



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

May 14, 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 and Electric Divisions) 1st Quarter 2021
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 1st Quarter Earnings Surveillance Reports for 2021 for FPUC (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

SCHEDULE 1

FLORIDA PUBLIC UTILITIES COMPANY
 NATURAL GAS
 RATE OF RETURN REPORT SUMMARY
 For the 12 Months Ending March 31, 2021

I. AVERAGE RATE OF RETURN (JURISDICTIONAL)	(1) ACTUAL PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
NET OPERATING INCOME	\$ 13,634,374	\$ (230,756)	\$ 13,403,618	\$ 1,139,750	\$ 14,543,368
AVERAGE RATE BASE	\$ 278,890,141	\$ (228,259)	\$ 278,661,883	\$ (21,750,225)	\$ 256,911,657
AVERAGE RATE OF RETURN	4.89%		4.81%		5.66%

II. YEAR-END RATE OF RETURN (JURISDICTIONAL)	(1) ACTUAL PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
NET OPERATING INCOME	\$ 13,634,374	\$ (287,107)	\$ 13,347,267	\$ 1,139,750	\$ 14,487,017
YEAR-END RATE BASE	\$ 294,818,089	\$ (151,756)	\$ 294,666,333	\$ (21,180,350)	\$ 273,485,983
YEAR-END RATE OF RETURN	4.62%		4.53%		5.30%

III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)	INCL ACQUISITION ADJUSTMENT	EXCL ACQUISITION ADJUSTMENT
LOW	5.29%	8.60%
MIDPOINT	5.67%	11.10%
HIGH	6.06%	

IV. EARNED RETURN ON EQUITY
(FPSC ADJUSTED BASIS)

A.	8.60%
B.	11.10%

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

5-12-21
 Date

FLORIDA PUBLIC UTILITIES COMPANY
 NATURAL GAS
 AVERAGE RATE OF RETURN
 For the 12 Months Ending March 31, 2021
 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	\$ 373,382,323	\$ (94,282,984)	\$ 279,099,339	\$ -	\$ 6,412,686	\$ 285,512,025	\$ (6,621,883)	\$ 278,890,141
FPSC ADJUSTMENTS:								
1) ELIMINATIONS TO NON-UTILITY MATERIALS	\$ -	\$ -	\$ -			\$ -	\$ 420,462	\$ 420,462
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	\$ (4,140,841)	\$ 1,250,188	\$ (2,890,653)			\$ (2,890,653)		\$ (2,890,653)
5) ELIMINATE UNDER-RECOVERIES	\$ -	\$ -	\$ -			\$ -	\$ -	\$ -
6) OUT OF PERIOD ADJUSTMENT	\$ -	\$ 45	\$ 45			\$ 45	\$ -	\$ 45
7) ELIMINATE INT. EARNING CWIP			\$ -			\$ -		\$ -
8) ELIMINATE DEF. ENVIRONMENTAL COSTS			\$ -			\$ -	\$ 5,611,069	\$ 5,611,069
TOTAL FPSC ADJUSTMENTS	\$ (7,630,523)	\$ 1,370,733	\$ (6,259,790)	\$ -	\$ -	\$ (6,259,790)	\$ 6,031,531	\$ (228,259)
FPSC ADJUSTED	\$ 365,751,800	\$ (92,912,251)	\$ 272,839,549	\$ -	\$ 6,412,686	\$ 279,252,235	\$ (590,352)	\$ 278,661,883
			\$ -			\$ -		\$ -
ADJUSTED	\$ 365,751,800	\$ (92,912,251)	\$ 272,839,549	\$ -	\$ 6,412,686	\$ 279,252,235	\$ (590,352)	\$ 278,661,883
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	\$ 331,559,307	\$ (80,469,983)	\$ 251,089,324	\$ -	\$ 6,412,686	\$ 257,502,010	\$ (590,352)	\$ 256,911,657

FLORIDA PUBLIC UTILITIES COMPANY
 NATURAL GAS
 AVERAGE RATE OF RETURN
 For the 12 Months Ending March 31, 2021
 INCOME STATEMENT

SCHEDULE 2
 PAGE 2 OF 2

	(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	\$ 94,567,340	\$ 35,361,950	\$ 23,334,309	\$ 11,022,389	\$ 8,400,836	\$ 2,813,482				\$ 80,932,966	\$ 13,634,374
FPSC ADJUSTMENTS:											
1) INCOME TAX SYNC AND INTEREST ADJ.						\$ 187,016				\$ 187,016	\$ (187,016)
2) ELIMINATE FUEL REVENUES AND EXPENSES	\$ (32,097,571)	\$ (31,946,010)			\$ (154,338)	\$ 681				\$ (32,099,667)	\$ 2,096
3) ELIMINATE CONSERVATION	\$ (3,432,046)	\$ (3,415,940)			\$ (17,177)	\$ 263				\$ (3,432,854)	\$ 808
4)NON-UTILITY DEPRECIATION EXPENSE				\$ (240,418)		\$ 58,955				\$ (181,463)	\$ 181,463
5) ELIMINATE AEP REVENUES AND EXPENSES	\$ (262,597)			\$ (261,283)	\$ (1,314)	\$ 0				\$ (262,597)	\$ 0
6) ELIMINATE REVENUE RELATED TAXES	\$ (3,465,737)				\$ (3,465,737)	\$ -				\$ (3,465,737)	\$ -
7)5% OF ECONOMIC DEVELOPMENT			\$ (630)			\$ 154				\$ (475)	\$ 475
8) OUT OF PERIOD ADJ						\$ -				\$ -	\$ -
9) FLEX RATE REVENUES	\$ (541,397)		\$ (11,818)	\$ (51,000)	\$ (18,500)	\$ (112,821)				\$ (194,139)	\$ (347,258)
10)REVERSE STATE INCOME TAX POTENTIAL REFUND	\$ 157,233					\$ 38,557				\$ 38,557	\$ 118,676
						\$ -				\$ -	\$ -
						\$ -				\$ -	\$ -
						\$ -				\$ -	\$ -
						\$ -				\$ -	\$ -
						\$ -				\$ -	\$ -
						\$ -				\$ -	\$ -
						\$ -				\$ -	\$ -
						\$ -				\$ -	\$ -
						\$ -				\$ -	\$ -
TOTAL FPSC ADJUSTMENTS	\$ (39,642,115)	\$ (35,361,950)	\$ (12,448)	\$ (552,701)	\$ (3,657,066)	\$ 172,806	\$ -	\$ -	\$ -	\$ (39,411,359)	\$ (230,756)
FPSC ADJUSTED	\$ 54,925,225	\$ -	\$ 23,321,861	\$ 10,469,688	\$ 4,743,770	\$ 2,986,288	\$ -	\$ -	\$ -	\$ 41,521,607	\$ 13,403,618
						\$ -				\$ -	\$ -
ADJUSTED	\$ 54,925,225	\$ -	\$ 23,321,861	\$ 10,469,688	\$ 4,743,770	\$ 2,986,288	\$ -	\$ -	\$ -	\$ 41,521,607	\$ 13,403,618
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	\$ 54,925,225	\$ -	\$ 23,321,861	\$ 8,978,556	\$ 4,743,770	\$ 3,337,670	\$ -	\$ -	\$ -	\$ 40,381,857	\$ 14,543,368

FLORIDA PUBLIC UTILITIES COMPANY
 NATURAL GAS
 YEAR END RATE OF RETURN
 For the 12 Months Ending March 31, 2021
 RATE BASE

SCHEDULE 3
 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	\$ 390,067,598	\$ (97,524,541)	\$ 292,543,058	\$ -	\$ 6,576,997	\$ 299,120,055	\$ (4,301,965)	\$ 294,818,089
FPSC ADJUSTMENTS:								
1) ELIMINATIONS TO NON-UTILITY MATERIALS	\$ -	\$ -	\$ -			\$ -	\$ 446,226	\$ 446,226
2) ELIMINATE GOODWILL	\$ (2,469,682)	\$ -	\$ (2,469,682)			\$ (2,469,682)		\$ (2,469,682)
3) FLEX RATE PLANT	\$ (1,020,000)	\$ 146,000	\$ (874,000)			\$ (874,000)		\$ (874,000)
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)	\$ 1,421,643	\$ (6,209,051)	\$ -	\$ -	\$ (6,209,051)	\$ 6,057,295	\$ (151,756)
FPSC ADJUSTED	\$ 382,436,904	\$ (96,102,897)	\$ 286,334,007	\$ -	\$ 6,576,997	\$ 292,911,004	\$ 1,755,329	\$ 294,666,333
			\$ -			\$ -		\$ -
ADJUSTED	\$ 382,436,904	\$ (96,102,897)	\$ 286,334,007	\$ -	\$ 6,576,997	\$ 292,911,004	\$ 1,755,329	\$ 294,666,333
PROFORMA ADJUSTMENTS								
ELIM. ACQUISITION ADJUSTMENT	\$ (34,192,493)	\$ 13,012,143	\$ (21,180,350)			\$ (21,180,350)		\$ (21,180,350)
ELIM. REG ASSET-TRNSCTN & TRNSITN CSTS								\$ -
TOTAL PRO FORMA ADJUSTMENTS	\$ (34,192,493)	\$ 13,012,143	\$ (21,180,350)	\$ -	\$ -	\$ (21,180,350)	\$ -	\$ (21,180,350)
PRO FORMA ADJUSTED	\$ 348,244,411	\$ (83,090,755)	\$ 265,153,656	\$ -	\$ 6,576,997	\$ 271,730,653	\$ 1,755,329	\$ 273,485,983

FLORIDA PUBLIC UTILITIES COMPANY
 NATURAL GAS
 YEAR END RATE OF RETURN
 For the 12 Months Ending March 31, 2021
 INCOME STATEMENT

SCHEDULE 3
 PAGE 2 OF 2

	(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	\$ 94,567,340	\$ 35,361,950	\$ 23,334,309	\$ 11,022,389	\$ 8,400,836	\$ 2,813,482				\$ 80,932,966	\$ 13,634,374
FPSC ADJUSTMENTS:											
1) INCOME TAX SYNC AND INTEREST ADJ.						\$ 243,368				\$ 243,368	\$ (243,368)
2) ELIMINATE FUEL REVENUES AND EXPENSES	\$ (32,097,571)	\$ (31,946,010)			\$ (154,338)	\$ 681				\$ (32,099,667)	\$ 2,096
3) ELIMINATE CONSERVATION	\$ (3,432,046)	\$ (3,415,940)			\$ (17,177)	\$ 263				\$ (3,432,854)	\$ 808
4)NON-UTILITY DEPRECIATION EXPENSE				\$ (240,418)		\$ 58,955				\$ (181,463)	\$ 181,463
5) ELIMINATE AEP REVENUES AND EXPENSES	\$ (262,597)			\$ (261,283)	\$ (1,314)	\$ 0				\$ (262,597)	\$ 0
6) ELIMINATE REVENUE RELATED TAXES	\$ (3,465,737)				\$ (3,465,737)	\$ -				\$ (3,465,737)	\$ -
7)5% OF ECONOMIC DEVELOPMENT			\$ (630)			\$ 154				\$ (475)	\$ 475
8) OUT OF PERIOD ADJ	\$ -					\$ -				\$ -	\$ -
9) FLEX RATE REVENUES	\$ (541,397)		\$ (11,818)	\$ (51,000)	\$ (18,500)	\$ (112,821)				\$ (194,139)	\$ (347,258)
10)REVERSE STATE INCOME TAX POTENTIAL REFUND	\$ 157,233					\$ 38,557				\$ 38,557	\$ 118,676
						\$ -				\$ -	\$ -
						\$ -				\$ -	\$ -
						\$ -				\$ -	\$ -
						\$ -				\$ -	\$ -
						\$ -				\$ -	\$ -
						\$ -				\$ -	\$ -
						\$ -				\$ -	\$ -
TOTAL FPSC ADJUSTMENTS	\$ (39,642,115)	\$ (35,361,950)	\$ (12,448)	\$ (552,701)	\$ (3,657,066)	\$ 229,157	\$ -	\$ -	\$ -	\$ (39,355,008)	\$ (287,107)
FPSC ADJUSTED	\$ 54,925,225	\$ -	\$ 23,321,861	\$ 10,469,688	\$ 4,743,770	\$ 3,042,639	\$ -	\$ -	\$ -	\$ 41,577,958	\$ 13,347,267
	\$ -		\$ -	\$ -	\$ -	\$ -				\$ -	\$ -
ADJUSTED	\$ 54,925,225	\$ -	\$ 23,321,861	\$ 10,469,688	\$ 4,743,770	\$ 3,042,639	\$ -	\$ -	\$ -	\$ 41,577,958	\$ 13,347,267
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	\$ 54,925,225	\$ -	\$ 23,321,861	\$ 8,978,556	\$ 4,743,770	\$ 3,394,022	\$ -	\$ -	\$ -	\$ 40,438,208	\$ 14,487,017

FLORIDA PUBLIC UTILITIES COMPANY
 NATURAL GAS
 CAPITAL STRUCTURE
 For the 12 Months Ending March 31, 2021
 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	\$ 108,329,556		\$ 108,329,556	\$ 1,068,352	\$ (2,469,682)		\$ 106,928,225	38.37%	9.85%	3.78%	10.85%	4.16%
LONG TERM DEBT - CU	\$ 80,041,928		\$ 80,041,928	\$ 789,378		\$ 80,831,306	29.01%	3.68%	1.07%	3.68%	1.07%	3.68%	1.07%
SHORT TERM DEBT	\$ 35,447,112		\$ 35,447,112	\$ 349,581		\$ 35,796,693	12.85%	1.65%	0.21%	1.65%	0.21%	1.65%	0.21%
LONG TERM DEBT - FC	\$ 3,459,133		\$ 3,459,133	\$ 34,114		\$ 3,493,247	1.25%	11.86%	0.15%	11.86%	0.15%	11.86%	0.15%
SHORT TERM DEBT - REFINANCED LTD	\$ -		\$ -	\$ -		\$ -	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$ 8,601,286		\$ 8,601,286			\$ 8,601,286	3.09%	2.43%	0.08%	2.43%	0.08%	2.43%	0.08%
DEFERRED INCOME TAXES	\$ 43,011,126		\$ 43,011,126			\$ 43,011,126	15.44%	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%	5.98%	0.00%
TOTAL AVERAGE	\$ 278,890,141	\$ -	\$ 278,890,141	\$ 2,241,424	\$ (2,469,682)	\$ 278,661,883	100.00%		5.29%		5.67%		6.06%

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	\$ 125,339,081		\$ 125,339,081	\$ 1,201,687	\$ (2,469,682)		\$ 124,071,086	42.11%	9.85%	4.15%	10.85%	4.57%
LONG TERM DEBT - CU	\$ 89,633,584		\$ 89,633,584	\$ 859,362		\$ 90,492,945	30.71%	3.50%	1.07%	3.50%	1.07%	3.50%	1.07%
SHORT TERM DEBT	\$ 26,792,966		\$ 26,792,966	\$ 256,877		\$ 27,049,843	9.18%	2.25%	0.21%	2.25%	0.21%	2.25%	0.21%
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	\$ 8,671,617		\$ 8,671,617			\$ 8,671,617	2.94%	2.41%	0.07%	2.41%	0.07%	2.41%	0.07%
DEFERRED INCOME TAXES	\$ 44,380,841		\$ 44,380,841			\$ 44,380,841	15.06%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$ -		\$ -			\$ -	0.00%	5.43%	0.00%	5.85%	0.00%	6.27%	0.00%
TOTAL YEAR-END	\$ 294,818,089	\$ -	\$ 294,818,089	\$ 2,317,926	\$ (2,469,682)	\$ 294,666,333	100.00%		5.50%		5.92%		6.34%