

FLORIDA PUBLIC UTILITIES COMPANY
 NATURAL GAS
 RATE OF RETURN REPORT SUMMARY
 For the 12 Months Ending June 30, 2021

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	\$ 15,205,662	\$ (481,390)	\$ 14,724,272	\$ 1,139,750	\$ 15,864,022
AVERAGE RATE BASE	\$ 286,043,885	\$ (8,965)	\$ 286,034,921	\$ (21,465,288)	\$ 264,569,633
AVERAGE RATE OF RETURN	5.32%		5.15%		6.00%
II. YEAR-END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ 15,205,662	\$ (497,567)	\$ 14,708,095	\$ 1,139,750	\$ 15,847,845
YEAR-END RATE BASE	\$ 297,135,950	\$ 786,599	\$ 297,922,550	\$ (20,895,413)	\$ 277,027,137
YEAR-END RATE OF RETURN	5.12%		4.94%		5.72%
III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)			IV. EARNED RETURN ON EQUITY (FPSC ADJUSTED BASIS)		
LOW	5.37%		A.	INCL ACQUISITION ADJUSTMENT	9.28%
MIDPOINT	5.77%		B.	EXCL ACQUISITION ADJUSTMENT	11.66%
HIGH	6.17%				

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 June 30, 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	\$ 381,025,509	\$ (96,031,678)	\$ 284,993,831	\$ -	\$ 6,726,509	\$ 291,720,340	\$ (5,676,455)	\$ 286,043,885
FPSC ADJUSTMENTS:								
1) ELIMINATIONS TO NON-UTILITY MATERIALS	\$ -	\$ -	\$ -			\$ -	\$ 458,592	\$ 458,592
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	\$ (4,002,173)	\$ 1,279,920	\$ (2,722,253)			\$ (2,722,253)		\$ (2,722,253)
5) ELIMINATE UNDER-RECOVERIES	\$ -	\$ -	\$ -			\$ -	\$ -	\$ -
6) OUT OF PERIOD ADJUSTMENT	\$ -	\$ 60	\$ 60			\$ 60	\$ -	\$ 60
7) ELIMINATE INT. EARNING CWIP			\$ -			\$ -		\$ -
8) ELIMINATE DEF. ENVIRONMENTAL COSTS			\$ -			\$ -	\$ 5,611,069	\$ 5,611,069
TOTAL FPSC ADJUSTMENTS	\$ (7,491,855)	\$ 1,413,230	\$ (6,078,625)	\$ -	\$ -	\$ (6,078,625)	\$ 6,069,661	\$ (8,965)
FPSC ADJUSTED	\$ 373,533,654	\$ (94,618,448)	\$ 278,915,206	\$ -	\$ 6,726,509	\$ 285,641,715	\$ 393,206	\$ 286,034,921
			\$ -			\$ -		\$ -
ADJUSTED	\$ 373,533,654	\$ (94,618,448)	\$ 278,915,206	\$ -	\$ 6,726,509	\$ 285,641,715	\$ 393,206	\$ 286,034,921
PROFORMA ADJUSTMENTS								
			\$ -			\$ -		\$ -
			\$ -			\$ -		\$ -
ELIM. ACQUISITION ADJUSTMENT	\$ (34,192,493)	\$ 12,727,205	\$ (21,465,288)			\$ (21,465,288)		\$ (21,465,288)
ELIM. REG ASSET-TRNSCTN & TRNSITN CSTS								\$ -
TOTAL PRO FORMA ADJUSTMENTS	\$ (34,192,493)	\$ 12,727,205	\$ (21,465,288)	\$ -	\$ -	\$ (21,465,288)	\$ -	\$ (21,465,288)
PRO FORMA ADJUSTED	\$ 339,341,161	\$ (81,891,243)	\$ 257,449,918	\$ -	\$ 6,726,509	\$ 264,176,427	\$ 393,206	\$ 264,569,633

FLORIDA PUBLIC UTILITIES COMPANY
 NATURAL GAS
 YEAR END RATE OF RETURN
 For the 12 Months Ending June 30, 2021
 RATE BASE

	(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	\$ 398,301,694	\$ (99,706,898)	\$ 298,594,796	\$ -	\$ 6,676,070	\$ 305,270,866	\$ (8,134,916)	\$ 297,135,950
FPSC ADJUSTMENTS:								
1) ELIMINATIONS TO NON-UTILITY MATERIALS	\$ -	\$ -	\$ -			\$ -	\$ 621,140	\$ 621,140
2) ELIMINATE GOODWILL	\$ (2,469,682)	\$ -	\$ (2,469,682)			\$ (2,469,682)		\$ (2,469,682)
3) FLEX RATE PLANT	\$ (1,020,000)	\$ 158,750	\$ (861,250)			\$ (861,250)		\$ (861,250)
4) ELIM. NON-UTILITY PLANT	\$ (3,451,094)	\$ 1,336,416	\$ (2,114,677)			\$ (2,114,677)		\$ (2,114,677)
5) ELIMINATE UNDER-RECOVERIES	\$ -	\$ -	\$ -			\$ -		\$ -
6) OUT OF PERIOD ADJUSTMENT	\$ -	\$ -	\$ -			\$ -	\$ -	\$ -
7) ELIMINATE DEF. ENVIRONMENTAL COSTS						\$ -	\$ 5,611,069	\$ 5,611,069
TOTAL FPSC ADJUSTMENTS	\$ (6,940,776)	\$ 1,495,166	\$ (5,445,609)	\$ -	\$ -	\$ (5,445,609)	\$ 6,232,209	\$ 786,599
FPSC ADJUSTED	\$ 391,360,918	\$ (98,211,731)	\$ 293,149,187	\$ -	\$ 6,676,070	\$ 299,825,257	\$ (1,902,707)	\$ 297,922,550
			\$ -			\$ -		\$ -
ADJUSTED PROFORMA ADJUSTMENTS	\$ 391,360,918	\$ (98,211,731)	\$ 293,149,187	\$ -	\$ 6,676,070	\$ 299,825,257	\$ (1,902,707)	\$ 297,922,550
ELIM. ACQUISITION ADJUSTMENT	\$ (34,192,493)	\$ 13,297,080	\$ (20,895,413)			\$ (20,895,413)		\$ (20,895,413)
ELIM. REG ASSET-TRNSCTN & TRNSITN CSTS								\$ -
TOTAL PRO FORMA ADJUSTMENTS	\$ (34,192,493)	\$ 13,297,080	\$ (20,895,413)	\$ -	\$ -	\$ (20,895,413)	\$ -	\$ (20,895,413)
PRO FORMA ADJUSTED	\$ 357,168,425	\$ (84,914,652)	\$ 272,253,774	\$ -	\$ 6,676,070	\$ 278,929,844	\$ (1,902,707)	\$ 277,027,137

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	\$ 115,188,855		\$ 115,188,855	\$ 1,212,062	\$ (2,469,682)	\$ 113,931,235	39.83%	9.85%	3.92%	10.85%	4.32%	11.85%	4.72%
LONG TERM DEBT - CU	\$ 84,744,426		\$ 84,744,426	\$ 891,714		\$ 85,636,140	29.94%	3.65%	1.09%	3.65%	1.09%	3.65%	1.09%
SHORT TERM DEBT	\$ 31,770,594		\$ 31,770,594	\$ 334,302		\$ 32,104,896	11.22%	1.73%	0.19%	1.73%	0.19%	1.73%	0.19%
LONG TERM DEBT - FC	\$ 2,151,592		\$ 2,151,592	\$ 22,640		\$ 2,174,232	0.76%	13.03%	0.10%	13.03%	0.10%	13.03%	0.10%
SHORT TERM DEBT - REFINANCED LTD	\$ -		\$ -	\$ -		\$ -	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$ 8,634,615		\$ 8,634,615			\$ 8,634,615	3.02%	2.44%	0.07%	2.44%	0.07%	2.44%	0.07%
DEFERRED INCOME TAXES	\$ 43,553,803		\$ 43,553,803			\$ 43,553,803	15.23%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$ -		\$ -			\$ -	0.00%	5.30%	0.00%	5.70%	0.00%	6.10%	0.00%
TOTAL AVERAGE	\$ 286,043,885	\$ -	\$ 286,043,885	\$ 2,460,717	\$ (2,469,682)	\$ 286,034,920	100.00%		5.37%		5.77%		6.17%

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	\$ 126,801,993		\$ 126,801,993	\$ 1,697,509	\$ (2,469,682)	\$ 126,029,820	42.30%	9.85%	4.17%	10.85%	4.59%	11.85%	5.01%
LONG TERM DEBT - CU	\$ 87,492,893		\$ 87,492,893	\$ 1,171,276		\$ 88,664,169	29.76%	3.74%	1.11%	3.74%	1.11%	3.74%	1.11%
SHORT TERM DEBT	\$ 28,945,552		\$ 28,945,552	\$ 387,497		\$ 29,333,049	9.85%	1.93%	0.19%	1.93%	0.19%	1.93%	0.19%
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	\$ 8,743,094		\$ 8,743,094			\$ 8,743,094	2.94%	2.41%	0.07%	2.41%	0.07%	2.41%	0.07%
DEFERRED INCOME TAXES	\$ 45,152,418		\$ 45,152,418			\$ 45,152,418	15.16%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$ -		\$ -			\$ -	0.00%	5.47%	0.00%	5.89%	0.00%	6.31%	0.00%
TOTAL YEAR-END	\$ 297,135,950	\$ -	\$ 297,135,950	\$ 3,256,281	\$ (2,469,682)	\$ 297,922,550	100.00%		5.54%		5.96%		6.38%