



FLORIDA PUBLIC UTILITIES COMPANY  
 NATURAL GAS  
 RATE OF RETURN REPORT SUMMARY  
 March 31, 2011

SCHEDULE 3

	(1) ACTUAL PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
<b>I. AVERAGE RATE OF RETURN (JURISDICTIONAL)</b>					
NET OPERATING INCOME	\$ 7,792,339	(\$52)	\$7,792,287	(\$1,480,445)	\$6,311,842
AVERAGE RATE BASE	\$102,975,637	(\$34,875,060)	\$68,100,577	\$35,380,388	\$103,480,965
AVERAGE RATE OF RETURN	7.57%		11.44%		6.10%
<b>II. YEAR-END RATE OF RETURN (JURISDICTIONAL)</b>					
NET OPERATING INCOME	\$7,792,339	\$35,977	\$7,828,316	(\$1,480,445)	\$6,347,871
YEAR-END RATE BASE	\$105,665,247	(\$34,881,963)	\$70,783,284	\$34,611,705	\$105,394,989
YEAR-END RATE OF RETURN	7.37%		11.06%		6.02%
<b>III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)</b>			<b>IV. EARNED RETURN ON EQUITY (FPSC ADJUSTED BASIS)</b>		
LOW	7.12%		A. INCL COMP RATE ADJ REVENUES		19.48%
MIDPOINT	7.57%		B. EXCL COMP RATE ADJ REVENUES		19.48%
HIGH	8.01%				

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.

Thomas A. Geoffroy  
 Vice President - Regulatory Affairs & Business Planning

*Thomas A. Geoffroy*  
 Signature

6-15-11  
 Date

FLORIDA PUBLIC UTILITIES COMPANY  
 NATURAL GAS  
**AVERAGE RATE OF RETURN**  
 For the 12 Months Ending March 31, 2011  
 RATE BASE

	(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
FER BOOKS	\$152,633,473	(\$44,972,767)	\$107,660,706	\$0	\$2,631,646	\$110,292,352	(\$7,316,715)	\$102,975,637
FPSC ADJUSTMENTS:								
ELIMINATIONS TO WORKING CAPITAL	\$0	\$0	\$0			\$0	\$1,062,896	\$1,062,896
ELIMINATE ACQUISITION ADJ.	(\$34,656,955)	\$0	(\$34,656,955)			(\$34,656,955)		(\$34,656,955)
RATE REFUND PENDING - 2009	\$0		\$0			\$0	\$0	\$0
ELIM. COMMON PLANT	(\$1,876,631)	\$595,630	(\$1,281,001)			(\$1,281,001)		(\$1,281,001)
TOTAL FPSC ADJUSTMENTS	(\$36,533,586)	\$595,630	(\$35,937,956)	\$0	\$0	(\$35,937,956)	\$1,062,896	(\$34,875,060)
FPSC ADJUSTED	\$116,099,887	(\$44,377,137)	\$71,722,750	\$0	\$2,631,646	\$74,354,396	(\$6,253,819)	\$68,100,577
FLEX RATE REVENUES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ADJUSTED FOR FLEX RATE REVENUES	\$116,099,887	(\$44,377,137)	\$71,722,750	\$0	\$2,631,646	\$74,354,396	(\$6,253,819)	\$68,100,577
PROFORMA ADJUSTMENTS								
ACQUISITION ADJUSTMENT	\$34,679,776	(\$1,067,561)	\$33,612,215			\$33,612,215		\$33,612,215
TRANSACTION & TRANSITION COSTS							\$1,768,173	\$1,768,173
TOTAL PRO FORMA ADJUSTMENTS	\$34,679,776	(\$1,067,561)	\$33,612,215	\$0	\$0	\$33,612,215	\$1,768,173	\$35,380,388
PRO FORMA ADJUSTED:	\$150,779,663	(\$45,444,698)	\$105,334,965	\$0	\$2,631,646	\$107,966,611	(\$4,485,647)	\$103,480,965



FLORIDA PUBLIC UTILITIES COMPANY  
 NATURAL GAS  
 YEAR END RATE OF RETURN  
 For the 12 Months Ending March 31, 2011  
 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	\$155,860,525	(\$45,052,677)	\$110,807,848	\$0	\$1,616,491	\$112,424,339	(\$6,759,092)	\$105,665,247
FPSC ADJUSTMENTS:								
ELIMINATIONS TO WORKING CAPITAL ELIMINATE ACQUISITION ADJ	\$0	\$0	\$0			\$0	\$1,026,498	\$1,026,498
RATE REFUND PENDING - 2009 ELIM. COMMON PLANT	(\$34,679,776)	\$0	(\$34,679,776)			(\$34,679,776)		(\$34,679,776)
	(\$1,885,936)	\$657,251	(\$1,228,685)			(\$1,228,685)	\$0	(\$1,228,685)
TOTAL FPSC ADJUSTMENTS	(\$36,565,712)	\$657,251	(\$35,908,461)	\$0	\$0	(\$35,908,461)	\$1,026,498	(\$34,881,963)
FPSC ADJUSTED	\$119,294,813	(\$44,395,426)	\$74,899,387	\$0	\$1,616,491	\$76,515,878	(\$5,732,594)	\$70,283,284
COMP RATE ADJ REVENUES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ADJUSTED FOR COMP RATE ADJ REVENUE	\$119,294,813	(\$44,395,426)	\$74,899,387	\$0	\$1,616,491	\$76,515,878	(\$5,732,594)	\$70,283,284
PROFORMA ADJUSTMENTS								
ACQUISITION ADJUSTMENT TRANSACTION & TRANSITION COSTS	\$34,679,776	(\$1,649,867)	\$33,029,909			\$33,029,909	\$1,581,796	\$33,029,909
TOTAL PROFORMA ADJUSTMENTS	\$34,679,776	(\$1,649,867)	\$33,029,909	\$0	\$0	\$33,029,909	\$1,581,796	\$34,611,705
PROFORMA ADJUSTED	\$153,974,589	(\$46,045,293)	\$107,929,296	\$0	\$1,616,491	\$109,545,787	(\$4,150,798)	\$105,394,989



FLORIDA PUBLIC UTILITIES COMPANY  
 NATURAL GAS  
 CAPITAL STRUCTURE  
 March 31, 2011  
 FPSC ADJUSTED BASIS

SCHEDULE #

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	\$52,213,652	(\$1,281,001)	\$50,932,651	\$14,345,390	(\$34,679,776)	\$10,598,265	44.93%	9.85%	4.43%	10.85%	4.88%	11.85%	5.32%
LONG TERM DEBT	\$23,813,842		\$23,813,842	(\$13,765,000)	\$9,443,019	\$19,491,861	28.62%	6.95%	1.99%	6.95%	1.99%	6.95%	1.99%
SHORT TERM DEBT	\$9,443,019		\$9,443,019		(\$9,443,019)	\$0	0.00%	1.75%	0.00%	1.75%	0.00%	1.75%	0.00%
CUSTOMER DEPOSITS	\$7,768,452		\$7,768,452			\$7,768,452	11.41%	6.06%	0.69%	6.06%	0.69%	6.06%	0.69%
DEFERRED INCOME TAXES	\$10,166,868		\$10,166,868			\$10,166,868	14.93%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$75,132		\$75,132			\$75,132	0.11%	8.42%	0.01%	9.01%	0.01%	9.59%	0.01%
<b>TOTAL AVERAGE</b>	<b>\$103,480,965</b>	<b>(\$1,281,001)</b>	<b>\$102,199,964</b>	<b>\$580,350</b>	<b>(\$34,679,776)</b>	<b>\$68,100,578</b>	<b>100.00%</b>		<b>7.12%</b>		<b>7.57%</b>		<b>8.01%</b>

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	\$51,543,641	(\$1,228,685)	\$50,314,956	\$14,766,755	(\$34,679,776)	\$10,401,935	42.95%	9.85%	4.23%	10.85%	4.66%	11.85%	5.09%
LONG TERM DEBT	\$23,508,261		\$23,508,261	(\$13,470,000)	\$9,321,845	\$19,360,106	27.35%	6.94%	1.90%	6.94%	1.90%	6.94%	1.90%
SHORT TERM DEBT	\$9,321,845		\$9,321,845		(\$9,321,845)	\$0	0.00%	1.57%	0.00%	1.57%	0.00%	1.57%	0.00%
CUSTOMER DEPOSITS	\$9,404,927		\$9,404,927			\$9,404,927	13.29%	6.06%	0.81%	6.06%	0.81%	6.06%	0.81%
DEFERRED INCOME TAXES	\$11,555,272		\$11,555,272			\$11,555,272	16.33%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$61,044		\$61,044			\$61,044	0.09%	8.15%	0.01%	8.73%	0.01%	9.32%	0.01%
<b>TOTAL YEAR-END</b>	<b>\$105,394,980</b>	<b>\$0</b>	<b>\$104,166,305</b>	<b>\$1,296,755</b>	<b>(\$34,679,776)</b>	<b>\$70,783,284</b>	<b>100.00%</b>		<b>6.95%</b>		<b>7.38%</b>		<b>7.81%</b>