GUNSTER

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May 24, 2022

BY E-FILING

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

Re: **Docket No. 20220067-GU: Petition for rate increase by Florida Public Utilities Company, Florida Division of Chesapeake Utilities Corporation, Florida Public Utilities Company - Fort Meade, and Florida Public Utilities Company - Indiantown Division.**

Dear Mr. Teitzman:

Attached, for electronic filing, please find the Testimony and Exhibits MG-1 of Michael Galtman.

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

(Document 6 of 27)

Sincerely,

Beth Keating
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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Docket No. 20220067-GU: Petition for rate increase by Florida Public Utilities Company, Florida Division of Chesapeake Utilities Corporation, Florida Public Utilities Company - Fort Meade, and Florida Public Utilities Company - Indiantown Division.

Prepared Direct Testimony of Michael Galtman

Date of Filing: May 24, 2022

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

A. My name is Michael D. Galtman. My business address is 100 Commerce Drive. Suite 200, Newark, DE 19713.

Q. By whom are you employed and in what capacity?

A. I am employed by Chesapeake Utilities Corporation, the corporate parent of Florida Public Utilities Company, as Senior Vice President and Chief Accounting Officer.

Q. Please describe your educational background and professional experience.

A. In 1997, I received a Bachelor of Science in Accounting from Rutgers University in Camden, New Jersey and I am a licensed Certified Public Accountant in Pennsylvania. I have been in my current position as Senior Vice President and Chief Accounting Officer of Chesapeake Utilities Corporation since April 2019. Prior to joining Chesapeake Utilities Corporation, I held various accounting leadership roles, including the role of Chief Accounting Officer at Sunoco Logistics Partners LP, which was a subsidiary of Energy Transfer. Sunoco Logistics Partners LP owned and operated midstream assets that served to transport crude oil, refined products and natural gas liquids and had certain assets that are regulated by the FERC and the respective state public service commission where the assets were located.

Q. Please describe your current responsibilities.

A. As the Chief Accounting Officer, I have responsibility for the accounting functions of Chesapeake Utilities Corporation, the parent company of Florida Public Utilities. In my role, I have responsibility for all accounting functions of the company including general accounting, business unit accounting, SEC reporting, accounting policy and tax. Additionally, I have responsibility for financial planning and analysis and the strategic modeling departments.

Q. How will you refer to the Company?

A. When referring to the Florida local distribution company ("LDC")business units as a whole; i.e., Florida Public Utilities Company (Natural Gas Division), Florida Public Utilities Company-Fort Meade, Florida Public Utilities Company-Indiantown Division, and the Florida Division of Chesapeake Utilities Corporation d/b/a Central Florida Gas, I will refer to these entities jointly as "FPUC" or "the Company". Individually, I will use the respective name or appropriate acronym.

When referring to Chesapeake Utilities Corporation, the parent company, I will refer to it as the "CUC" or the "Corporation."

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

A. Yes. I have provided written, pre-filed testimony in FPUC's COVID-19 Docket No. 20200194-PU.

Q. What is the purpose of your testimony in this proceeding?

A. I will provide an overview of the Corporation's accounting and finance organizations. I will also provide some background on the regulatory asset that was established by the Commission which is associated with the transaction and transition costs resulting from the acquisition of Florida Public Utilities by the Corporation. Finally, I will provide support for certain schedules of historical data and projected data represented in the MFRs listed in my Exhibit MG-1. Historical amounts presented in the respective MFRs listed in Exhibit MG-1 reflect results from the books and records of the Corporation and FPUC and were prepared under my supervision and direction. More specifically, I will address administrative and general ("A&G") expenses and the allocation methodology for recording expenses to FPUC along with general A&G cost changes that have been implemented since FPUC was acquired by the Corporation, along with the benefits tied to those changes.

Q. Do you have any exhibits to which you will refer in your testimony?

A. Yes. Exhibit MG-1 which was prepared under my supervision and direction.

Q. Are you sponsoring any MFRs in this case?

A. Yes. I am sponsoring the MFRs listed in Exhibit MG-1.

ORGANIZATION OVERVIEW

Q. Can you briefly describe how the Company's Accounting group is organized?

A. Currently, at CUC, the accounting department is broken up into five areas. The Controller's Group is responsible for corporate, business unit and fixed asset accounting, payroll, accounts payable and financial shared services (which includes procurement). Additionally, the Controller's Group is responsible for annual financial reporting to the FERC and the respective state commissions for the Corporation's regulated business units. The SEC Reporting Group is responsible for quarterly and annual SEC reporting, accounting policy and technical accounting research. The Financial Planning and Analysis Group is responsible for budgeting, forecasting and the financial planning component of the strategic planning process, oversight of expense allocations and internal and management reporting. The Strategic Modelling Department is responsible for modelling all of our potential acquisitions and large capital investment projects. The Corporate Tax Department is responsible for income tax compliance and strategy for CUC and all of its subsidiaries.

Q. Has the organization of this unit changed since the last rate proceeding?

A. Yes. The Accounting organization has continued to expand its capabilities since the prior rate filings for the FPUC business units. CUC is a publicly traded company which is listed on the New York Stock Exchange. The Corporation is continuously investing in natural gas infrastructure to meet increased customer demand, focused on providing a high level of customer service and ensuring safe and efficient operations. As a result of this growth, CUC is considered a large accelerated filer, which is subject to accelerated SEC reporting timelines and internal control requirements as defined under the Sarbanes-Oxley Act. Additionally, the accounting and disclosure requirements have continued to evolve as well as the internal control considerations under the Sarbanes-Oxley Act. In order to comply with the various regulations, the Corporation regularly reviews level of staffing, processes and technology to ensure compliance with the applicable regulations. Since 2010, the Financial Accounting Standards Boards issued a total of 192 accounting standard updates. Not all of these updates resulted in accounting or procedural changes for

CUC, but still required the team to review and evaluate any potential impact. Many of these new accounting standards resulted in significant ongoing evaluations and disclosure changes, including fair value measurements and disclosures (Topic 820), derivatives and hedging (Topic 815), revenue from contracts with customers (Topic 606), stock compensation (Topic 718), and leases (Topic 842). In the area of taxation, we have seen a significant number of tax laws implemented since the 2010, including the Healthcare Reform Act, the Affordable Care Act, and the Tax Cuts and Jobs Act.

Q. Do you expect the Accounting organization to change in the future?

A. Yes. Accounting, disclosure and tax requirements that impact CUC and FPUC are expected to continue to change in the future. For example, in March 2022, the SEC proposed accounting and disclosure requirements associated with climate risk and cyber-security and there is also new federal tax legislation which is currently being considered within President Biden's tax proposal for 2022. As new developments occur, the Corporation assesses its resource needs to ensure its ability to comply with new regulations and effectively manage cost impacts that result in any associated accounting, disclosure or tax changes.

Q. What benefits are derived by the Company and its customers from CUC's service of these functions since the acquisition?

A. There are several benefits achieved by the evolution and growth of the Accounting function. The Company has been able to file its financial reports and tax returns accurately and timely and maintain an effective internal control environment for compliance with Sarbanes-Oxley. Additionally, the centralized model for accounting resources has allowed the Company to maintain an appropriate level of workload for staff members and provide additional technical resources as regulatory, accounting and tax requirements change. In my opinion, being part of a broader accounting organization, provides greater opportunities for employee development, provides additional resources to handle employee attrition when it occurs and increases the Company's ability to retain and attract employees. Finally, with an effective control environment and a strong history of accurate accounting records, we have been able to work with our external auditors to achieve an audit fee that has grown at a slower than normal pace when compared to the industry average.

BACKGROUND – ACQUISITION ADJUSTMENT

Q. Has the regulatory asset approved by the Commission for transaction and transition costs been fully amortized?

A. Yes. The regulatory asset associated with the Florida Public Utilities transaction and transition costs has been fully amortized. For additional details on the separate regulatory assets associated with the purchase premiums for the acquisition of Florida Public Utilities Company and the subsequent acquisition of Florida Public Utilities Company-Indiantown Division, see the testimony of Witnesses Cassel and Napier.

HISTORICAL AND PROJECTED DATA

ADMINISTRATIVE & GENERAL EXPENSES (A&G)

Q. Generally, please explain the accounting of A&G costs?

A. A&G costs are either directly recorded to the Company or the Company is allocated a portion of A&G expenses for groups which are performing services which are shared across business units. Allocations are reviewed annually, or as significant changes occur, to ensure expenses are appropriately allocated to the respective business units. The calculation of allocations to the Company are explained in greater detail below.

Q. Please describe what types of expense are included in A&G expenses.

A. A&G expenses include employee salaries and benefits, office supplies, third-party administrative services (e.g. legal services, human resource consulting, financial statement audits, etc.), insurance, advertising and the applicable facilities costs associated with office locations., Additionally, A&G expenses includes pension and benefits costs associated with the Company, as addressed by Witness Rudloff.

Q. Please describe what functional areas are included in A&G expenses?

A. A&G expenses include accounting and finance, human resources, communications, marketing, information technology ("IT"), legal, corporate governance, governmental affairs, internal audit, regulatory affairs, security, safety, and other management functions. A&G expenses also include costs associated with the Corporation's board of directors, external audit fees, insurance, employee benefits, and expenses associated with pension and other postretirement benefit plans.

Q. What benefits are derived by FPUC and its customers from the Corporation's service of these functions post-merger?

A. Generally speaking, since the merger, FPUC has benefited from expanded, more sophisticated functions and services provided by the centralized corporate functions. These expanded functions and services, which include finance, legal, human resources, information technology, communications, governmental affairs, corporate governance, internal audit, security, certain business development and expanded management support functions, as well as increased access to capital, have increased FPUC's quality of service by enhancing customer engagement, obtaining more accurate and relevant business and market information and providing reliable and more efficient service to its customers. These resources and capabilities also enabled FPUC to address newly emerging, complex business issues. With the help of CUC's corporate office, FPUC has also been able to address expanded business and compliance needs for IT infrastructure and security, accuracy in accounting and financial data, adoption of new regulations by the federal and state governments, and employee training and retention. All of these benefits have enabled FPUC to provide outstanding service to its customers and to benefit from increased access to capital in order to maintain improve and expand their natural gas systems.

Q. How are A&G expenses allocated to the FPUC business units of CUC?

A. The Corporation's cost accounting policy is to allocate costs to the business units that either incurred the cost directly or benefit from the cost being incurred. The Corporation's Cost Accounting Manual (CAM) documents the current allocation practices and methodologies utilized to account for all Operations and Maintenance expenses including A&G expenses. The CAM further describes the application of these practices and methodologies through the CUC's accounting processes, as well as recording and reporting through CUC's financial information systems. Specifically, as it relates to A&G expenses, amounts are recorded by FPUC in one of the following ways: (a) direct assignment of costs or (b) allocation of the cost of shared functions and services to business units receiving the benefit of such functions and services. Whenever it is possible and practical, A&G expenses are directly assigned to the business unit incurring such cost. An example of direct assignment of A&G costs is an external audit fee associated with auditing FPUC's annual report on FERC Form No. 1 filed with the Commission. The audit fee directly attributable to the FERC Form No. 1 for FPUC is recorded based on the specific costs attributable for the audit. A&G expenses that cannot be directly assigned are allocated to CUC's business units that receive a benefit from such functions and services.

Q. Please explain how indirect A&G expenses incurred are allocated.

A&G expenses incurred by CUC are allocated among all of the Corporation's businesses receiving benefits from such services. The Corporation utilizes various methodologies in the allocation of costs, depending on the type of expense. These methodologies are designed to reflect the relative size and benefit of each business unit receiving the shared functions and services and the methodologies may include metrics like direct payroll, profitability, adjusted gross plant, adjusted capital expenditures and/or the specific level of effort or focus, among others, in determining the allocation basis. CUC reviews and updates the allocation basis at the beginning of each fiscal year and, at times, adjusts the methodology during the year if a change in circumstances is warranted.

Q. Please explain further how A&G expenses are allocated.

A. A&G expenses are segregated by departments in order to record and track expenses. To the extent the expenses are being incurred to support multiple business units of CUC, the Corporation utilizes an allocation process to segregate costs between the applicable business units benefiting from the services provided. As part of the process to determine the appropriateness of the allocation, departments are first reviewed to consider whether the costs apply to all of CUC's business units or should be specifically allocated to selected business units. For example, expenses to support CUC's natural gas transmission, distribution and electric distribution operations should only be allocated to CUC's regulated business units as these expenses reflect the expenses incurred to comply with regulated operations of the respective public service commissions or the FERC. To the extent costs are being incurred to support CUC's unregulated business units, for example the Unregulated Accounting department, these expenses would not be considered for allocations to regulated business units including FPUC's operations. Generally, CUC's corporate departments use one of the following three allocation methods: modified Distrigas, task-based, and capital expenditure-based. The first method is the modified Distrigas formula, which is based off of a FERC-approved formula attempting to weight various aspects of each of the business units to calculate the appropriate allocation. This formula incorporates three equally-weighted factors: gross plant, operating income before interest and income taxes (as opposed to net revenues under Distrigas) and labor cost. Costs related to accounting and finance, IT network, data and desktop maintenance and support, human resources, internal audit, business development (this is shared services), security, safety, facilities and communications are allocated using the modified Distrigas formula. The second method is the task-based allocation, which considers the department's functions and assigns for each function the level of effort or focus to each business unit receiving its service. CUC utilizes the task-based method to allocate the costs associated with, for example, the audit committee, project specific IT departments, management/leadership, treasury, regulatory affairs and specific IT systems. Based on the specific nature of these services, the task-based allocation method provides the most reasonable reflection of the benefit received by each business unit. The third method is the capital expenditure-based allocation, which is based on capital expenditures in each business unit to allocate costs. Costs associated with corporate governance, the Corporation's Board of Directors, (accounts payable here or task-based) and investor relations, all of which are closely related to our growth, which is largely driven by capital expenditures, are allocated using the capital expenditure-based method.

Q. How does CUC ensure a fair distribution of its corporate costs to all of its business units, including unregulated businesses?

A. Chesapeake reviews and updates the allocation basis at least annually or when a significant change occurs to CUC's overall business or corporate functions. Every business unit benefiting from a particular department is allocated a portion of the cost associated with that department, using a consistent methodology. CUC also reviews the relative size of each business unit, measured by capital expenditures, operating income, gross plant and payroll expenses, and compares it to the overall corporate cost being allocated to that business unit to assess the reasonableness of the allocation.

Q. How do A&G expenses for the 2021 Historic Base Year compare to the Benchmark Year?

A. The A&G variances between the 2021 historic base year and the calculated benchmark year are presented on MFR C-38 for Florida Public Utilities Company and the Florida Division of Chesapeake Utilities Corporation. For Florida Public Utilities Company, A&G expenses for the historic base year exceeds the benchmark by $3.3 million, which includes a variance of $1.7 million related to payroll expenses which as of the prior rate cases were recorded in other expense accounts within operations and maintenance expenses. To the extent that these expenses were reclassified to the historical expense categories (e.g. Customer Account, Sales, Distribution and Maintenance), the applicable historic base year expense categories would not exceed the benchmark. Adjusting for these items, A&G expenses for the historic base year increased by $1.6 million compared to the benchmark. This increase was primarily driven by higher payroll costs to ensure compliance with various regulatory, accounting and technology requirements, expanded information technology costs to meet customer demand and protect against cyber-attacks and increased facilities costs for changes in service needs. Since 2008, complexity within the regulatory, accounting, tax and information technology environments has continuously increased. In order to meet the demands of each change, the Company leverages corporate functions which serves to reduce the cost impact to individual business units throughout the consolidated company. For example, costs associated with implementing new accounting guidance or cyber-security protocols that impact the Florida natural gas operations is addressed centrally by the respective corporate department. Centralizing these functions has served to effectively manage costs as the needs for individual business units are not duplicated in effort and costs. With the cost being managed more efficiently through a centralized structure, this has also served to benefit the Florida natural gas operation as the organization was able to attract and retain technical staff to address changes in the legal, regulatory, accounting and tax environments. For more details on the drivers for the increases compared to the benchmark, see MFR C-38 FPUC.

For the Florida Division of Chesapeake Utilities Corporation, A&G expense for the historic base year exceeded the benchmark by $0.7 million. The increase was due primarily to increased payroll expenses driven by the factors noted above for Florida Public Utilities Company, higher insurance costs and increase pension costs associated with the termination of the Chesapeake Utilities Corporation pension plan in 2021. For additional details on the drivers for the increases compared to the benchmark, see MFR C-38 CFG.

Q. What is FPU's A&G expense budget for the 2023 test year?

A. The projected A&G expense of FPU's Consolidated Gas operations detailed on MFR G-2 19d for the 2023 test year is $25.8 million. This amount represents an increase of $6.4 million compared to the 2021 adjusted historic test year.

Q. How was A&G expense for FPUC's operations calculated for the 2023 test year?

A. The calculation for A&G expenses detailed in MFR G-2 19c & 19d for FPUC's operations was initially based on book expense recorded for the year ended December 31, 2021. These expenses were then analyzed and adjusted for non-recurring items included in 2021 results or partial year expenses which are projected to be recurring in future periods. For example employees who were hired throughout 2021 were normalized to include a full year expense. Another example of a non-recurring expense item related to COVID-19 expense adjustments recorded in 2021 that are not expected to occur going forward. The 2021 adjusted total was then trended forward using the applicable inflation and growth factor to project the amount of A&G expenses for the projected year ended December 31, 2023. To the extent there were additional market factors or business needs which are incremental to the 2021 trended expense levels, a direct projection was considered for the incremental cost necessary to continue supporting the business for the 2023 projected test year.

Q. What are examples of A&G expense for FPUC's operations expenses which were directly projected for the 2023 projected test year?

A. Examples of these adjustments include new contracted satellite scanning costs for leak detection, additional damage prevention staffing, projected market increases in the CUC's insurance programs, incremental costs associated with ESG initiatives, increased pension and benefits costs resulting from higher projected interest rates and technology costs associated with software upgrades. Additional details on the drivers of the specific increases can be found within the testimony of Witnesses Cassel, Russell, Bennett, Rudloff and Gadgil.

Q. Are these costs, including the allocated A&G costs, a legitimate and necessary cost of providing service to its customers?

A. Yes. A&G expenses for the 2023 test year include only the A&G costs that are projected to be incurred in supporting FPUC's operations. The overall A&G costs in the 2023 projected test year are projected based on historical costs, recent trends and additional costs associated with increased business needs, which are necessary to continue providing outstanding, safe and reliable service to FPUC's customers. The projected costs include incremental costs as appropriate to address regulatory changes, increased insurance expense given market conditions, to ensure protection from cyber threats, to adapt to evolving climate change disclosure needs and to ensure the Corporation's information technology systems to efficiently serve FPUC's customers.

Q. Then, please explain the comparison of FPUC's operations projected 2023 A&G expenses to the normalized 2021.

A. As mentioned above, A&G expenses for FPUC's operations are projected to increase by $6.4 million above the historic benchmark for 2021 of $19.4 million. This includes $1.5 million in increased costs attributable to inflation and growth relative to historical benchmark A&G expenses for 2021. The applicable inflation and growth factor utilized for non-payroll and pay increase related costs used to project these expenses can be found on MFR G-2 19e. In addition, to the trended increases of historical expenses, a direct projection was also included for expenses necessary to address certain market conditions, ensure compliance with regulatory changes and continue to maintain safe and reliable operations for FPUC's operations. First, the projection includes a higher level of outside services, which is driven primarily by additional third-party satellite leak detection scans, increased information technology costs to support various aspects of the business and additional third-party consulting costs to comply with projected ESG compliance needs. Details associated to the increase third-party satellite leak detection scans are included within the testimony of Witness Bennett. Second in the 2023 projected year, there is a higher level of injuries and damages costs attributable to higher insurance cost, increased self-insurance needs based on historical claims and higher safety and damage prevention costs. Third, the projection includes additional amortization expense associated with the projected amortization of rate case expenses. Additional details on the total rate case expense can be found on MFR C-13, and also addressed within Witness Napier's testimony. Fourth, the projection includes an increase related to additional positions detailed in the over and above adjustments and higher employee labor and benefits cots along with increased pension expense associated with Florida Public Utilities pension plan. The increased labor costs considered normal attrition rates and include additional needs above current levels to address damage prevention oversight, customer communication, ESG, employee training and development and accounting and information technology needs. Additionally, as noted in Witness Russell's testimony, increased pension costs as estimated by CUC's third party actuary.

Q. Please provide specific examples on how the expanded corporate A&G functions provided by CUC benefit FPUC's customers?

A. Expanded corporate A&G functions have benefited FPUC and its customers in many different ways. Chesapeake's corporate communications team provides increased awareness of the CUC and FPUC brand through emphasizing core values and translating them into superior customer service. The communications team has assisted FPUC in its effort to redesign the Company's website to enhance its look, content and functionality. The goal of this project has been to more directly and effectively engage customers, thereby allowing customers to obtain accurate and more focused information through the website. For example, FPUC's customers can utilize the website to make billing inquiries, request services, make payments, report power outages and calculate energy savings opportunities. The redesign project has also facilitated FPUC's initiatives to increase its engagement with customers and communities, as well as employee satisfaction and training.

Business development is another example of the expanded corporate A&G functions now available to FPUC. Business development assists the natural gas operations to assess alternative fuel supply options and provides market research data. Business development also coordinates the corporate-wide initiative to automate the infrastructure mapping to increase efficiency and reliability of the Company's system.

As the parent company of FPUC, the Corporation's management team and Board of Directors bring increased oversight of FPUC's businesses and the management of its operations. The Corporation's management is comprised of individuals with several decades of energy and utility industry experience. In particular, CUC's President and Chief Executive Officer, who also serves on the Board of Directors, has over 30 years of experience in the energy industry and has served in leadership positions for several energy-based associations and organizations.

Additionally, a combination of different backgrounds, skills, experiences and perspectives enables the Board, as a whole, to provide effective oversight of our business operations, assess and respond to the ever-evolving business landscape, and develop opportunities that contribute to societal advancement and create sustainable long-term shareholder value. This includes backgrounds, skills and experiences as disclosed in our Proxy Statement filed with the SEC in 2022, such as energy industry experience, strategic planning and development, human capital management, environmental, social and governance (or ESG), community stewardship, accounting and finance, technology and cyber security, and others. The Board supports a culture of diversity and inclusion which represents the communities we serve, with three female directors, one African American director, and a director of Middle Eastern descent serving on the Board. Five independent directors of the Board, as well as CUC's Chief Executive Officer, have in-depth knowledge of the Florida economy and market and have established relationships with colleagues and members of the community throughout Florida. All of these examples of the expanded corporate functions and services that have allowed FPUC to continue its effort to enhance customer experience, improve employee education, and develop strategies, all of which are for the direct benefit of our customers.

Q. Why is it important that FPUC operations be allowed to recover the costs associated with corporate A&G through base rates?

A. The corporate A&G functions are an integral part of FPUC's ability to support its operations, comply with legal, regulatory and other statutory requirements, finance the necessary capital required to maintain and grow its business, provide superior customer service, address complex financial and business issues and ensure the appropriate level of management oversight. As it was previously mentioned, many of the A&G functions previously performed by FPUC were combined with or transferred to CUC's corporate office since the merger in 2009 to leverage administrative resources across CUC's regulated operations, ensure quality and efficiency in operating processes and increase access to technical resources to support FPUC's natural gas customer base. Having A&G functions reside at the corporate level allows the FPUC operations to focus on its day-to-day business of providing safe and reliable natural gas service to its customers. By receiving support from the corporate office, FPUC is able to utilize expanded resources increasing its capability to provide a higher level of customer service, increased efficiency, and an increased ability to handle more complex and challenging business and compliance matters.

Q. Does this conclude your testimony?

A. Yes.

SCHEDULE	TITLE	Witness
	EXECUTIVE SUMMARY	
A-6	Financial Indicators	M. Galtman
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B-1	Balance Sheet	M. Galtman / M. Napier
B-1	Balance Sheet - Florida Common	M. Galtman / M. Napier
B-4	Monthly Utility Plant Balances	M. Galtman
B-5	Common Plant Allocated	M. Galtman / M. Napier
B-7	Property Held For Future Use	M. Galtman
B-8	Construction Work In Progress	M. Galtman
B-8	Construction Work In Progress Florida Common	M. Galtman / M. Napier
B-9	Accumulated Depreciation - Monthly Balances	M. Galtman
B-10	Accumulated Amortization - Monthly Balances	M. Galtman
B-11	Allocation of Depreciation/Amortization Reserve - Common Plant	M. Galtman / M. Napier
B-12	Customer Advances For Construction	M. Galtman
B-13	Working Capital Allowance	M. Galtman / M. Napier
B-13	Working Capital Allowance - Florida Common	M. Galtman / M. Napier
B-14	Miscellaneous Deferred Debits	M. Galtman
B-15	Miscellaneous Deferred Credits	M. Galtman
B-16	Additional Rate Base Components	M. Galtman
B-17	Investment Tax Credits	M. Galtman
B-18	Accumulated Deferred Income Tax	M. Galtman
	NET OPERATING INCOME	
C-1	Adjusted Net Operating Income	M. Galtman
C-2	Adjustments to Net Operating Income	M. Napier / M. Galtman
C-3	Operating Revenues By Month	M. Galtman
C-4	Unbilled Revenues	M. Galtman
C-5	O & M Expenses By Month	M. Galtman
C-6	Allocation of Expenses	M. Galtman
C-7	Conservation Revenues and Expenses	M. Galtman
C-8	Uncollectible Accounts	M. Galtman
C-9	Advertising Expenses	M. Galtman
C-10	Civic and Charitable Contributions	M. Galtman
C-14	Miscellaneous General Expenses	M. Galtman
C-16	Gain/Loss On Disposition of Property	M. Galtman
C-17	Depreciation Expense	M. Galtman
C-20	Reconciliation of Total Income Tax Provision	M. Galtman
C-21	State and Federal Income Tax - Current	M. Galtman
C-22	Interest Expense - Income Tax	M. Galtman
C-23	Book /Tax Differences - Permanent	M. Galtman
C-24	Deferred Income Tax Expense	M. Galtman
C-25	Deferred Income Tax Adjustment	M. Galtman
C-26	Parent Debt Information	M. Galtman
C-27	Income Tax Returns	M. Galtman
C-28	Miscellaneous Tax Information	M. Galtman
C-29	Consolidated Return	M. Galtman
C-30	Other Taxes - Detail	M. Galtman
C-31	Outside Professional Services	M. Galtman

SCHEDULE	TITLE	Witness
C-32	Affiliated Company Transactions	M. Galtman
	RATE OF RETURN	
D-6	Customer Deposits	M. Galtman
D-7	Sources and Uses of Funds	M. Galtman
	PROJECTED TEST YEAR	
G1-15	Historic Base Year + 1 - Allocation Of Common Plant	M. Napier / M. Galtman
G1-18	Projected Test Year - Allocation Of Common Plant	M. Napier / M. Galtman
G1-22	Projected Test Year - Alloc. of Deprec./Amort. - Common Plant	M. Napier / M. Galtman
G2-1	Projected Test Year Net Operating Income - Summary	M. Napier / M. Galtman
G2-2	Adjustments to Net Operating Income	M. Napier / M. Cassel
G2-3	Adjustments to Net Operating Income (Cont.)	M. Napier / M. Cassel
G2-4	Historic Base Year + 1 - Income Statement	M. Napier / M. Galtman
G2-5	Projected Test Year - Income Statement	M. Napier / M. Galtman
G2-12	Projected Test Year - Calculation of Distribution Expenses (Cont.)	M. Napier / M. Galtman
G2-13	Projected Test Year - Calculation of Maintenance Expenses	M. Napier / M. Galtman
G2-14	Projected Test Year - Calculation of Maintenance Expenses (Cont.)	M. Napier / M. Galtman
G2-15	Projected Test Year - Calculation of Customer Account Expenses	M. Napier / M. Galtman
G2-16	Projected Test Year - Calculation of Customer Service Expenses	M. Napier / M. Galtman
G2-17	Projected Test Year - Calculation of Selling Expenses	M. Napier / M. Galtman
G2-18	Projected Test Year - Calculation of Admin. and General Expenses	M. Napier / M. Galtman
G2-19	Projected Test Year - Calculation of Admin. and General Expenses (Cont.)	M. Napier / M. Galtman
G2-19 a to d	Projected Test Year - Calculation of Operation and Main Expense Supplement	M. Cassel, J. Bennett, M. Galtman, V. Gadgil, M. Napier, K. Parmer, N. Russell, K. Lake, D. Rudloff, B. Hancock
G2-19e	Projection Basis Factor	M. Napier / M. Galtman
G2-19f	Over and Under Adjustments	M. Cassel, J. Bennett, M. Galtman, V. Gadgil, M. Napier, K. Parmer, N. Russell, K. Lake, D. Rudloff, B. Hancock
G2-26	Historic Base Year + 1 - Reconciliation of Total Income Tax Provision	M. Galtman
G2-27	Historic Base Year + 1 - State and Federal Income Tax - Current	M. Galtman
G2-28	Historic Base Year + 1 - Deferred Income Tax Expense	M. Galtman
G2-29	Projected Test Year - Reconciliation of Total Income Tax Provision	M. Galtman
G2-30	Projected Test Year - State and Federal Income Tax - Current	M. Galtman
G2-31	Projected Test Year - Deferred Income Tax Expense	M. Galtman