

March 30, 2016

VIA HAND DELIVERY

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

RECEIVED
FLORIDA PUBLIC SERVICE
COMMISSION
2016 MAR 30 PM 4: 11
DIVISION OF
ACCOUNTING & FINANCE

Re: Florida Public Utilities Company (Electric and Gas Divisions), Florida Public Utilities Company-Indiantown Division, Florida Public Utilities Company-Fort Meade, and Florida Division of Chesapeake Utilities Corporation 4th Quarter Surveillance Reports

Dear Mr. Maurey:

In accordance with Rules 25-6.1352(3) and 25-7.1352(3), F.A.C., Florida Public Utilities Company (Gas and Electric Divisions), FPUC-Fort Meade, FPUC-Indiantown Division and the Florida Division of Chesapeake Utilities Corporation hereby submit the original and four (4) copies of the required 4th Quarter (December 2015) Earnings Surveillance Reports for 2015.

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

Sincerely,



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

cc: Cheryl Bulecza-Banks
Bart Fletcher

FLORIDA PUBLIC UTILITIES COMPANY
ELECTRIC
RATE OF RETURN REPORT SUMMARY
December 31, 2015

SCHEDULE 1

	(1) ACTUAL PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
I. AVERAGE RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ 2,949,136	\$75,407	\$3,024,543	\$0	\$3,024,543
AVERAGE RATE BASE	\$65,539,535	(\$4,303,388)	\$61,236,148	\$0	\$61,236,148
AVERAGE RATE OF RETURN	4.50%		4.94%		4.94%
II. YEAR-END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$2,949,136	\$50,463	\$2,999,599	\$0	\$2,999,599
YEAR-END RATE BASE	\$64,683,605	(\$2,251,908)	\$62,431,697	\$0	\$62,431,697
YEAR-END RATE OF RETURN	4.56%		4.80%		4.80%

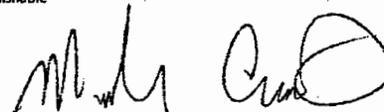
IV. FINANCIAL INTEGRITY INDICATORS

III. REQUIRED RATES OF RETURN		A. TIE WITH AFUDC		5.19
AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)		B. TIE WITHOUT AFUDC		5.19
LOW	5.18%	C. AFUDC TO NET INCOME		0.00
MIDPOINT	5.59%	D. INTERNALLY GENERATED FUNDS		165.04
HIGH	6.01%	E. LTD TO TOTAL INVESTOR FUNDS		25.73
		F. STD TO TOTAL INVESTOR FUNDS		17.72
		G. RETURN ON COMMON EQUITY		8.66

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

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

Mike Cassel
Director- Regulatory Affairs


Signature

3/29/16
Date

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	PLANT IN SERVICE	ACCUMULATED DEPRECIATION & AMORTIZATION	PLANT IN SERVICE	NET PROPERTY HELD FOR FUTURE USE	CONSTRUCTION WORK IN PROGRESS	NET UTILITY PLANT	WORKING CAPITAL	TOTAL RATE BASE
PER BOOKS	\$111,291,850	(\$55,523,983)	\$55,767,867	\$0	\$838,988	\$56,606,855	\$8,932,680	\$65,539,535
FPSC ADJUSTMENTS:								
			\$0			\$0		\$0
1) ELIM. NON UTILITY PLANT	(\$198,104)	\$92,746	(\$105,358)			(\$105,358)		(\$105,358)
2) REGULATORY LIAB - PENSION AMORT			\$0			\$0	(\$0)	(\$0)
3) REGULATORY ASSET - LITIGATION COSTS			\$0			\$0	\$0	\$0
4) ELIMINATE NET UNDERRECOVERY						\$0	(\$3,669,737)	(\$3,669,737)
5) TREE TRIMMING & UNDERGROUND RESERVE						\$0	(104,176)	(\$104,176)
6) ADJUST TAX STEP UP TO STIPULATION						\$0	\$0	\$0
7) DEFERRED RATE CASE EXPENSE						\$0	(\$424,117)	(\$424,117)
TOTAL FPSC ADJUSTMENTS	(\$198,104)	\$92,746	(\$105,358)	\$0	\$0	(\$105,358)	(\$4,198,030)	(\$4,303,388)
FPSC ADJUSTED	\$111,093,746	(\$55,431,236)	\$55,662,509	\$0	\$838,988	\$56,501,497	\$4,734,650	\$61,236,148
FLEX RATE REVENUES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ADJUSTED FOR FLEX RATE REVENUES	\$111,093,746	(\$55,431,236)	\$55,662,509	\$0	\$838,988	\$56,501,497	\$4,734,650	\$61,236,148
PROFORMA ADJUSTMENTS								
TOTAL PRO FORMA ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PRO FORMA ADJUSTED	\$111,093,746	(\$55,431,236)	\$55,662,509	\$0	\$838,988	\$56,501,497	\$4,734,650	\$61,236,148

FLORIDA PUBLIC UTILITIES COMPANY
 ELECTRIC
YEAR END RATE OF RETURN
 For the 12 Months Ending December 31, 2015
 RATE BASE

SCHEDULE 3
 PAGE 1 OF 2

	(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	\$112,321,513	(\$56,867,628)	\$55,453,885	\$0	\$2,103,928	\$57,557,814	\$7,125,792	\$64,683,605
FPSC ADJUSTMENTS:								
1) ELIM. NON UTILITY PLANT	(\$149,477)	\$100,974	(\$48,503)			(\$48,503)		(\$48,503)
2) OUT OF PERIOD LITIGATION ADJ						\$0	\$0	\$0
3) ELIMINATION OF UNDER-RECOVERY						\$0	(\$1,720,538)	(\$1,720,538)
4) TREE TRIMMING & UNDERGROUND RESERVE						\$0	(107,688)	(\$107,688)
5) DEFERRED RATE CASE EXPENSE						\$0	(\$375,180)	(\$375,180)
TOTAL FPSC ADJUSTMENTS	(\$149,477)	\$100,974	(\$48,503)	\$0	\$0	(\$48,503)	(\$2,203,406)	(\$2,251,908)
FPSC ADJUSTED	\$112,172,037	(\$56,766,654)	\$55,405,383	\$0	\$2,103,928	\$57,509,311	\$4,922,386	\$62,431,697
COMP RATE ADJ REVENUES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ADJUSTED FOR COMP RATE ADJ REVENUE	\$112,172,037	(\$56,766,654)	\$55,405,383	\$0	\$2,103,928	\$57,509,311	\$4,922,386	\$62,431,697
PROFORMA ADJUSTMENTS								
TOTAL PRO FORMA ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PRO FORMA ADJUSTED	\$112,172,037	(\$56,766,654)	\$55,405,383	\$0	\$2,103,928	\$57,509,311	\$4,922,386	\$62,431,697

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	\$27,609,209		\$27,609,209	(\$2,433,632)		\$25,175,577	41.11%	9.25%	3.80%	10.25%	4.21%	11.25%
LONG TERM DEBT - CU	\$11,062,973		\$11,062,973	(975,153)		\$10,087,820	16.47%	4.98%	0.82%	4.98%	0.82%	4.98%	0.82%
SHORT TERM DEBT	\$8,652,534		\$8,652,534	(762,683)		\$7,889,851	12.88%	1.20%	0.15%	1.20%	0.15%	1.20%	0.15%
LONG TERM DEBT - FC	\$1,496,608		\$1,496,608	(131,919)		\$1,364,689	2.23%	12.68%	0.28%	12.68%	0.28%	12.68%	0.28%
SHORT TERM DEBT - REFINANCED LTD	\$0		\$0	\$0		\$0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$3,224,218		\$3,224,218			\$3,224,218	5.27%	2.40%	0.13%	2.40%	0.13%	2.40%	0.13%
DEFERRED INCOME TAXES	\$13,493,993		\$13,493,993			\$13,493,993	22.04%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$0		\$0			\$0	0.00%	5.05%	0.00%	5.46%	0.00%	5.88%	0.00%
TOTAL AVERAGE	\$65,539,535	\$0	\$65,539,535	(\$4,303,387)	\$0	\$61,236,148	100.00%		5.18%		5.59%		6.01%

YEAR-END	ADJUSTMENTS						LOW POINT		MIDPOINT		HIGH POINT		
	PER BOOKS	NON-UTILITY	ADJUSTED BOOKS	PRO-RATA	SPECIFIC	BALANCE	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
	COMMON EQUITY	\$25,280,359		\$25,280,359	(1,189,295)	\$0	\$24,091,064	38.59%	9.25%	3.57%	10.25%	3.96%	11.25%
LONG TERM DEBT - CU	\$9,146,266		\$9,146,266	(430,279)		\$8,715,987	13.96%	5.17%	0.72%	5.17%	0.72%	5.17%	0.72%
SHORT TERM DEBT	\$12,043,366		\$12,043,366	(566,571)		\$11,476,795	18.38%	0.75%	0.14%	0.75%	0.14%	0.75%	0.14%
LONG TERM DEBT - FC	\$1,397,905		\$1,397,905	(65,763)		\$1,332,141	2.13%	12.57%	0.27%	12.57%	0.27%	12.57%	0.27%
SHORT TERM DEBT - REFINANCED LTD	\$0		\$0	-		\$0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$3,182,981		\$3,182,981			\$3,182,981	5.10%	2.43%	0.12%	2.43%	0.12%	2.43%	0.12%
DEFERRED INCOME TAXES	\$13,632,729		\$13,632,729			\$13,632,729	21.84%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$0		\$0			\$0	0.00%	4.70%	0.00%	5.09%	0.00%	5.47%	0.00%
TOTAL YEAR-END	\$64,683,605	\$0	\$64,683,605	(\$2,251,908)	\$0	\$62,431,697	100.00%		4.82%		5.21%		5.59%