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May 17, 2019

**E-PORTAL FILING**

Mr. Adam Teitzman, Clerk  
Florida Public Service Commission  
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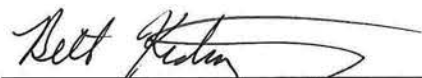
**Re: Docket 20190056-GU -- Petition for approval of 2019 consolidated depreciation study by Florida Public Utilities Company, Florida Public Utilities Company-Indiantown Division, Florida Public Utilities Company-Fort Meade, and Florida Division of Chesapeake Utilities Corporation.**

Dear Mr. Teitzman:

Attached for filing in the referenced docket, please find Florida Public Utilities Company's responses to Staff's First Data Requests in the referenced docket.

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

Kind regards,



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Enclosure

Cc:/Suzanne Brownless – Office of General Counsel

**Docket No. 20190056-GU: Petition for approval of 2019 consolidated depreciation study by Florida Public Utilities Company, Florida Public Utilities Company-Indiantown Division, Florida Public Utilities Company-Fort Meade, and Florida Division of Chesapeake Utilities Corporation.**

**The Companies' Responses to Staff's First Data Request regarding 2019 Revised**

**Depreciation Study**

1. Please refer to the 2019 Consolidated Depreciation Study Petition (Petition) by Florida Public Utilities Company, Florida Public Utilities Company - Indiantown Division, Florida Public Utilities Company - Fort Meade, and the Florida Division of Chesapeake Utilities Corporation (FPUC or Company), page 2, for the following request. Has the Regulatory Asset authorized in 2014, initially valued at \$58,452 been fully amortized?<sup>1</sup> If not, please specify the remaining (net) balance, and an estimated date when the regulatory asset will reach full-amortization.

**Company's Response:**

**Yes, as of December 2018, this Regulatory Asset was fully amortized.**

2. Please refer to pages 3-4 of the Petition for the following requests.
  - a. Please further discuss the common asset cost assignment methodology referred to in this section, and how the depreciation rates ultimately ordered in the instant proceeding would effect/apply to FPUC's Electric division. Please describe all inputs/parameters needed for the common asset cost assignment calculation and explain how they are accounted for/considered.

**Company's Response:**

**The majority of Florida Common Assets (FC) are located in the gas division territory and for this reason is included in this proceeding. FC will be depreciated**

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<sup>1</sup> Order No. PSC-14-0698-PAA-GU, issued December 18, 2014, in Docket No. 140016-GU, *In re: 2014 depreciation study by Florida Public Utilities Company.*

at the rates established in this proceeding and plant, accumulated depreciation, and depreciation expense will be allocated to Florida Public Utilities Company (FPUC) and Chesapeake Utilities companies in Florida (CFG), including the Electric division and unregulated affiliates. The allocation to each division will be based on the percent of plant assets to total plant assets for all divisions and affiliates receiving a benefit from FC. The allocation is updated annually and uses the prior year's gross plant asset balances.

- b. Please provide any documentation which outlines how and in what proportions "assets and associated rates" will be distributed across the FPUC Companies in Florida, including its Electric Division.

**Company's Response:**

**Please see Attachment 1 for the computation of rates using the Distrigas Modified Massachusetts Method. These allocations are updated annually.**

3. Please refer to Revised Attachment 1 of the 2019 Consolidated Depreciation Study (Study), page 3, for the following requests. A portion of the first paragraph reads: "FPUC is in the process of correcting the plant and reserve items that are specifically itemized on Exhibits G and H."

- a. Does the quoted passage above imply that the information shown on *Report(s) of Depreciation Data Under Rule 25-6.0436(8)* (schedules provided in "Exhibit G") are different than the information previously provided in through the Company's Annual Depreciation Status Reports filed with the Commission in years 2013-2017?

**Company's Response:**

**Yes, these variances have been outlined in the notes following the exhibits for years 2013-2017.**

- b. If the response to (a.) is affirmative, other than the 2019 Study, please specify where (i.e. reports, ledgers etc.) correcting plant and reserve entries have been/are being performed.

**Company's Response:**

Adjustments/transfers correcting entries are disclosed in the notes accompanying each G Exhibit. Some correcting entries for plant and reserve have been made to the General Ledger (GL), fixed asset system, and depreciation computation schedules in 2018. The remaining adjustments will be recorded in 2019. The data shown in the depreciation study exhibits I, J, K, and AA-EE reflect the most current and correct information on which to base revised depreciation rates.

4. Please refer to Revised Attachment 1 of the Study, page 5, and Order No. PSC-14-0698-PAA-GU for the following requests. A portion of the first paragraph reads: “[t]he Company continues its endeavor in developing practices and procedures governing retirements and removal costs.”

- a. What is/are the current method for recognizing and recording retirements and removal costs?

**Company's Response:**

The current policy states that Rule 25-7.0461, F.A.C., *Capitalization Versus Expensing* is used to recognize and record retirements and removal costs. However, high turnovers in the past has resulted in the breakdown of communication across the Company and the inability to ensure all retirements were reported and processed correctly and/or timely by the Company, in accordance with the rule. To mitigate noncompliance in the future, the Company has conducted a comprehensive review of current processes and revised policies and procedures.

- b. Please further discuss any progress thus far and if there is currently a timeframe when standardized practices and procedures will be fully implemented across all FPUC's Divisions.

**Company's Response:**

As stated above, the Company has experienced high turnovers and as a result, encountered delays in developing standardized practices and procedures. However, the Company has conducted a review of the entire fixed asset process and completed revisions to the policies and procedures, which will be fully implemented across all divisions starting August 1, 2019.

- c. Please describe or provide examples of any practices and procedures the Company currently foresees/intends to effectuate in the future governing retirements and removal costs.

**Company's Response:**

High turnovers in the past has resulted in the breakdown of communication across the Company and the inability to ensure all retirements were reported and processed correctly and/or timely by the Company. The revised policy going into effect August 1, 2019 should improve record keeping and reporting for retirements and cost of removal in a few ways. First, it will require monthly communication between Business Units and Corporate Accounting and in doing so should mitigate the chances of a missed or miscoded retirement or removal cost as well as reduce any delays in the processing time. Also, the policy will assign task and timelines for identifying, verifying, and recording these transactions to business areas and not just individuals to add accountability and monitor the processes so any breaches in procedures can be appropriately and timely addressed, regardless of future

turnovers. **Lastly, the procedures will require additional detail so complete documentation can be maintained in the fixed asset system and GL.**

- d. Please indicate who within the Company is/will be responsible for developing any future standardization practices and procedures governing plant retirements and removal costs.

**Company's Response:**

**Joe Steinmetz, Vice President and Controller, is responsible for developing future standardized practices and procedures for governing plant retirements and removal costs.**

- e. On page 6 of Florida Public Service Commission (Commission) Order No. PSC-14-0698-PAA-GU, the Commission wrote “[t]he Company shall implement a procedure of maintaining clear documentation on each gross salvage and [cost of removal] booked so that we can verify these records through the Annual Status Report reviewing process.”<sup>2</sup> Please further comment on the efficacy thus far in maintaining “clear documentation” of the Company’s gross salvage and removal cost information.

**Company's Response:**

**Please see response to No. 4a above.**

5. Please refer to Revised Attachment 1, page 6, for the following questions.
  - a. FPUC indicates on page 5 that “[t]he plastic mains account investment includes \$100,098,436 associated with [Gas Reliability Infrastructure Program] GRIP.”

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<sup>2</sup> Order No. PSC-14-0698-PAA-GU.

What are the annual and total GRIP-related retirements booked in steel mains account within the period of the instant depreciation study (2014 through 2018)?<sup>3</sup>

**Company's Response:**

The annual and total GRIP related retirements recorded from 2014 to 2018 are listed below for Mains.

Account	2014	2015	2016	2017	2018	Total
376.1 Mains - Plastic	\$37,320	\$1,904	\$29,056	\$84,883	\$61,981	\$215,145
376.2 Mains - Steel	\$588,993	\$28,908	\$236,671	\$257,652	\$236,805	\$1,349,030
Total	\$626,314	\$30,812	\$265,727	\$342,535	\$298,786	\$1,564,174

b. How many miles in total of GRIP-associated bare steel and cast iron mains have been replaced as of 12/31/2018?

**Company's Response:**

The total miles of bare steel and cast iron mains replaced as of 12/31/2018 is approximately 269 miles.

c. How many miles of bare steel and cast iron mains have been replaced within the period of the instant depreciation study?

**Company's Response:**

The total miles of bare steel and cast iron mains replaced during the period of 2014 to 2018 is approximately 190 miles.

d. How many miles in total of plastic mains have been replaced due to the GRIP-related removal of bare steel and cast iron mains?

**Company's Response:**

The total miles of plastic mains replaced is approximately 13 miles.

<sup>3</sup> Order No. PSC-12-0490-TRF-GU, Issued September 24, 2012, in Docket No. 120036-GU, *In re: Joint petition for approval of Gas Reliability Infrastructure Program (GRIP) by Florida Public Utilities Company and the Florida Division of Chesapeake Utilities Corporation.*

- e. How many miles of plastic mains have been replaced within the period of the instant depreciation study (2014 through 2018)?

**Company's Response:**

**The total miles of plastic mains replaced from 2014 to 2018 is approximately 11 miles.**

6. Please refer to Revised Attachment 1, pages 6-7, for the following question. Please explain why FPUC believes that “while the current retirement dispersion may not accurately reflect today’s retirements, it does reflect future expectations” with respect to its mains accounts (376.1 and 376.2, including GRIP-associated assets).

**Company's Response:**

**The period 2014-2018 reflects an increase in retirements due to the retirement of bare steel mains under GRIP. Once GRIP ends, FPUC expects retirement activity to return to normal. Retirements in Account 376.1, Plastic Mains, averaged \$43,159/year during the 2008-2012 period and \$81,933 /year during the 2013-2018 periods, indicating an increase in retirement activity of 90% since GRIP began. For Account 376.2, Steel Mains, retirements averaged \$93,751/year during the 2008-2012 period and \$351,614/year during the 2013-2018 period. This indicates an increase in retirement activity of 275% since GRIP began. The 2013-2018 activity in both accounts indicate retirement dispersions (curve shapes) with higher infant mortality than the current prescribed S3 curve shape provides. However, as stated above, the retirement dispersions used for estimating future lives should be based on account expectations of a return to normal with less infant mortality and, in this regard, FPUC believes the current curve shape of S3 remains reasonable.**

7. Please refer to Revised Attachment 1, pages 6-7. For clarification purposes, please provide responses for the following questions regarding Federal Energy Regulatory



Commission (FERC) Account 376.1 Mains –Plastic, Account 376.2 Mains – Steel, and Account 376G Mains – GRIP.

- a. Is it correct that the investments booked in Acct 376G are the new plastic pipes that were installed to replace the old bare steel and iron cast pipes, as well as the problematic plastic pipes being replaced under the GRIP initiative? If not, please explain.

**Company's Response:**

**Yes, the investments booked in Acct 376G are the new plastic pipes that were installed to replace the old bare steel and iron cast pipes.**

- b. In what account(s) is the investment associated with the 80 remaining miles of bare steel and cast iron mains to be replaced under the GRIP initiative currently being booked?

**Company's Response:**

**The investment associated with the 80 remaining miles of bare steel and cast iron mains to be replaced under GRIP is currently booked in Account 376.2 Mains – Steel.**

- c. In which accounts are the Salvage and Cost of Removal (COR) of the “GRIP-replaced” bare steel and cast iron pipes as well as the problematic plastic pipes being booked?

**Company's Response:**

**Salvage and COR for “GRIP-replaced” pipes are recorded in Account 376.1 Mains –Plastic, Account 376.2 Mains – Steel, and Account 376G Mains – GRIP on the Company's GL. However, for the purpose of the depreciation study, the exhibits moved salvage and COR for “GRIP-replaced” pipes to Account 376.2 Mains – Steel. Therefore, Account 376G Mains – GRIP represents only the new investments**

**related to GRIP. An entry will be made in the 2019 GL to reclassify removal cost from Account 376G Mains – GRIP to Account 376.2 Mains – Steel as depicted in the study exhibits.**

8. Please refer to Revised Attachment 1, page 8, Exhibit G, and Exhibit I with respect to Account 379 – Measuring and Regulating Equipment - City Gate for the following questions.
  - a. On page 8 of Revised Attachment 1, FPUC indicated “[t]here have been no retirements making any statistical analysis for life or salvage unreliable.” Data presented in Exhibit G also confirmed that there was no retirement activity performed during the study period 2014 through 2018. However, FPUC indicated in Revised Attachment 1, page 8, that “[t]he existing negative salvage of 5% recognizes some removal cost with the retirement of the equipment in this account.” Please reconcile these two statements. Does FPUC expect certain retirements to be incurred for the period 2019 through 2023?

**Company's Response:**

In forecasting future expectations of salvage and cost of removal, it is not simply looking at the 2019-2023 period but rather expectations over the remaining life of the account. For Measuring and Regulating Equipment – City Gate, there has not been adequate historical retirement activity to make statistical analyses for future life or salvage characteristics meaningful. This makes reliance on industry expectations necessary. All other companies in the State expect some removal costs from the retirement of M&R station piping, regulators, controls, odorizers and other equipment used in city gate distribution measuring and regulating equipment. There is nothing to expect that FPUC should not experience similar removal activity. FPUC's currently prescribed net salvage factor is (5)% and is within the industry range of future expectations of (2)% to (5)%.

- b. Referring to Exhibit G (2014), please explain the cause of COR of (\$13,211) recorded, given that there is no retirement activity for the year.

**Company's Response:**

At this time, the Company has not been able to obtain any additional information regarding the lack of retirement activity and is unable to definitively determine the cause of this discrepancy. Due to high turnovers and the breakdown of communication between Business Units and Corporate Accounting in the past, it would require additional time to determine if some responsibilities/duties were overlooked resulting in missed, misclassified, or untimely recording of retirements. However, the Company has revised policies and procedures, effective August 1, 2019, that should improve recordkeeping and reporting for retirements and mitigate the reoccurrence of this issue going forward. Also, continuous review of

**practices will follow to ensure compliance and determine if additional changes need to be implemented.**

- c. Referring to Exhibit G (2015), please explain the cause of COR of (\$4,175) recorded, given that there is no retirement activity for the year.

**Company's Response:**

**Please see response to No. 8b above.**

9. Please refer to Revised Attachment 1 of the Study, page 11 for the following request. For clarification purposes, is the Company requesting the establishment of a Regulatory Asset in the amount of \$1,350,980 (to be amortized over five years) resulting from its proposal of switching to Vintage Group Amortization of certain General Plant accounts? If so, what date would the amortization begin?

**Company's Response:**

**FPUC recommends amortization of the reserve deficiency associated with the general plant accounts that vintage group amortization is being recommended. The amortization would begin January 1, 2019, the recommended implementation date of revised depreciation rates.**

10. Are the assets currently recorded in FERC Accounts: 376.1, 376.2, 380.1, and 380.2, subject to replacement under the GRIP initiative? If so, please specify the estimated dollar amount of future GRIP-related retirements for each of the afore listed accounts.

**Company's Response:**

**Yes, the investments in Accounts 376.1, 376.2, 380.1, and 380.2 are subject to replacement under the GRIP initiative. The estimated future GRIP-related retirements are \$1.5 million for Account 376.2 Mains – Steel, \$103,000 for Account 380.2 Services – Steel, and \$0 for Accounts 376.1 Mains – Plastic and 380.1 Services – Plastic. An estimate was not computed for plastic mains and services mainly due**

to 1) the amount of plastic mains and services being replaced are only determined after excavation of the project sites and 2) plastic is such a small piece of the GRIP project and accounts for less than 5% of the total mileage and 3% of the total number of services replaced to-date. These estimates are subject to change as the GRIP projects progresses causing actual retirements to differ from what we have stated above.

11. Please refer to Exhibit G. (2013). Please describe the nature of the Plant adjustment in the amount of \$239,228 for Account 376.1 – Mains - plastic.

**Company's Response:**

The \$239,228 Plant adjustment includes Contributions in Aid of Construction (CIAC) of (\$430,772) and Ft. Meade's purchase of \$670,000. The purchase price was reduced by (\$183,227) to adjust the books to reflect the original cost of Ft. Meade's assets in Exhibit G. (2014), under Plant adjustment.

12. Please refer to Exhibit G. (2013). Please describe the nature of the Plant adjustment in the amount of (\$35,125) recorded to Account 376.2 – Mains - Steel.

**Company's Response:**

This Plant adjustment is for CIAC.

13. Please refer to Exhibit G (2013), Account 378 – Measuring and Regulating Equipment – General. Please explain the cause of COR of (\$8,599), given that there is no retirement recorded for the year.

**Company's Response:**

Please see response to No. 8b above.

14. Please refer to Exhibit G. (2013). Please describe the nature of the Plant adjustment in the amount of (\$110,695) for Account 380.1 - Service – Plastic.

**Company's Response:**

**This Plant adjustment is for CIAC.**

15. Referring to Exhibit G. (2014), for Account 378 – Measuring and Regulating Equipment – General, please explain the cause of COR of (\$4,299) recorded, given that there is no retirement activity for the year.

**Company's Response:**

**Please see response to No. 8b above.**

16. Please refer to Exhibit G. (2014). Please describe the nature of the Plant adjustment in the amount of (\$389,967) for Account 380.1 - Services – Plastic.

**Company's Response:**

**This Plant adjustment is for CIAC.**

17. Please refer to Exhibit G. (2014). For Account 382 – Meter - Installations, please explain the cause of COR of (\$103,142) recorded, given that there is no retirement activity for the year.

**Company's Response:**

**Please see response to No. 8b above.**

18. Please refer to Exhibit G. (2014). Please briefly describe the nature of the retirement amount of \$673,241 for Account 390 – Structures & Improvements.

**Company's Response:**

**This is the retirement of the Winter Haven Office, which was sold.**

19. Please refer to Exhibit G. (2015). Please describe the nature of the Plant adjustment in the amount of (\$22,642) for Account 376.1 – Mains - Plastic.

**Company's Response:**

**This Plant adjustment is for CIAC.**

20. Please refer to Exhibit G. (2015). Please describe the nature of the Plant adjustment in the amount of (\$4,886) for Account 380.1 - Service – Plastic.

**Company's Response:**

**This Plant adjustment is for CIAC.**

21. Please refer to Exhibit G. (2015). Please describe the nature of the Plant adjustment in the amount of \$14,284 for Account 382 – Meter Installations.

**Company's Response:**

**Plant additions were incorrectly reported as Plant adjustments in 2015. Exhibit G has been corrected, please see Attachment 2, page 48/88.**

22. Please refer to Exhibit G. (2015) for the following questions.

- a. Given the nature of the assets booked in Account No. 389 – Land and Land Rights, and having no retirements recorded over the study period, please explain what caused the COR of \$1,318 incurred in this account.

**Company's Response:**

**This entry incorrectly allocated COR from the 389 Land account that should have remained in the 390 account. This COR is associated with a Winter Heaven Office retirement made in 2014 to Account 390. A reclassification entry will be made in the 2019 GL to correct this amount.**

- b. It appears that FPUC recorded COR of (\$1,318) in Account 390 – Structures & Improvements. Is it possible that FPUC intended to record a transfer of \$1,318 between Accounts 389 and 390? If so, please make necessary correction to the Exhibit. If not, please explain.

**Company's Response:**

**This entry incorrectly allocated cost of removal from the 389 Land account that should have remained in the 390 account. Moving this amount from 389 to 390 offsets the amount in 390 and the cost of removal in 2015 should actually be zero. An entry will be made in the 2019 GL to correct accounts. Exhibits G, H, I, AA, BB,**

**CC, and DD have been corrected, please see Attachment 2, pages 48/88, 50/88, 52/88, 54/88 to 57/88, and 84/88 to 87/88.**

23. Please refer to Exhibit G. (2016). Please explain the cause of COR of (\$64,280) for Account 382 – Meter Installations given that there is no retirement activity for the year.

**Company's Response:**

**Please see response to No. 8b above.**

24. Please refer to Exhibit G. (2016). Please describe the nature of the Plant adjustment in the amount of (\$75,301) for Account 387 – Other Equipment.

**Company's Response:**

**The (\$75,301) adjustment shown on Exhibit G. (2016) is for depreciation true-up of accruals. The accruals for Account 387 – Other Equipment were accidentally computed using the investments from account 389 – Land and a decreasing adjustment of \$75,942 was needed to correct the balance for FPUC. Also, accruals for FPUC-Ft. Meade used incorrect rates from January 2014 to February 2015 requiring an increasing adjustment of \$641 to correct the balance.**

25. Please refer to Exhibit G. (2016). Please describe the nature of the reserve adjustment in the amount of (\$20,738) to Account 392.4 – Transportation - Other.

**Company's Response:**

**The adjustment to transportation was made to reflect the current value of the fleet at 2016.**

26. Referring to Exhibit G. (2017) for Account 378 – Measuring and Regulating Equipment – General, please explain the COR charge of (\$23,565) given there is no retirement activity for the year.

**Company's Response:**

**Please see response to No. 8b above.**



27. Please refer to Exhibit G. (2017). Please describe the nature of the Plant adjustment in the amount of \$921,498 for Account 380.1 - Service – Plastic.

**Company's Response:**

**This entry moves transportation adjustments to Account 392.1 – Transportation – Cars that were incorrectly recorded in Account 380.1-Services-Plastic during 2016.**

28. Please refer to Exhibit G. (2017). Please explain the nature and cause for the Plant reduction in the amount of (\$3,982,202) that was recorded to Account 389 Land and Land Rights. Please identify the account(s), if any, to which the investment was transferred.

**Company's Response:**

**Land initially purchased for gas operating office expansion was transferred to the FC Non-utility Property account when the needs of the Company changed.**

29. Please refer to Exhibit G. (2017) for the following requests.

- a. Please briefly describe the nature of the plant adjustment in the amount of (\$115,086) for Account 390 – Structures & Improvements.

**Company's Response:**

**FC improvements for corporate office expansion was booked erroneously to the natural gas division. The cost of improvements were transferred to a FC non-operating expense account when the needs of the company changed.**

- b. Please briefly describe the nature of the plant adjustment in the amount of (\$1,210,379) for Account 392.1 – Transportation – Cars.

**Company's Response:**

**Majority of the Plant adjustments were made to transfer transportation adjustments to Account 392.1 – Transportation – Cars that were incorrectly recorded in Account 380.1-Services-Plastic during 2016 (please see response to No.**

**27 above). The remaining Plant adjustments were made to transfer vehicle balances to the appropriate transportation accounts.**

30. Referring to Exhibit G. (2018) for Account 378 – Measuring and Regulating Equipment – General, please explain the respective causes of Gross Salvage of \$5,509 and COR of (\$13,373) given that there is no retirement activity for the year.

**Company's Response:**

**Please see response to No. 8b above.**

31. Please refer to Exhibit G. (2018). Please fully explain all plant and reserve entries associated with Account 392.3 – Transportation – Heavy Trucks for the year.

**Company's Response:**

**The current fleet listing for natural gas does not include any heavy duty trucks. The entries reclassify Plant and Reserve balances to the appropriate transportation accounts.**

32. Please explain the differences (i.e. asset types) among the following land- and land-rights-related distribution accounts: Account No. 389 – Land and Land Rights, Account No. 374 – Land, and Account No. 374.1 – Land Rights.

**Company's Response:**

**Account No. 374 – Land is used to record land used in connection with the company's gas distribution operations. Account 374.1 – Land Rights is used to record easements of land used in connection with the company's gas distribution operations. Account No. 389 – Land and Land Rights is general plant that is used to record land purchased and used by corporate and administrative staff.**

33. With respect to the Company's transportation accounts (392.1, 392.2, 392.3, and 392.4), please generally discuss what types of costs are incurred as part of these accounts COR charges.

**Company's Response:**

For 2015, COR included the cost of obtaining vehicle titles for the purpose of selling three retired trailers. However, the Company did not incur any COR for transportation in 2018. Reserve adjustments were erroneously reported under the wrong heading (COR) and should have been reported under the Adjustment Column in the depreciation study. Exhibits G and I have been corrected, please see Attachment 2, pages 54/88, 56/88, and 57/88.

34. Please refer to Exhibit J. of the Study for the following request. Please define the acronyms listed under column "CO." Listed below is the company code with description.

**Company's Response:**

The acronyms listed under column "CO" represent the companies under FPUC, Florida Common, and CFG.

CO	CO Description
CFG	Florida Division of Chesapeake Utilities Corporation
FC	Florida Common Assets
FN41	FPUC – South Florida Natural Gas
FN43	FPUC – Central Florida Natural Gas
FN45	FPUC – North Florida Natural Gas
FT	FPUC – Ft Meade

35. Please refer to Revised Attachment 1, Exhibit G 2018, as well as Exhibits AA, CC, and DD. As shown in Table 1 below, it appears that for certain distribution accounts, the Plant in Service 2018 ending balance, as reported in Exhibit G 2018, is different from the corresponding plant investment on 1/1/19, as reported in Exhibits AA, CC and DD. Please provide explanation and reconciliation.

**Table 1**

**Comparison of FPUC's Reported Plant in Service 12/31/18 Ending Balance and 1/1/19 Beginning Balance for Certain Distribution Accounts**

Distribution Account		Plant in Service		Difference
No.	Name	Exh. G 2018 Ending Balance	Exhs. AA, CC & DD 1/1/19 Investment	
376.1	Mains - Plastic	\$93,906,023	\$93,902,357	\$3,666
376.2	Mains - Steel	\$60,145,894	\$60,146,931	(\$1,037)
379	Measuring & Regulating Equip. - City Gate	\$13,017,664	\$13,020,294	(\$2,630)
381.1	Meters - AMR Equip.	\$2,216,411	\$2,232,914	(\$16,503)
382.1	Meter Installation - MTU/DUC	\$593,040	\$596,662	(\$3,622)

**Company's Response:**

Exhibit AA, CC, and DD, uses the ending investment balance from Exhibit K instead of Exhibit G. Exhibit K has additional adjustments added to Accounts 376.1 Mains – Plastic, 376.2 Mains – Steel, and 379 Measuring & Regulating Equip. - City Gate to reverse a duplicate retirement correction entry included in the last study. There are also adjustments to Accounts 381.1 Meters - AMR Equip., 382.1 Meter Installation - MTU/DUC, and 397 - Communication to reclassify automated meter reading equipment to the appropriate FERC account. Entries will be made in the 2019 GL to correct accounts.

36. Please refer to Revised Attachment 1, Exhibit K *AVERAGE AGE AT 12/31/18* and Exhibit AA *COMPARISON OF CURRENT PROPOSED DEPRECIATION COPONENTS*. It appears that the average age of certain distribution accounts are reported differently in these two exhibits as shown in Table 2 below. Please provide an explanation and reconciliation.

**Table 2**  
**Average Age of Certain Accounts**

Distribution Account		Average Age (Years)	
No.	Name	Reported in Exh. K	Reported in Exh. AA
376.1	Mains - Plastic	11.7	7.3
376G	Mains - GRIP	3.3	7.3
380.1	Services - Plastic	11.9	9.0
380G	Services - GRIP	3.3	9.0

**Company's Response:**

For depreciation study purposes and because the plastic and GRIP accounts consist of plastic pipes that FPUC believes have similar lives, one depreciation rate is recommended for the combined plastic and GRIP Mains investments and one depreciation rate for the combined plastic and GRIP Services investments. The ages shown on Exhibit AA for Account 376.1 and Account 376G of 7.3 years represent the mathematical composite of the respective account ages calculated on Exhibit K. Similarly, the ages of Account 380.1 and 380G shown on Exhibit AA represent the mathematical composite age of the respective account ages shown on Exhibit K.

Account	Investment	Exhibit K Average Age	Exhibit K Age Weighting
376.1 Plastic Mains	\$ 93,902,357	11.7	1,096,495,956
376G Mains - GRIP	\$ 100,098,436	3.3	329,295,367
<b>Composite</b>	<b>\$ 194,000,793</b>	<b>7.3</b> *	<b>1,425,791,323</b>
380.1 Plastic Services	\$ 51,009,399	11.9	608,343,894
380G Services - GRIP	\$ 25,851,783	3.3	84,914,809
<b>Composite</b>	<b>\$ 76,861,182</b>	<b>9.0</b> *	<b>693,258,703</b>

\*Average Age = Age Weighting/Average Age

37. Please refer to Revised Attachment 1, Exhibit G 2016, pages 50/86 and 51/86. It appears that there are reporting discrepancies between these two pages as shown in Table 3 below. Please provide explanation and reconciliation.

**Table 3  
Reporting Discrepancies**

Schedule	Column	Account	Value reported on page 50/86	Value reported on page 51/86
Reserve	Accruals	380.1	\$1,111,798	\$1,198,324
Reserve	COR	380.1	(\$577,358)	(\$522,678)
Reserve	Adjustments	376.1	\$583	\$555
Reserve	Adjustments	376.2	(\$181)	(\$143)
Reserve	Adjustments	379	(\$596)	(\$206)

**Company's Response:**

The figures reported on Exhibit G, page 50/88 are correct and were updated to include additional adjustments unintentionally excluded in the explanations provided on Exhibit G, page 51/88. The depreciation study was adjusted for the following reasons:

Schedule	Column	Account	Amount		Variance	Explanation
			Page 50/88	Page 51/88		
Reserve	Accruals	380.1	\$ 1,111,798	\$ 1,198,324	\$ (86,526)	To transferred Net Salvage on Sale of Building to Account 390
Reserve	COR	380.1	\$ (577,358)	\$ (522,678)	\$ (54,680)	To transferred COR on Sale of Building to Account 390
Reserve	Adjustments	376.1	\$ 583	\$ 555	\$ 28	To excluded duplicating correcting entry
Reserve	Adjustments	376.2	\$ (181)	\$ (143)	\$ (38)	To excluded duplicating correcting entry
Reserve	Adjustments	379	\$ 596	\$ 206	\$ 390	To excluded duplicating correcting entry

**Exhibit G has been corrected, please see Attachment 2, page 51/88. Entries will be made in the 2019 GL to correct accounts.**

38. Please refer to Revised Attachment 1, Exhibit DD. It appears that based on its proposed depreciation life and salvage parameters, FPUC would have a reserve deficiency of \$2.3 million at the beginning of 2019.

- a. Does the Company intend to propose any reserve transfers as part of its 2019 depreciation rate proposals? Please explain your response.

**Company's Response:**

Actually Exhibit DD indicates a reserve surplus of \$2.3 million, not a reserve deficiency. The Company is not proposing any reserve transfers as part of its 2019 depreciation study. That said, FPUC believes that when considering reserve transfers, such should be made between accounts within the same function; they should not be made between accounts in different functions. In other words, reserve transfers should be limited to accounts within the distribution function or to accounts within the general plant function. Theoretically, the remaining life mechanism will correct reserve imbalances over the average remaining life of the given account. Accounts with short remaining lives and large reserve deficits might give rise to correction from accounts with calculated reserve surpluses and longer remaining lives. Accounts with longer remaining lives having calculated reserve deficiencies are less critical to correct given the inherent uncertainty in making life estimates, unless the deficiencies are significant.

FPUC notes that the most significant reserve imbalances in its depreciation study are found in the plastic and GRIP Mains accounts (376.1 and 376G) and plastic and GRIP Services accounts (380.1 and 380G). However, the GRIP accounts consist of plastic Mains and Services for which FPUC recommends combining for a one depreciation rate each. In so doing, the significant imbalances shown on Exhibit DD for these accounts are reduced as shown below.

Account	Investment	Book	Theoretical	Theoretical	Reserve
		Reserve	Reserve	Reserve	Imbalance
376.1 Plastic Mains	\$ 93,902,357	\$25,389,739	15.20%	\$ 14,073,158	\$ 11,116,581
376G Mains - GRIP	\$ 100,098,436	\$ 8,092,671	15.20%	\$ 15,214,962	\$ (7,122,291)
Total Plastic Mains	\$ 194,000,793	\$33,482,410		\$29,288,120	\$ 3,994,290
380.1 Plastic Services	\$ 51,151,353	\$ 13,264,485	20.80%	\$ 10,639,481	\$ 2,625,004
380G Services - GRIP	\$ 25,851,783	\$ 2,294,400	20.80%	\$ 5,377,171	\$ (3,082,771)
Total Plastic Services	\$ 77,003,136	\$ 15,558,885		\$ 16,016,652	\$ (457,767)

- b. Hypothetically, if staff were to recommend, and the Commission ultimately approve reserve transfers, please discuss any issues the Company may foresee in effectuating singular reserve transfers that would effect/apply to all FPUC (natural gas) divisions.

**Company's Response:**

To reiterate, FPUC is not proposing any reserve transfers in its 2019 depreciation study. That said, FPUC believes that when considering reserve transfers, such should be made between accounts within the same function; they should not be made between accounts across different functions.- Theoretically, the remaining life mechanism will correct reserve imbalances over the average remaining life of the given account. Accounts with short remaining lives and large reserve deficits might give rise to correction from accounts with calculated reserve surpluses and longer remaining lives. Accounts with longer remaining lives having calculated reserve deficiencies are less critical to correct given the inherent uncertainty in making life estimates, unless the deficiencies are significant. The depreciation rates and components recommended in the 2019 depreciation study do not result in any significant reserve deficiencies.



**Florida Common Asset Allocation Basis  
Modified Massachusetts Method (Distrigas) Allocation Method**

<b>Business Unit</b>	<b>Gross Plant 12/31/17</b>	<b>Allocation Rate</b>
FPUC - Electric	132,203,156	20.5%
FPUC - Natural Gas	275,048,825	42.6%
Chesapeake - Florida	116,171,645	18.0%
FPUC - Indiantown	2,808,645	0.4%
FPUC - Fort Meade	1,110,475	0.2%
<u>Other</u>		
FLO GAS	29,281,856	4.5%
FL UNREGULATED	103,966	0.0%
EIGHT FLAGS	35,239,436	5.5%
PENINSULA PIPELINE	54,387,804	8.4%
TOTAL UNREG	<u>119,013,062</u>	<u>18.4%</u>
TOTAL ALL	<u>646,355,808</u>	<u>100.0%</u>

**FLORIDA PUBLIC UTILITIES - CONSOLIDATED NATURAL GAS**  
 [FPUC, FPUC Indiantown, Florida Division of Chesapeake Utilities Corporation, and FPUC-Ft Meade]  
**REPORT OF DEPRECIATION DATA UNDER RULE 25-6.0438(8)**  
**2015**

PLANT IN SERVICE								RESERVE (CREDIT BALANCES)									
Plant Account	Beginning Balance	Additions	Retirements	Reclassifications	Adjustments	Transfers	Ending Balance	Plant Account	Beginning Balance	Accruals	Reclassifications	Retirements	Gross Salvage	Cost of Removal	Adjustments	Transfers	Ending Balance
301	\$23,328	\$0	\$0	\$0	\$0	\$0	\$23,328	301	\$23,328	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$23,328
302	\$14,132	\$0	\$0	\$0	\$0	\$0	\$14,132	302	\$11,711	\$420	\$0	\$0	\$0	\$0	\$0	\$0	\$12,131
303	\$213,641	\$0	\$0	\$0	\$0	\$0	\$213,641	303	\$127,642	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$127,642
374	\$376,799	\$0	\$0	\$0	\$0	\$0	\$376,799	374	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3741	\$12,910	\$0	\$0	\$0	\$0	\$0	\$12,910	3741	(\$1,260)	\$2,220	\$0	\$0	\$0	\$0	\$0	\$0	\$960
375	\$1,159,511	\$58,950	\$0	\$0	\$0	\$0	\$1,218,461	375	\$543,132	\$29,173	\$0	\$0	\$0	\$0	\$0	\$0	\$572,305
3761	\$68,918,648	\$3,693,829	(\$11,768)	(\$74,222)	(\$22,642)	\$0	\$72,503,845	3761	\$18,546,642	\$1,803,818	(\$54,569)	(\$11,768)	\$49	(\$78,677)	\$0	\$0	\$20,205,495
3762	\$47,004,724	\$1,656,166	(\$45,213)	\$0	\$0	\$0	\$48,615,677	3762	\$25,242,181	\$1,341,950	\$0	(\$45,213)	\$0	(\$555,303)	\$0	\$0	\$25,983,615
376G	\$32,833,054	\$26,755,284	\$0	\$0	\$2,624	\$0	\$59,590,962	376G	\$636,697	\$1,080,888	\$0	\$0	\$0	\$0	(\$2,875)	\$0	\$1,714,710
378	\$2,051,801	\$295,850	\$0	\$1,069	\$0	\$0	\$2,348,720	378	\$744,925	\$68,848	\$1,068	\$0	\$0	\$0	\$0	\$0	\$814,841
379	\$9,838,063	\$729,526	\$0	\$0	\$0	\$0	\$10,567,589	379	\$2,856,521	\$342,625	\$0	\$0	\$0	(\$4,175)	\$0	\$0	\$3,194,971
3801	\$41,540,245	\$2,934,656	(\$976,336)	\$19,564	(\$4,886)	\$0	\$43,513,244	3801	\$12,720,251	\$1,141,613	\$4,774	(\$976,336)	\$14,381	(\$910,179)	\$0	\$0	\$11,994,504
3802	\$2,451,068	\$0	(\$267,942)	\$0	\$0	\$0	\$2,183,126	3802	\$2,288,182	\$146,764	\$0	(\$267,942)	\$51	(\$735,679)	\$0	\$0	\$1,431,376
380G	\$9,235,141	\$6,149,036	\$0	\$0	\$81,748	\$0	\$15,465,924	380G	\$253,956	\$326,861	\$0	\$0	\$0	\$0	\$735	\$0	\$581,552
381	\$11,718,891	\$1,678,270	(\$4,495)	\$0	\$0	\$0	\$13,392,665	381	\$4,393,096	\$449,829	\$0	(\$4,495)	\$0	(\$7,276)	\$0	\$0	\$4,831,154
3811	\$2,216,411	\$0	\$0	\$0	\$0	\$0	\$2,216,411	3811	\$662,607	\$99,744	\$0	\$0	\$0	\$0	\$0	\$0	\$762,351
382	\$7,798,449	\$856,787	(\$2,032)	\$0	\$0	\$0	\$8,653,204	382	\$2,214,997	\$253,147	\$0	(\$2,032)	\$765	(\$64,947)	\$0	\$0	\$2,401,930
3821	\$593,040	\$0	\$0	\$0	\$0	\$0	\$593,040	3821	\$160,088	\$15,420	\$0	\$0	\$0	\$0	\$0	\$0	\$175,508
383	\$4,486,616	\$259,567	(\$1,579)	\$0	\$0	\$0	\$4,744,605	383	\$1,985,701	\$150,955	\$0	(\$1,579)	\$0	\$0	\$0	\$0	\$2,135,077
384	\$1,048,196	\$0	(\$1,359)	\$0	\$0	\$0	\$1,046,837	384	\$472,470	\$28,295	\$0	(\$1,359)	\$0	\$0	\$0	\$0	\$499,406
385	\$1,836,158	\$3,877	\$0	\$0	\$0	\$0	\$1,840,035	385	\$851,667	\$62,485	\$0	\$0	\$0	\$0	\$0	\$0	\$914,152
387	\$1,881,460	\$195,477	\$0	\$24,376	\$0	\$0	\$2,101,314	387	\$689,832	\$157,525	\$19,514	\$0	\$0	\$0	\$0	\$0	\$866,871
389	\$4,330,672	\$3,982,202	\$0	\$0	\$0	\$0	\$8,312,873	389	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
390	\$2,792,150	\$107,285	\$0	\$0	\$0	\$0	\$2,899,435	390	\$333,068	\$56,417	\$0	\$0	\$0	\$0	\$0	\$0	\$389,485
3910	\$838,924	\$99,699	\$0	\$0	\$0	\$0	\$938,623	3910	\$274,322	\$33,841	\$0	\$0	\$0	\$0	\$0	\$0	\$308,163
3912	\$2,048,621	\$5,314	\$0	\$0	\$0	\$0	\$2,053,935	3912	\$732,628	\$152,884	\$0	\$0	\$0	\$0	\$0	\$0	\$885,512
3913	\$1,458,410	\$16,339	(\$646,785)	\$1,213	\$0	\$0	\$829,177	3913	\$64,580	\$40,183	\$1,213	(\$646,785)	\$0	\$0	\$0	\$0	(\$540,809)
3914	\$2,347,063	\$3,742,600	\$0	\$0	\$0	\$0	\$6,089,663	3914	\$1,908,815	\$62,183	\$0	\$0	\$0	\$0	\$0	\$0	\$1,970,998
3921	\$1,478,790	\$175,849	(\$154,411)	\$0	\$0	\$0	\$1,500,228	3921	\$533,456	\$138,355	\$0	(\$154,411)	\$66,383	(\$392)	\$0	\$0	\$583,391
3922	\$4,741,715	\$313,086	(\$259,134)	\$28,000	\$0	\$0	\$4,823,667	3922	\$1,744,864	\$346,239	\$28,000	(\$259,134)	\$7,600	\$0	\$0	\$0	\$1,867,569
3923	\$0	\$0	\$0	\$0	\$0	\$0	\$0	3923	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3924	\$92,080	\$123	\$0	\$0	\$0	\$0	\$92,203	3924	\$73,403	\$3,054	\$0	\$0	\$0	\$0	\$0	\$0	\$76,457
393	\$16,785	\$12,310	\$0	\$0	\$0	\$0	\$29,095	393	\$12,118	\$1,322	\$0	\$0	\$0	\$0	\$0	\$0	\$13,440
394	\$749,427	\$89,330	\$0	\$0	\$0	\$0	\$838,757	394	\$515,978	\$57,573	\$0	\$0	\$0	\$0	\$0	\$0	\$573,551
395	\$0	\$0	\$0	\$0	\$0	\$0	\$0	395	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
396	\$1,258,690	\$152,568	(\$43,682)	\$0	\$0	\$0	\$1,367,576	396	\$916,369	\$13,608	\$0	(\$43,682)	\$3,500	\$0	\$0	\$0	\$889,795
397	\$1,450,188	\$75,303	\$0	\$0	\$0	\$0	\$1,525,491	397	\$737,698	\$101,508	\$0	\$0	\$0	\$0	\$0	\$0	\$839,206
398	\$386,405	\$23,255	\$0	\$0	\$0	\$0	\$409,659	398	\$149,971	\$18,145	\$0	\$0	\$0	\$0	\$0	\$0	\$168,116
399	\$24,970	\$0	\$0	\$0	\$0	\$0	\$24,970	399	\$24,970	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$24,970
	\$271,267,172	\$54,062,539	(\$2,414,736)	\$0	\$56,844	\$0	\$322,971,822		\$83,446,606	\$8,527,892	\$0	(\$2,414,736)	\$92,729	(\$2,356,629)	(\$2,140)	\$0	\$87,293,724

**FLORIDA PUBLIC UTILITIES - CONSOLIDATED NATURAL GAS**  
 [FPUC, FPUC Indiantown, Florida Division of Chesapeake Utilities Corporation, and FPUC-Ft Meade]  
**REPORT OF DEPRECIATION DATA UNDER RULE 25-6.0436(8)**  
 2016

PLANT IN SERVICE								RESERVE (CREDIT BALANCES)									
Plant Account	Beginning Balance	Additions	Retirements	Reclassifications	Adjustments	Transfers	Ending Balance	Plant Account	Beginning Balance	Accruals	Reclassifications	Retirements	Gross Salvage	Cost of Removal	Adjustments	Transfers	Ending Balance
301	\$23,328	\$0	\$0	\$0	\$0	\$0	\$23,328	301	\$23,328	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$23,328
302	\$14,132	\$0	\$0	\$0	\$0	\$0	\$14,132	302	\$12,131	\$420	\$0	\$0	\$0	\$0	\$0	\$0	\$12,551
303	\$213,641	\$0	\$0	\$0	\$0	\$0	\$213,641	303	\$127,642	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$127,642
374	\$376,799	\$0	\$0	\$0	\$0	\$0	\$376,799	374	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3741	\$12,910	\$0	\$0	\$0	\$0	\$0	\$12,910	3741	\$960	\$2,220	\$0	\$0	\$0	\$0	\$0	\$0	\$3,180
375	\$1,218,461	\$87,115	\$0	\$0	\$0	\$0	\$1,305,576	375	\$572,305	\$30,897	\$0	\$0	\$0	\$0	\$0	\$0	\$603,202
3761	\$72,503,845	\$7,986,534	(\$59,460)	\$0	\$3,666	\$0	\$80,434,585	3761	\$20,205,495	\$1,945,777	\$0	(\$59,460)	\$0	(\$30,870)	\$583	\$0	\$22,061,525
3762	\$48,615,677	\$3,398,758	(\$271,462)	\$0	(\$1,036)	\$0	\$51,741,936	3762	\$25,983,615	\$1,400,613	\$0	(\$271,462)	\$0	(\$864,292)	(\$181)	\$0	\$26,248,293
376G	\$59,590,962	\$20,595,697	\$0	\$0	\$0	\$0	\$80,186,659	376G	\$1,714,710	\$1,720,618	\$0	\$0	\$0	\$0	\$0	\$0	\$3,435,328
378	\$2,348,720	\$371,631	\$0	\$0	\$0	\$0	\$2,720,351	378	\$814,841	\$79,498	\$0	\$0	\$0	\$0	\$0	\$0	\$894,339
379	\$10,567,589	\$662,994	\$0	\$0	(\$2,630)	\$0	\$11,227,953	379	\$3,194,971	\$369,768	\$0	\$0	\$0	\$0	(\$596)	\$0	\$3,564,143
3801	\$43,513,244	\$2,896,018	(\$727,937)	\$0	(\$859,544)	\$0	\$44,821,781	3801	\$11,994,504	\$1,111,798	\$0	(\$727,937)	\$156,051	(\$577,358)	\$72,040	\$0	\$12,029,098
3802	\$2,183,126	\$0	(\$393,120)	\$0	\$0	\$0	\$1,790,006	3802	\$1,431,376	\$135,414	\$0	(\$393,120)	\$14,600	(\$426,704)	\$0	\$0	\$761,566
380G	\$15,465,924	\$5,309,524	\$0	\$0	\$0	\$0	\$20,775,449	380G	\$581,552	\$466,625	\$0	\$0	\$0	\$0	\$0	\$0	\$1,048,177
381	\$13,392,665	\$803,421	(\$15,045)	\$0	(\$61,954)	\$0	\$14,119,088	381	\$4,831,154	\$497,849	\$0	(\$15,045)	\$7,877	\$0	(\$73,699)	\$0	\$5,248,136
3811	\$2,216,411	\$0	\$0	\$0	\$0	\$0	\$2,216,411	3811	\$762,351	\$99,744	\$0	\$0	\$0	\$0	\$0	\$0	\$862,095
382	\$8,653,204	\$1,761,784	\$0	\$0	\$0	\$0	\$10,414,988	382	\$2,401,930	\$293,422	\$0	\$0	\$0	(\$64,280)	\$0	\$0	\$2,631,072
3821	\$593,040	\$0	\$0	\$0	\$0	\$0	\$593,040	3821	\$175,508	\$15,420	\$0	\$0	\$0	\$0	\$0	\$0	\$190,928
383	\$4,744,605	\$258,437	(\$117,470)	\$0	\$0	\$0	\$4,885,572	383	\$2,135,077	\$160,110	\$0	(\$117,470)	\$0	\$0	\$0	\$0	\$2,177,717
384	\$1,046,837	\$0	\$0	\$0	\$0	\$0	\$1,046,837	384	\$499,406	\$28,272	\$0	\$0	\$0	\$0	\$0	\$0	\$527,678
385	\$1,840,035	\$6,913	\$0	\$0	\$0	\$0	\$1,846,948	385	\$914,152	\$62,676	\$0	\$0	\$0	\$0	\$0	\$0	\$976,828
387	\$2,101,314	\$469,302	\$0	\$0	\$0	\$0	\$2,570,615	387	\$866,871	\$194,321	\$0	\$0	\$0	\$0	(\$75,301)	\$0	\$985,891
389	\$8,312,873	\$1,617	(\$12,500)	\$0	\$0	\$0	\$8,301,990	389	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
390	\$2,899,435	\$204,269	(\$171,895)	\$0	\$0	\$0	\$2,931,810	390	\$389,485	\$57,625	\$0	(\$171,895)	\$141,249	\$0	\$15,135	\$0	\$431,599
3910	\$938,623	\$0	\$0	\$0	\$0	\$0	\$938,623	3910	\$308,163	\$37,391	\$0	\$0	\$0	\$0	(\$111,748)	\$0	\$233,806
3912	\$2,053,935	\$0	\$0	\$0	\$0	\$0	\$2,053,935	3912	\$885,512	\$51,576	\$0	\$0	\$0	\$0	(\$795,299)	\$0	\$141,789
3913	\$829,177	\$132,409	(\$27,774)	\$0	\$0	\$0	\$933,812	3913	(\$540,809)	\$110,620	\$0	(\$27,774)	\$0	\$0	\$809,832	\$0	\$351,869
3914	\$6,089,663	\$118,618	\$0	\$0	\$0	\$0	\$6,208,281	3914	\$1,970,998	\$248,133	\$0	\$0	\$0	\$0	\$53,529	\$0	\$2,272,660
3921	\$1,500,228	\$133,607	(\$112,998)	(\$147,587)	\$7,793	\$0	\$1,381,043	3921	\$583,391	\$139,320	\$0	(\$112,998)	\$5,500	\$0	(\$513,263)	\$0	\$101,950
3922	\$4,823,667	\$434,347	(\$341,926)	\$152,137	\$881,391	\$0	\$5,949,616	3922	\$1,867,569	\$348,089	\$0	(\$341,926)	\$6,154	\$0	\$553,134	\$0	\$2,433,020
3923	\$0	\$0	\$0	\$0	\$7,856	\$0	\$7,856	3923	\$0	\$0	\$0	\$0	\$0	\$0	\$4,410	\$0	\$4,410
3924	\$92,203	\$0	\$0	\$3,637	\$0	\$0	\$95,840	3924	\$76,457	\$2,790	\$0	\$0	\$1,900	\$0	(\$20,738)	\$0	\$60,409
393	\$29,095	\$881	\$0	(\$8,187)	\$0	\$0	\$21,788	393	\$13,440	\$1,680	\$0	\$0	\$0	\$0	\$0	\$0	\$15,120
394	\$838,757	\$126,304	\$0	\$0	\$0	\$0	\$965,061	394	\$573,551	\$65,546	\$0	\$0	\$0	\$0	\$0	\$0	\$639,097
395	\$0	\$0	\$0	\$0	\$0	\$0	\$0	395	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
396	\$1,367,576	\$114,393	\$0	\$0	\$0	\$0	\$1,481,968	396	\$889,795	\$15,241	\$0	\$0	\$0	\$0	\$0	\$0	\$905,036
397	\$1,525,491	\$231,466	\$0	\$0	\$0	\$0	\$1,756,958	397	\$839,206	\$112,971	\$0	\$0	\$0	\$0	\$0	\$0	\$952,177
398	\$409,659	\$0	\$0	\$0	\$0	\$0	\$409,659	398	\$168,116	\$18,840	\$0	\$0	\$0	\$0	\$0	\$0	\$186,956
399	\$24,970	\$0	\$0	\$0	\$0	\$0	\$24,970	399	\$24,970	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$24,970
	\$322,971,819	\$46,106,038	(\$2,251,587)	\$0	(\$24,458)	\$0	\$366,801,814		\$87,293,723	\$9,825,284	\$0	(\$2,239,087)	\$333,331	(\$1,963,504)	(\$82,162)	\$0	\$93,167,586

**FLORIDA PUBLIC UTILITIES - CONSOLIDATED NATURAL GAS**

FPUC, FPUC Indiantown, Florida Division of Chesapeake Utilities Corporation, and FPUC-Ft Meade

**REPORT OF DEPRECIATION DATA UNDER RULE 25-6.0436(8)**

2016 Notes

Exhibit	Schedule	Column	Account	Value	Comment
Exh. G 2016	Plant in Service	Additions	3761	\$7,986,533	ASR reported \$8,295,048. Difference is due to reporting error.
Exh. G 2016	Plant in Service	Additions	3762	\$3,398,758	ASR reported \$3,447,442. Difference is due to reporting error.
Exh. G 2016	Plant in Service	Additions	3801	\$2,896,018	ASR reported \$3,374,141. Difference is due to reporting error and misclassification of capital expenditures.
Exh. G 2016	Plant in Service	Additions	381	\$803,421	ASR reported \$741,468. Reported a depreciation study adjustment of (\$61,954) as an addition.
Exh. G 2016	Plant in Service	Reclassifications	3801	\$0	ASR reported (\$921,498). Reported adjustment from the last depreciation study for transpiration that was booked to the wrong account. Corrected in 2017.
Exh. G 2016	Plant in Service	Reclassifications	3924	\$3,637	ASR reported (\$4,550). Reported a reclassification of \$8,187 as a transfer.
Exh. G 2016	Plant in Service	Reclassifications	393	(\$8,187)	ASR reported \$0. Reported a reclassification of \$8,187 as a transfer.
Exh. G 2016	Plant in Service	Adjustments	3761	\$3,666	ASR reported (\$357,200). Difference is due to reporting error. Also, reported an adjustment from the last study of \$3,666 as a transfer.
Exh. G 2016	Plant in Service	Adjustments	3762	(\$1,036)	ASR reported \$0. Last depreciation study adjustments of (\$1,036) was reported under Transfers.
Exh. G 2016	Plant in Service	Adjustments	379	(\$2,630)	ASR reported \$0. Last depreciation study adjustments of (\$2,630) was reported under Transfers.
Exh. G 2016	Plant in Service	Adjustments	3801	(\$859,544)	ASR reported (\$416,169). Difference is due to reporting errors. Also, misclassified adjustments from last study.
Exh. G 2016	Plant in Service	Adjustments	381	(\$61,954)	ASR reported \$0. Difference is due to reporting last depreciation study adjustments totaling (\$61,954) as additions.
Exh. G 2016	Plant in Service	Adjustments	3923	\$7,856	ASR reported \$0. This is because the ASR reported all CFG vehicles collectively under Account 392.
Exh. G 2016	Plant in Service	Transfers	3761	\$0	As reported \$3,666. Reported last depreciation study adjustment as a transfer.
Exh. G 2016	Plant in Service	Transfers	3762	\$0	As reported (\$1,036). Reported last depreciation study adjustment as a transfer.
Exh. G 2016	Plant in Service	Transfers	379	\$0	As reported (\$2,630). Reported last depreciation study adjustment as a transfer.
Exh. G 2016	Plant in Service	Transfers	3924	\$0	ASR reported \$8,817. Reported a reclassification as a transfer.
Exh. G 2016	Plant in Service	Transfers	393	\$0	ASR reported (\$8,817). Reported a reclassification as a transfer.
Exh. G 2016	Reserve	Accruals	3801	\$1,111,798	ASR reported \$1,268,825. Reported depreciation adjustments from last study as accruals.
Exh. G 2016	Reserve	Accruals	381	\$497,849	ASR reported \$424,150. Reported depreciation adjustments from last study as accruals.
Exh. G 2016	Reserve	Reclassifications	3801	\$0	ASR reported \$1,539. Reported depreciation adjustment as a reclassification.
Exh. G 2016	Reserve	Retirements	3802	(\$393,120)	As reported (\$393,124). Corrected the \$4 error.
Exh. G 2016	Reserve	Gross Salvage	381	\$7,877	ASR reported \$0. Difference is due to reporting errors and reporting salvage as COR.
Exh. G 2016	Reserve	Cost of Removal	3762	(\$864,293)	ASR reported (\$846,136). Reported COR of (\$18,156) in GRIP Account. GRIP COR should be reported in Account 3762.
Exh. G 2016	Reserve	Cost of Removal	376G	\$0	ASR reported (\$18,156). Reported COR of (\$18,156) in GRIP Account. GRIP COR should be reported in Account 3762.
Exh. G 2016	Reserve	Cost of Removal	3801	(\$577,358)	ASR reported (\$449,048). Difference is due to reporting errors, separating salvage from the total, and reporting COR as accruals.
Exh. G 2016	Reserve	Cost of Removal	381	\$0	ASR reported \$8,082. Difference is due to reporting errors and reported salvage as COR.
Exh. G 2016	Reserve	Cost of Removal	382	(\$64,280)	ASR reported (\$57,188). Reported COR of (\$7,092) as an adjustment.
Exh. G 2016	Reserve	Cost of Removal	390	\$0	ASR reported \$54,670. Balance reduced to \$0. The reversing entry was booked to Account 3801 in error.
Exh. G 2016	Reserve	Adjustments	3761	\$583	ASR reported \$0. Reported adjustments for depreciation study rolled forward as a transfer.
Exh. G 2016	Reserve	Adjustments	3762	(\$181)	ASR reported \$0. Reported adjustments for depreciation study rolled forward as a transfer.
Exh. G 2016	Reserve	Adjustments	379	(\$596)	ASR reported \$555. Reporting error for FPUC-Ft. Meade. Also, reported adjustments for depreciation study rolled forward as a transfer.
Exh. G 2016	Reserve	Adjustments	3801	\$72,040	ASR reported \$3,766. Reporting error, actual adjustments totaled \$72,040.
Exh. G 2016	Reserve	Adjustments	381	(\$73,699)	ASR reported \$0. Reported adjustments for depreciation study rolled forward as an accrual.
Exh. G 2016	Reserve	Adjustments	382	\$0	ASR reported (\$7,092). Reported COR as an adjustment.
Exh. G 2016	Reserve	Transfers	3761	\$0	ASR reported \$555. Reported adjustments for depreciation study rolled forward as a transfer.
Exh. G 2016	Reserve	Transfers	3762	\$0	ASR reported (\$143). Reported adjustments for depreciation study rolled forward as a transfer.
Exh. G 2016	Reserve	Transfers	379	\$0	ASR reported (\$206). Reported adjustments for depreciation study rolled forward as a transfer.

**FLORIDA PUBLIC UTILITIES - CONSOLIDATED NATURAL GAS**  
 (FPUC, FPUC Indiantown, Florida Division of Chesapeake Utilities Corporation, and FPUC-Ft Meade)  
**REPORT OF DEPRECIATION DATA UNDER RULE 25-6.0436(8)**  
**2017**

PLANT IN SERVICE								RESERVE (CREDIT BALANCES)									
Plant Account	Beginning Balance	Additions	Retirements	Reclassifications	Adjustments	Transfers	Ending Balance	Plant Account	Beginning Balance	Accruals	Reclassifications	Retirements	Gross Salvage	Cost of Removal	Adjustments	Transfers	Ending Balance
301	\$23,328	\$0	\$0	\$0	\$0	\$0	\$23,328	301	\$23,328	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$23,328
302	\$14,132	\$0	\$0	\$0	\$0	\$0	\$14,132	302	\$12,551	\$420	\$0	\$0	\$0	\$0	\$0	\$0	\$12,971
303	\$213,641	\$0	\$0	\$0	\$0	\$0	\$213,641	303	\$127,642	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$127,642
374	\$376,799	\$0	\$0	\$0	\$0	\$0	\$376,799	374	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3741	\$12,910	\$0	\$0	\$0	\$0	\$0	\$12,910	3741	\$3,180	\$2,220	\$0	\$0	\$0	\$0	\$0	\$0	\$5,400
375	\$1,305,576	\$91,720	\$0	\$0	\$0	\$0	\$1,397,296	375	\$603,202	\$34,903	\$0	\$0	\$0	\$0	\$0	\$0	\$637,505
3761	\$80,434,585	\$7,038,543	(\$99,937)	(\$31,925)	\$0	\$0	\$87,341,265	3761	\$22,061,525	\$2,162,936	(\$18,292)	(\$99,937)	\$17,313	(\$261,007)	\$0	\$0	\$23,862,538
3762	\$51,741,936	\$935,022	(\$362,951)	\$0	\$0	\$0	\$52,314,007	3762	\$26,248,293	\$1,456,978	\$0	(\$362,951)	\$168,873	(\$1,021,668)	\$0	\$0	\$26,489,525
376G	\$80,186,659	\$9,766,627	\$0	\$31,925	\$0	\$0	\$89,985,212	376G	\$3,435,328	\$2,183,392	\$18,292	\$0	\$0	\$0	\$0	\$0	\$5,637,012
378	\$2,720,351	\$1,067,389	\$0	\$0	\$0	\$0	\$3,787,740	378	\$894,339	\$102,675	\$0	\$0	\$0	(\$23,565)	\$0	\$0	\$973,449
379	\$11,227,953	\$348,214	\$0	\$0	\$0	\$0	\$11,576,167	379	\$3,564,143	\$391,478	\$0	\$0	\$0	\$0	\$0	\$0	\$3,955,621
3801	\$44,821,781	\$2,589,075	(\$377,561)	\$0	\$921,498	\$0	\$47,954,793	3801	\$12,029,098	\$1,263,505	(\$4,277)	(\$377,561)	\$23,097	(\$402,477)	\$0	\$0	\$12,531,385
3802	\$1,790,006	\$0	(\$90,912)	\$0	\$0	\$0	\$1,699,094	3802	\$761,566	\$113,997	\$0	(\$90,912)	\$9,209	(\$308,294)	\$0	\$0	\$485,566
380G	\$20,775,449	\$2,400,665	\$0	\$0	\$0	\$0	\$23,176,113	380G	\$1,048,177	\$591,008	\$4,277	\$0	\$0	\$0	\$0	\$0	\$1,643,462
381	\$14,119,088	\$1,129,471	(\$1,403)	\$0	\$0	\$0	\$15,247,156	381	\$5,248,136	\$540,817	\$0	(\$1,403)	\$0	\$0	\$0	\$0	\$5,787,550
3811	\$2,216,411	\$0	\$0	\$0	\$0	\$0	\$2,216,411	3811	\$862,095	\$99,744	\$0	\$0	\$0	\$0	\$0	\$0	\$961,839
382	\$10,414,988	\$1,671,475	(\$765)	\$0	\$0	\$0	\$12,085,698	382	\$2,631,072	\$346,088	\$0	(\$765)	\$209	(\$70,367)	\$0	\$0	\$2,906,237
3821	\$593,040	\$0	\$0	\$0	\$0	\$0	\$593,040	3821	\$190,928	\$15,420	\$0	\$0	\$0	\$0	\$0	\$0	\$206,348
383	\$4,885,572	\$184,453	(\$34,092)	\$0	\$0	\$0	\$5,035,933	383	\$2,177,717	\$163,261	\$0	(\$34,092)	\$0	\$0	\$0	\$0	\$2,306,886
384	\$1,046,837	\$0	(\$1,928)	\$0	\$0	\$0	\$1,044,909	384	\$527,678	\$28,254	\$0	(\$1,928)	\$0	\$0	\$0	\$0	\$554,004
385	\$1,846,948	\$1,774	\$0	\$0	\$0	\$0	\$1,848,723	385	\$976,828	\$62,811	\$0	\$0	\$0	\$0	\$0	\$0	\$1,039,639
387	\$2,570,615	\$165,028	\$0	\$0	\$0	\$0	\$2,735,643	387	\$985,891	(\$1,373)	\$0	\$0	\$0	\$0	\$0	\$0	\$984,518
389	\$8,301,990	\$472,515	\$0	\$0	\$0	(\$3,982,202)	\$4,792,303	389	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
390	\$2,931,810	\$15,640	\$0	\$0	(\$115,086)	\$0	\$2,832,364	390	\$431,599	\$57,623	\$0	\$0	\$0	\$0	\$0	\$0	\$489,222
3910	\$938,623	\$175,562	\$0	\$0	\$0	\$0	\$1,114,185	3910	\$233,806	\$60,592	\$0	\$0	\$0	\$0	\$0	\$0	\$294,398
3912	\$2,053,935	\$0	\$0	\$0	\$0	\$0	\$2,053,935	3912	\$141,789	\$56,336	\$0	\$0	\$0	\$0	\$0	\$0	\$198,125
3913	\$933,812	\$29,628	\$0	\$0	\$0	\$0	\$963,440	3913	\$351,869	\$47,034	\$0	\$0	\$0	\$0	\$0	\$0	\$398,903
3914	\$6,208,281	\$878,276	\$0	\$0	\$0	\$0	\$7,086,557	3914	\$2,272,660	\$298,204	\$0	\$0	\$0	\$0	\$0	\$0	\$2,570,864
3921	\$1,381,043	\$69,311	(\$51,806)	\$0	(\$1,210,379)	\$0	\$188,170	3921	\$101,950	\$31,416	\$0	(\$51,806)	\$15,733	\$0	(\$79,564)	\$0	\$17,729
3922	\$5,949,616	\$228,302	(\$301,089)	\$0	\$288,319	\$0	\$6,165,148	3922	\$2,433,020	\$476,285	\$0	(\$301,089)	\$64,844	\$0	\$57,401	\$0	\$2,730,461
3923	\$7,856	\$0	\$0	\$0	\$0	\$0	\$7,856	3923	\$4,410	\$648	\$0	\$0	\$0	\$0	\$0	\$0	\$5,058
3924	\$95,840	\$0	(\$1,674)	\$0	\$0	\$0	\$94,166	3924	\$60,409	\$2,790	\$0	(\$1,674)	\$0	\$0	\$0	\$0	\$61,525
393	\$21,788	\$10,910	\$0	\$0	\$0	\$0	\$32,698	393	\$15,120	\$1,688	\$0	\$0	\$0	\$0	\$0	\$0	\$16,808
394	\$965,061	\$156,938	\$0	\$0	\$0	\$0	\$1,121,999	394	\$639,097	\$77,119	\$0	\$0	\$0	\$0	\$0	\$0	\$716,216
395	\$0	\$0	\$0	\$0	\$0	\$0	\$0	395	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
396	\$1,481,968	\$43,163	\$0	\$0	\$0	\$0	\$1,525,131	396	\$905,036	\$16,446	\$0	\$0	\$0	\$0	\$0	\$0	\$921,482
397	\$1,756,958	\$216,345	\$0	\$0	\$0	\$0	\$1,973,302	397	\$952,177	\$126,931	\$0	\$0	\$0	\$0	\$0	\$0	\$1,079,108
398	\$409,659	\$0	\$0	\$0	\$0	\$0	\$409,659	398	\$186,956	\$18,840	\$0	\$0	\$0	\$0	\$0	\$0	\$205,796
399	\$24,970	\$0	\$0	\$0	\$0	\$0	\$24,970	399	\$24,970	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$24,970
	\$366,801,813	\$29,686,046	(\$1,324,118)	\$0	(\$115,648)	(\$3,982,202)	\$391,065,893		\$93,167,585	\$10,829,886	\$0	(\$1,324,118)	\$299,277	(\$2,087,378)	(\$22,163)	\$0	\$100,863,089

**FLORIDA PUBLIC UTILITIES - CONSOLIDATED NATURAL GAS**  
 (FPUC, FPUC Indiantown, Florida Division of Chesapeake Utilities Corporation, and FPUC-Ft Meade)  
**REPORT OF DEPRECIATION DATA UNDER RULE 25-6.0436(8)**  
**2018**

PLANT IN SERVICE								RESERVE (CREDIT BALANCES)									
Plant Account	Beginning Balance	Additions	Retirements	Reclassifications	Adjustments	Transfers	Ending Balance	Plant Account	Beginning Balance	Accruals	Reclassifications	Retirements	Gross Salvage	Cost of Removal	Adjustments	Transfers	Ending Balance
301	\$23,328	\$0	\$0	\$0	\$0	\$0	\$23,328	301	\$23,328	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$23,328
302	\$14,132	\$0	\$0	\$0	\$0	\$0	\$14,132	302	\$12,971	\$420	\$0	\$0	\$0	\$0	\$0	\$0	\$13,391
303	\$213,641	\$0	\$0	\$0	\$0	\$0	\$213,641	303	\$127,642	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$127,642
374	\$376,799	\$0	\$0	\$0	\$0	\$0	\$376,799	374	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3741	\$12,910	\$0	\$0	\$0	\$0	\$0	\$12,910	3741	\$5,400	\$2,220	\$0	\$0	\$0	\$0	\$0	\$0	\$7,820
375	\$1,397,296	\$207,062	\$0	\$0	\$0	\$0	\$1,604,358	375	\$637,505	\$36,604	\$0	\$0	\$0	\$0	\$0	\$0	\$674,109
3761	\$87,341,265	\$7,091,353	(\$127,155)	\$0	(\$399,440)	\$0	\$93,906,023	3761	\$23,862,538	\$2,289,694	\$0	(\$127,155)	\$7,300	(\$313,722)	(\$328,333)	\$0	\$25,390,322
3762	\$52,314,007	\$8,096,669	(\$430,576)	\$0	\$165,794	\$0	\$60,145,894	3762	\$26,489,525	\$1,606,047	\$0	(\$430,576)	\$1,685	(\$408,665)	\$144,030	\$0	\$27,402,046
376G	\$89,985,212	\$10,113,224	\$0	\$0	\$0	\$0	\$100,098,436	376G	\$5,637,012	\$2,455,659	\$0	\$0	\$0	\$0	\$0	\$0	\$8,092,671
378	\$3,787,740	\$572,000	\$0	\$0	\$0	\$0	\$4,359,741	378	\$973,449	\$133,373	\$0	\$0	\$5,509	(\$13,373)	\$0	\$0	\$1,098,958
379	\$11,576,167	\$1,441,497	\$0	\$0	\$0	\$0	\$13,017,664	379	\$3,955,621	\$421,998	\$0	\$0	\$0	(\$63,113)	\$0	\$0	\$4,314,506
3801	\$47,954,793	\$3,463,273	(\$301,683)	\$0	\$34,974	\$0	\$51,151,357	3801	\$12,531,385	\$1,332,005	\$0	(\$301,683)	\$21,276	(\$355,384)	\$36,886	\$0	\$13,264,485
3802	\$1,699,094	\$0	(\$102,645)	\$0	\$191,844	\$0	\$1,788,293	3802	\$485,566	\$137,981	\$0	(\$102,645)	\$3,406	(\$266,745)	\$146,690	\$0	\$404,253
380G	\$23,176,113	\$2,675,669	\$0	\$0	\$0	\$0	\$25,851,783	380G	\$1,643,462	\$650,938	\$0	\$0	\$0	\$0	\$0	\$0	\$2,294,400
381	\$15,247,156	\$1,412,671	\$0	\$0	\$0	\$0	\$16,659,827	381	\$5,787,550	\$586,398	\$0	\$0	\$0	(\$721)	\$0	\$0	\$6,373,227
3811	\$2,216,411	\$0	\$0	\$0	\$0	\$0	\$2,216,411	3811	\$961,839	\$99,744	\$0	\$0	\$0	\$0	\$0	\$0	\$1,061,583
382	\$12,085,698	\$1,443,602	(\$3,251)	\$0	\$0	\$0	\$13,526,048	382	\$2,906,237	\$391,159	\$0	(\$3,251)	\$49	(\$80,808)	\$0	\$0	\$3,213,386
3821	\$593,040	\$0	\$0	\$0	\$0	\$0	\$593,040	3821	\$206,348	\$15,420	\$0	\$0	\$0	\$0	\$0	\$0	\$221,768
383	\$5,035,933	\$313,296	(\$30,425)	\$0	\$0	\$0	\$5,318,803	383	\$2,306,886	\$168,948	\$0	(\$30,425)	\$0	\$0	\$0	\$0	\$2,445,409
384	\$1,044,909	\$0	(\$1,501)	\$0	\$0	\$0	\$1,043,408	384	\$554,004	\$28,197	\$0	(\$1,501)	\$0	\$0	\$0	\$0	\$580,700
385	\$1,848,723	\$0	\$0	\$0	\$0	\$0	\$1,848,723	385	\$1,039,639	\$62,856	\$0	\$0	\$0	\$0	\$0	\$0	\$1,102,495
387	\$2,735,643	\$208,584	\$0	\$0	\$0	\$0	\$2,944,227	387	\$984,518	\$111,832	\$0	\$0	\$0	\$0	\$0	\$0	\$1,096,350
389	\$4,792,303	\$112,024	\$0	\$0	\$0	\$0	\$4,904,327	389	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
390	\$2,832,364	\$306,400	\$0	\$0	\$0	\$0	\$3,138,764	390	\$489,222	\$58,185	\$0	\$0	\$0	\$0	\$0	\$0	\$547,407
3910	\$1,114,185	\$536,010	(\$20,651)	(\$19,493)	\$0	\$0	\$1,610,051	3910	\$294,398	\$77,059	\$0	(\$20,651)	\$0	\$0	\$0	\$0	\$350,806
3912	\$2,053,935	\$0	\$0	\$19,493	\$0	\$0	\$2,073,428	3912	\$198,125	\$62,400	\$0	\$0	\$0	\$0	\$0	\$0	\$260,525
3913	\$963,440	\$15,325	\$0	\$0	\$0	\$0	\$978,765	3913	\$398,903	\$57,743	\$0	\$0	\$0	\$0	\$0	\$0	\$456,646
3914	\$7,086,557	\$372,161	\$0	\$0	\$0	\$0	\$7,458,718	3914	\$2,570,864	\$326,107	\$0	\$0	\$0	\$0	\$0	\$0	\$2,896,971
3921	\$188,170	\$123,996	(\$19,053)	(\$6,902)	\$0	\$0	\$286,211	3921	\$17,729	\$29,595	(\$991)	(\$19,053)	\$0	\$0	(\$5,304)	\$0	\$21,976
3922	\$6,165,148	\$497,314	(\$1,249,593)	\$2,838	\$0	(\$27,055)	\$5,388,652	3922	\$2,730,461	\$464,064	\$2,838	(\$1,249,593)	\$198,088	\$0	(\$60,980)	(\$25,995)	\$2,058,882
3923	\$7,856	\$0	\$0	(\$7,856)	\$0	\$0	\$0	3923	\$5,058	\$432	(\$2,528)	\$0	\$0	\$0	(\$2,963)	\$0	\$0
3924	\$94,166	\$0	(\$17,685)	\$11,920	\$0	\$0	\$88,401	3924	\$61,525	\$2,697	\$681	(\$17,685)	\$0	\$0	(\$7,742)	\$0	\$39,476
393	\$32,698	\$0	\$0	\$0	\$0	\$0	\$32,698	393	\$16,808	\$1,896	\$0	\$0	\$0	\$0	\$0	\$0	\$18,704
394	\$1,121,999	\$121,915	\$0	\$0	\$0	\$0	\$1,243,914	394	\$716,216	\$84,682	\$0	\$0	\$0	\$0	\$0	\$0	\$800,898
395	\$0	\$0	\$0	\$0	\$0	\$0	\$0	395	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
396	\$1,525,131	\$0	\$0	\$0	\$0	\$0	\$1,525,131	396	\$921,482	\$11,352	\$0	\$0	\$0	\$0	\$0	\$0	\$932,834
397	\$1,973,302	\$465,775	\$0	\$0	\$0	\$0	\$2,439,077	397	\$1,079,108	\$147,652	\$0	\$0	\$0	\$0	\$0	\$0	\$1,226,760
398	\$409,659	\$2,461	\$0	\$0	\$0	\$0	\$412,120	398	\$205,796	\$1,440	\$0	\$0	\$0	\$0	\$0	\$0	\$207,236
399	\$24,970	\$0	\$0	\$0	\$0	\$0	\$24,970	399	\$24,970	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$24,970
<b>3910,65,891</b>	<b>\$391,065,891</b>	<b>\$39,592,283</b>	<b>(\$2,304,219)</b>	<b>\$0</b>	<b>(\$6,828)</b>	<b>(\$27,055)</b>	<b>\$428,320,072</b>	<b>3910,65,891</b>	<b>\$100,863,090</b>	<b>\$11,856,797</b>	<b>\$0</b>	<b>(\$2,304,219)</b>	<b>\$237,313</b>	<b>(\$1,502,530)</b>	<b>(\$77,716)</b>	<b>(\$25,995)</b>	<b>\$109,046,741</b>

**FLORIDA PUBLIC UTILITIES - CONSOLIDATED NATURAL GAS**  
 [FPUC, FPUC Indiantown, Florida Division of Chesapeake Utilities Corporation, and FPUC-Ft Meade]  
 Reconciliation to Reserve Balance at 1/1/19

Plant Account	Ending Balance	Accounts 3761/3762/379 Reclass Adj.	Accounts 375/390 Sign Adjustment	Account 3971 Adjustment	Account 389 Legal Fees Adjustment	Adj. End. Balance	Notes
301	\$23,328					\$23,328	
302	\$13,391					\$13,391	
303	\$127,642					\$127,642	
374	\$0					\$0	
3741	\$7,620					\$7,620	
375	\$674,109		\$6			\$674,115	Depreciation wasn't computed on reclass.
3761	\$25,390,322	(\$583)				\$25,389,739	Removed rollforward depreciation of duplicated correcting entry
3762	\$27,402,046	\$181				\$27,402,227	Removed rollforward depreciation of duplicated correcting entry
376G	\$8,092,671					\$8,092,671	
378	\$1,098,958					\$1,098,958	
379	\$4,314,506	\$596				\$4,315,102	Removed rollforward depreciation of duplicated correcting entry
3801	\$13,264,485					\$13,264,485	
3802	\$404,253					\$404,253	
380G	\$2,294,400					\$2,294,400	
381	\$6,373,227					\$6,373,227	
3811	\$1,061,583			\$619		\$1,062,202	Account 3971 is not authorized, Meter Reading Equipment and install s/b in 3811 and 3821
382	\$3,213,386					\$3,213,386	
3821	\$221,768			\$78		\$221,846	Account 3971 is not authorized, Meter Reading Equipment and install s/b in 3811 and 3821
383	\$2,445,409					\$2,445,409	
384	\$580,700					\$580,700	
385	\$1,102,495					\$1,102,495	
387	\$1,096,350					\$1,096,350	
389	\$0				\$0	\$0	
390	\$547,407		(\$5)			\$547,402	Depreciation wasn't computed on reclass.
3910	\$350,806					\$350,806	
3912	\$260,525					\$260,525	
3913	\$456,646					\$456,646	
3914	\$2,896,971					\$2,896,971	
3921	\$21,976					\$21,976	
3922	\$2,058,882					\$2,058,882	
3923	\$0					\$0	
3924	\$39,476					\$39,476	
393	\$18,704					\$18,704	
394	\$800,898					\$800,898	
395	\$0					\$0	
396	\$932,834					\$932,834	
397	\$1,226,760			(\$840)		\$1,225,920	Account 3971 is not authorized, Meter Reading Equipment and install s/b in 3811 and 3821
398	\$207,236					\$207,236	
399	\$24,970					\$24,970	
<b>Total</b>	<b>\$109,046,740</b>	<b>\$194</b>	<b>\$1</b>	<b>(\$143)</b>	<b>\$0</b>	<b>\$109,046,793</b>	

Note: The adjustment to Account 389 has been removed. This adjustment was revised to move the adjustment to Account 390 and is reflected on Exhibit G. (2015).

**FLORIDA PUBLIC UTILITIES - CONSOLIDATED NATURAL GAS**  
 [FPUC, FPUC Indiantown, Florida Division of Chesapeake Utilities Corporation, and FPUC-F1 Meade]  
**Computation of Projected 2018 Net Salvage**  
 (NEGATIVE VALUES INDICATE SALVAGE)

ACCT	DESCRIPTION	2013	2013	2013	2014	2014	2014	2015	2015	2015	2016	2016	2016	2017	2017	2017	2018	2018	2018
		COR	SALVAGE	NET	COR	SALVAGE	NET	COR	SALVAGE	NET	COR	SALVAGE	NET	COR	SALVAGE	NET	COR	SALVAGE	NET
		DR.	(CR.)		DR.	(CR.)		DR.	(CR.)		DR.	(CR.)		DR.	(CR.)		EST	EST	EST
301	Organization	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
302	Miscellaneous Intangible Plant	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
303	Miscellaneous Intangible Plant	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
374	Land	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3741	Land Rights	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
375	Structures & Improvements	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3761	Mains - Plastic	\$27,367	(\$2,854)	\$24,513	\$39,932	\$0	\$39,932	\$78,677	(\$49)	\$78,628	\$30,870	\$0	\$30,870	\$261,007	(\$17,313)	\$243,694	\$313,722	(\$7,300)	\$306,422
3762	Mains - Other	\$215,288	(\$2,232)	\$213,057	\$725,664	\$0	\$725,664	\$555,303	\$0	\$555,303	\$864,292	\$0	\$864,292	\$1,021,668	(\$168,873)	\$652,795	\$408,665	(\$1,685)	\$406,980
376G	Mains - GRIP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
378	Meas. & Reg. Station Equip - General	\$8,599	\$0	\$8,599	\$4,299	\$0	\$4,299	\$0	\$0	\$0	\$0	\$0	\$0	\$23,565	\$0	\$23,565	\$13,373	(\$5,509)	\$7,864
379	Meas. & Reg. Station Equip - City Gate	\$0	\$0	\$0	\$13,211	\$0	\$13,211	\$4,175	\$0	\$4,175	\$0	\$0	\$0	\$0	\$0	\$0	\$63,113	\$0	\$63,113
3801	Services - Plastic	\$188,406	\$0	\$188,406	\$424,522	\$0	\$424,522	\$910,179	(\$14,381)	\$895,798	\$577,358	(\$156,051)	\$421,307	\$402,477	(\$23,097)	\$379,381	\$355,384	(\$21,276)	\$334,108
3802	Services - Other	\$182,562	\$0	\$182,562	\$625,855	\$0	\$625,855	\$735,679	(\$51)	\$735,628	\$426,704	(\$14,600)	\$412,104	\$308,294	(\$9,209)	\$299,085	\$266,745	(\$3,406)	\$263,339
380G	Services - GRIP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
381	Meters	\$16,652	\$0	\$16,652	\$2,741	\$0	\$2,741	\$7,276	\$0	\$7,276	\$0	(\$7,877)	(\$7,877)	\$0	\$0	\$0	\$721	\$0	\$721
3811	Meters - AMR Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
382	Meter Installations	\$9,011	\$0	\$9,011	\$103,142	\$0	\$103,142	\$64,947	(\$765)	\$64,182	\$64,280	\$0	\$64,280	\$70,367	(\$209)	\$70,158	\$80,808	(\$49)	\$80,759
3821	Meter Installations - MTU/DCU	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
383	Regulators	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
384	Regulator Installations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
385	Indust. Meas. & Reg. Station Equip.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
387	Other Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
389	Land & Land Rights	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
390	Structures & Improvements	\$0	\$0	\$0	\$9,225	(\$299,670)	(\$290,445)	\$0	\$0	\$0	\$0	(\$141,249)	(\$141,249)	\$0	\$0	\$0	\$0	\$0	\$0
3910	Office Furniture	\$0	\$0	\$0	\$0	(\$117)	(\$117)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3912	Office Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3913	Computer Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3914	Computer Software	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3921	Transportation - Cars	\$0	(\$36,752)	(\$36,752)	\$0	(\$25,093)	(\$25,093)	\$392	(\$66,383)	(\$65,991)	\$0	(\$5,500)	(\$5,500)	\$0	(\$15,733)	(\$15,733)	\$0	\$0	\$0
3922	Transportation - Light Trucks & Vans	\$0	(\$46,022)	(\$46,022)	\$0	(\$43,139)	(\$43,139)	\$0	(\$7,600)	(\$7,600)	\$0	(\$6,154)	(\$6,154)	\$0	(\$64,844)	(\$64,844)	\$0	(\$198,088)	(\$198,088)
3923	Transportation - Heavy Trucks & Vans	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3924	Transportation - Trailers	\$0	\$0	\$0	\$0	(\$1,803)	(\$1,803)	\$0	\$0	\$0	\$0	(\$1,900)	(\$1,900)	\$0	\$0	\$0	\$0	\$0	\$0
393	Stores Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
394	Tools, Shop & Garage Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
395	Laboratory Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
396	Power Operated Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$3,500)	(\$3,500)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
397	Communications Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
398	Miscellaneous Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
399	Other Tangible Property	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	<b>TOTALS</b>	<b>\$647,885</b>	<b>(\$87,859)</b>	<b>\$560,026</b>	<b>\$1,948,591</b>	<b>(\$369,822)</b>	<b>\$1,578,769</b>	<b>\$2,356,629</b>	<b>(\$92,729)</b>	<b>\$2,263,900</b>	<b>\$1,963,504</b>	<b>(\$333,331)</b>	<b>\$1,630,173</b>	<b>\$2,087,378</b>	<b>(\$299,277)</b>	<b>\$1,788,101</b>	<b>\$1,502,530</b>	<b>(\$237,313)</b>	<b>\$1,265,218</b>



**FLORIDA PUBLIC UTILITIES - CONSOLIDATED NATURAL GAS**  
 (FPUC, FPUC Indiantown, Florida Division of Chesapeake Utilities Corporation, and FPUC-RT Meade)  
**Net Salvage Percentages**  
 (Negative Percentage Indicates Negative Salvage)

ACCT.	DESCRIPTION	2013			2014			2015			2016			2017			2018			----- 6 Year Total -----		
		TOTAL RET.	NET SAL. - (COR)	NET SAL. %	TOTAL RET.	NET SAL. - (COR)	NET SAL. %	TOTAL RET.	NET SAL. - (COR)	NET SAL. %	TOTAL RET.	NET SAL. - (COR)	NET SAL. %	TOTAL RET.	NET SAL. - (COR)	NET SAL. %	TOTAL RET.	NET SAL. - (COR)	NET SAL. %	TOTAL RET.	TOTAL NET SAL. - (COR)	TOTAL NET SAL. %
301	Organization	\$0	\$0		\$0	\$0		\$0	\$0		\$0	\$0		\$0	\$0		\$0	\$0		\$0	\$0	
302	Miscellaneous Intangible Plant	\$0	\$0		\$0	\$0		\$0	\$0		\$0	\$0		\$0	\$0		\$0	\$0		\$0	\$0	
303	Miscellaneous Intangible Plant	\$0	\$0		\$0	\$0		\$0	\$0		\$0	\$0		\$0	\$0		\$0	\$0		\$0	\$0	
374	Land	\$0	\$0		\$0	\$0		\$0	\$0		\$0	\$0		\$0	\$0		\$0	\$0		\$0	\$0	
3741	Land Rights	\$0	\$0		\$0	\$0		\$0	\$0		\$0	\$0		\$0	\$0		\$0	\$0		\$0	\$0	
375	Structures & Improvements	\$0	\$0		\$0	\$0		\$0	\$0		\$0	\$0		\$0	\$0		\$0	\$0		\$0	\$0	
3761	Mains - Plastic	\$101,961	(\$24,513)	(24.04%)	\$91,319	(\$39,932)	(43.73%)	\$11,768	(\$78,628)	(668.15%)	\$59,460	(\$30,870)	(51.92%)	\$99,937	(\$243,694)	(243.85%)	\$127,155	(\$306,422)	(240.98%)	\$491,600	(\$724,060)	(147.29%)
3762	Mains - Other	\$380,485	(\$213,057)	(56.%)	\$618,998	(\$725,664)	(117.23%)	\$45,213	(\$555,303)	(1,228.19%)	\$271,462	(\$664,292)	(318.38%)	\$362,951	(\$852,795)	(234.96%)	\$430,576	(\$406,980)	(94.52%)	\$2,109,684	(\$3,618,091)	(171.5%)
376G	Mains - GRIP	\$0	\$0		\$0	\$0		\$0	\$0		\$0	\$0		\$0	\$0		\$0	\$0		\$0	\$0	
378	Meas. & Reg. Station Equip - General	\$0	(\$8,599)		\$0	(\$4,299)		\$0	\$0		\$0	\$0		\$0	(\$23,565)		\$0	(\$7,864)		\$0	(\$44,327)	
379	Meas. & Reg. Station Equip - City	\$0	\$0		\$0	(\$13,211)		\$0	(\$4,175)		\$0	\$0		\$0	\$0		\$0	(\$63,113)		\$0	(\$80,499)	
3801	Services - Plastic	\$107,296	(\$188,406)	(175.59%)	\$124,563	(\$424,522)	(340.81%)	\$976,336	(\$895,798)	(91.75%)	\$727,937	(\$421,307)	(57.88%)	\$377,561	(\$379,381)	(100.48%)	\$301,683	(\$334,108)	(110.75%)	\$2,615,376	(\$2,643,521)	(101.08%)
3802	Services - Other	\$373,405	(\$182,562)	(48.89%)	\$175,200	(\$625,855)	(357.22%)	\$267,942	(\$735,628)	(274.55%)	\$393,120	(\$412,104)	(104.83%)	\$90,912	(\$299,085)	(328.98%)	\$102,645	(\$263,339)	(256.55%)	\$1,403,224	(\$2,518,573)	(179.48%)
380G	Services - GRIP	\$0	\$0		\$0	\$0		\$0	\$0		\$0	\$0		\$0	\$0		\$0	\$0		\$0	\$0	
381	Meters	\$25,924	(\$16,652)	(64.23%)	\$93,788	(\$2,741)	(2.92%)	\$4,495	(\$7,276)	(161.87%)	\$15,045	\$7,877	52.36%	\$1,403	\$0		\$0	(\$721)		\$140,655	(\$19,513)	(13.87%)
3811	Meters - AMR Equipment	\$0	\$0		\$0	\$0		\$0	\$0		\$0	\$0		\$0	\$0		\$0	\$0		\$0	\$0	
382	Meter Installations	\$2,040	(\$9,011)	(441.67%)	\$0	(\$103,142)		\$2,032	(\$64,182)	(3,158.59%)	\$0	(\$64,280)		\$765	(\$70,158)	(9,171.01%)	\$3,251	(\$80,759)	(2,483.92%)	\$8,089	(\$391,532)	(4,840.3%)
3821	Meter Installations - MTU/DCU	\$0	\$0		\$0	\$0		\$0	\$0		\$0	\$0		\$0	\$0		\$0	\$0		\$0	\$0	
383	Regulators	\$5,300	\$0		\$54,083	\$0		\$1,579	\$0		\$117,470	\$0		\$34,092	\$0		\$30,425	\$0		\$242,949	\$0	
384	Regulator Installations	\$1,011	\$0		\$0	\$0		\$1,359	\$0		\$0	\$0		\$1,928	\$0		\$1,501	\$0		\$5,798	\$0	
385	Indust. Meas. & Reg. Station Equip.	\$0	\$0		\$0	\$0		\$0	\$0		\$0	\$0		\$0	\$0		\$0	\$0		\$0	\$0	
387	Other Equipment	\$0	\$0		\$0	\$0		\$0	\$0		\$0	\$0		\$0	\$0		\$0	\$0		\$0	\$0	
389	Land & Land Rights	\$0	\$0		\$98,285	\$0		\$0	\$0		\$12,500	\$0		\$0	\$0		\$0	\$0		\$110,785	\$0	
390	Structures & Improvements	\$0	\$0		\$673,241	\$280,445	43.14%	\$0	\$0		\$171,895	\$141,249	82.17%	\$0	\$0		\$0	\$0		\$845,136	\$431,694	51.08%
3910	Office Furniture	\$90,615	\$0		\$45,234	\$117	.26%	\$0	\$0		\$0	\$0		\$0	\$0		\$20,651	\$0		\$156,500	\$117	.07%
3912	Office Equipment	\$15,065	\$0		\$443,819	\$0		\$0	\$0		\$0	\$0		\$0	\$0		\$0	\$0		\$458,884	\$0	
3913	Computer Equipment	\$0	\$0		\$470,437	\$0		\$646,785	\$0		\$27,774	\$0		\$0	\$0		\$0	\$0		\$1,144,996	\$0	
3914	Computer Software	\$439,385	\$0		\$0	\$0		\$0	\$0		\$0	\$0		\$0	\$0		\$0	\$0		\$439,385	\$0	
3921	Transportation - Cars	\$111,973	\$36,752	32.82%	\$152,763	\$25,093	16.42%	\$154,411	\$65,991	42.74%	\$112,998	\$5,500	4.87%	\$51,806	\$15,733	30.37%	\$19,053	\$0		\$603,024	\$149,069	24.72%
3922	Transportation - Light Trucks & Vans	\$224,507	\$46,022	20.5%	\$327,399	\$43,139	13.18%	\$259,134	\$7,600	2.93%	\$341,926	\$6,154	1.8%	\$301,089	\$64,844	21.54%	\$1,249,593	\$198,088	15.85%	\$2,703,648	\$365,846	13.53%
3923	Transportation - Heavy Trucks & Vans	\$0	\$0		\$0	\$0		\$0	\$0		\$0	\$0		\$0	\$0		\$0	\$0		\$0	\$0	
3924	Transportation - Trailers	\$0	\$0		\$0	\$1,803		\$0	\$0		\$0	\$1,900		\$1,674	\$0		\$17,685	\$0		\$19,359	\$3,703	19.13%
393	Stores Equipment	\$0	\$0		\$0	\$0		\$0	\$0		\$0	\$0		\$0	\$0		\$0	\$0		\$0	\$0	
394	Tools, Shop & Garage Equipment	\$0	\$0		\$0	\$0		\$0	\$0		\$0	\$0		\$0	\$0		\$0	\$0		\$0	\$0	
395	Laboratory Equipment	\$0	\$0		\$0	\$0		\$0	\$0		\$0	\$0		\$0	\$0		\$0	\$0		\$0	\$0	
396	Power Operated Equipment	\$0	\$0		\$0	\$0		\$43,682	\$3,500	8.01%	\$0	\$0		\$0	\$0		\$0	\$0		\$43,682	\$3,500	8.01%
397	Communications Equipment	\$0	\$0		\$16,624	\$0		\$0	\$0		\$0	\$0		\$0	\$0		\$0	\$0		\$16,624	\$0	
398	Miscellaneous Equipment	\$0	\$0		\$31,934	\$0		\$0	\$0		\$0	\$0		\$0	\$0		\$0	\$0		\$31,934	\$0	
399	Other Tangible Property	\$0	\$0		\$0	\$0		\$0	\$0		\$0	\$0		\$0	\$0		\$0	\$0		\$0	\$0	
<b>TOTALS</b>		<b>\$1,878,966</b>	<b>(\$560,026)</b>		<b>\$3,417,705</b>	<b>(\$1,578,769)</b>		<b>\$2,414,736</b>	<b>(\$2,263,900)</b>		<b>\$2,251,587</b>	<b>(\$1,630,173)</b>		<b>\$1,324,118</b>	<b>(\$1,788,101)</b>		<b>\$2,304,219</b>	<b>(\$1,265,218)</b>		<b>\$13,591,332</b>	<b>(\$9,086,187)</b>	

**FLORIDA PUBLIC UTILITIES - CONSOLIDATED NATURAL GAS**  
 [FPUC, FPUC Indiantown, Florida Division of Chesapeake Utilities Corporation, and FPUC-Ft Meade]  
**2018 CONSOLIDATED NATURAL GAS DEPRECIATION STUDY**  
 (Actual through 12/31/18)  
 Docket No.  
**COMPARISON OF CURRENT AND PROPOSED DEPRECIATION COMPONENTS**

ACCOUNT - # / NAME	CONSOLIDATED PLANT		CURRENT CONSOLIDATED					COMPANY PROPOSED - CONSOLIDATED					STAFF RECOMMENDED - CONSOLIDATED					
	1/1/19	1/1/19	AVERAGE	AVERAGE	NET	AGE	CURVE	AVERAGE	AVERAGE	NET	(EXH. J and K)	AGE	CURVE	AVERAGE	AVERAGE	NET	AGE	CURVE
	INVESTMENT	RESERVE	SERVICE LIFE (YRS.)	REMAINING LIFE (YRS.)	SAL (%)	(YRS.)		SERVICE LIFE (YRS.)	REMAINING LIFE (YRS.)	SAL (%)	AGE (YRS.)		SERVICE LIFE (YRS.)	REMAINING LIFE (YRS.)	SAL (%)	AGE (YRS.)		
<b>DISTRIBUTION PLANT</b>																		
3741 Land Rights	12,910	7,620	30.0	7.4	0.0	22.6		35.0	7.4	0.0	27.6							
375 Structures & Improvements	1,604,358	674,115	40.0	18.9	0.0	21.1	S4	40.0	23.0	0.0	16.7		S4					
3761 Mains - Plastic	93,902,357	25,389,739	45.0	35.0	(16.0)	9.9	S3	55.0	48.0	(16.0)	7.3		S3					
3762 Mains - Steel	60,146,931	27,402,227	45.0	28.0	(26.0)	17.4	S3	55.0	37.0	(28.0)	18.5		S3					
376G Mains - GRIP	100,098,436	8,092,671	45.0	35.0	(16.0)	9.9	S3	55.0	48.0	(16.0)	7.3		S3					
378 Measuring and Regulating Equip. - General	4,359,741	1,098,958	31.0	21.0	(5.0)	11.0	R3	31.0	23.0	(5.0)	8.2		R3					
379 Measuring and Regulating Equip. - City Gate	13,020,294	4,315,102	30.0	22.0	(5.0)	8.0	R3	32.0	23.0	(5.0)	9.5		R3					
3801 Services - Plastic	51,151,353	13,264,485	45.0	34.0	(22.0)	11.2	S3	55.0	46.0	(22.0)	9.0		S3					
3802 Services - Other	1,788,293	404,253	40.0	24.0	(125.0)	16.9	S2	50.0	22.0	(125.0)	31.3		S2					
380G Services - GRIP	25,851,783	2,294,400	45.0	34.0	(22.0)	11.2	S3	55.0	46.0	(22.0)	9.0		S3					
381 Meters	16,659,827	6,373,227	28.0	16.2	0.0	12.7	R3	28.0	17.1	0.0	11.6		R3					
3811 Meters - AMR Equipment	2,232,914	1,062,202	20.0	16.7	0.0	3.4	R3	20.0	12.1	0.0	8.4		R3					
382 Meter Installations	13,526,048	3,213,386	36.0	25.0	(10.0)	11.4	S2	36.0	27.0	(10.0)	9.2		S2					
3821 Meter Installations - MTU/DCU	596,662	221,846	36.0	33.0	(10.0)	3.5	S2	36.0	28.0	(10.0)	8.5		S2					
383 House Regulators	5,318,803	2,445,409	30.0	16.7	0.0	13.6	R4	30.0	16.2	0.0	14.1		R4					
384 House Regulator Installations	1,043,408	580,700	36.0	21.0	0.0	15.6	S3	36.0	16.3	0.0	20.4		S3					
385 Indus. Meas. & Reg. Station Equip	1,848,723	1,102,495	30.0	16.9	0.0	14.1	R3	35.0	17.7	0.0	18.9		R3					
387 Other Equipment	2,944,227	1,096,350	25.0	15.7	0.0	9.3	S3	25.0	15.7	0.0	9.3		S3					
	396,107,068	99,039,186																
<b>GENERAL PLANT</b>																		
390 Structures & Improvmts.	3,138,764	547,402	40.0	31.0	10.0	9.6	R3	40.0	31.0	10.0	9.8		R3					
3910 Office Furniture	1,610,051	350,806	20.0	15.6	0.0	4.4	S2	20.0	15.4	0.0	4.6		SQ					
3912 Office Equipment	1,954,061	141,158	14.0	10.1	0.0	4.0	S2	14.0	5.1	0.0	8.9		SQ					
3913 Computer Hardware	977,552	455,433	10.0	4.3	0.0	5.7	S4	10.0	4.4	0.0	5.6		SQ					
3914 Computer Software	7,446,408	2,884,660	10.0	4.3	0.0	5.7		10.0	6.0	0.0	4.0		SQ					
3921 Transportation - Cars	162,295	21,976	10.0	5.1	10.0	5.3	S2	10.0	4.4	10.0	6.4		S2					
3922 Transportation - Light Trucks & Vans	5,509,730	2,058,882	10.0	4.8	20.0	5.8	S2	10.0	5.1	20.0	5.4		S2					
3923 Transportation - Heavy Trucks	0	0	0.0	0.0	10.0	0.0			0.0	10.0	0.0							
3924 Transportation - Other	91,239	39,476	21.0	9.9	0.0	11.1	S4	21.0	9.8	0.0	11.2		S4					
393 Stores Equipment	25,581	11,587	26.0	5.8	0.0	20.4	S5	26.0	12.0	0.0	14.0		SQ					
394 Tools, Shop & Garage Equipment	924,670	481,654	15.0	3.8	0.0	13.1	S3	15.0	4.5	0.0	10.5		SQ					
395 Laboratory Equipment	0	0	0.0	0.0	0.0	0.0			0.0	0.0	0.0		SQ					
396 Power Operated Equipment	1,525,131	932,834	16.0	6.0	10.0	11.8	S2	16.0	5.7	10.0	12.4		S2					
397 Communication Equipment	2,242,326	1,049,294	13.0	8.1	0.0	5.6	S1	13.0	6.5	0.0	6.5		SQ					
398 Miscellaneous Equipment	357,494	152,610	17.0	10.5	0.0	7.7	R2	17.0	6.7	0.0	10.3		SQ					
399 Miscellaneous Tangible	24,970	24,969																
Total General Plant	25,990,272	9,152,741																
General Plant amortizable account retirements with age greater than Average Service Life.	690,504	690,504																
Total Plant	422,767,844	108,882,431																

**FLORIDA PUBLIC UTILITIES - CONSOLIDATED NATURAL GAS**  
 [FPUC, FPUC Indiantown, Florida Division of Chesapeake Utilities Corporation, and FPUC-Ft Meade]  
**2018 CONSOLIDATED NATURAL GAS DEPRECIATION STUDY**  
 (Actual through 12/31/18)  
 Docket No.  
**COMPARISON OF RATES AND COMPONENTS**

ACCOUNT - # / NAME	CURRENT - CONSOLIDATED	COMPANY PROPOSED - CONSOLIDATED				STAFF PROPOSED - CONSOLIDATED			
	REMAINING LIFE RATE (%)	AVERAGE REMAINING LIFE (YRS.)	NET SAL (%)	12/31/2018 RESERVE (%)	REMAINING LIFE RATE (%)	AVERAGE REMAINING LIFE (YRS.)	NET SAL (%)	12/31/2018 RESERVE (%)	REMAINING LIFE RATE (%)
<b>DISTRIBUTION PLANT</b>									
3741 Land Rights	17.2	7.4	0.0	59.02	5.5				
375 Structures & Improvements	2.5	23.0	0.0	42.02	2.5				
3761 Mains - Plastic	2.6	48.0	(16.0)	17.26	2.1				
3762 Mains - Steel	2.8	37.0	(28.0)	45.56	2.2				
376G Mains - GRIP	2.6	48.0	(16.0)	17.26	2.1				
378 Measuring and Regulating Equip. - General	3.3	23.0	(5.0)	25.21	3.5				
379 Measuring and Regulating Equip. - City Gate	3.4	23.0	(5.0)	33.14	3.1				
3801 Services - Plastic	2.7	46.0	(22.0)	20.27	2.2				
3802 Services - Other	6.5	22.0	(125.0)	22.61	9.2				
380G Services - GRIP	2.7	46.0	(22.0)	20.27	2.2				
381 Meters	3.7	17.1	0.0	38.26	3.6				
3811 Meters - AMR Equipment	4.5	12.1	0.0	47.57	4.3				
382 Meter Installations	3.1	27.0	(10.0)	23.76	3.2				
3821 Meter Installations - MTU/DCU	2.6	28.0	(10.0)	37.18	2.6				
383 House Regulators	3.3	16.2	0.0	45.98	3.3				
384 House Regulator Installations	2.7	16.3	0.0	55.65	2.7				
385 Indus. Meas. & Reg. Station Equip	3.4	17.7	0.0	59.64	2.3				
387 Other Equipment	4.0	15.7	0.0	37.24	4.0				
<b>GENERAL PLANT</b>									
390 Structures & Improvements.	2.0	31.0	10.0	17.44	2.3				
3910 Office Furniture	3.7	20.0	0.0		5.0 *				
3912 Office Equipment	6.1	14.0	0.0		7.1 *				
3913 Computer Hardware	5.2	10.0	0.0		10.0 *				
3914 Computer Software	5.2	10.0	0.0		10.0 *				
3921 Transportation - Cars	11.0	4.4	10.0	13.54	17.4				
3922 Transportation - Light Trucks & Vans	8.0	5.1	20.0	37.37	8.4				
3923 Transportation - Heavy Trucks	8.2	11.0	10.0		8.2				
3924 Transportation - Other	3.3	9.8	0.0	43.27	5.8				
393 Stores Equipment	5.8	26.0	0.0		3.8 *				
394 Tools, Shop & Garage Equipment	7.4	15.0	0.0		6.7 *				
395 Laboratory Equipment	5.0	20.0	0.0		5.0 *				
396 Power Operated Equipment	1.1	5.7	10.0	61.16	5.1				
397 Communication Equipment	7.0	13.0	0.0		7.7 *				
398 Miscellaneous Equipment	4.6	17.0	0.0		5.9 *				
399 Miscellaneous Tangible		5 Year Amortization	5 Year Amortization						

\* Denotes amortization rate.

**FLORIDA PUBLIC UTILITIES - CONSOLIDATED NATURAL GAS**  
 [FPUC, FPUC Indiantown, Florida Division of Chesapeake Utilities Corporation, and FPUC-Ft Meade]  
**2018 CONSOLIDATED NATURAL GAS DEPRECIATION STUDY**  
 (Actual through 12/31/18)  
 Docket No.  
**COMPARISON OF ANNUAL DEPRECIATION EXPENSE**

ACCOUNT - # / NAME	CONSOLIDATED PLANT		CURRENT - CONSOLIDATED		COMPANY PROPOSED - CONSOLIDATED			STAFF RECOMMENDED - CONSOLIDATED		
	1/1/19 INVESTMENT	1/1/19 RESERVE	RATE (%)	EXPENSES (\$)	RATE (%)	EXPENSES (\$)	CHANGE IN EXPENSES (\$)	RATE (%)	EXPENSES (\$)	CHANGE IN EXPENSES (\$)
<b>DISTRIBUTION PLANT</b>										
3741 Land Rights	12,910	7,620	17.2	2,221	5.5	710	(1,511)			
375 Structures & Improvements	1,604,358	674,115	2.5	40,109	2.5	40,109	0			
3761 Mains - Plastic	93,902,357	25,389,739	2.6	2,441,461	2.1	1,971,949	(469,512)			
3762 Mains - Steel	60,146,931	27,402,227	2.8	1,684,114	2.2	1,323,232	(360,882)			
376G Mains - GRIP	100,098,436	8,092,671	2.6	2,602,559	2.1	2,102,067	(500,492)			
378 Measuring and Regulating Equip. - General	4,359,741	1,098,958	3.3	143,871	3.5	152,591	8,720			
379 Measuring and Regulating Equip. - City Gate	13,020,294	4,315,102	3.4	442,690	3.1	403,629	(39,061)			
3801 Services - Plastic	51,151,353	13,264,485	2.7	1,381,087	2.2	1,125,330	(255,757)			
3802 Services - Other	1,788,293	404,253	6.5	116,239	9.2	164,523	48,284			
380G Services - GRIP	25,851,783	2,294,400	2.7	697,998	2.2	568,739	(129,259)			
381 Meters	16,659,827	6,373,227	3.7	616,414	3.6	599,754	(16,660)			
3811 Meters - AMR Equipment	2,232,914	1,062,202	4.5	100,481	4.3	96,015	(4,466)			
382 Meter Installations	13,526,048	3,213,386	3.1	419,307	3.2	432,834	13,527			
3821 Meter Installations - MTU/DCU	596,662	221,846	2.6	15,513	2.6	15,513	0			
383 House Regulators	5,318,803	2,445,409	3.3	175,520	3.3	175,520	0			
384 House Regulator Installations	1,043,408	580,700	2.7	28,172	2.7	28,172	0			
385 Indus. Meas. & Reg. Station Equip	1,848,723	1,102,495	3.4	62,857	2.3	42,521	(20,336)			
387 Other Equipment	2,944,227	1,096,350	4.0	117,769	4.0	117,769	0			
	<b>396,107,068</b>	<b>99,039,186</b>		<b>11,088,382</b>		<b>9,360,977</b>	<b>(1,727,405)</b>		<b>0</b>	<b>0</b>
<b>GENERAL PLANT</b>										
390 Structures & Improvements.	3,138,764	547,402	2.0	62,775	2.3	72,192	9,417			
3910 Office Furniture	1,610,051 **	350,806	3.7	59,572	5.0	80,503 *	20,931			
3912 Office Equipment	1,954,061 **	141,158	6.1	119,198	7.1	138,738 *	19,540			
3913 Computer Hardware	977,552 **	455,433	5.2	50,833	10.0	97,755 *	46,922			
3914 Computer Software	7,446,408 **	2,884,660	5.2	387,213	10.0	744,641 *	357,428			
3921 Transportation - Cars	162,295	21,976	11.0	17,852	17.4	28,239	10,387			
3922 Transportation - Light Trucks & Vans	5,509,730	2,058,882	8.0	440,778	8.4	462,817	22,039			
3923 Transportation - Heavy Trucks	0	0	8.2	0	8.2	0	0			
3924 Transportation - Other	91,239	39,476	3.3	3,011	5.8	5,292	2,281			
393 Stores Equipment	25,581 **	11,587	5.8	1,484	3.8	972 *	(512)			
394 Tools, Shop & Garage Equipment	924,670 **	481,654	7.4	68,426	6.7	61,953 *	(6,473)			
395 Laboratory Equipment	0	0	5.0	0	5.0	0	0			
396 Power Operated Equipment	1,525,131	932,834	1.1	16,776	5.1	77,782	61,006			
397 Communication Equipment	2,242,326 **	1,049,294	7.0	156,963	7.7	172,659 *	15,696			
398 Miscellaneous Equipment	357,494 **	152,610	4.6	16,445	5.9	21,092 *	4,647			
399 Miscellaneous Tangible	24,970	24,969	5 Year Amortization		5 Year Amortization					
<b>Total General Plant</b>	<b>25,990,272</b>	<b>9,152,741</b>		<b>1,401,326</b>		<b>1,964,635</b>	<b>563,309</b>		<b>0</b>	<b>0</b>
Retirements of General Plant Assets with Age Greater than Average Service Life	690,504	690,504								
Reserve Deficiency Amortization					270,196	270,196				
<b>Total Plant</b>	<b>422,787,844</b>	<b>108,882,431</b>		<b>12,489,708</b>		<b>11,595,808</b>	<b>(893,900)</b>		<b>0</b>	<b>0</b>

\* Denotes amortization expense over FPU's existing average service life.  
 \*\* Denotes investment and reserve after retirements with age greater than the Average Service Life. See Exhibit EE

**FLORIDA PUBLIC UTILITIES - CONSOLIDATED NATURAL GAS**  
 [FPUC, FPUC Indiantown, Florida Division of Chesapeake Utilities Corporation, and FPUC-Ft Meade]  
**2018 CONSOLIDATED NATURAL GAS DEPRECIATION STUDY**

(Actual through 12/31/18)

Docket No.

**COMPARISON OF ACCUMULATED BOOK RESERVE AND THEORETICAL RESERVE**

ACCOUNT - # / NAME	PROPOSED RATES							NET SALV (%)
	1/1/19 INVESTMENT	1/1/19 RESERVE	THEORETICAL RESERVE (%)	THEORETICAL RESERVE	IMBALANCE	WLR (%)	ARL (YEARS)	
<b>DISTRIBUTION PLANT</b>								
3741 Land Rights	12,910	7,620	78.5	10,140	(2,520)	2.9	7.40	0.00
375 Structures & Improvements	1,604,358	674,115	42.5	681,852	(7,737)	2.5	23.00	0.00
3761 Mains - Plastic	93,902,357	25,389,739	15.2	14,273,158	11,116,581	2.1	48.00	(16.00)
3762 Mains - Steel	60,146,931	27,402,227	42.9	25,803,033	1,599,194	2.3	37.00	(28.00)
376G Mains - GRIP	100,098,436	8,092,671	15.2	15,214,962	(7,122,291)	2.1	48.00	(16.00)
378 Measuring and Regulating Equip. - General	4,359,741	1,098,958	26.8	1,168,411	(69,453)	3.4	23.00	(5.00)
379 Measuring and Regulating Equip. - City Gate	13,020,294	4,315,102	29.1	3,788,906	526,196	3.3	23.00	(5.00)
3801 Services - Plastic	51,151,353	13,264,485	20.8	10,639,481	2,625,004	2.2	46.00	(22.00)
3802 Services - Other	1,788,293	404,253	126.0	2,253,249	(1,848,996)	4.5	22.00	(125.00)
380G Services - GRIP	25,851,783	2,294,400	20.8	5,377,171	(3,082,771)	2.2	46.00	(22.00)
381 Meters	16,659,827	6,373,227	38.4	6,404,037	(30,810)	3.6	17.10	0.00
3811 Meters - AMR Equipment	2,232,914	1,062,202	39.5	882,001	180,201	5.0	12.10	0.00
382 Meter Installations	13,526,048	3,213,386	26.3	3,557,351	(343,965)	3.1	27.00	(10.00)
3821 Meter Installations - MTU/DCU	596,662	221,846	23.2	138,426	83,420	3.1	28.00	(10.00)
383 House Regulators	5,318,803	2,445,409	46.5	2,475,371	(29,962)	3.3	16.20	0.00
384 House Regulator Installations	1,043,408	580,700	54.4	567,197	13,503	2.8	16.30	0.00
385 Indus. Meas. & Reg. Station Equip	1,848,723	1,102,495	48.7	899,773	202,722	2.9	17.70	0.00
387 Other Equipment	2,944,227	1,096,350	37.2	1,095,252	1,098	4.0	15.70	0.00
	<b>396,107,068</b>	<b>99,039,186</b>		<b>95,229,771</b>	<b>3,809,415</b>			
<b>GENERAL PLANT</b>								
390 Structures & Improvements.	3,138,764	547,402	18.7	586,949	(39,547)	2.3	31.00	10.00
3910 Office Furniture	1,610,051	350,806	23.0	370,312	(19,506)	5.0	15.40	0.00
3912 Office Equipment	2,073,428	260,525	63.8	1,322,640	(1,062,115)	7.1	5.10	0.00
3913 Computer Hardware	978,765	456,646	56.0	548,108	(91,462)	10.0	4.40	0.00
3914 Computer Software	7,458,719	2,896,971	40.0	2,983,488	(86,517)	10.0	6.00	0.00
3921 Transportation - Cars	162,295	21,976	50.4	81,797	(59,821)	9.0	4.40	10.00
3922 Transportation - Light Trucks & Vans	5,509,730	2,058,882	39.2	2,159,814	(100,932)	8.0	5.10	20.00
3923 Transportation - Heavy Trucks	0	0	90.0	0	0	0.0	11.00	10.00
3924 Transportation - Other	91,239	39,476	53.0	48,320	(8,844)	4.8	9.80	0.00
393 Stores Equipment	32,698	18,704	54.4	17,788	916	3.8	12.00	0.00
394 Tools, Shop & Garage Equipment	1,243,914	800,898	69.9	868,874	(67,976)	6.7	4.50	0.00
395 Laboratory Equipment	0	0	100.0	0	0	0.0	20.00	0.00
396 Power Operated Equipment	1,525,131	932,834	58.1	885,796	47,038	5.6	5.70	10.00
397 Communication Equipment	2,418,952	1,225,920	50.0	1,208,267	17,653	7.7	6.50	0.00
398 Miscellaneous Equipment	412,120	207,236	60.5	249,209	(41,973)	5.9	6.70	0.00
399 Miscellaneous Tangible	24,970	24,970	100.0	24,970	0	0.0	0.00	0.00
	<b>26,680,776</b>	<b>9,843,246</b>		<b>11,331,362</b>	<b>(1,513,086)</b>			
<b>Total General Plant</b>	<b>422,787,844</b>	<b>108,882,432</b>		<b>106,561,133</b>	<b>2,296,329</b>			