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June 6, 2023

**BY E-PORTAL**

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

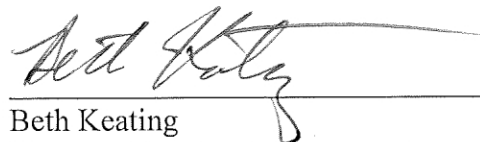
Re: [New Filing] – Petition Requesting Approval of an AFUDC Rate, effective April 1, 2023, by Florida Public Utilities Company (Gas Division).

Dear Mr. Teitzman:

Attached for filing, please find Florida Public Utilities Company's Petition Requesting Approval of an AFUDC rate for its natural gas division.

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**

Petition Requesting Approval of an AFUDC Rate, ) Docket No.  
effective April 1, 2023, by Florida Public Utilities )  
Company (Gas Division). )  
\_\_\_\_\_ ) Filed:  
 )

PETITION OF FLORIDA PUBLIC UTILITIES COMPANY  
REQUESTING APPROVAL OF AN AFUDC RATE FOR NATURAL GAS DIVISION

Florida Public Utilities Company (herein “FPUC” or “Company”) by and through its undersigned counsel, and in accordance with Sections 366.041, 366.06, and 366.076, Florida Statutes, and pursuant to Rule 25-7.0141, Florida Administrative Code, hereby files this Petition seeking approval from the Florida Public Service Commission (“Commission”) to establish an allowance for funds used during construction (“AFUDC”) rate of 5.70% to become effective April 1, 2023. In support of this request, the Company states as follows:

- 1) The principal business address of Florida Public Utility Company is:

Florida Public Utilities Company  
208 Wildlight Avenue  
Yulee, FL 32097

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

Beth Keating  
Gunster, Yoakley & Stewart, P.A.  
215 South Monroe St., Suite 601  
Tallahassee, FL 32301  
(850) 521-1706  
[bkeating@gunster.com](mailto:bkeating@gunster.com)

Mike Cassel  
Florida Public Utilities Company  
208 Wildlight Avenue  
Yulee, FL 32097  
[mcassel@chpk.com](mailto:mcassel@chpk.com)

Michelle D. Napier  
Director, Reg. Affairs Distribution  
Florida Public Utilities Company  
1635 Meathe Drive  
West Palm Beach, FL 33411  
[mnapier@fpuc.com](mailto:mnapier@fpuc.com)

## FPUC Request to Establish AFUDC Rate (Gas Division)

3) FPUC is a gas utility subject to the regulatory jurisdiction of this Commission as prescribed in Chapter 366, Florida Statutes. It is a wholly-owned subsidiary of Chesapeake Utilities Corporation (“CHPK”), which is headquartered in Dover, Delaware.

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. This Petition, representing an initial request to establish an AFUDC rate, is submitted to the Commission, which is the affected agency, located at 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399.

5) In accordance with Rule 25-7.0141(5), F.A.C., the Company has provided Schedules A thru C, calculated in accordance with Rule 25-7.0141(3). These schedules identify the capital structure, capital structure adjustments, and methodology used for the calculation of the monthly AFUDC rate.

7) AFUDC is an accounting entry designed to permit a utility recovery of the cost associated with financing eligible construction activities, rather than a tariffed rate or charge.

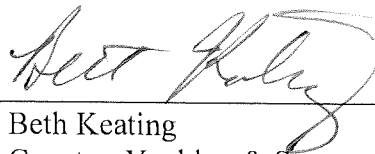
8) FPUC requests that the AFUDC rate of 5.70% (.463025% monthly) be approved with an effective date of April 1, 2023.

9) The Company will continue to monitor the cost of capital for material change and request

FPUC Request to Establish AFUDC Rate (Gas Division)

a change in rates when appropriate.

RESPECTFULLY SUBMITTED this 6th day of June, 2023.



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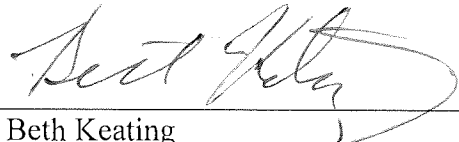
Beth Keating  
Gunster, Yoakley & Stewart, P.A.  
215 South Monroe St., Suite 601  
Tallahassee, FL 32301  
(850) 521-1706

*Attorneys for Florida Public Utilities Company*

**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 6<sup>th</sup> day of June, 2023.

Keith Hetrick Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399-0850 khetrick@psc.state.fl.us	Walter Trierweiler Office of Public Counsel c/o The Florida Legislature 111 W. Madison Street, Room 812 Tallahassee, FL 32399-1400 Trierweiler.walt@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  
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FLORIDA PUBLIC UTILITIES COMPANY  
 GAS DIVISION  
 BASIS FOR THE REQUESTED AFUDC RATE  
 FPSC ADJUSTED BASIS  
 MARCH 2023

SCHEDULE A:

<u>CAPITAL COMPONENTS</u>	<u>JURISDICTIONAL 13- MONTH AVERAGE</u>	<u>CAPITAL RATIO</u>	<u>COST OF CAPITAL</u>	<u>AFUDC WEIGHTED COMPONENTS</u>
COMMON EQUITY	\$ 189,343,425	42.33%	10.25% *	4.34%
LONG TERM DEBT	140,420,661	31.39%	3.09% **	0.97%
SHORT TERM DEBT	37,581,090	8.40%	3.94% ***	0.33%
CUSTOMER DEPOSITS	11,325,124	2.53%	2.34% ***	0.06%
DEFERRED INCOME TAX	68,636,012	15.34%	0.00%	0.00%
INVESTMENT TAX CREDITS	-	0.00%	0.00%	0.00%
TOTAL	<u>\$ 447,306,312</u>	<u>100.00%</u>		<u>5.70%</u>

\* Based on the midpoint approved equity return in Docket No. 20220067-GU

\*\* Based on year end long term debt rate per the March 2023 rate of return report.

\*\*\* Based on 13-month average cost rates per the March 2023 rate of return report.

**FLORIDA PUBLIC UTILITIES COMPANY**  
**GAS DIVISION**  
**BASIS FOR THE REQUESTED AFUDC RATE**  
**FPSC ADJUSTED BASIS**  
**MARCH 2023**

**SCHEDULE B**

<u>CAPITAL COMPONENTS</u>	<u>PER BOOKS</u>	<u>COMMISSION ADJUSTMENTS</u>	<u>ADJUSTED AVERAGE BALANCE</u>
COMMON EQUITY	\$ 200,649,867	\$ (11,306,442)	\$ 189,343,425
LONG TERM DEBT	146,345,092	(5,924,431)	140,420,661
SHORT TERM DEBT	39,166,659	(1,585,569)	37,581,090
CUSTOMER DEPOSITS	11,325,124		11,325,124
DEFERRED INCOME TAX	68,636,012		68,636,012
INVESTMENT TAX CREDITS	-		-
TOTAL	<u>\$ 466,122,754</u>	<u>\$ (18,816,442)</u>	<u>\$ 447,306,312</u>

FLORIDA PUBLIC UTILITIES COMPANY  
 GAS DIVISION  
 METHODOLOGY FOR MONTHLY COMPOUNDING OF THE AFUDC RATE  
 MARCH 2023

SCHEDULE C

AFUDC COMPOUNDING

$((1+R/12)**12)-1=$	APPROVED RATE
$((1+R/12)**12)-1=$	5.70%
$((1+R/12)**12)=$	1.05700000
$((1+R/12)=$	1.00463025
$(R/12)=$	0.00463025

<http://www.basic-mathematics.com/nth-root-calculator.html>

MONTHS	AFUDC BASE	MONTHLY AFUDC	CUMULATIVE AFUDC
JAN	1.00000000	0.00463025	0.00463025
FEB	1.00463025	0.00465168	0.00928193
MAR	1.00928193	0.00467322	0.01395515
APR	1.01395515	0.00469486	0.01865001
MAY	1.01865001	0.00471660	0.02336661
JUN	1.02336661	0.00473844	0.02810505
JUL	1.02810505	0.00476038	0.03286543
AUG	1.03286543	0.00478242	0.03764785
SEP	1.03764785	0.00480456	0.04245242
OCT	1.04245242	0.00482681	0.04727923
NOV	1.04727923	0.00484916	0.05212839
DEC	1.05212839	0.00487161	0.05700000

Annual Rate (R)=	5.70%
Monthly Rate = $((1 + R)^{(1/12)} - 1 =$	0.00463025