

July 11, 2022

VIA ELECTRONIC MAIL

Ms. Amber Norris, Public Utilities Supervisor/Surveillance
Division of Accounting and Finance
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

**Re: Florida Public Utilities Company (Gas Divisions) Revised 4th Quarter 2021
Surveillance Report**

Dear Ms. Norris:

In accordance with Rule 25-7.1352, F.A.C., Florida Public Utilities Company hereby submits its Revised 4th Quarter Earnings Surveillance Reports for 2021 for the FPUC Gas Divisions.

As always, please don't hesitate to let me know if you have any questions whatsoever.

Sincerely,



Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301
(850) 521-1706

cc: Suzanne Hawkes (PSC)
Michelle Napier, FPUC

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

REVISED 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	\$ 15,847,700	\$ (1,657,809)	\$ 14,189,891	\$ 1,139,750	\$ 15,329,641
AVERAGE RATE BASE	\$ 306,886,687	\$ (4,451,322)	\$ 302,435,365	\$ (20,895,414)	\$ 281,539,951
AVERAGE RATE OF RETURN	5.16%		4.69%		5.44%
II. YEAR-END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ 15,847,700	\$ (1,662,075)	\$ 14,185,624	\$ 1,139,750	\$ 15,325,374
YEAR-END RATE BASE	\$ 326,331,663	\$ (5,534,260)	\$ 320,797,404	\$ (20,325,539)	\$ 300,471,864
YEAR-END RATE OF RETURN	4.86%		4.42%		5.10%
III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)					
LOW	5.42%		A.	INCL ACQUISITION ADJUSTMENT	8.11%
MIDPOINT	5.84%		B.	EXCL ACQUISITION ADJUSTMENT	10.11%
HIGH	6.25%				
IV. EARNED RETURN ON EQUITY (FPSC ADJUSTED BASIS)					

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.

Michelle D. Napier
 Director, Regulatory Affairs Distribution

Michelle D. Napier
 Signature

7/8/2022
 Date

FLORIDA PUBLIC UTILITIES COMPANY
 NATURAL GAS
 AVERAGE RATE OF RETURN
 For the 12 Months Ending December 31, 2021
 RATE BASE

	(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	\$ 400,642,335	\$ (101,210,471)	\$ 299,431,864	\$ -	\$ 6,731,493	\$ 306,163,357	\$ 723,330	\$ 306,886,687
FPSC ADJUSTMENTS:								
1) ELIMINATIONS TO NON-UTILITY MATERIALS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2) ELIMINATE GOODWILL	\$ (2,469,682)	\$ -	\$ (2,469,682)	\$ -	\$ -	\$ (2,469,682)	\$ -	\$ (2,469,682)
3) FLEX RATE PLANT	\$ (2,250,462)	\$ 231,574	\$ (2,018,888)	\$ -	\$ -	\$ (2,018,888)	\$ -	\$ (2,018,888)
4) ELIM. NON-UTILITY PLANT	\$ (2,223,684)	\$ 856,555	\$ (1,367,129)	\$ -	\$ -	\$ (1,367,129)	\$ -	\$ (1,367,129)
5) ELIMINATE UNDER-RECOVERIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6) OFFSET TO ACCOUNTS RECEIVABLE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7) REMOVE UNRECOVERED AEP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8) ELIMINATE DEF. ENVIRONMENTAL COSTS	\$ (6,943,828)	\$ 1,088,129	\$ (5,855,699)	\$ -	\$ -	\$ (5,855,699)	\$ 5,611,069	\$ (2,244,630)
TOTAL FPSC ADJUSTMENTS	\$ (11,686,556)	\$ 1,088,129	\$ (10,598,427)	\$ -	\$ -	\$ (10,598,427)	\$ 5,611,069	\$ (4,987,358)
FPSC ADJUSTED	\$ 388,955,779	\$ (100,122,342)	\$ 288,833,437	\$ -	\$ 6,731,493	\$ 295,564,930	\$ 728,941	\$ 299,876,323
ADJUSTED	\$ 393,698,507	\$ (100,122,342)	\$ 293,576,165	\$ -	\$ 6,731,493	\$ 300,307,658	\$ 2,127,707	\$ 302,435,365
PROFORMA ADJUSTMENTS								
ELIM. ACQUISITION ADJUSTMENT	\$ (34,192,493)	\$ 13,297,079	\$ (20,895,414)	\$ -	\$ -	\$ (20,895,414)	\$ -	\$ (20,895,414)
ELIM. REG ASSET-TRANSCN & TRANSCN CSTS	\$ (34,192,493)	\$ 13,297,079	\$ (20,895,414)	\$ -	\$ -	\$ (20,895,414)	\$ -	\$ (20,895,414)
TOTAL PROFORMA ADJUSTMENTS	\$ (68,384,986)	\$ 26,594,158	\$ (41,790,828)	\$ -	\$ -	\$ (41,790,828)	\$ -	\$ (41,790,828)
PROFORMA ADJUSTED	\$ 325,313,521	\$ (73,528,184)	\$ 251,785,337	\$ -	\$ 6,731,493	\$ 258,513,830	\$ 2,127,707	\$ 260,641,537

FLORIDA PUBLIC UTILITIES COMPANY
 NATURAL GAS
 AVERAGE RATE OF RETURN
 For the 12 Months Ending December 31, 2021
 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	OPERATING TOTAL EXPENSES	OPERATING NET INCOME
PER BOOKS	\$ 104,209,972	\$ 39,000,357	\$ 24,150,357	\$ 12,071,190	\$ 9,169,242	\$ 3,971,126				\$ 88,362,272	\$ 15,847,700
PSC ADJUSTMENTS:											
1) INCOME TAX SYNC AND INTEREST ADJ.						\$ (202,517)				\$ (202,517)	\$ 202,517
2) ELIMINATE FUEL REVENUES AND EXPENSES	\$ (36,219,959)	\$ (36,044,900)			\$ (175,384)	\$ 77				\$ (36,220,207)	\$ 248
3) ELIMINATE CONSERVATION	\$ (2,969,976)	\$ (2,955,457)			\$ (14,864)	\$ 82				\$ (2,970,239)	\$ 263
4)NON-UTILITY DEPRECIATION EXPENSE						\$ 38,859				\$ (124,464)	\$ 124,464
5) ELIMINATE AEP REVENUES AND EXPENSES	\$ (333,538)				\$ (1,669)	\$ (0)				\$ (333,537)	\$ (1)
6) ELIMINATE REVENUE RELATED TAXES	\$ (3,779,209)				\$ (3,779,209)					\$ (3,779,209)	
7)5% OF ECONOMIC DEVELOPMENT						\$ 207				\$ (663)	\$ 663
8) OUT OF PERIOD ADJ						\$ (41,416)				\$ 132,650	\$ (132,650)
9) FLEX RATE REVENUES	\$ (2,278,289)		\$ 174,066		\$ (37,902)	\$ (504,941)				\$ (661,005)	\$ (1,617,284)
10)REVERSE STATE INCOME TAX POTENTIAL REFUND	\$ (309,719)		\$ (68,651)			\$ (73,691)				\$ (73,691)	\$ (236,028)
TOTAL PSC ADJUSTMENTS	\$ (45,890,690)	\$ (39,000,357)	\$ 104,545	\$ (544,701)	\$ (4,009,029)	\$ (783,339)	\$ -	\$ -	\$ -	\$ (44,232,881)	\$ (1,657,809)
FPSC ADJUSTED	\$ 58,319,282	\$ -	\$ 24,254,903	\$ 11,526,488	\$ 5,160,213	\$ 3,187,787	\$ -	\$ -	\$ -	\$ 44,129,391	\$ 14,189,891
ADJUSTED	\$ 58,319,282	\$ -	\$ 24,254,903	\$ 11,526,488	\$ 5,160,213	\$ 3,187,787	\$ -	\$ -	\$ -	\$ 44,129,391	\$ 14,189,891
ELIMINATE ACQUISITION AMORTIZATION											
ELIMINATE TRANSACT./TRANSIT. AMORTIZATION											
TOTAL PRO FORMA ADJUSTMENTS	\$ -	\$ -	\$ -	\$ (1,491,132)	\$ -	\$ 351,382	\$ -	\$ -	\$ -	\$ (1,139,750)	\$ 1,139,750
PRO FORMA ADJUSTED	\$ 58,319,282	\$ -	\$ 24,254,903	\$ 10,035,356	\$ 5,160,213	\$ 3,539,169	\$ -	\$ -	\$ -	\$ 42,989,641	\$ 15,329,641

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

REVISED
 SCHEDULE 3
 PAGE 1 OF 2

	(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	\$ 419,872,595	\$ (104,904,587)	\$ 314,968,007	\$ -	\$ 4,690,537	\$ 319,658,544	\$ 6,673,119	\$ 326,331,663
FPSC ADJUSTMENTS:								
1) ELIMINATIONS TO NON-UTILITY MATERIALS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2) ELIMINATE GOODWILL	\$ (2,469,682)	\$ -	\$ (2,469,682)	\$ -	\$ -	\$ (2,469,682)	\$ -	\$ (2,469,682)
3) FLEX RATE PLANT	\$ (2,250,462)	\$ 256,329	\$ (1,994,133)	\$ -	\$ -	\$ (1,994,133)	\$ -	\$ (1,994,133)
4) EUM. NON-UTILITY PLANT	\$ (2,141,222)	\$ 782,305	\$ (1,358,917)	\$ -	\$ -	\$ (1,358,917)	\$ -	\$ (1,358,917)
5) EUMINATE UNDER-RECOVERIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (811,846)	\$ (811,846)
6) OFFSET TO ACCOUNTS RECEIVABLE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (864,867)	\$ (864,867)
7) REMOVE UNRECOVERED AEP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,645,883)	\$ (3,645,883)
8) ELIMINATE DEF. ENVIRONMENTAL COSTS	\$ (6,861,365)	\$ 1,038,634	\$ (5,822,732)	\$ -	\$ -	\$ (5,822,732)	\$ 5,611,069	\$ (5,611,069)
TOTAL FPSC ADJUSTMENTS	\$ (11,712,431)	\$ (1,038,634)	\$ (10,673,797)	\$ -	\$ -	\$ (11,712,431)	\$ (1,038,634)	\$ (11,712,431)
FPSC ADJUSTED	\$ 413,011,229	\$ (103,865,954)	\$ 309,145,275	\$ -	\$ 4,690,537	\$ 313,835,812	\$ 6,961,592	\$ 320,797,404
ADJUSTED	\$ 413,011,229	\$ (103,865,954)	\$ 309,145,275	\$ -	\$ 4,690,537	\$ 313,835,812	\$ 6,961,592	\$ 320,797,404
PROFORMA ADJUSTMENTS								
EUM. ACQUISITION ADJUSTMENT	\$ (34,192,493)	\$ 13,866,954	\$ (20,325,539)	\$ -	\$ -	\$ (20,325,539)	\$ -	\$ (20,325,539)
EUM. REG ASSET-TRANSGTN & TRANSTN CSTS	\$ (34,192,493)	\$ 13,866,954	\$ (20,325,539)	\$ -	\$ -	\$ (20,325,539)	\$ -	\$ (20,325,539)
TOTAL PRO FORMA ADJUSTMENTS	\$ (34,192,493)	\$ 13,866,954	\$ (20,325,539)	\$ -	\$ -	\$ (20,325,539)	\$ -	\$ (20,325,539)
PRO FORMA ADJUSTED	\$ 378,818,736	\$ (89,999,000)	\$ 288,819,736	\$ -	\$ 4,690,537	\$ 293,510,273	\$ 6,961,592	\$ 300,471,864

FLORIDA PUBLIC UTILITIES COMPANY
 NATURAL GAS
 YEAR END RATE OF RETURN
 For the 12 Months Ending December 31, 2021
 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	OPERATING NET INCOME
PER BOOKS	\$ 104,209,972	\$ 39,000,357	\$ 24,150,357	\$ 12,071,190	\$ 9,169,242	\$ 3,971,126	\$ -	\$ -	\$ -	\$ 88,362,272	\$ 15,847,700
PFSC ADJUSTMENTS:											
1) INCOME TAX SYNC AND INTEREST ADJ.	\$ (36,219,959)	\$ (36,044,900)			\$ (175,384)	\$ (198,250)	\$ -	\$ -	\$ -	\$ (198,250)	\$ 198,250
2) ELIMINATE FUEL REVENUES AND EXPENSES	\$ (2,969,976)	\$ (2,955,457)			\$ (14,864)	\$ 82	\$ -	\$ -	\$ -	\$ (36,220,207)	\$ 248
3) ELIMINATE CONSERVATION						\$ 38,859	\$ -	\$ -	\$ -	\$ (2,970,239)	\$ 263
4)NON-UTILITY DEPRECIATION EXPENSE	\$ (333,538)			\$ (163,323)	\$ (1,669)	\$ (0)	\$ -	\$ -	\$ -	\$ (124,464)	\$ 124,464
5) ELIMINATE AEP REVENUES AND EXPENSES	\$ (3,779,209)		\$ (869)	\$ (331,868)	\$ (3,779,209)	\$ -	\$ -	\$ -	\$ -	\$ (3,779,209)	\$ (1)
6) ELIMINATE REVENUE RELATED TAXES			\$ (174,066)			\$ 207	\$ -	\$ -	\$ -	\$ (132,650)	\$ 663
7)5% OF ECONOMIC DEVELOPMENT			\$ (68,651)		\$ (37,902)	\$ (41,416)	\$ -	\$ -	\$ -	\$ 132,650	\$ (132,650)
8) OUT OF PERIOD ADJ	\$ (2,278,289)			\$ (49,510)		\$ (504,941)	\$ -	\$ -	\$ -	\$ (661,005)	\$ (1,617,284)
9) FLEX RATE REVENUES	\$ (309,719)					\$ (73,691)	\$ -	\$ -	\$ -	\$ (73,691)	\$ (236,028)
10)REVERSE STATE INCOME TAX POTENTIAL REFUND											
TOTAL PFSC ADJUSTMENTS	\$ (45,890,690)	\$ (39,000,357)	\$ 104,545	\$ (544,701)	\$ (4,009,029)	\$ (779,073)	\$ -	\$ -	\$ -	\$ (44,228,614)	\$ (1,662,075)
PFSC ADJUSTED	\$ 58,319,282	\$ -	\$ 24,254,903	\$ 11,526,488	\$ 5,160,213	\$ 3,192,053	\$ -	\$ -	\$ -	\$ 44,133,658	\$ 14,185,624
ADJUSTED	\$ 58,319,282	\$ -	\$ 24,254,903	\$ 11,526,488	\$ 5,160,213	\$ 3,192,053	\$ -	\$ -	\$ -	\$ 44,133,658	\$ 14,185,624
ELIMINATE ACQUISITION AMORTIZATION				\$ (1,491,132)		\$ 351,382	\$ -	\$ -	\$ -	\$ (1,139,750)	\$ 1,139,750
ELIMINATE TRANSACT./TRANSIT. AMORTIZATION				\$ (1,491,132)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL PRO FORMA ADJUSTMENTS	\$ -	\$ -	\$ -	\$ (1,491,132)	\$ -	\$ 351,382	\$ -	\$ -	\$ -	\$ (1,139,750)	\$ 1,139,750
PRO FORMA ADJUSTED	\$ 58,319,282	\$ -	\$ 24,254,903	\$ 10,035,356	\$ 5,160,213	\$ 3,543,436	\$ -	\$ -	\$ -	\$ 42,993,908	\$ 15,325,374

Michelle D. Napier
 Director, Regulatory Affairs Distribution

FLORIDA PUBLIC UTILITIES COMPANY
 NATURAL GAS
 CAPITAL STRUCTURE
 For the 12 Months Ending December 31, 2021
 FPSC ADJUSTED BASIS

REVISED SCHEDULE 4

AVERAGE	ADJUSTMENTS				LOW POINT		MIDPOINT		HIGH POINT				
	PER BOOKS	NON-UTILITY	ADJUSTED BOOKS	PRO-RATA	SPECIFIC	BALANCE	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
COMMON EQUITY	\$ 129,906,307		\$ 129,906,307	\$ (1,015,991)	\$ (2,469,682)	\$ 126,420,634	41.80%	9.85%	4.12%	10.85%	4.54%	11.85%	4.95%
LONG TERM DEBT - CU	\$ 91,176,382		\$ 91,176,382	\$ (713,086)		\$ 90,463,276	29.91%	3.60%	1.08%	3.60%	1.08%	3.60%	1.08%
SHORT TERM DEBT	\$ 32,293,194		\$ 32,293,194	\$ (252,563)		\$ 32,040,631	10.59%	1.42%	0.15%	1.42%	0.15%	1.42%	0.15%
CUSTOMER DEPOSITS	\$ 8,766,028		\$ 8,766,028			\$ 8,766,028	2.90%	2.41%	0.07%	2.41%	0.07%	2.41%	0.07%
DEFERRED INCOME TAXES	\$ 44,744,797		\$ 44,744,797			\$ 44,744,797	14.80%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$ -		\$ -			\$ -	0.00%	5.35%	0.00%	5.77%	0.00%	6.18%	0.00%
TOTAL AVERAGE	\$ 306,886,687	\$ -	\$ 306,886,687	\$ (1,981,640)	\$ (2,469,682)	\$ 302,435,365	100.00%		5.42%		5.84%		6.25%

YEAR-END	ADJUSTMENTS				LOW POINT		MIDPOINT		HIGH POINT				
	PER BOOKS	NON-UTILITY	ADJUSTED BOOKS	PRO-RATA	SPECIFIC	BALANCE	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
COMMON EQUITY	\$ 134,990,048		\$ 134,990,048	\$ (1,526,259)	\$ (2,469,682)	\$ 130,994,107	40.83%	9.85%	4.02%	10.85%	4.43%	11.85%	4.84%
LONG TERM DEBT - CU	\$ 97,425,178		\$ 97,425,178	\$ (1,101,533)		\$ 96,323,645	30.03%	3.35%	1.01%	3.35%	1.01%	3.35%	1.01%
SHORT TERM DEBT	\$ 38,631,744		\$ 38,631,744	\$ (436,788)		\$ 38,194,956	11.91%	1.18%	0.14%	1.18%	0.14%	1.18%	0.14%
CUSTOMER DEPOSITS	\$ 9,011,934		\$ 9,011,934			\$ 9,011,934	2.81%	2.35%	0.07%	2.35%	0.07%	2.35%	0.07%
DEFERRED INCOME TAXES	\$ 46,272,759		\$ 46,272,759			\$ 46,272,759	14.42%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$ -		\$ -			\$ -	0.00%	5.17%	0.00%	5.58%	0.00%	5.95%	0.00%
	\$ 326,331,664	\$ -	\$ 326,331,664	\$ (3,064,580)	\$ (2,469,682)	\$ 320,797,402	100.00%		5.24%		5.65%		6.05%

Michelle D. Napier
 Director, Regulatory Affairs Distribution