	\$ -	\$ -	\$ 430,653	\$ 85,658

FLORIDA PUBLIC UTILITIES COMPANY
 MIDWINTER DIVISION
 YEAR END RATE OF RETURN
 For the 12 Months Ending June 30, 2014
 RATE BASE

SCHEDULE 2
 PAGE 1 OF 2

	(1) PLANT IN SERVICE	(2) ACCUMULATED DEPRECIATION & AMORTIZATION	(3) PLANT IN SERVICE	(4) NET PROPERTY HELD FOR FUTURE USE	(5) CONSTRUCTION WORK IN PROGRESS	(6) NET UTILITY PLANT	(7) WORKING CAPITAL	(8) TOTAL RATE BASE
PER BOOKS	\$ 2,843,287	\$ (1,619,874)	\$ 1,843,712	\$ -	\$ 28,158	\$ 1,969,868	\$ 31,243	\$ 2,001,222
FPSC ADJUSTMENTS:								
ELIMINATIONS TO WORKING CAPITAL			\$ -			\$ -	\$ -	\$ -
REMOVE NET UNRES. PDA COST DKT C0994-GU							\$ 7,783	\$ 7,783
TOTAL FPSC ADJUSTMENTS							\$ 7,783	\$ 7,783
FPSC ADJUSTED	\$ 2,843,287	\$ (1,619,874)	\$ 1,843,712	\$ -	\$ 28,158	\$ 1,969,868	\$ 39,146	\$ 2,009,015
PROFORMA ADJUSTMENTS								
Remove Accruals Adjustment	\$ (715,800)	\$ 109,875	\$ (575,925)			\$ (375,925)		\$ (1,776,825)
TOTAL PROFORMA ADJUSTMENTS	\$ (715,800)	\$ 109,875	\$ (575,925)	\$ -	\$ -	\$ (375,925)	\$ -	\$ (1,641,850)
PROFORMA ADJUSTED	\$ 2,127,487	\$ (1,510,000)	\$ 1,267,787	\$ -	\$ 28,158	\$ 1,593,943	\$ 39,146	\$ 1,431,000

FLORIDA PUBLIC UTILITIES COMPANY
 REGISTRATION DIVISION
 YEAR END RATE OF RETURN
 For the 12 Months Ending June 30, 2014
 WSCOE STATEMENT

SCHEDULE 2
 PAGE 2 OF 2

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	OPERATING REVENUES	O & M GAS EXPENSE	O & M OTHER	DEPR. & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	GAT (NET)	LTC (NET)	GARRIGOS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
PER BOOKS	\$ 217,189	\$ 7,878	\$ 308,045	\$ 277,638	\$ 17,887	\$ (55,721)				\$ 568,215	\$ (41,721)
FP&C ADJUSTMENTS:											
1) Internal Securities						\$ (2,197)				\$ (2,197)	\$ 2,197
2) Elim. Commercial Rev. & Exp.	\$ (7,201)	\$ (7,878)			\$ (30)	\$ 195				\$ (7,517)	\$ 310
3) Elimination of Revenue Taxes	\$ (2,844)				\$ (2,688)	\$ -				\$ (2,688)	\$ -
4) Interest Tax Effective Rate Adjustment						\$ (722)				\$ (722)	\$ 722
5) Revenue Price Paid Advance to Acc. Adj.				\$ (145,914)		\$ 18,340				\$ (127,574)	\$ 82,075
6) Revenue PDA						\$ -				\$ -	\$ -
TOTAL FP&C ADJUSTMENTS	\$ (9,893)	\$ (7,878)		\$ (145,914)	\$ (2,721)	\$ 17,219	\$ -	\$ -	\$ -	\$ (163,203)	\$ 83,310
FP&C ADJUSTED	\$ 207,296	\$ -	\$ 308,045	\$ 131,724	\$ 15,166	\$ 18,079	\$ -	\$ -	\$ -	\$ 405,012	\$ 61,666
PROFORM ADJUSTMENTS											
Remove Amortization Adjusted P&L Amortization				\$ (49,725)		\$ 15,179				\$ (34,546)	\$ 34,546
TOTAL PROFORM ADJUSTMENTS				\$ (49,725)		\$ 15,179				\$ (34,546)	\$ 34,546
PROFORM ADJUSTED	\$ 207,296	\$ -	\$ 308,045	\$ 82,000	\$ 15,166	\$ 33,258	\$ -	\$ -	\$ -	\$ 370,466	\$ 96,212

AVERAGE	ADJUSTMENTS		ADJUSTED BOOKS	PRO-RATA	SPECIFIC	BALANCE	RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT	
	PER BOOKS	NON-UTILITY						COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
COMMON EQUITY	\$ 1,218,570	\$ -	\$ 1,218,570	\$ -	\$ (82,482)	\$ 1,136,088	53.95%	10.50%	5.60%	11.50%	6.20%	12.50%	8.74%
LONG TERM DEBT	\$ 415,835	\$ -	\$ 415,835	\$ -	\$ (7,502)	\$ 408,333	21.51%	5.61%	1.21%	5.81%	1.21%	5.81%	1.21%
SHORT TERM DEBT	\$ 243,933	\$ -	\$ 243,933	\$ -	\$ (12,504)	\$ 231,429	10.60%	1.11%	0.12%	1.11%	0.12%	1.11%	0.12%
SHORT TERM DEBT REFINANCED LTD	\$ 128,182	\$ -	\$ 128,182	\$ -	\$ (5,276)	\$ 122,906	5.67%	4.17%	0.24%	4.17%	0.24%	4.17%	0.24%
CUSTOMER DEPOSITS	\$ 8,450	\$ -	\$ 8,450	\$ -	\$ -	\$ 8,450	0.39%	2.06%	0.01%	2.06%	0.01%	2.06%	0.01%
DEFERRED INCOME TAXES	\$ 166,447	\$ -	\$ 166,447	\$ -	\$ -	\$ 166,447	7.77%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	7.23%	0.00%	7.77%	0.00%	8.31%	0.00%
TOTAL AVERAGE	\$ 2,249,417	\$ -	\$ 2,249,417	\$ -	\$ (108,438)	\$ 2,140,979	100.00%		7.24%		7.78%		8.32%

YEAR-END	ADJUSTMENTS		ADJUSTED BOOKS	PRO-RATA	SPECIFIC	BALANCE	RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT	
	PER BOOKS	NON-UTILITY						COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
COMMON EQUITY	\$ 1,034,419	\$ -	\$ 1,034,419	\$ -	\$ 4,670	\$ 1,039,089	51.71%	10.50%	5.43%	11.50%	6.85%	12.50%	8.46%
LONG TERM DEBT	\$ 557,722	\$ -	\$ 557,722	\$ -	\$ 2,469	\$ 560,191	27.84%	3.96%	1.11%	3.96%	1.11%	3.96%	1.11%
SHORT TERM DEBT	\$ 165,778	\$ -	\$ 165,778	\$ -	\$ 734	\$ 166,513	8.29%	1.32%	0.11%	1.32%	0.11%	1.32%	0.11%
SHORT TERM DEBT REFINANCED LTD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$ 8,453	\$ -	\$ 8,453	\$ -	\$ -	\$ 8,453	0.32%	2.06%	0.01%	2.06%	0.01%	2.06%	0.01%
DEFERRED INCOME TAXES	\$ 238,857	\$ -	\$ 238,857	\$ -	\$ -	\$ 238,857	11.78%	0.00%	0.00%	0.65%	0.00%	0.65%	0.00%
TAX CREDITS - WEIGHTED COST	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	8.65%	0.00%	7.17%	0.00%	7.68%	0.00%
TOTAL YEAR-END	\$ 2,001,232	\$ -	\$ 2,001,232	\$ -	\$ 7,872	\$ 2,009,104	100.00%		6.64%		7.18%		7.69%

SCHEDULE 1

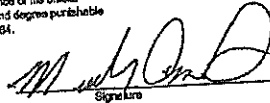
FLORIDA PUBLIC UTILITIES COMPANY
 INDIANTOWN DIVISION
 RATE OF RETURN REPORT SUMMARY
 December 31, 2014 - Revised 6/6/2015

	(1) ACTUAL PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO-FORMA ADJUSTMENTS	(5) PRO-FORMA ADJUSTED
I. AVERAGE RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ 18,716	\$ 8,011	\$ 23,727	\$ 30,641	\$ 64,287
AVERAGE RATE BASE	\$ 2,079,832	\$ -	\$ 2,079,832	\$ (661,069)	\$ 1,508,867
AVERAGE RATE OF RETURN	0.90%		1.14%		3.56%
II. YEAR-END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ 18,718	\$ 4,221	\$ 22,937	\$ 30,541	\$ 63,477
YEAR-END RATE BASE	\$ 2,242,037	\$ -	\$ 2,242,037	\$ (620,206)	\$ 1,718,432
YEAR-END RATE OF RETURN	0.83%		1.02%		3.12%
III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)					
LOW	6.62%				
MIDPOINT	7.35%				
HIGH	7.84%				
IV. EARNED RETURN ON EQUITY (FPSC ADJUSTED BASIS)					
					-0.71%
					4.40%

I am aware that Section 637.06, Florida Statutes, provides:

Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

Mike Cassol
 Director, Regulatory Affairs


 Signature

6-10-15
 Date

FLORIDA PUBLIC UTILITIES COMPANY
INDIANTON WILKINSON
AVERAGE RATE OF RETURN
For the 12 Months Ending December 31, 2014
INCOME STATEMENT - Revised 8_2_2014

	(1) OPERATING REVENUES	(2) O & M GAS EXPENSE	(3) O & M OTHER	(4) DEPREC. & AMORTIZATION	(5) TAXES OTHER THAN INCOME	(6) INCOME TAXES CURRENT	(7) D.L.T. (NET)	(8) L.T.C. (NET)	(9) GAIN/LOSS ON DISPOSITION	(10) TOTAL OPERATING EXPENSES	(11) NET OPERATING INCOME
PER BOOKS	\$ 473,208	\$ 8,857	\$ 315,029	\$ 115,071	\$ 14,705	\$ 313			\$ 454,493	\$ 18,715	
FPSC ADJUSTMENTS											
1) Interest Amortization					\$ (46)	\$ (4,691)			\$ (4,837)	\$ 4,645	
2) Elec. Conservation Rev. Exp.	\$ (8,907)	\$ (8,659)			\$ (46)	\$ (8)			\$ (17,620)	\$ (17)	
3) Exclusion of Revenue Taxes	\$ (2,481)				\$ (2,481)	\$ -			\$ (4,968)	\$ 322	
4) Income Tax Effective Rate Adjustment						\$ (22)			\$ (22)	\$ -	
5) Remove P&A						\$ -			\$ -	\$ -	
TOTAL FPSC ADJUSTMENTS	\$ (11,395)	\$ (8,659)	\$ -	\$ -	\$ (2,504)	\$ (4,721)	\$ -	\$ -	\$ (18,279)	\$ 3,011	
FPSC ADJUSTED	\$ 461,813	\$ -	\$ 315,029	\$ 115,071	\$ 12,201	\$ (4,823)	\$ -	\$ -	\$ 436,214	\$ 21,726	
PROGRAM ADJUSTMENTS											
Revenue Assesment Adjustment Amortization				\$ (49,729)		\$ 19,179			\$ (30,550)	\$ 30,550	
TOTAL PROGRAM ADJUSTMENTS				\$ (49,729)	\$ -	\$ 19,179	\$ -	\$ -	\$ (11,371)	\$ 30,550	
PRO FORMA ADJUSTED	\$ 461,813	\$ 0	\$ 315,029	\$ 65,342	\$ 12,201	\$ 14,457	\$ -	\$ -	\$ 424,843	\$ 52,276	

FLORIDA PUBLIC UTILITIES COMPANY
BROWARD COUNTY DIVISION
YEAR END RATE OF RETURN
For the 12 Month Period Ending December 31, 2014
RATE BASE - Revised 8, 8, 2015

	(1) PLANT IN SERVICE	(2) ACCUMULATED DEPRECIATION & AMORTIZATION	(3) PLANT IN SERVICE	(4) NET PROPERTY HELD FOR FUTURE USE	(5) CONSTRUCTION WORK IN PROGRESS	(6) NET UTILITY PLANT	(7) WORKING CAPITAL	(8) TOTAL RATE BASE
PER BOOKS	\$ 3,424,867	\$ (1,208,152)	\$ 2,216,805	\$ -	\$ 10,424	\$ 2,226,923	\$ 13,714	\$ 2,242,837
FPSC ADJUSTMENTS:								
REMOVE NET UNREC. PCA COST DKT 20154-CU			\$ -			\$ -	\$ -	\$ -
TOTAL FPSC ADJUSTMENTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FPSC ADJUSTED	\$ 3,424,867	\$ (1,208,152)	\$ 2,216,805	\$ -	\$ 10,424	\$ 2,226,923	\$ 13,714	\$ 2,242,837
PROFORMA ADJUSTMENTS								
Revenue Allocation Adjustment	\$ (745,829)	\$ 219,535	\$ (526,294)			\$ (526,294)		\$ (526,294)
TOTAL PROFORMA ADJUSTMENTS	\$ (745,829)	\$ 219,535	\$ (526,294)			\$ (526,294)		\$ (526,294)
PROFORMA ADJUSTED	\$ 2,679,038	\$ (988,617)	\$ 1,690,511	\$ -	\$ 10,424	\$ 1,700,629	\$ 13,714	\$ 1,716,437

FLORIDA PUBLIC UTILITIES COMPANY
 INDIAN TOWN DIVISION
 YEAR END RATE OF RETURN
 For the 12 Month Period Ending December 31, 2014
 INCOME STATEMENT (Form 1041-E, 8-2011)

SCHEDULE 3
 PAGE 2 OF 2

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	OPERATING REVENUE	O & M OAS EXPENSE	O & M OTHER	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	D.I.T. (NET)	T.C. (NET)	GAIN/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
PER BOOKS	\$ 473,228	\$ 8,851	\$ 315,090	\$ 115,831	\$ 14,082	\$ 319				\$ 452,482	\$ 14,716
FPSC ADJUSTMENTS:											
1) Interest Breakthrough					\$ (41)	\$ (5,900)				\$ (6,301)	\$ 3,000
2) Eln. Conservation Rm. & Exp.	\$ (5,900)	\$ 18,651			\$ (41)	\$ (1)				\$ (3,849)	\$ (7)
3) Elimination of Revenue Taxes	\$ (2,441)				\$ (2,441)	\$ -				\$ (2,441)	\$ -
4) Income Tax Expense Rate Adjustment						\$ (572)				\$ (572)	\$ 372
5) Renewal PQA						\$ -				\$ -	\$ -
TOTAL FPSC ADJUSTMENTS	\$ (8,341)	\$ (6,851)	\$ -	\$ -	\$ (2,500)	\$ (6,472)	\$ -	\$ -	\$ -	\$ (15,163)	\$ 4,321
FPSC ADJUSTED	\$ 464,887	\$ 1,000	\$ 315,090	\$ 115,831	\$ 11,582	\$ (6,153)	\$ -	\$ -	\$ -	\$ 437,319	\$ 19,037
PROFORM ADJUSTMENTS:											
Revenue Acquisition Adjustment/Amortization				\$ (89,270)		\$ 19,379				\$ (69,891)	\$ 33,541
TOTAL PROFORM ADJUSTMENTS	\$ -	\$ -	\$ -	\$ (89,270)	\$ -	\$ 19,379	\$ -	\$ -	\$ -	\$ (69,891)	\$ 33,541
PROFORM ADJUSTED	\$ 464,887	\$ 1,000	\$ 315,090	\$ 26,561	\$ 11,582	\$ 15,225	\$ -	\$ -	\$ -	\$ 407,428	\$ 52,578

FLORIDA PUBLIC UTILITIES COMPANY
 BOSTON/DAVIDSON
 CAPITAL STRUCTURE
 December 31, 2014 - Revised 8_3_2015
 FPSC ADJUSTED BASIS

SCHEDULE 4

AVERAGE	ADJUSTMENTS		ADJUSTED BOOKS	PRO-RATA	SPECIFIC	BALANCE	RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT	
	PER BOOKS	NON-UTILITY						COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
COMMON EQUITY	\$ 1,054,654	\$ -	\$ 1,054,654	\$ -	\$ -	\$ 1,054,654	60.71%	10.50%	5.22%	11.50%	5.83%	12.50%	6.34%
LONG TERM DEBT	\$ 500,000	\$ -	\$ 500,000	\$ -	\$ -	\$ 500,000	24.04%	5.25%	1.26%	6.25%	1.26%	6.25%	1.26%
SHORT TERM DEBT	\$ 206,235	\$ -	\$ 206,235	\$ -	\$ -	\$ 206,235	10.81%	1.21%	0.12%	1.21%	0.12%	1.21%	0.12%
SHORT TERM DEBT REFINANCED LTD	\$ 68,160	\$ -	\$ 68,160	\$ -	\$ -	\$ 68,160	3.23%	3.32%	0.11%	3.32%	0.11%	3.32%	0.11%
CUSTOMER DEPOSITS	\$ 6,977	\$ -	\$ 6,977	\$ -	\$ -	\$ 6,977	0.32%	2.06%	0.01%	2.06%	0.01%	2.06%	0.01%
DEFERRED INCOME TAXES	\$ 242,300	\$ -	\$ 242,300	\$ -	\$ -	\$ 242,300	11.85%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	6.81%	0.00%	7.32%	0.00%	7.83%	0.00%
TOTAL AVERAGE	\$ 2,078,322	\$ -	\$ 2,078,322	\$ -	\$ -	\$ 2,078,322	100.00%		6.82%		7.32%		7.84%

YEAR-END	ADJUSTMENTS		ADJUSTED BOOKS	PRO-RATA	SPECIFIC	BALANCE	RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT	
	PER BOOKS	NON-UTILITY						COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
COMMON EQUITY	\$ 1,097,877	\$ -	\$ 1,097,877	\$ -	\$ -	\$ 1,097,877	48.92%	10.50%	5.14%	11.50%	5.82%	12.50%	6.12%
LONG TERM DEBT	\$ 555,533	\$ -	\$ 555,533	\$ -	\$ -	\$ 555,533	24.77%	4.78%	1.18%	4.78%	1.18%	4.78%	1.18%
SHORT TERM DEBT	\$ 318,560	\$ -	\$ 318,560	\$ -	\$ -	\$ 318,560	14.12%	0.81%	0.11%	0.81%	0.11%	0.81%	0.11%
SHORT TERM DEBT REFINANCED LTD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$ 7,055	\$ -	\$ 7,055	\$ -	\$ -	\$ 7,055	0.31%	1.92%	0.01%	1.92%	0.01%	1.92%	0.01%
DEFERRED INCOME TAXES	\$ 255,611	\$ -	\$ 255,611	\$ -	\$ -	\$ 255,611	11.84%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	6.45%	0.00%	6.92%	0.00%	7.41%	0.00%
TOTAL YEAR-END	\$ 2,244,636	\$ -	\$ 2,244,636	\$ -	\$ -	\$ 2,244,636	100.00%		6.44%		6.91%		7.42%

SCHEDULE 1

FLORIDA PUBLIC UTILITIES COMPANY
 INDIANTOWN DIVISION
 RATE OF RETURN REPORT SUMMARY
 June 30, 2018

	(1) ACTUAL PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
I. AVERAGE RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ (22,721)	\$ 4,748	\$ (17,973)	\$ 30,541	\$ 12,567
AVERAGE RATE BASE	\$ 2,059,835	\$ (4,717)	\$ 2,032,118	\$ (800,205)	\$ 1,231,913
AVERAGE RATE OF RETURN	-1.10%		-0.88%		0.82%
II. YEAR-END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ (22,721)	\$ 3,850	\$ (18,871)	\$ 30,541	\$ 11,670
YEAR-END RATE BASE	\$ 2,031,232	\$ (12,105)	\$ 2,073,133	\$ (501,543)	\$ 1,571,590
YEAR-END RATE OF RETURN	-1.09%		-0.91%		0.74%
III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)					
LOW	0.72%				
MIDPOINT	7.22%				
HIGH	7.73%				
IV. EARNED RETURN ON EQUITY (FPSC ADJUSTED BASIS)					
					-4.49%
					-1.06%

I am aware that Section 837.00, Florida Statutes, provides:

Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree punishable as provided in s. 778.082, s. 778.083, or s. 778.084.

Mike Cassel
 Director, Regulatory Affairs

Signature

Date

M. Cassel 9/3/15

FLORIDA PUBLIC UTILITIES COMPANY
 MAXIMUM ALLOWABLE RATE OF RETURN
 For the 12 Months Ending June 30, 2016
 RATE BASE

	(1) PLANT IN SERVICE	(2) ACCUMULATED DEPRECIATION & AMORTIZATION	(3) PLANT IN SERVICE	(4) NET PROPERTY HELD FOR FUTURE USE	(5) CONSTRUCTION IN PROGRESS	(6) NET UTILITY PLANT	(7) WORKING CAPITAL	(8) TOTAL RATE BASE
	3,038,527	(1,027,191)	1,878,293	-	7,459	1,929,055	72,570	2,059,825
	-	-	-	-	-	-	(1,717)	(1,717)
	3,038,527	(1,027,191)	1,878,293	-	7,459	1,929,055	69,253	2,058,110
	(745,000)	219,287	(526,279)	-	-	(526,279)	-	(526,279)
	(745,000)	219,287	(526,279)	-	-	(526,279)	-	(526,279)
	2,293,527	(807,904)	1,485,193	-	7,459	1,402,776	69,253	1,522,914

PER BOOKS
 FPSC ADJUSTMENTS:
 REMOVE NET UNRECOVERED CONSERVATION

TOTAL FPSC ADJUSTMENTS

FPSC ADJUSTED

PROFORMA ADJUSTMENTS
 Remove Proforma Adjustment

TOTAL PRO FORMA ADJUSTMENTS

PRO FORMA ADJUSTED

FLORIDA PUBLIC UTILITIES COMPANY
 MONTHLY FINANCIAL STATEMENTS
 MONTHLY STATEMENTS OF RESULTS
 For the 12 Months Ending June 30, 2015
 INCOME STATEMENT

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	OPERATING REVENUES	O & M GAS EXPENSE	O & M OTHER	DEPREC. & AMORTIZATION	TAXES & OTHER THAN INCOME	INCOME TAXES CURRENT	D.I.T. (NET)	L.T.C. (NET)	GAINS/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
PER BOOKS	\$ 360,647	\$ 20,742	\$ 200,812	\$ 100,809	\$ 19,540	\$ (29,533)				\$ 413,108	\$ (22,721)
FFSC ADJUSTMENTS:											
1) Interest Subvention	\$ (10,000)	\$ (20,742)		\$ (3,170)	\$ (0)	\$ (3,170)				\$ (20,094)	\$ 1,108
2) Elec. Conservation Rev. & Exp.						753				\$ (70)	\$ 370
3) Elimination of Revenue Taxes											
4) Income Tax Effective Rate Adjustment											
5) Reserve PCA											
TOTAL FFSC ADJUSTMENTS	\$ (10,000)	\$ (20,742)			\$ (0)	\$ (2,417)				\$ (22,653)	\$ 4,749
FFSC ADJUSTED	\$ 371,592	\$ (0)	\$ 200,812	\$ 100,809	\$ 19,445	\$ (29,533)				\$ 390,455	\$ (17,972)
PROFORMA ADJUSTMENTS											
Revenue Acquisition Adjustment				\$ (40,720)		\$ 10,179				\$ (30,541)	\$ 30,541
TOTAL PROFORMA ADJUSTMENTS				\$ (40,720)		\$ 10,179				\$ (30,541)	\$ 30,541
PROFORMA ADJUSTED	\$ 371,592	\$ (0)	\$ 200,812	\$ 60,089	\$ 19,445	\$ (19,354)				\$ 359,914	\$ 12,567

FLORIDA PUBLIC UTILITIES COMPANY
INDIAN TOWN DIVISION
YEAR END RATE OF RETURN
For the 12 Months Ending June 30, 2015
RATE BASE

	(1) PLANT & SERVICE	(2) ACCUMULATED DEPRECIATION & AMORTIZATION	(3) PLANT & SERVICE	(4) NET PROPERTY HELD FOR FUTURE USE	(5) CONSTRUCTION IN PROGRESS	(6) NET UTILITY PLANT	(7) WORKING CAPITAL	(8) TOTAL RATE BASE
PER BOOKS	\$ 3,112,815	\$ (1,110,851)	\$ 2,001,964	\$ -	\$ 787	\$ 2,002,741	\$ 88,570	\$ 2,091,282
FP&C ADJUSTMENTS:								
REMOVE NET UNREC. CONSERVATION								
TOTAL FP&C ADJUSTMENTS								
FP&C ADJUSTED	\$ 3,112,815	\$ (1,110,851)	\$ 2,001,964	\$ -	\$ 787	\$ 2,002,741	\$ 78,411	\$ 2,079,152
PERFORMA ADJUSTMENTS								
REMOVE NET UNREC. CONSERVATION								
TOTAL PERFORMA ADJUSTMENTS	\$ (745,800)	\$ 244,637	\$ (501,163)	\$ -	\$ -	\$ (501,163)	\$ -	\$ (901,243)
PRO FORMA ADJUSTED	\$ 2,367,015	\$ (866,214)	\$ 1,500,801	\$ -	\$ 787	\$ 1,501,628	\$ 78,411	\$ 1,577,809

FLORIDA PUBLIC UTILITIES COMPANY
INDIAN TOWN DIVISION
YEAR END RATE OF RETURN
For the 12 Months Ending June 30, 2015
INCOME STATEMENT

	(1) OPERATING REVENUES	(2) O & M OAS EXPENSE	(3) O & M OTHER	(4) DEPREC. & AMORTIZATION	(5) TAXES OTHER THAN INCOME	(6) INCOME TAXES CURRENT	(7) D.I.T. (NET)	(8) I.T.C. (NET)	(9) GAINS/LOSSES ON DISPOSITION	(10) TOTAL OPERATING EXPENSES	(11) OPERATING INCOME
PER BOOKS	\$ 380,447	\$ 20,740	\$ 18,540	\$ 100,809	\$ 18,540	\$ (76,653)				\$ 413,658	\$ 22,721
FFSC ADJUSTMENTS:											
1) Allowed Depreciation	\$ (18,865)	\$ (20,740)				\$ (2,273)			\$ (2,273)	\$ 2,273	
2) Elec. Construction Res. & Exp.						\$ 752			\$ (20,654)	\$ 1,308	
3) Elimination of Electric Rate Adjustment									\$ (379)	\$ 379	
4) Removal of Electric Rate Adjustment									\$ (25,735)	\$ 3,650	
5) Remove POA						\$ (1,929)			\$ 3,290,453	\$ (18,871)	
TOTAL FFSC ADJUSTMENTS	\$ (18,865)	\$ (20,740)	\$ (85)	\$ (19,809)	\$ (85)	\$ (2,431)			\$ (24,731)	\$ 3,660	
FFSC ADJUSTED	\$ 371,582	\$ (20,740)	\$ 18,455	\$ 181,000	\$ 18,455	\$ (79,084)			\$ 3,290,453	\$ 11,870	
PROFORM ADJUSTMENTS											
Remove Amortization Adjustment				\$ (48,729)		\$ 18,478			\$ (30,641)	\$ 30,641	
TOTAL PROFORM ADJUSTMENTS				\$ (48,729)		\$ 18,478			\$ (30,641)	\$ 30,641	
PROFORM ADJUSTED	\$ 371,582	\$ (20,740)	\$ 18,445	\$ 85,089	\$ 18,445	\$ (60,606)			\$ 3,290,452	\$ 11,870	

SCHEDULE 4

FLORIDA PUBLIC UTILITIES COMPANY
 MIAMI-DIVISION
 CAPITAL STRUCTURE
 June 30, 2015
 FPSC ADJUSTED BASIS

AVERAGE	ADJUSTMENTS		ADJUSTED BOOKS	PRO-RATA	SPECIFIC	BALANCE	RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT	
	PER BOOKS	NON-UTILITY						COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
COMMON EQUITY	\$ 1,041,768	\$ -	\$ 1,041,768	\$ -	\$ (2,733)	\$ 1,039,035	56.63%	10.50%	5.22%	11.50%	5.82%	12.50%	6.33%
LONG TERM DEBT	\$ 509,085	\$ -	\$ 509,085	\$ -	\$ (1,326)	\$ 507,759	24.74%	5.03%	1.25%	5.03%	1.25%	5.00%	1.25%
SHORT TERM DEBT	\$ 248,477	\$ -	\$ 248,477	\$ -	\$ (647)	\$ 247,830	11.99%	1.21%	0.14%	1.21%	0.14%	1.21%	0.14%
SHORT TERM DEBT REFINANCED LTD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$ 6,033	\$ -	\$ 6,033	\$ -	\$ -	\$ 6,033	0.34%	2.03%	0.01%	2.03%	0.01%	2.03%	0.01%
DEFERRED INCOME TAXES	\$ 252,571	\$ -	\$ 252,571	\$ -	\$ -	\$ 252,571	12.31%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	6.71%	0.07%	7.21%	0.00%	7.72%	0.00%
TOTAL AVERAGE	\$ 2,056,824	\$ -	\$ 2,056,824	\$ -	\$ (4,716)	\$ 2,052,110	100.00%		6.72%		7.22%		7.72%

TOTAL AVERAGE

YEAR-END	ADJUSTMENTS		ADJUSTED BOOKS	PRO-RATA	SPECIFIC	BALANCE	RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT	
	PER BOOKS	NON-UTILITY						COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
COMMON EQUITY	\$ 1,079,722	\$ -	\$ 1,079,722	\$ -	\$ (7,384)	\$ 1,072,338	51.59%	10.50%	5.42%	11.50%	5.83%	12.50%	6.45%
LONG TERM DEBT	\$ 499,222	\$ -	\$ 499,222	\$ -	\$ (3,041)	\$ 496,181	21.69%	5.17%	1.13%	5.17%	1.13%	5.17%	1.13%
SHORT TERM DEBT	\$ 266,720	\$ -	\$ 266,720	\$ -	\$ (1,093)	\$ 265,627	13.70%	0.90%	0.13%	0.90%	0.13%	0.96%	0.13%
SHORT TERM DEBT REFINANCED LTD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$ 8,077	\$ -	\$ 8,077	\$ -	\$ -	\$ 8,077	0.34%	2.02%	0.01%	2.02%	0.01%	2.02%	0.01%
DEFERRED INCOME TAXES	\$ 258,611	\$ -	\$ 258,611	\$ -	\$ -	\$ 258,611	12.48%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	6.66%	0.00%	7.15%	0.00%	7.71%	0.00%
TOTAL YEAR-END	\$ 2,061,261	\$ -	\$ 2,061,261	\$ -	\$ (12,108)	\$ 2,078,153	100.00%		6.69%		7.20%		7.72%

TOTAL YEAR-END

FLORIDA PUBLIC UTILITIES COMPANY
 INDIANTOWN DIVISION
 CAPITAL STRUCTURE WITHOUT ACQUISITION ADJUSTMENT
 June 30, 2015
 PROFORMA BASIS

SCHEDULE 4 page 2

AVERAGE	ADJUSTMENTS						LOW POINT		MIDPOINT		HIGH POINT		
	PER BOOKS	NON-UTILITY	ADJUSTED BOOKS	PRO-RATA	SPECIFIC	BALANCE	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
COMMON EQUITY	\$ 1,041,768.00	\$ -	\$ 1,041,768.00	\$ -	\$ (307,732.00)	\$ 734,036.00	48.10%	10.50%	5.05%	11.50%	5.53%	12.50%	6.01%
LONG TERM DEBT	\$ 509,085.00	\$ -	\$ 509,085.00	\$ -	\$ (150,380.00)	\$ 358,705.00	23.51%	5.03%	1.18%	5.03%	1.18%	5.03%	1.18%
SHORT TERM DEBT	\$ 248,477.00	\$ -	\$ 248,477.00	\$ -	\$ (72,809.00)	\$ 173,668.00	11.38%	1.21%	0.14%	1.21%	0.14%	1.21%	0.14%
SHORT TERM DEBT REFINANCED LTD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$ 6,933.00	\$ -	\$ 6,933.00	\$ -	\$ -	\$ 6,933.00	0.45%	2.03%	0.01%	2.03%	0.01%	2.03%	0.01%
DEFERRED INCOME TAXES	\$ 252,571.00	\$ -	\$ 252,571.00	\$ -	\$ -	\$ 252,571.00	16.55%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	6.37%	0.00%	6.85%	0.00%	7.33%	0.00%
TOTAL AVERAGE	\$ 2,058,834.00	\$ -	\$ 2,058,834.00	\$ -	\$ (530,920.00)	\$ 1,525,914.00	100.00%		6.38%		6.85%		7.34%

YEAR-END	ADJUSTMENTS						LOW POINT		MIDPOINT		HIGH POINT		
	PER BOOKS	NON-UTILITY	ADJUSTED BOOKS	PRO-RATA	SPECIFIC	BALANCE	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
COMMON EQUITY	\$ 1,079,722.00	\$ -	\$ 1,079,722.00	\$ -	\$ (303,827.00)	\$ 775,895.00	49.18%	10.50%	5.16%	11.50%	5.88%	12.50%	6.15%
LONG TERM DEBT	\$ 458,222.00	\$ -	\$ 458,222.00	\$ -	\$ (128,941.00)	\$ 329,281.00	20.87%	5.17%	1.08%	5.17%	1.08%	5.17%	1.08%
SHORT TERM DEBT	\$ 286,729.00	\$ -	\$ 286,729.00	\$ -	\$ (80,684.00)	\$ 206,045.00	13.06%	0.96%	0.13%	0.96%	0.13%	0.96%	0.13%
SHORT TERM DEBT REFINANCED LTD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$ 6,977.00	\$ -	\$ 6,977.00	\$ -	\$ -	\$ 6,977.00	0.44%	2.02%	0.01%	2.02%	0.01%	2.02%	0.01%
DEFERRED INCOME TAXES	\$ 259,611.00	\$ -	\$ 259,611.00	\$ -	\$ -	\$ 259,611.00	16.45%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	6.37%	0.00%	6.87%	0.00%	7.36%	0.00%
TOTAL YEAR-END	\$ 2,091,281.00	\$ -	\$ 2,091,281.00	\$ -	\$ (513,452.00)	\$ 1,577,829.00	100.00%		6.38%		6.88%		7.37%

FLORIDA PUBLIC UTILITIES COMPANY
 INDIANTOWN DIVISION
 RATE OF RETURN REPORT SUMMARY
 December 31, 2015

SCHEDULE 1

	(1) ACTUAL PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
I. AVERAGE RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ (18,565)	\$ 3,121	\$ (13,444)	\$ 30,541	\$ 17,097
AVERAGE RATE BASE	\$ 2,104,727	\$ (27,075)	\$ 2,167,652	\$ (501,343)	\$ 1,666,309
AVERAGE RATE OF RETURN	-0.75%		-0.62%		1.03%
II. YEAR-END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ (18,565)	\$ 3,176	\$ (13,389)	\$ 30,541	\$ 17,152
YEAR-END RATE BASE	\$ 2,513,784	\$ (78,454)	\$ 2,535,320	\$ (476,483)	\$ 2,058,836
YEAR-END RATE OF RETURN	-0.61%		-0.53%		0.83%

III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)		IV. EARNED RETURN ON EQUITY (FPSC ADJUSTED BASIS)	
LOW	6.52%	A. INCL ACQUISITION ADJUSTMENT	-3.81%
MIDPOINT	7.02%	B. EXCL ACQUISITION ADJUSTMENT	-0.43%
HIGH	7.52%		

I am aware that Section 837.06, Florida Statutes, provides:

Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

Mike Cassel
 Director, Regulatory Affairs

[Signature]
 Signature

3/29/16
 Date

FLORIDA PUBLIC UTILITIES COMPANY
 INDIAN TOWN LONDON
 AVERAGE RATE OF RETURN
 For the 12 Months Ending December 31, 2015
 RATE BASE

SCHEDULE 2
 PAGE 1 OF 2

	(1) PLANT IN SERVICE	(2) ACCUMULATED DEPRECIATION & AMORTIZATION	(3) PLANT IN SERVICE	(4) NET PROPERTY HELD FOR FUTURE USE	(5) CONSTRUCTION WORK IN PROGRESS	(6) NET UTILITY PLANT	(7) WORKING CAPITAL	(8) TOTAL RATE BASE
PER BOOKS	3,141,207	(1,129,430)	2,011,777	-	79,671	2,126,443	85,264	2,194,777
FPSC ADJUSTMENTS								
REMOVE NET UNRECOVERED CONSERVATION			-				(27,075)	(27,075)
TOTAL FPSC ADJUSTMENTS							(27,075)	(27,075)
FPSC ADJUSTED	3,141,207	(1,129,430)	2,011,777	-	79,671	2,126,443	58,209	2,167,802
PRO FORMA ADJUSTMENTS								
Remove Acquisition Adjustment	(745,800)	244,457	(501,343)			(501,343)		(501,343)
TOTAL PRO FORMA ADJUSTMENTS	(745,800)	244,457	(501,343)			(501,343)		(501,343)
PRO FORMA ADJUSTED	2,395,407	(884,973)	1,510,434	-	79,671	1,627,800	58,209	1,695,307

FLORIDA PUBLIC UTILITIES COMPANY
 INDIAN TOWN DIVISION
 AVERAGE RATE OF RETURN
 For the 12 Month Ending December 31, 2015
 INCOME STATEMENT

SCHEDULE 2
 PAGE 2 OF 2

PER BOOKS

- FP&C ADJUSTMENTS:
 1) Federal Service Commission
 2) E&S, Conservation Fund & Eco.
 3) Elimination of Revenue Taxes
 4) Income Tax & Reticule Rate Adjustment
 5) Remove PCA

TOTAL FP&C ADJUSTMENTS

FP&C ADJUSTED

- PROFORMA ADJUSTMENTS:
 Remove Asset Depreciation Allowance
 TOTAL PROFORMA ADJUSTMENTS

PROFORMA ADJUSTED

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
OPERATING REVENUES	O & M GAS EXPENSE	O & M OTHER	DEPREC. & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	DIT (NET)	L.T.C. (NET)	GAU/LOSS ON DISPOSITION	EST. OPERATING EXPENSES	NET OPERATING INCOME
\$ 16,051	\$ 27,125	\$ 977,038	\$ 120,205	\$ 20,838	\$ (27,745)				\$ 433,129	\$ (18,565)
\$ (27,262)	\$ (77,126)			\$ (136)	\$ (2,342)				\$ (2,240)	\$ 2,240
\$ (2,148)				\$ (2,118)	\$ (5)				\$ (77,262)	\$ (5)
					\$ (862)				\$ (2,118)	\$ (82)
									\$ -	\$ -
		\$ 777,895	\$ 121,895	\$ 28,542	\$ (2,127)				\$ (32,201)	\$ 3,121
					\$ (25,857)				\$ 471,025	\$ (11,444)
			\$ 149,725		\$ 18,179				\$ (20,541)	\$ 30,541
			\$ (49,725)		\$ 18,179				\$ (20,541)	\$ 30,541
\$ 349,541		\$ 277,025	\$ 71,545	\$ 28,542	\$ (6,637)				\$ 375,484	\$ 27,027

FLORIDA PUBLIC UTILITIES COMPANY
 INDIAN RIVER DIVISION
 YEAR END RATE OF RETURN
 For the 12 Months Ending December 31, 2015
 RATE BASE

SCHEDULE 3
 PAGE 1 OF 2

	(1) PLANT IN SERVICE	(2) ACCUMULATED DEPRECIATION & AMORTIZATION	(3) PLANT IN SERVICE	(4) NET PROPERTY HELD FOR FUTURE USE	(5) CONSTRUCTION WORK IN PROGRESS	(6) NET UTILITY PLANT	(7) WORKING CAPITAL	(8) TOTAL RATE BASE
PER BOOKS	\$ 3,375,541	\$ (1,165,721)	\$ 2,209,820	\$ -	\$ 169,767	\$ 2,379,587	\$ 237,492	\$ 2,617,079
FPSC ADJUSTMENTS:								
REMOVE NET UNRECD. CONSERVATION			\$ -			\$ -		\$ -
TOTAL FPSC ADJUSTMENTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (78,454)	\$ (78,454)
FPSC ADJUSTED	\$ 3,375,541	\$ (1,165,721)	\$ 2,209,820	\$ -	\$ 169,767	\$ 2,379,587	\$ 159,038	\$ 2,538,625
PRO FORMA ADJUSTMENTS								
Remove Acquisition Adjustment	\$ (745,800)	\$ 207,517	\$ (478,453)			\$ (478,453)		\$ (478,453)
TOTAL PRO FORMA ADJUSTMENTS	\$ (745,800)	\$ 207,517	\$ (478,453)	\$ -	\$ -	\$ (478,453)	\$ -	\$ (478,453)
PRO FORMA ADJUSTED	\$ 2,629,741	\$ (958,204)	\$ 1,733,328	\$ -	\$ 169,767	\$ 1,901,134	\$ 159,038	\$ 2,060,172

FLORIDA PUBLIC UTILITIES COMPANY
INDIAN TOWN DIVISION
YEAR END RATE OF RETURN
For The 12 Months Ending December 31, 2015
INCOME STATEMENT

SCHEDULE 3
PAGE 2 OF 2

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	OPERATING REVENUES	D & M GAS EXPENSE	O & M OTHER	DEPREC. & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	D.I.T. (NET)	I.T.C. (NET)	GAIN/LOSS ON DISPERSION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
PER BOOKS	\$ 418,001	\$ 27,125	\$ 277,005	\$ 121,205	\$ 20,825	\$ (22,743)				\$ 433,078	\$ 118,049
FPSC ADJUSTMENTS:											
1) Interest Expense						\$ (2,295)				\$ (2,295)	\$ 2,295
2) Efm. Conservation Rev. A. Exp.	\$ (27,202)	\$ (27,125)			\$ (120)	\$ (2)				\$ (27,202)	\$ (2)
3) Elimination of Revenue Taxes	\$ (2,118)				\$ (2,118)	\$ -				\$ (2,118)	\$ -
4) Income Tax Effective Rate Adjustment						\$ (882)				\$ (882)	\$ 882
5) Remove PSA						\$ -				\$ -	\$ -
TOTAL FPSC ADJUSTMENTS	\$ (29,322)	\$ (27,125)			\$ (2,238)	\$ (3,179)				\$ (59,664)	\$ 3,378
FPSC ADJUSTED	\$ 288,679	\$ -	\$ 277,005	\$ 121,205	\$ 20,587	\$ (25,922)	\$ -	\$ -	\$ -	\$ 400,879	\$ 121,399
PROFORMA ADJUSTMENTS											
Reverse Accrual Adjustment American						\$ 19,129				\$ (19,129)	\$ -
TOTAL PROFORMA ADJUSTMENTS	\$ -	\$ -	\$ -	\$ (15,320)	\$ -	\$ 19,129	\$ -	\$ -	\$ -	\$ (15,320)	\$ 15,320
PROFORMA ADJUSTED	\$ 288,679	\$ -	\$ 277,005	\$ 105,885	\$ 20,587	\$ (6,793)	\$ -	\$ -	\$ -	\$ 370,439	\$ 136,719

FLORIDA PUBLIC UTILITIES COMPANY
 INDOXTOWN DIVISION
 CAPITAL STRUCTURE
 December 31, 2015
 FPSC ADJUSTED BASIS

SCHEDULE 4

AVERAGE	ADJUSTMENTS							LOW POINT		MIDPOINT		HIGH POINT	
	PER BOOKS	NON-UTILITY	ADJUSTED BOOKS	PRO-RATA	SPECIFIC	BALANCE	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
COMMON EQUITY	\$ 1,097,568	\$ -	\$ 1,097,568	\$ -	\$ (15,480)	\$ 1,082,088	49.82%	10.50%	5.24%	11.50%	5.74%	12.50%	6.24%
LONG TERM DEBT	\$ 478,154	\$ -	\$ 478,154	\$ -	\$ (8,744)	\$ 473,410	21.73%	4.90%	1.09%	4.04%	1.09%	4.94%	1.08%
SHORT TERM DEBT	\$ 343,978	\$ -	\$ 343,978	\$ -	\$ (4,811)	\$ 339,125	15.64%	1.20%	0.19%	1.20%	0.17%	1.20%	0.19%
SHORT TERM DEBT REFINANCED LTD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$ 7,110	\$ -	\$ 7,110	\$ -	\$ -	\$ 7,110	0.33%	2.95%	0.01%	2.05%	0.01%	2.55%	0.01%
DEFERRED INCOME TAXES	\$ 267,819	\$ -	\$ 267,819	\$ -	\$ -	\$ 267,819	12.36%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	8.31%	0.00%	7.01%	0.00%	7.51%	0.00%
TOTAL AVERAGE	\$ 2,194,727	\$ -	\$ 2,194,727	\$ -	\$ (27,015)	\$ 2,167,652	100.00%		6.52%		7.02%		7.52%

YEAR-END	ADJUSTMENTS							LOW POINT		MIDPOINT		HIGH POINT	
	PER BOOKS	NON-UTILITY	ADJUSTED BOOKS	PRO-RATA	SPECIFIC	BALANCE	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
COMMON EQUITY	\$ 1,160,568	\$ -	\$ 1,160,568	\$ -	\$ (41,847)	\$ 1,118,710	45.31%	10.50%	4.78%	11.50%	5.21%	12.50%	5.86%
LONG TERM DEBT	\$ 474,817	\$ -	\$ 474,817	\$ -	\$ (18,832)	\$ 457,225	16.06%	5.17%	0.93%	5.17%	0.93%	5.17%	0.93%
SHORT TERM DEBT	\$ 567,178	\$ -	\$ 567,178	\$ -	\$ (18,935)	\$ 547,241	21.54%	0.75%	0.16%	0.75%	0.16%	0.75%	0.16%
SHORT TERM DEBT REFINANCED LTD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$ 7,327	\$ -	\$ 7,327	\$ -	\$ -	\$ 7,327	0.27%	1.95%	0.01%	1.99%	0.01%	1.99%	0.01%
DEFERRED INCOME TAXES	\$ 374,169	\$ -	\$ 374,169	\$ -	\$ -	\$ 374,169	14.78%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	5.65%	0.00%	5.30%	0.00%	6.75%	0.00%
TOTAL YEAR-END	\$ 2,613,784	\$ -	\$ 2,613,784	\$ -	\$ (78,464)	\$ 2,535,320	100.00%		5.69%		6.31%		6.76%

FLORIDA PUBLIC UTILITIES COMPANY
 INDIANTOWN DIVISION
 RATE OF RETURN REPORT SUMMARY
 June 30, 2016

SCHEDULE 1

	(1) ACTUAL PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
I. AVERAGE RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ (66,770)	\$ 1,621	\$ (65,149)	\$ 30,541	\$ (34,609)
AVERAGE RATE BASE	\$ 2,422,761	\$ (69,871)	\$ 2,352,910	\$ (478,485)	\$ 1,874,425
AVERAGE RATE OF RETURN	-2.76%		-2.76%		-1.83%
II. YEAR-END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ (66,770)	\$ 1,396	\$ (65,374)	\$ 30,541	\$ (34,833)
YEAR-END RATE BASE	\$ 2,599,754	\$ (77,809)	\$ 2,521,945	\$ (451,825)	\$ 2,070,120
YEAR-END RATE OF RETURN	-2.57%		-2.59%		-1.68%
III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)					
LOW	6.22%				
MIDPOINT	6.60%				
HIGH	7.17%				
IV. EARNED RETURN ON EQUITY (FPSC ADJUSTED BASIS)					
			A.	INCL ACQUISITION ADJUSTMENT	-8.36%
			B.	EXCL ACQUISITION ADJUSTMENT	-8.58%

I am aware that Section 637.06, Florida Statutes, provides:

Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

M&C Cassol
 Director, Regulatory Affairs

Mike Cassol
 Signature

9/18/16
 Date

FLORIDA PUBLIC UTILITIES COMPANY
INGWATOWN DIVISION
WORKING CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2016
RATE BASE

	(1) PLANT IN SERVICE	(2) ACCUMULATED DEPRECIATION & AMORTIZATION	(3) PLANT IN SERVICE	(4) NET PROPERTY HELD FOR FUTURE USE	(5) CONSTRUCTION WORK IN PROGRESS	(6) NET UTILITY PLANT	(7) WORKING CAPITAL	(8) TOTAL RATE BASE
PER BOOKS	2,251,082	(1,147,371)	2,153,692	-	117,909	2,221,598	261,364	2,482,962
FPSC ADJUSTMENTS:								
REMOVE NET UNRECOVERED CONSERVATION	-	-	-	-	-	-	(99,871)	(99,871)
TOTAL FPSC ADJUSTMENTS	-	-	-	-	-	-	(99,871)	(99,871)
FPSC ADJUSTED	2,251,082	(1,147,371)	2,153,692	-	117,909	2,221,598	161,493	2,383,091
PROFORMA ADJUSTMENTS:								
REMOVE ACQUISITION ADJUSTMENT	(745,800)	269,315	(476,485)	-	-	(476,485)	-	(476,485)
TOTAL PRO FORMA ADJUSTMENTS	(745,800)	269,315	(476,485)	-	-	(476,485)	-	(476,485)
PRO FORMA ADJUSTED	2,505,282	(878,056)	1,627,227	-	117,909	1,745,113	161,493	1,906,606

FLORIDA PUBLIC UTILITIES COMPANY
 STATE OF FLORIDA
 AVERAGE RATE CASE RETURN
 For the 12 Months Ending June 30, 2016
 INCOME STATEMENT

SCHEDULE 2
 PAGE 2 OF 2

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	OPERATING REVENUES	O & M GAS EXPENSE	O & M OTHER	DEPREC. & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	D.I.T. (NET)	L.T.C. (NET)	GAIN/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
PER BOOKS	\$ 262,450	\$ 24,852	\$ 311,186	\$ 125,429	\$ 37,200	\$ (57,957)				\$ 482,220	\$ (85,770)
FPSC ADJUSTMENTS:											
1) Interest Subvention	\$ (24,977)	\$ (24,802)			\$ (125)	\$ (1,100)				\$ (1,100)	\$ 1,100
2) Elec. Conversion Rev & Exp.	\$ (1,860)				\$ (1,860)					\$ (1,860)	\$ (1,860)
3) Electric Revenue (Loss)						\$ (400)				\$ (400)	\$ 461
4) Electric Revenue (Loss)											
5) Revenue From Retirement											
6) Remove FICA											
TOTAL FPSC ADJUSTMENTS	\$ (26,810)	\$ (24,802)			\$ (2,000)	\$ (1,621)				\$ (28,431)	\$ 1,621
FPSC ADJUSTED	\$ 340,640	\$ -	\$ 311,186	\$ 125,429	\$ 35,195	\$ (59,578)				\$ 453,789	\$ (84,149)
PRIOR YEAR ADJUSTMENTS											
Revenue Allocation Adjustment/Amortization						\$ 19,179				\$ (19,179)	\$ 19,179
TOTAL PRIOR YEAR ADJUSTMENTS						\$ 19,179				\$ (19,179)	\$ (19,179)
PRIOR YEAR ADJUSTED	\$ 340,640	\$ -	\$ 311,186	\$ 75,700	\$ 30,192	\$ (39,899)				\$ 377,260	\$ (34,629)

FLORIDA PUBLIC UTILITIES COMPANY
 Rate of Return
 Year End Rate of Return
 For the 12 Months Ending June 30, 2016
 RATE BASE

	(1) PLANT IN SERVICE	(2) ACCUMULATED DEPRECIATION & AMORTIZATION	(3) PLANT IN SERVICE	(4) NET PROPERTY HELD FOR FUTURE USE	(5) CONSTRUCTION WORK IN PROGRESS	(6) NET UTILITY PLANT	(7) WORKING CAPITAL	(8) TOTAL RATE BASE
PER BOOKS	\$ 3,256,278	\$ (1,339,479)	\$ 2,216,629	\$ -	\$ 15,106	\$ 2,251,914	\$ 287,840	\$ 2,539,754
FPSC ADJUSTMENTS:								
REMOVE NET UNREC. CONSERVATION								
TOTAL FPSC ADJUSTMENTS								
FPSC ADJUSTED	\$ 3,256,278	\$ (1,339,479)	\$ 2,216,629	\$ -	\$ 15,106	\$ 2,231,914	\$ 289,031	\$ 2,521,945
PROFORMA ADJUSTMENTS								
Remove Net Unrec. Conservation	\$ (74,480)	\$ 284,175	\$ (151,452)	\$ -	\$ -	\$ (51,452)	\$ -	\$ (51,452)
TOTAL PROFORMA ADJUSTMENTS	\$ (74,480)	\$ 284,175	\$ (151,452)	\$ -	\$ -	\$ (51,452)	\$ -	\$ (51,452)
PROFORMA ADJUSTED	\$ 2,819,479	\$ (845,299)	\$ 1,745,133	\$ -	\$ 15,106	\$ 1,785,249	\$ 289,031	\$ 2,079,280

FLORIDA PUBLIC UTILITIES COMPANY
INDIAN TOWN DIVISION
YEAR END RATE OF RETURN
For the 12 Months Ending June 30, 2016
INCOME STATEMENT

	(1) OPERATING REVENUES	(2) O & B GAS EXPENSE	(3) O & B OTHER	(4) DEPREC. & AMORTIZATION	(5) TAXES OTHER THAN INCOME	(6) INCOME TAXES CURRENT	(7) D.A.T. (NET)	(8) L.T.C. (NET)	(9) GAIN/LOSS ON DISPOSITION	(10) TOTAL OPERATING EXPENSES	(11) NET OPERATING INCOME
PER BOOKS	\$ 329,452	\$ 74,802	\$ 311,186	\$ 125,429	\$ 32,290	\$ (57,357)				\$ 435,228	\$ (65,770)
FFSC ADJUSTMENTS:											
1) Market Synchroization	\$ (24,927)	\$ (24,007)				\$ (325)				\$ (755)	\$ 895
2) Elm. Conservation Rev. & Exp.	\$ (1,383)				\$ (125)	\$ (0)				\$ (24,927)	\$ (0)
3) Gain/loss on Disposition (FFSC)					\$ (1,083)	\$ (491)				\$ (1,674)	\$ 401
4) Gain/loss on Disposition (FFSC)										\$ (491)	\$ -
5) Remove FGA										\$ -	\$ -
TOTAL FFSC ADJUSTMENTS	\$ (26,810)	\$ (24,007)			\$ (2,091)	\$ (1,395)				\$ (26,295)	\$ 1,396
FFSC ADJUSTED	\$ 347,640	\$ -	\$ 311,186	\$ 125,429	\$ 30,192	\$ (58,752)				\$ 408,933	\$ (64,374)
PROFORMA ADJUSTMENTS											
Revenue Acquisition Adjustment						\$ 49,479				\$ (49,479)	\$ 30,541
TOTAL PRO FORMA ADJUSTMENTS						\$ 49,479				\$ (49,479)	\$ 30,541
PRO FORMA ADJUSTED	\$ 342,640	\$ -	\$ 311,186	\$ 125,429	\$ 30,192	\$ (9,273)				\$ 359,454	\$ (33,833)

SCHEDULE 4

FLORIDA PUBLIC UTILITIES COMPANY
INDIAN TOWN DIVISION
CAPITAL STRUCTURE
PSC ADJUSTED BASIS

AVERAGE	ADJUSTMENTS				PRO-RATA	SPECIFIC	BALANCE	RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT	
	PER BOOKS	NON-UTILITY	ADJUSTED BOOKS	ADJUSTED BOOKS					COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
COMMON EQUITY	\$ 1,157,557	\$ -	\$ 1,157,557	\$ -	\$ -	(33,129)	\$ 1,124,428	47.58%	10.50%	5.00%	11.50%	5.47%	12.50%	5.55%
LONG TERM DEBT	\$ 460,402	\$ -	\$ 460,402	\$ -	\$ -	(13,178)	\$ 447,226	18.83%	4.85%	0.94%	4.85%	0.94%	4.85%	0.94%
SHORT TERM DEBT	\$ 473,988	\$ -	\$ 473,988	\$ -	\$ -	(13,598)	\$ 460,422	18.49%	1.38%	0.27%	1.38%	0.27%	1.38%	0.27%
SHORT TERM DEBT REFINANCED LTD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$ 7,440	\$ -	\$ 7,440	\$ -	\$ -	\$ 7,440	\$ 7,440	0.31%	2.03%	0.01%	2.03%	0.01%	2.03%	0.01%
DEFERRED INCOME TAXES	\$ 323,354	\$ -	\$ 323,354	\$ -	\$ -	\$ -	\$ 323,354	13.69%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	6.21%	0.00%	6.68%	0.00%	7.16%	0.00%
TOTAL AVERAGE	\$ 2,422,761	\$ -	\$ 2,422,761	\$ -	\$ -	\$ (59,871)	\$ 2,362,890	100.00%	5.22%	5.22%	6.63%	6.63%	7.17%	7.17%

YEAR-END	ADJUSTMENTS				PRO-RATA	SPECIFIC	BALANCE	RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT	
	PER BOOKS	NON-UTILITY	ADJUSTED BOOKS	ADJUSTED BOOKS					COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
COMMON EQUITY	\$ 1,193,455	\$ -	\$ 1,193,455	\$ -	\$ -	(42,264)	\$ 1,151,197	45.65%	10.50%	4.79%	11.50%	5.25%	12.50%	6.71%
LONG TERM DEBT	\$ 445,628	\$ -	\$ 445,628	\$ -	\$ -	(15,775)	\$ 429,753	17.04%	5.00%	0.80%	5.00%	0.88%	5.00%	0.88%
SHORT TERM DEBT	\$ 558,514	\$ -	\$ 558,514	\$ -	\$ -	(18,778)	\$ 539,738	21.36%	1.10%	0.25%	1.10%	0.25%	1.10%	0.25%
SHORT TERM DEBT REFINANCED LTD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$ 8,191	\$ -	\$ 8,191	\$ -	\$ -	\$ 8,191	\$ 8,191	0.32%	1.85%	0.01%	1.85%	0.01%	1.85%	0.01%
DEFERRED INCOME TAXES	\$ 394,066	\$ -	\$ 394,066	\$ -	\$ -	\$ -	\$ 394,066	15.65%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	5.80%	0.00%	6.35%	0.00%	6.82%	0.00%
TOTAL YEAR-END	\$ 2,598,754	\$ -	\$ 2,598,754	\$ -	\$ -	\$ (77,808)	\$ 2,520,946	100.00%	5.91%	5.91%	6.37%	6.37%	6.83%	6.83%

FLORIDA PUBLIC UTILITIES COMPANY
 INDIANTOWN DIVISION
 CAPITAL STRUCTURE WITHOUT ACQUISITION ADJUSTMENT
 June 30, 2018
 PROFORMA BASIS

SCHEDULE 4

AVERAGE	ADJUSTMENTS							LOW POINT		MIDPOINT		HIGH POINT	
	PER BOOKS	NON-UTILITY	ADJUSTED BOOKS	PRO-RATA	SPECIFIC	BALANCE	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
COMMON EQUITY	\$ 1,157,557	\$ -	\$ 1,157,557	\$ -	\$ (286,767)	\$ 860,770	45.03%	10.50%	4.79%	11.50%	5.25%	12.50%	5.70%
LONG TERM DEBT	\$ 460,402	\$ -	\$ 460,402	\$ -	\$ (118,043)	\$ 342,359	18.15%	4.95%	0.90%	4.95%	0.90%	4.95%	0.90%
SHORT TERM DEBT	\$ 473,988	\$ -	\$ 473,988	\$ -	\$ (121,528)	\$ 352,462	18.66%	1.38%	0.26%	1.38%	0.26%	1.38%	0.26%
SHORT TERM DEBT REFINANCED LTD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$ 7,440	\$ -	\$ 7,440	\$ -	\$ -	\$ 7,440	0.39%	2.03%	0.01%	2.03%	0.01%	2.03%	0.01%
DEFERRED INCOME TAXES	\$ 323,394	\$ -	\$ 323,394	\$ -	\$ -	\$ 323,394	17.14%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	5.95%	0.00%	6.41%	0.00%	6.86%	0.00%
TOTAL AVERAGE	\$ 2,422,781	\$ -	\$ 2,422,781	\$ -	\$ (536,356)	\$ 1,886,425	100.00%		5.96%		6.42%		6.87%

YEAR-END	ADJUSTMENTS							LOW POINT		MIDPOINT		HIGH POINT	
	PER BOOKS	NON-UTILITY	ADJUSTED BOOKS	PRO-RATA	SPECIFIC	BALANCE	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
COMMON EQUITY	\$ 1,193,455	\$ -	\$ 1,193,455	\$ -	\$ (287,534)	\$ 905,921	43.76%	10.50%	4.59%	11.50%	5.03%	12.50%	5.47%
LONG TERM DEBT	\$ 445,528	\$ -	\$ 445,528	\$ -	\$ (107,339)	\$ 338,189	18.34%	5.06%	0.83%	5.06%	0.83%	5.06%	0.83%
SHORT TERM DEBT	\$ 558,514	\$ -	\$ 558,514	\$ -	\$ (134,561)	\$ 423,953	20.48%	1.16%	0.24%	1.16%	0.24%	1.16%	0.24%
SHORT TERM DEBT REFINANCED LTD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$ 8,191	\$ -	\$ 8,191	\$ -	\$ -	\$ 8,191	0.40%	1.85%	0.01%	1.85%	0.01%	1.85%	0.01%
DEFERRED INCOME TAXES	\$ 394,065	\$ -	\$ 394,065	\$ -	\$ -	\$ 394,065	19.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	5.66%	0.00%	6.10%	0.00%	6.54%	0.00%
TOTAL YEAR-END	\$ 2,599,754	\$ -	\$ 2,599,754	\$ -	\$ (529,434)	\$ 2,070,320	100.00%		5.87%		6.11%		6.55%

FLORIDA PUBLIC UTILITIES COMPANY
 INDIANTOWN DIVISION
 RATE OF RETURN REPORT SUMMARY
 December 31, 2016


SCHEDULE 1

	(1) ACTUAL PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
I. AVERAGE RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ (50,771)	\$ (24,183)	\$ (74,954)	\$ 30,541	\$ (44,414)
AVERAGE RATE BASE	\$ 2,505,605	\$ (88,916)	\$ 2,498,749	\$ (451,825)	\$ 2,047,124
AVERAGE RATE OF RETURN	-1.99%		-3.00%		-2.17%
II. YEAR-END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ (50,771)	\$ (25,645)	\$ (78,416)	\$ 30,541	\$ (45,878)
YEAR-END RATE BASE	\$ 2,578,638	\$ (58,614)	\$ 2,620,024	\$ (428,765)	\$ 2,093,259
YEAR-END RATE OF RETURN	-1.97%		-3.03%		-2.19%
III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)					
LOW	6.00%				
MIDPOINT	6.40%				
HIGH	6.97%				
IV. EARNED RETURN ON EQUITY (FPSC ADJUSTED BASIS)					
			A. INCL ACQUISITION ADJUSTMENT		-0.05%
			B. EXCL ACQUISITION ADJUSTMENT		-7.37%

I am aware that Section 837.06, Florida Statutes, provides:

Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

Mike Cassel
 Director, Regulatory Affairs

Mike Cassel 
 Signature

3/31/17
 Date

FLORIDA PUBLIC UTILITIES COMPANY
 SUBSTANTIVE DIVISION
 AVERAGE RATE OF RETURN
 For the 12 Months Ending December 31, 2016
 RATE BASE

SCHEDULE 2
 PAGE 1 OF 7

	(1) PLANT IN SERVICE	(2) ACCUMULATED DEPRECIATION & AMORTIZATION	(3) PLANT IN SERVICE	(4) NET PROPERTY HOLD FOR FUTURE USE	(5) CONSTRUCTION WORK IN PROGRESS	(6) NET UTILITY PLANT	(7) WORKING CAPITAL	(8) TOTAL RATE BASE
PER BOOKS	3,352,954	(1,483,781)	2,129,653	-	51,593	2,221,459	344,209	2,565,668
FPSC ADJUSTMENTS:								
REMOVE NET UNRECOVERED CONSERVATION							(81,816)	(81,816)
TOTAL FPSC ADJUSTMENTS							(81,816)	(81,816)
FPSC ADJUSTED	3,352,954	(1,483,781)	2,129,653	-	51,593	2,221,459	272,393	2,494,140
PROFORMA ADJUSTMENTS:								
Remove Acquisition Adjustment	(743,600)	294,315	(451,825)	-	-	(451,825)	-	(451,825)
TOTAL PROFORMA ADJUSTMENTS	(743,600)	294,315	(451,825)	-	-	(451,825)	-	(451,825)
PROFORMA ADJUSTED	2,609,354	(1,189,466)	1,718,228	-	51,593	1,769,634	272,393	2,042,124

FLORIDA PUBLIC UTILITIES COMPANY
 HOUGHTON DIVISION
 AVERAGE RATE OF RETURN
 For the 12 Months Ended December 31, 2018
 INCOME STATEMENT

SCHEDULE 2
 PAGE 2 OF 2

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	OPERATING REVENUES	O & M GAS EXPENSE	O & M OTHER	DEPREC. & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	D.I.T. (NET)	L.T.C. (NET)	GAIN/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
PCR BOOKS	\$ 309,828	\$ 27,543	\$ 309,433	\$ 129,609	\$ 33,337	\$ (83,145)				\$ 415,437	\$ 150,721
FPSC ADJUSTMENTS:											
1) Interest Syncretization						\$ (408)				\$ (408)	\$ 456
2) EPM, Conservation Rev & Exp	\$ (77,650)	\$ (77,541)			\$ (138)	\$ 1				\$ (155,128)	\$ 1
3) Elimination of Revenue Taxes	\$ (1,807)				\$ (1,803)	\$ -				\$ (3,610)	\$ -
4) Income Tax Expense Rate Adjustment						\$ 24,652				\$ 24,652	\$ (24,652)
5) Remove PGA						\$ -				\$ -	\$ -
TOTAL FPSC ADJUSTMENTS	\$ (79,457)	\$ (77,541)	\$ -	\$ -	\$ (1,941)	\$ 24,144	\$ -	\$ -	\$ -	\$ (134,900)	\$ (74,141)
FPSC ADJUSTED	\$ 230,371	\$ -	\$ 309,433	\$ 129,609	\$ 31,396	\$ (58,999)	\$ -	\$ -	\$ -	\$ 280,537	\$ 76,580
PROFORMA ADJUSTMENTS:											
Remove Acquisition Adjustment Amortization				\$ (49,220)		\$ 19,179				\$ (30,041)	\$ 20,541
TOTAL PROFORMA ADJUSTMENTS	\$ -	\$ -	\$ -	\$ (49,220)	\$ -	\$ 19,179	\$ -	\$ -	\$ -	\$ (30,041)	\$ 20,541
PROFORMA ADJUSTED	\$ 230,371	\$ -	\$ 309,433	\$ 80,389	\$ 31,396	\$ (39,820)	\$ -	\$ -	\$ -	\$ 250,496	\$ 97,121

FLORIDA PUBLIC UTILITIES COMPANY
 INDIANTOWN DIVISION
 YEAR END RATE OF RETURN
 For the 12 Months Ending December 31, 2018
 RATE BASE

SCHEMATIC 3
 PAGE 1 OF 2

	(1) PLANT IN SERVICE	(2) ACCUMULATED DEPRECIATION & AMORTIZATION	(3) PLANT IN SERVICE	(4) NET PROPERTY HELD FOR FUTURE USE	(5) CONSTRUCTION WORK IN PROGRESS	(6) NET UTILITY PLANT	(7) WORKING CAPITAL	(8) TOTAL RATE BASE
PER BOOKS	\$ 3,361,726	\$ (1,258,727)	\$ 2,103,498	\$ -	\$ 1,047	\$ 2,105,045	\$ 479,939	\$ 2,578,028
FPSC ADJUSTMENTS:								
REMOVE NET UNACC. CONSERVATION			\$ -			\$ -	\$ (18,814)	\$ -
TOTAL FPSC ADJUSTMENTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (18,814)	\$ (18,814)
FPSC ADJUSTED	\$ 3,361,726	\$ (1,258,727)	\$ 2,103,498	\$ -	\$ 1,047	\$ 2,105,045	\$ 461,125	\$ 2,559,214
PROFORMA ADJUSTMENTS								
Remove Acquisition Adjustment	\$ (746,802)	\$ 319,035	\$ (428,765)			\$ (428,765)		\$ (428,765)
TOTAL PRO FORMA ADJUSTMENTS	\$ (746,802)	\$ 319,035	\$ (428,765)	\$ -	\$ -	\$ (428,765)	\$ -	\$ (428,765)
PRO FORMA ADJUSTED	\$ 2,614,924	\$ (939,692)	\$ 1,674,733	\$ -	\$ 1,047	\$ 1,676,280	\$ 461,125	\$ 2,137,458

FLORIDA PUBLIC UTILITIES COMPANY
 MIAMI TOWN DIVISION
 YEAR END RATE OF RETURN
 For the 12 Months Ending December 31, 2016
 INCOME STATEMENT

SCHEDULE 3
 PAGE 2 OF 2

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	OPERATING REVENUES	O & M GAS EXPENSE	O & M OTHER	DEPR. & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	G.I.T. (NET)	I.T.C. (NET)	GAIN/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
PER BOOKS	\$ 360,628	\$ 27,543	\$ 309,413	\$ 129,669	\$ 39,237	\$ (89,645)				\$ 419,432	\$ (58,771)
FPSC ADJUSTMENTS:											
1) Interest Synchroization					\$ 994	\$ 994				\$ 994	\$ (994)
2) Gen. Conservation Rev & Exp	\$ (77,880)	\$ (27,543)			\$ (130)	\$ -				\$ (77,013)	\$ -
3) Elimination of Revenue Taxes	\$ (1,403)				\$ (1,403)	\$ -				\$ (1,403)	\$ -
4) Income Tax Effective Rate Adjustment						\$ 24,052				\$ 24,052	\$ (24,052)
5) Remove PGA						\$ -				\$ -	\$ -
TOTAL FPSC ADJUSTMENTS	\$ (79,483)	\$ (27,543)	\$ -	\$ -	\$ (130)	\$ 25,047	\$ -	\$ -	\$ -	\$ (79,483)	\$ (79,483)
FPSC ADJUSTED	\$ 311,183	\$ -	\$ 309,412	\$ 129,669	\$ 31,655	\$ (63,438)	\$ -	\$ -	\$ -	\$ 407,939	\$ (78,410)
PROFORM ADJUSTMENTS											
Remove Acquisition Adjustment Amortization				\$ (49,770)		\$ 19,170				\$ (10,541)	\$ 35,541
TOTAL PROFORM ADJUSTMENTS	\$ -	\$ -	\$ -	\$ (49,770)	\$ -	\$ 19,170	\$ -	\$ -	\$ -	\$ (10,541)	\$ 35,541
PROFORM ADJUSTED	\$ 311,183	\$ -	\$ 309,412	\$ 79,899	\$ 31,655	\$ (44,268)	\$ -	\$ -	\$ -	\$ 377,058	\$ (42,869)

FLORIDA PUBLIC UTILITIES COMPANY
 INDIANTOWN DIVISION
 CAPITAL STRUCTURE
 THROUGH 31, 2016
 FPSC ADJUSTED BASIS

SCHEDULE A

AVERAGE	ADJUSTMENTS		ADJUSTED BOOKS	PRO-RATA	SPECIFIC	BALANCE	RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT	
	PER BOOKS	NON-UTILITY						COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
COMMON EQUITY	\$ 1,162,682	\$ -	\$ 1,192,882	\$ -	\$ (37,050)	\$ 1,155,832	46.24%	10.50%	4.65%	11.50%	5.37%	12.50%	5.18%
LONG TERM DEBT	\$ 425,403	\$ -	\$ 425,403	\$ -	\$ (13,220)	\$ 412,183	18.50%	4.93%	0.81%	4.82%	0.81%	4.93%	0.81%
SHORT TERM DEBT	\$ 535,374	\$ -	\$ 535,374	\$ -	\$ (16,636)	\$ 518,738	20.76%	1.82%	0.32%	1.52%	0.32%	1.52%	0.32%
SHORT TERM DEBT REFINANCED LTD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$ 7,820	\$ -	\$ 7,820	\$ -	\$ -	\$ 7,820	0.37%	2.05%	0.01%	2.05%	0.01%	2.05%	0.01%
DEFERRED INCOME TAXES	\$ 461,436	\$ -	\$ 461,436	\$ -	\$ -	\$ 461,436	16.18%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	5.97%	0.00%	6.45%	0.00%	6.91%	0.00%
TOTAL AVERAGE	\$ 2,568,695	\$ -	\$ 2,568,695	\$ -	\$ (66,916)	\$ 2,498,779	100.00%		6.00%		6.48%		6.82%

YEAR END	ADJUSTMENTS		ADJUSTED BOOKS	PRO-RATA	SPECIFIC	BALANCE	RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT	
	PER BOOKS	NON-UTILITY						COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
COMMON EQUITY	\$ 1,165,775	\$ -	\$ 1,165,775	\$ -	\$ (33,512)	\$ 1,132,263	44.85%	10.50%	4.72%	11.50%	5.17%	12.50%	5.02%
LONG TERM DEBT	\$ 385,284	\$ -	\$ 385,284	\$ -	\$ (10,071)	\$ 375,213	13.70%	5.12%	0.70%	5.12%	0.70%	5.12%	0.70%
SHORT TERM DEBT	\$ 542,533	\$ -	\$ 542,533	\$ -	\$ (15,411)	\$ 527,122	20.82%	1.70%	0.27%	1.30%	0.27%	1.30%	0.27%
SHORT TERM DEBT REFINANCED LTD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$ 8,194	\$ -	\$ 8,194	\$ -	\$ -	\$ 8,194	0.32%	2.02%	0.01%	2.02%	0.01%	2.02%	0.01%
DEFERRED INCOME TAXES	\$ 508,852	\$ -	\$ 508,852	\$ -	\$ -	\$ 508,852	20.11%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	5.80%	0.00%	6.14%	0.00%	6.58%	0.00%
TOTAL YEAR-END	\$ 2,578,638	\$ -	\$ 2,578,638	\$ -	\$ (58,914)	\$ 2,520,724	100.00%		5.76%		6.15%		6.60%

FLORIDA PUBLIC UTILITIES COMPANY
 INDIANTOWN DIVISION
 RATE OF RETURN REPORT SUMMARY
 June 30, 2017

SCHEDULE 1

	(1) ACTUAL PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
I. AVERAGE RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ (43,887)	\$ (31,029)	\$ (74,916)	\$ 30,541	\$ (44,375)
AVERAGE RATE BASE	\$ 2,514,739	\$ (80,401)	\$ 2,434,338	\$ (426,765)	\$ 2,007,573
AVERAGE RATE OF RETURN	-1.75%		-3.08%		-2.21%
II. YEAR-END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ (43,887)	\$ (32,175)	\$ (78,062)	\$ 30,541	\$ (45,521)
YEAR-END RATE BASE	\$ 2,464,102	\$ (107,755)	\$ 2,356,347	\$ (401,905)	\$ 1,954,442
YEAR-END RATE OF RETURN	-1.78%		-3.23%		-2.33%
III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)					
LOW	5.90%				
MIDPOINT	6.36%				
HIGH	6.82%				
IV. EARNED RETURN ON EQUITY (FPSC ADJUSTED BASIS)					
		A.	INCL ACQUISITION ADJUSTMENT		-9.09%
		B.	EXCL ACQUISITION ADJUSTMENT		-7.45%

I am aware that Section 837.06, Florida Statutes, provides:

Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

Mike Cassel
 Director, Regulatory Affairs

Michael Cassel
 Signature

9/14/17
 Date

FLORIDA MANUFACTURES COMPANY
 ACCOUNTING PERIOD
 AVERAGE RATE OF RETURN
 For the 12 Months Ending June 30, 2017
 RATE BASE

SCHEDULE 2
 PAGE 1 OF 2

	(1) PLANT IN SERVICE	(2) ACCUMULATED DEPRECIATION & AMORTIZATION	(3) PLANT IN SERVICE	(4) NET PROPERTY HELD FOR FUTURE USE	(5) CONSTRUCTION WORK IN PROGRESS	(6) NET UTILITY PLANT	(7) WORKING CAPITAL	(8) TOTAL RATE BASE
PER BOOKS	3,357,242	(1,246,259)	2,110,983	-	(1,429)	2,109,554	358,472	2,544,726
FISC ADJUSTMENTS	-	-	-	-	-	-	(80,401)	(80,401)
REMOVE NET UNDERERVED CONSERVATION	-	-	-	-	-	-	(80,401)	(80,401)
TOTAL FISC ADJUSTMENTS	-	-	-	-	-	-	(80,401)	(80,401)
FISC ADJUSTED	3,357,242	(1,246,259)	2,110,983	-	(1,429)	2,109,554	319,071	2,429,324
PROGRAM ADJUSTMENTS	(745,000)	319,005	(426,796)	-	-	(426,796)	-	(426,796)
REMOVE RESERVATION ADJUSTMENT	(745,000)	319,005	(426,796)	-	-	(426,796)	-	(426,796)
TOTAL PROGRAM ADJUSTMENTS	(745,000)	319,005	(426,796)	-	-	(426,796)	-	(426,796)
PRO FORMA ADJUSTED	2,612,242	(927,254)	1,684,087	-	(1,429)	1,682,528	319,071	2,002,527

FLORIDA NUBRIC UTILITIES COMPANY
 INDIANAPOLIS DIVISION
 ANNUAL STATE OF RETURN
 For the 12 Month Ending June 30, 2017
 INCOME STATEMENT

SCHEDULE 2
 PAGE 2 OF 2

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	OPERATING REVENUES	O & M GAS EXPENSE	O & M OTHER	DEFERRED AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	D.I.T. (NET)	L.T.C. (NET)	CASH/CLASS ON DISPOSITION	TOTAL OPERATING EXPENSES	OPERATING INCOME
PER BOOKS	\$ 317,309	\$ 24,793	\$ 206,920	\$ 179,894	\$ 24,239	\$ (64,727)	-	-	-	\$ 361,193	\$ (43,897)
FPSC ADJUSTMENTS:											
1) Interest Amortization	\$ (22,444)	\$ (22,537)			\$ (113)	\$ (184)				\$ (197)	\$ 169
2) Efm, Conservation Plan & Ego	\$ (1,580)				\$ (1,580)	\$ 31,154				\$ (1,266)	\$ 1,190
3) Extension of Revenue Term	\$ (2,269)	\$ (2,264)			\$ (11)	\$ (9)				\$ (2,269)	\$ (9)
4) Income Tax Credits from Adjustment											
5) Remove Shared Service	\$ (24,491)	\$ (24,793)			\$ (1,700)	\$ (31,237)				\$ 4,557	\$ (31,029)
TOTAL FPSC ADJUSTMENTS	\$ (29,884)	\$ (27,597)		\$ 178,884	\$ (2,023)	\$ (62,711)				\$ (24,779)	\$ (74,918)
PROFORMA ADJUSTMENTS											
Revenue Allocation Adjustment	\$ -	\$ -		\$ (49,720)	\$ -	\$ 19,179				\$ (30,541)	\$ 20,541
TOTAL PROFORMA ADJUSTMENTS	\$ -	\$ -		\$ (49,720)	\$ -	\$ 19,179				\$ (30,541)	\$ 20,541
PROFORMA ADJUSTED	\$ (29,884)	\$ -	\$ (206,920)	\$ 90,174	\$ (2,023)	\$ (44,532)	\$ -	\$ -	\$ -	\$ (55,270)	\$ (54,377)

	(1) PLANT SERVICE	(2) ACCUMULATED DEPRECIATION & AMORTIZATION	(3) PLANT SERVICE	(4) NET PROPERTY TANGIBLE USE	(5) CONSTRUCTION IN PROGRESS	(6) NET PLANT	(7) WORKING CAPITAL	(8) TOTAL RATE BASE
PER BOOKS	\$ 3,295,831	\$ (1,323,584)	\$ 2,042,237	\$ -	\$ 873	\$ 2,043,110	\$ 420,992	\$ 2,464,102
FISC ADJUSTMENTS:								
REPAIRS, MAINTENANCE, CONSERVATION							\$ (107,753)	\$ 1,897,253
TOTAL FISC ADJUSTMENTS	\$ -	\$ -	\$ -	\$ -	\$ 873	\$ 2,043,110	\$ (107,753)	\$ 1,897,253
FISC ADJUSTED	\$ 3,295,831	\$ (1,323,584)	\$ 2,042,237	\$ -	\$ 873	\$ 2,043,110	\$ 313,239	\$ 2,356,347
PROGRAM ADJUSTMENTS:								
REGULATORY ADJUSTMENTS	\$ (714,000)	\$ 343,885	\$ (401,000)	\$ -	\$ -	\$ (401,000)	\$ -	\$ (401,000)
TOTAL PROGRAM ADJUSTMENTS	\$ (714,000)	\$ 343,885	\$ (401,000)	\$ -	\$ -	\$ (401,000)	\$ -	\$ (401,000)
PRO FORMA ADJUSTED	\$ 2,581,831	\$ (979,699)	\$ 1,641,237	\$ -	\$ 873	\$ 1,642,110	\$ 313,239	\$ 1,955,347

FLORIDA PUBLIC UTILITIES COMPANY
 INDIANTOWN DIVISION
 YEAR END RATE OF RETURN
 For the 12 Months Ending June 30, 2017
 INCOME STATEMENT

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	OPERATING REVENUES	O & M EXPENSE	O & M OTHER	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	D.I.T. (NET)	LT.C. (NET)	GAINS/LOSSES ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
PER BOOKS	\$ 317,296	\$ 24,721	\$ 266,620	\$ 129,664	\$ 24,300	\$ 64,721	-	-	-	\$ 381,193	\$ (49,897)
FISC ADJUSTMENTS:											
1) Federal Amortization	\$ (22,444)	\$ (22,531)			\$ (113)	\$ 078				\$ 918	\$ (578)
2) Dep. Concession Ref & Exp.	\$ (1,580)				\$ (1,580)	\$ 1				\$ (2,248)	\$ 1
3) Extension of Return Term	\$ (1,280)	\$ (1,281)			\$ (11)	\$ 31,196				\$ 31,196	\$ (1,181)
4) Federal Tax Expense Trap Adjustment						\$ (0)				\$ (2,266)	\$ (0)
5) Federal Share Service										\$ (5,811)	\$ (5,811)
TOTAL FISC ADJUSTMENTS	\$ (26,584)	\$ (24,812)	\$ (266,620)	\$ 129,884	\$ (1,705)	\$ 32,177				\$ (5,811)	\$ (23,131)
FISC ADJUSTED	\$ 290,712	\$ -	\$ -	\$ -	\$ 32,595	\$ (62,544)				\$ 386,982	\$ (78,021)
PROFORMA ADJUSTMENTS											
Revenue Accrual Adjustment Adjustment	\$ -	\$ -	\$ -	\$ (49,720)	\$ -	\$ 19,173				\$ (29,547)	\$ 30,541
TOTAL PROFORMA ADJUSTMENTS	\$ -	\$ -	\$ -	\$ (49,720)	\$ -	\$ 19,173				\$ (29,547)	\$ 30,541
PROFORMA ADJUSTED	\$ 290,712	\$ -	\$ 266,620	\$ 80,164	\$ 32,595	\$ (43,371)				\$ 357,435	\$ (47,480)

AVERAGE	ADJUSTMENTS						LOW POINT		MIDPOINT		HIGH POINT		
	PER BOOKS	NON-UTILITY	ADJUSTED BOOKS	PRO-RATA	SPECIFIC	BALANCE	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
COMMON EQUITY	\$ 1,161,406	\$ -	\$ 1,161,406	\$ -	\$ (45,738)	\$ 1,115,670	45.83%	10.50%	4.81%	11.50%	5.27%	12.50%	5.73%
LONG TERM DEBT	\$ 409,974	\$ -	\$ 409,974	\$ -	\$ (18,144)	\$ 393,830	18.18%	4.66%	0.75%	4.66%	0.75%	4.66%	0.75%
SHORT TERM DEBT	\$ 470,296	\$ -	\$ 470,296	\$ -	\$ (19,521)	\$ 451,775	18.56%	1.77%	0.33%	1.77%	0.33%	1.77%	0.33%
SHORT TERM DEBT REFINANCED LTD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$ 8,287	\$ -	\$ 8,287	\$ -	\$ -	\$ 8,287	0.34%	7.08%	0.01%	2.08%	0.01%	2.08%	0.01%
DEFERRED INCOME TAXES	\$ 454,776	\$ -	\$ 454,776	\$ -	\$ -	\$ 454,776	19.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	5.89%	0.00%	6.35%	0.00%	6.81%	0.00%
TOTAL AVERAGE	\$ 2,514,739	\$ -	\$ 2,514,739	\$ -	\$ (80,401)	\$ 2,434,338	100.00%		5.90%		6.38%		6.82%

YEAR-END	ADJUSTMENTS						LOW POINT		MIDPOINT		HIGH POINT		
	PER BOOKS	NON-UTILITY	ADJUSTED BOOKS	PRO-RATA	SPECIFIC	BALANCE	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
COMMON EQUITY	\$ 1,108,861	\$ -	\$ 1,108,861	\$ -	\$ (61,717)	\$ 1,047,144	44.44%	10.50%	4.67%	11.50%	5.11%	12.50%	5.55%
LONG TERM DEBT	\$ 481,552	\$ -	\$ 481,552	\$ -	\$ (26,802)	\$ 454,750	19.30%	3.57%	0.69%	3.57%	0.69%	3.57%	0.69%
SHORT TERM DEBT	\$ 345,607	\$ -	\$ 345,607	\$ -	\$ (19,236)	\$ 326,371	13.85%	2.17%	0.30%	2.17%	0.30%	2.17%	0.30%
SHORT TERM DEBT REFINANCED LTD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$ 8,147	\$ -	\$ 8,147	\$ -	\$ -	\$ 8,147	0.35%	2.11%	0.01%	2.11%	0.01%	2.11%	0.01%
DEFERRED INCOME TAXES	\$ 519,935	\$ -	\$ 519,935	\$ -	\$ -	\$ 519,935	22.07%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	5.66%	0.00%	6.10%	0.00%	6.54%	0.00%
TOTAL YEAR-END	\$ 2,464,102	\$ -	\$ 2,464,102	\$ -	\$ (107,755)	\$ 2,356,347	100.00%		5.67%		6.11%		6.55%

FLORIDA PUBLIC UTILITIES COMPANY
 INDIANTOWN DIVISION
 CAPITAL STRUCTURE WITHOUT ACQUISITION ADJUSTMENT
 June 30, 2017
 PROFORMA BASIS

AVERAGE	ADJUSTMENTS							LOW POINT		MIDPOINT		HIGH POINT	
	PER BOOKS	NON-UTILITY	ADJUSTED BOOKS	PRO-RATA	SPECIFIC	BALANCE	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
COMMON EQUITY	\$ 1,161,406	\$ -	\$ 1,161,406	\$ -	\$ (288,501)	\$ 872,905	43.48%	10.50%	4.57%	11.50%	5.00%	12.50%	5.44%
LONG TERM DEBT	\$ 409,374	\$ -	\$ 409,374	\$ -	\$ (101,840)	\$ 308,134	15.35%	4.66%	0.71%	4.66%	0.71%	4.66%	0.71%
SHORT TERM DEBT	\$ 470,296	\$ -	\$ 470,296	\$ -	\$ (116,825)	\$ 353,471	17.81%	1.77%	0.31%	1.77%	0.31%	1.77%	0.31%
SHORT TERM DEBT REFINANCED LTD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$ 8,287	\$ -	\$ 8,287	\$ -	\$ -	\$ 8,287	0.41%	2.08%	0.01%	2.08%	0.01%	2.08%	0.01%
DEFERRED INCOME TAXES	\$ 484,778	\$ -	\$ 484,778	\$ -	\$ -	\$ 484,778	23.15%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	5.59%	0.00%	6.02%	0.00%	6.46%	0.00%
TOTAL AVERAGE	\$ 2,514,739	\$ -	\$ 2,514,739	\$ -	\$ (507,166)	\$ 2,007,573	100.00%		5.60%		6.03%		6.47%

YEAR-END	ADJUSTMENTS							LOW POINT		MIDPOINT		HIGH POINT	
	PER BOOKS	NON-UTILITY	ADJUSTED BOOKS	PRO-RATA	SPECIFIC	BALANCE	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
COMMON EQUITY	\$ 1,108,861	\$ -	\$ 1,108,861	\$ -	\$ (281,910)	\$ 816,951	41.80%	10.50%	4.39%	11.50%	4.81%	12.50%	5.22%
LONG TERM DEBT	\$ 481,552	\$ -	\$ 481,552	\$ -	\$ (126,769)	\$ 354,783	18.15%	3.57%	0.65%	3.57%	0.65%	3.57%	0.65%
SHORT TERM DEBT	\$ 345,607	\$ -	\$ 345,607	\$ -	\$ (80,982)	\$ 264,625	13.03%	2.17%	0.28%	2.17%	0.28%	2.17%	0.28%
SHORT TERM DEBT REFINANCED LTD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$ 8,147	\$ -	\$ 8,147	\$ -	\$ -	\$ 8,147	0.42%	2.11%	0.01%	2.11%	0.01%	2.11%	0.01%
DEFERRED INCOME TAXES	\$ 519,935	\$ -	\$ 519,935	\$ -	\$ -	\$ 519,935	26.60%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	5.32%	0.00%	5.74%	0.00%	6.15%	0.00%
TOTAL YEAR-END	\$ 2,464,102	\$ -	\$ 2,464,102	\$ -	\$ (509,661)	\$ 1,954,442	100.00%		5.33%		5.75%		6.16%

Christensen, Patty

From: Kelly, JR
Sent: Monday, November 5, 2018 7:48 AM
To: Christensen, Patty; Ponder, Virginia
Cc: Davis, Phyllis
Subject: case assignment

Patty/Virginia – I am assigning the case below to you. This is the docket having the emergency hearing today re FPUC's restoration payment program. I can't remember which one of you are taking the lead, so just let Phyllis know who is the primary attorney for assignment.

Utilities Company (EI803)
approval of temporary electric restoration payment program on expedited basis, by Florida Public Utilities Company.
Phyllis
Banks, Cheryl; ENG - Ballinger, Thomas
for

Phyllis – Please assign one you speak with Patty or Virginia.

JR

J.R. Kelly
Office of Public Counsel
111 West Madison Street
Room 812
Tallahassee, FL 32399-1400
850-488-9330
850-487-6419 Fax

Christensen, Patty

From: Kelly, JR
Sent: Tuesday, October 30, 2018 3:41 PM
To: Christensen, Patty
Cc: Davis, Phyllis
Subject: case assignment

Patty – I am assigning the case below to you.

22-SU
018

West Lakeland Wastewater, LLC (SU967)
Application for staff-assisted rate case in Polk County by West Lakeland Wastewater, LLC.
No Lead OPR

Phyllis – please assign to Patty.

JR

J.R. Kelly
Office of Public Counsel
111 West Madison Street
Room 812
Tallahassee, FL 32399-1400
850-488-9330
850-487-6419 Fax

FLORIDA PUBLIC UTILITIES COMPANY
 INDIANTOWN DIVISION
 RATE OF RETURN REPORT SUMMARY
 December 31, 2017

SCHEDULE 1

	(1) ACTUAL PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
I. AVERAGE RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ (80,590)	\$ 15,749	\$ (64,841)	\$ 30,541	\$ (34,201)
AVERAGE RATE BASE	\$ 2,506,252	\$ -	\$ 2,506,252	\$ (401,005)	\$ 2,104,347
AVERAGE RATE OF RETURN	-3.22%		-2.59%		-1.03%
II. YEAR-END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ (80,590)	\$ 15,081	\$ (65,509)	\$ 30,541	\$ (34,968)
YEAR-END RATE BASE	\$ 2,508,501	\$ -	\$ 2,508,501	\$ (377,045)	\$ 2,131,456
YEAR-END RATE OF RETURN	-3.21%		-2.61%		-1.64%
III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)					
LOW	5.77%				
MIDPOINT	6.21%				
HIGH	6.65%				
IV. EARNED RETURN ON EQUITY (FPSC ADJUSTED BASIS)					
			A.	INCL ACQUISITION ADJUSTMENT	-8.49%
			B.	EXCL ACQUISITION ADJUSTMENT	-6.51%

I am aware that Section 837.06, Florida Statutes, provides:

Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

Mike Cassel
 Director, Regulatory Affairs

Michael Cassel (signature)
 Signature

4/2/18
 Date

FLORIDA PUBLIC UTILITIES COMPANY
INDUSTRY DIVISION
AVERAGE RATE OF RETURN
For the 12 Months Ending December 31, 2017
RATE BASE

	(1) PLANT IN SERVICE	(2) ACCUMULATED DEPRECIATION & AMORTIZATION	(3) PLANT IN SERVICE	(4) NET PROPERTY HELD FOR FUTURE USE	(5) CONSTRUCTION WORK IN PROGRESS	(6) NET UTILITY PLANT	(7) WORKING CAPITAL	(8) TOTAL RATE BASE
PER BOOKS	3,373,439	(1,220,664)	2,052,475	-	34,443	2,086,918	419,754	2,506,672
PPSC ADJUSTMENTS: REMOVE NET UNRECOVERED CONSERVATION	-	-	-	-	-	-	-	-
TOTAL PPSC ADJUSTMENTS	-	-	-	-	-	-	-	-
PPSC ADJUSTED	3,373,439	(1,220,664)	2,052,475	-	34,443	2,086,918	419,754	2,506,672
PRO FORMA ADJUSTMENTS: Remove Accruals Adjustment	(743,800)	343,435	(401,500)	-	-	(401,800)	-	(401,800)
TOTAL PRO FORMA ADJUSTMENTS	(743,800)	343,435	(401,500)	-	-	(401,800)	-	(401,800)
PRO FORMA ADJUSTED	2,629,639	(877,229)	1,650,975	-	34,443	1,685,118	419,754	2,104,872

FLORIDA PUBLIC UTILITIES COMPANY
 INDIANOVIA DIVISION
 AVERAGE RATE OF RETURN
 For the 12 Months Ending December 31, 2017
 INCOME STATEMENT

SCHEDULE 3
 PAGE 2 OF 3

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	OPERATING REVENUES	D & M GAS EXPENSE	D & M OTHER	DEPREC. & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	G.L.T. (NET)	E.E.C. (NET)	GAIN/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
PER BOOKS	\$ 312,841	\$ 86,182	\$ 225,822	\$ 129,526	\$ 31,205	\$ (42,073)				\$ 413,531	\$ (99,690)
FPSC ADJUSTMENTS:											
1) Interest Expense					\$ (762)	\$ 0				\$ (779)	\$ 279
2) Dem. Conservation Rev. & Exp.	\$ (92,423)	\$ (32,177)			\$ (1,652)	\$ -				\$ (12,459)	\$ -
3) Elimination of Revenue Taxes	\$ (1,853)					\$ (15,403)				\$ (15,488)	\$ 18,429
4) Income Tax Expense Rate Adjustment						\$ (5)				\$ (14,105)	\$ 192
5) Remove Shared Service	\$ (14,120)	\$ 114,854			\$ (71)	\$ (5)				\$ (52,914)	\$ 11,743
TOTAL FPSC ADJUSTMENTS	\$ (64,186)	\$ (64,186)			\$ (1,906)	\$ (15,373)				\$ (32,927)	\$ (64,841)
FPSC ADJUSTED	\$ 248,655	\$ -	\$ 225,822	\$ 129,526	\$ 29,299	\$ (57,446)				\$ 380,604	\$ (33,138)
PROGRAM ADJUSTMENTS											
Revenue Acquisition Amortization				\$ (48,722)		\$ (9,172)				\$ (57,894)	\$ 20,511
TOTAL PROGRAM ADJUSTMENTS				\$ (48,722)		\$ (9,172)				\$ (57,894)	\$ 20,511
PRO FORMA ADJUSTED	\$ 248,655	\$ -	\$ 225,822	\$ 80,804	\$ 29,299	\$ (66,618)				\$ 322,710	\$ (12,627)

FLORIDA PUBLIC UTILITIES COMPANY
 BUDGETARY DIVISION
 YEAR END RATE OF RETURN
 For the 12 Months Ended December 31, 2017
 RATE BASE

	(1) PLANT IN SERVICE	(2) ACCUMULATED DEPRECIATION & AMORTIZATION	(3) PLANT IN SERVICE	(4) NET PROPERTY FIELD FOR FUTURE USE	(5) CONSTRUCTION WORK IN PROGRESS	(6) NET UTILITY PLANT	(7) WORKING CAPITAL	(8) TOTAL RATE BASE
PER BOOKS	\$ 2,255,895	\$ (1,384,675)	\$ 2,181,110	\$ -	\$ 8,871	\$ 2,189,781	\$ 318,719	\$ 2,508,501
FPSC ADJUSTMENTS:								
REMOVE NET UNREC. CONSERVATION								
TOTAL FPSC ADJUSTMENTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FPSC ADJUSTED	\$ 2,255,895	\$ (1,384,675)	\$ 2,181,110	\$ -	\$ 8,871	\$ 2,189,781	\$ 318,719	\$ 2,508,501
PROFORMA ADJUSTMENTS								
Remove Acquisition Adjustment	\$ (145,602)	\$ 368,722	\$ (277,645)	\$ -	\$ -	\$ (277,645)	\$ -	\$ (277,645)
TOTAL PROFORMA ADJUSTMENTS	\$ (145,602)	\$ 368,722	\$ (277,645)	\$ -	\$ -	\$ (277,645)	\$ -	\$ (277,645)
PROFORMA ADJUSTED	\$ 2,110,293	\$ (1,015,953)	\$ 1,903,465	\$ -	\$ 8,871	\$ 1,912,136	\$ 318,719	\$ 2,231,456

FLORIDA PUBLIC UTILITIES COMPANY
INDIAN TOWN CROSSING
YEAR END RATE OF RETURN
For the 12 Months Ending December 31, 2017
INCOME STATEMENT

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	OPERATING REVENUES	D & M GAS EXPENSE	D & M OTHER	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	D.I.T. (NET)	LT.C. (NET)	CHANGES IN DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
PER BOOKS	\$ 332,944	\$ 64,180	\$ 225,525	\$ 129,536	\$ 38,388	\$ (43,023)				\$ 413,534	\$ (80,290)
FP&C ADJUSTMENTS:						\$ 368				\$ 368	\$ (368)
1) Interest Expense	\$ (52,402)	\$ (52,442)			\$ (757)	\$ 0				\$ (105,599)	\$ 1
2) E&P, Construction Per & Exp.	\$ (1,657)				\$ (1,653)	\$ -				\$ (3,310)	\$ 15,469
3) Elimination of Revenue Taxes					\$ (71)	\$ (13,429)				\$ (13,500)	\$ (5)
4) Income Tax Effective Rate Adjustment	\$ (14,108)	\$ (14,634)			\$ (71)	\$ (7)				\$ (29,520)	\$ (5)
5) Reserve Equity Strike	\$ 768,163	\$ (68,162)	\$ -	\$ -	\$ (1,661)	\$ (15,080)	\$ -	\$ -	\$ -	\$ 680,260	\$ 15,581
TOTAL FP&C ADJUSTMENTS	\$ 768,163	\$ (68,162)	\$ -	\$ -	\$ (1,661)	\$ (15,080)	\$ -	\$ -	\$ -	\$ 680,260	\$ 15,581
FP&C ADJUSTED	\$ 1,101,107	\$ 1,151,698	\$ 225,525	\$ 129,536	\$ 36,727	\$ (15,712)	\$ -	\$ -	\$ -	\$ 1,093,794	\$ (64,709)
PROFORMA ADJUSTMENTS				\$ (49,720)		\$ 18,179				\$ (31,541)	\$ 33,169
Remove Acquisition Allowance American				\$ (49,720)		\$ 18,179				\$ (31,541)	\$ 33,169
TOTAL PROFORMA ADJUSTMENTS				\$ (49,720)		\$ 18,179				\$ (31,541)	\$ 33,169
PROFORMA ADJUSTED	\$ 1,101,107	\$ 1,151,698	\$ 225,525	\$ 79,816	\$ 36,727	\$ (3,533)	\$ -	\$ -	\$ -	\$ 1,062,253	\$ (31,540)

FLORIDA PUBLIC UTILITIES COMPANY
 INDIANTOWN DIVISION
 CAPITAL STRUCTURE
 DECEMBER 31, 2017
 FPSC ADJUSTED BASIS

SCHEDULE A

AVERAGE	ADJUSTMENTS						RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT	
	PER BOOKS	NON-LIABILITY	ADJUSTED BOOKS	PRO-RATA	SPECIFIC	BALANCE		COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
COMMON EQUITY	\$1,102,702	\$	\$ 1,102,702	\$	\$	\$1,102,702	48.80%	10.50%	4.82%	11.50%	5.00%	12.50%	5.50%
LONG TERM DEBT	\$ 428,669	\$	\$ 428,669	\$	\$	\$ 428,669	17.10%	4.44%	0.76%	4.44%	0.76%	4.44%	0.76%
SHORT TERM DEBT	\$ 453,470	\$	\$ 453,470	\$	\$	\$ 453,470	18.69%	2.09%	0.38%	2.09%	0.38%	2.09%	0.38%
SHORT TERM DEBT REFINANCED LTD	\$	\$	\$	\$	\$	\$	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$8,389	\$	\$ 8,389	\$	\$	\$ 8,389	0.33%	2.04%	0.01%	2.04%	0.01%	2.04%	0.01%
DEFERRED INCOME TAXES	\$113,022	\$	\$ 113,022	\$	\$	\$ 113,022	25.47%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$	\$	\$	\$	\$	\$	0.00%	3.76%	0.00%	0.20%	0.00%	0.64%	0.00%
TOTAL AVERAGE	\$ 2,508,252	\$	\$ 2,508,252	\$	\$	\$ 2,508,252	100.00%		5.77%		6.21%		6.55%

YEAR-END	ADJUSTMENTS						RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT	
	PER BOOKS	NON-LIABILITY	ADJUSTED BOOKS	PRO-RATA	SPECIFIC	BALANCE		COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
COMMON EQUITY	\$ 1,089,120	\$	\$ 1,089,120	\$	\$	\$1,089,120	43.42%	10.02%	4.50%	11.50%	4.92%	12.50%	5.43%
LONG TERM DEBT	\$ 438,029	\$	\$ 438,029	\$	\$	\$ 438,029	17.41%	4.10%	0.71%	4.10%	0.71%	4.10%	0.71%
SHORT TERM DEBT	\$ 557,185	\$	\$ 557,185	\$	\$	\$ 557,185	22.21%	1.80%	0.30%	1.80%	0.30%	1.80%	0.30%
SHORT TERM DEBT REFINANCED LTD	\$	\$	\$	\$	\$	\$	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$ 8,487	\$	\$ 8,487	\$	\$	\$ 8,487	0.34%	2.02%	0.01%	2.02%	0.01%	2.02%	0.01%
DEFERRED INCOME TAXES	\$417,100	\$	\$ 417,100	\$	\$	\$ 417,100	16.63%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$	\$	\$	\$	\$	\$	0.00%	5.63%	0.00%	0.00%	0.00%	0.50%	0.00%
TOTAL YEAR-END	\$ 2,508,501	\$	\$ 2,508,501	\$	\$	\$ 2,508,501	100.00%		5.64%		6.07%		6.51%

FLORIDA PUBLIC UTILITIES COMPANY
 INDIANTOWN DIVISION
 RATE OF RETURN REPORT SUMMARY
 June 30, 2018

SCHEDULE 1

	(1) ACTUAL PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
I. AVERAGE RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ (98,833)	\$ 35,990	\$ (62,844)	\$ 37,118	\$ (25,725)
AVERAGE RATE BASE	\$ 2,494,804	\$ (43,638)	\$ 2,451,166	\$ (377,045)	\$ 2,074,121
AVERAGE RATE OF RETURN	-3.96%		-2.56%		-1.24%
II. YEAR-END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ (98,833)	\$ 35,182	\$ (63,651)	\$ 37,118	\$ (26,533)
YEAR-END RATE BASE	\$ 2,399,576	\$ (36,421)	\$ 2,363,155	\$ (352,185)	\$ 2,010,970
YEAR-END RATE OF RETURN	-4.12%		-2.69%		-1.32%

**III. REQUIRED RATES OF RETURN
 AVERAGE CAPITAL STRUCTURE
 (FPSC ADJUSTED BASIS)**

LOW	5.78%
MIDPOINT	6.21%
HIGH	6.64%

**IV. EARNED RETURN ON EQUITY
 (FPSC ADJUSTED BASIS)**

A.	INCL ACQUISITION ADJUSTMENT	-8.89%
B.	EXCL ACQUISITION ADJUSTMENT	-5.96%

I am aware that Section 837.06, Florida Statutes, provides:

Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

Mike Cassel
 Director, Regulatory Affairs

Signature

Date

5/24/18

FLORIDA PUBLIC UTILITIES COMPANY
 MIAMI TOWER DIVISION
 AVERAGE RATE OF RETURN
 RATE BASE FOR YEAR ENDING 30 2018
 RATE BASE

SCHEDULE 2
 PAGE 7 OF 7

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	PLANT IN SERVICE	ACCUMULATED DEPRECIATION AND AMORTIZATION	PLANT IN SERVICE	NET PRESENT VALUE FOR FUTURE USE	CONSTRUCTION WORK IN PROGRESS	NET UTILITY PLANT	WORKING CAPITAL	TOTAL RATE BASE
PREVIOUS	3,492,473	41,384,270	2,105,200		41,910	2,148,029	348,794	2,496,803
FISC ADJUSTMENTS								
REMOVE NET UNRECOVERED CONSERVATION							(49,031)	(49,031)
TOTAL FISC ADJUSTMENTS							(49,031)	(49,031)
FISC ADJUSTED	3,492,473	41,384,270	2,105,200		41,910	2,148,029	309,763	2,447,772
PRO FORMA ADJUSTMENTS								
Remove Acquisition Adjustment	(149,800)	368,755	(377,045)			(377,045)		(377,045)
TOTAL PRO FORMA ADJUSTMENTS	(149,800)	368,755	(377,045)			(377,045)		(377,045)
PRO FORMA ADJUSTED	3,342,673	41,753,025	1,728,155		41,910	1,770,984	309,763	2,070,727

FLORIDA PUBLIC UTILITIES COMPANY
 INDIAN TOWN DIVISION
 ADJUSTED RATE OF RETURN
 FOR THE YEAR ENDED JUNE 30, 2018
 INCOME STATEMENT

SCCHEDULE 2
 PAGE 2 OF 2

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	OPERATING REVENUES	O & M GAS EXPENSE	O & M OTHER EXPENSE	DEPRIC & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	O.I.T (NET)	I.T.C (NET)	GAIN/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME	
PREP ADJUSTMENTS	\$ 327,918	\$ 64,299	\$ 215,598	\$ 139,612	\$ 36,147	\$ 129,876				\$ 427,761	\$ (98,833)	
11 Interest on Investments	\$ (48,243)	\$	\$	\$ (4,956)	\$ (1,920)	\$ 315				\$ 315	\$ (375)	
21 Eon, Commission Fee & Exp	\$ (1,518)	\$ (48,001)	\$	\$	\$ (241)	\$ (0)				\$ (48,243)	\$ (0)	
31 Extension of Revenue Taxes	\$	\$	\$	\$	\$ (1,518)	\$ (0)				\$ (1,518)	\$ (0)	
41 Income Tax Election Rate Adjustmty	\$ (18,360)	\$ (18,368)	\$	\$	\$ (87)	\$ (25,211)				\$ (43,526)	\$ (26,270)	
51 Revenue Eonng Service	\$ (18,914)	\$	\$	\$	\$ (87)	\$ 0				\$ (18,914)	\$ (0)	
61 Provision for RTR RFRVD Annual	\$ (3,622)	\$	\$	\$ (3,622)	\$	\$ 3,180				\$ (3,622)	\$ (11,154)	
71 Provision for RTR RFRVD Annual	\$ (1,323)	\$	\$	\$ (1,323)	\$	\$				\$ (1,323)	\$	
81 Provision for Rate Related Depreciated Service Item	\$ (96,280)	\$ (64,299)	\$	\$ (4,956)	\$ (11,920)	\$ (21,076)				\$ (92,183)	\$ (35,720)	
TOTAL PREP ADJUSTMENTS	\$ 271,718	\$	\$ 215,598	\$ 128,667	\$ 34,247	\$ 149,950				\$ 334,592	\$ (62,841)	
PRO FORMA ADJUSTMENTS	\$	\$	\$	\$ (48,200)	\$	\$ (2,002)				\$ (50,202)	\$ (2,118)	
REMOVE ADJUSTMENT AMORTIZATION	\$	\$	\$	\$ (43,702)	\$	\$ (602)				\$ (44,304)	\$ (7,118)	
TOTAL PRO FORMA ADJUSTMENTS	\$	\$	\$	\$ (92,902)	\$	\$ (2,604)				\$ (95,506)	\$ (9,236)	
PRO FORMA ADJUSTED	\$ 271,718	\$	\$ 215,598	\$ 28,765	\$ 34,247	\$ 152,554				\$ 239,086	\$ (72,072)	

FLORIDA PUBLIC UTILITIES COMPANY
 REGULATOR DIVISION
 YEAR END STATE OF FLORIDA
 REGULATORY REPORT PERIOD
 JANUARY 1, 2018 TO DECEMBER 31, 2018
 RATE BASE

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	PLANT IN SERVICE	ACCUMULATED DEPRECIATION & AMORTIZATION	PLANT IN SERVICE	NET PROPERTY HELD FOR FUTURE USE	CONSTRUCTION WORK IN PROGRESS	NET UTILITY PLANT	WORKING CAPITAL	TOTAL RATE BASE
PLR BOOKS	\$ 3,032,380	\$ (1,447,034)	\$ 2,183,485	\$ -	\$ 2,079	\$ 2,185,715	\$ 213,861	\$ 2,399,576
FPSC ADJUSTMENTS								
REMOVE NET BRAC CONSERVATION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (136,271)	\$ (136,271)
TOTAL FPSC ADJUSTMENTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (136,271)	\$ (136,271)
FPSC ADJUSTED	\$ 3,032,380	\$ (1,447,034)	\$ 2,183,485	\$ -	\$ 2,079	\$ 2,185,715	\$ 177,440	\$ 2,363,155
PROGRAM ADJUSTMENTS								
Remove Accrual Adjustment	\$ (745,620)	\$ 703,615	\$ (427,163)	\$ -	\$ -	\$ (423,163)	\$ -	\$ (423,163)
TOTAL PROGRAM ADJUSTMENTS	\$ (745,620)	\$ 703,615	\$ (427,163)	\$ -	\$ -	\$ (423,163)	\$ -	\$ (423,163)
PRO FORMA ADJUSTED	\$ 2,286,760	\$ (743,419)	\$ 1,831,200	\$ -	\$ 2,079	\$ 1,832,532	\$ 177,440	\$ 2,010,972

FLORIDA PUBLIC UTILITIES COMPANY
 INDIANPOLE DIVISION
 YEAR END RATE OF RETURN
 For the Year Ended June 30, 2018
 PERIOD STATEMENT

SCHEDULE 3
 PAGE 2 OF 2

	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)
	OPERATING REVENUES	O&M GAS EXPENSE	O&M OTHER	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	DIT (NET)	ITC (NET)	CARRIAGE ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
PER BOOKS	\$ 327,918	\$ 64,369	\$ 215,528	\$ 131,612	\$ 36,147	\$ (22,874)				\$ 428,291	\$ (98,831)
PERIOD ADJUSTMENTS											
1) Rate of Return Expense	\$ (48,211)	\$ (48,001)			\$ (741)	\$ 1,182				\$ (48,211)	\$ (1,182)
2) Revenue for Rate of Return	\$ (1,516)				\$ (1,516)	\$ (6)				\$ (1,516)	\$ (6)
3) Elimination of Revenue Taxes						\$ (25,231)				\$ (25,231)	\$ -
4) Revenue Tax Effective Rate Adjustment	\$ (16,358)	\$ (16,288)			\$ (83)	\$ 0				\$ (16,358)	\$ (83)
5) Revenue for Rate of Return	\$ (14,914)					\$ 3,780				\$ (14,914)	\$ 3,780
6) Revenue for Rate of Return	\$ (1,625)			\$ (1,625)						\$ (1,625)	\$ -
7) Revenue for Rate of Return	\$ (1,223)			\$ (1,223)						\$ (1,223)	\$ -
8) Revenue for Rate of Return	\$ (1,223)			\$ (1,223)						\$ (1,223)	\$ -
TOTAL PERIOD ADJUSTMENTS	\$ (66,380)	\$ (64,289)	\$ -	\$ (4,545)	\$ (1,900)	\$ (20,250)				\$ (91,282)	\$ (25,192)
PERIOD ADJUSTED	\$ 271,719	\$ 5	\$ 215,528	\$ (14,545)	\$ 34,247	\$ (43,124)				\$ 335,210	\$ (123,851)
PERIOD ADJUSTMENT	\$ -	\$ -	\$ -	\$ (48,720)	\$ -	\$ 12,692				\$ (48,720)	\$ 12,692
Revenue Assessed Adjustment	\$ -	\$ -	\$ -	\$ (48,720)	\$ -	\$ 12,692				\$ (48,720)	\$ 12,692
TOTAL PERIOD ADJUSTMENTS	\$ -	\$ -	\$ -	\$ (48,720)	\$ -	\$ 12,692				\$ (48,720)	\$ 12,692
PERIOD ADJUSTED	\$ 271,719	\$ 5	\$ 215,528	\$ (14,545)	\$ 34,247	\$ (43,124)				\$ 335,210	\$ (123,851)

FLORIDA PUBLIC UTILITIES COMPANY
 REGULATION DIVISION/
 CAPITAL STRUCTURE
 June 30, 2018
 FPSC ADJUSTED BASIS

SCHEDULE 4

AVERAGE	ADJUSTMENTS		PRO RATA	SPECIFIC	BALANCE	RATIO (%)	LOW POINT			MIDPOINT			HIGH POINT		
	NON-UTILITY	ADJUSTED BOOKS					COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)			
COMMON EQUITY	\$ 1,017,791	\$ 1,017,791	\$ -	\$ (23,314)	\$ 994,477	43.02%	10.50%	4.52%	11.52%	4.95%	12.50%	5.38%			
LONG TERM DEBT	\$ 459,354	\$ 459,354	\$ -	\$ (10,153)	\$ 449,202	18.73%	4.16%	0.76%	4.16%	0.88%	4.16%	0.76%			
SHORT TERM DEBT	\$ 410,299	\$ 410,299	\$ -	\$ (10,172)	\$ 400,127	18.77%	2.52%	0.47%	2.52%	0.47%	2.52%	0.47%			
SHORT TERM DEBT REFINANCED LTD	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
CUSTOMER DEPOSITS	\$ 8,348	\$ 8,348	\$ -	\$ -	\$ 8,348	0.34%	2.65%	0.01%	2.65%	0.01%	2.65%	0.01%			
DEFERRED INCOME TAXES	\$ 409,022	\$ 409,022	\$ -	\$ -	\$ 409,022	19.13%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
TAX CREDITS - WEIGHTED COST	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	5.77%	0.00%	6.20%	0.00%	6.63%	0.00%			
TOTAL AVERAGE	\$ 2,494,694	\$ 2,494,694	\$ -	\$ (43,539)	\$ 2,451,155	100.00%	5.76%	6.21%	6.21%	6.64%	6.64%	6.64%			

YEAR-END	ADJUSTMENTS		PRO RATA	SPECIFIC	BALANCE	RATIO (%)	LOW POINT			MIDPOINT			HIGH POINT		
	NON-UTILITY	ADJUSTED BOOKS					COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)			
COMMON EQUITY	\$ 1,028,853	\$ 1,028,853	\$ -	\$ (18,876)	\$ 1,010,000	47.74%	10.50%	4.48%	11.50%	4.91%	12.50%	5.34%			
LONG TERM DEBT	\$ 485,104	\$ 485,104	\$ -	\$ (8,500)	\$ 476,604	20.15%	3.67%	0.74%	3.67%	0.74%	3.67%	0.74%			
SHORT TERM DEBT	\$ 411,237	\$ 411,237	\$ -	\$ (8,645)	\$ 402,592	10.54%	2.29%	0.45%	2.29%	0.45%	2.29%	0.45%			
SHORT TERM DEBT REFINANCED LTD	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
CUSTOMER DEPOSITS	\$ 8,165	\$ 8,165	\$ -	\$ -	\$ 8,165	0.35%	2.11%	0.01%	2.11%	0.01%	2.11%	0.01%			
DEFERRED INCOME TAXES	\$ 406,217	\$ 406,217	\$ -	\$ -	\$ 406,217	17.19%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
TAX CREDITS - WEIGHTED COST	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	5.83%	0.00%	6.10%	0.00%	6.53%	0.00%			
TOTAL YEAR-END	\$ 2,399,516	\$ 2,399,516	\$ -	\$ (36,421)	\$ 2,363,100	100.00%	5.69%	6.11%	6.11%	6.54%	6.54%	6.54%			

Christensen, Patty

From: Christensen, Patty
Sent: Monday, August 6, 2018 10:04 AM
To: DAVIS.PHYLLIS
Subject: FW: case assignments

Please do the notices of intervention. Thanks, Patty

From: Kelly, JR
Sent: Monday, August 6, 2018 7:27 AM
To: Christensen, Patty <CHRISTENSEN.PATTY@leg.state.fl.us>
Cc: Davis, Phyllis <DAVIS.PHYLLIS@leg.state.fl.us>
Subject: case assignments

Patty – I am assigning the cases below to you for handling. It appears we need to intervene in each of these.

DOCKET : 20180144-EI
DOCKETED : 07/31/2018
PROGMOD : B.14
COMPANY : Florida Power & Light Company (EI802)
TITLE : Review of 2019-2021 storm hardening plan, Florida Power & Light Company.
OPR : ENG - No Lead OPR
OCR : N/A
S/C :

DOCKET : 20180145-EI
DOCKETED : 07/31/2018
PROGMOD : B.14
COMPANY : Tampa Electric Company (EI806)
TITLE : Review of 2019-2021 storm hardening plan, Tampa Electric Company.
OPR : ENG - No Lead OPR
OCR : N/A
S/C :

DOCKET : 20180146-EI
DOCKETED : 07/31/2018
:
PROGMOD : B.14
COMPANY : Duke Energy Florida, LLC d/b/a Duke Energy (EI801)
TITLE : ENG/Ballinger request to establish docket: Review of 2019-2021 storm hardening plan, Duke Energy Florida, LLC.
OPR : ENG - No Lead OPR
OCR : N/A
S/C :

Phyllis - Please assign to Patty.

JR

J.R. Kelly
Office of Public Counsel
111 West Madison Street
Room 812

Tallahassee, FL 32399-1400
350-488-9330
350-487-6419 Fax

EXHIBIT NO. ^{rvn} 19, 20

DOCKET NO: 20180051-GU
20180052-GU **EXHIBIT 20**
20180053-GU
20180054-GU

WITNESS: ~~Ralph Smith, CPA~~ Michael Cassel

PARTY: Florida Public Utilities Company

DESCRIPTION: Quarterly Earnings Surveillance Report for Florida Public Utilities Company's Ft. Mead Division (2014-2018)

PROFFERED BY: Office of Public Counsel

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180052-GU EXHIBIT: 20
PARTY: OPC
DESCRIPTION: Quarterly Earnings
Surveillance Report FPUC Ft Meade 2014 to

FLORIDA PUBLIC UTILITIES COMPANY
 FT. MEADE DIVISION
 RATE OF RETURN REPORT SUMMARY
 June 30, 2014

SCHEDULE 1

	(1) ACTUAL PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
I. AVERAGE RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ (13,331)	\$8,855	(\$8,376)	\$0	(\$8,376)
AVERAGE RATE BASE	\$475,587	(\$14,493)	\$461,094	\$0	\$461,094
AVERAGE RATE OF RETURN	-2.80%		-1.38%		-1.38%
II. YEAR-END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	(\$13,331)	\$8,498	(\$4,843)	\$0	(\$4,843)
YEAR-END RATE BASE	\$895,345	(\$28,734)	\$866,611	\$0	\$866,611
YEAR-END RATE OF RETURN	-1.49%		-0.56%		-0.56%
III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)					
LOW	7.33%				
MIDPOINT	7.89%				
HIGH	8.45%				
IV. EARNED RETURN ON EQUITY (FPSC ADJUSTED BASIS)					
A. RETURN ON COMMON EQUITY					-5.48%

I am aware that Section 837.06, Florida Statutes, provides:

Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

Cheryl Martin
 Director, Regulatory Affairs

Cheryl Martin
 Signature

8/7/14
 Date

FLORIDA PUBLIC UTILITIES COMPANY
 FT. MEADE DIVISION
 AVERAGE RATE OF RETURN
 For the 12 Months Ending June 30, 2014
 RATE BASE

SCHEDULE 2
 PAGE 1 OF 2

	(1) PLANT IN SERVICE	(2) ACCUMULATED DEPRECIATION & AMORTIZATION	(3) PLANT IN SERVICE	(4) NET PROPERTY HELD FOR FUTURE USE	(5) CONSTRUCTION WORK IN PROGRESS	(6) NET UTILITY PLANT	(7) WORKING CAPITAL	(8) TOTAL RATE BASE
PER BOOKS	\$455,131	(28,650)	\$446,481	\$0	\$738	\$447,218	\$78,388	\$475,587
FPSC ADJUSTMENTS:			\$0			\$0		\$0
REMOVE CONS. & PGA UNDER-RECOVERY			\$0			\$0	(\$14,493)	(\$14,493)
TOTAL FPSC ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	(\$14,493)	(\$14,493)
FPSC ADJUSTED	\$455,131	(28,650)	\$446,481	\$0	\$738	\$447,218	\$13,875	\$461,094
PROFORMA ADJUSTMENTS								
TOTAL PRO FORMA ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PRO FORMA ADJUSTED	\$455,131	(28,650)	\$446,481	\$0	\$738	\$447,218	\$13,875	\$461,094

NOTE A: Average rate base is not representative of a true 12-month average due to the acquisition date.

FLORIDA PUBLIC UTILITIES COMPANY
 FT. MEADE DIVISION
 AVERAGE RATE OF RETURN
 For the 12 Months Ending June 30, 2014
 INCOME STATEMENT

SCHEDULE 2
 PAGE 2 OF 2

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	OPERATING REVENUES	O & M GAS EXPENSE	O & M OTHER	DEPREC. & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	D.I.T. (NET)	I.T.C. (NET)	GAIN/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
PER BOOKS	\$282,117	\$ 115,244	\$135,486	\$7,614	\$19,295	(\$2,191)				\$275,448	(\$13,331)
FPSC ADJUSTMENTS:											
1) Interest Synchro/Isolation						(\$6,821)					\$6,821
2) Elim. Conservation Rev & Exp.	(\$7,516)	(\$7,578)			(\$38)	\$18					(\$7,578)
3) Elim. PGA Revenues & Expense	(\$108,084)	(\$107,868)			(\$41)	\$47					(\$108,162)
TOTAL FPSC ADJUSTMENTS	(\$115,604)	(\$115,244)	\$0	\$0	(\$579)	(\$6,736)	\$0	\$0	\$0	(\$122,533)	\$6,955
FPSC ADJUSTED	\$166,513	\$0	\$135,486	\$7,614	\$18,716	(\$8,927)	\$0	\$0	\$0	\$152,858	(\$6,376)
PROFORMA ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PROFORMA ADJUSTED	\$166,513	\$0	\$135,486	\$7,614	\$18,716	(\$8,927)	\$0	\$0	\$0	\$152,858	(\$6,376)

FLORIDA PUBLIC UTILITIES COMPANY
 F7, MEADE DIVISION
 YEAR END RATE OF RETURN
 For the 12 Months Ending June 30, 2014
 RATE BASE

SCHEDULE 3
 PAGE 1 OF 2

	(1) PLANT IN SERVICE	(2) ACCUMULATED DEPRECIATION & AMORTIZATION	(3) PLANT IN SERVICE	(4) NET PROPERTY HELD FOR FUTURE USE	(5) CONSTRUCTION WORK IN PROGRESS	(6) NET UTILITY PLANT	(7) WORKING CAPITAL	(8) TOTAL RATE BASE
PER BOOKS	\$835,374	(313,114)	\$522,260	\$0	\$490	\$522,750	\$77,594	\$895,345
FPSC ADJUSTMENTS:								
REMOVE CONS. & PGA UNDER-RECOVERIES			\$0			\$0	\$0	\$0
			\$0			\$0	(\$26,734)	(\$26,734)
TOTAL FPSC ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	(\$26,734)	(\$26,734)
FPSC ADJUSTED	\$835,374	(313,114)	\$522,260	\$0	\$490	\$522,750	\$45,860	\$868,611
PROFORMA ADJUSTMENTS								
TOTAL PRO FORMA ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PRO FORMA ADJUSTED	\$835,374	(313,114)	\$522,260	\$0	\$490	\$522,750	\$45,860	\$868,611

FLORIDA PUBLIC UTILITIES COMPANY
 FT. MEADE DIVISION
 YEAR END RATE OF RETURN
 STATEMENT OF FINANCIAL POSITION
 INCOME STATEMENT
 PERIOD ENDING JUNE 30, 2014

SCHEDULE 3
 PAGE 2 OF 2

	(1) OPERATING REVENUES	(2) O & M GAS EXPENSE	(3) O & M OTHER	(4) DEPREC. & AMORTIZATION	(5) TAXES OTHER THAN INCOME	(6) INCOME TAXES CURRENT	(7) D.I.T. (NET)	(8) I.T.C. (NET)	(9) GAIN/LOSS ON DEPOSITION	(10) TOTAL OPERATING EXPENSES	(11) NET OPERATING INCOME
PER BOOKS	\$282,117	\$ 115,244	\$135,466	\$7,614	\$19,295	(52,191)			\$273,448	(\$13,331)	
FFSC ADJUSTMENTS:											
1) Interest Deduction	(87,418)	(87,871)			(138)	(89,354)			(88,254)	23,254	
2) ERM Depreciation Exp.	(1,108,086)	(1,107,663)			(423)	(1,108,112)			(1,108,112)	423	
3) ERM Depreciation & Exp. Allow.	(1,115,641)	(1,115,244)	\$0	\$0	(15,371)	(132,216)	\$0	\$0	(1,124,862)	\$9,418	
TOTAL FFSC ADJUSTMENTS				\$0			\$0	\$0			
FFSC ADJUSTED	\$194,699	\$0	\$135,466	\$7,614	\$18,716	(132,451)	\$0	\$0	\$151,336	(\$4,913)	
PROFORM ADJUSTMENTS	-149,977										
TOTAL PRO FORMA ADJUSTMENTS	(\$149,977)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
PRO FORMA ADJUSTED	(\$49,282)	\$0	\$135,466	\$7,614	\$18,716	(\$10,451)	\$0	\$0	\$151,336	(\$4,913)	

FLORIDA PUBLIC UTILITIES COMPANY
 FT. MEADE DIVISION
 CAPITAL STRUCTURE
 AS OF 12/31/2010
 FPC-ADJUSTED BASIS

SCHEDULE 4

ADJUSTMENTS	ADJUSTED BOOKS	PRO-RATA	SPECIFIC	BALANCE	RATIO [%]	LOW POINT		MIDPOINT		HIGH POINT	
						COST RATE [%]	WEIGHTED COST [%]	COST RATE [%]	WEIGHTED COST [%]	COST RATE [%]	WEIGHTED COST [%]
PER MODES	NON-UTILITY										
\$14,841	\$0	\$768,841	50	(\$4,503)	56.39%	10.00%	5.63%	11.00%	6.19%	12.00%	6.21%
\$106,864	\$0	\$106,864	50	(\$3,391)	31.07%	5.61%	2.26%	5.61%	1.24%	5.61%	1.08%
\$51,656	\$0	\$51,656	50	(\$1,701)	31.27%	1.11%	0.13%	1.11%	0.17%	1.11%	0.13%
\$28,195	\$0	\$28,195	50	(\$834)	5.92%	4.37%	0.23%	4.17%	0.25%	4.17%	0.23%
\$19,211	\$0	\$19,211	50	\$0	4.17%	1.40%	0.00%	1.40%	0.00%	1.40%	0.00%
(\$381)	\$0	(\$381)	50	\$0	-0.08%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
\$0	\$0	\$0	50	\$0	0.00%	2.27%	0.00%	2.83%	0.00%	2.39%	0.00%
\$475,516	\$0	\$75,516	50	(\$14,852)	100.00%	7.33%		7.33%		7.89%	8.65%
TOTAL AVERAGE											

ADJUSTMENTS

PER MODES

NON-UTILITY

ADJUSTED BOOKS

PRO-RATA

SPECIFIC

BALANCE

RATIO [%]

LOW POINT

MIDPOINT

HIGH POINT

COST RATE [%]

WEIGHTED COST [%]

ADJUSTMENTS	ADJUSTED BOOKS	PRO-RATA	SPECIFIC	BALANCE	RATIO [%]	LOW POINT		MIDPOINT		HIGH POINT	
						COST RATE [%]	WEIGHTED COST [%]	COST RATE [%]	WEIGHTED COST [%]	COST RATE [%]	WEIGHTED COST [%]
PER MODES	NON-UTILITY										
\$20,825	\$0	\$509,815	50	(\$15,711)	56.64%	10.00%	5.84%	11.00%	6.20%	12.00%	6.42%
\$274,864	\$0	\$274,864	50	(\$8,412)	30.64%	3.98%	1.21%	3.96%	1.21%	3.98%	1.21%
\$11,612	\$0	\$11,612	50	(\$3,521)	3.11%	1.17%	0.12%	1.17%	0.12%	1.17%	0.12%
\$0	\$0	\$0	50	\$0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
\$21,614	\$0	\$21,614	50	\$0	3.61%	0.81%	0.00%	0.81%	0.00%	0.81%	0.00%
(\$2,000)	\$0	(\$2,000)	50	\$0	-0.21%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
\$0	\$0	\$0	50	\$0	0.00%	2.01%	0.00%	2.58%	0.00%	2.11%	0.00%
\$495,345	\$0	\$495,345	50	(\$26,723)	100.00%	7.68%		7.68%		7.61%	8.19%
TOTAL YEAR-END											

ADJUSTMENTS

PER MODES

NON-UTILITY

ADJUSTED BOOKS

PRO-RATA

SPECIFIC

BALANCE

RATIO [%]

LOW POINT

MIDPOINT

HIGH POINT

COST RATE [%]

WEIGHTED COST [%]

ADJUSTMENTS

PER MODES

NON-UTILITY

ADJUSTED BOOKS

PRO-RATA

SPECIFIC

BALANCE

RATIO [%]

LOW POINT

MIDPOINT

HIGH POINT

COST RATE [%]

WEIGHTED COST [%]

FLORIDA PUBLIC UTILITIES COMPANY
 FT. MEADE DIVISION
 RATE OF RETURN REPORT SUMMARY
 December 31, 2014 - Revised 8_8_2016

SCHEDULE 1

	(1) ACTUAL PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
I. AVERAGE RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ 2,837	(\$2,410)	(\$0,673)	\$ (29,235)	(\$35,808)
AVERAGE RATE BASE	\$739,427	(\$71,412)	\$188,018	\$929,122	\$854,182
AVERAGE RATE OF RETURN	0.38%		-3.61%		-4.19%
II. YEAR-END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$2,837	(\$8,118)	(\$5,279)	(\$29,235)	(\$34,614)
YEAR-END RATE BASE	\$426,078	(\$21,183)	\$333,895	\$962,305	\$960,203
YEAR-END RATE OF RETURN	0.67%		-1.60%		-3.48%
III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)					
LOW	6.10%				
MIDPOINT	6.97%				
HIGH	7.44%				
IV. EARNED RETURN ON EQUITY (FPSC ADJUSTED BASIS)					
A. RETURN ON COMMON EQUITY				-11.72%	

I am aware that Section 637.06, Florida Statutes, provides:

Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

Mika Chesel
 Director, Regulatory Affairs


 Signature

6-10-15
 Date

FLORIDA PUBLIC UTILITIES COMPANY
 FT. MEADE DIVISION
 AVERAGE RATE OF RETURN
 For the 12 Months Ending December 31, 2014
 RATE BASE - Revised 6/8/2015

SCHEDULE 2
 PAGE 1 OF 2

	(1) PLANT IN SERVICE	(2) ACCUMULATED DEPRECIATION & AMORTIZATION	(3) PLANT IN SERVICE	(4) NET PROPERTY HELD FOR FUTURE USE	(5) CONSTRUCTION WORK IN PROGRESS	(6) NET UTILITY PLANT	(7) WORKING CAPITAL	(8) TOTAL RATE BASE
PER BOOKS	\$ 708,584	\$ (49,333)	\$ 667,251	\$ -	\$ 1,202	\$ 852,454	\$ 75,973	\$ 729,527
FPSC ADJUSTMENTS:								
REMOVE CONS. & PQA UNDER-RECOVERY CORRECT RECORDING OF ACQUISITION	\$ (189,133)	\$ (285,490)	\$ -	\$ (534,832)		\$ -	\$ (39,790)	\$ (934,832)
TOTAL FPSC ADJUSTMENTS	\$ (189,133)	\$ (285,490)	\$ (534,832)	\$ -	\$ -	\$ (534,832)	\$ (39,790)	\$ (1,571,412)
FPSC ADJUSTED	\$ 539,451	\$ (409,823)	\$ 132,419	\$ -	\$ 1,202	\$ 317,622	\$ 36,183	\$ 138,115
PROFORMA ADJUSTMENTS								
RECORD ACQUISITION ADJUSTMENT	\$ 713,850	\$ (27,764)	\$ 686,086	\$ -	\$ -	\$ 686,106	\$ -	\$ 686,106
TOTAL PROFORMA ADJUSTMENTS	\$ 713,850	\$ (27,764)	\$ 686,086	\$ -	\$ -	\$ 686,106	\$ -	\$ 686,106
PROFORMA ADJUSTED	\$ 1,253,301	\$ (437,587)	\$ 815,714	\$ -	\$ 1,202	\$ 1,003,728	\$ 36,183	\$ 1,040,211

FLORIDA PUBLIC UTILITIES COMPANY
 FT. MEADE DIVISION
 AVERAGE RATE OF RETURN
 For the 12 Months Ending December 31, 2014
 INCOME STATEMENT - Revised 8_6_2015

SCHEDULE 2
 PAGE 2 OF 2

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	OPERATING REVENUES	O & M GAS EXPENSE	O & M OTHER	DEPREC. & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	D.I.T. (NET)	I.T.C. (NET)	GAIN/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
PER BOOKS	\$ 308,466	\$ 173,020	\$ 167,550	\$ 13,706	\$ 44,834	\$ (3,471)				\$ 305,649	\$ 2,817
FPSC ADJUSTMENTS:											
1) Interest Synchronization						\$ 22,124				\$ 2,124	\$ (2,124)
2) Contract Depreciation of Acquisition				\$ (990)		\$ 362				\$ (608)	\$ 608
3) Ekm. Conservation Rev & Exp.	\$ (12,183)	\$ (12,101)			\$ (81)	\$ (9)				\$ (12,162)	\$ (1)
4) Ekm. PG&A Revenue & Expense	\$ (170,052)	\$ (180,810)			\$ (2,285)	\$ (4,856)				\$ (188,181)	\$ (7,852)
TOTAL FPSC ADJUSTMENTS	\$ (182,235)	\$ (192,911)	\$ -	\$ (990)	\$ (2,366)	\$ (4,865)	\$ -	\$ -	\$ -	\$ (178,856)	\$ (9,410)
FPSC ADJUSTED	\$ 126,231	\$ 80,109	\$ 167,550	\$ 12,716	\$ 42,468	\$ (8,336)	\$ -	\$ -	\$ -	\$ 126,793	\$ (6,593)
PROFORMA ADJUSTMENTS											
1) Amortize Acquisition Adjustment				\$ 47,585		\$ (18,360)				\$ 29,225	\$ (9,230)
TOTAL PROFORMA ADJUSTMENTS	\$ -	\$ -	\$ -	\$ 47,585	\$ -	\$ (18,360)	\$ -	\$ -	\$ -	\$ 29,225	\$ (9,230)
PROFORMA ADJUSTED	\$ 126,231	\$ 80,109	\$ 167,550	\$ 60,301	\$ 42,468	\$ (26,696)	\$ -	\$ -	\$ -	\$ 156,018	\$ (15,823)

FLORIDA PUBLIC UTILITIES COMPANY
 FT. MEADE DIVISION
 YEAR END RATE OF RETURN
 For the 12 Months Ending December 31, 2014
 RATE BASE - Revised 6_8_2015

SCHEDULE 3
 PAGE 1 OF 2

	(1) PLANT IN SERVICE	(2) ACCUMULATED DEPRECIATION & AMORTIZATION	(3) PLANT IN SERVICE	(4) NET PROPERTY HELD FOR FUTURE USE	(5) CONSTRUCTION WORK IN PROGRESS	(6) NET UTILITY PLANT	(7) WORKING CAPITAL	(8) TOTAL RATE BASE
PER BOOKS	\$ 532,087	\$ (410,087)	\$ 222,004	\$ -	\$ 331	\$ 222,365	\$ 202,712	\$ 425,078
FPSC ADJUSTMENTS:								
CORRECT RECORDING OF ACQUISITION		\$ (1,348)	\$ (1,348)			\$ (1,348)		\$ (1,348)
REMOVE CONS. & POA UNDER-RECOVERIES			\$ -			\$ -	\$ (89,835)	\$ (89,835)
TOTAL FPSC ADJUSTMENTS	\$ -	\$ (1,348)	\$ (1,348)	\$ -	\$ -	\$ (1,348)	\$ (89,835)	\$ (91,183)
FPSC ADJUSTED	\$ 532,087	\$ (411,435)	\$ 220,656	\$ -	\$ 331	\$ 221,017	\$ 112,878	\$ 333,895
PRO FORMA ADJUSTMENTS								
RECORD ACQUISITION ADJUSTMENT	\$ 713,830	\$ (51,552)	\$ 662,278			\$ 662,278		\$ 662,278
TOTAL PRO FORMA ADJUSTMENTS	\$ 713,830	\$ (51,552)	\$ 662,278	\$ -	\$ -	\$ 662,278	\$ -	\$ 662,278
PRO FORMA ADJUSTED	\$ 1,245,917	\$ (462,987)	\$ 882,934	\$ -	\$ 331	\$ 883,295	\$ 112,878	\$ 996,273

FLORIDA PUBLIC UTILITIES COMPANY
 FT. MEADE DIVISION
 YEAR END RATE OF RETURN
 For the 12 Months Ending December 31, 2014
 INCOME STATEMENT - Revised 6_6_2013

SCHEDULE 3
 PAGE 2 OF 2

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	OPERATING REVENUES	O & M GAS EXPENSE	O & M OTHER	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	D.I.T. (NET)	I.T.C. (NET)	GAIN/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
PER BOOKS	\$ 388,486	\$ 173,020	\$ 167,559	\$ 13,708	\$ 44,834	\$ (3,471)				\$ 385,649	\$ 2,837
FPSC ADJUSTMENTS:											
1) Interest Synchronization						\$ 831				\$ 831	\$ (831)
2) Correct Depreciation of Acquisition				\$ (990)		\$ 382				\$ (608)	\$ 608
3) Efm. Conservation Rev & Exp.	\$ (12,182)	\$ (12,101)			\$ (81)	\$ (2)				\$ (14,166)	\$ (1)
4) Efm. PDA Revenues & Expense	\$ (176,053)	\$ (180,919)			\$ (2,281)	\$ (4,956)				\$ (188,199)	\$ (2,822)
TOTAL FPSC ADJUSTMENTS	\$ (188,235)	\$ (193,020)	\$ -	\$ (990)	\$ (2,362)	\$ (5,744)	\$ -	\$ -	\$ -	\$ (197,157)	\$ (8,316)
FPSC ADJUSTED	\$ 210,270	\$ 0	\$ 167,559	\$ 12,718	\$ 42,489	\$ (7,215)	\$ -	\$ -	\$ -	\$ 215,549	\$ (5,279)
PROFORM ADJUSTMENTS											
1) Amortize Acquisition Adjustment				\$ 47,895		\$ (18,360)				\$ 29,235	\$ (29,235)
TOTAL PROFORM ADJUSTMENTS	\$ -	\$ -	\$ -	\$ 47,895	\$ -	\$ (18,360)	\$ -	\$ -	\$ -	\$ 29,235	\$ (29,235)
PROFORM ADJUSTED	\$ 210,270	\$ 0	\$ 167,559	\$ 60,312	\$ 42,489	\$ (25,575)	\$ -	\$ -	\$ -	\$ 244,784	\$ (34,514)

AVERAGE	ADJUSTMENTS		ADJUSTED BOOKS	PRO-RATA	SPECIFIC	BALANCE	RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT	
	PER BOOKS	NON-UTILITY						COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
	COMMON EQUITY	\$409,356						\$0	\$409,356	\$0	(\$329,122)	\$80,434	47.87%
LONG TERM DEBT	\$194,169	\$0	\$194,169	\$0	(\$156,036)	\$38,133	22.70%	5.25%	1.19%	5.25%	1.19%	5.25%	1.19%
SHORT TERM DEBT	\$80,864	\$0	\$80,864	\$0	(\$44,883)	\$15,881	9.45%	1.21%	0.11%	1.21%	0.11%	1.21%	0.11%
SHORT TERM DEBT REFINANCED LTD	\$26,469	\$0	\$26,469	\$0	(\$21,271)	\$5,198	3.09%	3.32%	0.10%	3.32%	0.10%	3.32%	0.10%
CUSTOMER DEPOSITS	\$33,971	\$0	\$33,971	\$0	\$0	\$33,971	20.22%	1.50%	0.30%	1.50%	0.30%	1.50%	0.30%
DEFERRED INCOME TAXES	(\$5,602)	\$0	(\$5,602)	\$0	\$0	(\$5,602)	-3.33%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	6.19%	0.00%	6.67%	0.00%	7.14%	0.00%
TOTAL AVERAGE	\$739,427	\$0	\$739,427	\$0	(\$571,411)	\$168,015	100.00%		6.49%		6.97%		7.44%

YEAR-END	ADJUSTMENTS		ADJUSTED BOOKS	PRO-RATA	SPECIFIC	BALANCE	RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT	
	PER BOOKS	NON-UTILITY						COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
	COMMON EQUITY	\$266,116						\$0	\$266,116	\$0	(\$50,837)	\$215,299	64.48%
LONG TERM DEBT	\$134,656	\$0	\$134,656	\$0	(\$25,713)	\$108,943	32.63%	4.78%	1.56%	4.78%	1.56%	4.78%	1.56%
SHORT TERM DEBT	\$76,731	\$0	\$76,731	\$0	(\$14,652)	\$62,079	18.59%	0.81%	0.15%	0.81%	0.15%	0.81%	0.15%
SHORT TERM DEBT REFINANCED LTD	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$34,759	\$0	\$34,759	\$0	\$0	\$34,759	10.41%	1.46%	0.15%	1.46%	0.15%	1.46%	0.15%
DEFERRED INCOME TAXES	(\$87,185)	\$0	(\$87,185)	\$0	\$0	(\$87,185)	-6.11%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	8.14%	0.00%	8.80%	0.00%	9.45%	0.00%
TOTAL YEAR-END	\$425,077	\$0	\$425,077	\$0	(\$93,187)	\$333,895	100.00%		8.11%		8.96%		9.60%

FLORIDA PUBLIC UTILITIES COMPANY
 FT. MEADE DIVISION
 RATE OF RETURN REPORT SUMMARY
 June 30, 2015

SCHEDULE 1

	(1) ACTUAL PER BOOKS	(2) FP&C ADJUSTMENTS	(3) FP&C ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
I. AVERAGE RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ (28,000)	(\$4,001)	(\$33,187)	\$ (29,235)	(\$37,430)
AVERAGE RATE BASE	\$598,215	(\$334,000)	\$264,215	\$568,235	\$517,850
AVERAGE RATE OF RETURN	-4.87%		-12.51%		-7.21%
II. YEAR-END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	(\$28,000)	(\$4,104)	(\$33,200)	(\$29,250)	(\$37,430)
YEAR-END RATE BASE	\$403,560	(\$39,821)	\$364,029	\$342,577	\$348,809
YEAR-END RATE OF RETURN	-7.21%		-9.12%		-8.80%

III. REQUIRED RATES OF RETURN (AVERAGE CAPITAL STRUCTURE (FP&C ADJUSTED BASIS))	IV. EARNED RETURN ON EQUITY (FP&C ADJUSTED BASIS)
LOW	A. RETURN ON COMMON EQUITY -35.80%
MIDPOINT	
HIGH	

I am aware that Section 837.08, Florida Statutes, provides:

Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

Mike Casel
 Director, Regulatory Affairs

(Signature)
 Signature

9/6/15
 Date

FLORIDA PUBLIC UTILITIES COMPANY
 FT. MEADE DIVISION
 AVERAGE RATE OF RETURN
 For the 12 Months Ending June 30, 2015
 RATE BASE

	(1) PLANT IN SERVICE	(2) ACCUMULATED DEPRECIATION & AMORTIZATION	(3) PLANT IN SERVICE	(4) NET PROPERTY HELD FOR FUTURE USE	(5) CONSTRUCTION WORK IN PROGRESS	(6) NET UTILITY PLANT	(7) WORKING CAPITAL	(8) TOTAL RATE BASE
PER BOOKS	\$ 673,828	\$ (228,783)	\$ 447,088	\$ -	\$ 1,351	\$ 448,410	\$ 137,488	\$ 585,815
FPSC ADJUSTMENTS:								
REMOVE CONS. & PGA UNDER-RECOVERY CORRECT RECORDING OF ACQUISITION	\$ (84,565)	\$ (184,541)	\$ (269,106)			\$ (269,106)	\$ (85,494)	\$ (65,494) \$ (269,106)
TOTAL FPSC ADJUSTMENTS	\$ (84,565)	\$ (184,541)	\$ (269,106)	\$ -	\$ -	\$ (269,106)	\$ (85,494)	\$ (334,800)
FPSC ADJUSTED	\$ 589,263	\$ (413,324)	\$ 177,982	\$ -	\$ 1,351	\$ 179,304	\$ 72,005	\$ 251,315
PROFORMA ADJUSTMENTS								
RECORD ACQUISITION ADJUSTMENT	\$ 713,830	\$ (47,595)	\$ 666,335			\$ 666,335		\$ 666,335
TOTAL PRO FORMA ADJUSTMENTS	\$ 713,830	\$ (47,595)	\$ 666,335	\$ -	\$ -	\$ 666,335	\$ -	\$ 666,335
PRO FORMA ADJUSTED	\$ 1,303,194	\$ (460,919)	\$ 844,294	\$ -	\$ 1,351	\$ 845,645	\$ 72,005	\$ 917,850

FLORIDA PUBLIC UTILITIES COMPANY
F.T. WEAVER DIVISION
AVERAGE RATE OF RETURN
For the 12 Months Ending June 30, 2015
INCOME STATEMENT

	(1) OPERATING REVENUES	(2) O.A.M.G.A.S. EXPENSE	(3) O.A.M. OTHER	(4) DEPREC. & AMORTIZATION	(5) TAXES OTHER THAN INCOME	(6) INCOME TAXES CURRENT	(7) D.I.T. (NET)	(8) I.T.C. (NET)	(9) GAIN/LOSS ON DISPOSITION	(10) TOTAL OPERATING EXPENSES	(11) NET OPERATING INCOME
PER BOOKS	\$ 353,482	\$ 154,845	\$ 188,120	\$ 14,830	\$ 51,740	\$ (26,796)				\$ 382,578	\$ (29,096)
FFSC ADJUSTMENTS:											
1) Interest Sponsorship						\$ 4,181				\$ 4,181	\$ (4,181)
2) General Depreciation of Acquisition				\$ 49		(19)				\$ 30	\$ (30)
3) Excess Depreciation P&A & Exp.	\$ (13,170)	\$ (13,000)			\$ (60)	(39)				\$ (13,170)	\$ (61)
4) Excess Depreciation P&A & Expense	\$ (142,080)	\$ (141,840)			\$ (211)	101				\$ (142,260)	\$ (141)
TOTAL FFSC ADJUSTMENTS	\$ (155,250)	\$ (154,845)		\$ 49	\$ (771)	\$ 4,204				\$ (151,180)	\$ (4,951)
FFSC ADJUSTED	\$ 198,232		\$ 188,120	\$ 14,888	\$ 50,969	\$ (22,592)				\$ 231,410	\$ (33,187)
PROFORMA ADJUSTMENTS											
1) Amortize Acquisition Adjustment				\$ 47,595		\$ (16,380)				\$ 29,235	\$ (29,235)
TOTAL PROFORMA ADJUSTMENTS				\$ 47,595		\$ (16,380)				\$ 29,235	\$ (29,235)
PROFORMA ADJUSTED	\$ 198,232		\$ 188,120	\$ 62,484	\$ 50,969	\$ (40,971)				\$ 260,645	\$ (62,423)

FLORIDA PUBLIC UTILITIES COMPANY
FT. MEADE DIVISION
YEAR-END RATE OF RETURN
For the 12 Months Ending June 30, 2015
RATE BASE

	(1) PLANT IN SERVICE	(2) ACCUMULATED DEPRECIATION & AMORTIZATION	(3) PLANT IN SERVICE	(4) NET PROPERTY HELD FOR FUTURE USE	(5) CONSTRUCTION WORK IN PROGRESS	(6) NET UTILITY PLANT	(7) WORKING CAPITAL	(8) TOTAL RATE BASE
PER BOOKS	\$ 825,974	\$ (415,309)	\$ 210,818	\$ -	\$ 5,949	\$ 219,555	\$ 185,765	\$ 405,359
PPSC ADJUSTMENTS:								
CORRECT RECORDING OF ACQUISITION REMOVE CONS. & P&A UNDER-RECOVERIES	\$ -	\$ (3,100)	\$ (3,100)	\$ -	\$ -	\$ (3,100)	\$ (86,221)	\$ (3,100)
TOTAL PPSC ADJUSTMENTS	\$ -	\$ (3,100)	\$ (3,100)	\$ -	\$ -	\$ (3,100)	\$ (86,221)	\$ (89,321)
PPSC ADJUSTED	\$ 825,974	\$ (418,409)	\$ 207,518	\$ -	\$ 5,949	\$ 213,454	\$ 90,564	\$ 304,029
PROFORMA ADJUSTMENTS								
RECORD ACQUISITION ADJUSTMENT	\$ 713,930	\$ (71,393)	\$ 642,537	\$ -	\$ -	\$ 642,537	\$ -	\$ 642,537
TOTAL PROFORMA ADJUSTMENTS	\$ 713,930	\$ (71,393)	\$ 642,537	\$ -	\$ -	\$ 642,537	\$ -	\$ 642,537
PROFORMA ADJUSTED	\$ 1,539,854	\$ (489,801)	\$ 850,053	\$ -	\$ 5,949	\$ 856,001	\$ 90,564	\$ 946,566

FLORIDA PUBLIC UTILITIES COMPANY
 FT. MEADE DIVISION
 YEAR END RATE OF RETURN
 For the 12 Months Ending June 30, 2015
 INCOME STATEMENT

SCHEDULE 3
 PAGE 2 OF 2

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	OPERATING REVENUES	O & M GAS EXPENSE	O & M OTHER	DEPREC. & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	D.I.T. (NET)	I.T.C. (NET)	GAIN/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
PER BOOKS	\$ 353,482	\$ 154,645	\$ 188,120	\$ 14,839	\$ 51,740	\$ (26,766)				\$ 382,578	\$ (29,096)
FPSC ADJUSTMENTS:						\$ 4,174				\$ 4,174	\$ (4,174)
1) Interest Synchronization						(19)				\$ 30	\$ (30)
2) Correct Depreciation of Acquisition				\$ 49		(56)				\$ (13,110)	\$ (51)
3) Elim. Conservation Rev & Exp.	\$ (13,170)	\$ (13,006)			\$ (66)	(38)				\$ (142,250)	\$ 181
4) Elim. PGA Revenues & Expense	\$ (142,089)	\$ (141,840)			\$ (711)	101				\$ (151,155)	\$ (4,104)
TOTAL FPSC ADJUSTMENTS	\$ (155,259)	\$ (154,846)	\$ -	\$ 49	\$ (777)	\$ 4,217	\$ -	\$ -	\$ -		
FPSC ADJUSTED	\$ 198,222	\$ (0)	\$ 188,120	\$ 14,888	\$ 50,963	\$ (22,549)	\$ -	\$ -	\$ -	\$ 231,423	\$ (33,200)
PROFORM ADJUSTMENTS						\$ (18,360)				\$ 29,235	\$ (29,235)
1) Amortize Acquisition Adjustment	\$ -	\$ -	\$ -	\$ 47,595	\$ -	(18,360)	\$ -	\$ -	\$ -	\$ 29,235	\$ (29,235)
TOTAL PRO FORMA ADJUSTMENTS	\$ -	\$ -	\$ -	\$ 47,595	\$ -	(18,360)	\$ -	\$ -	\$ -	\$ 29,235	\$ (29,235)
PRO FORMA ADJUSTED	\$ 198,222	\$ (0)	\$ 188,120	\$ 62,484	\$ 50,963	\$ (40,809)	\$ -	\$ -	\$ -	\$ 260,658	\$ (62,435)

AVERAGE	ADJUSTMENTS		ADJUSTED BOOKS	PRO-RATA	SPECIFIC	BALANCE	RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT	
	NON-UTILITY	UTILITY						COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
COMMON EQUITY	\$0	\$0	\$294,166	\$0	(\$193,940)	\$100,126	39.85%	10.00%	3.99%	11.00%	4.39%	12.00%	4.79%
LONG TERM DEBT	\$0	\$0	\$143,752	\$0	(\$94,774)	\$48,978	39.49%	5.03%	0.96%	5.03%	0.96%	5.03%	0.96%
SHORT TERM DEBT	\$0	\$0	\$69,598	\$0	(\$45,885)	\$23,713	9.44%	1.21%	0.11%	1.21%	0.11%	1.21%	0.11%
SHORT TERM DEBT REFINANCED LTD	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$0	\$0	\$32,558	\$0	\$0	\$32,558	12.96%	-0.02%	0.00%	-0.02%	0.00%	-0.02%	0.00%
DEFERRED INCOME TAXES	\$0	\$0	\$45,841	\$0	\$0	\$45,841	18.29%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	5.08%	0.00%	5.48%	0.00%	5.83%	0.00%
TOTAL AVERAGE	\$0	\$0	\$585,915	\$0	(\$334,600)	\$251,315	100.00%	5.08%	5.08%	5.48%	5.48%	5.83%	5.83%

YEAR-END	ADJUSTMENTS		ADJUSTED BOOKS	PRO-RATA	SPECIFIC	BALANCE	RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT	
	NON-UTILITY	UTILITY						COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
COMMON EQUITY	\$0	\$0	\$189,760	\$0	(\$58,771)	\$130,989	36.51%	10.00%	3.65%	11.00%	4.02%	12.00%	4.31%
LONG TERM DEBT	\$0	\$0	\$72,044	\$0	(\$24,942)	\$47,102	15.49%	5.17%	0.80%	5.17%	0.80%	5.17%	0.80%
SHORT TERM DEBT	\$0	\$0	\$45,081	\$0	(\$15,607)	\$29,474	9.69%	0.96%	0.09%	0.96%	0.09%	0.96%	0.09%
SHORT TERM DEBT REFINANCED LTD	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$0	\$0	\$32,279	\$0	\$0	\$32,279	10.62%	-0.02%	0.00%	-0.02%	0.00%	-0.02%	0.00%
DEFERRED INCOME TAXES	\$0	\$0	\$84,185	\$0	\$0	\$84,185	27.69%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	4.54%	0.00%	4.91%	0.00%	5.27%	0.00%
TOTAL YEAR-END	\$0	\$0	\$403,349	\$0	(\$99,320)	\$304,029	100.00%	4.54%	4.54%	4.91%	4.91%	5.27%	5.27%

AVERAGE	ADJUSTMENTS							LOW POINT		MIDPOINT		HIGH POINT	
	PER BOOKS	NON-UTILITY	ADJUSTED BOOKS	PRO-RATA	SPECIFIC	BALANCE	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
COMMON EQUITY	\$294,166	\$0	\$294,166	\$0	\$192,280	\$486,446	53.01%	10.00%	5.30%	11.00%	5.83%	12.00%	6.36%
LONG TERM DEBT	\$143,752	\$0	\$143,752	\$0	\$93,962	\$237,714	25.90%	5.03%	1.30%	5.03%	1.30%	5.03%	1.30%
SHORT TERM DEBT	\$69,598	\$0	\$69,598	\$0	\$45,493	\$115,091	12.54%	1.21%	0.15%	1.21%	0.15%	1.21%	0.15%
SHORT TERM DEBT REFINANCED LTD	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$32,558	\$0	\$32,558	\$0	\$0	\$32,558	3.55%	-0.02%	0.00%	-0.02%	0.00%	-0.02%	0.00%
DEFERRED INCOME TAXES	\$45,841	\$0	\$45,841	\$0	\$0	\$45,841	5.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	6.75%	0.00%	7.28%	0.00%	7.81%	0.00%
TOTAL AVERAGE	\$585,915	\$0	\$585,915	\$0	\$331,735	\$917,650	100.00%		6.75%		7.28%		7.81%

YEAR-END	ADJUSTMENTS							LOW POINT		MIDPOINT		HIGH POINT	
	PER BOOKS	NON-UTILITY	ADJUSTED BOOKS	PRO-RATA	SPECIFIC	BALANCE	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
COMMON EQUITY	\$169,760	\$0	\$169,760	\$0	\$321,440	\$491,200	51.89%	10.00%	5.19%	11.00%	5.71%	12.00%	6.23%
LONG TERM DEBT	\$72,044	\$0	\$72,044	\$0	\$136,416	\$208,460	22.02%	5.17%	1.14%	5.17%	1.14%	5.17%	1.14%
SHORT TERM DEBT	\$45,081	\$0	\$45,081	\$0	\$85,361	\$130,442	13.78%	0.96%	0.13%	0.96%	0.13%	0.96%	0.13%
SHORT TERM DEBT REFINANCED LTD	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$32,279	\$0	\$32,279	\$0	\$0	\$32,279	3.41%	-0.02%	0.00%	-0.02%	0.00%	-0.02%	0.00%
DEFERRED INCOME TAXES	\$84,185	\$0	\$84,185	\$0	\$0	\$84,185	8.89%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	6.46%	0.00%	6.98%	0.00%	7.50%	0.00%
TOTAL YEAR-END	\$403,349	\$0	\$403,349	\$0	\$543,217	\$946,566	100.00%		6.46%		6.98%		7.50%

FLORIDA PUBLIC UTILITIES COMPANY
 FT. MEADE DIVISION
 RATE OF RETURN REPORT SUMMARY
 December 31, 2015

SCHEDULE 1

	(1) ACTUAL PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
I. AVERAGE RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ (71,952)	\$14,879	(\$57,071)	\$ (29,235)	(\$88,297)
AVERAGE RATE BASE	\$484,871	(\$108,833)	\$376,038	\$842,538	\$1,070,575
AVERAGE RATE OF RETURN	-14.84%		15.10%		-8.40%
II. YEAR-END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	(\$71,850)	\$15,815	(\$56,035)	(\$29,235)	(\$85,370)
YEAR-END RATE BASE	\$814,389	(\$153,771)	\$660,628	\$818,739	\$1,278,367
YEAR-END RATE OF RETURN	-8.83%		-8.50%		-6.87%
III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)					
LOW	4.95%				
MIDPOINT	5.34%				
HIGH	5.73%				
IV. EARNED RETURN ON EQUITY (FPSC ADJUSTED BASIS)					
A. RETURN ON COMMON EQUITY					-41.87%

I am aware that Section 837.06, Florida Statutes, provides:

Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

Mike Casati
 Director, Regulatory Affairs

Mike Casati
 Signature

3/29/16
 Date

FLORIDA PUBLIC UTILITIES COMPANY
 FT. MEADE DIVISION
 AVERAGE RATE OF RETURN
 For the 12 Months Ending December 31, 2015
 RATE BASE

SCHEDULE 2
 PAGE 1 OF 2

	(1) PLANT IN SERVICE	(2) ACCUMULATED DEPRECIATION & AMORTIZATION	(3) PLANT IN SERVICE	(4) NET PROPERTY HELD FOR FUTURE USE	(5) CONSTRUCTION WORK IN PROGRESS	(6) NET UTILITY PLANT	(7) WORKING CAPITAL	(8) TOTAL RATE BASE
PER BOOKS	\$ 639,789	\$ (412,860)	\$ 226,929	\$ -	\$ 52,868	\$ 279,895	\$ 205,178	\$ 484,871
FPSC ADJUSTMENTS:								
REMOVE CONS. & PGA UNDER-RECOVERY CORRECT RECORDING OF ACQUISITION		\$ (1,872)	\$ (1,872)			\$ (1,872)	\$ (104,961)	\$ (104,961)
TOTAL FPSC ADJUSTMENTS	\$ -	\$ (1,872)	\$ (1,872)	\$ -	\$ -	\$ (1,872)	\$ (104,961)	\$ (106,833)
FPSC ADJUSTED	\$ 639,789	\$ (414,732)	\$ 224,057	\$ -	\$ 52,868	\$ 277,023	\$ 100,217	\$ 378,038
PROFORMA ADJUSTMENTS REGORD ACQUISITION ADJUSTMENT	\$ 713,820	\$ (71,344)	\$ 642,476	\$ -	\$ -	\$ 642,538	\$ -	\$ 642,538
TOTAL PROFORMA ADJUSTMENTS	\$ 713,820	\$ (71,344)	\$ 642,538	\$ -	\$ -	\$ 642,538	\$ -	\$ 642,538
PROFORMA ADJUSTED	\$ 1,353,609	\$ (486,076)	\$ 886,595	\$ -	\$ 52,868	\$ 919,561	\$ 100,217	\$ 1,020,576

FLORIDA PUBLIC UTILITIES COMPANY
 FT. MEADE DIVISION
 AVERAGE RATE OF RETURN
 For the 12 Months Ending December 31, 2015
 INCOME STATEMENT

SCHEDULE 2
 PAGE 2 OF 2

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	OPERATING REVENUES	O & M GAS EXPENSE	O & M OTHER	DEPREC. & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	D.I.T. (NET)	L.T.C. (NET)	GAIN/LOSS ON DEPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
PER BOOKS	\$ 316,351	\$ 151,874	\$ 224,554	\$ 17,654	\$ 42,778	\$ (48,854)				\$ 388,301	\$ (71,950)
FPSC ADJUSTMENTS:											
1) Interest Synchronization						\$ 574				\$ 574	\$ (574)
2) Correct Depreciation of Acquisition				\$ (117)		45				\$ (72)	\$ 72
3) Elec. Conservation Rev. & Exp.	\$ (13,596)	\$ (13,529)			\$ (66)	\$ (6)				\$ (13,587)	\$ (1)
4) Elec. PGA Revenues & Expense	\$ (114,011)	\$ (138,445)			\$ (607)	\$ 8,656				\$ (120,397)	\$ 15,361
TOTAL FPSC ADJUSTMENTS	\$ (127,607)	\$ (151,974)	\$ -	\$ (117)	\$ (673)	\$ 10,278	\$ -	\$ -	\$ -	\$ (142,485)	\$ 14,879
FPSC ADJUSTED	\$ 188,744	\$ 0	\$ 224,554	\$ 17,537	\$ 42,105	\$ (38,576)	\$ -	\$ -	\$ -	\$ 245,816	\$ (57,071)
PROFORMA ADJUSTMENTS:											
1) Amortize Acquisition Adjustment				\$ 47,585		\$ (18,360)				\$ 29,225	\$ (29,215)
TOTAL PROFORMA ADJUSTMENTS	\$ -	\$ -	\$ -	\$ 47,585	\$ -	\$ (18,360)	\$ -	\$ -	\$ -	\$ 29,225	\$ (29,215)
PROFORMA ADJUSTED	\$ 188,744	\$ 0	\$ 224,554	\$ 65,122	\$ 42,105	\$ (56,936)	\$ -	\$ -	\$ -	\$ 275,041	\$ (86,286)

FLORIDA PUBLIC UTILITIES COMPANY
 FT. MEADE DIVISION
 YEAR END RATE OF RETURN
 For the 12 Months Ending December 31, 2015
 RATE BASE

SCHEDULE 3
 PAGE 1 OF 2

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	PLANT IN SERVICE	ACCUMULATED DEPRECIATION & AMORTIZATION	PLANT IN SERVICE	NET PROPERTY HELD FOR FUTURE USE	CONSTRUCTION WORK IN PROGRESS	NET UTILITY PLANT	WORKING CAPITAL	TOTAL RATE BASE
PER BOOKS	\$ 678,455	\$ (424,191)	\$ 255,353	\$ -	\$ 209,403	\$ 464,756	\$ 349,643	\$ 1,143,899
FPSC ADJUSTMENTS:								
CORRECT RECORDING OF ACQUISITION		\$ (1,916)	\$ (1,916)			\$ (1,916)		\$ (1,916)
REMOVE CONS. & PGA UNDER-RECOVERIES			\$ -			\$ -	\$ (151,855)	\$ (151,855)
TOTAL FPSC ADJUSTMENTS	\$ -	\$ (1,916)	\$ (1,916)	\$ -	\$ -	\$ (1,916)	\$ (151,855)	\$ (153,771)
FPSC ADJUSTED	\$ 678,455	\$ (426,107)	\$ 253,437	\$ -	\$ 209,403	\$ 462,840	\$ 197,788	\$ 1,090,128
PROFORMA ADJUSTMENTS								
RECORD ACQUISITION ADJUSTMENT	\$ 713,930	\$ (65,393)	\$ 618,739			\$ 618,739		\$ 1,237,478
TOTAL PRO FORMA ADJUSTMENTS	\$ 713,930	\$ (65,393)	\$ 618,739	\$ -	\$ -	\$ 618,739	\$ -	\$ 1,237,478
PRO FORMA ADJUSTED	\$ 1,392,385	\$ (491,500)	\$ 872,176	\$ -	\$ 209,403	\$ 1,081,579	\$ 197,788	\$ 2,274,606

FLORIDA PUBLIC UTILITIES COMPANY
 FT. MEADE DIVISION
 YEAR END RATE OF RETURN
 For the 12 Months Ending December 31, 2015
 INCOME STATEMENT

SCHEDULE 3
 PAGE 2 OF 2

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	OPERATING REVENUES	O & M GAS EXPENSE	O & M OTHER	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	D.I.T. (NET)	I.T.C. (NET)	GAU/LOSS OR DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
PER BOOKS	\$ 315,351	\$ 151,974	\$ 224,554	\$ 17,654	\$ 42,778	\$ (48,659)				\$ 389,301	\$ (71,950)
FPSC ADJUSTMENTS:											
1) Interest Synchronization						\$ (302)				\$ (302)	\$ 363
2) Correct Depreciation of Acquisition						45				\$ (72)	\$ 72
3) Elim. Conservation Rev. & Exp.	\$ (13,590)	\$ (13,529)		\$ (117)		\$ (1)				\$ (13,597)	\$ (1)
4) Elim. PGA Revenue & Expense	\$ (114,011)	\$ (123,645)			\$ (69)	\$ 9,659				\$ (123,385)	\$ 15,341
TOTAL FPSC ADJUSTMENTS	\$ (127,601)	\$ (137,174)	\$ -	\$ (117)	\$ (673)	\$ 9,346	\$ -	\$ -	\$ -	\$ (143,424)	\$ 15,818
FPSC ADJUSTED	\$ 187,750	\$ 14,799	\$ 224,554	\$ 17,537	\$ 42,105	\$ (39,313)	\$ -	\$ -	\$ -	\$ 244,877	\$ (56,132)
PROFORM ADJUSTMENTS:											
1) Amortize Acquisition Adjustment				\$ 47,595		\$ (18,360)				\$ 29,235	\$ (79,235)
TOTAL PROFORM ADJUSTMENTS				\$ 47,595	\$ -	\$ (18,360)	\$ -	\$ -	\$ -	\$ 29,235	\$ (79,235)
PROFORM ADJUSTED	\$ 187,750	\$ 14,799	\$ 224,554	\$ 65,132	\$ 42,105	\$ (57,673)	\$ -	\$ -	\$ -	\$ 274,112	\$ (133,367)

FLORIDA PUBLIC UTILITIES COMPANY
 FT. MEADE DIVISION
 CAPITAL STRUCTURE
 December 31, 2025
 FPSC ADJUSTED BASIS

SCHEDULE 4

AVERAGE	ADJUSTMENTS		ADJUSTED BOOKS	PRO-RATA	SPECIFIC	BALANCE	RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT	
	PER BOOKS	NON-UTILITY						COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
COMMON EQUITY	\$207,717	\$0	\$207,717	\$0	(\$41,081)	\$146,636	38.79%	10.00%	3.88%	11.00%	4.27%	12.00%	4.64%
LONG TERM DEBT	\$90,499	\$0	\$90,499	\$0	(\$26,610)	\$63,889	16.90%	4.98%	0.81%	4.98%	0.81%	4.98%	0.81%
SHORT TERM DEBT	\$45,103	\$0	\$45,103	\$0	(\$15,141)	\$45,962	12.36%	1.20%	0.15%	1.20%	0.15%	1.20%	0.15%
SHORT TERM DEBT REFINANCED LTD	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$30,793	\$0	\$30,793	\$0	\$0	\$30,793	8.15%	0.95%	0.08%	0.95%	0.08%	0.95%	0.08%
DEFERRED INCOME TAXES	\$90,739	\$0	\$90,739	\$0	\$0	\$90,739	24.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	4.87%	0.00%	5.26%	0.00%	5.65%	0.00%
TOTAL AVERAGE	\$484,871	\$0	\$484,871	\$0	(\$106,832)	\$378,039	100.00%		4.95%		5.34%		5.73%

YEAR-END	ADJUSTMENTS		ADJUSTED BOOKS	PRO-RATA	SPECIFIC	BALANCE	RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT	
	PER BOOKS	NON-UTILITY						COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
COMMON EQUITY	\$338,594	\$0	\$338,594	\$0	(\$42,010)	\$256,584	38.84%	10.00%	3.88%	11.00%	4.27%	12.00%	4.64%
LONG TERM DEBT	\$134,977	\$0	\$134,977	\$0	(\$32,692)	\$102,285	15.48%	5.17%	0.80%	5.17%	0.80%	5.17%	0.80%
SHORT TERM DEBT	\$161,303	\$0	\$161,303	\$0	(\$39,068)	\$122,235	18.50%	0.75%	0.14%	0.75%	0.14%	0.75%	0.14%
SHORT TERM DEBT REFINANCED LTD	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$18,007	\$0	\$18,007	\$0	\$0	\$18,007	2.77%	1.63%	0.04%	1.63%	0.04%	1.63%	0.04%
DEFERRED INCOME TAXES	\$161,518	\$0	\$161,518	\$0	\$0	\$161,518	24.45%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	4.87%	0.00%	5.21%	0.00%	5.60%	0.00%
TOTAL YEAR-END	\$814,399	\$0	\$814,399	\$0	(\$153,770)	\$660,629	100.00%		4.86%		5.25%		5.64%

FLORIDA PUBLIC UTILITIES COMPANY
 FT. MEADE DIVISION
 RATE OF RETURN REPORT SUMMARY
 June 30, 2016

SCHEDULE 1

	(1) ACTUAL PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
I. AVERAGE RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ (46,680)	\$128	(\$46,552)	\$ (29,235)	(\$75,788)
AVERAGE RATE BASE	\$678,253	(\$148,184)	\$528,059	\$618,738	\$1,146,797
AVERAGE RATE OF RETURN	-6.90%		-8.82%		-6.61%
II. YEAR-END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	(\$46,880)	\$509	(\$46,171)	(\$29,235)	(\$75,406)
YEAR-END RATE BASE	\$822,041	(\$183,882)	\$638,158	\$594,941	\$1,233,099
YEAR-END RATE OF RETURN	-5.68%		-7.24%		-6.12%
III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)					
LOW	5.50%				
MIDPOINT	5.94%				
HIGH	6.38%				
IV. EARNED RETURN ON EQUITY (FPSC ADJUSTED BASIS)					
			A. RETURN ON COMMON EQUITY		-22.75%

I am aware that Section 837.06, Florida Statutes, provides:

Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

Mike Cassel
 Director, Regulatory Affairs

Mike Cassel per MDC
 Signature

9/14/16
 Date

FLORIDA PUBLIC UTILITIES COMPANY
 FT. MEADE DIVISION
 AVERAGE RATE OF RETURN
 For the 12 Months Ending June 30, 2016
 RATE BASE

SCHEDULE 2
 PAGE 1 OF 2

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	PLANT IN SERVICE	ACCUMULATED DEPRECIATION & AMORTIZATION	PLANT IN SERVICE	NET PROPERTY HELD FOR FUTURE USE	CONSTRUCTION WORK IN PROGRESS	NET UTILITY PLANT	WORKING CAPITAL	TOTAL RATE BASE
PER BOOKS	\$ 665,340	\$ (421,988)	\$ 243,351	\$ -	\$ 155,771	\$ 389,122	\$ 277,131	\$ 878,253
FPSC ADJUSTMENTS:								
REMOVE CONS. & PGA UNDER-RECOVERY			\$ -			\$ -		\$ -
CORRECT RECORDING OF ACQUISITION		\$ (1,698)	\$ (1,698)			\$ (1,698)	\$ (146,496)	\$ (148,194)
TOTAL FPSC ADJUSTMENTS	\$ -	\$ (1,698)	\$ (1,698)	\$ -	\$ -	\$ (1,698)	\$ (146,496)	\$ (148,194)
FPSC ADJUSTED	\$ 665,340	\$ (423,687)	\$ 241,653	\$ -	\$ 155,771	\$ 387,424	\$ 130,635	\$ 528,059
PROFORMA ADJUSTMENTS								
RECORD ACQUISITION ADJUSTMENT	\$ 713,930	\$ (95,192)	\$ 618,738			\$ 618,738		\$ 618,738
TOTAL PRO FORMA ADJUSTMENTS	\$ 713,930	\$ (95,192)	\$ 618,738	\$ -	\$ -	\$ 618,738	\$ -	\$ 618,738
PRO FORMA ADJUSTED	\$ 1,379,270	\$ (518,879)	\$ 860,391	\$ -	\$ 155,771	\$ 1,018,162	\$ 130,635	\$ 1,148,797

FLORIDA PUBLIC UTILITIES COMPANY
 FT. MEADE DIVISION
 AVERAGE RATE OF RETURN
 For the 12 Months Ending June 30, 2015
 INCOME STATEMENT

SCHEDULE 2
 PAGE 2 OF 2

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	OPERATING REVENUES	O & M GAS EXPENSE	O & M OTHER	DEPREC. & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	D.I.T. (NET)	I.T.C. (NET)	GAIN/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
PER BOOKS	\$ 350,898	\$ 182,201	\$ 207,700	\$ 18,387	\$ 42,837	\$ (33,547)				\$ 397,578	\$ (46,680)
FPSC ADJUSTMENTS:											
1) Interest Synchronization						\$ 298				\$ 298	\$ (298)
2) Correct Depreciation of Acquisition				\$ 132		\$ (51)				\$ 81	\$ (81)
3) Elim. Conservation Rev & Exp.	\$ (16,014)	\$ (15,933)			\$ (80)	\$ (0)				\$ (16,013)	\$ (1)
4) Elim. PGA Revenues & Expense	\$ (146,609)	\$ (146,269)			\$ (1,167)	\$ 319				\$ (147,118)	\$ 507
TOTAL FPSC ADJUSTMENTS	\$ (162,623)	\$ (162,201)	\$ -	\$ 132	\$ (1,247)	\$ 265	\$ -	\$ -	\$ -	\$ (162,751)	\$ 128
FPSC ADJUSTED	\$ 188,275	\$ -	\$ 207,700	\$ 18,519	\$ 41,590	\$ (32,982)	\$ -	\$ -	\$ -	\$ 234,827	\$ (46,552)
PROFORMA ADJUSTMENTS											
1) Amortize Acquisition Adjustment				\$ 47,595		\$ (18,360)				\$ 29,235	\$ (29,235)
TOTAL PRO FORMA ADJUSTMENTS	\$ -	\$ -	\$ -	\$ 47,595	\$ -	\$ (18,360)	\$ -	\$ -	\$ -	\$ 29,235	\$ (29,235)
PRO FORMA ADJUSTED	\$ 188,275	\$ -	\$ 207,700	\$ 66,114	\$ 41,590	\$ (51,341)	\$ -	\$ -	\$ -	\$ 264,063	\$ (75,788)

FLORIDA PUBLIC UTILITIES COMPANY
 FT. MEADE DIVISION
 YEAR END RATE OF RETURN
 For the 12 Months Ending June 30, 2018
 RATE BASE

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	PLANT IN SERVICE	ACCUMULATED DEPRECIATION & AMORTIZATION	PLANT IN SERVICE	NET PROPERTY HELD FOR FUTURE USE	CONSTRUCTION WORK IN PROGRESS	NET UTILITY PLANT	WORKING CAPITAL	TOTAL RATE BASE
PER BOOKS	\$ 680,226	\$ (435,001)	\$ 245,225	\$ -	\$ 226,697	\$ 471,921	\$ 350,120	\$ 822,041
FPSC ADJUSTMENTS:								
CORRECT RECORDING OF ACQUISITION		\$ (517)	\$ (517)			\$ (517)		\$ (517)
REMOVE CONS. & PGA UNDER-RECOVERIES			\$ -			\$ -	\$ (183,365)	\$ (183,365)
TOTAL FPSC ADJUSTMENTS	\$ -	\$ (517)	\$ (517)	\$ -	\$ -	\$ (517)	\$ (183,365)	\$ (183,882)
FPSC ADJUSTED	\$ 680,226	\$ (435,517)	\$ 244,707	\$ -	\$ 226,697	\$ 471,404	\$ 166,755	\$ 638,158
PROFORMA ADJUSTMENTS								
RECORD ACQUISITION ADJUSTMENT	\$ 713,930	\$ (118,989)	\$ 594,941			\$ 594,941		\$ 594,941
TOTAL PRO FORMA ADJUSTMENTS	\$ 713,930	\$ (118,989)	\$ 594,941	\$ -	\$ -	\$ 594,941	\$ -	\$ 594,941
PRO FORMA ADJUSTED	\$ 1,394,156	\$ (554,508)	\$ 839,648	\$ -	\$ 226,697	\$ 1,066,345	\$ 166,755	\$ 1,233,099

FLORIDA PUBLIC UTILITIES COMPANY
 FT. MEADE DIVISION
 YEAR END RATE OF RETURN
 For the 12 Months Ending June 30, 2018
 INCOME STATEMENT

SCHEDULE 3
 PAGE 2 OF 2

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	OPERATING REVENUES	O & M GAS EXPENSE	O & M OTHER	DEPREC. & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	D.I.T. (NET)	I.T.C. (NET)	GAIN/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
PER BOOKS	\$ 350,898	\$ 162,201	\$ 207,700	\$ 18,387	\$ 42,837	\$ (33,547)				\$ 397,578	\$ (48,680)
FPSC ADJUSTMENTS:											
1) Interest Synchronization						\$ (83)				\$ (83)	\$ 83
2) Correct Depreciation of Acquisition				\$ 132		\$ (51)				\$ 81	\$ (81)
3) Elim. Conservation Rev & Exp.	\$ (16,014)	\$ (15,933)			\$ (80)	\$ (0)				\$ (16,013)	\$ (1)
4) Elim. PGA Revenues & Expense	\$ (146,609)	\$ (146,288)			\$ (1,167)	\$ 319				\$ (147,116)	\$ 507
TOTAL FPSC ADJUSTMENTS	\$ (162,623)	\$ (162,201)	\$ -	\$ 132	\$ (1,247)	\$ 184	\$ -	\$ -	\$ -	\$ (163,132)	\$ 509
FPSC ADJUSTED	\$ 188,275	\$ 0	\$ 207,700	\$ 18,519	\$ 41,590	\$ (33,363)	\$ -	\$ -	\$ -	\$ 234,446	\$ (46,171)
PROFORM ADJUSTMENTS											
1) Amortize Acquisition Adjustment				\$ 47,595		\$ (18,360)				\$ 29,235	\$ (29,235)
TOTAL PRO FORMA ADJUSTMENTS	\$ -	\$ -	\$ -	\$ 47,595	\$ -	\$ (18,360)	\$ -	\$ -	\$ -	\$ 29,235	\$ (29,235)
PRO FORMA ADJUSTED	\$ 188,275	\$ 0	\$ 207,700	\$ 66,114	\$ 41,590	\$ (51,723)	\$ -	\$ -	\$ -	\$ 263,681	\$ (75,406)

FLORIDA PUBLIC UTILITIES COMPANY
 FT. MEADE DIVISION
 CAPITAL STRUCTURE
 June 30, 2016
 FPSC ADJUSTED BASIS

SCHEDULE 4

AVERAGE	ADJUSTMENTS							LOW POINT		MIDPOINT		HIGH POINT	
	PER BOOKS	NON-UTILITY	ADJUSTED BOOKS	PRO-RATA	SPECIFIC	BALANCE	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
	COMMON EQUITY	\$312,875	\$0	\$312,875	\$0	(\$82,001)	\$230,874	43.72%	10.00%	4.37%	11.00%	4.81%	17.00%
LONG TERM DEBT	\$124,442	\$0	\$124,442	\$0	(\$32,615)	\$91,827	17.39%	4.95%	0.86%	4.95%	0.86%	4.95%	0.86%
SHORT TERM DEBT	\$128,114	\$0	\$128,114	\$0	(\$33,570)	\$94,536	17.90%	1.38%	0.25%	1.38%	0.25%	1.38%	0.25%
SHORT TERM DEBT REFINANCED LTD	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$23,224	\$0	\$23,224	\$0	\$0	\$23,224	4.40%	0.56%	0.02%	0.56%	0.02%	0.56%	0.02%
DEFERRED INCOME TAXES	\$87,598	\$0	\$87,598	\$0	\$0	\$87,598	16.59%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	5.48%	0.00%	5.92%	0.00%	6.36%	0.00%
TOTAL AVERAGE	\$676,253	\$0	\$676,253	\$0	(\$148,194)	\$528,059	100.00%		5.50%		5.94%		6.38%

YEAR-END	ADJUSTMENTS							LOW POINT		MIDPOINT		HIGH POINT	
	PER BOOKS	NON-UTILITY	ADJUSTED BOOKS	PRO-RATA	SPECIFIC	BALANCE	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
	COMMON EQUITY	\$380,552	\$0	\$380,552	\$0	(\$99,867)	\$280,685	43.98%	10.00%	4.40%	11.00%	4.84%	12.00%
LONG TERM DEBT	\$142,064	\$0	\$142,064	\$0	(\$37,281)	\$104,783	16.42%	5.06%	0.83%	5.06%	0.83%	5.06%	0.83%
SHORT TERM DEBT	\$178,091	\$0	\$178,091	\$0	(\$46,735)	\$131,356	20.58%	1.16%	0.24%	1.16%	0.24%	1.16%	0.24%
SHORT TERM DEBT REFINANCED LTD	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$16,136	\$0	\$16,136	\$0	\$0	\$16,136	2.53%	0.81%	0.02%	0.81%	0.02%	0.81%	0.02%
DEFERRED INCOME TAXES	\$105,198	\$0	\$105,198	\$0	\$0	\$105,198	16.48%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	5.47%	0.00%	5.91%	0.00%	6.35%	0.00%
TOTAL YEAR-END	\$822,041	\$0	\$822,041	\$0	(\$183,883)	\$638,158	100.00%		5.49%		5.93%		6.37%

FLORIDA PUBLIC UTILITIES COMPANY
 FT. MEADE DIVISION
 CAPITAL STRUCTURE PROFORMA
 June 30, 2016
 FPSC ADJUSTED BASIS

SCHEDULE 4

AVERAGE	ADJUSTMENTS							LOW POINT		MIDPOINT		HIGH POINT	
	PER BOOKS	NON-UTILITY	ADJUSTED BOOKS	PRO-RATA	SPECIFIC	BALANCE	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
COMMON EQUITY	\$312,875	\$0	\$312,875	\$0	\$260,371	\$573,246	49.99%	10.00%	5.00%	11.00%	5.50%	12.00%	6.00%
LONG TERM DEBT	\$124,442	\$0	\$124,442	\$0	\$103,559	\$228,001	19.88%	4.95%	0.98%	4.95%	0.98%	4.95%	0.98%
SHORT TERM DEBT	\$128,114	\$0	\$128,114	\$0	\$106,614	\$234,728	20.47%	1.38%	0.28%	1.38%	0.28%	1.38%	0.28%
SHORT TERM DEBT REFINANCED LTD	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$23,224	\$0	\$23,224	\$0	\$0	\$23,224	2.03%	0.56%	0.01%	0.56%	0.01%	0.56%	0.01%
DEFERRED INCOME TAXES	\$87,598	\$0	\$87,598	\$0	\$0	\$87,598	7.64%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	6.26%	0.00%	6.76%	0.00%	7.26%	0.00%
TOTAL AVERAGE	\$676,253	\$0	\$676,253	\$0	\$470,544	\$1,146,797	100.00%		6.27%		6.77%		7.27%

YEAR-END	ADJUSTMENTS							LOW POINT		MIDPOINT		HIGH POINT	
	PER BOOKS	NON-UTILITY	ADJUSTED BOOKS	PRO-RATA	SPECIFIC	BALANCE	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
COMMON EQUITY	\$380,552	\$0	\$380,552	\$0	\$223,245	\$603,797	48.97%	10.00%	4.90%	11.00%	5.39%	12.00%	5.88%
LONG TERM DEBT	\$142,064	\$0	\$142,064	\$0	\$83,339	\$225,403	18.28%	5.06%	0.92%	5.06%	0.92%	5.06%	0.92%
SHORT TERM DEBT	\$178,091	\$0	\$178,091	\$0	\$104,474	\$282,565	22.92%	1.16%	0.27%	1.16%	0.27%	1.16%	0.27%
SHORT TERM DEBT REFINANCED LTD	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$16,136	\$0	\$16,136	\$0	\$0	\$16,136	1.31%	0.81%	0.01%	0.81%	0.01%	0.81%	0.01%
DEFERRED INCOME TAXES	\$105,198	\$0	\$105,198	\$0	\$0	\$105,198	8.53%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	6.09%	0.00%	6.58%	0.00%	7.07%	0.00%
TOTAL YEAR-END	\$822,041	\$0	\$822,041	\$0	\$411,058	\$1,233,099	100.00%		6.10%		6.59%		7.08%

FLORIDA PUBLIC UTILITIES COMPANY
 FT. MEADE DIVISION
 RATE OF RETURN REPORT SUMMARY
 December 31, 2016

SCHEDULE 1

	(1) ACTUAL PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
I. AVERAGE RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ (58,239)	\$7,011	(\$51,228)	\$ (29,235)	(\$80,463)
AVERAGE RATE BASE	\$836,008	(\$187,632)	\$648,077	\$594,941	\$1,243,018
AVERAGE RATE OF RETURN	-6.97%		-7.90%		-6.47%

II. YEAR-END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	(\$58,239)	\$7,143	(\$51,096)	(\$29,235)	(\$80,332)
YEAR-END RATE BASE	\$1,034,569	(\$211,170)	\$823,400	\$671,143	\$1,394,643
YEAR-END RATE OF RETURN	-5.63%		-6.21%		-5.76%

III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)		IV. EARNED RETURN ON EQUITY (FPSC ADJUSTED BASIS)	
LOW	5.13%	A. RETURN ON COMMON EQUITY	-21.86%
MIDPOINT	5.54%		
HIGH	5.95%		

I am aware that Section 837.06, Florida Statutes, provides:

Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

Mike Cassel
 Director, Regulatory Affairs

Mike Cassel (11922)
 Signature

3/31/17
 Date

FLORIDA PUBLIC UTILITIES COMPANY
 FT. MEADE DIVISION
 AVERAGE RATE OF RETURN
 For the 12 Months Ending December 31, 2016
 RATE BASE

SCHEDULE 2
 PAGE 1 OF 2

	(1) PLANT IN SERVICE	(2) ACCUMULATED DEPRECIATION & AMORTIZATION	(3) PLANT IN SERVICE	(4) NET PROPERTY HELD FOR FUTURE USE	(5) CONSTRUCTION WORKS IN PROGRESS	(6) NET UTILITY PLANT	(7) WORKING CAPITAL	(8) TOTAL RATE BASE
PER BOOKS	\$ 786,412	\$ (438,049)	\$ 351,363	\$ -	\$ 125,145	\$ 478,509	\$ 359,499	\$ 836,908
FPSC ADJUSTMENTS:								
REMOVE CONS. & PGA UNDER-RECOVERY CORRECT RECORDING OF ACQUISITION		\$ (1,728)	\$ (1,728)			\$ (1,728)	\$ (186,204)	\$ (188,204) \$ (1,728)
TOTAL FPSC ADJUSTMENTS	\$ -	\$ (1,728)	\$ (1,728)	\$ -	\$ -	\$ (1,728)	\$ (186,204)	\$ (187,932)
FPSC ADJUSTED	\$ 786,412	\$ (438,778)	\$ 349,635	\$ -	\$ 125,145	\$ 476,782	\$ 173,295	\$ 648,977
PROFORMA ADJUSTMENTS								
RECORD ACQUISITION ADJUSTMENT	\$ 713,930	\$ (118,989)	\$ 594,941			\$ 594,941		\$ 594,941
TOTAL PRO FORMA ADJUSTMENTS	\$ 713,930	\$ (118,989)	\$ 594,941	\$ -	\$ -	\$ 594,941	\$ -	\$ 594,941
PRO FORMA ADJUSTED	\$ 1,500,342	\$ (555,767)	\$ 944,577	\$ -	\$ 125,145	\$ 1,080,723	\$ 173,295	\$ 1,243,018

FLORIDA PUBLIC UTILITIES COMPANY
 FT. MEADE DIVISION
 AVERAGE RATE OF RETURN
 For the 12 Months Ending December 31, 2016
 INCOME STATEMENT

SCHEDULE 2
 PAGE 2 OF 2

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	OPERATING REVENUES	O & M GAS EXPENSE	O & M OTHER	DEPREC. & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	DIL. (NET)	L.T.C. (NET)	GAINGLOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
PER BOOKS	\$ 361,023	\$ 159,072	\$ 215,073	\$ 25,577	\$ 43,137	\$ (23,849)				\$ 419,262	\$ (58,239)
FPSC ADJUSTMENTS:											
1) Interest Synchroization						\$ (10,540)				\$ (10,540)	\$ 10,540
2) Cost of Depreciation of Acquisition				\$ (3,862)		\$ 1,490				\$ (2,372)	\$ 2,372
3) Elim. Conservation Rev & Exp.	\$ (17,604)	\$ (17,768)			\$ (8)	\$ 87				\$ (17,769)	\$ 155
4) Elim. PQA Revenues & Expense	\$ (132,320)	\$ (141,354)			\$ (1,151)	\$ (2,832)				\$ (148,272)	\$ (8,558)
TOTAL FPSC ADJUSTMENTS	\$ (149,924)	\$ (159,072)	\$ -	\$ (3,862)	\$ (1,251)	\$ (12,756)	\$ -	\$ -	\$ -	\$ (376,841)	\$ 7,011
FPSC ADJUSTED	\$ 191,023	\$ -	\$ 215,073	\$ 21,715	\$ 41,938	\$ (36,405)	\$ -	\$ -	\$ -	\$ 242,321	\$ (51,228)
PROFORMA ADJUSTMENTS:											
1) Amortize Acquisition Adjustment				\$ 47,585		\$ (18,360)				\$ 29,225	\$ (29,225)
TOTAL PRO FORMA ADJUSTMENTS	\$ -	\$ -	\$ -	\$ 47,585	\$ -	\$ (18,360)	\$ -	\$ -	\$ -	\$ 29,225	\$ (29,225)
PRO FORMA ADJUSTED	\$ 191,023	\$ -	\$ 215,073	\$ 69,310	\$ 41,938	\$ (54,765)	\$ -	\$ -	\$ -	\$ 271,546	\$ (80,483)

FLORIDA PUBLIC UTILITIES COMPANY
 FT. MEADE DIVISION
 YEAR END RATE OF RETURN
 For the 12 Months Ending December 31, 2016
 RATE BASE

SCHEDULE 3
 PAGE 1 OF 2

	(1) PLANT IN SERVICE	(2) ACCUMULATED DEPRECIATION & AMORTIZATION	(3) PLANT IN SERVICE	(4) NET PROPERTY HELD FOR FUTURE USE	(5) CONSTRUCTION WORK IN PROGRESS	(6) NET UTILITY PLANT	(7) WORKING CAPITAL	(8) TOTAL RATE BASE
PER BOOKS	\$ 972,026	\$ (430,967)	\$ 532,064	\$ -	\$ 21,085	\$ 653,142	\$ 481,421	\$ 1,034,569
FPSC ADJUSTMENTS:								
CORRECT RECORDING OF ACQUISITION		\$ (48)	\$ (48)			\$ (48)		\$ (48)
REMOVE CONS. & PGA UNDER-RECOVERIES							\$ (211,122)	\$ (211,122)
TOTAL FPSC ADJUSTMENTS	\$ -	\$ (48)	\$ (48)	\$ -	\$ -	\$ (48)	\$ (211,122)	\$ (211,122)
FPSC ADJUSTED	\$ 972,026	\$ (440,009)	\$ 527,016	\$ -	\$ 21,085	\$ 653,101	\$ 270,299	\$ 872,400
PROFORMA ADJUSTMENTS:								
RECORD ACQUISITION ADJUSTMENT	\$ 713,930	\$ (142,787)	\$ 571,143			\$ 571,143		\$ 571,143
TOTAL PROFORMA ADJUSTMENTS	\$ 713,930	\$ (142,787)	\$ 571,143	\$ -	\$ -	\$ 571,143	\$ -	\$ 571,143
PROFORMA ADJUSTED	\$ 1,685,956	\$ (582,796)	\$ 1,103,160	\$ -	\$ 21,085	\$ 1,224,244	\$ 270,299	\$ 1,394,643

FLORIDA PUBLIC UTILITIES COMPANY
 FT. MEADE DIVISION
 YEAR END RATE OF RETURN
 For the 12 Months Ending December 31, 2018
 INCOME STATEMENT

SCHEDULE 3
 PAGE 2 OF 2

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	OPERATING REVENUES	O & M GAS EXPENSE	O & M OTHER	DEPREC. & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	D.L.T. (NET)	L.T.C. (NET)	GAIN/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
PER BOOKS	\$ 361,023	\$ 159,072	\$ 215,073	\$ 25,577	\$ 43,189	\$ (23,647)				\$ 419,262	\$ (58,239)
FPSC ADJUSTMENTS:											
1) Interest Synchronization				\$ (3,887)		\$ (510,871)				\$ (10,871)	\$ 10,871
2) Correct Depreciation of Acquisition					\$ (83)	\$ 1,490				\$ (2,372)	\$ 2,372
3) Elim. Conservation Rev & Exp.	\$ (17,634)	\$ (17,765)				\$ 96				\$ (17,757)	\$ 153
4) Elim. PUA Revenues & Expense	\$ (152,235)	\$ (141,207)			\$ (1,163)	\$ (3,807)				\$ (146,272)	\$ (8,854)
TOTAL FPSC ADJUSTMENTS	\$ (169,932)	\$ (159,072)	\$ -	\$ (3,887)	\$ (3,251)	\$ (17,857)	\$ -	\$ -	\$ -	\$ (177,073)	\$ 7,143
FPSC ADJUSTED	\$ 191,091	\$ -	\$ 215,073	\$ 21,715	\$ 41,838	\$ (25,558)	\$ -	\$ -	\$ -	\$ 242,189	\$ (51,096)
PROFORM ADJUSTMENTS											
1) Amortize Acquisition Adjustment				\$ 47,595		\$ (18,359)				\$ 29,235	\$ (29,235)
TOTAL PROFORM ADJUSTMENTS	\$ -	\$ -	\$ -	\$ 47,595	\$ -	\$ (18,359)	\$ -	\$ -	\$ -	\$ 29,235	\$ (29,235)
PROFORM ADJUSTED	\$ 191,091	\$ -	\$ 215,073	\$ 69,310	\$ 41,838	\$ (43,917)	\$ -	\$ -	\$ -	\$ 271,424	\$ (80,331)

FLORIDA PUBLIC UTILITIES COMPANY
 FT. MEADE DIVISION
 CAPITAL STRUCTURE
 December 31, 2016
 PSC ADJUSTED BASIS

SCHEDULE 6

CATEGORY	ADJUSTMENTS		ADJUSTED BOOKS	PROP.RATA	SPECIFIC BALANCE	RATIO (%)	LOW POINT			MIDPOINT			HIGH POINT		
	NON-UTILITY	UTILITY					COST RATE (%)	WEIGHTED COST (%)	MILE COST (\$)	COST RATE (%)	WEIGHTED COST (%)	MILE COST (\$)	COST RATE (%)	WEIGHTED COST (%)	MILE COST (\$)
COMMON EQUITY	\$0	\$0	\$149,210	\$0	(\$104,033)	40.91%	30.00%	4.79%	11.00%	4.37%	11.00%	31.00%	4.91%	4.91%	
LONG TERM DEBT	\$0	\$0	\$111,700	\$0	(\$171,171)	14.59%	4.31%	0.77%	4.93%	0.72%	4.93%	0.72%	0.72%	0.72%	
SHORT TERM DEBT	\$0	\$0	\$165,730	\$0	(\$467,731)	18.30%	1.57%	0.28%	1.57%	0.28%	1.57%	0.28%	0.28%	0.28%	
SHORT TERM DEBT REFINANCED LTD	\$0	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
CUSTOMER DEPOSITS	\$16,425	\$0	\$16,425	\$0	\$16,425	7.53%	1.41%	0.04%	1.41%	0.04%	1.41%	0.04%	0.04%	0.04%	
DEFERRED INCOME TAXES	\$157,943	\$0	\$157,943	\$0	\$157,943	21.69%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
TAX CREDITS - WEIGHTED COST	\$0	\$0	\$0	\$0	\$0	0.00%	5.00%	0.00%	5.00%	0.00%	5.00%	0.00%	5.00%	0.00%	
TOTAL AVERAGE	\$0	\$0	\$436,908	\$0	(\$187,933)	100.00%		5.13%		5.54%		5.93%		5.93%	

TOTAL AVERAGE

CATEGORY	ADJUSTMENTS		ADJUSTED BOOKS	PROP.RATA	SPECIFIC BALANCE	RATIO (%)	LOW POINT			MIDPOINT			HIGH POINT		
	NON-UTILITY	UTILITY					COST RATE (%)	WEIGHTED COST (%)	MILE COST (\$)	COST RATE (%)	WEIGHTED COST (%)	MILE COST (\$)	COST RATE (%)	WEIGHTED COST (%)	MILE COST (\$)
COMMON EQUITY	\$0	\$0	\$14,964	\$0	(\$119,794)	31.24%	10.00%	3.87%	11.00%	4.27%	11.00%	12.00%	4.62%	4.62%	
LONG TERM DEBT	\$0	\$0	\$112,562	\$0	(\$16,357)	11.86%	5.12%	0.60%	5.12%	0.62%	5.12%	0.62%	0.62%	0.62%	
SHORT TERM DEBT	\$702,427	\$0	\$102,427	\$0	(\$55,518)	17.84%	1.30%	0.31%	1.30%	0.31%	1.30%	0.31%	0.31%	0.31%	
SHORT TERM DEBT REFINANCED LTD	\$0	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
CUSTOMER DEPOSITS	\$16,109	\$0	\$16,109	\$0	\$16,109	1.83%	1.51%	0.03%	1.51%	0.03%	1.51%	0.03%	0.03%	0.03%	
DEFERRED INCOME TAXES	\$149,403	\$0	\$149,403	\$0	\$149,403	30.29%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
TAX CREDITS - WEIGHTED COST	\$0	\$0	\$0	\$0	\$0	0.00%	4.64%	0.00%	4.64%	0.00%	4.64%	0.00%	4.64%	0.00%	
TOTAL YEAR-END	\$0	\$0	\$1,024,569	\$0	(\$71,118)	100.00%		4.63%		5.03%		5.46%		5.46%	

TOTAL YEAR-END

FLORIDA PUBLIC UTILITIES COMPANY
 FT. MEADE DIVISION
 RATE OF RETURN REPORT SUMMARY
 June 30, 2017

SCHEDULE 1

	(1) ACTUAL PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
I. AVERAGE RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ (68,032)	\$12,783	(\$53,249)	\$ (31,672)	(\$84,920)
AVERAGE RATE BASE	\$884,909	(\$155,534)	\$729,375	\$594,941	\$1,324,316
AVERAGE RATE OF RETURN	-7.40%		-7.30%		-6.41%
II. YEAR-END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	(\$66,032)	\$12,825	(\$53,207)	(\$31,672)	(\$84,878)
YEAR-END RATE BASE	\$790,620	\$143	\$790,762	\$571,143	\$1,361,906
YEAR-END RATE OF RETURN	-8.35%		-6.73%		-6.23%
III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)					
LOW	4.97%				
MIDPOINT	5.37%				
HIGH	5.77%				
IV. EARNED RETURN ON EQUITY (FPSC ADJUSTED BASIS)					
A. RETURN ON COMMON EQUITY					-20.53%

I am aware that Section 837.06, Florida Statutes, provides:

Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

Mike Cassel
 Director, Regulatory Affairs

Michael Cassel
 Signature

9/14/17
 Date

FLORIDA PUBLIC UTILITIES COMPANY
 FT. MEADE DIVISION
 AVERAGE RATE OF RETURN
 For the 12 Months Ending June 30, 2017
 RATE BASE

SCHEDULE 2
 PAGE 1 OF 2

	(1) PLANT IN SERVICE	(2) ACCUMULATED DEPRECIATION & AMORTIZATION	(3) PLANT IN SERVICE	(4) NET PROPERTY HELD FOR FUTURE USE	(5) CONSTRUCTION WORK IN PROGRESS	(6) NET UTILITY PLANT	(7) WORKING CAPITAL	(8) TOTAL RATE BASE
PER BOOKS	\$ 835,874	\$ (442,530)	\$ 493,288	\$ -	\$ 49,287	\$ 540,575	\$ 344,334	\$ 884,809
FPSC ADJUSTMENTS:								
REMOVE CONS. & POA UNDER-RECOVERY CORRECT RECORDING OF ACQUISITION		\$ (816)	\$ (516)			\$ -	\$ (154,818)	\$ (154,818)
TOTAL FPSC ADJUSTMENTS	\$ -	\$ (816)	\$ (516)	\$ -	\$ -	\$ (816)	\$ (154,818)	\$ (155,584)
FPSC ADJUSTED	\$ 835,874	\$ (444,452)	\$ 491,372	\$ -	\$ 49,287	\$ 539,659	\$ 189,716	\$ 729,375
PROFORMA ADJUSTMENTS								
RECORD ACQUISITION ADJUSTMENT	\$ 712,930	\$ (118,969)	\$ 594,941			\$ 594,941		\$ 594,941
TOTAL PRO FORMA ADJUSTMENTS	\$ 712,930	\$ (118,969)	\$ 594,941	\$ -	\$ -	\$ 594,941	\$ -	\$ 594,941
PRO FORMA ADJUSTED	\$ 1,548,754	\$ (563,411)	\$ 1,089,313	\$ -	\$ 49,287	\$ 1,134,600	\$ 189,716	\$ 1,324,316

FLORIDA PUBLIC UTILITIES COMPANY
 FT. MEADE DIVISION
 AVERAGE RATE OF RETURN
 For the 12 Months Ending June 30, 2017
 INCOME STATEMENT

SCHEDULE 2
 PAGE 2 OF 2

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	OPERATING REVENUES	O & M GAS EXPENSE	O & M OTHER	DEPRECC. & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	D.I.T. (NET)	I.T.C. (NET)	GAIN/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
PER BOOKS	\$ 327,751	\$ 138,182	\$ 210,745	\$ 30,051	\$ 43,111	\$ (28,318)				\$ 319,783	\$ 66,032
FPSC ADJUSTMENTS											
1) Interest Synchronization						\$ (310,752)				\$ (10,752)	\$ 10,752
2) Current Depreciation of Acquisition				\$ (2,833)		\$ 1,402				\$ (2,232)	\$ 2,232
3) Elin. Conservation Rev. & Exp.	\$ (14,843)	\$ (15,021)			\$ (74)	\$ 87				\$ (14,990)	\$ 155
4) Elin. PGA Revenues & Expense	\$ (124,587)	\$ (123,171)			\$ (818)	\$ (22)				\$ (124,212)	\$ (55)
TOTAL FPSC ADJUSTMENTS	\$ (159,417)	\$ (138,192)	\$ -	\$ (2,833)	\$ (893)	\$ (9,419)	\$ -	\$ -	\$ -	\$ (159,191)	\$ (12,831)
FPSC ADJUSTED	\$ 168,334	\$ -	\$ 210,745	\$ 28,418	\$ 42,218	\$ (37,737)	\$ -	\$ -	\$ -	\$ 241,590	\$ (53,249)
PROFORMA ADJUSTMENTS											
1) Amortize Acquisition Adjustment				\$ 51,582		\$ (10,890)				\$ 31,872	\$ (31,872)
TOTAL PROFORMA ADJUSTMENTS	\$ -	\$ -	\$ -	\$ 51,582	\$ -	\$ (10,890)	\$ -	\$ -	\$ -	\$ 31,872	\$ (31,872)
PROFORMA ADJUSTED	\$ 168,334	\$ -	\$ 210,745	\$ 77,070	\$ 42,218	\$ (47,881)	\$ -	\$ -	\$ -	\$ 273,281	\$ (84,820)

FLORIDA PUBLIC UTILITIES COMPANY
 FT. MEADE DIVISION
 YEAR END RATE OF RETURN
 For the 12 Months Ending June 30, 2017
 RATE BASE

SCHEDULE 3
 PAGE 1 OF 2

	(1) PLANT IN SERVICE	(2) ACCUMULATED DEPRECIATION & AMORTIZATION	(3) PLANT IN SERVICE	(4) NET PROPERTY HELD FOR FUTURE USE	(5) CONSTRUCTION WORK IN PROGRESS	(6) NET UTILITY PLANT	(7) WORKING CAPITAL	(8) TOTAL RATE BASE
PER BOOKS	\$ 1,053,300	\$ (445,243)	\$ 608,053	\$ -	\$ 23,398	\$ 831,451	\$ 159,169	\$ 790,620
FPSC ADJUSTMENTS:								
CORRECT RECORDING OF ACQUISITION		\$ 143	\$ 143			\$ 143		\$ 143
REMOVE CONS. & PGA UNDER-RECOVERIES			\$ -			\$ -	\$ -	\$ -
TOTAL FPSC ADJUSTMENTS	\$ -	\$ 143	\$ 143	\$ -	\$ -	\$ 143	\$ -	\$ 143
FPSC ADJUSTED	\$ 1,053,300	\$ (445,104)	\$ 608,196	\$ -	\$ 23,398	\$ 831,594	\$ 159,169	\$ 790,763
PROFORMA ADJUSTMENTS								
RECORD ACQUISITION ADJUSTMENT	\$ 713,930	\$ (142,787)	\$ 571,143			\$ 571,143		\$ 571,143
TOTAL PROFORMA ADJUSTMENTS	\$ 713,930	\$ (142,787)	\$ 571,143	\$ -	\$ -	\$ 571,143	\$ -	\$ 571,143
PROFORMA ADJUSTED	\$ 1,767,230	\$ (587,891)	\$ 1,179,339	\$ -	\$ 23,398	\$ 1,202,737	\$ 159,169	\$ 1,361,906

FLORIDA PUBLIC UTILITIES COMPANY
 FT. MEADE DIVISION
 YEAR END RATE OF RETURN
 For the 12 Months Ending June 30, 2017
 INCOME STATEMENT

SCHEDULE 3
 PAGE 2 OF 2

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	OPERATING REVENUES	O & M GAS EXPENSE	O & M OTHER	DEPRECC. & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	D.I.T. (NET)	I.T.C. (NET)	LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
PER BOOKS	\$ 327,751	\$ 136,192	\$ 210,745	\$ 30,051	\$ 43,111	\$ (28,318)				\$ 393,783	\$ (66,032)
FPSC ADJUSTMENTS:						(10,784)				\$ (10,784)	\$ 10,794
1) Interest Synchronization				\$ (3,633)	\$ (74)	\$ 1,402				\$ (2,333)	\$ 2,232
2) Correct Depreciation of Acquisition	\$ (1,843)	\$ (15,021)			\$ 97	\$ (223)				\$ (14,998)	\$ 156
3) Elem. Conservation Rev & Exp.	\$ (124,857)	\$ (123,171)			\$ (818)	\$ (223)				\$ (248,219)	\$ (155)
4) Elem. PGA Revenues & Expense	\$ (192,410)	\$ (198,192)	\$ -	\$ (9,533)	\$ (823)	\$ (9,518)	\$ -	\$ -	\$ -	\$ (390,963)	\$ 12,828
TOTAL FPSC ADJUSTMENTS	\$ (319,100)	\$ (336,384)	\$ -	\$ (9,533)	\$ (823)	\$ (9,518)	\$ -	\$ -	\$ -	\$ (765,358)	\$ 12,828
FPSC ADJUSTED	\$ 6,651	\$ -	\$ 210,745	\$ 20,518	\$ 42,288	\$ (37,836)	\$ -	\$ -	\$ -	\$ 383,425	\$ (53,204)
PROFORM ADJUSTMENTS:				\$ 51,562		\$ (19,820)				\$ 31,742	\$ (21,677)
1) Amerline Acquisition Adjustment	\$ -	\$ -	\$ -	\$ 51,562	\$ -	\$ (19,820)	\$ -	\$ -	\$ -	\$ 31,742	\$ (21,677)
TOTAL PRO FORMA ADJUSTMENTS	\$ -	\$ -	\$ -	\$ 51,562	\$ -	\$ (19,820)	\$ -	\$ -	\$ -	\$ 31,742	\$ (21,677)
PRO FORMA ADJUSTED	\$ 6,651	\$ -	\$ 210,745	\$ 72,080	\$ 42,288	\$ (57,656)	\$ -	\$ -	\$ -	\$ 415,167	\$ (74,881)

FLORIDA PUBLIC UTILITIES COMPANY
 FT. MEADE DIVISION
 CAPITAL STRUCTURE
 June 30, 2017
 FPSC ADJUSTED BASIS

SCHEDULE 4

AVERAGE	ADJUSTMENTS		ADJUSTED BOOKS	PRO-RATA	SPECIFIC	BALANCE	RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT	
	PER BOOKS	NON-UTILITY						COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
	COMMON EQUITY	\$381,598						\$0	\$381,598	\$0	(\$68,475)	\$233,123	40.19%
LONG TERM DEBT	\$134,704	\$0	\$134,704	\$0	(\$31,232)	\$103,472	14.19%	4.66%	0.64%	4.60%	0.66%	4.60%	0.66%
SHORT TERM DEBT	\$154,523	\$0	\$154,523	\$0	(\$35,877)	\$118,646	16.27%	1.77%	0.29%	1.77%	0.29%	1.77%	0.29%
SHORT TERM DEBT REFINANCED LTD	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$15,139	\$0	\$15,139	\$0	\$0	\$15,139	2.08%	-0.08%	0.00%	-0.08%	0.00%	-0.08%	0.00%
DEFERRED INCOME TAXES	\$198,945	\$0	\$198,945	\$0	\$0	\$198,945	27.28%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	4.97%	0.00%	5.37%	0.00%	5.77%	0.00%
TOTAL AVERAGE	\$884,909	\$0	\$884,909	\$0	(\$155,534)	\$729,375	100.00%		4.97%		5.37%		5.77%

YEAR-END	ADJUSTMENTS		ADJUSTED BOOKS	PRO-RATA	SPECIFIC	BALANCE	RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT	
	PER BOOKS	NON-UTILITY						COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
	COMMON EQUITY	\$316,145						\$0	\$316,145	\$0	\$41	\$316,227	39.99%
LONG TERM DEBT	\$137,796	\$0	\$137,796	\$0	\$34	\$137,830	17.37%	3.57%	0.67%	3.57%	0.67%	3.57%	0.67%
SHORT TERM DEBT	\$98,535	\$0	\$98,535	\$0	\$26	\$98,561	12.46%	1.17%	0.27%	2.17%	0.27%	2.17%	0.27%
SHORT TERM DEBT REFINANCED LTD	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$15,015	\$0	\$15,015	\$0	\$0	\$15,015	1.90%	-0.08%	0.00%	-0.08%	0.00%	-0.08%	0.00%
DEFERRED INCOME TAXES	\$223,629	\$0	\$223,629	\$0	\$0	\$223,629	28.38%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	4.89%	0.00%	5.29%	0.00%	5.69%	0.00%
TOTAL YEAR-END	\$790,620	\$0	\$790,620	\$0	\$142	\$790,762	100.00%		4.89%		5.29%		5.69%

FLORIDA PUBLIC UTILITIES COMPANY
 FT. MEADE DIVISION
 RATE OF RETURN REPORT SUMMARY
 December 31, 2017

SCHEDULE 1

	(1) ACTUAL PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
I. AVERAGE RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ (17,131)	(\$1,679)	(\$18,810)	\$ (29,235)	(\$48,046)
AVERAGE RATE BASE	\$83,521	(\$56,256)	\$27,266	\$547,348	\$1,374,612
AVERAGE RATE OF RETURN	-1.94%		-2.27%		-3.50%
II. YEAR-END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	(\$17,131)	(\$1,543)	(\$18,674)	(\$29,235)	(\$47,810)
YEAR-END RATE BASE	\$306,177	\$139	\$306,316	\$523,548	\$1,429,664
YEAR-END RATE OF RETURN	-1.89%		-2.06%		-3.35%
III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)			IV. EARNED RETURN ON EQUITY (FPSC ADJUSTED BASIS)		
LOW	4.98%		A. RETURN ON COMMON EQUITY		-8.33%
MIDPOINT	5.37%				
HIGH	5.37%				

I am aware that Section 837.06, Florida Statutes, provides:

Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

Mike Cassel
 Director, Regulatory Affairs

Michael Cassel (Signature) 

4/3/18 (Date)

FLORIDA PUBLIC UTILITIES COMPANY
 FT. MEADE DIVISION
 AVERAGE RATE OF RETURN
 For the 12 Months Ending December 31, 2017
 RATE BASE

SCHEDULE 2
 PAGE 1 OF 2

	(1) PLANT IN SERVICE	(2) ACCUMULATED DEPRECIATION & AMORTIZATION	(3) PLANT IN SERVICE	(4) NET PROPERTY HELD FOR FUTURE USE	(5) CONSTRUCTION WORK IN PROGRESS	(6) NET UTILITY PLANT	(7) WORKING CAPITAL	(8) TOTAL RATE BASE
PER BOOKS	\$ 1,042,225	\$ (449,855)	\$ 592,355	\$ -	\$ 39,850	\$ 832,215	\$ 251,505	\$ 853,621
FPSC ADJUSTMENTS:								
REMOVE CONG. & PGA UNDER-RECOVERY			\$ -			\$ -	\$ (56,127)	\$ (56,127)
CORRECT RECORDING OF ACQUISITION		\$ (123)	\$ (123)			\$ (123)		\$ (123)
TOTAL FPSC ADJUSTMENTS	\$ -	\$ (123)	\$ (123)	\$ -	\$ -	\$ (123)	\$ (56,127)	\$ (182,250)
FPSC ADJUSTED	\$ 1,042,225	\$ (449,978)	\$ 592,232	\$ -	\$ 39,850	\$ 832,092	\$ 195,378	\$ 827,266
PROFORMA ADJUSTMENTS								
RECORD ACQUISITION ADJUSTMENT	\$ 713,930	\$ (168,584)	\$ 547,346			\$ 547,346		\$ 547,346
TOTAL PROFORMA ADJUSTMENTS	\$ 713,930	\$ (168,584)	\$ 547,346	\$ -	\$ -	\$ 547,346	\$ -	\$ 547,346
PROFORMA ADJUSTED	\$ 1,756,135	\$ (618,562)	\$ 1,139,578	\$ -	\$ 39,850	\$ 1,379,438	\$ 195,378	\$ 1,374,612

FLORIDA PUBLIC UTILITIES COMPANY
 FT. MEADE DIVISION
 AVERAGE RATE OF RETURN
 For the 12 Months Ending December 31, 2017
 INCOME STATEMENT

SCHEDULE 2
 PAGE 2 OF 2

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	OPERATING REVENUES	O & M GAS EXPENSE	O & M OTHER	DEPREC. & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	D.I.T. (NET)	I.T.C. (NET)	GAIN/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	OPERATING NET INCOME
PER BOOKS	\$ 263,060	\$ 68,534	\$ 199,223	\$ 29,263	\$ 1,950	\$ (18,379)				\$ 280,191	\$ (17,131)
FPSC ADJUSTMENTS:											
1) Interest Syncretization				\$ 187		\$ 31,871				\$ 1,671	\$ (1,871)
2) Correct Depreciation of Acquisition						\$ (72)				\$ 115	\$ (115)
3) Elcm. Conservation Rev & Exp.	\$ (14,316)	\$ (14,208)			\$ (72)	\$ (1)				\$ (14,205)	\$ (1)
4) Elcm. PCA Revenues & Expense	\$ (54,201)	\$ (54,293)			\$ (80)	\$ 88				\$ (54,210)	\$ 99
TOTAL FPSC ADJUSTMENTS	\$ (68,511)	\$ (68,534)	\$ -	\$ 187	\$ (151)	\$ 1,668	\$ -	\$ -	\$ -	\$ (68,532)	\$ (1,871)
FPSC ADJUSTED	\$ 194,549	\$ -	\$ 199,223	\$ 29,450	\$ 1,799	\$ (17,113)	\$ -	\$ -	\$ -	\$ 213,256	\$ (18,810)
PROFORMA ADJUSTMENTS											
1) Amortize Acquisition Adjustment				\$ 47,595		\$ (18,360)				\$ 29,235	\$ (29,235)
TOTAL PRO FORMA ADJUSTMENTS	\$ -	\$ -	\$ -	\$ 47,595	\$ -	\$ (18,360)	\$ -	\$ -	\$ -	\$ 29,235	\$ (29,235)
PRO FORMA ADJUSTED	\$ 194,549	\$ -	\$ 199,223	\$ 77,045	\$ 1,799	\$ (35,473)	\$ -	\$ -	\$ -	\$ 242,291	\$ (48,045)

FLORIDA PUBLIC UTILITIES COMPANY
 FT. MEADE DIVISION
 YEAR END RATE OF RETURN
 For the 12 Months Ending December 31, 2017
 RATE BASE

SCHEDULE 3
 PAGE 1 OF 2

	(1) PLANT IN SERVICE	(2) ACCUMULATED DEPRECIATION & AMORTIZATION	(3) PLANT IN SERVICE	(4) NET PROPERTY HELD FOR FUTURE USE	(5) CONSTRUCTION WORK IN PROGRESS	(6) NET UTILITY PLANT	(7) WORKING CAPITAL	(8) TOTAL RATE BASE
PER BOOKS	\$ 1,120,258	\$ (460,705)	\$ 659,553	\$ -	\$ 44,696	\$ 704,249	\$ 201,629	\$ 906,178
FPSC ADJUSTMENTS:								
CORRECT RECORDING OF ACQUISITION		\$ 139	\$ 139			\$ 139		\$ 139
REMOVE CONS. & PGA UNDER-RECOVERIES		\$ -	\$ -			\$ -	\$ -	\$ -
TOTAL FPSC ADJUSTMENTS	\$ -	\$ 139	\$ 139	\$ -	\$ -	\$ 139	\$ -	\$ 139
FPSC ADJUSTED	\$ 1,120,258	\$ (460,566)	\$ 659,692	\$ -	\$ 44,696	\$ 704,388	\$ 201,629	\$ 906,317
PROFORMA ADJUSTMENTS:								
RECORD ACQUISITION ADJUSTMENT	\$ 713,930	\$ (190,382)	\$ 523,548			\$ 523,548		\$ 523,548
TOTAL PROFORMA ADJUSTMENTS	\$ 713,930	\$ (190,382)	\$ 523,548	\$ -	\$ -	\$ 523,548	\$ -	\$ 523,548
PROFORMA ADJUSTED	\$ 1,834,188	\$ (650,948)	\$ 1,183,240	\$ -	\$ 44,696	\$ 1,227,936	\$ 201,629	\$ 1,429,865

FLORIDA PUBLIC UTILITIES COMPANY
 FT. MEADE DIVISION
 YEAR END RATE OF RETURN
 For the 12 Months Ending December 31, 2017
 INCOME STATEMENT

SCHEDULE 3
 PAGE 2 OF 2

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	OPERATING REVENUES	O & M GAS EXPENSE	O & M OTHER	DEPRIC. & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	D.I.T. (NET)	I.T.C. (NET)	GAIN/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
PER BOOKS	\$ 263,060	\$ 68,534	\$ 199,223	\$ 29,263	\$ 1,950	\$ (16,774)				\$ 280,191	\$ (17,131)
FPSC ADJUSTMENTS:						\$ 1,535				\$ 1,535	\$ (1,535)
1) Interest Synchronization						\$ (72)				\$ 115	\$ (115)
2) Correct Depreciation of Acquisition				\$ 187		\$ (1)				\$ (14,309)	\$ (1)
3) Ekm. Conservation Rev & Exp.	\$ (14,310)	\$ (14,236)			\$ (72)	\$ (1)				\$ (54,310)	\$ 159
4) Ekm. PGA Revenues & Expense	\$ (54,201)	\$ (54,228)			\$ (85)	\$ 62				\$ (86,963)	\$ (1,543)
TOTAL FPSC ADJUSTMENTS	\$ (68,511)	\$ (68,534)	\$ -	\$ 187	\$ (157)	\$ 1,520	\$ -	\$ -	\$ -	\$ (86,963)	\$ (1,543)
FPSC ADJUSTED	\$ 194,549	\$ 0	\$ 199,223	\$ 29,450	\$ 1,793	\$ (17,240)	\$ -	\$ -	\$ -	\$ 213,228	\$ (18,674)
PROFORM ADJUSTMENTS				\$ 47,595		\$ (18,360)				\$ 29,235	\$ (29,235)
1) Amortize Acquisition Adjustment				\$ 47,595	\$ -	\$ (18,360)	\$ -	\$ -	\$ -	\$ 29,235	\$ (29,235)
TOTAL PROFORM ADJUSTMENTS	\$ -	\$ -	\$ -	\$ 47,595	\$ -	\$ (18,360)	\$ -	\$ -	\$ -	\$ 29,235	\$ (29,235)
PROFORM ADJUSTED	\$ 194,549	\$ 0	\$ 199,223	\$ 77,045	\$ 1,793	\$ (35,600)	\$ -	\$ -	\$ -	\$ 242,463	\$ (47,910)

FLORIDA PUBLIC UTILITIES COMPANY
 FT. MEADE DIVISION
 CAPITAL STRUCTURE
 December 31, 2017
 FPSC ADJUSTED BASIS

SCHEDULE 4

AVERAGE	ADJUSTMENTS		ADJUSTED BASIS	PMD-BALANCE	SPECIFIC BALANCE	RATIO (%)	LOW POINT			MIDPOINT			HIGH POINT		
	FTB BASIS	NON-UTILITY					COST RATE (%)	WEIGHTED COST (%)	WGT. COST (%)	COST RATE (%)	WEIGHTED COST (%)	WGT. COST (%)	COST RATE (%)	WEIGHTED COST (%)	WGT. COST (%)
COMMON EQUITY	\$14,435	\$0	\$14,435	\$0	(\$12,254)	39.56%	10.00%	2.96%	11.00%	4.31%	12.00%	4.73%			
LONG TERM DEBT	\$13,262	\$0	\$13,262	\$0	(\$12,156)	15.38%	4.44%	0.81%	4.44%	0.81%	4.44%	0.81%			
SHORT TERM DEBT	\$147,425	\$0	\$147,425	\$0	(\$12,851)	16.27%	3.09%	0.34%	2.09%	0.34%	2.09%	0.34%			
SHORT TERM DEBT REFINANCED LTD	\$0	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
CUSTOMER DEPOSITS	\$14,815	\$0	\$14,815	\$0	\$0	1.79%	-0.04%	0.00%	-0.04%	0.00%	-0.04%	0.00%			
DEFERRED INCOME TAXES	\$23,384	\$0	\$23,384	\$0	\$23,374	27.06%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
TAX CREDITS - WEIGHTED COST	\$0	\$0	\$0	\$0	\$0	0.00%	4.95%	0.00%	5.37%	0.00%	5.77%	0.00%			
TOTAL AVERAGE	\$883,322	\$0	\$883,321	\$0	(\$56,245)	100.00%		4.98%		5.37%		5.77%			

YEAR END	ADJUSTMENTS		ADJUSTED BASIS	PMD-BALANCE	SPECIFIC BALANCE	RATIO (%)	LOW POINT			MIDPOINT			HIGH POINT		
	FTB BASIS	NON-UTILITY					COST RATE (%)	WEIGHTED COST (%)	WGT. COST (%)	COST RATE (%)	WEIGHTED COST (%)	WGT. COST (%)	COST RATE (%)	WEIGHTED COST (%)	WGT. COST (%)
COMMON EQUITY	\$39,451	\$0	\$39,451	\$0	\$71	39.87%	10.00%	3.97%	11.00%	4.30%	12.00%	4.73%			
LONG TERM DEBT	\$144,304	\$0	\$144,304	\$0	\$79	15.80%	4.30%	0.63%	4.30%	0.63%	4.30%	0.63%			
SHORT TERM DEBT	\$183,892	\$0	\$183,892	\$0	\$37	20.29%	1.60%	0.11%	1.60%	0.11%	1.60%	0.11%			
SHORT TERM DEBT REFINANCED LTD	\$0	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
CUSTOMER DEPOSITS	\$14,679	\$0	\$14,679	\$0	\$0	1.67%	-0.04%	0.00%	-0.04%	0.00%	-0.04%	0.00%			
DEFERRED INCOME TAXES	\$24,051	\$0	\$24,051	\$0	\$24,051	23.51%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
TAX CREDITS - WEIGHTED COST	\$0	\$0	\$0	\$0	\$0	0.00%	4.94%	0.00%	5.31%	0.00%	5.73%	0.00%			
TOTAL YEAR END	\$846,177	\$0	\$846,177	\$0	\$119	100.00%		4.54%		5.31%		5.73%			

FLORIDA PUBLIC UTILITIES COMPANY
 FT. MEADE DIVISION
 RATE OF RETURN REPORT SUMMARY
 June 30, 2018

SCHEDULE 1

	(1) ACTUAL PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
I. AVERAGE RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ (20,953)	(\$1,961)	(\$22,914)	\$ (35,532)	(\$58,446)
AVERAGE RATE BASE	\$857,107	\$0	\$857,107	\$523,548	\$1,380,656
AVERAGE RATE OF RETURN	-2.44%		-2.67%		-4.23%
II. YEAR-END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	(\$20,953)	(\$2,015)	(\$22,968)	(\$35,532)	(\$58,500)
YEAR-END RATE BASE	\$880,518	\$0	\$880,518	\$499,751	\$1,380,269
YEAR-END RATE OF RETURN	-2.38%		-2.61%		-4.24%

**III. REQUIRED RATES OF RETURN
 AVERAGE CAPITAL STRUCTURE
 (FPSC ADJUSTED BASIS)**

LOW	5.14%
MIDPOINT	5.54%
HIGH	5.93%

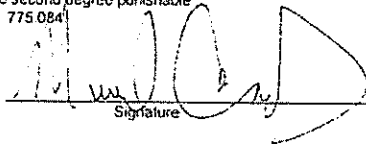
**IV. EARNED RETURN ON EQUITY
 (FPSC ADJUSTED BASIS)**

A	RETURN ON COMMON EQUITY	-9.63%
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I am aware that Section 837.06, Florida Statutes, provides:

Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree punishable as provided in s. 775.082, s. 775.083 or s. 775.084

Mike Cassel
 Director, Regulatory Affairs


 Signature

5/24/15
 Date

FLORIDA PUBLIC UTILITIES COMPANY
 FT. MEADE DIVISION
 AVERAGE RATE OF RETURN
 For the 12 Months Ending June 30, 2018
 RATE BASE

SCHEDULE 2
 PAGE 1 OF 2

	(1) PLANT IN SERVICE	(2) ACCUMULATED DEPRECIATION & AMORTIZATION	(3) PLANT IN SERVICE	(4) NET PROPERTY HELD FOR FUTURE USE	(5) CONSTRUCTION WORK IN PROGRESS	(6) NET UTILITY PLANT	(7) WORKING CAPITAL	(8) TOTAL RATE BASE
PER BOOKS	\$ 1,106,494	\$ (467,724)	\$ 638,770	\$ -	\$ 21,801	\$ 660,571	\$ 196,537	\$ 857,107
FPSC ADJUSTMENTS:								
REMOVE CONS. & PGA UNDER-RECOVERY			\$ -			\$ -	\$ -	\$ -
			\$ -			\$ -	\$ -	\$ -
TOTAL FPSC ADJUSTMENTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FPSC ADJUSTED	\$ 1,106,494	\$ (467,724)	\$ 638,770	\$ -	\$ 21,801	\$ 660,571	\$ 196,537	\$ 857,107
PROFORMA ADJUSTMENTS								
RECORD ACQUISITION ADJUSTMENT	\$ 713,930	\$ (190,382)	\$ 523,548			\$ 523,548		\$ 523,548
TOTAL PRO FORMA ADJUSTMENTS	\$ 713,930	\$ (190,382)	\$ 523,548	\$ -	\$ -	\$ 523,548	\$ -	\$ 523,548
PRO FORMA ADJUSTED	\$ 1,820,424	\$ (658,106)	\$ 1,162,318	\$ -	\$ 21,801	\$ 1,184,119	\$ 196,537	\$ 1,380,656

FLORIDA PUBLIC UTILITIES COMPANY
 FT. MEADE DIVISION
 AVERAGE RATE OF RETURN
 For the 12 Months Ending June 30, 2015
 INCOME STATEMENT

SCHEDULE 2
 PAGE 2 OF 2

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	<u>OPERATING REVENUES</u>	<u>O & M GAS EXPENSE</u>	<u>O & M OTHER</u>	<u>DEPREC. & AMORTIZATION</u>	<u>TAXES OTHER THAN INCOME</u>	<u>INCOME TAXES CURRENT</u>	<u>D I T. (NET)</u>	<u>I T C (NET)</u>	<u>GAIN/LOSS ON DISPOSITION</u>	<u>TOTAL OPERATING EXPENSES</u>	<u>NET OPERATING INCOME</u>
PER BOOKS	\$ 212,270	\$ 11,641	\$ 214,299	\$ 31,223	\$ (1,926)	\$ (22,014)				\$ 233,223	\$ (20,953)
FPSC ADJUSTMENTS:											
1) Interest Synchronization						\$ 57,575				\$ 7,575	\$ (7,575)
2)						\$ -				\$ -	\$ -
3) Elim. Conservation Rev & Exp	\$ (11,415)	\$ (11,358)			\$ (57)	\$ 0				\$ (11,415)	\$ 0
4) Elim. PGA and Swing Revenues & Expense	\$ (794)	\$ (283)			\$ 476	\$ (250)				\$ (57)	\$ (737)
5) Provision for Rate Refund	\$ 8,507					\$ 2,156				\$ 2,156	\$ 6,351
6) Provision for Rate Refund-Protected Amortization	\$ (1,043)		\$ (1,043)			\$ -				\$ (1,043)	\$ -
7) Provision for Rate Refund-Unprotected Amortization	\$ (1,905)		\$ (1,905)			\$ -				\$ (1,905)	\$ -
TOTAL FPSC ADJUSTMENTS	\$ (6,651)	\$ (11,641)	\$ (2,949)	\$ -	\$ 419	\$ 9,481	\$ -	\$ -	\$ -	\$ (4,639)	\$ (1,901)
FPSC ADJUSTED	\$ 205,620	\$ -	\$ 211,350	\$ 31,223	\$ (1,507)	\$ (12,533)	\$ -	\$ -	\$ -	\$ 228,533	\$ (22,914)
PROFORMA ADJUSTMENTS											
1) Amortize Acquisition Adjustment				\$ 47,595		\$ (12,063)				\$ 35,532	\$ (35,532)
TOTAL PRO FORMA ADJUSTMENTS	\$ -	\$ -	\$ -	\$ 47,595	\$ -	\$ (12,063)	\$ -	\$ -	\$ -	\$ 35,532	\$ (35,532)
PRO FORMA ADJUSTED	\$ 205,620	\$ -	\$ 211,350	\$ 78,818	\$ (1,507)	\$ (24,596)	\$ -	\$ -	\$ -	\$ 264,065	\$ (58,446)

FLORIDA PUBLIC UTILITIES COMPANY
 FT. MEADE DIVISION
 YEAR END RATE OF RETURN
 For the 12 Months Ending June 30, 2018
 RATE BASE

SCHEDULE 3
 PAGE 1 OF 2

	(1) <u>PLANT IN SERVICE</u>	(2) <u>ACCUMULATED DEPRECIATION & AMORTIZATION</u>	(3) <u>PLANT IN SERVICE</u>	(4) <u>NET PROPERTY HELD FOR FUTURE USE</u>	(5) <u>CONSTRUCTION WORK IN PROGRESS</u>	(6) <u>NET UTILITY PLANT</u>	(7) <u>WORKING CAPITAL</u>	(8) <u>TOTAL RATE BASE</u>
PER BOOKS	<u>\$ 1,152,093</u>	<u>\$ (493,448)</u>	<u>\$ 658,645</u>	<u>\$ -</u>	<u>\$ 26,585</u>	<u>\$ 685,230</u>	<u>\$ 195,288</u>	<u>\$ 880,518</u>
FPSC ADJUSTMENTS								
REMOVE CONS & PGA UNDER-RECOVERIES			\$ -			\$ -	\$ -	\$ -
TOTAL FPSC ADJUSTMENTS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
FPSC ADJUSTED	<u>\$ 1,152,093</u>	<u>\$ (493,448)</u>	<u>\$ 658,645</u>	<u>\$ -</u>	<u>\$ 26,585</u>	<u>\$ 685,230</u>	<u>\$ 195,288</u>	<u>\$ 880,518</u>
PROFORMA ADJUSTMENTS								
RECORD ACQUISITION ADJUSTMENT	<u>\$ 713,930</u>	<u>\$ (214,179)</u>	<u>\$ 499,751</u>			<u>\$ 499,751</u>		<u>\$ 499,751</u>
TOTAL PRO FORMA ADJUSTMENTS	<u>\$ 713,930</u>	<u>\$ (214,179)</u>	<u>\$ 499,751</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 499,751</u>	<u>\$ -</u>	<u>\$ 499,751</u>
PRO FORMA ADJUSTED	<u>\$ 1,866,023</u>	<u>\$ (707,627)</u>	<u>\$ 1,158,396</u>	<u>\$ -</u>	<u>\$ 26,585</u>	<u>\$ 1,184,980</u>	<u>\$ 195,288</u>	<u>\$ 1,380,269</u>

FLORIDA PUBLIC UTILITIES COMPANY
 FT MEADE DIVISION
 YEAR END RATE OF RETURN
 For the 12 Months Ending June 30, 2018
 INCOME STATEMENT

SCHEDULE 3
 PAGE 2 OF 2

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	OPERATING REVENUES	O & M GAS EXPENSE	O & M OTHER	DEPREC & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	D I T (NET)	I T C (NET)	GAIN/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
PER BOOKS	\$ 212,270	\$ 11,641	\$ 214,299	\$ 31,223	\$ (1,926)	\$ (22,014)				\$ 233,223	\$ (20,953)
FPSC ADJUSTMENTS											
1) Interest Synchronization						\$ 7,629				\$ 7,629	\$ (7,629)
2)				\$ -		\$ -				\$ -	\$ -
3) Elim Conservation Rev & Exp.	\$ (11,415)	\$ (11,358)			\$ (57)	\$ 0				\$ (11,415)	\$ 0
4) Elim PGA and Swing Revenues & Expense	\$ (794)	\$ (283)			\$ 476	\$ (250)				\$ (57)	\$ (737)
5) Provision for Rate Refund	\$ 8,507					\$ 2,156				\$ 2,156	\$ 6,351
6) Provision for Rate Refund-Protected Amortization	\$ (1,043)		\$ (1,043)			\$ -				\$ (1,043)	\$ -
7) Provision for Rate Refund-Unprotected Amortization	\$ (1,905)		\$ (1,905)			\$ -				\$ (1,906)	\$ -
TOTAL FPSC ADJUSTMENTS	\$ (6,651)	\$ (11,641)	\$ (2,949)	\$ -	\$ 419	\$ 9,535	\$ -	\$ -	\$ -	\$ (4,635)	\$ (2,015)
FPSC ADJUSTED	\$ 205,620	\$ 0	\$ 211,350	\$ 31,223	\$ (1,507)	\$ (12,479)	\$ -	\$ -	\$ -	\$ 228,588	\$ (22,968)
PROFORM ADJUSTMENTS											
1) Amortize Acquisition Adjustment				\$ 47,595		\$ (12,063)				\$ 35,532	\$ (35,532)
TOTAL PRO FORMA ADJUSTMENTS	\$ -	\$ -	\$ -	\$ 47,595	\$ -	\$ (12,063)	\$ -	\$ -	\$ -	\$ 35,532	\$ (35,532)
PRO FORMA ADJUSTED	\$ 205,620	\$ 0	\$ 211,350	\$ 78,818	\$ (1,507)	\$ (24,542)	\$ -	\$ -	\$ -	\$ 264,120	\$ (58,500)

FLORIDA PUBLIC UTILITIES COMPANY
 FT. MEADE DIVISION
 CAPITAL STRUCTURE
 June 30, 2018
 FPSC ADJUSTED BASIS

SCHEDULE 4

AVERAGE	ADJUSTMENTS							LOW POINT		MIDPOINT		HIGH POINT	
	PER BOOKS	NON-UTILITY	ADJUSTED BOOKS	PRO-RATA	SPECIFIC	BALANCE	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
	COMMON EQUITY	\$341,041	\$0	\$341,041	\$0	\$1	\$341,041	39.79%	10.00%	3.98%	11.00%	4.38%	12.00%
LONG TERM DEBT	\$148,516	\$0	\$148,516	\$0	(\$1)	\$148,516	17.33%	4.16%	0.72%	4.16%	0.72%	4.16%	0.72%
SHORT TERM DEBT	\$148,812	\$0	\$148,812	\$0	\$0	\$148,812	17.36%	2.52%	0.44%	2.52%	0.44%	2.52%	0.44%
SHORT TERM DEBT REFINANCED LTD	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$14,847	\$0	\$14,847	\$0	\$0	\$14,847	1.73%	0.07%	0.00%	0.07%	0.00%	0.07%	0.00%
DEFERRED INCOME TAXES	\$203,892	\$0	\$203,892	\$0	\$0	\$203,892	23.79%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	5.14%	0.00%	5.54%	0.00%	5.93%	0.00%
TOTAL AVERAGE	\$857,107	\$0	\$857,107	\$0	\$0	\$857,107	100.00%		5.14%		5.54%		5.93%

YEAR-END	ADJUSTMENTS							LOW POINT		MIDPOINT		HIGH POINT	
	PER BOOKS	NON-UTILITY	ADJUSTED BOOKS	PRO-RATA	SPECIFIC	BALANCE	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
	COMMON EQUITY	\$353,067	\$0	\$353,067	\$0	\$0	\$353,067	40.10%	10.00%	4.01%	11.00%	4.41%	12.00%
LONG TERM DEBT	\$166,471	\$0	\$166,471	\$0	\$0	\$166,471	18.91%	3.67%	0.69%	3.67%	0.69%	3.67%	0.69%
SHORT TERM DEBT	\$161,713	\$0	\$161,713	\$0	\$0	\$161,713	18.37%	2.29%	0.42%	2.29%	0.42%	2.29%	0.42%
SHORT TERM DEBT REFINANCED LTD	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$15,134	\$0	\$15,134	\$0	\$0	\$15,134	1.72%	0.07%	0.00%	0.07%	0.00%	0.07%	0.00%
DEFERRED INCOME TAXES	\$184,133	\$0	\$184,133	\$0	\$0	\$184,133	20.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	5.12%	0.00%	5.52%	0.00%	5.92%	0.00%
TOTAL YEAR-END	\$880,518	\$0	\$880,518	\$0	\$0	\$880,518	100.00%		5.12%		5.52%		5.92%