



November 15, 2019

VIA ELECTRONIC MAIL

Ms. Shari Cornelius
Division of Accounting and Finance
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

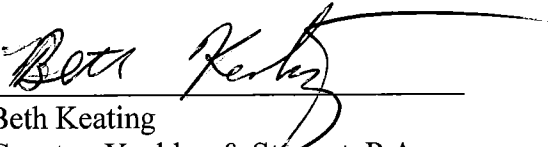
**Re: Florida Public Utilities Company (Electric and Gas Divisions) 3rd Quarter
Surveillance Reports**

Dear Ms. Cornelius:

In accordance with Rules 25-6.1352(3) and 25-7.1352(3), F.A.C., Florida Public Utilities Company hereby submits the required 3rd Quarter Earnings Surveillance Reports for 2019 for its electric and natural gas divisions.

As always, please don't hesitate to let me know if you have any questions whatsoever.

Sincerely,



Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301
(850) 521-1706

cc: Bart Fletcher
Curt Mouring

	(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	\$ 1,778,517	\$397,354	\$2,175,871	\$0	\$2,175,871
AVERAGE RATE BASE	\$128,279,939	(\$34,815,626)	\$93,464,373	\$0	\$93,464,373
AVERAGE RATE OF RETURN	1.39%		2.33%		2.33%
II. YEAR-END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$1,778,517	\$439,765	\$2,218,282	\$0	\$2,218,282
YEAR-END RATE BASE	\$147,654,438	(\$43,182,634)	\$104,471,804	\$0	\$104,471,804
YEAR-END RATE OF RETURN	1.20%		2.12%		2.12%

IV. FINANCIAL INTEGRITY INDICATORS

III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)					
LOW	5.25%				1.39
MIDPOINT	5.63%				1.39
HIGH	6.02%				0.00
					6.34
					28.11
					24.22
					1.61

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 Casse
Director, Regulatory Affairs



Signature

11/14/19

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	\$144,101,938	(\$62,981,138)	\$81,120,800	\$0	\$13,675,361	\$94,796,161	\$33,483,838	\$128,279,999
FPSC ADJUSTMENTS:								
1) ELIM. NON UTILITY PLANT	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2) REGULATORY LIAB. - PENSION AMORT								
3) REGULATORY ASSET - LITIGATION COSTS								
4) REMOVE STORM COST-INTEREST EARNING								
5) ELIMINATE NET UNDERRECOVERY								
6) DEFERRED RATE CASE EXPENSE								
TOTAL FPSC ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	(\$57,088)	(\$57,088)
							(\$34,815,626)	(\$34,815,626)
FPSC ADJUSTED	\$144,101,938	(\$62,981,138)	\$81,120,800	\$0	\$13,675,361	\$94,796,161	(\$1,331,788)	\$93,464,373
FLEX RATE REVENUES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ADJUSTED FOR FLEX RATE REVENUES	\$144,101,938	(\$62,981,138)	\$81,120,800	\$0	\$13,675,361	\$94,796,161	(\$1,331,788)	\$93,464,373
PROFORMA ADJUSTMENTS								
TOTAL PRO FORMA ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PRO FORMA ADJUSTED	\$144,101,938	(\$62,981,138)	\$81,120,800	\$0	\$13,675,361	\$94,796,161	(\$1,331,788)	\$93,464,373

#REF!
INCOME STATEMENT

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	OPERATING REVENUES	O & M FUEL 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	\$ 82,060,308	\$ 55,378,813	\$ 13,412,519	\$ 4,275,573	\$ 6,806,068	\$ 408,818				\$ 80,281,791	\$ 1,778,517
FPSC ADJUSTMENTS:											
1) INCOME TAX SYNCH ADJUSTMENT											
2) ELIMINATE FUEL REVENUES AND EXPENSES	\$ (54,981,804)	\$ (54,756,354)			\$ (42,549)	\$ (259,512)				\$ (259,512)	\$ 259,512
3) ELIMINATE CONSERVATION	\$ (611,802)	\$ (622,459)			\$ (440)	\$ 2,787				\$ (620,112)	\$ (144,085)
4) NON-UTILITY DEPRECIATION EXPENSE											\$ 8,210
5) ELIMINATE REVENUE RELATED TAXES (FRANCHISE & GROSS RECEIPTS)	\$ (5,500,479)				\$ (5,500,479)					\$ (5,500,479)	\$ -
6) ELIMINATE 5% OF ECONOMIC DEVELOPMENT	\$ 633,674		\$ (1,493)			\$ 378				\$ (1,115)	\$ 1,115
7) OUT OF PERIOD ADJ	\$ (542,394)		\$ (375,000)	\$ 207,697		\$ 107,964				\$ 315,661	\$ 318,014
8) REMOVE STORM 2017 ADJUSTMENT				\$ (106,566)		\$ (15,417)				\$ (496,983)	\$ (45,411)
											\$ -
											\$ -
TOTAL FPSC ADJUSTMENTS	\$ (61,013,005)	\$ (55,378,813)	\$ (376,493)	\$ 101,131	\$ (5,545,468)	\$ (212,716)				\$ (61,410,359)	\$ 397,354
FPSC ADJUSTED	\$ 21,047,303	\$ -	\$ 13,036,026	\$ 4,376,704	\$ 1,262,600	\$ 196,102				\$ 18,871,432	\$ 2,175,871
PRO FORMA ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -	\$ -
PRO FORMA ADJUSTED	\$ 21,047,303	\$ 0	\$ 13,036,026	\$ 4,376,704	\$ 1,262,600	\$ 196,102	\$ 0	\$ 0	\$ 0	\$ 18,871,432	\$ 2,175,871

	(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	\$154,537,200	(\$61,220,581)	\$93,316,619	\$0	\$5,209,972	\$98,526,592	\$49,127,847	\$147,654,438
FPSC ADJUSTMENTS:								
1) ELIM. NON UTILITY PLANT	\$0	\$0	\$0			\$0	\$0	\$0
2) OUT OF PERIOD LITIGATION ADJ						\$0	\$0	\$0
3) ELIMINATION OF UNDER-RECOVERY						\$0	(\$4,137,687)	(\$4,137,687)
4) DEFERRED RATE CASE EXPENSE						\$0	(\$8,151)	(\$8,151)
5) REMOVE STORM COST-INTEREST EARNING						\$0	(\$39,036,796)	(\$39,036,796)
TOTAL FPSC ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	(\$43,182,634)	(\$43,182,634)
FPSC ADJUSTED	\$154,537,200	(\$61,220,581)	\$93,316,619	\$0	\$5,209,972	\$98,526,592	\$5,945,213	\$104,471,804
COMP RATE ADJ REVENUES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ADJUSTED FOR COMP RATE ADJ REVENUE	\$154,537,200	(\$61,220,581)	\$93,316,619	\$0	\$5,209,972	\$98,526,592	\$5,945,213	\$104,471,804
PROFORMA ADJUSTMENTS								
TOTAL PRO FORMA ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PRO FORMA ADJUSTED	\$154,537,200	(\$61,220,581)	\$93,316,619	\$0	\$5,209,972	\$98,526,592	\$5,945,213	\$104,471,804

FLORIDA PUBLIC UTILITIES COMPANY
ELECTRIC
YEAR END RATE OF RETURN
#REF!
INCOME STATEMENT

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	OPERATING REVENUES	O & M FUEL 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	\$ 82,060,308	\$ 55,378,813	\$ 13,412,519	\$ 4,275,573	\$ 6,806,068	\$ 408,818				\$ 80,281,791	\$ 1,778,517
FPSC ADJUSTMENTS:											
1) INCOME TAX SYNCH ADJUSTMENT						\$ (301,923)				\$ (301,923)	\$ 301,923
2) ELIMINATE FUEL REVENUES AND EXPENSES	\$ (54,991,904)	\$ (54,756,354)			\$ (42,549)	\$ (48,916)				\$ (54,847,819)	\$ (144,085)
3) ELIMINATE CONSERVATION	\$ (611,902)	\$ (622,459)			\$ (440)	\$ 2,787				\$ (620,112)	\$ 8,210
4) NON-UTILITY DEPRECIATION EXPENSE				\$ -						\$ -	\$ -
5) ELIMINATE REVENUE RELATED TAXES (FRANCHISE & GROSS RECEIPTS)	\$ (5,500,479)				\$ (5,500,479)					\$ (5,500,479)	\$ -
6) ELIMINATE 5% OF ECONOMIC DEVELOPMENT			\$ (1,493)							\$ (1,115)	\$ 1,115
7) OUT OF PERIOD ADJ	\$ 633,674		\$ -	\$ 207,697		\$ 107,964				\$ 315,661	\$ 318,014
8) REMOVE STORM 2017 ADJUSTMENT	\$ (542,394)		\$ (375,000)	\$ (106,566)		\$ (15,417)				\$ (496,983)	\$ (45,411)
										\$ -	\$ -
										\$ -	\$ -
TOTAL FPSC ADJUSTMENTS	\$ (61,013,005)	\$ (55,378,813)	\$ (376,493)	\$ 101,131	\$ (5,543,468)	\$ (255,126)	\$ -	\$ -	\$ -	\$ (61,452,770)	\$ 439,765
FPSC ADJUSTED	\$ 21,047,303	\$ -	\$ 13,036,026	\$ 4,376,704	\$ 1,262,600	\$ 153,692	\$ -	\$ -	\$ -	\$ 18,829,022	\$ 2,218,282
PRO FORMA ADJUSTMENTS											
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL PRO FORMA ADJUSTMENTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PRO FORMA ADJUSTED	\$ 21,047,303	\$ 0	\$ 13,036,026	\$ 4,376,704	\$ 1,262,600	\$ 153,692	\$ 0	\$ 0	\$ 0	\$ 18,829,022	\$ 2,218,282

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 (%)	COST RATE (%)
COMMON EQUITY	\$52,382,457		\$52,382,457	(\$16,595,929)		\$35,786,528	38.29%	9.25%	3.54%	10.25%	3.92%	11.25%	4.31%	
LONG TERM DEBT - CU	\$28,907,607		\$28,907,607	(9,158,574)		\$19,749,034	21.13%	3.85%	0.81%	3.85%	0.81%	3.85%	0.81%	
SHORT TERM DEBT	\$26,617,735		\$26,617,735	(8,433,091)		\$18,184,644	19.46%	3.41%	0.66%	3.41%	0.66%	3.41%	0.66%	
LONG TERM DEBT - FC	\$1,982,282		\$1,982,282	(628,031)		\$1,354,251	1.45%	11.39%	0.16%	11.39%	0.16%	11.39%	0.16%	
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	\$3,261,175		\$3,261,175			\$3,261,175	3.49%	2.39%	0.08%	2.39%	0.08%	2.39%	0.08%	
DEFERRED INCOME TAXES	\$15,128,743		\$15,128,743			\$15,128,743	16.19%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
TAX CREDITS - WEIGHTED COST	\$0		\$0			\$0	0.00%	5.17%	0.00%	5.55%	0.00%	5.94%	0.00%	
TOTAL AVERAGE	\$128,279,999	\$0	\$128,279,999	(\$34,815,626)	\$0	\$93,464,373	100.00%		5.25%		5.63%		6.02%	

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 (%)	COST RATE (%)
COMMON EQUITY	\$60,211,056		\$60,211,056	(20,021,970)		\$40,189,086	38.47%	9.25%	3.56%	10.25%	3.94%	11.25%	4.33%	
LONG TERM DEBT - CU	\$42,891,064		\$42,891,064	(14,262,557)		\$28,628,507	27.40%	2.95%	0.81%	2.95%	0.81%	2.95%	0.81%	
SHORT TERM DEBT	\$24,598,671		\$24,598,671	(8,179,791)		\$16,418,880	15.72%	4.15%	0.65%	4.15%	0.65%	4.15%	0.65%	
LONG TERM DEBT - FC	\$2,160,153		\$2,160,153	(718,315)		\$1,441,837	1.38%	11.32%	0.16%	11.32%	0.16%	11.32%	0.16%	
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	\$3,327,141		\$3,327,141			\$3,327,141	3.19%	2.34%	0.07%	2.34%	0.07%	2.34%	0.07%	
DEFERRED INCOME TAXES	\$14,466,354		\$14,466,354			\$14,466,354	13.85%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
TAX CREDITS - WEIGHTED COST	\$0		\$0			\$0	0.00%	5.18%	0.00%	5.56%	0.00%	5.95%	0.00%	
TOTAL YEAR-END	\$147,654,438	\$0	\$147,654,438	(\$43,182,634)	\$0	\$104,471,804	100.00%		5.25%		5.63%		6.02%	