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September 1, 2022

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 for January 2023 through December 2023, 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 Exhibit RCW-1 of Mr. Robert Waruszewski. Also included with this filing are the following revised tariff pages:

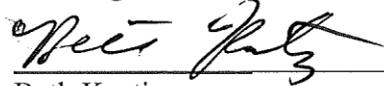
Revised Tariff Sheets

(Clean and Legislative Versions)

Consolidated Natural Gas Tariff Sheet 7.906
Consolidated Natural Gas Tariff Sheet 7.907
Consolidated Natural Gas Tariff Sheet 7.910

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

Kind regards,



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

cc:(Office of Public Counsel)

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 1, 2022
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**JOINT PETITION FOR APPROVAL OF GRIP
COST RECOVERY FACTORS BY FLORIDA PUBLIC UTILITIES COMPANY,
FLORIDA PUBLIC UTILITIES COMPANY-FORT MEADE, AND THE FLORIDA
DIVISION OF CHESAPEAKE UTILITIES CORPORATION**

Florida Public Utilities Company, Florida Public Utilities Company-Fort Meade (“Fort Meade”) (herein jointly “FPUC”), and the Florida Division of Chesapeake Utilities Corporation (“CFG”)(also referred to herein individually as “Company” and jointly as “Companies”), by and through their undersigned counsel, hereby file this Petition, pursuant to Section 366.06, Florida Statutes, and Order No. PSC-2012-0490-TRF-GU, seeking approval from the Florida Public Service Commission (“FPSC” or “Commission”) of FPUC's and CFG’s GRIP cost recovery factors for the period January 2023 through December 2023. 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.

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

GRIP True-Up

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

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
VP, Regulatory and Governmental Affairs
Florida Public Utilities Company/Chesapeake
208 Wildlight Ave.
Yulee, FL 32097
mcassel@fpuc.com

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

5) Consistent with the requirements of Order No. PSC-12-0490-TRF-GU, issued September 24, 2012, the Companies have included with this filing Schedules A-D, which support the Companies' calculations of the yearly GRIP surcharge factors for the calendar year 2023.

6) Consistent with the requirements of Order No. PSC-20-0165-PAA-EU, issued May 20, 2020, 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

GRIP True-Up

of the weighted average cost of capital would have been for the 2023 projection period if a proration adjustment was necessary.

7) The Companies are also submitting, contemporaneously with this Petition, the Direct Testimony and Exhibit RCW-1, which includes the referenced schedules, of Mr. Robert Waruszewski in support of the Companies' request for approval of the requested factors. Therein, Mr. Waruszewski explains that projects in high consequence areas continue to be a priority. As also noted by Mr. Waruszewski, the Companies continue to discover new bare steel, cast iron, and steel tubing beyond that which was originally anticipated, however, the Company does expect to complete all replacements for the program by the end of 2022.

8) As reflected on Schedule B-1, the final GRIP true-up amount for the period January 2021 through December 2021 was an under-recovery for FPUC of \$1,786,751, inclusive of interest, and for CFG, a total under-recovery of \$314,115, inclusive of interest. For Fort Meade experienced an over-recovery of \$10,696, inclusive of interest.

9) As set forth in the Testimony and Exhibit of Mr. Waruszewski, the Companies' actual/estimated amounts for the remainder of 2022 are an over-recovery of \$1,032,958, inclusive of interest, for FPUC; an under-recovery by CFG for the same period of \$528,399 inclusive of interest; and an over-recovery for the same period for Fort Meade of \$1,831, inclusive of interest.

10) As the Commission is aware, the Companies are currently before the Commission in Docket No. 20220067, requesting a rate consolidation and rate increase. Part of the request in that proceeding includes transferring the current GRIP projects through year end 2022 from recovery through a factor to recovery through base rates, which, if approved, will leave

GRIP True-Up

both the total true-up and any GRIP investment above the amount projected in the rate case to be collected in 2023.

11) The Company projects total revenue requirements for the program of \$366,128 for FPUC, (\$48,807) for CFG and \$0 for Fort Meade for the period January 2023 through December 2023. The total true-up amounts to be collected or refunded in 2023 are a net under-recovery to be collected for FPUC of \$753,793; a total net under-recovery of \$842,515 to be collected for CFG, and for Fort Meade, a total net over-recovery of \$12,527 to be refunded. 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:

<u>CFG</u> RATE CLASS	GRIP FACTORS PER THERM
FTS-A	\$ 0.12760
FTS-B	\$ 0.4065
FTS-1	\$ 0.01970
FTS-2	\$ 0.03000
FTS-2.1	\$ 0.03164
FTS-3	\$ 0.01053
FTS-3.1	\$ 0.01454
FTS-4	\$ 0.01542
FTS-5	\$ 0.01918
FTS-6	\$ 0.00865

GRIP True-Up

FTS-7	\$ 0.01374
FTS-8	\$ 0.01501
FTS-9	\$ 0.03150
FTS-10	\$ 0.01383
FTS-11	\$ 0.06389
FTS-12	\$ 0.00735
FTS-NGV	\$ 0.06390

CFG

Experimental

<u>CLASS</u> <u>Rate Schedule</u>	<u>GRIP</u> <u>FACTORS</u> <u>Rate per bill</u>
FTS-A (Exp)	\$ 0.87
FTS-B (Exp)	\$ 0.44
FTS-1 (Exp)	\$ 0.31
FTS-2 (Exp)	\$ 1.56
FTS-2.1 (Exp)	\$ 3.15
FTS-3 (Exp)	\$ 3.26
FTS-3.1 (Exp)	\$ 8.54

FPUC

RATE

SCHEDULE

GRIP FACTORS
PER THERM

RESIDENTIAL	\$0.02166
COMMERCIAL SMALL (General Service 1 & 2 & GS 1 & 2 Transportation)	\$0.01608
COMM. LRG VOLUME (Large Vol & LV Transportation)	\$0.01134
INTERRUPTIBLE SERVICE (Int Service & IS Transportation)	\$0.00698

GRIP True-Up

GENERAL LIGHTING SERVICE (Gen Light Service & GLS Transportation)	\$0.08352
Rate Schedule NGV	\$0.01608
Rate Schedule NGVTS	\$0.01608

Fort Meade

<u>RATE</u> <u>SCHEDULE</u>	<u>FACTORS</u> <u>PER THERM (refund)</u>
RESIDENTIAL	- \$0.12822
COMMERCIAL SMALL (General Service & GS Transportation)	- \$0.02901
COMM. LRG VOLUME (Large Vol & LV Transportation)	- \$0.01861
INTERRUPTIBLE SERVICE (Int Service & IS Transportation)	\$0.00000
GENERAL LIGHTING SERVICE	\$0.00000

12) 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.

13) The Companies nevertheless emphasize that the factors herein have been calculated utilizing the assumption that the request to roll the GRIP recovery into base rates is approved in Docket No. 20220067-GU. In addition, the Company acknowledges that, in the event the Commission approves the Companies' request in Docket No. 20220067-GU to

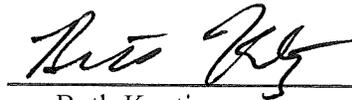
GRIP True-Up

consolidated rate structure, such consolidation would necessitate that the factors be recalculated based upon the approved rate structure.

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 2023 through December 2023, unless and until reset by the Commission or otherwise recalculated to apply to a new rate structure.

RESPECTFULLY SUBMITTED this 1st day of September, 2022, 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 1st day of September, 2022.

Richard Gentry Office of Public Counsel c/o The Florida Legislature 111 W. Madison Street, Room 812 Tallahassee, FL 32399-1400 Gentry.Richard@leg.state.fl.us	
Mike Cassel 208 Wildlight Avenue Yulee, FL 32097 <u>Mcassel@fpuc.com</u>	

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)

Consolidated Natural Gas Tariff Sheet 7.906

Consolidated Natural Gas Tariff Sheet 7.907

Consolidated Natural Gas Tariff Sheet 7.910

All Companies
GAS RELIABILITY INFRASTRUCTURE PROGRAM

Applicability:

The bill for Regulated Gas Sales Service or Transportation Service, as applicable, 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 2023 through the last billing cycle for December 2023 are as follows:

INDIANTOWN:

<u>Rate Schedule</u>	<u>Rates per Therm</u>
TS-1	Not applicable
TS-2	Not applicable
TS-3	Not applicable
TS-4	Not applicable
NGVTS	Not applicable

FT. MEADE:

<u>Rate Schedule</u>	<u>Rates per Therm</u>
RS	(\$0.12822)
GS-1	(\$0.02901)
GS-2	(\$0.02901)
GSTS-1	(\$0.02901)
GSTS-2	(\$0.02901)
LVS	(\$0.01861)
LVTS	(\$0.01861)
IS	\$0.00000
ITS	\$0.00000
GLS	\$0.00000
GLSTS	\$0.00000
NGV	\$0.00000
NGVTS	\$0.00000

All Companies
GAS RELIABILITY INFRASTRUCTURE PROGRAM

Applicability:

The bill for Regulated Gas Sales Service or Transportation Service, as applicable, 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 2023~~2~~ through the last billing cycle for December 2023~~2~~ are as follows:

INDIANTOWN:

<u>Rate Schedule</u>	<u>Rates per Therm</u>
TS-1	Not applicable
TS-2	Not applicable
TS-3	Not applicable
TS-4	Not applicable
NGVTS	Not applicable

FT. MEADE:

<u>Rate Schedule</u>	<u>Rates per Therm</u>
RS	(\$0.12822) 15245
GS-1	(\$0.02901) 01456
GS-2	(\$0.02901) 01456
GSTS-1	(\$0.02901) 01456
GSTS-2	(\$0.02901) 01456
LVS	(\$0.01861) 00000
LVTS	(\$0.01861) 00000
IS	\$0.00000
ITS	\$0.00000
GLS	\$0.00000
GLSTS	\$0.00000
NGV	\$0.00000
NGVTS	\$0.00000

All Companies

GAS RELIABILITY INFRASTRUCTURE PROGRAM – CONTINUED

FLORIDA PUBLIC UTILITIES:

<u>Rate Schedule</u>	<u>Rates per Therm</u>
RS	\$0.02166
RS-GS	\$0.02166
GS-1	\$0.01608
GS-2	\$0.01608
GSTS-1	\$0.01608
GSTS-2	\$0.01608
CS-GS	\$0.01608
LVS	\$0.01134
LVTS	\$0.01134
IS	\$0.00698
ITS	\$0.00698
GLS	\$0.08352
GLSTS	\$0.08352
NGV	\$0.01608
NGVTS	\$0.01608

CENTRAL FLORIDA GAS:

<u>Rate Schedule</u>	<u>Rates per Therm</u>
FTS-A	\$0.12760
FTS-B	\$0.04065
FTS-1	\$0.01970
FTS-2	\$0.03000
FTS-2.1	\$0.03164
FTS-3	\$0.01053
FTS-3.1	\$0.01454
FTS-4	\$0.01542
FTS-5	\$0.01918
FTS-6	\$0.00865
FTS-7	\$0.01374
FTS-8	\$0.01501
FTS-9	\$0.03150
FTS-10	\$0.01383
FTS-11	\$0.06389
FTS-12	\$0.00735
FTS-NGV	\$0.06390

Definitions:

The Company has prioritized the potential replacement projects focusing initially on areas of high consequence and areas more susceptible to corrosion. The GRIP Program minimizes impact to Customers, but at the same time, allows the Company to accelerate its replacement

Issued by: Jeffrey Householder, Chief Executive Officer
 Florida Public Utilities Company and Chesapeake Utilities Corporation

Effective:

All Companies

GAS RELIABILITY INFRASTRUCTURE PROGRAM – CONTINUED

FLORIDA PUBLIC UTILITIES:

<u>Rate Schedule</u>	<u>Rates per Therm</u>
RS	\$0.0216631642
RS-GS	\$0.02166
GS-1	\$0.0160822966
GS-2	\$0.0160822966
GSTS-1	\$0.0160822966
GSTS-2	\$0.0160822966
CS-GS	\$0.01608
LVS	\$0.0113416008
LVTS	\$0.0113416008
IS	\$0.0069809536
ITS	\$0.0069809536
GLS	\$0.08352114051
GLSTS	\$0.08352114051
NGV	\$0.0160822966
NGVTS	\$0.0160822966

CENTRAL FLORIDA GAS:

<u>Rate Schedule</u>	<u>Rates per Therm</u>
FTS-A	\$0.1276071307
FTS-B	\$0.0406521508
FTS-1	\$0.0197011405
FTS-2	\$0.0300015536
FTS-2.1	\$0.0316415932
FTS-3	\$0.0105305948
FTS-3.1	\$0.0145407553
FTS-4	\$0.0154208381
FTS-5	\$0.0191808987
FTS-6	\$0.0086505768
FTS-7	\$0.0137407716
FTS-8	\$0.0150108318
FTS-9	\$0.0315012900
FTS-10	\$0.0138307393
FTS-11	\$0.0638905328
FTS-12	\$0.0073503708
FTS-NGV	\$0.0639005329

Definitions:

The Company has prioritized the potential replacement projects focusing initially on areas of high consequence and areas more susceptible to corrosion. The GRIP Program minimizes

Florida Public Utilities Company and Florida Division of Chesapeake Utilities

FPSC Tariff

~~Second~~-Third Revised Sheet No.

7.907

Original Volume No. 1

Cancels ~~First~~-Second Revised Sheet No. 7.907

impact to Customers, but at the same time, allows the Company to accelerate its replacement

CFG
GAS INFRASTRUCTURE REPLACEMENT PROGRAM (GRIP) - FIXED

Applicability:

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

The 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, 2023 through December 31, 2023 for each rate classification are as follows:

<u>Rate Schedule</u>	<u>Dollars per Bill</u>
FTS-A (Fixed)	\$0.87
FTS-B (Fixed)	\$0.44
FTS-1 (Fixed)	\$0.31
FTS-2 (Fixed)	\$1.56
FTS-2.1 (Fixed)	\$3.15
FTS-3 (Fixed)	\$3.26
FTS-3.1 (Fixed)	\$8.54

Definitions

The Company has prioritized the potential replacement projects focusing initially on areas of high consequence and areas more susceptible to corrosion. The GRIP Program minimizes impact to Customers, but at the same time, allows the Company to accelerate its replacement Program-eligible infrastructure. Costs incurred to remove the existing eligible distribution Mains and Service Lines are not recoverable under the GRIP Program.

The Eligible Infrastructure Replacement includes the following:

1. Company plant investment that
 - a. Do not increase revenues by directly connecting new Customer to the plant asset,
 - b. is in service and used and useful in providing utility service, and
 - c. was not included in the Company's rate base for purposes of determining the Company's base rates in its most recent general base rate proceeding.
2. Mains and Service Lines, as replacements for existing cast iron, wrought iron and bare steel facilities, and regulation station and other pipeline system components, the installation of which is required as a consequence of the replacement of the aforesaid facilities.

CFG

GAS INFRASTRUCTURE REPLACEMENT PROGRAM (GRIP) - FIXED

Applicability:

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

The 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, 2023~~2~~ through December 31, 2023~~2~~ for each rate classification are as follows:

<u>Rate Schedule</u>	<u>Dollars per Bill</u>
FTS-A (Fixed)	\$0.874.50
FTS-B (Fixed)	\$0.442.28
FTS-1 (Fixed)	\$0.314.69
FTS-2 (Fixed)	\$1.568.17
FTS-2.1 (Fixed)	\$3.1516.58
FTS-3 (Fixed)	\$3.2618.01
FTS-3.1 (Fixed)	\$8.5443.36

Definitions

The Company has prioritized the potential replacement projects focusing initially on areas of high consequence and areas more susceptible to corrosion. The GRIP Program minimizes impact to Customers, but at the same time, allows the Company to accelerate its replacement Program-eligible infrastructure. Costs incurred to remove the existing eligible distribution Mains and Service Lines are not recoverable under the GRIP Program.

The Eligible Infrastructure Replacement includes the following:

1. Company plant investment that
 - a. Do not increase revenues by directly connecting new Customer to the plant asset,
 - b. is in service and used and useful in providing utility service, and
 - c. was not included in the Company's rate base for purposed of determining the Company's base rates in its most recent general base rate proceeding.

2. Mains and Service Lines, as replacements for existing cast iron, wrought iron and bare steel facilities, and regulation station and other pipeline system components, the installation of which is required as a consequence of the replacement of the aforesaid facilities.

1 BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

2 In Re: Gas Reliability Infrastructure Program

3 DIRECT TESTIMONY OF ROBERT C. WARUSZEWSKI

4 On behalf of

5 Florida Public Utilities Company,

6 Florida Division of Chesapeake Utilities Corporation and Florida Public Utilities

7 Company-Fort Meade

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

9 A. My name is Robert C. Waruszewski. I am employed by Florida Public Utilities
10 Company (FPUC or Company) as a Regulatory Manager, South. My business address
11 is 500 Energy Lane, Suite 100, Dover, DE 19901.

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

13 A. I received a Bachelor of Science Degree in mathematics and economics from St.
14 Vincent College, Latrobe, Pennsylvania. After graduation, I worked as a junior
15 accounting clerk for the Bank of New York Mellon, assisting in the preparation of
16 audits as well as gathering local tax data for the bank's employees before joining
17 Columbia Gas of Pennsylvania in November 2011 in the Regulatory Department.
18 There, I prepared rate case and gas cost filings and in 2013, I was promoted to Senior
19 Regulatory Analyst. I joined Peoples Natural Gas, a distribution company operating in
20 Pennsylvania, West Virginia, and Kentucky in December 2017, as the Senior Rates
21 and Regulatory Analyst, where I was responsible for assisting in budget preparation
22 and compiling regulatory filings for the Company's Pennsylvania and West Virginia
23 affiliates. I was subsequently promoted to Finance and Rates Analyst IV. In January
24 2022, I joined Chesapeake Utilities Corporation where my responsibilities include the
25 fulfillment of many regulatory activities for FPUC, which range from instances of
26 regulatory analysis to various filings (Purchased Gas Adjustment, Swing Service and

1 the Gas Reliability Infrastructure Program) before the Florida Public Service
2 Commission.

3 **Q. Have you previously filed testimony in this Docket?**

4 A. No, I have not, though I have provided testimony in the Company's PGA proceeding
5 previously.

6 **Q. Are you familiar with the Gas Reliability Infrastructure Program ("GRIP") of
7 the Company and the associated projected and actual revenues and costs?**

8 A. Yes.

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

10 A. My testimony will provide both the actual true-up for January 2021 to December 2021,
11 as well as the actual/estimated true-up based on seven months of actual 2022 data and
12 five months of projected 2022 data. My testimony will confirm that the calculated
13 weighted average cost of capital satisfies the Internal Revenue Service normalization
14 rules. Also, the testimony will summarize the computations that are contained in
15 composite Exhibit RCW-1 supporting the January through December 2023 projected
16 GRIP surcharge factors for FPUC, Florida Division of Chesapeake Utilities
17 Corporation (CFG), and Fort Meade natural gas divisions. I will also discuss the
18 Company's pending rate case and how the proposal to move GRIP investments into
19 rate base in that proceeding will affect the GRIP surcharge being proposed in this
20 proceeding.

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

22 A. The Company has prepared and filed in composite Exhibit RCW-1, Schedules A, B,
23 C, D and E that support the calculation of the yearly GRIP surcharge factors for January
24 2023 through December 2023 for FPUC, CFG and Fort Meade as well as the
25 appropriate calculation of the weighted average cost of capital used for the 2023 GRIP
26 Projection filing (as it pertains to the normalization method of accounting identified by

1 the Internal Revenue Code).

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

4 A. Yes, they were completed by me.

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

6 A. The projection period is January through December 2023.

7 **Q. Will the outcome of the Company's pending rate case at Docket No. 20220067-**
8 **GU affect the GRIP surcharge factors?**

9 A. Yes. Within the rate case proceeding, the Company has proposed that the GRIP
10 investments be moved into rate base and that the associated revenue requirement for
11 GRIP investments be recovered through the base rates set in that case. If this proposal
12 is approved, this would reset the GRIP surcharge. The schedules in Exhibit RCW-1
13 reflect the projected GRIP investments from the rate case being rolled into rate base as
14 of December 31, 2022. To be clear, the Company is not intending to be presumptuous
15 regarding the GRIP investments being rolled into rate base. While there potentially are
16 multiple scenarios of how GRIP investment will be treated in the rate case, the
17 Company had to select a scenario to reflect 2023 GRIP surcharge factors for this
18 proceeding prior to the Commission deciding on the GRIP investment in the rate case.
19 The Company can provide calculations under other scenarios as well, as may be
20 necessary. The surcharge factors included in this filing reflect only the recovery of
21 GRIP investment above what was projected in the rate case as well as the yearly true-
22 up. If the Company's proposal to roll GRIP investments into rate base is not approved
23 in the rate case, the Company would seek to recover these investments through the
24 GRIP surcharge.

25 **Q. What is the appropriate final GRIP true-up amount for the period**
26 **January through December 2021?**

1 A. As shown on Schedule B-1, page 2 of 18, the total under-recovery for FPUC is
2 \$1,786,751 inclusive of interest, and for CFG, Schedule B-1, page 8 of 18, has a total
3 under-recovery of \$314,115 inclusive of interest. For Fort Meade, Schedule B-1, page
4 14 of 28, has a total over-recovery of \$10,696 inclusive of interest.

5 **Q. What is the projected GRIP true-up amount for the period January through**
6 **December 2022?**

7 A. For FPUC, the projected GRIP true-up amount is an over-recovery of \$1,032,958
8 inclusive of interest, for the period January through December 2022. CFG has a
9 projected under-recovery for the same period of \$528,399 inclusive of interest. Fort
10 Meade has a projected over-recovery for the same period of \$1,831 inclusive of
11 interest.

12 **Q. What is the total projected GRIP true-up amount to be collected or refunded to**
13 **customers for the period January through December 2022?**

14 A. As shown on Schedule C-1, page 3 of 18, the total net under-recovery to be collected
15 for FPUC is \$753,793, and for CFG, Schedule C-1, page 9 of 18, has a total net under-
16 recovery of \$842,515 to be collected for the period January through December 2022.
17 Fort Meade, Schedule C-1 page 15 of 18, has a total net over-recovery of \$12,527 to
18 be refunded.

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

21 A. In the initial joint petition for approval of GRIP (Order No. PSC-12-0490-TRF-GU),
22 FPUC and CFG reviewed the remaining eligible infrastructure and developed a
23 replacement plan based on our Distribution Integrity Management Program (“DIMP”)
24 and estimated it would take approximately 10 years to replace our bare steel and cast
25 iron facilities at an accelerated pace. Both companies prioritized the potential
26 replacement projects focusing initially on areas of high consequence and areas more

1 susceptible to corrosion. FPUC provides service to large metropolitan areas and the
2 replacement of eligible infrastructure in high-density, urban areas typically cost more
3 than areas that are primarily rural. FPUC and CFG have continued to replace eligible
4 infrastructure aggressively. Although the Company continues to discover new bare
5 steel, cast iron and steel tubing mains and services for replacement that were not
6 included in the original petition, the Company does expect to complete nearly all
7 replacements for the program by the end of 2022. It is possible that a small amount of
8 replacement work will not be completed until 2023 due to either permit delays or the
9 Company discovering additional bare steel pipe to replace in 2023. However, FPUC,
10 CFG and Fort Meade have not projected any GRIP investments in 2023 in this
11 proceeding.

12 **Q. How will the Company seek recovery of any capital expenditures incurred in**
13 **2023?**

14 A. As mentioned in the Company's 2022 rate case, FPUC plans to file a petition for a
15 GRIP Phase II in the near future. If this filing is approved, the Company will include
16 any capital investments and associated expenses related to bare steel replacement in
17 2023 in the GRIP Phase II Surcharge. If the GRIP Phase II filing is not approved, the
18 Company may have a final true-up of GRIP surcharge in 2024, to recover any residual
19 costs related to bare steel replacement in 2023.

20 **Q. Please describe how the forecasts of investment balances were developed for the**
21 **projection period.**

22 A. On Schedule C-2, the Company used the projected GRIP investment balance at the end
23 of 2022 from Schedule C-1 as the beginning balance for 2023. Then, the projected
24 GRIP investment balance and the associated projected accumulated depreciation, as
25 included in the rate case, were subtracted from this balance. The remaining balance of
26 investment reflects the GRIP investment above the level that the Company requested

1 be included in base rates in the rate case filing. For FPUC the Net Book Value of the
2 investment balance is \$2,592,728, for CFG it is (\$507,339) and for Fort Meade it is \$0.
3 The Company then calculated the 2023 revenue requirement for each division based
4 on these new investment amounts.

5 **Q. What is the associated revenue requirement of this plant balance for the period**
6 **January 2023 through December 2023?**

7 A. As shown on schedule D-1, the revenue requirement for FPUC is \$366,128, the
8 revenue requirement for CFG is \$(48,807) and the revenue requirement for Fort Meade
9 is \$0.

10 **Q. What are the resulting net total projected revenue requirements to be recovered**
11 **during the 2023 projection period?**

12 A. The total projected revenue requirements to be recovered are \$1,119,921 for FPUC, as
13 shown in Schedule D-1 page 5 of 18, \$793,708 for CFG, as shown in Schedule D-1
14 page 11 of 18, and \$(12,527) for Fort Meade, as shown in Schedule D-1 page 17 of 18.

15 **Q. Have you prepared a schedule that shows the calculation of the proposed GRIP**
16 **surcharge factors for each rate class to be applied during the billing period**
17 **January 1, 2023 through December 31, 2023?**

18 A. Yes, please see Schedule D-1 pages 5, 11 and 17 for FPUC, CFG, and Fort Meade,
19 respectively.

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

22 A. The GRIP surcharge factors should be effective for all meter reading during the period
23 of January 1, 2023 through December 31, 2023.

24 **Q. How does the Company propose to treat the projected GRIP investment that**
25 **would not be rolled into rate base in the future?**

26 A. As mentioned earlier in my testimony, the Company anticipates filing a GRIP Phase II

1 in the near future. If GRIP Phase II is approved, the Company proposes that the new
2 balance of GRIP investment not being rolled into rate base as shown on Schedules C-
3 2 and D-1 be included in GRIP Phase II and serve as the beginning balance of the GRIP
4 Phase II investment as well as the remaining true-up from GRIP I. The Company
5 proposes that any associated investment with GRIP Phase II would be added to this
6 balance in future filings and be trued up on a yearly basis as is the current GRIP. But,
7 again, this will be part of the GRIP II Petition, and the Company is not asking that the
8 Commission take any action with regard to GRIP II in this proceeding.

9 **Q. What depreciation rates were used in calculating the revenue requirement?**

10 A. The Company has used the approved depreciation rates in the calculation of the
11 revenue requirement in this filing. The proposed depreciation rates included in the rate
12 case filing were not used in the calculations included in Exhibit RCW-1

13 **Q. How will the Company's proposal to consolidate GRIP factors in the rate case
14 affect the GRIP surcharge factors ultimately charged to customers?**

15 A. In this filing, the Company has reflected the GRIP surcharge factors using the current
16 rate structure. Depending upon the outcome of that case, the GRIP surcharges for 2023
17 may need to be modified to reflect the new rate structure. If a new rate structure is
18 approved, the overall GRIP revenue requirement will not change. The Company will
19 simply update the GRIP surcharge factors to reflect the proper allocation of the GRIP
20 revenue requirement between the new rate classes.

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

22 A. Yes, it does.

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

Schedule A-1
Exhibit _____
Robert C. Waruszewski (RCW-1)
Page 1 of 18

Earnings Surveillance Report - December 31, 2021

Equity Cost Rate	10.85%
Weighted Equity Cost Rate	4.54%
Revenue Expansion Factor	1.351
Weighted Equity Cost Rate , times Revenue Expansion Factor	<u>6.13%</u>
Long Term Debt-CU	1.08%
Short Term Debt	0.15%
Long Term Debt-FC	0.00%
Short Term Debt-Refinanced LTD	0.00%
Customer Deposits	0.07%
Weighted Debt Cost Rate	<u>1.30%</u>
Overall Weighted Cost Rate	<u><u>5.84%</u></u>

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

Schedule B-1
 Exhibit
 Robert C. Waruszewski (RCW-1)
 Page 2 of 18

Item	Beginning Balance	Actual Jan	Actual Feb	Actual Mar	Actual Apr	Actual May	Actual Jun	Actual Jul	Actual Aug	Actual Sep	Actual Oct	Actual Nov	Actual Dec	Year End Total/Balance
Qualified Investment														
Qualified Investment - Mains - Current Year 1070 Activity		\$393,201	\$927,550	\$2,641,469	\$987,673	\$1,135,798	\$1,065,600	\$1,224,145	\$865,033	\$1,214,948	\$873,371	\$1,680,282	\$1,040,060	\$14,049,151
Qualified Investment - Mains - Closed 1070 Activity to Plant		(\$258,853)	(\$365,208)	(\$834,283)	(\$50,268)	(\$63,741)	(\$1,371,531)	(\$227,251)	(\$3,171,075)	(\$149,662)	(\$74,738)	(\$447,594)	(\$6,529,818)	(\$13,744,004)
Qualified Investment - Services - Current Year 1070 Activity		(\$1,12,371)	\$602,390	\$1,794,909	\$433,091	\$566,755	\$529,311	\$831,634	\$650,594	\$755,349	\$272,241	\$705,522	\$59,340	\$7,088,774
Qualified Investment - Services - Closed 1070 Activity to Plant		(\$350,577)	(\$602,390)	(\$1,794,916)	(\$433,091)	(\$566,755)	(\$529,311)	(\$831,529)	(\$650,594)	(\$755,349)	(\$272,241)	(\$705,522)	(\$59,553)	(\$6,418,119)
Qualified Investment - Mains - Current 1010 Activity		\$258,833	\$365,208	\$834,283	\$50,268	\$63,741	\$1,371,531	\$227,251	\$3,171,075	\$149,662	\$74,738	\$447,594	\$6,529,818	\$13,744,004
Qualified Investment - Services - Current 1010 Activity		\$350,577	\$602,390	\$1,794,916	\$433,091	\$566,755	\$529,311	\$831,529	\$650,594	\$755,349	\$272,241	\$705,522	\$59,553	\$7,551,629
Total Qualified Investment - Mains 1070	\$1,917,923	\$2,052,291	\$2,614,633	\$4,421,819	\$5,359,234	\$6,431,281	\$5,925,350	\$6,922,244	\$4,616,202	\$5,681,488	\$6,480,121	\$7,712,809	\$2,223,051	\$2,223,051
Total Qualified Investment - Service 1070	\$477,964	\$14,956	\$14,956	\$14,949	\$14,949	\$1,148,459	\$1,148,459	\$1,148,564	\$1,148,564	\$1,148,564	\$1,148,564	\$1,148,564	\$1,148,559	\$1,148,559
Total Qualified Investment - Mains 1010	\$89,609,177	\$89,868,010	\$90,233,218	\$91,067,501	\$91,117,769	\$91,181,511	\$92,753,042	\$92,980,293	\$96,151,368	\$96,301,031	\$96,375,769	\$96,823,363	\$103,553,181	\$103,553,181
Total Qualified Investment - Service 1010	\$33,294,745	\$33,645,322	\$34,247,713	\$36,042,628	\$36,475,719	\$37,042,474	\$37,571,785	\$38,403,315	\$39,053,908	\$39,809,257	\$40,081,498	\$40,787,021	\$40,846,374	\$40,846,374
Total Qualified Investment	\$125,299,750	\$125,580,579	\$127,110,520	\$131,546,898	\$132,967,662	\$135,803,725	\$137,298,656	\$139,454,415	\$140,970,042	\$142,940,339	\$144,085,951	\$146,471,756	\$147,571,165	\$147,571,165
Less: Accumulated Depreciation	(\$12,473,203)	(\$12,691,060)	(\$12,910,012)	(\$13,130,707)	(\$13,356,154)	(\$13,582,482)	(\$13,809,961)	(\$14,041,160)	(\$14,274,282)	(\$14,514,145)	(\$14,755,656)	(\$14,997,796)	(\$15,242,013)	(\$15,242,013)
Net Book Value	\$112,826,547	\$112,889,520	\$114,200,508	\$118,416,191	\$119,611,508	\$122,221,243	\$123,488,676	\$125,413,255	\$126,695,760	\$128,426,194	\$129,330,296	\$131,473,960	\$132,329,152	\$132,329,152
Average Net Qualified Investment	\$112,838,033	\$113,545,014	\$116,308,349	\$119,013,849	\$120,916,376	\$122,904,959	\$124,500,965	\$126,054,508	\$127,560,977	\$128,878,245	\$130,402,128	\$131,901,556		
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%	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%	2.20%
Return on Average Net Qualified Investment														
Equity - Cost of Capital, Inclusive of Income Tax Gross-up		5.34%	5.34%	5.34%	5.34%	5.34%	5.34%	5.34%	5.34%	5.34%	5.34%	5.34%	5.34%	5.34%
Debt - Cost of Capital		1.58%	1.5800%	1.5800%	1.5800%	1.5800%	1.5800%	1.5800%	1.5800%	1.5800%	1.5800%	1.5800%	1.5800%	1.5800%
Equity Component - inclusive of Income Tax Gross-up	\$502,218	\$505,275	\$517,572	\$529,612	\$538,078	\$546,927	\$554,029	\$560,943	\$567,646	\$573,508	\$580,289	\$586,962	\$593,560	\$6,565,060
Debt Component	\$148,596	\$149,501	\$153,139	\$156,702	\$159,207	\$161,825	\$163,926	\$165,972	\$167,955	\$169,690	\$171,696	\$173,670	\$175,670	\$1,941,879
Return Requirement	\$650,815	\$654,776	\$670,711	\$686,313	\$697,284	\$708,752	\$717,956	\$726,914	\$735,602	\$743,198	\$751,986	\$760,632	\$769,230	\$8,506,939
Investment Expenses														
Depreciation Expense - Mains		\$156,816	\$157,269	\$157,908	\$159,368	\$159,456	\$159,568	\$162,318	\$162,716	\$168,265	\$168,527	\$168,658	\$169,441	\$1,950,309
Depreciation Expense - Services		\$61,040	\$61,683	\$62,787	\$66,078	\$66,872	\$67,911	\$68,882	\$70,406	\$71,599	\$72,984	\$73,483	\$74,776	\$818,502
Property Taxes		\$188,044	\$188,044	\$188,044	\$188,044	\$188,044	\$188,044	\$188,044	\$188,044	\$188,044	\$188,044	\$188,044	\$188,044	\$2,256,531
General Public Notice Expense & Customer Notice Expense		\$0	\$0	\$4,272	\$99	\$0	\$0	\$490	\$0	\$2,202	\$0	\$0	\$0	\$7,664
Total Expense	\$405,901	\$406,996	\$413,012	\$413,590	\$414,372	\$415,523	\$419,733	\$421,166	\$423,110	\$429,555	\$430,185	\$432,261	\$433,261	\$5,032,405
Total Revenue Requirements	\$1,056,715	\$1,061,773	\$1,083,724	\$1,099,903	\$1,111,657	\$1,124,275	\$1,137,689	\$1,148,080	\$1,165,712	\$1,172,753	\$1,182,170	\$1,192,894	\$1,192,894	\$13,587,344
Annual Revenue Requirement for Bare Steel Replacement Investment	\$62,310	\$62,310	\$62,310	\$62,310	\$62,310	\$62,310	\$62,310	\$62,310	\$62,310	\$62,310	\$62,310	\$62,310	\$62,310	\$747,727
Net Annual Revenue Requirements	\$994,405.33	\$999,463	\$1,021,414	\$1,037,593	\$1,049,347	\$1,061,965	\$1,075,379	\$1,085,770	\$1,105,402	\$1,110,443	\$1,119,860	\$1,130,577	\$1,130,577	\$12,789,617
GRIP Surecharge Revenues Collected Month	\$ 1,258,591	\$ 1,056,793	\$ 994,377	\$ 984,649	\$ 848,414	\$ 742,162	\$ 749,002	\$ 682,056	\$ 724,372	\$ 742,579	\$ 861,705	\$ 1,032,205	\$ 1,032,205	\$10,676,905
Beginning True-Up														\$ (326,121)
(Over) and Under Recovery for the Month		(\$264,186)	(\$57,330)	\$27,037	\$52,944	\$200,933	\$319,803	\$326,377	\$403,714	\$379,030	\$567,864	\$258,155	\$98,372	\$ 2,112,712
Monthly Interest (Expense)/Income		\$ (32)	\$ (31)	\$ (25)	\$ (18)	\$ (14)	\$ (6)	\$ 5	\$ 19	\$ 35	\$ 62	\$ 78	\$ 87	\$ 160
Ending (Over) and Under Recovery	\$ (326,121)	\$ (590,339)	\$ (647,701)	\$ (620,689)	\$ (567,762)	\$ (366,844)	\$ (47,047)	\$ 279,335	\$ 683,068	\$ 1,062,133	\$ 1,430,059	\$ 1,688,292	\$ 1,786,751	\$ 1,786,751
Beg of Month Annual Interest Rate		0.09%	0.07%	0.06%	0.04%	0.04%	0.03%	0.04%	0.05%	0.05%	0.05%	0.06%	0.07%	0.07%
End of Month Annual Interest Rate		0.07%	0.06%	0.04%	0.04%	0.03%	0.04%	0.05%	0.05%	0.05%	0.06%	0.07%	0.05%	0.05%
Average Monthly Interest Rate		0.01%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.01%	0.01%	0.01%

Florida Public Utilities Company
Gas Reliability Infrastructure Program (GRIP)
Calculation of the Projected Revenue Requirements
January 1, 2023 through December 31, 2023

Schedule C-2
Exhibit _____
Robert C. Waruszewski (RCW-1)
Page 4 of 18

Item	Beginning Balance	Rate Case Projected Balance	New Balance	Forecast Jan	Forecast Feb	Forecast Mar	Forecast Apr	Forecast May	Forecast Jun	Forecast Jul	Forecast Aug	Forecast Sep	Forecast Oct	Forecast Nov	Forecast Dec	Year End Total Balance
Qualified Investment																
Qualified Investment - Mains - Current Year 1070 Activity	\$0			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Qualified Investment - Mains - Closed 1070 Activity to Plant	\$0			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Qualified Investment - Services - Current Year 1070 Activity	\$0			\$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	\$0
Qualified Investment - Mains - Current 1010 Activity	\$0			\$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	\$0
Total Qualified Investment - Mains 1070	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Qualified Investment - Service 1070	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Qualified Investment - Mains 1010	\$112,584,006	\$108,727,079	\$3,856,927	\$3,856,927	\$3,856,927	\$3,856,927	\$3,856,927	\$3,856,927	\$3,856,927	\$3,856,927	\$3,856,927	\$3,856,927	\$3,856,927	\$3,856,927	\$3,856,927	\$3,856,927
Total Qualified Investment - Service 1010	\$47,015,221	\$44,957,059	\$2,058,163	\$2,058,163	\$2,058,163	\$2,058,163	\$2,058,163	\$2,058,163	\$2,058,163	\$2,058,163	\$2,058,163	\$2,058,163	\$2,058,163	\$2,058,163	\$2,058,163	\$2,058,163
Total Qualified Investment	\$159,599,228	\$153,684,138	\$5,915,090	\$5,915,090	\$5,915,090	\$5,915,090	\$5,915,090	\$5,915,090	\$5,915,090	\$5,915,090	\$5,915,090	\$5,915,090	\$5,915,090	\$5,915,090	\$5,915,090	\$5,915,090
Less: Accumulated Depreciation	(\$18,487,775)	(\$15,293,361)	(\$3,322,362)	(\$3,332,885)	(\$3,343,408)	(\$3,353,931)	(\$3,364,454)	(\$3,374,977)	(\$3,385,500)	(\$3,396,023)	(\$3,406,546)	(\$3,417,069)	(\$3,427,592)	(\$3,438,114)	(\$3,448,637)	(\$3,448,637)
Net Book Value	\$141,111,453	\$138,390,777	\$2,592,728	\$2,582,205	\$2,571,682	\$2,561,159	\$2,550,636	\$2,540,113	\$2,529,590	\$2,519,067	\$2,508,544	\$2,498,021	\$2,487,499	\$2,476,976	\$2,466,453	\$2,466,453
Average Net Qualified Investment				\$2,587,466	\$2,576,943	\$2,566,420	\$2,555,898	\$2,545,375	\$2,534,852	\$2,524,329	\$2,513,806	\$2,503,283	\$2,492,760	\$2,482,237	\$2,471,714	
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				6.13%	6.13%	6.13%	6.13%	6.13%	6.13%	6.13%	6.13%	6.13%	6.13%	6.13%	6.13%	
Debt - Cost of Capital				1.30%	1.30%	1.30%	1.30%	1.30%	1.30%	1.30%	1.30%	1.30%	1.30%	1.30%	1.30%	
Equity Component - inclusive of Income Tax Gross-up				\$13,222	\$13,168	\$13,114	\$13,061	\$13,007	\$12,953	\$12,899	\$12,846	\$12,792	\$12,738	\$12,684	\$12,630	\$155,114
Debt Component				\$2,803	\$2,792	\$2,780	\$2,769	\$2,757	\$2,746	\$2,735	\$2,723	\$2,712	\$2,700	\$2,689	\$2,678	\$32,885
Return Requirement				\$16,025	\$15,960	\$15,895	\$15,830	\$15,764	\$15,699	\$15,634	\$15,569	\$15,504	\$15,438	\$15,373	\$15,308	\$187,999
Investment Expenses																
Depreciation Expense - Mains				\$6,750	\$6,750	\$6,750	\$6,750	\$6,750	\$6,750	\$6,750	\$6,750	\$6,750	\$6,750	\$6,750	\$6,750	\$80,925
Depreciation Expense - Services				\$3,773	\$3,773	\$3,773	\$3,773	\$3,773	\$3,773	\$3,773	\$3,773	\$3,773	\$3,773	\$3,773	\$3,773	\$45,280
Property Taxes				\$4,321	\$4,321	\$4,321	\$4,321	\$4,321	\$4,321	\$4,321	\$4,321	\$4,321	\$4,321	\$4,321	\$4,321	\$51,855
General Public Notice Expense & Customer Notice Expense				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expense				\$14,844	\$14,844	\$14,844	\$14,844	\$14,844	\$14,844	\$14,844	\$14,844	\$14,844	\$14,844	\$14,844	\$14,844	\$178,130
Total Revenue Requirements				\$30,869	\$30,804	\$30,739	\$30,674	\$30,608	\$30,543	\$30,478	\$30,413	\$30,348	\$30,283	\$30,217	\$30,152	\$366,128
Annual Revenue Requirement for Bare Steel Replacement Investment				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Annual Revenue Requirements				\$30,869	\$30,804	\$30,739	\$30,674	\$30,608	\$30,543	\$30,478	\$30,413	\$30,348	\$30,283	\$30,217	\$30,152	\$366,128

Florida Public Utilities Company
 Gas Reliability Infrastructure Program (GRIP)
 Projection of Qualified Mains & Services Revenue Requirements
 Surcharge Calculation - January 1, 2023 through December 31, 2023
 Per Therm Rate

Schedule D-1
 Exhibit _____
 Robert C. Waruszewski (RCW-1)
 Page 5 of 18

1. 1/1/23-12/31/23 Qualified Mains & Services Replacement Revenue Requirements		\$	366,128
Mains	74%	\$270,935	
Services	26%	\$95,193	
Net		<u>\$366,128</u>	
2. TRUE-UP from Prior Period (Over)/Under Recovery Estimated thru 12/2022		\$	753,793
3. 2023 Qualified Mains & Services Replacement Revenue Requirements		\$	1,119,921
Mains	74%	\$828,742	
Services	26%	\$291,180	
Net		<u>\$1,119,921</u>	

RATE SCHEDULE	2023 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 (RS and RS-GS)	16,299,708	58.00%	22.00%	\$168,884	\$182,323	\$351,207	\$0.02155	1.00503	\$0.02166	250	\$5.41	\$0.45
COMMERCIAL SMALL (GS, GSTS, CS-GS, NGVS & NGVTS)	15,010,194	17.00%	23.00%	\$49,501	\$190,611	\$240,111	\$0.01600	1.00503	\$0.01608	2,500	\$40.19	\$3.35
COMM. LRG VOLUME (Large Vol & LV Transportation)	40,224,025	25.00%	46.00%	\$72,795	\$381,221	\$454,016	\$0.01129	1.00503	\$0.01134	25,000	\$283.60	\$23.63
INTERRUPTIBLE SERVICE (Int Service & IS Transportation)	9,545,720	0.00%	8.00%	\$0	\$66,299	\$66,299	\$0.00695	1.00503	\$0.00698	50,000	\$349.02	\$29.08
GENERAL LIGHTING SERVICE (Gen Light Service & GLS Transportation)	99,723	0.00%	1.00%	\$0	\$8,287	\$8,287	\$0.08310	1.00503	\$0.08352	500	\$41.76	\$3.48
TOTAL	<u>81,179,370</u>	<u>100%</u>	<u>100%</u>	<u>291,180</u>	<u>828,742</u>	<u>1,119,921</u>						

FPU

Schedule E-1
Exhibit _____

Robert C. Waruszewski (RCW-1)
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2021 YE Forecast Surveillance (13-month average) at ROE% midpoint								
	Per Book	Pro-Rata Adjustment	Specific Adjustment	Adjusted Balance	Cap Ratio	Cost Rate	Weighted Cost	
Common Equity	\$129,906,307	(\$1,015,991)	(\$2,469,682)	\$126,420,634	41.80%	10.85%	4.54%	
Long Term Debt - CU	\$91,176,362	(\$713,086)	\$0	\$90,463,276	29.91%	3.60%	1.08%	
Short Term Debt	\$32,293,194	(\$252,563)	\$0	\$32,040,631	10.59%	1.42%	0.15%	
Long Term Debt - FC	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%	
Customer Deposits	\$8,766,028	\$0	\$0	\$8,766,028	2.90%	2.41%	0.07%	
Deferred Income Taxes	\$44,744,797	\$0	\$0	\$44,744,797	14.79%	0.00%	0.00%	
Total	\$306,886,687	(\$1,981,640)	(\$2,469,682)	\$302,435,365	100%		5.83%	

2021 YE Forecast Surveillance with ADFIT Consistency and Proration Adjustments (13-month average)									
	Per Book	Consistency and Pro-Rata Adjustment	Books Adjusted	Pro-Rata Adjustment	Specific Adjustment	Adjusted Balance	Cap Ratio	Cost Rate	Weighted Cost
Common Equity	\$101,415,776	(\$892,639)	\$100,523,137	\$1,005,691	(\$2,469,682)	\$99,059,146	36.53%	10.85%	3.96%
Long Term Debt - CU	\$75,910,586	(\$668,148)	\$75,242,437	\$752,769	\$0	\$75,995,206	28.02%	3.60%	1.01%
Short Term Debt	\$38,252,388	(\$336,689)	\$37,915,699	\$379,330	\$0	\$38,295,029	14.12%	1.42%	0.20%
Long Term Debt - FC	\$4,759,969	(\$41,896)	\$4,718,072	\$47,202	\$0	\$4,765,274	1.76%	0.00%	0.00%
Customer Deposits	\$8,578,228		\$8,578,228	\$0	\$0	\$8,578,228	3.16%	2.41%	0.08%
Deferred Income Taxes	\$42,574,783	\$1,939,373	\$44,514,156	\$0	\$0	\$44,514,156	16.41%	0.00%	0.00%
Total	\$271,491,730		\$271,491,730	\$2,184,992	(\$2,469,682)	\$271,207,040	100%		5.25%

Proration Adjustment and Consistency Adjustment To Reflect Projected ADFIT Consistent with Projection Year								
	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-22	28,805,839	29,505,821					29,505,821
Projected	Jan-23	28,947,753	29,651,183	145,363	31	336	133,813	29,639,634
Projected	Mar-23	29,060,390	29,766,557	115,374	28	308	97,357	29,736,991
Projected	Mar-23	29,173,027	29,881,931	115,374	31	277	87,558	29,824,549
Projected	Apr-23	29,285,664	29,997,306	115,374	30	247	78,075	29,902,624
Projected	May-23	29,398,301	30,112,680	115,374	31	216	68,276	29,970,900
Projected	Jun-23	29,510,938	30,228,054	115,374	30	186	58,793	30,029,693
Projected	Jul-23	29,623,575	30,343,428	115,374	31	155	48,994	30,078,688
Projected	Aug-23	29,736,212	30,458,802	115,374	31	124	39,196	30,117,883
Projected	Sep-23	29,848,849	30,574,176	115,374	30	94	29,713	30,147,596
Projected	Oct-23	29,961,486	30,689,550	115,374	31	63	19,914	30,167,510
Projected	Nov-23	30,074,123	30,804,924	115,374	30	33	10,431	30,177,941
Projected	Dec-23	30,186,760	30,920,298	115,374	31	2	632	30,178,573
		29,508,686	30,225,747	1,414,477	365		672,752	29,959,877
2021 YE Surveil Bal.		42,574,783	28,020,504				13-Month Avg. Bal	30,225,747
Consistency Adjustment		(13,066,097)	2,205,243 *				Proration Adj.	(265,870)
Proration Adjustment			(265,870)					
Total Adjustment			1,939,373					

* Positive variance shows that the limitation provision is met.

Florida Division of Chesapeake Utilities Corporation

Gas Reliability Infrastructure Program (GRIP)

Calculation of Equity and Debt Returns

Schedule A-1

Exhibit _____

Robert C. Waruszewski (RCW-1)

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Earnings Surveillance Report - December 31, 2021

Equity Cost Rate	10.80%
Weighted Equity Cost Rate	4.53%
Revenue Expansion Factor	1.343
Weighted Equity Cost Rate , times Revenue Expansion Factor	<u>6.083%</u>
Long Term Debt-CU	1.06%
Short Term Debt	0.15%
Short Term Debt-Refinanced LTD	0.00%
Customer Deposits	0.03%
Tax Credits-Weighted Cost	0.00%
Weighted Debt Cost Rate	<u>1.24%</u>
Overall Weighted Cost Rate	<u><u>5.77%</u></u>

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 B-1
Exhibit
Robert C. Waruszewski (RCW-1)
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Item	Beginning Balance	Actual Jan	Actual Feb	Actual Mar	Actual Apr	Actual May	Actual Jun	Actual Jul	Actual Aug	Actual Sep	Actual Oct	Actual Nov	Actual Dec	Year End Total
Qualified Investment														
Qualified Investment - Mains - Current 1070 Activity		\$308,385	\$60,624	\$234,452	\$14,672	\$70,862	\$125,967	\$14,687	\$30,751	\$50,965	\$39,717	\$52,629	\$20,709	\$1,024,421
Qualified Investment - Mains - Closed 1070 Activity to Plant		(\$56,048)	\$2,062	(\$40,028)	(\$367,885)	(\$1,363,191)	(\$124,058)	\$130,594	(\$176,031)	(\$50,965)	(\$39,717)	(\$50,848)	(\$17,049)	(\$2,153,165)
Qualified Investment - Services - Current 1070 Activity		\$43,767	\$23,388	\$73,318	\$15,265	\$32,124	\$4,338	\$11,454	\$8,664	\$50,675	\$4,074	\$4,758	\$6,208	\$278,032
Qualified Investment - Services - Closed 1070 Activity to Plant		(\$43,767)	(\$23,384)	(\$73,318)	(\$15,100)	(\$32,112)	(\$4,328)	(\$11,439)	(\$8,652)	(\$50,675)	(\$4,074)	(\$4,758)	(\$6,194)	(\$277,801)
Qualified Investment - Mains - Current 1010 Activity		\$56,048	(\$2,062)	\$40,028	\$367,885	\$1,363,191	\$124,058	(\$130,594)	\$176,031	\$50,965	\$39,717	\$50,848	\$17,049	\$2,153,165
Qualified Investment - Services - Current 1010 Activity		\$43,767	\$23,384	\$73,318	\$15,100	\$32,112	\$4,328	\$11,439	\$8,652	\$50,675	\$4,074	\$4,758	\$6,194	\$277,801
Total Qualified Investment - Mains 1070	\$994,270	\$1,246,607	\$1,309,293	\$1,503,718	\$1,150,505	(\$141,824)	(\$139,914)	\$5,366	(\$139,914)	(\$139,914)	(\$139,914)	(\$138,133)	(\$134,474)	(\$134,474)
Total Qualified Investment - Services 1070	\$3,975	\$3,975	\$3,978	\$3,978	\$4,143	\$4,156	\$4,165	\$4,180	\$4,192	\$4,192	\$4,192	\$4,192	\$4,206	\$4,206
Total Qualified Investment - Mains 1010	\$35,866,923	\$35,922,971	\$35,920,909	\$35,960,936	\$36,328,821	\$37,692,013	\$37,816,070	\$37,685,477	\$37,861,308	\$37,912,473	\$37,952,190	\$38,003,038	\$38,020,087	\$38,020,087
Total Qualified Investment - Services 1010	\$3,505,108	\$3,548,876	\$3,572,260	\$3,645,578	\$3,660,678	\$3,692,789	\$3,697,117	\$3,708,556	\$3,717,208	\$3,767,883	\$3,771,937	\$3,776,715	\$3,782,909	\$3,782,909
Total Qualified Investment	\$40,370,275	\$40,722,428	\$40,806,439	\$41,114,210	\$41,144,147	\$41,247,133	\$41,377,438	\$41,403,579	\$41,442,994	\$41,544,634	\$41,588,425	\$41,645,812	\$41,672,729	\$41,672,729
Less: Accumulated Depreciation	(\$3,857,221)	(\$3,926,414)	(\$3,995,785)	(\$4,065,196)	(\$4,134,812)	(\$4,203,098)	(\$4,277,829)	(\$4,350,785)	(\$4,423,534)	(\$4,496,607)	(\$4,569,862)	(\$4,643,193)	(\$4,716,622)	(\$4,716,622)
Net Book Value	\$36,513,054	\$36,796,013	\$36,810,654	\$37,049,013	\$37,009,335	\$37,044,035	\$37,099,609	\$37,052,794	\$37,019,459	\$37,048,027	\$37,018,563	\$37,002,619	\$36,956,106	\$36,956,106
Average Net Qualified Investment		\$36,654,534	\$36,803,334	\$36,929,834	\$37,029,174	\$37,025,685	\$37,070,822	\$37,076,201	\$37,036,127	\$37,033,743	\$37,033,295	\$37,010,591	\$36,979,363	
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%	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%	2.20%
Return on Average Net Qualified Investment														
Equity - Cost of Capital, inclusive of Income Tax Gross-up		5.42%	5.42%	5.42%	5.42%	5.42%	5.42%	5.42%	5.42%	5.42%	5.42%	5.42%	5.42%	5.42%
Debt - Cost of Capital		1.38%	1.38%	1.38%	1.38%	1.38%	1.38%	1.38%	1.38%	1.38%	1.38%	1.38%	1.38%	1.38%
Equity Component - inclusive of Income Tax Gross-up	\$165,465	\$166,136	\$166,707	\$167,156	\$167,140	\$167,344	\$167,368	\$167,187	\$167,176	\$167,174	\$167,072	\$166,931	\$166,931	\$2,002,858
Debt Component	\$42,153	\$42,324	\$42,469	\$42,584	\$42,580	\$42,631	\$42,638	\$42,592	\$42,589	\$42,588	\$42,562	\$42,526	\$42,526	\$510,235
Return Requirement	\$207,617	\$208,460	\$209,177	\$209,739	\$209,720	\$209,975	\$210,006	\$209,779	\$209,765	\$209,763	\$209,634	\$209,457	\$209,457	\$2,513,093
Investment Expenses														
Depreciation Expense - Mains	\$62,767	\$62,865	\$62,862	\$62,932	\$63,575	\$65,961	\$66,178	\$65,950	\$66,258	\$66,347	\$66,416	\$66,505	\$66,505	\$778,616
Depreciation Expense - Services	\$6,426	\$6,506	\$6,549	\$6,684	\$6,711	\$6,770	\$6,778	\$6,799	\$6,815	\$6,908	\$6,915	\$6,924	\$6,924	\$80,785
Property Taxes	\$60,855	\$60,855	\$60,855	\$60,855	\$60,855	\$60,855	\$60,855	\$60,855	\$60,855	\$60,855	\$60,855	\$60,855	\$60,855	\$730,260
General Public Notice Expense and Customer Notice Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expense	\$130,048	\$130,226	\$130,266	\$130,471	\$131,141	\$133,586	\$133,811	\$133,604	\$133,928	\$134,110	\$134,186	\$134,284	\$134,284	\$1,589,661
Total Revenue Requirements	\$337,665	\$338,686	\$339,443	\$340,210	\$340,861	\$343,561	\$343,817	\$343,383	\$343,693	\$343,873	\$343,820	\$343,741	\$343,741	\$4,102,754
GRIP Surecharge Revenues Collected Month	\$ 414,631	\$ 358,897	\$ 383,585	\$ 370,898	\$ 317,628	\$ 294,642	\$ 312,537	\$ 308,362	\$ 277,943	\$ 312,179	\$ 336,944	\$ 378,773	\$ 378,773	\$4,067,038
Beginning True-Up (Over) and Under Recovery for the Month		(\$76,985)	(\$20,211)	(\$44,142)	(\$30,688)	\$23,233	\$48,919	\$31,280	\$35,021	\$65,750	\$31,694	\$6,876	(\$35,031)	\$35,715
Monthly Interest (Expense)/Income		\$ 17	\$ 10	\$ 6	\$ 4	\$ 4	\$ 5	\$ 8	\$ 9	\$ 11	\$ 16	\$ 17	\$ 17	\$124
Ending (Over) and Under Recovery	\$ 278,276	\$ 201,308	\$ 181,107	\$ 136,971	\$ 106,287	\$ 129,524	\$ 178,448	\$ 209,755	\$ 244,766	\$ 310,527	\$ 342,237	\$ 349,130	\$ 314,115	\$ 314,115
Begin of Month Annual Interest Rate		0.09%	0.07%	0.06%	0.04%	0.04%	0.03%	0.04%	0.05%	0.05%	0.05%	0.06%	0.07%	
End of Month Annual Interest Rate		0.07%	0.06%	0.04%	0.03%	0.04%	0.03%	0.05%	0.05%	0.05%	0.06%	0.07%	0.05%	
Average Monthly Interest Rate		0.01%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.01%	0.01%	

Florida Division of Chesapeake Utilities Corporation
 Gas Reliability Infrastructure Program (GRIP)
 Calculation of the Projected Revenue Requirements
 January 1, 2025 through December 31, 2025

Schedule C-2
 Exhibit _____
 Robert C. Waruszewski (RCW-1)
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Item	Beginning Balance	Rate Case Projections	Remaining Balance	Forecast Jan	Forecast Feb	Forecast Mar	Forecast Apr	Forecast May	Forecast Jun	Forecast Jul	Forecast Aug	Forecast Sep	Forecast Oct	Forecast Nov	Forecast Dec	Year End Total
Qualified Investment																
Qualified Investment - Mains - Current 1070 Activity				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Qualified Investment - Mains - Closed 1070 Activity to Plant				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Qualified Investment - Services - Current 1070 Activity				\$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	\$0	\$0	\$0	\$0	\$0	\$0
Total Qualified Investment - Services 1070	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Qualified Investment - Mains 1010	\$38,064,472	\$38,165,594	(\$101,122)	(\$101,122)	(\$101,122)	(\$101,122)	(\$101,122)	(\$101,122)	(\$101,122)	(\$101,122)	(\$101,122)	(\$101,122)	(\$101,122)	(\$101,122)	(\$101,122)	(\$101,122)
Total Qualified Investment - Services 1010	\$3,808,202	\$3,782,838	\$25,364	\$25,364	\$25,364	\$25,364	\$25,364	\$25,364	\$25,364	\$25,364	\$25,364	\$25,364	\$25,364	\$25,364	\$25,364	\$25,364
Total Qualified Investment	\$41,872,674	\$41,948,432	(\$75,758)	(\$75,758)	(\$75,758)	(\$75,758)	(\$75,758)	(\$75,758)	(\$75,758)	(\$75,758)	(\$75,758)	(\$75,758)	(\$75,758)	(\$75,758)	(\$75,758)	(\$75,758)
Less: Accumulated Depreciation	(\$5,600,916)	(\$5,169,335)	(\$431,581)	(\$431,451)	(\$431,321)	(\$431,191)	(\$431,061)	(\$430,931)	(\$430,801)	(\$430,671)	(\$430,541)	(\$430,411)	(\$430,281)	(\$430,151)	(\$430,021)	(\$430,021)
Net Book Value	\$36,271,758	\$36,779,097	(\$507,339)	(\$507,209)	(\$507,079)	(\$506,949)	(\$506,819)	(\$506,689)	(\$506,559)	(\$506,429)	(\$506,299)	(\$506,169)	(\$506,039)	(\$505,909)	(\$505,779)	(\$505,779)
Average Net Qualified Investment				(\$507,274)	(\$507,144)	(\$507,014)	(\$506,884)	(\$506,754)	(\$506,624)	(\$506,494)	(\$506,364)	(\$506,234)	(\$506,104)	(\$505,974)	(\$505,844)	
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%	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%	2.20%
Return on Average Net Qualified Investment																
Equity - Cost of Capital, inclusive of Income Tax Gross-up				6.08%	6.08%	6.08%	6.08%	6.08%	6.08%	6.08%	6.08%	6.08%	6.08%	6.08%	6.08%	6.08%
Debt - Cost of Capital				1.24%	1.24%	1.24%	1.24%	1.24%	1.24%	1.24%	1.24%	1.24%	1.24%	1.24%	1.24%	1.24%
Equity Component - inclusive of Income Tax Gross-up	(\$2,571)	(\$2,571)	(\$2,570)	(\$2,569)	(\$2,569)	(\$2,569)	(\$2,568)	(\$2,568)	(\$2,567)	(\$2,566)	(\$2,566)	(\$2,565)	(\$2,565)	(\$2,564)	(\$2,564)	(\$30,814)
Debt Component	(\$524)	(\$524)	(\$524)	(\$524)	(\$524)	(\$524)	(\$524)	(\$524)	(\$523)	(\$523)	(\$523)	(\$523)	(\$522)	(\$522)	(\$522)	(\$6,281)
Return Requirement	(\$3,096)	(\$3,095)	(\$3,094)	(\$3,093)	(\$3,092)	(\$3,092)	(\$3,092)	(\$3,091)	(\$3,091)	(\$3,090)	(\$3,089)	(\$3,088)	(\$3,088)	(\$3,087)	(\$3,087)	(\$37,095)
Investment Expenses																
Depreciation Expense - Mains				(\$177)	(\$177)	(\$177)	(\$177)	(\$177)	(\$177)	(\$177)	(\$177)	(\$177)	(\$177)	(\$177)	(\$177)	(\$2,124)
Depreciation Expense - Services				\$47	\$47	\$47	\$47	\$47	\$47	\$47	\$47	\$47	\$47	\$47	\$47	\$564
Property Taxes				(\$846)	(\$846)	(\$846)	(\$846)	(\$846)	(\$846)	(\$846)	(\$846)	(\$846)	(\$846)	(\$846)	(\$846)	(\$10,152)
General Public Notice Expense and Customer Notice Expense				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expense				(\$976)	(\$976)	(\$976)	(\$976)	(\$976)	(\$976)	(\$976)	(\$976)	(\$976)	(\$976)	(\$976)	(\$976)	(\$11,712)
Total Revenue Requirements				(\$4,072)	(\$4,071)	(\$4,070)	(\$4,069)	(\$4,068)	(\$4,068)	(\$4,067)	(\$4,066)	(\$4,065)	(\$4,064)	(\$4,064)	(\$4,063)	(\$48,807)

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Schedule E-1
Exhibit _____

Robert C. Waruszewski (RCW-1)
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2021 YE Forecast Surveillance (13-month average) at ROE% midpoint								
	Per Book	Pro-Rata Adjustment	Specific Adjustment	Adjusted Balance	Cap Ratio	Cost Rate	Weighted Cost	
Common Equity	\$48,235,972	(\$251,086)		\$0	\$47,984,886	41.97%	10.80%	4.53%
Long Term Debt	\$33,855,019	(\$176,228)		\$0	\$33,678,791	29.45%	3.60%	1.06%
Short Term Debt	\$11,990,900	(\$62,417)		\$0	\$11,928,483	10.43%	1.42%	0.15%
Long Term Debt - FC	\$0	\$0		\$0	\$0	0.00%	0.00%	0.00%
Customer Deposits	\$1,510,544	\$0		\$0	\$1,510,544	1.32%	2.19%	0.03%
Deferred Income Taxes	\$19,239,644	\$0		\$0	\$19,239,644	16.83%	0.00%	0.00%
Total	\$114,832,079	(\$489,731)		\$0	\$114,342,348	100%		5.77%

2021 YE Forecast Surveillance with ADFIT Consistency and Proration Adjustments (13-month average)										
	Per Book	Consistency and Pro-Rata Adjustment	Books Adjusted	Pro-Rata Adjustment	Specific Adjustment	Adjusted Balance	Cap Ratio	Cost Rate	Weighted Cost	
Common Equity	\$48,235,972	(\$184,585)	\$48,051,387	(\$251,086)		\$0	\$47,800,301	41.80%	10.80%	4.51%
Long Term Debt	\$33,855,019	(\$129,553)	\$33,725,466	(\$176,228)		\$0	\$33,549,238	29.34%	3.60%	1.06%
Short Term Debt	\$11,990,900	(\$45,886)	\$11,945,014	(\$62,417)		\$0	\$11,882,597	10.39%	1.42%	0.15%
Long Term Debt - FC	\$0	\$0	\$0	\$0		\$0	\$0	0.00%	0.00%	0.00%
Customer Deposits	\$1,510,544		\$1,510,544	\$0		\$0	\$1,510,544	1.32%	2.19%	0.03%
Deferred Income Taxes	\$19,239,644	\$360,023	\$19,599,667	\$0		\$0	\$19,599,667	17.14%	0.00%	0.00%
Total	\$114,832,079		\$114,832,079	(\$489,731)		\$0	\$114,342,348	100%		5.75%

Proration Adjustment and Consistency Adjustment To Reflect Projected ADFIT Consistent with Projection Year								
	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-22	12,047,327	14,464,021					14,464,021
Projected	Jan-23	12,065,508	14,485,849	21,828	31	336	20,094	14,484,115
Projected	Mar-23	12,083,689	14,507,677	21,828	28	308	18,419	14,502,534
Projected	Mar-23	12,101,870	14,529,505	21,828	31	277	16,565	14,519,100
Projected	Apr-23	12,120,051	14,551,334	21,828	30	247	14,771	14,533,871
Projected	May-23	12,138,232	14,573,162	21,828	31	216	12,917	14,546,789
Projected	Jun-23	12,156,413	14,594,990	21,828	30	186	11,123	14,557,912
Projected	Jul-23	12,174,594	14,616,818	21,828	31	155	9,269	14,567,181
Projected	Aug-23	12,192,775	14,638,646	21,828	31	124	7,416	14,574,597
Projected	Sep-23	12,210,956	14,660,474	21,828	30	94	5,621	14,580,218
Projected	Oct-23	12,229,137	14,682,302	21,828	31	63	3,768	14,583,986
Projected	Nov-23	12,247,318	14,704,130	21,828	30	33	1,974	14,585,960
Projected	Dec-23	12,265,499	14,725,958	21,828	31	2	120	14,586,079
		12,156,413	14,594,990	261,937	365		122,058	14,545,105
2021 YE Surveil Bal.		19,239,644	14,185,082				13-Month Avg. Bal	14,594,990
Consistency Adjustment		(7,083,231)	409,908 *				Proration Adj.	(49,885)
Proration Adjustment			(49,885)					
Total Adjustment			360,023					

* Positive variance shows that the limitation provision is met.

Florida Public Utilities Company -Ft. Meade

Gas Reliability Infrastructure Program (GRIP)

Investment and Calculation of Equity and Debt Returns

Schedule A-1

Exhibit _____

Robert C. Waruszewski (RCW-1)

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Earnings Surveillance Report - December 31, 2021

Equity Cost Rate	11.00%
Weighted Equity Cost Rate	4.04%
Revenue Expansion Factor	1.357
Weighted Equity Cost Rate , times Revenue Expansion Factor	<u>5.48%</u>
Long Term Debt-CU	0.93%
Short Term Debt	0.13%
Short Term Debt-Refinanced LTD	0.00%
Customer Deposits	0.00%
Tax Credits-Weighted Cost	0.00%
Weighted Debt Cost Rate	<u>1.06%</u>
Overall Weighted Cost Rate	<u><u>5.10%</u></u>

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

Schedule B-1
 Exhibit _____
 Robert C. Waruszewski (RCW-1)
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Item	Beginning Balance	Actual Jan	Actual Feb	Actual Mar	Actual Apr	Actual May	Actual Jun	Actual Jul	Actual Aug	Actual Sep	Actual Oct	Actual Nov	Actual Dec	Year End Total
Qualified Investment														
Qualified Investment - Mains - Current 1070 Activity		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Qualified Investment - Mains - Closed 1070 Activity to Plant		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Qualified Investment - Services - Current 1070 Activity		\$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	\$0	\$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	(\$20,325)	(\$20,791)	(\$21,257)	(\$21,723)	(\$22,189)	(\$22,655)	(\$23,121)	(\$23,587)	(\$24,053)	(\$24,519)	(\$24,985)	(\$25,451)	(\$25,917)	(\$25,917)
Net Book Value	\$233,609	\$233,143	\$232,677	\$232,211	\$231,745	\$231,279	\$230,813	\$230,347	\$229,881	\$229,415	\$228,949	\$228,483	\$228,017	\$228,017
Average Net Qualified Investment	\$233,376	\$232,910	\$232,444	\$231,978	\$231,512	\$231,046	\$230,580	\$230,114	\$229,648	\$229,182	\$228,716	\$228,250		
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%	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%	2.20%
Return on Average Net Qualified Investment														
Equity - Cost of Capital, inclusive of Income Tax Gross-up		4.91%	4.91%	4.91%	4.91%	4.91%	4.91%	4.91%	4.91%	4.91%	4.91%	4.91%	4.91%	4.91%
Debt - Cost of Capital		1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%
Equity Component - inclusive of Income Tax Gross-up	\$955	\$953	\$951	\$949	\$947	\$945	\$943	\$942	\$940	\$938	\$936	\$934	\$932	\$11,333
Debt Component	\$233	\$233	\$232	\$232	\$232	\$231	\$231	\$230	\$230	\$229	\$229	\$228	\$228	\$2,770
Return Requirement	\$1,188	\$1,186	\$1,184	\$1,181	\$1,179	\$1,176	\$1,174	\$1,172	\$1,169	\$1,167	\$1,165	\$1,162	\$1,162	\$14,103
Investment Expenses														
Depreciation Expense - Mains	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Depreciation Expense - Services	\$466	\$466	\$466	\$466	\$466	\$466	\$466	\$466	\$466	\$466	\$466	\$466	\$466	\$5,592
Property Taxes	\$389	\$389	\$389	\$389	\$389	\$389	\$389	\$389	\$389	\$389	\$389	\$389	\$389	\$4,668
General Public Notice Expense and Customer Notice Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expense	\$855	\$855	\$855	\$855	\$855	\$855	\$855	\$855	\$855	\$855	\$855	\$855	\$855	\$10,260
Total Revenue Requirements	\$2,043	\$2,041	\$2,039	\$2,036	\$2,034	\$2,031	\$2,029	\$2,027	\$2,024	\$2,022	\$2,020	\$2,017	\$2,017	\$24,363
GRIP Surecharge Revenues Collected Month	\$3,278	\$2,853	\$2,233	\$2,492	\$2,097	\$1,911	\$1,133	\$2,050	\$1,642	\$1,841	\$2,236	\$2,843	\$2,629	\$26,629
Beginning True-Up (Over) and Under Recovery for the Month	\$ -	\$ (1,235.16)	\$ (812)	\$ (194)	\$ (456)	\$ (63)	\$ 120	\$ 896	\$ (23)	\$ 382	\$ 181	\$ (236)	\$ (826)	\$ (2,266)
Monthly Interest (Expense)/Income	\$ -	\$ (1.00)	\$ (1)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1)	\$ (5)
Ending (Over) and Under Recovery	\$ (8,427)	\$ (9,663)	\$ (10,475)	\$ (10,670)	\$ (11,126)	\$ (11,189)	\$ (11,069)	\$ (10,173)	\$ (10,196)	\$ (9,813)	\$ (9,632)	\$ (9,869)	\$ (10,696)	\$ (10,696)
Begin of Month Annual Interest Rate	0.09%	0.07%	0.06%	0.04%	0.04%	0.04%	0.03%	0.04%	0.05%	0.05%	0.05%	0.06%	0.07%	
End of Month Annual Interest Rate	0.07%	0.06%	0.04%	0.04%	0.03%	0.04%	0.04%	0.05%	0.05%	0.05%	0.06%	0.07%	0.05%	
Average Monthly Interest Rate	0.01%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.01%	0.01%	

Florida Public Utilities Company-Fort Meade
Gas Reliability Infrastructure Program (GRIP)
Projection of Qualified Mains & Services Revenue Requirements
Surcharge Calculation - January 1, 2023 through December 31, 2023
Per Therm Rate

Schedule D-1
Exhibit _____
Robert C. Waruszewski (RCW-1)
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1. 1/1/23-12/31/23 Qualified Mains & Services Replacement Revenue Requirements	\$	-
Mains	0%	\$0
Services	100%	\$0
Net		<u>\$0</u>
2. TRUE-UP from Prior Period (Over)/Under Recovery Estimated thru 12/2022	\$	(12,527)
4. 2023 Qualified Mains & Services Replacement Revenue Requirements	\$	(12,527)
Mains	0%	\$0
Services	100%	(\$12,527)
Net		<u>(\$12,527)</u>

RATE SCHEDULE	2023 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	56,952	58.00%	22.00%	-\$7,266	\$0	-\$7,266	-\$0.12758	1.00503	-\$0.12822	250	(\$32.05)	(\$2.67)
COMMERCIAL SMALL (General Service & GS Transportation)	73,777	17.00%	23.00%	-\$2,130	\$0	-\$2,130	-\$0.02887	1.00503	-\$0.02901	2,500	(\$72.53)	(\$6.04)
COMM. LRG VOLUME (Large Vol & LV Transportation)	169,164	25.00%	46.00%	-\$3,132	\$0	-\$3,132	-\$0.01851	1.00503	-\$0.01861	25,000	(\$465.16)	(\$38.76)
INTERRUPTIBLE SERVICE (Int Service & IS Transportation)	0	0.00%	8.00%	\$0	\$0	\$0	\$0.00000	1.00503	\$0.00000	50,000	\$0.00	\$0.00
GENERAL LIGHTING SERVICE	0	0.00%	1.00%	\$0	\$0	\$0	\$0.00000	1.00503	\$0.00000	500	\$0.00	\$0.00
 TOTAL	 <u>299,893</u>	 <u>100.00%</u>	 <u>100.00%</u>	 <u>-\$12,527</u>	 <u>\$0</u>	 <u>-\$12,527</u>						

Fort Meade

Schedule E-1

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Robert C. Waruszewski (RCW-1)

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2021 YE Forecast Surveillance (13-month average) at ROE% midpoint								
	Per Book	Pro-Rata Adjustment	Specific Adjustment	Adjusted Balance	Cap Ratio	Cost Rate	Weighted Cost	
Common Equity	\$455,226	\$0	0	\$455,226	36.70%	11.00%	4.04%	
Long Term Debt	\$319,506	\$0	0	\$319,506	25.76%	3.60%	0.93%	
Short Term Debt	\$113,164	\$0	0	\$113,164	9.12%	1.42%	0.13%	
Long Term Debt - FC	\$0	\$0	0	\$0	0.00%	0.00%	0.00%	
Customer Deposits	\$23,656	\$0	0	\$23,656	1.91%	0.10%	0.00%	
Deferred Income Taxes	\$328,693	\$0	0	\$328,693	26.50%	0.00%	0.00%	
Total	\$1,240,245	\$0	0	\$1,240,245	100%		5.10%	

2021 YE Forecast Surveillance with ADFIT Consistency and Proration Adjustments (13-month average)									
	Per Book	Consistency and Pro-Rata Adjustment	Books Adjusted	Pro-Rata Adjustment	Specific Adjustment	Adjusted Balance	Cap Ratio	Cost Rate	Weighted Cost
Common Equity	\$455,226	(\$6,672)	\$448,554	\$0	\$0	\$448,554	36.17%	11.00%	3.98%
Long Term Debt	\$319,506	(\$4,683)	\$314,823	\$0	\$0	\$314,823	25.38%	3.60%	0.91%
Short Term Debt	\$113,164	(\$1,659)	\$111,505	\$0	\$0	\$111,505	8.99%	1.42%	0.13%
Long Term Debt - FC	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%
Customer Deposits	\$23,656		\$23,656	\$0	\$0	\$23,656	1.91%	0.10%	0.00%
Deferred Income Taxes	\$328,693	\$13,013	\$341,707	\$0	\$0	\$341,707	27.55%	0.00%	0.00%
Total	\$1,240,245		\$1,240,245	\$0	\$0	\$1,240,245	100%		5.02%

Proration Adjustment and Consistency Adjustment To Reflect Projected ADFIT Consistent with Projection Year								
	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-22	279,319	180,775					180,775
Projected	Jan-23	280,458	181,513	737	31	336	679	181,454
Projected	Mar-23	281,597	182,250	737	28	308	622	182,076
Projected	Mar-23	282,736	182,987	737	31	277	559	182,636
Projected	Apr-23	283,875	183,724	737	30	247	499	183,134
Projected	May-23	285,014	184,461	737	31	216	436	183,571
Projected	Jun-23	286,153	185,198	737	30	186	376	183,946
Projected	Jul-23	287,292	185,936	737	31	155	313	184,259
Projected	Aug-23	288,431	186,673	737	31	124	250	184,510
Projected	Sep-23	289,570	187,410	737	30	94	190	184,700
Projected	Oct-23	290,709	188,147	737	31	63	127	184,827
Projected	Nov-23	291,848	188,884	737	30	33	67	184,893
Projected	Dec-23	292,987	189,621	737	31	2	4	184,897
		286,153	185,198	8,846	365		4,122	183,514
2021 YE Surveil Bal.		328,693	170,500				13-Month Avg. Bal	185,198
Consistency Adjustment		(42,540)	14,698 *				Proration Adj.	(1,685)
Proration Adjustment			(1,685)					
Total Adjustment			13,013					

* Positive variance shows that the limitation provision is met.