

DOCKET NO. 20200207-GU FILED 9/3/2020 DOCUMENT NO. 05946-2020 FPSC - COMMISSION CLERK

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September 3, 2020

E-PORTAL FILING

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

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

Dear Mr. Teitzman:

Attached for filing, please find the Joint Petition for Approval of GRIP Cost Recovery Factors by Florida Public Utilities Company, Florida Public Utilities Company-Fort Meade, and Florida Division of Chesapeake Utilities Corporation, along with the Direct Testimony and Exhibits DMC-1 and DMC-2 of Mr. Derrick M. Craig. Also included with this filing are the following revised tariff pages:

Revised Tariff Sheets

(Clean and Legislative Versions)

CFG Ninth Revised Sheet No. 105.1 CFG Ninth Revised Sheet No. 105.2

FPUC NG Fifteenth Revised Sheet No. 35.4

FPUC-FORT MEADE Fourth Revised Sheet No. 64

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

Beth Keating

Kind regards.

Gunster, Yoakley & Stewart, P.A. 215 South Monroe St., Suite 601

Tallahassee, FL 32301

(850) 521-1706

MEK

cc:/(Certificate of Service)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Joint Petition for Approval of Gas Reliability Infrastructure Program (GRIP) True-Up by Florida Public Utilities Company and the Florida Division of Chesapeake Utilities Corporation and Florida Public Utilities Company-Fort Meade

DOCKET NO.

DATED: September 3, 2020

JOINT PETITION FOR APPROVAL OF GRIP COST RECOVERY FACTORS BY FLORIDA PUBLIC UTILITIES COMPANY, FLORIDA PUBLIC UTILITIES COMPANY-FORT MEADE, AND THE FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION

Florida Public Utilities Company, Florida Public Utilities Company-Fort Meade ("Fort Meade") (herein jointly "FPUC"), and the Florida Division of Chesapeake Utilities Corporation ("CFG")(also referred to herein individually as "Company" and jointly as "Companies"), by and through their undersigned counsel, hereby file this Petition, pursuant to Section 366.06, Florida Statutes, and Order No. PSC-2012-0490-TRF-GU, seeking approval from the Florida Public Service Commission ("FPSC" or "Commission") of FPUC's and CFG's GRIP cost recovery factors for the period January 2021 through December 2021. In support of this request, the Companies hereby state:

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

Florida Public Utilities Company 208 Wildlight Avenue Yulee, FL 32097

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

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

¹ FPUC's Indiantown Division does not participate in a GRIP program.

Florida Division of Chesapeake Utilities Corporation 208 Wildlight Avenue Yulee, FL 32097

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

Beth Keating, Esq. Gunster, Yoakley & Stewart, P.A. 215 South Monroe Street, Suite 601 Tallahassee, Florida 32301-1839 (850) 521-1706 Mike Cassel AVP, Regulatory and Governmental Affairs Florida Public Utilities Company/Chesapeake 208 Wildlight Ave. Yulee, FL 32097 mcassel@fpuc.com

- The Commission is vested with jurisdiction in this matter in accordance with Sections 366.04, 366.04, 366.05, and 366.06, Florida Statutes, pursuant to which the Commission is authorized to establish rates and charges for public utilities, including the relief requested herein, and to consider, among other things, the adequacy of facilities, as well as the utility's ability to improve such facilities. Likewise, in accordance with Section 368.05(2), Florida Statutes, the Commission has the authority to require improvements to natural gas distribution systems as may be necessary to promote the protection of the public.
- 5) Consistent with the requirements of Order No. PSC-12-0490-TRF-GU, issued September 24, 2012, the Companies have included with this filing Schedules A-D, which support the Companies' calculations of the yearly GRIP surcharge factors for the calendar year 2019.
- The Companies have included with this filing Schedule E, which supports the Companies' determination of whether a limitation provision is met and what the calculation of the weighted average cost of capital would have been for the 2021 projection period if a proration adjustment was necessary.
- 7) The Companies are also submitting, contemporaneously with this Petition, the Direct Testimony and Exhibit DMC-1, which includes the referenced schedules, of Mr. Derrick M.

Craig in support of the Companies' request for approval of the requested factors. Therein, Mr. Craig explains that projects in high consequence areas continue to be a priority. As also noted by Mr. Craig, the Companies continue to discover new bare steel, cast iron, and steel tubing beyond that which was originally anticipated.

- 8) As reflected on Schedule B-1, the final GRIP true-up amount for the period January 2019 through December 2019 was an over-recovery of \$2,065,712 for FPUC, an over-recovery of \$599,885 for CFG, and an over-recovery of \$2,113 for Fort Meade.
- 9) The Company projects total revenue requirements for the program of \$10,947,591 for FPUC, \$3,843,929 for CHPK, and \$25,474 for Fort Meade for the period January 2021 through December 2021. As set forth in the Testimony and Exhibit of Mr. Craig, the Company's total true-up amounts to be collected or refunded during the period January 2021 through December 2021 are, a net over-recovery of \$331,231 for FPUC and \$5,987 for Fort Meade, and a net under-recovery \$294,754 for CFG. After adding the projected revenue requirements for the programs and the true-up amounts then dividing this total among the Companies' rate classes, the following are the GRIP Cost Recovery factors for which the Companies seek approval in this petition:

C.	Μta

		GRIP	
RATE	FACTORS		
CLASS	PER THERM		
$\mathcal{F}_{\mathcal{A}} = \{ x \in \mathcal{A} \mid x \in \mathcal{A} \mid x \in \mathcal{A} : x \in \mathcal{A} \}$			
FTS-A	\$	0.74443	
FTS-B	\$	0.21667	
FTS-1	\$	0.11567	
FTS-2	\$	0.13791	

FTS-A (Exp) FTS-B (Exp) FTS-1 (Exp) FTS-2 (Exp) FTS-2.1 (Exp)			\$ \$ \$ \$	4.41 2.24 1.70 7.94 16.26
CFG Experimental CLASS Rate Schedule	e			IP CTORS e per bill
FTS-13	N	/A		
FTS-12	\$	0.03326		
FTS- 11/FTS- NGV	\$	0.14366		
FTS-10	\$	0.10789		
FTS-9	\$	0.17979		
FTS-8	\$	0.08472		
FTS-7	\$	0.07896		
FTS-6	\$	0.06387		
FTS-5	\$	0.09368		
FTS-4	\$	0.07904		
FTS-3.1	\$	0.07469		
FTS-3	\$	0.06057		
FTS-2.1	\$	0.14624		

FTS-3 (Exp)	\$	17.66
FTS-3.1 (Exp)	. \$	42.92

FPUC

RATE SCHEDULE	GRIP FACTORS PER THERM
RESIDENTIAL	\$0.22417
COMMERCIAL SMALL (General Service 1 & 2 & GS 1 & 2 Transportation)	\$0.15180
COMM. LRG VOLUME (Large Vol & LV Transportation)	\$0.10221
INTERRUPTIBLE SERVICE (Int Service & IS Transportation)	\$0.06114
GENERAL LIGHTING SERVICE (Gen Light Service & GLS Transportation) Rate Schedule NGV	\$0.80046 \$0.15180
Rate Schedule NGVTS	\$0.15180

Fort Meade

RATE SCHEDULE	<u>FACTORS</u> <u>PER THERM</u>
RESIDENTIAL	\$0.16325
COMMERCIAL SMALL	\$0.01959
(General Service & GS Transportation)	
COMM. LRG VOLUME	\$0.00000
(Large Vol & LV Transportation)	
INTERRUPTIBLE SERVICE (Int Service & IS Transportation)	\$0.00000
GENERAL LIGHTING SERVICE	\$0.00000

- 9) The Companies attest that these factors have been calculated correctly and consistent with Commission requirements. Thus, the Companies ask that the Commission approve the proposed factors as set forth herein.
- 10) In addition, the Company notes that, consistent with Order No. PSC-2019-0502-TRF-GU, issued in Docket No. 20190173-GU, the Company has addressed the change to the corporate income tax rate in the testimony of Mr. Craig, as well as the calculation of the Weighted Average Cost of Capital, which is further addressed in Mr. Craig's Exhibit DMC-2.
- 11) Attached to this Petition as Attachment A are proposed tariff pages, in clean and legislative format, reflecting the GRIP factors set forth herein.

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

readings for the period January 2021 through December 2021.

RESPECTFULLY SUBMITTED this 3rd day of September, 2020, by:

Beth Keating

Gunster, Yoakley & Stewart, P.A. 215 South Monroe St., Suite 601

Tallahassee, FL 32301

(850) 521-1706

Attorneys for Florida Public Utilities Company and the Florida Division of Chesapeake Utilities Corporation

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been served upon the following by Electronic Mail this 3rd day of September, 2020.

Jennifer Crawford Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399-0850 jcrawfor@psc.state.fl.us	J.R. Kelly/P. Christensen 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
Mike Cassel 208 Wildlight Avenue Yulee, FL 32097 Mcassel@fpuc.com	

By:

Beth Keating

Gunster, Yoakley & Stewart, P.A. 215 South Monroe St., Suite 601

Tallahassee, FL 32301

(850) 521-1706

ATTACHMENT A

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

Revised Tariff Sheets

(Clean and Legislative Versions)

CFG Sixth Revised Sheet No. 105.1 CFG Seventh Revised Sheet No. 105.2 FPUC NG Thirteenth Revised Sheet No. 35.4 FPUC-FORT MEADE Second Revised Sheet No. 64

ATTACHMENT A

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

Revised Tariff Sheets

(Clean and Legislative Versions)

CFG Ninth Revised Sheet No. 105.1 CFG Ninth Revised Sheet No. 105.2 FPUC NG Fifteenth Revised Sheet No. 35.4 FPUC-FORT MEADE Fourth Revised Sheet No. 64

BILLING ADJUSTMENTS

(Continued from Sheet No. 35.3)

Gas Reliability Infrastructure Program (GRIP)

Applicability

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

The GRIP factors for the period from the first billing cycle for January 2021 through the last billing cycle for December 2021 are as follows:

Rate Class	Rates Per Therm
Rate Schedule RS	\$0.22417
Schedule GS-1	\$0.15180
Rate Schedule GS-2	\$0.15180
Rate Schedule GSTS-1	\$0.15180
Rate Schedule GSTS-2	\$0.15180
Rate Schedule LVS	\$0.10221
Schedule LVTS	\$0.10221
Schedule IS	\$0.06114
Schedule ITS	\$0.06114
Schedule GLS	\$0.80046
Rate Schedule GLSTS	\$0.80046
Rate Schedule NGV	\$0.15180
Rate Schedule NGVTS	\$0.15180

BILLING ADJUSTMENTS

(Continued from Sheet No. 35.3)

Gas Reliability Infrastructure Program (GRIP)

Applicability

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

The GRIP factors for the period from the first billing cycle for January $2020\underline{1}$ through the last billing cycle for December $202\underline{1}$ are as follows:

Rate Class	Rates Per Therm
Rate Schedule RS	\$0. 22312 <u>22417</u>
Schedule GS-1	\$0. 14188 - <u>15180</u>
Rate Schedule GS-2	\$0. 14188 - <u>15180</u>
Rate Schedule GSTS-1	\$0. 14188 <u>15180</u>
Rate Schedule GSTS-2	\$0. 14188 <u>15180</u>
Rate Schedule LVS	\$0. 09269 <u>10221</u>
Schedule LVTS	\$0. 09269 <u>10221</u>
Schedule IS	\$0. 05864 <u>06114</u>
Schedule ITS	\$0. 0586 4 <u>06114</u>
Schedule GLS	\$0.4 9288 80046
Rate Schedule GLSTS	\$0. 49288 <u>80046</u>
Rate Schedule NGV	\$0. 14188 - <u>15180</u>
Rate Schedule NGVTS	\$0. 14188 <u>15180</u>

BILLING ADJUSTMENTS

Gas Reliability Infrastructure Program (GRIP)

Applicability

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

The GRIP factors for the period from the first billing cycle for January 2021 through the last billing cycle for December 2021 are as follows:

Rate Class	Rates Per Therm
Rate Schedule RS	\$0.16325
Rate Schedule GS-1	\$0.01959
Rate Schedule GS-2	\$0.01959
Rate Schedule GSTS-1	\$0.01959
Rate Schedule GSTS-2	\$0.01959
Rate Schedule LVS	\$0.00000
Rate Schedule LVTS	\$0.00000
Rate Schedule IS	\$0.00000
Rate Schedule ITS	\$0.00000
Rate Schedule GLS	\$0.00000
Rate Schedule GLSTS	\$0.00000
Rate Schedule NGV	\$0.00000
Rate Schedule NGVTS	\$0.00000

Effective: JAN 01 2018

BILLING ADJUSTMENTS

Gas Reliability Infrastructure Program (GRIP)

Applicability

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

The GRIP-factors for the period from the first billing cycle for January $2020\underline{1}$ through the last billing cycle for December $2020\underline{1}$ are as follows:

Rate Class	Rates Per Therm
Rate Schedule RS	\$0. 24865 - <u>16325</u>
Rate Schedule GS-1	\$0. 07705 <u>01959</u>
Rate Schedule GS-2	\$0. 07705 <u>01959</u>
Rate Schedule GSTS-1	\$0. 07705 <u>01959</u>
Rate Schedule GSTS-2	\$0. 07705 <u>01959</u>
Rate Schedule LVS	\$0.00000
Rate Schedule LVTS	\$0.00000
Rate Schedule IS	\$0.00000
Rate Schedule ITS	\$0.00000
Rate Schedule GLS	\$0.00000
Rate Schedule GLSTS	\$0.00000
Rate Schedule NGV	\$0.00000
Rate Schedule NGVTS	\$0.00000

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Issued by: Jeffry Householder, President & CEO

Chesapeake Utilities Corporation

Rate Schedule MRA

7. GAS REPLACEMENT INFRASTRUCTURE PROGRAM (GR1P):

Applicability:

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

The Usage Rate for Transportation Service to each applicable rate classification shall be adjusted by the following recovery factors. The recovery factors for all meters read for the period January 1, 2021 through December 31, 2021 for each rate classification are as follows:

Rate Schedule	Classification of Service	Rate per therm
FTS A	< 130 therms	\$0.74443
FTS-B	> 130 therms up to 250 therms	\$0.21667
FTS-1	> 0 up to 500 therms	\$0.11567
FTS-2	> 500 therms up to 1,000 therms	\$0.13791
FTS-2.1	> 1,000 therms up to 2,500 therms	\$0.14624
FTS-3	> 2,500 therms up to 5,000 therms	\$0.06057
FTS-3.1	> 5,000 therms up to 10,000 therms	\$0.07469
FTS-4	> 10,000 therms up to 25,000 therms	\$0.07904
FTS-5	> 25,000 therms up to 50,000 therms	\$0.09368
FTS-6	> 50,000 therms up to 100,000 therms	\$0.06387
FTS-7	> 100,000 therms up to 200,000 therms	\$0.07896
FTS-8	> 200,000 therms up to 400,000 therms	\$0.08472
FTS-9	> 400,000 therms up to 700,000 therms	\$0.17979
FTS-10	> 700,000 therms up to 1,000,000 therms	\$0.10789
FTS-11	> 1,000,000 therms up to 2,500,000	\$0.14366
FTS-12	> 2,500,000 therms up to 12,500,000	\$0.03326
FTS-13	> 12,500,000 therms	N/A

(Continued to Sheet No. 105.2)

Issued by: Jeffry Householder, President Chesapeake Utilities Corporation Effective:

Rate Schedule MRA

7. GAS REPLACEMENT INFRASTRUCTURE PROGRAM (GR1P):

Applicability:

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

The Usage Rate for Transportation Service to each applicable rate classification shall be adjusted by the following recovery factors. The recovery factors for all meters read for the period January 1, 20201 through December 31, 20201 for each rate classification are as follows:

Rate Schedule	Classification of Service	Rate_per therm
FTS A FTS-B	< 130 therms > 130 therms up to 250 therms	\$0. 5863 4 <u>74443</u> \$0. 17923 21667
FTS-1	> 0 up to 500 therms	\$0. 10585 11567
FTS-2	> 500 therms up to 1,000 therms	\$0. 11969 13791
FTS-2.1	> 1,000 therms up to 2,500 therms	\$0. 11818 <u>14624</u>
FTS-3	> 2,500 therms up to 5,000 therms	\$0. 04936 <u>06057</u>
FTS-3.1	> 5,000 therms up to 10,000 therms	\$0. 05900 <u>07469</u>
FTS-4	> 10,000 therms up to 25,000- therms	\$0. 06632 <u>07904</u>
FTS-5	> 25,000 therms up to 50,000 therms	\$0. 07411 <u>09368</u>
FTS-6	> 50,000 therms up to 100,000 therms	\$0. 05246 <u>06387</u>
FTS-7	> 100,000 therms up to 200,000 therms	\$0. 07043 <u>07896</u>
FTS-8	> 200,000 therms up to 400,000 therms	\$0. 06898 <u>08472</u>
FTS-9	> 400,000 therms up to 700,000 therms	\$0. 14575 <u>17979</u>
FTS-10	> 700,000 therms up to 1,000,000 therms	\$0. 08765 <u>107899</u>
FTS-11	> 1,000,000 therms up to 2,500,000	\$0. 09581 <u>14366</u>
FTS-12	> 2,500,000 therms up to 12,500,000	\$0. 02970 <u>03326</u>
FTS-13	> 12,500,000 therms	N/A

(Continued to Sheet No. 105.2)

Issued by: Michael P. Masters Jeffry Householder, President Effective: JAN 01-2020

Chesapeake Utilities Corporation

Rate Schedule MRA (Continued from Sheet No. 105.1)

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

Applicability:

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

The Firm Transportation Charge for Transportation Service to each applicable rate classification shall be adjusted by the following recovery factors. The recovery factors for all meters read for the period January 1, 2021 through December 31, 2021 for each rate classification are as follows:

Consumer			
Rate Schedule	Rate pe	er bill	
FTS-A (Exp)	\$	4.41	
FTS-B (Exp)	\$	2.24	
FTS-1 (Exp)	\$	1.70	
FTS-2 (Exp)	\$	7.94	
FTS-2.1 (Exp)	\$	16.26	
FTS-3 (Exp)	\$	17.66	
FTS-3.1 (Exp)	\$	42.92	

(Continued to Sheet No. 105.3)

Issued by: Jeffry Householder, President & CEO Chesapeake Utilities Corporation

Effective:

Rate Schedule MRA (Continued from Sheet No. 105.1)

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

Applicability:

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

The Firm Transportation Charge for Transportation Service to each applicable rate classification shall be adjusted by the following recovery factors. The recovery factors for all meters read for the period January 1, 20201 through December 31, 20201 for each rate classification are as follows:

Consumer		
Rate Schedule	Rate pe	er bill
FTS-A (Exp)	\$	3.62 <u>4.41</u>
FTS-B (Exp)	\$	<u>1.852.24</u>
FTS-1 (Exp)	\$	1.56 <u>1.70</u>
FTS-2 (Exp)	\$	6.93 <u>7.94</u>
FTS-2.1 (Exp)	\$	13.59 <u>16.26</u>
FTS-3 (Exp)	\$	15.58 <u>17.66</u>
FTS-3.1 (Exp)	\$	35.77 <u>42.92</u>

(Continued to Sheet No. 105.3)

Issued by: Michael P. McMastersJeffry Householder, President & CEO-Effective: JAN-01-2020

1		BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
2		In Re: Gas Reliability Infrastructure Program
3		DIRECT TESTIMONY OF DERRICK MAURICE CRAIG
4	•	On behalf of
5	•	Florida Public Utilities Company,
6		Florida Division of Chesapeake Utilities Corporation and Florida Public Utilities
i. i., 7		Company-Fort Meade
8	Q.	Please state your name, occupation, and business address.
9	A.	My name is Derrick Maurice Craig. I am employed by Florida Public Utilities
10		Company (FPUC or Company) as a Senior Regulatory Analyst. My business address
11		is 208 Wildlight Avenue; Yulee, Florida 32097.
12	Q.	Describe briefly your education and relevant professional background.
13	Α.	In 1991, I received a Bachelor of Electrical Engineering degree from the Georgia
14		Institute of Technology in Atlanta, Georgia, and in 1997, I received a Masters of
15		Business Administration from the University of Virginia (Darden Graduate Business
16		School) in Charlottesville, Virginia. I have worked in various engineering and
17		financial analysis roles for several utilities, including Baltimore Gas and Electric,
18		Oglethorpe Power Company and the Southern Company. I have been in my current
19		position as Senior Regulatory Analyst with Florida Public Utilities Company (FPUC)
20		since April 2019. My responsibilities include the fulfillment of many regulatory
21		activities for FPUC, which range from instances of regulatory analysis to various
22	 :	filings (Purchased Gas Adjustment, Swing Service and the Gas Reliability
23		Infrastructure Program) before the Florida Public Service Commission.
24	Q.	Have you previously filed testimony in this Docket?
25	A.	Yes, I have.

- Q. Are you familiar with the Gas Reliability Infrastructure Program ("GRIP") of the Company and the associated projected and actual revenues and costs?
- 3 A. Yes.
- 4 Q. What is the purpose of your testimony in this docket?
- 5 A. My testimony will provide both the actual true-up for January 2019 to December 6 2019, including the effect of the reduction of the state corporate income tax rate on 7 this true up for 2019, as well as the actual/estimated true-up based on seven months 8 of actual 2020 data and five months of projected 2020 data. My testimony will 9 describe the Company's forecast of GRIP investment for natural gas mains and 10 services for 2021. My testimony will also provide information confirming the 11 appropriate calculation of the weighted average cost of capital used in last year's 12 GRIP projection filing, shown in Exhibit DMC-2. Finally, the testimony will 13 summarize the computations that are contained in composite Exhibit DMC-1 14 supporting the January through December 2021 projected GRIP surcharge factors for 15 FPUC, Florida Division of Chesapeake Utilities Corporation (CFG), and Fort Meade 16 natural gas divisions.

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

- A. The Company has prepared and filed in composite Exhibit DMC-1, Schedules A, B,

 C, D and E that support the calculation of the yearly GRIP surcharge factors for

 January 2021 through December 2021 for FPUC, CFG and Fort Meade. The

 Company has also prepared and filed in composite Exhibit DMC-2, Schedule E,

 which confirms the appropriate calculation of the weighted average cost of capital

 used for the 2020 GRIP Projection filing (as it pertains to the normalization method

 of accounting identified by the Internal Revenue Code).
- Q. Were the schedules filed by the Company completed by you or under your direct supervision?

- 1 A. Yes, they were completed by me.
- 2 Q. What is the projection period for this filing?
- 3 A. The projection period is January through December 2021.
- 4 Q. What is the appropriate final GRIP true-up amount for the period
- 5 January through December 2019?
- 6 A. As shown on Schedule B-1, page 2 of 18, the total over-recovery for FPUC is
- 7 \$2,065,712 inclusive of interest, and for CFG, Schedule B-1, page 8 of 18, has a total
- 8 over-recovery of \$599,885 inclusive of interest. For Fort Meade, Schedule B-1, page
- 9 14 of 18, has a total over-recovery of \$2,113 inclusive of interest. These amounts
- include the effects of the reduction in the State corporate income tax rate in 2019.
- 11 Q. Did the Companies address the change in the state corporate income tax rate
- from 5.5 percent to 4.458 percent in this filing?
- 13 A. Yes.
- 14 Q. What was the impact to the GRIP true-up amount for the period
- January through December 2019 due to the reduction of the state corporate
- income tax rate?
- 17 A. The reduction in the state corporate income tax rate resulted in a \$52,377 increase in
- the over-recovery for FPUC, an increase of \$17,623 in the over-recovery for CFG,
- and an increase of \$100 in the over-recovery for Fort Meade.
- 20 Q. What is the projected GRIP true-up amount for the period January through
- 21 **December 2020?**
- A. For FPUC, the projected GRIP true-up amount is an under-recovery of \$1,734,481
- 23 inclusive of interest, for the period January through December 2020. CFG has a
- projected under-recovery for the same period of \$894,639 inclusive of interest. Fort
- Meade has a projected over-recovery for the same period of \$3,874 inclusive of
- interest.

- Q. What is the total projected GRIP true-up amount to be collected or refunded to customers for the period January through December 2020?
- As shown on Schedule C-1, page 3 of 18, the total net over-recovery to be refunded for FPUC is \$331,231, and for CFG, Schedule C-1, page 9 of 18, has a total net under-recovery of \$294,754 to be collected for the period January through December 2020. Fort Meade, Schedule C-1 page 15 of 18, has a total net over-recovery of \$5,987 to be refunded.
- Q. Please describe how the forecasts for the replacement of qualifying distribution
 mains and services were developed for the projection period.

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A.

- In the initial joint petition for approval of GRIP (Order No. PSC-12-0490-TRF-GU), FPUC and CFG reviewed the remaining eligible infrastructure and developed a replacement plan based on our Distribution Integrity Management Program ("DIMP") and estimated it would take approximately 10 years to replace our bare steel and cast iron facilities at an accelerated pace. Both companies prioritized the potential replacement projects focusing initially on areas of high consequence and areas more susceptible to corrosion. FPUC provides service to large metropolitan areas and the replacement of eligible infrastructure in high-density, urban areas typically cost more than areas that are primarily rural. FPUC and CFG have continued to replace eligible infrastructure aggressively. The Company continues to discover new bare steel, cast iron and steel tubing mains and services for replacement that was not included in the original petition.
- Q. Please describe how the forecasts of the revenue requirements are developed for the projection period.
- A. The projected revenue requirements include several components: 1) the return on estimated qualified investments for the projection period as calculated using the equity and debt components of the weighted average cost of capital from each

companies respective prior rate cases. 2) depreciation expense (respectively calculated using the currently approved depreciation rates) and 3) expenses for customer and general public notifications associated with GRIP and ad valorem taxes, grossed up for federal and state income taxes. Since FPUC has a bare steel replacement and recovery program, originally approved in the Company's 2004 rate case proceeding, the revenue requirement is net of the existing bare steel program, which equates to \$747,727 embedded in base rate revenues. CFG and Fort Meade do not have any recovery amounts embedded in their base rates. The 2021 projected mains and services to be replaced are shown on Exhibit DMC-1, Schedule C-2, pages 4, 10 and 16. FPUC is expecting to invest \$12,750,000 in mains and \$5,000,000 for services. CFG is expecting to invest \$200,000 in mains, and \$50,000 in services. Fort Meade has no investments expected in 2021.

- Did the Companies determine if the weighted average cost of capital (WACC) complies with the Internal Revenue Service (IRS) normalization rules to avoid a normalization violation as referenced in Order No. PSC-2019-0502-TRF-GU for Docket No. 20190173-GU?
- 17 A. Yes.

Q.

- 18 Q. Please describe whether the companies comply with the normalization rule.
- 19 A. Per the attached Exhibit DMC-2, FPUC, CFG and Fort Meade have all met the
 20 limitation provision; therefore, there is no need to incorporate a proration adjustment
 21 and as such, no adjustment to the WACC and prior period true-up was necessary for
 22 2020 projection period. In addition, Schedule E in the attached Exhibit DMC-1,
 23 composed of pages 6, 12, and 18, shows what the WACC calculation for the 2021
 24 projection period would have been if FPUC, CFG, and Fort Meade had not met the
 25 limitation provision.

- 13 What should be the effective date of the GRIP surcharge factors for billing 14 purposes?
- 15 A. The GRIP surcharge factors should be effective for all meter reading during the period of January 1, 2021 through December 31, 2021. 16
- 17 Q. Does this conclude your testimony?
- 18 A. Yes, it does.

Florida Public Utilities Company

Gas Reliability Infrastructure Program (GRIP)
Calculation of Equity and Debt Returns

Schedule A-1
Exhibit
Derrick M. Craig (DMC-1)
Page 1 of 18

Earnings Surveillance Report - December 31, 2019	
Equity Cost Rate	10.85%
Weighted Equity Cost Rate	4.02%
Revenue Expansion Factor	1.34
Weighted Equity Cost Rate, times Revenue Expansion Factor	5.37%
Long Term Debt-CU	0.85%
Short Term Debt	0.60%
Long Term Debt-FC	0,23%
Short Term Debt-Refinanced LTD	0.00%
Customer Deposits	0.08%
Weighted Debt Cost Rate	1.76%
Overall Weighted Cost Rate	5.78%

Florida Public Utilities Company

Gas Reliability Infrastructure Program (GRIP)
Calculation of the Projected Revenue Requirements
January 1, 2019 through December 31, 2019

Schedule B-1
Exhibit_____
Derrick M. Craig (DMC-1)
Page 2 of 18

	Beginning													Year End
Item Oualified Investment	Balance	Jan	<u>Feb</u>	Mar	<u>Apr</u>	May	<u>Jun</u>	<u>Jul</u>	Aug	Sep	<u>Oct</u>	Nov	Dec	Total/Balance
Qualified Investment - Mains - Current Year 1070 Activity		\$190,735	\$521,052	\$364,636	\$436,204	\$328,314	\$1,200,781	\$887,101	\$1,145,381	\$551,723	\$1,212,511	\$470,015	\$666,964	67.075.410
Qualified Investment - Mains - Closed 1070 Activity to Plant		\$170,755	(\$63,893)	(\$676,052)	(\$302,366)	\$21,368	(\$199,841)	(\$43,355)	(\$1,672,471)	(\$933,412)	(\$469,420)	(\$404,185)	(\$3,070,112)	\$7,975,418 (\$7.813,740)
Qualified Investment - Services - Current Year 1070 Activity		\$145,710	\$205,652	\$205,094	\$107,854	\$145,124	\$256,208	\$516,898	\$222,378	\$595,845	\$714,142	\$206,710	\$242.065	\$3,563,680
Qualified Investment - Services - Closed 1070 Activity to Plant		\$0	(\$155,346)	(\$40,644)	(\$417,089)	(\$70,523)	(\$264.843)	(\$146,160)	(\$484,627)	(\$282,623)	(\$775,617)	(\$259,265)	(\$664,295)	(\$3,561,032)
Qualified Investment - Mains - Current 1010 Activity		\$0	\$63,893	\$676,052	\$302,366	(\$21,368)	\$199,841	\$43,355	\$1,672,471	\$933,412	\$469,420	\$404,185	\$3,070,112	\$7,813,740
Qualified Investment - Services - Current 1010 Activity		\$0	\$155,346	\$40,644	\$417,089	\$70,523	\$264,843	\$146,160	\$484,627	\$282,623	\$775,617	\$259,265	\$664,295	\$3,561,032
Total Qualified Investment - Mains 1070	\$127,139	\$317,874	\$775,033	\$463,617	\$597,455	\$947,137	£1.049.033	#2 701 022	50.0/4.500	#1.00m.044				
Total Qualified Investment - Service 1070	\$127,139	\$317,874	\$175,033	\$360,468	\$597,455 \$51,233	\$125,833	\$1,948,077 \$117,199	\$2,791,823 \$487,936	\$2,264,733 \$225,687	\$1,883,044 \$538,909	\$2,626,135 \$477,433	\$2,691,965 \$424,878	\$288,817 \$2,649	\$288,817 \$2,649
Total Qualified Investment - Mains 1010	\$71,898,468	\$71,898,468	\$71,962,361	\$72,638,413	\$72,940,779	\$72,919,412	\$73,119,252	\$73,162,608	\$74,835,078	\$75,768,491	\$76,237,911	\$76.642.096	\$79,712,208	\$79,712,208
Total Qualified Investment - Service 1010	\$22,872,673	\$22,872,673	\$23,028,019	\$23,068,663	\$23,485,752	\$23,556,275	\$23,821,118	\$23,967,279	\$24,451,905	\$24,734,529	\$25,510,146	\$25,769,411	\$26,433,706	\$26,433,706
Total Qualified Investment	\$94,898,281	\$95,234,726	\$95,961,430	\$96,531,161	\$97,075,219	\$97,548,657	\$99,005,647	\$100,409,645	\$101,777,404	\$102,924,972	\$104,851,625	\$105,528,350	\$106,437,379	\$106,437,379
Less: Accumulated Depreciation	(\$7,996,944)	(\$8,164,699)	(\$8,332,455)	(\$8,500,607)	(\$8,670,017)	(\$8.840.720)	(\$9,011,516)	(\$9,183,147)	(\$9,355,121)	(\$9.530.911)	(\$9.708.853)	(\$0 880 US8)	(\$10.070.405)	(\$10,070,405)
Net Book Value	\$86,901,337	\$87,070,026	\$87,628,975	\$88,030,554	\$88,405,203	\$88,707,937	\$89,994,131	\$91,226,499	\$92,422,283	\$93,394,061	\$95,142,772	\$95,639,312	\$96,366,974	\$96,366,974
Average Net Qualified Investment		\$86.985,682	\$87,349,501	\$87,829,765	\$88,217,878	\$88,556,570	\$89.351,034	\$90,610,315	\$91,824,391	\$92,908,172	\$94,268,417	\$95,391,042	#04.003.149	
Tribudge Net Quanties afresterion	•	380,763,082	367,345,301	\$67,627,703	\$00,217,070	300,300,370	\$89.331,034	\$90,610,313	\$91,824,391	\$92,908,172	394,268,417	\$95,391,042	\$96,003,143	
Depreciation Rates	•						-							
Approved Depreciation Rate-Mains		2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2,10%	2.10%	2.10%	2.10%	2.10%	
Approved Depreciation Rate-Services		2.20%	2.20%	2.20%	2.20%	2.20%	2,20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	
Return on Average Net Qualified Investment														
Equity - Cost of Capital, inclusive of Income Tax Gross-up		5.78%	5.78%	5.78%	5.78%	5.78%	5.78%	5.78%	5.78%	5.78%	5,78%	5.78%	5.78%	
Debt - Cost of Capital		1.65%	1.65%	1.65%	1.65%	1.65%	1.65%	1,65%	1.65%	1.65%	1.65%	1,65%	1.65%	
Equity Component - inclusive of Income Tax Gross-up		\$418,981	\$420,733	\$423,047	\$424.916	\$426,547	\$430,374	\$436,440	\$442,287	\$447,508	\$454.060	\$459,467	\$462,415	\$5,246,775
Debt Component		\$119,605	\$120,106	\$120,766	\$121,300	\$121,765	\$122,858	\$124,589	\$126.259	\$127,749	\$129,619	\$131,163	\$132.004	\$1,497,782
Return Requirement		\$538,586	\$540,839	\$543,813	\$546,216	\$548,313	\$553,232	\$561,029	\$568,546	\$575,256	\$583,679	\$590,630	\$594,419	\$6,744,557
Investment Expenses														
Depreciation Expense - Mains		\$125.822	\$125,822	\$125,934	\$127,117	\$127,646	\$127,609	\$127.959	\$128,035	\$130,961	\$132,595	\$133,416	\$134,124	\$1,547,041
Depreciation Expense - Services		\$41,933	\$41,933	\$42,218	\$42,293	\$43,057	\$43,187	\$43,672	\$43,940	\$44,828	\$45,347	\$46,769	\$47.244	\$526,420
Property Taxes		\$144,836	\$144,836	\$144,836	\$144,836	\$144,836	\$144,836	\$144,836	\$144,836	\$144,836	\$144,836	\$144,836	\$144,836	\$1,738,027
General Public Notice Expense & Customer Notice Expense		\$343	\$5,837	\$0	\$1,544	\$0	\$0	\$0	\$220	\$0	\$825	\$0	\$3,855	\$12,623
Total Expense	•	\$312,934	\$318,428	\$312,988	\$315,789	\$315,539	\$315,631	\$316,466	\$317,030	\$320,625	\$323,602	\$325,021	\$330,058	\$3,824,111
Total Revenue Requirements		\$851,520	\$859,267	\$856,800	\$862,005	\$863,852	\$868,863	\$877,495	\$885,576	\$895.882	\$907,281	\$915,650	\$924.478	\$10,568,668
Annual Revenue Requirement for Bare Steel Replacement Investment		\$62,310	\$62.310	\$62,310	\$62,310	\$62,310	\$62,310	\$62,310	\$62,310	\$62,310	\$62,310	\$62,310	842.315	#### #################################
Net Annual Revenue Requirements		\$789,210	\$796,957	\$794,490	\$799.695	\$801,542	\$806,553	\$815,185	\$823,266	\$833,572	\$62,310 \$844,971	\$62,310 \$853,340	\$62,317 \$862,161	\$747,727 \$9,820,941
•				0.71,0	V 133,030	4001,512	3000,533	3015,105	\$025,200	#655,512	3044,571	3033,340	3802,101	39,020,941
GRIP Surcharge Revenues Collected Month	,	\$ 1,035,933	\$ 1,030,245	\$ 824,210	\$ 813,776	\$ 739,994	\$ 651,609	\$ 570,551	\$ 606,295	\$ 601,590	\$ 636,807	\$ 751,519	\$ 948,004	\$9,210,533
Beginning True-Up													s	(2,616,870)
(Over) and Under Recovery for the Month		(\$246.723)	(\$233,289)	(\$29,719)	(\$14,081)	\$61,548	\$154,944	\$244,635	\$216,971	\$231,982	\$208,163	\$101,821	(\$85,843) \$	
Monthly Interest (Expense)/Income		\$ (5,617)		\$ (6,309)	\$ (6,366)	\$ (6,331)	\$ (5,943)	\$ (5,308)	\$ (4.599)	\$ (3,996)	\$ (3.309)	\$ (2.754)	\$ (2.687) \$	(59.250)
Ending (Over) and Under Recovery	\$ (2,616,870)	\$ (2,869,210)	\$ (3,108,530)	\$ (3,144,558)	\$ (3,165,006)	\$ (3,109,789)	\$ (2,960,788)	\$ (2.721,461)	\$ (2,509,090)	\$ (2,281,103)	\$ (2,076,249)	\$ (1,977,182)	\$ (2,065,712) \$	(2,065,712)
Beg of Month Annual Interest Rate		2.50%	2.42%	2.42%	2.43%	2.42%	2,42%	2.28%	2.21%	2.02%	1.98%	1,66%	1.61%	
End of Month Annual Interest Rate		2.42%	2.42%	2.43%	2.42%	2.42%	2.28%	2.21%	2.02%	1.98%	1.66%	1.61%	1.59%	
Average Monthly Interest Rate		0,205%	0.202%	0.202%	0.202%	0.202%	0.196%	0.187%	0.176%	0.167%	0.152%	0.136%	0.133%	

Florida Public Utilities Company Gas Reliability Infrastructure Program (ORIP) Calculation of the Projected Revenue Requirements January 1, 2020 through December 31, 2020

Schedule C-1

<u>Item</u>	Beginning Balance	Actual Jan	Actual <u>Feb</u>	Actual Mor	Actual Apr	Acmal <u>May</u>	Actual Jun	Actual Jul	Forecast Aug	Forecasi Sep	Forecast Oct	Foreçasi Nov	Forecast Dec	Year End Total/Balance
Qualified Investment - Mains - Current Year 1070 Activity		\$687.808	\$840.892	\$1.115.871	\$869.653	\$837,546	#1 000 170	B1 410 555	#001 #00	*****				
Qualified Investment - Mains - Closed 1070 Activity to Plant		\$00,1608	(\$537,850)	(\$534,502)	(\$285,345)	\$837.546 \$0	\$1,023,13 <u>2</u> \$0	\$1,418,556 \$0	\$981,308 (\$981,308)	\$981,308 (\$981,308)	\$981,308 (\$981,308)	\$981,308 (\$981,308)	\$981,308 (\$981,308)	\$11,700,000 (\$6,264,238)
Qualified Investment - Services - Current Year 1070 Activity		\$251,154	\$338,657	\$1,073,730	\$714,371	\$475,101	\$446,405	\$440,690	\$211,978	\$211,978	\$211,978	\$211,978	\$211,978	\$4,800,000
Qualified Investment - Services - Closed 1070 Activity to Plant Qualified Investment - Mains - Current 1010 Activity		\$0 \$0	(\$420,549)	(\$487,229)	(\$985,156)	\$0	50	\$0	(\$211,978)	(\$211.978)	(\$211,978)	(\$211,978)	(\$211,978)	(\$2,952,826)
Qualified Investment - Services - Current 1010 Activity		\$0 \$0	\$537,850 \$420,549	\$534,502 \$487,229	\$285,345 \$985,156	\$0 \$0	\$0 \$0	\$0 \$0	\$981,308 \$211,978	\$981,308 \$211,978	\$981,308 \$211.978	\$981,308 \$211,978	\$981,308 \$211,978	\$6,264,238 \$2,952,826
			¥ /==,• \-	5 .c., <u>22</u> .	6303,130	20	40	30	. 3211,570	3211,976	\$211.576	3211,976	3211,978	\$2,932,826
Total Qualified Investment - Mains 1070	\$288,818	\$976,625	\$1,279,668	\$1,861,037	\$2,445,345	\$3,282,891	\$4,306,024	\$5,724,579	\$ 5.724.579	\$5,724,579	\$5,724,579	\$5,724,579	\$5,724,579	\$5,724,579
Total Qualified Investment - Service 1070	\$2,647	\$253,801	\$171,909	\$758,410	\$487,624	\$962,726	\$1,409,131	\$1,849,821	\$1,849,821	\$1,849,821	\$1,849,821	\$1,849,821	\$1.849.821	\$1,849,821
Total Qualified Investment - Mains 1010	\$79,712,208	\$79,712,208	\$80,250,057	\$80,784,559	\$81,069,904	\$81,069,904	\$81,069,904	\$81,069,904	\$82,051,212	\$83,032,521	\$84,013,829	\$84,995,137	\$85,976,446	\$85,976,446
Total Qualified Investment - Service 1010 Total Qualified Investment	\$26,433,705 \$106,437,378	\$26,433,705 \$107,376,339	\$26,854,254 \$108,555,888	\$27,341,483 \$110,745,489	\$28,326,640 \$112,329,513	\$28,326,640 \$113,642,160	\$28,326,640 \$115,111,698	\$28,326,640 \$116,970,944	\$28,538,618	\$28,750,596	\$28,962,575	\$29,174,553	\$29,386,531	\$29,386,531
road Qualities investment	\$100,437,378	\$107,370,339	3100,000	\$110,743,469	3112,329,313	\$113,642,160	\$115,111,098	\$116,970,944	\$118,164,231	\$119,357,518	\$120,550,804	\$121,744.091	\$122,937,378	\$122,937,378
Less: Accumulated Depreciation	(\$10,070,403)	(\$10,258,361)	(\$10,446,320)	(\$10,635,990)	(\$10,827,489)	(\$11,021,293)	(\$11,215,098)	(\$11,408,902)	(\$11,602,707)	(\$11,798,617)	(\$11,996,634)	(\$12,196.756)	(\$12.398,984)	(\$12,398,984)
Net Book Value	\$96,366,975	\$97,117,978	\$98,109,569	\$100,109,499	\$101,502,024	\$102,620,867	\$103,896,600	\$105,562,042	\$106,561,524	\$107,558,900	\$108,554,171	\$109,547,335	\$110,538,394	\$110,538,394
Average Net Qualified Investment	,	\$96,742,476	\$97,613,773	\$99,109,534	\$100,805,762	\$102,061,445	\$103,258,733	\$104,729,321	\$106,061,783	\$107,060,212	\$108,056,535	\$109,050,753	\$110,042,864	
Depreciation Rates														
Approved Depreciation Rate-Mains		2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	
Approved Depreciation Rate-Services		2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.201/4	2.20%	2.20%	2.20%	2.20%	
Return on Average Net Qualified Investment			•						-					
Equity - Cost of Capital, inclusive of Income Tax Gross-up		5,37%	5.37%	5.37%	5.37%	5.37%	5.37%	5.37%	5.37%	5.37%	5.37%	5.37%	5.37%	
Debt - Cost of Capital		1.76%	1.76%	1.76%	1.76%	1.76%	1.76%	1.76%	1.76%	1.76%	1.761%	1.76%	1.76%	
Equity Component - inclusive of Income Tax Gross-up		\$432,795	\$436,693	\$443,385	\$450,973	\$456,590	\$461,947	\$468,526	\$474,487	\$478,953	\$483,411	\$487,858	\$492,297	\$5,567,914
Debt Component		\$141,889	\$143,167	\$145,361	\$147,848	\$149,690	\$151,446	\$153,603	\$155,557	\$157,022	\$158,483	\$159,941	\$161,396	\$1,825,403
Return Requirement		\$574,684	\$579,860	\$588,745	\$598,821	\$606,281	\$613,393	\$622,129	\$630,044	\$635,975	\$641,894	\$647,800	\$653,693	\$7,393,318
Investment Expenses														
Depreciation Expense - Mains		\$139,496	\$139,496	\$140,438	\$141,373	\$141,872	\$141,872	\$141,872	\$141,872	\$143,590	\$145,307	\$147,024	\$148,741	\$1,712,955
Depreciation Expense - Services Property Taxes		\$48,462	\$48,462	\$49,233	\$50,126	\$51,932	\$51,932	\$51,932	\$51,932	\$52,321	\$52,709	\$53,098	\$53,487	\$615,626
General Public Notice Expense & Customer Notice Expense		\$160,612 \$ 0	\$160,612 \$681	\$160,612 \$1,737	\$160,612 \$2,646	\$160,612 \$0	\$160,612 \$0	\$160,612 \$3,028	\$160,612	\$160,612	\$160,612	\$160,612	\$160,612	\$1,927,339
Total Expense	-	\$348,570	\$349,251	\$352,019	\$354,756	\$354.416	\$354.416	\$357,445	\$4,333 \$358,749	\$4,333 \$360,855	\$4,333 \$362,961	\$4,333 \$365,067	\$4,333 \$367,173	\$29,759 \$4,285,679
	•										***************************************	4505,001	3507,175	34,285,875
Total Revenue Requirements		\$923,254	\$929,111	\$940,764	\$953,578	\$960,697	\$967,809	\$979,573	\$988,793	\$996,830	\$1,004,855	\$1,012,867	\$1,020,866	\$11,678,997
Annual Revenue Requirement for Bare Steel Replacement Investment		\$62,310	\$62,310	\$62,310	\$62,310	\$62,310	\$62,310	\$62,310	\$62,310	\$62,310	\$62,310	\$62,310	\$62,317	\$747,727
Net Annual Revenue Requirements		\$860,944	\$866,801	\$878,454	\$891,268	\$898,387	\$905,499	\$917,263	\$926,483	\$934,520	\$ 942,545	\$950,557	\$958,549	\$10,931,270
GRIP Surcharge Revenues Collected Month	-	\$ 1,087,884	\$ 995,592	\$ 921,502	\$ 741,256 \$	706,771	\$ 646,503 \$	642,735 \$	654,630 \$	651,552 \$	657,339 \$	674.916 \$	803,533	\$9,184,211
Beginning True-Up													s	(2,065,712)
(Over) and Under Recovery for the Month		(\$226,940)	(\$128,792)	(\$43,048)	\$150,012	\$191,616	\$258,996	\$274,528	\$271,854	\$282,968	\$285,206	\$275,641	\$155,016 \$	1,747,058
Monthly Interest (Expense)/Income		\$ (2,898)								(95) \$	(72) \$	(50) \$	(33) \$	(12,577)
Ending (Over) and Under Recovery	\$ (2,065,712)	S (2,295,550)	\$ (2,427,386)	\$ (2,473,936)	\$ (2,326,059) \$	(2,134,755)	(1,875,938) \$	(1,601,549) \$	(1,329,812) \$	(1,046,939) \$	(761,805) \$	(486,214) \$	(331,231) \$	(331,231)
Beg of Month Annual Interest Rate		1.59%	1.59%	1.51%	1.91%	0.22%	0.11%	0.10%	0.10%	0,10%	0.10%	0.10%	0.10%	
End of Month Annual Interest Rate		1.59%	1.51%	1.91%	0.22%	0.11%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	
Average Monthly Interest Rate		0.133%	0.129%	0.143%	0.089%	0.014%	0.009%	0.008%	0.008%	0.008%	0.008%	0.008%	0.008%	

Florida Public Utilities Company Gas Reliability Infrastructure Program (GRIP) Calculation of the Projected Revenue Requirements January 1, 2021 through December 31, 2021

Item Qualified Investment	Beginning Balance	Forecasi <u>Jan</u>	Forecust Feb	Forecast <u>Mar</u>	Forecasi Apr	Forecast May	Forecast Jun	Forecast <u>lu</u>	Forecast Aug	Forecast Sep	Forecast Oct	Forecast Nov	Forecast Dec	Year End Total/Balance
Qualified Investment - Mains - Current Year 1070 Activity		\$637,500	\$637,500	\$637,500	\$850,000	\$850,000	\$850,000	\$1,402,500	\$1,402,500	\$1,402,500	\$1,360,000	\$1,360,000	\$1,360,000	\$12,750,000
Qualified Investment - Mains - Closed 1070 Activity to Plant		(\$637,500)	(\$637,500)	(\$637,500)	(\$850,000)	(\$850,000)	(\$850,000)	(\$1,402,500)	(\$1,402,500)	(\$1,402,500)	(\$1,360,000)	(\$1,360,000)	(\$1,360,000)	(\$12,750,000)
Qualified Investment - Services - Current Year 1070 Activity		\$250,000	\$250,000	\$250,000	\$333,333	\$333,333	\$333,333	\$550,000	\$550,000	\$550,000	\$533,333	\$533,333	\$533,333	\$5,000,000
Qualified Investment - Services - Closed 1070 Activity to Plant		(\$250,000)	(\$250,000)	(\$250,000)	(\$333,333)	(\$333,333)	(\$333,333)	(\$550,000)	(\$550,000)	(\$550,000)	(\$533,333)	(\$533,333)	(\$533,333)	(\$5,000,000)
Qualified Investment - Mains - Current 1010 Activity		\$637,500	\$637,500	\$637,500	\$850,000	\$850,000	\$850,000	\$1,402,500	\$1,402,500	\$1,402,500	\$1,360,000	\$1,360,000	\$1,360,000	\$12,750,000
Qualified Investment - Services - Current 1010 Activity		\$250,000	\$250,000	\$250,000	\$333,333	\$333,333	\$333,333	\$550,000	\$550,000	\$550,000	\$533,333	\$533,333	\$533,333	\$5,000,000
Total Qualified Investment - Mains 1070	\$288,818	\$288,818	\$288,818	\$288,818	\$288,818	\$288,818	\$288,818	\$288,818	\$288,818	\$288,818	\$288,818	\$288,818	\$288,818	\$288,818
Total Qualified Investment - Service 1070	\$2,647	\$2,647	\$2,647	\$2,647	\$2,647	\$2,647	\$2,647	\$2,647	\$2,647	\$2,647	\$2,647	\$2,647	\$2,647	\$2,647
Total Qualified Investment - Mains 1010	\$79.712,208	\$80,349,708	\$80,987,208	\$81,624,708	\$82,474,708	\$83,324,708	\$84,174,708	\$85,577,208	\$86,979,708	\$88,382,208	\$89,742,208	\$91,102,208	\$92,462,208	\$92,462,208
Total Qualified Investment - Service 1010 Total Qualified Investment	\$26,433,705 \$106,437,378	\$26,683,705 \$107,324,878	\$26,933,705	\$27,183,705	\$27,517,039	\$27,850,372	\$28,183,705	\$28,733,705	\$29,283,705	\$29,833,705	\$30.367.039	\$30,900,372	\$31,433,705	\$31.433,705
rodii Quinned nivesanetit	\$106,437,378	\$107,324,878	\$108,212,378	\$109,099,878	\$110,283,211	\$111,466,544	\$112,649,878	\$114,602,378	\$116,554,878	\$118,507,378	\$120,400,711	\$122,294,044	\$124,187,378	\$124,187,378
Less: Accumulated Depreciation	(\$10 070 403)	(\$10,258,361)	(\$10.447.893)	(\$10,639,000)	(\$10,831,680)	(\$11,026,458)	(\$11,223,335)	(\$11,422,311)	(\$11.624.750)	(\$13.000 CC)	(*1.2.040.015)			
Net Book Value	\$96,366,975	\$97,066,516	\$97,764,484	\$98,460,878	\$99,451,532	\$100.440.086	\$101,426,542	\$103,180,066	\$104,930,128	(\$11,830,651) \$106,676,727	(\$12.040,015) \$108,360,696	(\$12,252,737) \$110,041,308	(\$12,468,817) \$111,718,561	(\$12,468,817) \$111,718,561
•					4,51,01,552	Ψ,00,110,000	\$101,420,542	\$103,160,000	2104,930,126	3100,070,727	\$108,300,090	3110,041,308	3111,/10,301	3111,718,361
Average Net Qualified Investment	_	\$96,716,746	\$97,415,500	\$98,112,681	\$98,956,205	\$99,945,809	\$100,933,314	\$102,303,304	\$104,055,097	\$105,803,427	\$107,518,711	\$109,201,002	\$110,879,934	
Depreciation Rates														
Approved Depreciation Rate-Mains		2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2,10%	2.10%	2.10%	2.10%	2.10%	
Approved Depreciation Rate-Services		2.20%	2.20%	2.20%	2.20%	2.20%	2,20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	
Return on Average Net Qualified Investment														
Equity - Cost of Capital, inclusive of Income Tax Gross-up		5.37%	5.37%	5.37%	5.37%	5.37%	5.37%	5.37%	5.37%	£ 270/	5 2744			
Debt - Cost of Capital		1.76%	1.76%	1.76%	1.76%	1.76%	1.76%	1.76%	1.76%	5.37% 1,76%	5. 3 7% 1.76%	5.37% 1.76%	5.37% 1.76%	
,			.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	1,707	1.707	1.1070	1.7076	1.7070	1.70%	1,70%	1.70%	1.70%	1.76%	
Equity Component - inclusive of Income Tax Gross-up		\$432,680	\$435.806	\$438,925	\$442,699	\$447,126	\$451,544	\$457,672	\$465,509	\$473,331	\$481,005	\$488,531	\$496.042	\$5,510,868
Debt Component	_	\$141,851	\$142,876	\$143,899	\$145,136	\$146.587	\$148,036	\$150,045	\$152,614	\$155,178	\$157,694	\$160,161	\$162,624	\$1,806,701
Return Requirement	_	\$574,531	\$578,682	\$582,824	\$587,834	\$593,713	\$599,579	\$607,717	\$618,124	\$628,509	\$638,699	\$648,692	\$658,665	\$7,317,570
Investment Expenses														
Depreciation Expense - Mains		\$139,496	\$140,612	\$141,728	\$142.843	\$144,331	\$145,818	\$147,306	\$149,760	\$152,214	#154.550	A1 CM A (A	*****	4. 4
Depreciation Expense - Services		\$48,462	\$48,920	\$49,378	\$49,837	\$50,448	\$51.059	\$51.670	\$52,678	\$132,214 \$53,687	\$154,669 \$54,695	\$157,049 \$55.673	\$159,429	\$1,775,255
Property Taxes		\$160,612	\$160,612	\$160,612	\$160,612	\$160,612	\$160,612	\$160,612	\$160,612	\$160,612	\$160,612	\$160,612	\$56,651 \$160,612	\$623,158 \$1,927,339
General Public Notice Expense & Customer Notice Expense		\$4,333	\$4,333	\$4,333	\$4,333	\$4,333	\$4,333	\$4,333	\$4,333	\$4,333	\$4,333	\$4,333	\$4,333	\$1,927,339 \$51,996
Total Expense	_	\$352,903	\$354,477	\$356,051	\$357,625	\$359,723	\$361,822	\$363,920	\$367,383	\$370,846	\$374,309	\$377.666	\$381,024	\$4,377,749
Total Revenue Requirements		\$927,434	\$933,159	\$938,874	\$945,459	\$953,436	\$961,401	\$971,638	\$985,507	\$999,355	\$1,013,007	\$1,026,358	\$1,039,690	\$11,695,318
			•								<u></u>		**= 	
Annual Revenue Requirement for Bare Steel Replacement Investment		\$62,310	\$62,310	\$62,310	\$62,310	\$62,310	\$62,310	\$62,310	\$62,310	\$62,310	\$62,310	\$62,310	\$62,317	\$747,727
Net Annual Revenue Requirements	_	\$865,124	\$870,849	\$876,564	\$883,149	\$891,126	\$899,091	\$909,328	\$923,197	\$937,045	\$950,697	\$964,048	\$977,373	\$10,947,591

Florida Public Utilities Company

Gas Reliability Infrastructure Program (GRIP)
Projection of Qualified Mains & Services Revenue Requirements
Surcharge Calculation - January 1, 2021 through December 31, 2021
Per Therm Rate

Schedule D-1
Exhibit____
Derrick M. Craig (DMC-1)
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1.	1/1/21-12/31/21 Qualified Mains & Services Replacement Revenue Requ	uirements		\$	10,947,591
	Mains	74%	\$8,101,218		
	Services	26%	\$2,846,374		
	Net	_	\$10,947,591		
2.	TRUE-UP from Prior Period (Over)/Under Recovery Estimated thru 12/	2020		s	(331,231)
3.	2021 Qualified Mains & Services Replacement Revenue Requirements			\$	10,616,361
	Mains	74%	\$7,856,107		,
	Services	26%	\$2,760,254		
	Net		\$10,616,361		

RATE SCHEDULE	2021 THERMS	SERVICES COS %	MAINS COS %	SERVICES REV REQ	.MAINS REV REQ	GRIP . REV REQ	DOLLARS PER THERM	TAX FACTOR	GRIP FACTORS PER THERM	TYPICAL ANNUAL THERMS	ANNUAL COST	AVERAGE MONTHLY. COST
RESIDENTIAL	14,926,551	58.00%	22.00%	\$1,600,947	\$1,728,344	\$3,329,291	\$0.22304	1.00503	\$0.22417	250	\$56.04	\$4.67
COMMERCIAL SMALL (General Service & GS Transportation & NGVS &NGVTS)	15,069,859	17.00%	23.00%	\$469,243	\$1,806,905	\$2,276,148	\$0.15104	1.00503	\$0.15180	2,500	\$379.50	\$31.62
COMM. LRG VOLUME (Large Vol & LV Transportation)	42,320,261	25.00%	46.00%	\$690,063	\$3,613,809	\$4,303,873	\$0.10170	1.00503	\$0.10221	25,000	\$2,555.23	\$212.94
INTERRUPTIBLE SERVICE (Int Service & IS Transportation)	10,330,494	0.00%	8.00%	\$0	\$628,489	\$628,489	\$0.06084	1.00503	\$0.06114	50,000	\$3,057.21	\$254.77
GENERAL LIGHTING SERVICE (Gen Light Service & GLS Transportation)	98,639	0.00%	1.00%	\$0	\$78,561	\$78,561	\$0.79645	1.00503	\$0.80046	500	\$400.23	\$33.35

	·					
TOTAL	82,745,804	100%	100%	2,760,254	7,856,107	10,616,361
	 			=,.00,23.	7,050,107	10,010,501

FPU

	ance (13-month average) at ROE% midpoint	Pro-Rata	Specific .				
	Per Book	Adjustment	Adjustment	Adjusted Balance	Cap Ratio C	ost Rate	Weighted Cost
Common Equity	\$92,248,746	\$985,480	(\$2,469,682)	\$90,764,544	37.06%	10.85%	•
Long Term Debt - CU	\$54,611,303	\$583,406	\$0	\$55,194,709	22.54%	3.79%	0.85%
Short Term Debt	\$44,768,551	\$478,257	\$0	\$45,246,808	18.48%	3.26%	
Long Term Debt - FC	\$5,012,450	\$53,547	\$0	\$5,065,997	2,07%	11.35%	
Customer Deposits	\$8,466,585	\$0	\$0	\$8,466,585	3.46%	2.38%	
Deffered Income Taxes	\$40,159,744	\$0	\$0	\$40,159,744	16.40%	0.00%	
Total	\$245,267,379	\$2,100,690	(\$2,469,682)	\$244,898,387	100%		5.789

2019 YE Forecast Survel	liance with ADFIT	Consistency and Prorat	ion Adjustments (13-month averag	;e)			 	
		Consistency and Pro-		Pro-Rata	Specific				
	Per Book	Rata Adjustment	Books Adjusted	Adjustment	Adjustment	Adjusted Balance	Cap Ratio	Cost Rate	Weighted Cost
Common Equity	\$92,248,746	(\$527,893)	\$91,720,853	\$985,480	(\$2,469,682)	\$90,236,651	36.85%	10.859	4.00%
Long Term Debt - CU	\$54,611,303	(\$312,513)	\$54,298,790	\$583,406	\$0	\$54,882,196	22.41%	3.799	6 0.85%
Short Term Debt	\$44,768,551	(\$256,188)	\$44,512,363	\$478,257	\$0	\$44,990,620	18.37%	3.269	6 0.60%
Long Term Debt - FC	\$5,012,450	(\$28,684)	\$4,983,766	\$53,547	\$0	\$5,037,313	2.06%	11.359	6 0.23%
Customer Deposits	\$8,466,585		\$8,466,585	\$0	\$0	\$8,466,585	3,46%	2.389	6 0.08%
Deffered Income Taxes	\$40,159,744	\$1,125,278	\$41,285,022	\$0	\$0	\$41,285,022	16.86%	0.009	6 0.00%
Total	\$245,267;379		\$245,267,379	\$2;100,690	(\$2,469,682)	\$244,898,387	100%		

	Month	Total Deferred Income Tax Balance	Deprec Related ADFIT Balance	•		Future Days in	Prorated Deprec- Related ADFIT	Prorated Deprec- Related ADFIT
				ADFIT Activity	Days to Prorate	Period	Activity	Balance
rojected	Dec-20		31,926,257					31,926,257
rojected	Jan-21	30,838,344	32,052,302	126,045	31	336	116,030	32,042,287
rojected	Feb-21	30,959,615	32,178,346	126,045	28	308	106,361	32,148,648
rojected	Mar-21	31,080,886	32,304,391	126,045	31	277	95,656	32,244,304
rojected	Apr-21	31,202,157	32,430,436	126,045	30	247	85,296	32,329,600
rojected	May-21	31,323,428	32,556,481	126,045	31	216	74,591	32,404,191
rojected	Jun-21	31,444,699	32,682,526	126,045	30	186	64,231	32,468,422
rojected	Jul-21	31,565,970	32,808,571	126,045	31	155	53,526	32,521,948
rojected	Aug-21	31,687,241	32,934,616	126,045	31	124	42,821	32,564,769
Projected	Sep-21	31,808,512	33,060,660	126,045	30	94	32,461	32,597,230
rojected	Oct-21	31,929,783	33,186,705	126,045	31	63	21,756	32,618,985
rojected	Nov-21	32,051,054	33,312,750	126,045	30	33	11,396	32,630,381
Projected	Dec-21	32,172,325	33,438,795	126,045	31	2	691	32,631,072
		31,444,699	32,682,526	1,512,538	365	-	704,815	32,394,469
019 YE Surveil Bal.		40,159,744	31,269,190	_			13-Month Avg. Bal	32,682,526
onsistency Adjustment		(8,715,045)	1,413,335	•			Proration Adj.	(288,057)
roration Adjustment			(288,057)				•	, , ,
otal Adjustment		•	1,125,278	-				

^{*} Positive variance shows that the limitation provision is met.

Schedule E-1
Exhibit____

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Florida Division of Chesapeake Utilities Corporation

Gas Reliability Infrastructure Program (GRIP)
Calculation of Equity and Debt Returns

Schedule A-1

Exhibit_

Derrick M. Craig (DMC-1)

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Earnings Surveillance Report - December 31, 2	019
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Equity Cost Data	10.000/
Equity Cost Rate	10.80%
Weighted Equity Cost Rate	4.09%
Revenue Expansion Factor	1.34
Weighted Equity Cost Rate, times Revenue Expansion Factor	5.48%
Long Term Debt-CU	0.91%
Short Term Debt	0.60%
Short Term Debt-Refinanced LTD	0.00%
Customer Deposits	0.03%
Tax Credits-Weighted Cost	0.00%
Weighted Debt Cost Rate	1.54%
Overall Weighted Cost Rate	5.63%

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

Schedule B-1

<u>Item</u>	Beginning <u>Balance</u>	<u>Jan</u>	Feb	Mar	Apr	May	Jun	<u>Jul</u>	Aug	Sep	<u>Qc1</u>	Nov	Dec	Year End Total
Qualified Investment														
	Qualified Investment - Mains - Current 1070 Activ	\$781,584	\$701,075	\$855,045	\$529,285	\$478,776	\$262,031	\$225,093	\$183,506	\$230,072	\$260,509	\$85,589	\$225,108	\$ 4.817.674
	Qualified Investment - Mains - Closed 1070 Activit	\$0	(\$71,302)	(\$80,098)	(\$3,062,558)	(\$1.040.982)	(\$404,847)	(\$112,002)	(\$349,476)	(\$131,639)	(\$111,627)	(\$117,124)	(\$76,150)	(\$5,557,805)
	Qualified Investment - Services - Current 1070 Act Qualified Investment - Services - Closed 1070 Activ	\$54,520 \$0	\$40,883 (\$72,182)	\$27,581 (\$39,703)	\$57,927 (\$21,833)	\$17,283	\$24,212	\$12.491	\$18,984	\$24,591	\$19,148	\$17,925	\$26,440	\$341,986
	Qualified Investment - Mains - Current 1010 Activ	\$0	\$71,302	\$80,098	\$3,062,558	(\$53,887) \$1,040,982	(\$30,432) \$404,847	(\$10.452) \$112,002	(\$14,422) \$349,476	(\$28,953) \$131,639	(\$15,910) \$111,627	(\$19,388)	(\$34,757)	(\$341,918)
	Qualified Investment - Services - Current 1010 Act	\$0	\$72,182	\$39,703	\$21,833	\$53,887	\$30,432	\$10,452	\$14,422	\$28,953	\$111,627	\$117,124 \$19,388	\$76,150 \$34,757	\$5,557,805 \$341,918
				20711.00	021,033	430,007	450,152	\$10,152	311,422	420,733	\$15,710	317,500	\$34,737	\$341.710
	Total Qualified Investment - Maii \$1,168,573	\$1,950,157	\$2,579,929	\$3.354,876	\$821,604	\$259.397	\$116,582	\$229,673	\$63,703	\$162,137	\$311.018	\$279,484	\$428,442	\$428,442
	Total Qualified Investment - Serv \$4,001	\$58,522	\$27,223	\$15,101	\$51,195	\$14,591	\$8,371	\$10,411	\$14,973	\$10,611	\$13,849	\$12,386	\$4.069	\$4,069
	Total Qualified Investment - Maii \$28,199,967	\$28,199,967	\$28,271,269	\$28,351,367	\$31,413.925	\$32,454,907	\$32,859,754	\$32,971.756	\$33,321,232	\$33,452,871	\$33,564,498	\$33.681,622	\$33.757,772	\$33,757,772
	Total Qualified Investment - Serv \$2,728,922	\$2,728,922	\$2,801,104	\$2,840,807	\$2,862,640	\$2,916,527	\$2,946,958	\$2,957,410	\$2,971,832	\$3,000,786	\$3,016.695	\$3,036,083	\$3,070,840	\$3,070,840
	Total Qualified Investment \$32,101,463	\$32,937,567	\$33,679,525	\$34,562,151	\$35,149,364	\$35,645,422	\$35,931,666	\$36,169,250	\$36.371.740	\$36,626,404	\$36,906,061	\$37,009,575	\$37,261,123	\$37,261,123
	Less: Accumulated Depreciation (\$2,330,929)	(\$2,385,282)	(\$2,439,635)	(\$2,494.245)	(\$2,549,068)	(\$2,609,290)	(\$2,671,433)	(\$2,734,341)	(\$2,797,464)	(F2 DC 22 A)	**** ****	(ED 000 ED ED		
	Net Book Value \$29.770,534	\$30,552,285	\$31,239,890	\$32,067,906	\$32,600,296	\$33,036,132	\$33,260,233	\$33,434,909	\$33,574,276	(\$2,861,224) \$33,765,180	(\$2,925,268) \$33,980,793	(\$2.989.537) \$34.020.038	(\$3.054.046) \$34,207.077	(\$3.054,046) \$34,207.077
	22,774,331	450,552,265	\$31,23,050	052,007,500	\$32,000,250	\$55,050,152	\$55,200,255	300,404,707	333,374,270	\$33,703,180	333.760,793	\$34,020,036	\$34,207.077	\$34,207.077
	Average Net Qualified Investment	\$30,161,409	\$30,896,088	\$31,653,898	\$32,334,101	\$32,818,214	\$33,148,183	\$33,347,571	\$33,504,592	\$33,669,728	\$33,872,986	\$34,000,415	\$34,113,557	
			40.010.000	001,000,000	452,55 (,10)		455,146,165	0.0.0.77,071	300,004,002	455,007,726	333,072,760	334,000,413	334,113,337	
Depreciation Rates														
•	Approved Depreciation Rate-Mains	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2,10%	2.10%	2.10%	2.10%	2.10%	2.10%	
	Approved Depreciation Rate-Services	2.20%	2.20%	2.20%	· 2.20%	2.20%	2.20%	2,20%	2.20%	2.20%	2.201/	2.20%	2.20%	
Return on Average Net Qualified Investment														
	Equity - Cost of Capital, inclusive of Income Tax G	5.87%	5.87%	5.87%	5.87%	5.87%	5.87%	5.87%	5.87%	5.87%	5.87%	5.87%	5.87%	
	Debt - Cost of Capital	1.39%	1.39%	1.39%	1.39%	1,39%	1.39%	1.39%	1.39%	1.39%	1.39%	1.39%	1.39%	
	Equity Component - inclusive of Income Tax Gross	\$147,540	\$151,133	\$154.840	\$158,168	\$160,536	\$162,150	£1/2.12£	41/2 002	6164 301		*****		
	Debt Component	\$34,937	\$35,788	\$36,666	\$37,454	\$38.014	\$102,150	\$163,125 \$38,628	\$163,893 \$38,809	\$164,701 \$39.001	\$165,695 \$39,236	\$166,319 \$39,384	\$166,872 \$39,515	\$1,924,972
	Return Requirement	\$182,477	\$186,921	\$191,506	\$195,621	\$198,550	\$200,547	\$201,753	\$202,703	\$203,702	\$204,932	\$205,703	\$206,387	\$455,828 \$2,380,800
				4111,000	4175,021	0170,000		\$201,733	\$202.705	3205,702	\$204,752	3203.703	\$200,387	32.380,800
Investment Expenses		\$0,00	\$0.00	\$0.00	\$0,00	\$0,00								
	Depreciation Expense - Mains	\$49,350	\$49,350	\$49.475	\$49,615	\$54,974	\$56,796	\$57,505	\$57,701	\$58,312	\$58,543	\$58,738	\$58,943	\$659,302
	Depreciation Expense - Services	\$5,003	\$5,003	\$5.135	\$5,208	\$5,248	\$5,347	\$5,403	\$5,422	\$5,448	\$5,501	\$5,531	\$5,566	\$63,815
	Property Taxes	\$49.618	\$49.618	\$49,618	\$49,618	\$49.618	\$49,618	\$49,618	\$49,618	\$49,618	\$49,618	\$49,618	\$49,618	\$595,416
	General Public Notice Expense and Customer Notic	\$2,012		\$1,740	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3.752
	Total Expense	\$105,983	\$103,971	\$105,968	\$104,441	\$109,840	\$111,761	\$112,526	\$112,741	\$113,378	\$113,662	\$113,887	\$114,127	\$1,322,285
Total Revenue Requirements		*****	#200 ppg	0000 101	*****	****								
Total Revenue Requirements	-	\$288,459	\$290,892	\$297,474	\$300,062	\$308,390	\$312,308	\$314,279	\$315,444	\$317,080	\$318,594	\$319,590	\$320,514	\$3,703,085
GRIP Surcharge Revenues Collected Month	-	S 433,474	\$ 388,476	\$ 392,639	\$ 348.297	\$ 336,190	\$ 310,885	\$ 297,495			-			
ORT Suicharge Revenues Conceded Month	-	\$ 433,474	3 366,476	3 392,639	\$ 348.297	3 336.190	\$ 310,885	\$ 297.495	\$ 303,669	\$ 282,873	\$ 307,219	\$ 332,255	\$ 366.083	\$4,099,554
Beginning True-Up													3	(192,146)
(Over) and Under Recovery for the Month		\$ (145,015)	\$ (97,584)	\$ (95,165)	\$ (48,235)	\$ (27,800)	\$ 1,423	\$ 16,784	\$ 11.775	\$ 34,207	\$ 11,375	\$ (12,666)		(\$396,469)
Monthly Interest (Expense)/Income		\$ (543)										\$ (743)		(\$11,270)
Ending (Over) and Under Recovery	\$ (192,146)	\$ (337,703)				\$ (610,571.75)						4 1117		
					· · · · · · · · · · · · · · · · · · ·						~~~ · · · · · · · · · · · · · · · · · ·			
Beg of Month Annual Interest Rate		2.50%	2.42%	2.42%	2.43%	2.42%	2.42%	2.28%	2.21%	2.02%	1.98%	1.66%	1.61%	
End of Month Annual Interest Rate		2.42%	2.42%	2.43%	2.42%	2.42%	2.28%	2.21%	2.02%	1.98%	1.66%	1.61%	1.59%	
Average Monthly Interest Rate		0.21%	0.20%	0.20%	0.20%	0.20%	0.20%	0.19%	0.18%	0.17%	0.15%	0.14%	0.13%	

Florida Division of Chesapeake Utilities Corporation

Gas Reliability Infrastructure Program (GRIP)
Calculation of the Projected Revenue Requirements
January 1, 2020 through December 31, 2020

Schedule C-1
Exhibit_____
Derrick M. Craig (DMC-1)
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<u>Item</u> Oualified Inv	retmoni	Beginning Balance	Actual Jan	Actual <u>Fcb</u>	Actual Mar	Actual <u>Apr</u>	Actual <u>Mav</u>	Actual Jun	Actual Jul	Forecast Aug	Forecast Scp	Forecast Oct	Forecasi Nov	Forecast Dec	Year End Total
· Qualifica IIIV	Qualified Investment - Mains - Current 1070 Activity		\$47,862	\$376,659	\$266,052	\$291,428	\$197,549	\$279,925	\$170,658	\$113.973	\$113.973	\$113.973	\$113.973	\$113,973	\$2,200,000
	Qualified Investment - Mains - Closed 1070 Activity to Plant		\$0	\$0	(\$131,609)	(\$951,848)	\$0	\$0	\$0	(\$113,973)	(\$113,973)	(\$113,973)	(\$113,973)	(\$113,973)	(\$1,653,323)
	Qualified Investment - Services - Current 1070 Activity		\$3,331	\$26,703	\$23,888	\$24,006	\$49,368	\$39,848	\$9,172	\$24,737	\$24,737	\$24,737	\$24,737	\$24,737	\$300,000
	Qualified Investment - Services - Closed 1070 Activity to Plant		\$0	\$0	(\$43,056)	(\$14,035)	\$0	\$0	\$0	(\$24,737)	(\$24,737)	(\$24,737)	(\$24,737)	(\$24,737)	(\$180,775)
	Qualified Investment - Mains - Current 1010 Activity Qualified Investment - Services - Current 1010 Activity		\$0 \$0	\$0 \$0	\$131,609 \$43,056	\$951,848	\$0 \$0	\$0 \$0	\$0 \$0	\$113,973	\$113,973	\$113,973	\$113,973	\$113,973	\$1,653,323
	Quantica investment - Services - Current 1010 Activity		\$0	\$0	\$43,030	\$14,035	30	30	\$0	\$24,737	\$24.737	\$ 24,737	\$24,737	\$24,7 37	\$180,775
	Total Qualified Investment - Mains 1070	\$418,598	\$466,461	\$843,120	\$977,563	\$317,143	\$514,693	\$794,618	\$965,276	\$965,276	\$965,276	\$ 965,276	\$965,276	\$965,276	\$965,276
	Total Qualified Investment - Services 1070 Total Qualified Investment - Mains 1010	\$4,004	\$7,335	\$34,037	\$14,869	\$24,841	\$74,209	\$114,057	\$123,229	\$123,229	\$123,229	\$123,229	\$123,229	\$123,229	\$123,229
	Total Qualified Investment - Mains 1010 Total Qualified Investment - Services 1010	\$33,764,597 \$3,073,919	\$33,764,597 \$3.073,919	\$33,764,597 \$3,073,919	\$33,896,206 \$3,116,975	\$34,848,054 \$3,131,010	\$34,848,054	\$34,848,054	\$34,848,054	\$34,962,028	\$35,076,001	\$35,189,974	\$35,303,947	\$35,417,920	\$35,417,920
	Total Qualified Investment	\$37,261,118	\$37,312,311	\$37,715,674	\$38,005,614	\$38,321,048	\$3,131,010 \$38,567,966	\$3,131,010 \$38,887,738	\$3,131,010 \$39,067,568	\$3,155,747 \$39,206,278	\$3,180,483 \$39,344,988	\$3,205,220 \$39,483,698	\$3,229,957 \$39,622,408	\$3,254,694 \$39,761,118	\$3,254,694
		957,201,170	4012011	457,715,074	330,000,014	\$50,521,040	338,307,300	450,007,750	337,007,308	339,200,278	339,344,988	339.483,098	\$39,022,408	339,761,118	\$39,761,118
	Less: Accumulated Depreciation	(\$3,054,047)	(\$3,118,771)	(\$3,183,495)	(\$3,248,219)	(\$3,313,251)	(\$3.379,975)	(\$3,446.699)	(\$3.513,423)	(\$3,580.147)	(\$3,647,117)	(\$3.714,331)	(\$3,781,789)	(\$3,849,493)	(\$3,849,493)
	Net Book Value	\$34,207,071	\$34,193,540	\$34,532,178	\$34,757,394	\$35,007.797	\$ 35,187,990	\$35,441,039	\$35,554,145	\$35,626,131	\$35,697,871	\$ 35,769,367	\$35,840,619	\$35,911,625	\$35,911,625
	Average Net Qualified Investment		\$34,200,306	\$34,362,859	\$34,644,786	\$34,882,596	\$35,097,894	626 214 616	626 407 602	F24 400 120	F24 442 001	606 ma (10	### OO L GGO	201 001 100	
	Average Not Qualified investment		\$34,200,300	\$34,362,639	\$34,044,780	\$34,882,396	\$33,097,894	\$35,314,515	\$35,497,592	\$35,590,138	\$35,662,001	\$35,733,619	\$35,804,993	\$35,876,122	
Depreciation	Rates														
	Approved Depreciation Rate-Mains		2.10%	2,10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2,10%	2.10%	2.10%	
	Approved Depreciation Rate-Services		2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2,20%	2.20%	2.20%	2.20%	2.20%	
Return on Av	erage Net Qualified Investment														
	Equity - Cost of Capital, inclusive of Income Tax Gross-up		5.48%	5.48%	5.48%	5.48%	5.48%	5.48%	5.48%	5,48%	5,48%	5.48%	5.48%	5.48%	
	Debt - Cost of Capital		1.54%	1.54%	1.54%	1.54%	1.54%	1.54%	1.54%	1,54%	1.54%	1.54%	1.54%	1.54%	
	Equity Component - inclusive of Income Tax Gross-up Debt Component		\$156,092	\$156,834	\$158,120	\$159,206	\$160,188	\$161,177	\$162,012	\$162,435	\$162,763	\$163,090	\$163,415	\$163,740	\$1,929,072
	Return Requirement		\$43,802 \$199,894	\$44,010 \$200.844	\$44,371 \$202,491	\$44.676 \$203.881	\$44,952 \$205,140	\$45,229 \$206,406	\$45,463 \$207,476	\$45,582 \$208,017	\$45,674 \$208,437	\$45,766	\$45,857	\$45,948	\$541,330
	rosan regulation	•	\$1,70,654	32//0,044	3202,491	\$203,001	3203,140	\$206,406	\$207,476	\$208,017	\$208,437	\$208,855	\$209,273	\$209,688	\$2,470,401
Investment E	xpenses														
	Depreciation Expense - Mains		\$59,088	\$59,088	\$59,088	\$59,318	\$60,984	\$60,984	\$60,984	\$60,984	\$61,184	\$61,383	\$61,582	\$61,782	\$726,449
	Depreciation Expense - Services		\$5.636	\$5,636	\$5,636	\$5,714	\$5,740	\$ 5,740	\$5,740	\$5,740	\$5,786	\$5,831	\$5,876	\$5,922	\$68,997
	Property Taxes General Public Notice Expense and Customer Notice Expense		\$57,012	\$57,012	\$57,012	\$57,012	\$57,012	\$57,012	\$57,012	\$57,012	\$57,012	\$57,012	\$57,012	\$57,012	\$684,144
	Total Expense		\$121,736	\$121,736	\$121,736	\$1,212 \$123,256	\$123,736	\$123,736	\$123.736	\$123,736	\$123,982	\$0	\$0	\$0	\$1,212
	Tom Enpared	!	3121,730	\$121,750	3121,730	\$123,230	3123,730	\$123,736	\$123,736	\$123,736	\$123,982	\$124,226	\$124,470	\$124,716	\$1,480,802
Total Revenu	e Requirements		\$321,630	\$322,580	\$324,227	\$327,137	\$328,876	\$330,142	\$331,212	\$331,753	\$332,419	\$333,081	\$ 333.743	\$334,404	\$3,951,203
GRIP Surcha	rge Revenues Collected Month		\$ 312,526	\$ 291,089	\$ 294,203	\$ 233,276	\$ 239,311	\$ 225,875	\$ 226,179	\$ 239,730	\$ 240,933	\$ 230,887	\$ 250,133	\$ 269,616	\$3,053,757
Beginning Tr	ue-Up														\$ (599,885)
(Over) and U	Inder Recovery for the Month		\$ 9,103.68	\$ 31,490	\$ 30,025	\$ 93,861	\$ 89,565	\$ 104,267	\$ 105.033	\$ 92,023	\$ 91.485	\$ 102,195	\$ 83,609	\$ 64,789	\$897.446
	rest (Expense)/Income		S (792)	\$ (743)				\$ (27)					\$ 15		(\$2,807)
Ending (Over	r) and Under Recovery	(599,885)	\$ (591,573)	\$ (560,826)	\$ (531,582)	\$ (438,152)	\$ (348,642)	\$ (244,402)	\$ (139,384)	\$ (47,369)	\$ 44,117	\$ 146,320	\$ 229,944		\$ 294,754
Box of Month	h Annual Interest Rate		1.59%	1.59%	1.51%	1.91%	0.22%	0.140	0.1004	0.165	0.1000				
	h Annual Interest Rate		1.59%	1.51%	1.91%	0.22%	0.22%	0.11% 0.10%	0.10%	0.10% 0.10%	0.10% 0.10%	0.10% 0.10%	0.10% 0.10%	0.10% 0.10%	
	nthly Interest Rate		0.13%	0.13%	0.14%	0,22%	0.11%	0.10%	0.10% %10.0	0.10%	0.10%	0.10%	0.10%	0.10%	
•	•			5.1270	5.4 779	0,000	0.0170	0.0170	0.0176	U.U176	0.0176	0.017a	U.U1%	0,01%	

Florida Division of Chesapeake Utilities Corporation
Gas Reliability Infrastructure Program (GRIP)
Calculation of the Projected Revenue Requirements
January 1, 2021 through December 31, 2021

Schedule C-2

<u>Item</u> Qualified In	vestment	Beginning Balance	Forecasi Jan	Forecast Fcb	Forecasi Mar	Forecast Apr	Forecasi May	Forecast Jun	Forecast Jul	Forecast Aug	Forecast Sep	Forecast Oct	Forecast Nov	Forecast <u>Doc</u>	Year End Total
	Qualified Investment - Mains - Current 1070 Activity		\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$200,000
	Qualified Investment - Mains - Closed 1070 Activity to Plant		(\$16,667)	(\$16,667)	(\$16,667)	(\$16,667)	(\$16,667)	(\$16,667)	(\$16,667)	(\$16,667)	(\$16,667)	(\$16,667)	(\$16,667)	(\$16,667)	(\$200,000)
	Qualified Investment - Services - Current 1070 Activity		\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$50,000
	Qualified Investment - Services - Closed 1070 Activity to Plant		(\$4,167)	(\$4,167)	(\$4,167)	(\$4,167)	(\$4,167)	(\$4,167)	(\$4,167)	(\$4,167)	(\$4,167)	(\$4,167)	(\$4,167)	(\$4,167)	(\$50,000)
	Qualified Investment - Mains - Current 1010 Activity		\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$200,000
	Qualified Investment - Services - Current 1010 Activity		\$4,167	\$ 4,167	\$4.167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$50,000
	Total Qualified Investment - Mains 1070	\$418,598	\$418,598	\$418,598	\$418,598	\$418,598	\$418,598	\$418,598	\$418,598	\$418.598	\$418,598	\$418,598	\$418.598	5410 500	£410.500
	Total Qualified Investment - Services 1070	\$4,004	\$4.004	\$4,004	\$4,004	\$4.004	\$4.004	\$4.004	\$4.004	\$4.004	\$4,004	\$4,004	\$4,004	\$418,598 \$4,004	\$418,598 \$4,004
	Total Qualified Investment - Mains 1010	\$33,764,597	\$33,781,264	\$33,797,931	\$33,814,597	\$33,831,264	\$33,847,931	\$33,864,597	\$33,881,264	\$33,897,931	\$33,914,597	\$33,931,264	\$33,947,931	\$33,964,597	\$33,964,597
	Total Qualified Investment - Services 1010	\$3,073,919	\$3,078,086	\$3,082,252	\$3.086.419	\$3,090,586	\$3,094,752	\$3,098,919	\$3,103,086	\$3,107,252	\$3,111,419	\$3,115,586	\$3,119,752	\$3,123,919	\$3,123,919
	Total Qualified Investment	\$37,261,118	\$37,281,952	\$37,302,785	\$37,323,618	\$37.344.452	\$37,365,285	\$37,386,118		\$37,427,785	\$37,448,618	\$37,469,452		\$37,511,118	\$37,511,118
	•			00,000,000	457,525,670	3 5.5511,15 2	257,505,205	\$57.500,110	\$57,400,052	337,427,763	\$37,440,010	337,409,432	337.430.263	\$37,311,116	\$11,116
	Less: Accumulated Depreciation	(\$3.054.047)	(\$3,118,771)	(\$3,183,531)	(\$3,248,328)	(\$3,313,162)	(\$3,378,033)	(\$3,442,941)	(\$3,507,885)	(\$3,572,866)	(\$3,637,884)	(\$3,702,939)	(\$3,768,031)	(\$3.833.160)	(\$3.833.160)
	Net Book Value	\$34,207,071	\$34,163,180	\$34,119,254	\$34,075,290	\$34.031.289	\$33,987.252		\$33,899,066	\$33.854.919	\$33,810,734		\$33,722,254	\$33,677,958	\$33,677,958
								200,5 10,111	425,057,000	\$55.654,515	400,010,754	335,700,312	333.122,234	\$33,077,538	\$33,077,238
	Average Net Qualified Investment	•	\$34,185,126	\$34,141,217	\$ 34,097,272	\$34,053,290	\$34,009,271	\$33,965,214	\$33,921,122	\$33,876,993	\$33,832,826	\$33,788,623	\$ 33.744,383	\$33,700,106	
Depreciation															
	Approved Depreciation Rate-Mains		2.10%	2.10%	2.10%	2.10%	2,10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	
	Approved Depreciation Rate-Services		2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	
Return on A	verage Net Qualified Investment		2.20%	2.20%	2.20%	2.20%		2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	
Return on A	verage Net Qualified Investment Equity - Cost of Capital, inclusive of Income Tax Gross-up		2.20% 5.48%	2.20% 5.48%	2.20% 5.48%	2.20% 5.48%		2.20% 5.48%	2.20% 5.48%	2.20% 5.48%	2.20% 5.48%	2.20%	2.20% 5.48%		
Return on A	verage Net Qualified Investment						2.20%							2.20% 5.48% 1.54%	
Return on A	verage Net Qualified Investment Equity - Cost of Capital, inclusive of Income Tax Gross-up		5.48% 1.54%	5.48% 1.54%	5,48% 1.54%	5.48% 1.54%	2.20% 5.48% 1.54%	5.48% 1.54%	5.48% 1.54%	5.48% 1.54%	5.48% 1.54%	5.48% 1.54%	5.48% 1.54%	5,48% 1.54%	\$1.850,005
Return on A	verage Net Qualified Investment Equity - Cost of Capital, inclusive of Income Tax Gross-up Debt - Cost of Capital		5.48%	5.48%	5.48%	5.48%	2.20%	5.48%	5.48%	5.48% 1.54% \$154,616	5.48% 1.54% \$154,414	5.48% 1.54% \$154,213	5.48% 1.54% \$154,011	5,48% 1,54% \$153,809	\$1,859,005 \$521,668
Return on A	verage Net Qualified Investment Equity - Cost of Capital, inclusive of Income Tax Gross-up Debt - Cost of Capital Equity Component - inclusive of Income Tax Gross-up		5.48% 1.54% \$156,022	5.48% 1.54% \$155,822	5.48% 1.54% \$155,621	5.48% 1.54% \$155.421	2.20% 5.48% 1.54% \$155,220	5.48% 1.54% \$155,019	5.48% 1.54% \$154.817	5.48% 1.54%	5.48% 1.54%	5.48% 1.54%	5.48% 1.54%	5,48% 1.54%	\$1,859,005 \$521,668 \$2,380,672
	verage Net Qualified Investment Equity - Cost of Capital, inclusive of Income Tax Gross-up Debt - Cost of Capital Equity Component - inclusive of Income Tax Gross-up Debt Component Return Requirement		5.48% 1.54% \$156,022 \$43,782	5.48% 1.54% \$155,822 \$43,726	5.48% 1.54% \$155,621 \$43,670	5.48% 1.54% \$155.421 \$43,614	2.20% 5.48% 1.54% \$155,220 \$43,557	5.48% 1.54% \$155,019 \$43,501	5.48% 1.54% \$154.817 \$43.444	5.48% 1.54% \$154,616 \$43,388	5.48% 1.54% \$154,414 \$43,331	5.48% 1.54% \$154,213 \$43,275	5.48% 1.54% \$154,011 \$43,218	5,48% 1.54% \$153,809 \$43,161	\$521,668
Return on A	verage Net Qualified Investment Equity - Cost of Capital, inclusive of Income Tax Gross-up Debt - Cost of Capital Equity Component - inclusive of Income Tax Gross-up Debt Component Return Requirement		5.48% 1.54% \$156,022 \$43,782	5.48% 1.54% \$155,822 \$43,726 \$199,548	5.48% 1.54% \$155,621 \$43,670	5.48% 1.54% \$155.421 \$43,614	2.20% 5.48% 1.54% \$155,220 \$43,557	5.48% 1.54% \$155,019 \$43,501	5.48% 1.54% \$154.817 \$43.444	5.48% 1.54% \$154,616 \$43,388	5.48% 1.54% \$154,414 \$43,331	5.48% 1.54% \$154,213 \$43,275	5.48% 1.54% \$154,011 \$43,218	5,48% 1.54% \$153,809 \$43,161	\$521,668
	verage Net Qualified Investment Equity - Cost of Capital, inclusive of Income Tax Gross-up Debt - Cost of Capital Equity Component - inclusive of Income Tax Gross-up Debt Component Return Requirement Expenses Depreciation Expense - Mains		5.48% 1.54% \$156,022 \$43,782 \$199,805	5.48% 1.54% \$155,822 \$43,726 \$199,548 \$59,117	5.48% 1.54% \$155,621 \$43,670 \$199,291	5.48% 1.54% \$155.421 \$43,614	2.20% 5.48% 1.54% \$155,220 \$43,557	5,48% 1,54% \$155,019 \$43,501 \$198,519	5.48% 1 54% \$154.817 \$43.444 \$198.262	5.48% 1.54% \$154,616 \$43,388	5.48% 1.54% \$154,414 \$43,331	5.48% 1.54% \$154,213 \$43,275	5.48% 1.54% \$154,011 \$43,218	5,48% 1.54% \$153,809 \$43,161	\$521,668
	verage Net Qualified Investment Equity - Cost of Capital, inclusive of Income Tax Gross-up Debt - Cost of Capital Equity Component - inclusive of Income Tax Gross-up Debt Component Return Requirement Expenses Depreciation Expense - Mains Depreciation Expense - Services		5.48% 1.54% \$156,022 \$43,782 \$199,805 \$59,088 \$5,636	5.48% 1.54% \$155,822 \$43,726 \$199,548 \$59,117 \$5,643	5.48% 1.54% \$155,621 \$43,670 \$199,291 \$59,146 \$5,651	5.48% 1.54% \$155.421 \$43,614 \$199,034 \$59,176 \$5,658	2.20% 5.48% 1.54% \$155,220 \$43,557 \$198,777 \$59,205 \$53,666	5.48% 1.54% \$155,019 \$43,501 \$198,519 \$59,234 \$5,674	5.48% 1.54% \$154.817 \$43.444 \$198.262 \$59.263 \$5.681	5.48% 1.54% \$154,616 \$43,388 \$198,004 \$59,292 \$5,689	5.48% 1.54% \$154,414 \$43,331 \$197,746 \$59,321 \$5,697	5.48% 1.54% \$154,213 \$43,275 \$197,487	5.48% 1.54% \$154,011 \$43,218 \$197,229	5.48% 1.54% \$153.809 \$43.161 \$196,970	\$521,668 \$2,380,672
	verage Net Qualified Investment Equity - Cost of Capital, inclusive of Income Tax Gross-up Debt - Cost of Capital Equity Component - inclusive of Income Tax Gross-up Debt Component Return Requirement Expenses Depreciation Expense - Mains Depreciation Expense - Services Property Taxes		5.48% 1.54% \$156,022 \$43,782 \$199,805 \$59,088 \$5,636 \$57,012	5.48% 1.54% \$155,822 \$43,726 \$199,548 \$59,117 \$5,643 \$57,012	5.48% 1.54% \$155.621 \$43,670 \$199,291 \$59,146 \$5,651 \$57,012	5.48% 1.54% \$155.421 \$43.614 \$199.034 \$59,176 \$5,658 \$57,012	2.20% 5.48% 1.54% \$155,220 \$43.557 \$198,777 \$59,205 \$5,666 \$57,012	5.48% 1.54% \$155,019 \$43,501 \$198,519 \$59,234 \$5,674 \$57,012	5.48% 1.54% \$154.817 \$43,444 \$198,262 \$59,263 \$5,681 \$57,012	5.48% 1.54% \$154,616 \$43,388 \$198,004 \$59,292 \$5,689 \$57,012	5.48% 1.54% \$154,414 \$43,331 \$197,746 \$59,321 \$5,697 \$57,012	5.48% 1.54% \$154,213 \$43,275 \$197,487	5.48% 1.54% \$154,011 \$43,218 \$197,229	5.48% 1.54% \$153.809 \$43.161 \$196,970	\$521,668 \$2,380,672 \$710,982
	Leguity - Cost of Capital, inclusive of Income Tax Gross-up Debt - Cost of Capital Equity Component - inclusive of Income Tax Gross-up Debt Component Return Requirement Expenses Depreciation Expense - Mains Depreciation Expense - Services Property Taxes General Public Notice Expense and Customer Notice Expense		5.48% 1.54% \$156,022 \$43,782 \$199,805 \$59,088 \$5,636 \$57,012 \$0	5.48% 1.54% \$155,822 \$43,726 \$199,548 \$59,117 \$5,643 \$57,012	5.48% 1.54% \$155,621 \$43,670 \$199,291 \$59,146 \$5,651 \$57,012 \$0	5 48% 1.54% \$155.421 \$43.614 \$199.034 \$59,176 \$5,658 \$57,012	2.20% 5.48% 1.54% \$155,220 \$43,557 \$198,777 \$59,205 \$5,666 \$57,012 \$0	5.48% 1.54% \$155,019 \$43,501 \$198,519 \$59,234 \$5,674 \$57,012 \$0	5.48% 1.54% \$154,817 \$43,444 \$198,262 \$59,263 \$5,681 \$57,012 \$0	5.48% 1.54% \$154,616 \$43,388 \$198,004 \$59,292 \$5,689 \$57,012 \$0	5.48% 1,54% \$154,414 \$43,331 \$197,746 \$59,321 \$5,697 \$57,012 \$0	5.48% 1.54% \$154,213 \$43,275 \$197,487 \$59,351 \$5,704 \$57,012 \$0	5,48% 1,54% \$154,011 \$43,218 \$197,229 \$59,380 \$5,712	5.48% 1.54% \$153,809 \$43,161 \$196,970 \$59,409 \$5,720 \$57,012	\$521,668 \$2,380,672 \$710,982 \$68,131
	verage Net Qualified Investment Equity - Cost of Capital, inclusive of Income Tax Gross-up Debt - Cost of Capital Equity Component - inclusive of Income Tax Gross-up Debt Component Return Requirement Expenses Depreciation Expense - Mains Depreciation Expense - Services Property Taxes		5.48% 1.54% \$156,022 \$43,782 \$199,805 \$59,088 \$5,636 \$57,012	5.48% 1.54% \$155,822 \$43,726 \$199,548 \$59,117 \$5,643 \$57,012	5.48% 1.54% \$155.621 \$43,670 \$199,291 \$59,146 \$5,651 \$57,012	5.48% 1.54% \$155.421 \$43.614 \$199.034 \$59,176 \$5,658 \$57,012	2.20% 5.48% 1.54% \$155,220 \$43.557 \$198,777 \$59,205 \$5,666 \$57,012	5.48% 1.54% \$155,019 \$43,501 \$198,519 \$59,234 \$5,674 \$57,012	5.48% 1.54% \$154.817 \$43,444 \$198,262 \$59,263 \$5,681 \$57,012	5.48% 1.54% \$154,616 \$43,388 \$198,004 \$59,292 \$5,689 \$57,012	5.48% 1.54% \$154,414 \$43,331 \$197,746 \$59,321 \$5,697 \$57,012	5.48% 1.54% \$154,213 \$43,275 \$197,487 \$59,351 \$57,04 \$57,012	5.48% 1.54% \$154,011 \$43,218 \$197,229 \$59,380 \$5,712 \$57,012	5.48% 1.54% \$153.809 \$43,161 \$196,970 \$59,409 \$5,720 \$57,012	\$521,668 \$2,380,672 \$710,982 \$68,131 \$684,144
investment i	Leguity - Cost of Capital, inclusive of Income Tax Gross-up Debt - Cost of Capital Equity Component - inclusive of Income Tax Gross-up Debt Component Return Requirement Expenses Depreciation Expense - Mains Depreciation Expense - Services Property Taxes General Public Notice Expense and Customer Notice Expense		5.48% 1.54% \$156,022 \$43,782 \$199,805 \$59,088 \$5,636 \$57,012 \$0	5.48% 1.54% \$155,822 \$43,726 \$199,548 \$59,117 \$5,643 \$57,012	5.48% 1.54% \$155,621 \$43,670 \$199,291 \$59,146 \$5,651 \$57,012 \$0	5 48% 1.54% \$155.421 \$43.614 \$199.034 \$59,176 \$5,658 \$57,012	2.20% 5.48% 1.54% \$155,220 \$43,557 \$198,777 \$59,205 \$5,666 \$57,012 \$0	5.48% 1.54% \$155,019 \$43,501 \$198,519 \$59,234 \$5,674 \$57,012 \$0	5.48% 1.54% \$154,817 \$43,444 \$198,262 \$59,263 \$5,681 \$57,012 \$0	5.48% 1.54% \$154,616 \$43,388 \$198,004 \$59,292 \$5,689 \$57,012 \$0	5.48% 1,54% \$154,414 \$43,331 \$197,746 \$59,321 \$5,697 \$57,012 \$0	5.48% 1.54% \$154,213 \$43,275 \$197,487 \$59,351 \$5,704 \$57,012 \$0	5.48% 1.54% \$154,011 \$43,218 \$197,229 \$59,380 \$5,712 \$57,012 \$0	5.48% 1.54% \$153,809 \$43,161 \$196,970 \$59,409 \$5,720 \$57,012	\$521,668 \$2,380,672 \$710,982 \$68,131 \$684,144 \$0

Florida Division of Chesapeake Utilities Corporation

Gas Reliability Infrastructure Program (GRIP) Projection of Qualified Mains & Services Revenue Requirements Surcharge Calculation - January 1, 2021 through December 31, 2021 Per Therm/Bill Rate

Schedule D-1 Exhibit_

Derrick M. Craig (DMC-1) Page 11 of 18

1/1/21-12/31/21 Qualified Mains & Services Replacement Revenue Requirements 3,843,929 \$3,690,172 Services \$153,757 Net \$3,843,929

TRUE-UP from Prior Period (Over)/Under Recovery Estimated thru 12/2020 \$ 294,754

2021 Qualified Mains & Services Replacement Revenue Requirements

96% \$3,973,136 \$165,547 4,138,683

\$

Mains Services

Net \$4,138,683

							_												
	RATE CLASS	2021 BILLS	2021 THERMS	SERVICES COS %	MAINS COS %	SERVICE REV REC		MAINS REV REQ	GRIP REV REQ	DOLLARS PER THERM	EXPANSION FACTOR	GRIP FACTORS PER THERM	\$ PER BILL	EXPANSION FACTOR	Experimental GRIP FACTORS PER BILL	NNUAL COST ER BILL	TYPICAL ANNUAL THERMS	ANNUAL COST	AVERAGE MONTHLY COST
FI	TS-A	14,022	83,061	14.34%	0.951%	\$ 23,73	9 \$	37,785	\$61,524	\$0.74071	1.00503	\$ 0.74443	\$ 4.39	1.00503	\$ 4.41	\$ 52.92	110	\$81,89	\$6.82
FI	S-B	27,642	285,257	9.74%	1.142%	\$ 16,12	4 \$	45,373	\$61,497	\$0.21558	1.00503	\$ 0,21667	\$ 2.22	1,00503	\$. 2.24	\$ 26.83	. 215	\$46.58	\$3.88
FI	rs-i	171,230	2,510,453	33.87%	5.861%	\$ 56,07	1 \$	232,866	\$288,937	\$0.11509	1.00503	\$ 0.11567	\$ 1.69	1.00503	\$ 1.70	\$ 20.35	275	\$31.81	\$2.65
FI	TS-2	10,757	619,566	12.69%	1.611%	\$ 21,00	8 \$	64,007	\$85,015	\$0,13722	1.00503	\$ 0.13791	\$ 7.90	1.00503	\$ 7.94	\$ 95.32	875	\$120.67	\$10.06
FI	TS-2.1	8,642	960,923	7.83%	3.193%	\$ 12,96	2 \$	126,862	\$139,824	\$0.14551	1.00503	\$ 0,14624	\$ 16.18	1.00503	\$ 16.26	\$ 195.13	1,575	\$230.33	\$19.19
FI	TS-3	3,914	1,141,054	3.93%	1.567%	\$ 6,50	6 \$	62,259	\$68,765	\$0.06026	1.00503	\$ 0.06057	\$ 17.57	1.00503	\$ 17.66	\$ 211.89	4,000	\$242.27	\$20.19
FI	TS-3.1	4,147	2,382,876	3.91%	4.294%	\$ 6,47	3 S	170,606	\$177,079	\$0.07431	1.00503	\$ 0.07469	\$ 42.70	1.00503	\$ 42.92	\$ 514.98	7,300	\$545.21	\$45.43
FT	ΓS-4		3,205,128	4.37%	6.162%	\$ 7,23	4 S	244,825	\$252,059	\$0.07864	1.00503	\$ 0.07904					12,500	\$987.97	\$82.33
FT	ΓS-5		1,117,534	1.24%	2.570%	\$ 2,05	3 \$	102,110	\$104,163	\$0.09321	1.00503	\$ 0.09368					37,500	\$3,512.88	\$292.74
FT	rs-6		1,751,803	1.25%	2,750%	\$ 2,06	9 \$	109,261	\$111,330	\$0.06355	1.00503	\$ 0.06387					75,000	\$4,790.35	\$399.20
FT	ΓS-7		3,897,132	2.20%	7.615%	\$ 3,64	2 \$	302,554	\$306,196	\$0.07857	1.00503	\$ 0.07896					150,000	\$11,844.72	\$987.06
FI	ΓS-8		5,078,710	1.62%	10.708%	\$ 2,68	2 \$	425,443	\$428,125	\$0.08430	1.00503	\$ 0.08472					300,000	\$25,416,60	\$2,118.05
FI	ΓS-9		3,383,094	1.48%	15.171%	\$ 2,45	0 \$	602,764	\$605,214	\$0.17889	1.00503	\$ 0.17979					550,000	\$98,886.43	\$8,240.54
FT	ΓS-10		2,427,197	0.45%	6.539%	\$ 74	5 \$	259,803	\$260,548	\$0.10735	1.00503	\$ 0.10789					850,000	\$91,702.38	\$7,641.87
FI	rs-11/ft	S-NGV	3,773,719	0.61%	13.551%	\$ 1,01	0 \$	538,400	\$539,410	\$0.14294	1.00503	\$ 0.14366					1,750,000	\$251,400.72	\$20,950.06
FI	ΓS-12		19,610,296	0.47%	16.315%	\$ 77	8 \$	648,217	\$648,995	\$0.03309	1.00503	\$ 0.03326					3,000,000	\$99,783.21	\$8,315.27
FI	ΓS-13		N/A	N/A	0.000%	\$	- \$	-	\$0	N/A		N/A					-	N/A	
TO	OTAL	240,354	52,227,804	100.00%	100.000%	\$ 165,54	7 \$	3,973,136	\$ 4,138,681										

CFG

2019 YE Forecast Survelli	ance (13-month average) at ROE% midpoint						
		Pro-Rata	Specific				
	Per Book	Adjustment	Adjustment	Adjusted Balance	Cap Ratio	Cost Rate	Weighted Cost
Common Equity	\$38,290,359	\$0	(\$249,880)	\$38,040,479	37.86%	10.80%	_
Long Term Debt	\$24,253,761	\$0	(\$158,278)	\$24,095,483	23.98%	3.79%	
Short Term Debt	\$18,582,408	\$0	(\$121,267)	\$18,461,141	18.37%	3.26%	
Long Term Debt - FC	\$0	\$0	\$0	\$0	0.00%	0.00%	
Customer Deposits	\$1,248,353	\$0	\$0	\$1,248,353	1.24%	2.31%	
Deffered Income Taxes	\$18,627,088	\$0	\$0	\$18,627,088	18.54%	0.00%	
Total	\$101,001,969	\$0	(\$529,426)	\$100,472,543	100%	- 1	. 4 4 105 63%

2018 YE Forecast Survel	liance with ADFIT	Consistency and Prorat	ion Adjustments (13-month averag	ge)				
		Consistency and Pro-		Pro-Rata	Specific				
	Per Book	Rata Adjustment	Books Adjusted	Adjustment	Adjustment	Adjusted Balance	Cap Ratio	Cost Rate	Weighted Cost
Common Equity	\$38,290,359	(\$371,721)	\$37,918,638	\$0	(\$249,880)	\$37,668,757	37.49%	10.8	0% 4.05%
Long Term Debt	\$24,253,761	(\$235,455)	\$24,018,306	\$0	(\$158,278)	\$23,860,028	23.75%	3.7	9% 0.90%
Short Term Debt	\$18,582,408	(\$180,397)	\$18,402,011	\$0	(\$121,267)	\$18,280,744	18.19%	3.2	6% 0,59%
Long Term Debt - FC	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	0.0	
Customer Deposits	\$1,248,353		\$1,248,353	\$0	\$0	\$1,248,353	1.24%	2.3	1% 0.03%
Deffered Income Taxes	\$18,627,088	\$787,573	\$19,414,661	\$0	\$0	\$19,414,661	19.32%	0.0	
Total	\$101,001,969		\$101,001;969	\$0	(\$529,426)	\$100,472,543	100%		5 57%

_	Month	Tax Balance	Deprec Related ADFIT Balance	Deprec Related ADFIT Activity	Days to Prorate	Future Days in Period	Prorated Deprec- Related ADFIT Activity	Prorated Deprec- Related ADFIT Balance
Projected	Dec-19	11,153,813	13,522,767					13,522,767
Projected	Jan-20	11,152,162	13,579,812	57,045	31	336	52,513	13,575,280
Projected	Feb-20	11,199,009	13,636,857	57,045	28	308	48,136	13,623,416
Projected	Mar-20	11,245,856	13,693,902	57,045	31	277	43,292	13,666,708
Projected	Apr-20	11,292,703	13,750,947	57,045	30	247	38,603	13,705,311
Projected	May-20	11,339,550	13,807,991	57,045	31	216	33,758	13,739,069
Projected	Jun-20	11,386,397	13,865,036	57,045	30	186	29,069	13,768,138
Projected	Jul-20	11,433,244	13,922,081	57,045	31	155	24,225	13,792,363
Projected	Aug-20	11,480,091	13,979,126	57,045	31	124	19,380	13,811,742
Projected	Sep-20	11,526,938	14,036,171	57,045	30	94	14,691	13,826,433
Projected	Oct-20	11,573,785	14,093,216	57,045	31	63	9,846	13,836,279
Projected	Nov-20	11,620,632	14,150,261	57,045	30	33	5,157	13,841,437
Projected	Dec-20	11,667,479	14,207,305	57,045	31	2	313	13,841,749
		11,390,128	13,865,036	684,538	365		318,982	13,734,669
2019 YE Surveil Bal.		18,627,088	12,947,095	_			13-Month Avg. Bal	13,865,036
Consistency Adjustment		(7,236,960)	917,941	*			Proration Adj.	(130,368)
Proration Adjustment		_	(130,368)				•	, ,,,
Total Adjustment		•	787,573	•				

^{*} Positive variance shows that the limitation provision is met.

Schedule E-1
Exhibit____

Derrick M. Craig (DMC-1)
Page 12 of 18

Florida Public Utilities Company -Ft. Meade

Gas Reliability Infrastructure Program (GRIP)
Investment and Calculation of Equity and Debt Returns

Schedule A-1
Exhibit____
Derrick M. Craig (DMC-1)
Page 13 of 18

Earnings	Surveillance	Report - I	December	31, 2019

Equity Cost Rate	11.00%
Weighted Equity Cost Rate	3.74%
Revenue Expansion Factor	1.34
Weighted Equity Cost Rate, times Revenue Expansion Factor	5.00%
Long Term Debt-CU	0.82%
Short Term Debt	0.54%
Short Term Debt-Refinanced LTD	0.00%
Customer Deposits	0.03%
Tax Credits-Weighted Cost	0.00%
Weighted Debt Cost Rate	1.39%
Overall Weighted Cost Rate	5.12%

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

Schedule B-1 Exhibit_____ Derrick M. Craig (DMC-1) Page 14 of 18

Item Oualified investment	Beginning Balance	<u>Jan</u>	<u>Fcb</u>	<u>Mar</u>	Apr	May	<u>Jun</u>	<u>Jul</u>	Aug	<u>Sep</u>	Oct	Nov	Dec	Year End Total
Qualified Investment - Mains - Current 1070 Activity				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Qualified Investment - Mains - Closed 1070 Activity to Plant				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Qualified Investment - Services - Current 1070 Activity		\$2,536	\$0	\$3,971	(\$2,761)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,746
Qualified Investment - Services - Closed 1070 Activity to Plant		\$0	(\$2,536)	\$0	(\$1,870)	\$0	\$660	\$0	\$0	\$0	\$0	\$0 -	\$0	(\$3,746)
Qualified Investment - Mains - Current 1010 Activity		\$0	20	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	S 0	\$0	\$0
Qualified Investment - Services - Current 1010 Activity		\$0	\$2,536	\$0	\$1,870	\$0	(\$660)	\$0	\$0	20	5 0	\$0	\$0	\$ 3,746
Total Qualified Investment - Mains 1070	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	20	\$0	\$0	\$0	\$0
Total Qualified Investment - Services 1070	(\$1)	\$2,535	(\$1)	\$3,970	(\$661)	(\$661)	(\$1)	(\$1)	(\$1)	(\$1)	(\$1)	(\$1)	(\$1)	(12)
Total Qualified Investment - Mains 1010	\$0	\$0	. \$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Qualified Investment - Services 1010	\$250,188	\$250,188	\$252,724	\$252,724	\$254,594	\$254,594	\$253,934	\$253,934	\$253,934	\$253,934	\$253,934	\$253,934	\$253,934	\$253,934
Total Qualified Investment	\$250,188	\$252,723	\$252,723	\$256,694	\$253,933	\$253,933	\$253,933	\$253,933	\$253,933	\$253,933	\$253,933	\$253,933	\$253,933	\$253,933
												101		
Less: Accumulated Depreciation	(\$9,162)	(\$9.621)	(\$10,080)	(\$10,543)	(\$11,006)	(\$11,473)	(\$11,940)	(\$12,406)	(\$12.872)	(\$13.338)	(\$13,804)	(\$14,270)	(\$14,736)	(\$14,736)
Net Book Value	\$241,026	\$243,102	\$242,643	\$246,151	\$242,927	\$242,460	\$241,993	\$241,527	\$241,061	\$240,595	\$240,129	\$239,663	\$239,197	\$239,197
Average Net Qualified Investment	-	\$242,064	\$242,873	\$244,397	\$244,539	F242 (04	****	6241.700	5041.004	5040.000		*****		
Average Net Quantied investment	=	\$242,064	\$242,873	\$244,397	\$244,339	\$242,694	\$242,227	\$241.760	\$241.294	\$240.828	\$240,362	\$239,896	\$239,430	
Depreciation Rates														
Approved Depreciation Rate-Mains		2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2,10%	2.10%	2.10%	
Approved Depreciation Rate-Services		2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	
Return on Average Net Qualified Investment														
Equity - Cost of Capital, inclusive of Income Tax Gross-up		4.61%	4.61%	4.61%	4.61%	4.61%	4.61%	4.61%	4.61%	4.61%	4.61%	4.61%	4.61%	
Debt - Cost of Capital		1.05%	1.05%	1.05%	1.05%	1.05%	1.05%	1.05%	1.05%	1.05%	1.05%	1.05%	1.05%	
Equity Component - inclusive of Income Tax Gross-up		\$930	\$933	\$ 939	\$939	\$ 932	\$931	\$929	\$927	\$925	\$923	\$ 922	6020	611.150
Debt Component		\$212	\$213	\$214	\$214	\$212	\$212	\$212	\$211	\$211	\$210	\$922 \$210	\$920 \$210	\$11,150 \$2,540
Return Requirement	-	\$1,142	\$1,146	\$1,153	\$1,153	\$1,145	\$1,143	\$1,140	\$1.138	\$1,136	\$1,134	\$1,132	\$1.129	\$13,689
	=									- 100		*****		0.151.005
Investment Expenses														
Depreciation Expense - Mains		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Depreciation Expense - Services		\$459	\$459	\$463	\$463	\$467	\$467	\$466	\$466	\$466	\$466	\$466	\$466	\$5,574
Property Taxes General Public Notice Expense and Customer Notice Expense		\$402	\$402 \$0	\$402	\$402	\$402	\$402	\$402	\$402	\$402	\$402	\$402	\$402	\$4,824
Total Expense	-	\$0 \$861	\$861	\$0 \$865	\$0 \$865	\$0 \$869	\$0 \$869	\$0 \$868	\$0 \$868	\$0 \$868	\$0 \$868	\$0	\$0	\$0
Total Expense	-	3001	3001	3803	2902		\$607	3000	3808	3808	3808	\$868	\$868	\$10,398
Total Revenue Requirements		\$2,003	\$2.007	\$2,018	\$2,018	\$2,014	\$2,012	\$2,008	\$2,006	\$2,004	\$2,002	\$2,000	\$1,997	\$24,087
·	=							02,000	92,000		\$2,002	32,000	31,771	\$24,067
GRIP Surcharge Revenues Collected Month	-	\$3.685	\$3,385	\$2,293	\$2,264	\$70	\$1,828	\$2,116 \$	2.248	\$2,174	\$2,467	\$2,898	\$4,495	\$29,923
	_									-				
Beginning True-Up													5	3,693
(Over) and Under Recovery for the Month		\$ (1,682)		(275) \$			183 \$	(108) \$	(242) \$			(898) \$	(2.498)	(5,836)
Monthly Interest (Expense)/Income Ending (Over) and Under Recovery	\$ 3,693	\$ 6 S		1 \$			4 \$	4 \$	4 \$	3 S			(1)	\$29
Linding (Over) and Olider Recovery	3 3,693	\$ 2,017	641 \$	367 \$	121 \$	2,067 \$	2,255 \$	2,151 \$	1.913 \$	1.746 \$	1,283 \$	386 \$	(2,113)	(2.113)
Beg of Month Annual Interest Rate		2.50%	2.42%	2.42%	2.43%	2.42%	2.42%	2.28%	2.21%	2.02%	1.98%	1.6694	1.6104	
End of Month Annual Interest Rate		2.42%	2.42%	2.42%	2.42%	2.42%	2.42%	2.28%	2.21%	1.98%	1.66%	1.66% 1.61%	1.61% 1.59%	
Average Monthly Interest Rate		0.21%	0.20%	0.20%	0.20%	0.20%	0.20%	0.19%	0.18%	0.17%	0.15%	0.14%	0.13%	
							·	0.1,7,0	V. 1071	V. 1 / / 0	0.1270	0.1770	0,1370	

Florida Public Utilities-Ft. Meade Gas Reliability Infrastructure Program (GRIP) Calculation of the Projected Revenue Requirements January 1, 2020 through December 31, 2020

Schedule C-1
Exhibit_____
Derrick M. Craig (DMC-1)
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<u>Item</u>	Beginning Balance	Actual Jan	Actual Feb	Actual Mar	Actual Apr	Actual May	Actual Jun	Actual Jul	Forecast Aug	Forecast Sep	Forecast Oci	Forecasi Nov	Forecast Dec	Year End <u>Total</u>
Qualified Investment Oualified Investment - Mains - Current 1070 Activity		· \$0	\$0	\$0	\$0	\$0	\$0	S 0	\$0	\$0	***	•	•	
Qualified Investment - Mains - Closed 1070 Activity to Plant		\$0	\$0	\$0 \$0	\$0 \$0	\$0	\$0 \$0	\$0 \$0	\$0	S 0	\$0 \$0	\$0 \$0	\$0 \$0	\$0 \$0
Qualified Investment - Services - Current 1070 Activity		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	S 0	\$0	\$0 . \$0	\$ 0
Qualified Investment - Services - Closed 1070 Activity to Plant		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	S 0	\$0	\$0	S 0
Qualified Investment - Mains - Current 1010 Activity		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	S 0	\$0	S 0
Qualified Investment - Services - Current 1010 Activity		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0 .	\$0	\$0	\$0
Total Qualified Investment - Mains 1070	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Qualified Investment - Services 1070	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0.	\$0	\$0	\$0	\$0	\$0	S 0
Total Qualified Investment - Mains 1010	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Qualified Investment - Services 1010	\$253,934	\$253,934	\$253,934	\$253,934	\$253,934	\$253,934	\$253,934	\$253,934	\$253,934	\$253,934	\$253,934	\$253,934	\$253,934	\$ 253,934
Total Qualified Investment	\$253,934	\$253,934	\$253,934	\$253,934	\$253,934	\$253,934	\$253,934	\$253.934	\$253,934	\$253,934	\$ 253,934	\$253.934	\$253,934	\$253,934
Less: Accumulated Depreciation	(\$14,733)	(\$15 ₋ 199)	(\$15,665)	(\$16,131)	(\$16,597)	(\$17,063)	(\$17.529)	(\$17,995)	(\$18,461)	(\$18,927)	(\$19,393)	(\$19.859)	(\$20,325)	(\$20,325)
Net Book Value	\$239,201	\$238,735	\$238,269	\$237,803	\$237,337	\$236,871	\$236,405	\$235,939	\$235,473	\$235,007	\$234,541	\$234,075	\$233,609	\$233,609
Average Net Qualified Investment	_	\$238,968	\$238,502	\$238,036	\$237,570	\$237,104	\$236,638	\$236,172	\$235,706	\$235,240	\$234,774	\$234,308	\$233,842	
Depreciation Rates														
Approved Depreciation Rate-Mains		2.10%	2.10%	2.10%	2,10%	2.10%	2.10%	2.10%	2,10%	2.10%	2.10%	2.10%	2.10%	
Approved Depreciation Rate-Services	•	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	
Return on Average Net Qualified Investment														
Equity - Cost of Capital, inclusive of Income Tax Gross-up		5.00%	5.00%	5,00%	5,00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	
Debt - Cost of Capital		1.39%	1.39%	1.39%	1.39%	1.39%	1.39%	1.39%	1.39%	1,39%	1.39%	1.39%	1.39%	
Equity Component - inclusive of Income Tax Gross-up		\$995	\$993	\$991	\$989	\$987	\$985	\$983	\$981	\$980	\$978	\$ 976	\$974	\$11,813
Debt Component		\$276	\$276	\$275	\$275	\$274	\$274	\$273	\$273	\$272	\$272	\$271	\$271	\$3,282
Return Requirement	_	\$1,271	\$1,269	\$1.267	\$1.264	\$1,262	\$1,259	\$1,257	\$1,254	\$1,252	\$1.249	\$1,247	\$1,244	\$15,094
	-													
Investment Expenses														
Depreciation Expense - Mains		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Depreciation Expense - Services Property Taxes		\$466 \$399	\$466 \$399	\$466 \$399	\$466	\$466	\$466	\$466	\$466	\$466	\$466	\$466	\$466	\$5,592
General Public Notice Expense and Customer Notice Expense		\$ 399	\$399	\$399 \$0	\$399 \$0	\$399 \$0	\$399 \$0	\$399 \$0	\$399 \$0	\$399 \$0	\$399 \$0	\$399 \$0	\$399 \$0	\$4,788
Total Expense	_	\$865	\$865	\$865	\$865	\$865	\$865	\$865	\$865	\$865	\$865	\$865	\$865	\$10,380
	==			\$000			3005	3005	\$600	4000	\$605	3803	3803	310,380
Total Revenue Requirements		\$2,136	\$2,134	\$2,132	\$2,129	\$2,127	\$2,124	\$ 2,122	\$2,119	\$2,117	\$2,114	\$2,112	\$2,109	\$25,474
GRIP Surcharge Revenues Collected Month	_	\$4,089	\$4,162	\$3,764	\$2,836	\$1,728	\$1,665	\$1,766 \$	1,366 \$	1,791 S	1,853 \$	1,940 \$	2,356	\$29,315
Beginning True-Up													5	(2,113)
(Over) and Under Recovery for the Month	\$	(1,952)	(2,028) \$	(1,632) \$	(707) \$	399 \$	460 \$	356 S	753 \$	325 S	261 \$	171 \$	(247) \$	
Monthly Interest (Expense)/Income		(4)		(10) \$	(7) \$	(1)_\$	(1) \$	(1) \$	(1) \$			- \$		(\$33)
Ending (Over) and Under Recovery	\$ (2,113) \$	(4,069)	(6,104) \$	(7,746) \$	(8,460) \$	(8,062) \$	(7,604) \$	(7,249) \$	(6,497) \$	(6,173) S	(5.912) \$	(5,741) \$	(5,987)	(5,987)
Beg of Month Annual Interest Rate		1.59%	1.59%	1.6107	1.019/	0.2284	0.1102	0.1007	0.1007	0.1001	0.1007	0.1004		
End of Month Annual Interest Rate		1.59%	1.59%	1.51% 1.91%	1.91% 0.22%	0.22% 0.11%	0.11% 0.10%	0.10% 0.10%	0.10% 0.10%	0.10% 0.10%	0.10%	0,10%	0.10%	
Average Monthly Interest Rate		0.13%	0.13%	0.14%	0.09%	0.11%	0.10%	0.10%	0.10%	0.10%	0.10% 0.01%	0,10% 0,01%	0.10%	
· · · · · · · · · · · · · · · · · · ·		V.1570	0.4570	0.1770	0,0270	0.0170	0.0170	17.171 70	0,0176	0,0170	0.0176	0.0170	0.01%	

Florida Public Utilities-Ft. Meade Gas Reliability Infrastructure Program (GRIP)
Calculation of the Projected Revenue Requirements
January 1, 2021 through December 31, 2021

Schedule C-2

Exhibit______
Derrick M. Craig (DMC-1)
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Item Qualified Inve	estment	Beginning Balance	Forecasi <u>Jan</u>	Forecast Feb	Forecast Mar	Forecast Apr	Forecast May	Forecast Jun	Forecast Jul	Forecast Aug	Forecast Scp	Forecast Oct	Forecast Nov	Forecast Dec	Year End <u>Total</u>
	Qualified Investment - Mains - Current 1070 Activity		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	so .	\$0
	Qualified Investment - Mains - Closed 1070 Activity to Plant		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$ 0	\$0	\$0.	\$0
	Qualified Investment - Services - Current 1070 Activity		\$0	- \$ 0	\$0	- \$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Qualified Investment - Services - Closed 1070 Activity to Plant		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Qualified Investment - Mains - Current 1010 Activity		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Qualified Investment - Services - Current 1010 Activity		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Total Qualified Investment - Mains 1070	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	SO	\$0	\$0	\$0
	Total Qualified Investment - Services 1070	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Total Qualified Investment - Mains 1010	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0.	\$0	\$0	\$0	\$0	\$0	\$0
*	Total Qualified Investment - Services 1010	\$253,934	\$253,934	\$253,934	\$253,934	\$253,934	\$253,934	\$253,934	\$253,934	\$253,934	\$253.934	\$253,934	\$253,934	\$253,934	\$253,934
	Total Qualified Investment	\$253,934	\$253,934	\$253,934	\$253,934	\$253,934	\$253,934	\$253,934	\$253,934	\$ 253,934	\$253,934	\$253,934	\$253,934	\$253,934	\$253,934
	Less: Accumulated Depreciation	(\$14,733)	(\$15,199)	(\$15,665)	(\$16.131)	(\$16,597)	(\$17,063)	(\$17,529)	(\$17,995)	(\$18,461)	(\$18,927)	(\$19,393)	(\$19,859)	(\$20,325)	(\$20,325)
	Net Book Value	\$239,201	\$238,735	\$238,269	\$237,803	\$237,337	\$236,871	\$236,405	\$ 235,939	\$235,473	\$235,007	\$234,541	\$234,075	\$233,609	\$233,609
		_													
	Average Net Qualified Investment	=	\$238,968	\$238,502	\$238,036	\$237,570	\$237,104	\$236,638	\$236,172	\$235,706	\$235,240	\$234,774	\$234,308	\$233,842	
Depreciation	Rates														
	Approved Depreciation Rate-Mains		2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	
	Approved Depreciation Rate-Services		2.20%	2,20%	2.20%	2.20%	2.20%	2,20%	2,20%	2.20%	2.20%	2,20%	2.20%	2.20%	•
Return on Av	verage Net Qualified Investment														
	Equity - Cost of Capital, inclusive of Income Tax Gross-up		5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	
	Debt - Cost of Capital		1.39%	1.39%	1,39%	1,39%	1.39%	1.39%	1.39%	1.39%	1.39%	1.39%	1.39%	1.39%	
	Equity Component - inclusive of Income Tax Gross-up		\$ 995	\$993	\$991	\$989	\$987	\$985	\$983	\$981	\$980	\$978	\$976	\$974	\$11.813
	Debt Component	_	\$276	\$276	\$275	\$275	\$274	\$274	\$273	\$27 3	\$272	\$272	\$271	\$271	\$3,282
	Return Requirement	=	\$1,271	\$1,269	\$1,267	\$1,264	\$1.262	\$1,259	\$1,257	\$1,254	\$1,252	\$1,249	\$1,247	\$1,244	\$15,094
Investment E	vnenses														
mresument L	Depreciation Expense - Mains		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Depreciation Expense - Services	•	\$4 6 6	\$466	\$466	\$466	\$466	\$466	\$466	\$466	\$466	\$466	\$466	\$466	\$5,592
	Property Taxes		\$399	\$ 399	\$399	\$399	\$399	\$399	\$399	\$399	\$399	\$399	\$399	\$399	\$4,788
	General Public Notice Expense and Customer Notice Expense		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$()
	Total Expense	-	\$865	\$865	\$865	\$865	\$865	\$865	\$865	\$865	\$865	\$865	\$865	\$865	\$10,380
T-1-1 D-1-1-1	D. danser	=	***			**									
total Kevenu	ue Requirements	=	\$2,136	\$2,134	\$2,132	\$2,129	\$2.127	\$2,124	\$2,122	\$2,119	\$2,117	\$2,114	\$2,112	\$2,109	\$25,474

Florida Public Utilities Company-Fort Meade

Gas Reliability Infrastructure Program (GRIP)
Projection of Qualified Mains & Services Revenue Requirements
Surcharge Calculation - January 1, 2021 through December 31, 2021
Per Therm Rate

Schedule D-1
Exhibit____
Derrick M. Craig (DMC-1)
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1. 1/1/21-12/31/21 Qualified Mains & Services Replacement	Revenue Requirements		\$ 25,474
Mains	0%	\$0	
Services	100%	\$25,474	
Net		\$25,474	
2. TRUE-UP from Prior Period (Over)/Under Recovery Est	imated thru 12/2020		\$ (5,987)
3. 2021 Qualified Mains & Services Replacement Revenue	Requirements		\$ 19,487
Mains	0%	\$0	
Services	100%	\$19,487	
Net		\$19,487	

RATE SCHEDULE	2021 THERMS	SERVICES COS %	MAINS COS %	· SERVICES REV REQ	MAINS · REV REQ	GRIP REV REQ	DOLLARS PER THERM	TAX FACTOR	GRIP FACTORS PER THERM	TYPICAL ANNUAL THERMS	ANNUAL COST	AVERAGE MONTHLY COST
RESIDENTIAL	69,581	58.00%	22.00%	\$11,302	\$0	\$11,302	\$0.16244	1.00503	\$0.16325	250	\$40.81	\$3.40
COMMERCIAL SMALL (General Service & GS Transportation)	169,923	17.00%	23,00%	\$3,313	\$0	\$3,313	\$0.01950	1.00503	\$0.01959	2,500	\$48.98	\$4.08
COMM. LRG VOLUME (Large Vol & LV Transportation)	0	25.00%	46.00%	\$4,872	\$0	\$4,872	\$0.00000	1.00503	\$0.00000	25,000	\$0.00	\$0.00
INTERRUPTIBLE SERVICE (Int Service & 1S Transportation)	0	0.00%	8.00%	\$0	\$0	\$0	\$0.00000	1.00503	\$0.00000	50,000	\$0.00	\$0.00
GENERAL LIGHTING SERVICE	0	0.00%	1.00%	\$0	\$0	\$0	\$0,00000	1.00503	\$0,00000	500	\$0.00	\$0.00

TOTAL	239,504	100,00%	100.00%	\$19,487	\$0	\$19,487

Fort Meade

		Pro-Rata	Specific						
F	er Book	Adjustment	Adjustment		Adjusted Balance	Cap Ratio	Cost Rate		Weighted Cost
Common Equity	\$357,164	\$0	\$0	0.	\$357,164	33.979	6	11.00%	-
Long Term Debt	\$226,234	\$0	. \$0	0	\$226,234	21.529	6	3,79%	
Short Term Debt	\$173,333	\$0	\$0	0	\$173.333	16.499	6	3.26%	
Long Term Debt - FC	\$0	\$0			\$0	0.009	=	0.00%	
Customer Deposits	\$18,582	\$0			\$18,582	1.779		1.98%	
Deffered Income Taxes _	\$276,087	\$0			\$276,087	26.269		0.00%	
Total	\$1,051,400	\$0	\$(0	\$1,051,400	1009	6		5.12%

		Consistency and Pro-		Pro-Rata	Specific						
	Per Book	Rata Adjustment	Books Adjusted	Adjustment	Adjustment		Adjusted Balance	Cap Ratio	Cost Rate		Weighted Cost
Common Equity	\$357,164	(\$13,744)	\$343,420	\$0		\$0	\$343,420	32.66%	;	11.00%	3.599
Long Term Debt	\$226,234	(\$8,705)	\$217,529	\$0		\$0	\$217,529	20.69%	;	3.79%	0.78%
Short Term Debt	\$173,333	(\$6,670)	\$166,663	\$0		\$0	\$166,663	15.85%	;	3,26%	0.529
Long Term Debt - FC	\$0	\$0	\$0	\$0		\$0	ŚO	0.00%		0.00%	0.00%
Customer Deposits	\$18,582		\$18,582	\$0		\$0	\$18.582	1.77%		1.98%	0.03%
Deffered Income Taxes	\$276,087	\$29,119	\$305,205	\$0		\$0	\$305,205	29.03%		0.00%	0.00%
Total	\$1,051,400		\$1,051,400	\$0		\$0	\$1,051,400	100%	:		4.93%

	ī	Total Deferred Income	Deprec Related	Deprec Related		Future Days in	Prorated Deprec- Related ADFIT	Prorated Deprec- Related ADFIT
	Month	Tax Balance	ADFIT Balance	ADFIT Activity	Days to Prorate	Period	Activity	Balance
Projected	Dec-19	224,620	120,418			 -	· · · · · ·	120,418
Projected	Jan-20	227,034	121,712	1,294	31	336	1,191	121,609
Projected	Feb-20	229,448	123,006	1,294	28	308	1,092	122,701
Projected	Mar-20	231,862	124,300	1,294	31	277	982	123,683
Projected	Apr-20	234,276	125,594	1,294	30	247	876	124,559
Projected	May-20	236,690	126,888	1,294	31	216	766	125,325
Projected	Jun-20	239,104	128,183	1,294	30	186	659	125,984
Projected	Jul-20	241,518	129,477	1,294	31	155	550	126,534
Projected	Aug-20	243,932	130,771	1,294	31	124	440	126,974
Projected	Sep-20	246,346	132,065	1,294	30	94	333	127,307
Projected	Oct-20	248,760	133,359	1,294	31	63	223	127,530
Projected	Nov-20	251,174	134,653	1,294	30	33	117	127,647
Projected	Dec-20	253,588	135,947	1,294	31	2	7	127,654
		239,104	128,183	15,530	365	,	7,237	125,225
2019 YE Surveil Bal.	_	276,087	96,106				13-Month Avg. Bal	128,183
Consistency Adjustment	_	(36,983)	32,076	*			Proration Adj.	(2,958
Proration Adjustment		_	(2,958)				•	\-/
Total Adjustment		•	29,119					

^{*} Positive variance shows that the limitation provision is met.

Schedule E-1
Exhibit____

Derrick M. Craig (DMC-1)
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FPU

2018 YE Forecast Surveil	iance (13-month average) at ROE% midpoint	3.4		in the second second	1.242 W. 14.25 J. 14.	14 4 51		
•			ro-Rata	Specific			1 18-65.25 H	A Na
	Per Book		Adjustment	Adjustment	Adjusted Balance	Cap Ratio	Cost Rate	Weighted Cost
Common Equity	\$94,385,921	1250	\$1,538,972	(\$2,469,682)	\$93,455,211	39.949	10.85%	-
Long Term Debt - CU	\$39,631,777	11	\$646,200	\$0	\$40,277,977	17.219	4.04%	
Short Term Debt	\$46,141,408	3 9	\$752,340	\$0	\$46,893,748	20.049		
Long Term Debt - FC	\$5,491,366		\$89, \$ 37	\$0	\$5,580,903	2,399	11.70%	
Customer Deposits	\$8,146,930		\$0	\$0	\$8,146,930	3.489		
Deffered Income Taxes	\$39,621,946		\$0	\$0	\$39,621,946			
Total	\$233,419,347		\$3,027,049	(\$2,469,682)	\$233.976.714	1009	.	5.98%

2018 YE Forecast Survel	liance with ADFIT	Consistency and Prorat	ion Adjustments (13-month averag	;e)				
		Consistency and Pro-		Pro-Rata	Specific				
	Per Book	Rata Adjustment	Books Adjusted	Adjustment	Adjustment	Adjusted Balance	Cap Ratio	Cost Rate	Weighted Cost
Common Equity	\$94,385,921	(\$61,034)	\$94,324,887	\$1,538,972	(\$2,469,682)	\$93,394,177	39.92%	10,85	5% 4.33%
Long Term Debt - CU	\$39,631,777	(\$25,628)	\$39,606,149	\$646,200	\$0	\$40,252,349	17.20%	4.04	
Short Term Debt	\$46,141,408	(\$29,837)	\$46,111,571	\$752,340	. \$0	\$46,863,911	20.03%	ú 2.9 ⁴	
Long Term Debt - FC	\$5,491,366	(\$3,551)	\$5,487,815	\$89, S 37	\$0	\$5,577,352	2.38%	6 11.70	
Customer Deposits	\$8,146,930		\$8,146,930	\$0	\$0	\$8,146,930	3,48%		
Deffered Income Taxes	\$39,621,946	\$120,049	\$39,741,995	\$0	\$0	\$39,741,995	16.99%		
Total ·	\$233,419,347		\$233,419,347	\$3,027,049	(\$2,469,682)	\$233,976,714	100%	3	5.98%

	Month	Total Deferred Income Tax Balance	Deprec Related ADFIT Balance	Deprec Related ADFIT Activity	Days to Prorate	Future Days in Period	Prorated Deprec- Related ADFIT Activity	Prorated Deprec- Related ADFIT Balance
Projected	Dec-19	29,713,596	31,039,436					31,039,436
Projected	Jan-20	29,778,334	31,107,063	67,627	31	336	62,254	31,101,690
Projected	Feb-20	29,843,072	31,174,689	67,627	28	308		31,158,756
Projected	Mar-20	29,907,810	31,242,316	67,627	31	277	51,322	31,210,078
Projected	Apr-20	29,972,548	31,309,943	67,627	30	247	45,764	31,255,841
Projected	May-20	30,037,286	31,377,569	67,627	31	216	40,020	31,295,862
rojected	Jun-20	30,102,024	31,445,196	67,627	30	186	34,462	31,330,323
rojected	Jul-20	30,166,762	31,512,823	67,627	31	155	28,718	31,359,042
rojected	Aug-20	30,231,500	31,580,449	67,627	31	124	22,975	31,382,016
rojected	Sep-20	30,296,238	31,648,076	67,627	30	94	17,416	31,399,432
rojected	Oct-20	30,360,976	31,715,703	67,627	31	63	11,673	31,411,105
Projected	Nov-20	30,425,714	31,783,329	67,627	- 30	33	6,114	31,417,219
Projected	Dec-20	30,490,452	31,850,956	67,627	31	2	371	31,417,590
		30,102,024	31,445,196	811,520	365		378,153	31,290,645
018 YE Surveil Bal.	_	39,621,946	31,170,596	_			13-Month Avg. Bal	31,445,196
onsistency Adjustment		(9,519,922)	274,600				Proration Adj.	(154,551)
Proration Adjustment			(154,551)	_			•	, - ,,
Total Adjustment			120,049	-				•

^{*} Positive variance shows that the limitation provision is met.

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2018 YE Forecast Surveil	iance (13-month average) at ROE% midpoint	1.4.4	- 44, 1 4 4 1 4		Ref 100		· :		
			Pro-Rata		Specific			*	S. 1. 1. 1.
	Per Book		Adjustme	nt	Adjustment	Adjusted Balance	Cap Ratio	Cost Rate	Weighted Cost
Common Equity	\$37,890,035		100	\$0	(\$68,216)	\$37,821,820	40.73%	10.809	· ·
Long Term Debt	\$17,595,675		45.4	\$0	(\$31,678)	\$17,563,997	18.91%	4.049	1
Short Term Debt	\$18,522,885			\$0	(\$33,347)	\$18,489,538	19.91%	2.949	1
Long Term Debt - FC	\$0			\$0	\$0	\$0	0.00%	0.009	
Customer Deposits	\$1,138,435			\$0	\$0	\$1,138,435	1.23%	2.339	
Deffered Income Taxes	\$17,844,457			\$0	\$0	\$17,844,457		0.009	
Total	\$92,991,487			\$0	(\$133,241)	\$92,858,246	100%	:	5.79%

2018 YE Forecast Survel	liance with ADFIT	Consistency and Prorat	ion Adjustments (13-month averag	;e)			11	
	Consistency and Pro-			Pro-Rata	5pecific .				
	Per Book	Rata Adjustment	Books Adjusted	Adjustment	Adjustment	Adjusted Balance	Cap Ratio	Cost Rate	Weighted Cost
Common Equity	\$37,890,035	(\$387,583)	\$37,502,452	\$0	(\$68,216)	\$37,434,236	40.31%	10.80%	•
Long Term Debt	\$17,595,675	(\$179,989)	\$17,415,686	\$0	(\$31,678)	\$17,384,008	18.72%	4.04%	0.76%
Short Term Debt	\$18,522,885	(\$189,474)	\$18,333,411	\$0	(\$33,347)	\$18,300,064	19.71%	2.94%	
Long Term Debt - FC	\$0	\$0	\$0	\$0	\$0	\$0	0,00%	0.00%	
Customer Deposits	\$1,138,435		\$1,138,435	\$0	\$0	\$1,138,435	1.23%	2.33%	
Deffered Income Taxes	\$17,844,457	\$757,046	\$18,601,503	\$0	\$0	\$18,601,503	20.03%		
Total	\$92,991,487		\$92,991,487	\$0	(\$133,241)	\$92,858,246	100%		5.72%

		Total Deferred Income	Deprec Related	Deprec Related		Future Days in	Prorated Deprec- Related ADFIT	Prorated Deprec- Related ADFIT
_	Month	Tax Balance	ADFIT Balance	ADFIT Activity	Days to Prorate	Period	Activity	Balance
Projected	Dec-19	10,656,610	13,010,140		-			13,010,140
Projected	Jan-20	10,709,198	13,074,343	64,202	31	336	59,101	13,069,242
Projected	Feb-20	10,761,786	13,138,545	64,202	28	308	54,176	13,123,418
Projected	Mar-20	10,814,374	13,202,747	64,202	31	277	48,723	13,172,141
Projected	Apr-20	10,866,962	13,266,949	64,202	30	247	43,446	13,215,587
Projected	May-20	10,919,550	13,331,151	64,202	31	216	37,994	13,253,581
Projected	Jun-20	10,972,138	13,395,353	64,202	30	186	32,717	13,286,298
Projected	Jul-20	11,024,726	13,459,555	64,202	31	155	27,264	13,313,561
Projected	Aug~20	11,077,314	13,523,758	64,202	31	124	21,811	13,335,373
Projected	Sep-20	11,129,902	13,587,960	64,202	30	94	16,534	13,351,907
Projected	Oct-20	11,182,490	13,652,162	64,202	31	63	11,081	13,362,988
Projected	Nov-20	11,235,078	13,716,364	64,202	30	33	5,805	13,368,793
Projected	Dec-20	11,287,666	13,780,566	64,202	31	2	352	13,369,145
		10,972,138	13,395,353	770,426	365		359,004	13,248,629
2018 YE Surveil Bal.	_	17,844,457	12,491,583				13-Month Avg. Bal	13,395,353
Consistency Adjustment		(6,872,318)	903,771	•			Proration Adj.	(146,725)
Proration Adjustment			(146,725)				•	, , - ,
Total Adjustment			757,046	-				

^{*} Positive variance shows that the limitation provision is met.

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Fort Meade

2018 YE Forecast Survellia	nce (13-month average) at ROE% midpoint		at an including			 			
		Pro-Rata	Specific						. 1
. Ъ	er Book .	Adjustment	Adjustment		Adjusted Balance	Cap Ratio	Cost Rate		Weighted Cost
Common Equity	\$167,554	\$0		\$0	\$167,554	31.27	%	11.00%	3.44%
Long Term Debt	\$77,810	\$0		\$0.	\$77,810	14.529		4.04%	0.59%
Short Term Debt	\$81,910	\$0		\$0.	\$81,910	15.289		2.94%	0.45%
Long Term Debt - FC	\$0	\$0		\$0	\$0	0.009		0.00%	0.00%
Customer Deposits	\$15,095	\$0		\$0	\$15,095	2.829		0.22%	0.01%
Deffered Income Taxes _	\$193,518	\$0		\$0	\$193,518	36.119		0.00%	0.00%
Total	\$535,887	\$0	:	\$0	\$535,887	1009	6	85	4.49%

2018 YE Forecast Survel	liance with ADFIT	Consistency and Prorat	ion Adjustments (:	L3-month averag	e)					··
		Consistency and Pro-		Pro-Rata	Specific					
	Per Book	Rata Adjustment	Books Adjusted	Adjustment	Adjustment		Adjusted Balance	Cap Ratio	Cost Rate	Weighted Cost
Common Equity	\$167,554	(\$16,963)	\$150,591	\$0	Ş	\$0	\$150,591	28.10%	11.00	-
Long Term Debt	\$77,810	(\$7,877)	\$69,933	\$0	\$	\$0	\$69,933	13.05%		
Short Term Debt	\$81,910	(\$8,292)	\$73,618	\$0	\$	\$0	\$73,618	13.74%		
Long Term Debt - FC	\$0	\$0	\$0	\$0	\$	\$0	so	0.00%		
Customer Deposits	\$15,095		\$15,095	\$0	Ś	\$0	\$15,095	2.82%		
Deffered Income Taxes	\$193,518	\$33,132	\$226,650	\$0		\$0	\$226,650		J	
Total	\$535,887		\$535,887	. \$0	Ş	\$0	\$535,887	100%		4.03%

Proration Adjustment and Consistency Adjustment To Reflect Projected	

_	Month	Total Deferred Income Tax Balance	Deprec Related ADFIT Balance	Deprec Related ADFIT Activity	Days to Prorate	Future Days in Period	Prorated Deprec- Related ADFIT Activity	Prorated Deprec- Related ADFIT Balance
Projected	Dec-19	205,728	104,304					104,304
Projected	Jan-20	209,756	106,346	2,042	31	336	1,880	106,184
Projected	Feb-20	213,784	108,388	2,042	28	308	1,723	107,907
Projected	Mar-20	217,812	110,430	2,042	31	277	1,550	109,457
Projected	Apr-20	221,840	112,472	2,042	30	247	1,382	110,839
Projected	May-20	225,868	114,515	2,042	31	216	1,209	112,047
Projected	Jun-20	229,896	116,557	2,042	30	186	1,041	113,088
Projected	Jul-20	233,924	118,599	2,042	31	155	867	113,955
Projected	Aug-20	237,952	120,641	2,042	31	124	694	114,649
Projected	5ep-20	241,980	122,683	2,042	30	94	526	115,175
Projected	Oct-20	246,008	124,726	2,042	31	63	352	115,527
Projected	Nov-20	250,036	126,768	2,042	30	33	185	115,712
Projected	Dec-20	254,064	128,810	2,042	31	2	11	115,723
		229,896	116,557	24,506	365	-	11,419	111,890
2018 YE Surveil Bal.		193,518	78,758				13-Month Avg. Bai	116,557
Consistency Adjustment	·	36,379	37,799	*			Proration Adj.	(4,667
Proration Adjustment			(4,667)					(4,007
Total Adjustment		-	33,132					

^{*} Positive variance shows that the limitation provision is met.

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Exhibit_____

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