



Writer's E-Mail Address: bkeating@gunster.com

March 15, 2021

VIA ELECTRONIC MAIL

Mr. Stephen Bart Fletcher, Chief of Surveillance and Rate Filings
Division of Accounting and Finance
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Florida Public Utilities Company (Gas Divisions and Electric Division) Forecasted Earnings Surveillance Reports

Dear Mr. Fletcher:

In accordance with Rules 25-6.1353 and 25-7.1353, F.A.C., Florida Public Utilities Company, on behalf of its Electric and Natural Gas Divisions, submits the Company's 2021 Forecasted Earnings Surveillance Reports ("Reports").

As always, please don't hesitate to let me know if you have any questions whatsoever.

Sincerely,

s/Beth Keating

Beth Keating

Gunster, Yoakley & Stewart, P.A.

215 South Monroe St., Suite 601

Tallahassee, FL 32301

(850) 521-1706

cc: Shari Cornelius
Curt Mouring

FLORIDA PUBLIC UTILITIES COMPANY
 NATURAL GAS
 RATE OF RETURN REPORT SUMMARY
 For the Projected 12 Months Ending December 31, 2021

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	\$ 13,654,651	\$ 135,451	\$ 13,790,102	\$ 1,139,750	\$ 14,929,852
AVERAGE RATE BASE	\$ 291,324,278	\$ (303,885)	\$ 291,020,393	\$ (20,895,412)	\$ 270,124,981
AVERAGE RATE OF RETURN	4.69%		4.74%		5.53%
II. YEAR-END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ 13,654,651	\$ 123,695	\$ 13,778,346	\$ 1,139,750	\$ 14,918,096
YEAR-END RATE BASE	\$ 302,686,084	\$ (253,795)	\$ 302,432,289	\$ (20,325,537)	\$ 282,106,752
YEAR-END RATE OF RETURN	4.51%		4.56%		5.29%
III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)			IV. EARNED RETURN ON EQUITY (FPSC ADJUSTED BASIS)		
LOW	5.21%		A. INCL ACQUISITION ADJUSTMENT		8.71%
MIDPOINT	5.62%		B. EXCL ACQUISITION ADJUSTMENT		10.90%
HIGH	6.03%				

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.

Michael Cassel
 AVP - Regulatory Affairs

 Signature

 Date

FLORIDA PUBLIC UTILITIES COMPANY

NATURAL GAS

AVERAGE RATE OF RETURN

For the Projected 12 Months Ending December 31, 2021

RATE BASE

SCHEDULE 2

PAGE 1 OF 2

	(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	\$ 396,871,725	\$ (104,085,456)	\$ 292,786,268	\$ -	\$ 2,483,229	\$ 295,269,497	\$ (3,945,219)	\$ 291,324,278
FPSC ADJUSTMENTS:								
1) ELIMINATIONS TO NON-UTILITY MATERIALS	\$ -	\$ -	\$ -			\$ -	\$ 406,918	\$ 406,918
2) ELIMINATE GOODWILL	\$ (2,469,682)	\$ -	\$ (2,469,682)			\$ (2,469,682)		\$ (2,469,682)
3) FLEX RATE PLANT	\$ (1,020,000)	\$ 95,000	\$ (925,000)			\$ (925,000)		\$ (925,000)
4) ELIM. NON-UTILITY PLANT	\$ (4,169,117)	\$ 1,253,338	\$ (2,915,779)			\$ (2,915,779)		\$ (2,915,779)
5) ELIMINATE UNDER-RECOVERIES	\$ -	\$ -	\$ -			\$ -	\$ (11,411)	\$ (11,411)
6) OUT OF PERIOD ADJUSTMENT	\$ -		\$ -			\$ -	\$ -	\$ -
7) ELIMINATE DEF. ENVIRONMENTAL COSTS						\$ -	\$ 5,611,069	\$ 5,611,069
TOTAL FPSC ADJUSTMENTS	\$ (7,658,799)	\$ 1,348,338	\$ (6,310,461)	\$ -	\$ -	\$ (6,310,461)	\$ 6,006,576	\$ (303,885)
FPSC ADJUSTED	\$ 389,212,926	\$ (102,737,118)	\$ 286,475,807	\$ -	\$ 2,483,229	\$ 288,959,036	\$ 2,061,357	\$ 291,020,393
			\$ -			\$ -		\$ -
ADJUSTED	\$ 389,212,926	\$ (102,737,118)	\$ 286,475,807	\$ -	\$ 2,483,229	\$ 288,959,036	\$ 2,061,357	\$ 291,020,393
PROFORMA ADJUSTMENTS								
			\$ -			\$ -		\$ -
			\$ -			\$ -		\$ -
ELIM. ACQUISITION ADJUSTMENT	\$ (34,192,493)	\$ 13,297,081	\$ (20,895,412)			\$ (20,895,412)		\$ (20,895,412)
ELIM. REG ASSET-TRNSCTN & TRNSITN CSTS								\$ -
TOTAL PRO FORMA ADJUSTMENTS	\$ (34,192,493)	\$ 13,297,081	\$ (20,895,412)	\$ -	\$ -	\$ (20,895,412)	\$ -	\$ (20,895,412)
PRO FORMA ADJUSTED	\$ 355,020,433	\$ (89,440,037)	\$ 265,580,395	\$ -	\$ 2,483,229	\$ 268,063,624	\$ 2,061,357	\$ 270,124,981

FLORIDA PUBLIC UTILITIES COMPANY
 NATURAL GAS
 AVERAGE RATE OF RETURN
 For the Projected 12 Months Ending December 31, 2021
 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	\$ 93,203,431	\$ 29,211,772	\$ 24,803,288	\$ 13,010,293	\$ 8,890,799	\$ 3,632,628				\$ 79,548,780	\$ 13,654,651
FPSC ADJUSTMENTS:											
1) INCOME TAX SYNC AND INTEREST ADJ.						\$ (229,410)				\$ (229,410)	\$ 229,410
2) ELIMINATE FUEL REVENUES AND EXPENSES	\$ (25,255,277)	\$ (25,255,277)			\$ (120,379)	\$ 29,519				\$ (25,346,136)	\$ 90,859
3) ELIMINATE CONSERVATION	\$ (3,956,496)	\$ (3,956,496)			\$ (19,802)	\$ 4,856				\$ (3,971,442)	\$ 14,946
4)NON-UTILITY DEPRECIATION EXPENSE				\$ (228,545)		\$ 56,044				\$ (172,501)	\$ 172,501
5) ELIMINATE AEP REVENUES AND EXPENSES	\$ (240,038)			\$ -	\$ (1,265)	\$ (58,552)				\$ (59,817)	\$ (180,221)
6) ELIMINATE REVENUE RELATED TAXES	\$ (4,406,365)				\$ (4,406,365)	\$ -				\$ (4,406,365)	\$ -
7)5% OF ECONOMIC DEVELOPMENT			\$ (1,197)			\$ 294				\$ (904)	\$ 904
8) OUT OF PERIOD ADJ						\$ -				\$ -	\$ -
9) FLEX RATE REVENUES	\$ (337,463)		\$ (11,818)	\$ (51,000)	\$ (19,010)	\$ (62,687)				\$ (144,515)	\$ (192,948)
	\$ -					\$ -				\$ -	\$ -
						\$ -				\$ -	\$ -
						\$ -				\$ -	\$ -
						\$ -				\$ -	\$ -
						\$ -				\$ -	\$ -
						\$ -				\$ -	\$ -
						\$ -				\$ -	\$ -
						\$ -				\$ -	\$ -
						\$ -				\$ -	\$ -
						\$ -				\$ -	\$ -
						\$ -				\$ -	\$ -
TOTAL FPSC ADJUSTMENTS	\$ (34,195,639)	\$ (29,211,772)	\$ (13,015)	\$ (279,545)	\$ (4,566,821)	\$ (259,936)	\$ -	\$ -	\$ -	\$ (34,331,089)	\$ 135,451
FPSC ADJUSTED	\$ 59,007,792	\$ (0)	\$ 24,790,273	\$ 12,730,748	\$ 4,323,978	\$ 3,372,692	\$ -	\$ -	\$ -	\$ 45,217,690	\$ 13,790,102
						\$ -				\$ -	\$ -
ADJUSTED	\$ 59,007,792	\$ (0)	\$ 24,790,273	\$ 12,730,748	\$ 4,323,978	\$ 3,372,692	\$ -	\$ -	\$ -	\$ 45,217,690	\$ 13,790,102
ELIMINATE ACQUISITION AMORTIZATION				\$ (1,491,132)		\$ 351,382				\$ (1,139,750)	\$ 1,139,750
ELIMINATE TRANSACT./TRANSIT. AMORTIZATION						\$ -				\$ -	\$ -
						\$ -				\$ -	\$ -
						\$ -				\$ -	\$ -
TOTAL PRO FORMA ADJUSTMENTS	\$ -	\$ -	\$ -	\$ (1,491,132)	\$ -	\$ 351,382	\$ -	\$ -	\$ -	\$ (1,139,750)	\$ 1,139,750
PRO FORMA ADJUSTED	\$ 59,007,792	\$ (0)	\$ 24,790,273	\$ 11,239,616	\$ 4,323,978	\$ 3,724,074	\$ -	\$ -	\$ -	\$ 44,077,940	\$ 14,929,852

FLORIDA PUBLIC UTILITIES COMPANY
 NATURAL GAS
 YEAR END RATE OF RETURN
 For the Projected 12 Months Ending December 31, 2021
 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	\$ 415,934,990	\$ (110,352,464)	\$ 305,582,526	\$ -	\$ 1,828,976	\$ 307,411,502	\$ (4,725,417)	\$ 302,686,084
FPSC ADJUSTMENTS:								
1) ELIMINATIONS TO NON-UTILITY MATERIALS	\$ -	\$ -	\$ -			\$ -	\$ 392,254	\$ 392,254
2) ELIMINATE GOODWILL	\$ (2,469,682)	\$ -	\$ (2,469,682)			\$ (2,469,682)		\$ (2,469,682)
3) FLEX RATE PLANT	\$ (1,020,000)	\$ 120,500	\$ (899,500)			\$ (899,500)		\$ (899,500)
4) ELIM. NON-UTILITY PLANT	\$ (4,141,012)	\$ 1,275,643	\$ (2,865,369)			\$ (2,865,369)		\$ (2,865,369)
5) ELIMINATE UNDER-RECOVERIES	\$ -	\$ -	\$ -			\$ -	\$ (22,527)	\$ (22,527)
6) OUT OF PERIOD ADJUSTMENT	\$ -	\$ -	\$ -			\$ -	\$ -	\$ -
7) ELIMINATE DEF. ENVIRONMENTAL COSTS	\$ -	\$ -	\$ -			\$ -	\$ 5,611,029	\$ 5,611,029
TOTAL FPSC ADJUSTMENTS	\$ (7,630,694)	\$ 1,396,143	\$ (6,234,551)	\$ -	\$ -	\$ (6,234,551)	\$ 5,980,756	\$ (253,795)
FPSC ADJUSTED	\$ 408,304,296	\$ (108,956,321)	\$ 299,347,975	\$ -	\$ 1,828,976	\$ 301,176,951	\$ 1,255,338	\$ 302,432,289
			\$ -			\$ -		\$ -
ADJUSTED	\$ 408,304,296	\$ (108,956,321)	\$ 299,347,975	\$ -	\$ 1,828,976	\$ 301,176,951	\$ 1,255,338	\$ 302,432,289
PROFORMA ADJUSTMENTS								
ELIM. ACQUISITION ADJUSTMENT	\$ (34,192,493)	\$ 13,866,956	\$ (20,325,537)			\$ (20,325,537)		\$ (20,325,537)
ELIM. REG ASSET-TRNSCTN & TRNSITN CSTS								\$ -
TOTAL PRO FORMA ADJUSTMENTS	\$ (34,192,493)	\$ 13,866,956	\$ (20,325,537)	\$ -	\$ -	\$ (20,325,537)	\$ -	\$ (20,325,537)
PRO FORMA ADJUSTED	\$ 374,111,803	\$ (95,089,365)	\$ 279,022,438	\$ -	\$ 1,828,976	\$ 280,851,413	\$ 1,255,338	\$ 282,106,752

FLORIDA PUBLIC UTILITIES COMPANY
 NATURAL GAS
 YEAR END RATE OF RETURN
 For the Projected 12 Months Ending December 31, 2021
 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	\$ 93,203,431	\$ 29,211,772	\$ 24,803,288	\$ 13,010,293	\$ 8,890,799	\$ 3,632,628				\$ 79,548,780	\$ 13,654,651
FPSC ADJUSTMENTS:											
1) INCOME TAX SYNC AND INTEREST ADJ.						\$ (217,654)				\$ (217,654)	\$ 217,654
2) ELIMINATE FUEL REVENUES AND EXPENSES	\$ (25,255,277)	\$ (25,255,277)			\$ (120,379)	\$ 29,519				\$ (25,346,136)	\$ 90,859
3) ELIMINATE CONSERVATION	\$ (3,956,496)	\$ (3,956,496)			\$ (19,802)	\$ 4,856				\$ (3,971,442)	\$ 14,946
4)NON-UTILITY DEPRECIATION EXPENSE				\$ (228,545)		\$ 56,044				\$ (172,501)	\$ 172,501
5) ELIMINATE AEP REVENUES AND EXPENSES	\$ (240,038)			\$ -	\$ (1,265)	\$ (58,552)				\$ (59,817)	\$ (180,221)
6) ELIMINATE REVENUE RELATED TAXES	\$ (4,406,365)				\$ (4,406,365)	\$ -				\$ (4,406,365)	\$ -
7)5% OF ECONOMIC DEVELOPMENT			\$ (1,197)			\$ 294				\$ (904)	\$ 904
8) OUT OF PERIOD ADJ	\$ -					\$ -				\$ -	\$ -
9) FLEX RATE REVENUES	\$ (337,463)		\$ (11,818)	\$ (51,000)	\$ (19,010)	\$ (62,687)				\$ (144,515)	\$ (192,948)
	\$ -					\$ -				\$ -	\$ -
						\$ -				\$ -	\$ -
						\$ -				\$ -	\$ -
						\$ -				\$ -	\$ -
						\$ -				\$ -	\$ -
						\$ -				\$ -	\$ -
TOTAL FPSC ADJUSTMENTS	\$ (34,195,639)	\$ (29,211,772)	\$ (13,015)	\$ (279,545)	\$ (4,566,821)	\$ (248,180)	\$ -	\$ -	\$ -	\$ (34,319,334)	\$ 123,695
FPSC ADJUSTED	\$ 59,007,792	\$ (0)	\$ 24,790,273	\$ 12,730,748	\$ 4,323,978	\$ 3,384,448	\$ -	\$ -	\$ -	\$ 45,229,446	\$ 13,778,346
	\$ -		\$ -	\$ -	\$ -	\$ -				\$ -	\$ -
ADJUSTED	\$ 59,007,792	\$ (0)	\$ 24,790,273	\$ 12,730,748	\$ 4,323,978	\$ 3,384,448	\$ -	\$ -	\$ -	\$ 45,229,446	\$ 13,778,346
ELIMINATE ACQUISITION AMORTIZATION				\$ (1,491,132)		\$ 351,382				\$ (1,139,750)	\$ 1,139,750
ELIMINATE TRANSACT./TRANSIT. AMORTIZATION						\$ -				\$ -	\$ -
						\$ -				\$ -	\$ -
						\$ -				\$ -	\$ -
TOTAL PRO FORMA ADJUSTMENTS	\$ -	\$ -	\$ -	\$ (1,491,132)	\$ -	\$ 351,382	\$ -	\$ -	\$ -	\$ (1,139,750)	\$ 1,139,750
PRO FORMA ADJUSTED	\$ 59,007,792	\$ (0)	\$ 24,790,273	\$ 11,239,616	\$ 4,323,978	\$ 3,735,830	\$ -	\$ -	\$ -	\$ 44,089,696	\$ 14,918,096

FLORIDA PUBLIC UTILITIES COMPANY
 NATURAL GAS
 CAPITAL STRUCTURE
 For the Projected 12 Months Ending December 31, 2021
 FPSC ADJUSTED BASIS

SCHEDULE 4

AVERAGE	ADJUSTMENTS						RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT	
	PER BOOKS	NON-UTILITY	ADJUSTED BOOKS	PRO-RATA	SPECIFIC	BALANCE		COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
	COMMON EQUITY	\$ 120,655,194		\$ 120,655,194	\$ 1,098,929	\$ (2,469,682)		\$ 119,284,441	40.99%	9.85%	4.04%	10.85%	4.45%
LONG TERM DEBT - CU	\$ 88,972,468		\$ 88,972,468	\$ 810,363		\$ 89,782,831	30.85%	3.04%	0.94%	3.04%	0.94%	3.04%	0.94%
SHORT TERM DEBT	\$ 28,162,553		\$ 28,162,553	\$ 256,505		\$ 28,419,058	9.77%	1.50%	0.15%	1.50%	0.15%	1.50%	0.15%
LONG TERM DEBT - FC	\$ -		\$ -	\$ -		\$ -	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
SHORT TERM DEBT - REFINANCED LTD	\$ -		\$ -	\$ -		\$ -	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$ 9,293,855		\$ 9,293,855			\$ 9,293,855	3.19%	2.44%	0.08%	2.44%	0.08%	2.44%	0.08%
DEFERRED INCOME TAXES	\$ 44,240,209		\$ 44,240,209			\$ 44,240,209	15.20%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$ -		\$ -			\$ -	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TOTAL AVERAGE	\$ 291,324,278	\$ -	\$ 291,324,278	\$ 2,165,797	\$ (2,469,682)	\$ 291,020,393	100.00%		5.21%		5.62%		6.03%

YEAR-END	ADJUSTMENTS						RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT	
	PER BOOKS	NON-UTILITY	ADJUSTED BOOKS	PRO-RATA	SPECIFIC	BALANCE		COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
	COMMON EQUITY	\$ 124,406,200		\$ 124,406,200	\$ 1,110,632	\$ (2,469,682)		\$ 123,047,150	40.69%	9.85%	4.01%	10.85%	4.41%
LONG TERM DEBT - CU	\$ 91,040,004		\$ 91,040,004	\$ 812,757		\$ 91,852,761	30.37%	2.95%	0.90%	2.95%	0.90%	2.95%	0.90%
SHORT TERM DEBT	\$ 32,763,910		\$ 32,763,910	\$ 292,499		\$ 33,056,409	10.93%	1.29%	0.14%	1.29%	0.14%	1.29%	0.14%
LONG TERM DEBT - FC	\$ -		\$ -	\$ -		\$ -	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
SHORT TERM DEBT - REFINANCED LTD	\$ -		\$ -	\$ -		\$ -	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$ 9,293,855		\$ 9,293,855			\$ 9,293,855	3.07%	2.43%	0.07%	2.43%	0.07%	2.43%	0.07%
DEFERRED INCOME TAXES	\$ 45,182,115		\$ 45,182,115			\$ 45,182,115	14.94%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$ -		\$ -			\$ -	0.00%	5.05%	0.00%	5.45%	0.00%	5.86%	0.00%
TOTAL YEAR-END	\$ 302,686,084	\$ -	\$ 302,686,084	\$ 2,215,887	\$ (2,469,682)	\$ 302,432,289	100.00%		5.12%		5.52%		5.93%