



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

Cc:// Bart Fletcher
Curt Mouring

	(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	\$ 345,201,243	\$ (86,988,124)	\$ 258,213,120	\$ -	\$ 2,883,252	\$ 261,096,371	\$ (8,923,702)	\$ 252,172,669
FPSC ADJUSTMENTS:								
1) ELIMINATIONS TO NON-UTILITY MATERIALS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 374,224	\$ 374,224
2) ELIMINATE GOODWILL	\$ (2,469,682)	\$ -	\$ (2,469,682)	\$ -	\$ -	\$ (2,469,682)	\$ -	\$ (2,469,682)
3) ELIM. NON-UTILITY PLANT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4) ELIMINATE UNDER-RECOVERIES	\$ (4,202,126)	\$ 1,243,882	\$ (2,958,244)	\$ -	\$ -	\$ (2,958,244)	\$ -	\$ (2,958,244)
5) ELIMINATE DEFERRED ENVIRONMENTAL COSTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL FPSC ADJUSTMENTS	\$ (6,671,808)	\$ 1,243,882	\$ (5,427,926)	\$ -	\$ -	\$ (5,427,926)	\$ 5,611,069	\$ 5,611,069
FPSC ADJUSTED	\$ 338,529,435	\$ (85,744,242)	\$ 252,785,194	\$ -	\$ 2,883,252	\$ 255,668,445	\$ (2,938,409)	\$ 252,730,036
FLEX RATE REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ADJUSTED FOR FLEX RATE REVENUES PROFORMA ADJUSTMENTS	\$ 338,529,435	\$ (85,744,242)	\$ 252,785,194	\$ -	\$ 2,883,252	\$ 255,668,445	\$ (2,938,409)	\$ 252,730,036
ELIM. ACQUISITION ADJUSTMENT	\$ (36,597,612)	\$ 13,422,690	\$ -	\$ -	\$ -	\$ (23,174,922)	\$ -	\$ (23,174,922)
ELIM. REG ASSET-TRANSTIN & TRANSTIN CSTS	\$ (36,597,612)	\$ 13,422,690	\$ (23,174,922)	\$ -	\$ -	\$ (23,174,922)	\$ -	\$ (23,174,922)
TOTAL PRO FORMA ADJUSTMENTS	\$ (73,195,224)	\$ 26,845,380	\$ (46,349,842)	\$ -	\$ -	\$ (46,349,842)	\$ -	\$ (46,349,842)
PRO FORMA ADJUSTED	\$ 301,931,823	\$ (72,321,552)	\$ 229,610,272	\$ -	\$ 2,883,252	\$ 232,493,523	\$ (2,938,409)	\$ 229,555,114

FLORIDA PUBLIC UTILITIES COMPANY
 NATURAL GAS
 AVERAGE RATE OF RETURN
 For the Projected 12 Months Ending December 31, 2019
 INCOME STATEMENT

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	OPERATING REVENUES	O & M GAS 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	\$ 87,509,944	\$ 27,957,710	\$ 24,976,591	\$ 11,071,783	\$ 7,214,644	\$ 3,600,223				\$ 74,820,951	\$ 12,688,993
FPSC ADJUSTMENTS:											
1) INCOME TAX SYNC AND INTEREST ADJ.						\$ (93,855)				\$ (93,855)	\$ 93,855
2) ELIMINATE FUEL REVENUES AND EXPENSES	\$ (23,003,293)	\$ (22,882,018)			\$ (121,275)					\$ (23,003,293)	\$ -
3) ELIMINATE CONSERVATION	\$ (5,101,222)	\$ (5,075,691)			\$ (25,531)					\$ (5,101,222)	\$ -
4) NON-UTILITY DEPRECIATION EXPENSE				\$ (168,281)		\$ 42,651				\$ (125,631)	\$ 125,631
5) ELIMINATE AEP REVENUES AND EXPENSES	\$ (93,372)			\$ (93,372)						\$ (93,372)	\$ -
6) ELIMINATE REVENUE RELATED TAXES	\$ (3,484,370)				\$ (3,484,370)					\$ (3,484,370)	\$ -
7) PROV. FOR GRIP REFUND	\$ (1,235,868)									\$ (1,235,868)	\$ -
8) PROTECTED AMORTIZATION NOT IN BUDGET				\$ (285,396)		\$ (313,231)				\$ (313,231)	\$ (922,637)
9) UNPROTECTED AMT. NOT IN BUDGET				\$ 237,662		\$ 72,334				\$ (213,062)	\$ 213,062
11) UNPROTECTED AMORTIZATION ACQ. ADJ.			\$ (1,777)	\$ (298,560)		\$ 75,670				\$ (222,890)	\$ 177,427
10) 5% OF ECONOMIC DEVELOPMENT						\$ 450				\$ (1,327)	\$ 222,890
											\$ 1,327
											\$ -
											\$ -
											\$ -
											\$ -
											\$ -
											\$ -
TOTAL FPSC ADJUSTMENTS	\$ (32,918,126)	\$ (27,957,710)	\$ (1,777)	\$ (607,948)	\$ (3,631,176)	\$ (276,216)				\$ (32,474,826)	\$ (443,300)
FPSC ADJUSTED	\$ 54,591,818	\$ 0	\$ 24,974,814	\$ 10,463,835	\$ 3,583,468	\$ 3,324,007				\$ 42,346,125	\$ 12,245,693
FLEX RATE REVENUES - DEFICIT/(SURPLUS)	\$ -										\$ -
ADJUSTED FOR FLEX RATE REVENUES	\$ 54,591,818	\$ 0	\$ 24,974,814	\$ 10,463,835	\$ 3,583,468	\$ 3,324,007				\$ 42,346,125	\$ 12,245,693
ELIMINATE ACQUISITION AMORTIZATION											
ELIMINATE TRANSPORT/TRANSIT AMORTIZATION											
	\$ -	\$ -	\$ -	\$ (1,789,692)	\$ -	\$ -				\$ (1,139,748)	\$ -
TOTAL PRO FORMA ADJUSTMENTS	\$ -	\$ -	\$ -	\$ (1,789,692)	\$ -	\$ 649,944				\$ (1,139,748)	\$ 1,139,748
PRO FORMA ADJUSTED	\$ 54,591,818	\$ 0	\$ 24,974,814	\$ 8,674,143	\$ 3,583,468	\$ 3,973,951	\$ -	\$ -	\$ -	\$ 41,206,377	\$ 13,385,441

	(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	\$ 359,610,602	\$ (89,622,874)	\$ 269,987,729	\$ -	\$ 3,601,869	\$ 273,589,598	\$ (5,603,133)	\$ 267,986,465
FPSC ADJUSTMENTS:								
1) ELIMINATIONS TO NON-UTILITY MATERIALS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 385,766	\$ 385,766
2) ELIMINATE GOODWILL	\$ (2,469,682)	\$ -	\$ (2,469,682)	\$ -	\$ -	\$ (2,469,682)	\$ -	\$ (2,469,682)
3) ELM. NON-UTILITY PLANT	\$ -	\$ -	\$ (3,089,426)	\$ -	\$ -	\$ (3,089,426)	\$ -	\$ (3,089,426)
4) ELM. UNDER-RECOVERIES	\$ (4,275,552)	\$ 1,186,126	\$ -	\$ -	\$ -	\$ (3,089,426)	\$ -	\$ (3,089,426)
5) ELIMINATE DEFERRED ENVIRONMENTAL COSTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL FPSC ADJUSTMENTS	\$ (6,745,234)	\$ 1,186,126	\$ (5,559,108)	\$ -	\$ -	\$ (5,559,108)	\$ 5,611,069	\$ 5,611,069
ADJUSTED FOR COMP RATE ADJ REVENUE PROFORMA ADJUSTMENTS	\$ 352,865,368	\$ (88,436,748)	\$ 264,428,621	\$ -	\$ 3,601,869	\$ 268,030,490	\$ 393,702	\$ 268,424,192
ADJUSTED FOR COMP RATE ADJ REVENUE PROFORMA ADJUSTMENTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ELIM. ACQUISITION ADJUSTMENT ELIM. REG ASSET-TRNSCTN & TRNSFTN CSTS TOTAL PRO FORMA ADJUSTMENTS	\$ (36,922,584)	\$ 14,317,536	\$ (22,605,048)	\$ -	\$ -	\$ (22,605,048)	\$ -	\$ (22,605,048)
PRO FORMA ADJUSTED	\$ 315,942,784	\$ (74,119,212)	\$ 241,823,573	\$ -	\$ 3,601,869	\$ 245,425,442	\$ 393,702	\$ 245,819,144

FLORIDA PUBLIC UTILITIES COMPANY
 NATURAL GAS
 YEAR END RATE OF RETURN
 For the Projected 12 Months Ending December 31, 2019
 INCOME STATEMENT

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	OPERATING REVENUES	O & M GAS 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	\$ 87,509,944	\$ 27,957,710	\$ 24,976,591	\$ 11,071,783	\$ 7,214,644	\$ 3,600,223	\$ -	\$ -	\$ -	\$ 74,820,951	\$ 12,688,993
FPSC ADJUSTMENTS:											
1) INCOME TAX SYNC AND INTEREST ADJ.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (76,655)	\$ -	\$ -	\$ -	\$ (76,655)	\$ 76,655
2) ELIMINATE FUEL REVENUES AND EXPENSES	\$ (23,003,293)	\$ (22,882,018)	\$ -	\$ -	\$ (121,275)	\$ -	\$ -	\$ -	\$ -	\$ (23,003,293)	\$ -
3) ELIMINATE CONSERVATION	\$ (5,101,222)	\$ (5,075,691)	\$ -	\$ -	\$ (25,531)	\$ -	\$ -	\$ -	\$ -	\$ (5,101,222)	\$ -
4)NON-UTILITY DEPRECIATION EXPENSE	\$ -	\$ -	\$ -	\$ (168,281)	\$ -	\$ 42,651	\$ -	\$ -	\$ -	\$ (125,631)	\$ 125,631
5) ELIMINATE AEP REVENUES AND EXPENSES	\$ (93,372)	\$ -	\$ -	\$ (93,372)	\$ (3,973,130)	\$ -	\$ -	\$ -	\$ -	\$ (93,372)	\$ -
6) ELIMINATE REVENUE RELATED TAXES	\$ (3,973,130)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,973,130)	\$ -
7)PROV. FOR GRIP REFUND	\$ (1,235,868)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,235,868)	\$ -
8)PROTECTED AMORTIZATION NOT IN BUDGET	\$ -	\$ -	\$ -	\$ (285,396)	\$ -	\$ (313,231)	\$ -	\$ -	\$ -	\$ (598,627)	\$ (922,637)
9)UNPROTECTED AMT. NOT IN BUDGET	\$ -	\$ -	\$ -	\$ 237,662	\$ -	\$ 72,334	\$ -	\$ -	\$ -	\$ (165,328)	\$ 213,062
11)UNPROTECTED AMORTIZATION ACQ. ADJ.	\$ -	\$ -	\$ -	\$ (298,560)	\$ -	\$ (60,235)	\$ -	\$ -	\$ -	\$ (177,427)	\$ (177,427)
11)3% OF ECONOMIC DEVELOPMENT	\$ -	\$ -	\$ (1,777)	\$ 450	\$ -	\$ 75,670	\$ -	\$ -	\$ -	\$ (1,327)	\$ 222,890
											\$ 1,327
TOTAL FPSC ADJUSTMENTS	\$ (33,406,885)	\$ (27,957,710)	\$ (1,777)	\$ (607,948)	\$ (4,119,935)	\$ (259,016)	\$ -	\$ -	\$ -	\$ (32,946,386)	\$ (460,500)
FPSC ADJUSTED	\$ 54,103,059	\$ -	\$ 24,974,814	\$ 10,463,835	\$ 3,094,709	\$ 3,341,207	\$ -	\$ -	\$ -	\$ 41,874,566	\$ 12,228,493
FLEX RATE REVENUES - DEFICIT/(SURPLUS)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ADJUSTED FOR FLEX RATE REVENUES	\$ 54,103,059	\$ -	\$ 24,974,814	\$ 10,463,835	\$ 3,094,709	\$ 3,341,207	\$ -	\$ -	\$ -	\$ 41,874,566	\$ 12,228,493
ELIMINATE ACQUISITION AMORTIZATION	\$ -	\$ -	\$ -	\$ (1,789,692)	\$ -	\$ 649,944	\$ -	\$ -	\$ -	\$ (1,139,748)	\$ 1,139,748
ELIMINATE TRANSACT./TRANSIT. AMORTIZATION	\$ -	\$ -	\$ -	\$ (1,789,692)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,789,692)	\$ -
TOTAL PRO FORMA ADJUSTMENTS	\$ -	\$ -	\$ -	\$ (1,789,692)	\$ -	\$ 649,944	\$ -	\$ -	\$ -	\$ (1,139,748)	\$ 1,139,748
PRO FORMA ADJUSTED	\$ 54,103,059	\$ -	\$ 24,974,814	\$ 8,674,143	\$ 3,094,709	\$ 3,991,151	\$ -	\$ -	\$ -	\$ 40,734,818	\$ 13,368,241

AVERAGE	ADJUSTMENTS				RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT			
	PER BOOKS	NON-UTILITY	ADJUSTED BOOKS	PRO-RATA		SPECIFIC	BALANCE	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
COMMON EQUITY	\$ 101,692,489		\$ 101,692,489	\$ 1,538,972	\$(2,469,682)	\$ 100,761,779	39.87%	9.85%	3.93%	10.85%	4.33%	11.85%	4.72%
LONG TERM DEBT - CU	\$ 43,291,138		\$ 43,291,138	\$ 655,150		\$ 43,946,288	17.39%	4.04%	0.70%	4.04%	0.70%	4.04%	0.70%
SHORT TERM DEBT	\$ 49,713,290		\$ 49,713,290	\$ 752,340		\$ 50,465,630	19.97%	2.94%	0.59%	2.94%	0.59%	2.94%	0.59%
LONG TERM DEBT - FC	\$ 5,325,061		\$ 5,325,061	\$ 80,587		\$ 5,405,648	2.14%	11.70%	0.25%	11.70%	0.25%	11.70%	0.25%
SHORT TERM DEBT - REFINANCED LTD	\$ -		\$ -	\$ -		\$ -	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$ 8,146,930		\$ 8,146,930			\$ 8,146,930	3.22%	2.40%	0.08%	2.40%	0.08%	2.40%	0.08%
DEFERRED INCOME TAXES	\$ 44,003,761		\$ 44,003,761			\$ 44,003,761	17.41%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$ -		\$ -			\$ -	0.00%	5.47%	0.00%	5.87%	0.00%	6.26%	0.00%
TOTAL AVERAGE	\$ 252,172,669	\$ -	\$ 252,172,669	\$ 3,027,049	\$(2,469,682)	\$ 252,730,036	100.00%	5.55%	5.95%	5.95%	6.34%	6.34%	

YEAR-END	ADJUSTMENTS				RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT			
	PER BOOKS	NON-UTILITY	ADJUSTED BOOKS	PRO-RATA		SPECIFIC	BALANCE	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
COMMON EQUITY	\$ 103,982,573		\$ 103,982,573	\$ 1,378,953	\$(2,469,682)	\$ 102,891,844	38.33%	9.85%	3.78%	10.85%	4.16%	11.85%	4.54%
LONG TERM DEBT - CU	\$ 52,096,666		\$ 52,096,666	\$ 690,874		\$ 52,787,540	19.67%	3.43%	0.67%	3.43%	0.67%	3.43%	0.67%
SHORT TERM DEBT	\$ 58,304,137		\$ 58,304,137	\$ 773,194		\$ 59,077,331	22.01%	2.50%	0.55%	2.50%	0.55%	2.50%	0.55%
LONG TERM DEBT - FC	\$ 4,855,281		\$ 4,855,281	\$ 64,388		\$ 4,919,669	1.89%	11.63%	0.21%	11.63%	0.21%	11.63%	0.21%
SHORT TERM DEBT - REFINANCED LTD	\$ -		\$ -	\$ -		\$ -	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$ 8,396,644		\$ 8,396,644			\$ 8,396,644	3.13%	2.33%	0.07%	2.33%	0.07%	2.33%	0.07%
DEFERRED INCOME TAXES	\$ 40,351,164		\$ 40,351,164			\$ 40,351,164	15.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$ -		\$ -			\$ -	0.00%	5.21%	0.00%	5.59%	0.00%	5.97%	0.00%
TOTAL YEAR-END	\$ 267,986,465	\$ -	\$ 267,986,465	\$ 2,907,409	\$(2,469,682)	\$ 268,424,192	100.00%	5.28%	5.66%	5.66%	6.04%	6.04%	