

FLORIDA PUBLIC UTILITIES COMPANY  
ELECTRIC  
RATE OF RETURN REPORT SUMMARY  
March 31, 2018

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	\$ 4,009,298	(\$457,976)	\$3,551,322	\$0	\$3,551,322
AVERAGE RATE BASE	\$80,809,390	(\$5,785,037)	\$75,024,353	\$0	\$75,024,353
AVERAGE RATE OF RETURN	4.96%		4.73%		4.73%
<b>II. YEAR-END RATE OF RETURN (JURISDICTIONAL)</b>					
NET OPERATING INCOME	\$4,009,298	(\$478,868)	\$3,530,430	\$0	\$3,530,430
YEAR-END RATE BASE	\$84,488,892	(\$7,265,510)	\$77,223,383	\$0	\$77,223,383
YEAR-END RATE OF RETURN	4.75%		4.57%		4.57%

**IV. FINANCIAL INTEGRITY INDICATORS**

<b>III. REQUIRED RATES OF RETURN</b>			
AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)		A. TIE WITH AFUDC	4.46
LOW	5.15%	B. TIE WITHOUT AFUDC	4.46
MIDPOINT	5.56%	C. AFUDC TO NET INCOME	0.00
HIGH	5.96%	D. INTERNALLY GENERATED FUNDS	(14.46)
		E. LTD TO TOTAL INVESTOR FUNDS	23.54
		F. STD TO TOTAL INVESTOR FUNDS	22.31
		G. RETURN ON COMMON EQUITY	8.22

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

	(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	\$127,780,564	(\$62,223,369)	\$65,557,195	\$0	\$2,688,519	\$68,245,714	\$12,563,676	\$80,809,390
FPSC ADJUSTMENTS:								
			\$0			\$0		\$0
1) ELIM. NON UTILITY PLANT	\$0	\$0	\$0			\$0		\$0
2) REGULATORY LIAB - PENSION AMORT			\$0			\$0	\$0	\$0
3) REGULATORY ASSET - LITIGATION COSTS			\$0			\$0	(\$0)	(\$0)
4) ELIMINATE NET UNDERRECOVERY						\$0	(\$5,581,137)	(\$5,581,137)
5) DEFERRED RATE CASE EXPENSE						\$0	(\$203,900)	(\$203,900)
TOTAL FPSC ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	(\$5,785,037)	(\$5,785,037)
FPSC ADJUSTED	\$127,780,564	(\$62,223,369)	\$65,557,195	\$0	\$2,688,519	\$68,245,714	\$6,778,639	\$75,024,353
FLEX RATE REVENUES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ADJUSTED FOR FLEX RATE REVENUES	\$127,780,564	(\$62,223,369)	\$65,557,195	\$0	\$2,688,519	\$68,245,714	\$6,778,639	\$75,024,353
PROFORMA ADJUSTMENTS								
TOTAL PRO FORMA ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PRO FORMA ADJUSTED	\$127,780,564	(\$62,223,369)	\$65,557,195	\$0	\$2,688,519	\$68,245,714	\$6,778,639	\$75,024,353



FLORIDA PUBLIC UTILITIES COMPANY  
 ELECTRIC  
 YEAR END RATE OF RETURN  
 For the 3 Months Ending March 31, 2018  
 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	\$132,454,496	(\$63,594,623)	\$68,859,873	\$0	\$968,568	\$69,828,440	\$14,560,452	\$84,488,892
FPSC ADJUSTMENTS:								
1) ELIM. NON UTILITY PLANT	\$0	\$0	\$0			\$0		\$0
2) OUT OF PERIOD LITIGATION ADJ						\$0	\$0	\$0
3) ELIMINATION OF UNDER-RECOVERY						\$0	(\$7,110,547)	(\$7,110,547)
4) DEFERRED RATE CASE EXPENSE						\$0	(\$154,963)	(\$154,963)
TOTAL FPSC ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	(\$7,265,510)	(\$7,265,510)
FPSC ADJUSTED	\$132,454,496	(\$63,594,623)	\$68,859,873	\$0	\$968,568	\$69,828,440	\$7,394,942	\$77,223,383
COMP RATE ADJ REVENUES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ADJUSTED FOR COMP RATE ADJ REVENUE	\$132,454,496	(\$63,594,623)	\$68,859,873	\$0	\$968,568	\$69,828,440	\$7,394,942	\$77,223,383
PROFORMA ADJUSTMENTS								
TOTAL PRO FORMA ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PRO FORMA ADJUSTED	\$132,454,496	(\$63,594,623)	\$68,859,873	\$0	\$968,568	\$69,828,440	\$7,394,942	\$77,223,383



AVERAGE	ADJUSTMENTS		ADJUSTED BOOKS	PRO-RATA	SPECIFIC	BALANCE	RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT	
	PER BOOKS	NON-UTILITY						COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
COMMON EQUITY	\$33,551,816		\$33,551,816	(\$3,132,948)		\$30,418,868	40.55%	9.25%	3.75%	10.25%	4.16%	11.25%	4.56%
LONG TERM DEBT - CU	\$12,942,809		\$12,942,809	(1,208,553)		\$11,734,256	15.64%	4.28%	0.67%	4.28%	0.67%	4.28%	0.67%
SHORT TERM DEBT	\$13,820,552		\$13,820,552	(1,290,513)		\$12,530,039	16.70%	2.31%	0.39%	2.31%	0.39%	2.31%	0.39%
LONG TERM DEBT - FC	\$1,638,767		\$1,638,767	(153,022)		\$1,485,745	1.98%	12.20%	0.24%	12.20%	0.24%	12.20%	0.24%
SHORT TERM DEBT - REFINANCED LTD	\$0		\$0	\$0		\$0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$3,236,356		\$3,236,356			\$3,236,356	4.31%	2.43%	0.10%	2.43%	0.10%	2.43%	0.10%
DEFERRED INCOME TAXES	\$15,619,089		\$15,619,089			\$15,619,089	20.82%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$0		\$0			\$0	0.00%	5.05%	0.00%	5.46%	0.00%	5.86%	0.00%
<b>TOTAL AVERAGE</b>	<b>\$80,809,389</b>	<b>\$0</b>	<b>\$80,809,389</b>	<b>(\$5,785,037)</b>	<b>\$0</b>	<b>\$75,024,353</b>	<b>100.00%</b>		<b>5.15%</b>		<b>5.56%</b>		<b>5.96%</b>

YEAR-END	ADJUSTMENTS		ADJUSTED BOOKS	PRO-RATA	SPECIFIC	BALANCE	RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT	
	PER BOOKS	NON-UTILITY						COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
COMMON EQUITY	\$34,508,011		\$34,508,011	(3,836,305)	\$0	\$30,671,706	39.72%	9.25%	3.67%	10.25%	4.07%	11.25%	4.47%
LONG TERM DEBT - CU	\$13,723,287		\$13,723,287	(1,525,638)		\$12,197,650	15.80%	3.88%	0.61%	3.88%	0.61%	3.88%	0.61%
SHORT TERM DEBT	\$15,438,046		\$15,438,046	(1,716,270)		\$13,721,776	17.77%	1.99%	0.35%	1.99%	0.35%	1.99%	0.35%
LONG TERM DEBT - FC	\$1,684,759		\$1,684,759	(187,297)		\$1,497,462	1.94%	12.09%	0.23%	12.09%	0.23%	12.09%	0.23%
SHORT TERM DEBT - REFINANCED LTD	\$0		\$0	-		\$0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$3,232,028		\$3,232,028			\$3,232,028	4.19%	2.43%	0.10%	2.43%	0.10%	2.43%	0.10%
DEFERRED INCOME TAXES	\$15,902,761		\$15,902,761			\$15,902,761	20.59%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$0		\$0			\$0	0.00%	4.86%	0.00%	5.26%	0.00%	5.66%	0.00%
<b>TOTAL YEAR-END</b>	<b>\$84,488,892</b>	<b>\$0</b>	<b>\$84,488,892</b>	<b>(\$7,265,510)</b>	<b>\$0</b>	<b>\$77,223,382</b>	<b>100.00%</b>		<b>4.96%</b>		<b>5.36%</b>		<b>5.76%</b>