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FPUC's Response to OPC's Second
Production of Documents No. 3

(No. 3 has attachments)

DOCUMENT REQUESTS

3. Please refer to Interrogatory No. 12 (f) and provide a copy of all documentation related to the Company's policy requiring the customer to pay for equipment specifically installed to service that customer.

RESPONSE: Please see the attached, approved FPSC Electric Tariff, Third Revised Volume No. 1, Sheets 16-26, which contain the language regarding how cost is assigned to customers.

Attachment A - Capital Structure

Refer to "Capital Structure Sch 4 - Sept" and "Capital Structure Sch 4 - Dec" tabs
Refer to "Capital Structure Sch 4 - Sept" and "Capital Structure Sch 4 - Dec" tabs
Refer to " FE Expan Factor" tab

Refer to "Capital Structure Sch 4 - Sept" and "Capital Structure Sch 4 - Dec" tabs
Refer to "Capital Structure Sch 4 - Sept" and "Capital Structure Sch 4 - Dec" tabs

Refer to "Capital Structure Sch 4 - Sept" and "Capital Structure Sch 4 - Dec" tabs

	Original Sep-21	Revised Forecasted 2022
	10.25%	10.25%
	5.46%	5.30%
	1.317	1.345
	7.190%	7.130%
	0.640%	0.670%
	0.040%	0.060%
	0.000%	0.000%
	0.000%	0.000%
	0.080%	0.090%
	0.760%	0.820%
	6.22%	6.12%

Earnings Surveillance Report

Equity Cost Rate

Weighted Equity Cost Rate

Revenue Expansion Factor

Weighted Equity Cost Rate , times Revenue Expansion Factor

Long Term Debt-CU

Short Term Debt

Long Term Debt-FC

Short Term Debt-Refinanced LTD

Customer Deposits

Weighted Debt Cost Rate

Overall Weighted Cost Rate

SCHEDULE 4

FLORIDA PUBLIC UTILITIES COMPANY
ELECTRIC
CAPITAL STRUCTURE
September 30, 2021
FPSC ADJUSTED BASIS

	ADJUSTMENTS				LOW POINT			MIDPOINT			HIGH POINT		
	PER BOOKS	HURRICANE MICHAEL	ADJUSTED BOOKS	PRO-RATA ADJ.	SPECIFIC	BALANCE	RATIO [%]	COST RATE [%]	WEIGHTED COST [%]	COST RATE [%]	WEIGHTED COST [%]	COST RATE [%]	WEIGHTED COST [%]
COMMON EQUITY	\$57,945,649		\$57,945,649	(\$37,494)		\$57,908,155	53.29%	9.25%	4.93%	10.25%	5.46%	11.25%	6.00%
LONG TERM DEBT - CU	\$42,047,588	(\$22,406,796)	\$19,640,792	(27,207)		\$19,613,585	18.05%	3.56%	0.64%	3.56%	0.64%	3.56%	0.64%
SHORT TERM DEBT	\$14,017,330	(\$10,808,140)	\$3,209,190	(9,070)		\$3,200,120	2.95%	1.37%	0.04%	1.37%	0.04%	1.37%	0.04%
LONG TERM DEBT - FC	\$0	\$0	\$0	-		\$0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
SHORT TERM DEBT - REFINANCED LTD	\$0		\$0	\$0		\$0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$3,720,802		\$3,720,802			\$3,720,802	3.42%	2.29%	0.08%	2.29%	0.08%	2.29%	0.08%
DEFERRED INCOME TAXES	\$24,223,546		\$24,223,546			\$24,223,546	22.29%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$0		\$0			\$0	0.00%	5.61%	0.00%	6.14%	0.00%	6.68%	0.00%
TOTAL AVERAGE	\$141,954,915	(\$33,214,937)	\$108,739,979	(\$73,771)	\$0	\$108,666,208	100.00%	5.69%			6.22%		6.76%

	ADJUSTMENTS				LOW POINT			MIDPOINT			HIGH POINT		
	PER BOOKS	HURRICANE MICHAEL	ADJUSTED BOOKS	PRO-RATA ADJ.	SPECIFIC	BALANCE	RATIO [%]	COST RATE [%]	WEIGHTED COST [%]	COST RATE [%]	WEIGHTED COST [%]	COST RATE [%]	WEIGHTED COST [%]
COMMON EQUITY	\$57,015,458		\$57,015,458	-	\$0	\$57,015,458	53.75%	9.25%	4.97%	10.25%	5.51%	11.25%	6.05%
LONG TERM DEBT - CU	\$38,948,747	(\$20,248,318)	\$18,700,429	-		\$18,700,428	17.63%	3.60%	0.63%	3.60%	0.63%	3.60%	0.63%
SHORT TERM DEBT	\$14,588,812	(\$9,766,977)	\$4,821,835	-		\$4,821,835	4.55%	1.36%	0.06%	1.36%	0.06%	1.36%	0.06%
LONG TERM DEBT - FC	\$0		\$0	-		\$0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
SHORT TERM DEBT - REFINANCED LTD	\$0		\$0	-		\$0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$3,885,995		\$3,885,995			\$3,885,995	3.66%	2.19%	0.08%	2.19%	0.08%	2.19%	0.08%
DEFERRED INCOME TAXES	\$21,652,189		\$21,652,189			\$21,652,189	20.41%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$0		\$0			\$0	0.00%	5.66%	0.00%	6.20%	0.00%	6.74%	0.00%
TOTAL YEAR-END	\$136,091,201	(\$30,015,295)	\$106,075,906	\$0	\$0	\$106,075,906	100.00%	5.74%			6.28%		6.82%

YEAR-END

FLORIDA PUBLIC UTILITIES COMPANY
ELECTRIC DIVISION
CAPITAL STRUCTURE
For the Forecasted 12 Months Ending December 31, 2022
FPSC ADJUSTED BASIS

AVERAGE	ADJUSTMENTS		ADJUSTED	
	PER BOOKS	HURRICANE MICHAEL	BOOKS	PRO-RATA ADJ.
COMMON EQUITY	\$58,858,896		\$58,858,896	\$12,405
LONG TERM DEBT - CU	\$41,310,850	(\$20,365,708)	\$20,945,142	\$8,707
SHORT TERM DEBT	\$14,631,636	(\$9,823,601)	\$4,808,035	\$3,084
LONG TERM DEBT - FC	\$0		\$0	\$0
SHORT TERM DEBT - REFINANCED LTD	\$0		\$0	\$0
CUSTOMER DEPOSITS	\$4,242,229		\$4,242,229	
DEFERRED INCOME TAXES	\$24,980,755		\$24,980,755	
TAX CREDITS - WEIGHTED COST	\$0		\$0	
TOTAL AVERAGE	\$144,024,366	(\$30,189,309)	\$113,835,057	\$24,196

YEAR-END	ADJUSTMENTS		ADJUSTED	
	PER BOOKS	HURRICANE MICHAEL	BOOKS	PRO-RATA ADJ.
COMMON EQUITY	\$65,201,461		\$65,201,461	(1,871,030)
LONG TERM DEBT - CU	\$47,057,276	(\$19,147,717)	\$27,909,560	(1,350,362)
SHORT TERM DEBT	\$18,659,495	(\$9,236,091)	\$9,423,404	(535,455)
LONG TERM DEBT - FC	\$0		\$0	-
SHORT TERM DEBT - REFINANCED LTD	\$0		\$0	-
CUSTOMER DEPOSITS	\$3,861,289		\$3,861,289	
DEFERRED INCOME TAXES	\$9,022,751		\$9,022,751	
TAX CREDITS - WEIGHTED COST	\$0		\$0	

TOTAL YEAR-END

\$143,802,273	(\$28,383,808)	\$115,418,465	(\$3,756,848)
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			LOW POINT		MIDPOINT		HI
		RATIO	COST RATE	WEIGHTED COST	COST RATE	WEIGHTED COST	COST RATE
SPECIFIC	BALANCE	(%)	(%)	(%)	(%)	(%)	(%)
	\$58,871,301	51.71%	9.25%	4.78%	10.25%	5.30%	11.25%
	\$20,953,849	18.40%	3.63%	0.67%	3.63%	0.67%	3.63%
	\$4,811,119	4.23%	1.34%	0.06%	1.34%	0.06%	1.34%
	\$0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	\$0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	\$4,242,229	3.73%	2.31%	0.09%	2.31%	0.09%	2.31%
	\$24,980,755	21.94%	0.00%	0.00%	0.00%	0.00%	0.00%
	\$0	0.00%	5.51%	0.00%	6.03%	0.00%	6.55%
\$0	\$113,859,253	100.00%		5.60%		6.12%	

			LOW POINT		MIDPOINT		HI
RATIO			COST RATE	WEIGHTED COST	COST RATE	WEIGHTED COST	COST RATE
SPECIFIC	BALANCE	(%)	(%)	(%)	(%)	(%)	(%)
\$0	\$63,330,431	56.72%	9.25%	5.25%	10.25%	5.81%	11.25%
	\$26,559,197	23.79%	3.30%	0.78%	3.30%	0.78%	3.30%
	\$8,887,949	7.96%	1.07%	0.08%	1.07%	0.08%	1.07%
	\$0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	\$0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	\$3,861,289	3.46%	2.26%	0.08%	2.26%	0.08%	2.26%
	\$9,022,751	8.08%	0.00%	0.00%	0.00%	0.00%	0.00%
	\$0	0.00%	6.11%	0.00%	6.67%	0.00%	7.24%

\$0	\$111,661,617	100.00%	6.19%	6.75%	

SCHEDULE 4

GH POINT	WEIGHTED COST (%)
	5.82%
	0.67%
	0.06%
	0.00%
	0.00%
	0.09%
	0.00%
	0.00%
	6.64%

GH POINT	WEIGHTED COST (%)
	6.38%
	0.78%
	0.08%
	0.00%
	0.00%
	0.08%
	0.00%
	0.00%

7.32%

REVENUE EXPANSION FACTOR

FLORIDA PUBLIC SERVICE COMI EXPLANATI Provide the calculation of the revenue expansion factor for the test year.

COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated FN

Line No.	Description	Original		2022 Revised		2023		Sales	Uncollect.
		Percent	Percent	Percent	Percent	Percent	Percent		
1	Revenue Requirement	100.0000%	100.0000%	100.0000%	100.0000%	100.0000%			
2	Gross Receipts Tax Rate	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%		Original Use 12 mths ended Dec. 2	
3	Regulatory Assessment Rate	0.0720%	0.0720%	0.0720%	0.0720%	0.0720%		Rev	Bad Debt
4	Bad Debt Rate	0.2997%	0.3029%	0.3029%	0.1233%	0.1233%		83,658,866	250,721
5	Net Before Income Taxes (1) - (2) - (3) - (4)	99.6283%	99.6251%	99.6251%	99.8047%	99.8047%		Refer to "Rev 2019" tab	Refer to "Uncollectibles 2019" tab
6	State Income Tax Rate	3.5350%	5.5000%	5.5000%	5.5000%	5.5000%		Refer to "State and Federal Rates"	
7	State Income Tax (5) x (6)	3.5219%	5.4794%	5.4794%	5.4893%	5.4893%			
8	Net Before Federal Income Tax (5) - (7)	96.1064%	94.1457%	94.1457%	94.3154%	94.3154%			
9	Federal Income Tax Rate	21.0000%	21.0000%	21.0000%	21.0000%	21.0000%		Refer to "State and Federal Rates"	
10	Federal Income Tax (8) x (9)	20%	20%	20%	20%	20%			
11	Revenue Expansion Factor (8) - (10)	75.9241%	74.3751%	74.3751%	74.5092%	74.5092%			
12	Net Operating Income Multiplier (100% / Line 11)	1.3171	1.3445	1.3445	1.3421	1.3421			

Rate	Sales	Uncollectibl Rate	
2019	Revised Forecasted 2022		
	Rev	Bad Debt	
	119,421,896	361,729	0.3029%
0.2997%	Refer to "Forecasted Bad Debt" tab		
tab			
tab	Revised Forecasted 2023		
	Rev	Bad Debt	
	175,413,506	216,300	0.1233%
	Refer to "Forecasted Bad Debt" tab		

FPU-Electric**Income Statement (12-month rolling actual)**

	January 2019	February 2019	March 2019	April 2019	May 2019	June 2019	July 2019	August 2019	September 2019	October 2019	November 2019	December 2019	Total
Uncollectible:													
FE44-AA700-7120-9040 FE44 Accr Direct Bad Debts U	5,332	7,327	172,048	9,723	(115,297)	0	11,012	12,334	0	10,457	8,039	75,214	196,189
FE45-AA700-7120-9040 FE45 Accr Direct Bad Debts U	1,872	2,284	(3,760)	3,078	3,185	0	3,900	3,722	0	3,053	2,919	34,279	54,532
Total Uncollectible	7,204	9,611	168,288	12,801	(112,112)	0	14,912	16,056	0	13,510	10,958	109,493	250,721

Pre-pandemic 2019 values were used to represent a typical year.

**FPU-Electric
Income Statement**

Income Statement (12-month rolling actual)

[illegible]

Total Contracts with customers

Pre-pandemic 2019 values were used to represent a typical year.

11 Year Income Statement Detail - FE	Actual - 12ME	CY Budget
	5/31/22	2022
Revenue	85,336,645	79,100,509
Cost of Sales	51,748,033	44,646,603
Gross Margin	33,588,612	34,453,906
Business Unit Operating Expenses		
Payroll & Benefits		
Payroll	2,927,727	2,531,775
Benefits	573,356	627,858
Total Payroll & Benefits	\$3,501,083	\$3,159,633
Other Business Unit Expenses		
Departmental	198,020	218,777
Vehicle	474,433	415,252
Facilities & Operating Systems	899,277	1,006,179
Insurance		
Outside Services	1,718,710	1,388,986
Sales, Advertising & Communications	102,165	174,285
Credit, Collections & Customer Service	-251,384	231,701
Regulatory Expenses	7,526	43,053
Bank/Merchant Fees & Discounts		
Inter-Company Services		
Miscellaneous	61,698	43,705
Asset Impairment		
Total Other Business Unit Expenses	3,210,446	3,521,938
Depreciation, ARC & Amort.		
Depreciation	3,572,338	3,789,775
Asset Removal Costs	848,507	845,665
Amortization	8,352,343	8,724,584
Total Depreciation, ARC & Amort.	12,773,188	13,360,024
Other Taxes		
Payroll Taxes	212,387	211,003
Property Taxes	1,415,154	1,421,198
Revenue Related Taxes		
Miscellaneous Taxes	96,303	-16,806
Total Other Taxes	1,723,844	1,615,395
Total Business Unit Operating Expenses	21,208,561	21,656,990
Operating Income before Shared Service, corp	12,380,051	12,796,915

11 Year Income Statement Detail - FE	Actual - 12ME	CY Budget
	5/31/22	2022
Shared Services	2,503,081	1,986,840
Corporate Services	1,868,025	2,056,977
Corporate Overhead	1,685,055	1,617,743
Total Operating Expenses	27,264,721	27,318,550
Operating Income	6,323,890	7,135,356
Gains from sales of businesses		
Total Other Income (Expense)	238,735	276,193
Income (Loss) Before Interest Charges	6,562,626	7,411,549
Total Interest Charges	772,799	859,046
Income (Loss) Before Income Taxes	5,789,827	6,552,502
Income Taxes		
Operating	415,706	1,598,623
ITC - Operating		
ESOP		
Non-Operating	69,855	70,001
ITC - Non-operating		
Total Income Taxes	485,561	1,668,625
Net Income	5,304,266	4,883,877

Operating Expense Summary

Business Unit Direct

Payroll

Salaries	889,829	2,067,883
OT, On Call & Comp Time	107,888	187,131
Commissions & Tips		
Bonus/Incentive Pay	109,268	236,290
Short-term Cash Bonus	13,727	14,096
Long-term Cash Bonus	714	
Stock Bonus	15,536	16,879
Signing Bonus	2,691	
Other Bonus	864	796
Temp Services	3,771	8,700

11 Year Income Statement Detail - FE	Actual - 12ME	CY Budget
	5/31/22	2022

Other Payroll

Total Payroll	1,144,287	2,531,775
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Benefits

Claims - Health & Dental	162,956	407,797
Employee withholding	-60,774	-123,332
Admin fees, workers comp & other	50,214	106,461
401K	92,619	230,395
Pension		
Other benefits	965	28,831
Other Benefits (InterCo/InterDist/InterDept/Cap)	-16,808	-22,294

Total Benefits	229,172	627,858
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Departmental Expenses

Travel, meals & training	16,940	56,784
Cell phones	12,224	26,639
Other Departmental Expenses	46,618	135,355
Other Departmental Expenses (InterCo/InterDist/InterD		

Total Departmental Expenses	75,782	218,777
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Vehicle Expenses

Fuel	55,862	102,845
Vehicle Depreciation	44,979	105,603
Vehicle Insurance	9,743	15,287
Metered transport		
Other Vehicle Expenses	95,233	191,517
Other Vehicle Expenses (InterCo/InterDist/InterDept/Ca		

Total Vehicle Expenses	205,818	415,252
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Facilities & Operating Systems

Rent & Leases	21,973	51,452
Utilities	115,977	292,244
Other operating expenses	80,725	256,035
Maintenance	157,832	406,448

Total Facilities & Op Sys Exp	376,507	1,006,179
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Insurance

Outside Services

11 Year Income Statement Detail - FE	Actual - 12ME	CY Budget
	5/31/22	2022
Legal	20,538	46,945
Consulting	24,197	163,275
Service Contractors	729,998	1,172,316
Other Outside Services	998	6,450
Total Outside Services	775,731	1,388,986
Inter-Company Services		
Sales, Advertising & Communications		
Sales		
Advertising	30,975	146,492
Other Sales, Advertising & Communications	15,062	27,793
Total Sales, Advertising & Communications	46,037	174,285
Credit, Collections & Customer Services		
Bad Debts	118,860	231,701
Collection agencies & credit reports		
Customer satisfaction & other		
Total Credit, Collections & Customer Service	118,860	231,701
Regulatory Expenses	7,526	43,053
Bank/Merchant Fees		
Miscellaneous		
Fees, Assessments & Discounts	18,423	48,966
Permits		
Safety	455	2,732
Service Revenue	2,299	
Cost Transfers	-2,925	-7,992
Total Miscellaneous	18,252	43,705
Asset Impairment		
Total BU Direct O&M	2,997,970	6,681,571
BU Taxes Other than Income	1,723,844	1,615,395
BU Depr, Amort & ARC	12,773,188	13,360,024
Total BU Direct Operating Exp.	17,495,002	21,656,990

11 Year Income Statement Detail - FE	Actual - 12ME	CY Budget
	5/31/22	2022
Total Shared Services	2,503,081	1,986,840
Total Corporate Services	1,868,025	2,056,977
Total Corporate Overhead	1,685,055	1,617,743
Total Operating Expenses	23,551,163	27,318,550
Other Support		
BU Depreciation, ARC & Amortization		
Depreciation	3,572,338	3,789,775
Asset Removal Cost (ARC)	848,507	845,665
Amortization	8,352,343	8,724,584
Total BU Depr., ARC & Amort	12,773,188	13,360,024
BU Taxes Other than Income		
Payroll Taxes	212,387	211,003
Property Taxes	1,415,154	1,421,198
Revenue Related Taxes		
Miscellaneous Taxes	96,303	-16,806
Total BU Other Taxes	1,723,844	1,615,395
Other Income (Expense)		
Interest & dividend income		
Finance income		
Other income		
Dividend income		
Other expenses		
Charitable contributions	-4,758	-28,549
Asset sale gain (loss)		
Civic, political & related activities	-26,040	-30,788
Penalties		
Other Income - Pension	136,568	335,530
Total Other detail	105,770	276,193
Interest Charges		

11 Year Income Statement Detail - FE	Actual - 12ME	CY Budget
	5/31/22	2022
Interest on LTD	654,298	1,331,460
Amortization of debt expense	9,493	31,738
Amortization of loss on reacquired debt	5,528	
Interest on short-term borrowing	70,838	165,617
AFUDC		
Other Interest	-344,671	-669,768
Total Interest Charges	395,486	859,046
Op Inc to post for Summary Financials	6,323,890	7,135,356

11 Year Income Statement Detail - FE	Forecast	
	2022	2023
Revenue	119,421,896	175,413,506
Cost of Sales	84,528,914	109,986,301
Gross Margin	34,892,982	65,427,205
Business Unit Operating Expenses		
Payroll & Benefits		
Payroll	2,626,886	3,018,679
Benefits	598,909	739,940
Total Payroll & Benefits	\$3,225,796	\$3,758,619
Other Business Unit Expenses		
Departmental	195,700	242,339
Vehicle	470,091	300,434
Facilities & Operating Systems	991,302	1,047,985
Insurance		
Outside Services	1,417,326	1,462,664
Sales, Advertising & Communications	150,772	165,267
Credit, Collections & Customer Service	361,729	216,300
Regulatory Expenses	37,628	45,153
Bank/Merchant Fees & Discounts		
Inter-Company Services		
Miscellaneous	48,643	48,856
Asset Impairment		
Total Other Business Unit Expenses	3,673,191	3,528,998
Depreciation, ARC & Amort.		
Depreciation	3,657,002	4,020,069
Asset Removal Costs	831,526	958,287
Amortization	8,729,698	8,724,588
Total Depreciation, ARC & Amort.	13,218,225	13,702,944
Other Taxes		
Payroll Taxes	209,167	245,292
Property Taxes	1,417,372	1,565,540
Revenue Related Taxes		
Miscellaneous Taxes	-14,382	-16,806
Total Other Taxes	1,612,157	1,794,027
Total Business Unit Operating Expenses	21,729,369	22,784,588
Operating Income before Shared Service, corp	13,163,613	42,642,618

11 Year Income Statement Detail - FE	Forecast	
	2022	2023
Shared Services	2,118,119	1,958,071
Corporate Services	1,744,116	1,831,327
Corporate Overhead	2,077,334	1,819,804
Total Operating Expenses	27,668,938	28,393,790
Operating Income	7,224,044	37,033,415
Gains from sales of businesses		
Total Other Income (Expense)	271,915	284,973
Income (Loss) Before Interest Charges	7,495,959	37,318,388
Total Interest Charges	973,319	1,511,320
Income (Loss) Before Income Taxes	6,522,640	35,807,069
Income Taxes		
Operating	1,604,630	9,003,075
ITC - Operating		
ESOP		
Non-Operating	68,917	72,226
ITC - Non-operating		
Total Income Taxes	1,673,547	9,075,302
Net Income	4,849,094	26,731,767

Operating Expense Summary

Business Unit Direct

Payroll

Salaries	2,189,748	2,395,384
OT, On Call & Comp Time	202,847	192,694
Commissions & Tips		
Bonus/Incentive Pay	151,556	362,316
Short-term Cash Bonus	26,838	25,719
Long-term Cash Bonus		
Stock Bonus	33,557	41,747
Signing Bonus	11,393	
Other Bonus	796	820
Temp Services	10,151	

11 Year Income Statement Detail - FE	Forecast	
	2022	2023
Other Payroll		
Total Payroll	2,626,886	3,018,679
Benefits		
Claims - Health & Dental	416,591	496,356
Employee withholding	-133,611	-149,488
Admin fees, workers comp & other	110,483	124,703
401K	228,416	264,124
Pension		
Other benefits	2,201	29,147
Other Benefits (InterCo/InterDist/InterDept/Cap)	-25,170	-24,902
Total Benefits	598,909	739,940
Departmental Expenses		
Travel, meals & training	54,807	79,063
Cell phones	28,299	26,462
Other Departmental Expenses	112,594	136,814
Other Departmental Expenses (InterCo/InterDist/InterD		
Total Departmental Expenses	195,700	242,339
Vehicle Expenses		
Fuel	140,668	105,043
Vehicle Depreciation	90,394	(17,153)
Vehicle Insurance	22,829	15,628
Metered transport		
Other Vehicle Expenses	216,200	196,916
Other Vehicle Expenses (InterCo/InterDist/InterDept/Ca		
Total Vehicle Expenses	470,091	300,434
Facilities & Operating Systems		
Rent & Leases	38,061	59,797
Utilities	277,697	301,011
Other operating expenses	225,055	268,538
Maintenance	450,489	418,639
Total Facilities & Op Sys Exp	991,302	1,047,985
Insurance		
Outside Services		

11 Year Income Statement Detail - FE	Forecast	
	2022	2023
Legal	48,462	48,139
Consulting	74,364	124,875
Service Contractors	1,289,048	1,269,280
Other Outside Services	5,452	20,369
Total Outside Services	1,417,326	1,462,664
Inter-Company Services		
Sales, Advertising & Communications		
Sales		
Advertising	125,100	129,310
Other Sales, Advertising & Communications	25,672	35,958
Total Sales, Advertising & Communications	150,772	165,267
Credit, Collections & Customer Services		
Bad Debts	361,729	216,300
Collection agencies & credit reports		
Customer satisfaction & other		
Total Credit, Collections & Customer Service	361,729	216,300
Regulatory Expenses	37,628	45,153
Bank/Merchant Fees		
Miscellaneous		
Fees, Assessments & Discounts	48,844	50,434
Permits		
Safety	2,276	2,814
Service Revenue	2,359	
Cost Transfers	-4,836	-4,392
Total Miscellaneous	48,643	48,856
Asset Impairment		
Total BU Direct O&M	6,898,986	7,287,617
BU Taxes Other than Income	1,612,157	1,794,027
BU Depr, Amort & ARC	13,218,225	13,702,944
Total BU Direct Operating Exp.	21,729,369	22,784,588

11 Year Income Statement Detail - FE	Forecast	
	2022	2023
Total Shared Services	2,118,119	1,958,071
Total Corporate Services	1,744,116	1,831,327
Total Corporate Overhead	2,077,334	1,819,804
Total Operating Expenses	27,668,938	28,393,790
Other Support		
BU Depreciation, ARC & Amortization		
Depreciation	3,657,002	4,020,069
Asset Removal Cost (ARC)	831,526	958,287
Amortization	8,729,698	8,724,588
Total BU Depr., ARC & Amort	13,218,225	13,702,944
BU Taxes Other than Income		
Payroll Taxes	209,167	245,292
Property Taxes	1,417,372	1,565,540
Revenue Related Taxes		
Miscellaneous Taxes	-14,382	-16,806
Total BU Other Taxes	1,612,157	1,794,027
Other Income (Expense)		
Interest & dividend income		
Finance income		
Other income		
Dividend income		
Other expenses		
Charitable contributions	-27,498	-6,300
Asset sale gain (loss)		
Civic, political & related activities	-34,444	-50,057
Penalties		
Other Income - Pension	333,857	341,330
Total Other detail	271,915	284,973
Interest Charges		

11 Year Income Statement Detail - FE	Forecast	
	2022	2023
Interest on LTD	1,480,890	1,664,139
Amortization of debt expense	28,339	31,784
Amortization of loss on reacquired debt	3,685	
Interest on short-term borrowing	210,148	208,858
AFUDC	-6,783	
Other Interest	-742,960	-393,461
Total Interest Charges	973,319	1,511,320
Op Inc to post for Summary Financials	7,224,044	37,033,415

11 Year Income Statement Detail - FE	Budget	
	2024	2025
Revenue	145,510,393	152,405,318
Cost of Sales	81,802,323	87,999,886
Gross Margin	63,708,070	64,405,433
Business Unit Operating Expenses		
Payroll & Benefits		
Payroll	3,162,694	3,237,535
Benefits	784,112	810,974
Total Payroll & Benefits	\$3,946,806	\$4,048,509
Other Business Unit Expenses		
Departmental	249,588	256,621
Vehicle	436,325	455,117
Facilities & Operating Systems	1,078,896	1,080,510
Insurance		
Outside Services	1,453,770	1,496,098
Sales, Advertising & Communications	167,021	169,874
Credit, Collections & Customer Service	256,800	248,800
Regulatory Expenses	45,153	45,153
Bank/Merchant Fees & Discounts		
Inter-Company Services		
Miscellaneous	50,453	52,099
Asset Impairment		
Total Other Business Unit Expenses	3,738,006	3,804,272
Depreciation, ARC & Amort.		
Depreciation	4,350,929	5,489,229
Asset Removal Costs	1,076,895	1,258,555
Amortization	8,103,946	8,047,524
Total Depreciation, ARC & Amort.	13,531,770	14,795,308
Other Taxes		
Payroll Taxes	256,932	263,081
Property Taxes	1,758,309	1,973,914
Revenue Related Taxes		
Miscellaneous Taxes	-16,806	-16,806
Total Other Taxes	1,998,435	2,220,188
Total Business Unit Operating Expenses	23,215,017	24,868,277
Operating Income before Shared Service, corp	40,493,052	39,537,155

11 Year Income Statement Detail - FE	Budget	
	2024	2025
Shared Services	2,290,596	2,454,626
Corporate Services	2,508,400	2,847,139
Corporate Overhead	2,236,853	2,508,489
Total Operating Expenses	30,250,866	32,678,530
Operating Income	33,457,204	31,726,902
Gains from sales of businesses		
Total Other Income (Expense)	284,973	284,973
Income (Loss) Before Interest Charges	33,742,177	32,011,875
Total Interest Charges	1,925,392	2,184,128
Income (Loss) Before Income Taxes	31,816,785	29,827,748
Income Taxes		
Operating	7,991,738	7,487,616
ITC - Operating		
ESOP		
Non-Operating	72,226	72,226
ITC - Non-operating		
Total Income Taxes	8,063,964	7,559,843
Net Income	23,752,821	22,267,905

Operating Expense Summary

Business Unit Direct

Payroll

Salaries	2,521,001	2,576,871
OT, On Call & Comp Time	198,475	204,363
Commissions & Tips		
Bonus/Incentive Pay	372,500	383,060
Short-term Cash Bonus	26,878	28,086
Long-term Cash Bonus		
Stock Bonus	42,997	44,285
Signing Bonus		
Other Bonus	844	869
Temp Services		

11 Year Income Statement Detail - FE	Budget	
	2024	2025
Other Payroll		
Total Payroll	3,162,694	3,237,535
Benefits		
Claims - Health & Dental	529,592	550,824
Employee withholding	-159,516	-165,896
Admin fees, workers comp & other	132,022	136,317
401K	277,830	285,575
Pension		
Other benefits	30,021	30,921
Other Benefits (InterCo/InterDist/InterDept/Cap)	-25,837	-26,767
Total Benefits	784,112	810,974
Departmental Expenses		
Travel, meals & training	81,422	83,873
Cell phones	27,256	28,073
Other Departmental Expenses	140,910	144,675
Other Departmental Expenses (InterCo/InterDist/InterD		
Total Departmental Expenses	249,588	256,621
Vehicle Expenses		
Fuel	108,181	111,412
Vehicle Depreciation	109,270	118,310
Vehicle Insurance	16,097	16,580
Metered transport		
Other Vehicle Expenses	202,777	208,816
Other Vehicle Expenses (InterCo/InterDist/InterDept/Ca		
Total Vehicle Expenses	436,325	455,117
Facilities & Operating Systems		
Rent & Leases	61,591	33,214
Utilities	310,041	319,343
Other operating expenses	276,065	283,819
Maintenance	431,198	444,134
Total Facilities & Op Sys Exp	1,078,896	1,080,510
Insurance		
Outside Services		

11 Year Income Statement Detail - FE	Budget	
	2024	2025
Legal	49,349	50,591
Consulting	76,693	78,558
Service Contractors	1,307,358	1,346,579
Other Outside Services	20,369	20,369
Total Outside Services	1,453,770	1,496,098
Inter-Company Services		
Sales, Advertising & Communications		
Sales		
Advertising	130,694	132,935
Other Sales, Advertising & Communications	36,327	36,938
Total Sales, Advertising & Communications	167,021	169,874
Credit, Collections & Customer Services		
Bad Debts	256,800	248,800
Collection agencies & credit reports		
Customer satisfaction & other		
Total Credit, Collections & Customer Service	256,800	248,800
Regulatory Expenses	45,153	45,153
Bank/Merchant Fees		
Miscellaneous		
Fees, Assessments & Discounts	51,947	53,506
Permits		
Safety	2,898	2,985
Service Revenue		
Cost Transfers	-4,392	-4,392
Total Miscellaneous	50,453	52,099
Asset Impairment		
Total BU Direct O&M	7,684,812	7,852,781
BU Taxes Other than Income	1,998,435	2,220,188
BU Depr, Amort & ARC	13,531,770	14,795,308
Total BU Direct Operating Exp.	23,215,017	24,868,277

11 Year Income Statement Detail - FE	Budget	
	2024	2025
Total Shared Services	2,290,596	2,454,626
Total Corporate Services	2,508,400	2,847,139
Total Corporate Overhead	2,236,853	2,508,489
Total Operating Expenses	30,250,866	32,678,530
Other Support		
BU Depreciation, ARC & Amortization		
Depreciation	4,350,929	5,489,229
Asset Removal Cost (ARC)	1,076,895	1,258,555
Amortization	8,103,946	8,047,524
Total BU Depr., ARC & Amort	13,531,770	14,795,308
BU Taxes Other than Income		
Payroll Taxes	256,932	263,081
Property Taxes	1,758,309	1,973,914
Revenue Related Taxes		
Miscellaneous Taxes	-16,806	-16,806
Total BU Other Taxes	1,998,435	2,220,188
Other Income (Expense)		
Interest & dividend income		
Finance income		
Other income		
Dividend income		
Other expenses		
Charitable contributions	-6,300	-6,300
Asset sale gain (loss)		
Civic, political & related activities	-50,057	-50,057
Penalties		
Other Income - Pension	341,330	341,330
Total Other detail	284,973	284,973
Interest Charges		

11 Year Income Statement Detail - FE	Budget	
	2024	2025
Interest on LTD	1,726,940	1,663,002
Amortization of debt expense	16,964	16,622
Amortization of loss on reacquired debt		
Interest on short-term borrowing	298,399	344,616
AFUDC		
Other Interest	-116,911	159,888
Total Interest Charges	1,925,392	2,184,128
Op Inc to post for Summary Financials	33,457,204	31,726,902

11 Year Income Statement Detail - FE		
	2026	2027
Revenue	140,743,588	2,323
Cost of Sales	85,161,240	2,323
Gross Margin	55,582,348	
Business Unit Operating Expenses		
Payroll & Benefits		
Payroll	3,323,291	20
Benefits	838,926	
Total Payroll & Benefits	\$4,162,217	\$20
Other Business Unit Expenses		
Departmental	264,052	
Vehicle	398,639	24,555
Facilities & Operating Systems	1,104,798	48,220
Insurance		
Outside Services	1,539,682	
Sales, Advertising & Communications	171,733	
Credit, Collections & Customer Service	222,600	
Regulatory Expenses	45,153	
Bank/Merchant Fees & Discounts		
Inter-Company Services		
Miscellaneous	53,793	
Asset Impairment		
Total Other Business Unit Expenses	3,800,450	72,775
Depreciation, ARC & Amort.		
Depreciation	5,996,135	6,291,972
Asset Removal Costs	1,331,406	1,440,552
Amortization	415,104	
Total Depreciation, ARC & Amort.	7,742,645	7,732,524
Other Taxes		
Payroll Taxes	270,101	
Property Taxes	2,045,854	
Revenue Related Taxes		
Miscellaneous Taxes	-16,806	
Total Other Taxes	2,299,148	
Total Business Unit Operating Expenses	18,004,460	7,805,319
Operating Income before Shared Service, corp	37,577,888	(7,805,319)

11 Year Income Statement Detail - FE		
	2026	2027
Shared Services	2,484,115	375,477
Corporate Services	2,819,288	64,898
Corporate Overhead	2,700,440	75,985
Total Operating Expenses	26,008,303	8,321,679
Operating Income	29,574,045	-8,321,679
Gains from sales of businesses		
Total Other Income (Expense)	284,973	
Income (Loss) Before Interest Charges	29,859,018	-8,321,679
Total Interest Charges	2,199,638	
Income (Loss) Before Income Taxes	27,659,380	-8,321,679
Income Taxes		
Operating	6,938,043	
ITC - Operating		
ESOP		
Non-Operating	72,226	
ITC - Non-operating		
Total Income Taxes	7,010,270	
Net Income	20,649,110	-8,321,679

Operating Expense Summary

Business Unit Direct

Payroll

Salaries	2,643,990	
OT, On Call & Comp Time	210,494	
Commissions & Tips		
Bonus/Incentive Pay	393,837	20
Short-term Cash Bonus	29,350	
Long-term Cash Bonus		
Stock Bonus	45,619	
Signing Bonus		
Other Bonus		
Temp Services		

11 Year Income Statement Detail - FE			
		2026	2027
Other Payroll			
Total Payroll		3,323,291	20
Benefits			
Claims - Health & Dental		572,857	
Employee withholding		-172,532	
Admin fees, workers comp & other		140,938	
401K		293,470	
Pension			
Other benefits		31,849	
Other Benefits (InterCo/InterDist/InterDept/Cap)		-27,655	
Total Benefits		838,926	
Departmental Expenses			
Travel, meals & training		86,390	
Cell phones		28,917	
Other Departmental Expenses		148,746	
Other Departmental Expenses (InterCo/InterDist/InterD			
Total Departmental Expenses		264,052	
Vehicle Expenses			
Fuel		114,741	
Vehicle Depreciation		51,786	24,555
Vehicle Insurance		17,077	
Metered transport			
Other Vehicle Expenses		215,035	
Other Vehicle Expenses (InterCo/InterDist/InterDept/Ca			
Total Vehicle Expenses		398,639	24,555
Facilities & Operating Systems			
Rent & Leases		26,608	
Utilities		328,925	
Other operating expenses		291,807	(11,307)
Maintenance		457,458	59,526
Total Facilities & Op Sys Exp		1,104,798	48,220
Insurance			
Outside Services			

11 Year Income Statement Detail - FE		
	2026	2027
Legal	51,864	
Consulting	80,472	
Service Contractors	1,386,977	
Other Outside Services	20,369	
Total Outside Services	1,539,682	
Inter-Company Services		
Sales, Advertising & Communications		
Sales		
Advertising	134,404	
Other Sales, Advertising & Communications	37,329	
Total Sales, Advertising & Communications	171,733	
Credit, Collections & Customer Services		
Bad Debts	222,600	
Collection agencies & credit reports		
Customer satisfaction & other		
Total Credit, Collections & Customer Service	222,600	
Regulatory Expenses	45,153	
Bank/Merchant Fees		
Miscellaneous		
Fees, Assessments & Discounts	55,110	
Permits		
Safety	3,075	
Service Revenue		
Cost Transfers	-4,392	
Total Miscellaneous	53,793	
Asset Impairment		
Total BU Direct O&M	7,962,666	72,795
BU Taxes Other than Income	2,299,148	
BU Depr, Amort & ARC	7,742,645	7,732,524
Total BU Direct Operating Exp.	18,004,460	7,805,319

11 Year Income Statement Detail - FE		
	2026	2027
Total Shared Services	2,484,115	375,477
Total Corporate Services	2,819,288	64,898
Total Corporate Overhead	2,700,440	75,985
Total Operating Expenses	26,008,303	8,321,679
Other Support		
BU Depreciation, ARC & Amortization		
Depreciation	5,996,135	6,291,972
Asset Removal Cost (ARC)	1,331,406	1,440,552
Amortization	415,104	
Total BU Depr., ARC & Amort	7,742,645	7,732,524
BU Taxes Other than Income		
Payroll Taxes	270,101	
Property Taxes	2,045,854	
Revenue Related Taxes		
Miscellaneous Taxes	-16,806	
Total BU Other Taxes	2,299,148	
Other Income (Expense)		
Interest & dividend income		
Finance income		
Other income		
Dividend income		
Other expenses		
Charitable contributions	-6,300	
Asset sale gain (loss)		
Civic, political & related activities	-50,057	
Penalties		
Other Income - Pension	341,330	
Total Other detail	284,973	
Interest Charges		

11 Year Income Statement Detail - FE		
	2026	2027
Interest on LTD	1,558,851	
Amortization of debt expense	16,180	
Amortization of loss on reacquired debt		
Interest on short-term borrowing	321,780	
AFUDC		
Other Interest	302,827	
Total Interest Charges	2,199,638	
Op Inc to post for Summary Financials	29,574,045	(8,321,679)

Florida Public Utilities

Calculation of Corporate Income tax rate

	Original 2021 State Tax reduction	Revised 2022 State Tax reduction
Federal Tax	21.0%	21.0%
State tax	3.535%	5.500%
Sub total	24.535%	26.500%
Less:		
Deductible State tax*	-0.742%	-1.155%
Corp Income Tax	23.793%	25.345%

* In Florida, State taxes are deductible on federal returns.

Florida Public Utilities - Electric Division
Storm Protection Plan Cost Recovery Clause
Estimated Period: 2022 to 2031
Return on Capital Investments, Depreciation and Taxes

ATTACHMENT B

Line	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Year End Total/Balance
1 Capital Investments	\$2,313,740	\$6,700,124	\$16,863,999	\$54,232,395	#####	\$19,949,099	\$19,614,922	\$19,798,577	\$25,250,053	\$25,198,364	\$243,119,398
2 Estimated Beginning Net Qualified Investment	\$0	\$2,283,892	\$8,838,655	\$25,257,056	#####	\$128,633,986	\$145,006,861	\$160,627,436	\$176,026,272	\$196,408,954	
Estimated Ending Net Qualified Investment	\$2,283,892	\$8,838,655	\$25,257,056	\$78,138,175	#####	\$145,006,861	\$160,627,436	\$176,026,272	\$196,408,954	\$216,214,721	
Estimated Average Net Qualified Investment	\$1,141,946	\$5,361,274	\$17,047,836	\$51,697,615	#####	\$136,820,424	\$152,817,149	\$168,326,854	\$186,217,613	\$206,311,837	
3 Return on Average Net Qualified Investment											
Equity Component - Grossed-Up for Taxes	7.1300%	\$81,421	\$396,519	\$1,215,512	\$3,686,040	#####	\$9,755,296	\$10,895,863	\$12,001,705	\$13,277,316	\$73,391,134
Debt Component	0.8200%	\$9,364	\$45,602	\$139,792	\$423,920	\$847,766	\$1,121,927	\$1,253,101	\$1,380,280	\$1,526,984	\$8,440,493
Return Requirement		\$90,785	\$442,121	\$1,355,304	\$4,109,960	#####	\$10,877,223	\$12,148,964	\$13,381,985	\$14,804,300	\$81,831,627
4 Investment Expenses											
Depreciation Expense	2.58%	\$29,848	\$145,361	\$445,598	\$1,351,277	#####	\$3,576,224	\$3,994,347	\$4,399,741	\$4,867,371	\$26,904,677
Amortization Expense											\$0
Property Taxes	2.00%	\$0	\$45,678	\$176,773	\$505,141	#####	\$2,572,680	\$2,900,137	\$3,212,549	\$3,520,525	\$18,424,425
Other											\$0
Total Expense		\$29,848	\$191,039	\$622,371	\$1,856,418	#####	\$6,148,904	\$6,894,484	\$7,612,290	\$8,387,896	\$45,329,102
5 Total System Recoverable Expenses (Lines 3 + 4)		\$120,633	\$633,160	\$1,977,675	\$5,966,378	#####	\$17,026,127	\$20,994,275	\$23,192,196	\$25,722,566	\$127,160,729

ORDER NO. PSC-2020-0347-AS-EI
DOCKET NOS. 20190155-EI, 20190156-EI, 20190174-EI
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Attachment B

Schedule 1

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FLORIDA PUBLIC UTILITIES
2019 CONSOLIDATED ELECTRIC DIVISIONS
COMPARISON OF CURRENT AND PROPOSED DEPRECIATION RATES

ACCOUNT	10/1/2020 INVESTMENT	10/1/2020 RESERVE	CURRENT					SETTLEMENT PROPOSED - EFFECTIVE DATE 10/25/2020				
			AVERAGE SERVICE LIFE (YRS.)	AVERAGE REMAINING LIFE (YRS.)	NET SALVAGE (%)	AGE (YRS.)	CURVE	AVERAGE SERVICE LIFE (YRS.)	AVERAGE REMAINING LIFE (YRS.)	NET SALVAGE (%)	AGE (YRS.)	CURVE
TRANSMISSION PLANT												
350.1 - Land Rights	\$0	\$0	70.0	26.0	0.0	44.2	SQ	75.0	75.0	0.0	0.0	SQ
352 - Structures and Improvements	\$1,919,496	\$59,504	55.0	50.0	0.0	5.2	S9	60.0	57.0	0.0	3.2	S5
353 - Station Equipment	\$7,501,692	\$1,623,570	40.0	27.0	5.0	13.4	S2	43.0	43.0	0.0	10.2	S3
354 - Towers and Fixtures	\$249,798	\$197,091	55.0	14.5	(15.0)	40.5	S8	60.0	19.0	(15.0)	41.0	S8
355 - Poles and Fixtures	\$1,659,809	\$487,283	40.0	16.9	(40.0)	23.2	R5	50.0	25.7	(50.0)	23.0	R4
355.1 - Poles and Fixtures - Concrete	\$4,014,730	\$678,489	45.0	41.0	(30.0)	4.5	R4	56.0	50.2	(30.0)	5.8	R4
356 - Overhead Conductors and Devices	\$3,674,953	\$563,667	50.0	38.0	(20.0)	14.1	S2	55.0	46.0	(20.0)	9.2	S2
359 - Roads and Trails	\$6,788	\$9,009	65.0	12.5	0.0	52.5	SQ	70.0	12.5	0.0	57.5	SQ
Total Transmission Assets	\$19,108,868	\$3,616,814										
DISTRIBUTION PLANT												
360.1 - Land Rights	\$56,995	\$34,100	60.0	31.0	0.0	28.5	SQ	60.0	26.0	0.0	34.5	SQ
361 - Structures and Improvements	\$1,188,983	\$108,223	60.0	47.0	(5.0)	13.0	SQ	60.0	54.0	(5.0)	5.6	SQ
362 - Station Equipment	\$10,235,887	\$3,869,825	45.0	34.0	(10.0)	11.2	S3	55.0	42.6	(10.0)	11.9	S3
364 - Poles, Towers, and Fixtures	\$25,860,769	\$9,265,951	36.0	24.0	(45.0)	14.4	R4	44.0	33.6	(50.0)	10.2	R4
365 - Overhead Conductors & Devices	\$20,427,593	\$10,443,893	40.0	21.0	(35.0)	19.3	R5	45.0	30.0	(35.0)	15.1	R5
366 - Underground Conduit	\$7,034,164	\$1,359,783	60.0	50.0	(5.0)	10.4	R5	64.0	51.3	(5.0)	12.8	R5
367 - Underground Conductors & Devices	\$10,218,344	\$3,955,609	35.0	23.0	(5.0)	12.2	R4	47.0	32.6	(5.0)	13.9	R4
368 - Line Transformers	\$27,458,853	\$15,095,313	30.0	12.4	(20.0)	17.7	S4	36.0	16.7	(20.0)	16.5	S4
369 - Services	\$14,341,344	\$8,198,131	37.0	19.9	(35.0)	17.1	R5	48.0	32.4	(40.0)	15.4	R5
370 - Meters	\$5,085,099	\$3,085,554	30.0	11.9	(10.0)	18.2	R6	30.0	13.0	(10.0)	17.0	R5
371 - Installation on Customers' Premises	\$3,263,292	\$1,784,044	20.0	9.8	10.0	10.7	S3	25.0	13.6	5.0	11.6	S3
373 - Street Lighting & Signal Systems	\$2,726,564	\$1,441,996	22.0	7.8	(10.0)	18.6	R3	22.0	11.4	(10.0)	11.5	R3
Total Distribution Assets	\$125,916,937	\$58,642,442										
GENERAL PLANT												
390 - Structures & Improvements	\$4,044,796	\$1,006,938	50.0	41.0	0.0	9.0	R4	50.0	38.0	0.0	12.7	R4
392.1 - Transportation - Cars	\$23,951	\$10,768	7.0	6.0	15.0	1.0	S2	11.0	5.2	15.0	0.5	S2
392.2 - Transportation - Light Trucks & Vans	\$1,041,834	\$575,092	0.0	4.9	12.0	4.1	S4	11.0	4.1	12.0	7.0	S4
392.3 - Transportation - Heavy Trucks	\$3,755,922	\$2,005,862	13.0	6.4	10.0	6.8	S3	15.0	6.1	10.0	5.4	S3
392.4 - Transportation - Trailers	\$144,084	\$94,053	25.0	13.8	5.0	11.4	R4	25.0	9.4	5.0	18.4	R4
396 - Power Operated Equipment	\$880,523	\$335,752	25.0	8.4	0.0	16.6	S6	25.0	15.4	0.0	9.6	S6
Total General Plant Assets	\$9,909,111	\$4,028,266										
GRAND TOTAL	\$164,932,014	\$68,286,321										

* Reflects Settlement Terms

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FLORIDA PUBLIC UTILITIES
2019 CONSOLIDATED ELECTRIC DIVISIONS
COMPARISON OF CURRENT AND PROPOSED DEPRECIATION COMPONENTS

ACCOUNT	CURRENT EFFECTIVE 1/1/2015			SETTLEMENT PROPOSED, EFFECTIVE DATE 1/1/2020			
	AVERAGE REMAINING LIFE (YRS)	NET SALVAGE (%)	REMAINING LIFE RATE (%)	AVERAGE REMAINING LIFE (YRS)	NET SALVAGE (%)	1/1/2020 RESERVE (%)	REMAINING LIFE RATE (%)
TRANSMISSION PLANT							
350.1 - Land Rights	28.0	0.0	1.4	75.0	0.0	0.00	1.3
352 - Structures and Improvements	50.0	0.0	1.8	57.0	0.0	3.10	1.7
353 - Station Equipment	27.0	5.0	2.6	43.0	0.0	21.41	1.8
354 - Towers and Fixtures	14.5	(15.0)	2.1	19.0	(15.0)	78.90	1.9
355 - Poles and Fixtures	16.9	(40.0)	4.1	26.7	(50.0)	29.36	4.5
355.1 - Poles and Fixtures - Concrete	41.0	(30.0)	2.9	50.2	(30.0)	16.90	2.3
358 - Overhead Conductors and Devices	36.0	(20.0)	2.5	46.0	(20.0)	15.34	2.3
359 - Roads and Trails	12.5	0.0	1.5	12.5	0.0	88.52	0.9
DISTRIBUTION PLANT							
360.1 - Land Rights	31.0	0.0	1.6	26.0	0.0	59.83	1.5
361 - Structures and Improvements	47.0	(5.0)	1.7	54.0	(5.0)	9.03	1.8
362 - Station Equipment	34.0	(10.0)	2.4	42.6	(10.0)	29.24	1.9
364 - Poles, Towers, and Fixtures	24.0	(45.0)	3.9	33.6	(50.0)	35.82	3.4
365 - Overhead Conductors & Devices	21.0	(35.0)	3.4	30.0	(35.0)	51.13	2.8
366 - Underground Conduit	50.0	(5.0)	1.8	51.3	(5.0)	19.33	1.7
367 - Underground Conductors & Devices	23.0	(5.0)	3.2	32.6	(5.0)	38.71	2.0
368 - Line Transformers	12.4	(20.0)	4.0	19.7	(20.0)	67.21	2.7
369 - Services	19.9	(35.0)	3.6	32.4	(40.0)	57.16	2.6
370 - Meters	11.9	(10.0)	3.7	13.0	(10.0)	60.68	3.8
371 - Installation on Customers' Premises	9.6	10.0	4.5	13.6	5.0	54.67	3.0
373 - Street Lighting & Signal Systems	7.6	(10.0)	4.9	11.4	(10.0)	52.91	5.0
GENERAL PLANT							
390 - Structures & Improvements	41.0	0.0	2.0	38.0	0.0	24.69	2.0
392.1 - Transportation-Cars	6.0	15.0	11.9	5.2	15.0	44.66	7.7
392.2 - Transportation-Light Trucks & Vans	4.9	12.0	7.6	4.1	12.0	55.20	8.0
392.3 - Transportation - Heavy Trucks	6.4	10.0	7.0	6.1	10.0	53.40	6.0
392.4 - Transportation - Trailers	13.8	5.0	3.7	9.4	5.0	65.28	3.2
396 - Power Operated Equipment	8.4	0.0	4.4	15.4	0.0	37.37	4.1

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FLORIDA PUBLIC UTILITIES
 2019 CONSOLIDATED ELECTRIC DIVISIONS
 COMPARISON OF ANNUAL DEPRECIATION EXPENSES

ACCOUNT	2019 INVESTMENT	2019 RESERVE	CURRENT RATE	EXPENSES	SETTLEMENT PROPOSED, EFFECTIVE DATE 1/1/2023	CHANGE IN EXPENSES
TRANSMISSION PLANT						
352.1 - Land Rights	\$0	\$0	1.4	\$0	1.3	\$0
352 - Structures and Improvements	\$1,919,496	\$59,504	1.8	\$34,551	1.7	\$32,631
353 - Station Equipment	\$7,581,692	\$1,623,670	2.6	\$197,124	1.8	\$138,745
354 - Towers and Fixtures	\$249,798	\$197,091	2.1	\$5,246	1.9	\$4,746
355 - Poles and Fixtures	\$1,659,809	\$487,283	4.1	\$89,052	4.5	\$75,023
355.1 - Poles and Fixtures - Concrete	\$4,014,730	\$678,489	2.9	\$116,427	2.3	\$90,331
355 - Overhead Conductors and Devices	\$3,674,653	\$563,667	2.5	\$91,865	2.3	\$84,517
359 - Roads and Trails	\$0,788	\$6,009	1.5	\$102	0.9	\$61
TOTAL TRANSMISSION PLANT	\$10,106,966	\$3,615,814		\$513,368		\$426,054
DISTRIBUTION PLANT						
360.1 - Land Rights	\$56,995	\$34,100	1.6	\$912	1.5	\$855
361 - Structures and Improvements	\$1,186,983	\$108,223	1.7	\$20,383	1.8	\$21,582
362 - Station Equipment	\$13,235,887	\$3,869,925	2.4	\$317,681	1.9	\$251,482
364 - Poles, Towers, and Fixtures	\$25,869,789	\$9,265,981	3.9	\$1,008,522	3.4	\$879,573
365 - Overhead Conductors & Devices	\$20,427,593	\$10,443,893	3.4	\$694,538	2.8	\$571,973
365 - Underground Conduit	\$7,034,164	\$1,359,793	1.8	\$126,615	1.7	\$117,471
367 - Underground Conductors & Devices	\$10,218,344	\$3,955,509	3.2	\$326,937	2.0	\$207,432
368 - Line Transformers	\$22,458,083	\$15,095,313	4.0	\$698,355	2.7	\$601,898
369 - Services	\$14,341,344	\$8,199,131	3.6	\$516,288	2.6	\$367,138
370 - Meters	\$5,085,099	\$3,085,554	3.7	\$188,149	3.8	\$193,234
371 - Installation on Customers' Premises	\$3,263,292	\$1,784,044	4.5	\$146,848	3.0	\$97,890
373 - Street Lighting & Signal Systems	\$2,725,584	\$1,441,996	4.9	\$153,554	5.0	\$136,279
TOTAL DISTRIBUTION PLANT	\$125,915,937	\$58,642,442		\$4,379,212		\$3,446,816
GENERAL PLANT						
392 - Structures & Improvements	\$4,044,796	\$1,008,938	2.0	\$60,896	2.0	\$60,896
392.1 - Transportation-Cars	\$23,951	\$10,768	11.9	\$2,850	7.7	\$1,844
392.2 - Transportation-Light Trucks & Vans	\$1,041,834	\$575,092	7.8	\$81,263	8.0	\$83,347
392.3 - Transportation - Heavy Trucks	\$3,755,922	\$2,005,562	7.0	\$262,915	6.0	\$225,355
392.4 - Transportation - Vans	\$144,084	\$94,053	3.7	\$5,331	3.2	\$4,611
398 - Power Operated Equipment	\$898,523	\$339,752	4.4	\$39,535	4.1	\$36,839
TOTAL GENERAL PROPERTY	\$9,909,111	\$4,028,265		\$472,790		\$432,892
TOTAL RATES	\$154,932,014	\$66,286,321		\$5,365,370		\$4,177,280
					4-Yr Amort	(\$128,474)
						(\$128,474)
						(\$1,185,082)

* Reflects Settlement Terms

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FLORIDA PUBLIC UTILITIES
2019 CONSOLIDATED ELECTRIC DIVISIONS
COMPARISON OF ACCUMULATED BOOK RESERVE AND THEORETICAL RESERVE - PROPOSED RATES

ACCOUNT	1/1/2020 INVESTMENT	1/1/2020 RESERVE	THEORETICAL RESERVE (%)	THEORETICAL RESERVE	IMBALANCE	WLR (%)	ARC (YEARS)	NET SALV (%)
TRANSMISSION PLANT								
350.1 - Land Rights	\$0	\$0	2.50	\$0	\$0	1.3	75.0	0.0
352 - Structures and Improvements	\$1,910,498	\$59,904	3.10	\$59,604	\$0	1.7	57.0	0.0
353 - Station Equipment	\$7,581,592	\$1,623,570	18.30	\$1,387,450	\$238,120	1.9	43.0	0.0
354 - Towers and Fixtures	\$240,798	\$197,091	78.90	\$197,091	\$0	1.9	19.0	(15.0)
355 - Poles and Fixtures	\$1,059,609	\$487,283	45.90	\$1,150,206	(\$92,923)	3.0	20.7	(60.0)
355.1 - Poles and Fixtures - Concrete	\$4,014,230	\$678,489	16.64	\$583,742	\$94,747	2.3	50.2	(30.0)
356 - Overhead Conductors and Devices	\$3,674,653	\$563,667	15.00	\$600,836	(\$127,168)	2.2	48.0	(20.0)
359 - Roads and Trails	\$8,788	\$4,009	82.50	\$5,600	\$408	1.4	12.5	0.0
Total Transmission Assets	\$19,106,966	\$3,816,614		\$4,084,428	(\$458,814)			
DISTRIBUTION PLANT								
360.1 - Land Rights	\$56,986	\$34,100	55.80	\$31,803	\$2,287	1.7	26.0	0.0
361 - Structures and Improvements	\$1,198,883	\$108,223	7.80	\$93,521	\$14,702	1.8	54.0	(5.0)
362 - Station Equipment	\$13,235,687	\$3,868,925	24.80	\$3,282,500	\$587,425	2.0	42.8	(10.0)
364 - Poles, Towers, and Fixtures	\$25,869,789	\$8,265,951	35.76	\$9,251,037	\$14,894	3.4	35.8	(50.0)
365 - Overhead Conductors & Devices	\$20,427,533	\$10,443,893	45.00	\$9,192,417	\$1,231,476	3.0	30.0	(35.0)
366 - Underground Conduit	\$7,034,164	\$1,358,793	22.82	\$1,612,230	(\$492,437)	1.6	51.3	(6.0)
367 - Underground Conductors & Devices	\$10,218,344	\$3,855,509	33.28	\$3,400,065	\$454,844	2.2	32.8	(9.0)
368 - Line Transformers	\$22,458,803	\$16,005,313	54.99	\$12,350,129	\$2,745,184	3.3	19.7	(20.0)
369 - Services	\$14,341,344	\$8,198,131	45.04	\$6,602,755	\$1,695,378	2.9	32.4	(40.0)
370 - Meters	\$5,085,059	\$3,085,654	61.90	\$3,147,876	(\$62,122)	3.7	13.0	(10.0)
371 - Installation on Customers' Premises	\$3,263,292	\$1,784,044	43.32	\$1,413,658	\$370,306	3.8	13.8	5.0
373 - Street Lighting & Signal Systems	\$2,725,584	\$1,441,896	53.00	\$1,444,559	(\$2,563)	5.0	11.4	(10.0)
Total Distribution Assets	\$125,915,937	\$58,642,442		\$51,822,960	\$5,819,492			
GENERAL PLANT								
390 - Structures & Improvements	\$4,044,766	\$1,056,938	24.00	\$970,751	\$338,187	2.0	38.0	0.0
392.1 - Transportation-Cars	\$23,851	\$10,768	44.96	\$10,768	\$0	7.7	6.2	15.0
392.2 - Transportation-Light Trucks & Vans	\$1,041,834	\$575,092	55.20	\$575,092	\$0	8.0	4.1	12.0
392.3 - Transportation - Heavy Trucks	\$3,755,922	\$2,005,892	53.40	\$2,005,892	\$0	6.0	6.1	10.0
392.4 - Transportation - Vans	\$144,084	\$94,053	59.28	\$85,413	\$8,640	3.8	9.4	5.0
395 - Power Operated Equipment	\$898,523	\$335,752	38.40	\$345,033	(\$5,281)	4.0	15.4	0.0
Total General Plant Assets	\$9,809,111	\$4,028,265		\$3,992,719	\$35,546			
GRAND TOTAL	\$154,932,014	\$66,286,321		\$59,900,037	\$6,386,224			

* Reflects Settlement Terms