

May 13, 2016

VIA HAND DELIVERY

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

RECEIVED
FLORIDA PUBLIC SERVICE
COMMISSION
2016 MAY 13 AM 9:50
DIVISION OF
ACCOUNTING & FINANCE

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 4th 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 1st Quarter (March 2016) Earnings Surveillance Reports for 2016.

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: Cheryl Bulecza-Banks
Bart Fletcher

FLORIDA PUBLIC UTILITIES COMPANY
ELECTRIC
RATE OF RETURN REPORT SUMMARY
March 31, 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	\$ 3,039,867	\$97,419	\$3,137,286	\$0	\$3,137,286
AVERAGE RATE BASE	\$64,849,964	(\$3,522,502)	\$61,327,462	\$0	\$61,327,462
AVERAGE RATE OF RETURN	4.69%		5.12%		5.12%
II. YEAR-END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$3,039,867	\$69,804	\$3,109,671	\$0	\$3,109,671
YEAR-END RATE BASE	\$63,862,645	(\$2,373,383)	\$61,489,262	\$0	\$61,489,262
YEAR-END RATE OF RETURN	4.76%		5.06%		5.06%

III. REQUIRED RATES OF RETURN		IV. FINANCIAL INTEGRITY INDICATORS	
AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)		A. TIE WITH AFUDC	5.20
LOW	5.12%	B. TIE WITHOUT AFUDC	5.20
MIDPOINT	5.53%	C. AFUDC TO NET INCOME	0.00
HIGH	5.94%	D. INTERNALLY GENERATED FUNDS	73.51
		E. LTD TO TOTAL INVESTOR FUNDS	24.10
		F. STD TO TOTAL INVESTOR FUNDS	20.06
		G. RETURN ON COMMON EQUITY	9.23

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

Mike Cassel for Mike
Signature

5/12/16
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	\$111,637,990	(\$56,256,569)	\$55,381,421	\$0	\$1,613,821	\$56,995,242	\$7,854,722	\$64,849,964
FPSC ADJUSTMENTS:								
1) ELIM. NON UTILITY PLANT	\$0	\$0	\$0			\$0		\$0
2) REGULATORY LIAB - PENSION AMORT			\$0			\$0	\$0	\$0
3) REGULATORY ASSET - LITIGATION COSTS			\$0			\$0	\$0	\$0
4) ELIMINATE NET UNDERRECOVERY						\$0	(\$3,045,584)	(\$3,045,584)
5) TREE TRIMMING & UNDERGROUND RESERVE						\$0	(77,270)	(\$77,270)
6) ADJUST TAX STEP UP TO STIPULATION						\$0	\$0	\$0
7) DEFERRED RATE CASE EXPENSE						\$0	(\$399,648)	(\$399,648)
TOTAL FPSC ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	(\$3,522,502)	(\$3,522,502)
FPSC ADJUSTED	\$111,637,990	(\$56,256,569)	\$55,381,421	\$0	\$1,613,821	\$56,995,242	\$4,332,220	\$61,327,462
FLEX RATE REVENUES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ADJUSTED FOR FLEX RATE REVENUES	\$111,637,990	(\$56,256,569)	\$55,381,421	\$0	\$1,613,821	\$56,995,242	\$4,332,220	\$61,327,462
PROFORMA ADJUSTMENTS								
TOTAL PRO FORMA ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PRO FORMA ADJUSTED	\$111,637,990	(\$56,256,569)	\$55,381,421	\$0	\$1,613,821	\$56,995,242	\$4,332,220	\$61,327,462

	(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	\$112,681,625	(\$57,699,593)	\$54,982,032	\$0	\$5,169,260	\$60,151,292	\$3,711,353	\$63,862,645
FPSC ADJUSTMENTS:								
1) ELIM. NON UTILITY PLANT	\$0	\$0	\$0			\$0		\$0
2) OUT OF PERIOD LITIGATION ADJ						\$0	\$0	\$0
3) ELIMINATION OF UNDER-RECOVERY						\$0	(\$2,010,130)	(\$2,010,130)
4) TREE TRIMMING & UNDERGROUND RESERVE						\$0	(12,542)	(\$12,542)
5) DEFERRED RATE CASE EXPENSE						\$0	(\$350,711)	(\$350,711)
TOTAL FPSC ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	(\$2,373,383)	(\$2,373,383)
FPSC ADJUSTED	\$112,681,625	(\$57,699,593)	\$54,982,032	\$0	\$5,169,260	\$60,151,292	\$1,337,970	\$61,489,262
COMP RATE ADJ REVENUES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ADJUSTED FOR COMP RATE ADJ REVENUE	\$112,681,625	(\$57,699,593)	\$54,982,032	\$0	\$5,169,260	\$60,151,292	\$1,337,970	\$61,489,262
PROFORMA ADJUSTMENTS								\$0
TOTAL PRO FORMA ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PRO FORMA ADJUSTED	\$112,681,625	(\$57,699,593)	\$54,982,032	\$0	\$5,169,260	\$60,151,292	\$1,337,970	\$61,489,262

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	\$26,914,305		\$26,914,305	(\$1,966,888)		\$24,947,417	40.68%	9.25%	3.76%	10.25%	4.17%	11.25%	4.58%
LONG TERM DEBT - CU	\$10,175,234		\$10,175,234	(743,603)		\$9,431,631	15.38%	4.97%	0.76%	4.97%	0.76%	4.97%	0.76%
SHORT TERM DEBT	\$9,669,960		\$9,669,960	(706,577)		\$8,963,283	14.62%	1.32%	0.19%	1.32%	0.19%	1.32%	0.19%
LONG TERM DEBT - FC	\$1,441,356		\$1,441,356	(105,334)		\$1,336,022	2.18%	12.63%	0.28%	12.63%	0.28%	12.63%	0.28%
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	\$3,190,068		\$3,190,068			\$3,190,068	5.20%	2.41%	0.13%	2.41%	0.13%	2.41%	0.13%
DEFERRED INCOME TAXES	\$13,459,041		\$13,459,041			\$13,459,041	21.95%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$0		\$0			\$0	0.00%	4.99%	0.00%	5.40%	0.00%	5.81%	0.00%
TOTAL AVERAGE	\$64,849,964	\$0	\$64,849,964	(\$3,522,502)	\$0	\$61,327,462	100.00%		5.12%		5.53%		5.94%

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	\$25,309,462		\$25,309,462	(1,280,009)	\$0	\$24,029,453	39.08%	9.25%	3.61%	10.25%	4.01%	11.25%	4.40%
LONG TERM DEBT - CU	\$8,766,715		\$8,766,715	(443,371)		\$8,323,344	13.54%	5.09%	0.69%	5.09%	0.69%	5.09%	0.69%
SHORT TERM DEBT	\$11,505,220		\$11,505,220	(581,869)		\$10,923,351	17.77%	0.98%	0.17%	0.98%	0.17%	0.98%	0.17%
LONG TERM DEBT - FC	\$1,347,223		\$1,347,223	(68,135)		\$1,279,088	2.08%	12.52%	0.26%	12.52%	0.26%	12.52%	0.26%
SHORT TERM DEBT - REFINANCED LTD	\$0		\$0			\$0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$3,206,667		\$3,206,667			\$3,206,667	5.22%	2.39%	0.12%	2.39%	0.12%	2.39%	0.12%
DEFERRED INCOME TAXES	\$13,727,358		\$13,727,358			\$13,727,358	22.33%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$0		\$0			\$0	0.00%	4.73%	0.00%	5.13%	0.00%	5.52%	0.00%
TOTAL YEAR-END	\$63,862,645	\$0	\$63,862,645	(\$2,373,383)	\$0	\$61,489,262	100.00%		4.85%		5.25%		5.64%