

September 15, 2015

VIA HAND DELIVERY

Mr. Andrew Maurey, Director
Division of Accounting and Finance
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

RECEIVED
ACCOUNTING & FINANCE SERVICE
COMMISSION
15 SEP 15 PM 7.21
DIVISION OF
ACCOUNTING & FINANCE

Re: Florida Public Utilities Company (Electric and Gas Divisions), Florida Public Utilities Company-Indiantown Division, Florida Public Utilities Company-Fort Meade, and Florida Division of Chesapeake Utilities Corporation 2nd Quarter Surveillance Reports

Dear Mr. Maurey:

In accordance with Rules 25-6.1352(3) and 25-7.1352(3), F.A.C., Florida Public Utilities Company (Gas and Electric Divisions), FPUC-Fort Meade, FPUC-Indiantown Division and the Florida Division of Chesapeake Utilities Corporation hereby submit the original and four (4) copies of the required 2nd Quarter (June 2015) Earnings Surveillance Reports for 2015.

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

cc: Bart Fletcher

CHESAPEAKE UTILITIES CORPORATION
 FLORIDA DIVISION
 RATE OF RETURN REPORT SUMMARY
 June 30, 2016

SCHEDULE 1

	(1) ACTUAL PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
I. AVERAGE RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ 3,161,821	(\$112,810)	\$3,049,211	\$0	\$3,049,211
AVERAGE RATE BASE	\$56,327,213	(\$633,843)	\$55,693,270	\$0	\$55,693,270
AVERAGE RATE OF RETURN	5.81%		5.48%		5.48%
II. YEAR-END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$3,161,821	(\$118,148)	\$3,043,673	\$0	\$3,043,673
YEAR-END RATE BASE	\$56,568,972	(\$392,030)	\$56,196,942	\$0	\$56,196,942
YEAR-END RATE OF RETURN	5.31%		5.14%		5.14%

**III. REQUIRED RATES OF RETURN
 AVERAGE CAPITAL STRUCTURE
 (FPSC ADJUSTED BASIS)**

LOW	5.71%
MIDPOINT	6.17%
HIGH	6.62%

**IV. EARNED RETURN ON EQUITY
 (FPSC ADJUSTED BASIS)**

A.	INCL COMP RATE ADJ REVENUES	9.27%
B.	EXCL COMP RATE ADJ REVENUES	9.27%

I am aware that Section 837.06, Florida Statutes, provides:

Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

Mike Casool
 Director, Regulatory Affairs


 Signature

9/3/15
 Date

CHESAPEAKE UTILITIES CORPORATION
 FLORIDA DIVISION
 AVERAGE RATE OF RETURN
 For the 12 Months Ending December 31, 2015
 RATE BASE

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	PLANT IN SERVICE	ACCUMULATED DEPRECIATION & AMORTIZATION	PLANT IN SERVICE	NET PROPERTY HELD FOR FUTURE USE	CONSTRUCTION WORK IN PROGRESS	NET UTILITY PLANT	WORKING CAPITAL	TOTAL RATE BASE
PER BOOKS	\$81,797,490	(\$28,036,584)	\$53,760,906	\$0	\$1,802,885	\$55,563,791	\$783,422	\$56,327,213
FPSC ADJUSTMENTS:								
ELIMINATIONS TO WORKING CAPITAL							(\$255,167)	(\$255,167)
ELIMINATE ACQUISITION ADJ.	\$0	\$0	\$0			\$0		\$0
ELIM. FRANCHISE/CONSENT	(\$14,132)	\$11,712	(\$2,420)			(\$2,420)		(\$2,420)
ELIM. COMMON PLANT	(\$288,226)	\$73,807	(\$214,420)			(\$214,420)		(\$214,420)
FLEXIBLE GAS SERVICE	(\$259,136)	\$106,205	(\$152,932)			(\$152,932)	(\$9,004)	(\$161,936)
			\$0			\$0		\$0
TOTAL FPSC ADJUSTMENTS	(\$561,495)	\$191,723	(\$369,772)	\$0	\$0	(\$369,772)	(\$264,171)	(\$633,943)
FPSC ADJUSTED	\$81,235,995	(\$27,844,861)	\$53,391,134	\$0	\$1,802,885	\$55,194,020	\$499,251	\$55,693,270
COMP RATE ADJ REVENUES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ADJUSTED FOR COMP RATE ADJ REVENUE	\$81,235,995	(\$27,844,861)	\$53,391,134	\$0	\$1,802,885	\$55,194,020	\$499,251	\$55,693,270
PROFORMA ADJUSTMENTS								
TOTAL PRO FORMA ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PRO FORMA ADJUSTED	\$81,235,995	(\$27,844,861)	\$53,391,134	\$0	\$1,802,885	\$55,194,020	\$499,251	\$55,693,270

CHESAPEAKE UTILITIES CORPORATION
 FLORIDA DIVISION
AVERAGE RATE OF RETURN
 For the 12 Months Ending June 30, 2015
 INCOME STATEMENT

SCHEDULE 2
 PAGE 2 OF 2

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	OPERATING REVENUES	O & M GAS EXPENSE	O & M OTHER	DEPREC. & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	D.I.T. (NET)	I.T.C. (NET)	GAIN/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
PER BOOKS	\$18,496,474	\$ 1,209,181	\$8,925,121	\$2,158,208	\$1,828,177	\$1,416,967				\$15,337,853	\$3,161,821
FPSC ADJUSTMENTS:											
1) Interest Synchronization						\$74,309				\$74,309	(\$74,309)
2) Acquisition adjust.						\$0				\$0	\$0
3) Elim. Property Tax - Common Plant					(\$3,159)	\$1,219				(\$1,941)	\$1,941
4) Elim. amort org costs				(\$418)		\$181				(\$257)	\$257
5) Elim Economic Dev. Expense			(\$46)			\$18				(\$28)	\$28
6) Elim. Depreciation Exp. Common Plant				(\$12,992)		\$5,012				(\$7,980)	\$7,980
7) Elim. Non-utility O & M			\$0			\$0				\$0	\$0
8) Elim. Ind. Assoc dues			(\$1,911)			\$737				(\$1,174)	\$1,174
9) Elim charitable contributions			\$0			\$0				\$0	\$0
10) Elim. Social Activities			(\$22,573)			\$8,708				(\$13,866)	\$13,866
11) Elim. promotional expenses			(\$1,013)			\$391				(\$622)	\$622
12) Elim. Civic Dues			\$0			\$0				\$0	\$0
13) Interest Income	\$1,200					\$463				\$463	\$737
14) Elim. Rev Related Taxes (Franchise & PSC Assess)	(\$483,951)				(\$483,951)	\$0				(\$483,951)	\$0
15) Elim. Conservation Rev & Exp.	(\$1,214,445)	(\$1,209,181)			(\$6,078)	\$314				(\$1,214,945)	\$500
16) Elim. PGA Expenses		\$0				\$0				\$0	\$0
17) Elim. PGA Revenues	\$0					\$0				\$0	\$0
18) Elim. Flexible Gas Service	(\$169,650)		(\$48,949)	(\$10,946)	(\$3,275)	(\$41,075)				(\$104,245)	(\$65,405)
19) Out of Period Adjustments			\$0			\$0				\$0	\$0
TOTAL FPSC ADJUSTMENTS	(\$1,866,846)	(\$1,209,181)	(\$74,492)	(\$24,355)	(\$496,484)	\$50,256	\$0	\$0	\$0	(\$1,754,236)	(\$112,610)
FPSC ADJUSTED	\$16,632,628	(\$0)	\$8,850,628	\$2,133,853	\$1,131,713	\$1,467,223	\$0	\$0	\$0	\$13,583,417	\$3,049,211
COMP RATE ADJ REVENUES - DEFICIT/(SURPLUS)	\$0					\$0				\$0	\$0
ADJUSTED FOR COMP RATE ADJ REVENUES	\$16,632,628	(\$0)	\$8,850,628	\$2,133,853	\$1,131,713	\$1,467,223	\$0	\$0	\$0	\$13,583,417	3,049,211
PROFORMA ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PRO FORMA ADJUSTED	\$16,632,628	(\$0)	\$8,850,628	\$2,133,853	\$1,131,713	\$1,467,223	\$0	\$0	\$0	\$13,583,417	\$3,049,211

CHESAPEAKE UTILITIES CORPORATION
 FLORIDA DIVISION
 YEAR END RATE OF RETURN
 For the 12 Months Ending December 31, 2015
 RATE BASE

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	PLANT IN SERVICE	ACCUMULATED DEPRECIATION & AMORTIZATION	PLANT IN SERVICE	NET PROPERTY HELD FOR FUTURE USE	CONSTRUCTION WORK IN PROGRESS	NET UTILITY PLANT	WORKING CAPITAL	TOTAL RATE BASE
PER BOOKS	\$84,234,030	(\$27,803,278)	\$56,430,752	\$0	\$2,591,670	\$59,022,421	\$536,550	\$59,558,972
FPSC ADJUSTMENTS:								
ELIMINATIONS TO WORKING CAPITAL							(\$23,085)	(\$23,085)
ELIM. FRANCHISE/CONSENT	(\$14,132)	\$11,921	(\$2,211)			(\$2,211)		(\$2,211)
ELIM. COMMON PLANT	(\$251,852)	\$72,012	(\$179,850)			(\$179,850)		(\$179,850)
FLEXIBLE GAS SERVICE	(\$259,136)	\$111,256	(\$147,880)			(\$147,880)	(\$9,004)	(\$156,884)
TOTAL FPSC ADJUSTMENTS	(\$525,130)	\$195,189	(\$329,941)	\$0	\$0	(\$329,941)	(\$32,089)	(\$362,030)
FPSC ADJUSTED	\$83,708,900	(\$27,608,089)	\$56,100,811	\$0	\$2,591,670	\$58,692,480	\$504,461	\$59,196,942
COMP RATE ADJ REVENUES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ADJUSTED FOR COMP RATE ADJ REVENUE	\$83,708,900	(\$27,608,089)	\$56,100,811	\$0	\$2,591,670	\$58,692,480	\$504,461	\$59,196,942
PROFORMA ADJUSTMENTS								
TOTAL PRO FORMA ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PRO FORMA ADJUSTED	\$83,708,900	(\$27,608,089)	\$56,100,811	\$0	\$2,591,670	\$58,692,480	\$504,461	\$59,196,942

CHESAPEAKE UTILITIES CORPORATION
 FLORIDA DIVISION
 YEAR END RATE OF RETURN
 For the 12 Months Ending December 31, 2015
 INCOME STATEMENT

SCHEDULE 3
 PAGE 2 OF 2

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	OPERATING REVENUES	O & M GAS EXPENSE	O & M OTHER	DEPREC. & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	D.I.T. (NET)	I.T.C. (NET)	GAIN/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
PER BOOKS	\$18,499,474	\$ 1,209,181	\$8,925,121	\$2,158,208	\$1,628,177	\$1,416,967				\$15,337,653	\$3,161,821
FPSC ADJUSTMENTS:											
1) Interest Synchronization						\$79,845				\$79,845	(\$79,845)
2) Acquisition adjust.						\$0				\$0	\$0
3) Elim. Property Tax - Common Plant					(\$3,159)	\$1,219				(\$1,941)	\$1,941
4) Elim. Amort. Org. Costs				(\$418)		\$161				(\$257)	\$257
5) Elim Economic Dev. Expense			(\$46)			\$18				(\$28)	\$28
6) Elim. Depreciation Exp. Common Plant			\$0	(\$12,992)		\$5,012				(\$7,980)	\$7,980
7) Elim. Non-utility O & M			\$0			\$0				\$0	\$0
8) Elim. Ind. Assoc dues			(1,911)			\$737				(\$1,174)	\$1,174
9) Elim charitable contributions			\$0			\$0				\$0	\$0
10) Elim. Social Activities			(\$22,573)			\$8,708				(\$13,866)	\$13,866
11) Elim. promotional expenses			(\$1,013)			\$391				(\$622)	\$622
12) Elim. Civic Dues			\$0			\$0				\$0	\$0
13) Interest income	\$1,200					\$463				\$463	\$737
14) Elim. Rev Related Taxes (Franchise & PSC Assess)	(\$483,951)				(\$483,951)	\$0				(\$483,951)	\$0
15) Elim. Conservation Rev & Exp.	(\$1,214,445)	(\$1,209,181)			(\$6,078)	\$314				(\$1,214,945)	\$500
16) Elim. PGA Expenses		\$0				\$0				\$0	\$0
17) Elim. PGA Revenues	\$0					\$0				\$0	\$0
18) Elim. Flexible Gas Service	(\$169,650)		(\$48,949)	(\$10,946)	(\$3,275)	(\$41,075)				(\$104,245)	(\$65,405)
19) Out of Period Adjustments			\$0			\$0				\$0	\$0
TOTAL FPSC ADJUSTMENTS	(\$1,866,846)	(\$1,209,181)	(\$74,492)	(\$24,355)	(\$496,464)	\$55,792	\$0	\$0	\$0	(\$1,748,700)	(\$118,146)
FPSC ADJUSTED	\$16,632,628	(\$0)	\$8,850,628	\$2,133,853	\$1,131,713	\$1,472,759	\$0	\$0	\$0	\$13,588,953	\$3,043,675
COMP RATE ADJ REVENUES - DEFICIT/(SURPLUS)	\$0					\$0				\$0	\$0
ADJUSTED FOR COMP RATE ADJ REVENUES	\$16,632,628	(\$0)	\$8,850,628	\$2,133,853	\$1,131,713	\$1,472,759	\$0	\$0	\$0	\$13,588,953	\$3,043,675
PROFORM ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PRO FORMA ADJUSTED	\$16,632,628	(\$0)	\$8,850,628	\$2,133,853	\$1,131,713	\$1,472,759	\$0	\$0	\$0	\$13,588,953	\$3,043,675

AVERAGE	ADJUSTMENTS							LOW POINT		MIDPOINT		HIGH POINT	
	PER BOOKS	NON-UTILITY	ADJUSTED BOOKS	PRO-RATA	SPECIFIC	BALANCE	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
	COMMON EQUITY	\$25,558,854	\$0	\$25,558,854	\$0	(\$367,446)	\$25,191,408	45.23%	9.80%	4.43%	10.80%	4.89%	11.80%
LONG TERM DEBT	\$12,489,949	\$0	\$12,489,949	\$0	(\$179,561)	\$12,310,388	22.10%	5.03%	1.11%	5.03%	1.11%	5.03%	1.11%
SHORT TERM DEBT	\$6,047,097	\$0	\$6,047,097	\$0	(\$86,936)	\$5,960,161	10.70%	1.21%	0.13%	1.21%	0.13%	1.21%	0.13%
SHORT TERM DEBT REFINANCED LTD	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$997,502	\$0	\$997,502	\$0	\$0	\$997,502	1.79%	2.35%	0.04%	2.35%	0.04%	2.35%	0.04%
DEFERRED INCOME TAXES	\$11,198,666	\$0	\$11,198,666	\$0	\$0	\$11,198,666	20.11%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$35,145	\$0	\$35,145	\$0	\$0	\$35,145	0.06%	5.67%	0.00%	6.13%	0.00%	6.58%	0.00%
TOTAL AVERAGE	\$56,327,213	\$0	\$56,327,213	\$0	(\$633,943)	\$55,693,270	100.00%		5.71%		6.17%		6.62%

YEAR-END	ADJUSTMENTS							LOW POINT		MIDPOINT		HIGH POINT	
	PER BOOKS	NON-UTILITY	ADJUSTED BOOKS	PRO-RATA	SPECIFIC	BALANCE	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
	COMMON EQUITY	\$27,631,600	\$0	\$27,631,600	\$0	(\$214,225)	\$27,417,375	46.32%	9.80%	4.54%	10.80%	5.00%	11.80%
LONG TERM DEBT	\$11,726,540	\$0	\$11,726,540	\$0	(\$90,915)	\$11,635,625	19.66%	5.17%	1.02%	5.17%	1.02%	5.17%	1.02%
SHORT TERM DEBT	\$7,337,797	\$0	\$7,337,797	\$0	(\$56,890)	\$7,280,907	12.30%	0.96%	0.12%	0.96%	0.12%	0.96%	0.12%
SHORT TERM DEBT REFINANCED LTD	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$1,021,137	\$0	\$1,021,137	\$0	\$0	\$1,021,137	1.72%	2.29%	0.04%	2.29%	0.04%	2.29%	0.04%
DEFERRED INCOME TAXES	\$11,816,515	\$0	\$11,816,515	\$0	\$0	\$11,816,515	19.96%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$25,383	\$0	\$25,383	\$0	\$0	\$25,383	0.04%	5.68%	0.00%	6.14%	0.00%	6.61%	0.00%
TOTAL YEAR-END	\$59,558,972	\$0	\$59,558,972	\$0	(\$362,030)	\$59,196,942	100.00%		5.72%		6.18%		6.65%