

FLORIDA PUBLIC UTILITIES COMPANY  
ELECTRIC  
RATE OF RETURN REPORT SUMMARY  
December 31, 2019

SCHEDULE 1

I. AVERAGE RATE OF RETURN (JURISDICTIONAL)	(1) ACTUAL PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
NET OPERATING INCOME	\$ 2,460,556	\$1,733	\$2,462,289	\$0	\$2,462,289
AVERAGE RATE BASE	\$141,926,715	(\$42,286,192)	\$99,640,523	\$0	\$99,640,523
AVERAGE RATE OF RETURN	1.73%		2.47%		2.47%
II. YEAR-END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$2,460,556	\$3,969	\$2,464,525	\$0	\$2,464,525
YEAR-END RATE BASE	\$156,074,738	(\$43,379,075)	\$112,695,663	\$0	\$112,695,663
YEAR-END RATE OF RETURN	1.58%		2.19%		2.19%

IV. FINANCIAL INTEGRITY INDICATORS

A. TIE WITH AFUDC	1.53
B. TIE WITHOUT AFUDC	1.53
C. AFUDC TO NET INCOME	0.00
D. INTERNALLY GENERATED FUNDS	96.40
E. LTD TO TOTAL INVESTOR FUNDS	30.32
F. STD TO TOTAL INVESTOR FUNDS	22.77
G. RETURN ON COMMON EQUITY	1.99

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

LOW	5.24%
MIDPOINT	5.62%
HIGH	6.00%

I am aware that Section 337.06, 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



3/13/20  
Date

	(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	\$149,686,557	(\$62,124,980)	\$87,561,578	\$0	\$11,920,032	\$99,481,610	\$42,445,105	\$141,926,715
FPSC ADJUSTMENTS:								
1) ELIM. NON UTILITY PLANT	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2) REGULATORY LIAB - PENSION AMORT	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3) REGULATORY ASSET - LITIGATION COSTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4) REMOVE STORM COST-INTEREST EARNING	\$0	\$0	\$0	\$0	\$0	\$0	(\$36,571,116)	(\$36,571,116)
5) ELIMINATE NET UNDERRECOVERY	\$0	\$0	\$0	\$0	\$0	\$0	(\$5,680,016)	(\$5,680,016)
6) DEFERRED RATE CASE EXPENSE	\$0	\$0	\$0	\$0	\$0	\$0	(\$35,060)	(\$35,060)
TOTAL FPSC ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	(\$42,286,192)	(\$42,286,192)
FPSC ADJUSTED	\$149,686,557	(\$62,124,980)	\$87,561,578	\$0	\$11,920,032	\$99,481,610	\$158,913	\$99,640,523
FLEX RATE REVENUES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ADJUSTED FOR FLEX RATE REVENUES	\$149,686,557	(\$62,124,980)	\$87,561,578	\$0	\$11,920,032	\$99,481,610	\$158,913	\$99,640,523
PROFORMA ADJUSTMENTS								
TOTAL PRO FORMA ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PRO FORMA ADJUSTED	\$149,686,557	(\$62,124,980)	\$87,561,578	\$0	\$11,920,032	\$99,481,610	\$158,913	\$99,640,523

FLORIDA PUBLIC UTILITIES COMPANY  
ELECTRIC

AVERAGE RATE OF RETURN

For the 12 Months Ending December 31, 2019  
INCOME STATEMENT

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	OPERATING REVENUES	O & M FUEL EXPENSE	O & M OTHER	DEPRECC. & 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	\$ 83,077,145	\$ 54,974,220	\$ 13,513,662	\$ 4,714,486	\$ 6,989,323	\$ 424,898				\$ 80,616,589	\$ 2,460,556
FPSC ADJUSTMENTS:											
1) INCOME TAX SYNCH ADJUSTMENT						\$ (135,146)				\$ (135,146)	\$ 135,146
2) ELIMINATE FUEL REVENUES AND EXPENSES	\$ (54,523,377)	\$ (54,339,034)		\$ (42,110)	\$ (42,110)	\$ (34,878)				\$ (54,416,022)	\$ (107,355)
3) ELIMINATE CONSERVATION	\$ (615,745)	\$ (635,186)		\$ (443)	\$ (443)	\$ 4,876				\$ (630,753)	\$ 15,008
4) NON-UTILITY DEPRECIATION EXPENSE	\$ (5,678,643)				\$ (5,678,643)					\$ (5,678,643)	\$ -
5) ELIMINATE REVENUE RELATED TAXES (FRANCHISE & GROSS RECEIPTS)										\$ (1,475)	\$ 1,475
6) ELIMINATE 5% OF ECONOMIC DEVELOPMENT			\$ (1,955)			\$ 479				\$ (1,475)	\$ 1,475
7) OUT OF PERIOD ADJ	\$ (778,713)		\$ (562,500)	\$ (159,849)		\$ (13,822)				\$ (736,171)	\$ (42,542)
8) REMOVE STORM 2017 ADJUSTMENT										\$ -	\$ -
TOTAL FPSC ADJUSTMENTS	\$ (61,596,478)	\$ (54,974,220)	\$ (564,455)	\$ (159,849)	\$ (5,721,196)	\$ (178,491)	\$ -	\$ -	\$ -	\$ (61,598,211)	\$ 1,733
FPSC ADJUSTED	\$ 21,480,667	\$ -	\$ 12,949,207	\$ 4,554,637	\$ 1,268,127	\$ 246,407	\$ -	\$ -	\$ -	\$ 19,018,378	\$ 2,462,289
PRO FORMA ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PRO FORMA ADJUSTED	\$ 21,480,667	\$ 0	\$ 12,949,207	\$ 4,554,637	\$ 1,268,127	\$ 246,407	\$ 0	\$ 0	\$ 0	\$ 19,018,378	\$ 2,462,289



YEAR END RATE OF RETURN  
For the 12 Months Ending December 31, 2019  
INCOME STATEMENT

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	OPERATING REVENUES	O & M FUEL 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	\$ 83,077,145	\$ 54,974,220	\$ 13,513,662	\$ 4,714,486	\$ 6,989,323	\$ 424,898				\$ 80,616,589	\$ 2,460,556
FPSC ADJUSTMENTS:											
1) INCOME TAX SYNCH ADJUSTMENT											
2) ELIMINATE FUEL REVENUES AND EXPENSES	\$ (54,523,377)	\$ (54,339,034)			\$ (42,110)	\$ (137,383)				\$ (137,383)	\$ 137,383
3) ELIMINATE CONSERVATION	\$ (615,745)	\$ (635,186)			\$ (443)	\$ 4,876				\$ (54,416,022)	\$ (107,355)
4) NON-UTILITY DEPRECIATION EXPENSE										\$ (690,753)	\$ 15,008
5) ELIMINATE REVENUE RELATED TAXES (FRANCHISE & GROSS RECEIPTS)	\$ (5,678,643)				\$ (5,678,643)					\$ -	\$ -
6) ELIMINATE 5% OF ECONOMIC DEVELOPMENT	\$ -		\$ (1,955)			\$ -				\$ (5,678,643)	\$ -
7) OUT OF PERIOD ADJ	\$ -		\$ -			\$ 479				\$ (1,475)	\$ 1,475
8) REMOVE STORM 2017 ADJUSTMENT	\$ (778,713)		\$ (562,500)	\$ (159,849)		\$ (13,822)				\$ (736,171)	\$ (42,542)
TOTAL FPSC ADJUSTMENTS	\$ (61,596,478)	\$ (54,974,220)	\$ (564,455)	\$ (159,849)	\$ (5,721,196)	\$ (180,728)				\$ (61,600,447)	\$ 3,969
FPSC ADJUSTED	\$ 21,480,667	\$ -	\$ 12,949,207	\$ 4,554,637	\$ 1,268,127	\$ 244,170				\$ 19,016,142	\$ 2,464,525
PRO FORMA ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -	\$ -
PRO FORMA ADJUSTED	\$ 21,480,667	\$ 0	\$ 12,949,207	\$ 4,554,637	\$ 1,268,127	\$ 244,170	\$ 0	\$ 0	\$ 0	\$ 19,016,142	\$ 2,464,525

AVERAGE	LOW POINT				MIDPOINT				HIGH POINT				
	PER BOOKS	ADJUSTMENTS NON-UTILITY	ADJUSTED BOOKS	PRO-RATA	SPECIFIC	BALANCE	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
COMMON EQUITY	\$57,863,549		\$57,863,549	(\$19,837,405)		\$38,026,144	38.16%	9.25%	3.53%	10.25%	3.91%	11.25%	4.29%
LONG TERM DEBT - CU	\$35,329,256		\$35,329,256	(12,111,956)		\$23,217,300	23.30%	3.79%	0.88%	3.79%	0.88%	3.79%	0.88%
SHORT TERM DEBT	\$28,081,327		\$28,081,327	(9,627,143)		\$18,454,184	18.52%	3.26%	0.60%	3.26%	0.60%	3.26%	0.60%
LONG TERM DEBT - FC	\$2,070,082		\$2,070,082	(709,688)		\$1,360,394	1.37%	11.35%	0.15%	11.35%	0.15%	11.35%	0.15%
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	\$3,257,207		\$3,257,207			\$3,257,207	3.27%	2.39%	0.08%	2.39%	0.08%	2.39%	0.08%
DEFERRED INCOME TAXES	\$15,325,293		\$15,325,293			\$15,325,293	15.38%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$0		\$0			\$0	0.00%	5.16%	0.00%	5.16%	0.00%	5.16%	0.00%
TOTAL AVERAGE	\$141,926,715	\$0	\$141,926,715	(\$42,286,192)	\$0	\$99,640,523	100.00%		5.24%		5.62%		6.00%

YEAR-END	LOW POINT				MIDPOINT				HIGH POINT				
	PER BOOKS	ADJUSTMENTS NON-UTILITY	ADJUSTED BOOKS	PRO-RATA	SPECIFIC	BALANCE	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
COMMON EQUITY	\$58,587,494		\$58,587,494	(19,535,724)		\$39,051,770	34.65%	9.25%	3.21%	10.25%	3.55%	11.25%	3.90%
LONG TERM DEBT - CU	\$43,894,192		\$43,894,192	(14,636,312)		\$29,257,881	25.96%	3.00%	0.78%	3.00%	0.78%	3.00%	0.78%
SHORT TERM DEBT	\$25,522,569		\$25,522,569	(8,510,380)		\$17,012,189	15.10%	3.50%	0.53%	3.50%	0.53%	3.50%	0.53%
LONG TERM DEBT - FC	\$2,089,276		\$2,089,276	(696,659)		\$1,392,617	1.24%	11.29%	0.14%	11.29%	0.14%	11.29%	0.14%
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	\$3,348,353		\$3,348,353			\$3,348,353	2.97%	2.33%	0.07%	2.33%	0.07%	2.33%	0.07%
DEFERRED INCOME TAXES	\$22,632,854		\$22,632,854			\$22,632,854	20.08%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$0		\$0			\$0	0.00%	4.66%	0.00%	5.00%	0.00%	5.35%	0.00%
TOTAL YEAR-END	\$156,074,738	\$0	\$156,074,738	(\$43,379,075)	\$0	\$112,695,663	100.00%		4.73%		5.07%		5.42%