

March 15, 2019

VIA ELECTRONIC MAIL

Ms. Shari Cornelius
Division of Accounting and Finance
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Florida Public Utilities Company (Electric and Gas Divisions) – 2019 Forecasted Earnings Surveillance Reports

Dear Ms. Cornelius:

Florida Public Utilities Company ("FPUC") hereby submits, on behalf of its Electric and Natural Gas Divisions, the Company's 2019 Forecasted Earnings Surveillance Reports ("Reports") required by Rules 25-6.1353 and 25-7.1353, F.A.C.

If you have any questions whatsoever, please do not hesitate to let me know.

Sincerely,

Beth Keating

Gunster, Yoakley & Stewart, P.A. 215 South Monroe St., Suite 601

Tallahassee, FL 32301

(850) 521-1706

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Whoever knowingly mal intent to mislead a publi duty shall be guilty of a a as provided in s. 775.08	lam aware that Section 837.06, Florida Statutes, provides:			нісн	MIDPOINT	ГОМ	AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)	III. REQUIRED RATES OF RETURN	YEAR-END RATE OF RETURN	YEAR-END RATE BASE	NET OPERATING INCOME	II. YEAR-END RATE OF RETURN (JURISDICTIONAL)	AVERAGE RATE OF RETURN	AVERAGE RATE BASE	NET OPERATING INCOME	I. AVERAGE RATE OF RETURN (JURISDICTIONAL)
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.	tatutes, provides:			6.58%	6.15%	5.71%			%50.E	\$143,238,042	\$4,373,332		3.44%	\$127,156,594	\$ 4,373,332	(1) ACTUAL PER BOOKS
, ,	G. RETU	F. STD TO	ε. LTD το	D. INTER	C. AFUD	B. TIE W	A. TIE W	IV. FINA	•	(\$4,472,747)	\$243,081			(\$6,874,056)	\$206,118	(2) FPSC ADJUSTMENTS
ļ	G. RETURN ON COMMON EQUITY	F. STD TO TOTAL INVESTOR FUNDS	E. LTD TO TOTAL INVESTOR FUNDS	D. INTERNALLY GENERATED FUNDS	C. AFUDC TO NET INCOME	B. TIE WITHOUT AFUDC	A. TIE WITH AFUDC	IV. FINANCIAL INTEGRITY INDICATORS	3.33%	\$138,765,295	\$4,616,413		3.81%	\$120,282,538	\$4,579,450	(3) FPSC ADJUSTED
	4.87	24.85	24.31	10.98	0.00	3.37	3,37			\$0	\$0			\$0	ŞO	(4) PRO FORMA ADJUSTMENTS
									3.33%	\$138,765,295	\$4,616,413		3.81%	\$120,282,538	\$4,579,450	(5) PRO FORMA ADJUSTED

Mike Cassel

Director- Regulatory Affairs

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PRO FORMA ADJUSTED	TOTAL PRO FORMA ADJUSTMENTS	PROFORMA ADJUSTMENTS	ADJUSTED FOR FLEX RATE REVENUES	FLEX RATE REVENUES	FPSC ADJUSTED	TOTAL FEST AUJUST MENTS	5) DEFERRED RATE CASE EXPENSE	2) REGULATORY ASSET - LITIGATION COSTS 3) REGULATORY ASSET - LITIGATION COSTS 4) FLIMINATE NET LINDESPECOVERY A) FLIMINATE NET LINDESPECOVERY	1) ELIM. NON UTILITY PLANT	FPSC ADJUSTMENTS:	PER BOOKS	
\$145,489,945	\$0		\$145,489,945	\$0	\$145,489,945	90\$			\$ 0		\$145,489,945	(1) PLANT IN SERVICE
(\$60,205,021)	\$0		(\$60,205,021)	\$0	(\$60,205,021)	Şo			\$0		(\$60,205,021)	(2) ACCUMULATED DEPRECIATION & AMORTIZATION
\$85,284,924	ŞO		\$85,284,924	\$0	\$85,284,924	So		\$ \$	\$0		\$85,284,924	(3) PLANT IN SERVICE
\$0	\$0		\$0	\$0	\$0	\$0					\$0	(4) NET PROPERTY HELD FOR FUTURE USE
\$9,069,678	\$0		\$9,069,678	\$0	\$9,069,678	\$0					\$9,069,678	(5) CONSTRUCTION WORK IN PROGRESS
\$94,354,601	\$0		\$94,354,601	\$0	\$94,354,601	\$0	\$6	\$0 \$0	\$0		\$94,354,601	(6) NET UTILITY PLANT
\$25,927,937	\$0		\$25,927,937	\$0	\$25,927,937	(\$6,874,056)	(\$6,841,437) (\$32,619)	\$0			\$32,801,993	(7) WORKING CAPITAL
\$120,282,538	\$0		\$120,282,538	\$0	\$120,282,538	(\$6,874,056)	(\$6,841,437) (\$32,619)	\$0 \$0	\$0 \$0		\$127,156,594	(8) TOTAL RATE BASE

SCHEDULE 2 PAGE 2 OF 2

PRO FORMA ADJUSTED	TOTAL PRO FORMA ADJUSTMENTS	TIME COUNTY AUGUSTINENTS	FPSC ADJUSTED	TOTAL FPSC ADJUSTMENTS				6) ELIMINATE 5% OF ECONOMIC DEVELOPMENT	& GROSS RECEIPTS)	5) ELIMINATE REVENUE RELATED TAXES (FRANCHISE	ANON LITTLEY DEBBECIATION CONTRACT	a) climinate foet revenues and expenses	FPSC ADJUSTMENTS: 1) INCOME TAX SYNCH ADJUSTMENT	PER BOOKS				
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\$23,238,177			23,238,177	(80,614,397)					- (7,213,732)		(930,667)	(72,469,998)		103,852,574	REVENUES	OPERATING		(1)
	~		s	%							v		•	w		0		
\$0				(73,347,854)							(929,997)	(72,417,857)		73,347,854	EXPENSE	O & M FUEL		(2)
	\$,	S	8				ţ,						w		_		
\$12,326,601	,		12,326,601	(1,196)				(1,196)						12,327,797	OTHER	0 & M		(3)
Ş4,	\sigma		\$	s						€/1	•			ۍ 4	AMORT	DEPF		_
\$4,375,307			4,375,307											4,375,307	AMORTIZATION	DEPREC. &		(4)
\$1,092,237	\$		\$ 1,092,237	\$ (7,266,542)					\$ (7,213,732)		\$ (670)	\$ (52,141)		\$ 8,358,779	THAN INCOME	TAXES OTHER		(5)
	\sigma	~	ς.	\$	s, c	n us	s	v	s	•	₩.	۰	v	۰	2	INCO		
\$864,583	.		864,583	(204,922)				303	(0)	,			(205,225)	1,069,505	CURRENT	INCOME TAXES		6
\$0	, ,		\$,												(NET)	D.L.T.		9
	~		ļw	~											1			
\$0	,														(NET)	LT.C.		8
	~		· •	\s											DISP		GAII	
\$0	-]-											DISPOSITION	S.	GAIN/LOSS	(9)
v,	\$	w	s	S	v , v	· •	₩.	₩	₩.	٠	(A)	\$	⇔	s	,	오		
\$18,658,728			18,658,728	(80,820,514)		,		(893)	(7,213,732)		(930,667)	(72,469,998)	(205,225)	99,479,242	EXPENSES	OPERATING	TOTAL	(10)
۶.	\$	•	s	\sigma	s s	• •	Ś	۰	s	40	•	s	v	v	Z	OPE		_
\$4,579,450			4,579,450	206,118		1	1	893	(0)	•	•		205,225	4,373,332	INCOME	OPERATING	NET (1111

FLORIDA PUBLIC UTILITIES COMPANY
ELECTRIC
YEAR RUD BATE OF RETURN
For the 12 Months Ending December 31, 2019
RATE BASE

SCHEDULE 3 PAGE 1 OF 2

	\$104,775,328 \$33,989,966	(\$58,642,605) \$95,746,284	PRO FORMA ADJUSTED \$154,388,889
(1) (2) (3) (4) ACCUMULATED PLANT IN DEPRECIATION & PLANT IN SERVICE AMORTIZATION SERVICE S154,388,889 (\$58,642,605) PENSE TO ADJ REVENUE S154,388,889 (\$58,642,605) S0 \$0 \$0 \$0	50 50	\$0	
(1) (2) (3) (4) PLANT IN DEPRECIATION & PLANT IN HELD FOR SERVICE AMMORTIZATION \$ 595,745,284 \$0 \$154,388,889 (\$58,642,605) \$95,746,284 \$0 \$154,388,889 (\$58,642,605) \$95,746,284 \$0 \$154,388,889 (\$58,642,605) \$95,746,284 \$0 \$154,388,889 (\$58,642,605) \$95,746,284 \$0 \$154,388,889 (\$58,642,605) \$95,746,284 \$0 \$154,388,889 (\$58,642,605) \$95,746,284 \$0			DFORMA ADJUSTMENTS
(1) (2) (3) (4) ACCUMULATED NET PROPERTY PLANT IN DEPRECIATION & PLANT IN HELD FOR SERVICE AMORTIZATION SERVICE FUTURE USE S154,388,889 (\$58,642,605) \$95,746,284 \$0 PENSE S154,388,889 (\$58,642,605) \$95,746,284 \$0 \$154,388,889 (\$58,642,605) \$95,746,284 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0	\$9,029,045 \$104,775,328	(558,642,605) \$95,746,284	
(1) (2) (3) (4) ACCUMULATED ANT IN DEPRECIATION & PLANT IN HELD FOR SERVICE AMORTIZATION SERVICE FUTURE USE S154,388,889 (\$58,642,605) \$95,746,284 \$0 PENSE S154,388,889 (\$58,642,605) \$95,746,284 \$0 \$154,388,889 (\$58,642,605) \$95,746,284 \$0 \$154,388,889 (\$58,642,605) \$95,746,284 \$0	\$0 \$0	\$0 \$0	
(1) (2) (3) (4) ACCUMULATED ANT IN DEPRECIATION & PLANT IN HELD FOR SERVICE AMORTIZATION SERVICE FUTURE USE S154,388,889 (\$58,642,565) \$95,746,724 \$0 S154,388,889 \$0 \$50 \$0 TO S154,388,889 \$0 \$50 \$0 PENSE TO \$0 \$0 \$0 \$0 \$0	\$9,029,045 \$104,775,328	(\$58,642,605) \$95,746,284	
(1) (2) (3) (4) PLANT IN DEPRECIATION & PLANT IN HELD FOR SERVICE AMORTIZATION SERVICE FUTURE USE \$154,388,889 (558,642,505) \$95,746,284 \$9 INDER-RECOVERY SO \$0 \$0 SO \$0 S	\$0 \$0	\$0 \$0	
(1) (2) (3) (4) ACCUMULATED ACCUMULATED NET PROPERTY PLANT IN DEPRECIATION & PLANT IN HELD FOR SERVICE AMORTIZATION SERVICE FUTURE USE \$154,388,889 (\$58,642,505) \$95,746,284 \$9	& & & &	8	
(1) (2) (3) (4) PLANT IN DEPRECIATION & PLANT IN HELD FOR SERVICE AMORTIZATION SERVICE FUTURE USE \$154,388,889 (558,642,505) \$95,746,284 \$0			IC ADJUSTMENTS:
(2) ACCUMULATED ACCUMULATED DEPRECIATION & PLANT IN HELD FOR AMORTIZATION SERVICE FUTURE USE	\$9,029,045 \$104,775,328	(\$58,642,505) \$95,745,284	[
	(5) (6) CONSTRUCTION NET WORK IN UTILITY PROGRESS PLANT	(3) PLANT IN SERVICE	PLANT IN SERVICE

PRO FORMA ADJUSTED	TOTAL PRO FORMA ADJUSTMENTS	FPSC ADJUSTED PRO FORMA ADJUSTMENTS	TOTAL FPSC ADJUSTMENTS	6) ELIMINATE 5% OF ECONOMIC DEVELOPMENT	FPSC ADJUSTMENTS: 1) INCOME TAX SYNCH ADJUSTMENT 2) ELIMINATE FUEL REVENUES AND EXPENSES 3) ELIMINATE CONSERVATION 4)NON-UTILITY DEPRECIATION EXPENSE 5) ELIMINATE REVENUE RELATED TAXES [FEANCHIER & REDRYS EFFERY	PER BOOKS	
	 ~	\$	φ.		n ww	٠,) 30
\$23,238,177		23,238,177	(80,614,397)	(1,213,732)	(72,469,998) (930,667)	103,852,574	(1) OPERATING REVENUES
	w	\sigma	\s		w w	₩.	
Şo			(73,347,854)		(72,417,857) (929,997)	73,347,854	(2) O & M FUEL EXPENSE
l _{so}	ω	φ.	\$	~		\$	
\$12,326,601		12,326,601	(1,196)	(1,196)		12,327,797	(3) O & M OTHER
2	√	\$ 4	\ <u>`</u>		w	۰¢ 4	DEP
\$4,375,307	.	4,375,307			,	4,375,307	(4) DEPREC. & AMORTIZATION
\$1,092,237	v .	\$ 1,092,237	\$ (7,266,542)	\$ (7,213,732)		\$ 8,358,779	(5) TAXES OTHER THAN INCOME
	\ <u>\</u>	\$	\ <u>\</u>	w w w w w		٧٠	INCO
\$827,620		827,620	(241,885)	(0) 303	(242,188)	1,069,505	(6) INCOME TAXES CURRENT
	s l	\$	\w				(7) D.I.T. (NET)
8			-] .
	\sigma	~	\$				(8) I.T.C. (NET)
80		-]
\$0		\$	\$				(9) GAIN/LOSS ON DISPOSITION
	w w	S	~	w w w w w	w w w w	۰	m Q
\$18,621,764		18,621,764	(80,857,478)	(7,213,732) (893) - - -	(242,188) (72,469,998) (930,667)	99,479,242	(10) TOTAL OPERATING EXPENSES
	w w	S	S	w w w w w w		\$	 - 9
\$4,616,413		4,616,413	243,081	(0) 893	242,188	4,373,332	(11) NET OPERATING

SCHEDULE 3
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	ſ	ADJUSTMENTS						COST	WEIGHTED	COST	WEIGHTED	COST	WEIGHTED
VEAR-END	77 70000		ADJUSTED				RATIO	RATE	COST	RATE	COST	RATE	COST
- 570.	FER BOOKS	NON-OLICITY	BOOKS	PRO-RATA	SPECIFIC	BALANCE	(%)	(%)	(%)	(%)	(%)	(%)	(%)
COMMON EQUITY	\$59,360,477		\$59,360,477	(2,121,376)	\$0	\$57,239,101	41.25%	9.25%	3.82%	10.25%	4.23%	11.25%	4.64%
LONG TERM DEBT - CU	\$29,822,909		\$29,822,909	(1,065,787)		\$28,757,122	20.72%	3,43%	0.71%	3.43%	0.71%	3.43%	0.71%
SHORT TERM DEBT	\$33,284,052		\$33,284,052	(1,189,478)		\$32,094,574	23.13%	2.50%	0.58%,	2.50%	0.58%	2.50%	0.58%
LONG TERM DEBT - FC	\$2,689,219		\$2,689,219	(96,105)		\$2,593,114	1.87%	11.63%	0.22%	11.63%	0.22%	11.63%	0.22%
SHORT TERM DEBT - REFINANCED LTD	\$0		S0	1		\$0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$3,257,857		\$3,257,857			\$3,257,857	2.35%	2.42%	0.06%	2.42%	0.06%	2.42%	0.06%
DEFFERED INCOME TAXES	\$14,823,527		\$14,823,527			\$14,823,527	10.68%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$0		\$0			SO	0,00%	5.33%	0.00%	5.74%	0.00%	6.15%	0.00%
TOTAL YEAR-END	\$143,238,041	\$0	\$143,238,041 (\$4,472,746)	(\$4,472,746)	\$0	\$0 \$138,765,294 100.00%	100.00%		5.39%		5,80%		6.21%

LOW POINT
MIDPOINT

TOTALAVERAGE	TAX CREDITS - WEIGHTED COST	DEFFERED INCOME TAXES	CUSTOMER DEPOSITS	SHORT TERM DEBT - REFINANCED LTD	LONG TERM DEBT - FC	SHORT TERM DEBT	LONG TERM DEBT - CU	COMMON EQUITY	AVENAUE		
\$127,156,594	So So	\$14,096,401.46	\$3,279,329.00	\$0.00	\$2,512,408.28	\$27,284,841.00	\$24,170,302.30	\$55,813,313.00	PER BOOKS		
So									NON-UTILITY	ADJUSTMENTS	
\$127,156,595 (\$6,874,056)	\$0	\$14,096,401	\$3,279,329	so	\$2,512,408	\$27,284,841	\$24,170,302	\$55,813,313	BOOKS	ADJUSTED	
(\$6,874,056)				\$a	(157,317)	(1,708,472)	(1,513,451)	(\$3,494,815)	PRO-RATA		
So									SPECIFIC		
\$120,282,538	so	\$14,096,401	\$3,279,329	\$0	\$2,355,091	\$25,576,369	\$22,656,851	\$52,318,498	BALANCE		
100.00%	0.00%	11.72%	2.73%	0.00%	1.96%	21.26%	18.84%	43.50%	(%)	RATIO	
	5.64%	0.00%	2.40%	0.00%	11.70%	2.94%	4.04%	9.25%	(%)	COST RATE	LOW
5.71%	0.00%	0.00%	0.07%	0.00%	0.23%	0.63%	0.76%	4.02%	(%)	WEIGHTED COST	LOW POINT
	6.08%	0.00%	2.40%	0.00%	11.70%	2.94%	4.04%	10.25%	(%)	COST	MIC
6.15%	0.00%	0.00%	0.07%	0.00%	0.23%	0.63%	0.76%	4.46%	(%)	WEIGHTED	MIDPOINT
	6.51%	%00 <u>.</u> 0	2.40%	0.00%	11.70%	2.94%	4.04%	11.25%	(%)	COST	PHIG
6.58%	0.00%	0.00%	0.07%	0.00%	0.23%	0.63%	0.76%	4.89%	(%)	WEIGHTED	HIGH POINT

FLORIDA PUBLIC UTILITIES COMPANY ELECTRIC CAPITAL STRUCTURE December 31, 2019 FPSC ADJUSTED BASIS