

FLORIDA PUBLIC UTILITIES COMPANY (CONSOLIDATED)  
 NATURAL GAS  
 RATE OF RETURN REPORT SUMMARY  
 For the Projected 12 Months Ending December 31, 2023

SCHEDULE 1

	(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	\$ 29,199,166	\$ (3,190,720)	\$ 26,008,446	\$ 1,113,205	\$ 27,121,651
AVERAGE RATE BASE	\$ 470,127,018	\$ (16,487,327)	\$ 453,639,691	\$ (19,083,794)	\$ 434,555,897
AVERAGE RATE OF RETURN	6.21%		5.73%		6.24%
<b>II. YEAR-END RATE OF RETURN (JURISDICTIONAL)</b>					
NET OPERATING INCOME	\$ 29,199,166	\$ (3,190,720)	\$ 26,008,446	\$ 1,113,205	\$ 27,121,651
YEAR-END RATE BASE	\$ 470,747,304	\$ (15,723,094)	\$ 455,024,210	\$ (18,473,053)	\$ 436,551,157
YEAR-END RATE OF RETURN	6.20%		5.72%		6.21%
<b>III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)</b>			<b>IV. EARNED RETURN ON EQUITY (FPSC ADJUSTED BASIS)</b>		
LOW	5.44%		A.	INCL ACQUISITION ADJUSTMENT	9.52%
MIDPOINT	5.97%		B.	EXCL ACQUISITION ADJUSTMENT	10.96%
HIGH	6.41%				

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

*Michelle D Napier*  
 Signature

5/9/2023  
 Date

FLORIDA PUBLIC UTILITIES COMPANY (CONSOLIDATED)  
 NATURAL GAS  
 AVERAGE RATE OF RETURN  
 For the Projected 12 Months Ending December 31, 2023  
 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	\$ 621,526,362	\$ (165,067,663)	\$ 456,458,699	\$ -	\$ 7,130,484	\$ 463,589,183	\$ 6,537,835	\$ 470,127,018
FPSC ADJUSTMENTS:								
1) OFFSET TO ACCOUNTS RECEIVABLE	\$ -	\$ -	\$ -			\$ -	\$ (1,671,590)	\$ (1,671,590)
2) ELIMINATE GOODWILL	(3,183,612)	-	(3,183,612)			(3,183,612)		(3,183,612)
3) FLEX RATE & SPECIAL CONTRACT	(17,787,358)	9,554,311	(8,233,047)			(8,233,047)	(9,004)	(8,242,051)
4) ELIM. NON-UTILITY PLANT	(3,177,328)	1,185,796	(1,991,532)			(1,991,532)		(1,991,532)
5) FRANCHISE COSTS	(14,132)	14,132	-			-		-
6) ELIMINATE UNDER-RECOVERIES	-	-	-			-		-
7) REMOVE DEFERRED RATE CASE COSTS			-			-	(3,743,912)	(3,743,912)
8) ALLOCATE ACCRUED INTEREST PARENT			-			-	(1,041,814)	(1,041,814)
9) FLEXIBLE LIABILITY ADJUSTMENT			-			-	(5,509)	(5,509)
10) ALLOCATE CORP HEALTH INSURANCE TO GAS			-			-	(134,882)	(134,882)
11) REMOVE D&O INSURANCE							(18,049)	(18,049)
12) ELIMINATE DEF. ENVIRONMENTAL COSTS						-	3,545,624	3,545,624
TOTAL FPSC ADJUSTMENTS	\$ (24,162,430)	\$ 10,754,239	\$ (13,408,191)	\$ -	\$ -	\$ (13,408,191)	\$ (3,079,136)	\$ (16,487,327)
FPSC ADJUSTED	\$ 597,363,932	\$ (154,313,424)	\$ 443,050,508	\$ -	\$ 7,130,484	\$ 450,180,992	\$ 3,458,699	\$ 453,639,691
			\$ -			\$ -		\$ -
ADJUSTED	\$ 597,363,932	\$ (154,313,424)	\$ 443,050,508	\$ -	\$ 7,130,484	\$ 450,180,992	\$ 3,458,699	\$ 453,639,691
PROFORMA ADJUSTMENTS								
			\$ -			\$ -		\$ -
			\$ -			\$ -		\$ -
ELIM. ACQUISITION ADJUSTMENT	\$ (36,202,069)	\$ 17,118,275	\$ (19,083,794)			\$ (19,083,794)		\$ (19,083,794)
ELIM. REG ASSET-TRNSCTN & TRNSITN CSTS								\$ -
TOTAL PRO FORMA ADJUSTMENTS	\$ (36,202,069)	\$ 17,118,275	\$ (19,083,794)	\$ -	\$ -	\$ (19,083,794)	\$ -	\$ (19,083,794)
PRO FORMA ADJUSTED	\$ 561,161,863	\$ (137,195,149)	\$ 423,966,714	\$ -	\$ 7,130,484	\$ 431,097,198	\$ 3,458,699	\$ 434,555,897



FLORIDA PUBLIC UTILITIES COMPANY (CONSOLIDATED)  
NATURAL GAS  
AVERAGE RATE OF RETURN  
For the Projected 12 Months Ending December 31, 2023  
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	\$ 161,211,407	\$ 52,624,677	\$ 42,426,233	\$ 15,543,536	\$ 13,434,608	\$ 7,983,187				\$ 132,012,241	\$ 29,199,166
FPSC ADJUSTMENTS:											
1) INCOME TAX SYNC AND INTEREST ADJ.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -	\$ -
2) ELIMINATE FUEL REVENUES AND EXPENSES	(48,090,291)	(47,849,607)			(240,684)	-				(48,090,291)	-
3) ELIMINATE CONSERVATION	(4,799,089)	(4,775,070)			(24,019)	-				(4,799,089)	-
4)NON-UTILITY DEPRECIATION EXPENSE				(173,088)	(36,085)	53,015				(156,158)	156,158
5) ELIMINATE AEP REVENUES AND EXPENSES	(333,538)			(331,868)	(1,669)	(0)				(333,537)	(1)
6) ELIMINATE REVENUE RELATED TAXES	(5,396,147)				(5,396,147)	-				(5,396,147)	-
7)5% OF ECONOMIC DEVELOPMENT			(1,420)			360				(1,060)	1,060
8) OUT OF PERIOD ADJ						-				-	-
9) FLEX RATE & SPECIAL CONTRACT REVENUES	(5,552,846)		(398,027)	(365,744)	(160,993)	(1,172,987)				(2,097,751)	(3,455,095)
10) INTEREST INCOME	19,173					4,859				4,859	14,314
11)REMOVE 1/2 OF D&O INSURANCE			(85,528)			21,677				(63,851)	63,851
12)REMOVE COMPANY SPONSORED EVENTS			(38,836)			9,843				(28,993)	28,993
						-				-	-
						-				-	-
TOTAL FPSC ADJUSTMENTS	<u>\$ (64,152,738)</u>	<u>\$ (52,624,677)</u>	<u>\$ (523,811)</u>	<u>\$ (870,700)</u>	<u>\$ (5,859,597)</u>	<u>\$ (1,083,233)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (60,962,018)</u>	<u>\$ (3,190,720)</u>
FPSC ADJUSTED	<u>\$ 97,058,669</u>	<u>\$ -</u>	<u>\$ 41,902,422</u>	<u>\$ 14,672,836</u>	<u>\$ 7,575,011</u>	<u>\$ 6,899,954</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 71,050,223</u>	<u>\$ 26,008,446</u>
						\$ -				\$ -	\$ -
ADJUSTED	<u>\$ 97,058,669</u>	<u>\$ -</u>	<u>\$ 41,902,422</u>	<u>\$ 14,672,836</u>	<u>\$ 7,575,011</u>	<u>\$ 6,899,954</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 71,050,223</u>	<u>\$ 26,008,446</u>
ELIMINATE ACQUISITION AMORTIZATION				\$ (1,491,132)		\$ 377,927				\$ (1,113,205)	\$ 1,113,205
ELIMINATE TRANSACT./TRANSIT. AMORTIZATION						\$ -				\$ -	\$ -
						\$ -				\$ -	\$ -
						\$ -				\$ -	\$ -
TOTAL PRO FORMA ADJUSTMENTS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,491,132)</u>	<u>\$ -</u>	<u>\$ 377,927</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,113,205)</u>	<u>\$ 1,113,205</u>
PRO FORMA ADJUSTED	<u>\$ 97,058,669</u>	<u>\$ -</u>	<u>\$ 41,902,422</u>	<u>\$ 13,181,704</u>	<u>\$ 7,575,011</u>	<u>\$ 7,277,881</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 69,937,018</u>	<u>\$ 27,121,651</u>

FLORIDA PUBLIC UTILITIES COMPANY (CONSOLIDATED)  
 NATURAL GAS  
 YEAR END RATE OF RETURN  
 For the Projected 12 Months Ending December 31, 2023  
 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	\$ 629,624,025	\$ (170,004,633)	\$ 459,619,392	\$ -	\$ 4,843,711	\$ 464,463,103	\$ 6,284,201	\$ 470,747,304
FPSC ADJUSTMENTS:								
1) OFFSET TO ACCOUNTS RECEIVABLE	\$ -	\$ -	\$ -			\$ -	\$ (1,675,002)	\$ (1,675,002)
2) ELIMINATE GOODWILL	(3,183,612)		(3,183,612)			(3,183,612)		(3,183,612)
3) FLEX RATE PLANT & SPECIAL CONTRACTS	(17,787,358)	9,737,739	(8,049,619)			(8,049,619)	(9,004)	(8,058,623)
4) ELIM. NON-UTILITY PLANT	(3,667,870)	1,412,008	(2,255,862)			(2,255,862)		(2,255,862)
5) FRANCHISE COSTS	(14,132)	14,132	-			-		-
6) ELIMINATE UNDER-RECOVERIES			-			-		-
7) REMOVE DEFERRED RATE CASE COSTS			-			-	(2,938,162)	(2,938,162)
8) ALLOCATE ACCRUED INTEREST PARENT			-			-	(746,496)	(746,496)
9) FLEXIBLE LIABILITY ADJUSTMENT			-			-	(5,509)	(5,509)
10) ALLOCATE CORP HEALTH INSURANCE TO GAS			-			-	(175,087)	(175,087)
11) REMOVE D&O INSURANCE			-			-	(21,420)	(21,420)
12) ELIMINATE DEF. ENVIRONMENTAL COSTS			-			-	3,336,678	3,336,678
TOTAL FPSC ADJUSTMENTS	\$ (24,652,972)	\$ 11,163,879	\$ (13,489,093)	\$ -	\$ -	\$ (13,489,093)	\$ (2,234,001)	\$ (15,723,094)
FPSC ADJUSTED	\$ 604,971,053	\$ (158,840,754)	\$ 446,130,299	\$ -	\$ 4,843,711	\$ 450,974,010	\$ 4,050,200	\$ 455,024,210
			\$ -			\$ -		\$ -
ADJUSTED	\$ 604,971,053	\$ (158,840,754)	\$ 446,130,299	\$ -	\$ 4,843,711	\$ 450,974,010	\$ 4,050,200	\$ 455,024,210
PROFORMA ADJUSTMENTS								
ELIM. ACQUISITION ADJUSTMENT	\$ (36,202,069)	\$ 17,729,016	\$ (18,473,053)			\$ (18,473,053)		\$ (18,473,053)
ELIM. REG ASSET-TRNSCTN & TRNSITN CSTS								\$ -
TOTAL PRO FORMA ADJUSTMENTS	\$ (36,202,069)	\$ 17,729,016	\$ (18,473,053)	\$ -	\$ -	\$ (18,473,053)	\$ -	\$ (18,473,053)
PRO FORMA ADJUSTED	\$ 568,768,984	\$ (141,111,738)	\$ 427,657,246	\$ -	\$ 4,843,711	\$ 432,500,957	\$ 4,050,200	\$ 436,551,157

FLORIDA PUBLIC UTILITIES COMPANY (CONSOLIDATED)  
NATURAL GAS  
YEAR END RATE OF RETURN  
For the Projected 12 Months Ending December 31, 2023  
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	\$ 161,211,407	\$ 52,624,677	\$ 42,426,233	\$ 15,543,536	\$ 13,434,608	\$ 7,983,187	\$ -			\$ 132,012,241	\$ 29,199,166
FPSC ADJUSTMENTS:											
1) INCOME TAX SYNC AND INTEREST ADJ.										\$ -	\$ -
2) ELIMINATE FUEL REVENUES AND EXPENSES	\$ (48,090,291)	\$ (47,849,607)			\$ (240,684)	\$ -				\$ (48,090,291)	\$ -
3) ELIMINATE CONSERVATION	\$ (4,799,089)	\$ (4,775,070)			\$ (24,019)	\$ -				\$ (4,799,089)	\$ -
4)NON-UTILITY DEPRECIATION EXPENSE				\$ (173,088)	\$ (36,085)	\$ 53,015				\$ (156,158)	\$ 156,158
5) ELIMINATE AEP REVENUES AND EXPENSES	\$ (333,538)			\$ (331,868)	\$ (1,669)	\$ (0)				\$ (333,537)	\$ (1)
6) ELIMINATE REVENUE RELATED TAXES	\$ (5,396,147)				\$ (5,396,147)	\$ -				\$ (5,396,147)	\$ -
7)5% OF ECONOMIC DEVELOPMENT			\$ (1,420)			\$ 360				\$ (1,060)	\$ 1,060
8) OUT OF PERIOD ADJ						\$ -				\$ -	\$ -
9) FLEX RATE REVENUES	\$ (5,552,846)		\$ (398,027)	\$ (365,744)	\$ (160,993)	\$ (1,172,987)				\$ (2,097,751)	\$ (3,455,095)
10) INTEREST INCOME	\$ 19,173					\$ 4,859				\$ 4,859	\$ 14,314
11)REMOVE 1/2 OF D&O INSURANCE			\$ (85,528)			\$ 21,677				\$ (63,851)	\$ 63,851
12)REMOVE COMPANY SPONSORED EVENTS			\$ (38,836)			\$ 9,843				\$ (28,993)	\$ 28,993
						\$ -				\$ -	\$ -
						\$ -				\$ -	\$ -
TOTAL FPSC ADJUSTMENTS	\$ (64,152,738)	\$ (52,624,677)	\$ (523,811)	\$ (870,700)	\$ (5,859,597)	\$ (1,083,233)	\$ -	\$ -	\$ -	\$ (60,962,018)	\$ (3,190,720)
FPSC ADJUSTED	\$ 97,058,669	\$ -	\$ 41,902,422	\$ 14,672,836	\$ 7,575,011	\$ 6,899,954	\$ -	\$ -	\$ -	\$ 71,050,223	\$ 26,008,446
	\$ -		\$ -	\$ -	\$ -	\$ -				\$ -	\$ -
ADJUSTED	\$ 97,058,669	\$ -	\$ 41,902,422	\$ 14,672,836	\$ 7,575,011	\$ 6,899,954	\$ -	\$ -	\$ -	\$ 71,050,223	\$ 26,008,446
ELIMINATE ACQUISITION AMORTIZATION				\$ (1,491,132)		\$ 377,927				\$ (1,113,205)	\$ 1,113,205
ELIMINATE TRANSACT./TRANSIT. AMORTIZATION						\$ -				\$ -	\$ -
						\$ -				\$ -	\$ -
TOTAL PRO FORMA ADJUSTMENTS	\$ -	\$ -	\$ -	\$ (1,491,132)	\$ -	\$ 377,927	\$ -	\$ -	\$ -	\$ (1,113,205)	\$ 1,113,205
PRO FORMA ADJUSTED	\$ 97,058,669	\$ -	\$ 41,902,422	\$ 13,181,704	\$ 7,575,011	\$ 7,277,881	\$ -	\$ -	\$ -	\$ 69,937,018	\$ 27,121,651

FLORIDA PUBLIC UTILITIES COMPANY (CONSOLIDATED)  
 NATURAL GAS  
 CAPITAL STRUCTURE  
 For the Projected 12 Months Ending December 31, 2023  
 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	\$ 214,849,632		\$ 214,849,632	\$ (7,723,722)	\$ (2,469,682)	\$ 204,656,228	45.11%	9.25%	4.17%	10.25%	4.62%	11.25%	5.08%
LONG TERM DEBT - CU	\$ 153,592,142		\$ 153,592,142	\$ (5,521,550)		\$ 148,070,591	32.64%	3.44%	1.12%	3.48%	1.14%	3.44%	1.12%
SHORT TERM DEBT	\$ 21,484,963		\$ 21,484,963	\$ (772,372)		\$ 20,712,591	4.57%	1.98%	0.09%	3.28%	0.15%	3.28%	0.15%
CUSTOMER DEPOSITS	\$ 10,782,475		\$ 10,782,475			\$ 10,782,475	2.38%	2.38%	0.06%	2.37%	0.06%	2.37%	0.06%
DEFERRED INCOME TAXES	\$ 42,232,204		\$ 42,232,204			\$ 42,232,204	9.31%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
REGULATORY TAX LIABILITY	\$ 27,185,602		\$ 27,185,602			\$ 27,185,602	5.99%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>TOTAL AVERAGE</b>	<b>\$ 470,127,018</b>		<b>\$ 470,127,018</b>	<b>\$ (14,017,645)</b>	<b>\$ (2,469,682)</b>	<b>\$ 453,639,691</b>	<b>100.00%</b>		<b>5.44%</b>		<b>5.97%</b>		<b>6.41%</b>

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	\$ 215,107,749		\$ 215,107,749	\$ (7,302,630)	\$ (2,469,682)	\$ 205,335,437	45.13%	9.25%	4.17%	10.25%	4.63%	11.25%	5.08%
LONG TERM DEBT - CU	\$ 153,776,665		\$ 153,776,665	\$ (5,220,519)		\$ 148,556,146	32.65%	2.95%	0.96%	3.48%	1.14%	2.95%	0.96%
SHORT TERM DEBT	\$ 21,510,775		\$ 21,510,775	\$ (730,263)		\$ 20,780,512	4.57%	1.29%	0.06%	3.28%	0.15%	3.28%	0.15%
CUSTOMER DEPOSITS	\$ 10,896,667		\$ 10,896,667			\$ 10,896,667	2.40%	2.43%	0.06%	2.37%	0.06%	2.37%	0.06%
DEFERRED INCOME TAXES	\$ 42,342,458		\$ 42,342,458			\$ 42,342,458	9.31%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
REGULATORY TAX LIABILITY	\$ 27,112,990		\$ 27,112,990			\$ 27,112,990	5.96%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>TOTAL YEAR-END</b>	<b>\$ 470,747,304</b>	<b>\$ -</b>	<b>\$ 470,747,304</b>	<b>\$ (13,253,412)</b>	<b>\$ (2,469,682)</b>	<b>\$ 455,024,210</b>	<b>100.00%</b>		<b>5.25%</b>		<b>5.98%</b>		<b>6.25%</b>