GUNSTER
FLORIDA'S LAW FIRM FOR BUSINESS

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February 21, 2023

BY E-PORTAL

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

Re: [New Filing] - Petition of Florida Public Utilities Company for Approval to a Gas Utility Access and Replacement Directive (GUARD).

Dear Mr. Teitzman:

Attached for filing, please find Florida Public Utilities Company's Petition of Florida Public Utilities Company for Approval to a Gas Utility Access and Replacement Directive (GUARD). Accompanying this Petition are proposed revised tariff sheet Nos. 7.000 though 7.002 and 7.403 through 7.405.

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

Sincerely,

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

MEK
cc:/(Certificate of Service)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of Florida Public Utilities Company for Approval to a Gas Utility Access and Replacement Directive (GUARD).	DOCKET NO. DATED: February 21, 2023

PETITION OF FLORIDA PUBLIC UTILITIES COMPANY FOR APPROVAL OF GAS UTILITY ACCESS AND REPLACEMENT DIRECTIVE

Florida Public Utilities Company ("FPUC" or "Company"), by and through its undersigned counsel, hereby file this Petition, pursuant to Section 366.06, Florida Statutes, seeking approval from the Florida Public Service Commission ("FPSC" or "Commission") to implement a Gas Utility Access and Replacement Directive ("GUARD"), previously referred to as GRIP Phase II, which will enable the Company to enhance the safety, reliability and accessibility of portions of its natural gas distribution system. The Company has identified various categories of eligible projects to be included in GUARD. These include the following: Relocation of mains and service lines located in rear easements and other difficult to access areas to the lot front along the street, replacement of additional distribution lines and services that are made of suspect material identified since GRIP was implemented, as well as correction of other similar situations involving the location or compromised condition of facilities, particularly in well-populated areas. The Company acknowledges that, with respect to the relocation of mains and services in rear easements, GUARD is very similar to the Safety, Access, and Facility Enhancement, or "SAFE," program that the Commission approved for Florida City Gas ("FCG") in Docket No. 20150116-GU.[1] ,

[1] Order No. PSC-2015-0390-TRF-GU, issued September 15, 2015, in Docket No. 20150116-GU, approving FCG's SAFE program, effective January 1, 2016.

Similar to the Company's initial GRIP Program, FPUC is proposing that GUARD be implemented to recover the costs, including a reasonable return, associated with these projects. Approval of GUARD will enable FPUC to accelerate the remediation of these issues that the Company has identified as potentially impacting the safety and reliability of service to its customers, as well as the public in general. In addition to new mains, new services will be required, and in some limited cases, replacement of above-ground facilities, such as meters and regulator ("M&R") sets, located at the rear of structures, which may be moved to a front or side location. In some situations, curb valves may be installed. The current location of these facilities makes access difficult resulting in a number of operating risks and challenges. In support of this request, the Company hereby state:

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

208 Wildlight Avenue
Yulee, FL 32097

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

Beth Keating
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Jason Bennett
Florida Public Utilities Company
208 Wildlight Avenue
Yulee, FL 32097
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3) By this petition, the Company seeks the Commission's approval of a 10-year program, at an estimated cost of $215 million[2], and cost recovery mechanism to allow the Company to expedite

[2] This is a preliminary estimate based upon current data. The Company will refine this estimate as the program is developed.

the replacement of problematic pipe, the relocation and replacement of gas facilities located in or associated with rear lot easements or other difficult to access areas, and to enhance system reliability. None of the contemplated projects proposed in this proposed program were included in the Company's recently approved rate case for forecasted 2023 spend. The primary goal of the Company's proposal herein is to address the Company's concerns about the ability to access certain facilities for purposes of addressing any existing and future operations, safety or reliability issues. This program is not designed to fund the expansion of the Company's system to serve new customers or new load.

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.

I. BACKGROUND

5) In its initial approval of the GRIP program, the Commission recognized the need to proceed on an expedited basis to replace higher risk facility segments given heighted industry concerns regarding safety at the time associated with tragic events. There was also an acknowledged need to update infrastructure to remove facilities more susceptible to corrosion.[3] The Commission also recognized that federal regulators were considering heightened standards for natural gas facilities,

[3] Order No. PSC-12-0490-TRF-GU, issued September 24, 2012, in Docket No. 120036-GU, at p. 5.

as emphasized by statements of then US Department of Transportation Secretary Ray LaHood, and that regulators had already issued an Advanced Notice of Proposed Rulemaking (ANPRM) by the Department of Transportation/Pipeline and Hazardous Material Safety Administration.

6) Thus, recognizing the national call to update natural gas facilities and assure customers of the safety of natural gas service, and the desire to proactively address such issues, the Commission approved the Companies' Gas Reliability Infrastructure Programs in order to ensure the replacement of infrastructure by the Companies in an expeditious manner.[4]

7) While the Company's original GRIP program is largely complete, the Company has identified additional safety risks that were not covered in the initial program: (1) certain remaining system segments are composed of problematic pipe which needs to be replaced; (2) certain facilities located in rear easements or other difficult to access areas need to be relocated on an expedited basis, and (3) prudent planning considerations to address reliability issues for segments in higher population areas as soon as possible. While the Company's systems are currently safe, as they have always been, the GUARD program will enable the Company to address these additional infrastructure issues on an expedited basis, thereby reducing or eliminating unnecessary risks to the public. The projects proposed in the GUARD were not included in the Company's recently approved rate case filing.

8) In order to help determine projects in the program, the Company utilized an outside contractor to facilitate a review of its natural gas facilities. To complete this review, the contractor conducted a data analysis, risk assessment, and completed a risk ranking model of the Company's system. The contractor used records provided by the Company and worked with its subject matter experts in this review. Through this evaluation, the contractor was able to produce a

[4] Order No. PSC-12-0490-TRF-GU, issued September 24, 2012, in Docket No. 120036-GU, at pgs. 11 and 19.

recommendation and prioritization of facilities that need to be replaced based on the likelihood and consequence of failure. The Company will utilize the contractor's recommendation in order to assess and prioritize projects that will be completed in GUARD on an annual basis. Projects that pose the highest risk are expected to be prioritized earlier in the program life starting in April 2023.

9) Approval of a GUARD program will enable FPUC to expedite replacement and relocation of these facilities, and recover the costs in a manner that is not unduly burdensome to customers. The cost recovery described herein is consistent with that utilized for the GRIP program and appropriate for these similar activities. Moreover, like the GRIP, the GUARD is not designed to expand the Company's system. As such, the Company will be unable to offset the additional costs associated with the relocation and replacement activities with any additional revenues. The Company therefore asks that the Commission approve GUARD as further described herein, which will enable the Company to expedite the necessary facility relocation and replacement activities.

II. GUARD

10) The Company estimates that approximately 446 miles of main are located within rear easements or difficult to access areas. FPUC initially estimates that approximately 237 miles will need to be replaced. However, this estimate will be refined as the Company reviews the risks associated with each particular segment of main located in a rear easement. Similar to FCG's projections in SAFE, FPUC expects to replace approximately 20% more pipe than is retired as a result of relocating main lines to the front of the street. Thus, FPUC plans to install approximately 284 miles of pipe and replace 9,554 services of facilities that are associated with rear lot easements in GUARD. In addition, the Company will replace any problematic pipe and associated service lines in the Company's service territory as they are discovered. Based upon the current estimate of

construction costs, the Company estimates it will cost approximately $174 million to relocate the mains and replace the services associated with the relocation program of rear easements and other hard to access pipelines in GUARD.

11) The primary driver for the rear easement relocation portion of the program is the fact that the location of the subject facilities presents challenges in terms of access to the facilities for purposes of operating and maintaining the system, conducting inspections and repairs, as well as an increased risk associated with property use and improvements on the property itself, where the Company's facilities are located. This issue was also identified by Florida City Gas in their SAFE program. For instance, much like FCG's identified issues, in certain FPUC service areas, property fencing, landscaping and overgrown vegetation often make it difficult to access the areas where the Company's facilities are located for purposes of conducting routine maintenance and monitoring. These challenges are occasionally exacerbated by the presence of dogs on the fenced property, which may present additional risks to FPUC service personnel. Also, owner construction of out-buildings, pools, and patios can limit access for leak surveys, service connection work and general maintenance. In addition, such easements could contribute to increased opportunities for gas theft or diversion, which greatly escalates the risk of a safety incident. Included as Exhibit 1 are photos demonstrating a few of the obstructions faced by the Company with pipelines located in rear easements as well as examples of problematic pipe, as discussed below.

12) The Company has identified various types of problematic distribution mains and services lines that are in need of replacement on an expedited basis. Natural gas pipelines and above-ground facilities installed today are constructed of superior piping materials and new construction methods, but pipelines and facilities installed over 30 years ago may not be. As a result of the passage of time, changes in the natural environment and updated industry standards, some

distribution mains, service lines and facilities that were initially safe may have become problematic. Examples include previously unidentified bare steel mains, steel tubing, span pipe, shallow and exposed pipe, and obsolete pipe and facilities.

13) Spans are segments of pipe that were intentionally installed above grade and that cross a known obstacle, which can include creeks, rivers, ditches, or highways. These pipes can be supported or unsupported. Supported spans can be attached to a bridge or similar structure. Unsupported spans are generally shorter segments of pipe that are not supported by any structures and are also known as freestanding. Spans are susceptible to outside force damage as well as corrosion threats. The Company estimates the cost to replace this pipe to be approximately $20 million.

14) Shallow and exposed pipelines are those segments that are no longer safely buried due to erosion and other changes to the natural environment and are now more susceptible to outside force damage as well as corrosion threats. Subaqueous portions of the system pose particular risk of being struck if they are not properly relocated or buried at an acceptable level of cover. The risk of damage to shallow and exposed pipelines are significant, as they are not visible or known until there is imminent danger of causing damage. Natural gas pipelines installed today are generally below grade with a minimum cover of three feet. Depending on the conditions, subaqueous pipe may be buried twenty-five feet or more under the floor of the waterway. Burying pipelines reduces the overall risk of the pipeline from outside forces and other threats. The Company currently does not have an estimate of the cost to replace shallow and exposed pipe, but plans to replace this pipe as it is discovered.

15) In addition to the pipeline replacements mentioned above, the Company also seeks to replace obsolete pipe and related facilities. Due to the evolution of piping materials, new

construction methods, and standards of related facilities (including M&R equipment), there may be pipelines and facilities that are safe to operate but nonetheless are at risk of third-party damage and failure because of the materials and standards used at the time. Examples include Aldyl-A, a type of first-generation plastic pipe installed prior to 1982, and any newly discovered bare steel pipe that was not identified and replaced as a part of the Company's original GRIP. First generation plastic (i.e. plastic pipe installed before pre-1982), typically installed between 1970 and 1981 in most distribution systems, is more brittle than today's material composition of plastic pipe and has demonstrated itself to be prone to stress propagation cracking under some circumstances due to the different composition of the base plastic material. As this pre-1982 pipe continues to age, the risk of it developing leaks continues to grow and will need to be replaced. The Company has currently identified Aldyl-A pipe for replacement in the Indiantown division and facilities replacements with an estimated cost of $10 million.

16) The Company has also identified reliability projects which will ensure that natural gas is adequately available, safely delivered and accurately measured for customers under both normal and abnormal operating conditions. Even though these projects may not replace any existing infrastructure, they are required to maintain minimum pressure requirements on our distribution system to prevent service outages for customers. The Company plans to execute two categories of reliability projects: Pipeline Loops and Secondary feeds.

17) The Company has identified certain pipelines that were constructed with smaller diameter pipe than would be used if the pipe was being designed today. This smaller diameter pipe has less volumetric capacity when compared to a pipeline with a larger diameter. The Company plans to construct new pipelines to operate in parallel to these existing pipelines in order to improve volume capacities. Recent cold weather and high demand saw pipeline volumetric pressure fall to

dangerously low levels. Sustained low pressure could result in outages to customers that rely on safe and reliable natural gas. The Company estimates the cost of this program to be approximately $5 million.

18) The Company currently serves portions of communities with a single gas pipeline and seeks to add secondary feeds to these pipelines since a single source of gas results in a higher risk of an uncontrollable outage to the community if the pipeline sustains damage or other operating conditions limit its ability to function as designed. In most cases, this impacted portion of a risk assessment is acceptable when mitigated through managing the likelihood of service interruptions through a combination of proper maintenance, damage prevention efforts, and through long-term agreements with providers of emergency compressed natural gas (CNG) services. In other communities, however, the volumetric needs may exceed the realistic capabilities of emergency CNG services, or geographic conditions (e.g. the community is on an island) could impact the ability to get CNG tankers to the community. For these communities, the Company plans to construct new pipelines to serve the community at a different geographic point than the existing single source. This adds additional risk mitigation and improves the Company's ability to serve its customers. The Company estimates the cost of this program to be $5 million.

19) The Company is including as Exhibit 2 projects that have been identified for 2023 as well as an estimate of the overall cost for GUARD. To be sensitive to the base rate increase customers will receive in 2023 from the recently approved rate case, the Company has designed the GUARD program so that the first year spend is smaller than the following years of the program. The Company estimates to spend $7.6 million in the initial year of GUARD, which will allow the Company sufficient time to ramp up this new program and secure the necessary resources to complete the projects.

20) Polyethylene ("PE") pipe will be used for most replacement and relocation of pipe as well as installation of new pipe. In some instances, coated steel may be used in order to maintain cathodic protection continuity for existing large segments. Similar to what FCG experienced in their rear easement relocation program, the Company estimates that the relocation of mains from rear lot easements to the road right-of-way would require 20% more mains to be installed than were retired. Exhibit 3 is an illustration of a neighborhood where existing mains and services would be retired and new mains and services would be installed.

21) Since the Company already has an approved surcharge to recover investments related to infrastructure replacement, the Company would like to use this surcharge to recover the additional programs identified in this petition. The Company is not proposing any additional modifications to the surcharge at this time and proposes that the cost allocation methodology utilized for GRIP but updated with the allocations from the recently approved rate case be used in GUARD.

22) As introduced in the GRIP projection filing on September 1, 2022, in Docket No. 20220155-GU, the Company formally requests in this petition that the GRIP investment that was not rolled into rate base as a part of the rate case proceeding in Docket No. 20220067-GU serve as the beginning balance, or added to the GUARD investments as appropriate, and recovered through the GUARD surcharge. In addition, the Company requests that any remaining over or under recovery from GRIP be included in the calculation of the new GUARD surcharge.

23) In Exhibit 4, which calculates the projected revenue requirement in 2023 with capital spend starting in April. The Company has also included both the GRIP investment not rolled into rate base and the projected over or under recovery of GRIP as of December 31, 2022. The Company is requesting an implementation date starting January 1, 2024, for the GUARD surcharge, which will replace the GRIP surcharge. Implementation of the rates at the start of the year will allow

customers time to adjust to rate impacts of its recent rate case. The Company is requesting that all projected expenditures for GUARD from April 1, 2023, be recovered in the implementation date of rates in 2024. The Company requests that if there is a delay in approving the surcharge any revenues between January 1, 2024, and the implementation of rates be accrued as a deferred under recovery.

24) As proposed herein, approval of the Company's GUARD program will allow the Company to relocate and replace distribution facilities on an expedited basis and recover its revenue requirements on the actual facility investment amounts through the surcharge factor. Consistent with other Commission-approved Florida infrastructure replacement programs, the recovery of the revenue requirements would include return on investment initially calculated using the equity and debt components of the weighted average cost of capital from FPUC's last rate case as reflected in its most recent year end surveillance report. For subsequent "true-up" filings, the most recent earnings surveillance report would be used.

25) Consistent with how GRIP is calculated today, the GUARD surcharge will allow the Company to recover depreciation expense at the rates approved in the Company's most recent depreciation study. Only the depreciation expense associated with the replacement pipe will be recovered through the surcharge; the cost of removal for the existing distribution facilities will be recovered through the Company's depreciation rates approved in its latest rate case.

26) The Company is also seeking to continue to include expenses associated with the various public noticing requirements that will be associated with this program in the GUARD surcharge. Such notices include the: 1) noticing required for regulatory purposes of the approval of the program and the attendant surcharge; 2) notice to customers directly affected by replacement activities; and 3) general publication of notice of the planned activities in the impacted geographic

area. The Commission has previously recognized these expenses as appropriate and recoverable, and the Company asks for approval to continue recovering these expenses through this GUARD program.

27) With regard to ad valorem taxes, the Company anticipates that it will see increases as a result of the capital investments undertaken through this program. As such, the Company asks that it also be allowed to include for recovery through the surcharge, the cost of equity, grossed up for federal and state income taxes, as well as the applicable ad valorem taxes. In this filing, the Company has estimated the composite ad valorem tax rate at 2%. The actual composite ad valorem tax rate for each calendar year period will be applied through the annual true-up process.

28) The Company proposes that the same procedure that is currently used for GRIP be continued in GUARD. The Company would file annual petitions to revise its surcharge by September 1 of each year to implement a new surcharge effective January 1 of the following year and include therein the following components:

A. A final true-up showing the actual program costs, actual surcharge revenues, and final over or under recovery amount for the most recent 12-month historical period from January 1 through December 31.

B. An actual/estimated true-up showing seven months of actual and five months of projected costs and revenues associated with the GUARD Program; and

C. A projection showing 12 months of projected GUARD Program revenue requirement for the period beginning January 1 following the annual filing.

29) The first true up filing would be made in September 2023. This filing would include the final true-up of the GRIP 2022 and 2023 costs, an actual/estimated true-up of the 2023 GUARD program costs based on 2023 actual costs through July 31, 2023, a revised projections for the

remainder of 2023, and the GUARD projection for 2024. The information would be subject to ongoing Commission review and audit with for accuracy, overall effectiveness of the program and rate impact on customers. FPUC will report, if any, in the annual filing, Operations and Maintenance (O&M) and depreciation expense savings or incremental costs associated with the program that may occur.

30) FPUC believes that implementation of this program now, as opposed to later or on a more gradual basis, will have the added benefit of construction-related savings over the life of the program. Specifically, as the economy rebounds and construction in general starts to increase, the Company anticipates that construction contractor costs will increase as a direct result of the increased opportunities in the market. Addressing the Company's construction needs now, before the market fully recovers, may avoid or at least limit, some impact of market increases in contractor costs for much of FPUC's replacement activity.

31) The current program cost and estimates are based on factors known at this time. The current estimate is made using the best analysis and cost factors available to the Company. A full assessment of the system for projects and facilities that could fall under this project is still in progress, and costs related to the facilities such as materials and labor could change throughout the lifespan of the program. The Company will utilize best practices to minimize impacts to customers.

32) At the next rate proceeding, the Company anticipates moving all completed projects into rate base and resetting the rider charge to zero.

III. TARIFF SHEETS

33) Attached to this Petition as Exhibit 5 are proposed tariff pages, in clean and legislative format, reflecting the GUARD factors set forth herein.

To the extent Section 366.06(3) is deemed applicable, the Company waives the 60-day requirement for Commission action on the tariffs submitted with this Petition.

WHEREFORE, FPUC respectfully requests that the Commission approve the Company's proposed GUARD for expedited replacement and relocation of certain natural gas distribution facilities, as well as the associated tariff pages and surcharge factors attached and incorporated herein by reference with an effective date of January 1, 2024.

RESPECTFULLY SUBMITTED this 21st day of February 2023.

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

Attorney 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 Petition of Florida Public Utilities Company for Approval to a Gas Utility Access and Replacement Directive (GUARD) has been furnished by Electronic Mail to the following this 21st day of February, 2023:

Keith Hetrick Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399-0850 khetrick@psc.state.fl.us	P. Christensen / Charles Rehwinkel/Mary Wessling Office of Public Counsel c/o The Florida Legislature 111 W. Madison Street, Room 812 Tallahassee, FL 32399-1400 Wessling.Mary@leg.state.fl.us Rehwinkel.Charles@leg.state.fl.us Christensen.patty@leg.state.fl.us
Mike Cassel Florida Public Utilities Company 208 Wildlight Ave. Yulee, FL 32097 mcassel@fpuc.com	

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

EXHIBIT 1

Fenced in easements where FPUC main are located.

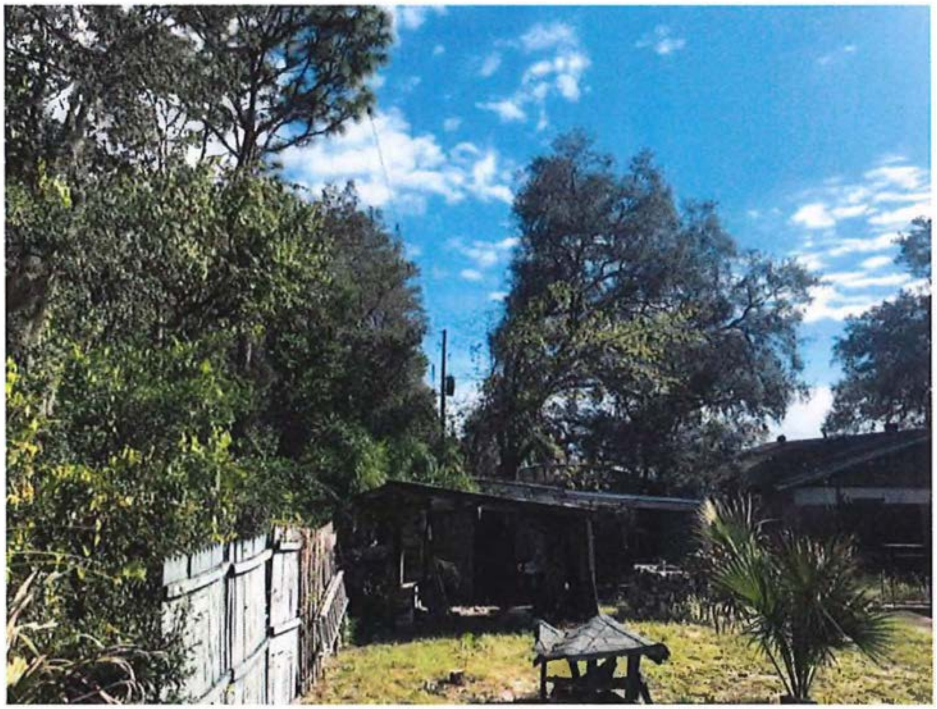


EXHIBIT 1

Turnpike Pipe Replacement

EXHIBIT 1

Span Pipe

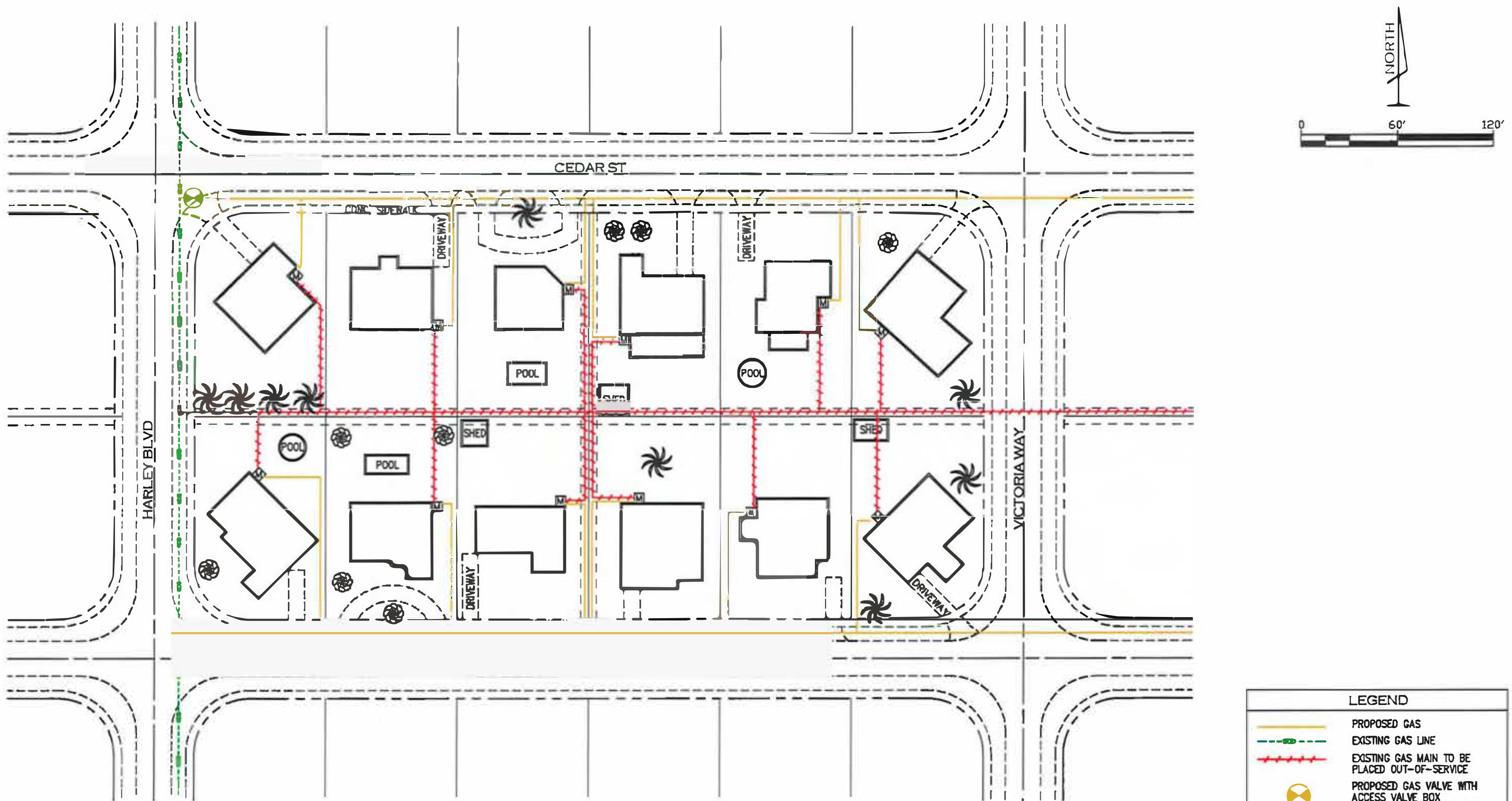
Exposed Pipe

EXHIBIT 2

2023 GUARD Projects				
Program	**Project Type**		**Cost**	**Comments**
Access Projects	Rear Easement		5,010,000	Based on identified projects
	Meter Relocations		-	
		Subtotal	5,010,000	
Problematic Pipe	Bare Steel		-	
	Steel Tubing		-	
	Span Pipe		2,600,000	Based on identified projects
	Shallow/Exposed Pipe		-	
	Obsolete		-	
	Thin Wall		-	
		Subtotal	2,600,000	
Reliability Projects	Pipeline Loops		-	
	Secondary Feeds		-	
		Subtotal	-	
	Grand Total		**7,610,000**	**Identified Projects, other projects to be identified and estimated**

Total GUARD Program				
Program	**Project Type**		**Cost**	**Comments**
Access Projects	Rear Easement		173,975,965	Based on preliminary analysis of estimated 237 miles of Mains to be relocated. Installed pipe is estimated to be 20% more that the main to be abandoned, and an estimated 33.6 services per mile installed.
	Meter Relocations			Meter relocation based on safety and compliance analysis
		Subtotal	173,975,965	
Problematic Pipe & Facilities	Bare Steel			Bare Steel to be replaced as discovered
	Steel Tubing			Bare Steel to be replaced as discovered
	Span Pipe		20,385,879	To be replaced based on safety and compliance analysis
	Shallow/Exposed Pipe			To be replaced based on safety and compliance analysis
	Obsolete		10,395,041	To be replaced based on safety and compliance analysis
		Subtotal	30,780,920	
Reliability Projects	Pipeline Loops		5,067,783	To be replaced based on safety and compliance analysis
	Secondary Feeds		5,064,865	To be replaced based on safety and compliance analysis
		Subtotal	10,132,648	
	Grand Total		**214,889,532**	**Identified Projects, other projects to be identified and estimated**

Exhibit 3



PLAN
1" = 60

FLORIDA PUBLIC UTILITIES

COORDINATOR: | SEC: | TWP: | RGE: | DATE | REVISION | PROJECT NAME: | SHEET TITLE: | SHEET NUMBER:

DESIGNED BY: | AFE #: | IO #: | MAOP: | SCALE:

PROJECT DESCRIPTION:

Florida Public Utilities Company
Gas Utility Access and Replace Directive
Projection of Qualified Mains & Services Revenue Requirements
Surcharge Calculation - January 1, 2023 through December 31, 2023
Per Therm Rate

1. 1/1/23-12/31/23 Qualified Mains & Services Replacement Revenue Requirements			$	600,725
Mains	88%	$528,638		
Services	12%	$72,087		
M&R	0%	$0		
Net		$600,725		
2. TRUE-UP from Prior Period (Over)/Under Recovery Estimated thru 12/2022			$	1,583,781
3. 2023 Qualified Mains & Services Replacement Revenue Requirements			$	2,184,506
Mains	88%	$1,922,365		
Services	12%	$262,141		
M&R	0%	$0		
Net		$2,184,506		

RATE SCHEDULE	2023 THERMS	SERVICES COS %	MAINS COS %	M&R COS %	SERVICES REV REQ	MAINS REV REQ	M&R REV REQ	GUARD REV REQ	DOLLARS PER THERM	TAX FACTOR	GUARD FACTORS PER THERM	TYPICAL ANNUAL THERMS	ANNUAL COST	AVERAGE MONTHLY COST
RES-1	1,520,128	27.37%	1.20%	1.20%	$71,748	$23,128	$0	$94,876	$0.06241	1.00503	$0.06273	54	$3.37	$0.28
RES-2	5,975,749	36.49%	4.71%	4.71%	$95,645	$90,624	$0	$186,269	$0.03117	1.00503	$0.03133	159	$4.98	$0.42
RES-3	12,959,345	19.15%	10.05%	10.05%	$50,188	$193,126	$0	$243,315	$0.01878	1.00503	$0.01887	665	$12.55	$1.05
RES-SG	96,299	1.09%	0.09%	0.09%	$2,851	$1,799	$0	$4,649	$0.04828	1.00503	$0.04852	109	$5.29	$0.44
GS-1	691,996	3.10%	0.60%	0.60%	$8,133	$11,530	$0	$19,663	$0.02841	1.00503	$0.02856	322	$9.20	$0.77
GS-2	7,230,026	4.14%	6.03%	6.03%	$10,863	$115,830	$0	$126,693	$0.01752	1.00503	$0.01761	2,902	$51.12	$4.26
GS-3	11,772,608	3.40%	9.57%	9.57%	$8,922	$184,048	$0	$192,970	$0.01639	1.00503	$0.01647	7,312	$120.46	$10.04
GS-4	24,944,789	3.66%	19.88%	19.88%	$9,589	$382,197	$0	$391,786	0.01571	1.00503	0.01579	17,805	$281.05	$23.42
GS-5	12,549,603	0.55%	9.71%	9.71%	$1,434	$186,615	$0	$188,050	$0.01498	1.00503	$0.01506	110,084	$1,657.86	$138.15
GS-6	11,918,155	0.21%	9.23%	9.23%	$557	$177,434	$0	$177,991	$0.01493	1.00503	$0.01501	350,534	$5,261.37	$438.45
GS-7	9,260,735	0.08%	7.06%	7.06%	$211	$135,804	$0	$136,015	$0.01469	1.00503	$0.01476	771,728	$11,391.59	$949.30
GS-8 (A-D)	22,737,656	0.05%	17.26%	17.26%	$128	$331,812	$0	$331,939	$0.01460	1.00503	$0.01467	2,842,207	$41,701.10	$3,475.09
COM-INT	9,502,459	0.17%	3.58%	3.58%	$450	$68,782	$0	$69,231	$0.00729	1.00503	$0.00732	558,968	$4,092.92	$341.08
COM-NGV	1,469,075	0.01%	0.89%	0.89%	$25	$17,085	$0	$17,110	$0.01165	1.00503	$0.01171	340,759	$3,988.74	$332.40
COM-OL	99,723	0.02%	0.08%	0.08%	$48	$1,470	$0	$1,518	$0.01522	1.00503	$0.01530	3,439	$52.61	$4.38
COM-SG	62,693	0.51%	0.06%	0.06%	$1,348	$1,083	$0	$2,431	$0.03878	1.00503	$0.03897	207	$8.06	$0.67
TOTAL	132,791,038	100%	100%	100%	262,141	1,922,365	0	2,184,506						

TOTAL	132,791,038	100%	100%

Florida Public Utilities Company
Gas Utility Access and Replace Directive
Calculation of the Projected Revenue Requirements
January 1, 2023 through December 31, 2023

Item	Beginning 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	$744,089	$744,089	$744,089	$744,089	$744,089	$744,089	$744,089	$744,089	$744,089	$6,696,800
Qualified Investment - Mains - Closed 1070 Activity to Plant		$0	$0	$0	($744,089)	($744,089)	($744,089)	($744,089)	($744,089)	($744,089)	($744,089)	($744,089)	($744,089)	($6,696,800)
Qualified Investment - Services - Current Year 1070 Activity		$0	$0	$0	$101,467	$101,467	$101,467	$101,467	$101,467	$101,467	$101,467	$101,467	$101,467	$913,200
Qualified Investment - Services - Closed 1070 Activity to Plant		$0	$0	$0	($101,467)	($101,467)	($101,467)	($101,467)	($101,467)	($101,467)	($101,467)	($101,467)	($101,467)	($913,200)
Qualified Investment - M&R - Current Year 1070 Activity		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Qualified Investment - M&R - 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	$744,089	$744,089	$744,089	$744,089	$744,089	$744,089	$744,089	$744,089	$744,089	$6,696,800
Qualified Investment - Services - Current 1010 Activity		$0	$0	$0	$101,467	$101,467	$101,467	$101,467	$101,467	$101,467	$101,467	$101,467	$101,467	$913,200
Qualified Investment - M&R - 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 - Service 1070	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Qualified Investment - M&R 1070	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Qualified Investment - Mains 1010	$3,755,806	$3,755,806	$3,755,806	$3,755,806	$4,499,895	$5,243,984	$5,988,072	$6,732,161	$7,476,250	$8,220,339	$8,964,428	$9,708,517	$10,452,606	$10,452,606
Total Qualified Investment - Service 1010	$2,083,527	$2,083,527	$2,083,527	$2,083,527	$2,184,993	$2,286,460	$2,387,927	$2,489,393	$2,590,860	$2,692,327	$2,793,793	$2,895,260	$2,996,727	$2,996,727
Total Qualified Investment - M&R 1010	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Qualified Investment	$5,839,332	$5,839,332	$5,839,332	$5,839,332	$6,684,888	$7,530,444	$8,375,999	$9,221,555	$10,067,110	$10,912,666	$11,758,221	$12,603,777	$13,449,332	$13,449,332
Less: Accumulated Depreciation	($3,525,995)	($3,535,344)	($3,544,692)	($3,554,040)	($3,563,389)	($3,573,941)	($3,585,696)	($3,598,655)	($3,612,818)	($3,628,184)	($3,644,753)	($3,662,526)	($3,681,502)	($3,681,502)
Net Book Value	$2,313,337	$2,303,989	$2,294,640	$2,285,292	$3,121,499	$3,956,503	$4,790,303	$5,622,899	$6,454,293	$7,284,482	$8,113,468	$8,941,251	$9,767,830	$9,767,830
Average Net Qualified Investment		$2,308,663	$2,299,315	$2,289,966	$2,703,396	$3,539,001	$4,373,403	$5,206,601	$6,038,596	$6,869,387	$7,698,975	$8,527,360	$9,354,540	
Depreciation Rates														
Approved Depreciation Rate-Mains		1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	
Approved Depreciation Rate-Services		2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	
Approved Depreciation Rate - M&R City Gate		2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	
Return on Average Net Qualified Investment														
Equity - Cost of Capital, inclusive of Income Tax Gross-up		6.24%	6.24%	6.24%	6.24%	6.24%	6.24%	6.24%	6.24%	6.24%	6.24%	6.24%	6.24%	
Debt - Cost of Capital		1.34%	1.34%	1.34%	1.34%	1.34%	1.34%	1.34%	1.34%	1.34%	1.34%	1.34%	1.34%	
Equity Component - inclusive of Income Tax Gross-up		$12,013	$11,964	$11,916	$14,067	$18,415	$22,757	$27,092	$31,422	$35,744	$40,061	$44,372	$48,676	$318,499
Debt Component		$2,582	$2,571	$2,561	$3,023	$3,958	$4,891	$5,823	$6,753	$7,682	$8,610	$9,536	$10,461	$68,452
Return Requirement		$14,595	$14,536	$14,477	$17,090	$22,373	$27,648	$32,915	$38,175	$43,427	$48,671	$53,908	$59,137	$386,951
Investment Expenses														
Depreciation Expense - Mains		$5,008	$5,008	$5,008	$5,008	$6,000	$6,992	$7,984	$8,976	$9,968	$10,960	$11,953	$12,945	$95,809
Depreciation Expense - Services		$4,341	$4,341	$4,341	$4,341	$4,552	$4,763	$4,975	$5,186	$5,398	$5,609	$5,820	$6,032	$59,698
Depreciation Expense - M&R City Gate		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Property Taxes		$3,856	$3,856	$3,856	$3,856	$3,856	$3,856	$3,856	$3,856	$3,856	$3,856	$3,856	$3,856	$46,267
General Public Notice Expense & Customer Notice Expense		$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$12,000
Total Expense		$14,204	$14,204	$14,204	$14,204	$15,407	$16,611	$17,815	$19,018	$20,222	$21,425	$22,629	$23,832	$213,774
Total Revenue Requirements		$28,799	$28,740	$28,681	$31,294	$37,780	$44,259	$50,729	$57,193	$63,648	$70,096	$76,537	$82,969	$600,725

Florida Public Utilities Company
Gas Utility Access and Replace Directive
Calculation of Equity and Debt Returns

Rate Case	
Equity Cost Rate	10.25%
Weighted Equity Cost Rate	4.627%
Revenue Expansion Factor	1.3495
Weighted Equity Cost Rate , times Revenue Expansion Factor	6.24%
Long Term Debt-CU	1.136%
Short Term Debt	0.150%
Customer Deposits	0.056%
Weighted Debt Cost Rate	1.34%
Overall Weighted Cost Rate	5.97%

EXHIBIT 5

TARIFF SHEETS

(First Revised Sheet Nos. 7.000, 7.001, 7.002, 7.403, 7.404, and 7.405)

Clean and Tracked Changes

INDEX OF RATE SCHEDULES

INDEX OF RATE SCHEDULES - CONTINUED

INDEX OF RATE SCHEDULES - CONTINUED

INDEX OF RATE SCHEDULES

INDEX OF RATE SCHEDULES - CONTINUED

INDEX OF RATE SCHEDULES - CONTINUED

GAS UTILITY ACCESS AND REPLACEMENT DRIVE (GUARD)

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 GUARD factors for the period from the first billing cycle for ______ 2023 through the last billing cycle for December 2023 are as follows:

Rate Schedule	Rates per Therm
RES-1 and REST-1	$0.06273
RES-2 and REST-2	$0.03133
RES-3 and REST-3	$0.01887
RES-SG and SGT	$0.04852
GS-1 and GTS-1	$0.02856
GS-2 and GTS-2	$0.01761
GS-3 and GTS-3	$0.01647
G4-4 and GTS4	$0.01579
GS-5 and GTS-5	$0.01506
GS-6 and GTS-6	$0.01501
GS-7 and GTS-7	$0.01476
GS-8A and GTS-8A	$0.01467
GS-8B and GTS-8B	$0.01467
GS-8C and GTS-8C	$0.01467
GTS-8D and GTS 8D	$0.01467
COM-INT and COM-INTT	$0.00732
COM-NGV and COM-NGVT	$0.01171
COM-OL and COM-OLT	$0.01530
COM-SG and COM-SGT	$0.03897

GAS UTILITY ACCESS AND REPLACEMENT DRIVE – CONTINUED

Definitions:
The GUARD Program minimizes impact to Customers, but at the same time, allows the Company to accelerate its replacement program for eligible infrastructure. Costs incurred to remove the existing eligible distribution Mains and Service Lines are not recoverable under the GUARD Program

The Eligible Infrastructure Replacement includes the following:

1. Company plant investment that
    a. Does 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 Rear Lot bare steel facilities and other problematic 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.

The Company is recovering its revenue requirement on the actual investment amounts. The revenue requirements are inclusive of:

1. Return on investment as calculated using the allowable equity and debt components of the Company's weighted cost of capital,

2. Depreciation expense (respectively calculated using the currently approved depreciation rates),

3. Customer and general public notification expenses associated with GUARD for:

    a. All Customers regarding the implementation of the GUARD Program and the approved surcharge factors:
    b. The immediately affected Customers where the eligible infrastructure is being replaced, and
    c. The general public through publications (newspapers) covering the geographic areas of the eligible infrastructure replacement activities.

4. Ad valorem taxes.

GAS UTILITY ACCESS AND REPLACEMENT DRIVE – CONTINUED

The Company is utilizing a surcharge mechanism in order to recoup the costs associated with the GUARD Program. The Company has developed its GUARD surcharge factors for each rate classification utilizing the same investment data developed and approved in its most recent rate case.

The GUARD surcharge for each Customer class will be a per Therm rate per Month that is calculated by multiplying the GUARD revenue requirements by the percentage representing a class share of such requirements and dividing the result by the projected surcharge.

Florida Public Utilities Company
FPSC Tariff
7.403
Original Volume No. 2

First Revised Sheet No.
Replaces Original Sheet No. 7.403

GAS ~~RELIABILITY INFRASTRUCTURE PROGRAM~~UTILITY ACCESS AND REPLACEMENT DRIVE (GUARD)

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~~GUARD factors for the period from the first billing cycle for ~~March~~ ______ 2023 through the last billing cycle for December 2023 are as follows:

Rate Schedule	Rates per Therm
RES-1 and REST-1	$~~0.11016~~0.06273
RES-2 and REST-2	$~~0.04443~~0.03133
RES-3 and REST-3	$~~0.01869~~0.01887
RES-SG and SGT	$~~0.07555~~0.04852
GS-1 and GTS-1	$~~0.03653~~0.02856
GS-2 and GTS-2	$~~0.01449~~0.01761
GS-3 and GTS-3	$~~0.01264~~0.01647
G4-4 and GTS4	$~~0.01164~~0.01579
GS-5 and GTS-5	$~~0.01075~~0.01506
GS-6 and GTS-6	$~~0.01062~~0.01501
GS-7 and GTS-7	$~~0.01041~~0.01476
GS-8A and GTS-8A	$~~0.01032~~0.01467
GS-8B and GTS-8B	$~~0.01032~~0.01467
GS-8C and GTS-8C	$~~0.01032~~0.01467
GTS-8D and GTS 8D	$~~0.01032~~0.01467
COM-INT and COM-INTT	$~~0.00522~~0.00732
COM-NGV and COM-NGVT	$~~0.00826~~0.01171
COM-OL and COM-OLT	$~~0.01144~~0.01530
COM-SG and COM-SGT	$~~0.05750~~0.03897

GAS ~~RELIABILITY INFRASTRUCTURE PROGRAM~~UTILITY ACCESS AND REPLACEMENT DRIVE – CONTINUED

Definitions:

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

~~Definitions Continued~~program~~-~~ for eligible infrastructure. Costs incurred to remove the existing eligible distribution Mains and Service Lines are not recoverable under the ~~GRIP~~GUARD Program~~.~~

The Eligible Infrastructure Replacement includes the following:

1. Company plant investment that
   a. Does 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~~Rear Lot bare steel facilities and other problematic 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.

The Company is recovering its revenue requirement on the actual investment amounts. The revenue requirements are inclusive of:

1. Return on investment as calculated using the allowable equity and debt components of the Company's weighted cost of capital,

2. Depreciation expense (respectively calculated using the currently approved depreciation rates),

3. Customer and general public notification expenses associated with ~~GRIP~~GUARD for:

   a. All Customers regarding the implementation of the ~~GRIP~~GUARD Program and the approved surcharge factors~~,~~:

b. The immediately affected Customers where the eligible infrastructure is being replaced, and

~~GAS RELIABILITY INFRASTRUCTURE PROGRAM – CONTINUED~~

c. The general public through publications (newspapers) covering the geographic areas of the eligible infrastructure replacement activities.

4. Ad valorem taxes~~, grossed-up for federal and state income taxes~~.

GAS UTILITY ACCESS AND REPLACEMENT DRIVE – CONTINUED

The Company is utilizing a surcharge mechanism in order to recoup the costs associated with the ~~GRIP~~GUARD Program. The Company has developed its ~~GRIP~~GUARD surcharge factors for each rate classification utilizing the same investment data developed and approved in its most recent rate case.

The ~~GRIP~~GUARD surcharge for each Customer class will be a per Therm rate per Month that is calculated by multiplying the ~~GRIP~~GUARD revenue requirements by the percentage representing a class share of such requirements and dividing the result by the projected surcharge.