

FLORIDA PUBLIC UTILITIES COMPANY
 NATURAL GAS
 RATE OF RETURN REPORT SUMMARY
 For the 12 Months Ending September 30, 2022

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	\$ 17,056,368	\$ (1,780,461)	\$ 15,275,906	\$ 1,139,750	\$ 16,415,656
AVERAGE RATE BASE	\$ 331,157,643	\$ (6,553,042)	\$ 324,604,602	\$ (20,040,600)	\$ 304,564,002
AVERAGE RATE OF RETURN	5.15%		4.71%		5.39%
II. YEAR-END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ 17,056,368	\$ (1,779,332)	\$ 15,277,035	\$ 1,139,750	\$ 16,416,785
YEAR-END RATE BASE	\$ 341,704,450	\$ (6,510,672)	\$ 335,193,778	\$ (19,470,725)	\$ 315,723,053
YEAR-END RATE OF RETURN	4.99%		4.56%		5.20%
III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)			IV. EARNED RETURN ON EQUITY (FPSC ADJUSTED BASIS)		
LOW	5.47%		A.	INCL ACQUISITION ADJUSTMENT	8.04%
MIDPOINT	5.89%		B.	EXCL ACQUISITION ADJUSTMENT	9.82%
HIGH	6.32%				

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.

Michelle D. Napier
 Director, Regulatory Affairs Distribution

Michelle D. Napier
 Signature

11/15/2022
 Date

FLORIDA PUBLIC UTILITIES COMPANY
 NATURAL GAS
 AVERAGE RATE OF RETURN
 For the 12 Months Ending September 30, 2022
 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
PER BOOKS	\$ 428,723,288	\$ (107,486,046)	\$ 321,237,242	\$ -	\$ 5,011,002	\$ 326,248,244	\$ 4,909,399	\$ 331,157,643
FPSC ADJUSTMENTS:								
1) ELIMINATIONS TO NON-UTILITY MATERIALS	\$ -	\$ -	\$ -			\$ -	\$ -	\$ -
2) ELIMINATE GOODWILL	\$ (2,469,682)	\$ -	\$ (2,469,682)			\$ (2,469,682)		\$ (2,469,682)
3) FLEX RATE & SPECIAL CONTRACT PLANT	\$ (6,446,018)	\$ 2,925,893	\$ (3,520,125)			\$ (3,520,125)		\$ (3,520,125)
4) ELIM. NON-UTILITY PLANT	\$ (2,274,772)	\$ 927,446	\$ (1,347,326)			\$ (1,347,326)		\$ (1,347,326)
5) ELIMINATE UNDER-RECOVERIES	\$ -	\$ -	\$ -			\$ -	\$ -	\$ -
6) OFFSET TO ACCOUNTS RECEIVABLE	\$ -		\$ -			\$ -	\$ (875,908)	\$ (875,908)
7) REMOVE UNRECOVERED AEP			\$ -			\$ -	\$ (3,951,069)	\$ (3,951,069)
8) ELIMINATE DEF. ENVIRONMENTAL COSTS			\$ -			\$ -	\$ 5,611,069	\$ 5,611,069
TOTAL FPSC ADJUSTMENTS	\$ (11,190,472)	\$ 3,853,339	\$ (7,337,133)	\$ -	\$ -	\$ (7,337,133)	\$ 784,092	\$ (6,553,042)
FPSC ADJUSTED	\$ 417,532,816	\$ (103,632,707)	\$ 313,900,109	\$ -	\$ 5,011,002	\$ 318,911,111	\$ 5,693,491	\$ 324,604,602
			\$ -			\$ -		\$ -
ADJUSTED	\$ 417,532,816	\$ (103,632,707)	\$ 313,900,109	\$ -	\$ 5,011,002	\$ 318,911,111	\$ 5,693,491	\$ 324,604,602
PROFORMA ADJUSTMENTS								
			\$ -			\$ -		\$ -
ELIM. ACQUISITION ADJUSTMENT	\$ (34,192,493)	\$ 14,151,893	\$ (20,040,600)			\$ (20,040,600)		\$ (20,040,600)
ELIM. REG ASSET-TRNSCTN & TRNSITN CSTS								\$ -
TOTAL PRO FORMA ADJUSTMENTS	\$ (34,192,493)	\$ 14,151,893	\$ (20,040,600)	\$ -	\$ -	\$ (20,040,600)	\$ -	\$ (20,040,600)
PRO FORMA ADJUSTED	\$ 383,340,323	\$ (89,480,814)	\$ 293,859,509	\$ -	\$ 5,011,002	\$ 298,870,511	\$ 5,693,491	\$ 304,564,002

FLORIDA PUBLIC UTILITIES COMPANY
NATURAL GAS
AVERAGE RATE OF RETURN
For the 12 Months Ending September 30, 2022
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	\$ 114,557,274	\$ 44,817,987	\$ 25,781,031	\$ 12,828,899	\$ 9,856,657	\$ 4,216,332				\$ 97,500,906	\$ 17,056,368
FPSC ADJUSTMENTS:											
1) INCOME TAX SYNC AND INTEREST ADJ.						(51,717)				(51,717)	51,717
2) ELIMINATE FUEL REVENUES AND EXPENSES	(41,674,634)	(41,477,249)			(195,764)	(411)				(41,673,424)	(1,210)
3) ELIMINATE CONSERVATION	(3,347,959)	(3,340,738)			(16,756)	2,417				(3,355,077)	7,118
4)NON-UTILITY DEPRECIATION EXPENSE				(165,404)		41,922				(123,483)	123,483
5) ELIMINATE AEP REVENUES AND EXPENSES	(348,140)			(346,400)	(1,742)	1				(348,142)	2
6) ELIMINATE REVENUE RELATED TAXES	(4,008,052)				(4,008,052)	-				(4,008,052)	-
7)5% OF ECONOMIC DEVELOPMENT			(609)			154				(455)	455
8) OUT OF PERIOD ADJ						-				-	-
9) FLEX RATE & SPECIAL CONTRACTS	(2,766,906)		(128,604)	(189,362)	(63,775)	(604,520)				(986,262)	(1,780,645)
10)REVERSE STATE INCOME TAX POTENTIAL REFUND	(242,959)					(61,578)				(61,578)	(181,381)
						-				-	-
						-				-	-
						-				-	-
TOTAL FPSC ADJUSTMENTS	\$ (52,388,650)	\$ (44,817,987)	\$ (129,214)	\$ (701,166)	\$ (4,286,090)	\$ (673,732)	\$ -	\$ -	\$ -	\$ (50,608,189)	\$ (1,780,461)
FPSC ADJUSTED	\$ 62,168,624	\$ -	\$ 25,651,817	\$ 12,127,733	\$ 5,570,567	\$ 3,542,600	\$ -	\$ -	\$ -	\$ 46,892,718	\$ 15,275,906
						\$ -				\$ -	\$ -
ADJUSTED	\$ 62,168,624	\$ -	\$ 25,651,817	\$ 12,127,733	\$ 5,570,567	\$ 3,542,600	\$ -	\$ -	\$ -	\$ 46,892,718	\$ 15,275,906
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	\$ 62,168,624	\$ -	\$ 25,651,817	\$ 10,636,601	\$ 5,570,567	\$ 3,893,982	\$ -	\$ -	\$ -	\$ 45,752,968	\$ 16,415,656

FLORIDA PUBLIC UTILITIES COMPANY
 NATURAL GAS
 YEAR END RATE OF RETURN
 For the 12 Months Ending September 30, 2022
 RATE BASE

SCHEDULE 3
 PAGE 1 OF 2

	(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	\$ 448,367,858	\$ (111,837,902)	\$ 336,529,956	\$ -	\$ 2,418,713	\$ 338,948,669	\$ 2,755,781	\$ 341,704,450
FPSC ADJUSTMENTS:								
1) ELIMINATIONS TO NON-UTILITY MATERIALS	\$ -	\$ -	\$ -			\$ -	\$ -	\$ -
2) ELIMINATE GOODWILL	\$ (2,469,682)	\$ -	\$ (2,469,682)			\$ (2,469,682)	\$ -	\$ (2,469,682)
3) FLEX RATE & SPECIAL CONTRACT PLANT	\$ (6,446,018)	\$ 3,020,574	\$ (3,425,444)			\$ (3,425,444)	\$ -	\$ (3,425,444)
4) ELIM. NON-UTILITY PLANT	\$ (2,336,992)	\$ 862,595	\$ (1,474,398)			\$ (1,474,398)	\$ -	\$ (1,474,398)
5) ELIMINATE UNDER-RECOVERIES	\$ -	\$ -	\$ -			\$ -	\$ -	\$ -
6) OFFSET TO ACCOUNTS RECEIVABLE	\$ -	\$ -	\$ -			\$ -	\$ (647,383)	\$ (647,383)
7) REMOVE UNRECOVERED AEP	\$ -	\$ -	\$ -			\$ -	\$ (4,104,834)	\$ (4,104,834)
8) ELIMINATE DEF. ENVIRONMENTAL COSTS	\$ -	\$ -	\$ -			\$ -	\$ 5,611,069	\$ 5,611,069
TOTAL FPSC ADJUSTMENTS	\$ (11,252,692)	\$ 3,883,168	\$ (7,369,524)	\$ -	\$ -	\$ (7,369,524)	\$ 858,852	\$ (6,510,672)
FPSC ADJUSTED	\$ 437,115,166	\$ (107,954,734)	\$ 329,160,432	\$ -	\$ 2,418,713	\$ 331,579,145	\$ 3,614,633	\$ 335,193,778
			\$ -			\$ -		\$ -
ADJUSTED	\$ 437,115,166	\$ (107,954,734)	\$ 329,160,432	\$ -	\$ 2,418,713	\$ 331,579,145	\$ 3,614,633	\$ 335,193,778
PROFORMA ADJUSTMENTS								
ELIM. ACQUISITION ADJUSTMENT	\$ (34,192,493)	\$ 14,721,768	\$ (19,470,725)			\$ (19,470,725)		\$ (19,470,725)
ELIM. REG ASSET-TRNSCTN & TRNSITN CSTS	\$ (34,192,493)	\$ 14,721,768	\$ (19,470,725)	\$ -	\$ -	\$ (19,470,725)	\$ -	\$ (19,470,725)
TOTAL PRO FORMA ADJUSTMENTS	\$ (34,192,493)	\$ 14,721,768	\$ (19,470,725)	\$ -	\$ -	\$ (19,470,725)	\$ -	\$ (19,470,725)
PRO FORMA ADJUSTED	\$ 402,922,673	\$ (93,232,966)	\$ 309,689,707	\$ -	\$ 2,418,713	\$ 312,108,420	\$ 3,614,633	\$ 315,723,053

FLORIDA PUBLIC UTILITIES COMPANY
 NATURAL GAS
 YEAR END RATE OF RETURN
 For the 12 Months Ending September 30, 2022
 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	\$ 114,557,274	\$ 44,817,987	\$ 25,781,031	\$ 12,828,899	\$ 9,856,657	\$ 4,216,332				\$ 97,500,906	\$ 17,056,368
FPSC ADJUSTMENTS:											
1) INCOME TAX SYNC AND INTEREST ADJ.						(52,846)				(52,846)	52,846
2) ELIMINATE FUEL REVENUES AND EXPENSES	(41,674,634)	(41,477,249)			(195,763)	(411)				(41,673,423)	(1,211)
3) ELIMINATE CONSERVATION	(3,347,959)	(3,340,738)			(16,756)	2,417				(3,355,077)	7,118
4)NON-UTILITY DEPRECIATION EXPENSE				(165,404)		41,922				(123,483)	123,483
5) ELIMINATE AEP REVENUES AND EXPENSES	(348,140)			(346,400)	(1,742)	1				(348,142)	2
6) ELIMINATE REVENUE RELATED TAXES	(4,008,052)				(4,008,052)	-				(4,008,052)	-
7)5% OF ECONOMIC DEVELOPMENT			(609)			154				(455)	455
8) OUT OF PERIOD ADJ	-		-			-				-	-
9) FLEX RATE & SPECIAL CONTRACTS	(2,766,906)		(128,604)	(189,362)	(63,775)	(604,520)				(986,262)	(1,780,645)
10)REVERSE STATE INCOME TAX POTENTIAL REFUND	(242,959)					(61,578)				(61,578)	(181,381)
						-				-	-
						-				-	-
						-				-	-
						-				-	-
						-				-	-
TOTAL FPSC ADJUSTMENTS	<u>\$ (52,388,650)</u>	<u>\$ (44,817,987)</u>	<u>\$ (129,214)</u>	<u>\$ (701,166)</u>	<u>\$ (4,286,089)</u>	<u>\$ (674,862)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (50,609,318)</u>	<u>\$ (1,779,332)</u>
FPSC ADJUSTED	<u>\$ 62,168,624</u>	<u>\$ -</u>	<u>\$ 25,651,817</u>	<u>\$ 12,127,733</u>	<u>\$ 5,570,568</u>	<u>\$ 3,541,470</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,891,589</u>	<u>\$ 15,277,035</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
ADJUSTED	<u>\$ 62,168,624</u>	<u>\$ -</u>	<u>\$ 25,651,817</u>	<u>\$ 12,127,733</u>	<u>\$ 5,570,568</u>	<u>\$ 3,541,470</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,891,589</u>	<u>\$ 15,277,035</u>
ELIMINATE ACQUISITION AMORTIZATION				\$ (1,491,132)		\$ 351,382				\$ (1,139,750)	\$ 1,139,750
ELIMINATE TRANSACT./TRANSIT. AMORTIZATION						\$ -				\$ -	\$ -
						\$ -				\$ -	\$ -
						\$ -				\$ -	\$ -
TOTAL PRO FORMA ADJUSTMENTS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,491,132)</u>	<u>\$ -</u>	<u>\$ 351,382</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,139,750)</u>	<u>\$ 1,139,750</u>
PRO FORMA ADJUSTED	<u>\$ 62,168,624</u>	<u>\$ -</u>	<u>\$ 25,651,817</u>	<u>\$ 10,636,601</u>	<u>\$ 5,570,568</u>	<u>\$ 3,892,852</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,751,839</u>	<u>\$ 16,416,785</u>

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	\$ 141,696,018		\$ 141,696,018	\$ (2,101,464)	\$ (2,469,682)	\$ 137,124,872	42.24%	9.85%	4.16%	10.85%	4.58%	11.85%	5.01%
LONG TERM DEBT - CU	\$ 101,781,801		\$ 101,781,801	\$ (1,509,506)		\$ 100,272,295	30.89%	3.50%	1.08%	3.50%	1.08%	3.50%	1.08%
SHORT TERM DEBT	\$ 31,851,852		\$ 31,851,852	\$ (472,389)		\$ 31,379,463	9.67%	1.66%	0.16%	1.66%	0.16%	1.66%	0.16%
CUSTOMER DEPOSITS	\$ 9,128,931		\$ 9,128,931			\$ 9,128,931	2.81%	2.34%	0.07%	2.34%	0.07%	2.34%	0.07%
DEFERRED INCOME TAXES	\$ 46,699,041		\$ 46,699,041			\$ 46,699,041	14.39%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$ -		\$ -			\$ -	0.00%	5.40%	0.00%	5.82%	0.00%	6.25%	0.00%
TOTAL AVERAGE	331,157,643	\$ -	\$ 331,157,643	\$ (4,083,359)	\$ (2,469,682)	\$ 324,604,602	100.00%		5.47%		5.89%		6.32%

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	\$ 146,786,927		\$ 146,786,927	\$ (2,088,466)	\$ (2,469,682)	\$ 142,228,779	42.43%	9.85%	4.18%	10.85%	4.60%	11.85%	5.03%
LONG TERM DEBT - CU	\$ 107,217,427		\$ 107,217,427	\$ (1,525,476)		\$ 105,691,951	31.53%	3.34%	1.05%	3.34%	1.05%	3.34%	1.05%
SHORT TERM DEBT	\$ 30,014,913		\$ 30,014,913	\$ (427,048)		\$ 29,587,865	8.83%	1.77%	0.16%	1.77%	0.16%	1.77%	0.16%
CUSTOMER DEPOSITS	\$ 9,667,864		\$ 9,667,864			\$ 9,667,864	2.88%	2.21%	0.06%	2.21%	0.06%	2.21%	0.06%
DEFERRED INCOME TAXES	\$ 48,017,320		\$ 48,017,320			\$ 48,017,320	14.33%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$ -		\$ -			\$ -	0.00%	5.39%	0.00%	5.81%	0.00%	6.24%	0.00%
Michelle D. Napier Director, Regulatory Affairs Distribution	\$ 341,704,450	\$ -	\$ 341,704,450	\$ (4,040,990)	\$ (2,469,682)	\$ 335,193,778	100.00%		5.45%		5.87%		6.30%