

FLORIDA PUBLIC UTILITIES COMPANY
ELECTRIC
RATE OF RETURN REPORT SUMMARY
March 31, 2011

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	\$ 2,688,939	(\$60,997)	\$2,827,942	\$0	\$2,827,942
AVERAGE RATE BASE	\$37,936,626	\$4,063,656	\$42,000,282	\$0	\$42,000,282
AVERAGE RATE OF RETURN	7.62%		6.73%		6.73%
II. YEAR-END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$2,888,939	(\$76,689)	\$2,812,250	\$0	\$2,812,250
YEAR-END RATE BASE	\$34,699,657	\$4,669,307	\$39,368,964	\$0	\$39,368,964
YEAR-END RATE OF RETURN	8.33%		7.14%		7.14%

**III. REQUIRED RATES OF RETURN
AVERAGE CAPITAL STRUCTURE
(FPSC ADJUSTED BASIS)**

LOW	6.80%
MIDPOINT	7.23%
HIGH	7.66%

IV. FINANCIAL INTEGRITY INDICATORS

A. TIE WITH AFUDC	4.24
B. TIE WITHOUT AFUDC	4.24
C. AFUDC TO NET INCOME	0.00
D. INTERNALLY GENERATED FUNDS	216.19
E. LTD TO TOTAL INVESTOR FUNDS	38.91
F. STD TO TOTAL INVESTOR FUNDS	0.00
G. RETURN ON COMMON EQUITY	9.85

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. 775.084.

Thomas A. Geoffroy
Vice President - Regulatory Affairs & Business Planning

Thomas A. Geoffroy
Signature

6-15-11
Date

FLORIDA PUBLIC UTILITIES COMPANY
 ELECTRIC
 AVERAGE RATE OF RETURN
 For the 12 Months Ending March 31, 2011
 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
NEW BOOKS	\$85,747,789	(543,226,734)	\$42,521,055	\$0	\$470,752	\$42,991,816	(55,055,190)	\$37,936,626
FPSC ADJUSTMENTS:								
ELIMINATIONS TO WORKING CAPITAL, ELIM. NON UTILITY PLANT	(5185,407)	\$117,694	\$0			\$0	\$3,628,020	\$3,628,020
ELIMINATE ACQUISITION ADJUSTMENT	\$503,349	\$0	(\$67,713)			(\$67,713)		(\$67,713)
			\$503,349			\$503,349		\$503,349
TOTAL FPSC ADJUSTMENTS	\$517,942	\$117,694	\$435,636	\$0	\$0	\$435,636	\$3,628,020	\$4,063,656
FPSC ADJUSTED	\$86,065,731	(543,109,040)	\$42,956,692	\$0	\$470,761	\$43,427,453	(51,427,170)	\$42,000,282
FLEX RATE REVENUES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ADJUSTED FOR FLEX RATE REVENUES	\$86,065,731	(543,109,040)	\$42,956,692	\$0	\$470,761	\$43,427,453	(51,427,170)	\$42,000,282
PROFORMA ADJUSTMENTS								
TOTAL PRO FORMA ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PROFORMA ADJUSTED	\$86,065,731	(543,109,040)	\$42,956,692	\$0	\$470,761	\$43,427,453	(51,427,170)	\$42,000,282

MINNAPUBLIC UTILITIES COMPANY
 EARNING STATEMENTS
 YEAR END RATE OF RETURN
 For the 12 Months Ending March 31, 2001
 (All in \$'000)

	(1) PLANT IN SERVICE	(2) ACCUMULATED DEPRECIATION & AMORTIZATION	(3) PLANT IN SERVICE	(4) NET INVESTMENT HELD FOR FUTURE USE	(5) CONSTRUCTION WORK IN PROGRESS	(6) NET UTILITY PLANT	(7) WORKING CAPITAL	(8) TOTAL RATE BASE
PREVIOUS	\$7,287,221	(\$44,808,281)	\$45,989,041	\$0	\$17,946	\$4,748,128	(\$2,103,603)	\$14,699,651
FPC ADJUSTMENTS								
(LIMIT) Gains (to) Working Capital	(\$76,481)	513,799	\$0	\$0		\$0	\$4,748,128	\$4,748,128
(LIM) Net Utility Plant	500,000	\$0	(\$62,540)			(\$62,540)		(\$62,540)
Eliminate Acquisition Adjustment			349,709			349,709		349,709
TOTAL FPC ADJUSTMENTS	\$423,519	\$513,799	(\$16,831)	\$0	\$0	(\$16,831)		(\$16,831)
FPC ADJUSTED	\$7,710,740	(\$44,294,482)	\$45,822,210	\$0	\$17,946	\$4,681,297	(\$2,103,603)	\$14,582,814
COMP RATE ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ADJUSTED FOR COMP RATE ADJUSTMENTS	\$7,710,740	(\$44,294,482)	\$45,822,210	\$0	\$17,946	\$4,681,297	(\$2,103,603)	\$14,582,814
PROFORMA ADJUSTMENTS								
TOTAL PROFORMA ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PROFORMA ADJUSTED	\$7,710,740	(\$44,294,482)	\$45,822,210	\$0	\$17,946	\$4,681,297	(\$2,103,603)	\$14,582,814

FLORIDA PUBLIC UTILITIES COMPANY
ELECTRIC
YEAR END DATE OF RETURN
For the 12 Months Ending March 31, 2011
INCOME STATEMENT

	(1) OPERATING REVENUES	(2) O & M FUEL EXPENSE	(3) O & M OTHER	(4) DEPRECIATION & AMORTIZATION	(5) TAXES OTHER THAN INCOME	(6) INCOME TAXES CURRENT	(7) DIT (NET)	(8) LTC (NET)	(9) COMPLETION ON DEFERRED	(10) TOTAL OPERATING EXPENSES	(11) NET OPERATING INCOME
REG REVENUES	136,150,564	5	59,962,174	54,319,218	13,126,976	11,023,130			59,381,644	33,988,879	
REG ADJUSTMENTS											
1 INTEREST SUBSIDIZATION	(71,071,621)	5	(72,999,949)		(199,401)	562,177			562,177	(547,377)	
2 UNRECOVERED COSTS	(646,943)				(448)	(58,735)			(58,735)	(510,131)	
3 UNRECOVERED DEFERRALS						540,724			540,724	51,178	
4 UNRECOVERED DEFERRALS				61,120	(448)	54			54	54	
5 UNRECOVERED DEFERRALS						50			50	50	
6 UNRECOVERED DEFERRALS						50			50	50	
7 UNRECOVERED DEFERRALS						50			50	50	
8 UNRECOVERED DEFERRALS						50			50	50	
9 UNRECOVERED DEFERRALS						50			50	50	
10 UNRECOVERED DEFERRALS						50			50	50	
11 UNRECOVERED DEFERRALS						50			50	50	
12 UNRECOVERED DEFERRALS						50			50	50	
13 UNRECOVERED DEFERRALS						50			50	50	
14 UNRECOVERED DEFERRALS						50			50	50	
15 UNRECOVERED DEFERRALS						50			50	50	
16 UNRECOVERED DEFERRALS						50			50	50	
17 UNRECOVERED DEFERRALS						50			50	50	
18 UNRECOVERED DEFERRALS						50			50	50	
19 UNRECOVERED DEFERRALS						50			50	50	
20 UNRECOVERED DEFERRALS						50			50	50	
21 UNRECOVERED DEFERRALS						50			50	50	
22 UNRECOVERED DEFERRALS						50			50	50	
23 UNRECOVERED DEFERRALS						50			50	50	
24 UNRECOVERED DEFERRALS						50			50	50	
25 UNRECOVERED DEFERRALS						50			50	50	
26 UNRECOVERED DEFERRALS						50			50	50	
27 UNRECOVERED DEFERRALS						50			50	50	
28 UNRECOVERED DEFERRALS						50			50	50	
29 UNRECOVERED DEFERRALS						50			50	50	
30 UNRECOVERED DEFERRALS						50			50	50	
31 UNRECOVERED DEFERRALS						50			50	50	
32 UNRECOVERED DEFERRALS						50			50	50	
33 UNRECOVERED DEFERRALS						50			50	50	
34 UNRECOVERED DEFERRALS						50			50	50	
35 UNRECOVERED DEFERRALS						50			50	50	
36 UNRECOVERED DEFERRALS						50			50	50	
37 UNRECOVERED DEFERRALS						50			50	50	
38 UNRECOVERED DEFERRALS						50			50	50	
39 UNRECOVERED DEFERRALS						50			50	50	
40 UNRECOVERED DEFERRALS						50			50	50	
41 UNRECOVERED DEFERRALS						50			50	50	
42 UNRECOVERED DEFERRALS						50			50	50	
43 UNRECOVERED DEFERRALS						50			50	50	
44 UNRECOVERED DEFERRALS						50			50	50	
45 UNRECOVERED DEFERRALS						50			50	50	
46 UNRECOVERED DEFERRALS						50			50	50	
47 UNRECOVERED DEFERRALS						50			50	50	
48 UNRECOVERED DEFERRALS						50			50	50	
49 UNRECOVERED DEFERRALS						50			50	50	
50 UNRECOVERED DEFERRALS						50			50	50	
51 UNRECOVERED DEFERRALS						50			50	50	
52 UNRECOVERED DEFERRALS						50			50	50	
53 UNRECOVERED DEFERRALS						50			50	50	
54 UNRECOVERED DEFERRALS						50			50	50	
55 UNRECOVERED DEFERRALS						50			50	50	
56 UNRECOVERED DEFERRALS						50			50	50	
57 UNRECOVERED DEFERRALS						50			50	50	
58 UNRECOVERED DEFERRALS						50			50	50	
59 UNRECOVERED DEFERRALS						50			50	50	
60 UNRECOVERED DEFERRALS						50			50	50	
61 UNRECOVERED DEFERRALS						50			50	50	
62 UNRECOVERED DEFERRALS						50			50	50	
63 UNRECOVERED DEFERRALS						50			50	50	
64 UNRECOVERED DEFERRALS						50			50	50	
65 UNRECOVERED DEFERRALS						50			50	50	
66 UNRECOVERED DEFERRALS						50			50	50	
67 UNRECOVERED DEFERRALS						50			50	50	
68 UNRECOVERED DEFERRALS						50			50	50	
69 UNRECOVERED DEFERRALS						50			50	50	
70 UNRECOVERED DEFERRALS						50			50	50	
71 UNRECOVERED DEFERRALS						50			50	50	
72 UNRECOVERED DEFERRALS						50			50	50	
73 UNRECOVERED DEFERRALS						50			50	50	
74 UNRECOVERED DEFERRALS						50			50	50	
75 UNRECOVERED DEFERRALS						50			50	50	
76 UNRECOVERED DEFERRALS						50			50	50	
77 UNRECOVERED DEFERRALS						50			50	50	
78 UNRECOVERED DEFERRALS						50			50	50	
79 UNRECOVERED DEFERRALS						50			50	50	
80 UNRECOVERED DEFERRALS						50			50	50	
81 UNRECOVERED DEFERRALS						50			50	50	
82 UNRECOVERED DEFERRALS						50			50	50	
83 UNRECOVERED DEFERRALS						50			50	50	
84 UNRECOVERED DEFERRALS						50			50	50	
85 UNRECOVERED DEFERRALS						50			50	50	
86 UNRECOVERED DEFERRALS						50			50	50	
87 UNRECOVERED DEFERRALS						50			50	50	
88 UNRECOVERED DEFERRALS						50			50	50	
89 UNRECOVERED DEFERRALS						50			50	50	
90 UNRECOVERED DEFERRALS						50			50	50	
91 UNRECOVERED DEFERRALS						50			50	50	
92 UNRECOVERED DEFERRALS						50			50	50	
93 UNRECOVERED DEFERRALS						50			50	50	
94 UNRECOVERED DEFERRALS						50			50	50	
95 UNRECOVERED DEFERRALS						50			50	50	
96 UNRECOVERED DEFERRALS						50			50	50	
97 UNRECOVERED DEFERRALS						50			50	50	
98 UNRECOVERED DEFERRALS						50			50	50	
99 UNRECOVERED DEFERRALS						50			50	50	
100 UNRECOVERED DEFERRALS						50			50	50	
TOTAL PFC ADJUSTMENTS	631,276,146		50	651,110	(516,609)	562,181	50	50	(513,844,276)	(276,609)	
PFC ADJUSTED	534,420,000	50	59,962,174	53,127,748	12,727,575	11,577,802	50	50	571,817,770	33,812,250	
PFC ADJUSTED											
TOTAL PFC ADJUSTMENTS	50		50	50	50	50	50	50	50	50	
PFC ADJUSTED	534,420,000	50	59,962,174	53,127,748	12,727,575	11,577,802	50	50	571,817,770	33,812,250	

AVERAGE								LOW POINT		MIDPOINT		HIGH POINT	
	ADJUSTMENTS		ADJUSTED BOOKS	PRO-RATA	SPECIFIC	BALANCE	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
	PER BOOKS	NON-UTILITY											
COMMON EQUITY	\$18,044,679		\$18,044,679	(\$503,349)	\$503,349	\$18,044,679	42.96%	10.00%	4.30%	11.00%	4.73%	12.00%	5.16%
LONG TERM DEBT	\$8,229,900		\$8,229,900		\$8,265,442	\$11,493,342	27.37%	6.95%	1.90%	6.95%	1.90%	6.95%	1.90%
SHORT TERM DEBT	\$3,263,442		\$3,263,442		(\$3,263,442)	50	0.00%	1.75%	0.00%	1.75%	0.00%	1.75%	0.00%
CUSTOMER DEPOSITS	\$4,047,646		\$4,047,646			\$4,047,646	9.64%	6.17%	0.59%	6.17%	0.59%	6.17%	0.59%
DEFERRED INCOME TAXES	\$8,384,560		\$8,384,560			\$8,384,560	19.99%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$30,055		\$30,055			\$30,055	0.07%	8.42%	0.01%	9.01%	0.01%	9.59%	0.01%
TOTAL AVERAGE	\$42,000,282	50	\$42,000,282	(\$503,349)	\$503,349	\$42,000,282	100.00%		6.80%		7.23%		7.66%

YEAR-END								LOW POINT		MIDPOINT		HIGH POINT	
	ADJUSTMENTS		ADJUSTED BOOKS	PRO-RATA	SPECIFIC	BALANCE	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
	PER BOOKS	NON-UTILITY											
COMMON EQUITY	\$16,701,476		\$16,701,476	(\$487,059)	\$487,059	\$16,701,476	42.42%	10.00%	4.24%	11.00%	4.67%	12.00%	5.09%
LONG TERM DEBT	\$7,617,286		\$7,617,286		\$3,020,519	\$10,637,805	27.03%	6.94%	1.88%	6.94%	1.88%	6.94%	1.88%
SHORT TERM DEBT	\$3,020,519		\$3,020,519		(\$3,020,519)	50	0.00%	1.57%	0.00%	1.57%	0.00%	1.57%	0.00%
CUSTOMER DEPOSITS	\$4,324,209		\$4,324,209			\$4,324,209	10.98%	6.17%	0.68%	6.17%	0.68%	6.17%	0.68%
DEFERRED INCOME TAXES	\$7,683,464		\$7,683,464			\$7,683,464	19.52%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$22,010		\$22,010			\$22,010	0.06%	8.15%	0.00%	8.73%	0.00%	9.32%	0.01%
TOTAL YEAR-END	\$39,368,964	50	\$39,368,964	(\$487,059)	\$487,059	\$39,368,964	100.00%		6.80%		7.23%		7.66%