



September 15, 2015

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FLORIDA PUBLIC SERVICE
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DIVISION OF
ACCOUNTING & FINANCE

VIA HAND DELIVERY

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

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

Dear Mr. Maurey:

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

As always, please don't hesitate to let me know if you have any questions whatsoever.

Sincerely,

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

cc: Bart Fletcher

FLORIDA PUBLIC UTILITIES COMPANY
ELECTRIC
RATE OF RETURN REPORT SUMMARY
June 30, 2015

SCHEDULE 1

	(1) ACTUAL PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
I. AVERAGE RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ 2,157,521	\$24,621	\$2,182,142	\$0	\$2,182,142
AVERAGE RATE BASE	\$64,929,084	(\$4,595,027)	\$60,334,007	\$0	\$60,334,007
AVERAGE RATE OF RETURN	3.32%		3.62%		3.62%
II. YEAR-END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$2,157,521	(\$4,807)	\$2,152,714	\$0	\$2,152,714
YEAR-END RATE BASE	\$66,175,428	(\$4,825,298)	\$61,349,130	\$0	\$61,349,130
YEAR-END RATE OF RETURN	3.26%		3.51%		3.51%

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

LOW	5.54%
MIDPOINT	5.97%
HIGH	6.40%

IV. FINANCIAL INTEGRITY INDICATORS

A. TIE WITH AFUDC	3.54
B. TIE WITHOUT AFUDC	3.54
C. AFUDC TO NET INCOME	0.00
D. INTERNALLY GENERATED FUNDS	285.72
E. LTD TO TOTAL INVESTOR FUNDS	29.18
F. STD TO TOTAL INVESTOR FUNDS	13.55
G. RETURN ON COMMON EQUITY	4.79

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

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

Mike Cassel
Director- Regulatory Affairs


Signature

9/4/15
Date

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	PLANT IN SERVICE	ACCUMULATED DEPRECIATION & AMORTIZATION	PLANT IN SERVICE	NET PROPERTY HELD FOR FUTURE USE	CONSTRUCTION WORK IN PROGRESS	NET UTILITY PLANT	WORKING CAPITAL	TOTAL RATE BASE
PER BOOKS	\$109,450,463	(\$54,050,681)	\$55,399,782	\$0	\$1,152,886	\$56,552,668	\$8,376,366	\$64,929,034
FPSC ADJUSTMENTS:								
			\$0			\$0		\$0
1) ELIM. NON UTILITY PLANT	(\$295,359)	\$107,845	(\$187,514)			(\$187,514)		(\$187,514)
2) REGULATORY LIAB - PENSION AMORT			\$0			\$0	\$0	\$0
3) REGULATORY ASSET - LITIGATION COSTS			\$0			\$0	\$0	\$0
4) ELIMINATE NET UNDERRECOVERY						\$0	(\$3,905,643)	(\$3,905,643)
5) TREE TRIMMING & UNDERGROUND RESERVE						\$0	(\$42,099)	(\$42,099)
6) ADJUST TAX STEP UP TO STIPULATION						\$0	(\$15,176)	(\$15,176)
7) DEFERRED RATE CASE EXPENSE						\$0	(\$444,595)	(\$444,595)
TOTAL FPSC ADJUSTMENTS	(\$295,359)	\$107,845	(\$187,514)	\$0	\$0	(\$187,514)	(\$4,407,513)	(\$4,595,027)
FPSC ADJUSTED	\$109,155,104	(\$53,942,836)	\$55,212,268	\$0	\$1,152,886	\$56,365,154	\$3,968,853	\$60,334,007
FLEX RATE REVENUES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ADJUSTED FOR FLEX RATE REVENUES	\$109,155,104	(\$53,942,836)	\$55,212,268	\$0	\$1,152,886	\$56,365,154	\$3,968,853	\$60,334,007
PROFORMA ADJUSTMENTS								
TOTAL PRO FORMA ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PRO FORMA ADJUSTED	\$109,155,104	(\$53,942,836)	\$55,212,268	\$0	\$1,152,886	\$56,365,154	\$3,968,853	\$60,334,007

FLORIDA PUBLIC UTILITIES COMPANY
 ELECTRIC
 YEAR END RATE OF RETURN
 For the 12 Months Ending June 30, 2015
 RATE BASE

SCHEDULE 3
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	(1) PLANT IN SERVICE	(2) ACCUMULATED DEPRECIATION & AMORTIZATION	(3) PLANT IN SERVICE	(4) NET PROPERTY HELD FOR FUTURE USE	(5) CONSTRUCTION WORK IN PROGRESS	(6) NET UTILITY PLANT	(7) WORKING CAPITAL	(8) TOTAL RATE BASE
PER BOOKS	\$111,213,593	(\$55,606,846)	\$55,606,747	\$0	\$481,991	\$56,088,738	\$10,086,690	\$66,175,428
FPSC ADJUSTMENTS:								
1) ELIM. NON UTILITY PLANT	(\$149,477)	\$101,531	(\$47,946)			(\$47,946)		(\$47,946)
2) OUT OF PERIOD LITIGATION ADJ						\$0	\$0	\$0
3) ELIMINATION OF UNDER-RECOVERY						\$0	(\$4,232,616)	(\$4,232,616)
4) TREE TRIMMING & UNDERGROUND RESERVE						\$0	(\$121,620)	(\$121,620)
5) DEFERRED RATE CASE EXPENSE						\$0	(\$424,117)	(\$424,117)
TOTAL FPSC ADJUSTMENTS	(\$149,477)	\$101,531	(\$47,946)	\$0	\$0	(\$47,946)	(\$4,778,353)	(\$4,826,298)
FPSC ADJUSTED	\$111,064,116	(\$55,505,315)	\$55,558,802	\$0	\$481,991	\$56,040,792	\$5,308,337	\$61,349,130
COMP RATE ADJ REVENUES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ADJUSTED FOR COMP RATE ADJ REVENUE	\$111,064,116	(\$55,505,315)	\$55,558,802	\$0	\$481,991	\$56,040,792	\$5,308,337	\$61,349,130
PROFORMA ADJUSTMENTS								
TOTAL PRO FORMA ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PRO FORMA ADJUSTED	\$111,064,116	(\$55,505,315)	\$55,558,802	\$0	\$481,991	\$56,040,792	\$5,308,337	\$61,349,130

AVERAGE	ADJUSTMENTS						LOW POINT		MIDPOINT		HIGH POINT		
	PER BOOKS	NON-UTILITY	ADJUSTED BOOKS	PRO-RATA	SPECIFIC	BALANCE	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
	COMMON EQUITY	\$28,639,760		\$28,639,760	(\$2,631,738)		\$26,008,022	43.11%	9.25%	3.99%	10.25%	4.42%	11.25%
LONG TERM DEBT - CU	\$12,917,654		\$12,917,654	(1,187,017)		\$11,730,637	19.44%	5.03%	0.98%	5.03%	0.98%	5.03%	0.98%
SHORT TERM DEBT	\$6,776,024		\$6,776,024	(622,656)		\$6,153,368	10.20%	1.21%	0.12%	1.21%	0.12%	1.21%	0.12%
LONG TERM DEBT - FC	\$1,671,706		\$1,671,706	(153,615)		\$1,518,091	2.52%	12.80%	0.32%	12.80%	0.32%	12.80%	0.32%
SHORT TERM DEBT - REFINANCED LTD	\$0		\$0	\$0		\$0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$3,309,062		\$3,309,062			\$3,309,062	5.49%	2.33%	0.13%	2.33%	0.13%	2.33%	0.13%
DEFERRED INCOME TAXES	\$11,614,827		\$11,614,827			\$11,614,827	19.25%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$0		\$0			\$0	0.00%	5.41%	0.00%	5.84%	0.00%	6.27%	0.00%
TOTAL AVERAGE	\$64,929,033	\$0	\$64,929,033	(\$4,595,026)	\$0	\$60,334,007	100.00%		5.54%		5.97%		6.40%

YEAR-END	ADJUSTMENTS						LOW POINT		MIDPOINT		HIGH POINT		
	PER BOOKS	NON-UTILITY	ADJUSTED BOOKS	PRO-RATA	SPECIFIC	BALANCE	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
	COMMON EQUITY	\$30,551,229		\$30,551,229	(2,960,432)	\$0	\$27,590,797	44.97%	9.25%	4.16%	10.25%	4.61%	11.25%
LONG TERM DEBT - CU	\$12,016,120		\$12,016,120	(1,164,369)		\$10,851,751	17.69%	5.17%	0.91%	5.17%	0.91%	5.17%	0.91%
SHORT TERM DEBT	\$5,719,683		\$5,719,683	(554,241)		\$5,165,442	8.42%	0.96%	0.08%	0.96%	0.08%	0.96%	0.08%
LONG TERM DEBT - FC	\$1,519,672		\$1,519,672	(147,258)		\$1,372,415	2.24%	12.68%	0.28%	12.68%	0.28%	12.68%	0.28%
SHORT TERM DEBT - REFINANCED LTD	\$0		\$0	-		\$0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$3,190,619		\$3,190,619			\$3,190,619	5.20%	2.42%	0.13%	2.42%	0.13%	2.42%	0.13%
DEFERRED INCOME TAXES	\$13,178,104		\$13,178,104			\$13,178,104	21.48%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$0		\$0			\$0	0.00%	5.43%	0.00%	5.88%	0.00%	6.33%	0.00%
TOTAL YEAR-END	\$66,175,428	\$0	\$66,175,428	(\$4,826,299)	\$0	\$61,349,129	100.00%		5.56%		6.01%		6.46%