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DIVISION OF
ACCOUNTING & FINANCE

June 23, 2015

VIA HAND DELIVERY

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

Re: Florida Public Utilities Company (Electric and Gas Divisions) - Second Revised

Dear Mr. Maurey:

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

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

Sincerely,

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

cc: Bart Fletcher

FLORIDA PUBLIC UTILITIES COMPANY
ELECTRIC
RATE OF RETURN REPORT SUMMARY
December 31, 2014

SCHEDULE 1

	(1) ACTUAL PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
I. AVERAGE RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ 1,402,019	\$116,242	\$1,518,261	\$0	\$1,518,261
AVERAGE RATE BASE	\$59,412,094	(\$2,827,830)	\$56,584,264	\$0	\$56,584,264
AVERAGE RATE OF RETURN	2.36%		2.68%		2.68%
II. YEAR-END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$1,402,019	\$84,040	\$1,486,059	\$0	\$1,486,059
YEAR-END RATE BASE	\$68,098,553	(\$5,216,860)	\$62,881,693	\$0	\$62,881,693
YEAR-END RATE OF RETURN	2.06%		2.36%		2.36%

III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)		IV. FINANCIAL INTEGRITY INDICATORS	
LOW	5.85%	A. TIE WITH AFUDC	2.37
MIDPOINT	6.31%	B. TIE WITHOUT AFUDC	2.37
HIGH	6.76%	C. AFUDC TO NET INCOME	0.00
		D. INTERNALLY GENERATED FUNDS	111.35
		E. LTD TO TOTAL INVESTOR FUNDS	28.22
		F. STD TO TOTAL INVESTOR FUNDS	14.91
		G. RETURN ON COMMON EQUITY	2.50

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

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

Mike Cassel
Director- Regulatory Affairs

Mike Cassel per CBY
Signature

6/12/2015
Date

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	PLANT IN SERVICE	ACCUMULATED DEPRECIATION & AMORTIZATION	PLANT IN SERVICE	NET PROPERTY HELD FOR FUTURE USE	CONSTRUCTION WORK IN PROGRESS	NET UTILITY PLANT	WORKING CAPITAL	TOTAL RATE BASE
PER BOOKS	\$106,267,087	(\$52,507,062)	\$53,760,025	\$0	\$1,722,033	\$55,482,058	\$3,930,035	\$59,412,094
FPSC ADJUSTMENTS:								
			\$0			\$0		\$0
1) ELIM. NON UTILITY PLANT	(\$363,734)	\$152,796	(\$210,938)			(\$210,938)		(\$210,938)
2) REGULATORY LIAB - PENSION AMORT			\$0			\$0	\$0	\$0
3) REGULATORY ASSET - LITIGATION COSTS			\$0			\$0	(\$0)	(\$0)
4) ELIMINATE NET UNDERRECOVERY						\$0	(\$2,267,037)	(\$2,267,037)
5) TREE TRIMMING & UNDERGROUND RESERVE						\$0	(\$3,508)	(\$3,508)
6) ADJUST TAX STEP UP TO STIPULATION						\$0	(\$31,375)	(\$31,375)
7) DEFERRED RATE CASE EXPENSE						\$0	(\$314,972)	(\$314,972)
TOTAL FPSC ADJUSTMENTS	(\$363,734)	\$152,796	(\$210,938)	\$0	\$0	(\$210,938)	(\$2,616,892)	(\$2,827,830)
FPSC ADJUSTED	\$105,903,353	(\$52,354,266)	\$53,549,087	\$0	\$1,722,033	\$55,271,121	\$1,313,143	\$56,584,264
FLEX RATE REVENUES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ADJUSTED FOR FLEX RATE REVENUES	\$105,903,353	(\$52,354,266)	\$53,549,087	\$0	\$1,722,033	\$55,271,121	\$1,313,143	\$56,584,264
PROFORMA ADJUSTMENTS								
TOTAL PRO FORMA ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PRO FORMA ADJUSTED	\$105,903,353	(\$52,354,266)	\$53,549,087	\$0	\$1,722,033	\$55,271,121	\$1,313,143	\$56,584,264

FLORIDA PUBLIC UTILITIES COMPANY
ELECTRIC
YEAR END RATE OF RETURN
For the 12 Months Ending December 31, 2014
RATE BASE

SCHEDULE 3
PAGE 1 OF 2

	(1) PLANT IN SERVICE	(2) ACCUMULATED DEPRECIATION & AMORTIZATION	(3) PLANT IN SERVICE	(4) NET PROPERTY HELD FOR FUTURE USE	(5) CONSTRUCTION WORK IN PROGRESS	(6) NET UTILITY PLANT	(7) WORKING CAPITAL	(8) TOTAL RATE BASE
PER BOOKS	\$110,735,554	(\$53,915,303)	\$56,820,252	\$0	\$224,605	\$57,044,857	\$11,053,697	\$68,098,553
FPSC ADJUSTMENTS:								
1) ELIM. NON UTILITY PLANT	(\$364,028)	\$158,878	(\$205,151)			(\$205,151)		(\$205,151)
2) OUT OF PERIOD LITIGATION ADJ						\$0	(\$0)	(\$0)
3) ELIMINATION OF UNDER-RECOVERY						\$0	(\$4,508,251)	(\$4,508,251)
4) TREE TRIMMING & UNDERGROUND RESERVE						\$0	(\$30,405)	(\$30,405)
5) DEFERRED RATE CASE EXPENSE						\$0	(\$473,054)	(\$473,054)
TOTAL FPSC ADJUSTMENTS	(\$364,028)	\$158,878	(\$205,151)	\$0	\$0	(\$205,151)	(\$5,011,710)	(\$5,216,860)
FPSC ADJUSTED	\$110,371,526	(\$53,756,425)	\$56,615,101	\$0	\$224,605	\$56,839,706	\$6,041,987	\$62,881,693
COMP RATE ADJ REVENUES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ADJUSTED FOR COMP RATE ADJ REVENUE	\$110,371,526	(\$53,756,425)	\$56,615,101	\$0	\$224,605	\$56,839,706	\$6,041,987	\$62,881,693
PROFORMA ADJUSTMENTS								\$0
TOTAL PRO FORMA ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PRO FORMA ADJUSTED	\$110,371,526	(\$53,756,425)	\$56,615,101	\$0	\$224,605	\$56,839,706	\$6,041,987	\$62,881,693

AVERAGE	ADJUSTMENTS						LOW POINT		MIDPOINT		HIGH POINT		
	PER BOOKS	NON-UTILITY	ADJUSTED BOOKS	PRO-RATA	SPECIFIC	BALANCE	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
COMMON EQUITY	\$26,514,027		\$26,514,027	\$457,654		\$26,971,681	45.45%	9.25%	4.20%	10.25%	4.66%	11.25%	5.11%
LONG TERM DEBT - CU	\$11,385,130		\$11,385,130			\$11,385,130	19.19%	5.25%	1.01%	5.25%	1.01%	5.25%	1.01%
SHORT TERM DEBT	\$5,235,039		\$5,235,039	(\$72,600)	(\$17,574)	\$4,917,465	8.29%	1.21%	0.10%	1.21%	0.10%	1.21%	0.10%
LONG TERM DEBT - FC	\$1,767,521		\$1,767,521	(107,223)		\$1,660,298	2.80%	12.91%	0.36%	12.91%	0.36%	12.91%	0.36%
SHORT TERM DEBT - REFINANCED LTD	\$1,713,557		\$1,713,557	(\$103,950)		\$1,609,607	2.71%	3.32%	0.09%	3.32%	0.09%	3.32%	0.09%
CUSTOMER DEPOSITS	\$3,358,991		\$3,358,991			\$3,358,991	5.66%	1.62%	0.09%	1.62%	0.09%	1.62%	0.09%
DEFERRED INCOME TAXES	\$9,437,828		\$9,437,828			\$9,437,828	15.90%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$0		\$0			\$0	0.00%	5.67%	0.00%	6.13%	0.00%	6.58%	0.00%
TOTAL AVERAGE	\$59,412,093	\$0	\$59,412,093	(\$143,693)	\$0	\$59,341,000	100.00%		5.85%		6.31%		6.76%

YEAR-END	ADJUSTMENTS						LOW POINT		MIDPOINT		HIGH POINT		
	PER BOOKS	NON-UTILITY	ADJUSTED BOOKS	PRO-RATA	SPECIFIC	BALANCE	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
COMMON EQUITY	\$27,910,068		\$27,910,068	(2,872,870)	\$0	\$25,037,198	39.82%	9.25%	3.68%	10.25%	4.08%	11.25%	4.48%
LONG TERM DEBT - CU	\$13,056,889		\$13,056,889	(1,343,986)		\$11,712,903	18.63%	4.78%	0.89%	4.78%	0.89%	4.78%	0.89%
SHORT TERM DEBT	\$8,047,544		\$8,047,544	(828,359)		\$7,219,185	11.48%	0.81%	0.09%	0.81%	0.09%	0.81%	0.09%
LONG TERM DEBT - FC	\$1,667,547		\$1,667,547	(171,646)		\$1,495,902	2.38%	12.80%	0.30%	12.80%	0.30%	12.80%	0.30%
SHORT TERM DEBT - REFINANCED LTD	\$0		\$0	-		\$0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$3,350,049		\$3,350,049			\$3,350,049	5.33%	1.63%	0.09%	1.63%	0.09%	1.63%	0.09%
DEFERRED INCOME TAXES	\$14,066,455		\$14,066,455			\$14,066,455	22.37%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$0		\$0			\$0	0.00%	4.96%	0.00%	5.36%	0.00%	5.76%	0.00%
TOTAL YEAR-END	\$68,098,553	\$0	\$68,098,553	(\$5,216,860)	\$0	\$62,881,692	100.00%		5.05%		5.45%		5.85%