



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

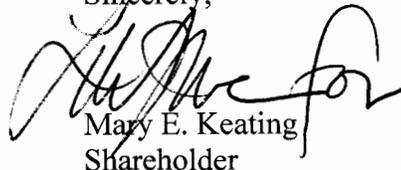
Re: Florida Public Utilities Company - Indiantown Division Surveillance Reports

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, 2013

SCHEDULE 1
 Revised 6-12-14

	(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	\$108,577	(\$19,188)	\$89,389	\$30,541	\$119,930
AVERAGE RATE BASE	\$2,212,684	(\$268,738)	\$1,943,946	(\$600,785)	\$1,343,161
AVERAGE RATE OF RETURN	4.91%		4.60%		8.93%
II. YEAR-END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$108,577	(\$18,905)	\$89,672	\$30,541	\$120,213
YEAR-END RATE BASE	\$2,361,364	\$0	\$2,361,364	(\$575,925)	\$1,785,439
YEAR-END RATE OF RETURN	4.60%		3.80%		6.73%
III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)			IV. EARNED RETURN ON EQUITY (FPSC ADJUSTED BASIS)		
LOW	7.70%		A.	INCL ACQUISITION ADJUSTMENT	5.17%
MIDPOINT	8.28%		B.	EXCL ACQUISITION ADJUSTMENT	12.93%
HIGH	6.87%				

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

6/16/14
 Date



June 13, 2014

VIA HAND DELIVERY

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

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DIVISION OF
ACCOUNTING & FINANCE

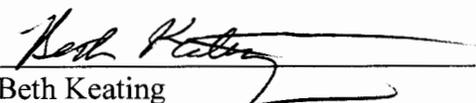
Re: Florida Public Utilities Company – Indiantown Division Surveillance Reports

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, 2013

SCHEDULE 1
 Revised 6-12-14

	(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	\$108,577	(\$19,188)	\$89,389	\$30,541	\$119,930
AVERAGE RATE BASE	\$2,212,684	(\$268,738)	\$1,943,946	(\$600,785)	\$1,343,161
AVERAGE RATE OF RETURN	4.91%		4.60%		8.93%
II. YEAR-END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$108,577	(\$18,905)	\$89,672	\$30,541	\$120,213
YEAR-END RATE BASE	\$2,361,364	\$0	\$2,361,364	(\$575,925)	\$1,785,439
YEAR-END RATE OF RETURN	4.60%		3.80%		6.73%
III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)			IV. EARNED RETURN ON EQUITY (FPSC ADJUSTED BASIS)		
LOW	7.70%		A.	INCL COMP RATE ADJ REVENUES	5.39%
MIDPOINT	8.28%		B.	EXCL COMP RATE ADJ REVENUES	5.39%
HIGH	8.87%				

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

6/13/14
 Date

FLORIDA PUBLIC UTILITIES COMPANY
 INDIANTOWN DIVISION
AVERAGE RATE OF RETURN
 FOR THE THIRTEEN MONTHS ENDED 12/31/2013
 RATE BASE

SCHEDULE 2
 PAGE 1 OF 2
 Revised 6-12-14

	(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	\$2,762,703	(\$788,372)	\$1,974,331	\$0	\$57,175	\$2,031,506	\$181,178	\$2,212,684
FPSC ADJUSTMENTS:								
ELIMINATIONS TO WORKING CAPITAL							\$0	\$0
CORRECT AMORTIZATION OF ACQUISITION ADJ. PSC-14-0015-PAA-GU	\$13,067	(\$145,015)	(\$131,948)			(\$131,948)		(\$131,948)
REMOVE NET UNRECOVERED PURCHASED GAS COST DOCKET 030954-GU							(\$136,790)	(\$136,790)
TOTAL FPSC ADJUSTMENTS	\$13,067	(\$145,015)	(\$131,948)	\$0	\$0	(\$131,948)	(\$136,790)	(\$268,738)
FPSC ADJUSTED	\$2,775,770	(\$933,387)	\$1,842,383	\$0	\$57,175	\$1,899,558	44387.99707	\$1,943,946
COMP RATE ADJ REVENUES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ADJUSTED FOR COMP RATE ADJ REVENUE	\$2,775,770	(\$933,387)	\$1,842,383	\$0	\$57,175	\$1,899,558	\$44,388	\$1,943,946
PROFORMA ADJUSTMENTS								
REMOVE ACQUISITION ADJUSTMENT	(\$745,800)	\$145,015	(\$600,785)	\$0	\$0	(\$600,785)	\$0	(\$600,785)
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL PRO FORMA ADJUSTMENTS	(\$745,800)	\$145,015	(\$600,785)	\$0	\$0	(\$600,785)	\$0	(\$600,785)
PRO FORMA ADJUSTED	\$2,029,970	(\$788,372)	\$1,241,598	\$0	\$57,175	\$1,298,773	\$44,388	\$1,343,161

FLORIDA PUBLIC UTILITIES COMPANY
 INDIANTOWN DIVISION
 AVERAGE RATE OF RETURN
 FOR THE THIRTEEN MONTHS ENDED 12/31/2013
 INCOME STATEMENT

SCHEDULE 2
 PAGE 2 OF 2
 Revised 6-12-14

	(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	\$584,223	\$7,021	\$320,057	\$70,077	\$16,973	\$61,518	\$0	\$0	\$0	\$475,646	\$108,577
FPSC ADJUSTMENTS:											
1) Interest Synchronization						(\$7,123)				(\$7,123)	\$7,123
2) Elimination of Rev Related Taxes (PSC)	(\$2,836)				(\$2,836)	\$0				(\$2,836)	\$0
3) Elimination of Conservation Rev & Exp	(\$1,289)	(\$7,021)			(\$7)	\$2,214				(\$4,814)	\$3,525
4) Income Tax Effective Rate Adjustment						(\$705)				(\$705)	\$705
5) Correct Amortization Acquisition Adjustment				\$49,720		(\$19,179)				\$30,541	(\$30,541)
						\$0				\$0	\$0
						\$0				\$0	\$0
						\$0				\$0	\$0
TOTAL FPSC ADJUSTMENTS	(\$4,125)	(\$7,021)	\$0	\$49,720	(\$2,843)	(\$24,793)	\$0	\$0	\$0	\$15,063	(\$19,188)
FPSC ADJUSTED	\$580,098	\$0	\$320,057	\$119,797	\$14,131	\$36,725	\$0	\$0	\$0	\$490,709	\$89,389
COMP RATE ADJ REVENUES - DEFICIT/(SURPLUS)	\$0					\$0				\$0	\$0
ADJUSTED FOR COMP RATE ADJ REVENUES	\$580,098	\$0	\$320,057	\$119,797	\$14,131	\$36,725	\$0	\$0	\$0	\$490,709	\$89,389
1) Remove Amortization of Acquisition Adjustment	\$0	\$0	\$0	(\$49,720)	\$0	\$19,179	\$0	\$0	\$0	(\$30,541)	\$30,541
	\$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	\$580,098	\$0	\$320,057	\$70,077	\$14,131	\$55,904	\$0	\$0	\$0	\$460,168	\$119,930

FLORIDA PUBLIC UTILITIES COMPANY
 INDIANTOWN DIVISION
 YEAR END RATE OF RETURN
 FOR THE THIRTEEN MONTHS ENDED 12/31/2013
 RATE BASE

SCHEDULE 3
 PAGE 1 OF 2
 Revised 6-12-14

	(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	\$2,808,989	(\$792,600)	\$2,016,390	\$0	\$23,653	\$2,040,043	\$321,321	\$2,361,364
FPSC ADJUSTMENTS:								
ELIMINATIONS TO WORKING CAPITAL CORRECT AMORTIZATION OF ACQUISITION ADJ. PSC-14-0015-PAA-GU	\$169,875	(\$169,875)	\$0			\$0	\$0	\$0
TOTAL FPSC ADJUSTMENTS	\$169,875	(\$169,875)	\$0	\$0	\$0	\$0	\$0	\$0
FPSC ADJUSTED	\$2,978,864	(\$962,475)	\$2,016,390	\$0	\$23,653	\$2,040,043	\$321,321	\$2,361,364
COMP RATE ADJ REVENUES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ADJUSTED FOR COMP RATE ADJ REVENUE	\$2,978,864	(\$962,475)	\$2,016,390	\$0	\$23,653	\$2,040,043	\$321,321	\$2,361,364
PROFORMA ADJUSTMENTS								
REMOVE ACQUISITION ADJUSTMENT	(\$745,800)	\$169,875	(\$575,925)	\$0	\$0	(\$575,925)	\$0	(\$575,925)
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL PRO FORMA ADJUSTMENTS	(\$745,800)	\$169,875	(\$575,925)	\$0	\$0	(\$575,925)	\$0	(\$575,925)
PRO FORMA ADJUSTED	\$2,233,064	(\$792,600)	\$1,440,465	\$0	\$23,653	\$1,464,118	\$321,321	\$1,785,439

FLORIDA PUBLIC UTILITIES COMPANY
 INDIANTOWN DIVISION
 YEAR END RATE OF RETURN
 FOR THE THIRTEEN MONTHS ENDED 12/31/2013
 INCOME STATEMENT

SCHEDULE 3
 PAGE 2 OF 2
 Revised 6-12-14

	(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	\$584,223	\$7,021	\$320,057	\$70,077	\$16,973	\$61,518	\$0	\$0	\$0	\$475,646	\$108,577
FPSC ADJUSTMENTS:											
1) Interest Synchronization						(\$7,406)				(\$7,406)	\$7,406
2) Elimination of Rev Related Taxes (PSC)	(\$2,836)				(\$2,836)	\$0				(\$2,836)	\$0
3) Elimination of Conservation Rev & Exp	(\$1,289)	(\$7,021)			(\$7)	\$2,214				(\$4,814)	\$3,525
4) Income Tax Effective Rate Adjustment						(\$705)				(\$705)	\$705
5) Correct Amortization 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	(\$4,125)	(\$7,021)	\$0	\$49,720	(\$2,843)	(\$25,076)	\$0	\$0	\$0	\$14,780	(\$18,905)
FPSC ADJUSTED	\$580,098	\$0	\$320,057	\$119,797	\$14,131	\$36,442	\$0	\$0	\$0	\$490,426	\$89,672
COMP RATE ADJ REVENUES - DEFICIT/(SURPLUS)	\$0					\$0				\$0	\$0
ADJUSTED FOR COMP RATE ADJ REVENUES	\$580,098	\$0	\$320,057	\$119,797	\$14,131	\$36,442	\$0	\$0	\$0	\$490,426	\$89,672
1) Remove Acquisition Adjustment	\$0	\$0	\$0	(\$49,720)	\$0	\$19,179	\$0	\$0	\$0	(\$30,541)	\$30,541
	\$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	\$580,098	\$0	\$320,057	\$70,077	\$14,131	\$55,621	\$0	\$0	\$0	\$459,885	\$120,213

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	\$ 1,295,223		(\$163,716)	\$ 1,131,507		\$ 1,131,507	58.21%	10.50%	6.11%	11.50%	6.69%	12.50%	7.28%
LONG TERM DEBT	\$ 463,893		(\$58,636)	\$ 405,257		\$ 405,257	20.85%	6.02%	1.25%	6.02%	1.25%	6.02%	1.25%
SHORT TERM DEBT	\$ 297,720		(\$37,632)	\$ 260,088		\$ 260,088	13.38%	1.47%	0.20%	1.47%	0.20%	1.47%	0.20%
SHORT TERM DEBT REFINANCED LTD	\$ 69,261		(\$8,754)	\$ 60,507		\$ 60,507	3.11%	4.17%	0.13%	4.17%	0.13%	4.17%	0.13%
CUSTOMER DEPOSITS	\$ 6,421			\$ 6,421		\$ 6,421	0.33%	2.06%	0.01%	2.06%	0.01%	2.06%	0.01%
DEFERRED TAXES	\$ 80,167			\$ 80,167		\$ 80,167	4.12%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TOTAL AVERAGE	\$ 2,212,684	\$ 0	(\$268,738)	\$ 1,943,946	\$ 0	\$ 1,943,946	100.00%		7.70%		8.28%		8.87%

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	\$ 1,187,426		\$0	\$ 1,187,426		\$ 1,187,426	50.29%	10.50%	5.28%	11.50%	5.78%	12.50%	6.29%
LONG TERM DEBT	\$ 477,823		\$0	\$ 477,823		\$ 477,823	20.24%	5.20%	1.05%	5.20%	1.05%	5.20%	1.05%
SHORT TERM DEBT	\$ 234,972		\$0	\$ 234,972		\$ 234,972	9.95%	1.66%	0.17%	1.66%	0.17%	1.66%	0.17%
SHORT TERM DEBT REFINANCED LTD	\$ 211,056		\$0	\$ 211,056		\$ 211,056	8.94%	1.22%	0.11%	1.22%	0.11%	1.22%	0.11%
CUSTOMER DEPOSITS	\$ 6,230			\$ 6,230		\$ 6,230	0.26%	2.06%	0.01%	2.06%	0.01%	2.06%	0.01%
DEFERRED TAXES	\$ 243,857			\$ 243,857		\$ 243,857	10.33%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TOTAL YEAR-END	\$ 2,361,364	\$ 0	\$0	\$ 2,361,364	\$ 0	\$ 2,361,364	100.00%		6.62%		7.12%		7.63%