



June 16, 2014

HAND DELIVERY

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

Re: Florida Public Utilities Company - Indiantown Division Surveillance Reports

Dear Mr. Maurey:

Attached, please find the corrected earnings surveillance reports for Florida Public Utilities Company – Indiantown Division, which are corrected consistent with the requirements of Order No. PSC-14-0015-PAA-GU.

Our apologies for any inconvenience this oversight may have caused. As always, should you have any questions or concerns, please do not hesitate to call.

Sincerely,



Mary E. Keating
Shareholder

Attachments

cc: Bart Fletcher

RECEIVED
FLORIDA PUBLIC SERVICE
COMMISSION
14 JUN 16 PM 2:57
DIVISION OF
ACCOUNTING & FINANCE

FLORIDA PUBLIC UTILITIES COMPANY
 INDIANTOWN DIVISION
 RATE OF RETURN REPORT SUMMARY
 DECEMBER 31, 2012

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	\$168,012	(\$64,031)	\$103,981	\$30,541	\$134,521
AVERAGE RATE BASE	\$1,414,568	(\$96,295)	\$1,319,273	(\$650,505)	\$668,768
AVERAGE RATE OF RETURN	11.88%		7.88%		20.11%
II. YEAR-END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$168,012	(\$63,844)	\$104,368	\$30,541	\$134,908
YEAR-END RATE BASE	\$1,532,775	(\$120,155)	\$1,412,620	(\$625,645)	\$786,975
YEAR-END RATE OF RETURN	10.96%		7.39%		17.14%
III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)			IV. EARNED RETURN ON EQUITY (FPSC ADJUSTED BASIS)		
LOW	7.92%		A. INCL ACQUISITION ADJUSTMENT		10.44%
MIDPOINT	8.51%		B. EXCL ACQUISITION ADJUSTMENT		33.71%
HIGH	9.10%				

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.

Cheryl M. Martin
 Director of Regulatory Affairs

Cheryl M. Martin
 Signature *CM*

6/16/14
 Date



June 13, 2014

RECEIVED
FLORIDA PUBLIC SERVICE
COMMISSION
14 JUN 13 PM 2:09
DIVISION OF
ACCOUNTING & FINANCE

VIA HAND DELIVERY

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

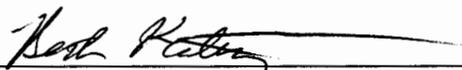
Re: Florida Public Utilities Company – Indiantown Division Surveillance Reports

Dear Mr. Maurey:

In accordance with Rule 25-7.1352(3), F.A.C., Florida Public Utilities Company hereby submits corrected Earnings Surveillance Reports for the Indiantown Division, consistent with the further requirements of Order No. PSC-14-0015-PAA-GU.

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
 INDIANTOWN DIVISION
 RATE OF RETURN REPORT SUMMARY
 DECEMBER 31, 2012

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	\$168,012	(\$64,031)	\$103,981	\$30,541	\$134,521
AVERAGE RATE BASE	\$1,414,568	(\$95,295)	\$1,319,273	(\$650,505)	\$668,768
AVERAGE RATE OF RETURN	11.88%		7.88%		20.11%
II. YEAR-END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$168,012	(\$63,644)	\$104,368	\$30,541	\$134,908
YEAR-END RATE BASE	\$1,532,775	(\$120,155)	\$1,412,620	(\$625,645)	\$786,975
YEAR-END RATE OF RETURN	10.96%		7.39%		17.14%
III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)					
LOW	7.92%				
MIDPOINT	8.51%				
HIGH	9.10%				
IV. EARNED RETURN ON EQUITY (FPSC ADJUSTED BASIS)					
A.			INCL COMP RATE ADJ REVENUES		10.44%
B.			EXCL COMP RATE ADJ REVENUES		10.44%

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.

Cheryl M. Martin
 Director of Regulatory Affairs

Cheryl M Martin
 Signature *cmr*

6/13/14
 Date

FLORIDA PUBLIC UTILITIES COMPANY
INDIANTOWN DIVISION
AVERAGE RATE OF RETURN
FOR THE THIRTEEN MONTHS ENDED 12/31/2012
RATE BASE

	(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	\$2,046,601	(\$729,877)	\$1,316,724	\$0	\$0	\$1,316,724	\$97,844	\$1,414,568
FPSC ADJUSTMENTS:								
ELIMINATIONS TO WORKING CAPITAL AMORTIZE ACQUISITION ADJ.		(\$95,295)	(\$95,295)			(\$95,295)	\$0	\$0 (\$95,295)
TOTAL FPSC ADJUSTMENTS	\$0	(\$95,295)	(\$95,295)	\$0	\$0	(\$95,295)	\$0	(\$95,295)
FPSC ADJUSTED	\$2,046,601	(\$825,172)	\$1,221,429	\$0	\$0	\$1,221,429	\$97,844	\$1,319,273
COMP RATE ADJ REVENUES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ADJUSTED FOR COMP RATE ADJ REVENUE	\$2,046,601	(\$825,172)	\$1,221,429	\$0	\$0	\$1,221,429	\$97,844	\$1,319,273
PROFORMA ADJUSTMENTS								
ACQUISITION ADJUSTMENT	(\$745,800)	\$95,295	(\$650,505)	\$0	\$0	(\$650,505)	\$0	(\$650,505)
TRANSACTION & TRANSITION COSTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL PRO FORMA ADJUSTMENTS	(\$745,800)	\$95,295	(\$650,505)	\$0	\$0	(\$650,505)	\$0	(\$650,505)
PRO FORMA ADJUSTED	\$1,300,801	(\$729,877)	\$570,924	\$0	\$0	\$570,924	\$97,844	\$668,768

FLORIDA PUBLIC UTILITIES COMPANY
 INDIANTOWN DIVISION
AVERAGE RATE OF RETURN
 FOR THE THIRTEEN MONTHS ENDED 12/31/2012
 INCOME STATEMENT

SCHEDULE 2
 PAGE 2 OF 2

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	OPERATING REVENUES	O & M GAS EXPENSE	O & M OTHER	DEPREC. & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	D.I.T. (NET)	I.T.C. (NET)	GAIN/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
PER BOOKS	\$651,724	\$4,264	\$324,647	\$40,545	\$8,970	\$105,286	\$0	\$0	\$0	\$483,712	\$168,012
FPSC ADJUSTMENTS:											
1) Interest Synchronization						(\$8,354)				(\$8,354)	\$8,354
2) Natural Gas Allocation Adjustment			\$63,316			(\$24,424)				\$38,892	(\$38,892)
3) Elimination of Rev Related Taxes (PSC)	(\$3,174)	(\$3,174)				\$0				(\$3,174)	\$0
4) Elimination of Conservation Rev & Exp	(\$6,020)	(\$1,090)			(\$30)	(\$1,890)				(\$3,010)	(\$3,010)
5) Income Tax Effective Rate Adjustment						(\$57)				(\$57)	\$57
6) Amortize Acquisition Adjustment				\$49,720		(\$19,179)				\$30,541	(\$30,541)
						\$0				\$0	\$0
						\$0				\$0	\$0
						\$0				\$0	\$0
TOTAL FPSC ADJUSTMENTS	(\$9,194)	(\$4,264)	\$63,316	\$49,720	(\$30)	(\$53,905)	\$0	\$0	\$0	\$54,837	(\$64,031)
FPSC ADJUSTED	\$642,530	\$0	\$387,963	\$90,265	\$8,940	\$51,381	\$0	\$0	\$0	\$538,549	\$103,981
COMP RATE ADJ REVENUES - DEFICIT/(SURPLUS)	\$0					\$0				\$0	\$0
ADJUSTED FOR COMP RATE ADJ REVENUES	\$642,530	\$0	\$387,963	\$90,265	\$8,940	\$51,381	\$0	\$0	\$0	\$538,549	\$103,981
ACQUISITION ADJ. - AMORT EXP	\$0	\$0	\$0	(\$49,720)	\$0	\$19,179	\$0	\$0	\$0	(\$30,541)	\$30,541
TRANSACTION/TRANSITION COSTS - AMORT EXP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL PRO FORMA ADJUSTMENTS	\$0	\$0	\$0	(\$49,720)	\$0	\$19,179	\$0	\$0	\$0	(\$30,541)	\$30,541
PRO FORMA ADJUSTED	\$642,530	\$0	\$387,963	\$40,545	\$8,940	\$70,561	\$0	\$0	\$0	\$508,009	\$134,521

FLORIDA PUBLIC UTILITIES COMPANY
 INDIANTOWN DIVISION
 YEAR END RATE OF RETURN
 FOR THE THIRTEEN MONTHS ENDED 12/31/2012
 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	\$2,050,620	(\$753,230)	\$1,297,390	\$0	\$0	\$1,297,390	\$235,385	\$1,532,775
FPSC ADJUSTMENTS:								
ELIMINATIONS TO WORKING CAPITAL AMORTIZE ACQUISITION ADJ.		(\$120,155)	(\$120,155)			(\$120,155)	\$0	\$0 (\$120,155)
TOTAL FPSC ADJUSTMENTS	\$0	(\$120,155)	(\$120,155)	\$0	\$0	(\$120,155)	\$0	(\$120,155)
FPSC ADJUSTED	\$2,050,620	(\$873,385)	\$1,177,235	\$0	\$0	\$1,177,235	\$235,385	\$1,412,620
COMP RATE ADJ REVENUES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ADJUSTED FOR COMP RATE ADJ REVENUE	\$2,050,620	(\$873,385)	\$1,177,235	\$0	\$0	\$1,177,235	\$235,385	\$1,412,620
PROFORMA ADJUSTMENTS								
ACQUISITION ADJUSTMENT	(\$745,800)	\$120,155	(\$625,645)	\$0	\$0	(\$625,645)	\$0	(\$625,645)
TRANSACTION & TRANSITION COSTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL PRO FORMA ADJUSTMENTS	(\$745,800)	\$120,155	(\$625,645)	\$0	\$0	(\$625,645)	\$0	(\$625,645)
PRO FORMA ADJUSTED	\$1,304,820	(\$753,230)	\$551,590	\$0	\$0	\$551,590	\$235,385	\$786,975

FLORIDA PUBLIC UTILITIES COMPANY
 INDIANTOWN DIVISION
 YEAR END RATE OF RETURN
 FOR THE THIRTEEN MONTHS ENDED 12/31/2012
 INCOME STATEMENT

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	OPERATING REVENUES	O & M GAS EXPENSE	O & M OTHER	DEPREC. & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	D.I.T. (NET)	I.T.C. (NET)	GAIN/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
PER BOOKS	\$651,724	\$4,264	\$324,647	\$40,545	\$8,970	\$105,286	\$0	\$0	\$0	\$483,712	\$168,012
FPSC ADJUSTMENTS:											
1) Interest Synchronization						(\$8,741)				(\$8,741)	\$8,741
2) Natural Gas Allocation Adjustment						(\$24,424)				\$38,892	(\$38,892)
3) Elimination of Rev Related Taxes (PSC)			\$63,316			\$0				(\$3,174)	\$0
4) Elimination of Conservation Rev & Exp	(\$3,174)	(\$3,174)				\$0				(\$3,010)	(\$3,010)
5) Income Tax Effective Rate Adjustment	(\$6,020)	(\$1,090)			(\$30)	(\$1,890)				(\$57)	\$57
6) Amortize Acquisition Adjustment				\$49,720		(\$19,179)				\$30,541	(\$30,541)
						\$0				\$0	\$0
						\$0				\$0	\$0
						\$0				\$0	\$0
						\$0				\$0	\$0
TOTAL FPSC ADJUSTMENTS	(\$9,194)	(\$4,264)	\$63,316	\$49,720	(\$30)	(\$54,292)	\$0	\$0	\$0	\$54,450	(\$63,644)
FPSC ADJUSTED	\$642,530	\$0	\$387,963	\$90,265	\$8,940	\$50,994	\$0	\$0	\$0	\$538,162	\$104,368
COMP RATE ADJ REVENUES - DEFICIT/(SURPLUS)	\$0					\$0				\$0	\$0
ADJUSTED FOR COMP RATE ADJ REVENUES	\$642,530	\$0	\$387,963	\$90,265	\$8,940	\$50,994	\$0	\$0	\$0	\$538,162	\$104,368
ACQUISITION ADJ. - AMORT EXP	\$0	\$0	\$0	(\$49,720)	\$0	\$19,179	\$0	\$0	\$0	(\$30,541)	\$30,541
TRANSACTION/TRANSITION COSTS - AMORT EXP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL PRO FORMA ADJUSTMENTS	\$0	\$0	\$0	(\$49,720)	\$0	\$19,179	\$0	\$0	\$0	(\$30,541)	\$30,541
PRO FORMA ADJUSTED	\$642,530	\$0	\$387,963	\$40,545	\$8,940	\$70,174	\$0	\$0	\$0	\$507,622	\$134,908

FLORIDA PUBLIC UTILITIES COMPANY
 INDIANTOWN DIVISION
 CAPITAL STRUCTURE
 DECEMBER 31, 2012
 FPSC ADJUSTED BASIS

AVERAGE	ADJUSTMENTS						LOW POINT		MIDPOINT		HIGH POINT		
	PER BOOKS	PRO RATA	SPECIFIC	ADJUSTED	NON-UTILITY	BALANCE	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
COMMON EQUITY	\$ 844,861		(\$61,220)	\$ 783,641		\$ 783,641	59.40%	10.50%	6.24%	11.50%	6.83%	12.50%	7.42%
LONG TERM DEBT	\$ 357,765		(\$25,924)	\$ 331,841		\$ 331,841	25.15%	6.09%	1.53%	6.09%	1.53%	6.09%	1.53%
SHORT TERM DEBT	\$ 112,499		(\$8,151)	\$ 104,348		\$ 104,348	7.91%	1.37%	0.11%	1.37%	0.11%	1.37%	0.11%
SHORT TERM DEBT REFINANCED LTD	\$ 0		\$ 0	\$ 0		\$ 0	0.00%	6.33%	0.00%	6.33%	0.00%	6.33%	0.00%
CUSTOMER DEPOSITS	\$ 9,787			\$ 9,787		\$ 9,787	0.74%	5.18%	0.04%	5.18%	0.04%	5.18%	0.04%
DEFERRED TAXES	\$ 89,655			\$ 89,655		\$ 89,655	6.80%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TOTAL AVERAGE	\$ 1,414,568	\$ 0	(\$95,295)	\$ 1,319,273	\$ 0	\$ 1,319,273	100.00%		7.92%		8.51%		9.10%

YEAR-END	ADJUSTMENTS						LOW POINT		MIDPOINT		HIGH POINT		
	PER BOOKS	PRO RATA	SPECIFIC	ADJUSTED	NON-UTILITY	BALANCE	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
COMMON EQUITY	\$ 874,270		(\$71,502)	\$ 802,768		\$ 802,768	56.83%	10.50%	5.97%	11.50%	6.54%	12.50%	7.10%
LONG TERM DEBT	\$ 359,442		(\$29,398)	\$ 330,044		\$ 330,044	23.36%	6.45%	1.51%	6.45%	1.51%	6.45%	1.51%
SHORT TERM DEBT	\$ 235,424		(\$19,255)	\$ 216,169		\$ 216,169	15.30%	0.69%	0.11%	0.69%	0.11%	0.69%	0.11%
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	\$ 6,005			\$ 6,005		\$ 6,005	0.43%	5.18%	0.02%	5.18%	0.02%	5.18%	0.02%
DEFERRED TAXES	\$ 57,634			\$ 57,634		\$ 57,634	4.08%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TOTAL YEAR-END	\$ 1,532,775	\$ 0	(\$120,155)	\$ 1,412,620	\$ 0	\$ 1,412,620	100.00%		7.61%		8.18%		8.74%