



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

March 30, 2021

**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) and Florida  
Division of Chesapeake Utilities 4th Quarter 2020 Surveillance Reports**

Dear Mr. Fletcher:

In accordance with Rules 25-6.1352 and 25-7.1352, F.A.C., Florida Public Utilities Company hereby submits its 4th Quarter Earnings Surveillance Reports for 2020 for FPUC (All Divisions) and Chesapeake.

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 December 31, 2020

SCHEDULE 1

|  | (1)<br>ACTUAL<br>PER BOOKS | (2)<br>FPSC<br>ADJUSTMENTS | (3)<br>FPSC<br>ADJUSTED                                      | (4)<br>PRO FORMA<br>ADJUSTMENTS | (5)<br>PRO FORMA<br>ADJUSTED |
|--|----------------------------|----------------------------|--|---------------------------------|------------------------------|
| <b>I. AVERAGE RATE OF RETURN (JURISDICTIONAL)</b>  |                            |                            |  |                                 |                              |
| NET OPERATING INCOME   | \$ 13,280,619              | \$ (195,897)               | \$ 13,084,722  | \$ 1,139,750                    | \$ 14,224,472                |
| AVERAGE RATE BASE  | \$ 271,491,730             | \$ (284,692)               | \$ 271,207,038   | \$ (22,035,162)                 | \$ 249,171,875               |
| AVERAGE RATE OF RETURN   | 4.89%                      |                            | 4.82%  |                                 | 5.71%                        |
| <b>II. YEAR-END RATE OF RETURN (JURISDICTIONAL)</b>  |                            |                            |  |                                 |                              |
| NET OPERATING INCOME   | \$ 13,280,619              | \$ (272,055)               | \$ 13,008,564  | \$ 1,139,750                    | \$ 14,148,314                |
| YEAR-END RATE BASE   | \$ 288,225,811             | \$ (218,478)               | \$ 288,007,333   | \$ (21,465,287)                 | \$ 266,542,046               |
| YEAR-END RATE OF RETURN  | 4.61%                      |                            | 4.52%  |                                 | 5.31%                        |
| <b>III. REQUIRED RATES OF RETURN<br/>AVERAGE CAPITAL STRUCTURE<br/>(FPSC ADJUSTED BASIS)</b> |                            |                            | <b>IV. EARNED RETURN ON EQUITY<br/>(FPSC ADJUSTED BASIS)</b> |                                 |                              |
| LOW  | 5.21%                      |                            | A. INCL ACQUISITION ADJUSTMENT                               |                                 | 8.80%                        |
| MIDPOINT   | 5.58%                      |                            | B. EXCL ACQUISITION ADJUSTMENT                               |                                 | 11.51%                       |
| HIGH   | 5.95%                      |                            |  |                                 |                              |

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 December 31, 2020  
 RATE BASE

SCHEDULE 2  
 PAGE 1 OF 2

|  | (1)                 | (2)   | (3)                 | (4)                                    | (5)                                 | (6)                     | (7)                | (8)                |
|--|---------------------|---|---------------------|--|-------------------------------------|-------------------------|--------------------|--------------------|
|  | PLANT IN<br>SERVICE | ACCUMULATED<br>DEPRECIATION &<br>AMORTIZATION | PLANT IN<br>SERVICE | NET PROPERTY<br>HELD FOR<br>FUTURE USE | CONSTRUCTION<br>WORK IN<br>PROGRESS | NET<br>UTILITY<br>PLANT | WORKING<br>CAPITAL | TOTAL<br>RATE BASE |
| PER BOOKS                                | \$ 366,268,720      | \$ (92,765,990)                               | \$ 273,502,730      | \$ -                                   | \$ 6,052,753                        | \$ 279,555,483          | \$ (8,063,753)     | \$ 271,491,730     |
| FPSC ADJUSTMENTS:                        |                     |   |                     |  |                                     |                         |                    |                    |
| 1) ELIMINATIONS TO NON-UTILITY MATERIALS | \$ -                | \$ -  | \$ -                |  |                                     | \$ -                    | \$ 406,918         | \$ 406,918         |
| 2) ELIMINATE GOODWILL                    | \$ (2,469,682)      | \$ -  | \$ (2,469,682)      |  |                                     | \$ (2,469,682)          |                    | \$ (2,469,682)     |
| 3) FLEX RATE PLANT                       | \$ (1,020,000)      | \$ 107,750                                    | \$ (912,250)        |  |                                     | \$ (912,250)            |                    | \$ (912,250)       |
| 4) ELIM. NON-UTILITY PLANT               | \$ (4,169,117)      | \$ 1,253,338                                  | \$ (2,915,779)      |  |                                     | \$ (2,915,779)          |                    | \$ (2,915,779)     |
| 5) ELIMINATE UNDER-RECOVERIES            | \$ -                | \$ -  | \$ -                |  |                                     | \$ -                    | \$ -               | \$ -               |
| 6) OUT OF PERIOD ADJUSTMENT              | \$ -                | \$ 30   | \$ 30               |  |                                     | \$ 30                   | \$ -               | \$ 30              |
| 7) ELIMINATE INT. EARNING CWIP           |                     |   | \$ -                |  | \$ (4,999)                          | \$ (4,999)              |                    | \$ (4,999)         |
| 8) ELIMINATE DEF. ENVIRONMENTAL COSTS    |                     |   | \$ -                |  |                                     | \$ -                    | \$ 5,611,069       | \$ 5,611,069       |
| TOTAL FPSC ADJUSTMENTS                   | \$ (7,658,799)      | \$ 1,361,118                                  | \$ (6,297,681)      | \$ -                                   | \$ (4,999)                          | \$ (6,302,679)          | \$ 6,017,987       | \$ (284,692)       |
| FPSC ADJUSTED                            | \$ 358,609,921      | \$ (91,404,872)                               | \$ 267,205,050      | \$ -                                   | \$ 6,047,754                        | \$ 273,252,803          | \$ (2,045,766)     | \$ 271,207,038     |
|  |                     |   | \$ -                |  |                                     | \$ -                    |                    | \$ -               |
| ADJUSTED                                 | \$ 358,609,921      | \$ (91,404,872)                               | \$ 267,205,050      | \$ -                                   | \$ 6,047,754                        | \$ 273,252,803          | \$ (2,045,766)     | \$ 271,207,038     |
| PROFORMA ADJUSTMENTS                     |                     |   |                     |  |                                     |                         |                    |                    |
|  |                     |   | \$ -                |  |                                     | \$ -                    |                    | \$ -               |
| ELIM. ACQUISITION ADJUSTMENT             | \$ (34,192,493)     | \$ 12,157,331                                 | \$ (22,035,162)     |  |                                     | \$ (22,035,162)         |                    | \$ (22,035,162)    |
| ELIM. REG ASSET-TRNSCTN & TRNSITN CSTS   |                     |   |                     |  |                                     |                         |                    | \$ -               |
| TOTAL PRO FORMA ADJUSTMENTS              | \$ (34,192,493)     | \$ 12,157,331                                 | \$ (22,035,162)     | \$ -                                   | \$ -                                | \$ (22,035,162)         | \$ -               | \$ (22,035,162)    |
| PRO FORMA ADJUSTED                       | \$ 324,417,428      | \$ (79,247,541)                               | \$ 245,169,887      | \$ -                                   | \$ 6,047,754                        | \$ 251,217,641          | \$ (2,045,766)     | \$ 249,171,875     |

FLORIDA PUBLIC UTILITIES COMPANY  
 NATURAL GAS  
 AVERAGE RATE OF RETURN  
 For the 12 Months Ending December 31, 2020  
 INCOME STATEMENT

|  | (1)                   | (2)                  | (3)            | (4)                       | (5)                        | (6)                     | (7)             | (8)             | (9)                            | (10)                           | (11)                       |
|--|-----------------------|----------------------|----------------|---------------------------|----------------------------|-------------------------|-----------------|-----------------|--------------------------------|--------------------------------|----------------------------|
|  | OPERATING<br>REVENUES | O & M GAS<br>EXPENSE | O & M<br>OTHER | DEPREC. &<br>AMORTIZATION | TAXES OTHER<br>THAN INCOME | INCOME TAXES<br>CURRENT | D.I.T.<br>(NET) | I.T.C.<br>(NET) | GAIN/LOSS<br>ON<br>DISPOSITION | TOTAL<br>OPERATING<br>EXPENSES | NET<br>OPERATING<br>INCOME |
| PER BOOKS                                    | \$ 92,962,652         | \$ 34,903,912        | \$ 23,111,720  | \$ 10,825,952             | \$ 8,131,698               | \$ 2,708,751            |                 |                 |                                | \$ 79,682,033                  | \$ 13,280,619              |
| FPSC ADJUSTMENTS:                            |                       |                      |                |                           |                            |                         |                 |                 |                                |                                |                            |
| 1) INCOME TAX SYNC AND INTEREST ADJ.         |                       |                      |                |                           |                            | \$ 160,368              |                 |                 |                                | \$ 160,368                     | \$ (160,368)               |
| 2) ELIMINATE FUEL REVENUES AND EXPENSES      | \$ (31,359,571)       | \$ (31,229,307)      |                |                           | \$ (141,231)               | \$ 2,689                |                 |                 |                                | \$ (31,367,849)                | \$ 8,278                   |
| 3) ELIMINATE CONSERVATION                    | \$ (3,691,326)        | \$ (3,674,605)       |                |                           | \$ (18,474)                | \$ 430                  |                 |                 |                                | \$ (3,692,649)                 | \$ 1,323                   |
| 4)NON-UTILITY DEPRECIATION EXPENSE           |                       |                      |                | \$ (176,316)              |                            | \$ 43,236               |                 |                 |                                | \$ (133,080)                   | \$ 133,080                 |
| 5) ELIMINATE AEP REVENUES AND EXPENSES       | \$ (240,038)          |                      |                | \$ (238,837)              | \$ (1,265)                 | \$ 16                   |                 |                 |                                | \$ (240,087)                   | \$ 49                      |
| 6) ELIMINATE REVENUE RELATED TAXES           | \$ (3,302,413)        |                      |                |                           | \$ (3,302,413)             | \$ -                    |                 |                 |                                | \$ (3,302,413)                 | \$ -                       |
| 7)5% OF ECONOMIC DEVELOPMENT                 |                       |                      | \$ (600)       |                           |                            | \$ 147                  |                 |                 |                                | \$ (453)                       | \$ 453                     |
| 8) OUT OF PERIOD ADJ                         |                       |                      |                |                           |                            | \$ -                    |                 |                 |                                | \$ -                           | \$ -                       |
| 9) FLEX RATE REVENUES                        | \$ (461,976)          |                      | \$ (11,818)    | \$ (51,000)               | \$ (18,755)                | \$ (93,282)             |                 |                 |                                | \$ (174,856)                   | \$ (287,120)               |
| 10)REVERSE STATE INCOME TAX POTENTIAL REFUND | \$ 143,630            |                      |                |                           |                            | \$ 35,221               |                 |                 |                                | \$ 35,221                      | \$ 108,409                 |
|  |                       |                      |                |                           |                            | \$ -                    |                 |                 |                                | \$ -                           | \$ -                       |
|  |                       |                      |                |                           |                            | \$ -                    |                 |                 |                                | \$ -                           | \$ -                       |
|  |                       |                      |                |                           |                            | \$ -                    |                 |                 |                                | \$ -                           | \$ -                       |
|  |                       |                      |                |                           |                            | \$ -                    |                 |                 |                                | \$ -                           | \$ -                       |
|  |                       |                      |                |                           |                            | \$ -                    |                 |                 |                                | \$ -                           | \$ -                       |
|  |                       |                      |                |                           |                            | \$ -                    |                 |                 |                                | \$ -                           | \$ -                       |
|  |                       |                      |                |                           |                            | \$ -                    |                 |                 |                                | \$ -                           | \$ -                       |
| TOTAL FPSC ADJUSTMENTS                       | \$ (38,911,694)       | \$ (34,903,912)      | \$ (12,418)    | \$ (466,153)              | \$ (3,482,139)             | \$ 148,825              | \$ -            | \$ -            | \$ -                           | \$ (38,715,797)                | \$ (195,897)               |
| FPSC ADJUSTED                                | \$ 54,050,958         | \$ -                 | \$ 23,099,302  | \$ 10,359,799             | \$ 4,649,559               | \$ 2,857,576            | \$ -            | \$ -            | \$ -                           | \$ 40,966,236                  | \$ 13,084,722              |
|  |                       |                      |                |                           |                            | \$ -                    |                 |                 |                                | \$ -                           | \$ -                       |
| ADJUSTED                                     | \$ 54,050,958         | \$ -                 | \$ 23,099,302  | \$ 10,359,799             | \$ 4,649,559               | \$ 2,857,576            | \$ -            | \$ -            | \$ -                           | \$ 40,966,236                  | \$ 13,084,722              |
| ELIMINATE ACQUISITION AMORTIZATION           |                       |                      |                | \$ (1,491,132)            |                            | \$ 351,382              |                 |                 |                                | \$ (1,139,750)                 | \$ 1,139,750               |
| ELIMINATE TRANSACT./TRANSIT. AMORTIZATION    |                       |                      |                |                           |                            | \$ -                    |                 |                 |                                | \$ -                           | \$ -                       |
|  |                       |                      |                |                           |                            | \$ -                    |                 |                 |                                | \$ -                           | \$ -                       |
|  |                       |                      |                |                           |                            | \$ -                    |                 |                 |                                | \$ -                           | \$ -                       |
| TOTAL PRO FORMA ADJUSTMENTS                  | \$ -                  | \$ -                 | \$ -           | \$ (1,491,132)            | \$ -                       | \$ 351,382              | \$ -            | \$ -            | \$ -                           | \$ (1,139,750)                 | \$ 1,139,750               |
| PRO FORMA ADJUSTED                           | \$ 54,050,958         | \$ -                 | \$ 23,099,302  | \$ 8,868,667              | \$ 4,649,559               | \$ 3,208,958            | \$ -            | \$ -            | \$ -                           | \$ 39,826,487                  | \$ 14,224,472              |

FLORIDA PUBLIC UTILITIES COMPANY  
 NATURAL GAS  
 YEAR END RATE OF RETURN  
 For the 12 Months Ending December 31, 2020  
 RATE BASE

|  | (1)                 | (2)   | (3)                 | (4)                                    | (5)                                 | (6)                     | (7)                | (8)                |
|--|---------------------|---|---------------------|--|-------------------------------------|-------------------------|--------------------|--------------------|
|  | PLANT IN<br>SERVICE | ACCUMULATED<br>DEPRECIATION &<br>AMORTIZATION | PLANT IN<br>SERVICE | NET PROPERTY<br>HELD FOR<br>FUTURE USE | CONSTRUCTION<br>WORK IN<br>PROGRESS | NET<br>UTILITY<br>PLANT | WORKING<br>CAPITAL | TOTAL<br>RATE BASE |
| PER BOOKS                                | \$ 380,508,288      | \$ (95,308,355)                               | \$ 285,199,932      | \$ -                                   | \$ 3,989,961                        | \$ 289,189,893          | \$ (964,082)       | \$ 288,225,811     |
| FPSC ADJUSTMENTS:                        |                     |   |                     |  |                                     |                         |                    |                    |
| 1) ELIMINATIONS TO NON-UTILITY MATERIALS | \$ -                | \$ -  | \$ -                |  |                                     | \$ -                    | \$ 392,254         | \$ 392,254         |
| 2) ELIMINATE GOODWILL                    | \$ (2,469,682)      | \$ -  | \$ (2,469,682)      |  |                                     | \$ (2,469,682)          |                    | \$ (2,469,682)     |
| 3) FLEX RATE PLANT                       | \$ (1,020,000)      | \$ 133,250                                    | \$ (886,750)        |  |                                     | \$ (886,750)            |                    | \$ (886,750)       |
| 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)      | \$ 1,408,893                                  | \$ (6,221,801)      | \$ -                                   | \$ -                                | \$ (6,221,801)          | \$ 6,003,323       | \$ (218,478)       |
| FPSC ADJUSTED                            | \$ 372,877,593      | \$ (93,899,462)                               | \$ 278,978,131      | \$ -                                   | \$ 3,989,961                        | \$ 282,968,092          | \$ 5,039,241       | \$ 288,007,333     |
|  |                     |   | \$ -                |  |                                     | \$ -                    |                    | \$ -               |
| ADJUSTED                                 | \$ 372,877,593      | \$ (93,899,462)                               | \$ 278,978,131      | \$ -                                   | \$ 3,989,961                        | \$ 282,968,092          | \$ 5,039,241       | \$ 288,007,333     |
| PROFORMA ADJUSTMENTS                     |                     |   |                     |  |                                     |                         |                    |                    |
| ELIM. ACQUISITION ADJUSTMENT             | \$ (34,192,493)     | \$ 12,727,206                                 | \$ (21,465,287)     |  |                                     | \$ (21,465,287)         |                    | \$ (21,465,287)    |
| ELIM. REG ASSET-TRNSCTN & TRNSITN CSTS   |                     |   |                     |  |                                     |                         |                    | \$ -               |
| TOTAL PRO FORMA ADJUSTMENTS              | \$ (34,192,493)     | \$ 12,727,206                                 | \$ (21,465,287)     | \$ -                                   | \$ -                                | \$ (21,465,287)         | \$ -               | \$ (21,465,287)    |
| PRO FORMA ADJUSTED                       | \$ 338,685,100      | \$ (81,172,256)                               | \$ 257,512,844      | \$ -                                   | \$ 3,989,961                        | \$ 261,502,805          | \$ 5,039,241       | \$ 266,542,046     |

FLORIDA PUBLIC UTILITIES COMPANY  
NATURAL GAS  
YEAR END RATE OF RETURN  
For the 12 Months Ending December 31, 2020  
INCOME STATEMENT

|  | (1)                   | (2)                  | (3)            | (4)                       | (5)                        | (6)                     | (7)             | (8)             | (9)                            | (10)                           | (11)                       |
|--|-----------------------|----------------------|----------------|---------------------------|----------------------------|-------------------------|-----------------|-----------------|--------------------------------|--------------------------------|----------------------------|
|  | OPERATING<br>REVENUES | O & M GAS<br>EXPENSE | O & M<br>OTHER | DEPREC. &<br>AMORTIZATION | TAXES OTHER<br>THAN INCOME | INCOME TAXES<br>CURRENT | D.I.T.<br>(NET) | I.T.C.<br>(NET) | GAIN/LOSS<br>ON<br>DISPOSITION | TOTAL<br>OPERATING<br>EXPENSES | NET<br>OPERATING<br>INCOME |
| PER BOOKS                                    | \$ 92,962,652         | \$ 34,903,912        | \$ 23,111,720  | \$ 10,825,952             | \$ 8,131,698               | \$ 2,708,751            |                 |                 |                                | \$ 79,682,033                  | \$ 13,280,619              |
| FPSC ADJUSTMENTS:                            |                       |                      |                |                           |                            |                         |                 |                 |                                |                                |                            |
| 1) INCOME TAX SYNC AND INTEREST ADJ.         |                       |                      |                |                           |                            | \$ 236,526              |                 |                 |                                | \$ 236,526                     | \$ (236,526)               |
| 2) ELIMINATE FUEL REVENUES AND EXPENSES      | \$ (31,359,571)       | \$ (31,229,307)      |                |                           | \$ (141,231)               | \$ 2,689                |                 |                 |                                | \$ (31,367,849)                | \$ 8,278                   |
| 3) ELIMINATE CONSERVATION                    | \$ (3,691,326)        | \$ (3,674,605)       |                |                           | \$ (18,474)                | \$ 430                  |                 |                 |                                | \$ (3,692,649)                 | \$ 1,323                   |
| 4)NON-UTILITY DEPRECIATION EXPENSE           |                       |                      |                | \$ (176,316)              |                            | \$ 43,236               |                 |                 |                                | \$ (133,080)                   | \$ 133,080                 |
| 5) ELIMINATE AEP REVENUES AND EXPENSES       | \$ (240,038)          |                      |                | \$ (238,837)              | \$ (1,265)                 | \$ 16                   |                 |                 |                                | \$ (240,087)                   | \$ 49                      |
| 6) ELIMINATE REVENUE RELATED TAXES           | \$ (3,302,413)        |                      |                |                           | \$ (3,302,413)             | \$ -                    |                 |                 |                                | \$ (3,302,413)                 | \$ -                       |
| 7)5% OF ECONOMIC DEVELOPMENT                 |                       |                      | \$ (600)       |                           |                            | \$ 147                  |                 |                 |                                | \$ (453)                       | \$ 453                     |
| 8) OUT OF PERIOD ADJ                         | \$ -                  |                      |                |                           |                            | \$ -                    |                 |                 |                                | \$ -                           | \$ -                       |
| 9) FLEX RATE REVENUES                        | \$ (461,976)          |                      | \$ (11,818)    | \$ (51,000)               | \$ (18,755)                | \$ (93,282)             |                 |                 |                                | \$ (174,856)                   | \$ (287,120)               |
| 10)REVERSE STATE INCOME TAX POTENTIAL REFUND | \$ 143,630            |                      |                |                           |                            | \$ 35,221               |                 |                 |                                | \$ 35,221                      | \$ 108,409                 |
|  |                       |                      |                |                           |                            | \$ -                    |                 |                 |                                | \$ -                           | \$ -                       |
|  |                       |                      |                |                           |                            | \$ -                    |                 |                 |                                | \$ -                           | \$ -                       |
|  |                       |                      |                |                           |                            | \$ -                    |                 |                 |                                | \$ -                           | \$ -                       |
|  |                       |                      |                |                           |                            | \$ -                    |                 |                 |                                | \$ -                           | \$ -                       |
|  |                       |                      |                |                           |                            | \$ -                    |                 |                 |                                | \$ -                           | \$ -                       |
|  |                       |                      |                |                           |                            | \$ -                    |                 |                 |                                | \$ -                           | \$ -                       |
|  |                       |                      |                |                           |                            | \$ -                    |                 |                 |                                | \$ -                           | \$ -                       |
|  |                       |                      |                |                           |                            | \$ -                    |                 |                 |                                | \$ -                           | \$ -                       |
| TOTAL FPSC ADJUSTMENTS                       | \$ (38,911,694)       | \$ (34,903,912)      | \$ (12,418)    | \$ (466,153)              | \$ (3,482,139)             | \$ 224,983              | \$ -            | \$ -            | \$ -                           | \$ (38,639,639)                | \$ (272,055)               |
| FPSC ADJUSTED                                | \$ 54,050,958         | \$ -                 | \$ 23,099,302  | \$ 10,359,799             | \$ 4,649,559               | \$ 2,933,734            | \$ -            | \$ -            | \$ -                           | \$ 41,042,394                  | \$ 13,008,564              |
|  | \$ -                  |                      | \$ -           | \$ -                      | \$ -                       | \$ -                    |                 |                 |                                | \$ -                           | \$ -                       |
| ADJUSTED                                     | \$ 54,050,958         | \$ -                 | \$ 23,099,302  | \$ 10,359,799             | \$ 4,649,559               | \$ 2,933,734            | \$ -            | \$ -            | \$ -                           | \$ 41,042,394                  | \$ 13,008,564              |
| ELIMINATE ACQUISITION AMORTIZATION           |                       |                      |                | \$ (1,491,132)            |                            | \$ 351,382              |                 |                 |                                | \$ (1,139,750)                 | \$ 1,139,750               |
| ELIMINATE TRANSACT./TRANSIT. AMORTIZATION    |                       |                      |                |                           |                            | \$ -                    |                 |                 |                                | \$ -                           | \$ -                       |
|  |                       |                      |                |                           |                            | \$ -                    |                 |                 |                                | \$ -                           | \$ -                       |
|  |                       |                      |                |                           |                            | \$ -                    |                 |                 |                                | \$ -                           | \$ -                       |
| TOTAL PRO FORMA ADJUSTMENTS                  | \$ -                  | \$ -                 | \$ -           | \$ (1,491,132)            | \$ -                       | \$ 351,382              | \$ -            | \$ -            | \$ -                           | \$ (1,139,750)                 | \$ 1,139,750               |
| PRO FORMA ADJUSTED                           | \$ 54,050,958         | \$ -                 | \$ 23,099,302  | \$ 8,868,667              | \$ 4,649,559               | \$ 3,285,116            | \$ -            | \$ -            | \$ -                           | \$ 39,902,645                  | \$ 14,148,314              |

FLORIDA PUBLIC UTILITIES COMPANY  
 NATURAL GAS  
 CAPITAL STRUCTURE  
 For the 12 Months Ending December 31, 2020  
 FPSC ADJUSTED BASIS

SCHEDULE 4

| 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                    | \$ 101,415,776 |             | \$ 101,415,776 | \$ 1,005,691 | \$ (2,469,682) | \$ 99,951,785  | 36.85%    | 9.85%         | 3.63%             | 10.85%        | 4.00%             | 11.85%        | 4.37%             |
| LONG TERM DEBT - CU              | \$ 75,910,586  |             | \$ 75,910,586  | \$ 752,769   |                | \$ 76,663,355  | 28.27%    | 3.69%         | 1.04%             | 3.69%         | 1.04%             | 3.69%         | 1.04%             |
| SHORT TERM DEBT                  | \$ 38,252,388  |             | \$ 38,252,388  | \$ 379,330   |                | \$ 38,631,718  | 14.24%    | 1.83%         | 0.26%             | 1.83%         | 0.26%             | 1.83%         | 0.26%             |
| LONG TERM DEBT - FC              | \$ 4,759,969   |             | \$ 4,759,969   | \$ 47,202    |                | \$ 4,807,171   | 1.77%     | 11.34%        | 0.20%             | 11.34%        | 0.20%             | 11.34%        | 0.20%             |
| SHORT TERM DEBT - REFINANCED LTD | \$ -           |             | \$ -           | \$ -         |                | \$ -           | 0.00%     | 0.00%         | 0.00%             | 0.00%         | 0.00%             | 0.00%         | 0.00%             |
| CUSTOMER DEPOSITS                | \$ 8,578,228   |             | \$ 8,578,228   |              |                | \$ 8,578,228   | 3.16%     | 2.44%         | 0.08%             | 2.44%         | 0.08%             | 2.44%         | 0.08%             |
| DEFERRED INCOME TAXES            | \$ 42,574,783  |             | \$ 42,574,783  |              |                | \$ 42,574,783  | 15.70%    | 0.00%         | 0.00%             | 0.00%         | 0.00%             | 0.00%         | 0.00%             |
| TAX CREDITS - WEIGHTED COST      | \$ -           |             | \$ -           |              |                | \$ -           | 0.00%     | 5.13%         | 0.00%             | 5.50%         | 0.00%             | 5.87%         | 0.00%             |
| TOTAL AVERAGE                    | \$ 271,491,730 | \$ -        | \$ 271,491,730 | \$ 2,184,992 | \$ (2,469,682) | \$ 271,207,040 | 100.00%   |               | 5.21%             |               | 5.58%             |               | 5.95%             |

| 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                    | \$ 118,153,598 |             | \$ 118,153,598 | \$ 1,128,365 | \$ (2,469,682) | \$ 116,812,281 | 40.56%    | 9.85%         | 4.00%             | 10.85%        | 4.40%             | 11.85%        | 4.81%             |
| LONG TERM DEBT - CU              | \$ 87,997,591  |             | \$ 87,997,591  | \$ 840,376   |                | \$ 88,837,966  | 30.85%    | 3.43%         | 1.06%             | 3.43%         | 1.06%             | 3.43%         | 1.06%             |
| SHORT TERM DEBT                  | \$ 29,577,444  |             | \$ 29,577,444  | \$ 282,464   |                | \$ 29,859,908  | 10.37%    | 2.43%         | 0.25%             | 2.43%         | 0.25%             | 2.43%         | 0.25%             |
| LONG TERM DEBT - FC              | \$ -           |             | \$ -           | \$ -         |                | \$ -           | 0.00%     | 0.00%         | 0.00%             | 0.00%         | 0.00%             | 0.00%         | 0.00%             |
| SHORT TERM DEBT - REFINANCED LTD | \$ -           |             | \$ -           | \$ -         |                | \$ -           | 0.00%     | 0.00%         | 0.00%             | 0.00%         | 0.00%             | 0.00%         | 0.00%             |
| CUSTOMER DEPOSITS                | \$ 8,608,570   |             | \$ 8,608,570   |              |                | \$ 8,608,570   | 2.99%     | 2.43%         | 0.07%             | 2.43%         | 0.07%             | 2.43%         | 0.07%             |
| DEFERRED INCOME TAXES            | \$ 43,888,609  |             | \$ 43,888,609  |              |                | \$ 43,888,609  | 15.24%    | 0.00%         | 0.00%             | 0.00%         | 0.00%             | 0.00%         | 0.00%             |
| TAX CREDITS - WEIGHTED COST      | \$ -           |             | \$ -           |              |                | \$ -           | 0.00%     | 5.31%         | 0.00%             | 5.71%         | 0.00%             | 6.12%         | 0.00%             |
| TOTAL YEAR-END                   | \$ 288,225,811 | \$ -        | \$ 288,225,811 | \$ 2,251,204 | \$ (2,469,682) | \$ 288,007,333 | 100.00%   |               | 5.38%             |               | 5.78%             |               | 6.19%             |