



June 11, 2015

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FLORIDA PUBLIC SERVICE
COMMISSION
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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 (Electric and Gas Divisions) 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 (all Divisions) and the Florida Division of Chesapeake Utilities Corporation hereby submits the original and four (4) copies of the REVISED 4th Quarter Earnings Surveillance Reports for 2014. The reports have been revised as a result of corrections to the common allocation rates in working capital.

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

CHESAPEAKE UTILITIES CORPORATION
 FLORIDA DIVISION
 RATE OF RETURN REPORT SUMMARY
 December 31, 2014 - Revised 6_5_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	\$ 3,113,091	(\$85,508)	\$3,027,583	\$0	\$3,027,583
AVERAGE RATE BASE	\$52,981,408	(\$530,510)	\$52,430,898	\$0	\$52,430,898
AVERAGE RATE OF RETURN	5.88%		5.77%		5.77%
II. YEAR-END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$3,113,091	(\$109,117)	\$3,003,974	\$0	\$3,003,974
YEAR-END RATE BASE	\$56,760,163	(\$629,003)	\$56,131,160	\$0	\$56,131,160
YEAR-END RATE OF RETURN	5.48%		5.35%		5.35%
III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)					
LOW	5.78%				
MIDPOINT	6.24%				
HIGH	6.89%				
IV. EARNED RETURN ON EQUITY (FPSC ADJUSTED BASIS)					
		A.	INCL COMP RATE ADJ REVENUES		9.79%
		B.	EXCL COMP RATE ADJ REVENUES		9.79%

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. 775.062, s. 775.083, or s. 775.084.

Mike Cassel
 Director, Regulatory Affairs


 Signature

6-10-15
 Date

CHESAPEAKE UTILITIES CORPORATION
 FLORIDA DIVISION
AVERAGE RATE OF RETURN
 For the 12 Months Ending December 31, 2014
 RATE BASE - Revised 6_5_2015

	(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	\$79,065,355	(\$28,163,730)	\$50,901,625	\$0	\$1,748,377	\$52,650,002	\$311,406	\$52,961,408
FPSC ADJUSTMENTS:								
ELIMINATIONS TO WORKING CAPITAL							(\$202,263)	(\$202,263)
ELIMINATE ACQUISITION ADJ.	\$0	\$0	\$0			\$0		\$0
ELIM. FRANCHISE/CONSENT	(\$14,132)	\$11,502	(\$2,630)			(\$2,630)		(\$2,630)
ELIM. COMMON PLANT	(\$318,160)	\$159,531	(\$158,629)			(\$158,629)		(\$158,629)
FLEXIBLE GAS SERVICE	(\$259,136)	\$101,153	(\$157,984)			(\$157,984)	(\$9,004)	(\$166,988)
			\$0			\$0		\$0
TOTAL FPSC ADJUSTMENTS	(\$591,428)	\$272,186	(\$319,242)	\$0	\$0	(\$319,242)	(\$211,267)	(\$530,510)
FPSC ADJUSTED	\$78,473,927	(\$27,891,544)	\$50,582,382	\$0	\$1,748,377	\$52,330,759	\$100,139	\$52,430,898
COMP RATE ADJ REVENUES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ADJUSTED FOR COMP RATE ADJ REVENUE	\$78,473,927	(\$27,891,544)	\$50,582,382	\$0	\$1,748,377	\$52,330,759	\$100,139	\$52,430,898
PROFORMA ADJUSTMENTS								
TOTAL PRO FORMA ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PRO FORMA ADJUSTED	\$78,473,927	(\$27,891,544)	\$50,582,382	\$0	\$1,748,377	\$52,330,759	\$100,139	\$52,430,898

CHESAPEAKE UTILITIES CORPORATION
 FLORIDA DIVISION
AVERAGE RATE OF RETURN
 For the 12 Months Ending December 31, 2014
 INCOME STATEMENT- Revised 6_5_2015

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	\$17,750,688	\$ 1,057,773	\$8,273,860	\$2,340,896	\$1,560,908	\$1,404,160				\$14,637,597	\$3,113,091
FPSC ADJUSTMENTS:											
1) Interest Synchronization						\$59,261				\$59,261	(\$59,261)
2) Acquisition adjust.						\$0				\$0	\$0
3) Elim. Property Tax - Common Plant					(\$3,536)	\$1,364				(\$2,172)	\$2,172
4) Elim. amort org costs				(\$420)		\$162				(\$258)	\$258
5) Elim Economic Dev. Expense			(\$88)			\$34				(\$54)	\$54
6) Elim. Depreciation Exp. Common Plant				(\$17,484)		\$8,745				(\$10,740)	\$10,740
7) Elim. Non-utility O & M			\$0			\$0				\$0	\$0
8) Elim. Ind. Assoc dues			(\$2,956)			\$1,144				(\$1,822)	\$1,822
9) Elim charitable contributions			\$0			\$0				\$0	\$0
10) Elim. Social Activities			(\$27,258)			\$10,515				(\$16,743)	\$16,743
11) Elim. promotional expenses			(\$2,922)			\$1,127				(\$1,795)	\$1,795
12) Elim. Civic Dues			\$0			\$0				\$0	\$0
13) Interest Income	\$753					\$291				\$291	\$463
14) Elim. Rev Related Taxes (Franchise & PSC Assess)	(\$449,308)				(\$449,308)	\$0				(\$449,308)	\$0
15) Elim. Conservation Rev & Exp.	(\$1,063,094)	(\$1,057,773)			(\$5,321)	\$0				(\$1,063,094)	(\$0)
16) Elim. PGA Expenses		\$0				\$0				\$0	\$0
17) Elim. PGA Revenues	\$0					\$0				\$0	\$0
18) Elim. Flexible Gas Service	(\$158,600)		(\$45,184)	(\$10,104)	(\$3,155)	(\$37,864)				(\$96,307)	(\$60,293)
19) Out of Period Adjustments			\$0			\$0				\$0	\$0
TOTAL FPSC ADJUSTMENTS	(\$1,688,249)	(\$1,057,773)	(\$78,418)	(\$28,008)	(\$461,320)	\$42,778	\$0	\$0	\$0	(\$1,582,741)	(\$85,508)
FPSC ADJUSTED	\$16,082,439	(\$0)	\$8,195,442	\$2,312,888	\$1,099,589	\$1,446,938	\$0	\$0	\$0	\$13,054,856	\$3,027,583
COMP RATE ADJ REVENUES - DEFICIT/(SURPLUS)	\$0					\$0				\$0	\$0
ADJUSTED FOR COMP RATE ADJ REVENUES	\$16,082,439	(\$0)	\$8,195,442	\$2,312,888	\$1,099,589	\$1,446,938	\$0	\$0	\$0	\$13,054,856	3,027,583
PROFORMA ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PRO FORMA ADJUSTED	\$16,082,439	(\$0)	\$8,195,442	\$2,312,888	\$1,099,589	\$1,446,938	\$0	\$0	\$0	\$13,054,856	\$3,027,583

CHESAPEAKE UTILITIES CORPORATION
 FLORIDA DIVISION
 YEAR END RATE OF RETURN
 For the 12 Months Ending December 31, 2014
 RATE BASE - Revised 6_5_2015

	(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	<u>\$81,808,352</u>	<u>(\$27,215,975)</u>	<u>\$54,592,377</u>	<u>\$0</u>	<u>\$1,516,507</u>	<u>\$56,108,884</u>	<u>\$651,279</u>	<u>\$56,780,163</u>
FPSC ADJUSTMENTS:								
ELIMINATIONS TO WORKING CAPITAL							(\$319,822)	(\$319,822)
ELIM. FRANCHISE/CONSENT	(\$14,132)	\$11,711	(\$2,421)			(\$2,421)		(\$2,421)
ELIM. COMMON PLANT	(\$255,776)	\$110,951	(\$144,824)			(\$144,824)		(\$144,824)
FLEXIBLE GAS SERVICE	(\$259,136)	\$106,205	(\$152,932)			(\$152,932)	(\$9,004)	(\$161,936)
TOTAL FPSC ADJUSTMENTS	<u>(\$529,044)</u>	<u>\$228,867</u>	<u>(\$300,177)</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$300,177)</u>	<u>(\$328,826)</u>	<u>(\$629,003)</u>
FPSC ADJUSTED	<u>\$81,279,308</u>	<u>(\$26,987,108)</u>	<u>\$54,292,200</u>	<u>\$0</u>	<u>\$1,516,507</u>	<u>\$55,808,707</u>	<u>\$322,453</u>	<u>\$56,131,160</u>
COMP RATE ADJ REVENUES	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
ADJUSTED FOR COMP RATE ADJ REVENUE	<u>\$81,279,308</u>	<u>(\$26,987,108)</u>	<u>\$54,292,200</u>	<u>\$0</u>	<u>\$1,516,507</u>	<u>\$55,808,707</u>	<u>\$322,453</u>	<u>\$56,131,160</u>
PROFORMA ADJUSTMENTS								
TOTAL PRO FORMA ADJUSTMENTS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
PRO FORMA ADJUSTED	<u>\$81,279,308</u>	<u>(\$26,987,108)</u>	<u>\$54,292,200</u>	<u>\$0</u>	<u>\$1,516,507</u>	<u>\$55,808,707</u>	<u>\$322,453</u>	<u>\$56,131,160</u>

CHESAPEAKE UTILITIES CORPORATION
 FLORIDA DIVISION
 YEAR END RATE OF RETURN
 For the 12 Months Ending December 31, 2014
 INCOME STATEMENT- Revised 6_5_2015

SCHEDULE 3
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	(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	\$17,750,688	\$ 1,057,773	\$8,273,860	\$2,340,896	\$1,560,908	\$1,404,160				\$14,637,597	\$3,113,091
FPSC ADJUSTMENTS:											
1) Interest Synchronization						\$82,870				\$82,870	(\$82,870)
2) Acquisition adjust.						\$0				\$0	\$0
3) Elim. Property Tax - Common Plant					(\$3,536)	\$1,364				(\$2,172)	\$2,172
4) Elim. Amort. Org. Costs				(\$420)		\$162				(\$258)	\$258
5) Elim Economic Dev. Expense			(\$88)			\$34				(\$54)	\$54
6) Elim. Depreciation Exp. Common Plant			\$0	(\$17,484)		\$6,745				(\$10,740)	\$10,740
7) Elim. Non-utility O & M			\$0			\$0				\$0	\$0
8) Elim. Ind. Assoc dues			(2,966)			\$1,144				(\$1,822)	\$1,822
9) Elim charitable contributions			\$0			\$0				\$0	\$0
10) Elim. Social Activities			(\$27,258)			\$10,515				(\$16,743)	\$16,743
11) Elim. promotional expenses			(\$2,922)			\$1,127				(\$1,795)	\$1,795
12) Elim. Civic Dues			\$0			\$0				\$0	\$0
13) Interest Income	\$753					\$291				\$291	\$463
14) Elim. Rev Related Taxes (Franchise & PSC Assess)	(\$449,308)				(\$449,308)	\$0				(\$449,308)	\$0
15) Elim. Conservation Rev & Exp.	(\$1,063,094)	(\$1,057,773)			(\$5,321)	(\$0)				(\$1,063,094)	(\$0)
16) Elim. PGA Expenses		\$0				\$0				\$0	\$0
17) Elim. PGA Revenues	\$0					\$0				\$0	\$0
18) Elim. Flexible Gas Service	(\$156,600)		(\$45,184)	(\$10,104)	(\$3,155)	(\$37,864)				(\$96,307)	(\$60,293)
19) Out of Period Adjustments			\$0			\$0				\$0	\$0
TOTAL FPSC ADJUSTMENTS	(\$1,668,249)	(\$1,057,773)	(\$78,418)	(\$28,008)	(\$461,320)	\$66,386	\$0	\$0	\$0	(\$1,559,133)	(\$109,117)
FPSC ADJUSTED	\$16,082,439	(\$0)	\$8,195,442	\$2,312,888	\$1,099,589	\$1,470,546	\$0	\$0	\$0	\$13,078,464	\$3,003,974
COMP RATE ADJ REVENUES - DEFICIT/(SURPLUS)	\$0					\$0				\$0	\$0
ADJUSTED FOR COMP RATE ADJ REVENUES	\$16,082,439	(\$0)	\$8,195,442	\$2,312,888	\$1,099,589	\$1,470,546	\$0	\$0	\$0	\$13,078,464	\$3,003,974
PROFORM ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PRO FORMA ADJUSTED	\$16,082,439	(\$0)	\$8,195,442	\$2,312,888	\$1,099,589	\$1,470,546	\$0	\$0	\$0	\$13,078,464	\$3,003,974

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	\$23,840,640	\$0	\$23,840,640	\$0	(\$305,564)	\$23,535,076	44.89%	9.80%	4.40%	10.80%	4.85%	11.80%
LONG TERM DEBT	\$11,302,725	\$0	\$11,302,725	\$0	(\$144,866)	\$11,157,859	21.28%	5.25%	1.12%	5.25%	1.12%	5.25%	1.12%
SHORT TERM DEBT	\$4,707,194	\$0	\$4,707,194	\$0	(\$60,332)	\$4,646,862	8.86%	1.21%	0.11%	1.21%	0.11%	1.21%	0.11%
SHORT TERM DEBT REFINANCED LTD	\$1,540,781	\$0	\$1,540,781	\$0	(\$19,749)	\$1,521,032	2.90%	3.32%	0.10%	3.32%	0.10%	3.32%	0.10%
CUSTOMER DEPOSITS	\$983,579	\$0	\$983,579	\$0	\$0	\$983,579	1.88%	2.40%	0.05%	2.40%	0.05%	2.40%	0.05%
DEFERRED INCOME TAXES	\$10,541,582	\$0	\$10,541,582	\$0	\$0	\$10,541,582	20.11%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$44,907	\$0	\$44,907	\$0	\$0	\$44,907	0.09%	5.73%	0.00%	6.18%	0.01%	6.63%	0.01%
TOTAL AVERAGE	\$52,961,408	\$0	\$52,961,408	\$0	(\$530,511)	\$52,430,897	100.00%		5.78%		6.24%		6.69%

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	\$24,435,958	\$0	\$24,435,958	\$0	(\$350,549)	\$24,085,409	42.91%	9.80%	4.21%	10.80%	4.63%	11.80%
LONG TERM DEBT	\$12,364,753	\$0	\$12,364,753	\$0	(\$177,379)	\$12,187,374	21.71%	4.78%	1.04%	4.78%	1.04%	4.78%	1.04%
SHORT TERM DEBT	\$7,045,825	\$0	\$7,045,825	\$0	(\$101,076)	\$6,944,749	12.37%	0.81%	0.10%	0.81%	0.10%	0.81%	0.10%
SHORT TERM DEBT REFINANCED LTD	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$993,605	\$0	\$993,605	\$0	\$0	\$993,605	1.77%	2.38%	0.04%	2.38%	0.04%	2.38%	0.04%
DEFERRED INCOME TAXES	\$11,884,877	\$0	\$11,884,877	\$0	\$0	\$11,884,877	21.17%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$35,145	\$0	\$35,145	\$0	\$0	\$35,145	0.06%	5.35%	0.00%	5.77%	0.00%	6.20%	0.00%
TOTAL YEAR-END	\$56,760,163	\$0	\$56,760,163	\$0	(\$629,004)	\$56,131,159	100.00%		5.39%		5.81%		6.24%