GUNSTER
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August 7, 2019

E-Portal

Mr. Adam Teitzman, Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: **[NEW FILING] - Petition for Limited Proceeding to Recover Incremental Storm Restoration Costs, Capital Costs, Revenue Reduction for Permanently Lost Customers, and Regulatory Assets related to Hurricane Michael by Florida Public Utilities Company.**

Dear Mr. Teitzman:

Attached for electronic filing, please find a Petition for Limited Proceeding to Recover Incremental Storm Restoration Costs, Capital Costs, Revenue Reduction for Permanently Lost Customers, and Regulatory Assets related to Hurricane Michael, submitted on behalf of Florida Public Utilities Company. Included with this Petition are the testimony and exhibits of Company witnesses Michael Cassel, Michelle Napier, and P. Mark Cutshaw. In addition, included as Exhibit H are clean and legislative versions of revised Tariff Pages 40, 43, 45, 47, 49, 50, 52, 56, 57, 59, and 61.

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

Kind regards,

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

MEK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for Limited Proceeding to Recover Incremental Storm Restoration Costs, Capital Costs, Revenue Reduction for Permanently Lost Customers, and Regulatory Assets related to Hurricane Michael by Florida Public Utilities Company.	DOCKET NO. DATED: August 7th, 2019

PETITION OF FLORIDA PUBLIC UTILITIES COMPANY FOR LIMITED PROCEEDING

Florida Public Utilities Company, (herein "FPUC" or "Company"), by and through its undersigned counsel, hereby files this Petition, pursuant to Sections 366.076(1), 366.041, and 366.06, Florida Statutes ("F.S."), and Rules 25-6.0143 and 25-6.0431, Florida Administrative Code ("F.A.C."), and in accordance with Rule 28-106.201, F.A.C., request that the Florida Public Service Commission ("Commission") conduct a limited proceeding to authorize commencement of recovery of costs associated with Hurricane Michael ("Petition for Limited Proceeding"). In October 2018, Hurricane Michael battered FPUC's Northwest Division, which serves 47% of FPUC's Electric customers. FPUC incurred extraordinary and significant costs on the removal of damaged equipment on its system and debris followed by costs associated with the extensive capital projects necessary to rebuild its system serving the Northwest Division. The costs incurred have far exceeded the amount available in the Company's storm reserve account. Although not all invoices have currently been received, the Company has reasonably estimated costs based upon the work that is expected to be completed by December 31, 2019. FPUC estimates that, in total, it has incurred approximately $69 million in costs alone associated with Hurricane Michael. Costs will be adjusted to actual prior to the final disposition of this docket.

As will be further explained herein, the extensive damage wrought by Hurricane Michael, particularly when viewed in the context of the service area impacted, has resulted in additional significant losses to the Company, as well as to the customers FPUC serves. As such, the Company is proposing with this request, as well as in contemporaneous filings, a mechanism to provide the Company with full relief from the long-term impact of the storm. Approval of the proposed mechanism will lessen the immediate impact on customers in an area still struggling to rebuild. With this Petition, the Company is requesting:

a) Permission to record the costs charged to the storm reserve for Hurricane Michael to a regulatory asset, which would be amortized over 30 years, and recovered through working capital and amortization expense. As further explained herein, because the damage was so extreme, recovery of these costs over the typical period of two to five years would put an extreme burden on our customers. The proposed regulatory asset would be comprised of the incremental storm restoration costs related to Hurricane Michael pursuant to Rule 25-6.0143, F.A.C. (the "Storm Reserve")(See Attachment D).

b) Permission to recover a return on the changes in rate base related to capital additions made because of Hurricane Michael along with the associated depreciation and property taxes.

c) Recovery of a revenue reduction to account for the permanent loss in the customer base due to Hurricane Michael.

d) Permission to recover the changes to accumulated depreciation for cost of removal net of salvage, along with unrecovered accumulated depreciation as a regulatory asset to be recovered over 30 years. FPUC is requesting recovery through inclusion in working capital of the regulatory asset and inclusion in net operating income of amortization

expense. By separate petition, the Company has asked permission to establish a regulatory asset for these costs pending the Commission's final determination in this proceeding.

e) Permission to recover, through working capital and amortization expense, revenues lost from November 2018 to December 2019 related to customers permanently lost to the system. Given the anticipated timing of this proceeding, the Company has, by separate petition, requested establishment of a regulatory asset for these revenues, and is hereby seeking an appropriate rate adjustment to address this long-term, potentially permanent loss of customers.

f) Authorization to recover, through working capital and amortization expense, Operation and Maintenance ("O&M") expenses for a defined period of time (October for all customers and November 2018 for lighting customers) that have remained largely unrecovered due to the unique and unforeseen circumstances arising from the devastation leveled by Hurricane Michael. While these costs are not eligible to be charged to the Company's storm reserve account, given the unique circumstances involved, the Company has requested, by separate Petition, that the Commission allow the Company to establish a regulatory asset on its books consisting of the O&M expenses not recovered as a result of the suspended billing cycles covering the months of October and November 2018. By this Petition, the Company seeks appropriate recovery of the expenses in the proposed regulatory asset.

In further support of this request, the Company hereby states:

1) FPUC is an electric utility subject to the Commission's jurisdiction under Chapter 366, Florida Statutes. Its principal business address is:

Florida Public Utilities Company
1750 S 14th Street, Suite 200
Fernandina Beach, FL 32034

2) The name and mailing address of the persons authorized to receive notices are:

Beth Keating, Esq.
Gregory Munson, Esq.
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Florida Public Utilities Company/Chesapeake
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3) The Company is unaware of any material facts in dispute at this time, but the proceeding may involve disputed issues of material fact, including, but not limited to whether FPUC has appropriately calculated the amount to be recovered and the corresponding rates. The Company's request set forth herein does not involve reversal or modification of a Commission decision or proposed agency action. This is a Petition representing an initial request to the Commission, which is the affected agency located at 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399.

4) As required by Rule 25-6.0431, F.A.C., the appendices attached hereto and incorporated herein include a detailed statement of the reasons why the limited proceeding has been requested, a schedule showing the specific rate base components for which the utility seeks recovery (Attachment A, Schedules B), a detailed description of the expenses requested (Attachment A, Schedule C), and a schedule showing how the utility proposes to allocate any change in revenue to rate classes (See Attachment B included with this filing) for the proposed rates (See Attachment C included with this filing), a summary of Proposed Storm Recovery Regulatory Asset (Attachment D included with this filing), a summary of the proposed regulatory asset related to lost customers (Attachment E included with this filing), a summary of the proposed regulatory asset related to expenses not recovered during hurricane restoration (Attachment F included with this filing), a summary of the proposed regulatory asset for changes to accumulated depreciation (Attachment G) and revised tariff pages (Attachment H).

I. BACKGROUND

5) Prior to Hurricane Michael, FPUC served a total of approximately 32,000 customers across its two separate locations, on Amelia Island and the largely rural counties of the north central Panhandle (Northwest Division). However, on October 10, 2018, the eye of Hurricane Michael traversed the entirety of FPUC's Northwest Division resulting in catastrophic damage not only to FPUC's electric system, but also to the homes and businesses of the Company's approximately 15,355 customers in the Northwest Division. In the wake of Hurricane Michael, 100% of FPUC's customers in the Northwest Division were without power.

6) The National Hurricane Center ("NHC") began monitoring an area of low pressure in the southwestern Caribbean Sea on October 2, 2018. This disturbance strengthened and was named Tropical Storm Michael by the NHC on October 7, 2018 at which time Governor Rick Scott declared a State of Emergency for 26 Florida counties. All of the counties served by FPUC's Northwest Division were included in the State of Emergency. The storm strengthened to Hurricane status on October 8, 2018.

7) Hurricane Michael made landfall on October 10, 2018 as a Category 5 Hurricane - unprecedented for the Florida Panhandle. The storm made landfall approximately 70 miles south of the Northwest Division, and the central Panhandle took the brunt of the storm, which boasted maximum sustained wind speeds of 155 miles per hour. Michael's intense eyewall caused major structural damage in the Northwest Florida, including to FPUC's facilities serving the Northwest Division. Hurricane-force winds extended approximately 45 miles outward from the center of the storm with tropical storm force winds extending up to 175 miles. Hurricane Michael was the strongest storm to ever make landfall in Northwest Florida and the fourth strongest to make landfall in the continental U.S. based on wind speed. As a result, the damage sustained across the

Company's Northwest Division necessitated repairs to nearly 100% of the system, including a complete rebuild of approximately 10% - 12% of the Company's system.

8) FPUC's Northwest Division experienced 15,355 outages during Hurricane Michael, which represents 100% of its customers.

9) Throughout the storm and its aftermath, the Company executed its digital communication strategy, which was established in prior storms, to share information and respond to customers online through the Company website, dedicated storm landing page, Facebook and Twitter pages. Our Facebook page, Twitter, and website were all monitored 24/7 until power was restored to all customers. In addition to inbound reporting channels, FPUC made outbound calls to customers requiring assistance due to having no electric service, completed automated calls, conducted personal outreach to all medical alert customers in the path of the storm and contacted customers in the Northwest Division to verify restoration of power. Furthermore, select FPUC personnel conducted on-site visits to customers in distress as a result of the power outage.

10) The restoration was however extremely difficult. The Company's transmission connection was down. Access to any aspect of the system first necessitated the removal of numerous downed trees and significant debris. The Company's vehicle fuel supply was disrupted because its supplier was incapacitated due to the storm. In addition to addressing the challenge the storm imposed on their personal lives, FPUC's employees had difficulty reporting for storm repair duty due to blocked roads. The Company's efforts were further hampered by a lengthy restoration period of telecommunication systems in the area. Debris hampered line locates which slowed pole installations. In addition, many of the Company's lines were in flooded areas that could only be accessed by using special equipment and boats. Wet flooding conditions left new pole sets to have to be re-tamped. Large debris piles of trees and home wreckage blocked streets and access to our

lines which was compounded by debris trucks damaging poles and wires. FPUC had to obtain security for the staging sites and its office, arrange rolling roadblocks, completely rebuild two feeders, and replaced a failed relay. Yet, in spite of the extensive difficulties, FPUC restored power quickly and efficiently.

11) FPUC required the assistance of an unprecedented level of outside resources. At one point in time, FPUC had 1,155 additional contract employees working to clear debris and restore power. This compared to approximately 35 employees normally working in the Northwest Division, caused additional difficulties. Finding accommodations for the additional help when all hotels in an extended area were closed and staging sites where not much property was available became challenging.

12) Through the extraordinary efforts of its employees and significant assistance from outside resources and other utility partners, the Company was able to rebuild its system such that it was able to serve 97% of its customers in the Northwest Division as of November 1, 2018. At that time, however, 9% of FPUC's customers in the counties of Jackson, Calhoun, and Liberty Counties, and in the communities of Marianna, Blountstown, Altha, Bristol, Greenwood, Malone, Cottondale, and Alford were unable to receive power to their homes and businesses due to the extent of the damage to their property. In an effort to provide its Northwest customers some measure of relief during this stressful time, the Company petitioned for, and received approval from the Commission to temporarily suspend billing and to implement a temporary restoration payment program to assist customers with repairs to their electrical equipment necessary to receive electric service from the Company.[1]

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[1] See Order No. 2018-0529-PAA-EI, issued in Docket No. 20180195-EI and Order No. PSC-2018-0568-TRF-EI, issued in Docket No. 20180203-EI.

13) This petition is based on estimated costs. FPUC continues to correct leaning poles, tighten guy wires and replace any missing guy guards, number and re-map poles, update mapping, testing and repairing the capacitor banks, program the re-closers, replace or repair damaged street lights, and replacing some poles that remained up but incurred damage from the storm.

II. REQUESTED RELIEF

14) As the Commission addressed in Docket No. 20180061-EI, the Company's storm reserve was depleted after Hurricane Matthew and Hurricane Irma. Recovery of the un-recovered storm costs and replenishment of the Company's storm reserve balance to its pre-hurricane level of $1.5 million through a surcharge which began in April 2019 was approved by Order No. PSC-2019-0114-FOF-EI. Additional funding of the storm reserve beyond that approved in Docket No. 20180061-EI is not being requested in this petition. Nonetheless, because the Company's storm reserve was already depleted, there are currently insufficient funds in the storm reserve account to cover the incremental costs of Hurricane Michael.

15) The damage caused by Hurricane Michael to the Company's system was severe and extensive. Given FPUC's relatively small customer base, utilizing a storm surcharge mechanism over the typical 2 year period to recover the costs to restore the system would result in a dramatically high surcharge that would be unbearable for the Company's customers, particularly those in FPUC's Northwest Division who are still working towards repairing personal damage.[2] As such, the Company is proposing the regulatory asset approach presented herein in an effort to limit the immediate impact on FPUC's customers.

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[2] Currently, the Company's calculations indicate that implementation of a 2-year surcharge for only the portion of costs that would typically be charged to the storm reserve, would result in an increase in the typical residential bill of approximately $32 for 1,000 kilowatts of usage. This does not include any charge for the capital additions or cost of removal.

16) In addition, due to the high costs of capital additions and cost of removal, the Company is entitled to recovery of a reasonable return on its significant investment. As explained herein, this hurricane virtually destroyed FPUC's Northwest Division. The damage to substantial sections of the system was so severe as to necessitate installation of new equipment. For all intents and purposes, FPUC's entire Northwest Division required repair or rebuilding from the ground up in a matter of 30 days' time. The newly constructed system replaced older, partially depreciated equipment with new, more expensive equipment at a higher cost of installation. While this is certainly not the preferred approach from either a regulatory perspective or the perspectives of the Company and its customers, the capital additions were made out of necessity and at a higher installation cost reflecting the emergency situation confronting the region. These additions are now in the Company's rate base, but not earning a return for the Company. The impact of this is readily apparent. In its most recent Rate of Return Report (March 2019), the Company was earning a 1% year-end return on equity compared to an allowed range of return on equity of 9.25% to 11.25%.

17) The Company respectfully requests that the Commission consider this request utilizing the limited proceeding vehicle, rather than a full rate case. The Company acknowledges that the approach suggested herein is unique and that some aspects might seem more appropriately handled through a full rate case proceeding. However, given the substantial additional time that would be necessitated for the Company to prepare a full rate case filing, the additional rate case expense that would be incurred as a result, the current status of the Company's earnings, and the need for the Company to focus its resources on continued recovery for the Northwest Division, the approach suggested herein would provide a more timely, less costly opportunity for relief. It would also allow the Company to complete its recovery efforts and then begin its review and

preparation for its next full rate proceeding in a more stable financial situation, allowing the Company to provide the Commission with a more accurate, well-defined perspective on the Company and its financial situation.

A. Costs

18) Hurricane Michael cost FPUC an estimated $69 million. Of this amount, $39.2 million relates to incremental storm costs usually recovered through the storm reserve, as summarized in Attachment D. Schedule B of Attachment A summarizes the $28.2 million that relates to capital additions and cost of removal, and Attachment E and F show $1.6 million in other regulatory assets.

19) The Company does not expect a reduction in expenses due to the new capital investment. Although a substantial number of trees are now gone, the remaining trees are in far worse shape and have been severely weakened by the storm. Consequently, FPUC continues to experience tree-related outages and expects tree trimming costs to stay the same or increase. Although some O&M costs related to the new poles, wire, transformers and other equipment replacement may decrease, the new equipment replaced 10-12% of the system and will be offset by increased costs on the remaining highly stressed equipment that bore the brunt of high winds from the storm. For instance, FPUC is currently repairing leaking transformers where bushings were loosened during the storm. Other equipment has incurred similar stress and although it did not need to be replaced, will need additional maintenance.

20) Due to the extensive damage the Company has also lost customers which has permanently decreased FPUC's revenue by $ 482,681. Attachment E shows the calculation of revenue from these customers. The lost customers were determined by our billing department and internal auditing. For accounts that had no meter readings, they initiated a service order which dispatched

operations personnel to the location of the meter. The customer was considered lost if the structure had been destroyed.

B. Regulatory Asset Mechanism

21) Schedule B-2 of Attachment A includes the 13-month average effect of including four regulatory assets. The first is for the total storm costs that would normally be recovered through the storm reserve and subject to Rule 25-6.0143 and described in more detail in Attachment D. The amount includes uncollectible revenues that were due prior to the storm event but were not able to be collected due to the storm for which the Company seeks recovery. The Company is requesting, through this petition to transfer these charges from the storm reserve to a regulatory asset which would be amortized over 30 years. The regulatory asset is included in the adjustments to working capital in Schedule B-2 and the amortization included in the adjustments to amortization expense in Schedule C-2 of Attachment A. The Company has included interest cost based on its estimated cost of the short term debt through the time when estimated recovery of the proposed rates would begin. Due to the requested extended recovery period of 30 years, the Company would not intend to continue charging interest after the requested rates go into effect, but would instead propose inclusion in working capital of the unamortized portion of the regulatory asset using the weighted average cost of capital.

22) FPUC does not obtain debt separately for its electric division and relies on its parent company, Chesapeake Utilities Corporation, to finance this recovery. The Company's short-term debt related to the storm is ending in 2019 and the Company will fund these regulatory assets with its overall cost of capital. The Company's capital structure and interest rates could, however, change significantly over 30 years and FPUC's shareholders need an adequate return to fund recovery over the longer period. Therefore, inclusion of the regulatory asset in rate base would

ensure a more equitable recovery of the amounts expended for the hurricane. By way of comparison, using the traditional method of a storm surcharge over 2 years would increase the typical residential bill by approximately $32 a month for 1,000 kilowatthours of usage for only the incremental costs of the storm. This compares to approximately $7 a month with amortization over 30 years.

23) The second regulatory asset on Schedule B-2 is for recovery of the revenue from lost customers leaving the system post hurricane from November 2018 to December 2019. A separate petition for approval of this regulatory asset has already been submitted to the Commission. Through this petition, pending approval of the regulatory asset petition, we are requesting recovery of the amortization of the regulatory asset and inclusion in working capital of the 13-month average balance. Attachment E details the calculation of the expenses not recovered.

24) The third regulatory asset on Schedule B-2 is for recovery of the expenses incurred that will never be recovered for October 2018 business due to storm restoration. Through this petition, pending approval of the regulatory asset petition, we are requesting recovery of the amortization of the regulatory asset and inclusion in working capital of the 13-month average balance. Attachment F details the calculation of the expenses not recovered due to the lost customer revenue.

25) Through this Petition for Limited Proceeding, FPUC requests approval of the fourth regulatory asset on Schedule B-2. This regulatory asset would consist of changes to accumulated depreciation related to Hurricane Michael for losses on storm damaged assets, including the net book value of retired assets and cost of removal net of salvage. If these costs are not included in a regulatory asset, they would have to be recovered in future years through the depreciation study which would significantly increase annual depreciation expense more than our currently requested

annual amortization. Attachment G provides the 13-month average balances related to accumulated depreciation and provides the amortization based on the 30 year amortization requested for the storm regulatory asset.

III. EFFECT OF OTHER SETTLEMENTS

26) In considering this request, FPUC reviewed the rate settlements currently in effect for FPUC. To the extent that the Settlement approved in Docket No. 20170150 contemplates that a rate increase or decrease should not go into effect prior to January 1, 2020, the Company is requesting that rates be considered for implementation as of January 2, 2020. Should the Commission determine that an earlier implementation date is more appropriate and feasible, the Company further notes that Articles IV and VI of the approved Stipulation and Settlement contemplate that the Company can pursue rate relief from damage arising from named tropical storms, as well as unforeseen events that occur when the Company is earning below its allowed range and have an annual revenue impact of at least $800,000[3]. The 2018 Tax Settlement entered into to resolve the tax impacts associated with the Tax Cuts and Jobs Act of 2017 in Docket No. 20180048-EI, and approved by Commission Order PSC-2019-0010-AS-EI, issued January 2, 2019, does not contain any additional or supplemental provisions addressing the Company's ability to seek rate relief. The Company is <u>not</u> proposing any change or elimination of any aspect of the mechanisms agreed upon in that Docket to address the Company's protected and unprotected EADIT balances, including the rate reduction that will occur January 1, 2021, pursuant to Article II(b)(iii) of the 2018 Tax Settlement.

REQUEST FOR RELIEF

27) The anticipated relevant issues would be:

1) Has FPUC correctly calculated its storm costs associated with Hurricane Michael?

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[3] *See* Order No. PSC -2017-0488-PAA-EI, issued December 26, 2017, in Docket No. 20170150-EI.

2) Should FPUC be allowed to recover its Storm Costs through the establishment and amortization of a regulatory asset, rather than through a surcharge?

3) Should the Company be allowed to recover the amortization of the requested regulatory assets through rates established in this proceeding?

28) FPUC therefore respectfully requests that the Commission conduct a limited proceeding to approve an increase in base rates for the recovery of a return on rate base increases due to Hurricane Michael along with changes to net operating income as a result of the storm. FPUC additionally requests recovery of amortization of the regulatory asset requested by this Petition, as well as the three regulatory assets requested by separate petition filed contemporanesously with this Petition for Limited Proceeding. The additional revenue requirement is $8,777,340 and rates by tariff are shown in Attachment A.

29) FPUC also asks that the Commission approve Tariff Sheets No. 40, 43, 45, 47, 49, 50, 52, 56, 57, 59, and 61, which reflect FPUC's request herein and are attached and incorporated herein as Attachment H.

RESPECTFULLY SUBMITTED this 7th day of August, 2019.

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

Attorneys for Florida Public Utilities Company

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been served upon the following by Electronic Mail this 7th day of August, 2019.

Jennifer Crawford Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399-0850 jcrawfor@psc.state.fl.us	J.R. Kelly Office of Public Counsel c/o The Florida Legislature 111 W. Madison Street, Room 812 Tallahassee, FL 32399-1400 Kelly.JR@leg.state.fl.us

By: _____

Beth Keating
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215 South Monroe St., Suite 601
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Florida Public Utilities Company
Limited Proceeding Electric
Estimated First Year Revenue Requirements

Docket No.
Attachment A
Schedule **A-1**

	Revenue Requirement Calculation	**Projected 2020**
3	Jurisdictional Adjusted Rate Base	$ 67,684,489
4	Rate of Return on Rate Base	6.2600%
5	Required Jurisdictional Net Operating Income (Line 2 x 3)	$ 4,237,049
6	Required Net Operating Income (Line 4)	$ 4,237,049
7	Jurisdictional Adjusted Net Operating Income (Loss)	$ (2,292,738)
8	Net Operating Income Deficiency (Excess) (Line 5-6)	$ 6,529,787
9	Net Operating Income Multiplier	1.3442
10	Revenue Requirement (Line 7 x 8)	$ 8,777,340

Schedule B-1

ADJUSTED RATE BASE
FOR INCREMENTAL ADDITIONS REQUESTED IN THE LIMITED PROCEEDING

Attachment A
Docket No.: 0

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities Company

EXPLANATION: Provide a schedule of the 13-month average adjusted rate base for the test year, the prior year and the most recent historical year. Provide the details of all adjustments on Schedule B-2.

Type of Data Shown:
Projected Test Year Ended December 31, 2020

Line No.		(1) Plant in Service	(2) Accumulated Provision for Depreciation and Amortization	(3) Net Plant in Service (1 - 2)	(4) CWIP - No AFUDC	(5) Plant Held For Future Use	(6) Nuclear Fuel - No AFUDC (Net)	(7) Net Utility Plant	(8) Working Capital Allowance	(9) Other Rate Base Items	(10) Total Rate Base
1	System Per Books (B-3)	19,524,156	458,133	19,982,290	-	0	0	19,982,290			19,982,290
2	Jurisdictional Factors	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
3	Jurisdictional Per Books	19,524,156	458,133	19,982,290	-	-	-	19,982,290	-	-	19,982,290
4	Adjustments:										
5	Regulatory Asset for Storm Costs								38,519,628		38,519,628
6	Regulatory Asset Lost Customers								557,268		557,268
7	Regulatory Asset Exp. Not Recovered								885,855		885,855
8	Regulatory Asset for Unrecovered A/D								7,739,448		7,739,448
9											-
10											-
11											-
12											-
13											-
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24											
25											
26											
27											
28	Total Adjustments	-	-	-	-	-	-	-	47,702,199	-	47,702,199
29											
30	Adjusted Jurisdictional	19,524,156	458,133	19,982,290	-	-	-	19,982,290	47,702,199	-	67,684,489

Schedule B-2

RATE BASE ADJUSTMENTS
FOR INCREMENTAL ADDITIONS REQUESTED IN THE LIMITED PROCEEDING

Attachment A
Docket No.: 0

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities Company
0

EXPLANATION: List and explain all proposed adjustments to the 13-month average rate base for the test year,the prior year and the most recent historical year. List the adjustments included in the last case that are not proposed in the current case and the reasons for excluding them.

Type of Data Shown:
Projected Test Year Ended December 31, 2020

Line No.	Adjustment Title	Reason for Adjustment or Omission (provide supporting schedule)	(1) Adjustment Amount	(2) Jurisdictional Factor	(3) Jurisdictional Amount of Adjustment (1) x (2)
1	PLANT				
2	Commission Adjustment:				
3	NONE IN STORM PROJECTS ON MFR B-1				
4					
5	Company Adjustment:				
6	NONE IN STORM PROJECTS ON MFR B-1				
7					
8	ACCUMULATED DEPRECIATION				
9	Commission Adjustment:				
10	NONE IN STORM PROJECTS ON MFR B-1				
11					
12	Company Adjustment:				
13	NONE IN STORM PROJECTS ON MFR B-1				
14					
15	WORKING CAPITAL				
16	Commission Adjustment:				
17	NONE IN STORM PROJECTS ON MFR B-1				
18					
19	Company Adjustment:				
20	Regulatory Asset for Storm Costs (Attachment D)		$ 38,519,628	100%	$ 38,519,628
21	Regulatory Asset for Lost Customers (Attachment E)		$ 557,268	100%	$ 557,268
22	Regulatory Asset for Expenses Not Recovered During Restoration (Attachment F)		$ 885,855	100%	$ 885,855
23	Regulatory Asset for Unrecovered Accumulated Depreciation Cost of Removal Net of Salvage (Attachment G)		$ 7,739,448	100%	$ 7,739,448
24	Total		$ 47,702,199	100%	$ 47,702,199

Schedule B-3

Florida Public Utilities Company

Limited Proceeding Electric

FOR INCREMENTAL ADDITIONS FOR HURRICANE MICHAEL

Attachment A
Docket No.:
Page 4 of 13

	Account Title	Act. #	Act. #	December 2019	January 2020	February 2020	March 2020	April 2020	May 2020	June 2020
Plant In Service-Hurricane Michael Related										
FE18164697W	Meters	1010	370E	$ 726,232						
FE18504697W	Distribution Station Equipment	1010	362E	$ 11,885						
FE18554697W	Distribution Poles	1010	364E	$ 8,597,303						
FE18564697W	OH Conductors	1010	365E	$ 4,774,186						
FE18584697W	Underground Conductors	1010	367E	$ 252,148						
FE18594697W	Overhead Transformers	1010	368H	$ 3,186,344						
FE18604697W	Buried Transformers	1010	368B	$ 98,380						
FE18614697W	Overhead Services	1010	369H	$ 2,846,869						
FE18624697W	Underground Services	1010	369B	$ 30,667						
FE18634697W	Install on Cust. Premises-AG	1010	371A	$ 139,131						
FE18654697W	Street Lighting	1010	373A	$ 452,889						
				$ 21,116,035						
Retirement Plant in Service:										
FE18164697W	Meters	1010	370E	$ (49,088)						
FE18504697W	Distribution Station Equipment	1010	362E							
FE18554697W	Distribution Poles	1010	364E	$ (341,872)						
FE18564697W	OH Conductors	1010	365E	$ (280,444)						
FE18584697W	Underground Conductors	1010	367E							
FE18594697W	Overhead Transformers	1010	368H	$ (250,997)						
FE18604697W	Buried Transformers	1010	368B	$ (71,205)						
FE18614697W	Overhead Services	1010	369H	$ (82,847)						
FE18624697W	Underground Services	1010	369B							
FE18634697W	Install on Cust. Premises-AG	1010	371A	$ (410,969)						
FE18654697W	Street Lighting	1010	373A	$ (104,456)						
				$ (1,591,879)	$ -	$ -	$ -	$ -	$ -	$ -
Net Change to Plant in Service										
Cumulative	Meters	1010	370E	$ 677,144	$ 677,144	$ 677,144	$ 677,144	$ 677,144	$ 677,144	$ 677,144
Cumulative	Distribution Station Equipment	1010	362E	$ 11,885	$ 11,885	$ 11,885	$ 11,885	$ 11,885	$ 11,885	$ 11,885
Cumulative	Distribution Poles	1010	364E	$ 8,255,431	$ 8,255,431	$ 8,255,431	$ 8,255,431	$ 8,255,431	$ 8,255,431	$ 8,255,431
Cumulative	OH Conductors	1010	365E	$ 4,493,742	$ 4,493,742	$ 4,493,742	$ 4,493,742	$ 4,493,742	$ 4,493,742	$ 4,493,742
Cumulative	Underground Conductors	1010	367E	$ 252,148	$ 252,148	$ 252,148	$ 252,148	$ 252,148	$ 252,148	$ 252,148
Cumulative	Overhead Transformers	1010	368H	$ 2,935,348	$ 2,935,348	$ 2,935,348	$ 2,935,348	$ 2,935,348	$ 2,935,348	$ 2,935,348
Cumulative	Buried Transformers	1010	368B	$ 27,175	$ 27,175	$ 27,175	$ 27,175	$ 27,175	$ 27,175	$ 27,175
Cumulative	Overhead Services	1010	369H	$ 2,764,022	$ 2,764,022	$ 2,764,022	$ 2,764,022	$ 2,764,022	$ 2,764,022	$ 2,764,022
Cumulative	Underground Services	1010	369B	$ 30,667	$ 30,667	$ 30,667	$ 30,667	$ 30,667	$ 30,667	$ 30,667
Cumulative	Install on Cust. Premises-AG	1010	371A	$ (271,838)	$ (271,838)	$ (271,838)	$ (271,838)	$ (271,838)	$ (271,838)	$ (271,838)
Cumulative	Street Lighting	1010	373A	$ 348,434	$ 348,434	$ 348,434	$ 348,434	$ 348,434	$ 348,434	$ 348,434
Cumulative Plant Balance				$ 19,524,156	$ 19,524,156	$ 19,524,156	$ 19,524,156	$ 19,524,156	$ 19,524,156	$ 19,524,156

Schedule B-3
Florida Public Utilities Company
Limited Proceeding Electric
FOR INCREMENTAL ADDITIONS FOR HURRICANE MICHAEL

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Account Title	Act. #	Act. #	December 2019	January 2020	February 2020	March 2020	April 2020	May 2020	June 2020
Monthly Depreciation:									
Meters	1080	370E	$ -	$ (2,088)	$ (2,088)	$ (2,088)	$ (2,088)	$ (2,088)	$ (2,088)
Distribution Station Equipment	1080	362E	$ -	$ (24)	$ (24)	$ (24)	$ (24)	$ (24)	$ (24)
Distribution Poles	1080	364E	$ -	$ (26,830)	$ (26,830)	$ (26,830)	$ (26,830)	$ (26,830)	$ (26,830)
OH Conductors	1080	365E	$ -	$ (12,732)	$ (12,732)	$ (12,732)	$ (12,732)	$ (12,732)	$ (12,732)
Underground Conductors	1080	367E	$ -	$ (672)	$ (672)	$ (672)	$ (672)	$ (672)	$ (672)
Overhead Transformers	1080	368H	$ -	$ (9,784)	$ (9,784)	$ (9,784)	$ (9,784)	$ (9,784)	$ (9,784)
Buried Transformers	1080	368B	$ -	$ (91)	$ (91)	$ (91)	$ (91)	$ (91)	$ (91)
Overhead Services	1080	369H	$ -	$ (8,292)	$ (8,292)	$ (8,292)	$ (8,292)	$ (8,292)	$ (8,292)
Underground Services	1080	369B	$ -	$ (92)	$ (92)	$ (92)	$ (92)	$ (92)	$ (92)
Install on Cust. Premises-AG	1080	371A	$ -	$ 1,019	$ 1,019	$ 1,019	$ 1,019	$ 1,019	$ 1,019
Street Lighting	1080	373A	$ -	$ (1,423)	$ (1,423)	$ (1,423)	$ (1,423)	$ (1,423)	$ (1,423)
			$ -	$ (61,009)	$ (61,009)	$ (61,009)	$ (61,009)	$ (61,009)	$ (61,009)
Actual A/D up to Storm for Retirements:									
Meters	1080	370E	$ 29,630						
Distribution Station Equipment	1080	362E							
Distribution Poles	1080	364E	$ 123,416						
OH Conductors	1080	365E	$ 144,737						
Underground Conductors	1080	367E							
Overhead Transformers	1080	368H	$ 217,454						
Buried Transformers	1080	368B							
Overhead Services	1080	369H	$ 49,211						
Underground Services	1080	369B							
Install on Cust. Premises-AG	1080	371A	$ 199,813						
Street Lighting	1080	373A	$ 59,926						
			$ 824,187	$ -	$ -	$ -	$ -	$ -	$ -
Total Cumulative Accumulated Depreciation									
Meters	1080	370E	$ 29,630	$ 27,542	$ 25,454	$ 23,366	$ 21,279	$ 19,191	$ 17,103
Distribution Station Equipment	1080	362E	$ -	$ (24)	$ (48)	$ (71)	$ (95)	$ (119)	$ (143)
Distribution Poles	1080	364E	$ 123,416	$ 96,586	$ 69,756	$ 42,926	$ 16,095	$ (10,735)	$ (37,565)
OH Conductors	1080	365E	$ 144,737	$ 132,005	$ 119,272	$ 106,540	$ 93,808	$ 81,076	$ 68,343
Underground Conductors	1080	367E	$ -	$ (672)	$ (1,345)	$ (2,017)	$ (2,690)	$ (3,362)	$ (4,034)
Overhead Transformers	1080	368H	$ 217,454	$ 207,670	$ 197,885	$ 188,101	$ 178,316	$ 168,532	$ 158,747
Buried Transformers	1080	368B	$ -	$ (91)	$ (181)	$ (272)	$ (362)	$ (453)	$ (543)
Overhead Services	1080	369H	$ 49,211	$ 40,919	$ 32,627	$ 24,335	$ 16,043	$ 7,751	$ (541)
Underground Services	1080	369B	$ -	$ (92)	$ (184)	$ (276)	$ (368)	$ (460)	$ (552)
Install on Cust. Premises-AG	1080	371A	$ 199,813	$ 200,832	$ 201,852	$ 202,871	$ 203,891	$ 204,910	$ 205,929
Street Lighting	1080	373A	$ 59,926	$ 58,503	$ 57,080	$ 55,658	$ 54,235	$ 52,812	$ 51,389
Cumulative Accumulated Depreciation Balance			$ 824,187	$ 763,178	$ 702,169	$ 641,160	$ 580,151	$ 519,142	$ 458,133
Cumulative Net Increase in Rate Base			$ 20,348,343	$ 20,287,334	$ 20,226,326	$ 20,165,317	$ 20,104,308	$ 20,043,299	$ 19,982,290

Schedule B-3
Florida Public Utilities Company
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FOR INCREMENTAL ADDITIONS FOR HURRICANE MICHAEL

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Account Title		Act. #	Act. #	December 2019	January 2020	February 2020	March 2020	April 2020	May 2020	June 2020
Depreciation Expense		Rate								
370E	Meters	3.7%			$ 2,088	$ 2,088	$ 2,088	$ 2,088	$ 2,088	$ 2,088
362E	Distribution Station Equipment	2.4%			$ 24	$ 24	$ 24	$ 24	$ 24	$ 24
364E	Distribution Poles	3.9%			$ 26,830	$ 26,830	$ 26,830	$ 26,830	$ 26,830	$ 26,830
365E	OH Conductors	3.4%			$ 12,732	$ 12,732	$ 12,732	$ 12,732	$ 12,732	$ 12,732
367E	Underground Conductors	3.2%			$ 672	$ 672	$ 672	$ 672	$ 672	$ 672
368H	Overhead Transformers	4.0%			$ 9,784	$ 9,784	$ 9,784	$ 9,784	$ 9,784	$ 9,784
368B	Buried Transformers	4.0%			$ 91	$ 91	$ 91	$ 91	$ 91	$ 91
369H	Overhead Services	3.6%			$ 8,292	$ 8,292	$ 8,292	$ 8,292	$ 8,292	$ 8,292
369B	Underground Services	3.6%			$ 92	$ 92	$ 92	$ 92	$ 92	$ 92
371A	Install on Cust. Premises-AG	4.5%			$ (1,019)	$ (1,019)	$ (1,019)	$ (1,019)	$ (1,019)	$ (1,019)
373A	Street Lighting	4.9%			$ 1,423	$ 1,423	$ 1,423	$ 1,423	$ 1,423	$ 1,423
Total Depreciation					$ 61,009	$ 61,009	$ 61,009	$ 61,009	$ 61,009	$ 61,009
Property Taxes		408			$ 32,540	$ 32,540	$ 32,540	$ 32,540	$ 32,540	$ 32,540
Reduced O & M due to new equipment		500's			$ -	$ -	$ -	$ -	$ -	$ -
Revenue Tax on Lost Customer Revenue		408			$ 29	$ 29	$ 29	$ 29	$ 29	$ 29
Total Expense					$ 93,578	$ 93,578	$ 93,578	$ 93,578	$ 93,578	$ 93,578
Revenues-Lost Customers 2020					$ (40,223)	$ (40,223)	$ (40,223)	$ (40,223)	$ (40,223)	$ (40,223)

Schedule B-3
Florida Public Utilities Company
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FOR INCREMENTAL ADDITIONS FOR HURRICANE MICHAEL

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	Account Title	Act. #	Act. #	July 2020	August 2020	September 2020	October 2020	November 2020	December 2020	13-Month Average
Plant In Service-Hurricone Michael Related										
FE18164697W	Meters	1010	370E							
FE18504697W	Distribution Station Equipment	1010	362E							
FE18554697W	Distribution Poles	1010	364E							
FE18564697W	OH Conductors	1010	365E							
FE18584697W	Underground Conductors	1010	367E							
FE18594697W	Overhead Transformers	1010	368H							
FE18604697W	Buried Transformers	1010	368B							
FE18614697W	Overhead Services	1010	369H							
FE18624697W	Underground Services	1010	369B							
FE18634697W	Install on Cust. Premises-AG	1010	371A							
FE18654697W	Street Lighting	1010	373A							
Retirement Plant in Service:										
FE18164697W	Meters	1010	370E							
FE18504697W	Distribution Station Equipment	1010	362E							
FE18554697W	Distribution Poles	1010	364E							
FE18564697W	OH Conductors	1010	365E							
FE18584697W	Underground Conductors	1010	367E							
FE18594697W	Overhead Transformers	1010	368H							
FE18604697W	Buried Transformers	1010	368B							
FE18614697W	Overhead Services	1010	369H							
FE18624697W	Underground Services	1010	369B							
FE18634697W	Install on Cust. Premises-AG	1010	371A							
FE18654697W	Street Lighting	1010	373A							
				$ -	$ -	$ -	$ -	$ -	$ -	
Net Change to Plant in Service										
Cumulative	Meters	1010	370E	$ 677,144	$ 677,144	$ 677,144	$ 677,144	$ 677,144	$ 677,144	$ 677,144
Cumulative	Distribution Station Equipment	1010	362E	$ 11,885	$ 11,885	$ 11,885	$ 11,885	$ 11,885	$ 11,885	$ 11,885
Cumulative	Distribution Poles	1010	364E	$ 8,255,431	$ 8,255,431	$ 8,255,431	$ 8,255,431	$ 8,255,431	$ 8,255,431	$ 8,255,431
Cumulative	OH Conductors	1010	365E	$ 4,493,742	$ 4,493,742	$ 4,493,742	$ 4,493,742	$ 4,493,742	$ 4,493,742	$ 4,493,742
Cumulative	Underground Conductors	1010	367E	$ 252,148	$ 252,148	$ 252,148	$ 252,148	$ 252,148	$ 252,148	$ 252,148
Cumulative	Overhead Transformers	1010	368H	$ 2,935,348	$ 2,935,348	$ 2,935,348	$ 2,935,348	$ 2,935,348	$ 2,935,348	$ 2,935,348
Cumulative	Buried Transformers	1010	368B	$ 27,175	$ 27,175	$ 27,175	$ 27,175	$ 27,175	$ 27,175	$ 27,175
Cumulative	Overhead Services	1010	369H	$ 2,764,022	$ 2,764,022	$ 2,764,022	$ 2,764,022	$ 2,764,022	$ 2,764,022	$ 2,764,022
Cumulative	Underground Services	1010	369B	$ 30,667	$ 30,667	$ 30,667	$ 30,667	$ 30,667	$ 30,667	$ 30,667
Cumulative	Install on Cust. Premises-AG	1010	371A	$ (271,838)	$ (271,838)	$ (271,838)	$ (271,838)	$ (271,838)	$ (271,838)	$ (271,838)
Cumulative	Street Lighting	1010	373A	$ 348,434	$ 348,434	$ 348,434	$ 348,434	$ 348,434	$ 348,434	$ 348,434
Cumulative Plant Balance				$ 19,524,156	$ 19,524,156	$ 19,524,156	$ 19,524,156	$ 19,524,156	$ 19,524,156	$ 19,524,156

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Account Title	Act. #	Act. #	July 2020	August 2020	September 2020	October 2020	November 2020	December 2020	13-Month Average
Monthly Depreciation:									
Meters	1080	370E	$ (2,088)	$ (2,088)	$ (2,088)	$ (2,088)	$ (2,088)	$ (2,088)	
Distribution Station Equipment	1080	362E	$ (24)	$ (24)	$ (24)	$ (24)	$ (24)	$ (24)	
Distribution Poles	1080	364E	$ (26,830)	$ (26,830)	$ (26,830)	$ (26,830)	$ (26,830)	$ (26,830)	
OH Conductors	1080	365E	$ (12,732)	$ (12,732)	$ (12,732)	$ (12,732)	$ (12,732)	$ (12,732)	
Underground Conductors	1080	367E	$ (672)	$ (672)	$ (672)	$ (672)	$ (672)	$ (672)	
Overhead Transformers	1080	368H	$ (9,784)	$ (9,784)	$ (9,784)	$ (9,784)	$ (9,784)	$ (9,784)	
Buried Transformers	1080	368B	$ (91)	$ (91)	$ (91)	$ (91)	$ (91)	$ (91)	
Overhead Services	1080	369H	$ (8,292)	$ (8,292)	$ (8,292)	$ (8,292)	$ (8,292)	$ (8,292)	
Underground Services	1080	369B	$ (92)	$ (92)	$ (92)	$ (92)	$ (92)	$ (92)	
Install on Cust. Premises-AG	1080	371A	$ 1,019	$ 1,019	$ 1,019	$ 1,019	$ 1,019	$ 1,019	
Street Lighting	1080	373A	$ (1,423)	$ (1,423)	$ (1,423)	$ (1,423)	$ (1,423)	$ (1,423)	
			$ (61,009)	$ (61,009)	$ (61,009)	$ (61,009)	$ (61,009)	$ (61,009)	
Retirements:									
Meters	1080	370E							
Distribution Station Equipment	1080	362E							
Distribution Poles	1080	364E							
OH Conductors	1080	365E							
Underground Conductors	1080	367E							
Overhead Transformers	1080	368H							
Buried Transformers	1080	368B							
Overhead Services	1080	369H							
Underground Services	1080	369B							
Install on Cust. Premises-AG	1080	371A							
Street Lighting	1080	373A							
			$ -	$ -	$ -	$ -	$ -	$ -	
Total Cumulative Accumulated Depreciation									
Meters	1080	370E	$ 15,015	$ 12,927	$ 10,839	$ 8,751	$ 6,664	$ 4,576	$ 17,103
Distribution Station Equipment	1080	362E	$ (166)	$ (190)	$ (214)	$ (238)	$ (261)	$ (285)	$ (143)
Distribution Poles	1080	364E	$ (64,395)	$ (91,225)	$ (118,055)	$ (144,886)	$ (171,716)	$ (198,546)	$ (37,565)
OH Conductors	1080	365E	$ 55,611	$ 42,879	$ 30,147	$ 17,414	$ 4,682	$ (8,050)	$ 68,343
Underground Conductors	1080	367E	$ (4,707)	$ (5,379)	$ (6,052)	$ (6,724)	$ (7,396)	$ (8,069)	$ (4,034)
Overhead Transformers	1080	368H	$ 148,963	$ 139,178	$ 129,394	$ 119,609	$ 109,825	$ 100,040	$ 158,747
Buried Transformers	1080	368B	$ (634)	$ (725)	$ (815)	$ (906)	$ (996)	$ (1,087)	$ (543)
Overhead Services	1080	369H	$ (8,833)	$ (17,126)	$ (25,418)	$ (33,710)	$ (42,002)	$ (50,294)	$ (541)
Underground Services	1080	369B	$ (544)	$ (736)	$ (828)	$ (920)	$ (1,012)	$ (1,104)	$ (552)
Install on Cust. Premises-AG	1080	371A	$ 206,949	$ 207,968	$ 208,988	$ 210,007	$ 211,026	$ 212,046	$ 205,929
Street Lighting	1080	373A	$ 49,967	$ 48,544	$ 47,121	$ 45,698	$ 44,276	$ 42,853	$ 51,389
Cumulative Accumulated Depreciation Balance			$ 397,124	$ 336,115	$ 275,106	$ 214,097	$ 153,088	$ 92,079	$ 458,133
Cumulative Net Increase in Rate Base			$ 19,921,281	$ 19,860,272	$ 19,799,263	$ 19,738,254	$ 19,677,245	$ 19,616,236	$ 19,982,290

Schedule B-3
Florida Public Utilities Company
Limited Proceeding Electric
FOR INCREMENTAL ADDITIONS FOR HURRICANE MICHAEL

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Account Title		Act. #	Act. #	July 2020	August 2020	September 2020	October 2020	November 2020	December 2020	Total Expenses
Depreciation Expense		Rate								
370E	Meters	3.7%		$ 2,088	$ 2,088	$ 2,088	$ 2,088	$ 2,088	$ 2,088	$ 25,054
362E	Distribution Station Equipment	2.4%		$ 24	$ 24	$ 24	$ 24	$ 24	$ 24	$ 285
364E	Distribution Poles	3.9%		$ 26,830	$ 26,830	$ 26,830	$ 26,830	$ 26,830	$ 26,830	$ 321,962
365E	OH Conductors	3.4%		$ 12,732	$ 12,732	$ 12,732	$ 12,732	$ 12,732	$ 12,732	$ 152,787
367E	Underground Conductors	3.2%		$ 672	$ 672	$ 672	$ 672	$ 672	$ 672	$ 8,069
368H	Overhead Transformers	4.0%		$ 9,784	$ 9,784	$ 9,784	$ 9,784	$ 9,784	$ 9,784	$ 117,414
368B	Buried Transformers	4.0%		$ 91	$ 91	$ 91	$ 91	$ 91	$ 91	$ 1,087
369H	Overhead Services	3.6%		$ 8,292	$ 8,292	$ 8,292	$ 8,292	$ 8,292	$ 8,292	$ 99,505
369B	Underground Services	3.6%		$ 92	$ 92	$ 92	$ 92	$ 92	$ 92	$ 1,104
371A	Install on Cust. Premises-AG	4.5%		$ (1,019)	$ (1,019)	$ (1,019)	$ (1,019)	$ (1,019)	$ (1,019)	$ (12,233)
373A	Street Lighting	4.9%		$ 1,423	$ 1,423	$ 1,423	$ 1,423	$ 1,423	$ 1,423	$ 17,073
Total Depreciation				$ 61,009	$ 61,009	$ 61,009	$ 61,009	$ 61,009	$ 61,009	$ 732,108
Property Taxes		408		$ 32,540	$ 32,540	$ 32,540	$ 32,540	$ 32,540	$ 32,540	$ 390,483
Reduced O & M due to new equipment		500's		$ -	$ -	$ -	$ -	$ -	$ -	$ -
Revenue Tax on Lost Customer Revenue		408		$ 29	$ 29	$ 29	$ 29	$ 29	$ 29	$ 348
Total Expense				$ 93,578	$ 93,578	$ 93,578	$ 93,578	$ 93,578	$ 93,578	$ 1,122,938
Revenues-Lost Customers 2020				$ (40,223)	$ (40,223)	$ (40,223)	$ (40,223)	$ (40,223)	$ (40,223)	$ (482,681)

Schedule C-1 (2020)

ADJUSTED JURISDICTIONAL NET OPERATING INCOME
FOR INCREMENTAL ADDITIONS REQUESTED IN THE LIMITED PROCEEDING

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES
0

EXPLANATION: Provide the calculation of jurisdictional net operating income for the test year, the prior year and the most recent historical year.

Type of Data Shown:
Projected Test Year Ended December 31, 2020

Line No.		(1) Total Company Per Books	(2) Non-Electric Utility	(3) Total Electric (1)-(2)	(4) Jurisdictional Factor	(5) Jurisdictional Amount (3)x(4)	(6) Jurisdictional Adjustments (Schedule C-2)	(7) Adjusted Jurisdictional Amount (5)+(6)
1	Operating Revenues:							
2	Sales of Electricity	(482,681)		(482,681)	100%	(482,681)		(482,681)
3	Other Operating Revenues	-		-	100%	-		-
4	Total Operating Revenues	(482,681)		(482,681)	100%	(482,681)		(482,681)
5								
6	Operating Expenses:							
7	Operation & Maintenance:							
8	Fuel	-		-	100%	-		-
9	Purchased Power	-		-	100%	-		-
10	Other	-		-	100%	-		-
11	Depreciation	732,108		732,108	100%	732,108		732,108
12	Amortization	1,888,798		1,888,798	100%	1,888,798		1,888,798
13	Decommissioning Expense	-		-	100%	-		-
14	Taxes Other Than Income Taxes	390,831		390,831	100%	390,831		390,831
15	Income Taxes	(1,201,679)		(1,201,679)	100%	(1,201,679)		(1,201,679)
16	Deferred Income Taxes-Net	-		-	100%	-		-
17	Investment Tax Credit-Net	-		-	100%	-		-
18	(Gain)/Loss on Disposal of Plant	-		-	100%	-		-
19	Total Operating Expenses	1,810,057		1,810,057	100%	1,810,057	-	1,810,057
20								
21	Net Operating Income	(2,292,738)		(2,292,738)	100%	(2,292,738)	-	(2,292,738)
22								
23								
24								
25								
26								
27								
28								
29								
30								
31								
32								

Schedule C-2 (2017)

NET OPERATING INCOME ADJUSTMENTS
FOR INCREMENTAL ADDITIONS REQUESTED IN THE LIMITED PROCEEDING

Docket No.: 0

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES
0

EXPLANATION: Provide a schedule of net operating income adjustments for the test year, the prior year and the most recent historical year. Provide the details of all adjustments on Schedule C-3.

Type of Data Shown:
Projected Test Year Ended December 31, 2020

Line No.		Jurisdictional Amount Schedule C1 Col. 5	Adjustments (1) Amortization of Regulatory Assets	(2) Interest Synchronization				Total Adjustments	Adjusted Jurisdictional NOI
1	Operating Revenues:								
2	Sales of Electricity	(482,681)						-	(482,681)
3	Other Operating Revenues		-						-
4	Total Operating Revenues	(482,681)	-	-	-	-	-	-	(482,681)
5									
6	Operating Expenses:								
7	Operation & Maintenance:								
8	Fuel (nonrecoverable)	-						-	-
9	Purchased Power	-						-	-
10	Other							-	-
11	Depreciation	732,108						-	732,108
12	Amortization		1,888,798					1,888,798	1,888,798
13	Decommissioning Expense	-						-	-
14	Taxes Other Than Income Taxes	390,831						-	390,831
15	Income Taxes	(406,944)	(478,716)	(316,019)				(794,735)	(1,201,679)
16	Deferred Income Taxes-Net							-	-
17	Investment Tax Credit-Net	-						-	-
18	(Gain)/Loss on Disposal of Plant	-						-	-
19									
20	Total Operating Expenses	715,994	1,410,082	(316,019)	-	-	-	1,094,063	1,810,057
21									
22	Net Operating Income	(1,198,675)	(1,410,082)	316,019	-	-	-	(1,094,063)	(2,292,738)
23									
24									
25									
26									
27									
28									
29									
30									
31									
32									
33									
34									

Schedule D-1a

COST OF CAPITAL - 13-MONTH AVERAGE

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities Company
Consolidated Electric Division

EXPLANATION: Provide the company's 13-month average cost of capital for the test year.

Type of Data Shown:

Projected Test Year Ended December 31, 2020

13-Month Average Projected 2020

Line No.	Class of Capital	(A) Company Total Per Books	(B) Specific Adjustments	(C) Pro Rata Adjustments	(D) System Adjusted	(E) Jurisdictional Factor	(F) Pro-Rata Allocation	(G) Forecast 2020 Jurisdictional Capital Structure	(H) Ratio	(I) Cost Rate	(J) Weighted Cost Rate	(K) Limited Proceeding Rate Base	(L) Limited Proceeding Interest Expense (K * I)
					Regulatory Capital Structure								
1	Long Term Debt	430,784,730			430,784,730	100%	9.23%	37,766,102	27.62%	3.82%	1.06%	18,696,164	714,193
2	Long Term Debt - FPU only	7,158,491			7,158,491	100%	37.03%	2,650,789	1.94%	11.23%	0.22%	1,312,277	147,369
3	Short Term Debt	211,208,468			211,208,468	100%	9.23%	19,492,001	14.26%	3.60%	0.51%	9,649,543	347,384
4	Preferred Stock	0			0	100%	9.23%	0	0.00%	0.00%	0.00%	-	0
5	Common Equity	633,730,076	4,167,538		637,897,614	100%	9.23%	58,870,273	43.06%	10.25%	4.41%	29,143,814	
6	Customer Deposits	3,273,700			3,273,700	100%		3,273,700	2.39%	2.34%	0.06%	1,620,650	37,923
7	Deferred Income Taxes	14,669,265			14,669,265	100%		14,669,265	10.73%	0.00%	0.00%	7,262,041	0
8	ITC-Zero Cost	0			0	100%		0	0.00%	0.00%	0.00%	-	0
9	ITC- Weighted Cost	0			0	100%		0	0.00%	5.34%	0.00%	-	0
10													
11	TOTAL	1,300,824,730	4,167,538		1,304,992,268			136,722,130	100.00%		6.26%	67,684,489	1,246,869
12													

Line No.	Class of Capital	Company Total Per Books	Ratio	Cost Rate	Weighted Cost Rate
13					
14					
15					
16					
17		Conventional Capital Structure 2020			
18	Long Term Debt	430,784,730	0.3347	3.78%	1.27%
19	Long Term Debt-FPU only	7,158,491	0.0056	11.52%	0.06%
20	Short Term Debt	211,208,468	0.1641	3.60%	0.59%
21	Preferred Stock	0	0.0000	0.00%	0.00%
22	Common Equity	637,897,614	0.4956	10.25%	5.08%
23	TOTAL	1,287,049,303	1.0000		7.00%

Pro-Rata Factors:

Rate Base Projected 2020	136,722,127
Direct Components	17,942,965
	118,779,162
Pro-Rata Factor	9.23%
Non Electric FPUC Average Rate Base	201,969,209
Electric FPUC Average Rate Base	118,779,162
Net	320,748,371
ProRata FPUC Factor	37.03%

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities Company
Consolidated Electric Division

EXPLANATION:

1.) List and describe the basis for the specific adjustments appearing on Schedule D-1a.

2.) List and describe the basis for the pro-rata adjustments appearing on Schedule D-1a.

Type of Data Shown:

Projected Test Year Ended December 31, 2020

Line No.	Class of Capital	Description	
1		Specific Adjustments	
2			
3	Equity	Other Comprehensive Income Loss which is related to the	$ 4,167,538
4		valuation of the employees pension plans was removed from	
5		equity. It was included in test year equity as a debit. This	
6		adjustment removes the debit.	
7			
8		Pro Rata Adjustments	
9			
10	Equity	The determination of the cost of capital for purposes of setting	
11		retail rates in the immediate docket incorporates pro-rata adjustments	
12		based on reducing the parent capital structure to the division's rate	
13		base.	
14			
15			

Supporting Schedules:

Florida Public Utilities Company
Limited Proceeding Electric
Distribution of Revenue Requirement

Attachment B
Docket No.: 0

LINE NO.	RATE SCHEDULE	(1) 2020 BUDGET KWH SALES	2020 BUDGET	(3) PERCENT OF TOTAL	(4) BASE RATE INCREASE AT UNIFORM PERCENT	(5) TOTAL CLASS REVENUE WITH INCREASE
1	RESIDENTIAL	274,540,960	$ 10,833,290	54.07%	$ 4,745,908	$ 15,579,198
2	COMMERCIAL SMALL	53,476,045	$ 2,371,073	11.83%	$ 1,038,359	$ 3,409,432
3	COMMERCIAL	164,607,934	$ 3,518,358	17.56%	$ 1,541,301	$ 5,059,659
4	COMMERCIAL LARGE	83,743,267	$ 1,165,867	5.82%	$ 510,841	$ 1,676,708
5	INDUSTRIAL	14,860,000	$ 466,099	2.33%	$ 204,512	$ 670,611
6	OUTDOOR LIGHTS	7,497,990	$ 1,680,896	8.39%	$ 736,419	$ 2,417,315
		598,726,196	$ 20,035,583	100.00%	$ 8,777,340	$ 28,812,923
	Percent Increase				43.81%	

Florida Public Utilities Company
Limited Proceeding Electric
Present and Proposed Rates

Attachment C
Docket No.: 0

Customer Facility Charge:

		Current Rates	Proposed Rates
Residential (RS)		$14.69	$21.13
General Service (GS)		$24.14	$34.72
General Service Demand (GSD)		$71.38	$102.65
General Service Large Demand (GSLD)		$136.45	$196.23
General Service Large Demand (GSLD1)		$844.94	$1,215.10
Standby (SB)	<500 kw	$104.96	$150.94
Standby (SB)	≥500 kw	$844.94	$1,215.10

Base Energy Charge:

		Current Rates	Proposed Rates
Residential (RS)	≤1,000 -	$0.02057	$0.02959
	>1,000 -	$0.03369	$0.04845
General Service (GS)		$0.02516	$0.03618
General Service Demand (GSD)		$0.00474	$0.00682
General Service Large Demand (GSLD)		$0.00220	$0.00316
General Service Large Demand (GSLD1)		$0.00000	$0.00000
Standby (SB)	<500 kw	$0.00000	$0.00000
Standby (SB) ≥500 kw		$0.00000	$0.00000

Demand Charge:

			Current Rates	Proposed Rates
Residential (RS)			$0.00	$0.00
General Service (GS)			$0.00	$0.00
General Service Demand (GSD)			$3.89	$5.59
General Service Large Demand (GSLD)			$5.56	$8.00
General Service Large Demand (GSLD1)			$1.57	$2.26
General Service Large Demand (GSLD1)		kVAR	$0.38	$0.54
Standby (SB) <500 kw			$2.73	$3.92
Standby (SB)	≥500 kw		$0.68	$0.98
Standby (SB)		kVAR	$0.38	$0.54

	Current Rates	Proposed Rates
Initial Entitlement of Service		
Re-establish Service or Account Changes		
Customer Request Temp Disconnect/Reconn		
Reconnect After Disconnect (Normal Hrs)		
Reconnect After Disconnect (After Hours)		
Temporary Service		
Collection Charge		
Returned Check Charge	Per Statute	
Credit Card Fees	---------- $3.50 RS and 3.5% other classes ----------	
Late Fees	---------- Greater of 1.5% or $5.00 ----------	

Florida Public Utilities Company
Limited Proceeding Electric
Present and Proposed Rates - Lighting

Docket No.: 0

Lighting:	Current Rates				Proposed Rates			
	Facility Charge	Energy Charge	Maint Charge	Total Charge	Facility Charge	Energy Charge	Maint Charge	Total Charge
1000w HPS Flood	$19.38	$18.46	$2.60	$40.44	$27.87	$26.55	$3.74	$58.16
1000w MH Flood	$17.87	$18.46	$2.53	$38.86	$25.70	$26.55	$3.64	$55.89
1000w MH Vert Shoebox	$22.06	$18.46	$2.88	$43.40	$31.72	$26.55	$4.14	$62.41
100w HPS Amer Rev	$8.38	$1.87	$2.85	$13.10	$12.05	$2.69	$4.10	$18.84
100w HPS Cobra Head	$6.29	$1.87	$1.83	$9.99	$9.05	$2.69	$2.63	$14.37
100w HPS SP2 Spectra	$21.51	$1.87	$2.69	$26.07	$30.93	$2.69	$3.87	$37.49
100w MH SP2 Spectra	$21.34	$1.87	$2.60	$25.81	$30.69	$2.69	$3.74	$37.12
150w HPS Acorn	$17.06	$2.77	$2.16	$21.99	$24.53	$3.98	$3.11	$31.62
150w HPS ALN 440	$24.33	$2.77	$2.88	$29.98	$34.99	$3.98	$4.14	$43.11
150w HPS Am Rev	$7.85	$2.77	$2.89	$13.51	$11.29	$3.98	$4.16	$19.43
175w MH ALN 440	$23.28	$3.26	$2.26	$28.80	$33.48	$4.69	$3.25	$41.42
175w MH Shoebox	$19.66	$3.26	$2.54	$25.46	$28.27	$4.69	$3.65	$36.61
200w HPS Cobra Head	$8.48	$3.69	$2.19	$14.36	$12.19	$5.31	$3.15	$20.65
250w HPS Cobra Head	$10.08	$4.59	$2.89	$17.56	$14.50	$6.60	$4.16	$25.26
250w HPS Flood	$9.86	$4.59	$2.10	$16.55	$14.18	$6.60	$3.02	$23.80
250w MH Shoebox	$20.93	$4.59	$2.84	$28.36	$30.10	$6.60	$4.08	$40.78
400w HPS Cobra Head	$9.41	$7.40	$2.40	$19.21	$13.53	$10.64	$3.45	$27.62
400w HPS Flood	$15.47	$7.40	$1.97	$24.84	$22.25	$10.64	$2.83	$35.72
400w MH Flood	$10.50	$7.40	$1.92	$19.82	$15.10	$10.64	$2.76	$28.50
10' Alum Deco Base	$16.09	0	0	$16.09	$23.14	$0.00	$0.00	$23.14
13' Decorative Concrete	$12.26	0	0	$12.26	$17.63	$0.00	$0.00	$17.63
18' Fiberglass Round	$8.65	0	0	$8.65	$12.44	$0.00	$0.00	$12.44
20' Decorative Concrete	$14.23	0	0	$14.23	$20.46	$0.00	$0.00	$20.46
30' Wood Pole Std	$4.64	0	0	$4.64	$6.67	$0.00	$0.00	$6.67
35' Concrete Square	$13.72	0	0	$13.72	$19.73	$0.00	$0.00	$19.73
40' Wood Pole Std	$9.29	0	0	$9.29	$13.36	$0.00	$0.00	$13.36
30' Wood pole	$4.18	0	0	$4.18	$6.01	$0.00	$0.00	$6.01
175w MV Cobra Head	$1.21	$3.20	$1.07	$5.48	$1.74	$4.60	$1.54	$7.88
400w MV Cobra Head	$1.33	$6.89	$1.15	$9.37	$1.91	$9.91	$1.65	$13.47

Florida Public Utilities Company
Storm Cost Recovery for Incremental Expenses

Attachment D
Docket No.: 0

Line No.	Description	Reference	Total	Storm Reserve Balance	
1	**Pre-Storm Reserve Balance**			N/A	[a]
2	**Estimated Storm Related Restoration Costs**				
3	Regular Payroll		$ 566,555		
4	Overtime Payroll		$ 481,430		
5	Payroll Overhead Allocations		$ 345,472		
6	Department Cost Allocation on Capital		$ 40,433		
7	Employee Expenses		$ 67,980		
8	Contractor Costs		$ 54,526,703		
9	Logistics		$ 1,437,895		
10	Fuel		$ 1,441,964		
11	Equipment Rental		$ 232,334		
12	Materials		$ 6,612,654		
13	Call Center Costs		$ 26,516		
14	Uncollectible Account Expense		$ 120,321		
15	Other		$ 129,542		
16	**Subtotal-Storm Related Restoration Costs**	Lines 3:15	$ 66,029,798		
17	**Less: Estimated Non-Incremental Costs**				
18	Regular Payroll		$ (113,316)		[b]
19	Overtime Payroll		$ (11,827)		
20	Payroll Overhead Allocations		$ (60,039)		
21	**Subtotal-Estimated Non-Incremental Costs**	Lines 17:20	$ (185,182)		
22	Less: Capitalizable Costs		$ (28,218,969)		
23	**Total Recoverable Restoration Costs - System**	lines (16+21+22)	$ 37,625,647		
24	Jurisdictional Factor		100%		
25	**Total Recoverable Restoration Costs-Retail**	lines (23x24)	$ 37,625,647	$ 37,625,647	
26	**Net Recoverable Retail Restoration Costs**	line 25 -line 1		$ 37,625,647	
27	Bond Issuance Costs				
28	**Beginning Balance for Recovery**	line 26-line 27		$ 37,625,647	
29	Plus: Interest on Unamortized Reserve Deficiency Balance thru 12/19			$ 1,546,856	
30	Plus: Amount to Replenish Reserve				
31	**Retail Storm Recovery Amount before Regulatory Assessment Fee**	lines 28:30		$ 39,172,503	

[a] Docket 20180061-EI addressed recovery of the recovery of a $1.5M reserve balance. No additional reserve is requested here.

[b] Non-incremental storm costs were never recorded in Storm Work Orders. Estimated costs from 10-10-18 to 12-2-18 for the NW division are included in restoration costs and removed in non-incremental costs. Additional non-incremental costs were incurred in other months but could not be estimated since we do not recorded non-incremental as storm.

13-Month Average Calculation:

December	$ 39,172,503
January	$ 39,063,691
February	$ 38,954,878
March	$ 38,846,066
April	$ 38,737,253
May	$ 38,628,441
June	$ 38,519,628
July	$ 38,410,816
August	$ 38,302,003
September	$ 38,193,191
October	$ 38,084,378
November	$ 37,975,566
December	$ 37,866,753
13-Month Average	$ 38,519,628

Florida Public Utilities Company
Limited Proceeding Electric
Regulatory Asset for Lost Customers

Attachment E
Docket No.:

	Lost Customers due to Hurricane Michael	Customer Charge	kWh Usage Yearly <=1000 kWh	kWh Usage Yearly >=1000 kWh	KW Usage Yearly	Total Margin Loss	Avg Per Customer
Residential	565	14.69	8,730	7,991		$ 267,903	$ 474
Commercial Small	201	24.14	16,589			$ 142,119	$ 707
Commercial	13	71.38	269,095		891	$ 72,659	$ 5,589
2019 Revenue Estimate for Lost Customers	779					$ 482,681	*
November to December 2018 Revenue for Lost Customers						$ 80,447	
Storm Surcharge from Docket 20180051-EI that won't be able to be recovered due to lost customers						$ 41,940	
						$ 605,068	
Interest on the Lost Customer Revenue						$ 14,118	
Regulatory Asset on Hurricane Lost Customers thru 12/19						$ 619,186	
Amortization Over 5 Years						$ 123,837	

* The revenue loss in 2019 due to the permanatly lost customers is expected to continue in the future and therefore, this calculation is also used on C-2 as the estimated annual decrease in revenue.

Calculation of Interest on Lost Revenue Not Recovered:

		November 2018	December 2018	January 2019	February 2019	March 2019	April 2019	May 2019	June 2019	July 2019	August 2019	September 2019	October 2019	November 2019	December 2019
Lost Revenue		$ 43,219	$ 43,219	$ 43,219	$ 43,219	$ 43,219	$ 43,219	$ 43,219	$ 43,219	$ 43,219	$ 43,219	$ 43,219	$ 43,219	$ 43,219	$ 43,219
Cumulative Lost Revenue		$ 43,219	$ 86,438	$ 129,657	$ 172,877	$ 216,096	$ 259,315	$ 302,534	$ 345,753	$ 388,972	$ 432,191	$ 475,411	$ 518,630	$ 561,849	$ 605,068
Average Beginning and Ending Balance		$ 21,610	$ 64,829	$ 108,048	$ 151,267	$ 194,486	$ 237,705	$ 280,924	$ 324,144	$ 367,363	$ 410,582	$ 453,801	$ 497,020	$ 540,239	$ 583,458
Interest Per Month	4%	$ 72	$ 216	$ 360	$ 504	$ 648	$ 792	$ 936	$ 1,080	$ 1,225	$ 1,369	$ 1,513	$ 1,657	$ 1,801	$ 1,945
Cumulative Interest		$ 72	$ 288	$ 648	$ 1,153	$ 1,801	$ 2,593	$ 3,530	$ 4,610	$ 5,835	$ 7,203	$ 8,716	$ 10,373	$ 12,173	$ 14,118

Note: The Company has permantly lost customers as a result of the storm. The loss is reflected in net operating income for future time periods. However, the loss prior to implementation of this limited proceeding will never be recovered unless a regulatory asset is approved and the amortization of this asset allowed in rates in this limited proceeding. The Company is requesting a five year amortization.

13-Month Average Calculation:	December 19	January 20	February 20	March 20	April 20	May 20	June 20	July 20	August 20	September 20	October 20	November 20	December 20	13-Month Avg.
	$ 619,186	$ 608,867	$ 598,547	$ 588,227	$ 577,907	$ 567,587	$ 557,268	$ 546,948	$ 536,628	$ 526,308	$ 515,989	$ 505,669	$ 495,349	$ 557,268

Florida Public Utilities Company
Limited Proceeding Electric
Regulatory Asset for Expenses Not Recovered in Base Rates

Attachment F
Docket No.:

Expenses Related to October Revenue Lost	$ 910,985
Expenses Related to November Lighting Revenue	$ 54,477
Total Costs Not Recovered	$ 965,462
Costs Limited to Revenue Not Received	$ 940,398
Interest on Unfunded Balance	$ 43,885
Total Costs Unrecovered	$ 984,283
Amortization Over 5 Years	$ 196,857

The Company had a substantial loss due to not being able to recover our normal, recurring operation and maintenance costs incurred due to lower usage and one month customer charges not being recovered for residential and commercial customers and two months for lighting customers. The only way to recover these costs is thru establishment of a regulatory asset. The Company is requesting approval of this amount and amortization over five years.

Summary of Revenues Not Received During Storm Restoration:

Revenue Type	Oct-17 Volume KWh	Oct-16 Volume KWh	Average Volume KWh	Oct-17 Volume KW	Oct-16 Volume KW	Average Volume KW	Customers Sep-18	2018 Customer Rate	2018 Energy Charge KWH	2018 Energy Charge KW	Revenue Based on 2018 Rates
Residential							10,231	$ 15.12			$ 154,693
<=1000 KWh-RS	7,383,035	7,413,708	7,398,372						$ 0.02117		$ 156,624
>=1000 KWh-RS	2,672,262	2,667,376	2,669,819						$ 0.03467		$ 92,563
Commercial Small	2,542,044	3,247,169	2,894,607				2,100	$ 24.84	$ 0.02589		$ 127,105
Commercial	7,547,000	6,980,590	7,263,795	28,452	21,737	25,094	423	$ 73.45	$ 0.00488	$ 4.00	$ 166,894
Commercial Large	5,324,736	4,640,084	4,982,410	11,488	8,579	10,033	15	$ 140.41	$ 0.00226	$ 5.72	$ 70,758
Industrial	-	-	-				-				
Outdoor Lights	445,378	442,995	444,187				2,586	$ 33.21	Avg./Customer		$ 85,881
	25,914,455	25,391,922	25,653,189	39,940	30,315	35,128	15,355				854,517
November Lighting											$ 85,881
											$ 940,398

Interest Expense on Unrecovered Costs:

		October 2018	November 2018	December 2018	January 2019	February 2019	March 2019	April 2019	May 2019	June 2019	July 2019	August 2019	September 2019	October 2019	November 2019	December 2019
Expenses Not Recovered		$ 940,398														
Cumulative		$ 940,398	$ 940,398	$ 940,398	$ 940,398	$ 940,398	$ 940,398	$ 940,398	$ 940,398	$ 940,398	$ 940,398	$ 940,398	$ 940,398	$ 940,398	$ 940,398	$ 940,398
Average Beginning and Ending Balance			$ 940,398	$ 940,398	$ 940,398	$ 940,398	$ 940,398	$ 940,398	$ 940,398	$ 940,398	$ 940,398	$ 940,398	$ 940,398	$ 940,398	$ 940,398	$ 940,398
Interest Per Month	4%		$ 3,135	$ 3,135	$ 3,135	$ 3,135	$ 3,135	$ 3,135	$ 3,135	$ 3,135	$ 3,135	$ 3,135	$ 3,135	$ 3,135	$ 3,135	$ 3,135
Cumulative Interest			$ 3,135	$ 6,269	$ 9,404	$ 12,539	$ 15,673	$ 18,808	$ 21,943	$ 25,077	$ 28,212	$ 31,347	$ 34,481	$ 37,616	$ 40,751	$ 43,885

13-Month Average Calculation:	December 19	January 20	February 20	March 20	April 20	May 20	June 20	July 20	August 20	September 20	October 20	November 20	December 20	13-Month Avg.
	$ 984,283	$ 967,378	$ 951,473	$ 935,069	$ 918,664	$ 902,259	$ 885,855	$ 869,450	$ 853,045	$ 836,640	$ 820,236	$ 803,831	$ 787,426	$ 885,855

Florida Public Utilities Company
Regulatory Asset for the Negative Component of the Accumulated Depreciation Reserve
Limited Proceeding Electric

Attachment G

Docket No.:

	Account Title	Act. #	Act. #	Cost of Removal	Salvage	Undepreciated Retirement	Total Regulatory Asset Requested
Cost of Removal:							
FE18164697R	Meters	1080	370E	$ 143,064		$ 19,458	$ 162,522
FE18504697R	Distribution Station Equipment	1080	362E	$ 83		$ -	$ 83
FE18554697R	Distribution Poles	1080	364E	$ 5,002,646		$ 218,456	$ 5,221,103
FE18564697R	OH Conductors	1080	365E	$ 1,727,947	$ (25,992)	$ 135,707	$ 1,837,662
FE18584697R	Underground Conductors	1080	367E	$ 39,697		$ -	$ 39,697
FE18594697R	Transformers	1080	368H	$ 6,499	$ (29,267)	$ 33,543	$ 10,775
FE18604697R	Buried Transformers	1080	368B	$ 107		$ 71,205	$ 71,313
FE18614697R	Overhead Services	1080	369H	$ 232,415		$ 33,636	$ 266,051
FE18624697R	Underground Services	1080	369B			$ -	$ -
FE18634697R	Install on Cust. Premises-AG	1080	371A	$ 4,590		$ 211,156	$ 215,746
FE18654697R	Street Lighting	1080	373A	$ 1,144		$ 44,530	$ 45,674
				$ 7,158,193	$ (55,259)	$ 767,692	$ 7,870,626

13-Month Average Computation:

	Regulatory Asset	Accumulated Amortization	Net Regulatory Asset	Amortization Expense at 30 Years
Dec-19	$ 7,870,626		$ 7,870,626	
Jan-20	$ 7,870,626	$ (21,863)	$ 7,848,763	$ 21,863
Feb-20	$ 7,870,626	$ (43,726)	$ 7,826,900	$ 21,863
Mar-20	$ 7,870,626	$ (65,589)	$ 7,805,037	$ 21,863
Apr-20	$ 7,870,626	$ (87,451)	$ 7,783,174	$ 21,863
May-20	$ 7,870,626	$ (109,314)	$ 7,761,311	$ 21,863
Jun-20	$ 7,870,626	$ (131,177)	$ 7,739,448	$ 21,863
Jul-20	$ 7,870,626	$ (153,040)	$ 7,717,586	$ 21,863
Aug-20	$ 7,870,626	$ (174,903)	$ 7,695,723	$ 21,863
Sep-20	$ 7,870,626	$ (196,766)	$ 7,673,860	$ 21,863
Oct-20	$ 7,870,626	$ (218,628)	$ 7,651,997	$ 21,863
Nov-20	$ 7,870,626	$ (240,491)	$ 7,630,134	$ 21,863
Dec-20	$ 7,870,626	$ (262,354)	$ 7,608,271	$ 21,863
Total	$ 102,318,132	$ (1,705,302)	$ 100,612,830	$ 262,354
13-Month Average	$ 7,870,626	$ (131,177)	$ 7,739,448	

RATE SCHEDULE RS
RESIDENTIAL SERVICE

Availability

Available within the territory served by the Company in Jackson, Calhoun and Liberty Counties and on Amelia Island in Nassau County.

Applicability

Applicable for service to a single family dwelling unit occupied by one family or household and for energy used in commonly-owned facilities in condominium and cooperative apartment buildings.

Character of Service

Single-phase service at nominal secondary voltage of 115/230 volts; three-phase service if available.

Limitations of Service

The maximum size of any individual single-phase motor hereunder shall not exceed five (5) horsepower.

The Company shall not be required to construct any additional facilities for the purpose of supplying three-phase service unless the revenue to be derived therefrom shall be sufficient to yield the Company a fair return on the value of such additional facilities.

Monthly Rate

Customer Facilities Charge:

~~$14.69~~ 21.13 per customer per month

Base Energy Charge:

~~2.057~~2.959¢/KWH for usage up to 1000 KWH's/month

~~3.369~~4.845 ¢/KWH for usage above 1000 KWH's/month

Purchased Power Charges

Purchased power charges are adjusted by the Florida Public Service Commission, normally each year in January. For current purchased power costs included in the tariff, see Sheet Nos. 65 & 66.

Minimum Bill

The minimum monthly bill shall consist of the above Customer Facilities Charge.

(Continued on Sheet No. 41)

RATE SCHEDULE GS
GENERAL SERVICE – NON DEMAND

Availability

Available within the territory served by the Company in Jackson, Calhoun and Liberty Counties And on Amelia Island in Nassau County.

Applicability

Applicable to commercial and industrial lighting, heating, cooking and small power loads aggregating 25 KW or less.

Character of Service

Single or three-phase service at available standard voltage.

Limitations of Service

Service shall be at a single metering point.

Monthly Rate

Customer Facilities Charge:

~~$24.14~~ 34.72 per customer per month

Base Energy Charge:

All KWH ~~2.516~~ 3.618 ¢/KWH

Purchased Power Charges

Purchased power charges are adjusted by the Florida Public Service Commission, normally each year in January. For current purchased power costs included in the tariff, see Sheet Nos. 65 & 66.

Minimum Bill

The minimum monthly bill shall consist of the above Customer Facilities Charge.

Terms of Payment

Bills are rendered net and are due and payable within twenty (20) days from date of bill.

(Continued on Sheet No. 44)

RATE SCHEDULE GSD
GENERAL SERVICE – DEMAND

Availability

Available within the territory served by the Company in Jackson, Calhoun and Liberty Counties and on Amelia Island in Nassau County.

Applicability

Applicable to commercial, industrial and municipal service with a measured demand of 25 KW but less than 500 KW for three or more months out of the twelve consecutive months ending with the current billing period. Also available, at the option of the customer, to any customer with demands of less than 25 KW who agrees to pay for service under this rate schedule for a minimum initial term of twelve months.

Character of Service

Single or three-phase service at available standard voltage.

Limitations of Service

Service shall be at a single metering point at one voltage.

Monthly Rate

Customer Facilities Charge:

~~$71.38~~ 102.65 per customer per month

Demand Charge:

Each KW of Billing Demand ~~$3.89~~ 5.59/KW

Base Energy Charge

All KWH ~~0.4740~~682¢/KWH

Purchased Power Charges

Purchased power charges are adjusted by the Florida Public Service Commission, normally each year in January. For current purchased power costs included in the tariff, see Sheet Nos. 65 & 66.

Minimum Bill

The minimum monthly bill shall consist of the above Customer Facilities Charge plus the Demand Charge for the currently effective billing demand.

Terms of Payment

Bills are rendered net and are due and payable within twenty (20) days from date of bill.

Purchased Power Costs

See Sheet Nos. 65 & 66.

(Continued on Sheet No. 46)

RATE SCHEDULE GSLD
GENERAL SERVICE-LARGE DEMAND

Availability

Available within the territory served by the Company in Jackson, Calhoun and Liberty Counties and on Amelia Island in Nassau County.

Applicability

Applicable to commercial, industrial and municipal service with a measured demand of 500 KW but less than 5000 KW for three or more months out of the twelve consecutive months ending with the current billing period. Also available, at the option of the customer, to any customer with demands of less than 500 KW who agrees to pay for service under this rate schedule for a minimum initial term of twelve months.

Character of Service

Three-phase service at available standard voltage.

Limitations of Service

Service shall be at a single metering point at one voltage.

Monthly Rate

Customer Facilities Charge:

~~$136.45~~ 196.23 per customer per month

Demand Charge:

Each KW of Billing Demand ~~$5.56~~ 8.00/KW

Base Energy Charge

All KWH ~~0.220~~.316¢/KWH

Purchased Power Charges

Purchased power charges are adjusted by the Florida Public Service Commission, normally each year in January. For current purchased power costs included in the tariff, see Sheet No. 65 & 66.

Minimum Bill

The minimum monthly bill shall consist of the above Customer Facilities Charge plus the Demand Charge for the currently effective billing demand.

Terms of Payment

Bills are rendered net and are due and payable within twenty (20) days from date of bill.

Purchased Power Costs

See Sheet No. 65 & 66.

(Continued on Sheet No. 48)

RATE SCHEDULE GSLDT - EXP
GENERAL SERVICE – LARGE DEMAND
TIME OF USE (EXPERIMENTAL)

Availability

Available within the territory served by the Company in Jackson, Calhoun and Liberty Counties. This service is limited to a maximum of 3 customers. This Rate Schedule shall expire on February 8, 2015.

Applicability

Applicable to commercial, industrial and municipal service with a measured demand of 500 KW but less than 5000 KW for three or more months out of the twelve consecutive months ending with the current billing period. Also available, at the option of the customer, to any customer with demands of less than 500 KW who agrees to pay for service under this rate schedule for a minimum initial term of twelve months.

Character of Service

Single or three-phase service at available standard voltage.

Limitations of Service

Service shall be at a single metering point at one voltage.

Monthly Rate

Customer Facilities Charge:
~~$136.45~~ 196.23 per customer per month

Demand Charge:
Each KW of Maximum Billing Demand ~~$5.56~~8.00/KW

Base Energy Charge:
All KWH 0.~~220~~316¢/KWH

Purchased Power Charges

Purchased power charges are adjusted by the Florida Public Service Commission normally each year in January. For current purchase power costs included in the tariff see sheet Nos. 65 & 66.

Minimum Bill

The minimum monthly bill shall consist of the above Customer Facilities Charge plus the Maximum Billing Demand Charge for the currently effective billing demands.

Terms of Payment

Bills are rendered net and are due and payable within twenty (20) days from date of bill.

Purchased Power Costs

See Sheet Nos. 65 & 66.

(Continued on Sheet No. 50)

RATE SCHEDULE GSLD 1
GENERAL SERVICE - LARGE DEMAND 1

Availability

Available within the territory served by the Company in Jackson, Calhoun, and Liberty Counties and on Amelia Island in Nassau County.

Applicability

Applicable to commercial and industrial services of customers contracting for at least 5,000 kilowatts of electric service.

Character of Service

Three-phase, 60 hertz, electric service delivered and metered at a single point at the available transmission voltage, nominally 69,000 volts or higher.

Monthly Base Rates

Customer Facilities Charge:	$~~844.94~~1,215.10
Base Transmission Demand Charge:	$~~1.57~~2.26/KW of Maximum/NCP Billing Demand
Excess Reactive Demand Charge:	$0.~~38~~54/kVar of Excess Reactive Demand

Purchased Power Charges (See Sheet 52 for descriptions)

The Purchased Power Charges recover Energy and Demand Charges billed to FPUC by FPUC's Wholesale Energy Provider and Wholesale Cogeneration Provider including applicable line losses and taxes. Purchased power charges are adjusted by the Florida Public Service Commission, normally each year in January. For correct purchased power charges included in the tariff, see Sheet No. 70 & 71.

Minimum Bill

The minimum monthly bill is the sum of the Transmission Demand Charge and the Customer Charge plus any Purchased Power Charges attributed to Transmission Demand Fuel Charge.

Terms of Payment

Bills are rendered net and due and payable within twenty (20) days from date of bill.

Conservation Costs

See Sheet Nos. 65 & 66.

Franchise Fee Adjustment

Customers taking service within franchise areas shall pay a franchise fee adjustment in the form of a percentage to be added to their bills prior to the application of any appropriate taxes. This percentage shall reflect the customer's pro rata share of the amount the Company is required to pay under the franchise agreement with the specific governmental body in which the customer is located.

(Continued on Sheet No. 51)

RATE SCHEDULE SB
STANDBY SERVICE

Availability

Available within the territory served by the Company in Jackson, Calhoun and Liberty Counties and on Amelia Island in Nassau County.

Applicability

Applicable only to customers which are self-generators with capabilities of serving the customer's full electronic power requirements and that require backup and/or maintenance service on a firm basis. This rate schedule is not applicable to self-generating customers for supplemental service.

Character of Service

Single or three-phase service at available standard voltage.

Limitations of Service

Service shall be at a single metering point at one voltage. The contract demand shall not exceed the KW capacity of customer's generator.

Monthly Rate

Customer Facilities Charge:

(a) For those customers who have contracted for standby service capacity of less than 500 KW- ~~$104.96~~ 150.94.
(b) For those customers who have contracted for standby service of 500 KW or greater- ~~$844.94~~ 1,215.10.

Local Facilities Charge:

(a) For those customers who have contracted for standby service capacity of less than 500 KW- ~~$2.73~~3.92/KW.
(b) For those customers who have contracted for standby service of 500 KW or greater - $0.~~68~~98/KW.

Purchased Power Charges

Demand and energy used by the customer in any month shall be charged at the then currently effective rates of the Company's wholesale supplier adjusted for estimated line losses and applicable taxes. Such charges will consist of Coincident Peak (CP) Demand charge and an energy charge. The CP Demand shall be the customer's measured KW coincident in time with that of the Company's maximum monthly demand at the substation serving the system to which the customer is connected. The energy charge shall be applied to the measured KWH during the billing period and shall be based on the actual energy charge (including fuel charges) of the Company's wholesale supplier during the billing period.

The currently effective rates of the Company's wholesale supplier would result in the following demand and energy charges for purchased power after adjustment for estimated line losses and applicable taxes. These are shown for illustrative purposes only. Actual purchased power rates in effect at the time of use shall be used for determining the monthly unit charges.

CP Demand Charge - Each KW of CP Demand	$5.62/KW
Energy Charge - All	~~3.774~~3.583¢

(Continued on Sheet No. 53)

RATE SCHEDULE LS
LIGHTING SERVICE

Availability

Available within the territory served by the Company in Calhoun, Jackson and Liberty Counties and on Amelia Island in Nassau County.

Applicability

Applicable to any customer for non-metered outdoor lighting service.

Character of Service

Lighting service from dusk to dawn as described herein.

Limitations of Service

Service is limited to lighting by high-pressure sodium vapor or metal halide lamps mounted on company poles as described herein. Company-owned facilities will be installed only on Company-owned poles.

Monthly Rate

When lighting fixtures are mounted on existing poles and served directly from existing overhead secondary distribution lines:

Type Facility	Lamp Lumens	Size Watts	KWH/Mo. Estimate	Facilities Charge	Maintenance* Charge	Energy Charge	Total Charge
High Pressure Sodium Lights							
Acorn	16,000	150	61	~~$17.06~~24.53	~~$2.16~~3.11	~~$2.77~~3.98	~~$21.99~~31.62
ALN 440	16,000	150	61	~~$24.33~~34.99	~~$2.88~~4.14	~~$2.77~~3.98	~~$29.98~~ 43.11
Amer. Rev.	9,500	100	41	~~$8.38~~ 12.05	~~$2.85~~ 4.10	~~$1.87~~2.69	~~$13.10~~18.84
Amer. Rev.	16,000	150	61	~~$7.85~~11.29	~~$2.89~~4.16	~~$2.77~~3.98	~~$13.51~~19.43
Cobra Head	9,500	100	41	~~$6.29~~ 9.05	~~$1.83~~ 2.63	~~$1.87~~2.69	~~$9.99~~ 14.37
Cobra Head	22,000	200	81	~~$8.48~~12.19	~~$2.19~~ 3.15	~~$3.69~~5.31	~~$14.36~~20.65
Cobra Head	28,500	250	101	~~$10.08~~14.50	~~$2.89~~4.16	~~$4.59~~6.60	~~$17.56~~25.26
Cobra Head	50,000	400	162	~~$9.41~~13.53	~~$2.40~~3.45	~~$7.40~~10.64	~~$19.21~~27.62
Flood	28,500	250	101	~~$9.86~~14.18	~~$2.10~~3.02	~~$4.59~~6.60	~~$16.55~~23.80
Flood	50,000	400	162	~~$15.47~~22.25	~~$1.97~~2.83	~~$7.40~~10.64	~~$24.84~~35.72
Flood	130,000	1,000	405	~~$19.38~~ 27.87	~~$2.60~~ 3.74	~~$18.46~~ 26.55	~~$40.44~~ 58.16
SP2 Spectra	9,500	100	41	~~$21.51~~ 30.93	~~$2.69~~ 3.87	~~$1.87~~2.69	$ ~~26.07~~ 37.49
Metal Halide Lights							
ALN 440	16,000	175	71	~~$23.28~~33.48	~~$2.26~~3.25	~~$3.26~~4.69	~~$28.80~~41.42
Flood	50,000	400	162	~~$10.50~~15.10	~~$1.92~~2.76	~~$7.40~~10.64	~~$19.82~~28.50
Flood	130,000	1,000	405	~~$17.87~~25.70	~~$2.53~~3.64	~~$18.46~~26.55	~~$38.86~~55.89
Shoebox	16,000	175	71	~~$19.66~~28.27	~~$2.54~~3.65	~~$3.26~~4.69	~~$25.46~~36.61
Shoebox	28,500	250	101	~~$20.93~~30.10	~~$2.84~~4.08	~~$4.59~~6.60	~~$28.36~~40.78
SP2 Spectra	9,500	100	41	~~$21.34~~30.69	~~$2.60~~ 3.74	~~$1.87~~2.69	~~$25.81~~37.12
Vertical Shoebox	130,000	1,000	405	~~$22.06~~ 31.72	~~$2.88~~4.14	~~$18.46~~26.55	~~$43.40~~62.41

(Continued on Sheet No. 57)

RATE SCHEDULE LS
LIGHTING SERVICE

(Continued from Sheet No. 56)

Charges for other Company-owned facilities:

1)	30' Wood Pole	$ ~~4.18~~6.01
2)	40' Wood Pole Std	$ ~~9.29~~13.36
3)	18' Fiberglass Round	$ ~~8.65~~12.44
4)	13' Decorative Concrete	$ ~~12.26~~17.63
5)	20' Decorative Concrete	$ ~~14.23~~20.46
6)	35' Concrete Square	$ ~~13.72~~19.73
7)	10' Deco Base Aluminum	$ ~~16.09~~23.14
8)	30' Wood Pole Std	$ ~~4.64~~6.67

For the poles shown above that are served from an underground system, the Company will provide up to one hundred (100) feet of conductor to service each fixture. The customer will provide and install the necessary conduit system to Company specifications.

Purchased Power Charges

Purchased power charges are adjusted annually by the Florida Public Service Commission. For current purch

Minimum Bill

The above rates times the number of lamps connected.

Terms of Payment

Bills are rendered net and are due and payable within twenty (20) days from date of bill.

Purchased Power Costs

See Sheet No. 65 & 66.

Conservation Costs

See Sheet No. 65 & 66.

Franchise Fee Adjustment

Customers taking service within franchise areas shall pay a franchise fee adjustment in the form of a percentage to be added to their bills prior to the application of any appropriate taxes. This percentage shall reflect the customer's pro rata share of the amount the Company is required to pay under the franchise agreement with the specific governmental body in which the customer is located.

(Continued on Sheet No. 58)

RATE SCHEDULE OSL
MERCURY VAPOR LIGHTING SERVICE
(Closed To New Installations)

(Continued from Sheet No. 58)

Availability

Available within the territory served by the Company in Calhoun, Jackson and Liberty Counties and on Amelia Island in Nassau County.

Applicability

Applicable to customer for mercury vapor lighting service.

Character of Service

Lighting service from dusk to dawn as described herein.

Limitations of Service

Service is limited to lighting by mercury vapor lamps of 7,000 or 20,000 initial level of lumens mounted on wood poles, as described herein.

Monthly Rate

When lighting fixtures are mounted on existing poles and served directly from existing overhead secondary distribution lines:

Lamp Size Lumens	KWH/Mo. Estimate	Facilities Charge	Maintenance* Charge	Energy Charge	Total Charge
7,000	72	~~$1.21~~1.74	~~$1.07~~1.54	~~$3.20~~4.60	~~$5.48~~7.88
20,000	154	~~$1.33~~1.91	~~$1.15~~1.65	~~$6.89~~9.91	~~$9.37~~13.47

For concrete or fiberglass poles and/or underground conductors, etcetera, the customer shall pay a lump sum amount equal to the estimated differential cost between the special system and the equivalent overhead-wood pole system.

Purchased Power Charges

Purchased power charges are adjusted by the Florida Public Service Commission, normally each year in January. For current purchased power costs included in the tariff, see Sheet Nos. 65 & 66.

Minimum Bill

The above rates times the number of lamps connected.

Terms of Payment

Bills are rendered net and are due and payable within twenty (20) days from date of bill.

(Continued on Sheet No. 60)

RATE SCHEDULE IS-EXP
INTERRUPTIBLE (EXPERIMENTAL)

Availability

Available within the territory served by the Company in Jackson, Calhoun and Liberty Counties. This service is limited to a maximum of 4 customers. This Rate Schedule shall expire on February 8, 2015.

Applicability

Applicable to customers eligible for Rate Schedule GSLD with a load factor equal to or exceeding 35% and who have executed a Special Contract approved by the Commission. The company reserves the right to limit the total load and type customer served under this rate. Accounts established under this rate will be limited to premises where the interruption will primarily affect the customer, its employees, agents, lessees, tenants and guests and will not significantly affect members of the general public nor interfere with functions performed for the protection of public health or safety.

Character of Service

Three-phase service at available standard voltage.

Limitations of Service

Service shall be at a single metering point at one voltage. Interruptible service under this rate is subject to interruption during any On-Peak time period that the Company elects to notify customer, with a minimum of two (2) hours notice, that the customer must fully interrupt taking electric power from the Company. The Company is limited to an On-Peak period maximum of 200 hours of required interruption per year per customer.

Monthly Rate

Customer Facilities Charge:
~~$136.45~~196.23 per customer per month

Demand Charge:
Each KW of Billing Demand $ ~~5.56~~8.00/KW

Base Energy Charge:
All KWH 0.~~220~~316¢/KWH

Purchased Power Charges

Purchased power charges are adjusted by the Florida Public Service Commission, normally each year in January. For current purchased power costs included in the tariff, see Sheet Nos. 65 & 66.

Minimum Bill

The minimum monthly bill shall consist of the above Customer Facilities Charge plus the Demand Charge for the currently effective billing demand.

Terms of Payment

Bills are rendered net and are due and payable within twenty (20) days from date of bill.

RATE SCHEDULE RS
RESIDENTIAL SERVICE

Availability

Available within the territory served by the Company in Jackson, Calhoun and Liberty Counties and on Amelia Island in Nassau County.

Applicability

Applicable for service to a single family dwelling unit occupied by one family or household and for energy used in commonly-owned facilities in condominium and cooperative apartment buildings.

Character of Service

Single-phase service at nominal secondary voltage of 115/230 volts; three-phase service if available.

Limitations of Service

The maximum size of any individual single-phase motor hereunder shall not exceed five (5) horsepower.

The Company shall not be required to construct any additional facilities for the purpose of supplying three-phase service unless the revenue to be derived therefrom shall be sufficient to yield the Company a fair return on the value of such additional facilities.

Monthly Rate

Customer Facilities Charge:

$21.13 per customer per month

Base Energy Charge:

2.959¢/KWH for usage up to 1000 KWH's/month

4.845 ¢/KWH for usage above 1000 KWH's/month

Purchased Power Charges

Purchased power charges are adjusted by the Florida Public Service Commission, normally each year in January. For current purchased power costs included in the tariff, see Sheet Nos. 65 & 66.

Minimum Bill

The minimum monthly bill shall consist of the above Customer Facilities Charge.

(Continued on Sheet No. 41)

RATE SCHEDULE GS
GENERAL SERVICE – NON DEMAND

Availability

Available within the territory served by the Company in Jackson, Calhoun and Liberty Counties And on Amelia Island in Nassau County.

Applicability

Applicable to commercial and industrial lighting, heating, cooking and small power loads aggregating 25 KW or less.

Character of Service

Single or three-phase service at available standard voltage.

Limitations of Service

Service shall be at a single metering point.

Monthly Rate

Customer Facilities Charge:

$34.72 per customer per month

Base Energy Charge:

All KWH 3.618 ¢/KWH

Purchased Power Charges

Purchased power charges are adjusted by the Florida Public Service Commission, normally each year in January. For current purchased power costs included in the tariff, see Sheet Nos. 65 & 66.

Minimum Bill

The minimum monthly bill shall consist of the above Customer Facilities Charge.

Terms of Payment

Bills are rendered net and are due and payable within twenty (20) days from date of bill.

(Continued on Sheet No. 44)

RATE SCHEDULE GSD
GENERAL SERVICE – DEMAND

Availability

Available within the territory served by the Company in Jackson, Calhoun and Liberty Counties and on Amelia Island in Nassau County.

Applicability

Applicable to commercial, industrial and municipal service with a measured demand of 25 KW but less than 500 KW for three or more months out of the twelve consecutive months ending with the current billing period. Also available, at the option of the customer, to any customer with demands of less than 25 KW who agrees to pay for service under this rate schedule for a minimum initial term of twelve months.

Character of Service

Single or three-phase service at available standard voltage.

Limitations of Service

Service shall be at a single metering point at one voltage.

Monthly Rate

Customer Facilities Charge:
$102.65 per customer per month

Demand Charge:
Each KW of Billing Demand $5.59/KW

Base Energy Charge
All KWH 0.682¢/KWH

Purchased Power Charges

Purchased power charges are adjusted by the Florida Public Service Commission, normally each year in January. For current purchased power costs included in the tariff, see Sheet Nos. 65 & 66.

Minimum Bill

The minimum monthly bill shall consist of the above Customer Facilities Charge plus the Demand Charge for the currently effective billing demand.

Terms of Payment

Bills are rendered net and are due and payable within twenty (20) days from date of bill.

Purchased Power Costs

See Sheet Nos. 65 & 66.

(Continued on Sheet No. 46)

RATE SCHEDULE GSLD
GENERAL SERVICE-LARGE DEMAND

Availability

Available within the territory served by the Company in Jackson, Calhoun and Liberty Counties and on Amelia Island in Nassau County.

Applicability

Applicable to commercial, industrial and municipal service with a measured demand of 500 KW but less than 5000 KW for three or more months out of the twelve consecutive months ending with the current billing period. Also available, at the option of the customer, to any customer with demands of less than 500 KW who agrees to pay for service under this rate schedule for a minimum initial term of twelve months.

Character of Service

Three-phase service at available standard voltage.

Limitations of Service

Service shall be at a single metering point at one voltage.

Monthly Rate

Customer Facilities Charge:

$196.23per customer per month

Demand Charge:

Each KW of Billing Demand	$8.00/KW

Base Energy Charge

All KWH	0.316¢/KWH

Purchased Power Charges

Purchased power charges are adjusted by the Florida Public Service Commission, normally each year in January. For current purchased power costs included in the tariff, see Sheet No. 65 & 66.

Minimum Bill

The minimum monthly bill shall consist of the above Customer Facilities Charge plus the Demand Charge for the currently effective billing demand.

Terms of Payment

Bills are rendered net and are due and payable within twenty (20) days from date of bill.

Purchased Power Costs

See Sheet No. 65 & 66.

(Continued on Sheet No. 48)

RATE SCHEDULE GSLDT - EXP
GENERAL SERVICE – LARGE DEMAND
TIME OF USE (EXPERIMENTAL)

Availability

Available within the territory served by the Company in Jackson, Calhoun and Liberty Counties. This service is limited to a maximum of 3 customers. This Rate Schedule shall expire on February 8, 2015.

Applicability

Applicable to commercial, industrial and municipal service with a measured demand of 500 KW but less than 5000 KW for three or more months out of the twelve consecutive months ending with the current billing period. Also available, at the option of the customer, to any customer with demands of less than 500 KW who agrees to pay for service under this rate schedule for a minimum initial term of twelve months.

Character of Service

Single or three-phase service at available standard voltage.

Limitations of Service

Service shall be at a single metering point at one voltage.

Monthly Rate

Customer Facilities Charge:
$196.23per customer per month

Demand Charge:
Each KW of Maximum Billing Demand $8.00/KW

Base Energy Charge:
All KWH 0.316¢/KWH

Purchased Power Charges

Purchased power charges are adjusted by the Florida Public Service Commission normally each year in January. For current purchase power costs included in the tariff see sheet Nos. 65 & 66.

Minimum Bill

The minimum monthly bill shall consist of the above Customer Facilities Charge plus the Maximum Billing Demand Charge for the currently effective billing demands.

Terms of Payment

Bills are rendered net and are due and payable within twenty (20) days from date of bill.

Purchased Power Costs

See Sheet Nos. 65 & 66.

(Continued on Sheet No. 50)

RATE SCHEDULE GSLD 1
GENERAL SERVICE - LARGE DEMAND 1

Availability

Available within the territory served by the Company in Jackson, Calhoun, and Liberty Counties and on Amelia Island in Nassau County.

Applicability

Applicable to commercial and industrial services of customers contracting for at least 5,000 kilowatts of electric service.

Character of Service

Three-phase, 60 hertz, electric service delivered and metered at a single point at the available transmission voltage, nominally 69,000 volts or higher.

Monthly Base Rates

Customer Facilities Charge:	$1,215.10
Base Transmission Demand Charge:	$2.26/KW of Maximum/NCP Billing Demand
Excess Reactive Demand Charge:	$0.54/kVar of Excess Reactive Demand

Purchased Power Charges (See Sheet 52 for descriptions)

The Purchased Power Charges recover Energy and Demand Charges billed to FPUC by FPUC's Wholesale Energy Provider and Wholesale Cogeneration Provider including applicable line losses and taxes. Purchased power charges are adjusted by the Florida Public Service Commission, normally each year in January. For correct purchased power charges included in the tariff, see Sheet No. 70 & 71.

Minimum Bill

The minimum monthly bill is the sum of the Transmission Demand Charge and the Customer Charge plus any Purchased Power Charges attributed to Transmission Demand Fuel Charge.

Terms of Payment

Bills are rendered net and due and payable within twenty (20) days from date of bill.

Conservation Costs

See Sheet Nos. 65 & 66.

Franchise Fee Adjustment

Customers taking service within franchise areas shall pay a franchise fee adjustment in the form of a percentage to be added to their bills prior to the application of any appropriate taxes. This percentage shall reflect the customer's pro rata share of the amount the Company is required to pay under the franchise agreement with the specific governmental body in which the customer is located.

(Continued on Sheet No. 51)

RATE SCHEDULE SB
STANDBY SERVICE

Availability

Available within the territory served by the Company in Jackson, Calhoun and Liberty Counties and on Amelia Island in Nassau County.

Applicability

Applicable only to customers which are self-generators with capabilities of serving the customer's full electronic power requirements and that require backup and/or maintenance service on a firm basis. This rate schedule is not applicable to self-generating customers for supplemental service.

Character of Service

Single or three-phase service at available standard voltage.

Limitations of Service

Service shall be at a single metering point at one voltage. The contract demand shall not exceed the KW capacity of customer's generator.

Monthly Rate

Customer Facilities Charge:

(a) For those customers who have contracted for standby service capacity of less than 500 KW- $150.94
(b) For those customers who have contracted for standby service of 500 KW or greater- $1,215.10.

Local Facilities Charge:

(a) For those customers who have contracted for standby service capacity of less than 500 KW- $3.92/KW.
(b) For those customers who have contracted for standby service of 500 KW or greater - $0.98/KW.

Purchased Power Charges

Demand and energy used by the customer in any month shall be charged at the then currently effective rates of the Company's wholesale supplier adjusted for estimated line losses and applicable taxes. Such charges will consist of Coincident Peak (CP) Demand charge and an energy charge. The CP Demand shall be the customer's measured KW coincident in time with that of the Company's maximum monthly demand at the substation serving the system to which the customer is connected. The energy charge shall be applied to the measured KWH during the billing period and shall be based on the actual energy charge (including fuel charges) of the Company's wholesale supplier during the billing period.

The currently effective rates of the Company's wholesale supplier would result in the following demand and energy charges for purchased power after adjustment for estimated line losses and applicable taxes. These are shown for illustrative purposes only. Actual purchased power rates in effect at the time of use shall be used for determining the monthly unit charges.

CP Demand Charge - Each KW of CP Demand	$5.62/KW
Energy Charge - All	3.583¢

(Continued on Sheet No. 53)

RATE SCHEDULE LS
LIGHTING SERVICE

Availability

Available within the territory served by the Company in Calhoun, Jackson and Liberty Counties and on Amelia Island in Nassau County.

Applicability

Applicable to any customer for non-metered outdoor lighting service.

Character of Service

Lighting service from dusk to dawn as described herein.

Limitations of Service

Service is limited to lighting by high-pressure sodium vapor or metal halide lamps mounted on company poles as described herein. Company-owned facilities will be installed only on Company-owned poles.

Monthly Rate

When lighting fixtures are mounted on existing poles and served directly from existing overhead secondary distribution lines:

Type Facility	Lamp Lumens	Size Watts	KWH/Mo. Estimate	Facilities Charge	Maintenance* Charge	Energy Charge	Total Charge
High Pressure Sodium Lights							
Acorn	16,000	150	61	$24.53	$3.11	$3.98	$31.62
ALN 440	16,000	150	61	$34.99	$4.14	$3.98	$43.11
Amer. Rev.	9,500	100	41	$12.05	$4.10	$2.69	$18.84
Amer. Rev.	16,000	150	61	$11.29	$4.16	$3.98	$19.43
Cobra Head	9,500	100	41	$ 9.05	$2.63	$2.69	$14.37
Cobra Head	22,000	200	81	$12.19	$3.15	$5.31	$20.65
Cobra Head	28,500	250	101	$14.50	$4.16	$6.60	$25.26
Cobra Head	50,000	400	162	$13.53	$3.45	$10.64	$27.62
Flood	28,500	250	101	$14.18	$3.02	$6.60	$23.80
Flood	50,000	400	162	$22.25	$2.83	$10.64	$35.72
Flood	130,000	1,000	405	$27.87	$3.74	$26.55	$58.16
SP2 Spectra	9,500	100	41	$30.93	$3.87	$2.69	$37.49
Metal Halide Lights							
ALN 440	16,000	175	71	$33.48	$3.25	$4.69	$41.42
Flood	50,000	400	162	$15.10	$2.76	$10.64	$28.50
Flood	130,000	1,000	405	$25.70	$3.64	$26.55	$55.89
Shoebox	16,000	175	71	$28.27	$3.65	$4.69	$36.61
Shoebox	28,500	250	101	$30.10	$4.08	$6.60	$40.78
SP2 Spectra	9,500	100	41	$30.69	$3.74	$2.69	$37.12
Vertical Shoebox	130,000	1,000	405	$31.72	$4.14	$26.55	$62.41

(Continued on Sheet No. 57)

RATE SCHEDULE LS
LIGHTING SERVICE

(Continued from Sheet No. 56)

Charges for other Company-owned facilities:

1)	30' Wood Pole	$ 6.01
2)	40' Wood Pole Std	$ 13.36
3)	18' Fiberglass Round	$ 12.44
4)	13' Decorative Concrete	$ 17.63
5)	20' Decorative Concrete	$ 20.46
6)	35' Concrete Square	$ 19.73
7)	10' Deco Base Aluminum	$ 23.14
8)	30' Wood Pole Std	$ 6.67

For the poles shown above that are served from an underground system, the Company will provide up to one hundred (100) feet of conductor to service each fixture. The customer will provide and install the necessary conduit system to Company specifications.

Purchased Power Charges

Purchased power charges are adjusted annually by the Florida Public Service Commission. For current purch

Minimum Bill

The above rates times the number of lamps connected.

Terms of Payment

Bills are rendered net and are due and payable within twenty (20) days from date of bill.

Purchased Power Costs

See Sheet No. 65 & 66.

Conservation Costs

See Sheet No. 65 & 66.

Franchise Fee Adjustment

Customers taking service within franchise areas shall pay a franchise fee adjustment in the form of a percentage to be added to their bills prior to the application of any appropriate taxes. This percentage shall reflect the customer's pro rata share of the amount the Company is required to pay under the franchise agreement with the specific governmental body in which the customer is located.

(Continued on Sheet No. 58)

RATE SCHEDULE OSL
MERCURY VAPOR LIGHTING SERVICE
(Closed To New Installations)

(Continued from Sheet No. 58)

Availability

Available within the territory served by the Company in Calhoun, Jackson and Liberty Counties and on Amelia Island in Nassau County.

Applicability

Applicable to customer for mercury vapor lighting service.

Character of Service

Lighting service from dusk to dawn as described herein.

Limitations of Service

Service is limited to lighting by mercury vapor lamps of 7,000 or 20,000 initial level of lumens mounted on wood poles, as described herein.

Monthly Rate

When lighting fixtures are mounted on existing poles and served directly from existing overhead secondary distribution lines:

Lamp Size Lumens	KWH/Mo. Estimate	Facilities Charge	Maintenance* Charge	Energy Charge	Total Charge
7,000	72	$1.74	$1.54	$4.60	$7.88
20,000	154	$1.91	$1.65	$9.91	$13.47

For concrete or fiberglass poles and/or underground conductors, etcetera, the customer shall pay a lump sum amount equal to the estimated differential cost between the special system and the equivalent overhead-wood pole system.

Purchased Power Charges

Purchased power charges are adjusted by the Florida Public Service Commission, normally each year in January. For current purchased power costs included in the tariff, see Sheet Nos. 65 & 66.

Minimum Bill

The above rates times the number of lamps connected.

Terms of Payment

Bills are rendered net and are due and payable within twenty (20) days from date of bill.

(Continued on Sheet No. 60)

RATE SCHEDULE IS-EXP
INTERRUPTIBLE (EXPERIMENTAL)

Availability

Available within the territory served by the Company in Jackson, Calhoun and Liberty Counties. This service is limited to a maximum of 4 customers. This Rate Schedule shall expire on February 8, 2015.

Applicability

Applicable to customers eligible for Rate Schedule GSLD with a load factor equal to or exceeding 35% and who have executed a Special Contract approved by the Commission. The company reserves the right to limit the total load and type customer served under this rate. Accounts established under this rate will be limited to premises where the interruption will primarily affect the customer, its employees, agents, lessees, tenants and guests and will not significantly affect members of the general public nor interfere with functions performed for the protection of public health or safety.

Character of Service

Three-phase service at available standard voltage.

Limitations of Service

Service shall be at a single metering point at one voltage. Interruptible service under this rate is subject to interruption during any On-Peak time period that the Company elects to notify customer, with a minimum of two (2) hours notice, that the customer must fully interrupt taking electric power from the Company. The Company is limited to an On-Peak period maximum of 200 hours of required interruption per year per customer.

Monthly Rate

Customer Facilities Charge:
$196.23 per customer per month

Demand Charge:
Each KW of Billing Demand $ 8.00/KW

Base Energy Charge:
All KWH 0.316¢/KWH

Purchased Power Charges

Purchased power charges are adjusted by the Florida Public Service Commission, normally each year in January. For current purchased power costs included in the tariff, see Sheet Nos. 65 & 66.

Minimum Bill

The minimum monthly bill shall consist of the above Customer Facilities Charge plus the Demand Charge for the currently effective billing demand.

Terms of Payment

Bills are rendered net and are due and payable within twenty (20) days from date of bill.

Before the Florida Public Service Commission

Direct Testimony of Michelle Napier

On Behalf of

Florida Public Utilities Company

Q. Please state your name and business address.

A. My name is Michelle D. Napier. My business address is 1635 Meathe Drive, West Palm Beach, Florida 33411.

Q. By whom are you employed and in what capacity?

A. I am employed by Florida Public Utilities Company ("FPUC" or "Company") as Manager of Regulatory Affairs.

Q. Can you please provide a brief overview of your educational and employment background?

A. I received a Bachelor of Science degree in Finance from the University of South Florida in 1986. I have been employed with FPUC since 1987. During my employment at FPUC, I have performed various roles and functions in accounting, including General Accounting Manager before moving to the Regulatory department in 2011. I am currently the Manager of Regulatory Affairs. In this role, my responsibilities include directing the regulatory activities for FPUC. This includes regulatory analysis and filings before the Florida Public Service Commission (FPSC) for FPUC, FPUC-Indiantown, FPUC-Fort Meade, Florida Division of Chesapeake

Utilities (CFG) and Peninsula Pipeline Company.

Q. Have you ever testified before the FPSC?

A. Yes. I have previously provided written, pre-filed testimony in a variety of the Company's annual proceedings, including the Purchased Gas Adjustment, Docket No. 20170003-GU, Gas Reliability Infrastructure Program (GRIP) Cost Recovery Factors for FPUC and our sister company, CFG, Docket No. 20120036-GU and the Swing Service Cost Recovery for FPUC and CFG, Docket No. 20170191-GU.

Q. What is the purpose of your testimony in this docket?

A. My testimony will support the costs included in the calculations of the Company's requested increase in base rates due to the losses incurred because of Hurricane Michael.

Q. Are you sponsoring any exhibits in this case?

A. Yes, I am sponsoring Exhibits MDN-1 through MDN-7 as well as Attachments A through H to the Petition, which summarize the costs of the storm and the calculation of the requested rate increase.

Q. Were these schedules completed by you, or under your direct supervision?

A. Yes, these schedules were completed under my direct supervision and review.

Q. Does the requested limited rate increase contain any costs other than those incurred for Hurricane Michael?

A. No, the schedules are only based on Hurricane Michael-related costs.

Q. Describe the schedules included.

A. As mentioned previously, my Exhibits MDN-1 through MDN-7 summarize the costs and calculation of the base rate increase, which are based on several components. These components are:

1. Recovery of a return on changes in rate base related to capital additions made as a result of Hurricane Michael (Exhibit MDN-1 Schedule B-1).
2. Recovery of depreciation and property taxes related to these capital improvements. (Exhibit MDN-1 Schedule B-1 and C-1)
3. Recognition of a decrease in billing determinates approved in our last rate case due to permanently lost customers. (Exhibit MDN-1 Schedule C-1) This decrease was calculated as part of the overall calculation of the regulatory asset for this decrease for the period November 2018 to December 2019 requested in the separate, contemporaneous filing to establish regulatory assets for the storm costs. The calculation of the yearly effect is shown on MDN-5. As discussed in the separate request to establish regulatory assets petition, the Northwest Division has experienced minimal growth for many years, consistent with the stagnant economy of the rural counties in that division; therefore, we expect this trend in

customers to continue and have included the decrease in the 2020 projections in MDN-1, Schedule C-1.

4. Establishment of a regulatory asset for the incremental costs of Hurricane Michael that would normally be charged to the storm reserve to be included in working capital and amortized over 30 years. (Exhibit MDN-4)

5. Establishment of a regulatory asset for the changes to accumulated depreciation for the unrecovered accumulated depreciation and the cost of removal net of salvage related to the storm, which would also be included in working capital and amortized over 30 years. (Exhibit MDN-7)

6. Recovery through working capital and amortization expense related to a regulatory asset being requested in a separate petition for the billing determinants lost from November 2018 to December 2019 due to permanently lost customer accounts, which impacted the Company's ability to cover operating costs. This regulatory asset also covers the storm reserve shortfall caused by the fact that the Company will not be able to recover the full amount approved for recovery in Docket No. 20180061-EI due to these lost customer accounts (Exhibit MDN-5). This regulatory asset is separate and apart from the reduction in billing determinants discussed in item 3 above.

7. Recovery through working capital and amortization expense related to a regulatory asset being requested in a separate petition for the expenses not recovered in base rates due to customers being without power in the month of October 2018 and for lighting customers in October and November 2018

which impacted the Company's ability to cover operating costs. (Exhibit MDN-6).

8. Distribution of the requested revenue requirement and comparison of current and proposed rates (Exhibits MDN-2 and MDN-3).

Q. How did you calculate the return on the storm costs?

A. The midpoint of the projected 2020 weighted average cost of capital rate (WACC) was used to calculate the return.

Q. What type of costs were included in the proposed regulatory asset for the storm costs typically charged to the storm reserve?

A. Costs included in this proposed regulatory asset include payroll and payroll-related costs, employee expenses, contractor costs, logistics costs, fuel, equipment rental, materials, call center overtime costs, uncollectible accounts expense related to revenues prior to the storm that could not be collected due to the lost customers, and interest on the balance thru December 2019 or prior to the implementation of new rates. The costs are summarized on MDN-4.

Q. What type of costs were included in the regulatory asset for the changes to accumulated depreciation?

A. As shown on MDN-7, the cost of removal was substantial due to having to use contractors for much of the work. The net book value of retired assets, along with the cost of removal net of salvage was included in this proposed regulatory asset,

which is being more specifically addressed by a separate petition that we anticipate filing contemporaneously with our request for a limited proceeding rate increase. The Company is asking for recovery of the proposed regulatory asset through working capital and that the costs be amortized over 30 years in the filing.

Q. Please describe the recovery of the regulatory asset you are requesting for lost customers.

A. The establishment of this regulatory asset is also being addressed in the separate petition I referenced previously with regard to accumulated depreciation. In the context of the request in that proceeding, FPUC is asking for recovery of that proposed regulatory asset in working capital and to amortize the expense over five years. Exhibit MDN-5 includes the calculation for this proposed asset and the related expense.

Q. Please describe the recovery of the regulatory asset you are requesting for expenses not recovered in base rates?

A. The establishment of this regulatory asset is also being requested in the referenced separate petition. By this filing, the Company is seeking recovery of the proposed regulatory asset in working capital, along with amortization expense over five years. My Exhibit MDN-6 provides the calculation of this proposed regulatory asset and the associated expense.

Q. Does this conclude your testimony?

A. Yes.

Florida Public Utilities Company
Limited Proceeding Electric
Estimated First Year Revenue Requirements

Docket No.
Exhibit
Schedule

A-1

Revenue Requirement Calculation		Projected 2020
3 Jurisdictional Adjusted Rate Base	$	67,684,489
4 Rate of Return on Rate Base		6.2600%
5 Required Jurisdictional Net Operating Income (Line 2 x 3)	$	4,237,049
6 Required Net Operating Income (Line 4)	$	4,237,049
7 Jurisdictional Adjusted Net Operating Income (Loss)	$	(2,292,738)
8 Net Operating Income Deficiency (Excess) (Line 5-6)	$	6,529,787
9 Net Operating Income Multiplier		1.3442
10 Revenue Requirement (Line 7 x 8)	$	8,777,340

Schedule B-1

ADJUSTED RATE BASE
FOR INCREMENTAL ADDITIONS REQUESTED IN THE LIMITED PROCEEDING

Exhibit MDN-1 Page 2 of 13
Docket No.: 0

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities Company

EXPLANATION: Provide a schedule of the 13-month average adjusted rate base for the test year, the prior year and the most recent historical year. Provide the details of all adjustments on Schedule B-2.

Type of Data Shown:
Projected Test Year Ended December 31, 2020

Line No.		(1) Plant in Service	(2) Accumulated Provision for Depreciation and Amortization	(3) Net Plant in Service (1 - 2)	(4) CWIP - No AFUDC	(5) Plant Held For Future Use	(6) Nuclear Fuel - No AFUDC (Net)	(7) Net Utility Plant	(8) Working Capital Allowance	(9) Other Rate Base Items	(10) Total Rate Base
1	System Per Books (B-3)	19,524,156	458,133	19,982,290	-	0	0	19,982,290			19,982,290
2	Jurisdictional Factors	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
3	Jurisdictional Per Books	19,524,156	458,133	19,982,290	-	-	-	19,982,290	-	-	19,982,290
4	Adjustments:										
5	Regulatory Asset for Storm Costs							-	38,519,628		38,519,628
6	Regulatory Asset Lost Customers								557,268		557,268
7	Regulatory Asset Exp. Not Recovered								885,855		885,855
8	Regulatory Asset for Unrecovered A/D								7,739,448		7,739,448
9											-
10											-
11											-
12											-
13											-
14											
15											
16											
17											
18											
19											
20											
21											
22											
23											
24											
25											
26											
27											
28	Total Adjustments	-	-	-	-	-	-	-	47,702,199	-	47,702,199
29											
30	Adjusted Jurisdictional	19,524,156	458,133	19,982,290	-	-	-	19,982,290	47,702,199	-	67,684,489

Schedule B-2

RATE BASE ADJUSTMENTS
FOR INCREMENTAL ADDITIONS REQUESTED IN THE LIMITED PROCEEDING

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities Company
0

EXPLANATION: List and explain all proposed adjustments to the 13-month average rate base for the test year,the prior year and the most recent historical year. List the adjustments included in the last case that are not proposed in the current case and the reasons for excluding them.

Type of Data Shown:
Projected Test Year Ended December 31, 2020

Line No.	Adjustment Title	Reason for Adjustment or Omission (provide supporting schedule)	(1) Adjustment Amount	(2) Jurisdictional Factor	(3) Jurisdictional Amount of Adjustment (1) x (2)
1	PLANT				
2	Commission Adjustment:				
3	NONE IN STORM PROJECTS ON MFR B-1				
4					
5	Company Adjustment:				
6	NONE IN STORM PROJECTS ON MFR B-1				
7					
8	ACCUMULATED DEPRECIATION				
9	Commission Adjustment:				
10	NONE IN STORM PROJECTS ON MFR B-1				
11					
12	Company Adjustment:				
13	NONE IN STORM PROJECTS ON MFR B-1				
14					
15	WORKING CAPITAL				
16	Commission Adjustment:				
17	NONE IN STORM PROJECTS ON MFR B-1				
18					
19	Company Adjustment:				
20	Regulatory Asset for Storm Costs (MDN-4)				
21	Regulatory Asset for Lost Customers (MDN-5)		$ 38,519,628	100%	$ 38,519,628
22	Regulatory Asset for Expenses Not Recovered During Restoration (MDN-6)		$ 557,268	100%	$ 557,268
23	Regulatory Asset for Unrecovered Accumulated Depreciation Cost of Removal Net of Salvage (MDN-7)		$ 885,855	100%	$ 885,855
24	Total		$ 7,739,448	100%	$ 7,739,448
			$ 47,702,199	100%	$ 47,702,199

Schedule B-3
Florida Public Utilities Company
Limited Proceeding Electric
FOR INCREMENTAL ADDITIONS FOR HURRICANE MICHAEL

Exhibit MDN-1
Docket No.:
Page 4 of 13

Account Title		Act. #	Act. #	December 2019	January 2020	February 2020	March 2020	April 2020	May 2020	June 2020
Plant In Service-Hurricane Michael Related										
FE18164697W	Meters	1010	370E	$ 726,232						
FE18504697W	Distribution Station Equipment	1010	362E	$ 11,885						
FE18554697W	Distribution Poles	1010	364E	$ 8,597,303						
FE18564697W	OH Conductors	1010	365E	$ 4,774,186						
FE18584697W	Underground Conductors	1010	367E	$ 252,148						
FE18594697W	Overhead Transformers	1010	368H	$ 3,186,344						
FE18604697W	Buried Transformers	1010	368B	$ 98,380						
FE18614697W	Overhead Services	1010	369H	$ 2,846,869						
FE18624697W	Underground Services	1010	369B	$ 30,667						
FE18634697W	Install on Cust. Premises-AG	1010	371A	$ 139,131						
FE18654697W	Street Lighting	1010	373A	$ 452,889						
				$ 21,116,035						
Retirement Plant in Service:										
FE18164697W	Meters	1010	370E	$ (49,088)						
FE18504697W	Distribution Station Equipment	1010	362E							
FE18554697W	Distribution Poles	1010	364E	$ (341,872)						
FE18564697W	OH Conductors	1010	365E	$ (280,444)						
FE18584697W	Underground Conductors	1010	367E							
FE18594697W	Overhead Transformers	1010	368H	$ (250,997)						
FE18604697W	Buried Transformers	1010	368B	$ (71,205)						
FE18614697W	Overhead Services	1010	369H	$ (82,847)						
FE18624697W	Underground Services	1010	369B							
FE18634697W	Install on Cust. Premises-AG	1010	371A	$ (410,969)						
FE18654697W	Street Lighting	1010	373A	$ (104,456)						
				$ (1,591,879)	$ -	$ -	$ -	$ -	$ -	$ -
Net Change to Plant in Service										
Cumulative	Meters	1010	370E	$ 677,144	$ 677,144	$ 677,144	$ 677,144	$ 677,144	$ 677,144	$ 677,144
Cumulative	Distribution Station Equipment	1010	362E	$ 11,885	$ 11,885	$ 11,885	$ 11,885	$ 11,885	$ 11,885	$ 11,885
Cumulative	Distribution Poles	1010	364E	$ 8,255,431	$ 8,255,431	$ 8,255,431	$ 8,255,431	$ 8,255,431	$ 8,255,431	$ 8,255,431
Cumulative	OH Conductors	1010	365E	$ 4,493,742	$ 4,493,742	$ 4,493,742	$ 4,493,742	$ 4,493,742	$ 4,493,742	$ 4,493,742
Cumulative	Underground Conductors	1010	367E	$ 252,148	$ 252,148	$ 252,148	$ 252,148	$ 252,148	$ 252,148	$ 252,148
Cumulative	Overhead Transformers	1010	368H	$ 2,935,348	$ 2,935,348	$ 2,935,348	$ 2,935,348	$ 2,935,348	$ 2,935,348	$ 2,935,348
Cumulative	Buried Transformers	1010	368B	$ 27,175	$ 27,175	$ 27,175	$ 27,175	$ 27,175	$ 27,175	$ 27,175
Cumulative	Overhead Services	1010	369H	$ 2,764,022	$ 2,764,022	$ 2,764,022	$ 2,764,022	$ 2,764,022	$ 2,764,022	$ 2,764,022
Cumulative	Underground Services	1010	369B	$ 30,667	$ 30,667	$ 30,667	$ 30,667	$ 30,667	$ 30,667	$ 30,667
Cumulative	Install on Cust. Premises-AG	1010	371A	$ (271,838)	$ (271,838)	$ (271,838)	$ (271,838)	$ (271,838)	$ (271,838)	$ (271,838)
Cumulative	Street Lighting	1010	373A	$ 348,434	$ 348,434	$ 348,434	$ 348,434	$ 348,434	$ 348,434	$ 348,434
Cumulative Plant Balance				$ 19,524,156	$ 19,524,156	$ 19,524,156	$ 19,524,156	$ 19,524,156	$ 19,524,156	$ 19,524,156

Schedule B-3
Florida Public Utilities Company
Limited Proceeding Electric
FOR INCREMENTAL ADDITIONS FOR HURRICANE MICHAEL

Exhibit MDN-1
Docket No.:
Page 5 of 13

Account Title	Act. #	Act. #	December 2019	January 2020	February 2020	March 2020	April 2020	May 2020	June 2020
Monthly Depreciation:									
Meters	1080	370E	$ -	$ (2,088)	$ (2,088)	$ (2,088)	$ (2,088)	$ (2,088)	$ (2,088)
Distribution Station Equipment	1080	362E	$ -	$ (24)	$ (24)	$ (24)	$ (24)	$ (24)	$ (24)
Distribution Poles	1080	364E	$ -	$ (26,830)	$ (26,830)	$ (26,830)	$ (26,830)	$ (26,830)	$ (26,830)
OH Conductors	1080	365E	$ -	$ (12,732)	$ (12,732)	$ (12,732)	$ (12,732)	$ (12,732)	$ (12,732)
Underground Conductors	1080	367E	$ -	$ (672)	$ (672)	$ (672)	$ (672)	$ (672)	$ (672)
Overhead Transformers	1080	368H	$ -	$ (9,784)	$ (9,784)	$ (9,784)	$ (9,784)	$ (9,784)	$ (9,784)
Buried Transformers	1080	368B	$ -	$ (91)	$ (91)	$ (91)	$ (91)	$ (91)	$ (91)
Overhead Services	1080	369H	$ -	$ (8,292)	$ (8,292)	$ (8,292)	$ (8,292)	$ (8,292)	$ (8,292)
Underground Services	1080	369B	$ -	$ (92)	$ (92)	$ (92)	$ (92)	$ (92)	$ (92)
Install on Cust. Premises-AG	1080	371A	$ -	$ 1,019	$ 1,019	$ 1,019	$ 1,019	$ 1,019	$ 1,019
Street Lighting	1080	373A	$ -	$ (1,423)	$ (1,423)	$ (1,423)	$ (1,423)	$ (1,423)	$ (1,423)
			$ -	$ (61,009)	$ (61,009)	$ (61,009)	$ (61,009)	$ (61,009)	$ (61,009)
Actual A/D up to Storm for Retirements:									
Meters	1080	370E	$ 29,630						
Distribution Station Equipment	1080	362E							
Distribution Poles	1080	364E	$ 123,416						
OH Conductors	1080	365E	$ 144,737						
Underground Conductors	1080	367E							
Overhead Transformers	1080	368H	$ 217,454						
Buried Transformers	1080	368B							
Overhead Services	1080	369H	$ 49,211						
Underground Services	1080	369B							
Install on Cust. Premises-AG	1080	371A	$ 199,813						
Street Lighting	1080	373A	$ 59,926						
			$ 824,187	$ -	$ -	$ -	$ -	$ -	$ -
Total Cumulative Accumulated Depreciation									
Meters	1080	370E	$ 29,630	$ 27,542	$ 25,454	$ 23,366	$ 21,279	$ 19,191	$ 17,103
Distribution Station Equipment	1080	362E	$ -	$ (24)	$ (48)	$ (71)	$ (95)	$ (119)	$ (143)
Distribution Poles	1080	364E	$ 123,416	$ 96,586	$ 69,756	$ 42,926	$ 16,095	$ (10,735)	$ (37,565)
OH Conductors	1080	365E	$ 144,737	$ 132,005	$ 119,272	$ 106,540	$ 93,808	$ 81,076	$ 68,343
Underground Conductors	1080	367E	$ -	$ (672)	$ (1,345)	$ (2,017)	$ (2,690)	$ (3,362)	$ (4,034)
Overhead Transformers	1080	368H	$ 217,454	$ 207,670	$ 197,885	$ 188,101	$ 178,316	$ 168,532	$ 158,747
Buried Transformers	1080	368B	$ -	$ (91)	$ (181)	$ (272)	$ (362)	$ (453)	$ (543)
Overhead Services	1080	369H	$ 49,211	$ 40,919	$ 32,627	$ 24,335	$ 16,043	$ 7,751	$ (541)
Underground Services	1080	369B	$ -	$ (92)	$ (184)	$ (276)	$ (368)	$ (460)	$ (552)
Install on Cust. Premises-AG	1080	371A	$ 199,813	$ 200,832	$ 201,852	$ 202,871	$ 203,891	$ 204,910	$ 205,929
Street Lighting	1080	373A	$ 59,926	$ 58,503	$ 57,080	$ 55,658	$ 54,235	$ 52,812	$ 51,389
Cumulative Accumulated Depreciation Balance			$ 824,187	$ 763,178	$ 702,169	$ 641,160	$ 580,151	$ 519,142	$ 458,133
Cumulative Net Increase In Rate Base			$ 20,348,343	$ 20,287,334	$ 20,226,326	$ 20,165,317	$ 20,104,308	$ 20,043,299	$ 19,982,290

Schedule B-3
Florida Public Utilities Company
Limited Proceeding Electric
FOR INCREMENTAL ADDITIONS FOR HURRICANE MICHAEL

Exhibit MDN-1
Docket No.:
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Account Title		Act. #	Act. #	December 2019	January 2020	February 2020	March 2020	April 2020	May 2020	June 2020
Depreciation Expense		Rate								
370E	Meters	3.7%			$ 2,088	$ 2,088	$ 2,088	$ 2,088	$ 2,088	$ 2,088
362E	Distribution Station Equipment	2.4%			$ 24	$ 24	$ 24	$ 24	$ 24	$ 24
364E	Distribution Poles	3.9%			$ 26,830	$ 26,830	$ 26,830	$ 26,830	$ 26,830	$ 26,830
365E	OH Conductors	3.4%			$ 12,732	$ 12,732	$ 12,732	$ 12,732	$ 12,732	$ 12,732
367E	Underground Conductors	3.2%			$ 672	$ 672	$ 672	$ 672	$ 672	$ 672
368H	Overhead Transformers	4.0%			$ 9,784	$ 9,784	$ 9,784	$ 9,784	$ 9,784	$ 9,784
368B	Buried Transformers	4.0%			$ 91	$ 91	$ 91	$ 91	$ 91	$ 91
369H	Overhead Services	3.6%			$ 8,292	$ 8,292	$ 8,292	$ 8,292	$ 8,292	$ 8,292
369B	Underground Services	3.6%			$ 92	$ 92	$ 92	$ 92	$ 92	$ 92
371A	Install on Cust. Premises-AG	4.5%			$ (1,019)	$ (1,019)	$ (1,019)	$ (1,019)	$ (1,019)	$ (1,019)
373A	Street Lighting	4.9%			$ 1,423	$ 1,423	$ 1,423	$ 1,423	$ 1,423	$ 1,423
Total Depreciation					$ 61,009	$ 61,009	$ 61,009	$ 61,009	$ 61,009	$ 61,009
Property Taxes		408			$ 32,540	$ 32,540	$ 32,540	$ 32,540	$ 32,540	$ 32,540
Reduced O & M due to new equipment		500's			$ -	$ -	$ -	$ -	$ -	$ -
Revenue Tax on Lost Customer Revenue		408			$ 29	$ 29	$ 29	$ 29	$ 29	$ 29
Total Expense					$ 93,578	$ 93,578	$ 93,578	$ 93,578	$ 93,578	$ 93,578
Revenues-Lost Customers 2020					$ (40,223)	$ (40,223)	$ (40,223)	$ (40,223)	$ (40,223)	$ (40,223)

Schedule B-3
Florida Public Utilities Company
Limited Proceeding Electric
FOR INCREMENTAL ADDITIONS FOR HURRICANE MICHAEL

Exhibit MDN-1
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	Account Title	Act. #	Act. #	July 2020	August 2020	September 2020	October 2020	November 2020	December 2020	13-Month Average
Plant In Service-Hurricane Michael Related										
FE18164697W	Meters	1010	370E							
FE18504697W	Distribution Station Equipment	1010	362E							
FE18554697W	Distribution Poles	1010	364E							
FE18564697W	OH Conductors	1010	365E							
FE18584697W	Underground Conductors	1010	367E							
FE18594697W	Overhead Transformers	1010	368H							
FE18604697W	Buried Transformers	1010	368B							
FE18614697W	Overhead Services	1010	369H							
FE18624697W	Underground Services	1010	369B							
FE18634697W	Install on Cust. Premises-AG	1010	371A							
FE18654697W	Street Lighting	1010	373A							
Retirement Plant in Service:										
FE18164697W	Meters	1010	370E							
FE18504697W	Distribution Station Equipment	1010	362E							
FE18554697W	Distribution Poles	1010	364E							
FE18564697W	OH Conductors	1010	365E							
FE18584697W	Underground Conductors	1010	367E							
FE18594697W	Overhead Transformers	1010	368H							
FE18604697W	Buried Transformers	1010	368B							
FE18614697W	Overhead Services	1010	369H							
FE18624697W	Underground Services	1010	369B							
FE18634697W	Install on Cust. Premises-AG	1010	371A							
FE18654697W	Street Lighting	1010	373A							
				$ -	$ -	$ -	$ -	$ -	$ -	
Net Change to Plant in Service										
Cumulative	Meters	1010	370E	$ 677,144	$ 677,144	$ 677,144	$ 677,144	$ 677,144	$ 677,144	$ 677,144
Cumulative	Distribution Station Equipment	1010	362E	$ 11,885	$ 11,885	$ 11,885	$ 11,885	$ 11,885	$ 11,885	$ 11,885
Cumulative	Distribution Poles	1010	364E	$ 8,255,431	$ 8,255,431	$ 8,255,431	$ 8,255,431	$ 8,255,431	$ 8,255,431	$ 8,255,431
Cumulative	OH Conductors	1010	365E	$ 4,493,742	$ 4,493,742	$ 4,493,742	$ 4,493,742	$ 4,493,742	$ 4,493,742	$ 4,493,742
Cumulative	Underground Conductors	1010	367E	$ 252,148	$ 252,148	$ 252,148	$ 252,148	$ 252,148	$ 252,148	$ 252,148
Cumulative	Overhead Transformers	1010	368H	$ 2,935,348	$ 2,935,348	$ 2,935,348	$ 2,935,348	$ 2,935,348	$ 2,935,348	$ 2,935,348
Cumulative	Buried Transformers	1010	368B	$ 27,175	$ 27,175	$ 27,175	$ 27,175	$ 27,175	$ 27,175	$ 27,175
Cumulative	Overhead Services	1010	369H	$ 2,764,022	$ 2,764,022	$ 2,764,022	$ 2,764,022	$ 2,764,022	$ 2,764,022	$ 2,764,022
Cumulative	Underground Services	1010	369B	$ 30,667	$ 30,667	$ 30,667	$ 30,667	$ 30,667	$ 30,667	$ 30,667
Cumulative	Install on Cust. Premises-AG	1010	371A	$ (271,838)	$ (271,838)	$ (271,838)	$ (271,838)	$ (271,838)	$ (271,838)	$ (271,838)
Cumulative	Street Lighting	1010	373A	$ 348,434	$ 348,434	$ 348,434	$ 348,434	$ 348,434	$ 348,434	$ 348,434
Cumulative Plant Balance				$ 19,524,156	$ 19,524,156	$ 19,524,156	$ 19,524,156	$ 19,524,156	$ 19,524,156	$ 19,524,156

Schedule B-3
Florida Public Utilities Company
Limited Proceeding Electric
FOR INCREMENTAL ADDITIONS FOR HURRICANE MICHAEL

Exhibit MDN-1
Docket No.:
Page 8 of 13

Account Title	Act. #	Act. #	July 2020	August 2020	September 2020	October 2020	November 2020	December 2020	13-Month Average
Monthly Depreciation:									
Meters	1080	370E	$ (2,088)	$ (2,088)	$ (2,088)	$ (2,088)	$ (2,088)	$ (2,088)	
Distribution Station Equipment	1080	362E	$ (24)	$ (24)	$ (24)	$ (24)	$ (24)	$ (24)	
Distribution Poles	1080	364E	$ (26,830)	$ (26,830)	$ (26,830)	$ (26,830)	$ (26,830)	$ (26,830)	
OH Conductors	1080	365E	$ (12,732)	$ (12,732)	$ (12,732)	$ (12,732)	$ (12,732)	$ (12,732)	
Underground Conductors	1080	367E	$ (672)	$ (672)	$ (672)	$ (672)	$ (672)	$ (672)	
Overhead Transformers	1080	368H	$ (9,784)	$ (9,784)	$ (9,784)	$ (9,784)	$ (9,784)	$ (9,784)	
Buried Transformers	1080	368B	$ (91)	$ (91)	$ (91)	$ (91)	$ (91)	$ (91)	
Overhead Services	1080	369H	$ (8,292)	$ (8,292)	$ (8,292)	$ (8,292)	$ (8,292)	$ (8,292)	
Underground Services	1080	369B	$ (92)	$ (92)	$ (92)	$ (92)	$ (92)	$ (92)	
Install on Cust. Premises-AG	1080	371A	$ 1,019	$ 1,019	$ 1,019	$ 1,019	$ 1,019	$ 1,019	
Street Lighting	1080	373A	$ (1,423)	$ (1,423)	$ (1,423)	$ (1,423)	$ (1,423)	$ (1,423)	
			$ (61,009)	$ (61,009)	$ (61,009)	$ (61,009)	$ (61,009)	$ (61,009)	
Retirements:									
Meters	1080	370E							
Distribution Station Equipment	1080	362E							
Distribution Poles	1080	364E							
OH Conductors	1080	365E							
Underground Conductors	1080	367E							
Overhead Transformers	1080	368H							
Buried Transformers	1080	368B							
Overhead Services	1080	369H							
Underground Services	1080	369B							
Install on Cust. Premises-AG	1080	371A							
Street Lighting	1080	373A							
			$ -	$ -	$ -	$ -	$ -	$ -	
Total Cumulative Accumulated Depreciation									
Meters	1080	370E	$ 15,015	$ 12,927	$ 10,839	$ 8,751	$ 6,664	$ 4,576	$ 17,103
Distribution Station Equipment	1080	362E	$ (166)	$ (190)	$ (214)	$ (238)	$ (261)	$ (285)	$ (143)
Distribution Poles	1080	364E	$ (64,395)	$ (91,225)	$ (118,055)	$ (144,886)	$ (171,716)	$ (198,546)	$ (37,565)
OH Conductors	1080	365E	$ 55,611	$ 42,879	$ 30,147	$ 17,414	$ 4,682	$ (8,050)	$ 68,343
Underground Conductors	1080	367E	$ (4,707)	$ (5,379)	$ (6,052)	$ (6,724)	$ (7,396)	$ (8,069)	$ (4,034)
Overhead Transformers	1080	368H	$ 148,963	$ 139,178	$ 129,394	$ 119,609	$ 109,825	$ 100,040	$ 158,747
Buried Transformers	1080	368B	$ (634)	$ (725)	$ (815)	$ (906)	$ (996)	$ (1,087)	$ (543)
Overhead Services	1080	369H	$ (8,833)	$ (17,126)	$ (25,418)	$ (33,710)	$ (42,002)	$ (50,294)	$ (541)
Underground Services	1080	369B	$ (644)	$ (736)	$ (828)	$ (920)	$ (1,012)	$ (1,104)	$ (552)
Install on Cust. Premises-AG	1080	371A	$ 206,949	$ 207,968	$ 208,988	$ 210,007	$ 211,026	$ 212,046	$ 205,929
Street Lighting	1080	373A	$ 49,967	$ 48,544	$ 47,121	$ 45,698	$ 44,276	$ 42,853	$ 51,389
Cumulative Accumulated Depreciation Balance			$ 397,124	$ 336,115	$ 275,106	$ 214,097	$ 153,088	$ 92,079	$ 458,133
Cumulative Net Increase In Rate Base			$ 19,921,281	$ 19,860,272	$ 19,799,263	$ 19,738,254	$ 19,677,245	$ 19,616,236	$ 19,982,290

Schedule B-3
Florida Public Utilities Company
Limited Proceeding Electric
FOR INCREMENTAL ADDITIONS FOR HURRICANE MICHAEL

Exhibit MDN-1
Docket No.:
Page 9 of 13

Account Title		Act. #	Act. #	July 2020	August 2020	September 2020	October 2020	November 2020	December 2020	Total Expenses
Depreciation Expense		Rate								
370E	Meters	3.7%		$ 2,088	$ 2,088	$ 2,088	$ 2,088	$ 2,088	$ 2,088	$ 25,054
362E	Distribution Station Equipment	2.4%		$ 24	$ 24	$ 24	$ 24	$ 24	$ 24	$ 285
364E	Distribution Poles	3.9%		$ 26,830	$ 26,830	$ 26,830	$ 26,830	$ 26,830	$ 26,830	$ 321,962
365E	OH Conductors	3.4%		$ 12,732	$ 12,732	$ 12,732	$ 12,732	$ 12,732	$ 12,732	$ 152,787
367E	Underground Conductors	3.2%		$ 672	$ 672	$ 672	$ 672	$ 672	$ 672	$ 8,069
368H	Overhead Transformers	4.0%		$ 9,784	$ 9,784	$ 9,784	$ 9,784	$ 9,784	$ 9,784	$ 117,414
368B	Buried Transformers	4.0%		$ 91	$ 91	$ 91	$ 91	$ 91	$ 91	$ 1,087
369H	Overhead Services	3.6%		$ 8,292	$ 8,292	$ 8,292	$ 8,292	$ 8,292	$ 8,292	$ 99,505
369B	Underground Services	3.6%		$ 92	$ 92	$ 92	$ 92	$ 92	$ 92	$ 1,104
371A	Install on Cust. Premises-AG	4.5%		$ (1,019)	$ (1,019)	$ (1,019)	$ (1,019)	$ (1,019)	$ (1,019)	$ (12,233)
373A	Street Lighting	4.9%		$ 1,423	$ 1,423	$ 1,423	$ 1,423	$ 1,423	$ 1,423	$ 17,073
Total Depreciation				$ 61,009	$ 61,009	$ 61,009	$ 61,009	$ 61,009	$ 61,009	$ 732,108
Property Taxes		408		$ 32,540	$ 32,540	$ 32,540	$ 32,540	$ 32,540	$ 32,540	$ 390,483
Reduced O & M due to new equipment		500's		$ -	$ -	$ -	$ -	$ -	$ -	$ -
Revenue Tax on Lost Customer Revenue		408		$ 29	$ 29	$ 29	$ 29	$ 29	$ 29	$ 348
Total Expense				$ 93,578	$ 93,578	$ 93,578	$ 93,578	$ 93,578	$ 93,578	$ 1,122,938
Revenues-Lost Customers 2020				$ (40,223)	$ (40,223)	$ (40,223)	$ (40,223)	$ (40,223)	$ (40,223)	$ (482,681)

Schedule C-1 (2020)

ADJUSTED JURISDICTIONAL NET OPERATING INCOME
FOR INCREMENTAL ADDITIONS REQUESTED IN THE LIMITED PROCEEDING

Docket No.: 0

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES
0

EXPLANATION: Provide the calculation of jurisdictional net operating income for the test year, the prior year and the most recent historical year.

Type of Data Shown:
Projected Test Year Ended December 31, 2020

Line No.		(1) Total Company Per Books	(2) Non-Electric Utility	(3) Total Electric (1)-(2)	(4) Jurisdictional Factor	(5) Jurisdictional Amount (3)x(4)	(6) Jurisdictional Adjustments (Schedule C-2)	(7) Adjusted Jurisdictional Amount (5)+(6)
1	Operating Revenues:							
2	Sales of Electricity	(482,681)		(482,681)	100%	(482,681)		(482,681)
3	Other Operating Revenues	-		-	100%	-		-
4	Total Operating Revenues	(482,681)		(482,681)	100%	(482,681)		(482,681)
5								
6	Operating Expenses:							
7	Operation & Maintenance:							
8	Fuel	-		-	100%	-		-
9	Purchased Power	-		-	100%	-		-
10	Other	-		-	100%	-		-
11	Depreciation	732,108		732,108	100%	732,108		732,108
12	Amortization	1,888,798		1,888,798	100%	1,888,798		1,888,798
13	Decommissioning Expense	-		-	100%	-		-
14	Taxes Other Than Income Taxes	390,831		390,831	100%	390,831		390,831
15	Income Taxes	(1,201,679)		(1,201,679)	100%	(1,201,679)		(1,201,679)
16	Deferred Income Taxes-Net	-		-	100%	-		-
17	Investment Tax Credit-Net	-		-	100%	-		-
18	(Gain)/Loss on Disposal of Plant	-		-	100%	-		-
19	Total Operating Expenses	1,810,057		1,810,057	100%	1,810,057	-	1,810,057
20								
21	Net Operating Income	(2,292,738)		(2,292,738)	100%	(2,292,738)	-	(2,292,738)
22								
23								
24								
25								
26								
27								
28								
29								
30								
31								
32								

Schedule C-2 (2017)

NET OPERATING INCOME ADJUSTMENTS
FOR INCREMENTAL ADDITIONS REQUESTED IN THE LIMITED PROCEEDING

Docket No.: 0

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES
0

EXPLANATION: Provide a schedule of net operating income adjustments for the test year, the prior year and the most recent historical year. Provide the details of all adjustments on Schedule C-3.

Type of Data Shown:
Projected Test Year Ended December 31, 2020

Line No.		Jurisdictional Amount Schedule C1 Col. 5	Adjustments (1) Amortization of Regulatory Assets	(2) Interest Synchronization				Total Adjustments	Adjusted Jurisdictional NOI
1	Operating Revenues:								
2	Sales of Electricity	(482,681)						-	(482,681)
3	Other Operating Revenues		-						-
4	Total Operating Revenues	(482,681)	-	-	-	-	-	-	(482,681)
5									
6	Operating Expenses:								
7	Operation & Maintenance:								
8	Fuel (nonrecoverable)	-						-	-
9	Purchased Power	-						-	-
10	Other							-	-
11	Depreciation	732,108						-	732,108
12	Amortization		1,888,798					1,888,798	1,888,798
13	Decommissioning Expense	-						-	-
14	Taxes Other Than Income Taxes	390,831						-	390,831
15	Income Taxes	(406,944)	(478,716)	(316,019)				(794,735)	(1,201,679)
16	Deferred Income Taxes-Net							-	-
17	Investment Tax Credit-Net	-						-	-
18	(Gain)/Loss on Disposal of Plant	-						-	-
19									
20	Total Operating Expenses	715,994	1,410,082	(316,019)	-	-	-	1,094,063	1,810,057
21									
22	Net Operating Income	(1,198,675)	(1,410,082)	316,019	-	-	-	(1,094,063)	(2,292,738)
23									
24									
25									
26									
27									
28									
29									
30									
31									
32									
33									
34									

Schedule D-1a

COST OF CAPITAL - 13-MONTH AVERAGE

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities Company
Consolidated Electric Division

EXPLANATION: Provide the company's 13-month average cost of capital for the test year.

Type of Data Shown:

Projected Test Year Ended December 31, 2020

13-Month Average Projected 2020

Line No.	Class of Capital	(A) Company Total Per Books	(B) Specific Adjustments	(C) Pro Rata Adjustments	(D) System Adjusted	(E) Jurisdictional Factor	(F) Pro-Rata Allocation	(G) Forecast 2020 Jurisdictional Capital Structure	(H) Ratio	(I) Cost Rate	(J) Weighted Cost Rate	(K) Limited Proceeding Rate Base	(L) Limited Proceeding Interest Expense (K * I)
					Regulatory Capital Structure								
1	Long Term Debt	430,784,730			430,784,730	100%	9.23%	37,766,102	27.62%	3.82%	1.06%	18,696,164	714,193
2	Long Term Debt - FPU only	7,158,491			7,158,491	100%	37.03%	2,650,789	1.94%	11.23%	0.22%	1,312,277	147,369
3	Short Term Debt	211,208,468			211,208,468	100%	9.23%	19,492,001	14.26%	3.60%	0.51%	9,649,543	347,384
4	Preferred Stock	0			0	100%	9.23%	0	0.00%	0.00%	0.00%	-	0
5	Common Equity	633,730,076	4,167,538		637,897,614	100%	9.23%	58,870,273	43.06%	10.25%	4.41%	29,143,814	
6	Customer Deposits	3,273,700			3,273,700	100%		3,273,700	2.39%	2.34%	0.06%	1,620,650	37,923
7	Deferred Income Taxes	14,669,265			14,669,265	100%		14,669,265	10.73%	0.00%	0.00%	7,262,041	0
8	ITC-Zero Cost	0			0	100%		0	0.00%	0.00%	0.00%	-	0
9	ITC- Weighted Cost	0			0	100%		0	0.00%	5.34%	0.00%	-	0
10													
11	TOTAL	1,300,824,730	4,167,538		1,304,992,268			136,722,130	100.00%		6.26%	67,684,489	1,246,869
12													

Line No.	Class of Capital	Company Total Per Books	Ratio	Cost Rate	Weighted Cost Rate
13					
14					
15					
16					
17		Conventional Capital Structure 2020			
18	Long Term Debt	430,784,730	0.3347	3.78%	1.27%
19	Long Term Debt-FPU only	7,158,491	0.0056	11.52%	0.06%
20	Short Term Debt	211,208,468	0.1641	3.60%	0.59%
21	Preferred Stock	0	0.0000	0.00%	0.00%
22	Common Equity	637,897,614	0.4956	10.25%	5.08%
23	TOTAL	1,287,049,303	1.0000		7.00%

Pro-Rata Factors:

Rate Base Projected 2020	136,722,127
Direct Components	17,942,965
	118,779,162
Pro-Rata Factor	9.23%
Non Electric FPUC Average Rate Base	201,969,209
Electric FPUC Average Rate Base	118,779,162
Net	320,748,371
ProRata FPUC Factor	37.03%

Schedule D-1b

COST OF CAPITAL - ADJUSTMENTS

Docket No.: 0

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities Company
Consolidated Electric Division

EXPLANATION:

1.) List and describe the basis for the specific adjustments appearing on Schedule D-1a.

2.) List and describe the basis for the pro-rata adjustments appearing on Schedule D-1a.

Type of Data Shown:

Projected Test Year Ended December 31, 2020

Line No.	Class of Capital	Description	
1			
2		Specific Adjustments	
3	Equity	Other Comprehensive Income Loss which is related to the	$ 4,167,538
4		valuation of the employees pension plans was removed from	
5		equity. It was included in test year equity as a debit. This	
6		adjustment removes the debit.	
7			
8		Pro Rata Adjustments	
9			
10	Equity	The determination of the cost of capital for purposes of setting	
11		retail rates in the immediate docket incorporates pro-rata adjustments	
12		based on reducing the parent capital structure to the division's rate	
13		base.	
14			
15			

Supporting Schedules:

Florida Public Utilities Company
Limited Proceeding Electric
Distribution of Revenue Requirement

Docket No.: 0

LINE NO.	RATE SCHEDULE	(1) 2020 BUDGET KWH SALES	2020 BUDGET	(3) PERCENT OF TOTAL	(4) BASE RATE INCREASE AT UNIFORM PERCENT	(5) TOTAL CLASS REVENUE WITH INCREASE
1	RESIDENTIAL	274,540,960	$ 10,833,290	54.07%	$ 4,745,908	$ 15,579,198
2	COMMERCIAL SMALL	53,476,045	$ 2,371,073	11.83%	$ 1,038,359	$ 3,409,432
3	COMMERCIAL	164,607,934	$ 3,518,358	17.56%	$ 1,541,301	$ 5,059,659
4	COMMERCIAL LARGE	83,743,267	$ 1,165,867	5.82%	$ 510,841	$ 1,676,708
5	INDUSTRIAL	14,860,000	$ 466,099	2.33%	$ 204,512	$ 670,611
6	OUTDOOR LIGHTS	7,497,990	$ 1,680,896	8.39%	$ 736,419	$ 2,417,315
		598,726,196	$ 20,035,583	100.00%	$ 8,777,340	$ 28,812,923
	Percent Increase				43.81%	

Florida Public Utilities Company
Limited Proceeding Electric
Present and Proposed Rates

Docket No.: 0

Customer Facility Charge:

		Current Rates	Proposed Rates
Residential (RS)		$14.69	$21.13
General Service (GS)		$24.14	$34.72
General Service Demand (GSD)		$71.38	$102.65
General Service Large Demand (GSLD)		$136.45	$196.23
General Service Large Demand (GSLD1)		$844.94	$1,215.10
Standby (SB)	<500 kw	$104.96	$150.94
Standby (SB)	≥500 kw	$844.94	$1,215.10

Base Energy Charge:

		Current Rates	Proposed Rates
Residential (RS)	≤1,000 -	$0.02057	$0.02959
	>1,000 -	$0.03369	$0.04845
General Service (GS)		$0.02516	$0.03618
General Service Demand (GSD)		$0.00474	$0.00682
General Service Large Demand (GSLD)		$0.00220	$0.00316
General Service Large Demand (GSLD1)		$0.00000	$0.00000
Standby (SB)	<500 kw	$0.00000	$0.00000
Standby (SB) ≥500 kw		$0.00000	$0.00000

Demand Charge:

			Current Rates	Proposed Rates
Residential (RS)			$0.00	$0.00
General Service (GS)			$0.00	$0.00
General Service Demand (GSD)			$3.89	$5.59
General Service Large Demand (GSLD)			$5.56	$8.00
General Service Large Demand (GSLD1)			$1.57	$2.26
General Service Large Demand (GSLD1)		kVAR	$0.38	$0.54
Standby (SB) <500 kw			$2.73	$3.92
Standby (SB)	≥500 kw		$0.68	$0.98
Standby (SB)		kVAR	$0.38	$0.54

	Current Rates	Proposed Rates
Initial Entitlement of Service		
Re-establish Service or Account Changes		
Customer Request Temp Disconnect/Reconn		
Reconnect After Disconnect (Normal Hrs)		
Reconnect After Disconnect (After Hours)		
Temporary Service		
Collection Charge		
Returned Check Charge	Per Statute	
Credit Card Fees	---------- $3.50 RS and 3.5% other classes ----------	
Late Fees	---------- Greater of 1.5% or $5.00 ----------	

Florida Public Utilities Company
Limited Proceeding Electric
Present and Proposed Rates - Lighting

Docket No.: 0

Lighting:	Current Rates				Proposed Rates			
	Facility Charge	Energy Charge	Maint Charge	Total Charge	Facility Charge	Energy Charge	Maint Charge	Total Charge
1000w HPS Flood	$19.38	$18.46	$2.60	$40.44	$27.87	$26.55	$3.74	$58.16
1000w MH Flood	$17.87	$18.46	$2.53	$38.86	$25.70	$26.55	$3.64	$55.89
1000w MH Vert Shoebox	$22.06	$18.46	$2.88	$43.40	$31.72	$26.55	$4.14	$62.41
100w HPS Amer Rev	$8.38	$1.87	$2.85	$13.10	$12.05	$2.69	$4.10	$18.84
100w HPS Cobra Head	$6.29	$1.87	$1.83	$9.99	$9.05	$2.69	$2.63	$14.37
100w HPS SP2 Spectra	$21.51	$1.87	$2.69	$26.07	$30.93	$2.69	$3.87	$37.49
100w MH SP2 Spectra	$21.34	$1.87	$2.60	$25.81	$30.69	$2.69	$3.74	$37.12
150w HPS Acorn	$17.06	$2.77	$2.16	$21.99	$24.53	$3.98	$3.11	$31.62
150w HPS ALN 440	$24.33	$2.77	$2.88	$29.98	$34.99	$3.98	$4.14	$43.11
150w HPS Am Rev	$7.85	$2.77	$2.89	$13.51	$11.29	$3.98	$4.16	$19.43
175w MH ALN 440	$23.28	$3.26	$2.26	$28.80	$33.48	$4.69	$3.25	$41.42
175w MH Shoebox	$19.66	$3.26	$2.54	$25.46	$28.27	$4.69	$3.65	$36.61
200w HPS Cobra Head	$8.48	$3.69	$2.19	$14.36	$12.19	$5.31	$3.15	$20.65
250w HPS Cobra Head	$10.08	$4.59	$2.89	$17.56	$14.50	$6.60	$4.16	$25.26
250w HPS Flood	$9.86	$4.59	$2.10	$16.55	$14.18	$6.60	$3.02	$23.80
250w MH Shoebox	$20.93	$4.59	$2.84	$28.36	$30.10	$6.60	$4.08	$40.78
400w HPS Cobra Head	$9.41	$7.40	$2.40	$19.21	$13.53	$10.64	$3.45	$27.62
400w HPS Flood	$15.47	$7.40	$1.97	$24.84	$22.25	$10.64	$2.83	$35.72
400w MH Flood	$10.50	$7.40	$1.92	$19.82	$15.10	$10.64	$2.76	$28.50
10' Alum Deco Base	$16.09	0	0	$16.09	$23.14	$0.00	$0.00	$23.14
13' Decorative Concrete	$12.26	0	0	$12.26	$17.63	$0.00	$0.00	$17.63
18' Fiberglass Round	$8.65	0	0	$8.65	$12.44	$0.00	$0.00	$12.44
20' Decorative Concrete	$14.23	0	0	$14.23	$20.46	$0.00	$0.00	$20.46
30' Wood Pole Std	$4.64	0	0	$4.64	$6.67	$0.00	$0.00	$6.67
35' Concrete Square	$13.72	0	0	$13.72	$19.73	$0.00	$0.00	$19.73
40' Wood Pole Std	$9.29	0	0	$9.29	$13.36	$0.00	$0.00	$13.36
30' Wood pole	$4.18	0	0	$4.18	$6.01	$0.00	$0.00	$6.01
175w MV Cobra Head	$1.21	$3.20	$1.07	$5.48	$1.74	$4.60	$1.54	$7.88
400w MV Cobra Head	$1.33	$6.89	$1.15	$9.37	$1.91	$9.91	$1.65	$13.47

Florida Public Utilities Company
Limited Proceeding Electric
Regulatory Asset for Lost Customers

Docket No.:

	Lost Customers due to Hurricane Michael	Customer Charge	kWh Usage Yearly <=1000 kWh	kWh Usage Yearly >=1000 kWh	KW Usage Yearly	Total Margin Loss	Avg Per Customer
Residential	565	14.69	8,730	7,991		$ 267,903	$ 474
Commercial Small	201	24.14	16,589			$ 142,119	$ 707
Commercial	13	71.38	269,095		891	$ 72,659	$ 5,589
2019 Revenue Estimate for Lost Customers	779					$ 482,681	*
November to December 2018 Revenue for Lost Customers						$ 80,447	
Storm Surcharge from Docket 20180061-EI that won't be able to be recovered due to lost customers						$ 41,940	
						$ 605,068	
Interest on the Lost Customer Revenue						$ 14,118	
Regulatory Asset on Hurricane Lost Customers thru 12/19						$ 619,186	
Amortization Over 5 Years						$ 123,837	

* The revenue loss in 2019 due to the permanatly lost customers is expected to continue in the future and therefore, this calculation is also used on C-2 as the estimated annual decrease in revenue.

Calculation of Interest on Lost Revenue Not Recovered:

		November 2018	December 2018	January 2019	February 2019	March 2019	April 2019	May 2019	June 2019	July 2019	August 2019	September 2019	October 2019	November 2019	December 2019
Lost Revenue		$ 43,219	$ 43,219	$ 43,219	$ 43,219	$ 43,219	$ 43,219	$ 43,219	$ 43,219	$ 43,219	$ 43,219	$ 43,219	$ 43,219	$ 43,219	$ 43,219
Cumulative Lost Revenue		$ 43,219	$ 86,438	$ 129,657	$ 172,877	$ 216,096	$ 259,315	$ 302,534	$ 345,753	$ 388,972	$ 432,191	$ 475,411	$ 518,630	$ 561,849	$ 605,068
Average Beginning and Ending Balance		$ 21,610	$ 64,829	$ 108,048	$ 151,267	$ 194,486	$ 237,705	$ 280,924	$ 324,144	$ 367,363	$ 410,582	$ 453,801	$ 497,020	$ 540,239	$ 583,458
Interest Per Month	4%	$ 72	$ 216	$ 360	$ 504	$ 648	$ 792	$ 936	$ 1,080	$ 1,225	$ 1,369	$ 1,513	$ 1,657	$ 1,801	$ 1,945
Cumulative Interest		$ 72	$ 288	$ 648	$ 1,153	$ 1,801	$ 2,593	$ 3,530	$ 4,610	$ 5,835	$ 7,203	$ 8,716	$ 10,373	$ 12,173	$ 14,118

Note: The Company has permantly lost customers as a result of the storm. The loss is reflected in net operating income for future time periods. However, the loss prior to implementation of this limited proceeding will never be recovered unless a regulatory asset is approved and the amortization of this asset allowed in rates in this limited proceeding. The Company is requesting a five year amortization.

13-Month Average Calculation:	December 19	January 20	February 20	March 20	April 20	May 20	June 20	July 20	August 20	September 20	October 20	November 20	December 20	13-Month Avg.
	$ 619,186	$ 608,867	$ 598,547	$ 588,227	$ 577,907	$ 567,587	$ 557,268	$ 546,948	$ 536,628	$ 526,308	$ 515,989	$ 505,669	$ 495,349	$ 557,268

Florida Public Utilities Company
Storm Cost Recovery for Incremental Expenses

MDN-4 Page 1 of 1
Docket No.: 0

Line No.	Description	Reference	Total	Storm Reserve Balance	
1	Pre-Storm Reserve Balance			N/A	[a]
2	**Estimated Storm Related Restoration Costs**				
3	Regular Payroll		$ 566,555		
4	Overtime Payroll		$ 481,430		
5	Payroll Overhead Allocations		$ 345,472		
6	Department Cost Allocation on Capital		$ 40,433		
7	Employee Expenses		$ 67,980		
8	Contractor Costs		$ 54,526,703		
9	Logistics		$ 1,437,895		
10	Fuel		$ 1,441,964		
11	Equipment Rental		$ 232,334		
12	Materials		$ 6,612,654		
13	Call Center Costs		$ 26,516		
14	Uncollectible Account Expense		$ 120,321		
15	Other		$ 129,542		
16	**Subtotal-Storm Related Restoration Costs**	Lines 3:15	$ 66,029,798		
17	**Less: Estimated Non-Incremental Costs**				
18	Regular Payroll		$ (113,316)		
19	Overtime Payroll		$ (11,827)		[b]
20	Payroll Overhead Allocations		$ (60,039)		
21	**Subtotal-Estimated Non-Incremental Costs**	Lines 17:20	$ (185,182)		
22	Less: Capitalizable Costs		$ (28,218,969)		
23	**Total Recoverable Restoration Costs - System**	lines (16+21+22)	$ 37,625,647		
24	Jurisdictional Factor		100%		
25	**Total Recoverable Restoration Costs-Retail**	lines (23x24)	$ 37,625,647	$ 37,625,647	
26	**Net Recoverable Retail Restoration Costs**	line 25 -line 1		$ 37,625,647	
27	Bond Issuance Costs				
28	**Beginning Balance for Recovery**	line 26-line 27		$ 37,625,647	
29	Plus: Interest on Unamortized Reserve Deficiency Balance thru 12/19			$ 1,546,856	
30	Plus: Amount to Replenish Reserve				
31	**Retail Storm Recovery Amount before Regulatory Assessment Fee**	lines 28:30		$ 39,172,503	

[a] Docket 20180061-EI addressed recovery of the recovery of a $1.5M reserve balance. No additional reserve is requested here.

[b] Non-incremental storm costs were never recorded in Storm Work Orders. Estimated costs from 10-10-18 to 12-2-18 for the NW division are included in restoration costs and removed in non-incremental costs. Additional non-incremental costs were incurred in other months but could not be estimated since we do not recorded non-incremental as storm.

13-Month Average Calculation:

December	$ 39,172,503
January	$ 39,063,691
February	$ 38,954,878
March	$ 38,846,066
April	$ 38,737,253
May	$ 38,628,441
June	$ 38,519,628
July	$ 38,410,816
August	$ 38,302,003
September	$ 38,193,191
October	$ 38,084,378
November	$ 37,975,566
December	$ 37,866,753
13-Month Average	$ 38,519,628

Florida Public Utilities Company
Limited Proceeding Electric
Regulatory Asset for Expenses Not Recovered in Base Rates

Expenses Related to October Revenue Lost	$ 910,985
Expenses Related to November Lighting Revenue	$ 54,477
Total Costs Not Recovered	$ 965,462
Costs Limited to Revenue Not Received	$ 940,398
Interest on Unfunded Balance	$ 43,885
Total Costs Unrecovered	$ 984,283
Amortization Over 5 Years	$ 196,857

The Company had a substantial loss due to not being able to recover our normal, recurring operation and maintenance costs incurred due to lower usage and one month customer charges not being recovered for residential and commercial customers and two months for lighting customers. The only way to recover these costs is thru establishment of a regulatory asset. The Company is requesting approval of this amount and amortization over five years.

Summary of Revenues Not Received During Storm Restoration:

Revenue Type	Oct-17 Volume KWh	Oct-16 Volume KWh	Average Volume KWh	Oct-17 Volume KW	Oct-16 Volume KW	Average Volume KW	Customers Sep-18	2018 Customer Rate	2018 Energy Charge KWH	2018 Energy Charge KW	Revenue Based on 2018 Rates
Residential											
<=1000 KWh-RS	7,383,035	7,413,708	7,398,372				10,231	$ 15.12			$ 154,693
>=1000 KWh-RS	2,672,262	2,667,376	2,669,819						$ 0.02117		$ 156,624
Commercial Small	2,542,044	3,247,169	2,894,607						$ 0.03467		$ 92,563
Commercial	7,547,000	6,980,590	7,263,795				2,100	$ 24.84	$ 0.02589		$ 127,105
Commercial Large	5,324,736	4,640,084	4,982,410	28,452	21,737	25,094	423	$ 78.45	$ 0.00488	$ 4.00	$ 166,894
Industrial	-	-	-	11,488	8,579	10,033	15	$ 140.41	$ 0.00226	$ 5.72	$ 70,758
Outdoor Lights	445,378	442,995	444,187				-				
	25,914,455	25,391,922	25,653,189	39,940	30,315	35,128	2,586	$ 33.21	Avg./Customer		$ 85,881
November Lighting							15,355				854,517
											$ 85,881
											$ 940,398

Interest Expense on Unrecovered Costs:

		October 2018	November 2018	December 2018	January 2019	February 2019	March 2019	April 2019	May 2019	June 2019	July 2019	August 2019	September 2019	October 2019	November 2019	December 2019
Expenses Not Recovered		$ 940,398														
Cumulative		$ 940,398	$ 940,398	$ 940,398	$ 940,398	$ 940,398	$ 940,398	$ 940,398	$ 940,398	$ 940,398	$ 940,398	$ 940,398	$ 940,398	$ 940,398	$ 940,398	$ 940,398
Average Beginning and Ending Balance			$ 940,398	$ 940,398	$ 940,398	$ 940,398	$ 940,398	$ 940,398	$ 940,398	$ 940,398	$ 940,398	$ 940,398	$ 940,398	$ 940,398	$ 940,398	$ 940,398
Interest Per Month	4%		$ 3,135	$ 3,135	$ 3,135	$ 3,135	$ 3,135	$ 3,135	$ 3,135	$ 3,135	$ 3,135	$ 3,135	$ 3,135	$ 3,135	$ 3,135	$ 3,135
Cumulative Interest			$ 3,135	$ 6,269	$ 9,404	$ 12,539	$ 15,673	$ 18,808	$ 21,943	$ 25,077	$ 28,212	$ 31,347	$ 34,481	$ 37,616	$ 40,751	$ 43,885

13-Month Average Calculation:	December 19	January 20	February 20	March 20	April 20	May 20	June 20	July 20	August 20	September 20	October 20	November 20	December 20	13-Month Avg.
	$ 984,283	$ 967,878	$ 951,473	$ 935,069	$ 918,664	$ 902,259	$ 885,855	$ 869,450	$ 853,045	$ 836,640	$ 820,236	$ 803,831	$ 787,426	$ 885,855

Florida Public Utilities Company
Regulatory Asset for the Negative Component of the Accumulated Depreciation Reserve
Limited Proceeding Electric

Docket No.:

	Account Title	Act. #	Act. #	Cost of Removal	Salvage	Undepreciated Retirement	Total Regulatory Asset Requested
Cost of Removal:							
FE18164697R	Meters	1080	370E	$ 143,064		$ 19,458	$ 162,522
FE18504697R	Distribution Station Equipment	1080	362E	$ 83		$ -	$ 83
FE18554697R	Distribution Poles	1080	364E	$ 5,002,646		$ 218,456	$ 5,221,103
FE18564697R	OH Conductors	1080	365E	$ 1,727,947	$ (25,992)	$ 135,707	$ 1,837,662
FE18584697R	Underground Conductors	1080	367E	$ 39,697		$ -	$ 39,697
FE18594697R	Transformers	1080	368H	$ 6,499	$ (29,267)	$ 33,543	$ 10,775
FE18604697R	Buried Transformers	1080	368B	$ 107		$ 71,205	$ 71,313
FE18614697R	Overhead Services	1080	369H	$ 232,415		$ 33,636	$ 266,051
FE18624697R	Underground Services	1080	369B			$ -	$ -
FE18634697R	Install on Cust. Premises-AG	1080	371A	$ 4,590		$ 211,156	$ 215,746
FE18654697R	Street Lighting	1080	373A	$ 1,144		$ 44,530	$ 45,674
				$ 7,158,193	$ (55,259)	$ 767,692	$ 7,870,626

13-Month Average Computation:

	Regulatory Asset	Accumulated Amortization	Net Regulatory Asset	Amortization Expense at 30 Years
Dec-19	$ 7,870,626		$ 7,870,625	
Jan-20	$ 7,870,626	$ (21,863)	$ 7,848,763	$ 21,863
Feb-20	$ 7,870,626	$ (43,726)	$ 7,826,900	$ 21,863
Mar-20	$ 7,870,626	$ (65,589)	$ 7,805,037	$ 21,863
Apr-20	$ 7,870,626	$ (87,451)	$ 7,783,174	$ 21,863
May-20	$ 7,870,626	$ (109,314)	$ 7,761,311	$ 21,863
Jun-20	$ 7,870,626	$ (131,177)	$ 7,739,448	$ 21,863
Jul-20	$ 7,870,626	$ (153,040)	$ 7,717,586	$ 21,863
Aug-20	$ 7,870,626	$ (174,903)	$ 7,695,723	$ 21,863
Sep-20	$ 7,870,626	$ (196,766)	$ 7,673,860	$ 21,863
Oct-20	$ 7,870,626	$ (218,628)	$ 7,651,997	$ 21,863
Nov-20	$ 7,870,626	$ (240,491)	$ 7,630,134	$ 21,863
Dec-20	$ 7,870,626	$ (262,354)	$ 7,608,271	$ 21,863
Total	$ 102,318,132	$ (1,705,302)	$ 100,612,830	$ 262,354
13-Month Average	$ 7,870,626	$ (131,177)	$ 7,739,448	

Before the Florida Public Service Commission

Direct Testimony of P. Mark Cutshaw

On Behalf of

Florida Public Utilities Company

I. Background

Q. Please state your name and business address.

A. My name is P. Mark Cutshaw. My business address is 1750 South 14th Street, Suite 200, Fernandina Beach, Florida 32034.

Q. By whom are you employed?

A. I am employed by Florida Public Utilities Company ("FPUC" or "Company").

Q. Could you give a brief description of your background and business experience?

A. I graduated from Auburn University in 1982 with a B.S. in Electrical Engineering. My electrical engineering career began with Mississippi Power Company in June 1982. I spent nine years with Mississippi Power Company and held positions of increasing responsibility that involved budgeting, as well as operations and maintenance activities at various locations. I joined FPUC in 1991 as Division Manager in our Northwest Florida Division and have since worked extensively in both the Northwest Florida and Northeast Florida divisions. Since joining FPUC, my responsibilities have included all aspects of budgeting, customer service, operations and maintenance. My responsibilities also included involvement with Cost of Service Studies and Rate Design in other rate

proceedings before the Commission as well as other regulatory issues. During 2015, I moved into my current role as Director, Business Development and Generation.

Q. Have you previously testified before the Commission?

A. Yes, I've provided testimony in a variety of Commission proceedings, including the Company's 2014 rate case, addressed in Docket No. 20140025-EI. Most recently, I provided rebuttal testimony in Docket No. 20180061-EI, in the storm docket for Hurricanes Matthew and Irma.

Q. What is the purpose of your testimony in this proceeding?

A. The purpose of my testimony is to provide information related to the FPUC restoration response that was necessary due to the impact of Hurricane Michael on the Northwest Florida Division. This restoration effort was completed in a safe, efficient and effective manner which allowed FPUC to restore power to customers capable of receiving power by October, 31, 2018.

Q. Are you sponsoring any exhibits in this proceeding?

A. No.

II. Impact of Hurricane Michael

Q. Were you on the ground in the NW Division following Hurricane Michael?

A. Yes. I arrived in Marianna on October 9, 2018 which was the day before Hurricane Michael made landfall on the Gulf Coast.

Q. Can you describe what impact Hurricane Michael had on the FPUC electrical system serving the Northwest Florida Division?

A. After landfall, Hurricane Michael continued north and impacted the FPUC service territory with 155 MPH winds. The eye of the storm cut directly along the center of the FPUC service territory causing catastrophic damage to the electrical distribution system. The impact resulted in a complete loss of power throughout the FPUC system. The storm also resulted in damage to the Southern Company transmission lines which provide service to each of the FPUC delivery points.

Outages to all customers began on October 10, 2018 and continued until October 18, 2018 when sections of the Southern Company transmission system were restored and we began customer restoration. The restoration activities continued with all customers able to receive service being restored by November 1, 2018.

The 155 mph winds from Hurricane Michael had a significant impact on the distribution system. Most significantly, the trees damaged during the storm resulted in many poles and spans of wire being damaged when the trees fell. These trees were located both on the road rights of way and on private property. In excess of 2,000 distribution poles, 1,200 transformer, and miles of conductor were damaged and required replacement.

Forensics analysis was completed on eighty eight (88) damaged distribution poles which showed that storm hardening activities were effective during the storm. The results indicated that eighty six (86) of the damaged poles were not storm hardened while two

(2) of the damaged poles were storm hardened. Additionally, underground systems performed well during the storm but were subjected to some damage during clean-up activities.

The impact of Hurricane Michael devastated the NW Florida Division service territory and the communities we serve there. Millions of pine trees were snapped in two and littered road ways with impassable debris. This not only presented challenges to restoration and relief, but resulted in thousands of acres of pine tree forest being rendered unusable product, which has taken a tremendous economic toll on the area. Some estimates are that as many as 500 million trees were damaged in the Florida Panhandle.

Likewise, FPUC customers in Jackson, Calhoun and Liberty Counties endured the storm only to find many homes and businesses damaged or destroyed. The roadways in downtown Marianna were full of debris from damaged and collapsed buildings, which impacted traffic along the main thoroughfare through town, Highway 90, and resulted in most other roadways being either totally or partially blocked by pole, wire and tree debris. This too added to the challenges for relief efforts, including power restoration.

Q. What was the primary goal for FPUC during the restoration process for Hurricane Michael?

A. The most critical concern was to restore power as safely and quickly as possible, while avoiding loss of life and minimizing further property damage.

Q. What were some of the challenges that FPUC faced during the restoration process?

A. The first problem FPUC encountered was that the Company's transmission connection was downed resulting in our inability to receive power for any of the NW Division substations. The addition of 1,155 additional contract employees to the Northwest Division's staff of 35 employees also presented logistics difficulties related to locating new staging areas. Because all area hotels were damaged and closed, we also faced challenges with providing accommodations, dining, comfort, and laundry facilities. Due to the unexpected level of damage caused by the storm, FPUC warehouse staff were challenged to ramp up inventory levels quickly in order to provide additional materials for restoration activities.

Access to electrical distribution facilities was also a major challenge. Wind levels resulted in thousands of trees blocking most roads which decreased the ability to move around the service territory while other facilities were inaccessible due to flooding which required special equipment and boats. Traffic and the lack of traffic lights added to our access challenges.

III. Storm Preparation and Resource Reservation

Q. Please discuss the steps taken by FPUC to prepare for this devastating storm.

A. Each year FPUC updates its Emergency Plan. The update incorporates lessons learned from previous storms and ensures accurate contact information for our partners that will assist during the storm so that we are even better prepared for, and responsive to, the next

storm. Contact with local Emergency Operation Center (EOC) officials occurs to ensure we are up to date with procedures used by various city, county and state agencies. Prior to Michael, we conducted internal drills and training with employees to ensure expectations and storm duties are clearly understood and that employees have a personal plan in place to prepare themselves and their families for what could be a long restoration effort. FPUC conducted our 2018 emergency training drill on June 13, 2018.

Q. Can you describe the important considerations involved when obtaining storm restoration resources, particularly in the context of the period leading up to Hurricane Michael?

A. Perhaps the most critical factor is to ensure that we have sufficient restoration resources appropriately staged in our service area so that we can respond promptly, in spite of any travel restrictions that might apply or damage caused by the storm. In order to ensure we have adequate resources appropriately staged, we must ensure that those resources are mobilized and staged in advance of the storm and positioned in a strategic, but safe, location. We also have to be flexible with regard to resource staging given that the strength and track of a storm can change rapidly. This challenge is exacerbated when a storm is projected to impact an area served by multiple utilities. The impacted utilities draw from the same pool of storm restoration contractors, so pre-storm contractor assignments take on a heightened importance. As Hurricane Michael developed in the Gulf of Mexico, FPUC was among several utilities challenged with preparing for a storm that evolved quickly. This caused an overwhelming need by all the potentially impacted utilities to get resources ready to address damage that could be caused by the hurricane.

Fortunately, the mutual assistance process administered by the Southeastern Electric Exchange (SEE), of which FPUC is a member, can be initiated quickly and is strictly focused on obtaining and allocating available resources in a fair and equitable manner among its member utilities. The member companies (Investor-Owned Utilities) involved are generally located in or near the Southeastern United States. When emergencies arise, the SEE convenes a Mutual Assistance Committee (MAC) call whereby impacted utilities communicate the number of line and tree crew resources they anticipate needing to achieve an acceptable Estimated Time of Restoration (ETR) based on current storm event information. Available utility and contractor resources that can respond in accordance with utility requirements are then identified by the MAC. Utilities that project a need for additional resources then meet via conference call and allocate these line and tree resources based on a number of factors such as utility/contractor, location, travel times, crew sizes, self-contained ability, security, etc. When the allocation process concludes, each requesting utility contacts the utility or contractor capable of providing additional assistance to work out the arrangements.

In most situations, resources from the SEE members alone are not sufficient to cover the entire initial request of all the requesting utilities, so it is critical that these resources be assigned, and re-assigned, as the projected need for resources changes with the storm's strength and path. Utilities must modify their resource needs during the storm event as they receive information about the impact and redirect previously mobilized resources to a higher priority destination in more significant need, which may include assignment to a

different utility. Again, at this point, the resource and the utility to which it is assigned discuss safety, travel, contracting, staging, security, etc. The utility has the ability at that point to accept the resource based on the terms and requirements established in those discussions, or reject and redirect the resource. Practically speaking, however, storm recovery resources are profoundly limited and there is rarely an alternative resource available in the event a utility would prefer a different resource than the one assigned. Consequently, if a utility rejects the resource, it is likely that the utility will simply have to make do with fewer resources than needed to achieve an acceptable ETR.

Q. How does the SEE assist with the staging, logistical requirement and contracting of resources provided?

A. The SEE mutual assistance process does not consider or provide for staging, logistical requirements or contracting with participating resources. The company to which the resources are allocated is responsible for accepting or rejecting the resource with considerations for the required staging, logistical requirements and contract costs.

During this part of the process, the utility and the responding resource discuss staging requirements, safety requirements, travel requirements, contracting requirements (which includes rates), etc. Based on these discussions (or possibly a change in the storm path or intensity), the utility can request the resource to mobilize and begin moving to the staging location or reject and redirect that resource to another utility that may be in need of additional resources.

As may be evident from the process description above, a storm similar to Hurricane Michael can result in a number of preparation and resource allocation changes due to the rapid development and significant increases in intensity which greatly influences the number and location of the resources required.

Q. What steps did FPUC take to find contractors to assist with repairs for Hurricane Michael?

A. As previously stated, the SEE mutual assistance process is an industry standard process that we have found provides for the most efficient method of identifying and allocating resources to the electric utility industry during times of system emergencies. The system has been proven time after time with excellent results. Also, as previously mentioned, the number of resources typically required by larger utilities sometimes necessitates bringing in additional resources from the western United States and Canada, that may not be a good match for a small system similar to FPUC. However, FPUC has had excellent results for many years utilizing the SEE process to acquire resources for emergency system restoration that suit its needs and has worked well in allocating resources with the other utilities represented in the SEE. For our company, obtaining resources through the SEE has proven to be the best approach.

Q. Did FPUC have difficulty finding contractors to assist with Hurricane Michael repairs?

A. Obtaining contractor resources was particularly challenging with this storm given its rapid development and significant increases in intensity, which resulted in dramatic

changes in the number of resources that we determined would be necessary to achieve an acceptable Estimated Time of Restoration (ETR). With less than three days to prepare, ETR estimates had to be developed and then the necessary resources had to be contacted as landfall loomed just a few days away and the intensity of the storm was increasing. Our internal resources were stretched thin in our effort to quickly build up a resource pool that was larger than we had originally anticipated needing.

While the resources acquired through the SEE were a significant part of the overall restoration team, even that fell short as we began damage assessment and set an aggressive ETR. The management team then went to work identifying other possible resources and were able to deliver additional resources on days 5 through 10 which allowed achievement of the ETR.

Q. How did FPUC manage outside contractors who were assisting with repairs for Hurricane Michael?

A. As resources were identified and moved to the area, the first priority was to communicate the importance of safety to everyone who works for FPUC. Resources are "on-boarded" by FPUC safety personnel who communicate safety requirements and expectations, system information and logistics overview prior to beginning work. As the resources were on-boarded and released to begin work, one or more FPUC personnel was assigned to work with the crews to provide information for them and also monitor activities and progress. The FPUC employees are charged with ensuring that safety briefings occur, work is done is accordance with standard operating procedures, acceptable restoration

progress is occurring, community interactions are professional, work hours occur as planned and meals/materials are available.

During the restoration process, all thirty five (35) of the employees within our NW Florida Division along with approximately fifty (50) additional employees from other parts of the company assisted with many of the operational and logistical duties required to manage the restoration effort. This effort included providing for all logistical needs, ensuring work was conducted in a safe and efficient manner, documenting materials and workhours that were occurring and final approval of all invoices for services provided.

While this storm presented a challenge of historic proportions, the extraordinary efforts of our FPUC employees, and the cooperation of other utility partners and outside contractors, ensured that the resources on our system were able to work safely and productively while ultimately achieving the ETR that was set for Hurricane Michael.

Q. How did FPUC keep track of time spent by all the additional contract employees that worked on Hurricane Michael?

A. During the restoration process, an FPUC employee was assigned to work closely with a specific contractor. That employee functioned as a type of "Contract Coordinator" in order to ensure that work was performed safely, efficiently and in accordance with good utility practice. Also, while functioning in that capacity, the employee was able to verify work hours were in accordance with the FPUC requirements.

Q. Please explain the process used to review the bills from the contractors to determine that the cost were based on actual time work?

A. The employees assigned to specific contractors were used to verify that work hours invoiced by the contractor were accurate. Financial Analysts were then used to closely review the actual invoices to ensure that all charges were correct based on the actual time worked and any other miscellaneous expenses that were included on the invoice.

Q. Does this conclude your testimony?

A. Yes, it does.

Before the Florida Public Service Commission

Direct Testimony of Michael Cassel

On Behalf of

Florida Public Utilities Company

Q. Please state your name and business address.

A. My name is Michael Cassel. My business address is 1750 South 14th Street, Suite 200, Fernandina Beach, FL 32034.

Q. By whom are you employed and what is your position?

A. I am employed by Chesapeake Utilities Corporation ("CUC") as the Assistant Vice President of Regulatory Affairs and Business Analysis for the CUC's business units in Florida, including Florida Public Utilities Company.

Q. Please describe your educational background and professional experience.

A. I received a Bachelor of Science Degree in Accounting from Delaware State University, and in 2019, I will complete a Master of Jurisprudence in Energy Law from the University of Tulsa's College of Law. CUC hired me as a Senior Regulatory Analyst in March 2008. As a Senior Regulatory Analyst, I was primarily involved in the areas of gas cost recovery, rate of return analysis, and budgeting for CUC's Delaware and Maryland natural gas distribution companies. In 2010, I moved to Florida in the role of Senior Tax Accountant for CUC's Florida business units. Since that time, I have held various

management roles, including Manager of the Back Office in 2011, Director of Business Management in 2012, and Director of Regulatory and Governmental Affairs. I am currently the Assistant Vice President of Regulatory Affairs and Business Analysis for CUC's Florida business units. In this role, my responsibilities include directing the regulatory and governmental affairs activities, as well as finance and energy logistics functions for the Company in Florida. This includes regulatory analysis, and reporting and filings before the Florida Public Service Commission ("FPSC") for Florida Public Utilities Company ("FPUC" or "Company"), FPUC-Indiantown, FPUC-Fort Meade, Central Florida Gas, and Peninsula Pipeline Company. Before joining Chesapeake, I was employed by J.P. Morgan Chase & Company, Inc. from 2006 to 2008 as a Financial Manager in their card finance group. My primary responsibility in this position was the development of client-specific financial models and profit-loss statements. I was also employed by Computer Sciences Corporation as a Senior Finance Manager from 1999 to 2006. In this position, I was responsible for the financial operation of the company's chemical, oil, and natural resources business. This included forecasting, financial close, and reporting responsibility, as well as representing Computer Sciences Corporation's financial interests in contract/service negotiations with existing and potential clients. From 1996 to 1999, I was employed by J.P. Morgan, Inc., where I had various accounting/finance responsibilities for the firm's private banking clientele. Before joining private industry, I served in the United States Air Force in the meteorology field.

Q. Have you ever testified before the FPSC?

A. Yes. I've provided written, pre-filed testimony in a variety of the Company's annual proceedings, including the Fuel and Purchased Power Cost Recovery Clause, Docket No. 20160001-EI and the Gas Reliability Infrastructure Program ("GRIP") Cost Recovery Factors proceeding for FPUC and our sister company, the Florida Division of Chesapeake Utilities Corporation, Docket No. 20160199. I have also provided written, pre-filed testimony in FPUC's electric limited proceeding, Docket No. 20170150-EI, and the Commission's proceeding for consideration of the tax impacts to FPUC associated with Tax Cuts and Jobs Act of 2017, Docket No. 20180048-EI. Most recently I have provided both written and oral testimony in FPUC's Limited Proceeding to Recover Incremental Storm Restoration Costs, Docket No. 20180061-EI, as well as in the Commission's proceedings for consideration of the tax impacts to CUC's Florida natural gas divisions associated with Tax Cuts and Jobs Act of 2017, Docket Nos. 20180051-20180054-GU.

Q. What is the purpose of your testimony?

A. I will provide background that supports the Company's efforts in response to Hurricane Michael's impacts in our Northwest Division.

Q. Are you sponsoring any exhibits in this case?

A. Yes. I am sponsoring Exhibit MC-1 (photos), which memorialize the impacts of Hurricane Michael on FPUC's system in Northwest Florida.

Q. What was different about Hurricane Michael compared to previous storms?

A. Hurricane Michael set a new precedent for the Florida Panhandle because it was the first Category 5 hurricane ever to strike the area. Not only was it the strongest storm to ever make landfall in Northwest Florida, it was also the fourth strongest to make landfall in the continental United States based on wind speed. It brought with it wind speeds of 155 miles per hour that not only caused damage to FPUCs system but also brought with it major structural damage to our customers and employees homes and businesses. While FPUC has demonstrated, over three successive hurricane seasons, that its employees, training, and preparation for hurricanes is exemplary. Hurricane Michael tested our ability to respond like no other storm before it.

Q. How many customers does FPUC serve across its electric territory?

A. Before Hurricane Michael, FPUC served approximately 32,000 customers, of which roughly 15,355 were located in the largely rural counties of the north-central panhandle of Florida (Northwest Division.)

Q. Was the Company able to restore all of the customers in its Northwest Division after Hurricane Michael?

A. While the Company has been able to restore its system such that it can provide service to all customers that are able to receive service, the Company has been unable to restore service to all customers. The eye of Hurricane Michael passed from south to north across the entirety of our Northwest Division. As a result of this catastrophic hit, 100% of FPUC's customers in the Northwest Division were without power for the better part of a month. Additionally, the damage resulting from Hurricane Michael has left the Company with a permanent loss of approximately 5% of its customers.

Q. How was the restoration effort different for Hurricane Michael?

A. All restoration efforts require an "all hands on deck" approach to safely and effectively restore service to customers. However, Hurricane Michael presented new challenges for FPUC's restoration plans. First, many of our employees were trapped in their own homes by downed trees and debris. It was two days before we were able to get a majority of our employees cut free from their homes to come to work. After that effort was underway, we had to ensure that we could account for 100% of our employees, which took another two days. As that process started, the employees that were safe and accounted for began helping other employees, and as the momentum built, our employees began checking on our customers, their neighbors, and friends. We deployed every employee of FPUC from the President to customer service representatives to help make sure our customers were safe and that our linemen, as well as those contractors that came to assist, were fed and accommodated. Our efforts also

required the assistance of an unprecedented level of outside resources. The second new restoration challenge FPUC experienced came as a result of the amount of debris that was blocking access to our electric facilities. The removal of numerous trees and large amounts of debris was necessary before any actual restoration of power could be undertaken. FPUC's restoration effort was additionally hampered by vehicle fuel supply disruptions, transmission facilities that were down and decimated telecommunication systems, which made traditional communications impossible. While it was the most physically, and emotionally difficult storm effort undertaken by the Company in our history, the extraordinary effort put forth by our employees and contractors permitted FPUC to rebuild enough of our systems to have 97% of our customers that were able to take power, restored by November 1, 2018, just twenty-two days after the storm.

Q. Did FPUC identify anything else particularly noteworthy as a result of Hurricane Michael?

A. Yes. Situations such as hotels typically used to house work crews were damaged and without power. Traffic associated with returning residents, work crews, disaster relief organizations, and news outlets exacerbated the challenges we faced accessing our damaged facilities, as well as the lack of functioning traffic lights. At one point during the restoration process, FPUC's regular 35 employees were joined by an additional 1,155 contract employees working to clear debris and restore power.

Q. Is this filing similar to the Company's last storm filing in Docket No. 20180061-EI?

A. Only to the extent that we are seeking to recover costs resulting from the impact of a named storm. Otherwise, it is not. In that prior docket, the Company requested a surcharge based on the incremental costs for several storms, namely Hurricanes Irma and Matthew. As it relates to this Petition, requesting relief utilizing a surcharge mechanism for the impacts of Hurricane Michael would have a much more dramatic impact on customers' bills that would be ill-timed given the ongoing efforts to rebuild in the impacted counties. The Company, therefore, is proposing a different approach that will enable the Company to recoup its losses while still protecting its customers from a dramatic bill increase. Specifically, we are requesting an increase in base rates based on several components, which are detailed in witness Napier's testimony as Exhibit MDN-1 to MDN-7.

Q. Would a full rate proceeding have provided a better mechanism for relief?

A. No. The Company did consider that approach; however, timing and cost presented challenges that could be avoided through the process and mechanism we have requested. Our greatest concerns were that pursuing a full rate proceeding would add significant costs on top of the storm-related costs for which the Company seeks recovery. A full proceeding would also utilize more company resources that could otherwise be deployed in our continued efforts to support recovery efforts in our Northwest Division, as well as the several other

active proceedings in which we are involved. We also considered that a full rate case would likely take more time and delay recovery for the Company, which, given our current earnings posture, would present an added financial challenge for the Company. While the proposal we are putting forth is unique, we do think it is appropriate given the situation. Should the Commission move forward and approve the Company's request, we anticipate that FPUC will be in a more stable financial situation, allowing the Company to provide the Commission with a more accurate, well-defined perspective on the Company and its longer-term financial situation when it does file its next full rate case.

Q. Given that much of the Company's plant in the Northwest Division is now new, has this resulted in an offsetting reduction to expenses?

A. No, it has not. There are a couple of reasons. First, while some equipment is new, the areas in which the equipment has been placed are still damaged by Hurricane Michael's impact, particularly the trees. Although many trees were trimmed or downed by the storm, the remaining trees are in far worse shape than before and have been severely weakened by the storm. As a result, the Company has already started to see an increase in tree trimming expense, rather than a decrease. In addition, we do anticipate a decrease in some costs related to the new poles, wire, transformers, and other equipment replacement. The new equipment, however, only replaced 10-12% of the system; as such, we expect any savings will be offset by increased maintenance costs on the remaining highly stressed equipment that bore the brunt of high winds from the storm. For

example, FPUC is currently seeing an increase in expense associated with leaking transformers where bushings were loosened during the storm. We anticipate that we will experience similar issues with other equipment that has incurred similar stress.

Q. Please explain why Weighted Average Cost of Capital (WACC) was used to calculate the return on rate base changes due to the storm.

A. WACC was used for two reasons. First, FPUC's electric division, unlike the larger IOUs in the state, does not obtain debt separately to finance recoveries such as this. Rather FPUC relies on its parent company, CUC. CUC was able to secure short-term debt for the costs associated with Hurricane Michael, but that short-term debt is ending in 2019. As a result, FPUC will fund the unamortized portion of these costs by requesting the establishment of a regulatory asset and amortizing over 30 years at its overall cost of capital. FPUC has always, and will continue to work diligently to find the most appropriate balance between customer and shareholder needs. Given the magnitude of the damages caused by Hurricane Michael, recovery over the more traditional two year period is fiscally unrealistic for our customers. Likewise the Company's shareholders are entitled to a fair return, which we believe is achieved with the establishment of a regulatory asset that will be amortized over 30 years at the Company's WACC. The Company believes this approach strikes an appropriate balance between managing bill impacts for our customers and

providing an adequate return for our shareholders and it does so in a manner consistent with the traditional practice of the industry.

Q. Does this conclude your testimony?

A. Yes.

EXHIBIT _____MC-1

Florida Public Utilities Company

Photos Post Hurricane Michael


old Bond
UILDING PRODUCTS