Docket No. 20170150-EI – Petition for limited proceeding to include reliability and modernization projects in rate base, by Florida Public Utilities Company.

Consideration of Motion to Approve Settlement and Stipulation prior to hearing.

The settlement agreement was found to be in the public interest and was approved.

COMMISSIONERS ASSIGNED: All Commissioners

COMMISSIONERS’ SIGNATURES

MAJORITY

Dissenting

REMARKS/DISSSENTING COMMENTS: See attached DN 10135-2017, Joint Motion of FPUC and OPE for Approval of Stipulation and Settlement.
November 28, 2017

E-PORTAL FILING

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

Re: Docket No. 20170150-EI - Petition for limited proceeding to include reliability and modernization projects in rate base, by Florida Public Utilities Company.

Dear Ms. Stauffer:

Attached, please find the Joint Motion of Florida Public Utilities Company and the Office of Public Counsel requesting approval of a Settlement and Stipulation, along with a copy of the Settlement and Stipulation.

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

Kind regards,

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

cc: (Office of Public Counsel)
BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for limited proceeding to include reliability and modernization projects in rate base, by Florida Public Utilities Company. Docket No. 20170150-EI

JOINT MOTION OF FLORIDA PUBLIC UTILITIES COMPANY AND THE OFFICE OF PUBLIC COUNSEL FOR APPROVAL OF STIPULATION AND SETTLEMENT

Florida Public Utilities Company ("FPUC" or "Company") and the Office of Public Counsel ("OPC") (collectively, "Joint Movants") by and through their undersigned attorneys, respectfully move the Florida Public Service Commission ("Commission" or "FPSC") to approve the Stipulation and Settlement agreement ("2017 Agreement") attached hereto as Attachment "A", which the Joint Movants have entered into in order to resolve issues in this proceeding. In support hereof, the Joint Movants state as follows:

1. On July 3, 2017, FPUC petitioned the Florida Public Service Commission ("the Commission") for a limited proceeding to include $15,241,515 in capital projects in rate base and increase its rates and charges by the amount necessary to recover the revenue requirement of $1,823,869 on those projects.

2. OPC filed a notice of its intervention on September 21, 2017.

3. The Joint Movants, as well as Commission Staff, have engaged in extensive discovery in this proceeding.

4. In recent weeks, the Joint Movants have engaged in negotiations to resolve the issues in this proceeding in an effort to avoid any further expensive and time-consuming litigation.
before the Commission. These efforts have been successful and resulted in the 2017 Agreement attached hereto as Attachment A.

5. The 2017 Agreement is the result of good faith efforts to address the issues in this proceeding in a manner that will provide regulatory certainty with regard to FPUC's rates and to avoid the expense and uncertainty associated with further litigation, including a potential full rate proceeding. The 2017 Agreement results in rates and charges that are fair, just and reasonable for the duration of the 2017 Agreement, and is in the public interest. It provides planning and rate certainty for a period through December 2019, prior to which FPUC will be prohibited from seeking a base rate increase except in certain specified circumstances.

6. The 2017 Agreement provides additional regulatory certainty by addressing storm cost recovery and other cost recovery mechanisms.

7. The Joint Movants respectfully urge the Commission to consider this Joint Motion for Approval of Stipulation and Settlement at the December 12, 2017, Agenda Conference. Approval by the Commission at the December 12, 2017 Agenda Conference would allow new rates consistent with this 2017 Agreement to be in place with the first billing cycle in January 2018, as contemplated by the 2017 Agreement.

8. To date, no other parties have intervened in this proceeding. As the only two parties to the proceeding have executed the Agreement, no party will be prejudiced by the Commission's approval of the Agreement. Should any new party seek to intervene at any point in the future, in accordance with Commission rules, such party would then take the case as they find it, which is contemplated in the terms of the 2017 Agreement.
9. In furtherance of this Joint Motion and approval of the 2017 Agreement, the Joint Movants waive any right to protest an order of the Commission approving the 2017 Agreement in its entirety.

10. For reference purposes only, the following is an overview of the key provisions of the 2017 Agreement:

(a) FPUC will be authorized to increase its base rates and service charges ("New Rates") to generate an additional $1,558,050 of annual revenues for purposes of recovering the revenue requirement on the projects identified in Attachment "1" to the 2017 Settlement.

(b) Rate increases will be effective with the first billing cycle of January 2018 ("Implementation Date").

(c) Exclusion of any project from Attachment "1" that may have been previously identified in the Company's July 3, 2017, Petition will not be construed as an agreement or determination by the Joint Movants that any such project is imprudent or should otherwise be disallowed for purposes of calculation of the Company's revenue requirement in the Company's next authorized rate proceeding.

(d) The Company may continue to seek recovery of costs through recovery clauses, but cannot seek recovery of costs that the Company has traditionally and historically recovered through base rates, unless such costs are: (i) the direct and unavoidable result of new governmental impositions or requirements; or (ii) new or atypical costs that were unforeseeable and could not have been contemplated by the Joint Movants resulting from
significantly changed industry-wide circumstances directly affecting the Company's operations.

(e) FPUC may petition the Commission to seek recovery of costs associated with (1) any tropical systems named by the National Hurricane Center or its successor, or (2) other catastrophic storm events causing damage to FPUC's generation, transmission or distribution system in the aggregate dollar amount of at least $1,000,000, without the application of any form of earnings test or measure and irrespective of previous or current base rate earnings.

(f) The Joint Movants agree and acknowledge that if the Company is earning below the bottom of the existing range and experiences an unanticipated and unforeseen event, not otherwise addressed by Paragraph IV of the 2017 Settlement, that has an adverse annual revenue requirement impact in excess of $800,000 (loss of revenues or an increase in expenses), which may be the result of a single event or may be the aggregate impact of multiple, related events occurring within any contiguous four (4) month period, then FPUC shall be entitled to seek rate relief before the Commission.

(g) If Tax Reform is enacted before the Company's next general base rate proceeding, the impacts of Tax Reform on FPUC's base revenue requirements will be flowed back to retail customers within 120 days of when the Tax Reform becomes law, through a one-time adjustment to base rates upon a thorough review of the effects of the Tax Reform on base revenue requirements. This adjustment shall be accomplished through a
uniform percentage decrease to customer, demand and energy base rate charges for all retail customer classes. Any effects of Tax Reform on retail revenue requirements from the Implementation Date through the date of the one-time base rate adjustment shall be flowed-back to customers through the ECCR Clause on the same basis as used in any base rate adjustment. If Tax Reform results in an increase in base revenue requirements, the Company will utilize deferral accounting as permitted by the Commission, thereby neutralizing the FPSC adjusted net operating income impact of the Tax Reform to a net zero, through the Term. In this situation, the Company shall defer the revenue requirement impacts to a regulatory asset to be considered for prospective recovery in a change to base rates to be addressed in the Company’s next base rate proceeding or in a limited scope proceeding before the Commission no sooner than the end of the Minimum Term. All Excess Deferred Taxes shall be deferred to a regulatory asset or liability which shall be included in FPSC adjusted capital structure and flowed back to customers over a term consistent with law.

(h) FPUC will not be precluded from filing and the Commission from approving any new or revised tariff provisions or rate schedules requested by FPUC, provided that any such tariff request does not increase any existing base rate component of a tariff or rate schedule, or any other charge imposed on customers during the Term unless the application of such new or revised tariff, rate schedule, or charge is optional to FPUC's customers.
The New Rates presented in Attachment “3” of the 2017 Agreement are designed in accordance with the methodology of the Cost of Service and Rate Design approved by the Commission in the Company’s last rate case, Docket No. 20140025-EI.

The Joint Movants represent that the 2017 Agreement provides an equitable and just balance of the positions of the parties on the issues in this proceeding. Approval of the Agreement is in the best interests of both the Company and its customers, and as such, it is in the public interest.

Commission approval of this Joint Motion is consistent with the Commission’s long-standing policy to encourage settlements that provide benefits to the ratepayers and avoid unnecessary additional litigation expense. Therefore, the Joint Movants respectfully request that the Commission approve the 2017 Agreement, which is attached hereto as Attachment “A”.

WHEREFORE, the Joint Movants hereby respectfully request that the
Docket No. 20170150-EI

Commission grant this Joint Motion and approve the 2017 Agreement attached hereto as Attachment “A”.

Respectfully submitted this 28th day of November, 2017, by:

Patricia A. Christensen, Esquire
Bar No. 989789
Office of the Public Counsel
c/o The Florida Legislature
111 West Madison St., Rm 812
Tallahassee, FL 32399-1400
Office of Public Counsel

Beth Keating, Esquire
Bar No. 0022756
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301
(850) 521-1706
Attorneys for Florida Public Utilities Company
Docket No. 20170150-EI

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Joint Motion has been furnished by Electronic Mail to the following parties of record this 28th day of November, 2017:

Suzanne Brownless, Esquire/Martha Barrera, Esquire
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Patricia A. Christensen, Esquire
Office of the Public Counsel
c/o The Florida Legislature
111 West Madison St., Rm 812
Tallahassee, FL 32399-1400

By: Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301
(850) 521-1706
BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for limited proceeding to include reliability and modernization projects in rate base, by Florida Public Utilities Company.

Docket No. 20170150-EI

STIPULATION AND SETTLEMENT

WHEREAS, Florida Public Utilities Company ("FPUC" or "Company") and the Office of Public Counsel ("OPC") have signed this Stipulation and Settlement ("2017 Agreement"); and

WHEREAS, unless the context clearly intends otherwise, the term "Party" or "Parties" shall mean a signatory or signatories to this 2017 Agreement; and

WHEREAS, on July 3, 2017, FPUC petitioned the Florida Public Service Commission ("the Commission") for a limited proceeding to include $15,241,515 in capital projects in rate base and increase its rates and charges by the amount necessary to recover the revenue requirement of $1,823,869 on those projects with the effective day of such rate increase to be January 1, 2018; and

WHEREAS, the Parties and Commission Staff have conducted extensive discovery in this proceeding; and

WHEREAS, the Parties have endeavored in good faith to resolve the issues in this docket in order to provide regulatory certainty with regard to FPUC's rates and to avoid the uncertainty associated with further litigation; and

WHEREAS, the legal system, as well as the Commission, favors settlement of disputes, for a variety of reasons, including that they are in the public interest; and

WHEREAS, the Parties to this 2017 Agreement, individually and collectively, agree that this 2017 Agreement, taken as a whole, is in the public interest; and

WHEREAS, the Parties have entered into this 2017 Agreement in compromise of positions taken in accord with their rights and interests under Chapters 350, 366 and 120, Florida Statutes, as applicable, and as part of a negotiated exchange of consideration among the Parties to this 2017 Agreement, each Party has agreed to concessions to the others with the expectation, intent, and understanding such that all provisions of this 2017 Agreement, upon approval by the Commission, will be enforced by the Commission as to all matters addressed herein with respect to all Parties; and
WHEREAS, the Parties filed a Clarification of Procedure for Conducting the Limited Proceeding and Subsequent Tariff Filing ("Procedural Clarification Agreement") on August 1, 2017, wherein the Parties agreed that FPUC will file a tariff in a separate docket based upon the Commission's Proposed Agency Action vote within 15 days of the PAA vote and the PAA order will be issued on or before 20 days after the PAA vote, and that, further, 21 days following the issuance of the PAA order shall be deemed the filing deadline for any and all objections to FPUC's tariff, as well as the PAA Order ("Filing Deadline"); and

WHEREAS, notwithstanding the Procedural Clarification Agreement to file conforming tariffs in a separate docket, the Parties herein agree to file these 2017 Agreement conforming tariffs in this docket; and

WHEREAS, by entering into this 2017 Agreement, the Parties waive all rights to protest the PAA Order and the tariff filing(s) made in compliance with the terms and conditions of this 2017 Agreement, and agree that tariffs reflecting rates consistent with this 2017 Agreement shall be filed promptly following the Commission's vote on this 2017 Agreement, but no later than one (1) day following such Commission vote; and

WHEREAS, the Parties further agree, as set forth herein, that the tariffed rates shall go into effect with the first billing cycle of January 2018; and

WHEREAS, the Parties agree that, if any substantially affected person, other than OPC or FPUC, files a timely protest of the Commission's Order approving this 2017 Agreement and requests a hearing on the Company's tariff filing reflecting the PAA Vote Rates, they must file a protest in the PAA docket for hearing on or before the Filing Deadline, where upon the tariffed rates will remain in effect subject to refund pending the issuance of a final order of the Commission.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants set forth herein, which the Parties agree constitute good and valuable consideration, the Parties hereby stipulate and agree as follows:

I. Term

a. This 2017 Agreement will take effect upon Commission approval ("Effective Date") and shall be implemented on the date of the meter reading for the first billing cycle of January 2018 ("Implementation Date") and continue at least until the last billing cycle of December 2019. The base rates, charges and related tariff term sheet terms and conditions established as a result of this 2017 Agreement will continue beyond December 2019, except as otherwise contemplated herein, unless and until changed by Commission Order. The period from the Implementation Date through the last billing cycle in December 2019 may be referred to herein as the "Minimum Term".

b. The Parties agree that no increase or reduction in base rates shall be sought by the Parties that would take effect before the end of the Minimum Term unless other terms of this 2017 Agreement allow, nor will FPUC seek to implement interim rates with an effective date prior to January 1, 2020.
c. The parties reserve all rights, unless such rights are expressly waived or released, under the terms of this 2017 Agreement.

II. Revenue Requirement

a. Upon the Implementation Date and effective with the date of the first meter reading for the first billing cycle of January 2018, FPUC shall be authorized to increase its base rates and service charges ("New Rates") to generate an additional $1,558,050 of annual revenues for purposes of recovering the revenue requirement on the projects identified in Attachment "1" hereto.

b. The Parties acknowledge that exclusion of any project from Attachment "1" that may have been identified in the Company's July 3, 2017, Petition shall not be construed as an agreement or determination by the Parties that any such project is imprudent or should otherwise be disallowed for purposes of calculation of the Company's revenue requirement in the Company's next authorized rate proceeding.

c. The base rates, charges, and related tariff sheet terms and conditions set in accordance with this 2017 Agreement shall not be changed during the Term except as otherwise permitted or provided for in this 2017 Agreement, and shall continue in effect until next reset by the Commission.

III. Other Cost Recovery

Nothing in this 2017 Agreement shall preclude the Company from requesting the Commission to approve the recovery of costs that are: (a) of a type which traditionally or historically would be, have been, or are presently recovered through cost recovery clauses or surcharges, or (b) incremental costs not currently recovered in base rates which the Legislature expressly requires shall be clause recoverable subsequent to the approval of this 2017 Agreement. It is the intent of the Parties that the Company shall not seek to recover, nor shall the Company be allowed to recover, through any cost recovery clause or charge, or through the functional equivalent of such cost recovery clauses and charges, costs of any type or category that have historically or traditionally been recovered in base rates, unless such costs are: (i) the direct and unavoidable result of new governmental impositions or requirements; or (ii) new or atypical costs that were unforeseeable and could not have been contemplated by the Parties resulting from significantly changed industry-wide circumstances directly affecting the Company's operations. As a part of the base rate freeze agreed to herein, the Company will not seek Commission approval to defer for later recovery in rates, any costs incurred or reasonably expected to be incurred from the Effective Date through and including December 31, 2019, which are of the type which historically or traditionally have been or would be recovered in base rates, unless such deferral and subsequent recovery is expressly authorized herein or otherwise agreed to by each of the Parties. The Parties are not precluded from participating in any proceedings pursuant to this Paragraph III, nor is any Party precluded from raising any issues pertinent to any such proceedings.
IV. **Storm Damage Recovery**

a. Nothing in this 2017 Agreement shall preclude FPUC from petitioning the Commission to seek recovery of costs associated with (1) any tropical systems named by the National Hurricane Center or its successor, or (2) other catastrophic storm events causing damage to FPUC's generation, transmission or distribution system in the aggregate dollar amount of at least $1,000,000, without the application of any form of earnings test or measure and irrespective of previous or current base rate earnings. Consistent with this 2017 Agreement, the Parties agree that recovery of storm costs from customers will begin, on an interim basis (subject to refund following a hearing or a full opportunity for a formal proceeding), sixty days following the filing of a cost recovery petition and tariff with the Commission and will be based on a 12-month recovery period if the storm costs do not exceed $4.00/1,000 kWh on monthly residential customer bills. In the event the Company's reasonable and prudent storm costs exceed that level, any additional costs in excess of $4.00/1,000 kWh shall be recovered in a subsequent year or years as determined by the Commission, after hearing or after the opportunity for a formal proceeding has been afforded to all substantially affected persons or parties. All storm related costs shall be calculated and disposed of pursuant to Rule 25-6.0143, F.A.C., and shall be limited to (i) costs resulting from a tropical system named by the National Hurricane Center or its successor or other catastrophic storms creating significant damage to FPUC's generation, transmission or distribution systems such as tornados or ice storms in the aggregate dollar amount of at least $1,000,000, (ii) the estimate of incremental storm restoration costs above the level of the storm reserve prior to the storm, and (iii) the replenishment of the storm reserve to $1.5 million. The Parties to this 2017 Agreement are not precluded from participating in any such proceedings and opposing the amount of FPUC's claimed costs (for example, and without limitation, on grounds that such claimed costs were not reasonable or were not prudently incurred) or whether the proposed recovery is consistent with this Paragraph IV, but not the mechanism agreed to herein.

(b) The Parties agree that the $4.00/1,000 kWh cap in this Paragraph IV shall apply in aggregate for a calendar year; provided, however, that FPUC may petition the Commission to allow FPUC to increase the initial 12-month recovery at rates greater than $4.00/1,000 kWh or for a period longer than 12 months if FPUC incurs in excess of $3 million of storm recovery costs that qualify for recovery in a given calendar year, inclusive of the amount needed to replenish the storm reserve to $1.5 million. The Office of Public Counsel reserves its right to oppose such a petition.

(c) The Parties expressly agree that any proceeding to recover costs associated with any storm shall not be a vehicle for a "rate case" type inquiry concerning the expenses, investment, or financial results of operations of FPUC and shall not apply any form of earnings test or measure or consider previous or current base rate earnings. Such issues may be fully addressed in any subsequent FPUC base rate case.

(d) The provisions of this Paragraph IV shall remain in effect during the Term except as otherwise permitted or provided for in this 2017 Agreement and shall continue in effect until the Company's base rates are next reset by the Commission. For clarity, this means that if this 2017 Agreement is terminated prior to the end of the Term, the Company's rights regarding storm cost recovery under this 2017 Agreement are terminated at the same time, except that any Commission-approved surcharge then in effect shall remain in effect until the costs subject to that surcharge are fully recovered. A storm
surcharge in effect without approval of the Commission shall be terminated at the time this 2017 Agreement is terminated.

(e) The provisions of this Paragraph IV shall have no bearing upon FPUC’s ability to seek recovery of storm-related costs incurred prior to the Effective Date of this 2017 Agreement and in accordance with Rule 25-6.0143, F.A.C.

V. Lighting Tariff

Nothing shall preclude FPUC from filing for approval of a new tariffed rate schedule for LED lighting, which the Parties acknowledge may have some impact on base rates, but which would also be designed to have an offsetting impact in Fuel. The Parties further acknowledge that any such LED lighting tariff filed by the Company shall be structured substantially similar to that considered by the Commission in Docket No. 20170199-EI, and shall be consistent with Paragraph IX.

VI. Earnings

a. Notwithstanding Paragraph 1(b), the Parties agree and acknowledge that if the Company is earning below the bottom of the existing range and experiences an unanticipated and unforeseen event, not otherwise addressed by Paragraph IV, that has an adverse annual revenue requirement impact in excess of $800,000 (loss of revenues or an increase in expenses), which may be the result of a single event or may be the aggregate impact of multiple, related events occurring within any contiguous four (4) month period, then FPUC shall be entitled to seek rate relief before the Commission either as a general proceeding under Sections 366.06 and 366.07, Florida Statutes, and/or as a limited proceeding under Section 366.076, Florida Statutes.

b. FPUC acknowledges that the OPC shall be entitled to participate and oppose any request initiated by FPUC to increase its rates.

VII. Federal Income Tax Reform

a. Changes in the rate of taxation of corporate income by federal or state taxing authorities ("Tax Reform") could impact the effective tax rate recognized by the Company in FPSC adjusted reported net operating income and the measurement of existing and prospective deferred federal income tax assets and liabilities reflected in the FPSC adjusted capital structure. When Congress last reduced the maximum federal corporate income tax rate in the Tax Reform Act of 1986, it included a transition rule that, as an eligibility requirement for using accelerated depreciation with respect to public utility property, provided guidance regarding returning to customers the portion of the resulting excess deferred income taxes attributable to the use of accelerated depreciation. To the extent Tax Reform includes a transition rule applicable to excess deferred federal income tax assets and liabilities ("Excess Deferred Taxes"), defined as those that arise from the re-
measurement of those deferred federal income tax assets and liabilities at the new applicable corporate tax rate(s), those Excess Deferred Taxes will be governed by the Tax Reform transition rule, as applied to most promptly and effectively reduce FPUC's rates consistent with the Tax Reform rules and normalization rules.

b. If Tax Reform is enacted before the Company's next general base rate proceeding, the Company will quantify the impact of Tax Reform on its Florida retail jurisdictional net operating income thereby neutralizing the FPSC adjusted net operating income of the Tax Reform to a net zero. The Company's forecasted earnings surveillance report for the calendar year that includes the period in which Tax Reform is effective will be the basis for determination of the impact of Tax Reform. The impacts of Tax Reform on base revenue requirements will be flowed back to retail customers within 120 days of when the Tax Reform becomes law, through a one-time adjustment to base rates upon a thorough review of the effects of the Tax Reform on base revenue requirements. This adjustment shall be accomplished through a uniform percentage decrease to customer, demand and energy base rate charges for all retail customer classes. Any effects of Tax Reform on retail revenue requirements from the Implementation Date through the date of the one-time base rate adjustment shall be flowed-back to customers through the ECCR Clause on the same basis as used in any base rate adjustment. An illustration is included as Attachment "2". If Tax Reform results in an increase in base revenue requirements, the Company will utilize deferral accounting as permitted by the Commission, thereby neutralizing the FPSC adjusted net operating income impact of the Tax Reform to a net zero, through the Term. In this situation, the Company shall defer the revenue requirement impacts to a regulatory asset to be considered for prospective recovery in a change to base rates to be addressed in the Company's next base rate proceeding or in a limited scope proceeding before the Commission no sooner than the end of the Minimum Term.

c. All Excess Deferred Taxes shall be deferred to a regulatory asset or liability which shall be included in FPSC adjusted capital structure and flowed back to customers over a term consistent with law. If the same Average Rate Assumption Method ("ARAM") used in the Tax Reform Act of 1986 is prescribed, then the regulatory asset or liability will be flowed back to customers over the remaining life of the assets associated with the Excess Deferred Taxes subject to the provisions related to FPSC adjusted operating income impacts of Tax Reform noted above. If Tax Reform Law identifies a different method of determining flow back to customers other than ARAM, the method defined in the Tax Reform Law shall be utilized, or any alternative method contemplated by the Tax Reform Law that is applicable to the Company. If the Tax Reform law or act is silent on the flow-back period, and there are no other statutes or rules that govern the flow-back period, then there shall be a rebuttable presumption that the following flow-back period(s) will apply:

<table>
<thead>
<tr>
<th>Cumulative Net Regulatory Position</th>
<th>Flow-Back Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liability Less Than $800k</td>
<td>5 years</td>
</tr>
<tr>
<td>Liability Greater Than $800k</td>
<td>10 years</td>
</tr>
<tr>
<td>Asset Greater Than $800k</td>
<td>5 years</td>
</tr>
<tr>
<td>Asset Less than $800k</td>
<td>10 years</td>
</tr>
</tbody>
</table>
The Company reserves the right to demonstrate by clear and convincing evidence that such five or ten-year maximum period (as applicable) is not in the best interest of the Company's customers and should be increased to no greater than 50 percent of the remaining life of the assets associated with the Excess Deferred Taxes ("50 Percent Period"). The relevant factors to support the Company's demonstration include, but are not limited to, the impact the flow-back period would have on the Company's cash flow and credit metrics or the optimal capitalization of the Company's jurisdictional operations in Florida. If the Company can demonstrate, by clear and convincing evidence, that limiting the flow-back period to the 50 Percent Period, in conjunction with the other Tax Reform provisions related to deferred taxes within this 2017 Agreement, will be the sole basis for causing a full notch credit downgrade, it may file to seek a longer flow-back period. Such credit downgrade would be reflected in a publicly available report of any of the rating agencies which is rating the Company at that time (i.e., Moody's, S&P or Fitch) or if not publicly rated, by the National Association of Insurance Commissioners who currently rates the parent company's, Chesapeake Utilities Corporation's, unsecured senior debt.

VIII. Commission Approval

a. The provisions of this 2017 Agreement are contingent upon Commission approval of this 2017 Agreement in its entirety without modification. The Parties further agree that this 2017 Agreement is in the public interest, that they will support this 2017 Agreement and will not request or support any order, relief, outcome, or result in conflict with the terms of this 2017 Agreement in any administrative or judicial proceeding relating to, reviewing, or challenging the establishment, approval, adoption, or implementation of this 2017 Agreement or the subject matter hereof.

b. No Party will assert in any proceeding before the Commission that this 2017 Agreement or any of the terms in this 2017 Agreement shall have any precedential value. The Parties' agreement to the terms in this 2017 Agreement shall be without prejudice to any Party's ability to advocate a different position in future proceedings not involving this 2017 Agreement. The Parties further expressly agree that no individual provision, by itself, necessarily represents a position of any Party in any future proceeding, and the Parties further agree that no Party shall assert or represent in any future proceeding in any forum that another Party endorses any specific provision of this 2017 Agreement by virtue of that Party's signature on, or participation in, this 2017 Agreement. It is the intent of the Parties to this 2017 Agreement that the Commission's approval of all the terms and provisions of this 2017 Agreement is an express recognition that no individual term or provision, by itself, necessarily represents a position, in isolation, of any Party or that a Party to this 2017 Agreement endorses a specific provision, in isolation, of this 2017 Agreement by virtue of that Party's signature on, or participation in, this 2017 Agreement.
IX. **New Tariffs.**

Nothing in this 2017 Agreement shall prelude FPUC from filing and the Commission from approving any new or revised tariff provisions or rate schedules requested by FPUC, provided that any such tariff request does not increase any existing base rate component of a tariff or rate schedule, or any other charge imposed on customers during the Term unless the application of such new or revised tariff, rate schedule, or charge is optional to FPUC's customers.

X. **Disputes**

Should any disagreement arise or any differing interpretation of any provision hereof, the Parties agree to meet and confer in a good-faith effort to resolve the dispute. To the extent that the Parties are unable to resolve any such dispute, the matter may be submitted to the Commission for resolution.

XI. **Resolution of Issues**

Approval of this 2017 Agreement resolves all issues in this proceeding.

XII. **New Rates**

a. The New Rates, which are attached and incorporated herein as Attachment “3”, shall be designed to accurately reflect the terms as presented in this 2017 Agreement. In addition, the New Rates presented in Attachment “3” shall be designed in accordance with methodology of the Cost of Service and Rate Design approved by the Commission in the Company’s last rate case, Docket No. 20140025-EI.

b. Attached hereto as Attachment “4” are the appropriate tariff sheets reflecting these rate changes, which, upon Commission approval, shall become effective on January 1, 2018.
XIII. Execution

This 2017 Agreement is dated as of November ___, 2017. It may be executed in one (1) or more counterparts, all of which will be considered one and the same Agreement and each of which will be deemed an original.

[SIGNATURE PAGES FOLLOW]
IN WITNESS WHEREOF, the Parties evidence their acceptance and agreement with the provisions of this 2017 Agreement by their signature(s).

Dated this 28th day of November 2017.

**Florida Public Utilities Company**

By: [Signature]

Jeffry M. Householder
President, Florida Public Utilities Company

Signature Page to Stipulation and Settlement Agreement in Docket No. 20170150-EI
IN WITNESS WHEREOF, the Parties evidence their acceptance and agreement with the provisions of this 2017 Agreement by their signature(s).

Dated this ___ day of November 2017.

Office of Public Counsel

J.R. Kelly, Public Counsel  
Patricia A. Christensen  
Office of Public Counsel  
c/o The Florida Legislature  
111 West Madison Street, Room 812  
Tallahassee, Florida 32399-1400
## Florida Public Utilities Company
### Docket No. 20170150-EI
#### Modernization & Storm Hardening Initiatives
##### Attachment 1 - Projects Included in Revenue Increase

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Project</th>
<th>Cost Completed As Of Sept. 2017</th>
<th>Remaining 2017</th>
<th>Total</th>
<th>Revenue Requirement</th>
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<td>FPL Interconnect</td>
<td>FPL Interconnect</td>
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<td>$1,603,566</td>
<td>$4,522,976</td>
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<td>Install New SCADA at JLT and SD</td>
<td>Modernization/Safety</td>
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<td>$2,117,820</td>
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<td>Modernization/Safety</td>
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<td>Modernization/Safety</td>
<td>$10,867</td>
<td>$100,000</td>
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<tr>
<td>Replace Conduit/Cable-Forrest Ridge Condos NE Division</td>
<td>Modernization/Safety</td>
<td>$225,929</td>
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<tr>
<td>Substation Voltage Regulators NW Division</td>
<td>Modernization/Safety</td>
<td>$238,951</td>
<td>$19,232</td>
<td>$258,183</td>
<td>$28,044</td>
</tr>
<tr>
<td>Extend Underground Feeder #312 Airport to S. Fletcher -Cond./SW. NE Division</td>
<td>Storm Hardening</td>
<td>$694,592</td>
<td>$4,990</td>
<td>$699,582</td>
<td>$83,187</td>
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<tr>
<td>Overhead Reconductor Along South Fletcher (Atlantic to Sadler) NE Division</td>
<td>Storm Hardening</td>
<td>$795,510</td>
<td></td>
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<td>$95,046</td>
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<td>Phase Down HWY-73</td>
<td>Storm Hardening</td>
<td>$40,939</td>
<td></td>
<td>$40,939</td>
<td>$5,725</td>
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<td>RE-Build AIP Substation NE Division</td>
<td>Storm Hardening</td>
<td>$3,124,123</td>
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<td>$402,420</td>
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<tr>
<td>Replace 69KV Pole with Concrete NE Division</td>
<td>Storm Hardening</td>
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<td>$336,394</td>
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<td>Storm Harden Prison Feeder From Substation to High School NW Division</td>
<td>Storm Hardening</td>
<td>$76,481</td>
<td></td>
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<td><strong>Total</strong></td>
<td></td>
<td>$11,792,516</td>
<td>$1,727,787</td>
<td>$13,520,303</td>
<td>$1,558,050</td>
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### Methodology of Income Tax Change (Illustrative)

#### INCOME TAX INPUTS AND ASSUMPTIONS

<table>
<thead>
<tr>
<th>Scenario</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
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<tr>
<td>New federal statutory tax rate</td>
<td>Input</td>
<td>35%</td>
<td>30%</td>
<td>30%</td>
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<td>Current federal statutory tax rate</td>
<td>Given</td>
<td>35%</td>
<td>35%</td>
<td>35%</td>
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<tr>
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<td>5.5%</td>
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<tr>
<td>New combined federal &amp; state statutory tax rate</td>
<td>Line 2 + Line 4 - (Line 2 * Line 4)</td>
<td>38.6%</td>
<td>33.9%</td>
<td>33.9%</td>
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<tr>
<td>Current combined federal &amp; state statutory tax rate</td>
<td>Line 3 + Line 4 - (Line 3 * Line 4)</td>
<td>38.6%</td>
<td>38.6%</td>
<td>38.6%</td>
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<tr>
<td>Disallowed interest (or other) expense deduction</td>
<td>Input</td>
<td>100.0</td>
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<td></td>
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</tbody>
</table>

#### PARAGRAPH VII - FEDERAL TAX REFORM

1. **Step 1** - Calculate income tax expense BEFORE tax reform
2. **FPSC adjusted NOI before tax (per Forecasted Surveillance)**
   - Input | 500 | 500 | 500 | 500 |
   - Input | (100) | (100) | (100) | (100) |
   - Input | 5 | 5 | 5 | 5 |
3. **Current combined statutory tax rate**
   - Sum of Lines 11 through 13 | 405 | 405 | 405 | 405 |
   - Line 6 | 38.6% | 38.6% | 38.6% | 38.6% |
   - Line 14 * Line 15 | 156 | 156 | 156 | 156 |
4. **Income tax expense**
5. **Step 2** - Calculate income tax expense AFTER tax reform
6. **FPSC adjusted NOI before tax (per Forecasted Surveillance)**
   - Input | 500 | 500 | 500 | 500 |
   - Input | (100) | - | (100) | (100) |
   - Input | 5 | 5 | 5 | 5 |
7. **Current combined statutory tax rate**
   - Sum of Lines 19 through 21 | 405 | 505 | 405 | 405 |
   - Line 5 | 38.6% | 33.9% | 33.9% | 24.4% |
   - Line 22 * Line 23 | 156 | 171 | 137 | 99 |
8. **Income tax expense**
9. **Step 3** - Calculate impact on FPSC Adjusted NOI
10. **Income tax expense BEFORE tax reform - Step 1**
   - Line 16 | 156 | 156 | 156 | 156 |
11. **Income tax expense AFTER tax reform - Step 2**
   - Line 24 | 156 | 171 | 137 | 99 |
12. **Difference - FPSC Adjusted NOI increase/(decrease) from tax reform**
   - Line 27 - Line 28 | - | (15) | 19 | 57 |
13. **Step 4** - Calculate net favorable/(unfavorable) FPSC adjusted NOI impact
14. **Impact on NOI - Step 3**
   - Line 29 | - | (15) | 19 | 57 |
15. **Divide by one minus new combined statutory tax rate**
   - 1 - Line 5 | 61.4% | 66.2% | 66.2% | 75.6% |
16. **Net favorable/(nonfavorable) FPSC adjusted NOI impact - pretax**
   - Line 32/Line 33 | - | (22) | 29 | 76 |
17. **Step 5** - Calculate annual pretax impacts
18. **Annual flow back to customers**
   - If line 34 > 0, then Line 34 | - | - | 29 | 76 |
   - If line 34 < 0, then Line 34 | - | (22) | - | - |
   - Line 37 + Line 38 | - | (22) | 29 | 76 |
# Florida Public Utilities Company
## Docket No. 20170150-EI
## Present and Proposed Rates - Lighting

<table>
<thead>
<tr>
<th>Lighting:</th>
<th>Present Rates</th>
<th>Proposed Rates</th>
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<td>Charge</td>
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<td>$1.78</td>
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<tr>
<td>100w HPS SP2 Spectra</td>
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<td>$1.78</td>
</tr>
<tr>
<td>100w MH SP2 Spectra</td>
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<td>18' Fiberglass Round</td>
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<tr>
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<td>$6.56</td>
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</table>
ATTACHMENT 4

REVISED TARIFF PAGES

AND

LEGISLATIVE TARIFF PAGES
Availability
Available within the territory served by the Company in Jackson, Calhoun and Liberty Counties and on Amelia Island in Nassau County.

Applicability
Applicable for service to a single family dwelling unit occupied by one family or household and for energy used in commonly-owned facilities in condominium and cooperative apartment buildings.

Character of Service
Single-phase service at nominal secondary voltage of 115/230 volts; three-phase service if available.

Limitations of Service
The maximum size of any individual single-phase motor hereunder shall not exceed five (5) horsepower.

The Company shall not be required to construct any additional facilities for the purpose of supplying three-phase service unless the revenue to be derived therefrom shall be sufficient to yield the Company a fair return on the value of such additional facilities.

Monthly Rate
Customer Facilities Charge:
$15.12 per customer per month

Base Energy Charge:
2.117¢/KWH for usage up to 1000 KWH/month
3.467¢/KWH for usage above 1000 KWH/month

Purchased Power Charges
Purchased power charges are adjusted by the Florida Public Service Commission, normally each year in January. For current purchased power costs included in the tariff, see Sheet Nos. 65 & 66.

Minimum Bill
The minimum monthly bill shall consist of the above Customer Facilities Charge.

(Continued on Sheet No. 41)
Availability
Available within the territory served by the Company in Jackson, Calhoun and Liberty Counties
And on Amelia Island in Nassau County.

Applicability
Applicable to commercial and industrial lighting, heating, cooking and small power loads aggregating
25 KW or less.

Character of Service
Single or three-phase service at available standard voltage.

Limitations of Service
Service shall be at a single metering point.

Monthly Rate
Customer Facilities Charge:
$24.84 per customer per month

Base Energy Charge:
All KWH 2.589 ¢/KWH

Purchased Power Charges
Purchased power charges are adjusted by the Florida Public Service Commission, normally each year in
January. For current purchased power costs included in the tariff, see Sheet Nos. 65 & 66.

Minimum Bill
The minimum monthly bill shall consist of the above Customer Facilities Charge.

Terms of Payment
Bills are rendered net and are due and payable within twenty (20) days from date of bill.

(Continued on Sheet No. 44)
Availability
Available within the territory served by the Company in Jackson, Calhoun and Liberty Counties and on Amelia Island in Nassau County.

Applicability
Applicable to commercial, industrial and municipal service with a measured demand of 25 KW but less than 500 KW for three or more months out of the twelve consecutive months ending with the current billing period. Also available, at the option of the customer, to any customer with demands of less than 25 KW who agrees to pay for service under this rate schedule for a minimum initial term of twelve months.

Character of Service
Single or three-phase service at available standard voltage.

Limitations of Service
Service shall be at a single metering point at one voltage.

Monthly Rate
Customer Facilities Charge:
$73.45 per customer per month

Demand Charge:
Each KW of Billing Demand $4.00/KW

Base Energy Charge
All KWH 0.488¢/KWH

Purchased Power Charges
Purchased power charges are adjusted by the Florida Public Service Commission, normally each year in January. For current purchased power costs included in the tariff, see Sheet Nos. 65 & 66.

Minimum Bill
The minimum monthly bill shall consist of the above Customer Facilities Charge plus the Demand Charge for the currently effective billing demand.

Terms of Payment
Bills are rendered net and are due and payable within twenty (20) days from date of bill.

Purchased Power Costs
See Sheet Nos. 65 & 66.

(Continued on Sheet No. 46)
Availability
Available within the territory served by the Company in Jackson, Calhoun and Liberty Counties and on Amelia Island in Nassau County.

Applicability
Applicable to commercial, industrial and municipal service with a measured demand of 500 KW but less than 5000 KW for three or more months out of the twelve consecutive months ending with the current billing period. Also available, at the option of the customer, to any customer with demands of less than 500 KW who agrees to pay for service under this rate schedule for a minimum initial term of twelve months.

Character of Service
Three-phase service at available standard voltage.

Limitations of Service
Service shall be at a single metering point at one voltage.

Monthly Rate
Customer Facilities Charge:
$140.41 per customer per month

Demand Charge:
Each KW of Billing Demand $5.72/KW

Base Energy Charge
All KWH 0.226¢/KWH

Purchased Power Charges
Purchased power charges are adjusted by the Florida Public Service Commission, normally each year in January. For current purchased power costs included in the tariff, see Sheet No. 65 & 66.

Minimum Bill
The minimum monthly bill shall consist of the above Customer Facilities Charge plus the Demand Charge for the currently effective billing demand.

Terms of Payment
Bills are rendered net and are due and payable within twenty (20) days from date of bill.

Purchased Power Costs
See Sheet No. 65 & 66.

(Continued on Sheet No. 48)
RATE SCHEDULE GSDLT - EXP
GENERAL SERVICE – LARGE DEMAND
TIME OF USE (EXPERIMENTAL)

Availability
Available within the territory served by the Company in Jackson, Calhoun and Liberty Counties. This service is limited to a maximum of 3 customers. This Rate Schedule shall expire on February 8, 2015.

Applicability
Applicable to commercial, industrial and municipal service with a measured demand of 500 KW but less than 5000 KW for three or more months out of the twelve consecutive months ending with the current billing period. Also available, at the option of the customer, to any customer with demands of less than 500 KW who agrees to pay for service under this rate schedule for a minimum initial term of twelve months.

Character of Service
Single or three-phase service at available standard voltage.

Limitations of Service
Service shall be at a single metering point at one voltage.

Monthly Rate
Customer Facilities Charge: $140.41 per customer per month

Demand Charge:
Each KW of Maximum Billing Demand $5.72/KW

Base Energy Charge:
All KWH 0.226¢/KWH

Purchased Power Charges
Purchased power charges are adjusted by the Florida Public Service Commission normally each year in January. For current purchase power costs included in the tariff see sheet Nos. 65 & 66.

Minimum Bill
The minimum monthly bill shall consist of the above Customer Facilities Charge plus the Maximum Billing Demand Charge for the currently effective billing demands.

Terms of Payment
Bills are rendered net and are due and payable within twenty (20) days from date of bill.

Purchased Power Costs
See Sheet Nos. 65 & 66.

(Continued on Sheet No. 50)
Availability
Available within the territory served by the Company in Jackson, Calhoun, and Liberty Counties and on Amelia Island in Nassau County.

Applicability
Applicable to commercial and industrial services of customers contracting for at least 5,000 kilowatts of electric service.

Character of Service
Three-phase, 60 hertz, electric service delivered and metered at a single point at the available transmission voltage, nominally 69,000 volts or higher.

Monthly Base Rates
Customer Facilities Charge: $869.46

Base Transmission Demand Charge: $1.62/KW of Maximum/NCP Billing Demand

Excess Reactive Demand Charge: $0.39/kVar of Excess Reactive Demand

Purchased Power Charges (See Sheet 52 for descriptions)
The Purchased Power Charges recover Energy and Demand Charges billed to FPUC by FPUC’s Wholesale Energy Provider and Wholesale Cogeneration Provider including applicable line losses and taxes. Purchased power charges are adjusted by the Florida Public Service Commission, normally each year in January. For correct purchased power charges included in the tariff, see Sheet No. 70 & 71.

Minimum Bill
The minimum monthly bill is the sum of the Transmission Demand Charge and the Customer Charge plus any Purchased Power Charges attributed to Transmission Demand Fuel Charge.

Terms of Payment
Bills are rendered net and due and payable within twenty (20) days from date of bill.

Conservation Costs
See Sheet Nos. 65 & 66.

Franchise Fee Adjustment
Customers taking service within franchise areas shall pay a franchise fee adjustment in the form of a percentage to be added to their bills prior to the application of any appropriate taxes. This percentage shall reflect the customer’s pro rata share of the amount the Company is required to pay under the franchise agreement with the specific governmental body in which the customer is located.

(Continued on Sheet No. 51)
Availability
Available within the territory served by the Company in Jackson, Calhoun and Liberty Counties and on Amelia Island in Nassau County.

Applicability
Applicable only to customers which are self-generators with capabilities of serving the customer’s full electronic power requirements and that require backup and/or maintenance service on a firm basis. This rate schedule is not applicable to self-generating customers for supplemental service.

Character of Service
Single or three-phase service at available standard voltage.

Limitations of Service
Service shall be at a single metering point at one voltage. The contract demand shall not exceed the KW capacity of customer’s generator.

Monthly Rate
Customer Facilities Charge:
(a) For those customers who have contracted for standby service capacity of less than 500 KW- $108.01.
(b) For those customers who have contracted for standby service of 500 KW or greater- $869.46.

Local Facilities Charge:
(a) For those customers who have contracted for standby service capacity of less than 500 KW- $2.81/KW.
(b) For those customers who have contracted for standby service of 500 KW or greater- $0.70/KW.

Purchased Power Charges
Demand and energy used by the customer in any month shall be charged at the then currently effective rates of the Company’s wholesale supplier adjusted for estimated line losses and applicable taxes. Such charges will consist of Coincident Peak (CP) Demand charge and an energy charge. The CP Demand shall be the customer’s measured KW coincident in time with that of the Company’s maximum monthly demand at the substation serving the system to which the customer is connected. The energy charge shall be applied to the measured KWH during the billing period and shall be based on the actual energy charge (including fuel charges) of the Company’s wholesale supplier during the billing period.

The currently effective rates of the Company’s wholesale supplier would result in the following demand and energy charges for purchased power after adjustment for estimated line losses and applicable taxes. These are shown for illustrative purposes only. Actual purchased power rates in effect at the time of use shall be used for determining the monthly unit charges.

CP Demand Charge - Each KW of CP Demand $14.75/KW
Energy Charge - All 4.709¢

(Continued on Sheet No. 53)
### Availability
Available within the territory served by the Company in Calhoun, Jackson and Liberty Counties and on Amelia Island in Nassau County.

### Applicability
Applicable to any customer for non-metered outdoor lighting service.

### Character of Service
Lighting service from dusk to dawn as described herein.

### Limitations of Service
Service is limited to lighting by high-pressure sodium vapor or metal halide lamps mounted on company poles as described herein. Company-owned facilities will be installed only on Company-owned poles.

### Monthly Rate
When lighting fixtures are mounted on existing poles and served directly from existing overhead secondary distribution lines:

<table>
<thead>
<tr>
<th>Type Facility</th>
<th>Lamp Size</th>
<th>KWH/Mo.</th>
<th>Facilities Charge</th>
<th>Maintenance* Charge</th>
<th>Energy Charge</th>
<th>Total Charge</th>
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<tbody>
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<td><strong>High Pressure Sodium Lights</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Acorn</td>
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<td>61</td>
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<td>$25.04</td>
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<td>$2.85</td>
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<td>61</td>
<td>$8.08</td>
<td>$2.97</td>
<td>$2.85</td>
</tr>
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<td>41</td>
<td>$6.47</td>
<td>$1.88</td>
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<td>$19.00</td>
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(Continued on Sheet No. 57)
Charges for other Company-owned facilities:
1) 30’ Wood Pole $ 4.30
2) 40’ Wood Pole Std $ 9.56
3) 18’ Fiberglass Round $ 8.90
4) 13’ Decorative Concrete $ 12.62
5) 20’ Decorative Concrete $ 14.64
6) 35’ Concrete Square $ 14.12
7) 10’ Deco Base Aluminum $ 16.56
8) 30’ Wood Pole Std $ 4.77

For the poles shown above that are served from an underground system, the Company will provide up to one hundred (100) feet of conductor to service each fixture. The customer will provide and install the necessary conduit system to Company specifications.

Purchased Power Charges
Purchased power charges are adjusted annually by the Florida Public Service Commission. For current purchased power costs included in the tariff, see Sheet No. 65 & 66.

Minimum Bill
The above rates times the number of lamps connected.

Terms of Payment
Bills are rendered net and are due and payable within twenty (20) days from date of bill.

Purchased Power Costs
See Sheet No. 65 & 66.

Conservation Costs
See Sheet No. 65 & 66.

Franchise Fee Adjustment
Customers taking service within franchise areas shall pay a franchise fee adjustment in the form of a percentage to be added to their bills prior to the application of any appropriate taxes. This percentage shall reflect the customer’s pro rata share of the amount the Company is required to pay under the franchise agreement with the specific governmental body in which the customer is located.

(Continued on Sheet No. 58)
RATE SCHEDULE OSL
MERCURY VAPOR LIGHTING SERVICE
(Closed To New Installations)

(Continued from Sheet No. 58)

Availability
Available within the territory served by the Company in Calhoun, Jackson and Liberty Counties and on Amelia Island in Nassau County.

Applicability
Applicable to customer for mercury vapor lighting service.

Character of Service
Lighting service from dusk to dawn as described herein.

Limitations of Service
Service is limited to lighting by mercury vapor lamps of 7,000 or 20,000 initial level of lumens mounted on wood poles, as described herein.

Monthly Rate
When lighting fixtures are mounted on existing poles and served directly from existing overhead secondary distribution lines:

<table>
<thead>
<tr>
<th>Lamp Size</th>
<th>KWH/Mo.</th>
<th>Facilities Charge</th>
<th>Maintenance* Charge</th>
<th>Energy Charge</th>
<th>Total Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lumens</td>
<td>Estimate</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7,000</td>
<td>72</td>
<td>$1.25</td>
<td>$1.10</td>
<td>$3.29</td>
<td>$5.64</td>
</tr>
<tr>
<td>20,000</td>
<td>154</td>
<td>$1.37</td>
<td>$1.18</td>
<td>$7.09</td>
<td>$9.64</td>
</tr>
</tbody>
</table>

For concrete or fiberglass poles and/or underground conductors, etcetera, the customer shall pay a lump sum amount equal to the estimated differential cost between the special system and the equivalent overhead-wood pole system.

Purchased Power Charges
Purchased power charges are adjusted by the Florida Public Service Commission, normally each year in January. For current purchased power costs included in the tariff, see Sheet Nos. 65 & 66.

Minimum Bill
The above rates times the number of lamps connected.

Terms of Payment
Bills are rendered net and are due and payable within twenty (20) days from date of bill.

(Continued on Sheet No. 60)
Availability

Available within the territory served by the Company in Jackson, Calhoun and Liberty Counties. This service is limited to a maximum of 4 customers. This Rate Schedule shall expire on February 8, 2015.

Applicability

Applicable to customers eligible for Rate Schedule GSLD with a load factor equal to or exceeding 35% and who have executed a Special Contract approved by the Commission. The company reserves the right to limit the total load and type customer served under this rate. Accounts established under this rate will be limited to premises where the interruption will primarily affect the customer, its employees, agents, lessees, tenants and guests and will not significantly affect members of the general public nor interfere with functions performed for the protection of public health or safety.

Character of Service

Three-phase service at available standard voltage.

Limitations of Service

Service shall be at a single metering point at one voltage. Interruptible service under this rate is subject to interruption during any On-Peak time period that the Company elects to notify customer, with a minimum of two (2) hours notice, that the customer must fully interrupt taking electric power from the Company. The Company is limited to an On-Peak period maximum of 200 hours of required interruption per year per customer.

Monthly Rate

Customer Facilities Charge:
$140.41 per customer per month

Demand Charge:
Each KW of Billing Demand
$5.72/KW

Base Energy Charge:
All KWH 0.226¢/KWH

Purchased Power Charges

Purchased power charges are adjusted by the Florida Public Service Commission, normally each year in January. For current purchased power costs included in the tariff, see Sheet Nos. 65 & 66.

Minimum Bill

The minimum monthly bill shall consist of the above Customer Facilities Charge plus the Demand Charge for the currently effective billing demand.

Terms of Payment

Bills are rendered net and are due and payable within twenty (20) days from date of bill.
Availability
Available within the territory served by the Company in Jackson, Calhoun and Liberty Counties and on Amelia Island in Nassau County.

Applicability
Applicable for service to a single family dwelling unit occupied by one family or household and for energy used in commonly-owned facilities in condominium and cooperative apartment buildings.

Character of Service
Single-phase service at nominal secondary voltage of 115/230 volts; three-phase service if available.

Limitations of Service
The maximum size of any individual single-phase motor hereunder shall not exceed five (5) horsepower.

The Company shall not be required to construct any additional facilities for the purpose of supplying three-phase service unless the revenue to be derived therefrom shall be sufficient to yield the Company a fair return on the value of such additional facilities.

Monthly Rate
Customer Facilities Charge:
$14.00 15.12 per customer per month

Base Energy Charge:
1-960 2.117¢/KWH for usage up to 1000 KWH’s/month
3.210-3.467¢/KWH for usage above 1000 KWH’s/month

Purchased Power Charges
Purchased power charges are adjusted by the Florida Public Service Commission, normally each year in January. For current purchased power costs included in the tariff, see Sheet Nos. 65 & 66.

Minimum Bill
The minimum monthly bill shall consist of the above Customer Facilities Charge.

(Continued on Sheet No. 41)
RATE SCHEDULE GS
GENERAL SERVICE - NON DEMAND

Availability
Available within the territory served by the Company in Jackson, Calhoun and Liberty Counties
And on Amelia Island in Nassau County.

Applicability
Applicable to commercial and industrial lighting, heating, cooking and small power loads aggregating
25 KW or less.

Character of Service
Single or three-phase service at available standard voltage.

Limitations of Service
Service shall be at a single metering point.

Monthly Rate
Customer Facilities Charge:
$23.00 24.84 per customer per month

Base Energy Charge:
All KWH 2.397-2.589 £/KWH

Purchased Power Charges
Purchased power charges are adjusted by the Florida Public Service Commission, normally each year in
January. For current purchased power costs included in the tariff, see Sheet Nos. 65 & 66.

Minimum Bill
The minimum monthly bill shall consist of the above Customer Facilities Charge.

Terms of Payment
Bills are rendered net and are due and payable within twenty (20) days from date of bill.

(Continued on Sheet No. 44)
Availability
Available within the territory served by the Company in Jackson, Calhoun and Liberty Counties and on Amelia Island in Nassau County.

Applicability
Applicable to commercial, industrial and municipal service with a measured demand of 25 KW but less than 500 KW for three or more months out of the twelve consecutive months ending with the current billing period. Also available, at the option of the customer, to any customer with demands of less than 25 KW who agrees to pay for service under this rate schedule for a minimum initial term of twelve months.

Character of Service
Single or three-phase service at available standard voltage.

Limitations of Service
Service shall be at a single metering point at one voltage.

Monthly Rate
Customer Facilities Charge: $69.00 73.45 per customer per month

Demand Charge:
Each KW of Billing Demand $3.70-4.00/KW

Base Energy Charge
All KWH 0.452-0.488¢/KWH

Purchased Power Charges
Purchased power charges are adjusted by the Florida Public Service Commission, normally each year in January. For current purchased power costs included in the tariff, see Sheet Nos. 65 & 66.

Minimum Bill
The minimum monthly bill shall consist of the above Customer Facilities Charge plus the Demand Charge for the currently effective billing demand.

Terms of Payment
Bills are rendered net and are due and payable within twenty (20) days from date of bill.

Purchased Power Costs
See Sheet Nos. 65 & 66.

(Continued on Sheet No. 46)
Availability
Available within the territory served by the Company in Jackson, Calhoun and Liberty Counties and on Amelia Island in Nassau County.

Applicability
Applicable to commercial, industrial and municipal service with a measured demand of 500 KW but less than 5000 KW for three or more months out of the twelve consecutive months ending with the current billing period. Also available, at the option of the customer, to any customer with demands of less than 500 KW who agrees to pay for service under this rate schedule for a minimum initial term of twelve months.

Character of Service
Three-phase service at available standard voltage.

Limitations of Service
Service shall be at a single metering point at one voltage.

Monthly Rate
Customer Facilities Charge:

$140.41 per customer per month

Demand Charge:

$0.30-0.72/KW

Base Energy Charge

All KWH

0.209-0.226/KWH

Purchased Power Charges

Purchased power charges are adjusted by the Florida Public Service Commission, normally each year in January. For current purchased power costs included in the tariff, see Sheet No. 65 & 66.

Minimum Bill
The minimum monthly bill shall consist of the above Customer Facilities Charge plus the Demand Charge for the currently effective billing demand.

Terms of Payment
Bills are rendered net and are due and payable within twenty (20) days from date of bill.

Purchased Power Costs
See Sheet No. 65 & 66.

(Continued on Sheet No. 48)

Issued by: Jeffry M. Householder, President
Effective: NOV-01-2014
Availability
Available within the territory served by the Company in Jackson, Calhoun and Liberty Counties. This service is limited to a maximum of 3 customers. This Rate Schedule shall expire on February 8, 2015.

Applicability
Applicable to commercial, industrial and municipal service with a measured demand of 500 KW but less than 5000 KW for three or more months out of the twelve consecutive months ending with the current billing period. Also available, at the option of the customer, to any customer with demands of less than 500 KW who agrees to pay for service under this rate schedule for a minimum initial term of twelve months.

Character of Service
Single or three-phase service at available standard voltage.

Limitations of Service
Service shall be at a single metering point at one voltage.

Monthly Rate
Customer Facilities Charge:
$30.00 140.41 per customer per month

Demand Charge:
Each KW of Maximum Billing Demand $5.30-5.72/KW

Base Energy Charge:
All KWH 0.209-0.226¢/KWH

Purchased Power Charges
Purchased power charges are adjusted by the Florida Public Service Commission normally each year in January. For current purchase power costs included in the tariff see sheet Nos. 65 & 66.

Minimum Bill
The minimum monthly bill shall consist of the above Customer Facilities Charge plus the Maximum Billing Demand Charge for the currently effective billing demands.

Terms of Payment
Bills are rendered net and are due and payable within twenty (20) days from date of bill.

Purchased Power Costs
See Sheet Nos. 65 & 66.

Issued by: Jeffry M. Householder, President
Effective: NOV-01-2014
Availability
Available within the territory served by the Company in Jackson, Calhoun, and Liberty Counties and on Amelia Island in Nassau County.

Applicability
Applicable to commercial and industrial services of customers contracting for at least 5,000 kilowatts of electric service.

Character of Service
Three-phase, 60 hertz, electric service delivered and metered at a single point at the available transmission voltage, nominally 69,000 volts or higher.

Monthly Base Rates
Customer Facilities Charge: $805.00
Base Transmission Demand Charge: $1.60-1.62/KW of Maximum/NCP Billing Demand
Excess Reactive Demand Charge: $0.36-0.39/kVar of Excess Reactive Demand

Purchased Power Charges (See Sheet 52 for descriptions)
The Purchased Power Charges recover Energy and Demand Charges billed to FPUC by FPUC’s Wholesale Energy Provider and Wholesale Cogeneration Provider including applicable line losses and taxes. Purchased power charges are adjusted by the Florida Public Service Commission, normally each year in January. For correct purchased power charges included in the tariff, see Sheet No. 70 & 71.

Minimum Bill
The minimum monthly bill is the sum of the Transmission Demand Charge and the Customer Charge plus any Purchased Power Charges attributed to Transmission Demand Fuel Charge.

Terms of Payment
Bills are rendered net and due and payable within twenty (20) days from date of bill.

Conservation Costs
See Sheet Nos. 65 & 66.

Franchise Fee Adjustment
Customers taking service within franchise areas shall pay a franchise fee adjustment in the form of a percentage to be added to their bills prior to the application of any appropriate taxes. This percentage shall reflect the customer’s pro rata share of the amount the Company is required to pay under the franchise agreement with the specific governmental body in which the customer is located.

(Continued on Sheet No. 51)

Issued by: Jeffry M. Householder, President
Effective: NOV-01-2014
Availability
Available within the territory served by the Company in Jackson, Calhoun and Liberty Counties and on Amelia Island in Nassau County.

Applicability
Applicable only to customers which are self-generators with capabilities of serving the customer’s full electronic power requirements and that require backup and/or maintenance service on a firm basis.
This rate schedule is not applicable to self-generating customers for supplemental service.

Character of Service
Single or three-phase service at available standard voltage.

Limitations of Service
Service shall be at a single metering point at one voltage. The contract demand shall not exceed the KW capacity of customer’s generator.

Monthly Rate
Customer Facilities Charge:
(a) For those customers who have contracted for standby service capacity of less than 500 KW-
$100.00-108.01.
(b) For those customers who have contracted for standby service of 500 KW or greater-
$805.00-869.46.

Local Facilities Charge:
(a) For those customers who have contracted for standby service capacity of less than 500 KW-
$2.69/KW.
(b) For those customers who have contracted for standby service of 500 KW or greater -
$0.65-0.70/KW.

Purchased Power Charges
Demand and energy used by the customer in any month shall be charged at the then currently effective rates of the Company’s wholesale supplier adjusted for estimated line losses and applicable taxes. Such charges will consist of Coincident Peak (CP) Demand charge and an energy charge. The CP Demand shall be the customer’s measured KW coincident in time with that of the Company’s maximum monthly demand at the substation serving the system to which the customer is connected. The energy charge shall be applied to the measured KWH during the billing period and shall be based on the actual energy charge (including fuel charges) of the Company’s wholesale supplier during the billing period.

The currently effective rates of the Company’s wholesale supplier would result in the following demand and energy charges for purchased power after adjustment for estimated line losses and applicable taxes. These are shown for illustrative purposes only. Actual purchased power rates in effect at the time of use shall be used for determining the monthly unit charges.

| CP Demand Charge - Each KW of CP Demand | $8.84|14.75/KW |
| Energy Charge - All | 4.44|14.709¢ |

(Continued on Sheet No. 53)

Issued by: Jeffry M. Householder, President
Effective: NOV-01-2014
Availability
Available within the territory served by the Company in Calhoun, Jackson and Liberty Counties and on Amelia Island in Nassau County.

Applicability
Applicable to any customer for non-metered outdoor lighting service.

Character of Service
Lighting service from dusk to dawn as described herein.

Limitations of Service
Service is limited to lighting by high-pressure sodium vapor or metal halide lamps mounted on company poles as described herein. Company-owned facilities will be installed only on Company-owned poles.

Monthly Rate
When lighting fixtures are mounted on existing poles and served directly from existing overhead secondary distribution lines:

<table>
<thead>
<tr>
<th>Type</th>
<th>Lamp Size</th>
<th>KWH/Mo.</th>
<th>Facilities Charge</th>
<th>Maintenance Charge</th>
<th>Energy Charge</th>
<th>Total Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>High Pressure Sodium Lights</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acorn</td>
<td>16,000 150</td>
<td>61</td>
<td>$16.25 17.55</td>
<td>$2.06 2.22</td>
<td>$26.42 2.85</td>
<td>$20.95 22.62</td>
</tr>
<tr>
<td>ALN 440</td>
<td>16,000 150</td>
<td>61</td>
<td>$23.18 1825.04</td>
<td>$2.74 2.96</td>
<td>$26.42 2.85</td>
<td>$28.56 30.85</td>
</tr>
<tr>
<td>Amer. Rev.</td>
<td>9,500 100</td>
<td>41</td>
<td>$7.98 88.62</td>
<td>$2.71 2.93</td>
<td>$17.81 13.47</td>
<td>$12.47 13.47</td>
</tr>
<tr>
<td>Amer. Rev.</td>
<td>16,000 150</td>
<td>61</td>
<td>$7.48 88.08</td>
<td>$2.72 2.97</td>
<td>$26.42 2.85</td>
<td>$12.67 13.90</td>
</tr>
<tr>
<td>Cobra Head</td>
<td>9,500 100</td>
<td>41</td>
<td>$5.99 66.47</td>
<td>$1.74 1.88</td>
<td>$17.81 13.47</td>
<td>$9.51 10.27</td>
</tr>
<tr>
<td>Cobra Head</td>
<td>22,000 200</td>
<td>81</td>
<td>$8.08 88.73</td>
<td>$2.08 2.25</td>
<td>$3.52 3.80</td>
<td>$13.68 14.78</td>
</tr>
<tr>
<td>Cobra Head</td>
<td>28,500 250</td>
<td>101</td>
<td>$9.60 1013.7</td>
<td>$2.75 2.97</td>
<td>$4.37 4.72</td>
<td>$16.72 18.06</td>
</tr>
<tr>
<td>Cobra Head</td>
<td>50,000 400</td>
<td>162</td>
<td>$8.96 96.68</td>
<td>$2.29 2.47</td>
<td>$7.06 7.97</td>
<td>$18.30 19.76</td>
</tr>
<tr>
<td>Flood</td>
<td>28,500 250</td>
<td>101</td>
<td>$9.40 1015.1</td>
<td>$2.00 2.16</td>
<td>$4.37 4.72</td>
<td>$15.77 17.03</td>
</tr>
<tr>
<td>Flood</td>
<td>50,000 400</td>
<td>162</td>
<td>$14.74 1592.9</td>
<td>$1.88 2.03</td>
<td>$7.06 7.97</td>
<td>$23.67 25.56</td>
</tr>
<tr>
<td>Flood</td>
<td>130,000 1,000</td>
<td>405</td>
<td>$18.46 1994.9</td>
<td>$2.48 2.68</td>
<td>$17.59 19.00</td>
<td>$38.53 41.62</td>
</tr>
<tr>
<td>SP2 Spectra</td>
<td>9,500 100</td>
<td>41</td>
<td>$20.19 1923.13</td>
<td>$2.62 2.77</td>
<td>$17.81 19.00</td>
<td>$24.83 26.82</td>
</tr>
<tr>
<td>Metal Halide Lights</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ALN 440</td>
<td>16,000 175</td>
<td>71</td>
<td>$22.18 2396</td>
<td>$2.16 2.33</td>
<td>$3.16 3.35</td>
<td>$27.44 29.64</td>
</tr>
<tr>
<td>Flood</td>
<td>50,000 400</td>
<td>162</td>
<td>$10.00 1080</td>
<td>$1.83 1.98</td>
<td>$7.05 7.61</td>
<td>$18.88 20.39</td>
</tr>
<tr>
<td>Flood</td>
<td>130,000 1,000</td>
<td>405</td>
<td>$17.03 1832</td>
<td>$2.44 2.60</td>
<td>$17.59 19.00</td>
<td>$37.03 39.99</td>
</tr>
<tr>
<td>Shoebox</td>
<td>16,000 175</td>
<td>71</td>
<td>$18.73 2203</td>
<td>$2.42 2.61</td>
<td>$3.10 3.35</td>
<td>$24.25 26.19</td>
</tr>
<tr>
<td>Shoebox</td>
<td>28,500 250</td>
<td>101</td>
<td>$19.94 2154</td>
<td>$2.79 2.92</td>
<td>$4.37 4.72</td>
<td>$27.04 29.18</td>
</tr>
<tr>
<td>SP2 Spectra</td>
<td>9,500 100</td>
<td>41</td>
<td>$20.33 2196</td>
<td>$2.48 2.68</td>
<td>$1.78 1.92</td>
<td>$24.59 26.56</td>
</tr>
<tr>
<td>Vertical Shoebox</td>
<td>130,000 1,000</td>
<td>405</td>
<td>$21.92 2270</td>
<td>$2.74 2.96</td>
<td>$17.59 19.00</td>
<td>$41.35 44.66</td>
</tr>
</tbody>
</table>

Issued by: Jeffry M. Householder, President  
Effective: NOV-01-2014
Charges for other Company-owned facilities:

1) 30' Wood Pole $4.30
2) 40' Wood Pole Std $9.56
3) 18' Fiberglass Round $8.24
4) 13' Decorative Concrete $12.62
5) 20' Decorative Concrete $14.64
6) 35' Concrete Square $14.12
7) 10' Deco Base Aluminum $16.56
8) 30' Wood Pole Std $4.77

For the poles shown above that are served from an underground system, the Company will provide up to one hundred (100) feet of conductor to service each fixture. The customer will provide and install the necessary conduit system to Company specifications.

**Purchased Power Charges**

Purchased power charges are adjusted annually by the Florida Public Service Commission. For current purchased power costs included in the tariff, see Sheet No. 65 & 66.

**Minimum Bill**

The above rates times the number of lamps connected.

**Terms of Payment**

Bills are rendered net and are due and payable within twenty (20) days from date of bill.

**Purchased Power Costs**

See Sheet No. 65 & 66.

**Conservation Costs**

See Sheet No. 65 & 66.

**Franchise Fee Adjustment**

Customers taking service within franchise areas shall pay a franchise fee adjustment in the form of a percentage to be added to their bills prior to the application of any appropriate taxes. This percentage shall reflect the customer's pro rata share of the amount the Company is required to pay under the franchise agreement with the specific governmental body in which the customer is located.

(Continued on Sheet No. 58)
Availability
Available within the territory served by the Company in Calhoun, Jackson and Liberty Counties and on Amelia Island in Nassau County.

Applicability
Applicable to customer for mercury vapor lighting service.

Character of Service
Lighting service from dusk to dawn as described herein.

Limitations of Service
Service is limited to lighting by mercury vapor lamps of 7,000 or 20,000 initial level of lumens mounted on wood poles, as described herein.

Monthly Rate
When lighting fixtures are mounted on existing poles and served directly from existing overhead secondary distribution lines:

<table>
<thead>
<tr>
<th>Lamp Size</th>
<th>KWH/Mo. Estimate</th>
<th>Facilities Charge</th>
<th>Maintenance* Charge</th>
<th>Energy Charge</th>
<th>Total Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>7,000</td>
<td>72</td>
<td>$1.16 – 1.25</td>
<td>$1.02 – 1.10</td>
<td>$3.05 – 3.29</td>
<td>$5.328 – 5.56</td>
</tr>
<tr>
<td>20,000</td>
<td>154</td>
<td>$1.27 – 1.37</td>
<td>$1.09 – 1.18</td>
<td>$6.56 – 7.09</td>
<td>$8.929 – 9.64</td>
</tr>
</tbody>
</table>

For concrete or fiberglass poles and/or underground conductors, etcetera, the customer shall pay a lump sum amount equal to the estimated differential cost between the special system and the equivalent overhead-wood pole system.

Purchased Power Charges
Purchased power charges are adjusted by the Florida Public Service Commission, normally each year in January. For current purchased power costs included in the tariff, see Sheet Nos. 65 & 66.

Minimum Bill
The above rates times the number of lamps connected.

Terms of Payment
Bills are rendered net and are due and payable within twenty (20) days from date of bill.

(Continued on Sheet No. 60)
Available within the territory served by the Company in Jackson, Calhoun and Liberty Counties. This service is limited to a maximum of 4 customers. This Rate Schedule shall expire on February 8, 2015.

Applicability
Applicable to customers eligible for Rate Schedule GSLD with a load factor equal to or exceeding 35% and who have executed a Special Contract approved by the Commission. The company reserves the right to limit the total load and type customer served under this rate. Accounts established under this rate will be limited to premises where the interruption will primarily affect the customer, its employees, agents, lessees, tenants and guests and will not significantly affect members of the general public nor interfere with functions performed for the protection of public health or safety.

Character of Service
Three-phase service at available standard voltage.

Limitations of Service
Service shall be at a single metering point at one voltage. Interruptible service under this rate is subject to interruption during any On-Peak time period that the Company elects to notify customer, with a minimum of two (2) hours notice, that the customer must fully interrupt taking electric power from the Company. The Company is limited to an On-Peak period maximum of 200 hours of required interruption per year per customer.

Monthly Rate
Customer Facilities Charge:
$130.60 140.41 per customer per month

Demand Charge:
Each KW of Billing Demand $5.39-5.72/KW

Base Energy Charge:
All KWH 0.209-0.226¢/KWH

Purchased Power Charges
Purchased power charges are adjusted by the Florida Public Service Commission, normally each year in January. For current purchased power costs included in the tariff, see Sheet Nos. 65 & 66.

Minimum Bill
The minimum monthly bill shall consist of the above Customer Facilities Charge plus the Demand Charge for the currently effective billing demand.

Terms of Payment
Bills are rendered net and are due and payable within twenty (20) days from date of bill.

Issued by: Jeffry M. Householder, President
Effective: NOV-01-2014