

FLORIDA PUBLIC UTILITIES COMPANY
 GAS DIVISION
 RATE OF RETURN REPORT SUMMARY
 Forecast December 31, 2024

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	\$ 37,190,995	\$ (4,191,972)	\$ 32,999,023	\$ 1,125,477	\$ 34,124,499
AVERAGE RATE BASE	\$ 549,642,718	\$ (20,809,809)	\$ 528,832,910	\$ (17,476,163)	\$ 511,356,747
AVERAGE RATE OF RETURN	6.77%		6.24%		6.67%
II. YEAR-END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ 37,190,995	\$ (4,097,294)	\$ 33,093,701	\$ 1,125,477	\$ 34,219,178
YEAR-END RATE BASE	\$ 602,861,870	\$ (18,766,441)	\$ 584,095,430	\$ (16,906,288)	\$ 567,189,141
YEAR-END RATE OF RETURN	6.17%		5.67%		6.03%
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III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)			IV. EARNED RETURN ON EQUITY (FPSC ADJUSTED BASIS)		
LOW	5.69%		A. INCLUDING ACQ. ADJ.		10.64%
MIDPOINT	6.09%				
HIGH	6.48%				

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

Michelle D Napier
 Signature

3/15/2024
 Date

FLORIDA PUBLIC UTILITIES COMPANY
GAS DIVISION
AVERAGE RATE OF RETURN
Forecast December 31, 2024
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	719,180,116.28	(180,295,186.10)	\$538,884,930	\$0	6,788,029	\$545,672,959	3,969,759	\$549,642,718
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	-	-	-			-	\$0	\$0
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	-	-	-			-	\$0	\$0
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)	(411,881)		(\$411,881)
TOTAL FPSC ADJUSTMENTS	(28,701,296)	10,991,538	(17,709,758)	-	(411,881)	(18,121,639)	(2,688,170)	(20,809,809)
FPSC ADJUSTED	\$ 690,478,820	\$ (169,303,648)	\$ 521,175,172	\$ -	\$ 6,376,148	\$ 527,551,320	\$ 1,281,589	\$ 528,832,910
COMP RATE ADJ REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ADJUSTED FOR COMP RATE ADJ REVENUE	\$ 690,478,820	\$ (169,303,648)	\$ 521,175,172	\$ -	\$ 6,376,148	\$ 527,551,320	\$ 1,281,589	\$ 528,832,910
PROFORMA ADJUSTMENTS								
TOTAL PRO FORMA ADJUSTMENTS	\$ (34,192,493)	\$ 16,716,330	\$ (17,476,163)	\$ -		\$ (17,476,163)		\$ (17,476,163)
PRO FORMA ADJUSTED	\$ 656,286,327	\$ (152,587,318)	\$ 503,699,009	\$ -	\$ 6,376,148	\$ 510,075,157	\$ 1,281,589	\$ 511,356,747

FLORIDA PUBLIC UTILITIES COMPANY
GAS DIVISION

AVERAGE RATE OF RETURN

#REF!

INCOME STATEMENT

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	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
PER BOOKS	\$ 165,555,193	\$ 44,297,583	\$ 46,320,806	\$ 16,370,026	\$ 12,000,073	\$ 9,375,710				\$ 128,364,198
FPSC ADJUSTMENTS:										
1) Interest Synchronization						\$ (61,615)				\$ (61,615)
2) ELIMINATE FUEL & SWING REVENUES AND EXP.	(35,800,619)	(35,506,676)			(293,943)	0				(35,800,619)
3) ELIMINATE CONSERVATION	(8,816,335)	(8,790,907)			(25,428)	(0)				(8,816,335)
4) NON-UTILITY DEPRECIATION EXPENSE				(99,553)		25,232				(74,321)
5) ELIMINATE AEP REVENUES AND EXPENSES	(93,684)			(93,215)	(469)	(0)				(93,684)
6) ELIMINATE REVENUE RELATED TAXES	(4,578,396)				(4,578,396)	-				(4,578,396)
7) 5% OF ECONOMIC DEVELOPMENT			(13)			3				(9)
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)
10)INTEREST INCOME	11,481					2,910				2,910
11)REMOVE ENVIRONMENTAL AMORTIZATION				-		-				-
12)REMOVE NON-UTILITY PROPERTY TAX					(12,987)	3,292				(9,696)
13)REMOVE COMPANY EVENTS			(50,275)			12,742				(37,533)
14)REMOVE 1/2 D & O INSURANCE			(46,247)			11,721				(34,526)
15)REMOVE SERP			(1,783)			452				-
TOTAL FPSC ADJUSTMENTS	<u>(\$56,359,695)</u>	<u>(44,297,583.00)</u>	<u>(\$564,967)</u>	<u>(\$696,358)</u>	<u>(\$5,104,913)</u>	<u>(\$1,505,234)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$52,167,724)</u>
FPSC ADJUSTED	<u>\$ 109,195,498</u>	<u>\$ -</u>	<u>\$ 45,755,840</u>	<u>\$ 15,673,668</u>	<u>\$ 6,895,160</u>	<u>\$ 7,870,476</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 76,196,475</u>
COMP RATE ADJ REVENUES - DEFICIT/(SURPLUS)						\$ -				\$ -
ADJUSTED FOR COMP RATE ADJ REVENUES	<u>\$ 109,195,498</u>	<u>\$ -</u>	<u>\$ 45,755,840</u>	<u>\$ 15,673,668</u>	<u>\$ 6,895,160</u>	<u>\$ 7,870,476</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 76,196,475</u>
PROFORMA ADJUSTMENTS										
TOTAL PRO FORMA ADJUSTMENTS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,491,132)</u>	<u>\$ -</u>	<u>\$ 365,655</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,125,477)</u>
PRO FORMA ADJUSTED	<u>\$ 109,195,498</u>	<u>\$ -</u>	<u>\$ 45,755,840</u>	<u>\$ 14,182,536</u>	<u>\$ 6,895,160</u>	<u>\$ 8,236,131</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75,070,998</u>

(11)
NET
OPERATING
INCOME

\$	37,190,995
\$	61,615
	0
	(0)
	74,321
	(0)
	-
	9
	-
	(4,418,242)
	8,571
	-
	9,696
	37,533
	34,526
	-
	<u>(\$4,191,972)</u>
\$	<u>32,999,023</u>
\$	<u>-</u>
\$	<u>32,999,023</u>
\$	<u>1,125,477</u>
\$	<u>34,124,499</u>

	(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	\$ 768,694,442	\$ (185,423,151)	\$ 583,271,291	\$ -	\$ 2,786,509	\$ 586,057,800	\$ 16,804,070	\$ 602,861,870
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	-	-	-			-	-	-
6) OFFSET TO ACCOUNTS RECEIVABLE	-	-	-			-	(914,703)	(914,703)
7) REMOVE UNRECOVERED AEP	-	-	-			-	-	-
8) REMOVE DEFERRED RATE CASE EXPENSE	-	-	-			-	(2,319,726)	(2,319,726)
9) ALLOCATE ACCRUED INTEREST FROM PARENT	-	-	-			-	(927,174)	(927,174)
10) FLEXIBLE LIABILITY ADJUSTMENT	-	-	-			-	-	-
11) ALLOCATE CORP. HEALTH INSURANCE RES.	-	-	-			-	(153,435)	(153,435)
12) ELIMINATE FLEX PLANT WORKING CAPITAL	-	-	-			-	(9,004)	(9,004)
13) ELIMINATE DEF. ENVIRONMENTAL COSTS	-	-	-			-	3,513,265	3,513,265
14) ELIMINATE AFUDC	-	-	-		(511,733)	(511,733)	-	(511,733)
TOTAL FPSC ADJUSTMENTS	<u>(28,703,457.95)</u>	<u>11,291,621.64</u>	<u>(17,411,836.30)</u>	<u>-</u>	<u>(511,733.49)</u>	<u>(17,923,569.79)</u>	<u>(842,870.81)</u>	<u>(18,766,441)</u>
FPSC ADJUSTED	\$ 739,990,984	\$ (174,131,529)	\$ 565,859,455	\$ -	\$ 2,274,776	\$ 568,134,230	\$ 15,961,199	\$ 584,095,430
COMP RATE ADJ REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ADJUSTED FOR COMP RATE ADJ REVENUE	<u>\$ 739,990,984</u>	<u>\$ (174,131,529)</u>	<u>\$ 565,859,455</u>	<u>\$ -</u>	<u>\$ 2,274,776</u>	<u>\$ 568,134,230</u>	<u>\$ 15,961,199</u>	<u>\$ 584,095,430</u>
PROFORMA ADJUSTMENTS								
TOTAL PRO FORMA ADJUSTMENTS	<u>\$ (34,192,493)</u>	<u>\$ 17,286,205</u>	<u>\$ (16,906,288)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (16,906,288)</u>	<u>\$ -</u>	<u>\$ (16,906,288)</u>
PRO FORMA ADJUSTED	<u>\$ 705,798,491</u>	<u>\$ (156,845,324)</u>	<u>\$ 548,953,167</u>	<u>\$ -</u>	<u>\$ 2,274,776</u>	<u>\$ 551,227,942</u>	<u>\$ 15,961,199</u>	<u>\$ 567,189,141</u>

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	\$ 219,517,696		\$ 219,517,696	\$ (8,705,190)	\$ (2,469,682)		\$ 208,342,824	39.40%	9.25%	3.64%	10.25%	4.04%
LONG TERM DEBT - CU	\$ 210,386,554		\$ 210,386,554	\$ (8,343,086)		\$ 202,043,468	38.21%	4.25%	1.62%	4.25%	1.62%	4.25%	1.62%
SHORT TERM DEBT	\$ 32,576,455		\$ 32,576,455	\$ (1,291,851)		\$ 31,284,604	5.92%	6.45%	0.38%	6.45%	0.38%	6.45%	0.38%
LONG TERM DEBT - FC	\$ -		\$ -	\$ -		\$ -	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	\$ 12,077,419		\$ 12,077,419			\$ 12,077,419	2.28%	2.34%	0.05%	2.34%	0.05%	2.34%	0.05%
DEFERRED INCOME TAXES	\$ 75,084,594		\$ 75,084,594			\$ 75,084,594	14.20%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST			\$ -			\$ -	0.00%	5.64%	0.00%	6.04%	0.00%	6.43%	0.00%
TOTAL AVERAGE	\$ 549,642,718	\$ -	\$ 549,642,718	\$ (18,340,127)	\$ (2,469,682)	\$ 528,832,909	100.00%		5.69%		6.09%		6.48%

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	\$ 241,085,339		\$ 241,085,339	\$ (7,665,139)	\$ (2,469,682)		\$ 230,950,519	39.54%	9.25%	3.66%	10.25%	4.05%
LONG TERM DEBT - CU	\$ 237,979,716		\$ 237,979,716	\$ (7,566,397)		\$ 230,413,320	39.45%	3.80%	1.50%	3.80%	1.50%	3.80%	1.50%
SHORT TERM DEBT	\$ 33,503,647		\$ 33,503,647	\$ (1,065,225)		\$ 32,438,422	5.55%	6.58%	0.37%	6.58%	0.37%	6.58%	0.37%
LONG TERM DEBT - FC	\$ -		\$ -	\$ -		\$ -	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	\$ 12,077,419		\$ 12,077,419			\$ 12,077,419	2.07%	2.34%	0.05%	2.34%	0.05%	2.34%	0.05%
DEFERRED INCOME TAXES	\$ 78,215,749		\$ 78,215,749			\$ 78,215,749	13.39%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST			\$ -			\$ -	0.00%	5.53%	0.00%	5.92%	0.00%	6.32%	0.00%
TOTAL YEAR-END	\$ 602,861,870	\$ -	\$ 602,861,870	\$ (16,296,760)	\$ (2,469,682)	\$ 584,095,428	100.00%		5.58%		5.97%		6.37%