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DIVISION OF
ACCOUNTING & FINANCE

June 23, 2015

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) - Second Revised

Dear Mr. Maurey:

In accordance with Rules 25-6.1352(3) and 25-7.1352(3), F.A.C., Florida Public Utilities Company (all Divisions) hereby submits the original and four (4) copies of the Second REVISED 4th Quarter Earnings Surveillance Reports for 2014. The reports have been further revised to correctly update the allocation rates applied to the 'Common' Working Capital accounts and to appropriately reflect the allocations to the FPU business units. We apologize for any inconvenience these further revisions may have caused.

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
 NATURAL GAS
 RATE OF RETURN REPORT SUMMARY
 For the 12 Months Ending December 31, 2014 - REVISED 6_12_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	\$ 6,942,261	\$ (48,905)	\$ 6,893,356	\$ 1,507,891	\$ 8,401,247
AVERAGE RATE BASE	\$ 142,465,042	\$ 2,071,235	\$ 144,536,277	\$ (29,072,795)	\$ 115,463,482
AVERAGE RATE OF RETURN	4.87%		4.77%		7.28%
II. YEAR-END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ 6,942,261	\$ (36,647)	\$ 6,905,614	\$ 1,507,891	\$ 8,413,505
YEAR-END RATE BASE	\$ 164,177,271	\$ 2,082,886	\$ 166,260,158	\$ (28,903,791)	\$ 137,356,367
YEAR-END RATE OF RETURN	4.23%		4.15%		6.10%
III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)			IV. EARNED RETURN ON EQUITY (FPSC ADJUSTED BASIS)		
LOW	6.34%		A.	INCL ACQUISITION ADJUSTMENT	6.42%
MIDPOINT	6.80%		B.	EXCL ACQUISITION ADJUSTMENT	12.75%
HIGH	7.26%				

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

Mike Cassel per [Signature]

Date

6/12/2015

FLORIDA PUBLIC UTILITIES COMPANY
 NATURAL GAS
 AVERAGE RATE OF RETURN
 For the 12 Months Ending December 31, 2014 - REVISED 6_12_2015
 RATE BASE

SCHEDULE 2
 PAGE 1 OF 2

	(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	\$ 202,099,385	\$ (61,113,557)	\$ 140,985,828	\$ -	\$ 7,966,010	\$ 148,951,838	\$ (6,486,796)	\$ 142,465,042
FPSC ADJUSTMENTS:								
1) ELIMINATIONS TO NON-UTILITY RECEIVABLES	\$ -	\$ -	\$ -			\$ -	\$ 332,615	\$ 332,615
2) ELIMINATE GOODWILL	\$ (2,469,682)	\$ -	\$ (2,469,682)			\$ (2,469,682)		\$ (2,469,682)
	\$ -	\$ -	\$ -			\$ -		\$ -
3) ELIM. NON-UTILITY PLANT	\$ (2,264,636)	\$ 861,869	\$ (1,402,767)			\$ (1,402,767)		\$ (1,402,767)
	\$ -	\$ -	\$ -			\$ -		\$ -
	\$ -	\$ -	\$ -			\$ -	\$ -	\$ -
4) ELIMINATE DEFERRED ENVIRONMENTAL COSTS	\$ -	\$ -	\$ -			\$ -	\$ 5,611,069	\$ 5,611,069
TOTAL FPSC ADJUSTMENTS	\$ (4,734,318)	\$ 861,869	\$ (3,872,449)	\$ -	\$ -	\$ (3,872,449)	\$ 5,943,684	\$ 2,071,235
FPSC ADJUSTED	\$ 197,365,067	\$ (60,251,688)	\$ 137,113,379	\$ -	\$ 7,966,010	\$ 145,079,389	\$ (543,112)	\$ 144,536,277
FLEX RATE REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ADJUSTED FOR FLEX RATE REVENUES	\$ 197,365,067	\$ (60,251,688)	\$ 137,113,379	\$ -	\$ 7,966,010	\$ 145,079,389	\$ (543,112)	\$ 144,536,277
PROFORMA ADJUSTMENTS			\$ -			\$ -		\$ -
			\$ -			\$ -		\$ -
ELIM. ACQUISITION ADJUSTMENT	\$ (33,347,895)	\$ 4,474,230	\$ (28,873,665)			\$ (28,873,665)		\$ (28,873,665)
ELIM. REG ASSET-TRNSCTN & TRNSITN CSTS							\$ (199,130)	\$ (199,130)
TOTAL PRO FORMA ADJUSTMENTS	\$ (33,347,895)	\$ 4,474,230	\$ (28,873,665)	\$ -	\$ -	\$ (28,873,665)	\$ (199,130)	\$ (29,072,795)
PRO FORMA ADJUSTED	\$ 164,017,172	\$ (55,777,458)	\$ 108,239,714	\$ -	\$ 7,966,010	\$ 116,205,724	\$ (742,242)	\$ 115,463,482

	(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	\$ 222,281,902	\$ (62,997,716)	\$ 159,284,186	\$ -	\$ 4,240,846	\$ 169,525,032	\$ 652,239	\$ 164,177,271
FPSC ADJUSTMENTS:								
1) ELIMINATIONS TO NON-UTILITY RECEIVABLES	\$ -	\$ -	\$ -			\$ -	\$ 409,434	\$ 409,434
2) ELIMINATE GOODWILL	\$ (2,469,682)	\$ -	\$ (2,469,682)			\$ (2,469,682)		\$ (2,469,682)
3) ELIM. NON-UTILITY PLANT	\$ (2,355,776)	\$ 887,841	\$ (1,467,935)			\$ (1,467,935)		\$ (1,467,935)
4) ELIMINATE DEFERRED ENVIRONMENTAL COSTS	\$ -	\$ -	\$ -			\$ -	\$ 5,611,069	\$ 5,611,069
TOTAL FPSC ADJUSTMENTS	\$ (4,825,458)	\$ 887,841	\$ (3,937,617)	\$ -	\$ -	\$ (3,937,617)	\$ 6,020,503	\$ 2,082,886
FPSC ADJUSTED	\$ 217,456,444	\$ (62,109,875)	\$ 155,346,569	\$ -	\$ 4,240,846	\$ 159,587,415	\$ 6,672,742	\$ 166,260,158
COMP RATE ADJ REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ADJUSTED FOR COMP RATE ADJ REVENUE PROFORMA ADJUSTMENTS	\$ 217,456,444	\$ (62,109,875)	\$ 155,346,569	\$ -	\$ 4,240,846	\$ 159,587,415	\$ 6,672,742	\$ 166,260,158
ELIM. ACQUISITION ADJUSTMENT	\$ (33,672,867)	\$ 5,369,076	\$ (28,303,791)			\$ (28,303,791)		\$ (28,303,791)
ELIM. REG ASSET-TRNSCTN & TRNSITN CSTS	\$ -	\$ -	\$ -			\$ -	\$ -	\$ -
TOTAL PRO FORMA ADJUSTMENTS	\$ (33,672,867)	\$ 5,369,076	\$ (28,303,791)	\$ -	\$ -	\$ (28,303,791)	\$ -	\$ (28,303,791)
PRO FORMA ADJUSTED	\$ 183,783,577	\$ (56,740,799)	\$ 127,042,778	\$ -	\$ 4,240,846	\$ 131,283,624	\$ 6,672,742	\$ 137,956,367

AVERAGE	ADJUSTMENTS						RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT	
	PER BOOKS	NON-UTILITY	ADJUSTED BOOKS	PRO-RATA	SPECIFIC	BALANCE		COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
COMMON EQUITY	\$ 66,105,082		\$ 66,105,082	\$ 2,582,802	\$ (2,469,682)	\$ 66,218,202	45.81%	9.85%	4.51%	10.85%	4.97%	11.85%	5.43%
LONG TERM DEBT - CU	\$ 28,007,348		\$ 28,007,348	\$ 1,094,279		\$ 29,101,627	20.13%	5.25%	1.06%	5.25%	1.06%	5.25%	1.06%
SHORT TERM DEBT	\$ 13,052,059		\$ 13,052,059	\$ 509,959		\$ 13,562,018	9.38%	1.21%	0.11%	1.21%	0.11%	1.21%	0.11%
LONG TERM DEBT - FC	\$ 4,784,994		\$ 4,784,994	\$ 186,955		\$ 4,971,949	3.44%	12.91%	0.44%	12.91%	0.44%	12.91%	0.44%
SHORT TERM DEBT - REFINANCED LTD	\$ 4,272,260		\$ 4,272,260	\$ 166,922		\$ 4,439,182	3.07%	3.32%	0.10%	3.32%	0.10%	3.32%	0.10%
CUSTOMER DEPOSITS	\$ 7,415,912		\$ 7,415,912			\$ 7,415,912	5.13%	2.42%	0.12%	2.42%	0.12%	2.42%	0.12%
DEFERRED INCOME TAXES	\$ 18,821,303		\$ 18,821,303			\$ 18,821,303	13.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$ 6,083		\$ 6,083			\$ 6,083	0.00%	6.12%	0.00%	6.58%	0.00%	7.04%	0.00%
TOTAL AVERAGE	\$ 142,465,041	\$ -	\$ 142,465,041	\$ 4,540,917	\$ (2,469,682)	\$ 144,536,276	100.00%		6.34%		6.80%		7.26%

YEAR-END	ADJUSTMENTS						RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT	
	PER BOOKS	NON-UTILITY	ADJUSTED BOOKS	PRO-RATA	SPECIFIC	BALANCE		COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
COMMON EQUITY	\$ 73,063,648		\$ 73,063,648	\$ 2,507,051	\$ (2,469,682)	\$ 73,101,017	43.97%	9.85%	4.33%	10.85%	4.77%	11.85%	5.21%
LONG TERM DEBT - CU	\$ 33,601,872		\$ 33,601,872	\$ 1,152,990		\$ 34,754,862	20.90%	4.78%	1.00%	4.78%	1.00%	4.78%	1.00%
SHORT TERM DEBT	\$ 21,067,055		\$ 21,067,055	\$ 722,879		\$ 21,789,934	13.11%	0.81%	0.11%	0.81%	0.11%	0.81%	0.11%
LONG TERM DEBT - FC	\$ 4,944,111		\$ 4,944,111	\$ 169,649		\$ 5,113,760	3.08%	12.80%	0.39%	12.80%	0.39%	12.80%	0.39%
SHORT TERM DEBT - REFINANCED LTD	\$ -		\$ -	\$ -		\$ -	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$ 7,703,950		\$ 7,703,950			\$ 7,703,950	4.63%	2.33%	0.11%	2.33%	0.11%	2.33%	0.11%
DEFERRED INCOME TAXES	\$ 23,796,633		\$ 23,796,634			\$ 23,796,634	14.31%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$ -		\$ -			\$ -	0.00%	5.83%	0.00%	6.27%	0.00%	6.71%	0.00%
TOTAL YEAR-END	\$ 164,177,270	\$ -	\$ 164,177,271	\$ 4,552,569	\$ (2,469,682)	\$ 166,260,158	100.00%		5.94%		6.38%		6.82%