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March 11, 2020

**E-Portal**

Mr. Adam Teitzman, Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

Re: **Docket No. 20190155-EI** – Petition for establishment of regulatory assets for expenses not recovered during restoration for Hurricane Michael, by Florida Public Utilities Company.  
**Docket No. 20190156-EI** - Petition for a limited proceeding to recover incremental storm restoration costs, capital costs, revenue reduction for permanently lost customers, and regulatory assets related to Hurricane Michael, by Florida Public Utilities Company.

Dear Mr. Teitzman:

Attached for electronic filing, please find a Revised Petition for Establishment of Regulatory Assets for the Expenses Not Recovered During Restoration for Hurricane Michael, submitted on behalf of Florida Public Utilities Company.

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

Kind regards,



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

MEK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for establishment of regulatory assets for expenses not recovered during restoration for Hurricane Michael, by Florida Public Utilities Company. ) Docket No. 20190155-EI )  
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In re: Petition for a limited proceeding to recover incremental storm restoration costs, capital costs, revenue reduction for permanently lost Hurricane Michael, by Florida Public Utilities. ) Docket No. 20190156-EI )  
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) Filed: March 11, 2020  
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**REQUEST FOR LEAVE TO FILE REVISED PETITION AND REVISED PETITION OF FLORIDA PUBLIC UTILITIES COMPANY FOR ESTABLISHMENT OF A REGULATORY ASSETS**

Florida Public Utilities Company, (herein “FPUC” or “Company”), by and through its undersigned counsel, hereby files this Revised Petition, pursuant to Sections 366.05 and 366.06, Florida Statutes (“F.S.”), 28-106.201, Florida Administrative Code (“F.A.C.”), requesting that the Florida Public Service Commission (“Commission”) allow the Company to establish three regulatory assets for non-incremental expenses associated with Hurricane Michael: 1) a regulatory asset in the amount of \$984,283 for non-incremental expenses incurred by FPUC during the Hurricane Michael restoration in October 2018; 2) a regulatory asset in the amount of \$504,448 for the unrecovered revenue related to lost customers from November 2018 to December 2019; and 3) a regulatory asset in the amount of \$8,251,471 consisting of changes to accumulated depreciation related to Hurricane Michael for losses on storm damaged assets, including the net book value of retired assets, and cost of removal net of salvage. Attached hereto as Revised Exhibit A is a schedule reflecting the calculation of each of the regulatory assets requested herein.

The Company respectfully requests leave to submit this Revised Petition to reflect finalized numbers for Hurricane Michael, to include costs associated with Hurricane Dorian, to

reflect an adjustment made necessary by a change in the state income tax rate that was publicized subsequent to the Company's August 2019 filing. Accepting this revised filing will not unduly prejudice Commission staff or any party to this proceeding, will appropriately adjust the Company's request for the finalized numbers and identified changes, will amend an identified error, and will facilitate addressing Hurricane Dorian costs, which were incurred shortly after the initial August 2019 initial filing, in a timely and administratively efficient manner.

In further support of this request, the Company hereby states:

1) FPUC is an electric utility subject to the Commission's jurisdiction under Chapter 366, Florida Statutes. Its principal business address is:

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

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

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

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

3) The Company is unaware of any material facts in dispute at this time, but the proceeding may involve disputed issues of material fact, including, but not limited to whether FPUC has appropriately calculated the amount to be recorded as a regulatory asset. The Company's request set forth herein does not involve reversal or modification of a Commission decision or proposed agency action. This is a Petition representing an initial request to the Commission, which is the affected agency located at 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399.

**BACKGROUND**

4) Prior to Hurricane Michael, FPUC served a total of approximately 32,000 customers across its two separate divisions located on Amelia Island (Northeast Division) and across the largely rural counties of the north central Panhandle (Northwest Division). However, on October 10, 2018, the eye of Hurricane Michael traversed the entirety of FPUC's Northwest Division resulting in catastrophic damage not only to FPUC's electric system, but also to the homes and businesses of the Company's approximately 15,355 customers in the Northwest Division. In the wake of Hurricane Michael, 100% of FPUC's customers in the Northwest Division - or 47% percent of FPUC's total customer base - were left without power.

5) Through the extraordinary efforts of its employees and significant assistance from outside resources and other utility partners, the Company was able to rebuild its system such that it was able to serve 97% of its customers in the Northwest Division as of November 1, 2018. At that time, however, 9% of FPUC's customers in the counties of Jackson, Calhoun, and Liberty Counties, and in the communities of Marianna, Blountstown, Altha, Bristol, Greenwood, Malone, Cottdale, and Alford were unable to receive power to their homes and businesses due to the extent of the damage to their property. In an effort to provide its Northwest customers some measure of relief during this stressful time, the Company petitioned for, and received approval from the Commission to temporarily suspend billing and to implement a temporary restoration payment program to assist customers with repairs to customers' electrical equipment necessary to receive electric service from the Company.<sup>1</sup>

**REGULATORY ASSETS**

A. Operations and Maintenance Expense Asset

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<sup>1</sup> See Order No. 2018-0529-PAA-EI, issued in Docket No. 20180195-EI and Order No. PSC-2018-0568-TRF-EI, issued in Docket No. 20180203-EI.

6) During the outage period, the Company continued to incur normal expenses each month to operate and maintain (“O&M”) the electric system – both the restored system in the Northwest and its Northeast Division. The Company has, to date, been unable to obtain insurance on its distribution system; therefore, the Company is unable to obtain business interruption insurance for Hurricane events. As such, the Company has been unable to recoup its lost revenue for the October 2018 period for all Northwest customers and lighting revenue for November 2018 during which time service was being restored.

7) As the Commission is well-aware, rates of a regulated utility, like FPUC, are designed to cover normal costs, including O&M expense, as well as to provide a return on the Company’s investment. When bills are not issued and revenue is not received, these costs are not covered by the Company’s base rates and charges as originally intended. As it relates to expenses not recovered due to a storm outage, however, the Commission’s Rule 25-6.0143(1)(f)(9), F.A.C., prohibits charging these unrecovered expenses to the Company’s storm reserve account. The Commission has further determined that O&M expenses not recovered due to reduced revenue resulting from an outage are likewise not recoverable through a storm surcharge, as such costs are not “incremental,” contrary to subpart 1(d) of the referenced rule.<sup>2</sup> Nonetheless, the fact remains that the Company incurred substantial, albeit normal, O&M expenses for a defined period of time (October/November 2018) that have remained largely unrecovered due to the unique and unforeseen circumstances arising from the devastation leveled by Hurricane Michael.

8) In an effort to address this situation and provide an opportunity for a fair airing of whether the Company should be allowed to recover these unrecovered O&M expenses by other means, such as through the Company’s base rates or some other mechanism, the Company requests, by this Petition, that the Commission allow the Company to establish a regulatory asset on its books

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<sup>2</sup> See Order No. PSC-2019-0114-FOF-EI, issued March 26, 2019, in Docket No. 20180061-EI.

consisting of the unrecovered O&M expenses. The regulatory asset would include those O&M costs not recovered as a result of the suspended billing cycles.

9) In order to calculate the amount of the requested regulatory asset, the Company determined the average yearly O&M expenses. The Company also determined the revenue it lost during the October restoration and the November lighting restoration. The Company has ensured that the level of the requested regulatory asset does not exceed the revenue that it would have received if the storm had not occurred. Interest has also been included in the calculation of the amount of the regulatory asset so that the Company can recover the additional cost of debt it has incurred to cover hurricane related costs. Therefore, the Company is requesting that the interest also be capitalized with this regulatory asset. Exhibit A attached to this petition provides the detailed calculation of the amount of \$984,283 that it is requesting be included in the regulatory asset, as well as the requested 5-year amortization period, along with the interest calculation for the estimated period November 2018 thru December 2019.

10) The Company was authorized to earn revenues at a specific level through its last rate case in Docket No. 20140025-EI, and in a limited proceeding Docket No. 20170150-EI. Due to the hurricane, the Company was unable to earn the revenues approved in 2018. In a normal storm, this loss may not have had a significant impact on earnings. However, this storm caused unprecedented damage to the Northwest Division and the amount of expenses that could not be recovered is significant. These unrecovered O&M expenses alone resulted in a reduction of 100 basis points to FPUC's rate of return for 2018.<sup>3</sup> The Company therefore respectfully requests that the Commission approve its request to establish a regulatory asset in order to preserve the loss for

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<sup>3</sup> In its most recent Rate of Return Report (March 2019), the Company at year-end was earning a 1.0% return on equity on its year end rate base out of an allowed range of return on equity of 9.25% to 11.25%.

further discussion in the Company's next rate proceeding. FPUC requests amortization of this regulatory asset over a five-year period.

B. Lost Customer Accounts Asset

11) As a result of Hurricane Michael, the counties served by the Company's Northwest Division have experienced unique challenges in their continuing efforts to recover from Hurricane Michael. The Northwest Division has experienced minimal growth for many years, consistent with the stagnant economy of these rural counties. With the catastrophic damage to homes and businesses caused by Hurricane Michael layered on to the existing economic challenges in this area, many have elected not to re-build. The Company is aware that the loss of businesses in the area has caused some customers to relocate to find work. The Company estimates that it initially lost 762 accounts in the Northwest Division as a direct result of business closures and customers displaced in the wake of Hurricane Michael. Some new customers have come back and the final count of "lost" customers at December 2019 was 546 customers.

12) By separate Petition, the Company is filing for rate relief through a limited proceeding. Therein, the Company anticipates requesting that the yearly revenue decrease related to these customers be recovered. However, if approved, the Company's request will only provide relief on a going-forward basis. The Company will, however, have lost the revenue related to these customers for all of 2019 and for the last two months of 2018. The amount of lost revenue tied to lost customer accounts for this period is \$464,639. Also included in the proposed regulatory asset is \$27,924 that would otherwise have been collected in the two-year storm surcharge approved in Docket 20180061-EI to recover the costs of Hurricane Irma and Hurricane Matthew damage and to re-establish a storm reserve. These costs were to be billed to the customers using a charge per kilowatt hour. Since the kilowatt hour usage has decreased as a result of the lost customers, there

is also a loss related to the surcharge for the two-year period. Interest has also been applied through December 2019 in view of the Company's request to implement approved rates in January 2020 bringing the total regulatory asset to \$504,448.

13) The Company was authorized to earn revenues at a specific level through its last rate case in Docket No. 20140025-EI, followed by a limited increase granted in Docket No. 20170150-EI. Due to the hurricane, the Company was unable to earn its approved revenues in 2018. In a normal storm, this loss may not have had a significant impact on earnings. However, this storm caused unprecedented damage to the Northwest Division and resulted in significant loss of customer accounts, many of which are not expected to be recovered. These lost revenues alone resulted in a reduction of .65 percentage points to FPUC's rate of return for 2018.<sup>4</sup> The Company therefore respectfully requests that the Commission approve its request to establish a regulatory asset in the amount of \$504,448 to address these losses. FPUC requests amortization of this regulatory asset over a five-year period.

C. Accumulated Depreciation

14) Hurricane Michael was the strongest storm to ever make landfall in Northwest Florida and the fourth strongest to make landfall in the continental U.S. based on wind speed. The damage sustained across the Company's Northwest Division as a result necessitated repairs to nearly 100% of FPUC's system, including a complete rebuild of approximately 12% of the Company's system.

15) Adding to the repairs necessitated by the storm itself, debris hampered line locates which slowed pole installations. In addition, many of the Company's lines were in flooded areas that could only be accessed by using special equipment and boats. Wet flooding conditions resulted in new pole sets having to be re-tamped. Large debris piles of tree and home wreckage blocked

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<sup>4</sup> Please refer to footnote 3.



streets and access to the Company's lines, which was compounded by debris trucks damaging poles and wires.

16) The damage to substantial sections of the system was so severe as to necessitate installation of new equipment. Full restoration of the system entailed replacing older, partially depreciated equipment with new, more expensive equipment at a higher cost of installation. The Company therefore requests that the Commission allow it to establish a regulatory asset in the amount of \$8,251,471, which would consist of changes to accumulated depreciation related to Hurricane Michael for losses on storm damaged assets, including the net book value of retired assets and cost of removal net of salvage. FPUC requests amortization of this regulatory asset over a 10-year period.

17) FPUC is requesting this approach, because it avoids a more long-term impact on its depreciation expense. If these costs are not included in a regulatory asset, they would be recovered in future years through the Company's next depreciation study. Consequently, annual depreciation expense would significantly increase over the amount of the currently requested annual amortization. Exhibit A provides the 13-month average balances related to cost of removal net of salvage and the unrecovered depreciation on the retired assets and provides the amortization based on the 10 year amortization requested for the storm regulatory asset.

### **CONCLUSION**

18) By separate petition, the Company is also requesting a limited proceeding rate adjustment to allow the Company to recover increases in rate base and net operating income specific to Hurricane Michael. In the Company's separate request for limited rate relief, FPUC will include the amortization of the requested regulatory assets and also address accounting for the unamortized balances. In total, FPUC believes that the storm recovery approach it is requesting,

including the regulatory assets addressed herein, appropriately enables the Company to recover its extraordinary costs associated with Hurricane Michael and earn at or close to the earnings range that the Commission has previously established, while protecting the Company's customers from the dramatic bill increases that would otherwise be associated with a traditional storm surcharge.

19) In considering this request, FPUC reviewed the rate settlements currently in effect for FPUC. To the extent that the Settlement approved in Docket No. 20170150 contemplates that a rate increase or decrease should not go into effect prior to January 1, 2020, the Company is requesting through its separate storm limited proceeding docket, that rates to recover the effect of these regulatory assets be considered for implementation as of January 2, 2020 as requested in the limited proceeding petition. Should the Commission determine that an earlier implementation date is more appropriate and feasible, the Company further notes that Articles IV and VI of the approved Stipulation and Settlement contemplate that the Company can pursue rate relief from damage arising from names tropical storms, as well as unforeseen events that occur when the Company is earning below its allowed range and have an annual revenue impact of at least \$800,000<sup>5</sup>. The 2018 Tax Settlement entered into to resolve the tax impacts associated with the Tax Cuts and Jobs Act of 2017 in Docket No. 20180048-EI, and approved by Commission Order PSC-2019-0010-AS-EI, issued January 2, 2019, does not contain any additional or supplemental provisions addressing the Company's ability to seek rate relief. The Company is not proposing any change or elimination of any aspect of the mechanisms agreed upon in that Docket to address the Company's protected and unprotected EADIT balances, including the rate reduction that will occur January 1, 2021, pursuant to Article II(b)(iii) of the 2018 Tax Settlement.

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<sup>5</sup> See Order No. PSC -2017-0488-PAA-EI, issued December 26, 2017, in Docket No. 20170150-EI.

**WHEREFORE**, FPUC hereby respectfully requests that the Commission approve the establishment of the regulatory assets described herein, along with the respective requested amortization periods.

RESPECTFULLY SUBMITTED this 11<sup>th</sup> day of March, 2020.



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*Attorneys for Florida Public Utilities Company*

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing has been served upon the following by Electronic Mail this 11<sup>th</sup> day of March, 2020.

Jennifer Crawford Rachael Dziechciarz Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399-0850 <a href="mailto:jcrawfor@psc.state.fl.us">jcrawfor@psc.state.fl.us</a> <a href="mailto:rdziechc@psc.state.fl.us">rdziechc@psc.state.fl.us</a>	J.R. Kelly Patricia Christensen Mireille Fall-Fry Office of Public Counsel c/o The Florida Legislature 111 W. Madison Street, Room 812 Tallahassee, FL 32399-1400 <a href="mailto:Kelly.JR@leg.state.fl.us">Kelly.JR@leg.state.fl.us</a> <a href="mailto:Christensen.patty@leg.state.fl.us">Christensen.patty@leg.state.fl.us</a> <a href="mailto:Fall-fry.mireille@leg.state.fl.us">Fall-fry.mireille@leg.state.fl.us</a>
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By:   
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Florida Public Utilities Company  
 Limited Proceeding Electric  
 Regulatory Asset for Lost Customers

Exhibit A page 1  
 Docket No.: 20190156-EI

Customer Charge	kWh Usage		KW Usage Yearly
	Yearly <=1000 kWh	Yearly >=1000 kWh	
Residential	14.69	8,730	7,991
Commercial Small	24.14	16,589	
Commercial	71.38	269,095	891
Total Year End Amount December 2019			\$ 504,448
Amortization Over 5 Years			\$ 100,890

Calculation of Interest on Lost Revenue Not Recovered:

Lost Customer Estimate by Month

	November 2018	December 2018	January 2019	February 2019	March 2019	April 2019	May 2019	June 2019	July 2019	August 2019	September 2019	October 2019	November 2019	December 2019
Residential	552	552	552	541	516	488	468	457	438	427	405	396	388	380
Commercial Small	198	198	198	194	192	183	182	180	175	174	167	165	163	161
Commercial	12	12	12	12	10	9	9	9	9	7	5	5	5	5
	762	762	762	747	718	680	659	646	622	608	577	566	556	546

Lost Revenue (based on customer charge and average usage  
 above and uncollected storm surcharge)

Cumulative Lost Revenue	\$ 39,067	\$ 39,067	\$ 39,067	\$ 38,397	\$ 36,360	\$ 35,710	\$ 34,828	\$ 34,254	\$ 33,168	\$ 31,655	\$ 29,324	\$ 28,833	\$ 28,382	\$ 44,451
Average Beginning and Ending Balance	\$ 19,534	\$ 58,601	\$ 97,668	\$ 136,400	\$ 173,778	\$ 209,813	\$ 245,082	\$ 279,623	\$ 313,334	\$ 345,746	\$ 376,236	\$ 405,314	\$ 433,922	\$ 470,338
Interest Per Month	\$ 65	\$ 195	\$ 326	\$ 455	\$ 579	\$ 699	\$ 817	\$ 932	\$ 1,044	\$ 1,152	\$ 1,254	\$ 1,351	\$ 1,446	\$ 1,568
Cumulative Interest	\$ 65	\$ 260	\$ 586	\$ 1,041	\$ 1,620	\$ 2,319	\$ 3,136	\$ 4,068	\$ 5,113	\$ 6,265	\$ 7,519	\$ 8,870	\$ 10,317	\$ 11,885

Note: The Company has permanently lost customers as a result of the storm. The loss is reflected in net operating income for future time periods. However, the loss prior to implementation of this limited proceeding will never be recovered unless a regulatory asset is approved and the amortization of this asset allowed in rates in this limited proceeding. The Company is requesting a five year amortization.

13-Month Average Calculation:	December 19	January 20	February 20	March 20	April 20	May 20	June 20	July 20	August 20	September 20	October 20	November 20	December 20	13-Month Avg.
	\$ 504,448	\$ 496,041	\$ 487,633	\$ 479,226	\$ 470,818	\$ 462,411	\$ 454,003	\$ 445,596	\$ 437,188	\$ 428,781	\$ 420,373	\$ 411,966	\$ 403,558	\$ 454,003

**Florida Public Utilities Company  
Limited Proceeding Electric  
Regulatory Asset for Expenses Not Recovered in Base Rates**

Exhibit A page 2  
Docket No.: 20190156-EI

Expenses Related to October Revenue Lost	\$ 910,985
Expenses Related to November Lighting Revenue	\$ 54,477
Total Costs Not Recovered	<u>\$ 965,462</u>

The Company had a substantial loss due to not being able to recover our normal, recurring operation and maintenance costs incurred due to lower usage and one month customer charges not being recovered for residential and commercial customers and two months for lighting customers. The only way to recover these costs is thru establishment of a regulatory asset. The Company is requesting approval of this amount and amortization over five years.

Costs Limited to Revenue Not Received	\$ 940,398
Interest on Unfunded Balance	\$ 43,885
Total Costs Unrecovered	<u>\$ 984,283</u>

Amortization Over 5 Years	<u>\$ 196,857</u>
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**Summary of Revenues Not Received During Storm Restoration:**

Revenue Type	Oct-17	Oct-16	Average	Oct-17	Oct-16	Average	2018				Revenue Based on 2018 Rates
	Volume	Volume	Volume	Volume	Volume	Volume	Customers	2018 Energy Charge			
	KWh	KWh	KWh	KW	KW	KW	Sep-18	Customer Rate	KWH	KW	
Residential							10,231	\$ 15.12			\$ 154,693
<=1000 KWh-RS	7,383,035	7,413,708	7,398,372						\$ 0.02117		\$ 156,624
>=1000 KWh-RS	2,672,262	2,667,376	2,669,819						\$ 0.03467		\$ 92,563
Commercial Small	2,542,044	3,247,169	2,894,607				2,100	\$ 24.84	\$ 0.02589		\$ 127,105
Commercial	7,547,000	6,980,590	7,263,795	28,452	21,737	25,094	423	\$ 73.45	\$ 0.00488	\$ 4.00	\$ 166,894
Commercial Large	5,324,736	4,640,084	4,982,410	11,488	8,579	10,033	15	\$ 140.41	\$ 0.00226	\$ 5.72	\$ 70,758
Industrial											
Outdoor Lights	445,378	442,995	444,187				2,586	\$ 33.21	Avg./Customer		\$ 85,881
	<u>25,914,455</u>	<u>25,391,922</u>	<u>25,653,189</u>	<u>39,940</u>	<u>30,315</u>	<u>35,128</u>	<u>15,355</u>				<u>854,517</u>
November Lighting											\$ 85,881
											\$ 940,398

**Interest Expense on Unrecovered Costs:**

	October 2018	November 2018	December 2018	January 2019	February 2019	March 2019	April 2019	May 2019	June 2019	July 2019	August 2019	September 2019	October 2019	November 2019	December 2019
Expenses Not Recovered	\$ 940,398														
Cumulative	\$ 940,398	\$ 940,398	\$ 940,398	\$ 940,398	\$ 940,398	\$ 940,398	\$ 940,398	\$ 940,398	\$ 940,398	\$ 940,398	\$ 940,398	\$ 940,398	\$ 940,398	\$ 940,398	\$ 940,398
Average Beginning and Ending Balance		\$ 940,398	\$ 940,398	\$ 940,398	\$ 940,398	\$ 940,398	\$ 940,398	\$ 940,398	\$ 940,398	\$ 940,398	\$ 940,398	\$ 940,398	\$ 940,398	\$ 940,398	\$ 940,398
Interest Per Month	4%	\$ 3,135	\$ 3,135	\$ 3,135	\$ 3,135	\$ 3,135	\$ 3,135	\$ 3,135	\$ 3,135	\$ 3,135	\$ 3,135	\$ 3,135	\$ 3,135	\$ 3,135	\$ 3,135
Cumulative Interest		\$ 3,135	\$ 6,269	\$ 9,404	\$ 12,539	\$ 15,673	\$ 18,808	\$ 21,943	\$ 25,077	\$ 28,212	\$ 31,347	\$ 34,481	\$ 37,616	\$ 40,751	\$ 43,885

13-Month Average Calculation:	December 19	January 20	February 20	March 20	April 20	May 20	June 20	July 20	August 20	September 20	October 20	November 20	December 20	13-Month Avg.
	\$ 984,283	\$ 967,878	\$ 951,473	\$ 935,069	\$ 918,664	\$ 902,259	\$ 885,855	\$ 869,450	\$ 853,045	\$ 836,640	\$ 820,236	\$ 803,831	\$ 787,426	\$ 885,855

Florida Public Utilities Company  
Regulatory Asset for the Negative Component of the Accumulated Depreciation Reserve  
Limited Proceeding Electric

Exhibit A page 3

Docket No.: 20190156-EI

Account Title	Act. #	Act. #	Cost of Removal	Salvage	Undepreciated Retirement	Total Regulatory Asset Requested
<b><u>Cost of Removal:</u></b>						
FE18164697R Meters	1080	370E	\$ 148,142		\$ 17,657	\$ 165,799
FE18504697R Distribution Station Equipment	1080	362E	\$ 83		\$ -	\$ 83
FE18554697R Distribution Poles	1080	364E	\$ 5,202,220		\$ 311,525	\$ 5,513,744
FE18564697R OH Conductors	1080	365E	\$ 1,796,949	\$ (25,992)	\$ 159,390	\$ 1,930,347
FE18584697R Underground Conductors	1080	367E	\$ 41,273		\$ -	\$ 41,273
FE18594697R Transformers	1080	368H	\$ 6,710	\$ (29,267)	\$ 81,494	\$ 58,938
FE18604697R Buried Transformers	1080	368B	\$ 318		\$ 4,189	\$ 4,507
FE18614697R Overhead Services	1080	369H	\$ 247,574		\$ (10,592)	\$ 236,982
FE18624697R Underground Services	1080	369B			\$ 19,674	\$ 19,674
FE18634697R Install on Cust. Premises-AG	1080	371A	\$ 5,816		\$ 265,786	\$ 271,602
FE18654697R Street Lighting	1080	373A	\$ 1,144		\$ 7,377	\$ 8,521
			<b>\$ 7,450,230</b>	<b>\$ (55,259)</b>	<b>\$ 856,500</b>	<b>\$ 8,251,471</b>

<b><u>13-Month Average Computation:</u></b>	Regulatory Asset	Accumulated Amortization	Net Regulatory Asset	Amortization Expense at 10 Years
Dec-19	\$ 8,251,471		\$ 8,251,471	
Jan-20	\$ 8,251,471	\$ (68,762)	\$ 8,182,709	\$ 68,762
Feb-20	\$ 8,251,471	\$ (137,524)	\$ 8,113,947	\$ 68,762
Mar-20	\$ 8,251,471	\$ (206,286)	\$ 8,045,185	\$ 68,762
Apr-20	\$ 8,251,471	\$ (275,048)	\$ 7,976,423	\$ 68,762
May-20	\$ 8,251,471	\$ (343,810)	\$ 7,907,661	\$ 68,762
Jun-20	\$ 8,251,471	\$ (412,572)	\$ 7,838,899	\$ 68,762
Jul-20	\$ 8,251,471	\$ (481,334)	\$ 7,770,137	\$ 68,762
Aug-20	\$ 8,251,471	\$ (550,096)	\$ 7,701,375	\$ 68,762
Sep-20	\$ 8,251,471	\$ (618,858)	\$ 7,632,613	\$ 68,762
Oct-20	\$ 8,251,471	\$ (687,620)	\$ 7,563,851	\$ 68,762
Nov-20	\$ 8,251,471	\$ (756,382)	\$ 7,495,089	\$ 68,762
Dec-20	\$ 8,251,471	\$ (825,144)	\$ 7,426,327	\$ 68,762
<b>Total</b>	<b>\$ 107,269,125</b>	<b>\$ (5,363,436)</b>	<b>\$ 101,905,689</b>	<b>\$ 825,144</b>
<b>13-Month Average</b>	<b>\$ 8,251,471</b>	<b>\$ (412,572)</b>	<b>\$ 7,838,899</b>	