



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

FLORIDA PUBLIC UTILITIES COMPANY
 NATURAL GAS
 RATE OF RETURN REPORT SUMMARY
 For the 12 Months Ending September 30, 2020

SCHEDULE 1

	(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	\$ 12,645,968	\$ 185,380	\$ 12,831,349	\$ 1,139,750	\$ 13,971,098
AVERAGE RATE BASE	\$ 262,908,961	\$ (312,720)	\$ 262,596,241	\$ (22,320,100)	\$ 240,276,142
AVERAGE RATE OF RETURN	4.81%		4.89%		5.81%
II. YEAR-END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ 12,645,968	\$ 163,306	\$ 12,809,275	\$ 1,139,750	\$ 13,949,024
YEAR-END RATE BASE	\$ 278,963,856	\$ (150,960)	\$ 278,812,896	\$ (21,750,225)	\$ 257,062,671
YEAR-END RATE OF RETURN	4.53%		4.59%		5.43%
III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)			IV. EARNED RETURN ON EQUITY (FPSC ADJUSTED BASIS)		
LOW	5.17%		A. INCL ACQUISITION ADJUSTMENT		9.05%
MIDPOINT	5.53%		B. EXCL ACQUISITION ADJUSTMENT		11.98%
HIGH	5.88%				

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.

Michael Cassel
 AVP - Regulatory Affairs

 Signature

 Date

FLORIDA PUBLIC UTILITIES COMPANY
 NATURAL GAS
 AVERAGE RATE OF RETURN
 For the 12 Months Ending September 30, 2020
 RATE BASE

SCHEDULE 2
 PAGE 1 OF 2

	(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	\$ 360,434,420	\$ (91,551,701)	\$ 268,882,719	\$ -	\$ 7,146,899	\$ 276,029,618	\$ (13,120,657)	\$ 262,908,961
FPSC ADJUSTMENTS:								
1) ELIMINATIONS TO NON-UTILITY MATERIALS	\$ -	\$ -	\$ -			\$ -	\$ 412,910	\$ 412,910
2) ELIMINATE GOODWILL	\$ (2,469,682)	\$ -	\$ (2,469,682)			\$ (2,469,682)		\$ (2,469,682)
3) FLEX RATE PLANT	\$ (1,020,000)	\$ 95,000	\$ (925,000)			\$ (925,000)		\$ (925,000)
4) ELIM. NON-UTILITY PLANT	\$ (4,225,887)	\$ 1,283,848	\$ (2,942,039)			\$ (2,942,039)		\$ (2,942,039)
5) ELIMINATE UNDER-RECOVERIES	\$ -	\$ -	\$ -			\$ -	\$ -	\$ -
6) OUT OF PERIOD ADJUSTMENT	\$ -	\$ 22	\$ 22			\$ 22	\$ -	\$ 22
7) ELIMINATE DEF. ENVIRONMENTAL COSTS						\$ -	\$ 5,611,069	\$ 5,611,069
TOTAL FPSC ADJUSTMENTS	\$ (7,715,569)	\$ 1,378,871	\$ (6,336,699)	\$ -	\$ -	\$ (6,336,699)	\$ 6,023,979	\$ (312,720)
FPSC ADJUSTED	\$ 352,718,851	\$ (90,172,831)	\$ 262,546,020	\$ -	\$ 7,146,899	\$ 269,692,919	\$ (7,096,678)	\$ 262,596,241
			\$ -			\$ -		\$ -
ADJUSTED	\$ 352,718,851	\$ (90,172,831)	\$ 262,546,020	\$ -	\$ 7,146,899	\$ 269,692,919	\$ (7,096,678)	\$ 262,596,241
PROFORMA ADJUSTMENTS								
			\$ -			\$ -		\$ -
			\$ -			\$ -		\$ -
ELIM. ACQUISITION ADJUSTMENT	\$ (34,192,493)	\$ 11,872,393	\$ (22,320,100)			\$ (22,320,100)		\$ (22,320,100)
ELIM. REG ASSET-TRNSCTN & TRNSITN CSTS								\$ -
TOTAL PRO FORMA ADJUSTMENTS	\$ (34,192,493)	\$ 11,872,393	\$ (22,320,100)	\$ -	\$ -	\$ (22,320,100)	\$ -	\$ (22,320,100)
PRO FORMA ADJUSTED	\$ 318,526,358	\$ (78,300,437)	\$ 240,225,921	\$ -	\$ 7,146,899	\$ 247,372,820	\$ (7,096,678)	\$ 240,276,142

	(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	\$ 379,112,095	\$ (94,537,258)	\$ 284,574,837	\$ -	\$ 3,828,999	\$ 288,403,836	\$ (9,439,981)	\$ 278,963,856
FPSC ADJUSTMENTS:								
1) ELIMINATIONS TO NON-UTILITY MATERIALS	\$ -	\$ -	\$ -			\$ -	\$ 472,522	\$ 472,522
2) ELIMINATE GOODWILL	\$ (2,469,682)	\$ -	\$ (2,469,682)			\$ (2,469,682)		\$ (2,469,682)
3) FLEX RATE PLANT	\$ (1,020,000)	\$ 120,500	\$ (899,500)			\$ (899,500)		\$ (899,500)
4) ELIM. NON-UTILITY PLANT	\$ (4,141,012)	\$ 1,275,643	\$ (2,865,369)			\$ (2,865,369)		\$ (2,865,369)
5) ELIMINATE UNDER-RECOVERIES	\$ -	\$ -	\$ -			\$ -		\$ -
6) OUT OF PERIOD ADJUSTMENT	\$ -	\$ -	\$ -			\$ -	\$ -	\$ -
7) ELIMINATE DEF. ENVIRONMENTAL COSTS						\$ -	\$ 5,611,069	\$ 5,611,069
TOTAL FPSC ADJUSTMENTS	\$ (7,630,694)	\$ 1,396,143	\$ (6,234,551)	\$ -	\$ -	\$ (6,234,551)	\$ 6,083,591	\$ (150,960)
FPSC ADJUSTED	\$ 371,481,401	\$ (93,141,115)	\$ 278,340,286	\$ -	\$ 3,828,999	\$ 282,169,285	\$ (3,356,390)	\$ 278,812,896
			\$ -			\$ -		\$ -
ADJUSTED	\$ 371,481,401	\$ (93,141,115)	\$ 278,340,286	\$ -	\$ 3,828,999	\$ 282,169,285	\$ (3,356,390)	\$ 278,812,896
PROFORMA ADJUSTMENTS								
ELIM. ACQUISITION ADJUSTMENT	\$ (34,192,493)	\$ 12,442,268	\$ (21,750,225)			\$ (21,750,225)		\$ (21,750,225)
ELIM. REG ASSET-TRNSCTN & TRNSITN CSTS								\$ -
TOTAL PRO FORMA ADJUSTMENTS	\$ (34,192,493)	\$ 12,442,268	\$ (21,750,225)	\$ -	\$ -	\$ (21,750,225)	\$ -	\$ (21,750,225)
PRO FORMA ADJUSTED	\$ 337,288,908	\$ (80,698,846)	\$ 256,590,062	\$ -	\$ 3,828,999	\$ 260,419,061	\$ (3,356,390)	\$ 257,062,671

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	\$ 94,592,939		\$ 94,592,939	\$ 960,313	\$ (2,469,682)	\$ 93,083,570	35.45%	9.85%	3.49%	10.85%	3.85%	11.85%	4.20%
LONG TERM DEBT - CU	\$ 70,850,147		\$ 70,850,147	\$ 719,275		\$ 71,569,421	27.26%	3.66%	1.00%	3.66%	1.00%	3.66%	1.00%
SHORT TERM DEBT	\$ 41,870,923		\$ 41,870,923	\$ 425,076		\$ 42,295,999	16.11%	2.39%	0.38%	2.39%	0.38%	2.39%	0.38%
LONG TERM DEBT - FC	\$ 5,151,559		\$ 5,151,559	\$ 52,299		\$ 5,203,858	1.98%	11.26%	0.22%	11.26%	0.22%	11.26%	0.22%
SHORT TERM DEBT - REFINANCED LTD	\$ -		\$ -	\$ -		\$ -	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$ 8,554,314		\$ 8,554,314			\$ 8,554,314	3.26%	2.41%	0.08%	2.41%	0.08%	2.41%	0.08%
DEFERRED INCOME TAXES	\$ 41,889,080		\$ 41,889,080			\$ 41,889,080	15.95%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$ -		\$ -			\$ -	0.00%	5.09%	0.00%	5.45%	0.00%	5.80%	0.00%
TOTAL AVERAGE	\$ 262,908,961	\$ -	\$ 262,908,961	\$ 2,156,963	\$ (2,469,682)	\$ 262,596,241	100.00%		5.17%		5.53%		5.88%

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	\$ 97,919,529		\$ 97,919,529	\$ 997,826	\$ (2,469,682)	\$ 96,447,673	34.59%	9.85%	3.41%	10.85%	3.75%	11.85%	4.10%
LONG TERM DEBT - CU	\$ 79,191,163		\$ 79,191,163	\$ 806,980		\$ 79,998,142	28.69%	3.21%	0.92%	3.21%	0.92%	3.21%	0.92%
SHORT TERM DEBT	\$ 45,210,040		\$ 45,210,040	\$ 460,702		\$ 45,670,742	16.38%	2.16%	0.35%	2.16%	0.35%	2.16%	0.35%
LONG TERM DEBT - FC	\$ 5,222,128		\$ 5,222,128	\$ 53,215		\$ 5,275,343	1.89%	11.20%	0.21%	11.20%	0.21%	11.20%	0.21%
SHORT TERM DEBT - REFINANCED LTD	\$ -		\$ -	\$ -		\$ -	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$ 8,588,430		\$ 8,588,430			\$ 8,588,430	3.08%	2.40%	0.07%	2.40%	0.07%	2.40%	0.07%
DEFERRED INCOME TAXES	\$ 42,832,566		\$ 42,832,566			\$ 42,832,566	15.36%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$ -		\$ -			\$ -	0.00%	4.89%	0.00%	5.23%	0.00%	5.58%	0.00%
TOTAL YEAR-END	\$ 278,963,856	\$ -	\$ 278,963,856	\$ 2,318,722	\$ (2,469,682)	\$ 278,812,896	100.00%		4.96%		5.30%		5.65%

FLORIDA PUBLIC UTILITIES COMPANY
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B. EXCL ACQUISITION ADJUSTMENT					

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Michael Cassel
 AVP - Regulatory Affairs

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11/16/20