

FLORIDA PUBLIC UTILITIES COMPANY  
 NATURAL GAS  
 RATE OF RETURN REPORT SUMMARY  
 For the 12 Months Ending December 31, 2023

SCHEDULE 1

	(1) ACTUAL PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
<b>I. AVERAGE RATE OF RETURN (JURISDICTIONAL)</b>					
NET OPERATING INCOME	\$ 33,054,742	\$ (4,471,146)	\$ 28,583,597	\$ 1,139,750	\$ 29,723,346
AVERAGE RATE BASE	\$ 483,435,838	\$ (20,397,928)	\$ 463,037,910	\$ (18,615,913)	\$ 444,421,998
AVERAGE RATE OF RETURN	6.84%		6.17%		6.69%
<b>II. YEAR-END RATE OF RETURN (JURISDICTIONAL)</b>					
NET OPERATING INCOME	\$ 33,054,742	\$ (4,537,952)	\$ 28,516,791	\$ 1,139,750	\$ 29,656,540
YEAR-END RATE BASE	\$ 509,553,666	\$ (18,254,707)	\$ 491,298,959	\$ (18,046,038)	\$ 473,252,921
YEAR-END RATE OF RETURN	6.49%		5.80%		6.27%
<b>III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)</b>			<b>IV. EARNED RETURN ON EQUITY (FPSC ADJUSTED BASIS)</b>		
LOW	5.52%		A. INCL ACQUISITION ADJUSTMENT		10.81%
MIDPOINT	5.94%		B. EXCL ACQUISITION ADJUSTMENT		12.17%
HIGH	6.36%				

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 Napier*  
 Signature

3/29/2024  
 Date

FLORIDA PUBLIC UTILITIES COMPANY  
 NATURAL GAS  
 AVERAGE RATE OF RETURN  
 For the 12 Months Ending December 31, 2023  
 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	\$ 645,588,996	\$ (164,951,287)	\$ 480,637,709	\$ -	\$ 6,661,890	\$ 487,299,599	\$ (3,863,761)	\$ 483,435,838
FPSC ADJUSTMENTS:								
1) ELIMINATIONS OF 1/2 OF D & O PREPAID	\$ -	\$ -	\$ -			\$ -	\$ (19,049)	\$ (19,049)
2) ELIMINATE GOODWILL	(3,183,612)	-	(3,183,612)			(3,183,612)		(3,183,612)
3) FLEX RATE & SPECIAL CONTRACT PLANT	(24,202,099)	10,299,955	(13,902,144)			(13,902,144)		(13,902,144)
4) ELIM. NON-UTILITY PLANT	(1,315,585)	691,583	(624,002)			(624,002)		(624,002)
5) ELIMINATE UNDER-RECOVERIES	-	-	-			-		-
6) OFFSET TO ACCOUNTS RECEIVABLE	-	-	-			-	(971,408)	(971,408)
7) REMOVE UNRECOVERED AEP	-	-	-			-	(1,101,924)	(1,101,924)
8) REMOVE DEFERRED RATE CASE EXPENSE	-	-	-			-	(3,085,218)	(3,085,218)
9) ALLOCATE ACCRUED INTEREST FROM PARENT	-	-	-			-	(849,267)	(849,267)
10) FLEXIBLE LIABILITY ADJUSTMENT	-	-	-			-	-	-
11) ALLOCATE CORP. HEALTH INSURANCE RES.	-	-	-			-	(123,929)	(123,929)
12) ELIMINATE FLEX PLANT WORKING CAPITAL	-	-	-			-	(9,004)	(9,004)
13) ELIMINATE DEF. ENVIRONMENTAL COSTS	-	-	-			-	3,471,630	3,471,630
14) ELIMINATE AFUDC	-	-	-		(411,881)	-	-	-
TOTAL FPSC ADJUSTMENTS	\$ (28,701,296)	\$ 10,991,538	\$ (17,709,758)	\$ -	\$ (411,881)	\$ (17,709,758)	\$ (2,688,170)	\$ (20,397,928)
FPSC ADJUSTED	\$ 616,887,700	\$ (153,959,749)	\$ 462,927,951	\$ -	\$ 6,250,009	\$ 469,589,841	\$ (6,551,931)	\$ 463,037,910
			\$ -			\$ -		\$ -
ADJUSTED	\$ 616,887,700	\$ (153,959,749)	\$ 462,927,951	\$ -	\$ 6,250,009	\$ 469,589,841	\$ (6,551,931)	\$ 463,037,910
PROFORMA ADJUSTMENTS								
ELIM. ACQUISITION ADJUSTMENT	\$ (34,192,493)	\$ 15,576,580	\$ (18,615,913)			\$ (18,615,913)		\$ (18,615,913)
ELIM. REG ASSET-TRNSCTN & TRNSITN CSTS	\$ (34,192,493)	\$ 15,576,580	\$ (18,615,913)	\$ -	\$ -	\$ (18,615,913)	\$ -	\$ (18,615,913)
TOTAL PRO FORMA ADJUSTMENTS	\$ (68,384,986)	\$ 31,153,160	\$ (37,231,826)	\$ -	\$ -	\$ (37,231,826)	\$ -	\$ (37,231,826)
PRO FORMA ADJUSTED	\$ 548,502,714	\$ (122,806,589)	\$ 425,696,125	\$ -	\$ 6,250,009	\$ 432,358,015	\$ (6,551,931)	\$ 425,144,094

FLORIDA PUBLIC UTILITIES COMPANY  
NATURAL GAS  
AVERAGE RATE OF RETURN  
For the 12 Months Ending December 31, 2023  
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	NET OPERATING INCOME
PER BOOKS	\$ 172,684,375	\$ 56,033,211	\$ 45,311,637	\$ 15,835,800	\$ 14,007,904	\$ 8,441,080				\$ 139,629,633	\$ 33,054,742
FPSC ADJUSTMENTS:											
1) INTEREST SYNC						336,728				336,728	(336,728)
2) ELIMINATE FUEL & SWING REVENUES AND EXP.	(51,114,102)	(50,913,411)			(293,943)	23,635				(51,183,720)	69,618
3) ELIMINATE CONSERVATION	(5,080,637)	(5,119,800)			(25,428)	16,371				(5,128,857)	48,220
4) NON-UTILITY DEPRECIATION EXPENSE				(99,553)		25,232				(74,321)	74,321
5) ELIMINATE AEP REVENUES AND EXPENSES	(93,684)			(93,215)	(469)	(0)				(93,684)	(0)
6) ELIMINATE REVENUE RELATED TAXES	(4,324,305)				(4,324,305)	-				(4,324,305)	-
7) 5% OF ECONOMIC DEVELOPMENT			(13)			3				(9)	9
8) OUT OF PERIOD ADJ			(466,648)	(503,590)	(193,690)	(1,499,971)				(2,663,900)	(4,418,242)
9) FLEX RATE & SPECIAL CONTRACTS	(7,082,142)					2,910				2,910	8,571
10) INTEREST INCOME	11,481					-				-	-
11) REMOVE ENVIRONMENTAL AMORTIZATION					(12,987)	3,292				(9,696)	9,696
12) REMOVE NON-UTILITY PROPERTY TAX			(50,275)			12,742				(37,533)	37,533
13) REMOVE COMPANY EVENTS			(46,247)			11,721				(34,526)	34,526
14) REMOVE 1/2 D & O INSURANCE			(1,783)			452				(1,331)	1,331
15) REMOVE SERP						-				-	-
TOTAL FPSC ADJUSTMENTS	\$ (67,683,389)	\$ (56,033,211)	\$ (564,967)	\$ (696,358)	\$ (4,850,822)	\$ (1,066,886)	\$ -	\$ -	\$ -	\$ (63,212,244)	\$ (4,471,146)
FPSC ADJUSTED	\$ 105,000,986	\$ -	\$ 44,746,670	\$ 15,139,443	\$ 9,157,082	\$ 7,374,194	\$ -	\$ -	\$ -	\$ 76,417,389	\$ 28,583,597
ADJUSTED	\$ 105,000,986	\$ -	\$ 44,746,670	\$ 15,139,443	\$ 9,157,082	\$ 7,374,194	\$ -	\$ -	\$ -	\$ 76,417,389	\$ 28,583,597
ELIMINATE ACQUISITION AMORTIZATION				\$ (1,491,132)		\$ 351,382				\$ (1,139,750)	\$ 1,139,750
ELIMINATE TRANSACT./TRANSIT. AMORTIZATION						\$ -				\$ -	\$ -
TOTAL PROFORMA ADJUSTMENTS	\$ -	\$ -	\$ -	\$ (1,491,132)	\$ -	\$ 351,382	\$ -	\$ -	\$ -	\$ (1,139,750)	\$ 1,139,750
PRO FORMA ADJUSTED	\$ 105,000,986	\$ -	\$ 44,746,670	\$ 13,648,311	\$ 9,157,082	\$ 7,725,576	\$ -	\$ -	\$ -	\$ 75,277,639	\$ 29,723,346

FLORIDA PUBLIC UTILITIES COMPANY  
NATURAL GAS  
YEAR END RATE OF RETURN  
For the 12 Months Ending December 31, 2023  
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	\$ 675,901,185	\$ (170,407,075)	\$ 505,494,109	\$ -	\$ 13,546,860	\$ 519,040,970	\$ (9,487,304)	\$ 509,553,666
FPSC ADJUSTMENTS:								
1) ELIMINATIONS OF 1/2 OF D & O PREPAID	\$ -	\$ -	\$ -			\$ -	\$ (32,094)	\$ (32,094)
2) ELIMINATE GOODWILL	(3,183,612)	-	(3,183,612)			(3,183,612)	-	(3,183,612)
3) FLEX RATE & SPECIAL CONTRACT PLANT	(24,202,099)	10,551,750	(13,650,349)			(13,650,349)	-	(13,650,349)
4) ELIM. NON-UTILITY PLANT	(1,317,747)	739,871	(577,875)			(577,875)	-	(577,875)
5) ELIMINATE UNDER-RECOVERIES	-	-	-			-	(914,703)	(914,703)
6) OFFSET TO ACCOUNTS RECEIVABLE	-	-	-			-	-	-
7) REMOVE UNRECOVERED AEP	-	-	-			-	(2,319,726)	(2,319,726)
8) REMOVE DEFERRED RATE CASE EXPENSE	-	-	-			-	(927,174)	(927,174)
9) ALLOCATE ACCRUED INTEREST FROM PARENT	-	-	-			-	-	-
10) FLEXIBLE LIABILITY ADJUSTMENT	-	-	-			-	(153,435)	(153,435)
11) ALLOCATE CORP. HEALTH INSURANCE RES.	-	-	-			-	(9,004)	(9,004)
12) ELIMINATE FLEX PLANT WORKING CAPITAL	-	-	-			-	3,513,265	3,513,265
13) ELIMINATE DEF. ENVIRONMENTAL COSTS	-	-	-		(511,733)	-	-	-
14) ELIMINATE AFUDC	-	-	-		(511,733)	-	-	-
TOTAL FPSC ADJUSTMENTS	\$ (28,703,458)	\$ 11,291,622	\$ (17,411,836)	\$ -	\$ (511,733)	\$ (17,411,836)	\$ (842,871)	\$ (18,254,707)
FPSC ADJUSTED	\$ 647,197,727	\$ (159,115,454)	\$ 488,082,273	\$ -	\$ 13,035,127	\$ 501,629,133	\$ (10,330,174)	\$ 491,298,959
ADJUSTED	\$ 647,197,727	\$ (159,115,454)	\$ 488,082,273	\$ -	\$ 13,035,127	\$ 501,629,133	\$ (10,330,174)	\$ 491,298,959
PROFORMA ADJUSTMENTS								
ELIM. ACQUISITION ADJUSTMENT	\$ (34,192,493)	\$ 16,146,455	\$ (18,046,038)			\$ (18,046,038)		\$ (18,046,038)
ELIM. REG ASSET-TRNSCTN & TRNSITN CSTS	\$ (34,192,493)	\$ 16,146,455	\$ (18,046,038)	\$ -	\$ -	\$ (18,046,038)	\$ -	\$ (18,046,038)
TOTAL PROFORMA ADJUSTMENTS	\$ (68,384,986)	\$ 32,292,910	\$ (36,092,076)	\$ -	\$ -	\$ (36,092,076)	\$ -	\$ (36,092,076)
PROFORMA ADJUSTED	\$ 578,812,741	\$ (126,822,544)	\$ 451,990,197	\$ -	\$ 13,035,127	\$ 465,537,057	\$ (10,330,174)	\$ 455,207,880

FLORIDA PUBLIC UTILITIES COMPANY  
NATURAL GAS  
YEAR END RATE OF RETURN  
For the 12 Months Ending December 31, 2023  
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	NET OPERATING INCOME
PER BOOKS	\$ 172,684,375	\$ 56,033,211	\$ 45,311,637	\$ 15,835,800	\$ 14,007,904	\$ 8,441,080				\$ 139,629,633	\$ 33,054,742
FPSC ADJUSTMENTS:						395,735				395,735	(395,735)
1) INTEREST SYNC					(293,942)	23,635				(51,183,719)	69,617
2) ELIMINATE FUEL & SWING REVENUES AND EXP.	(51,114,102)	(50,913,411)			(25,428)	16,370				(5,128,856)	48,219
3) ELIMINATE CONSERVATION	(5,080,637)	(5,119,798)				25,232				(74,321)	74,321
4) NON-UTILITY DEPRECIATION EXPENSE				(99,553)		(0)				(93,684)	(0)
5) ELIMINATE AEP REVENUES AND EXPENSES	(93,684)			(93,215)	(469)					(4,324,305)	
6) ELIMINATE REVENUE RELATED TAXES	(4,324,305)				(4,324,305)					(9)	9
7) 5% OF ECONOMIC DEVELOPMENT			(13)								
8) OUT OF PERIOD ADJ											
9) FLEX RATE & SPECIAL CONTRACTS	(7,082,142)		(466,648)	(503,590)	(193,690)	(1,499,971)				(2,663,900)	(4,418,242)
10) INTEREST INCOME	1,037					263				263	774
11) REMOVE ENVIRONMENTAL AMORTIZATION											
12) REMOVE NON-UTILITY PROPERTY TAX					(12,987)	3,292				(9,696)	9,696
13) REMOVE COMPANY EVENTS			(50,275)			12,742				(37,533)	37,533
14) REMOVE 1/2 D & O INSURANCE			(46,247)			11,721				(34,526)	34,526
15) REMOVE SERP			(1,783)			452				(1,331)	1,331
TOTAL FPSC ADJUSTMENTS	<u>\$ (67,693,833)</u>	<u>\$ (56,033,209)</u>	<u>\$ (564,967)</u>	<u>\$ (696,358)</u>	<u>\$ (4,850,821)</u>	<u>\$ (1,010,526)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (63,155,881)</u>	<u>\$ (4,537,952)</u>
FPSC ADJUSTED	<u>\$ 104,990,542</u>	<u>\$ 2</u>	<u>\$ 44,746,670</u>	<u>\$ 15,139,443</u>	<u>\$ 9,157,083</u>	<u>\$ 7,430,554</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 76,473,751</u>	<u>\$ 28,516,791</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
ADJUSTED	<u>\$ 104,990,542</u>	<u>\$ 2</u>	<u>\$ 44,746,670</u>	<u>\$ 15,139,443</u>	<u>\$ 9,157,083</u>	<u>\$ 7,430,554</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 76,473,751</u>	<u>\$ 28,516,791</u>
ELIMINATE ACQUISITION AMORTIZATION				\$ (1,491,132)		\$ 351,382				\$ (1,139,750)	\$ 1,139,750
ELIMINATE TRANSACT./TRANSIT. AMORTIZATION						\$ -				\$ -	\$ -
						\$ -				\$ -	\$ -
TOTAL PRO FORMA ADJUSTMENTS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,491,132)</u>	<u>\$ -</u>	<u>\$ 351,382</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,139,750)</u>	<u>\$ 1,139,750</u>
PRO FORMA ADJUSTED	<u>\$ 104,990,542</u>	<u>\$ 2</u>	<u>\$ 44,746,670</u>	<u>\$ 13,648,311</u>	<u>\$ 9,157,083</u>	<u>\$ 7,781,936</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75,334,002</u>	<u>\$ 29,656,540</u>

FLORIDA PUBLIC UTILITIES COMPANY  
 NATURAL GAS  
 CAPITAL STRUCTURE  
 For the 12 Months Ending December 31, 2023  
 FPSC ADJUSTED BASIS

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	\$ 207,586,170		\$ 207,586,170	\$ (8,905,815)	\$ (3,183,612)		\$ 195,496,743	42.22%	9.25%	3.91%	10.25%	4.33%
LONG TERM DEBT - CU	\$ 163,683,170		\$ 163,683,170	\$ (7,022,299)		\$ 156,660,871	33.83%	3.64%	1.23%	3.64%	1.23%	3.64%	1.23%
SHORT TERM DEBT	\$ 29,980,150		\$ 29,980,150	\$ (1,286,202)		\$ 28,693,948	6.20%	5.35%	0.33%	5.35%	0.33%	5.35%	0.33%
CUSTOMER DEPOSITS	\$ 11,909,639		\$ 11,909,639			\$ 11,909,639	2.57%	2.01%	0.05%	2.01%	0.05%	2.01%	0.05%
DEFERRED INCOME TAXES	\$ 70,276,708		\$ 70,276,708			\$ 70,276,708	15.18%	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%
<b>TOTAL AVERAGE</b>	<b>483,435,838</b>	<b>\$ -</b>	<b>\$ 483,435,838</b>	<b>\$ (17,214,316)</b>	<b>\$ (3,183,612)</b>	<b>\$ 463,037,910</b>	<b>100.00%</b>		<b>5.52%</b>		<b>5.94%</b>		<b>6.36%</b>

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	\$ 201,858,719		\$ 201,858,719	\$ (7,168,532)	\$ (3,183,612)		\$ 191,506,575	38.98%	9.25%	3.61%	10.25%	4.00%
LONG TERM DEBT - CU	\$ 193,539,494		\$ 193,539,494	\$ (6,873,096)		\$ 186,666,398	37.99%	3.13%	1.19%	3.13%	1.19%	3.13%	1.19%
SHORT TERM DEBT	\$ 28,988,744		\$ 28,988,744	\$ (1,029,466)		\$ 27,959,278	5.69%	3.97%	0.23%	3.97%	0.23%	3.97%	0.23%
CUSTOMER DEPOSITS	\$ 12,139,477		\$ 12,139,477			\$ 12,139,477	2.47%	1.97%	0.05%	1.97%	0.05%	1.97%	0.05%
DEFERRED INCOME TAXES	\$ 73,027,233		\$ 73,027,233			\$ 73,027,233	14.86%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$ -		\$ -			\$ -	0.00%	5.03%	0.00%	5.42%	0.00%	5.81%	0.00%
<b>TOTAL YEAR-END</b>	<b>\$ 509,553,666</b>	<b>\$ -</b>	<b>\$ 509,553,666</b>	<b>\$ (15,071,095)</b>	<b>\$ (3,183,612)</b>	<b>\$ 491,298,959</b>	<b>100.00%</b>		<b>5.08%</b>		<b>5.47%</b>		<b>5.86%</b>

Michelle D. Napier  
 Director, Regulatory Affairs Distribution