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October 22, 2015

E-PORTAL FILING

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

Re: Docket No. 150191-GU – Joint Petition for Approval to Implement GRIP for Florida Public Utilities Company-Fort Meade and for Approval of GRIP Cost Recovery Factors by Florida Public Utilities Company, Florida Public Utilities Company-Fort Meade, and Florida Division of Chesapeake Utilities Corporation.

Dear Ms. Stauffer:

Attached for filing, please find the Responses of Florida Public Utilities Company, Florida Public Utilities Company-Fort Meade, and Florida Division of Chesapeake Utilities Corporation to Staff's First Data Requests in the referenced docket. Copies of the schedules included with these responses have been forwarded separately to staff counsel in native format.

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

Kind regards,

Beth Keating
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MEK

cc:/Sevini Guffey (PSC Public Utility Analyst)

Docket No. 150191-GU – Joint Petition for Approval to Implement GRIP for Florida Public Utilities Company-Fort Meade and for Approval of GRIP Cost Recovery Factors by Florida Public Utilities Company, Florida Public Utilities Company-Fort Meade, and Florida Division of Chesapeake Utilities Corporation.

Responses to Staff's First Data Requests

The responses of Florida Public Utilities Company, Florida Public Utilities Company-Indiantown Division, Florida Public Utilities Company-Fort Meade, and the Florida Division of Chesapeake Utilities Company to Staff's First Data Requests are as follows:

Data request for Florida Public Utilities Company (FPUC)

1. Please refer to Schedule C-1 in Exhibit MC-1 (2016 FPUC GRIP revenue requirement) and state which line in "qualified investment" shows the total investment FPUC projects to spend in 2016 for the replacement of cast iron/bare steel infrastructure.

Company Response:

The total investment FPUC projects to spend is the combination of Qualified Investment-Mains-Current Year 1070 Activity and Qualified Investment-Services-Current Year 1070 Activity, Lines 9 and 11 respectively, on Schedule C-1 in Exhibit MC-1.

2. Please state the total amount of depreciation and/or operations and maintenance savings, if any, that were included as a reduction in expenses.

Company Response:

No depreciation savings were included as a reduction in expenses. The Company determined that if there were any depreciation savings, they would be offset by the change in asset life caused by the increased cost of removal.

3. Please provide all the GRIP Schedules for FPUC in excel with the formulas unlocked.

Company Response:

See attached excel file, GRIP Projection 2016-FILED.

4. Please update the table shown below that was included in Docket No. 140166-GU, Order No. PSC-14-0693-TRF-GU

FLORIDA PUBLIC UTILITIES COMPANY
Mains (Miles)

Year	Replaced Cast Iron	Replaced Bare Steel	Remaining Cast Iron at Year-End	Remaining Bare Steel at Year-End	Total Remaining
Jul-12			0.9	197.10	198.00
2012		6.00	0.9	191.10	192.00
2013	0.6	26.40	0.3	164.70	165.00
2014		38.00	0.3	126.70	127.00
2015		41.00	0.3	85.70	86.00
2016		20.00	0.3	65.70	66.00
2017	0.3	13.70	0	52.00	52.00
2018		14.00	0	38.00	38.00
2019		14.00	0	24.00	24.00
2020		14.00	0	10.00	10.00
2021		8.00	0	2.00	2.00
2022		2.00	0	0.00	0.00

Number of Services

Year	Replaced Cast Iron	Replaced Bare Steel	Remaining Cast Iron at Year-End	Remaining Bare Steel at Year-End	Total Remaining
Jul-12				7980	7980
2012		91	0	7889	7889
2013		2071	0	5818	5818
2014		1275	0	4543	4543
2015		905	0	3638	3638
2016		815	0	2823	2823
2017		595	0	2228	2228
2018		595	0	1633	1633
2019		595	0	1038	1038
2020		595	0	443	443
2021		385	0	58	58
2022		58	0	0	0

5. On June 10, 2015, FPUC filed in Docket No. 140166-GU revised true-up schedules to reflect a correction to the depreciation amounts. Please state the impact on the year-end total 2014 over/under-recovery of the correction.

Company Response:

The impact of the correction on the year-end total 2014 over/under recovery was an increase of \$314,432.

6. On August 31, 2015, the Commission submitted its audit report in Docket No. 140166-GU, Audit Control No. 15-050-4-1, that included two audit findings. Please explain whether FPUC made the recommended adjustments discussed in the audit report. If not, please explain why not.

Company Response:

At this time, the Company has not made the recommended adjustments discussed in the audit report but does intend to record all of them before the end of this year, except for the accrual of \$19,000 in Finding 2 No. 1. The accrual reversed the following month, which caused December 2013 to be overstated and January 2014 to be understated but correct year to date. The only adjustment necessary is for the change in revenue requirement and therefore, the under/over recovery balance.

7. Please refer to Schedule B-1, Exhibit MC-1 (2014 true up calculation), and explain the amount (\$414,542) shown in the line called "Beginning True-up".

Company Response:

The line called "Beginning True-Up" is the over recovery balance at the end of 2013 brought forward and included to verify the current years Ending Over/Under Recovery Balance, making sure that the over/under recovery balance at December (column O line 59) equals the Year End Total Balance (column P line 59).

Data request for Florida Division of Chesapeake Utilities Corporation

1. Please refer to Schedule B-1, Exhibit MC-1, and explain the amount (\$90,107) shown in the line called "Beginning True-up."

Company Response:

The line called "Beginning True-Up" is the over recovery balance at the end of 2013 brought forward and included to verify the current years Ending Over/Under Recovery Balance, making sure that the over/under recovery balance at December (column O line 56) equals the Year End Total Balance (column P line 56).

2. Please refer to Schedule C-1 in Exhibit MC-1 (2016 Chesapeake GRIP revenue requirement) and state which line in "qualified investment" shows the total investment Chesapeake plans to spend in 2016 for the replacement of cast iron/bare steel infrastructure.

Company Response:

The total investment FPUC projects to spend is the combination of Qualified Investment-Mains-Current Year 1070 Activity and Qualified Investment-Services-Current Year 1070 Activity, Lines 9 and 11 respectively, on Schedule C-1 in Exhibit MC-1.

3. Please state the total amount of depreciation and/or operations & maintenance savings, if any, that were included as a reduction in expenses.

Company Response:

No depreciation savings were included as a reduction in expenses. The Company determined that if there were any depreciation savings, they would be offset by the change in asset life caused by the increased cost of removal.

4. Please provide all the GRIP Schedules for Chesapeake in excel with the formulas unlocked.

Company Response:

See attached excel file, GRIP Projection 2016-FILED.

5. Please update the table shown below that was included in Docket No. 140166-GU, Order No. PSC-14-0693-TRF-GU

**FLORIDA DIVISION OF CHESAPEAKE UTILITIES
CORPORATION
Mains (Miles)**

Year	Replaced Cast Iron	Replaced Bare Steel	Remaining Cast Iron at Year-End	Remaining Bare Steel at Year-End	Total Remaining
Jul-12				152	152
2012		5	0	147	147
2013		3	0	144	144
2014		19	0	125	125
2015		40	0	85	85
2016		14	0	71	71
2017		14	0	57	57
2018		14	0	43	43
2019		14	0	29	29
2020		14	0	15	15
2021		12	0	3	3
2022		3	0	0	0

Number of Services

Year	Replaced Cast Iron	Replaced Bare Steel	Remaining Cast Iron at Year-End	Remaining Bare Steel at Year-End	Total Remaining
Jul-12				762	762
2012		34	0	728	728
2013		139	0	589	589
2014		47	0	542	542
2015		280	0	262	262
2016		42	0	220	220
2017		42	0	178	178
2018		42	0	136	136
2019		42	0	94	94
2020		42	0	52	52
2021		40	0	12	12
2022		12	0	0	0

Data request for Florida Public Utilities Company-Ft Meade

1. In its petition on page 3, paragraph 6, the company states that steel tubing has been found in the Fort Meade system. Please explain how the steel tubing was discovered.

Company Response:

The steel tubing in Ft. Meade was discovered during the Company's routine maintenance survey of our gas distribution system. During this survey, it was determined that there is approximately 250 steel tubing services that need to be replaced. The total investment to replace these services is projected to be \$475,000.

2. How does FPUC plan on notifying the Fort Meade customers of the newly proposed GRIP surcharge?

Company Response:

There are a few ways in which the Company notifies its customers of any upcoming rate changes and/or promotions. The Company's most commonly used methods of informing our customers of any changes are 1) a message on the customer's bill, 2) provide a message or link for Ft. Meade customers directly on FPUC's website and 3) a separate mailing (letter or postcard) to the customers impacted by the change. In this case, if approved, we may implement all three methods.

The Company has, however, recently determined that the implementation of the GRIP surcharge prior to October 2016 would be in violation of a term in the purchase agreement for the Fort Meade system. The Company therefore intends to modify its petition in this proceeding in short order to request that the Company be allowed to accrue GRIP-related expenses for Fort Meade upon approval of the Company's Petition, but allow the Company to defer those expenses, as well as implementation of the GRIP surcharge for Fort Meade, until January 1, 2017. As such, if approved as modified, the Company would not anticipate notifying Fort Meade customers of the GRIP surcharge until December 2016.

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

Schedule A-1
Exhibit _____
Michael Cassel (MC-1)
Page 1 of 13

Earnings Surveillance Report - December 31, 2014

Equity Cost Rate	10.85%
Weighted Equity Cost Rate	4.97%
Revenue Expansion Factor	1.6335
Weighted Equity Cost Rate, times Revenue Expansion Factor	<u>8.120%</u>
Long Term Debt-CU	1.060%
Short Term Debt	0.110%
Long Term Debt-FC	0.440%
Short Term Debt-Refinanced LTD	0.100%
Customer Deposits	0.120%
Weighted Debt Cost Rate	<u>1.830%</u>
Overall Weighted Cost Rate	<u>6.80%</u>

Florida Public Utilities Company
 Gas Reliability Infrastructure Program (GRIP)
 Calculation of the Actual Revenue Requirements
 Actual January 2014 through December 2014

Schedule B-1
 Exhibit
 Michael Cassel (MC-1)
 Page 2 of 13

Item	Beginning Balance	Actual Jan	Actual Feb	Actual Mar	Actual Apr	Actual May	Actual Jun	Actual Jul	Actual Aug	Actual Sep	Actual Oct	Actual Nov	Actual Dec	Year End Total/Balance
Qualified Investment														
Qualified Investment - Mains - Current 1070 Activity		\$728,982	\$574,339	\$1,232,056	\$990,211	\$903,166	\$636,411	\$1,465,556	\$1,331,256	\$1,479,852	\$2,433,677	\$1,428,286	\$1,116,238	\$14,320,029
Qualified Investment - Mains - Closed 1070 Activity to Plant		\$0	\$0	(\$1,169,791)	(\$309,595)	(\$54,888)	(\$25,861)	(\$3,476,852)	(\$718,327)	(\$2,559,080)	(\$1,218,175)	(\$157,904)	(\$5,257,888)	(\$14,948,361)
Qualified Investment - Services - Current 1070 Activity		\$287,010	\$489,775	\$558,172	\$440,743	\$769,786	\$169,571	\$409,456	\$285,888	\$165,111	\$573,353	\$361,432	\$299,947	\$4,808,245
Qualified Investment - Services - Closed 1070 Activity to Plant		(\$287,010)	(\$124,637)	(\$642,457)	(\$440,743)	(\$725,297)	(\$414,614)	(\$252,460)	(\$341,966)	(\$230,792)	(\$515,685)	(\$188,980)	(\$643,605)	(\$4,808,245)
Qualified Investment - Mains - Current 1010 Activity		\$0	\$0	\$1,169,791	\$309,595	\$54,888	\$25,861	\$3,476,852	\$718,327	\$2,559,080	\$1,218,175	\$157,904	\$5,257,888	\$14,948,361
Qualified Investment - Services - Current 1010 Activity		\$287,010	\$124,637	\$642,457	\$440,743	\$725,297	\$414,614	\$252,460	\$341,966	\$230,792	\$515,685	\$188,980	\$643,605	\$4,808,245
Total Qualified Investment - Mains 1070	\$862,337	\$1,591,319	\$2,165,658	\$2,227,923	\$2,908,539	\$3,756,817	\$4,367,366	\$2,356,070	\$2,968,999	\$1,889,771	\$3,105,273	\$4,375,655	\$234,005	\$234,005
Total Qualified Investment - Services 1070	\$0	\$0	\$365,138	\$280,853	\$280,853	\$325,342	\$80,300	\$237,295	\$181,218	\$113,537	\$171,205	\$343,657	(\$0)	(\$0)
Total Qualified Investment - Mains 1010	\$9,633,418	\$9,633,418	\$9,633,418	\$10,803,209	\$11,112,804	\$11,167,692	\$11,193,554	\$14,670,406	\$15,388,733	\$17,947,813	\$19,165,987	\$19,323,891	\$24,581,779	\$24,581,779
Total Qualified Investment - Services 1010	\$3,787,744	\$4,074,754	\$4,199,391	\$4,841,848	\$5,282,591	\$6,007,888	\$6,422,501	\$6,674,961	\$7,016,927	\$7,247,719	\$7,763,404	\$7,952,384	\$8,595,989	\$8,595,989
Total Qualified Investment	\$14,283,499	\$15,299,491	\$16,363,605	\$18,153,833	\$19,584,787	\$21,257,739	\$22,063,721	\$23,938,753	\$25,555,877	\$27,198,840	\$30,205,870	\$31,995,588	\$33,411,773	\$33,411,773
Less: Accumulated Depreciation	(\$94,705)	(\$124,099)	(\$154,139)	(\$184,460)	(\$218,761)	(\$254,725)	(\$292,440)	(\$331,144)	(\$377,949)	(\$427,079)	(\$482,273)	(\$541,267)	(\$601,028)	(\$601,028)
Net Book Value	\$14,188,794	\$15,175,392	\$16,209,466	\$17,969,373	\$19,366,026	\$21,003,015	\$21,771,282	\$23,607,590	\$25,177,929	\$26,771,762	\$29,723,597	\$31,454,321	\$32,810,745	\$32,810,745
Average Net Qualified Investment	\$14,682,093	\$15,692,429	\$17,089,420	\$18,667,700	\$20,184,520	\$21,387,148	\$22,689,436	\$24,392,759	\$25,974,845	\$28,247,680	\$30,588,959	\$32,132,533		
Depreciation Rates														
Approved Depreciation Rate-Mains		2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%
Approved Depreciation Rate-Services		2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%
Return on Average Net Qualified Investment														
Equity - Cost of Capital, inclusive of Income Tax Gross-up		8.1960%	8.1960%	8.1960%	8.1960%	8.1960%	8.1960%	8.1960%	8.1960%	8.1960%	8.1960%	8.1960%	8.1960%	8.1960%
Debt - Cost of Capital		1.9500%	1.9500%	1.9500%	1.9500%	1.9500%	1.9500%	1.9500%	1.9500%	1.9500%	1.9500%	1.9500%	1.9500%	1.9500%
Equity Component - inclusive of Income Tax Gross-up		\$100,279	\$107,179	\$116,721	\$127,500	\$137,860	\$146,074	\$154,969	\$166,603	\$177,408	\$192,932	\$208,923	\$219,465	\$1,855,913
Debt Component		\$23,858	\$25,500	\$27,770	\$30,335	\$32,800	\$34,754	\$36,870	\$39,638	\$42,209	\$45,902	\$49,707	\$52,215	\$441,558
Return Requirement	\$124,137	\$132,679	\$144,491	\$157,835	\$170,660	\$170,660	\$180,828	\$191,839	\$206,241	\$219,617	\$238,834	\$258,630	\$271,680	\$2,297,471
Investment Expenses														
Depreciation Expense - Mains		\$20,872	\$20,872	\$20,872	\$23,407	\$24,078	\$24,197	\$24,253	\$31,786	\$33,342	\$38,887	\$41,526	\$41,868	\$345,960
Depreciation Expense - Services		\$8,522	\$9,168	\$9,449	\$10,894	\$11,886	\$13,518	\$14,451	\$15,019	\$15,788	\$16,307	\$17,468	\$17,895	\$160,363
Property Taxes	2.00%	\$23,648	\$23,648	\$23,648	\$23,648	\$23,648	\$23,648	\$23,648	\$23,648	\$23,648	\$23,648	\$23,648	\$23,648	\$283,776
Customer Notice Expense - 709		\$6,923	\$0	\$0	\$0	\$8,110	\$0	\$0	\$6,150	\$0	\$7,486	\$2,812	\$4,438	\$35,918
General Public Notice Expense - Advertising 702		\$0	\$0	\$0	\$0	\$2,137	\$124	\$124	\$0	\$3,278	\$0	\$0	\$0	\$5,663
Total Expense	\$59,965	\$53,688	\$53,969	\$57,949	\$69,858	\$61,487	\$62,476	\$70,453	\$82,206	\$86,328	\$85,454	\$87,847	\$831,680	
Total Revenue Requirements	\$184,102	\$186,367	\$198,460	\$215,784	\$240,518	\$242,315	\$254,315	\$276,694	\$301,823	\$325,162	\$344,084	\$359,527	\$3,129,151	
Embedded Revenue for Bare Steel Replacement Investment		\$62,311	\$62,311	\$62,311	\$62,311	\$62,311	\$62,311	\$62,311	\$62,311	\$62,311	\$62,311	\$62,311	\$62,306	\$747,727
Net Revenue Requirements / (Surplus)	\$121,791	\$124,056	\$136,149	\$153,473	\$178,207	\$180,004	\$192,004	\$214,383	\$239,512	\$262,851	\$281,773	\$297,221	\$2,381,424	
GRIP Surcharge Revenues Collected Month	\$ 75,767	\$ 72,290	\$ 65,525	\$ 60,281	\$ 50,886	\$ 46,043	\$ 45,769	\$ 41,743	\$ 42,463	\$ 46,308	\$ 56,198	\$ 71,328	\$674,601	
Beginning True-Up (Over) and Under Recovery for the Month	\$ 46,024	\$ 51,766	\$ 70,624	\$ 93,192	\$ 127,321	\$ 133,961	\$ 146,235	\$ 172,640	\$ 197,049	\$ 216,543	\$ 225,575	\$ 225,893	\$ 1,706,823	
Monthly Interest (Expense)/Income	\$ (12)	\$ (14)	\$ (14)	\$ (10)	\$ (4)	\$ 2	\$ 9	\$ 17	\$ 21	\$ 37	\$ 48	\$ 59	\$ 139	
Ending (Over) and Under Recovery	(\$414,542)	(\$368,530)	(\$316,778)	(\$246,168)	(\$152,986)	(\$25,669)	\$ 108,294	\$ 254,538	\$ 427,195	\$ 624,265	\$ 840,845	\$ 1,066,468	\$ 1,292,420	
Beg of Month Annual Interest Rate		0.03%	0.05%	0.05%	0.06%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	
End of Month Annual Interest Rate		0.05%	0.05%	0.06%	0.05%	0.05%	0.06%	0.07%	0.06%	0.04%	0.06%	0.07%	0.08%	
Average Monthly Interest Rate		0.003%	0.004%	0.005%	0.005%	0.004%	0.005%	0.005%	0.005%	0.004%	0.005%	0.005%	0.005%	

Florida Public Utilities Company
 Gas Reliability Infrastructure Program (GRIP)
 Calculation of the Actual Revenue Requirements
 Seven Months Actual January 2015 through July 2015
 Estimated August 2015 through December 2015

Schedule B-2
 Exhibit
 Michael Cassel (MC-1)
 Page 3 of 13

Item	Beginning Balance	Actual Jan	Actual Feb	Actual Mar	Actual Apr	Actual May	Actual Jun	Actual Jul	Projected Aug	Projected Sep	Projected Oct	Projected Nov	Projected Dec	Year End Total/Balance
Qualified Investment														
Qualified Investment - Mains - Current 1070 Activity		\$1,683,320	\$2,008,191	\$2,569,032	\$2,088,131	\$1,948,197	\$1,370,233	\$2,497,822	\$1,133,251	\$1,133,251	\$1,133,251	\$1,133,251	\$1,133,251	\$19,831,183
Qualified Investment - Mains - Closed 1070 Activity to Plant		(\$162,243)	(\$972,057)	(\$3,594,327)	(\$1,168,965)	(\$823,574)	(\$235,795)	(\$3,982,703)	(\$895,269)	(\$895,269)	(\$895,269)	(\$895,269)	(\$895,269)	(\$15,416,010)
Qualified Investment - Services - Current 1070 Activity		\$526,342	\$628,856	\$454,620	\$610,359	\$405,006	\$424,630	\$1,082,197	\$248,763	\$248,763	\$248,763	\$248,763	\$248,763	\$5,375,822
Qualified Investment - Services - Closed 1070 Activity to Plant		(\$124,298)	(\$932,832)	(\$207,415)	(\$550,774)	(\$681,352)	(\$370,192)	(\$656,227)	(\$248,763)	(\$248,763)	(\$248,763)	(\$248,763)	(\$248,763)	(\$4,766,903)
Qualified Investment - Mains - Current 1010 Activity		\$162,243	\$972,057	\$3,594,327	\$1,168,965	\$823,574	\$235,795	\$3,982,703	\$895,269	\$895,269	\$895,269	\$895,269	\$895,269	\$15,416,010
Qualified Investment - Services - Current 1010 Activity		\$124,298	\$932,832	\$207,415	\$550,774	\$681,352	\$370,192	\$656,227	\$248,763	\$248,763	\$248,763	\$248,763	\$248,763	\$4,766,903
Total Qualified Investment - Mains 1070	\$234,005	\$1,755,082	\$2,791,216	\$1,765,920	\$2,685,086	\$3,809,709	\$4,944,147	\$3,459,266	\$3,697,249	\$3,935,231	\$4,173,213	\$4,411,196	\$4,649,178	\$4,649,178
Total Qualified Investment - Services 1070	\$0	\$402,044	\$98,067	\$345,273	\$404,858	\$128,512	\$182,949	\$608,919	\$608,919	\$608,919	\$608,919	\$608,919	\$608,919	\$608,919
Total Qualified Investment - Mains 1010	\$24,581,779	\$24,744,022	\$25,716,079	\$29,310,406	\$30,479,371	\$31,302,945	\$31,538,741	\$35,521,444	\$36,416,713	\$37,311,982	\$38,207,251	\$39,102,520	\$39,997,789	\$39,997,789
Total Qualified Investment - Services 1010	\$8,595,989	\$8,720,287	\$9,653,119	\$9,860,534	\$10,411,308	\$11,092,660	\$11,462,852	\$12,119,079	\$12,367,842	\$12,616,604	\$12,865,367	\$13,114,129	\$13,362,892	\$13,362,892
Total Qualified Investment	\$33,411,773	\$35,621,435	\$38,258,481	\$41,282,133	\$43,980,623	\$46,333,826	\$48,128,689	\$51,708,708	\$53,090,722	\$54,472,736	\$55,854,750	\$57,236,764	\$58,618,778	\$58,618,778
Less: Accumulated Depreciation	(\$601,028)	(\$673,630)	(\$746,863)	(\$824,301)	(\$909,993)	(\$999,457)	(\$1,092,238)	(\$1,186,363)	(\$1,290,594)	(\$1,397,325)	(\$1,506,555)	(\$1,618,284)	(\$1,732,513)	(\$1,732,513)
Net Book Value	\$32,810,745	\$34,947,805	\$37,511,618	\$40,457,832	\$43,070,630	\$45,334,369	\$47,036,451	\$50,522,345	\$51,800,128	\$53,075,411	\$54,348,195	\$55,618,480	\$56,886,265	\$56,886,265
Average Net Qualified Investment	\$33,879,275	\$36,229,711	\$38,984,725	\$41,764,231	\$44,202,500	\$46,185,410	\$48,779,398	\$51,161,237	\$52,437,770	\$53,711,803	\$54,983,338	\$56,252,373		
Depreciation Rates														
Approved Depreciation Rate-Mains		2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%
Approved Depreciation Rate-Services		2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%
Return on Average Net Qualified Investment														
Equity - Cost of Capital, inclusive of Income Tax Gross-up		8.1200%	8.1200%	8.1200%	8.1200%	8.1200%	8.1200%	8.1200%	8.1200%	8.1200%	8.1200%	8.1200%	8.1200%	8.1200%
Debt - Cost of Capital		1.8300%	1.8300%	1.8300%	1.8300%	1.8300%	1.8300%	1.8300%	1.8300%	1.8300%	1.8300%	1.8300%	1.8300%	1.8300%
Equity Component - inclusive of Income Tax Gross-up	\$229,250	\$245,154	\$263,797	\$282,605	\$299,104	\$312,521	\$330,074	\$346,191	\$354,829	\$363,450	\$372,054	\$380,641	\$379,670	
Debt Component	\$51,666	\$55,250	\$59,452	\$63,690	\$67,409	\$70,433	\$74,389	\$78,021	\$79,968	\$81,910	\$83,850	\$85,785	\$85,823	
Return Requirement	\$280,916	\$300,404	\$323,249	\$346,295	\$366,513	\$382,954	\$404,463	\$424,212	\$434,797	\$445,360	\$455,904	\$466,426	\$463,493	
Investment Expenses														
Depreciation Expense - Mains		\$53,261	\$55,612	\$55,718	\$63,506	\$66,039	\$67,823	\$68,334	\$76,963	\$78,903	\$80,845	\$82,782	\$84,722	\$832,506
Depreciation Expense - Services		\$19,341	\$19,621	\$21,720	\$22,186	\$23,425	\$24,958	\$25,791	\$27,268	\$27,828	\$28,387	\$28,947	\$29,507	\$298,979
Property Taxes	2.00%	\$54,685	\$54,685	\$54,685	\$54,685	\$54,685	\$54,685	\$54,685	\$54,685	\$54,685	\$54,685	\$54,685	\$54,685	\$656,220
General Public Notice Expense & Customer Notice Expense		\$3,046	\$9,892	\$8,980	\$29,155	\$0	\$6,802	\$0	\$8,268	\$8,268	\$8,268	\$8,268	\$8,268	\$99,214
Total Expense	\$130,333	\$137,810	\$141,103	\$169,532	\$144,149	\$154,268	\$148,810	\$167,184	\$169,684	\$172,183	\$174,682	\$177,182	\$1,886,919	
Total Revenue Requirements	\$411,249	\$438,214	\$464,352	\$515,827	\$510,662	\$537,222	\$553,273	\$591,396	\$604,481	\$617,543	\$630,586	\$643,608	\$6,518,412	
Embedded Revenue for Bare Steel Replacement Investment	\$62,311	\$62,311	\$62,311	\$62,311	\$62,311	\$62,311	\$62,311	\$62,311	\$62,311	\$62,311	\$62,311	\$62,311	\$62,306	\$747,727
Net Revenue Requirements / (Surplus)	\$348,938	\$375,903	\$402,041	\$453,516	\$448,351	\$474,911	\$490,962	\$529,085	\$542,170	\$555,232	\$568,275	\$581,302	\$5,770,685	
GRIP Surcharge Revenues Collected Month	\$ 469,181	\$ 500,335	\$ 434,085	\$ 362,300	\$ 305,328	\$ 292,514	\$ 251,148	\$ 275,119	\$ 284,404	\$ 307,794	\$ 367,010	\$ 434,265	\$4,283,483	
Beginning True-Up (Over) and Under Recovery for the Month	\$ (120,243)	\$ (124,432)	\$ (32,044)	\$ 91,216	\$ 143,023	\$ 182,397	\$ 239,814	\$ 253,966	\$ 257,766	\$ 247,438	\$ 201,265	\$ 147,037	\$ 1,487,202	
Monthly Interest (Expense)/Income	\$ 86	\$ 78	\$ 62	\$ 64	\$ 83	\$ 107	\$ 109	\$ 126	\$ 144	\$ 162	\$ 177	\$ 190	\$ 1,388	
Ending (Over) and Under Recovery	\$ 1,292,420	\$ 1,172,263	\$ 1,047,909	\$ 1,015,927	\$ 1,107,207	\$ 1,250,313	\$ 1,432,817	\$ 1,672,740	\$ 1,926,832	\$ 2,184,742	\$ 2,432,342	\$ 2,633,783	\$ 2,781,010	
Beg of Month Annual Interest Rate		0.08%	0.09%	0.08%	0.06%	0.08%	0.09%	0.09%	0.08%	0.08%	0.08%	0.08%	0.08%	
End of Month Annual Interest Rate		0.09%	0.08%	0.060%	0.08%	0.09%	0.09%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	
Average Monthly Interest Rate		0.007%	0.007%	0.006%	0.006%	0.007%	0.008%	0.007%	0.007%	0.007%	0.007%	0.007%	0.007%	

Florida Public Utilities Company
 Gas Reliability Infrastructure Program (GRIP)
 Calculation of the Projected Revenue Requirements
 January 1, 2016 through December 31, 2016

Schedule C-1
 Exhibit
 Michael Cassel (MC-1)
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Item	Beginning													Year End
	Balance	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total/Balance
Qualified Investment														
Qualified Investment - Mains - Current Year 1070 Activity		\$836,244	\$836,244	\$836,244	\$836,244	\$836,244	\$836,244	\$836,244	\$836,244	\$836,244	\$836,244	\$836,244	\$836,244	\$10,034,926
Qualified Investment - Mains - Closed 1070 Activity to Plant		(\$752,619)	(\$752,619)	(\$752,619)	(\$752,619)	(\$752,619)	(\$752,619)	(\$752,619)	(\$752,619)	(\$752,619)	(\$752,619)	(\$752,619)	(\$752,619)	(\$9,031,428)
Qualified Investment - Services - Current Year 1070 Activity		\$183,566	\$183,566	\$183,566	\$183,566	\$183,566	\$183,566	\$183,566	\$183,566	\$183,566	\$183,566	\$183,566	\$183,566	\$2,202,789
Qualified Investment - Services - Closed 1070 Activity to Plant		(\$183,566)	(\$183,566)	(\$183,566)	(\$183,566)	(\$183,566)	(\$183,566)	(\$183,566)	(\$183,566)	(\$183,566)	(\$183,566)	(\$183,566)	(\$183,566)	(\$2,202,789)
Qualified Investment - Mains - Current 1010 Activity		\$752,619	\$752,619	\$752,619	\$752,619	\$752,619	\$752,619	\$752,619	\$752,619	\$752,619	\$752,619	\$752,619	\$752,619	\$9,031,428
Qualified Investment - Services - Current 1010 Activity		\$183,566	\$183,566	\$183,566	\$183,566	\$183,566	\$183,566	\$183,566	\$183,566	\$183,566	\$183,566	\$183,566	\$183,566	\$2,202,789
Total Qualified Investment - Mains 1070	\$4,649,178	\$4,732,803	\$4,816,428	\$4,900,053	\$4,983,678	\$5,067,303	\$5,150,927	\$5,234,552	\$5,318,177	\$5,401,802	\$5,485,427	\$5,569,052	\$5,652,677	\$5,652,677
Total Qualified Investment - Service 1070	\$608,919	\$608,919	\$608,919	\$608,919	\$608,919	\$608,919	\$608,919	\$608,919	\$608,919	\$608,919	\$608,919	\$608,919	\$608,919	\$608,919
Total Qualified Investment - Mains 1010	\$39,997,789	\$40,750,408	\$41,503,027	\$42,255,646	\$43,008,265	\$43,760,884	\$44,513,503	\$45,266,122	\$46,018,741	\$46,771,360	\$47,523,979	\$48,276,598	\$49,029,217	\$49,029,217
Total Qualified Investment - Service 1010	\$13,362,892	\$13,546,458	\$13,730,023	\$13,913,589	\$14,097,155	\$14,280,720	\$14,464,286	\$14,647,852	\$14,831,418	\$15,014,983	\$15,198,549	\$15,382,115	\$15,565,681	\$15,565,681
Total Qualified Investment	\$58,618,778	\$59,638,588	\$60,658,397	\$61,678,207	\$62,698,016	\$63,717,826	\$64,737,636	\$65,757,445	\$66,777,255	\$67,797,064	\$68,816,874	\$69,836,683	\$70,856,493	\$70,856,493
Less: Accumulated Depreciation	(\$1,732,513)	(\$1,849,241)	(\$1,968,013)	(\$2,088,829)	(\$2,211,689)	(\$2,336,592)	(\$2,463,539)	(\$2,592,529)	(\$2,723,564)	(\$2,856,642)	(\$2,991,763)	(\$3,128,929)	(\$3,268,138)	(\$3,268,138)
Net Book Value	\$56,886,265	\$57,789,346	\$58,690,384	\$59,589,378	\$60,486,328	\$61,381,234	\$62,274,097	\$63,164,916	\$64,053,691	\$64,940,423	\$65,825,111	\$66,707,755	\$67,588,355	\$67,588,355
Average Net Qualified Investment	\$57,337,806	\$58,239,865	\$59,139,881	\$60,037,853	\$60,933,781	\$61,827,665	\$62,719,506	\$63,609,303	\$64,497,057	\$65,382,767	\$66,266,433	\$67,148,055		
Depreciation Rates														
Approved Depreciation Rate-Mains		2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%
Approved Depreciation Rate-Services		2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%
Return on Average Net Qualified Investment														
Equity - Cost of Capital, inclusive of Income Tax Gross-up		8.1200%	8.1200%	8.1200%	8.1200%	8.1200%	8.1200%	8.1200%	8.1200%	8.1200%	8.1200%	8.1200%	8.1200%	8.1200%
Debt - Cost of Capital		1.8300%	1.8300%	1.8300%	1.8300%	1.8300%	1.8300%	1.8300%	1.8300%	1.8300%	1.8300%	1.8300%	1.8300%	1.8300%
Equity Component - inclusive of Income Tax Gross-up		\$387,986	\$394,090	\$400,180	\$406,256	\$412,319	\$418,367	\$424,402	\$430,423	\$436,430	\$442,423	\$448,403	\$454,369	\$5,055,647
Debt Component		\$87,440	\$88,816	\$90,188	\$91,558	\$92,924	\$94,287	\$95,647	\$97,004	\$98,358	\$99,709	\$101,056	\$102,401	\$1,139,388
Return Requirement		\$475,426	\$482,906	\$490,368	\$497,814	\$505,243	\$512,654	\$520,049	\$527,427	\$534,788	\$542,132	\$549,459	\$556,769	\$6,195,036
Investment Expenses														
Depreciation Expense - Mains		\$86,662	\$88,293	\$89,923	\$91,554	\$93,185	\$94,815	\$96,446	\$98,077	\$99,707	\$101,338	\$102,969	\$104,599	\$1,147,567
Depreciation Expense - Services		\$30,067	\$30,480	\$30,893	\$31,306	\$31,719	\$32,132	\$32,545	\$32,958	\$33,371	\$33,784	\$34,197	\$34,610	\$388,058
Property Taxes		\$94,810	\$94,810	\$94,810	\$94,810	\$94,810	\$94,810	\$94,810	\$94,810	\$94,810	\$94,810	\$94,810	\$94,810	\$1,137,725
General Public Notice Expense & Customer Notice Expense		\$4,333	\$4,333	\$4,333	\$4,333	\$4,333	\$4,333	\$4,333	\$4,333	\$4,333	\$4,333	\$4,333	\$4,333	\$52,000
Total Expense		\$215,872	\$217,916	\$219,959	\$222,003	\$224,047	\$226,090	\$228,134	\$230,178	\$232,221	\$234,265	\$236,309	\$238,356	\$2,725,350
Total Revenue Requirements	\$691,298	\$700,821	\$710,327	\$719,817	\$729,289	\$738,745	\$748,183	\$757,605	\$767,010	\$776,397	\$785,768	\$795,126	\$8,290,386	
Annual Revenue Requirement for Bare Steel Replacement Investment		\$62,310	\$62,310	\$62,310	\$62,310	\$62,310	\$62,310	\$62,310	\$62,310	\$62,310	\$62,310	\$62,310	\$62,310	\$747,727
Net Annual Revenue Requirements	\$628,988	\$638,511	\$648,017	\$657,507	\$666,979	\$676,435	\$685,873	\$695,295	\$704,700	\$714,087	\$723,458	\$732,809	\$8,172,659	

Florida Public Utilities Company
 Gas Reliability Infrastructure Program (GRIP)
 Projection of Qualified Mains & Services Revenue Requirements
 Surcharge Calculation - January 1, 2016 through December 31, 2016
 Per Therm Rate

Schedule D-1
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 Michael Cassel (MC-1)
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1. 1/1/16-12/31/16 Qualified Mains & Services Replacement Revenue Requirements	\$ 8,172,659
Mains	74% \$6,047,767
Services	26% \$2,124,891
Net	<u>\$8,172,658</u>
2. TRUE-UP from Prior Period (Over)/Under Recovery Estimated thru 12/2015	\$ 2,781,010
3. 2016 Qualified Mains & Services Replacement Revenue Requirements	\$10,953,669
Mains	74% \$8,105,715
Services	26% \$2,847,954
Net	<u>\$10,953,669</u>

RATE SCHEDULE	2016 THERMS	SERVICES COS %	MAINS COS %	SERVICES REV REQ	MAINS REV REQ	GRIP REV REQ	DOLLARS PER THERM	TAX FACTOR	GRIP FACTORS PER THERM	TYPICAL ANNUAL THERMS	ANNUAL COST	AVERAGE MONTHLY COST
RESIDENTIAL	13,080,483	58.00%	22.00%	\$1,651,813	\$1,783,257	\$3,435,071	\$0.26261	1.00503	\$0.26393	250	\$65.98	\$5.50
COMMERCIAL SMALL (General Service & GS Transportation)	12,641,124	17.00%	23.00%	\$484,152	\$1,864,314	\$2,348,467	\$0.18578	1.00503	\$0.18671	2,500	\$466.79	\$38.90
COMM. LRG VOLUME (Large Vol & LV Transportation)	46,009,913	25.00%	46.00%	\$711,989	\$3,728,629	\$4,440,617	\$0.09651	1.00503	\$0.09700	25,000	\$2,425.00	\$202.08
INTERRUPTIBLE SERVICE (Int Service & IS Transportation)	7,559,998	0.00%	8.00%	\$0	\$648,457	\$648,457	\$0.08577	1.00503	\$0.08621	50,000	\$4,310.31	\$359.19
GENERAL LIGHTING SERVICE	317,907	0.00%	1.00%	\$0	\$81,057	\$81,057	\$0.25497	1.00503	\$0.25625	500	\$128.13	\$10.68
TOTAL	<u>79,609,425</u>	<u>100.00%</u>	<u>100.00%</u>	<u>\$2,847,954</u>	<u>\$8,105,715</u>	<u>\$10,953,669</u>						

Florida Division of Chesapeake Utilities Corporation

Gas Reliability Infrastructure Program (GRIP)

Calculation of Equity and Debt Returns

Schedule A-1

Exhibit _____

Michael Cassel (MC-1)

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Earnings Surveillance Report - December 31, 2014

Equity Cost Rate	10.80%
Weighted Equity Cost Rate	4.85%
Revenue Expansion Factor	<u>1.6372</u>
Weighted Equity Cost Rate , times Revenue Expansion Factor	<u>7.940%</u>
Long Term Debt-CU	1.120%
Short Term Debt	0.110%
Short Term Debt-Refinanced LTD	0.100%
Customer Deposits	0.050%
Tax Credits-Weighted Cost	<u>0.010%</u>
Weighted Debt Cost Rate	<u>1.390%</u>
Overall Weighted Cost Rate	<u><u>6.24%</u></u>

Florida Division of Chesapeake Utilities Corporation
 Gas Reliability Infrastructure Program (GRIP)
 Calculation of the Actual Revenue Requirements
 Actual January 2014 through December 2014

Schedule B-1
 Exhibit _____
 Michael Cassel (MC-1)
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Item	Beginning Balance	Actual Jan	Actual Feb	Actual Mar	Actual Apr	Actual May	Actual Jun	Actual Jul	Actual Aug	Actual Sep	Actual Oct	Actual Nov	Actual Dec	Year End Total/Balance
Qualified Investment														
Qualified Investment - Mains - Current 1070 Activity		\$127,984	\$120,733	\$433,082	\$278,969	\$158,422	\$553,042	\$344,848	\$262,271	\$700,238	\$698,998	\$335,673	\$830,921	\$4,845,182
Qualified Investment - Mains - Closed 1070 Activity to Plant		\$935	(\$167,045)	\$0	(\$819,009)	(\$144,315)	(\$34,888)	(\$18,293)	(\$100,816)	(\$452,695)	(\$2,848)	(\$104,652)	(\$1,623,340)	(\$3,466,966)
Qualified Investment - Services - Current 1070 Activity		\$4,481	\$14,604	\$3,552	\$13,506	\$18,957	\$7,056	\$0	\$8,395	\$14,144	\$18,764	\$73,976	\$173,482	\$350,917
Qualified Investment - Services - Closed 1070 Activity to Plant		(\$4,217)	(\$11,536)	(\$6,884)	(\$13,506)	(\$18,957)	(\$7,056)	\$0	(\$4,590)	(\$10,479)	(\$19,997)	(\$45,985)	(\$207,710)	(\$350,917)
Qualified Investment - Mains - Current 1010 Activity		(\$935)	\$167,045	\$0	\$819,009	\$144,315	\$34,888	\$18,293	\$100,816	\$452,695	\$2,848	\$104,652	\$1,623,340	\$3,466,966
Qualified Investment - Services - Current 1010 Activity		\$4,217	\$11,536	\$6,884	\$13,506	\$18,957	\$7,056	\$0	\$4,590	\$10,479	\$19,997	\$45,985	\$207,710	\$350,917
Total Qualified Investment - Mains 1070	\$330,478	\$459,397	\$413,085	\$846,167	\$306,128	\$320,235	\$838,389	\$1,164,944	\$1,326,399	\$1,573,942	\$2,270,091	\$2,501,112	\$1,708,694	\$1,708,694
Total Qualified Investment - Services 1070	(\$1)	\$263	\$3,331	(\$1)	(\$1)	(\$1)	(\$1)	(\$1)	\$3,804	\$7,469	\$6,236	\$34,227	(\$1)	(\$1)
Total Qualified Investment - Mains 1010	\$4,784,308	\$4,783,372	\$4,950,417	\$4,950,417	\$5,769,426	\$5,913,741	\$5,948,629	\$5,966,922	\$6,067,738	\$6,520,433	\$6,523,281	\$6,627,933	\$8,251,273	\$8,251,273
Total Qualified Investment - Services 1010	\$288,236	\$292,452	\$303,988	\$310,872	\$324,378	\$343,335	\$350,391	\$350,391	\$354,982	\$365,460	\$385,458	\$431,443	\$639,153	\$639,153
Total Qualified Investment	\$5,403,020	\$5,535,485	\$5,670,822	\$6,107,456	\$6,399,931	\$6,577,310	\$7,137,408	\$7,482,257	\$7,752,923	\$8,467,305	\$9,185,066	\$9,594,715	\$10,599,119	\$10,599,119
Less: Accumulated Depreciation 1080	(\$85,549)	(\$96,563)	(\$107,585)	(\$118,995)	(\$130,421)	(\$143,651)	(\$157,236)	(\$170,914)	(\$184,630)	(\$198,576)	(\$213,526)	(\$228,527)	(\$243,858)	(\$243,858)
Net Book Value	\$5,317,471	\$5,438,921	\$5,563,236	\$5,988,460	\$6,269,511	\$6,433,659	\$6,980,172	\$7,311,343	\$7,568,293	\$8,268,729	\$8,971,541	\$9,366,189	\$10,355,261	\$10,355,261
Average Net Qualified Investment	\$5,378,196	\$5,501,079	\$5,775,848	\$6,128,985	\$6,351,585	\$6,706,915	\$7,145,757	\$7,439,818	\$7,918,511	\$8,620,135	\$9,168,865	\$9,860,725		
Depreciation Rates														
Approved Depreciation Rate-Mains		2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%
Approved Depreciation Rate-Services		2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%
Return on Average Net Qualified Investment														
Equity - Cost of Capital, inclusive of Income Tax Gross-up		8.3150%	8.3150%	8.3150%	8.3150%	8.3150%	8.3150%	8.3150%	8.3150%	8.3150%	8.3150%	8.3150%	8.3150%	8.3150%
Debt - Cost of Capital		1.3600%	1.3600%	1.3600%	1.3600%	1.3600%	1.3600%	1.3600%	1.3600%	1.3600%	1.3600%	1.3600%	1.3600%	1.3600%
Equity Component - inclusive of Income Tax Gross-up	\$37,266	\$38,118	\$40,022	\$42,469	\$44,011	\$46,473	\$49,514	\$51,552	\$54,869	\$59,730	\$63,533	\$68,327	\$68,327	\$595,884
Debt Component	\$6,095	\$6,235	\$6,546	\$6,946	\$7,198	\$7,601	\$8,099	\$8,432	\$8,974	\$9,769	\$10,391	\$11,175	\$11,175	\$97,461
Return Requirement	\$43,361	\$44,353	\$46,568	\$49,415	\$51,209	\$54,074	\$57,613	\$59,984	\$63,843	\$69,499	\$73,924	\$79,502	\$79,502	\$693,345
Investment Expenses														
Depreciation Expense - Mains		\$10,366	\$10,364	\$10,726	\$10,726	\$12,500	\$12,813	\$12,889	\$12,928	\$13,147	\$14,128	\$14,134	\$14,361	\$149,081
Depreciation Expense - Services		\$649	\$658	\$684	\$699	\$730	\$773	\$788	\$788	\$799	\$822	\$867	\$971	\$9,228
Property Taxes	2.00%	\$8,862	\$8,862	\$8,862	\$8,862	\$8,862	\$8,862	\$8,862	\$8,862	\$8,862	\$8,862	\$8,862	\$8,862	\$106,344
Customer Notice Expense - 709		\$1,953	\$0	\$0	\$0	\$1,953	\$0	\$0	\$0	\$925	\$1,245	\$0	\$2,336	\$8,410
General Public Notice Expense - 702		\$0	\$0	\$0	\$0	\$530	\$0	\$0	\$453	\$0	\$0	\$0	\$0	\$983
Total Expense	\$21,829	\$19,884	\$20,272	\$20,287	\$24,575	\$22,448	\$22,539	\$22,579	\$24,185	\$25,056	\$23,863	\$26,529	\$26,529	\$274,046
Net Revenue Requirements	\$65,190	\$64,237	\$66,840	\$69,702	\$75,784	\$76,522	\$80,152	\$82,563	\$88,028	\$94,555	\$97,787	\$106,031	\$967,391	
GRIP Surcharge Revenues Collected Month	\$ 65,425	\$ 55,742	\$ 61,141	\$ 57,719	\$ 52,906	\$ 46,791	\$ 57,475	\$ 39,510	\$ 47,035	\$ 54,238	\$ 61,159	\$ 66,980	\$666,121	
Beginning True-Up														
(Over) and Under Recovery for the Month	\$ (235)	\$ 8,495	\$ 5,699	\$ 11,983	\$ 22,878	\$ 29,731	\$ 22,677	\$ 43,053	\$ 40,993	\$ 40,317	\$ 36,628	\$ 39,051	\$ 39,051	\$ (90,107)
Monthly Interest (Expense)/Income	\$ (3)	\$ (3)	\$ (4)	\$ (4)	\$ (2)	\$ (1)	\$ -	\$ 2	\$ 3	\$ 6	\$ 8	\$ 10	\$ 10	\$12
Ending (Over) and Under Recovery	(\$90,107)	(\$90,345)	(\$81,853)	(\$76,158)	(\$64,179)	(\$41,303)	(\$11,574)	\$ 11,103	\$ 54,158	\$ 95,155	\$ 135,478	\$ 172,114	\$ 211,175	\$ 211,175
Beg of Month Annual Interest Rate	0.03%	0.05%	0.05%	0.06%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	
End of Month Annual Interest Rate	0.05%	0.05%	0.06%	0.05%	0.05%	0.06%	0.07%	0.06%	0.06%	0.04%	0.06%	0.07%	0.08%	
Average Monthly Interest Rate	0.003%	0.004%	0.005%	0.005%	0.004%	0.005%	0.005%	0.005%	0.005%	0.004%	0.005%	0.005%	0.005%	

Florida Division of Chesapeake Utilities Corporation

Gas Reliability Infrastructure Program (GRIP)
 Calculation of the Actual Revenue Requirements
 Seven Months Actual January 2015 through July 2015
 Estimated August 2015 through December 2015

Schedule B-2
 Exhibit _____
 Michael Cassel (MC-1)
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Item	Beginning Balance	Actual Jan	Actual Feb	Actual Mar	Actual Apr	Actual May	Actual Jun	Actual Jul	Projected Aug	Projected Sep	Projected Oct	Projected Nov	Projected Dec	Year End Total/Balance
Qualified Investment														
Qualified Investment - Mains - Current 1070 Activity		\$123,706	\$147,654	\$525,387	\$70,812	\$715,464	\$472,314	\$439,172	\$566,382	\$566,382	\$566,382	\$566,382	\$566,382	\$5,326,419
Qualified Investment - Mains - Closed 1070 Activity to Plant		(\$13,921)	(\$1,157,042)	(\$848,346)	(\$128,066)	(\$20,590)	(\$47,664)	(\$477,392)	(\$481,425)	(\$481,425)	(\$481,425)	(\$481,425)	(\$481,425)	(\$5,100,145)
Qualified Investment - Services - Current 1070 Activity		(\$2,300)	\$6,740	(\$175)	\$143,737	\$3,277	\$105,307	\$19,810	\$42,631	\$42,631	\$42,631	\$42,631	\$42,631	\$489,550
Qualified Investment - Services - Closed 1070 Activity to Plant		\$2,300	(\$3,765)	(\$12,995)	(\$46,018)	(\$42,963)	(\$135,089)	(\$25,616)	(\$42,631)	(\$42,631)	(\$42,631)	(\$42,631)	(\$42,631)	(\$477,301)
Qualified Investment - Mains - Current 1010 Activity		\$13,921	\$1,157,042	\$848,346	\$128,066	\$20,590	\$47,664	\$477,392	\$481,425	\$481,425	\$481,425	\$481,425	\$481,425	\$5,100,145
Qualified Investment - Services - Current 1010 Activity		(\$2,300)	\$3,765	\$12,995	\$46,018	\$42,963	\$135,089	\$25,616	\$42,631	\$42,631	\$42,631	\$42,631	\$42,631	\$477,301
Total Qualified Investment - Mains 1070	\$1,708,694	\$1,818,479	\$809,090	\$486,131	\$428,877	\$1,123,751	\$1,548,402	\$1,510,182	\$1,595,139	\$1,680,096	\$1,765,053	\$1,850,011	\$1,934,968	\$1,934,968
Total Qualified Investment - Services 1070	(\$1)	(\$1)	\$2,974	(\$10,195)	\$87,523	\$47,837	\$18,054	\$12,248	\$12,248	\$12,248	\$12,248	\$12,248	\$12,248	\$12,248
Total Qualified Investment - Mains 1010	\$8,251,273	\$8,265,194	\$9,422,236	\$10,270,582	\$10,398,648	\$10,419,238	\$10,466,902	\$10,944,294	\$11,425,719	\$11,907,144	\$12,388,568	\$12,869,993	\$13,351,418	\$13,351,418
Total Qualified Investment - Services 1010	\$639,153	\$636,853	\$640,618	\$653,613	\$699,631	\$742,594	\$877,683	\$903,299	\$945,930	\$988,561	\$1,031,192	\$1,073,823	\$1,116,454	\$1,116,454
Total Qualified Investment	\$10,599,119	\$10,720,525	\$10,874,919	\$11,400,131	\$11,614,679	\$12,333,420	\$12,911,041	\$13,370,023	\$13,979,036	\$14,588,049	\$15,197,062	\$15,806,075	\$16,415,088	\$16,415,088
Less: Accumulated Depreciation 1080	(\$243,858)	(\$263,174)	(\$282,515)	(\$304,371)	(\$328,095)	(\$352,199)	(\$376,445)	(\$401,098)	(\$426,843)	(\$453,727)	(\$481,750)	(\$510,912)	(\$541,213)	(\$541,213)
Net Book Value	\$10,355,261	\$10,457,351	\$10,592,404	\$11,095,760	\$11,286,584	\$11,981,221	\$12,534,596	\$12,968,925	\$13,552,193	\$14,134,322	\$14,715,312	\$15,295,163	\$15,873,875	\$15,873,875
Average Net Qualified Investment	\$10,406,306	\$10,524,877	\$10,844,082	\$11,191,172	\$11,633,903	\$12,257,909	\$12,751,761	\$13,260,559	\$13,843,258	\$14,424,817	\$15,005,238	\$15,584,519		
Depreciation Rates														
Approved Depreciation Rate-Mains		2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%
Approved Depreciation Rate-Services		2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%
Return on Average Net Qualified Investment														
Equity - Cost of Capital, inclusive of Income Tax Gross-up		7.9400%	7.9400%	7.9400%	7.9400%	7.9400%	7.9400%	7.9400%	7.9400%	7.9400%	7.9400%	7.9400%	7.9400%	7.9400%
Debt - Cost of Capital		1.3900%	1.3900%	1.3900%	1.3900%	1.3900%	1.3900%	1.3900%	1.3900%	1.3900%	1.3900%	1.3900%	1.3900%	1.3900%
Equity Component - inclusive of Income Tax Gross-up		\$68,855	\$69,640	\$71,752	\$74,048	\$76,978	\$81,106	\$84,374	\$87,741	\$91,596	\$95,444	\$99,285	\$103,118	\$1,003,937
Debt Component		\$12,054	\$12,191	\$12,561	\$12,963	\$13,476	\$14,199	\$14,771	\$15,360	\$16,035	\$16,709	\$17,381	\$18,052	\$175,752
Return Requirement		\$80,909	\$81,831	\$84,313	\$87,011	\$90,454	\$95,305	\$99,145	\$103,101	\$107,631	\$112,153	\$116,666	\$121,170	\$1,179,689
Investment Expenses														
Depreciation Expense - Mains		\$17,878	\$17,908	\$20,415	\$22,253	\$22,530	\$22,575	\$22,678	\$23,713	\$24,756	\$25,799	\$26,842	\$27,885	\$275,232
Depreciation Expense - Services		\$1,438	\$1,433	\$1,441	\$1,471	\$1,574	\$1,671	\$1,975	\$2,032	\$2,128	\$2,224	\$2,320	\$2,416	\$22,123
Property Taxes	2.00%	\$17,259	\$17,259	\$17,259	\$17,259	\$17,259	\$17,259	\$17,259	\$17,259	\$17,259	\$17,259	\$17,259	\$17,259	\$207,108
General Public Notice and Customer Notice Expense		(\$711)	\$4,137	\$3,859	\$6,629	\$0	\$5,651	\$0	\$2,795	\$2,795	\$2,795	\$2,795	\$2,795	\$33,540
														\$0
														\$0
Total Expense		\$35,864	\$40,737	\$42,974	\$47,612	\$41,363	\$47,156	\$41,912	\$45,799	\$46,938	\$48,077	\$49,216	\$50,355	\$538,003
Net Revenue Requirements		\$116,773	\$122,568	\$127,287	\$134,623	\$131,817	\$142,461	\$141,057	\$148,900	\$154,569	\$160,230	\$165,882	\$171,525	\$1,717,692
GRIP Surcharge Revenues Collected Month		\$ 162,428	\$ 169,594	\$ 161,829	\$ 149,591	\$ 145,847	\$ 140,796	\$ 137,816	\$ 134,078	\$ 131,309	\$ 149,163	\$ 155,232	\$ 163,141	\$1,800,824
Beginning True-Up														\$ 211,175
(Over) and Under Recovery for the Month		\$ (45,655)	\$ (47,026)	\$ (34,542)	\$ (14,968)	\$ (14,030)	\$ 1,665	\$ 3,241	\$ 14,822	\$ 23,260	\$ 11,067	\$ 10,650	\$ 8,384	(\$83,132)
Monthly Interest (Expense)/Income		\$ 13	\$ 10	\$ 6	\$ 5	\$ 4	\$ 4	\$ 4	\$ 5	\$ 6	\$ 7	\$ 8	\$ 9	\$81
Ending (Over) and Under Recovery		\$ 211,175	\$ 165,533	\$ 118,517	\$ 83,981	\$ 69,018	\$ 54,992	\$ 56,661	\$ 59,906	\$ 74,733	\$ 97,999	\$ 109,073	\$ 119,731	\$ 128,124
Beg of Month Annual Interest Rate		0.08%	0.09%	0.08%	0.06%	0.08%	0.09%	0.09%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%
End of Month Annual Interest Rate		0.09%	0.08%	0.06%	0.08%	0.09%	0.09%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%
Average Monthly Interest Rate		0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.007%	0.007%	0.007%	0.007%	0.007%	0.007%	0.007%

Florida Division of Chesapeake Utilities Corporation
 Gas Reliability Infrastructure Program (GRIP)
 Calculation of the Projected Revenue Requirements
 January 1, 2016 through December 31, 2016

Schedule C-1
 Exhibit
 Michael Cassel (MC-1)
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Item	Beginning Balance	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year End Total
Qualified Investment														
Qualified Investment - Mains - Current 1070 Activity		\$344,709	\$344,709	\$344,709	\$344,709	\$344,709	\$344,709	\$344,709	\$344,709	\$344,709	\$344,709	\$344,709	\$344,709	\$4,136,510
Qualified Investment - Mains - Closed 1070 Activity to Plant		(\$327,474)	(\$327,474)	(\$327,474)	(\$327,474)	(\$327,474)	(\$327,474)	(\$327,474)	(\$327,474)	(\$327,474)	(\$327,474)	(\$327,474)	(\$327,474)	(\$3,929,684)
Qualified Investment - Services - Current 1070 Activity		\$25,946	\$25,946	\$25,946	\$25,946	\$25,946	\$25,946	\$25,946	\$25,946	\$25,946	\$25,946	\$25,946	\$25,946	\$311,350
Qualified Investment - Services - Closed 1070 Activity to Plant		(\$25,946)	(\$25,946)	(\$25,946)	(\$25,946)	(\$25,946)	(\$25,946)	(\$25,946)	(\$25,946)	(\$25,946)	(\$25,946)	(\$25,946)	(\$25,946)	(\$311,350)
Qualified Investment - Mains - Current 1010 Activity		\$327,474	\$327,474	\$327,474	\$327,474	\$327,474	\$327,474	\$327,474	\$327,474	\$327,474	\$327,474	\$327,474	\$327,474	\$3,929,684
Qualified Investment - Services - Current 1010 Activity		\$25,946	\$25,946	\$25,946	\$25,946	\$25,946	\$25,946	\$25,946	\$25,946	\$25,946	\$25,946	\$25,946	\$25,946	\$311,350
Total Qualified Investment - Mains 1070	\$1,934,968	\$1,952,204	\$1,969,439	\$1,986,674	\$2,003,910	\$2,021,145	\$2,038,381	\$2,055,616	\$2,072,852	\$2,090,087	\$2,107,323	\$2,124,558	\$2,141,794	\$2,141,794
Total Qualified Investment - Services 1070	\$12,248	\$12,248	\$12,248	\$12,248	\$12,248	\$12,248	\$12,248	\$12,248	\$12,248	\$12,248	\$12,248	\$12,248	\$12,248	\$12,248
Total Qualified Investment - Mains 1010	\$13,351,418	\$13,678,891	\$14,006,365	\$14,333,839	\$14,661,313	\$14,988,786	\$15,316,260	\$15,643,734	\$15,971,207	\$16,298,681	\$16,626,155	\$16,953,628	\$17,281,102	\$17,281,102
Total Qualified Investment - Services 1010	\$1,116,454	\$1,142,400	\$1,168,346	\$1,194,292	\$1,220,237	\$1,246,183	\$1,272,129	\$1,298,075	\$1,324,021	\$1,349,967	\$1,375,912	\$1,401,858	\$1,427,804	\$1,427,804
Total Qualified Investment	\$16,415,088	\$16,785,743	\$17,156,398	\$17,527,053	\$17,897,708	\$18,268,363	\$18,639,018	\$19,009,673	\$19,380,328	\$19,750,983	\$20,121,638	\$20,492,293	\$20,862,948	\$20,862,948
Less: Accumulated Depreciation	(\$541,213)	(\$572,653)	(\$604,861)	(\$637,837)	(\$671,581)	(\$706,093)	(\$741,373)	(\$777,420)	(\$814,236)	(\$851,819)	(\$890,170)	(\$929,289)	(\$969,176)	(\$969,176)
Net Book Value	\$15,873,875	\$16,213,090	\$16,551,537	\$16,889,216	\$17,226,127	\$17,562,270	\$17,897,645	\$18,232,253	\$18,566,092	\$18,899,164	\$19,231,468	\$19,563,004	\$19,893,772	\$19,893,772
Average Net Qualified Investment	\$16,043,483	\$16,382,314	\$16,720,377	\$17,057,672	\$17,394,199	\$17,729,958	\$18,064,949	\$18,399,173	\$18,732,628	\$19,065,316	\$19,397,236	\$19,728,588		
Depreciation Rates														
Approved Depreciation Rate-Mains		2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%
Approved Depreciation Rate-Services		2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%
Return on Average Net Qualified Investment														
Equity - Cost of Capital, inclusive of Income Tax Gross-up		7.9400%	7.9400%	7.9400%	7.9400%	7.9400%	7.9400%	7.9400%	7.9400%	7.9400%	7.9400%	7.9400%	7.9400%	7.9400%
Debt - Cost of Capital		1.3900%	1.3900%	1.3900%	1.3900%	1.3900%	1.3900%	1.3900%	1.3900%	1.3900%	1.3900%	1.3900%	1.3900%	1.3900%
Equity Component - inclusive of Income Tax Gross-up	\$106,154	\$108,396	\$110,633	\$112,865	\$115,092	\$117,313	\$119,530	\$121,741	\$123,948	\$126,149	\$128,345	\$130,536	\$132,727	\$1,420,702
Debt Component	\$18,584	\$18,976	\$19,368	\$19,758	\$20,148	\$20,537	\$20,925	\$21,312	\$21,699	\$22,084	\$22,468	\$22,852	\$23,236	\$248,712
Return Requirement	\$124,738	\$127,372	\$130,001	\$132,623	\$135,240	\$137,850	\$140,455	\$143,054	\$145,646	\$148,233	\$150,814	\$153,388	\$155,963	\$1,669,415
Investment Expenses														
Depreciation Expense - Mains	\$28,928	\$29,638	\$30,347	\$31,057	\$31,766	\$32,476	\$33,185	\$33,895	\$34,604	\$35,314	\$36,023	\$36,733	\$37,443	\$393,966
Depreciation Expense - Services	\$2,512	\$2,570	\$2,629	\$2,687	\$2,746	\$2,804	\$2,862	\$2,921	\$2,979	\$3,037	\$3,096	\$3,154	\$3,213	\$33,997
Property Taxes	\$26,456	\$26,456	\$26,456	\$26,456	\$26,456	\$26,456	\$26,456	\$26,456	\$26,456	\$26,456	\$26,456	\$26,456	\$26,456	\$317,472
General Public Notice Expense and Customer Notice Expense	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$18,000
Total Expense	\$59,396	\$60,164	\$60,932	\$61,700	\$62,468	\$63,236	\$64,003	\$64,772	\$65,539	\$66,307	\$67,075	\$67,843	\$68,611	\$763,435
Total Revenue Requirements	\$184,134	\$187,536	\$190,933	\$194,323	\$197,708	\$201,086	\$204,458	\$207,826	\$211,185	\$214,540	\$217,889	\$221,231	\$224,573	\$2,432,850

Florida Division of Chesapeake Utilities Corporation
 Gas Reliability Infrastructure Program (GRIP)
 Projection of Qualified Mains & Services Revenue Requirements
 Surcharge Calculation - January 1, 2016 through December 31, 2016
 Per Therm/Bill Rate

Schedule D-1
 Exhibit _____
 Michael Cassel (MC-1)
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1.	1/1/16-12/31/16 Qualified Mains & Services Replacement Revenue Requirements	\$	2,432,850
	Mains	96%	\$2,335,536
	Services	4%	\$97,314
	Net		<u>\$2,432,850</u>
2.	TRUE-UP from Prior Period (Over)/Under Recovery Estimated thru 12/2015	\$	128,124
3.	2016 Qualified Mains & Services Replacement Revenue Requirements	\$	2,560,974
	Mains	96%	\$2,458,535
	Services	4%	\$102,439
	Net		<u>\$2,560,974</u>

RATE CLASS	2016 BILLS	2016 THERMS	SERVICES COS %	MAINS COS %	SERVICES REV REQ	MAINS REV REQ	GRIP REV REQ	DOLLARS PER THERM	EXPANSION FACTOR	GRIP FACTORS PER THERM	\$ PER BILL	EXPANSION FACTOR	Experimental GRIP FACTORS PER BILL	ANNUAL COST PER BILL	TYPICAL ANNUAL THERMS	ANNUAL COST	AVERAGE MONTHLY COST
FTS-A	17,696	117,709	14.34%	0.951%	\$ 14,690	\$ 23,381	\$38,071	\$0.32343	1.00503	\$ 0.32506	\$ 2.15	1.00503	\$ 2.16	\$ 25.95	110	\$35.76	\$2.98
FTS-B	27,532	313,362	9.74%	1.142%	\$ 9,978	\$ 28,076	\$38,054	\$0.12144	1.00503	\$ 0.12205	\$ 1.38	1.00503	\$ 1.39	\$ 16.67	215	\$26.24	\$2.19
FTS-1	124,560	2,097,332	33.87%	5.861%	\$ 34,696	\$ 144,095	\$178,791	\$0.08525	1.00503	\$ 0.08568	\$ 1.44	1.00503	\$ 1.44	\$ 17.31	275	\$23.56	\$1.96
FTS-2	10,363	623,044	12.69%	1.611%	\$ 13,000	\$ 39,607	\$52,607	\$0.08444	1.00503	\$ 0.08486	\$ 5.08	1.00503	\$ 5.10	\$ 61.22	875	\$74.25	\$6.19
FTS-2.1	8,537	1,005,253	7.83%	3.193%	\$ 8,021	\$ 78,501	\$86,522	\$0.08607	1.00503	\$ 0.08650	\$ 10.13	1.00503	\$ 10.19	\$ 122.23	1,575	\$136.24	\$11.35
FTS-3	3,395	1,242,155	3.93%	1.567%	\$ 4,026	\$ 38,525	\$42,551	\$0.03426	1.00503	\$ 0.03443	\$ 12.53	1.00503	\$ 12.60	\$ 151.16	4,000	\$137.71	\$11.48
FTS-3.1	3,696	2,197,674	3.91%	4.294%	\$ 4,005	\$ 105,569	\$109,574	\$0.04986	1.00503	\$ 0.05011	\$ 29.65	1.00503	\$ 29.80	\$ 357.55	7,300	\$365.80	\$30.48
FTS-4		2,641,251	4.37%	6.162%	\$ 4,477	\$ 151,495	\$155,972	\$0.05905	1.00503	\$ 0.05935					12,500	\$741.87	\$61.82
FTS-5		1,080,614	1.24%	2.570%	\$ 1,270	\$ 63,184	\$64,454	\$0.05965	1.00503	\$ 0.05995					37,500	\$2,247.96	\$187.33
FTS-6		1,508,244	1.25%	2.750%	\$ 1,280	\$ 67,610	\$68,890	\$0.04568	1.00503	\$ 0.04591					75,000	\$3,442.90	\$286.91
FTS-7		2,884,797	2.20%	7.615%	\$ 2,254	\$ 187,217	\$189,471	\$0.06568	1.00503	\$ 0.06601					150,000	\$9,901.43	\$825.12
FTS-8		5,367,508	1.62%	10.708%	\$ 1,660	\$ 263,260	\$264,920	\$0.04936	1.00503	\$ 0.04960					300,000	\$14,881.35	\$1,240.11
FTS-9		4,841,280	1.48%	15.171%	\$ 1,516	\$ 372,984	\$374,500	\$0.07736	1.00503	\$ 0.07774					550,000	\$42,759.57	\$3,563.30
FTS-10		2,352,121	0.45%	6.539%	\$ 461	\$ 160,764	\$161,225	\$0.06854	1.00503	\$ 0.06889					850,000	\$58,555.91	\$4,879.66
FTS-11		4,829,072	0.61%	13.551%	\$ 625	\$ 333,156	\$333,781	\$0.06912	1.00503	\$ 0.06947					1,750,000	\$121,566.81	\$10,130.57
FTS-12		15,643,785	0.47%	16.315%	\$ 481	\$ 401,110	\$401,591	\$0.02567	1.00503	\$ 0.02580					3,000,000	\$77,400.26	\$6,450.02
FTS-13		N/A	N/A	0.000%	\$ -	\$ -	\$0 N/A		N/A						-	N/A	
TOTAL	195,779	48,745,200	100.00%	100.000%	\$ 102,439	\$ 2,458,535	\$ 2,560,974										

Florida Public Utilities Company -Ft. Meade

Gas Reliability Infrastructure Program (GRIP)
Investment and Calculation of Equity and Debt Returns

Schedule A-1

Exhibit _____

Michael Cassel (MC-1)

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	<u># of Services</u>	<u>Cost per Service</u>	<u>Projected Total Investment</u>	<u>Years</u>	<u>Investment Per Year</u>
Steel Tubing Services	250	\$ 1,900.00	\$ 475,000.00	2	\$ 237,500.00

Earnings Surveillance Report - December 31, 2014

Equity Cost Rate	11.00%
Weighted Equity Cost Rate	5.27%
Revenue Expansion Factor	1.6335
Weighted Equity Cost Rate , times Revenue Expansion Factor	<u>8.610%</u>
Long Term Debt-CU	1.190%
Short Term Debt	0.110%
Short Term Debt-Refinanced LTD	0.100%
Customer Deposits	0.300%
Tax Credits-Weighted Cost	0.000%
Weighted Debt Cost Rate	<u>1.700%</u>
Overall Weighted Cost Rate	<u><u>6.97%</u></u>

Florida Public Utilities-Ft. Meade
 Gas Reliability Infrastructure Program (GRIP)
 Calculation of the Projected Revenue Requirements
 January 1, 2016 through December 31, 2016

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Item	Beginning Balance	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year End Total
Qualified Investment														
Qualified Investment - Mains - Current 1070 Activity	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Qualified Investment - Mains - Closed 1070 Activity to Plant	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Qualified Investment - Services - Current 1070 Activity	\$19,792	\$19,792	\$19,792	\$19,792	\$19,792	\$19,792	\$19,792	\$19,792	\$19,792	\$19,792	\$19,792	\$19,792	\$19,788	\$237,500
Qualified Investment - Services - Closed 1070 Activity to Plant	(\$19,792)	(\$19,792)	(\$19,792)	(\$19,792)	(\$19,792)	(\$19,792)	(\$19,792)	(\$19,792)	(\$19,792)	(\$19,792)	(\$19,792)	(\$19,792)	(\$19,788)	(\$237,500)
Qualified Investment - Mains - Current 1010 Activity	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Qualified Investment - Services - Current 1010 Activity	\$19,792	\$19,792	\$19,792	\$19,792	\$19,792	\$19,792	\$19,792	\$19,792	\$19,792	\$19,792	\$19,792	\$19,792	\$19,788	\$237,500
Total Qualified Investment - Mains 1070	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Qualified Investment - Services 1070	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Qualified Investment - Mains 1010	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Qualified Investment - Services 1010	\$0	\$19,792	\$39,584	\$59,376	\$79,168	\$98,960	\$118,752	\$138,544	\$158,336	\$178,128	\$197,920	\$217,712	\$237,500	\$237,500
Total Qualified Investment	\$0	\$19,792	\$39,584	\$59,376	\$79,168	\$98,960	\$118,752	\$138,544	\$158,336	\$178,128	\$197,920	\$217,712	\$237,500	\$237,500
Less: Accumulated Depreciation	\$0	\$0	(\$45)	(\$134)	(\$268)	(\$446)	(\$669)	(\$936)	(\$1,248)	(\$1,604)	(\$2,005)	(\$2,450)	(\$2,940)	(\$2,940)
Net Book Value	\$0	\$19,792	\$39,539	\$59,242	\$78,900	\$98,514	\$118,083	\$137,608	\$157,088	\$176,524	\$195,915	\$215,262	\$234,560	\$234,560
Average Net Qualified Investment		\$9,896	\$29,666	\$49,391	\$69,071	\$88,707	\$108,299	\$127,846	\$147,348	\$166,806	\$186,220	\$205,589	\$224,911	
Depreciation Rates														
Approved Depreciation Rate-Mains		2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%
Approved Depreciation Rate-Services		2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%
Return on Average Net Qualified Investment														
Equity - Cost of Capital, inclusive of Income Tax Cross-up		8.6100%	8.6100%	8.6100%	8.6100%	8.6100%	8.6100%	8.6100%	8.6100%	8.6100%	8.6100%	8.6100%	8.6100%	8.6100%
Debt - Cost of Capital		1.7000%	1.7000%	1.7000%	1.7000%	1.7000%	1.7000%	1.7000%	1.7000%	1.7000%	1.7000%	1.7000%	1.7000%	1.7000%
Equity Component - inclusive of Income Tax Cross-up	\$71	\$213	\$354	\$496	\$636	\$777	\$917	\$1,057	\$1,197	\$1,336	\$1,475	\$1,614	\$1,766	\$10,144
Debt Component	\$14	\$42	\$70	\$98	\$126	\$153	\$181	\$209	\$236	\$264	\$291	\$319	\$347	\$2,003
Return Requirement	\$85	\$255	\$424	\$593	\$762	\$930	\$1,098	\$1,266	\$1,433	\$1,600	\$1,766	\$1,932	\$2,100	\$12,146
Investment Expenses														
Depreciation Expense - Mains	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Depreciation Expense - Services	\$0	\$45	\$89	\$134	\$178	\$223	\$267	\$312	\$356	\$401	\$445	\$490	\$534	\$2,940
Property Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
General Public Notice Expense and Customer Notice Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expense	\$0	\$45	\$89	\$134	\$178	\$223	\$267	\$312	\$356	\$401	\$445	\$490	\$534	\$2,940
Total Revenue Requirements	\$85	\$300	\$513	\$727	\$940	\$1,153	\$1,365	\$1,578	\$1,789	\$2,001	\$2,211	\$2,422	\$2,632	\$15,086

Florida Public Utilities Company-Fort Meade
 Gas Reliability Infrastructure Program (GRIP)
 Projection of Qualified Mains & Services Revenue Requirements
 Surcharge Calculation - January 1, 2016 through December 31, 2016
 Per Therm Rate

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1. 1/1/16-12/31/16 Qualified Mains & Services Replacement Revenue Requirements		\$	15,086
Mains	0%	\$0	
Services	100%	\$15,086	
Net		<u>\$15,086</u>	
2. TRUE-UP from Prior Period (Over)/Under Recovery Estimated thru 12/2015		\$	-
3. 2016 Qualified Mains & Services Replacement Revenue Requirements		\$	15,086
Mains	0%	\$0	
Services	100%	\$15,086	
Net		<u>\$15,086</u>	

RATE SCHEDULE	2016 THERMS	Customer Charge	Non-Gas Energy Charge	Total Cust. & Energy Chg Revenue	Allocation	GRIP REV REQ	DOLLARS PER THERM	TAX FACTOR	GRIP FACTORS PER THERM	TYPICAL ANNUAL THERMS	ANNUAL COST	AVERAGE MONTHLY COST
RESIDENTIAL	87,181	\$67,550	\$48,560	\$116,110	69.37%	\$10,465	\$0.12004	1.00503	\$0.12065	250	\$30.16	\$2.51
COMMERCIAL SMALL (General Service & GS Transportation)	80,714	\$6,318	\$44,958	\$51,276	30.63%	\$4,621	\$0.05725	1.00503	\$0.05754	2,500	\$143.85	\$11.99
COMM. LRG VOLUME (Large Vol & LV Transportation)	0	\$0	\$0	\$0	0.00%	\$0	\$0.00000	1.00503	\$0.00000	25,000	\$0.00	\$0.00
INTERRUPTIBLE SERVICE (Int Service & IS Transportation)	0	\$0	\$0	\$0	0.00%	\$0	\$0.00000	1.00503	\$0.00000	50,000	\$0.00	\$0.00
GENERAL LIGHTING SERVICE	0	\$0	\$0	\$0	0.00%	\$0	\$0.00000	1.00503	\$0.00000	500	\$0.00	\$0.00
TOTAL	<u>167,895</u>	<u>\$73,868</u>	<u>\$93,518</u>	<u>\$167,386</u>	<u>100.00%</u>	<u>\$15,086</u>						