

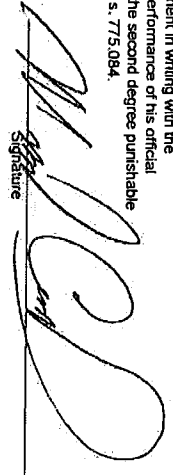
	(1) ACTUAL PER BOOKS (JURISDICTIONAL)	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
I. AVERAGE RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ (40,001)	(\$430)	(\$40,431)	\$ (35,924)	(\$76,355)
AVERAGE RATE BASE	\$1,051,400	\$0	\$1,051,400	\$452,154	\$1,503,555
AVERAGE RATE OF RETURN	-3.80%		-3.85%		-5.08%
II. YEAR-END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	(\$40,001)	\$7,488	(\$32,513)	(\$35,924)	(\$68,437)
YEAR-END RATE BASE	\$1,175,565	\$0	\$1,175,565	\$428,357	\$1,603,922
YEAR-END RATE OF RETURN	-3.40%		-2.77%		-4.27%

III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)	A.	IV. EARNED RETURN ON EQUITY (FPSC ADJUSTED BASIS)	RETURN ON COMMON EQUITY
LOW	4.79%		-15.41%
MIDPOINT	5.13%		
HIGH	5.47%		

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.

Mike Casseel  
 AVP, Regulatory Affairs



3/12/20  
 Date

FLORIDA PUBLIC UTILITIES COMPANY  
 FT. MEADE DIVISION  
 AVERAGE RATE OF RETURN  
 For the 12 Months Ending December 31, 2019  
 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	\$ 1,140,770	\$ (227,033)	\$ 913,736	\$ -	\$ 34,036	\$ 947,772	\$ 103,828	\$ 1,051,400
Fpsc ADJUSTMENTS:								
REMOVE CONS. & P&A UNDER-RECOVERY			\$ -	\$ -		\$ -		\$ -
TOTAL Fpsc ADJUSTMENTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fpsc ADJUSTED	\$ 1,140,770	\$ (227,033)	\$ 913,736	\$ -	\$ 34,036	\$ 947,772	\$ 103,828	\$ 1,051,400
PROFORMA ADJUSTMENTS RECORD ACQUISITION ADJUSTMENT	\$ 713,930	\$ (261,779)	\$ 452,154	\$ -	\$ -	\$ 452,154	\$ -	\$ 452,154
TOTAL PRO FORMA ADJUSTMENTS	\$ 713,930	\$ (261,779)	\$ 452,154	\$ -	\$ -	\$ 452,154	\$ -	\$ 452,154
PRO FORMA ADJUSTED	\$ 1,854,700	\$ (488,899)	\$ 1,365,891	\$ -	\$ 34,036	\$ 1,399,926	\$ 103,828	\$ 1,503,555

FLORIDA PUBLIC UTILITIES COMPANY  
 FT. MEADE DIVISION  
 AVERAGE RATE OF RETURN  
 For the 12 Months Ending December 31, 2019  
 INCOME STATEMENT

	(1) OPERATING REVENUES	(2) O & M GAS EXPENSE	(3) O & M OTHER	(4) DEPRECIATION & AMORTIZATION	(5) TAXES OTHER THAN INCOME	(6) INCOME TAXES CURRENT	(7) D.I.T. (NET)	(8) I.T.C. (NET)	(9) GAIN/LOSS ON DISPOSITION	(10) TOTAL OPERATING EXPENSES	(11) NET OPERATING INCOME
PER BOOKS	\$ 238,498	\$ 12,342	\$ 213,726	\$ 22,076	\$ 44,374	\$ (14,019)	-	-	\$ 278,499	\$ (40,001)	
FPSC ADJUSTMENTS:											
1) Interest Synchronization						\$ (32,811)			\$ (2,811)	\$ 2,811	
2) Economic Development Expense						\$ 429			\$ (1,321)	\$ 1,321	
3) Elin. Conservation Rev & Exp.	\$ (10,654)	\$ (10,600)	\$ (1,750)		\$ (53)	\$ (0)			\$ (10,653)	\$ (1)	
4) Elin. PGA and Swing Revenues & Expense	\$ (2,201)	\$ (1,742)			\$ 526	\$ (241)			\$ (1,458)	\$ (743)	
5) Refund of GRIP Tax Savings Out of Period	\$ 967					\$ 237			\$ 237	\$ 730	
6)				\$ 812		\$ (199)			\$ 613	\$ (613)	
7) Pretended Amortization Out of Period				\$ 5,215		\$ (1,279)			\$ 3,936	\$ (3,936)	
8) Unpretended Amortization Out of Period				\$ 6,027	\$ 473	\$ (3,865)			\$ (11,457)	\$ (430)	
TOTAL FPSC ADJUSTMENTS	\$ (11,890)	\$ (12,342)	\$ (1,750)	\$ 28,103	\$ 44,847	\$ (17,884)			\$ (11,457)	\$ (40,431)	
PROFORMA ADJUSTED	\$ 226,610	\$ -	\$ 211,976	\$ 47,595	\$ -	\$ (11,671)			\$ 35,924	\$ (35,924)	
PROFORMA ADJUSTMENTS	\$ -	\$ -	\$ -	\$ 47,595	\$ -	\$ (11,671)			\$ 35,924	\$ (35,924)	
1) Amortize Acquisition Adjustment											
TOTAL PROFORMA ADJUSTMENTS	\$ -	\$ -	\$ -	\$ 47,595	\$ -	\$ (11,671)			\$ 35,924	\$ (35,924)	
PROFORMA ADJUSTED	\$ 226,610	\$ -	\$ 211,976	\$ 75,698	\$ 44,847	\$ (29,555)			\$ 302,966	\$ (76,956)	

FLORIDA PUBLIC UTILITIES COMPANY  
 FT. MEADE DIVISION  
 YEAR END RATE OF RETURN  
 For the 12 Months Ending December 31, 2019  
 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	\$ 1,165,827	\$ (190,265)	\$ 985,562	\$ -	\$ 50,011	\$ 1,035,573	\$ 139,992	\$ 1,175,565
FPSG ADJUSTMENTS:								
REMOVE CONS. & PGA UNDER-RECOVERIES			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL FPSG ADJUSTMENTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FPSG ADJUSTED	\$ 1,165,827	\$ (190,265)	\$ 985,562	\$ -	\$ 50,011	\$ 1,035,573	\$ 139,992	\$ 1,175,565
PROFORMA ADJUSTMENTS								
RECORD ACQUISITION ADJUSTMENT	\$ 713,930	\$ (285,573)	\$ 428,357	\$ -	\$ -	\$ 428,357	\$ -	\$ 428,357
TOTAL PROFORMA ADJUSTMENTS	\$ 713,930	\$ (285,573)	\$ 428,357	\$ -	\$ -	\$ 428,357	\$ -	\$ 428,357
PROFORMA ADJUSTED	\$ 1,879,757	\$ (465,838)	\$ 1,413,919	\$ -	\$ 50,011	\$ 1,463,930	\$ 139,992	\$ 1,603,922

FLORIDA PUBLIC UTILITIES COMPANY  
 FT. MEADE DIVISION  
 YEAR END RATE OF RETURN  
 For the 12 Months Ending December 31, 2019  
 INCOME STATEMENT

SCHEDULE 3  
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	(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	\$ 238,498	\$ 12,342	\$ 213,726	\$ 22,076	\$ 44,374	\$ (14,019)	-	-	-	\$ 278,499	\$ (40,001)
PPSC ADJUSTMENTS:											
1) Interest Synchronization						(\$2,946)				\$ (2,946)	\$ 2,946
2) Economic Development Expense						429				\$ (1,321)	\$ 1,321
3) Elim. Conservation Rev & Exp.	\$ (10,664)	\$ (10,600)	\$ (1,750)		\$ (53)	(6)				\$ (10,693)	\$ (1)
4) Elim. PGA and Sailing Revenues & Expense	\$ (2,201)				\$ 528	(669)				\$ (143)	\$ (2,058)
5) Refund of GRIP Tax Savings Out of Period	\$ 987					237				\$ 237	\$ 730
6)						-				\$ -	\$ -
7) Protected Amortization Out of Period						198				\$ (613)	\$ 613
8) Unprotected Amortization Out of Period						1,219				\$ (3,936)	\$ 3,936
9) Unprotected Amortization Out of Period						(1,471)				\$ (19,375)	\$ 7,488
TOTAL PPSC ADJUSTMENTS	\$ (11,889)	\$ (10,600)	\$ (1,750)	\$ (6,027)	\$ 473	\$ 1,219	\$ -	\$ -	\$ -	\$ (3,936)	\$ 7,488
PPSC ADJUSTED	\$ 226,610	\$ 1,742	\$ 211,976	\$ 16,049	\$ 44,847	\$ (15,490)	\$ -	\$ -	\$ -	\$ 289,124	\$ (32,514)
PROFORM ADJUSTMENTS											
1) Amortize Acquisition Adjustment				\$ 47,595		\$ (11,671)				\$ 35,924	\$ (35,924)
TOTAL PROFORM ADJUSTMENTS	\$ -	\$ -	\$ -	\$ 47,595	\$ -	\$ (11,671)	\$ -	\$ -	\$ -	\$ 35,924	\$ (35,924)
PROFORM ADJUSTED	\$ 226,610	\$ 1,742	\$ 211,976	\$ 63,644	\$ 44,847	\$ (27,161)	\$ -	\$ -	\$ -	\$ 295,048	\$ (68,438)

AVERAGE	ADJUSTMENTS				ADJUSTED BOOKS	PRO-RATA	SPECIFIC	BALANCE	RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT	
	PER BOOKS	NON-UTILITY	ADJUSTED BOOKS	PRO-RATA						COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
COMMON EQUITY	\$357,164	\$0	\$357,164	\$0	\$357,164	\$0	\$357,164	33.97%	10.00%	3.40%	11.00%	3.74%	12.00%	4.08%	
LONG TERM DEBT	\$226,234	\$0	\$226,234	\$0	\$226,234	\$0	\$226,234	21.52%	3.79%	0.82%	3.79%	0.82%	3.79%	0.82%	
SHORT TERM DEBT	\$173,333	\$0	\$173,333	\$0	\$173,333	\$0	\$173,333	16.49%	3.26%	0.54%	3.26%	0.54%	3.26%	0.54%	
SHORT TERM DEBT REFINANCED LTD	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
CUSTOMER DEPOSITS	\$18,582	\$0	\$18,582	\$0	\$18,582	\$0	\$18,582	1.77%	1.98%	0.03%	1.98%	0.03%	1.98%	0.03%	
DEFERRED INCOME TAXES	\$276,087	\$0	\$276,087	\$0	\$276,087	\$0	\$276,087	26.26%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
TAX CREDITS - WEIGHTED COST	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	4.76%	0.00%	5.10%	0.00%	5.44%	0.00%	
TOTAL AVERAGE	\$1,051,400	\$0	\$1,051,400	\$0	\$1,051,400	\$0	\$1,051,400	100.00%	4.79%	5.13%	5.47%				

YEAR-END	ADJUSTMENTS				ADJUSTED BOOKS	PRO-RATA	SPECIFIC	BALANCE	RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT	
	PER BOOKS	NON-UTILITY	ADJUSTED BOOKS	PRO-RATA						COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
COMMON EQUITY	\$387,884	\$0	\$387,884	\$0	\$387,884	\$0	\$387,884	33.00%	10.00%	3.30%	11.00%	3.63%	12.00%	3.96%	
LONG TERM DEBT	\$299,573	\$0	\$299,573	\$0	\$299,573	\$0	\$299,573	25.48%	3.00%	0.76%	3.00%	0.76%	3.00%	0.76%	
SHORT TERM DEBT	\$168,975	\$0	\$168,975	\$0	\$168,975	\$0	\$168,975	14.37%	3.50%	0.50%	3.50%	0.50%	3.50%	0.50%	
SHORT TERM DEBT REFINANCED LTD	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
CUSTOMER DEPOSITS	\$23,763	\$0	\$23,763	\$0	\$23,763	\$0	\$23,763	2.02%	1.55%	0.03%	1.55%	0.03%	1.55%	0.03%	
DEFERRED INCOME TAXES	\$295,370	\$0	\$295,370	\$0	\$295,370	\$0	\$295,370	25.13%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
TAX CREDITS - WEIGHTED COST	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	4.56%	0.00%	4.89%	0.00%	5.22%	0.00%	
TOTAL YEAR-END	\$1,175,565	\$0	\$1,175,565	\$0	\$1,175,565	\$0	\$1,175,565	100.00%	4.59%	4.92%	5.25%				