



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

March 30, 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) and Florida
Division of Chesapeake Utilities 4th Quarter 2020 Surveillance Reports**

Dear Mr. Fletcher:

In accordance with Rules 25-6.1352 and 25-7.1352, F.A.C., Florida Public Utilities Company hereby submits its 4th Quarter Earnings Surveillance Reports for 2020 for FPUC (All Divisions) and Chesapeake.

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
 FT. MEADE DIVISION
 RATE OF RETURN REPORT SUMMARY
 December 31, 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	\$ (31,133)	(\$245)	(\$31,378)	\$ (35,924)	(\$67,302)
AVERAGE RATE BASE	\$1,185,353	(\$19)	\$1,185,335	\$404,560	\$1,589,894
AVERAGE RATE OF RETURN	-2.63%		-2.65%		-4.23%
II. YEAR-END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	(\$31,133)	(\$202)	(\$31,335)	(\$35,924)	(\$67,259)
YEAR-END RATE BASE	\$1,251,916	\$0	\$1,251,916	\$380,762	\$1,632,678
YEAR-END RATE OF RETURN	-2.49%		-2.50%		-4.12%
<hr/>					
III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)			IV. EARNED RETURN ON EQUITY (FPSC ADJUSTED BASIS)		
LOW	4.53%		A. RETURN ON COMMON EQUITY		-11.55%
MIDPOINT	4.86%				
HIGH	5.20%				

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
 Director, Regulatory Affairs

 Signature

 Date

FLORIDA PUBLIC UTILITIES COMPANY
 FT. MEADE DIVISION
AVERAGE RATE OF RETURN
 For the 12 Months Ending December 31, 2020
 RATE BASE

SCHEDULE 2
 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	\$ 1,244,449	\$ (195,101)	\$ 1,049,348	\$ -	\$ 37,552	\$ 1,086,900	\$ 98,454	\$ 1,185,353
FPSC ADJUSTMENTS:								
REMOVE CONS. & PGA UNDER-RECOVERY			\$ -			\$ -	\$ -	\$ -
ELIMINATE INTEREST EARNING AFUDC IN CWIP			\$ -		\$ (19)	\$ (19)	\$ -	\$ (19)
TOTAL FPSC ADJUSTMENTS	\$ -	\$ -	\$ -	\$ -	\$ (19)	\$ (19)	\$ -	\$ (19)
FPSC ADJUSTED	\$ 1,244,449	\$ (195,101)	\$ 1,049,348	\$ -	\$ 37,533	\$ 1,086,881	\$ 98,454	\$ 1,185,335
PROFORMA ADJUSTMENTS								
RECORD ACQUISITION ADJUSTMENT	\$ 713,930	\$ (309,370)	\$ 404,560			\$ 404,560		\$ 404,560
TOTAL PRO FORMA ADJUSTMENTS	\$ 713,930	\$ (309,370)	\$ 404,560	\$ -	\$ -	\$ 404,560	\$ -	\$ 404,560
PRO FORMA ADJUSTED	\$ 1,958,379	\$ (504,472)	\$ 1,453,907	\$ -	\$ 37,533	\$ 1,491,441	\$ 98,454	\$ 1,589,894

FLORIDA PUBLIC UTILITIES COMPANY
 FT. MEADE DIVISION
AVERAGE RATE OF RETURN
 For the 12 Months Ending December 31, 2020
 INCOME STATEMENT

SCHEDULE 2
 PAGE 2 OF 2

	(1) OPERATING REVENUES	(2) O & M GAS EXPENSE	(3) O & M OTHER	(4) DEPREC. & AMORTIZATION	(5) TAXES OTHER THAN INCOME	(6) INCOME TAXES CURRENT	(7) D.I.T. (NET)	(8) I.T.C. (NET)	(9) GAIN/LOSS ON DISPOSITION	(10) TOTAL OPERATING EXPENSES	(11) NET OPERATING INCOME
PER BOOKS	\$ 253,961	\$ 21,472	\$ 202,720	\$ 30,039	\$ 46,284	\$ (15,421)				\$ 285,094	\$ (31,133)
FPSC ADJUSTMENTS:											
1) Interest Synchronization						\$517				\$ 517	\$ (517)
2) Elim Economic Development Expense						93				\$ (288)	\$ 288
3) Elim. Conservation Rev & Exp.	\$ (16,563)	\$ (16,482)	\$ (381)		\$ (83)	\$ 0				\$ (16,564)	\$ 1
4) Elim. PGA and Swing Revenues & Expense	\$ (5,615)	\$ (4,990)			\$ (604)	\$ (5)				\$ (5,599)	\$ (16)
5) Refund of GRIP Tax Savings Out of Period	\$ -					\$ -				\$ -	\$ -
6) Elim. Rev Related Taxes	\$ (24,801)				(\$24,801)	\$ -				\$ (24,801)	\$ -
7) Protected Amortization Out of Period				\$ -		\$ -				\$ -	\$ -
8) Unprotected Amortization Out of Period				\$ -		\$ -				\$ -	\$ -
TOTAL FPSC ADJUSTMENTS	\$ (46,979)	\$ (21,472)	\$ (381)	\$ -	\$ (25,487)	\$ 606	\$ -	\$ -	\$ -	\$ (46,734)	\$ (245)
FPSC ADJUSTED	\$ 206,982	\$ -	\$ 202,339	\$ 30,039	\$ 20,797	\$ (14,815)	\$ -	\$ -	\$ -	\$ 238,360	\$ (31,378)
PROFORMA ADJUSTMENTS											
1) Amortize Acquisition Adjustment				\$ 47,595		\$ (11,671)				\$ 35,924	\$ (35,924)
TOTAL PRO FORMA ADJUSTMENTS	\$ -	\$ -	\$ -	\$ 47,595	\$ -	\$ (11,671)	\$ -	\$ -	\$ -	\$ 35,924	\$ (35,924)
PRO FORMA ADJUSTED	\$ 206,982	\$ -	\$ 202,339	\$ 77,634	\$ 20,797	\$ (26,486)	\$ -	\$ -	\$ -	\$ 274,284	\$ (67,302)

FLORIDA PUBLIC UTILITIES COMPANY
 FT. MEADE DIVISION
YEAR END RATE OF RETURN
 For the 12 Months Ending December 31, 2020
 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	\$ 1,292,711	\$ (202,595)	\$ 1,090,116	\$ -	\$ -	\$ 1,090,116	\$ 161,799	\$ 1,251,916
FPSC ADJUSTMENTS:								
REMOVE CONS. & PGA UNDER-RECOVERIES			\$ -			\$ -	\$ -	\$ -
TOTAL FPSC ADJUSTMENTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FPSC ADJUSTED	\$ 1,292,711	\$ (202,595)	\$ 1,090,116	\$ -	\$ -	\$ 1,090,116	\$ 161,799	\$ 1,251,916
PROFORMA ADJUSTMENTS								
RECORD ACQUISITION ADJUSTMENT	\$ 713,930	\$ (333,168)	\$ 380,762			\$ 380,762		\$ 380,762
TOTAL PRO FORMA ADJUSTMENTS	\$ 713,930	\$ (333,168)	\$ 380,762	\$ -	\$ -	\$ 380,762	\$ -	\$ 380,762
PRO FORMA ADJUSTED	\$ 2,006,641	\$ (535,763)	\$ 1,470,878	\$ -	\$ -	\$ 1,470,878	\$ 161,799	\$ 1,632,678

FLORIDA PUBLIC UTILITIES COMPANY
 FT. MEADE DIVISION
YEAR END RATE OF RETURN
 For the 12 Months Ending December 31, 2020
 INCOME STATEMENT

SCHEDULE 3
 PAGE 2 OF 2

	(1) OPERATING REVENUES	(2) O & M GAS EXPENSE	(3) O & M OTHER	(4) DEPREC. & AMORTIZATION	(5) TAXES OTHER THAN INCOME	(6) INCOME TAXES CURRENT	(7) D.I.T. (NET)	(8) I.T.C. (NET)	(9) GAIN/LOSS ON DISPOSITION	(10) TOTAL OPERATING EXPENSES	(11) NET OPERATING INCOME
PER BOOKS	\$ 253,961	\$ 21,472	\$ 202,720	\$ 30,039	\$ 46,284	\$ (15,421)				\$ 285,094	\$ (31,133)
FPSC ADJUSTMENTS:											
1) Interest Synchronization						\$475				\$ 475	\$ (475)
2) Elim Economic Development Expense						\$ 93				\$ (288)	\$ 288
3) Elim. Conservation Rev & Exp.	\$ (16,563)	\$ (16,482)	\$ (381)	\$ -	\$ (83)	\$ 0				\$ (16,564)	\$ 1
4) Elim. PGA and Swing Revenues & Expense	\$ (5,615)	\$ (4,990)			\$ (604)	\$ (5)				\$ (5,599)	\$ (16)
5) Refund of GRIP Tax Savings Out of Period	\$ -					\$ -				\$ -	\$ -
6) Elim. Rev Related Taxes	\$ (24,801)				(\$24,801)	\$ -				\$ (24,801)	\$ -
7) Protected Amortization Out of Period				\$ -		\$ -				\$ -	\$ -
8) Unprotected Amortization Out of Period				\$ -		\$ -				\$ -	\$ -
TOTAL FPSC ADJUSTMENTS	\$ (46,979)	\$ (21,472)	\$ (381)	\$ -	\$ (25,487)	\$ 564	\$ -	\$ -	\$ -	\$ (46,777)	\$ (202)
FPSC ADJUSTED	\$ 206,982	\$ 0	\$ 202,339	\$ 30,039	\$ 20,797	\$ (14,857)	\$ -	\$ -	\$ -	\$ 238,318	\$ (31,336)
PROFORM ADJUSTMENTS											
1) Amortize Acquisition Adjustment				\$ 47,595		\$ (11,671)				\$ 35,924	\$ (35,924)
TOTAL PRO FORMA ADJUSTMENTS	\$ -	\$ -	\$ -	\$ 47,595	\$ -	\$ (11,671)	\$ -	\$ -	\$ -	\$ 35,924	\$ (35,924)
PRO FORMA ADJUSTED	\$ 206,982	\$ 0	\$ 202,339	\$ 77,634	\$ 20,797	\$ (26,529)	\$ -	\$ -	\$ -	\$ 274,242	\$ (67,260)

AVERAGE								LOW POINT		MIDPOINT		HIGH POINT	
	<u>ADJUSTMENTS</u>		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	\$394,749	\$0	\$394,749	\$0	(\$8)	\$394,741	33.30%	10.00%	3.33%	11.00%	3.66%	12.00%	4.00%
LONG TERM DEBT	\$309,803	\$0	\$309,803	\$0	(\$7)	\$309,796	26.14%	3.69%	0.96%	3.69%	0.96%	3.69%	0.96%
SHORT TERM DEBT	\$148,893	\$0	\$148,893	\$0	(\$4)	\$148,889	12.56%	1.83%	0.23%	1.83%	0.23%	1.83%	0.23%
SHORT TERM DEBT REFINANCED LTD	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$23,196	\$0	\$23,196	\$0	\$0	\$23,196	1.96%	0.44%	0.01%	0.44%	0.01%	0.44%	0.01%
DEFERRED INCOME TAXES	\$308,714	\$0	\$308,714	\$0	\$0	\$308,714	26.04%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	4.52%	0.00%	4.85%	0.00%	5.19%	0.00%
TOTAL AVERAGE	\$1,185,355	\$0	\$1,185,355	\$0	(\$19)	\$1,185,336	100.00%		4.53%		4.86%		5.20%

YEAR-END								LOW POINT		MIDPOINT		HIGH POINT	
	<u>ADJUSTMENTS</u>		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	\$451,758	\$0	\$451,758	\$0	\$0	\$451,758	36.09%	10.00%	3.61%	11.00%	3.97%	12.00%	4.33%
LONG TERM DEBT	\$336,970	\$0	\$336,970	\$0	\$0	\$336,970	26.92%	3.42%	0.92%	3.42%	0.92%	3.42%	0.92%
SHORT TERM DEBT	\$113,089	\$0	\$113,089	\$0	\$0	\$113,089	9.03%	2.43%	0.22%	2.43%	0.22%	2.43%	0.22%
SHORT TERM DEBT REFINANCED LTD	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$22,848	\$0	\$22,848	\$0	\$0	\$22,848	1.83%	0.45%	0.01%	0.45%	0.01%	0.45%	0.01%
DEFERRED INCOME TAXES	\$327,250	\$0	\$327,250	\$0	\$0	\$327,250	26.14%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	4.75%	0.00%	5.11%	0.00%	5.47%	0.00%
TOTAL YEAR-END	\$1,251,915	\$0	\$1,251,915	\$0	\$0	\$1,251,915	100.00%		4.76%		5.12%		5.48%