



March 15, 2019

VIA ELECTRONIC MAIL

Ms. Shari Cornelius
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) – 2019 Forecasted Earnings Surveillance Reports

Dear Ms. Cornelius:

Florida Public Utilities Company ("FPUC") hereby submits, on behalf of its Electric and Natural Gas Divisions, the Company's 2019 Forecasted Earnings Surveillance Reports ("Reports") required by Rules 25-6.1353 and 25-7.1353, F.A.C.

If you have any questions whatsoever, please do not hesitate to let me know.

Sincerely,

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

Cc:// Bart Fletcher
Curt Mouring

FLORIDA PUBLIC UTILITIES COMPANY
ELECTRIC
RATE OF RETURN REPORT SUMMARY
December 31, 2019

SCHEDULE 1

	(1) ACTUAL PER BOOKS (JURISDICTIONAL)	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
I. AVERAGE RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ 4,373,332	\$206,118	\$4,579,450	\$0	\$4,579,450
AVERAGE RATE BASE	\$127,156,594	(\$6,874,056)	\$120,282,538	\$0	\$120,282,538
AVERAGE RATE OF RETURN	3.44%		3.81%		3.81%
II. YEAR-END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$4,373,332	\$243,081	\$4,616,413	\$0	\$4,616,413
YEAR-END RATE BASE	\$143,238,042	(\$4,472,747)	\$138,765,295	\$0	\$138,765,295
YEAR-END RATE OF RETURN	3.05%		3.33%		3.33%

III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)	IV. FINANCIAL INTEGRITY INDICATORS	G. RETURN ON COMMON EQUITY
LOW	A. TIE WITH AFUDC	4.87
MIDPOINT	B. TIE WITHOUT AFUDC	3.37
HIGH	C. AFUDC TO NET INCOME	0.00
	D. INTERNALLY GENERATED FUNDS	10.98
	E. LTD TO TOTAL INVESTOR FUNDS	24.31
	F. STD TO TOTAL INVESTOR FUNDS	24.85

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. 775.094.

Mike Cassel
Director- Regulatory Affairs



Signature

3/15/19

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	\$145,489,945	(\$60,205,021)	\$85,284,924	\$0	\$9,069,678	\$94,354,601	\$32,801,993	\$127,156,594
FISCAL ADJUSTMENTS:								
1) ELEM. NON UTILITY PLANT			\$0			\$0		\$0
2) REGULATORY LIAB. - PENSION AMORT	\$0	\$0	\$0			\$0	\$0	\$0
3) REGULATORY ASSET - LITIGATION COSTS			\$0			\$0	\$0	\$0
4) ELIMINATE NET UNDERRECOVERY						\$0	(\$6,841,437)	(\$6,841,437)
5) DEFERRED RATE CASE EXPENSE						\$0	(\$32,619)	(\$32,619)
TOTAL FISCAL ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	(\$6,874,056)	(\$6,874,056)
FISCAL ADJUSTED	\$145,489,945	(\$60,205,021)	\$85,284,924	\$0	\$9,069,678	\$94,354,601	\$25,927,937	\$120,282,538
FLEX RATE REVENUES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ADJUSTED FOR FLEX RATE REVENUES	\$145,489,945	(\$60,205,021)	\$85,284,924	\$0	\$9,069,678	\$94,354,601	\$25,927,937	\$120,282,538
PROFORMA ADJUSTMENTS								
TOTAL PROFORMA ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PROFORMA ADJUSTED	\$145,489,945	(\$60,205,021)	\$85,284,924	\$0	\$9,069,678	\$94,354,601	\$25,927,937	\$120,282,538

FLORIDA PUBLIC UTILITIES COMPANY
ELECTRIC
AVERAGE RATE OF RETURN
For the 12 Months Ending December 31, 2019
INCOME STATEMENT

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	OPERATING REVENUES	O & M FUEL EXPENSE	O & M OTHER	DEPREC. & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	D.I.T. (NET)	L.T.C. (NET)	GAIN/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	OPERATING NET INCOME
PER BOOKS	\$ 103,852,574	\$ 73,347,854	\$ 12,327,797	\$ 4,375,307	\$ 8,358,779	\$ 1,069,505				\$ 99,479,242	\$ 4,373,332
FISC ADJUSTMENTS:											
1) INCOME TAX SYNCH ADJUSTMENT											
2) ELIMINATE FUEL REVENUES AND EXPENSES	\$ (72,469,998)	\$ (72,417,857)			\$ (52,141)	\$ (205,225)				\$ (205,225)	\$ 205,225
3) ELIMINATE CONSERVATION	\$ (930,667)	\$ (929,997)			\$ (670)	-				\$ (930,667)	\$ -
4) NON-UTILITY DEPRECIATION EXPENSE											
5) ELIMINATE REVENUE RELATED TAXES (FRANCHISE & GROSS RECEIPTS)	\$ (7,213,732)				\$ (7,213,732)	(0)				\$ (7,213,732)	\$ (0)
6) ELIMINATE 5% OF ECONOMIC DEVELOPMENT			\$ (1,196)			303				\$ (893)	\$ 893
TOTAL FISC ADJUSTMENTS	\$ (80,614,397)	\$ (73,347,854)	\$ (1,196)	\$ -	\$ (7,266,542)	\$ (204,922)	\$ -	\$ -	\$ -	\$ (80,820,514)	\$ 206,118
FISC ADJUSTED	\$ 23,238,177	\$ -	\$ 12,326,601	\$ 4,375,307	\$ 1,092,237	\$ 864,583	\$ -	\$ -	\$ -	\$ 18,658,728	\$ 4,579,450
PRO FORMA ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PRO FORMA ADJUSTED	\$ 23,238,177	\$ 0	\$ 12,326,601	\$ 4,375,307	\$ 1,092,237	\$ 864,583	\$ 0	\$ 0	\$ 0	\$ 18,658,728	\$ 4,579,450

	(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	\$154,388,889	(\$58,642,605)	\$95,746,284	\$0	\$9,029,045	\$104,775,328	\$38,462,713	\$143,238,042
FPSC ADJUSTMENTS:								
1) ELIM. NON UTILITY PLANT	\$0					\$0	\$0	\$0
2) OUT OF PERIOD UTIGATION ADJ						\$0	\$0	\$0
3) ELIMINATION OF UNDER-RECOVERY						\$0	(\$4,472,747)	(\$4,472,747)
4) DEFERRED RATE CASE EXPENSE						\$0	\$0	\$0
TOTAL FPSC ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	(\$4,472,747)	(\$4,472,747)
FPSC ADJUSTED	\$154,388,889	(\$58,642,605)	\$95,746,284	\$0	\$9,029,045	\$104,775,328	\$33,989,966	\$138,765,295
COMP RATE ADJ REVENUES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ADJUSTED FOR COMP RATE ADJ REVENUE	\$154,388,889	(\$58,642,605)	\$95,746,284	\$0	\$9,029,045	\$104,775,328	\$33,989,966	\$138,765,295
PROFORMA ADJUSTMENTS								
TOTAL PROFORMA ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PROFORMA ADJUSTED	\$154,388,889	(\$58,642,605)	\$95,746,284	\$0	\$9,029,045	\$104,775,328	\$33,989,966	\$138,765,295

FLORIDA PUBLIC UTILITIES COMPANY
ELECTRIC
YEAR-END RATE OF RETURN
For the 12 Months Ending December 31, 2019
INCOME STATEMENT

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	OPERATING REVENUES	O & M FUEL EXPENSE	O & M OTHER	DEPRCC & 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	\$ 103,852,574	\$ 73,347,854	\$ 12,327,797	\$ 4,375,307	\$ 8,558,779	\$ 1,069,505				\$ 99,479,242	\$ 4,373,332
FPSC ADJUSTMENTS:											
1) INCOME TAX SYNCH ADJUSTMENT											
2) ELIMINATE FUEL REVENUES AND EXPENSES	\$ (72,469,998)	\$ (72,417,857)			\$ (52,141)	\$ (242,188)				\$ (242,188)	\$ 242,188
3) ELIMINATE CONSERVATION	\$ (930,667)	\$ (929,997)			\$ (670)					\$ (930,667)	\$ -
4) NON-UTILITY DEPRECIATION EXPENSE											
5) ELIMINATE REVENUE RELATED TAXES (FRANCHISE & GROSS RECEIPTS)											
6) ELIMINATE 5% OF ECONOMIC DEVELOPMENT	\$ (7,213,732)		\$ (1,196)		\$ (7,213,732)	\$ (0)				\$ (7,213,732)	\$ (0)
						\$ 303				\$ (893)	\$ 893
TOTAL FPSC ADJUSTMENTS	\$ (80,614,397)	\$ (73,347,854)	\$ (1,196)	\$ -	\$ (7,266,542)	\$ (241,885)				\$ (80,857,478)	\$ 243,081
FPSC ADJUSTED	\$ 23,238,177	\$ -	\$ 12,326,601	\$ 4,375,307	\$ 1,092,237	\$ 827,620	\$ -	\$ -	\$ -	\$ 18,621,764	\$ 4,616,413
PRO FORMA ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PRO FORMA ADJUSTED	\$ 23,238,177	\$ 0	\$ 12,326,601	\$ 4,375,307	\$ 1,092,237	\$ 827,620	\$ 0	\$ 0	\$ 0	\$ 18,621,764	\$ 4,616,413

AVERAGE	ADJUSTMENTS				RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT	
	PER BOOKS	NON-UTILITY	ADJUSTED BOOKS	PRO-RATA		COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
COMMON EQUITY	\$55,813,313.00		\$55,813,313	(\$3,494,815)	43.50%	9.25%	4.02%	10.25%	4.46%	11.25%	4.89%
LONG TERM DEBT - CU	\$24,170,302.30		\$24,170,302	(1,513,451)	18.84%	4.04%	0.76%	4.04%	0.76%	4.04%	0.76%
SHORT TERM DEBT	\$27,284,841.00		\$27,284,841	(1,708,472)	21.26%	2.94%	0.63%	2.94%	0.63%	2.94%	0.63%
LONG TERM DEBT - FC	\$2,512,408.28		\$2,512,408	(157,317)	1.96%	11.70%	0.23%	11.70%	0.23%	11.70%	0.23%
SHORT TERM DEBT - REFINANCED LTD	\$0.00		\$0	\$0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$3,279,329.00		\$3,279,329		2.73%	2.40%	0.07%	2.40%	0.07%	2.40%	0.07%
DEFERRED INCOME TAXES	\$14,096,401.46		\$14,096,401		11.72%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$0		\$0		0.00%	5.64%	0.00%	6.08%	0.00%	6.51%	0.00%
TOTAL AVERAGE	\$127,156,594	\$0	\$127,156,595	(\$6,874,056)	100.00%		5.71%		6.15%		6.58%

YEAR-END	ADJUSTMENTS				RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT	
	PER BOOKS	NON-UTILITY	ADJUSTED BOOKS	PRO-RATA		COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
COMMON EQUITY	\$59,360,477		\$59,360,477	(2,121,376)	41.25%	9.25%	3.82%	10.25%	4.23%	11.25%	4.64%
LONG TERM DEBT - CU	\$29,822,909		\$29,822,909	(1,065,787)	20.72%	3.43%	0.71%	3.43%	0.71%	3.43%	0.71%
SHORT TERM DEBT	\$33,284,052		\$33,284,052	(1,189,478)	23.13%	2.50%	0.58%	2.50%	0.58%	2.50%	0.58%
LONG TERM DEBT - FC	\$2,689,219		\$2,689,219	(96,105)	1.87%	11.63%	0.22%	11.63%	0.22%	11.63%	0.22%
SHORT TERM DEBT - REFINANCED LTD	\$0		\$0		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$3,257,857		\$3,257,857		2.35%	2.42%	0.06%	2.42%	0.06%	2.42%	0.06%
DEFERRED INCOME TAXES	\$14,823,527		\$14,823,527		10.68%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$0		\$0		0.00%	5.33%	0.00%	5.74%	0.00%	6.15%	0.00%
TOTAL YEAR-END	\$143,238,041	\$0	\$143,238,041	(\$4,472,746)	100.00%		5.39%		5.80%		6.21%