



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

November 16, 2020

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) 3rd Quarter
2020 Surveillance Reports**

Dear Mr. Fletcher:

In accordance with Rules 25-6.1352 and 25-7.1352(3), F.A.C, Florida Public Utilities Company hereby submit the 3rd Quarter Earnings Surveillance Reports for 2020 for the Electric and Gas Divisions.

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

	(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	\$ 5,020,206	(\$390,014)	\$4,630,192	\$0	\$4,630,192
AVERAGE RATE BASE	\$151,046,015	(\$44,511,869)	\$106,534,146	\$0	\$106,534,146
AVERAGE RATE OF RETURN	3.32%		4.35%		4.35%
II. YEAR-END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$5,020,206	(\$367,487)	\$4,652,719	\$0	\$4,652,719
YEAR-END RATE BASE	\$149,793,146	(\$36,373,598)	\$113,419,548	\$0	\$113,419,548
YEAR-END RATE OF RETURN	3.35%		4.10%		4.10%

III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)		IV. FINANCIAL INTEGRITY INDICATORS	
LOW	5.62%	A. TIE WITH AFUDC	3.98
MIDPOINT	6.14%	B. TIE WITHOUT AFUDC	3.98
HIGH	6.65%	C. AFUDC TO NET INCOME	0.00
		D. INTERNALLY GENERATED FUNDS	651.17
		E. LTD TO TOTAL INVESTOR FUNDS	20.39
		F. STD TO TOTAL INVESTOR FUNDS	12.40
		G. RETURN ON COMMON EQUITY	6.78

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
 AVP- Regulatory Affairs

 Signature

 Date

AVERAGE RATE OF RETURN

For the 12 Months Ending September 30, 2020

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
PER BOOKS	\$159,692,585	(\$63,928,390)	\$95,764,195	\$0	\$2,734,326	\$98,498,521	\$52,547,495	\$151,046,015
FPSC ADJUSTMENTS:								
1) ELIM. NON UTILITY PLANT	\$0	\$0	\$0	\$0		\$0		\$0
2) REGULATORY LIAB - PENSION AMORT			\$0	\$0		\$0		\$0
3) REGULATORY ASSET - LITIGATION COSTS			\$0	\$0		\$0		\$0
4) REMOVE STORM COST-INTEREST EARNING			\$0		\$ (117,204)	(\$117,204)	(\$40,815,801)	(\$40,933,006)
5) MOVE A/D MICHAEL REG ASSET TO WC		(\$6,316,041)	(\$6,316,041)			(\$6,316,041)	\$5,728,311	(\$587,731)
6) ELIMINATE NET UNDERRECOVERY						\$0	(\$2,989,949)	(\$2,989,949)
7) DEFERRED RATE CASE EXPENSE						\$0	(\$1,184)	(\$1,184)
TOTAL FPSC ADJUSTMENTS	\$0	(\$6,316,041)	(\$6,316,041)	\$0	(\$117,204)	(\$6,433,246)	(\$38,078,623)	(\$44,511,869)
FPSC ADJUSTED	\$159,692,585	(\$70,244,431)	\$89,448,154	\$0	\$2,617,121	\$92,065,275	\$14,468,871	\$106,534,146
FLEX RATE REVENUES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ADJUSTED FOR FLEX RATE REVENUES	\$159,692,585	(\$70,244,431)	\$89,448,154	\$0	\$2,617,121	\$92,065,275	\$14,468,871	\$106,534,146
PROFORMA ADJUSTMENTS								
TOTAL PRO FORMA ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PRO FORMA ADJUSTED	\$159,692,585	(\$70,244,431)	\$89,448,154	\$0	\$2,617,121	\$92,065,275	\$14,468,871	\$106,534,146

FLORIDA PUBLIC UTILITIES COMPANY
ELECTRIC
AVERAGE RATE OF RETURN
For the 12 Months Ending September 30, 2020
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	\$ 82,923,374	\$ 46,409,958	\$ 13,090,297	\$ 10,667,105	\$ 6,874,592	\$ 861,215				\$ 77,903,168	\$ 5,020,206
FPSC ADJUSTMENTS:											
1) INCOME TAX SYNCH ADJUSTMENT						\$ 361,583				\$ 361,583	\$ (361,583)
2) ELIMINATE FUEL REVENUES AND EXPENSES	\$ (45,735,318)	\$ (45,659,279)			\$ (34,458)	\$ (10,197)				\$ (45,703,933)	\$ (31,385)
3) ELIMINATE CONSERVATION	\$ (753,243)	\$ (750,679)			\$ (542)	\$ (496)				\$ (751,717)	\$ (1,526)
4)NON-UTILITY DEPRECIATION EXPENSE				\$ -		\$ -				\$ -	\$ -
5) ELIMINATE REVENUE RELATED TAXES (FRANCHISE & GROSS RECEIPTS)	\$ (5,552,110)				\$ (5,552,110)	\$ -				\$ (5,552,110)	\$ -
6) ELIMINATE 5% OF ECONOMIC DEVELOPMENT			\$ (1,982)			\$ 486				\$ (1,496)	\$ 1,496
7) OUT OF PERIOD ADJ						\$ -				\$ -	\$ -
8) REMOVE STORM SURCHARGE ADJUSTMENT	\$ (6,683,497)		\$ (750,000)	\$ (5,937,450)		\$ 969				\$ (6,686,481)	\$ 2,984
						\$ -				\$ -	\$ -
						\$ -				\$ -	\$ -
TOTAL FPSC ADJUSTMENTS	\$ (58,724,168)	\$ (46,409,958)	\$ (751,982)	\$ (5,937,450)	\$ (5,587,110)	\$ 352,346	\$ -	\$ -	\$ -	\$ (58,334,154)	\$ (390,014)
FPSC ADJUSTED	\$ 24,199,206	\$ -	\$ 12,338,315	\$ 4,729,655	\$ 1,287,482	\$ 1,213,561	\$ -	\$ -	\$ -	\$ 19,569,014	\$ 4,630,192
PRO FORMA ADJUSTMENTS										\$ -	\$ -
TOTAL PRO FORMA ADJUSTMENTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PRO FORMA ADJUSTED	\$24,199,206	\$0	\$12,338,315	\$4,729,655	\$1,287,482	\$1,213,561	\$0	\$0	\$0	\$19,569,014	\$4,630,192

	(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	\$160,671,787	(\$69,047,564)	\$91,624,224	\$0	\$1,461,220	\$93,085,444	\$56,707,702	\$149,793,146
FPSC ADJUSTMENTS:								
1) ELIM. NON UTILITY PLANT	\$0	\$0	\$0			\$0		\$0
2) OUT OF PERIOD LITIGATION ADJ						\$0		\$0
3) ELIMINATION OF UNDER-RECOVERY						\$0	\$0	\$0
4) DEFERRED RATE CASE EXPENSE						\$0	\$0	\$0
5) AMORTIZE STORM COSTS						\$0		\$0
6) REMOVE STORM COST-INTEREST EARNING						\$0	(\$36,373,598)	(\$36,373,598)
TOTAL FPSC ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	(\$36,373,598)	(\$36,373,598)
FPSC ADJUSTED	\$160,671,787	(\$69,047,564)	\$91,624,224	\$0	\$1,461,220	\$93,085,444	\$20,334,104	\$113,419,548
COMP RATE ADJ REVENUES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ADJUSTED FOR COMP RATE ADJ REVENUE	\$160,671,787	(\$69,047,564)	\$91,624,224	\$0	\$1,461,220	\$93,085,444	\$20,334,104	\$113,419,548
PROFORMA ADJUSTMENTS								\$0
TOTAL PRO FORMA ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PRO FORMA ADJUSTED	\$160,671,787	(\$69,047,564)	\$91,624,224	\$0	\$1,461,220	\$93,085,444	\$20,334,104	\$113,419,548

FLORIDA PUBLIC UTILITIES COMPANY
ELECTRIC
YEAR END RATE OF RETURN
For the 12 Months Ending September 30, 2020
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	\$ 82,923,374	\$ 46,409,958	\$ 13,090,297	\$ 10,667,105	\$ 6,874,592	\$ 861,215				\$ 77,903,168	\$ 5,020,206
FPSC ADJUSTMENTS:											
1) INCOME TAX SYNCH ADJUSTMENT						\$ 339,056				\$ 339,056	\$ (339,056)
2) ELIMINATE FUEL REVENUES AND EXPENSES	\$ (45,735,318)	\$ (45,659,279)			\$ (34,458)	\$ (10,197)				\$ (45,703,933)	\$ (31,385)
3) ELIMINATE CONSERVATION	\$ (753,243)	\$ (750,679)			\$ (542)	\$ (496)				\$ (751,717)	\$ (1,526)
4)NON-UTILITY DEPRECIATION EXPENSE				\$ -		\$ -				\$ -	\$ -
5) ELIMINATE REVENUE RELATED TAXES (FRANCHISE & GROSS RECEIPTS)	\$ (5,552,110)				\$ (5,552,110)	\$ -				\$ (5,552,110)	\$ -
6) ELIMINATE 5% OF ECONOMIC DEVELOPMENT			\$ (1,982)			\$ 486				\$ (1,496)	\$ 1,496
7) OUT OF PERIOD ADJ	\$ -		\$ -	\$ -		\$ -				\$ -	\$ -
8) REMOVE STORM SURCHARGE ADJUSTMENT	\$ (6,683,497)		\$ (750,000)	\$ (5,937,450)		\$ 969				\$ (6,686,481)	\$ 2,984
						\$ -				\$ -	\$ -
						\$ -				\$ -	\$ -
TOTAL FPSC ADJUSTMENTS	\$ (58,724,168)	\$ (46,409,958)	\$ (751,982)	\$ (5,937,450)	\$ (5,587,110)	\$ 329,819	\$ -	\$ -	\$ -	\$ (58,356,680)	\$ (367,487)
FPSC ADJUSTED	\$ 24,199,206	\$ -	\$ 12,338,315	\$ 4,729,655	\$ 1,287,482	\$ 1,191,034	\$ -	\$ -	\$ -	\$ 19,546,487	\$ 4,652,719
PRO FORMA ADJUSTMENTS										\$ -	\$ -
TOTAL PRO FORMA ADJUSTMENTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PRO FORMA ADJUSTED	\$24,199,206	\$0	\$12,338,315	\$4,729,655	\$1,287,482	\$1,191,034	\$0	\$0	\$0	\$19,546,487	\$4,652,719

AVERAGE	ADJUSTMENTS						LOW POINT		MIDPOINT		HIGH POINT	
	PER BOOKS	HURRICANE MICHAEL	ADJUSTED BOOKS	PRO-RATA ADJ.	SPECIFIC BALANCE	RATIO (%)	COST RATE	WEIGHTED COST	COST RATE	WEIGHTED COST	COST RATE	WEIGHTED COST
							(%)	(%)	(%)	(%)	(%)	(%)
COMMON EQUITY	\$56,716,446		\$56,716,446	(\$1,657,980)	\$55,058,466	51.68%	9.25%	4.78%	10.25%	5.30%	11.25%	5.81%
LONG TERM DEBT - CU	\$43,580,133	(\$25,730,281)	\$17,849,852	(1,273,969)	\$16,575,884	15.56%	3.67%	0.57%	3.67%	0.57%	3.67%	0.57%
SHORT TERM DEBT	\$24,149,836	(\$13,281,462)	\$10,868,374	(705,967)	\$10,162,407	9.54%	1.93%	0.18%	1.93%	0.18%	1.93%	0.18%
LONG TERM DEBT - FC	\$1,989,299	(\$1,804,058)	\$185,241	(58,153)	\$127,088	0.12%	11.70%	0.01%	11.70%	0.01%	11.70%	0.01%
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	\$3,423,298		\$3,423,298		\$3,423,298	3.21%	2.33%	0.08%	2.33%	0.08%	2.33%	0.08%
DEFERRED INCOME TAXES	\$21,187,003		\$21,187,003		\$21,187,003	19.89%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$0		\$0		\$0	0.00%	5.54%	0.00%	6.06%	0.00%	6.57%	0.00%
TOTAL AVERAGE	\$151,046,015	(\$40,815,801)	\$110,230,214	(\$3,696,068)	\$106,534,146	100.00%		5.62%		6.14%		6.65%

YEAR-END	ADJUSTMENTS						LOW POINT		MIDPOINT		HIGH POINT	
	PER BOOKS	HURRICANE MICHAEL	ADJUSTED BOOKS	PRO-RATA ADJ.	SPECIFIC BALANCE	RATIO (%)	COST RATE	WEIGHTED COST	COST RATE	WEIGHTED COST	COST RATE	WEIGHTED COST
							(%)	(%)	(%)	(%)	(%)	(%)
COMMON EQUITY	\$55,007,344		\$55,007,344	-	\$0	48.50%	9.25%	4.49%	10.25%	4.97%	11.25%	5.46%
LONG TERM DEBT - CU	\$45,462,456	(\$22,929,916)	\$22,532,539	-	\$22,532,539	19.87%	3.18%	0.63%	3.18%	0.63%	3.18%	0.63%
SHORT TERM DEBT	\$19,188,371	(\$11,835,969)	\$7,352,402	-	\$7,352,402	6.48%	2.22%	0.14%	2.22%	0.14%	2.22%	0.14%
LONG TERM DEBT - FC	\$1,957,614	(\$1,607,713)	\$349,901	-	\$349,901	0.31%	11.20%	0.03%	11.20%	0.03%	11.20%	0.03%
SHORT TERM DEBT - REFINANCED LTD	\$0		\$0	-	\$0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$3,593,436		\$3,593,436		\$3,593,436	3.17%	2.22%	0.07%	2.22%	0.07%	2.22%	0.07%
DEFERRED INCOME TAXES	\$24,583,925		\$24,583,925		\$24,583,925	21.68%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$0		\$0		\$0	0.00%	5.29%	0.00%	5.77%	0.00%	6.26%	0.00%
TOTAL YEAR-END	\$149,793,146	(\$36,373,598)	\$113,419,548	\$0	\$0	100.00%		5.36%		5.84%		6.33%

	(1) ACTUAL PER BOOKS (JURISDICTIONAL)	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
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MIDPOINT	B. TIE WITHOUT AFUDC 3.98
HIGH	C. AFUDC TO NET INCOME 0.00
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	E. LTD TO TOTAL INVESTOR FUNDS 20.39
	F. STD TO TOTAL INVESTOR FUNDS 12.40
	G. RETURN ON COMMON EQUITY 6.78

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Mike Cassel
AVP- Regulatory Affairs
Signature:  Date: 11/16/20