Eric Fryson

From:

Keating, Beth [BKeating@gunster.com]

Sent:

Tuesday, July 31, 2012 2:44 PM

To:

Filings@psc.state.fl.us

Cc:

Martha Brown

Subject:

Docket No. 120036-GU

Attachments: 20120731143758846.pdf

Attached for electronic filing in the referenced Docket, please find a copy of Florida Public Utilities Company and Florida Division of Chesapeake Utilities Corporation's updated and revised Attachment G, as well as revised tariff pages, filed consistent with discussions with Commission staff.

a. Person responsible for this electronic filing:

Beth Keating

Gunster, Yoakley & Stewart, P.A.

215 S. Monroe St., Suite 601 Tallahassee, FL 32301 bkeating@gunster.com
Direct Line: (850) 521-1706

b. Docket No. 120036-GU - Joint petition for approval of Gas Reliability Infrastructure Program (GRIP) by Florida Public Utilities Company and the Florida Division of Chesapeake Utilities Corporation.

c. On behalf of: Florida Public Utilities Company

d. There are a total pages: 12

e. Description: Revised Attachment G and Revised Tariff Pages



Beth Keating | Attorney Governmental Affairs 215 S. Monroe Street, Suite 601 Tallahassee, FL 32301 P 850-521-1706 C 850-591-9228 gunster.com | View my bio

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PROUMENT NUMBER - DATE

05126 JUL31 º



Writer's Direct Dial Number: (850) 521-1706 Writer's E-Mail Address: bkeating@gunster.com

July 31, 2012

VIA ELECTRONIC FILING

Ms. Ann Cole, Clerk Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399-0850

Re: Docket No. 120036-GU - Joint petition for approval of Gas Reliability Infrastructure Program (GRIP) by Florida Public Utilities Company and the Florida Division of Chesapeake Utilities Corporation.

Dear Ms. Cole:

Attached for filing in the referenced docket, please find Florida Public Utilities Company's and the Florida Division of Chesapeake Utilities Corporation's revised tariff pages:

Chesapeake – Original Sheet No. 105.1 and Original Sheet No. 105.2 Florida Public Utilities Company – Seventh Revised Sheet No. 35.4

Also included with this filing is the updated (Revised) Attachment G, filed consistent with discussions with Commission staff.

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

PROCEMENT NUMBER - DATE

05|26 JUL31º

RATE SCHEDULES MONTHLY RATE ADJUSTMENTS Rate Schedule MRA

7. GAS INFRASTRUCTURE REPLACEMENT PROGRAM (GRIP):

Applicability:

All Customers receiving Transportation Service from the Company and are assigned to or have selected rate schedules FTS-A, FTS-B, FTS-1, FTS-2, FTS-2.1, FTS-3, FTS-3.1, FTS-4, FTS-5, FTS-6, FTS-7, FTS-8, FTS-9, FTS-10, FTS-11, FTS-12, and FTS-13.

The Usage Rate 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, 2013 through December 31, 2013 for each rate classification are as follows:

| Rate Schedule | Classification of Service | Rate per therm |
|---------------|--|----------------|
| FTS-A | < 130 therms | \$0.02652 |
| FTS-B | > 130 therms up to 250 therms | \$0.01438 |
| FTS-1 | > 0 up to 500 therms | \$0.01610 |
| FTS-2 | > 500 therms up to 1,000 therms | \$0.01307 |
| FTS-2.1 | > 1,000 therms up to 2,500 therms | \$0.01751 |
| FTS-3 | > 2,500 therms up to 5,000 therms | \$0.01023 |
| FTS-3.1 | > 5,000 therms up to 10,000 therms | \$0.01152 |
| FTS-4 | > 10,000 therms up to 25,000 therms | \$0.01204 |
| FTS-5 | > 25,000 therms up to 50,000 therms | \$0.01517 |
| FTS-6 | > 50,000 therms up to 100,000 therms | \$0.00838 |
| FTS-7 | > 100,000 therms up to 200,000 therms | \$0.01029 |
| FTS-8 | > 200,000 therms up to 400,000 therms | \$0.01642 |
| FTS-9 | > 400,000 therms up to 700,000 therms | \$0.01326 |
| FTS-10 | > 700,000 therms up to 1,000,000 therms | \$0.01729 |
| FTS-11 | > 1,000,000 therms up to 2,500,000 therms | \$0.01180 |
| FTS-12 | > 2,500,000 therms up to 12,500,000 therms | \$0.01231 |
| FTS-13 | > 12,500,000 therms | N/A |

Issued by: Michael P. McMasters, President

Chesapeake Utilities Corporation

DECEMENTALE DATE

05126 JUL 31 ≥

RATE SCHEDULES MONTHLY RATE ADJUSTMENTS Rate Schedule MRA

7. GAS INFRASTRUCTURE REPLACEMENT PROGRAM (GRIP) (Experimental):

Applicability:

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

The Firm 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, 2013 through December 31, 2013 for each rate classification are as follows:

| Consumer | | |
|---------------|------|----------|
| Rate Schedule | Rate | per bill |
| FTS-A (Exp) | \$ | 0.24 |
| FTS-B (Exp) | \$ | 0.26 |
| FTS-1 (Exp) | \$ | 0.37 |
| FTS-2 (Exp) | \$ | 0.95 |
| FTS-2.1 (Exp) | \$ | 2.29 |
| FTS-3 (Exp) | \$ | 3.40 |
| FTS-3.1 (Exp) | \$ | 7.14 |

Issued by: Michael P. McMasters, President

Chesapeake Utilities Corporation

| Effective: | , |
|------------|---|
| errective: | |

BILLING ADJUSTMENTS (Continued from Sheet No. 35.3)

Gas Reliability Infrastructure Program (GRIP)

The bill for gas or transportation service 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 2013 through the last billing cycle for December 2013 are as follows:

| Rate Class | GRIP Factor |
|----------------------|-----------------------|
| | |
| Rate Schedule RS | 0.584 cents per therm |
| Rate Schedule GS-1 | 0.636 cents per therm |
| Rate Schedule GS-2 | 0.636 cents per therm |
| Rate Schedule GSTS-1 | 0.636 cents per therm |
| Rate Schedule GSTS-2 | 0.636 cents per therm |
| Rate Schedule LVS | 0.272 cents per therm |
| Rate Schedule LVTS | 0.272 cents per therm |
| Rate Schedule IS | 0.261 cents per therm |
| Rate Schedule ITS | 0.261 cents per therm |
| Rate Schedule GLS | 0.473 cents per therm |
| Rate Schedule GLSTS | 0.473 cents per therm |

(Continued to Sheet No. 35.5)

Issued by: Jeffry Householder, President Effective:_____

Florida Public Utilities Company

Gas Reliability Infrastructure Program (GRIP) Investment and Annual Recovery information

Revised Attachment G - Question 6 (REVISED 7/31/12) Schedule A (FPUC)

Plant

| Item | <u>%</u> | Amount | Quantity | | <u>Per Ui</u> | nit \$ |
|---|-----------|-----------------|-------------------|-------|---------------|-------------|
| Bare Steel (Qualified) Remaining Replacement Investment, approved in Docket No. 080366-GU | | | | | | |
| Mains | \$ | | 219.2 | Miles | \$ | 127,459 |
| Services | | 9,447,335 | 11,602 | Each | \$ | 814 |
| Total Bare Steel replacement Investment 1/1/2009 | <u>\$</u> | 37,386,365 | ŧ | | | |
| Estimated Qualified Remaining Replacement Investment as of 6/30/2012 | | | | | | |
| Mains | 74% \$ | 34,503,084 | 198 | Miles | \$ | 174,258 |
| Services | 26%_\$ | 12,416,880 | 7,980 | Each | \$ | 1,556 |
| Remaining Qualified Replacement Investment as of 06/30/2012 | \$ | 46,919,964 | • | | | |
| Annual Qualified Replacement Investment, beginning 7/1/2012 | 7/1 | /2012-6/30/2014 | 10 | Years | 7/1/201 | 4-6/30/2022 |
| Mains | \$ | 5,865,524 | | | \$ | 2,846,504 |
| Services | \$ | 2,110,870 | _ | | \$ | 1,024,393 |
| Total Annual Qualified Replacement Investment | \$ | 7,976,394 | | | \$ | 3,870,897 |
| | | | | | | |
| | | Net | | | | |
| | | Amount | | | | |
| Annual Amortization, 50 year period, approved in Docket No. 080366-GU, beginning 1/1/2009 | | | | | | |
| Mains | \$ | 558,780 | | | | |
| Services | | 188,947 | | | | |
| Total Annual Amortization | \$ | 747,727 | • | | | |
| Accumulated Amortization as of 06/30/2012, 50 year amortization program | | | | | | |
| Mains | \$ | 1,955,730 | | | | |
| Services | | 661,315 | | | | |
| Accumulated Amortization as of 06/30/2012 | \$ | | . = | | | |
| | | | | | | |
| Earnings Surveillance Report - December 31, 2011 | | | | | | |
| Equity Cost Rate | | 10.85% | | | | |
| Weighted Equity Cost Rate | | 5.37% | | | | |
| Revenue Expansion Factor | _ | 1.6197 | - | | | |
| Weighted Equity Cost Rate, times Revenue Expansion Factor | | 8.698% | _ | | | |
| Weighted Debt Cost Rate | | 2.30% | | | | |
| Overall Weighted Cost Rate | | 7.67% | = | | | |

Florida Public Utilities Company Gas Rebibliky Infragruence Program (GRIP) Calculation of the Projected Revenue Requirements July 1, 2012 through June 30, 2013

<u>Hem</u>

Qualified Investment - Mains - Current Year Qualified investment - Services - Current Year

Total Qualified Investment - Mains **Total Qualified Investment - Services**

Less: Accumulated Depreciation

Total Qualified Investment

Net Book Value

Average Het Qualified Investment

Depreciation Rates

Approved Depreciation Rate-Mains Approved Depreciation Rate-Services

Return on Average Net Qualified Investment Equity - Cost of Capital, Inclusive of Income Tax Gross-up

Debt - Cont of Capital

Equity Component - inclusive of Income Tax Gross-up Debt Component

Return Requirement

Investment Expenses

Oppreciation Expense - Mains Depreciation Expense - Services

Property Taxes

Customer Notice Expense General Public Notice Expense **Total Expense**

Total Revenue Requirements

Annual Revenue Requirement for Bare Steel Replacement Investment Net Annual Revinue Requirements

Estimated

Net Bare Steel/ Qualified investment Recovery to date Net Bare Steel/Qualified Investment Made to date

Nex Recovery less investment to be refunded/(collected) -True up

Revised Attachment G - Question 6 (REVISED 7/31/12) Schedule & (FPUC) Page 1 of ≥

| Beginning <u>Balance</u> | Apri | August | <u>September</u> | Ostober | November | <u>December</u> | <u>Yosunel</u> | <u>February</u> | March | April | · <u>May</u> | June | Year End Total |
|-----------------------------|-----------|-------------|------------------|----------------|----------------|-----------------|----------------|-----------------|--------------------|-------------|---------------|----------------|----------------------|
| | \$488,794 | \$488,794 | \$488,794 | \$488,794 | \$488,794 | \$488,794 | \$488,794 | \$488,794 | \$488,794 | \$488,794 | \$488,794 | \$488,794 | \$5,865,524 |
| | \$175,906 | \$175,906 | \$175,906 | \$175,906 | \$175,906 | \$175,906 | \$175,906 | \$175,906 | \$175,906 | \$175,906 | \$175,906 | \$175,906 | \$2,110,870 |
| | V | 42,2200 | 44.4,500 | **** | | 7 . | ,, | 32. 3,500 | | V2. 0,-00 | 31/2,500 | 34.3,300 | \$2,210,070 |
| \$0 | \$488,794 | \$977,587 | \$1,466,381 | \$1,955,175 | \$2,443,968 | \$2,932,762 | \$3,421,556 | \$3,910,349 | \$4,399,143 | \$4,887,937 | \$5,376,730 | \$5,865,524 | \$5,865,524 |
| \$D | \$175,906 | \$351,812 | \$527,718 | \$703,623 | \$879,529 | \$1,055,435 | \$1,231,341 | \$1,407,247 | \$1,583,153 | \$1,759,058 | \$1,934,964 | \$2,110,870 | \$2,110,870 |
| \$0 | \$664,700 | \$1,329,399 | \$1,994,099 | \$2,658,798 | 53,323,498 | \$3,988,197 | \$4,652,897 | \$5,317,596 | \$5,982,296 | \$6,646,995 | \$7,311,695 | 57,976,394 | \$7,576,394 |
| | _ | | | | | | | | | | | | |
| \$0 | (\$1,517) | (\$4,550) | (\$9,100) | (\$15,167) | [\$22,751] | (\$31,851) | (\$42,468) | (\$54,602) | <u>(\$</u> 68,252) | (\$83,420) | (\$100,104) | (\$118,304) | (\$215,304) |
| \$0 | \$663,183 | \$1,324,849 | \$1,984,998 | \$2,643,631 | \$3,300,747 | \$3,956,346 | \$4,610,428 | \$5,262,994 | \$5,914,043 | \$6,563,575 | \$7,211,591 | \$7,858,090 | \$7,858,090 |
| _ | | | | | | | | | | | | | |
| _ | \$331,591 | \$994,016 | \$1,654,924 | \$2,314,114 | \$2,972,189 | \$3,628,546 | \$4,283,387 | \$4,936,711 | 55,548,519 | \$6,238,809 | \$6,887,583 | \$7,534,840 | |
| | | | | | | | | | | | • | | |
| | 2.50% | 2,50% | 7 500 | 3.500 | * **** | 2,50% | 2 505 | 2.000 | | | | | |
| | 3,40% | 3.40% | 2.50% 3.40% | 2.50% 3.40% | 2.50% 3.40% | 3,40% | 2,50% 3,40% | 2.50% 3.40% | 2.50% 3.40% | 2.50% | 2.50% | 2.50% | |
| | 3,40% | 3.40% | 3.40% | 2.40% | 5.40% | 3.40% | 3,40% | 3.40% | 3.40% | 3.40% | 3.40% | 3.40% | |
| | | | | | | | | | | | | | |
| | 8.6980% | 8.6910% | 8,6980% | 8,6980% | 8.6980% | 8.6990% | 8.6940% | 8.6980% | 8.6980% | 8.6930% | 8,6980% | 1.6980% | |
| | 2,3000% | 2_3000% | Z.3000% | 2,3000N | 2.3000% | 2.3000W | 2,3000% | 2.3000% | 2,3000% | 7.3000% | 2.3000% | 2.3000% | |
| | | | | | | | | | | | | • | |
| | \$2,403 | 57,205 | \$11,995 | \$16,775 | \$21,543 | \$26,301 | \$31,047 | \$35,783 | \$40,507 | \$45,221 | \$49,923 | \$54,615 | \$343,320 |
| _ | 5636 | \$1,905 | \$3,172 | <u>\$4,436</u> | \$5,697 | \$6,955 | \$8,210 | \$9,462 | \$10,711 | \$11,958 | \$13,201 | \$14,442 | \$90,784 |
| _ | \$3,039 | \$9,110 | \$15,167 | \$21,211 | \$27,240 | \$33,256 | \$39,257 | \$45,245 | \$51,219 | \$57,179 | \$63,125 | \$69,057 | \$434,104 |
| | | | | | | | | | | | | | |
| | \$1,018 | \$2,037 | \$3,055 | \$4,073 | \$5,092 | \$6,110 | \$7,128 | \$4,147 | \$9,165 | \$10,183 | \$11,202 | \$12,220 | \$79,429 |
| | 5498 | \$997 | \$1,495 | \$1,994 | 52,492 | \$2,990 | \$3,489 | \$3,987 | \$4,486 | \$4,984 | \$5,482 | \$5,981 | \$79.429 \$38,875 |
| • | 50 | \$0 | \$0 | 50 | \$0 | \$0 | \$6,594 | \$6,594 | \$6,594 | \$6,\$94 | \$6,594 | \$6,594 | \$39,564 |
| | \$24,000 | \$0 | \$0 | 50 | \$0 | \$0 | \$0 | \$0,354 | \$0,554 | \$0,50 | 30,354 \$0 | \$0,354 \$0 | 524,000 |
| | \$833 | \$833 | \$833 | \$833 | 5833 | 5833 | \$833 | \$833 | \$833 | \$833 | \$833 | \$833 | \$9,996 |
| _ | \$26,350 | \$3,866 | \$5,383 | \$6,900 | \$8,417 | \$9,933 | \$18,044 | \$19,561 | \$21,077 | \$22,594 | \$24,111 | \$25,528 | \$291,864 |
| - | | | | | | | | | | · · · · · · | | , - , | <u> </u> |
| | \$29,389 | \$12,977 | \$20,551 | \$20,111 | \$35,657 | \$43,189 | \$57,301 | \$64,806 | \$72,296 | \$79,773 | \$87,236 | \$94,684 | \$625,968 |
| | | | | | | | | | | | | | |

\$747,727 (\$121,759)

As of 6/30/2012 True up \$ 2,617,045 2,617,045

Florida Public Utilities Company

Cas Reliability Infrastructure Program (GRIP)
Calculation of the Projected Roverac Requirements
July 1, 2013 through December 31, 2013

Qualified investment - Mains - Current Year Qualified Investment - Services - Current Year

Total Qualified Investment - Mains **Total Qualified Investment - Services** Total Qualified Investment

Less: Accumulated Depreciation Net Book Value

Average Net Qualified investment

Depreciation Rates

Approved Depreciation Rate-Mains Approved Depreciation Rate-Services

Return on Average Net Qualified Investment

Equity - Cost of Capital, inclusive of Income Tax Gross-up Debt - Cost of Capital

Equity Component - Inclusive of Income Tax Gross-up

Debt Component Return Requirement

investment Expenses

Depreciation Expanse - Mains Depreciation Expense - Services Property Taxes

Customer Notice Expense General Public Notice Expense

Total Expense

Total Revenue Requirements

Annual Revenue Requirement for Sare Steel Replacement Investment Net Annual Revenue Requirements

Revised Attachment 6 - Question 6 (REVISED 7/31/12) Schedule B (FPUC) Page 2 of 2

| Beginning Balance | hily | ALPREST | <u>September</u> | <u>October</u> | November | December | January | February | Marsh | April | May | <u>junë</u> | Year End <u>Total</u> |
|----------------------|-------------|--------------------------|------------------|----------------|---------------------------------------|--------------|---------|------------|-------------|------------|---------|-------------|--------------------------|
| | \$488,794 | \$488,794 | \$488,794 | 5488,794 | \$488,794 | \$488,794 | | | | | | | 52,932,762 |
| | \$175,906 | \$175,906 | \$175,906 | \$175,906 | \$175,906 | \$175,906 | | | | | | | \$1,055,435 |
| \$5,865,524 | \$6,354,318 | \$6.843.111 | \$7,331,905 | \$7,820,699 | \$8,309,492 | \$8,798,286 | | | | | | | \$8,798,286 |
| \$2,110,870 | \$2,286,776 | 52,462,682 | \$2,638,588 | \$2,814,493 | \$2,990,399 | \$3,166,305 | | | | | | | \$3,166,305 |
| \$7,976,394 | \$1,641,094 | \$9,305,793 | \$9,970,493 | \$10,635,192 | \$11,299,892 | \$11,964,591 | \$0 | \$0 | \$D | \$0 | \$0 | \$0 | 511,964,591 |
| | | | | | | Mara 2421 | *- | | •• | ćo. | \$0 | \$0 | (\$259,359) |
| (\$118,304) | (\$138,022) | (\$15 9 ,256) | (\$182,006) | (\$206,274) | (\$232,058) | (\$259,359) | \$0 | \$0 \$0 | \$0 \$0 | \$0 \$0 | | 50 | \$11,705,232 |
| \$7,858,090 | \$8,503,072 | \$9,146,537 | \$9,788,486 | \$10,428,918 | \$11,067,833 | \$11,705,232 | \$0 | \$0 | \$6 | ŞU | 30 | 30 | 311,703,232 |
| - | | | 59,467,512 | \$10,108,702 | \$10,748,376 | \$11,386,533 | \$0 | \$0 | \$0 | \$0 | 50 | \$0 | |
| - | \$8,189,581 | 58,824,805 | \$9,407,312 | \$10,108,702 | , , , , , , , , , , , , , , , , , , , | 32,000,303 | 70 | | | <u></u> | | | |
| | | | | | | | | | | | | | |
| | 2.50% | 2.50% | 2,50% | 2.50% | 2,50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | |
| | 3.40% | 3,40% | 3.40% | 3.40% | 3.40% | 3.40% | 3,40% | 3.40% | 3,40% | 3,40% | 3.40% | 3.40% | |
| | 8.6980% | 8.6980% | 8,6980% | 8,6980% | 1.6980% | 8,6980% | 8.6980% | 8.6980% | 8.6980% | 8,6980% | 1,6980% | 8.5980% | |
| | 2.3000% | 2.3000% | 2.3000% | 2.3000% | 2.3000% | 2.3000% | 2.3000% | 2.3000% | 2.3000% | 2.3000% | 2,3000% | 2.3000% | |
| | \$59,296 | \$63,965 | \$68,624 | \$73,271 | \$77,908 | \$82,533 | \$0 | \$0 | \$0 | \$0 | \$e | 50 | \$425,597 |
| | \$15,679 | \$16,914 | \$1B,146 | \$19,375 | \$20,601 | \$21,824 | ŝa | \$0 | \$0 | \$0 | \$C | 50 | \$1,12,540 |
| - | \$74,975 | \$80,879 | \$86,770 | \$92,646 | \$94,509 | \$104,358 | \$0 | 50 | \$0 | 50 | \$0 | \$0 | \$538,137 |
| | | | | | | | | | | | | | |
| | \$13,238 | \$14,256 | \$15,275 | \$16,293 | \$17,311 | \$38,330 | \$0 | \$0 | \$ a | \$0 | \$0 | \$0 | \$94,704 |
| | \$6,479 | \$6,971 | \$7,476 | \$7,974 | \$8,473 | \$8,971 | \$0 | \$0 | \$0 | \$D | \$0 | \$0 | \$46,351 |
| | \$6,594 | \$6,594 | \$6,594 | \$6,594 | \$6,594 | \$6,394 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$39,564 |
| | \$24,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$24,000 |
| | 5833 | \$833 | \$833 | \$833 | \$833 | \$#33 | \$0 | SO | \$0 | \$D | şo_ | \$0 | \$4,998 |
| | \$51,144 | \$28,661 | \$30,178 | \$31,695 | \$33,211 | 534,728 | \$0 | \$0 | \$0 | \$Q | \$0 | \$0 | \$209,617 |
| | \$126,119 | \$109,540 | \$116,948 | \$174,341 | \$131,720 | \$139,086 | \$0_ | \$0 | \$0 | \$0 | \$0 | \$0 | \$747,754 |

5373,864 \$373,490

Florida Public Utilities Company

Gas Reliability Infrastructure Program (GRIP)
Projection of Qualified Mains & Services Revenue Requirements
Surcharge Calculation - January 1, 2013 through December 31, 2013
Per Therm Rate

Revised Attachment G - Question 6 (REVISED 7/31/12) Schedule C (FPUC) Page 1 of 1

| enue Requirement | 5 | \$252,131 |
|------------------|--|---|
| 74% | \$186,577 | |
| 26% | \$65,554 | |
| _ | \$252,131 | |
| | | \$0 |
| equirements | | \$252,131 |
| 74% | \$186,577 | |
| 26% | \$65,554 | |
| | \$252,131 | |
| | 74% 26% == equirements 74% | 26% \$65,554 \$252,131 equirements 74% \$186,577 26% \$65,554 |

| RATE SCHEDULE | 2010 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 |
|---|----------------|-------------------|----------------|---------------------|---------------------------|-----------------|-------------------------|---------------|------------------------------|-----------------------------|----------------|
| RESIDENTIAL | 13,598,390 | 58.00% | 22.00% | \$38,021 | \$41,047 | \$79,068 | \$0.00581 | 1.00503 | \$0.00584 | 250 | \$1.46 |
| COMMERCIAL SMALL (General Service & GS Transportation) | 8,536,560 | 17.00% | 23.00% | \$11,144 | \$4 2, 9 13 | \$54,057 | \$0,00633 | 1.00503 | \$0.00636 | 2,500 | \$15.91 |
| COMM, LRG VOLUME (Large Vol & LV Transportation) | 37,819,530 | 25.00% | 46.00% | \$16,389 | \$85,825 | \$102,214 | \$0.00270 | 1.00503 | \$0.00272 | 25,000 | \$67.91 |
| INTERRUPTIBLE SERVICE (Int Service & IS Transportation) | 5,737,400 | 0.00% | 8.00% | \$0 | \$14,926 | \$14,926 | \$0,00260 | 1.00503 | \$0.00261 | 50,000 | \$130.73 |
| GENERAL LIGHTING SERVICE | 396,090 | 0.00% | 1.00% | \$0 | \$1,866 | \$1,866 | \$0.00471 | 1.00503 | \$0.00473 | 500 | \$2.3 7 |

| TOTAL | 66,087,970 | 100.00% | 100.00% | \$65,554 | \$186,577 | \$252,131 |
|-------|------------|---------|---------|----------|-----------|-----------|
| | | | | | | |

Florida Division of Chesapeake Utilities Corporation

Gas Reliability Infrastructure Program (GRIP)
Investment and Annual Recovery information

Revised Attachment H - Question 6 (REVISED 7/31/12) Schedule A (CHPK)

| | | Plant | | | |
|--|--------------|---------------|----------|-------|--------------------|
| Item | <u>%</u> | <u>Amount</u> | Quantity | | <u>Per Unit \$</u> |
| Estimated Qualified Remaining Replacement Investment as of 6/30/2012 | | | | | |
| Mains | 96% \$ | 26,487,216 | 152 | Miles | \$ 174,258 |
| Services | 4% <u>\$</u> | 1,185,672 | 762 | Each | \$ 1,556 |
| Remaining Qualified Replacement Investment as of 06/30/2012 | \$ | 27,672,888 | : | | · |
| Annual Qualified Replacement Investment, beginning 7/1/2012 | | | 10 | Years | |
| Mains _ | • \$ | 2,648,722 | | | |
| Services | \$ | 118,567 | | | |
| Total Annual Qualified Replacement Investment | <u>\$</u> | 2,767,289 | : | | |
| Earnings Surveillance Report - December 31, 2011 | | | | | |
| Equity Cost Rate | | 10.80% | | | |
| Weighted Equity Cost Rate | | 5.43% | | | |
| Revenue Expansion Factor | | 1.6114 | | | |
| Weighted Equity Cost Rate, times Revenue Expansion Factor | | 8.750% | • | | |
| Weighted Debt Cost Rate | | 2.00% | | | |
| Overall Weighted Cost Rate | | 7.43% | | | |

Florida Division of Chesapeake Utilities Corporation
One Reliability Infrastructure Program (GRIP)
Calculation of the Projected Revenue Requirements
July 1, 2012 through June 30, 2013

Revised Attachment H - Question 6 (REVISED 7/31/12) Schedule B (CHPK) Page 1 of 2

| | | aetmune | | | | | | | | | | | | | Year End |
|---------------|--|----------------|-------------|-----------|----------------------------|-----------|-----------------|-------------|----------------|-----------------|-------------------------|-------------|-------------|-------------|-------------|
| <u>item</u> | | <u>Balance</u> | <u>July</u> | August | <u>September</u> | Ostober | <u>November</u> | December | <u>Jimuary</u> | <u>February</u> | March | April | May | June | Total |
| Qualified inv | | | | | | | | | | | | | _ | | |
| | Qualified investment - Mains - Current Year | | \$220,727 | \$220,727 | 5220,727 | \$220,727 | \$220,727 | \$220,727 | \$220,727 | \$220,727 | \$220,727 | \$220,727 | \$220,727 | \$220,727 | \$2,648,722 |
| | Qualified investment - Services - Current Year | | \$9,881 | \$9,881 | \$9,881 | \$9,883 | \$9,881 | \$9,841 | \$9,881 | \$9,881 | 59,881 | \$9,821 | \$9,881 | \$9,881 | \$118,567 |
| | Total Qualified Investment - Mains | \$0 | \$220,727 | \$441,454 | \$652,181 | \$882,907 | \$1,103,634 | \$1,324,361 | \$1,545,088 | \$1,765,815 | \$1,986,542 | \$2,207,268 | \$2,427,995 | 52,648,722 | 52,648,722 |
| | Total Qualified Investment - Services | \$0 | \$9,881 | \$19,761 | \$29,642 | \$39,522 | 349,403 | \$59,284 | \$69,164 | \$79,045 | \$88,925 | \$98,806 | \$108,686 | \$114,567 | \$118,567 |
| | Total Qualified Investment | <u>so</u> | \$230,607 | \$461,215 | \$691,822 | \$922,430 | 51,153,037 | \$1,383,645 | \$1,614,252 | \$1,844,859 | \$2,075,467 | \$2,306,074 | \$2,536,682 | \$2,767,229 | \$2,767,289 |
| | Less: Accumulated Depreciation | \$0 | (\$637) | (\$2,910) | (\$3,620) | (\$6,366) | (\$9,550) | (513,369) | (\$17,826) | (\$22,919) | (S28,649) | (\$35.015) | (\$42,018) | (\$49,658) | (\$49,658) |
| | Net Book Value | \$0 | \$229,971 | \$459,305 | \$688,002 | \$916,063 | \$1,143,487 | \$1,370,275 | \$1,596,426 | \$1,821,940 | \$2,046,818 | \$2,271,059 | \$2,494,663 | \$2,717,631 | \$2,717,631 |
| | Average Net Qualified Investment | _ | \$114,985 | \$344,638 | \$573,654 | \$802,033 | \$1,029,775 | \$1,256,481 | \$1,483,351 | \$1,709,183 | \$1,934,37 9 | \$2,158,938 | \$2,382,861 | \$2,606,147 | |
| Depreciation | Rates | | | | | | | | | | | | | | |
| | Approved Depreciation Rate-Mains | | 3.30% | 3.30% | 3.30% | 3,30% | 3.30% | 3.30% | 3,30% | 3.30% | 3.30% | 3.30% | 3,30% | 3.30% | |
| | Approved Depreciation Rate-Services | | 3.60% | 3.60% | 3.60% | 3,60% | 3,60% | 3.60% | 3.60% | 3,60% | 3.60% | 3.60% | 3.60% | 3.60% | |
| Return on Av | erage Net Qualified Investment | | | | | | | | | | | | | | |
| | Equity - Cost of Capital, inclusive of Income Tax Gross-up | | 8.7500% | 8.7500% | 8.7500% | 8,7500% | 2,7500% | 8.7500% | 8.7500% | 8.7500% | 8.7500% | 8.7500% | 8.7500% | 8.7500% | |
| | Debt - Cost of Capital | | 2.0000% | 2.0000% | 2.0000% | 2,0000% | 2.0000% | 2.0000% | 2.0000% | 2.0000% | 2.0000% | 2.0000% | 2.0000% | 2.0000% | |
| | Equily Component - Inchainse of Income Tax Gross-up | | \$836 | \$2,513 | \$4,183 | \$5,148 | \$7,509 | \$9,165 | \$10,416 | \$12,463 | \$14,105 | \$15,742 | \$17,375 | \$19,003 | \$119,560 |
| | Debt Component | _ | \$192 | \$574 | \$ 9 5 <u>6</u> | \$1,337 | \$1,716 | \$2,095 | \$2,472 | \$2,849 | \$3,224 | \$3,598 | \$3,971 | \$4,344 | \$27,328 |
| | Return Requirement | _ | \$1,030 | \$3,087 | \$5,139 | \$7,185 | \$9,225 | \$11,260 | \$13,284 | \$15,311 | \$17,329 | \$19,340 | \$21,346 | \$23,347 | 5146,888 |
| Investment E | • | | | | | | | | | | | | | | |
| | Depreciation Expense - Mains | | \$607 | \$1,214 | \$1,821 | \$2,428 | \$3,035 | \$3,642 | \$4,249 | \$4,856 | \$5,463 | \$6,070 | \$6,677 | \$7,284 | \$47,346 |
| | Depreciation Expense - Services | | \$30 | \$59 | \$89 | 5119 | \$148 | \$178 | \$207 | \$237 | \$267 | \$296 | \$326 | \$356 | \$2,312 |
| | Property Taxes | | \$0 | \$0 | \$0 | 50 | \$0 | \$0 | \$2,284 | \$2,284 | \$2,284 | \$2,284 | \$2,284 | \$2,284 | \$13,704 |
| | Customer Notice Expense | | \$5,794 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | 50 | ŝo | 50 | \$6,794 |
| | General Public Notice Expense | _ | \$417 | \$417 | \$417 | \$417 | \$417 | \$417 | \$417 | \$417 | \$417 | \$417 | \$417 | \$417 | \$5,002 |
| | Total Expense | _ | \$7,848 | \$1,690 | \$2,327 | \$2,964 | \$3,600 | \$4,237 | \$7,157 | \$7,794 | 58,430 | \$9,067 | \$9,704 | \$10,340 | \$75,158 |
| Total Revenu | e Aequirements | | \$3,678 | \$4,778 | \$7,466 | \$10,148 | \$12,825 | \$15,496 | \$20,446 | \$23,105 | \$25,759 | \$28,406 | \$31,050 | \$33,687 | 5222.046 |

Florida Division of Chesapeake Utilities Corporation Gas Reliability Infrastructure Program (GRIP) Calculation of the Projected Revenue Requirements July 1, 2013 through December 31, 2013

Revised Attachment H - Question 6 (REVISED 7/31/12) Schedule 8 (CHPK) Page 2 of 2

| | | Beginning | | | | | | | | | | | | | Year End |
|----------------|--|----------------|-------------------|-------------|-------------|-------------|-------------|-----------------|-----------|----------|---------|---------|---------|-------------|--------------|
| kem | | <u>Selance</u> | <u>July</u> | August | September | October | November | <u>December</u> | A THURSTY | February | March | April | May | <u>hine</u> | <u>Total</u> |
| Qualified inve | | | | | | | | | | | | | | | |
| | Qualified Investment - Mains - Current Year | | \$220,727 | \$220,727 | \$220,727 | \$220,727 | \$220,727 | 5220,727 | | | | | | | \$1,324,361 |
| | Qualified Investment - Services - Current Year | | \$9,881 | \$9,881 | \$9,881 | 59,881 | \$9,881 | 59,881 | | | | | | | \$59,284 |
| | Total Qualified Investment - Mains | \$2,648,722 | \$2,869,449 | \$3,090,176 | \$3,310,903 | \$3,531,629 | \$3,752,356 | \$3,973,083 | | | | | | | \$3.973,083 |
| | Total Qualified Investment - Services | \$118,567 | \$128 <u>,448</u> | \$138,328 | \$148,209 | 5158,089 | \$167,970 | \$177,851 | | | | | | | \$1,77,851 |
| | Total Qualified investment | \$2,767,289 | \$2,997,896 | \$3,228,504 | \$3,459,111 | \$3,689,719 | \$3,920,326 | \$4,150,934 | 50 | \$0 | \$0 | \$0 | \$0 | \$0 | \$4,150,934 |
| | Less; Accumulated Depreciation | (\$45,654) | (\$57,934) | (\$66,847) | (\$76,397) | (\$86,583) | (\$97,406) | (\$108,866) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | (\$108,866) |
| | Net Book Value | \$2,717,631 | \$2,939,962 | \$3,161,657 | \$3,382,714 | \$3,603,136 | \$3,822,920 | \$4,042,068 | \$0 | \$0 | 50 | \$0 | \$0 | \$0 | \$4,042,068 |
| | Average Net Qualified investment | - | \$2,828,797 | \$3,050,809 | \$3,272,185 | \$3,492,925 | \$3,713,028 | \$3,932,494 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| Depreciation i | Rates | | | | | | | | | | | | | | |
| | Approved Depreciation Rate-Mains | | 3.30% | 3.30% | 3.30% | 3.30% | 3.30% | 3.30% | 3.30% | 3.30% | 3.30% | 3.30% | 3.30% | 3.30% | |
| | Approved Depreciation Rate-Services | | 3,60% | 3,50% | 3.60% | 3.60% | 3,60% | 3.60% | 3.60% | 3.60% | 3.60% | 3.60% | 3.60% | 3.60% | |
| Return on Ave | arage Net Qualified Investment | | | | | | | | | | | | | | |
| | Equity - Cost of Capital, inclusive of income Tex Gross-up | | 8.7500% | 8.7500% | 8.7500% | 8.7500% | 8.7500% | 8.7500% | 8,7500% | 8.7500% | 8,7500% | 8.7500% | 8.7500% | 8.7500% | |
| | Delat - Cost of Capital | | 2.0000% | 2.0000% | 2.0000% | 2.0000% | 2.0000% | 2.0000% | 2,0000% | 2.0000% | 2.0000% | 2.0000% | 2.0000% | 2.0000% | |
| | Equity Component - Inclusive of Income Tax Gross-up | | \$20,627 | \$22,245 | \$23,860 | \$25,469 | \$27,074 | \$28,674 | \$0 | \$0 | ŞQ | \$0 | \$0 | \$0 | \$147,950 |
| | Debt Component | | \$4,715 | \$5,085 | \$5,454 | \$5,822 | \$6,188 | \$6,554 | \$0 | \$0 | \$0 | \$0 | 50 | \$0 | \$33,817 |
| | Redurn Requirement | - | \$25,341 | \$27,130 | \$29,313 | \$31,291 | \$33,263 | \$35,229 | \$0 | \$0 | 50 | \$0 | \$0 | \$0 | \$181,767 |
| Investment Ex | openses | | | | | | | | | | | | | | |
| | Depreciation Expense - Mains | | 57,891 | \$8,498 | \$9,105 | \$9,712 | \$10,319 | \$10,926 | \$0 | \$0 | . \$0 | \$0 | SO | \$0 | \$56,451 |
| | Depreciation Expense - Services | | \$385 | \$415 | \$445 | \$474 | \$504 | \$534 | \$0 | \$0 | ŚĢ | \$0 | 50 | \$0 | \$2,757 |
| | Property Taxes | | \$2,284 | \$1,284 | \$2,284 | \$2,264 | \$2,284 | \$2,284 | \$0 | \$0 | \$0 | \$0 | SD | 50 | \$13,704 |
| | Customer Natice Expense | | \$6,794 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | 50 | \$0 | 50 | 50 | \$6,794 |
| | General Public Notice Expense | _ | \$417 | \$417 | \$417 | \$417 | \$417 | \$417 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$2,500 |
| | Total Expense | - | \$17,771 | \$11,614 | \$12,250 | \$12,887 | \$13,524 | \$14,160 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$82,206 |
| Total Revenue | Requirements | | \$43,112 | \$38,944 | \$41,564 | \$44,178 | \$46,786 | \$49,389 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$263,972 |

Florida Division of Chesapeake Utilities Corporation

Gas Reliability Infrastructure Program (GRIP)

Projection of Qualified Mains & Services Revenue Requirements Surcharge Computation January 1, 2013 through December 31, 2013 Per Therm/Bill Rate

Revised Attachment H - Question 6 (REVISED 7/31/12) Schedule C (CHPK) Page 1 of 1

7/1/12-12/31/13 Qualified Mains & Services Replacement Revenue Requirements

Mains

\$466.578

Services

\$19,441 \$486,019

Net

TRUE-UP from Prior Period

\$0

First Year Qualified Mains & Services Replacement Revenue Requirements

\$486,018

\$485.018

Mains

96% \$466,578

Services Net

\$19,441 \$486,019

| | | | - | | | | | | | | | | | | | | | | | |
|---------------|---------------|-------------------|-------------------|----------------|---------------------|------|-----------------|------------------|-------------------------|---------|------------------------------|-------------|---------------------|------|------|-----|--------------------------|-----------------------------|----------------|--|
| RATE CLASS | 2010 BILLS | 2010 THERMS | SERVICES COS % | MAINS COS % | SERVICES REV REQ | | MAINS EV REQ | GRIP REV REQ | DOLLARS PER THERM | | GRIP FACTORS PER THERM | PER BILL | EXPANSION FACTOR | FAC | | 6 (| NNUAL COST ER BILL | TYPICAL ANNUAL THERMS | ANNUAL COST | |
| FTS-A | 29,700 | 273,768 | 14.34% | 0.951% | \$ 2,788 | \$ | 4,437 | \$7,2 25 | \$0.02639 | 1.00503 | \$ 0.02652 | \$ 0.24 | 1.00503 | \$ | 0.24 | \$ | 2.93 | 110 | \$2.92 | |
| FTS-B | 28,200 | 504,786 | 9.74% | 1.142% | \$ 1,894 | \$ | 5,328 | \$7,222 | \$0,01431 | 1,00503 | \$ 0.01438 | \$ 0.26 | 1,00503 | \$ | 0.26 | \$ | 3.09 | 215 | \$3.09 | |
| FTS-1 | 91,332 | 2,113,163 | 33.48% | 5.861% | \$ 6,509 | \$ | 27,346 | \$33 ,855 | \$0.01602 | 1.00503 | \$ 0.01610 | \$ 0,37 | 1,00503 | \$ | 0.37 | \$ | 4.47 | 275 | \$4.43 | |
| FTS-2 | 10,524 | 767,913 | 12.69% | 1.611% | \$ 2,467 | \$ | 7,517 | \$9,984 | \$0.01300 | 1.00503 | \$ 0.01307 | \$ 0.95 | 1.00503 | \$ | 0.95 | \$ | 11.44 | 875 | \$11.43 | |
| FTS-2.1 | 7,212 | 942,573 | 7,83% | 3.193% | \$ 1,522 | \$ | 14,898 | \$16,420 | \$0.01742 | 1.00503 | \$ 0.01751 | \$ 2.28 | 1.00503 | \$ - | 2.29 | \$ | 27.46 | 1,575 | \$27.58 | |
| FTS-3 | 2,388 | 793,413 | 3.93% | 1.567% | \$ 764 | \$ | 7,311 | \$8,075 | \$0.01018 | 1.00503 | \$ 0.01023 | \$ 3.38 | 1.00503 | \$ | 3.40 | \$ | 40.78 | 4,00 0 | \$40.91 | |
| FTS-3.1 | 2,928 | 1,814,977 | 3.91% | 4.294% | \$ 760 | \$ | 20,035 | \$20,795 | \$0,01146 | 1.00503 | \$ 0.01152 | \$ 7.10 | 1.00503 | \$ | 7.14 | \$ | 85.65 | 7,300 | \$84.06 | |
| FTS-4 | v | 2,471,241 | 4.37% | 6.162% | \$ 850 | \$ | 28,751 | \$29,601 | \$0.01198 | 1.00503 | \$ 0.01204 | | | | | | | 12,500 | \$150.48 | |
| FTS-S | | 810,118 | 1.24% | 2.570% | \$ 241 | \$ | 11,991 | \$12,2 32 | \$0.01510 | 1.00503 | \$ 0.01517 | | | | | | | 37,500 | \$569.06 | |
| FTS-6 | | 1,568,616 | 1.25% | 2.750% | \$ 243 | \$ | 12,831 | \$13,074 | \$0.00833 | 1.00503 | \$ 0,00838 | | | | | | | 75,000 | \$628.25 | |
| FTS-7 | | 3,511,513 | 2.20% | 7.615% | \$ 428 | \$ | 35,530 | \$35, 958 | \$0.01024 | 1.00503 | \$ 0.01029 | | | | | | | 150,000 | \$1,543.73 | |
| FTS-8 | | 3,076,666 | 1.62% | 10.708% | \$ 315 | \$ | 49,961 | \$50,276 | \$0.01634 | 1.00503 | \$ 0.01642 | | | | | | | 300,000 | \$4,926.98 | |
| FTS-9 | | 5,38 5,517 | 1.48% | 15.171% | \$ 288 | \$ | 70,785 | \$ 71,073 | \$0,01320 | 1.00503 | \$ 0.01326 | | | | | | | 550,000 | \$7,294.89 | |
| FTS-10 | | 1,778,121 | 0.45% | 6.539% | \$ 87 | \$ | 30,510 | \$30,597 | \$0,01721 | 1.00503 | \$ 0.01729 | | | | | | | 850,000 | \$14,699.94 | |
| FTS-11 | | 5,395,430 | 0.61% | 13.551% | \$ 119 | \$ | 63,226 | \$63,345 | \$ 0.01174 | 1.00503 | \$ 0.01180 | | | | | | | 1,750,000 | \$20,649.21 | |
| FTS-12 | | 6,222,590 | 0.47% | 16.315% | \$ 91 | \$ | 76,122 | \$76,213 | \$ 0.01225 | 1,00503 | \$ 0.01231 | | | | | | | 3,000,000 | \$36,928.20 | |
| FTS-13 | | 14,506,587 | 0.39% | 0,000% | \$ - | \$ | - | \$0 | N/A | | ,N/A | | | | | | | | N/A | |
| TOTAL | 172,284 | 51,936,992 | 100.00% | 100.000% | 5 19,441 | \$ 4 | 466,578 | \$485,945 | | | | | | | | | - | | | |