

FLORIDA PUBLIC UTILITIES COMPANY
 INDIANTOWN DIVISION
 RATE OF RETURN REPORT SUMMARY
 December 31, 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	\$ (126,684)	\$ (6,414)	\$ (133,098)	\$ 37,887	\$ (95,211)
AVERAGE RATE BASE	\$ 2,020,086	\$ -	\$ 2,020,086	\$ (203,053)	\$ 1,817,033
AVERAGE RATE OF RETURN	<u>-6.27%</u>		<u>-6.59%</u>		<u>-5.24%</u>
II. YEAR-END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ (126,684)	\$ (6,855)	\$ (133,539)	\$ 37,887	\$ (95,652)
YEAR-END RATE BASE	\$ 1,998,092	\$ -	\$ 1,998,092	\$ (178,195)	\$ 1,819,897
YEAR-END RATE OF RETURN	<u>(6.3%)</u>		<u>(6.7%)</u>		<u>(5.3%)</u>
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III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)			IV. EARNED RETURN ON EQUITY (FPSC ADJUSTED BASIS)		
LOW	5.35%		A. INCL ACQUISITION ADJUSTMENT		(19.4%)
MIDPOINT	5.74%		B. EXCL ACQUISITION ADJUSTMENT		(16.5%)
HIGH	6.14%				

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 Napier
 Director, Regulatory Affairs Distribution

 Signature

 Date

	(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	3,533,516	(1,735,549)	1,797,967	-	12,778	1,810,745	209,341	2,020,086
FPSC ADJUSTMENTS:								
REMOVE NET UNRECOVERED CONSERVATION			-			-	-	-
ELIMINATE INTEREST EARNING AFUDC IN CWIP			-			-	-	-
TOTAL FPSC ADJUSTMENTS	-	-	-	-	-	-	-	-
FPSC ADJUSTED	3,533,516	(1,735,549)	1,797,967	-	12,778	1,810,745	209,341	2,020,086
PROFORMA ADJUSTMENTS								
Remove Acquisition Adjustment	(745,800)	542,747	(203,053)			(203,053)		(203,053)
TOTAL PRO FORMA ADJUSTMENTS	(745,800)	542,747	(203,053)	-	-	(203,053)	-	(203,053)
PRO FORMA ADJUSTED	2,787,716	(1,192,802)	1,594,914	-	12,778	1,607,692	209,341	1,817,033

	(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	\$ 171,369	\$ 30,278	\$ 161,129	\$ 124,579	\$ 36,959	\$ (54,892)				\$ 298,053	\$ (126,684)
FPSC ADJUSTMENTS:											
1) Interest Synchronization						\$ 6,185				\$ 6,185	\$ (6,185)
2) Elim. Conservation Rev & Exp.	\$ (9,530)	\$ (9,482)			\$ (48)	\$ (0)				\$ (9,530)	\$ (0)
3) Elimination of Revenue Taxes	\$ (864)				\$ (864)	\$ -				\$ (864)	\$ -
4) Elim. Economic Development			\$ (0)			\$ (0)				\$ (0)	\$ 0
5) Remove Swing Service	\$ (20,901)	\$ (20,796)			\$ (105)	\$ 0				\$ (20,901)	\$ 0
6) Out of Period Adjust			\$ 300			\$ (71)				\$ 229	\$ (229)
7) Amortization of Protected Deferred Taxes						\$ -				\$ -	\$ -
						\$ -				\$ -	\$ -
						\$ -				\$ -	\$ -
TOTAL FPSC ADJUSTMENTS	\$ (31,295)	\$ (30,278)	\$ 300	\$ -	\$ (1,017)	\$ 6,114	\$ -	\$ -	\$ -	\$ (24,881)	\$ (6,414)
FPSC ADJUSTED	\$ 140,074	\$ -	\$ 161,429	\$ 124,579	\$ 35,942	\$ (48,778)	\$ -	\$ -	\$ -	\$ 273,172	\$ (133,098)
PROFORMA ADJUSTMENTS											
Remove Acquisition Adjustment Amortization				\$ (49,716)		\$ 11,829				\$ (37,887)	\$ 37,887
TOTAL PRO FORMA ADJUSTMENTS	\$ -	\$ -	\$ -	\$ (49,716)	\$ -	\$ 11,829	\$ -	\$ -	\$ -	\$ (37,887)	\$ 37,887
PRO FORMA ADJUSTED	\$ 140,074	\$ -	\$ 161,429	\$ 74,863	\$ 35,942	\$ (36,949)	\$ -	\$ -	\$ -	\$ 235,285	\$ (95,211)

	(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	\$ 3,536,224	\$ (1,795,805)	\$ 1,740,419	\$ -	\$ 9,540	\$ 1,749,959	\$ 248,133	\$ 1,998,092
FPSC ADJUSTMENTS:								
REMOVE NET UNREC. CONSERVATION			\$ -			\$ -	\$ -	\$ -
TOTAL FPSC ADJUSTMENTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FPSC ADJUSTED	\$ 3,536,224	\$ (1,795,805)	\$ 1,740,419	\$ -	\$ 9,540	\$ 1,749,959	\$ 248,133	\$ 1,998,092
PROFORMA ADJUSTMENTS								
Remove Acquisition Adjustment	\$ (745,800)	\$ 567,605	\$ (178,195)			\$ (178,195)		\$ (178,195)
TOTAL PRO FORMA ADJUSTMENTS	\$ (745,800)	\$ 567,605	\$ (178,195)	\$ -	\$ -	\$ (178,195)	\$ -	\$ (178,195)
PRO FORMA ADJUSTED	\$ 2,790,424	\$ (1,228,200)	\$ 1,562,224	\$ -	\$ 9,540	\$ 1,571,764	\$ 248,133	\$ 1,819,897

	(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	\$ 171,369	\$ 30,278	\$ 161,129	\$ 124,579	\$ 36,959	\$ (54,892)				\$ 298,053	\$ (126,684)
FPSC ADJUSTMENTS:											
1) Interest Synchronization						\$ 6,626				\$ 6,626	\$ (6,626)
2) Elim. Conservation Rev & Exp.	\$ (9,530)	\$ (9,482)			\$ (48)	\$ (0)				\$ (9,530)	\$ (0)
3) Elimination of Revenue Taxes	\$ (864)				\$ (864)	\$ -				\$ (864)	\$ -
4) Elim. Economic Development			\$ (0)			\$ 0				\$ (0)	\$ 0
5) Remove Swing Service	\$ (20,901)	\$ (20,796)			\$ (105)	\$ 0				\$ (20,901)	\$ 0
6) Out of Period Adjust			\$ 300			\$ (71)				\$ 229	\$ (229)
7) Amortization of Protected Deferred Taxes						\$ -				\$ -	\$ -
						\$ -				\$ -	\$ -
						\$ -				\$ -	\$ -
						\$ -				\$ -	\$ -
						\$ -				\$ -	\$ -
						\$ -				\$ -	\$ -
TOTAL FPSC ADJUSTMENTS	\$ (31,295)	\$ (30,278)	\$ 300	\$ -	\$ (1,017)	\$ 6,555	\$ -	\$ -	\$ -	\$ (24,440)	\$ (6,855)
FPSC ADJUSTED	\$ 140,074	\$ -	\$ 161,429	\$ 124,579	\$ 35,942	\$ (48,337)	\$ -	\$ -	\$ -	\$ 273,613	\$ (133,539)
PROFORM ADJUSTMENTS											
Remove Acquisition Adjustment Amortization				\$ (49,716)		\$ 11,829				\$ (37,887)	\$ 37,887
TOTAL PRO FORMA ADJUSTMENTS	\$ -	\$ -	\$ -	\$ (49,716)	\$ -	\$ 11,829	\$ -	\$ -	\$ -	\$ (37,887)	\$ 37,887
PRO FORMA ADJUSTED	\$ 140,074	\$ -	\$ 161,429	\$ 74,863	\$ 35,942	\$ (36,508)	\$ -	\$ -	\$ -	\$ 235,726	\$ (95,652)

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	\$805,389	\$ -	\$ 805,389	\$ -	\$ (1)	\$805,388	39.87%	10.50%	4.19%	11.50%	4.58%	12.50%	4.98%
LONG TERM DEBT	\$ 565,271	\$ -	\$ 565,271	\$ -	\$ -	\$ 565,271	27.98%	3.60%	1.01%	3.60%	1.01%	3.60%	1.01%
SHORT TERM DEBT	\$ 200,210	\$ -	\$ 200,210	\$ -	\$ -	\$ 200,210	9.91%	1.42%	0.14%	1.42%	0.14%	1.42%	0.14%
SHORT TERM DEBT REFINANCED LTD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$7,344	\$ -	\$ 7,344	\$ -	\$ -	\$ 7,344	0.36%	2.19%	0.01%	2.19%	0.01%	2.19%	0.01%
DEFERRED INCOME TAXES	\$441,873	\$ -	\$ 441,873	\$ -	\$ -	\$ 441,873	21.87%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	5.34%	0.00%	5.73%	0.00%	6.13%	0.00%
TOTAL AVERAGE	\$ 2,020,087	\$ -	\$ 2,020,087	\$ -	\$ (1)	\$ 2,020,086	100.00%		5.35%		5.74%		6.14%

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	\$775,211	\$ -	\$ 775,211	\$ -	\$ -	\$775,211	38.80%	10.50%	4.07%	11.50%	4.46%	12.50%	4.85%
LONG TERM DEBT	\$ 559,486	\$ -	\$ 559,486	\$ -	\$ -	\$ 559,486	28.00%	3.35%	0.94%	3.35%	0.94%	3.35%	0.94%
SHORT TERM DEBT	\$ 221,852	\$ -	\$ 221,852	\$ -	\$ -	\$ 221,852	11.10%	1.18%	0.13%	1.18%	0.13%	1.18%	0.13%
SHORT TERM DEBT REFINANCED LTD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$ 6,828	\$ -	\$ 6,828	\$ -	\$ -	\$ 6,828	0.34%	2.36%	0.01%	2.36%	0.01%	2.36%	0.01%
DEFERRED INCOME TAXES	\$434,715	\$ -	\$ 434,715	\$ -	\$ -	\$ 434,715	21.76%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	5.14%	0.00%	5.53%	0.00%	5.92%	0.00%
TOTAL YEAR-END	\$ 1,998,091	\$ -	\$ 1,998,091	\$ -	\$ -	\$ 1,998,091	100.00%		5.15%		5.54%		5.93%