



September 15, 2020

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 and Florida Division of Chesapeake Utilities Corporation (Gas Divisions and Electric Division) 2nd Quarter 2020 Surveillance Reports

Dear Ms. Cornelius:

In accordance with Rules 25-6.1352 and 25-7.1352(3), F.A.C, Florida Public Utilities Company and the Florida Division of Chesapeake Utilities Corporation hereby submit their 2nd Quarter Earnings Surveillance Reports for 2020 for all Electric and Gas Divisions.

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: Shari Cornelius
Curt Mouring

FLORIDA PUBLIC UTILITIES COMPANY
 INDIANTOWN DIVISION
 RATE OF RETURN REPORT SUMMARY
 June 30, 2020

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	\$ (70,821)	\$ (647)	\$ (71,368)	\$ 37,525	\$ (33,844)
AVERAGE RATE BASE	\$ 2,158,243	\$ -	\$ 2,158,243	\$ (277,607)	\$ 1,880,636
AVERAGE RATE OF RETURN	-3.28%		-3.31%		-1.80%
II. YEAR-END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ (70,821)	\$ (1,245)	\$ (72,066)	\$ 37,525	\$ (34,542)
YEAR-END RATE BASE	\$ 2,106,496	\$ -	\$ 2,106,496	\$ (252,749)	\$ 1,853,747
YEAR-END RATE OF RETURN	-3.36%		-3.42%		-1.86%

III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)	IV. EARNED RETURN ON EQUITY (FPSC ADJUSTED BASIS)
LOW	A. INCL ACQUISITION ADJUSTMENT -12.81%
MIDPOINT	B. EXCL ACQUISITION ADJUSTMENT -8.92%
HIGH	

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.

Mike Cassel
 AVP, Regulatory Affairs
 Signature Michael Cassel
 Date 9/11/20

	(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	3,607,897	(1,589,213)	2,024,684	-	17,086	2,041,750	116,493	2,158,243
FRSC ADJUSTMENTS REMOVE NET UNRECOVERED CONSERVATION	-	-	-	-	-	-	-	-
TOTAL FRSC ADJUSTMENTS	-	-	-	-	-	-	-	-
FRSC ADJUSTED	3,607,897	(1,589,213)	2,024,684	-	17,086	2,041,750	116,493	2,158,243
PRO FORMA ADJUSTMENTS Remove Acquisition Adjustment	(745,800)	468,193	(277,607)	-	-	(277,607)	-	(277,607)
TOTAL PRO FORMA ADJUSTMENTS	(745,800)	468,193	(277,607)	-	-	(277,607)	-	(277,607)
PRO FORMA ADJUSTED	2,862,097	(1,119,020)	1,747,077	-	17,086	1,764,143	116,493	1,880,636

	(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	\$ 253,564	\$ 20,483	\$ 175,013	\$ 123,989	\$ 38,034	\$ (33,764)				\$ 324,395	\$ (70,921)
PFSC ADJUSTMENTS:											
1) Remove Syndication	\$ (11,441)	\$			\$ (57)	\$ 550			\$	\$ 550	\$ (550)
2) Remove Depreciation & Exp.	\$ (1,127)	\$ (11,394)			\$ (1,127)	\$ 0			\$	\$ (1,441)	\$ 0
3) Elimination of Revenue Taxes	\$	\$ (9,099)	\$ (3)		\$ (46)	\$ (0)			\$	\$ (1,127)	\$ (0)
4) Elim. Economic Development	\$ (9,145)	\$							\$	\$ (9,145)	\$ (0)
5) Remove Swing Service											
6) Out of Period Unrecorded Deferred Taxes											
7) Amortization of Protected Deferred Taxes											
TOTAL PFSC ADJUSTMENTS	\$ (21,733)	\$ (20,483)	\$ (3)	\$ -	\$ (1,230)	\$ 551			\$ -	\$ (21,186)	\$ (597)
PFSC ADJUSTED	\$ 231,851	\$ -	\$ 175,010	\$ 123,989	\$ 38,034	\$ (33,213)			\$ -	\$ 303,219	\$ (71,398)
PROFORMA ADJUSTMENTS											
Remove Acquisition Adjustment Amortization	\$ -	\$ -	\$ -	\$ (48,718)	\$ -	\$ 12,181			\$ -	\$ (37,525)	\$ 37,525
TOTAL PROFORMA ADJUSTMENTS	\$ -	\$ -	\$ -	\$ (48,718)	\$ -	\$ 12,181			\$ -	\$ (37,525)	\$ 37,525
PROFORMA ADJUSTED	\$ 231,851	\$ -	\$ 175,010	\$ 75,271	\$ 38,034	\$ (21,022)			\$ -	\$ 265,695	\$ (33,844)

	(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	\$ 3,618,992	\$ (1,638,114)	\$ 1,978,878	\$ -	\$ 7,335	\$ 1,986,413	\$ 120,083	\$ 2,106,496
FPSC ADJUSTMENTS								
REMOVE NET UNREC. CONSERVATION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL FPSC ADJUSTMENTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FPSC ADJUSTED	\$ 3,618,992	\$ (1,638,114)	\$ 1,978,878	\$ -	\$ 7,335	\$ 1,986,413	\$ 120,083	\$ 2,106,496
PROFORMA ADJUSTMENTS								
Remove Accretion Adjustment	\$ (742,800)	\$ 493,051	\$ (252,749)	\$ -	\$ -	\$ (252,749)	\$ -	\$ (252,749)
TOTAL PROFORMA ADJUSTMENTS	\$ (742,800)	\$ 493,051	\$ (252,749)	\$ -	\$ -	\$ (252,749)	\$ -	\$ (252,749)
PROFORMA ADJUSTED	\$ 2,871,192	\$ (1,145,063)	\$ 1,726,129	\$ -	\$ 7,335	\$ 1,733,664	\$ 120,083	\$ 1,853,747

FLORIDA PUBLIC UTILITIES COMPANY
 INDIAN TOWN DIVISION
 YEAR-END RATE OF RETURN
 For the 12 Months Ending June 30, 2020
 INCOME STATEMENT

SCHEDULE 3
 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	\$ 293,584	\$ 20,483	\$ 175,010	\$ 123,389	\$ 39,034	\$ (33,764)	-	-	-	\$ 324,385	\$ (72,821)
FPSC ADJUSTMENTS:											
1) Energy Standardization	\$ (11,441)	\$ (11,384)			\$ (57)	\$ 1,248				\$ 1,248	\$ (1,248)
2) Elimination of Revenue Taxes	\$ (1,127)				\$ (1,127)	0				\$ (1,127)	\$ 0
3) Elimination of Revenue Taxes	\$ (8,145)	\$ (8,099)	\$ (3)		\$ (48)	\$ (0)				\$ (8,145)	\$ 2
4) Elim. Economic Development											
5) Remove Savings Service											
6) Out of Period Unprotected Deferred Taxes											
7) Amortization of Protected Deferred Taxes											
TOTAL FPSC ADJUSTMENTS	\$ (21,713)	\$ (20,483)	\$ (3)		\$ (1,230)	\$ 1,248				\$ (20,468)	\$ (1,245)
FPSC ADJUSTED	\$ 231,851	\$ -	\$ 175,010	\$ 123,389	\$ 38,034	\$ (32,515)				\$ 303,917	\$ (72,066)
PROGRAM ADJUSTMENTS:											
1) Rate of Return	\$ -	\$ -	\$ -	\$ (49,718)	\$ -	\$ 12,191				\$ (37,525)	\$ 37,525
2) Rate of Return	\$ -	\$ -	\$ -	\$ (49,718)	\$ -	\$ 12,191				\$ (37,525)	\$ 37,525
TOTAL PROGRAM ADJUSTMENTS	\$ -	\$ -	\$ -	\$ (49,718)	\$ -	\$ 12,191				\$ (37,525)	\$ 37,525
PRO FORMA ADJUSTED	\$ 231,851	\$ -	\$ 175,010	\$ 73,672	\$ 38,034	\$ (20,324)				\$ 266,392	\$ (34,542)

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	\$798,298	\$	\$798,298	\$	36.99%	10.50%	3.88%	11.50%	4.25%	12.50%	4.82%
LONG TERM DEBT	\$573,156	\$	\$573,156	\$	26.56%	3.84%	1.02%	3.84%	1.02%	3.84%	1.02%
SHORT TERM DEBT	\$361,895	\$	\$361,895	\$	16.77%	2.39%	0.40%	2.39%	0.40%	2.39%	0.40%
SHORT TERM DEBT REFINANCED LTD	\$	\$	\$	\$	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$8,560	\$	\$8,560	\$	0.40%	1.57%	0.01%	1.57%	0.01%	1.57%	0.01%
DEFERRED INCOME TAXES	\$416,334	\$	\$416,334	\$	19.29%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$	\$	\$	\$	0.00%	5.30%	0.00%	5.87%	0.00%	6.04%	0.00%
TOTAL AVERAGE	\$2,158,243	\$	\$2,158,243	\$	100.00%	5.31%	5.89%	6.05%			

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	\$761,206	\$	\$761,206	\$	36.14%	10.50%	3.79%	11.50%	4.18%	12.50%	4.52%
LONG TERM DEBT	\$557,419	\$	\$557,419	\$	26.46%	3.60%	0.95%	3.60%	0.95%	3.60%	0.95%
SHORT TERM DEBT	\$384,731	\$	\$384,731	\$	17.31%	2.16%	0.37%	2.16%	0.37%	2.16%	0.37%
SHORT TERM DEBT REFINANCED LTD	\$	\$	\$	\$	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$8,560	\$	\$8,560	\$	0.41%	1.56%	0.01%	1.56%	0.01%	1.56%	0.01%
DEFERRED INCOME TAXES	\$414,550	\$	\$414,550	\$	19.88%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$	\$	\$	\$	0.00%	5.11%	0.00%	5.48%	0.00%	5.84%	0.00%
TOTAL YEAR-END	\$2,106,486	\$	\$2,106,486	\$	100.00%	5.12%	5.49%	5.85%			