

Marguerite McLean

100000-0T

From: beth.keating@akerman.com
Sent: Tuesday, May 25, 2010 5:15 PM
To: Filings@psc.state.fl.us
Cc: Andrew Maurey; Lisa Bennett; Connie Davis; KELLY.JR@leg.state.fl.us
Subject: Post Workshop Comments of FPUC and Chesapeake
Attachments: 20100525163824462.pdf

Attached for electronic filing, please find Post Workshop Comments submitted on behalf of the Florida Division of Chesapeake Utilities Corporation and Florida Public Utilities Company regarding rate base reconciliation.

If you have any questions, please do not hesitate to contact me.

Sincerely,
 Beth Keating
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A. Beth Keating

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B. Docket No. 100000 - Undocketed Filings for 2010

C. Filed on behalf of the Florida Division of Chesapeake Utilities Corporation and Florida Public Utilities Company

D. Number of Pages: 2

E. Post Workshop Comments

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May 26, 2010

VIA ELECTRONIC FILING

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

Re: Undocketed: Post-Workshop Comments - Evaluation of Appropriate Method to Reconcile Capital Structure to Rate Base

Dear Ms. Cole:

Florida Public Utilities Company and the Florida Division of Chesapeake Utilities Corporation (herein the "Companies") offer the following comments with respect to the workshop held on May 12, 2010.

1. The Companies believe it is appropriate to remove accumulated deferred income taxes from capital structure, and include these in rate base.
2. The Companies believe it is appropriate to reconcile rate base and capital structure over all sources of capital.
3. The Companies believe it is appropriate to use the overall cost of capital rate for the AFUDC rate.
4. The Companies believe that it would be appropriate to switch from the prior Commission policy on rate base reconciliation. The Companies do, however, suggest that some consideration be given to allowing individual companies to maintain the status quo until

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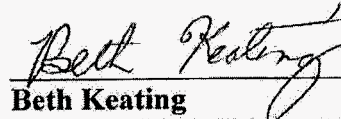
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their next rate proceeding and then making the switch to a new method. This would avoid unintended consequences that may arise as a result of implementing a new methodology without accounting for each company's current cost of capital as set in its most recent rate proceeding.

The Companies appreciate this opportunity to offer input and look forward to continued participation in this process.

Sincerely,



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Enclosures

cc: Ms. Cheryl Martin (FPUC)
Lisa Bennett (PSC)
Connie Davis (PSC)
Andrew Maurey (PSC)
Public Counsel