

## **Independent Auditors' Report**

Board of Directors and Stockholder  
Florida Public Utilities Company

We have audited the accompanying financial statements of Florida Public Utilities Company – Electric Division, which comprise the balance sheets - regulatory basis as of December 31, 2020 and 2019, and the related statements of income - regulatory basis for each of the two years in the period ended December 31, 2020 and the statements of retained earnings and cash flows - regulatory basis for the year ended December 31, 2020, and the related notes to the financial statements, included on pages 110 through 122 of the accompanying Annual Report of Major Electric Utilities, Licensees and Other, as filed with the Florida Public Service Commission.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Florida Public Service Commission, which is substantially equivalent to the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and proprietary capital of Florida Public Utilities Company - Electric Division as of December 31, 2020 and 2019, and its income and expenses for the years then ended in accordance with the financial reporting provisions of the Florida Public Service Commission, which are substantially equivalent to the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases described in Note 1.

## **Regulatory Basis of Accounting**

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. As described in Note 1 to the financial statements, the financial statements are prepared by Florida Public Utilities Company - Electric Division on the basis of the financial reporting provisions of the Florida Public Service Commission, which are substantially equivalent to the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

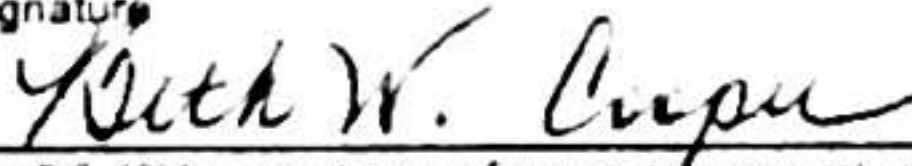
## **Restriction on Use**

Our report is intended solely for the information and use of the board of directors and management of Chesapeake Utilities Corporation and Florida Public Utilities Company – Electric Division and for filing with the Florida Public Service Commission and is not intended to be and should not be used by anyone other than these specified parties.

*Baker Tilly US, LLP*

Philadelphia, Pennsylvania  
April 29, 2021

**FERC FORM NO. 1:  
ANNUAL REPORT OF MAJOR ELECTRIC UTILITIES, LICENSEES AND OTHER**

IDENTIFICATION			
01	Exact Legal Name of Respondent	02	Year of Report
	<b>FLORIDA PUBLIC UTILITIES COMPANY</b>		<b>December 31, 2020</b>
03	Previous Name and Date of Change (if name changed during year)		
04	Address of Principal Office at End of Year (Street, City, State, Zip Code)		
	<b>208 Wildlight Avenue, Yulee, FL 32097</b>		
05	Name of Contact Person	06	Title of Contact Person
	<b>Michael Cassel</b>		<b>Assistant Vice President</b>
07	Address of Contact Person (Street, City, State, Zip Code)		
	<b>208 Wildlight Avenue, Yulee, FL 32097</b>		
08	Telephone of Contact Person, Including Area Code	09	This Report is
	<b>(561) 252-0250</b>	(1) <input checked="" type="checkbox"/>	<b>An Original</b>
		(2) <input type="checkbox"/>	<b>A Resubmission</b>
		10	Date of Report (Mo. Da. Yr)
			<b>April 29, 2021</b>
ATTESTATION			
<p>The undersigned officer certifies that he/she has examined the accompanying report, that to the best of his/her knowledge, information, and belief, all statements of fact contained in the accompanying report are true and the accompanying report is a correct statement of the business and affairs of the above named respondent in respect to each and every matter set forth therein during the period from and including January 1 to and including December 31 of the year of the report.</p>			
01	Name	02	Title
	<b>Beth W. Cooper</b>		<b>Executive Vice President, Chief Financial Officer and Assistant Corporate Secretary</b>
03	Signature	04	Date Signed (Mo. Da. Yr)
			<b>04/29/21</b>
<p>Title 18 U.S.C. 1001 makes it a crime for any person knowingly and willingly to make to any Agency or Department of the United States any false, fictitious or fraudulent statements as to any matter within its jurisdiction.</p>			

Name of Respondent Florida Public Utilities Company Electric Division	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 29, 2021	Year of Report December 31, 2020
---	---	--	-------------------------------------

**LIST OF SCHEDULES (Electric Utility)**

Enter in Column (d) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for

certain pages. Omit pages where the responses are "none," not applicable," or "NA."

Title of Schedule (A)	Reference Page No. (B)	Date Revised (C)	Remarks (D)
<b>GENERAL CORPORATE INFORMATION AND FINANCIAL STATEMENTS</b>			
General Information.....	101	Ed. 12-87	
Control Over Respondent.....	102	Ed. 12-87	None
Corporations Controlled by Respondent.....	103	Ed. 12-95	
Officers.....	104	Ed. 12-87	
Directors.....	105	Ed. 12-95	
Security Holders and Voting Powers.....	106-107	Ed. 12-87	pg. 107 - None
Important Changes During the Year.....	108-109	Ed. 12-90	
Comparative Balance Sheet.....	110-113	Rev. 12-94	
Statement of Income for the Year.....	114-117	Rev. 12-95	Pg. 116-None
Statement of Retained Earnings for the Year.....	118-119	Ed. 12-94	
Statement of Cash Flows.....	120-121	Rev. 12-94	
Notes to Financial Statements.....	122-123	Ed. 12-88	Pg. 123-None
<b>BALANCE SHEET SUPPORTING SCHEDULES (Assets and Other Debits)</b>			
Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization, and Depletion.....	200-201	Ed. 12-89	
Nuclear Fuel Materials.....	202-203	Ed. 12-89	None
Electric Plant in Service.....	204-207	Rev. 12-95	
Electric Plant Leased to Others.....	213	Rev. 12-95	None
Electric Plant Held for Future Use.....	214	Ed. 12-89	None
Construction Work in Progress-Electric.....	216	Ed. 12-87	
Construction Overheads-Electric.....	217	Ed. 12-89	None
General Description of Construction Overhead Procedure.....	218	Ed. 12-88	None
Accumulated Provision for Depreciation of Electric Utility Plant..	219	Ed. 12-88	
Nonutility Property.....	221	Ed. 12-95	None
Investment in Subsidiary Companies.....	224-225	Ed. 12-89	None
Materials and Supplies.....	227	Ed. 12-89	
Allowances.....	228-229	Ed. 12-95	None
Extraordinary Property Losses.....	230	Ed. 12-93	None
Unrecovered Plant and Regulatory Study Costs.....	230	Ed. 12-93	None
Other Regulatory Assets.....	232	New 12-93	
Miscellaneous Deferred Debits.....	233	Ed. 12-94	
Accumulated Deferred Income Taxes (Account 190).....	234	Ed. 12-88	
<b>BALANCE SHEET SUPPORTING SCHEDULES (Liabilities and Other credits)</b>			
Capital Stock.....	250-251	Ed. 12-90	None
Capital Stock Subscribed, Capital Stock Liability for Conversion, Premium on Capital Stock, and Installments Received on Capital Stock.....	252	Rev. 12-95	None
Other Paid-in Capital.....	253	Ed. 12-87	None
Discount on Capital Stock.....	254	Ed. 12-87	None
Capital Stock Expense.....	254	Ed. 12-86	None
Long-Term Debt.....	256-257	Ed. 12-91	

<b>Name of Respondent</b> Florida Public Utilities Company Electric Division	<b>This Report is:</b> (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	<b>Date of Report</b> (Mo, Da, Yr) April 29, 2021	<b>Year of Report</b> December 31, 2020
--	--	---	--

**LIST OF SCHEDULES (Electric Utility)(Continued)**

Enter in Column (d) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the responses are "none," not applicable," or "NA."

Title of Schedule (A)	Reference Page No. (B)	Date Revised (C)	Remarks (D)
<b>BALANCE SHEET SUPPORTING SCHEDULES (Liabilities and Other Credits) (Continued)</b>			
Reconciliation of Reporting Net Income with Taxable Income for Federal Income Taxes.....	261	Ed. 12-88	
Taxes Accrued, Prepaid and Changed During Year.....	262-263	Rev. 12-95	
Accumulated Deferred Investment Tax Credits.....	266-267	Ed. 12-89	None
Other Deferred Credits.....	269	Ed. 12-88	
Accumulated Deferred Income Taxes-Accelerated Amortization Property.....	272-273	Ed. 12-94	None
Accumulated Deferred Income Taxes-Other Property.....	274-275	Ed. 12-94	
Accumulated Deferred Income Taxes-Other.....	276-277	Ed. 12-94	
Other Regulatory Liabilities.....	278	Ed. 12-94	
<b>INCOME ACCOUNT SUPPORTING SCHEDULES</b>			
Electric Operating Revenues.....	300-301	Ed. 12-90	
Sales of Electricity by Rate Schedules.....	304	Ed. 12-95	
Sales for Resale.....	310-311	Ed. 12-88	None
Electric Operation and Maintenance Expenses.....	320-323	Ed. 12-95	
Number of Electric Department Employees.....	323	Ed. 12-93	See page 462
Purchase Power.....	326-327	Ed. 12-95	
Transmission of Electricity for Others.....	328-330	Ed. 12-90	None
Transmission of Electricity by Others.....	332	Ed. 12-90	None
Miscellaneous General Expenses-Electric.....	335	Ed. 12-94	
Depreciation and Amortization of Electric Plant.....	336-337	Ed. 12-95	
Particulars Concerning Certain Income Deduction and Interest Charges Accounts.....	340	Ed. 12-87	See page 463
<b>COMMON SECTION</b>			
Regulatory Commission Expenses.....	350-351	Ed. 12-90	
Research, Development and Demonstration Activities.....	352-353	Ed. 12-87	None
Distribution of Salaries and Wages.....	354-355	Ed. 12-88	
Common Utility Plant and Expenses.....	356	Ed. 12-87	
<b>ELECTRIC PLANT STATISTICAL DATA</b>			
Electric Energy Account.....	401	Rev. 12-90	
Monthly Peaks and Output.....	401	Rev. 12-90	
Steam -Electric Generating Plant Statistics (Large Plants).....	402-403	Ed. 12-89	None
Hydroelectric Generating Plant Statistics (Large Plants).....	406-407	Ed. 12-89	None
Pumped Storage Generating Plant Statistics (Large Plants).....	408-409	Ed. 12-88	None
Generating Plant Statistics (Small Plant).....	410-411	Ed. 12-87	None

Name of Respondent	This Report is:	Date of Report	Year of Report
Florida Public Utilities Company Electric Division	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 29, 2021	December 31, 2020

**LIST OF SCHEDULES (Electric Utility)(Continued)**

Enter in Column (d) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the responses are "none," not applicable," or "NA."

Title of Schedule (A)	Reference Page No. (B)	Date Revised (C)	Remarks (D)
<b>ELECTRIC PLANT STATISTICAL DATA (CONTINUED)</b>			
Transmission Line Statistics.....	422-423	Ed. 12-87	
Transmission Lines Added During Year.....	424-425	Ed. 12-86	None
Substations.....	426-427	Ed. 12-96	
Electric Distribution Meters and Line Transformers.....	429	Ed. 12-88	None
Environmental Protection Facilities.....	430	Ed. 12-88	None
Environmental Protection Expenses.....	431	Ed. 12-88	None
Footnote Data.....	450	Ed. 12-87	None
Affiliated Officers and Directors	451		
Business Contracts with Officers, Directors and Affiliates	452		
Reconciliation of Gross Operating Revenues			
Annual Report versus Regulatory Assessment Fee Return	453		
Analysis of Diversification Activity			
Changes in Corporate Structure	454		
Analysis of Diversification Activity			
New or Amended Contracts with Affiliated Companies	455		
Analysis of Diversification Activity			
Individual Affiliated Transactions in Excess of \$500,000	456		
Analysis of Diversification Activity			
Summary of Affiliated Transfers and Cost Allocations	457		
Analysis of Diversification Activity			
Assets or Rights Purchased from or Sold to Affiliates	458		
Analysis of Diversification Activity			
Employee Transfers	459		
Analysis of Diversification Activity			
Non-Tariffed Services and Products Provided by the Utility	460		
Non-Utility Property	461		
Number of Electric Department Employees	462		
Particulars Concerning Certain Income Deductions and Interest Charges			
Accounts	463		
<b>Stockholders' Reports</b>	<b>Check appropriate box:</b>		
	<input type="checkbox"/>	Four Copies will be submitted.	
	<input checked="" type="checkbox"/>	No annual report to stockholders is prepared.	

Florida Public Utilities Company Electric Division	An Original	For the Year Ended  December 31, 2020
GENERAL INFORMATION		
1. Provide name and title of officer having custody of the general corporate books of account and address of office where the general corporate books are kept, and address of office where any other corporate books of account are kept, if different from that where the general corporate books are kept.		
<p style="margin-left: 40px;">             Beth W. Cooper              Executive Vice President, Chief Financial Officer and Assistant Secretary              909 Silver Lake Boulevard              Dover, Delaware 19904           </p> <p style="margin-left: 40px;">             Location of general corporate books:              100 Commerce Drive              Newark, Delaware 19713           </p>		
2. Provide the name of the State under the laws of which respondent is incorporated, and date of incorporation. If incorporated under a special law, give reference to such law. If not incorporated, state that fact and give the type of organization and the date organized.		
<p style="margin-left: 40px;">             State of Florida              March 6, 1924; Reincorporated April 25, 1929           </p>		
3. If at any time during the year the property of respondent was held by a receiver or trustee, give (a) name of receiver or trustee, (b) date such receiver or trustee took possession, (c) the authority by which the receivership or trusteeship was created, and (d) date when possession by receiver or trustee ceased.		
<p>N/A</p>		
4. State the classes of utility and other services furnished by respondent during the year in each State in which the respondent operated.		
<p>The Electric Division of Florida Public Utilities Company ("FPU") provides electric distribution service in Florida. FPU also has three natural gas divisions, which provide natural gas distribution services in Florida</p>		
5. Have you engaged as the principal accountant to audit your financial statements an accountant who is not the principal accountant for your previous year's certified financial statements?		
<p>(1) YES</p> <p>(2) X NO</p>		

**CORPORATIONS CONTROLLED BY RESPONDENT**

- |  |  |
|--|--|
| <p>1. Report below the names of all corporations, business trusts, and similar organizations, controlled directly or indirectly by respondent at any time during the year. If control ceased prior to end of year, give particulars (details) in a footnote.</p> | <p>2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediaries involved.</p> <p>3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.</p> |
|--|--|

**DEFINITIONS**

- |   |  |
|---|--|
| <p>1. See the Uniform System of Accounts for a definition of control.</p> <p>2. Direct control is that which is exercised without interposition of an intermediary.</p> <p>3. Indirect control is that which is exercised by the interposition of an intermediary which exercises direct control.</p> <p>4. Joint control is that in which neither interest can effectively</p> | <p>control or direct action without the consent of the other, as where the voting control is equally divided between two holders, or each party holds a veto power over the other. Joint control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the Uniform System of Accounts, regardless of the relative voting rights of each party.</p> |
|---|--|

Name of Company Controlled (a)	Kind of Business (b)	Percent Voting Stock Owned (c)	Footnote Ref. (d)
Flo - Gas Corporation	Propane Gas	100%	



OFFICERS

1. Report below the name, title and salary for each executive officer whose salary is \$50,000 or more. An "executive officer" of a respondent includes its president, secretary, treasurer, and vice president in charge of a principal business unit, division or function (such as sales, administration or finance), and any other

person who performs similar policymaking functions.

2. If a change was made during the year in the incumbent of any position, show name and total remuneration of the previous incumbent, and date the change in incumbency was made.

Line No.	Title (a)	Name of Officer (b)		Salary for Year (c)
1	Chair of the Board and Chief Executive Officer (FPU), President & CEO (CUC)	Jeffry M. Householder	\$	34,373
2	Executive Vice President/Secretary/General Counsel/Chief Policy and Risk Officer	James Moriarty	\$	14,265
3	Executive Vice President/Chief Financial Officer/Assistant Secretary	Beth W. Cooper	\$	17,831
4	President (FPU), Senior V.P., Pipeline Transmission and Regulated Gas and Electric Districution (CUC)	Jeffrey S. Sylvester	\$	29,100
5	Vice President/Controller	Joseph D. Steinmetz	\$	17,178
6	Vice President/Chief Accounting Officer	Michael D. Galtman	\$	19,463
7	Vice President/Chief Information Officer	Vikrant A. Gadgil	\$	21,583
8	Vice President/Treasurer	Thomas E. Mahn	\$	13,708
9	Vice President	Cheryl M. Martin	\$	21,359
10	Chief Human Resources Officer	Lou J. Anatrella	\$	23,073
11	Assistant Vice President	Drane A. Shelley	\$	121,658
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22	Note: The salaries above represent only that portion allocated to FPU's electric division			
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				

F

Electric Division

For the Year Ended

December 31, 2020

DIRECTORS

1. Report below the information called for concerning each director of the respondent who held office at any time during the year. Include in column (a) abbreviated titles of the directors who are officers of the respondent.

2. Designate members of the Executive Committee by an asterisk and the Chairman of the Executive Committee by a double asterisk.

Name (and Title) of Director (a)	Principal Business Address (b)
Jeffry M. Householder, Chairman Eugene H. Bayard, Director Thomas J. Bresnan, Director Ronald G. Forsythe, Jr., Ph.D., Director Thomas P. Hill, Jr., Director Dennis S. Hudson, III, Director Lila A. Jaber (1) Paul L. Maddock, Jr., Director Calvert A. Morgan, Jr., Director Dianna F. Morgan, Director John R. Schimkaitis, Director	909 Silver Lake Blvd., Dover Delaware 19904 909 Silver Lake Blvd., Dover Delaware 19904 909 Silver Lake Blvd., Dover Delaware 19904 909 Silver Lake Blvd., Dover Delaware 19904 909 Silver Lake Blvd., Dover Delaware 19904 909 Silver Lake Blvd., Dover Delaware 19904 909 Silver Lake Blvd., Dover Delaware 19904 909 Silver Lake Blvd., Dover Delaware 19904 909 Silver Lake Blvd., Dover Delaware 19904 909 Silver Lake Blvd., Dover Delaware 19904 909 Silver Lake Blvd., Dover Delaware 19904
(1) - Appointed Director in November 2019, effective January 1, 2020 (2) - Florida Public Utilities Company does not have an Executive Committee.	

**SECURITY HOLDERS AND VOTING POWERS**

1. Give the names and addresses of the 10 security holders of the respondents who, at the date of the latest closing of the stock book or compilation of the list of stockholders of the respondent, prior to the end of the year, had the highest voting powers in the respondent, and state the number of votes which each would have had the right to cast on that date if a meeting were in order. If any such holder held in trust, give in a footnote the known particulars of the trust (whether voting trust, etc.) duration of the trust, and principal holders of beneficiary interests in the trust. If the stock book was not closed or a list of stockholders was not compiled within one year prior to the end of the year, or if since the previous compilation of a list of stockholders, some other class of security has become vested with voting rights, then show such 10 security holders as of the close of the year. Arrange the names of the security holders in the order of voting power, commencing with the highest. Show in column (a) the titles of officers and directors included in such list of 10 security holders.

2. If any security other than stock carries voting rights, explain in a supplemental statement of circumstances whereby such security became vested with voting rights and give others important particulars (details) concerning the voting rights of such security. State whether voting rights are actual or contingent if contingent, describe the contingency.

3. If any class or issue of security has any special privileges in the election of directors, trustees or managers, or in the determination of corporate action by any method, explain briefly in a footnote.

4. Furnish particulars (details) concerning any options, warrants, or rights outstanding at the end of the year for others to purchase securities of the respondent or any securities or other assets owned by the respondent, including prices, expiration dates, and other material information relating to exercise of the options, warrants, or rights. Specify the amount of such securities or assets so entitled to be purchased by any officer, director, associated company, or any of the ten largest security holders.

**VOTING SECURITIES**

Name (Title) and Address of Security Holder (a)	Number of votes as of (date):			
	Total Votes (b)	Common Stock (c)	Preferred Stock (d)	Other (e)
TOTAL votes of all voting securities				
TOTAL number of security holders				
TOTAL votes of security holders listed below				
Effective October 28, 2009 FPU became a wholly-owned subsidiary of Chesapeake Utilities Corporation.				

IMPORTANT CHANGES DURING THE YEAR

Give particulars (details) concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquires. Each inquiry should be answered. Enter "none" "not applicable," or "NA" where applicable. If information which answers an inquiry is given elsewhere in the report, make a reference to the schedule in which it appears.

1. Changes in and important information to franchise rights:

Describe the actual consideration given therefore and state from whom the franchise rights were acquired. If acquired without the payment of consideration, state that fact.

2. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give name of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.

3. Purchase or sale of an operating unit or system: Give brief description of the property, and of the transactions relating thereto, and reference to Commission authorization, if any was required. Give date journal entries called for by the Uniform System of Accounts were submitted to the Commission.

4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents, and other conditions. State name of Commission authorizing lease and give reference to such authorization.

5. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased give reference to Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service. Each natural gas company must also state major new continuing sources of gas made available to it from purchases,

development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements etc.

6. Obligations incurred as a result of issuance of securities or assumption of liabilities or guarantees including issuance of short-term debt and commercial paper having a maturity of one year or less.

Give reference to FERC or State Commission authorization, as appropriate, and the amount of obligation or guarantee.

7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.

8. State the estimated annual effect and nature of any important wage scale changes during the year.

9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.

10. Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder reported on page 106, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.

11. (Reserved)

12. If the important changes during the year relating to the respondent company appearing in the annual report to stockholders are applicable in every respect and furnish the data required by instruction 1 to 11 above, such notes may be included on this page.

PAGE 108 INTENTIONALLY LEFT BLANK  
SEE PAGE 109 FOR REQUIRED INFORMATION

IMPORTANT CHANGES DURING THE YEAR

- 1 None
- 2 None
- 3 None
- 4 None
- 5 None
- 6 None
- 7 None
- 8 None

In October 2018, Hurricane Michael passed through FPU's electric distribution operation's service territory in Northwest Florida. The hurricane caused widespread and severe damage to FPU's infrastructure resulting in the loss of electric service to 100 percent of its customers in the Northwest Florida service territory. FPU, after exerting extraordinary hurricane restoration efforts, restored service to those customers who were able to accept it. FPU expended more than \$65.0 million to restore service, which was recorded as new plant and equipment, charged against FPU's accumulated depreciation or charged against FPU's storm reserve. Additionally, in 2019, amounts undergoing review by the Florida PSC for regulatory asset treatment were recorded as receivables and other deferred charges.

In August 2019, FPU filed a limited proceeding requesting recovery of storm-related costs associated with Hurricane Michael (capital and expenses) through a change in base rates. FPU also requested treatment and recovery of certain storm-related costs as regulatory assets for items currently not allowed to be recovered through the storm reserve as well as the recovery of capital replaced as a result of the storm. Recovery of these costs included a component of an overall return on capital additions and regulatory assets. In March 2020, we filed an update to our original filing to account for actual charges incurred through December 2019, revised the amortization period of the storm-related costs from 30 years as originally requested to 10 years, and included costs related to Hurricane Dorian of approximately \$1.2 million in this filing.

In late 2019, the Florida PSC approved an interim rate increase, subject to refund, effective January 1, 2020, associated with the restoration effort following Hurricane Michael. We fully reserved these interim rates, pending a final resolution and settlement of the limited proceeding. In September 2020, the Florida PSC approved a settlement agreement between FPU and the Office of the Public Counsel regarding final cost recovery and rates associated with Hurricane Michael. The settlement agreement allowed us to: (a) refund the over-collection of interim rates through the fuel clause; (b) record regulatory assets for storm costs in the amount of \$45.8 million including interest which will be amortized over six years; (c) recover these storm costs through a surcharge for a total of \$7.7 million annually; and (d) collect an annual increase in revenue of \$3.3 million to recover capital costs associated with new plant and a regulatory asset for cost of removal and undepreciated plant. The new base rates and storm surcharge were effective on November 1, 2020.

In September 2019, FPU filed a petition with the Florida PSC, for approval of its consolidated electric depreciation rates. The petition was joined to the Hurricane Michael docket. The approved rates, which were part of the settlement agreement in September 2020 that is described below, were retroactively applied effective January 1, 2020.

<i>(in thousands)</i>	<b>For the Year Ended December 31, 2020</b>
Gross Margin	\$ 10,864
Depreciation	(1,184)
Amortization of regulatory assets	8,317
Operating income	3,731
Amortization of liability associated with interest expense	(1,475)
Pre-tax income	5,206
Income tax expense	1,403
Net income	<u>\$ 3,803</u>

- 10 None
- 11 None

Florida Public Utilities Company Electric Division		For the Year Ended December 31, 2020		
COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)				
Line No.	Title of Account	Ref. Page No.	Balance at Beginning of Year *	Balance at End of Year
1	UTILITY PLANT			
2	Utility Plant (101-106, 114)	200-201	162,276,514	162,038,575
3	Construction Work in Progress (107)	200-201	1,549,735	1,293,678
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		163,826,249	163,332,253
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 111, 115)	200-201	(62,535,464)	(69,951,890)
6	Net Utility Plant (Enter Total of line 4 less 5)		101,290,785	93,380,363
7	Nuclear Fuel (120.1-102.4, 120.6)		-	-
8	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)		-	-
9	Net Nuclear Fuel (Enter Total of line 7 less 8)		-	-
10	Net Utility Plant (Enter Total of lines 6 and 9)		101,290,785	93,380,363
11	Utility Plant Adjustments (116)		-	-
12	Gas Stored Underground-Noncurrent (117)		-	-
13	OTHER PROPERTY AND INVESTMENTS			
14	Nonutility Property (121)		-	-
15	(Less) Accum. Prov. for Depr. and Amort. (122)		-	-
16	Investments in Associated Company (123)		-	-
17	Investment in Subsidiary Companies (123.1)		-	-
18	(For Cost of Account 123.1, See Footnote Page 224, line 42)		-	-
19	Noncurrent Portion of Allowances		-	-
20	Other Investments (124-128, 171)		-	-
21	Special Funds		-	-
22	TOTAL Other Property and Investments (Total of lines 14 through 20)		-	-
23	CURRENT AND ACCRUED ASSETS			
24	Cash (131)		605,442	75,529
25	Special Deposits (132-133)		-	-
26	Working Funds (135)		8,000	8,000
27	Temporary Cash Investments (136)		-	-
28	Notes Receivable (141)		-	-
29	Customer Accounts Receivable (142)		5,867,282	9,143,781
30	Other Accounts Receivable (143)		(144,151)	6,301
31	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		(243,871)	(1,768,489)
32	Notes Receivable from Associated Companies (145)		-	-
33	Accounts Receivable from Assoc. Companies (146)		-	-
34	Fuel Stock (151)		-	-
35	Fuel Stock Expense Undistributed (152)		-	-
36	Residuals (Elec) and Extracted Products (Gas) (153)		-	-
37	Plant Material and Operating Supplies (154)	227	2,177,347	2,169,098
38	Merchandise (155)		-	-
39	Other Material and Supplies (156)		-	-
40	Nuclear Materials Held for Sale (157)		-	-
41	Allowances (158.1 and 158.2)		-	-
42	(Less) Noncurrent Portion of Allowances		-	-
43	Stores Expenses Undistributed (163)		-	-
44	Gas Stored Underground - Current (164.1)		-	-
45	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)		-	-
46	Prepayments (165)		366,136	456,649
47	Advances for Gas (166-167)		-	-
48	Interest and Dividends Receivable		-	-
49	Rents Receivable (172)		-	-
50	Accrued Utility Revenues (173)		2,264,749	2,037,782
51	Miscellaneous Current and Accrued Assets (174)		-	-
52	TOTAL Current and Accrued Assets (Enter Total of lines 24 through 51)		10,900,934	12,128,651

FLORIDA PUBLIC UTILITIES COMPANY		An Original	For the Year Ended	
Electric Division			December 31, 2020	
COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS, cont.)				
Line No.	Title of Account	Ref. Page No.	Balance at Beginning of Year	Balance at End of Year
53	DEFERRED DEBITS			
54	Unamortized Debt Expense (181)		4,044	-
55	Extraordinary Property Losses (182.1)		-	-
56	Unrecovered Plant and Regulatory Study Costs (182.2)		-	-
57	Other Regulatory Assets (182.3)	232	5,783,133	52,120,423
58	Prelim. Survey and Investigation Charges (Electric) (183)		-	-
59	Prelim. Survey and Investigation Charges (Gas) (183.1, 183.2)		-	-
60	Clearing Accounts (184)		7,588	9,529
61	Temporary Facilities (185)		-	-
62	Miscellaneous Deferred Debits (186)	233	45,395,364	238,402
63	Def. Losses from Disposition of Utility Plant. (187)		-	-
64	Research, Devel. and Demonstration Expend. (188)		-	-
65	Unamortized Loss on Reacquired Debt (189)		-	-
66	Accumulated Deferred Income Taxes (190)	234	4,686,834	1,709,585
67	Unrecovered Purchased Gas Costs (191)		-	-
68				
69	TOTAL Deferred Debits (Enter Total of lines 54 through 67)		55,876,963	54,077,939
70	TOTAL Assets and other Debits (Enter Total of lines 10, 11, 12, 22, 52, and 68)		168,068,682	159,586,953

FLORIDA PUBLIC UTILITIES COMPANY		An Original	For the Year Ended	
Electric Division			December 31, 2020	
COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)				
Line No.	Title of Account	Ref. Page No.	Balance at Beginning of Year	Balance at End of Year
1	PROPRIETARY CAPITAL			
2	Common Stock Issued (201)		-	-
3	Preferred Stock Issued (204)		-	-
4	Capital Stock Subscribed (202, 205)		-	-
5	Stock Liability for Conversion (203, 206)		-	-
6	Premium on Capital Stock (207)		-	-
7	Other Paid-In Capital (208-211)		-	-
8	Installments Received on Capital Stock (212)		-	-
9	(Less) Discount on Capital Stock (213)		-	-
10	(Less) Capital Stock Expense (214)		-	-
11	Retained Earnings (215, 215.1, 216)	118-119	55,559,536	59,952,762
12	Unappropriated Undistributed Subsidiary Earnings (216.1)		-	-
13	(Less) Reacquired Capital Stock (217)		-	-
14	TOTAL Proprietary Capital (Enter Total of lines 2 through 13)		55,559,536	59,952,762
15	LONG-TERM DEBT			
16	Bonds (221)		-	-
17	(Less) Reacquired Bonds (222)		-	-
18	Advances from Associated Companies (223)		-	-
19	Other Long-Term Debt (224)		-	-
20	Unamortized Premium on Long-Term Debt (225)		-	-
21	(Less) Unamortized Discount on Long-Term Debt-Dr. (226)		-	-
22	TOTAL Long-Term Debt (Enter Total of lines 16 through 21)		-	-
23	OTHER NONCURRENT LIABILITIES			
24	Obligations Under Capital Leases - Noncurrent (227)		142,361	107,613
25	Accumulated Provision for Property Insurance (228.1)		780,360	2,010,418
26	Accumulated Provision for Injuries and Damages (228.2)		210,312	-
27	Accumulated Provision for Pensions and Benefits (228.3)		4,876,174	4,685,017
28	Accumulated Miscellaneous Operating Provisions (228.4)		-	-
29	Accumulated Provision for Rate Refunds (229)		40,415	-
30	TOTAL Other Noncurrent Liabilities (Enter Total of lines 24 through 29)		6,049,622	6,803,048
31	CURRENT AND ACCRUED LIABILITIES			
32	Notes Payable (231)		30,000,000	-
33	Accounts Payable (232)		5,323,497	6,296,499
34	Notes Payable to Associated Companies (233)		-	-
35	Accounts Payable to Associated Companies (234)		44,835,839	55,370,350
36	Customer Deposits (235)		3,348,352	3,622,091
37	Taxes Accrued (236)	262-263	(7,693,037)	(8,431,360)
38	Interest Accrued (237)		115,571	71,956
39	Dividends Declared (238)		-	-
40	Long-Term Debt Current(239)		-	-
41	Matured Interest (240)		-	-
42	Tax Collections Payable (241)		729,512	1,260,221
43	Miscellaneous Current and Accrued Liabilities (242)		836,799	486,670
44	Obligations Under Capital Leases-Current (243)		50,808	32,479
45	TOTAL Current and Accrued Liabilities (Enter Total of lines 32 through 44)		77,547,341	58,708,906



FLORIDA PUBLIC UTILITIES COMPANY		An Original	For the Year Ended	
Electric Division			December 31, 2020	
COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS, continued)				
Line No.	Title of Account	Ref. Page No.	Balance at Beginning of Year	Balance at End of Year
46	DEFERRED CREDITS			
47	Customer Advances for Construction (252)		1,366,107	1,205,228
48	Accumulated Deferred Investment Tax Credits (255)	266-267	-	-
49	Deferred Gains from Disposition of Utility Plant (256)		-	-
50	Other Deferred Credits (253)	269	0	4,442,094
51	Other Regulatory Liabilities (254)	278	5,751,880	8,831,077
52	Unamortized Gain on Reacquired Debt (257)		-	-
53	Accumulated Deferred Income Taxes (281-283)	274-277	21,794,196	19,643,838
54	TOTAL Deferred Credits (Enter Total of lines 47 through 53)		28,912,183	34,122,237
55	TOTAL Liabilities and Other Credits (Enter Total of lines 14,22,30 45 and 54)		168,068,682	159,586,953

**STATEMENT OF INCOME FOR THE YEAR**

- |   |   |
|---|---|
| <p>1. Report amounts for Accounts 412 and 413, Revenue and Expenses from Utility Plant Leased to Others, in another utility column (i,k,m,o) in a similar manner to a utility department. Spread the amount (s) over lines 02 through 24 as appropriate. Include these amounts in columns (c) and (d) totals.</p> <p>2. Report amounts in Account 414, Other Utility Operating Income, in the same manner as Accounts 412 and 413 above.</p> <p>3. Report data for lines 7,9,10 for Natural Gas companies using accounts 404.1, 404.2, 404.3, 407.1 and 407.2.</p> <p>4. Use page 122-123 for important notes regarding the statement of income or any account thereof.</p> | <p>5. Give concise explanations concerning unsettled proceedings where a contingency exists such that a material amount may need to be made to the utility's customers or which may result in a material refund to the utility with respect to power or gas purchases. State how such refunds affected the gross revenues or costs to which the cost of such refunds relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to recover such revenues or recover amounts paid with respect to power and gas purchases.</p> <p>6. Give concise explanations concerning significant amounts of any refunds made or received during the year.</p> |
|---|---|

Line No.	Account (a)	Ref. Page No. (b)	TOTAL Current Year (c)	TOTAL Previous Year (d)
1	<b>UTILITY OPERATING INCOME</b>			
2	Operating Revenues (400)	300-301	82,348,365	83,077,145
3	Operating Expenses			
4	Operation Expenses (401)		53,050,854	65,060,317
5	Maintenance Expenses (402)		3,051,718	3,430,157
6	Depreciation Expense (403)		4,144,008	4,785,374
7	Amort. & Depl. of Utility Plant (404-405)		(286,817)	(284,871)
8	Amort. of Utility Plant Acq. Adj. (406)		-	-
9	Amort. of Property Losses, Unrecovered Plant and Regulatory Study Costs (407)		-	-
10	Amort. of Conversion Expenses (407)		-	-
11	Regulatory Debits (407.3)		8,539,670	211,392
12	(Less) Regulatory Credits (407.4)		-	-
13	Taxes Other Than Income Taxes (408.1)		7,209,136	6,989,327
14	Income Taxes - Federal (409.1)		(1,242,067)	(6,996,978)
15	- Other (409.1)		-	-
16	Provision for Deferred Inc. Taxes (410.1) *		8,882,146	12,470,589
17	(Less) Provision for Deferred Income Taxes-Cr.(411.1)		(6,846,510)	(5,048,718)
18	Investment Tax Credit Adj. - Net (411.4)		-	-
19	(Less) Gains from Disp. of Utility Plant (411.6)		-	-
20	Losses from Disp. of Utility Plant (411.7)		-	-
21	(Less) Gains from Disposition of Allowances (411.8)		-	-
22	Losses from Disposition of Allowances (411.9)		-	-
23	<b>TOTAL Utility Operating Expenses (Total of lines 4-22)</b>		<b>76,502,138</b>	<b>80,616,589</b>
24	<b>Net Utility Operating Income (Total of line 2 less 23)</b> (Carry forward to page 117, line 25)		<b>5,846,227</b>	<b>2,460,556</b>

STATEMENT OF INCOME FOR THE YEAR (Continued)

resulting from settlement of any rate proceeding affecting allocations and apportionments from those used in the pre-revenues received or costs incurred for power or gas preceding year. Also give the approximate dollar effect of such changes, and a summary of the adjustments made to changes.

balance sheet, income, and expense accounts. 9. Explain in a footnote if the previous year's figures are different from that reported in prior reports.

7. If any notes appearing in the report to stockholders are different from that reported in prior reports. are applicable to this Statement of Income, such notes must be attached at page 122.

8. Enter on page 122 a concise explanation of only those changes in accounting methods made during the year which had an effect on net income, including the basis of

10. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles, lines 1 to 19, and report the information in the blank space on page 122 or in a supplemental statement.

ant year

ELECTRIC UTILITY		GAS UTILITY		OTHER UTILITY - WATER		Line No.
Current Year (e)	Previous Year (f)	Current Year (g)	Previous Year (h)	Current Year (i)	Previous Year (j)	
						1
82,348,365	83,077,145	-	-	-	-	2
						3
53,050,854	65,060,317	-	-	-	-	4
3,051,718	3,430,157	-	-	-	-	5
4,144,008	4,785,374	-	-	-	-	6
(286,817)	(284,871)	-	-	-	-	7
						8
-	-	-	-	-	-	9
						10
8,539,670	211,392	-	-	-	-	11
						12
7,209,136	6,989,327	-	-	-	-	13
(1,242,067)	(6,996,978)	-	-	-	-	14
						15
8,882,146	12,470,589	-	-	-	-	16
(6,846,510)	(5,048,718)	-	-	-	-	17
						18
-	-	-	-	-	-	19
						20
-	-	-	-	-	-	21
						22
76,502,138	80,616,589	-	-	-	-	23
5,846,227	2,460,556	-	-	-	-	24

STATEMENT OF INCOME FOR THE YEAR (Continued)

Line No.	Account	Ref. Page No.	TOTAL	
			Current Year	Previous Year
25	Net Utility Operating Income (Carried forward from page 114)	--	5,846,227	2,460,556
26	Other Income and Deductions			
27	Other Income	--		
28	Nonutility Operating Income	--		
29	Revenues From Merchandising, Jobbing and Contract Work (415)	--	448	140
30	(Less) Costs and Exp. of Merchandising, Job & Contract Work (416)	--	-	360
31	Revenues From Nonutility Operations (417)	--	-	-
32	(Less) Expenses of Nonutility Operations (417.1)	--	-	-
33	Nonoperating Rental Income (418)	--	-	-
34	Equity in Earnings of Subsidiary Companies (418.1)	119	-	-
35	Interest and Dividend Income (419)	--	-	-
36	Allowance for Other Funds Used During Construction (419.1)	--	-	-
37	Miscellaneous Nonoperating Income (421)	*	-	-
38	Gain on Disposition of Property (421.1)	--	-	-
39	TOTAL Other Income (Enter Total of lines 29 through 38)	--	448	500
40	Other Income Deductions	--		
41	Loss on Disposition of Property (421.2)	--	-	-
42	Miscellaneous Amortization (425)	340	-	-
43	Miscellaneous Income Deductions (426.1-426.5)	463	(25,201)	(3,543)
44	TOTAL Other Income Deductions (Total of lines 41 through 43)		(25,201)	(3,543)
45	Taxes Applic. to Other Income and Deductions	--		
46	Taxes Other Than Income Taxes (408.2)	262-263	-	-
47	Income Taxes - Federal (409.2)	262-263	(20,687)	67,877
48	Income Taxes - Other (409.2)	262-263	-	-
49	Provision for Deferred Income Taxes (410.2)	234,272-277	-	-
50	(Less) Provision for Deferred Income Taxes - Cr. (411.2)	234,272-277	-	-
51	Investment Tax Credit Adj.- Net (411.5)	--		
52	(Less) Investment Tax Credits (420)	--		
53	TOTAL Taxes on Other Inc. and Ded. (Enter Total of 46 through 52)	--	(20,687)	67,877
54	Net Other Income and Deductions (Enter Total of lines 39,44,53)	--	(45,440)	64,834
55	Interest Charges			
56	Interest on Long-Term Debt (427)	--	2,382,131	1,282,321
57	Amortization of Debt Disc. and Expense (428)	--	51,011	39,812
58	Amortization of Loss on Recquired Debt (428.1)	--	28,791	18,978
59	(Less) Amort. of Premium on Debt - Credit (429)	--		
60	(Less) Amortization of Gain on Recquired Debt - Credit (429.1)	--		
61	Interest on Debt to Assoc. Companies (430)	463		
62	Other Interest Expense (431)	463	(1,054,372)	543,908
63	(Less) Allow. for Borrowed Funds Used During Const. - Cr. (432)	--		
64	Net Interest Charges (Total of lines 56 through 63)	--	1,407,561	1,885,019
65	Income Before Extraordinary Items (Enter Total of lines 25, 54 and 64)	--	4,393,226	640,371
66	Extraordinary Items			
67	Extraordinary Income (434) Cum.	--		
68	(Less) Extraordinary Deductions (435)	--		
69	Net Extraordinary Items (Enter Total of line 67 less line 68)	--		
70	Income Taxes - Federal and Other (409.3)	262-263		
71	Extraordinary Items After Taxes (Enter Total of line 69 less line 70)	--		
72	Net Income (Enter Total of lines 65 and 71)		4,393,226	640,371

STATEMENT OF RETAINED EARNINGS FOR THE YEAR

1. Report all changes in appropriate retained earnings, unappropriated retained earnings, and unappropriated undistributed subsidiary earnings for the year.
2. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436-439 inclusive). Show the contra primary account affected in column (b).
3. State the purpose and amount for each reservation or appropriation of retained earnings.
4. List first Account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items, in that order.
5. Show dividends for each class and series of capital stock.
6. Show separately the state and federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
7. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservations or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
8. If any notes appearing in the report to stockholders are applicable to this statement attach them at page 122-123.

Line No.	Item (a)	Contra Primary Account Affected (b)	Amount (c)
<b>UNAPPROPRIATED RETAINED EARNINGS (Account 216)</b>			
1	Balance - Beginning of Year		55,559,536
2	Changes (Identify by prescribed retained earnings accounts)		
3	Adjustments to Retained Earnings (Account 439)		
4	Credit:		
5	Credit:		
6	Credit:		
7	Credit:		
8	Credit:		
9	TOTAL Credits to Retained Earnings (Account 439) (Enter Total of lines 4 through 8)		
10	Debit: Chesapeake Utilities Corporations Acquisition of FPU		
11	Debit:		
12	Debit:		
13	Debit:		
14	Debit:		
15	TOTAL Debits to Retained Earnings (Account 439) (Enter Total of lines 10 through 14)		
16	Balance Transferred from Income (Account 433 less Account 418.1)		4,393,226
17	Appropriations of Retained Earnings (Account 436)		
18	Employer Stock - Rabbi Trust		
19			
20			
21	TOTAL Appropriations of Retained Earnings (Account 436)		
22	(Enter Total of lines 18 through 21)		-
23	Dividends Declared - Preferred Stock (Account 437)		
24	Preferred		
25			
26			
27			
28	TOTAL Dividends Declared - Preferred Stock (Account 437)		
29	(Enter Total of lines 24 through 28)		-
30	Dividends Declared - Common Stock (Account 438)		
31	Common - Cash		
32			
33			
34			
35	TOTAL Dividends Declared - Common Stock (Account 438)		
36	(Enter Total of lines 31 through 35)		-
37	Transfers from Acct. 216.1, Unappropriated Undistributed Subsidiary Earnings		-
38	Balance - End of Year (Enter Total of lines 01, 09, 15, 16, 22, 29, 36 and 37)		59,952,762

STATEMENT OF RETAINED EARNINGS FOR THE YEAR (Continued)

Line No.	Item (a)	Amount (b)
	APPROPRIATED RETAINED EARNINGS (Account 215)	
	State balance and purpose of each appropriated retained earnings amount at end of year and give accounting entries for any applications of appropriated retained earnings during the year.	
39		
40		
41		
42		
43		
44		
45	TOTAL Appropriated Retained Earnings (Account 215)	
	APPROPRIATED RETAINED EARNINGS - Amortization , Reserve, Federal	
	State below the total amount set aside through appropriations of retained earnings, as of the end of the year, in compliance with the provisions of Federally granted hydroelectric project licenses held by the respondent. If any reductions or changes other than the normal annual credits hereto have been made during the year, explain such items in a footnote.	
46	TOTAL Appropriated Retained Earnings - Amortization Reserve, Federal (Account 215.1)	
47	TOTAL Appropriated Retained Earnings (Accounts 215, 215.1)	
48	TOTAL Retained Earnings (Account 215, 215.1, 216)	59,952,762
	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account 216.1)	
49	Balance - Beginning of Year (Debit or Credit)	55,559,536
50	Equity in Earnings for Year (Credit) (Account 418.1)	4,393,226
51	(Less) Dividends Received (Debit)	-
52	Other Changes (Explain) Cost of shares issued for employee stock plan	-
53	Balance - End of year (Total of Lines 49 Thru 52)	59,952,762

STATEMENT OF CASH FLOWS

1. If the notes to the cash flow statement in the respondent's annual stockholders report are applicable to this statement, such notes should be attached to page 122-123. Information about noncash investing and financing activities should be provided on page 122-123. Provide also on page 122-123 a reconciliation between "Cash and Cash Equivalents at end of Year" with related amounts on the balance sheet.

2. Under "Other" specify significant amounts and group others.

3. Operating Activities - Other: include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show on page 122-123 the amounts of interest paid (net of amounts capitalized) and income taxes paid.

Line No.	Description (See Instruction No.5 for Explanation of Codes) (a)	Amounts (b)
1	<b>Operating Activities</b>	In thousands
2	Net Income - Electric	\$ 4,393,226
3	Adjustments to reconcile net income to net operating cash:	
4	Depreciation and amortization	4,144,008
5	Depreciation and accretion included in other costs	8,710,206
6	Deferred income taxes, net	826,891
7	Other, net	-
8	Changes in assets and liabilities:	
9	Accounts receivable and accrued utility revenue	(1,675,366)
10	Plant material and operating supplies	8,249
11	Regulatory assets	(2,240,038)
12	Prepayments	(90,513)
13	Other deferred charges	3,841,035
14	Accounts payable and other accrued liabilities	618,575
15	Taxes accrued	(207,614)
16	Interest accrued	(43,615)
17	Customer deposits	273,739
18	Regulatory liabilities	943,507
19	Other liabilities	2,681,033
20	Net cash provided by operating activities	<u>\$ 22,183,323</u>
21		
22	<b>Investing Activities</b>	
23	Property, plant and equipment expenditures	(3,247,748)
24	Net cash used by investing activities	<u>\$ (3,247,748)</u>
25		
26	<b>Financing Activities</b>	
	Notes Payable	(30,000,000)
27	Inter-company receivable (payable)	10,534,511
28	Net cash used by financing activities	<u>\$ (19,465,489)</u>
29		
30	<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(529,913)
31	<b>Cash and Cash Equivalents — Beginning of Period</b>	605,442
32	<b>Cash and Cash Equivalents — End of Period</b>	<u>\$ 75,529</u>

CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

<p>4. Investing Activities</p> <p>Include at other (line 31) net cash outflows to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed on page 122-123. Do not include on this statement the dollar amount of leases capitalized per USofA General instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost on page 122-123.</p>	<p>5. Codes used:</p> <p>(a) Net proceeds or payments (b) Bonds, debentures and other long-term debt. (c) Include commercial paper (d) Identify separately such items as investments, fixed assets, intangibles, etc.</p> <p>6. Enter on page 122-123 clarifications and explanations.</p>
--	--

Line No.	Description (See Instruction No.5 for Explanation of Codes) (a)	Amounts (b)
	See Page 120	



Name of Respondent Florida Public Utilities Company Electric Division	For the Year Ended December 31, 2020
---	---

**NOTES TO THE FINANCIAL STATEMENTS ON A CONSOLIDATED BASIS**

1. Use the space below for important notes regarding the Balance Sheet, Statement of Income for the year, Statement of Retained Earnings for the year, and Statement of Changes in Financial Position, or any account thereof. Classify the notes according to each basic statement, providing a subheading for each statement except where a note is applicable to more than one statement.
2. Furnish particulars (details) as to any significant contingent assets or liabilities existing at end of year, including a brief explanation of any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or of a claim for refund of income taxes of a material amount initiated by the utility. Give also a brief explanation of any dividends in arrears on cumulative preferred stock.
3. For Account 116, Utility Plant Adjustments, explain the origin of such amount, debits and credits during the year, and plan of disposition contemplated, giving references to Commission orders or other authorizations respecting classification of amounts as plant adjustments and requirements as to disposition thereof.
4. Where Accounts 189, Unamortized Loss on Reacquired Debt, and 257, Unamortized Gain on Reacquired Debt, are not used, give an explanation, providing the rate treatment given these items. See General Instruction 17 of the Uniform System of Accounts.
5. Give a concise explanation of any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.
6. If the notes to financial statements relating to the respondent company appearing in the annual report to the stockholders are applicable and furnish the data required by instructions above and on pages 8-10, such notes may be attached hereto.

\* See Word File Attached

Florida Public Utilities Company	An Original		For the Year Ended
Electric Division			December 31, 2020
NOTES TO FINANCIAL STATEMENTS			

## 1. Organization and Basis of Presentation

Florida Public Utilities Company (“FPU”) is a utility engaged in the natural gas and electric distribution business in Florida. The electric division of FPU (“we,” “our” or “us”) is engaged in the distribution of electricity. We deliver electricity to approximately 32,000 residential, commercial and industrial customers located in Jackson, Liberty, Calhoun and Nassau counties in Florida. Our rates and services are subject to regulation by the Florida Public Service Commission (“FPSC”). FPU is a wholly-owned subsidiary of Chesapeake Utilities Corporation (“Chesapeake Utilities”).

Our financial statements are prepared in conformity with the accounting requirements of the FPSC, which are substantially equivalent to the accounting requirements of the Federal Energy Regulatory Commission (“FERC”) as set forth in the applicable Uniform System of Accounts and published accounting releases, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (“US GAAP”). The accounting requirements of the FERC and the FPSC applied by us in these financial statements are consistent with US GAAP, except for:

- lack of reclassification of certain negative balances on the balance sheets;
- the presentation of deferred income tax assets and liabilities separately rather than as a single amount;
- the presentation of cost of removal as a component of accumulated depreciation rather than as a regulatory liability;
- lack of detail property, plant and equipment component costs disclosure;
- lack of detail regulatory assets and liability disclosure;
- the omission of the statement of cash flows for prior year for a comparative presentation;
- the omission of the statement of retained earnings for prior year for a comparative presentation;
- the presentation of pass-through revenue taxes, such as gross receipts taxes, franchise taxes and sales taxes, as revenues and operating expenses rather than on a net basis;
- the presentation of the components of net benefit costs in operating expenses whereas for US GAAP only the service component is presented in operating expenses; and
- the presentation of operating leases’ right-of-use asset and lease liability in the FERC balance sheet accounts for capital lease assets and liabilities.

We do not have any ownership interests in investments accounted for using the equity method or any variable interests in a variable interest entity. We have assessed and reported on subsequent events through April 29, 2021, the date these financial statements are available to be issued.

On March 13, 2020, the US Centers for Disease Control and Prevention (“CDC”) declared a national emergency due to the rapidly growing outbreak of coronavirus (“COVID-19”). In response to this declaration and the rapid spread of COVID-19 within the United States, federal, state and local governments throughout the country imposed varying degrees of restrictions on social and commercial activity to promote social distancing in an effort to slow the spread of the illness. These restrictions have continued to significantly impact economic conditions in the United States. We are considered an “essential business,” which allows us to continue our operational activities and construction projects while the social distancing restrictions remain in place. In response to the COVID-19 pandemic and related restrictions, we implemented our pandemic response plan, which includes having all employees who can work remotely do so in order to promote social distancing and providing personal protective equipment to field employees to reduce the spread of COVID-19.

Impacts from the restrictions imposed in our service territories and the implementation of our pandemic response plan, included reduced consumption of energy largely in the commercial and industrial sectors, higher bad debt expenses and incremental expenses associated with COVID-19, including personal protective equipment and premium pay for field personnel. The additional operating expenses we incurred support the ongoing delivery of our essential services during these unprecedented times. In the fourth quarter of 2020, we established regulatory assets, as currently authorized by the Florida PSC, associated with the incremental expenses incurred as a result of the pandemic. We are continuing to provide timely updates, monitor developments affecting our employees, customers, suppliers and stockholder, and take the necessary precautions to operate safely and comply with the CDC, Occupational Safety and Health Administration, state and local requirements. Refer to Note 10, *Rates and Other Regulatory Activities*, for further information on the regulated assets established as a result of the incremental expenses associated with COVID-19.

Florida Public Utilities Company	An Original		For the Year Ended
Electric Division			December 31, 2020
NOTES TO FINANCIAL STATEMENTS			

## 2. Summary of Significant Accounting Policies

### Use of Estimates

Our financial statements are prepared based on the accounting requirements of the FPSC and the FERC, which require management to make estimates in measuring assets and liabilities and related revenues and expenses. These estimates involve judgments with respect to, among other things, various future economic factors that are difficult to predict and are beyond our control; therefore, actual results could differ from these estimates. As additional information becomes available, or actual amounts are determined, recorded estimates are revised. Consequently, operating results can be affected by revisions to prior accounting estimates.

### Utility Plant

Utility Plant is stated at the lower of original cost less accumulated depreciation or fair value if impaired. Costs include direct labor, materials and third-party construction contractor costs, allowance for funds used during construction ("AFUDC") and certain indirect costs related to equipment and employees engaged in construction. The costs of repairs and minor replacements are charged to expense as incurred, and the costs of major renewals and betterments are capitalized. Upon retirement or disposition of utility plant, the gain or loss, net of salvage value, is charged to accumulated depreciation or deferred as a regulatory asset or liability as required by the FPSC.

Customer contributions or advances in aid of construction reduce utility plant unless the amounts are refundable to customers. Contributions or advances may be refundable to customers after a number of years based on the amount of revenues generated from the customers or the duration of the service provided to the customers. Refundable contributions or advances are recorded initially as liabilities. The amounts that are determined to be non-refundable will reduce utility plant at the time of such determination. As of December 31, 2020 and 2019, there were no non-refunded contributions or advances reducing utility plant.

AFUDC represents the estimated cost of funds, from both debt and equity sources, used to finance the construction of major projects. AFUDC is capitalized in rate base for rate making purposes when the completed projects are placed in service. We did not capitalize AFUDC on utility plant for the years ended December 31, 2020 and 2019.

### Asset Impairment Evaluations

We periodically evaluate whether events or circumstances have occurred, which indicate that other long-lived assets may not be fully recoverable. The determination of whether an impairment has occurred is based on an estimate of undiscounted future cash flows attributable to the asset, compared to the carrying value of the asset. When such events or circumstances are present, we record an impairment loss equal to the excess of the asset's carrying value over its fair value, if any.

### Depreciation

We compute depreciation expense by applying composite, annual rates as approved by the FPSC. Depreciation and amortization expenses are provided at an annual rate averaging 2.9 percent and 3.4 percent for the years ended December 31, 2020 and 2019, respectively.

In accordance with the accounting requirements of the FERC, we include the accretion of the cost of removal for future retirements of utility plant as depreciation expense. For both years ended December 31, 2020 and 2019, \$0.8 million of such accretion was included in depreciation expense. We also report certain depreciation expenses, mainly related to vehicle, computer software, and hardware, as operation expenses rather than depreciation and amortization expense to comply with the requirements of the FERC. For the years ended December 31, 2020 and 2019, \$0.3 million and \$0.4 million, respectively, of such depreciation was reported as operation expenses.

Florida Public Utilities Company	An Original		For the Year Ended
Electric Division			December 31, 2020
NOTES TO FINANCIAL STATEMENTS			

### Regulated Operations

We account for our operations in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 980, *Regulated Operations*, which includes accounting principles for companies whose rates are determined by independent third-party regulators. When setting rates, regulators often make decisions, the economics of which require companies to defer costs or revenues in different periods than may be appropriate for unregulated enterprises. When this situation occurs, a regulated company defers the associated costs as regulatory assets on the balance sheet and records them as expense on the income statement as it collects revenues. Further, regulators can also impose liabilities upon a regulated company for amounts previously collected from customers and for recovery of costs that are expected to be incurred in the future as regulatory liabilities. If we were required to terminate the application of these regulatory provisions to our regulated operations, all such deferred amounts would be recognized in the income statement at that time, which could have a material impact on our financial position, results of operations and cash flows.

We monitor our regulatory and competitive environment to determine whether the recovery of our regulatory assets continues to be probable. If we were to determine that recovery of these assets is no longer probable, we would write off the assets against earnings. We believe that provisions of ASC Topic 980, *Regulated Operations*, continue to apply to our operations and that the recovery of our regulatory assets is probable.

### Revenue Recognition

Our operating revenues are based on rates approved by the FPSC. Customers’ base rates may not be changed without formal approval by the FPSC. We read meters and bill customers on monthly cycles that do not coincide with the accounting periods used for financial reporting purposes. We accrue unbilled revenues for the charges associated with electricity delivered, but not yet billed, at the end of an accounting period to the extent that they do not coincide.

We have a fuel (electricity) cost recovery mechanism. This mechanism provides a method of adjusting the billing rates to reflect changes in the cost of purchased fuel. The difference between the current cost of fuel and the cost of fuel recovered in billed rates is deferred and accounted for as either unrecovered purchased fuel costs or amounts payable to customers. Generally, these deferred amounts are recovered or refunded within one year.

### Operation and Maintenance Expenses

Operation and maintenance expenses are costs associated with the operation and maintenance of our electric distribution systems. Major cost components include operation and maintenance salaries and benefits, materials and supplies, usage of vehicles, tools and equipment, payments to contractors, utility plant maintenance, customer service, professional fees and other outside services, insurance expense, minor amounts of depreciation, accretion of cost of removal for future retirement of utility assets, and other administrative expenses.

### Cash and Cash Equivalents

We consider all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. Excess cash generated by our receipts may be transferred to and invested in Chesapeake Utilities’ overnight income-producing accounts. We are allocated the portion of interest income generated from those accounts, which reduced interest expense in the accompanying statements of income.

### Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable consist primarily of amounts due for sales of electricity. An allowance for doubtful accounts is recorded against amounts due to reduce the receivables balance to the amount we reasonably expect to collect based upon our collections experiences and management’s assessment of our customers’ inability or reluctance to pay. If circumstances change, our estimates of recoverable accounts receivable may also change. Circumstances which could affect such estimates include, but are not limited to, customer credit issues, the level of electricity prices and general economic conditions. Accounts are written off when they are deemed to be uncollectible.

### Inventories

We use the average cost method to value materials and supplies inventory. If market prices drop below cost, inventory balances that are subject to price risk are adjusted to net realizable value.

### Pension and Other Postretirement Plans

Our eligible employees participate in FPU’s pension and other postretirement plans. FPU allocates our share of its pension and other postretirement plan costs based on a portion of the benefits related to providing our service. FPU’s pension and other postretirement plan costs and liabilities are determined on an actuarial basis and are affected by numerous

Florida Public Utilities Company	An Original		For the Year Ended
Electric Division			December 31, 2020
NOTES TO FINANCIAL STATEMENTS			

assumptions and estimates including the fair value of plan assets, estimates of the expected returns on plan assets, assumed discount rates, the level of contributions made to the plans, and current demographic and actuarial mortality data. FPU's management annually reviews the estimates and assumptions underlying our pension and other postretirement plan costs and liabilities with the assistance of third-party actuarial firms.

The assumed discount rates and the expected returns on plan assets are the assumptions that generally have the most significant impact on FPU's pension costs and liabilities. The assumed discount rates, the assumed health care cost trend rates and the assumed rates of retirement generally have the most significant impact on FPU's postretirement plan costs and liabilities. A 0.25 percent change in the discount rate could change FPU's annual pension and postretirement costs by an immaterial amount. A 0.25 percent change in the rate of return could change FPU's annual pension cost by an immaterial amount, and would not have an impact on the postretirement and plan because this plan is not funded.

Income Taxes

Deferred tax assets and liabilities are recorded for the income tax effect of temporary differences between the financial statement basis and tax basis of assets and liabilities and are measured using the enacted income tax rates in effect in the years in which the differences are expected to reverse. The portions of our deferred tax liabilities, which have not been reflected in current service rates, represent income taxes recoverable through future rates. Deferred tax assets are recorded net of any valuation allowance when it is more likely than not that such tax benefits will be realized.

We account for uncertainty in income taxes in the financial statements only if it is more likely than not that an uncertain tax position is sustainable based on technical merits. Recognizable tax positions are then measured to determine the amount of benefit recognized in the financial statements. We recognize penalties and interest related to unrecognized tax benefits as a component of other income.

We account for contingencies associated with taxes other than income when the likelihood of a loss is both probable and estimable. In assessing the likelihood of a loss, we do not consider the existence of current inquiries, or the likelihood of future inquiries, by tax authorities as a factor. Our assessment is based solely on our application of the appropriate statutes and the likelihood of a loss assuming the proper inquiries are made by tax authorities.

Financial Instruments

We have entered into agreements with suppliers to purchase electricity for resale to our customers. Purchases under these contracts either do not meet the definition of derivatives or are considered "normal purchases" and are accounted for on an accrual basis.

Financial assets with carrying values approximating fair value include accounts receivable. Financial liabilities with carrying values approximating fair value include accounts payable and other accrued liabilities.

Recently Adopted Accounting Standards

Financial Instruments - Credit Losses (ASC 326) - In June 2016, the FASB issued ASU 2016-13, Measurement of Credit Losses on Financial Instruments, which changes how entities account for credit losses for most financial assets and certain other instruments, and subsequent guidance which served to clarify or amend the original standard. ASU 2016-13 and the related amendments require entities to estimate lifetime expected credit losses for trade receivables and to provide additional disclosure related to credit losses. We adopted ASU 2016-13 on January 1, 2020.

Our estimate for expected credit losses has been developed by analyzing our portfolio of financial assets that present potential credit exposure risk. These assets consist solely of our trade receivables from customers and contract assets. The estimate is based on five years of historical collections experience, a review of current economic and operating conditions in our service territories, and an examination of economic indicators which provide a reasonable and supportable basis of potential future activity. Those indicators include metrics which we believe provide insight into the future collectability of our trade receivables such as unemployment rates and economic growth statistics in our service territories.

When determining estimated credit losses, we analyzed the balance of our trade receivables based of our business. As a regulated energy business, we have the ability to recover our costs through the rate making process, which can include consideration for amounts historically written off to be included in rate base. Therefore, we possess a mechanism to recover credit losses which we believe reduces our exposure to credit risk.

Florida Public Utilities Company	An Original		For the Year Ended
Electric Division			December 31, 2020
NOTES TO FINANCIAL STATEMENTS			

Our estimate of expected credit losses reflects our anticipated losses associated with our trade receivables as a result of non-payment from our customers beginning the day the trade receivable is established. We believe the risk of loss associated with trade receivables classified as current presents the least amount of credit exposure risk and therefore, we assign a lower estimate to our current trade receivables. As our trade receivables age outside of their expected due date, our estimate increases. Our allowance for credit losses relative to the balance of our trade receivables has historically been immaterial as a result of on time payment activity from our customers.

During the first quarter of 2020, COVID-19 began to rapidly spread within the United States. Federal, state and local governments throughout the country imposed restrictions to promote social distancing to slow the spread of the virus, which has also had the effect of limiting commercial activity. These measures have resulted in significant job losses and a slowing of economic activity across the United States and in the areas that we serve. We have considered the impact of COVID-19 on our receivables for the twelve months ended December 31, 2020, monitored developments that impact our customers' ability to pay and have revised our estimates of expected credit losses to reflect these impacts. The below table provides a reconciliation of our allowance for credit losses at December 31, 2020:

<i>(in thousands)</i>	
<b>Balance at December 31, 2019</b>	\$ 244
<b>Additions:</b>	
Provision for credit losses	1,455
Recoveries	327
<b>Deductions:</b>	
Write offs	(258)
<b>Balance at December 31, 2020</b>	<u>\$ 1,768</u>

Fair Value Measurement (ASC 820) - In August 2018, the FASB issued ASU 2018-13, *Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement*, which removes, modifies and adds certain disclosure requirements on fair value measurements in ASC 820. We adopted ASU 2018-13 beginning January 1, 2020 and, since the changes only impacted disclosures, its adoption did not have a material impact on our results of operations or financial position.

### 3. Transactions with Affiliates

#### Financing Arrangements

Our excess cash is transferred to Chesapeake Utilities to be invested in overnight income-producing accounts. We utilize Chesapeake Utilities' short-term borrowing facility and long-term debt to satisfy our financing needs. For the years ended December 31, 2020 and 2019, Chesapeake Utilities allocated to us \$2.5 million and \$3.3 million, respectively, in interest expense, which represents a portion of interest from Chesapeake Utilities' short-term and long-term debt, net of a portion of interest income from the overnight income-producing accounts.

In December 2020, Chesapeake Utilities redeemed FPU's 9.08 percent secured first mortgage bonds outstanding of \$8.0 million, prior to their maturity, which included the outstanding principal balances, interest accrued, premium and fees. Chesapeake Utilities used short-term borrowing to finance the redemption of these bonds. The difference between the carrying value of those bonds and the amount paid at redemption totaling \$1.0 million was charged to expense and allocated to us as described above.

#### Allocated Costs from Affiliates

Chesapeake Utilities provides us with administrative and support services. These services include certain managerial, accounting, information technology, payroll, human resources, and treasury services. For each of the years ended December 31, 2020 and 2019, Chesapeake Utilities charged us \$4.2 million and \$4.4 million, respectively for these services. Chesapeake Utilities also provides us with shared services, which includes safety and customer care services. For the years ended December 31, 2020 and 2019, Chesapeake Utilities charged us \$2.0 million and \$1.8 million, respectively for these services.

#### Advances from Affiliates

As of December 31, 2020 and 2019, we had advances from Chesapeake Utilities and its subsidiaries of \$55.4 million and \$44.8 million, respectively. These amounts are reflected as accounts payable to associated companies in the accompanying balance sheet.

Florida Public Utilities Company	An Original		For the Year Ended
Electric Division			December 31, 2020
NOTES TO FINANCIAL STATEMENTS			

Electric Purchase

Eight Flags Energy, LLC (“Eight Flags”), a subsidiary of Chesapeake Utilities' OnSight Services, LLC, generates electricity and steam at its Combined Heat and Power plant located on Amelia Island, Florida. Eight Flags sells the electricity generated from the plant to us for distribution to our customers. For the years ended December 31, 2020 and 2019, we incurred \$12.7 million and \$13.8 million, respectively, in cost associated with the purchase of electricity from Eight Flags, which was included in the cost of fuel and our fuel cost recovery mechanism.

Letter of Credit

As of December 31, 2020, Chesapeake Utilities issued a letter of credit for \$1.0 million, which expires in September 2021, related to electric transmission services for our northwest division.

**4. Income Taxes**

FPU is included in the Chesapeake Utilities consolidated federal income tax return, along with all of Chesapeake Utilities' other subsidiaries. At December 31, 2020, the 2015 through 2019 federal income tax returns are under examination, and no report has been issued at this time. FPU files a separate state income tax return in the state of Florida. Income taxes in the accompanying consolidated statements of income have been allocated to us as if we were a separate taxpayer. State income tax returns for FPU for tax years after 2015 are subject to examination.

Income taxes are allocated to us as if we were a separate tax payer. FPU had a state net operating loss in Florida of \$7.4 million and \$15.7 million as of December 31, 2020 and 2019. Chesapeake Utilities expects to have federal net operating losses (“NOL”) totaling \$6.3 million and \$12.2 million in 2019 and 2018 respectively upon the settlement of the Internal Revenue Service examination described above. Under the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”), discussed below, Chesapeake Utilities elected to carry the losses back to 2015 and 2013. We did not record a valuation allowance to reduce the future benefit of the tax NOL because we believe that it is more likely than not that they will be fully utilized.

*Tax Law Changes*

In March 2020, the CARES Act was signed into law and included several significant changes to the Internal Revenue Code. The CARES Act includes certain tax relief provisions including the ability to carryback five years net operating losses arising in a tax year beginning in 2018, 2019, or 2020. This provision allows a taxpayer to recover taxes previously paid at a 35 percent federal income tax rate during tax years prior to 2018. In addition, the CARES Act removed the taxable income limitation to allow a tax NOL to fully offset taxable income for tax years beginning before January 1, 2021. Chesapeake Utilities' income tax expense for the year ended December 31, 2020 included a tax benefit of \$1.8 million attributable to the tax NOL carryback provided under the CARES Act for losses generated in 2018 and 2019 and then applied back to our 2013 and 2015 tax years in which we paid federal income taxes at a 35 percent tax rate.

On December 22, 2017, President Trump signed into law the Tax Cuts and Jobs Act (“TCJA”). Substantially all of the provisions of the TCJA were effective for taxable years beginning on or after January 1, 2018. The provisions that significantly impacted us include the reduction of the corporate federal income tax rate from 35 percent to 21 percent. Our federal income tax expense for periods beginning on January 1, 2018 are based on the new federal corporate income tax rate. ASC 740, *Income Taxes*, requires recognition of the effects of changes in tax laws in the period in which the law is enacted. ASC 740 requires deferred tax assets and liabilities to be measured at the enacted tax rate expected to apply when temporary differences are to be realized or settled. During 2018, we completed the assessment of the impact of accounting for certain effects of the TCJA. See Note 10, *Rates and Other Regulatory Activities*, for further discussion of the TCJA's impact on our business.

Florida Public Utilities Company	An Original		For the Year Ended
Electric Division			December 31, 2020
NOTES TO FINANCIAL STATEMENTS			

The components of federal and state income tax expense (benefit) are:

For the Year Ended December 31,	2020	2019
<i>(in thousands)</i>		
Current	(\$1,221)	(\$7,065)
Deferred	2,035	7,422
<b>Total Income Tax Expense</b>	<b>\$814</b>	<b>\$357</b>

Deferred tax expense results primarily from the use of accelerated depreciation for tax purposes and deferred fuel costs. Total income tax expense results primarily from applying the federal income tax statutory rate to book income before tax.

For the Year Ended December 31,	2020	2019
<i>(in thousands)</i>		
Federal income tax expense, 21% in 2020 and 2019	\$1,094	\$209
State income tax	105	43
Other	(385)	105
<b>Total Income Tax Expense</b>	<b>\$814</b>	<b>\$357</b>

Deferred tax assets and liabilities at December 31, 2020 were \$1.7 million and \$19.6 million, respectively. Deferred tax assets and liabilities at December 31, 2019 were \$4.7 million and \$21.8 million, respectively. Deferred tax assets are primarily the result of timing differences associated with storm reserves and state decoupling as well as the impact of rate changes due to the TCJA. Deferred tax liabilities are primarily the result of depreciation-related timing differences.

## 5. Customer Concentration

We operate entirely in the electricity distribution business. Our operations include the transportation of electricity in intra-state commerce. We did not have any customer that accounted for more than 10 percent of our revenues for the years ended December 31, 2020 and 2019.

## 6. Leases

FPU has entered into operating lease arrangements for office and warehouse space. These lease arrangements enable us to better conduct business operations in our service territory, provide adequate workspace for all our employees and to store equipment and materials used in repairs and maintenance for our businesses.

Beginning January 1, 2019, FPU adopted the new lease standard under ASU No. 2016-02, *Leases*, by recognizing and measuring leases existing at or entered into after January 1, 2019. Upon adoption of the new lease standard, and with the permission from the FERC as provided in Docket No. AI19-1-000, Right of Use (“ROU”) assets and liabilities in connection with operating leases were recorded in the FERC balance sheet accounts that have already been established for capital lease assets and liabilities (Accounts 101.1, 227 and 243). Amounts recorded for the lease assets and the related obligations are reduced by equal and offsetting amount over the lease term. There is no change in the recording of expenses related to lease arrangements which will continue to be recorded in accordance with the FERC’s regulations and only amounts paid under a lease agreement will be recorded in the income statement.

As of December 31, 2020 and 2019, our ROU assets and lease liabilities for operating leases were included within the following FERC accounts:

*in thousands*

Account	Description	2020	2019
101.1	ROU Asset	\$ 144	\$ 200
243	ROU Liability - Current	\$ (32)	\$ (51)
227	ROU Liability - Non-current	\$ (108)	\$ (142)



Florida Public Utilities Company	An Original		For the Year Ended
Electric Division			December 31, 2020
NOTES TO FINANCIAL STATEMENTS			

Rent expense related to these lease agreements was \$0.1 million for both of the years ended December 31, 2020 and 2019, and will continue to be included within the cost-of-service rates. We have adhered to the FERC requirements as provided in Docket No. AI19-1-000 and are maintaining unique subaccounts to separately identify and track the capitalized operating lease amounts and have in place effective internal controls to ensure there is no impact to the existing ratemaking treatment or practices for leases

The following table presents the future undiscounted maturities of operating leases allocated to us at December 31, 2020 and for each of the next five years and thereafter:

<i>(in thousands)</i>	<u>Operating Leases</u>
2021	\$ 39
2022	39
2023	40
2024	16
2025	11
Thereafter	<u>-</u>
Total Lease Payments	145
Interest	<u>5</u>
Present Value of Lease Liabilities	<u>\$ 140</u>

## 7. Supplemental Cash Flow Disclosures

Cash paid for income taxes, net of refunds, for the year ended December 31, 2020 was none. Capital property and equipment acquired on account, but not paid as of December 31, 2020 was \$0.3 million.

## 8. Employee Benefit Plans

Eligible FPU employees participate in various benefit plans sponsored by FPU and Chesapeake Utilities. They allocate to us a portion of the benefit costs associated with these plans. Our share of the costs is based on a portion of the benefits related to providing services to us. For the years ended December 31, 2020 and 2019, we recorded the benefit costs of \$0.3 million and \$0.7 million, respectively, related to these plans.

FPU continues to sponsor and maintain a separate defined benefit pension plan (“FPU Pension Plan”) and a separate unfunded postretirement medical plan (“FPU Medical Plan”) for eligible FPU employees.

FPU measures the assets and obligations of the defined benefit pension plan and other postretirement benefit plans to determine the plans’ funded status as of the end of the year as an asset or a liability on its consolidated balance sheets. A portion of this asset or liability related to us is reflected on our balance sheet. At December 31, 2020 and 2019, \$4.7 million and \$4.9 million, respectively, of the pension and postretirement benefit liabilities were assigned to us.

### Defined Benefit Pension Plan

The following schedule sets forth the funded status at December 31, 2020 and 2019 and the net periodic cost for the years ended December 31, 2020 and 2019 for the FPU Pension Plan:

Florida Public Utilities Company	An Original		For the Year Ended
Electric Division			December 31, 2020
NOTES TO FINANCIAL STATEMENTS			

<u>At December 31,</u> <i>(in thousands)</i>	<u>2020</u>	<u>2019</u>
<b>Change in benefit obligation:</b>		
Benefit obligation — beginning of year	\$ 65,304	\$ 59,377
Interest cost	2,085	2,452
Actuarial loss	6,069	6,508
Benefits paid	<u>(3,092)</u>	<u>(3,033)</u>
Benefit obligation — end of year	<u>\$ 70,366</u>	<u>\$ 65,304</u>
<b>Change in plan assets:</b>		
Fair value of plan assets — beginning of year	\$ 49,703	\$ 43,601
Actual return on plan assets	6,581	7,978
Employer contributions	2,774	1,157
Benefits paid	<u>(3,092)</u>	<u>(3,033)</u>
Fair value of plan assets — end of year	<u>\$ 55,966</u>	<u>\$ 49,703</u>
<b>Reconciliation:</b>		
Funded status	<u>(14,400)</u>	<u>(15,601)</u>
<b>Accrued pension cost</b>	<u>\$ (14,400)</u>	<u>\$ (15,601)</u>
<b>Assumptions:</b>		
Discount rate	2.50%	3.25%
Expected return on plan assets	<u>6.00%</u>	<u>6.50%</u>

<u>For the Years Ended December 31,</u> <i>(in thousands)</i>	<u>2020</u>	<u>2019</u>
<b>Components of net periodic pension cost:</b>		
Interest cost	\$ 2,085	\$ 2,452
Expected return on assets	(2,967)	(2,770)
Amortization of actuarial loss	<u>552</u>	<u>505</u>
<b>Net periodic pension cost</b>	<u>(330)</u>	187
Amortization of pre-merger regulatory asset	-	<u>543</u>
<b>Total periodic cost</b>	<u>\$ (330)</u>	<u>\$ 730</u>
<b>Assumptions:</b>		
Discount rate	3.25%	4.25%
Expected return on plan assets	<u>6.00%</u>	<u>6.50%</u>

Included in the net periodic costs for the FPU Pension Plan is continued amortization of FPU's pension regulatory asset, which represents the portion attributable to FPU's regulated operations for the changes in funded status that occurred but were not recognized as part of net periodic cost prior to the merger with Chesapeake Utilities in October 2009. This was previously deferred as a regulatory asset by FPU prior to the merger to be recovered through rates pursuant to an order by the FPSC. At December 31, 2019, this regulatory asset was fully amortized. Excluding the service cost component, the other components of the net periodic costs have been recorded or reclassified to other expense, net of tax, in the consolidated statements of income.

FPU's funding policy provides that payments to the trustee shall be equal to at least the minimum funding requirements of the Employee Retirement Income Security Act of 1974. The following schedule summarizes the assets of the FPU Pension Plan, by investment type, at December 31, 2020 and 2019:

Florida Public Utilities Company	An Original		For the Year Ended
Electric Division			December 31, 2020
NOTES TO FINANCIAL STATEMENTS			

<b>Asset Category</b>	<b>As of December 31,</b>	
	<b>2020</b>	<b>2019</b>
Equity securities	54%	53%
Debt securities	37%	37%
Other	9%	10%
<b>Total</b>	<b>100%</b>	<b>100%</b>

The investment policy for the FPU Pension Plan is designed to provide the capital assets necessary to meet the financial obligations of the plan. The investment goals and objectives are to achieve investment returns that, together with contributions, will provide funds adequate to pay promised benefits to present and future beneficiaries of the plan, earn a long-term investment return in excess of the growth of the plan's retirement liabilities, minimize pension expense and cumulative contributions resulting from liability measurement and asset performance, and maintain a diversified portfolio to reduce the risk of large losses.

The following allocation range of asset classes is intended to produce a rate of return sufficient to meet FPU Pension Plan's goals and objectives:

**Asset Allocation Strategy**

<u>Asset Class</u>	<u>Minimum Allocation Percentage</u>	<u>Maximum Allocation Percentage</u>
Domestic Equities (Large Cap, Mid Cap and Small Cap)	14%	32%
Foreign Equities (Developed and Emerging Markets)	13%	25%
Fixed Income (Inflation Bond and Taxable Fixed)	26%	40%
Alternative Strategies (Long/Short Equity and Hedge Fund of Funds)	6%	14%
Diversifying Assets (High Yield Fixed Income, Commodities, and Real Estate)	7%	19%
Cash	0%	5%

Due to periodic contributions and different asset classes producing varying returns, the actual asset values may temporarily move outside of the intended ranges. The investments are monitored on a quarterly basis, at a minimum, for asset allocation and performance. At December 31, 2020 and 2019, the assets of the FPU Pension Plan were comprised of the following investments:

Florida Public Utilities Company	An Original		For the Year Ended
Electric Division			December 31, 2020
NOTES TO FINANCIAL STATEMENTS			

Asset Category <i>(in thousands)</i>	Fair Value Measurement Hierarchy							
	December 31, 2020				December 31, 2019			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Mutual Funds - Equity securities								
U.S. Large Cap <sup>(1)</sup>	\$ 3,615	\$ -	\$ -	\$ 3,615	\$ 3,553	\$ -	\$ -	\$ 3,553
U.S. Mid Cap <sup>(1)</sup>	1,672	-	-	1,672	1,604	-	-	1,604
U.S. Small Cap <sup>(1)</sup>	891	-	-	891	726	-	-	726
International <sup>(2)</sup>	11,307	-	-	11,307	9,855	-	-	9,855
Alternative Strategies <sup>(3)</sup>	5,586	-	-	5,586	4,739	-	-	4,739
	<u>23,071</u>	<u>-</u>	<u>-</u>	<u>23,071</u>	<u>20,477</u>	<u>-</u>	<u>-</u>	<u>20,477</u>
Mutual Funds - Debt securities								
Fixed income <sup>(4)</sup>	17,927	-	-	17,927	15,938	-	-	15,938
High Yield <sup>(4)</sup>	2,606	-	-	2,606	2,476	-	-	2,476
	<u>20,533</u>	<u>-</u>	<u>-</u>	<u>20,533</u>	<u>18,414</u>	<u>-</u>	<u>-</u>	<u>18,414</u>
Mutual Funds - Other								
Commodities <sup>(5)</sup>	2,246	-	-	2,246	1,708	-	-	1,708
Real Estate <sup>(6)</sup>	1,954	-	-	1,954	2,288	-	-	2,288
Guaranteed deposit <sup>(7)</sup>	-	-	846	846	-	-	759	759
	<u>4,200</u>	<u>-</u>	<u>846</u>	<u>5,046</u>	<u>3,996</u>	<u>-</u>	<u>759</u>	<u>4,755</u>
Total Pension Plan Assets	<u>\$47,804</u>	<u>\$ -</u>	<u>\$ 846</u>	<u>\$ 48,650</u>	<u>\$42,887</u>	<u>\$ -</u>	<u>\$ 759</u>	<u>\$ 43,646</u>
Investments Measured at net asset value <sup>(8)</sup>				<u>7,316</u>				<u>6,057</u>
Total Pension Plan Assets				<u>\$55,966</u>				<u>\$ 49,703</u>

(1) Includes funds that invest primarily in United States common stocks.

(2) Includes funds that invest primarily in foreign equities and emerging markets equities.

(3) Includes funds that actively invest in both equity and debt securities, funds that sell short securities and funds that provide long-term capital appreciation. The funds may invest in debt securities below investment grade.

(4) Includes funds that invest in investment grade and fixed income securities.

(5) Includes funds that invest primarily in commodity-linked derivative instruments and fixed income securities.

(6) Includes funds that invest primarily in real estate.

(7) Includes investment in a group annuity product issued by an insurance company.

(8) Certain investments that were measured at net asset value per share have not been classified in the fair value hierarchy. These amounts are presented to reconcile to total pension plan assets.

At December 31, 2020 and 2019, all of the investments were classified under the same fair value measurement hierarchy (Level 1 through Level 3). Level 1 investments are recorded at fair value based on unadjusted quoted prices in active markets for identical investments. The Level 3 investments are recorded at fair value based on the contract value of annuity products underlining guaranteed deposit accounts, which was calculated using discounted cash flow models. The contract value of these products represented deposits made to the contract, plus earnings at guaranteed crediting rates, less withdrawals and fees.

Florida Public Utilities Company	An Original		For the Year Ended
Electric Division			December 31, 2020
NOTES TO FINANCIAL STATEMENTS			

The following table sets forth the summary of the changes in the fair value of Level 3 investments for the FPU Pension Plan for the years ended December 31, 2020 and 2019:

	<b>For the Year Ended December 31,</b>	
	<b>2020</b>	<b>2019</b>
<i>(in thousands)</i>		
<b>Balance, beginning of year</b>	\$ 759	\$ 433
Purchases	2,774	1,157
Transfers in	756	2,530
Disbursements	(3,488)	(3,401)
Investment income	45	40
<b>Balance, end of year</b>	<b>\$ 846</b>	<b>\$ 759</b>

#### Other Postretirement Benefits Plan

The following sets forth the funded status for the FPU Medical Plan at December 31, 2020 and 2019 and the net periodic cost for the years ended December 31, 2020 and 2019:

	<b>As of December 31,</b>	
	<b>2020</b>	<b>2019</b>
<i>(in thousands)</i>		
<b>Change in benefit obligation:</b>		
Benefit obligation — beginning of year	\$ 1,224	\$ 1,187
Interest cost	30	48
Plan participants contributions	37	38
Actuarial loss (gain)	(181)	47
Benefits paid	(101)	(96)
Benefit obligation — end of year	<b>1,009</b>	1,224
<b>Change in plan assets:</b>		
Fair value of plan assets — beginning of year	-	-
Employer contributions	64	58
Plan participants contributions	37	38
Benefits paid	(101)	(96)
Fair value of plan assets — end of year	-	-
<b>Reconciliation:</b>		
Funded status	<b>(1,009)</b>	(1,224)
<b>Accrued postretirement cost</b>	<b>\$ (1,009)</b>	<b>\$ (1,224)</b>
<b>Assumptions:</b>		
Discount rate	<b>2.50%</b>	3.25%

	<b>For the Years Ended December 31,</b>	
	<b>2020</b>	<b>2019</b>
<i>(in thousands)</i>		
Net periodic cost	\$ 11	\$ 48
Amortization of pre-merger regulatory asset	6	8
<b>Total periodic cost</b>	<b>\$ 17</b>	<b>\$ 56</b>
<b>Assumptions</b>		
Discount rate	<b>3.25%</b>	4.25%

Florida Public Utilities Company	An Original		For the Year Ended
Electric Division			December 31, 2020
NOTES TO FINANCIAL STATEMENTS			

The following table presents the amounts not yet reflected in net periodic benefit cost and included in accumulated other comprehensive income/loss or as a regulatory asset as of December 31, 2020:

<i>(in thousands)</i>	<b>FPU Pension Plan</b>	<b>FPU Medical Plan</b>	<b>Total</b>
Net loss (gain)	\$ 21,242	\$ (194)	\$ 21,048
Accumulated other comprehensive loss (gain) pre-tax(1)	4,036	(37)	3,999
Post-merger regulatory asset	17,206	(157)	17,049
Total unrecognized cost	<u>21,242</u>	<u>(194)</u>	<u>21,048</u>

(1) The total amount of accumulated other comprehensive loss recorded in FPU's balance sheet as of December 31, 2020 is net of income tax benefits of \$1.0 million.

### Assumptions

The assumptions used for the discount rate to calculate the benefit obligations of the FPU plans were based on the interest rates of high-quality bonds in 2020, reflecting the expected lives of the plans. In determining the average expected return on plan assets for the FPU Pension Plan, various factors, such as historical long-term return experience, investment policy and current and expected allocation, were considered.

The health care inflation rate for 2020 used to calculate the benefit obligation is 5.0 percent for the FPU Medical Plan.

### Estimated Future Benefit Payments

In 2021, FPU expects to contribute \$2.1 million and \$0.1 million to the FPU Pension Plan and FPU Medical Plan, respectively. The schedule below shows the estimated future benefit payments for each of the plans previously described:

<i>(in thousands)</i>	<b>FPU Pension Plan<sup>(1)</sup></b>	<b>FPU Medical Plan<sup>(2)</sup></b>
2021	\$ 3,409	\$ 67
2022	\$ 3,493	\$ 67
2023	\$ 3,559	\$ 66
2024	\$ 3,601	\$ 67
2025	\$ 3,680	\$ 67
Years 2026 through 2030	\$ 18,627	\$ 317

(1) The pension plan is funded; therefore, benefit payments are expected to be paid out of the plan assets.

(2) Benefit payments are expected to be paid out of FPU's general funds.

### Retirement Savings Plan

Prior to January 1, 2012, we maintained a separate 401(k) Retirement Savings Plan for our employees. Effective January 1, 2012, our employees became eligible to participate in the Chesapeake Utilities Corporation 401(k) Retirement Savings Plan, which is a plan sponsored by Chesapeake Utilities. We offer the Chesapeake Utilities 401(k) Retirement Savings Plan to all eligible employees who have completed three months of service, except for employees represented by a collective bargaining agreement that does not specifically provide for participation in the plan, non-resident aliens with no U.S. source income and individuals classified as consultants, independent contractors or leased employees.

Chesapeake Utilities matches 100 percent of eligible participants' pre-tax contributions to the Retirement Savings Plan up to a maximum of six percent of eligible compensation. The employer matching contribution is made in cash and is invested based on a participant's investment directions. In addition, Chesapeake Utilities may make a discretionary supplemental contribution to participants in the plan, without regard to whether or not they make pre-tax contributions. Any supplemental employer contribution is generally made in Chesapeake Utilities common stock. With respect to the employer match and supplemental employer contribution, employees are 100 percent vested after two years of service or upon reaching 55 years of age while still employed by Chesapeake Utilities. New employees who do not make an election to contribute and do not opt out of the Retirement Savings Plan will be automatically enrolled at a deferral rate of three

Florida Public Utilities Company	An Original		For the Year Ended
Electric Division			December 31, 2020
NOTES TO FINANCIAL STATEMENTS			

percent, and the automatic deferral rate will increase by one percent per year up to a maximum of ten percent. All contributions and matched funds can be invested among the mutual funds available for investment.

Our contributions to the Chesapeake Utilities 401(k) Retirement Savings Plan, net of a portion capitalized, totaled \$0.3 million for both years ended December 31, 2020 and 2019.

Non-Qualified Deferred Compensation Plan

Chesapeake Utilities' executive officers and directors are eligible to participate in the Chesapeake Utilities Corporation Non-Qualified Deferred Compensation Plan. Executive officers can defer up to 80 percent of their base compensation, cash bonuses or any amount of their stock bonuses (net of required withholdings). Executive officers may receive a matching contribution on their cash compensation deferrals up to six percent of their compensation, provided it does not duplicate a match they receive in the Chesapeake Utilities 401(k) Retirement Savings Plan. For each of the years ended December 31, 2020 and 2019, the amounts matched to the Chesapeake Utilities Corporation Non-Qualified Deferred Compensation Plan were immaterial.

**9. Share-Based Compensation**

Chesapeake Utilities executives have been granted share-based awards through Chesapeake Utilities' Stock Incentive Compensation Plan ("SICP"). The share-based awards are recorded as compensation costs over the respective service period for which services are received in exchange for an award of equity or equity-based compensation. The compensation cost is based primarily on the fair value of the shares awarded, using the estimated fair value of each share on the date it was granted and the number of shares to be issued at the end of the service period.

These awards are based on multi-year performance plans, which are earned based upon the successful achievement of long-term goals, growth and financial results, which comprised both market-based and performance-based conditions or targets. The fair value of each share of stock tied to a performance-based condition or target is equal to the market price of Chesapeake Utilities common stock on the date of the grant. For the market-based conditions, Monte Carlo valuation is used estimate the fair value of each share of market-based award granted. For both years ended December 31, 2020 and 2019, we were allocated \$0.2 million, in total compensation expense for the awards granted under the SICP.

**10. Rates and Other Regulatory Activities**

*Effect of the TCJA on customers:* In January 2019, the FPSC issued an order approving amortization of excess accumulated deferred income taxes through purchase power cost recovery, storm reserve and rates. The excess accumulated deferred income taxes as of December 31, 2019 was \$6.7 million. The TCJA benefit is provided to customers through a combination of reductions to the fuel cost recovery rate, base rates, as well as application to the storm reserve over the next several years.

*Hurricane Michael:* In October 2018, Hurricane Michael passed through our service territory in Northwest Florida. The hurricane caused widespread and severe damage to our infrastructure resulting in the loss of electric service to 100 percent of our customers in the Northwest Florida service territory. After exerting extraordinary hurricane restoration efforts, we restored service to those customers who were able to accept it. We expended more than \$65.0 million to restore service, which was recorded as new plant and equipment, charged against our accumulated depreciation or storm reserve. Additionally, in 2019, amounts undergoing review by the Florida PSC for regulatory asset treatment were recorded as receivables and other deferred charges.

In August 2019, we filed a limited proceeding requesting recovery of storm-related costs associated with Hurricane Michael (capital and expenses) through a change in base rates. We also requested treatment and recovery of certain storm-related costs as regulatory assets for items currently not allowed to be recovered through the storm reserve as well as the recovery of capital replaced as a result of the storm. Recovery of these costs includes a component of an overall return on capital additions and regulatory assets. In March 2020, we filed an update to our original filing to account for actual charges incurred through December 2019, revised the amortization period of the storm-related costs from 30 years as originally requested to 10 years, and included costs related to Hurricane Dorian of approximately \$1.2 million in this filing.

Florida Public Utilities Company	An Original		For the Year Ended
Electric Division			December 31, 2020
NOTES TO FINANCIAL STATEMENTS			

In late 2019, the Florida PSC approved an interim rate increase, subject to refund, effective January 1, 2020, associated with the restoration effort following Hurricane Michael. We fully reserved these interim rates, pending a final resolution and settlement of the limited proceeding. In September 2020, the Florida PSC approved a settlement agreement between us and the Office of the Public Counsel regarding final cost recovery and rates associated with Hurricane Michael. The settlement agreement allowed us to: (a) refund the over-collection of interim rates through the fuel clause; (b) record regulatory assets for storm costs in the amount of \$45.8 million including interest which will be amortized over six years; (c) recover these storm costs through a surcharge for a total of \$7.7 million annually; and (d) collect an annual increase in revenue of \$3.3 million to recover capital costs associated with new plant and a regulatory asset for cost of removal and undepreciated plant. The new base rates and storm surcharge were effective on November 1, 2020.

*Electric Depreciation Study:* In September 2019, we filed a petition, with the FPSC, for approval of our consolidated electric depreciation rates. The petition was joined to the Hurricane Michael docket, and was approved at the Florida PSC Agenda in September 2020. The approved rates were retroactively applied effective January 1, 2020.

*COVID-19 Impact:* We are monitoring the global outbreak of COVID-19 and taking steps to mitigate the potential risks posed by its spread. We provide an “essential service” to our customers, which means that it is paramount that we keep our employees who operate our business safe and informed. We have taken and are continuously monitoring and updating precautions and protocols to ensure the safety of our employees and customers. As an “essential business” we are allowed to continue operational activity and construction projects with appropriate safety precautions, personal protective equipment and social distancing restrictions in place. We have taken steps to assure our customers that disconnections for non-payment will be temporarily suspended. We are also working with our suppliers to understand the potential impacts to our supply chain; if material negative impacts are identified, we will work to mitigate them. This is a rapidly evolving situation, and could lead to extended disruption of economic activity in our markets. We will continue to monitor developments affecting our employees, customers, suppliers and shareholders, and will take additional precautions as warranted to comply with the CDC, state and local requirements and recommendations to protect our employees, customers and the communities we serve.

As a result of these measures, we are incurring costs associated with crisis management and the pandemic response including restrictions put in place by the state PSCs on utility disconnects for non-payment, technology costs incurred to expand work from home capabilities, additional sanitation and cleaning costs and costs of acquiring personal protective equipment as well as other expenses.

In October 2020, the Florida PSC approved a joint petition of our natural gas and electric distribution utilities in Florida to establish regulatory asset to record incremental expenses incurred due to COVID-19. This regulatory asset will allow us to seek recovery of these costs in our next base rate proceeding. On November 16, 2020, the Office of Public Counsel filed a protest to the order approving the establishment of this regulatory asset, contending that the order should be reversed or modified and to request a hearing on the protest. At this time, no hearing date has been established. In the fourth quarter of 2020, we established regulatory assets based on the net incremental expense resulting from the pandemic as currently authorized by the Florida PSC.

## 11. Other Commitments and Contingencies

We are involved in certain other legal actions and claims arising in the normal course of business. We are also involved in certain legal and administrative proceedings before various governmental agencies concerning rates. In the opinion of management, the ultimate disposition of these proceedings will not have a material effect on our financial position, results of operations or cash flows.

### Electric Supply

We have entered into contractual commitments to purchase electricity from various suppliers. The contracts have various expiration dates. The total purchase obligations for electric supplies are \$6.3 million for 2021, \$12.8 million for 2022-2023, \$12.9 million for 2024-2025 and \$32.4 million thereafter with an aggregate total of \$64.4 million.

Our electric fuel supply contracts require us to maintain an acceptable standard of creditworthiness based on specific financial ratios. Our agreement with FPL requires us to meet or exceed a debt service coverage ratio of 1.25 times based on the results of the prior 12 months. If this ratio is not met, we must provide an irrevocable letter of credit or pay all amounts outstanding under the agreement within five business days. Our electric fuel supply agreement with Gulf Power requires us to meet the following ratios based on the average of the prior six quarters: (a) funds from operations interest



Florida Public Utilities Company	An Original		For the Year Ended
Electric Division			December 31, 2020
NOTES TO FINANCIAL STATEMENTS			

coverage ratio (minimum of 2 times), and (b) total debt to total capital (maximum of 65 percent). If we fail to meet the requirements, we have to provide the supplier a written explanation of actions taken, or proposed to be taken, to become compliant. Failure to comply with the ratios specified in the Gulf Power agreement could also result in us having to provide an irrevocable letter of credit. As of December 31, 2020, we were in compliance with all of the requirements of these fuel supply contracts.

Eight Flags Energy, LLC ("Eight Flags"), an affiliate of Chesapeake Utilities, provides electricity and steam generation services through its Combined Heat and Power ("CHP") plant located on Amelia Island, Florida. In June 2016, Eight Flags began selling power generated from the CHP plant to us pursuant to a 20-year power purchase agreement for distribution to our retail customers.

## 12. Revenue from Contracts with Customers

### *Customer Revenue*

We recognize revenue when our performance obligations under contracts with customers have been satisfied, which generally occurs when we have delivered electricity to customers. We bill customers for both the delivery of electricity and the related commodity, as our customers are also required to purchase the commodity from us. We consider the delivery of electricity and the related commodity sale as one performance obligation because the commodity and its delivery are highly interrelated with two-way dependency on one another. Our performance obligation is satisfied over time as electricity is delivered and consumed by the customer. We recognize revenues based on monthly meter readings, which are based on the quantity of electricity used and rates approved by the FPSC. We accrue unbilled revenues for electricity that have been delivered, but not yet billed, at the end of an accounting period, to the extent that billing and delivery do not coincide. We exclude sales taxes and other similar taxes from the transaction price. Typically, our customers pay for the goods and/or services we provide in the month following the satisfaction of our performance obligation. We report revenue taxes, such as gross receipts taxes, franchise taxes, and sales taxes, on a net basis.

### *Contract Balances*

The timing of revenue recognition, customer billings and cash collections results in trade receivables, unbilled receivables (contract assets), and customer advances (contract liabilities) in our consolidated balance sheets. As of December 31, 2020 and 2019, the balance of our trade receivables, net of provision for uncollectable accounts, was \$7.6 million and \$5.7 million, respectively. As of December 31, 2020 and 2019, there were no material contract assets or liabilities recorded on the Comparative Balance Sheet.

### *Remaining performance obligations*

We have long-term fixed fee contracts with customers in which revenues are recognized as performance obligations are satisfied over the contract term. Revenue for the remaining performance obligations at December 31, 2020 are expected to be recognized as follows:

<i>(in thousands)</i>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026 and thereafter</u>
Remaining performance obligations	\$ 566	\$ 566	\$ 566	\$ 566	\$ 275	\$ 825

### *Practical expedients*

For agreements that contain variable consideration, we use the invoice practical expedient method. We determined that the amounts invoiced to customers correspond directly with the value to our customers and our performance to date.

Florida Public Utilities Company Electric Division				Florida Public Utilities Company Electric Division					
For the Year Ended December 31, 2020				An Original For the Year Ended December 31, 2020					
SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION				SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION (Continued)					
Line No.	Item (a)	Total (b)	Electric (c)	Gas (d)	Water (e)	Other (Specify) (f)	Other (Specify) (g)	Common (h)	Line No.
1	UTILITY PLANT								1
2	In Service								2
3	Plant in Service (Classified)	162,034,884	162,034,884						3
4	Property Under Capital Leases	-	-						4
5	Plant Purchased or Sold	-	-						5
6	Completed Construction not Classified	-	-						6
7	Experimental Plant Unclassified	-	-						7
8	TOTAL (Enter Total of lines 3 thru 7)	162,034,884	162,034,884						8
9	Leased to Others	-	-						9
10	Held for Future Use	-	-						10
11	Construction Work in Progress	1,293,678	1,293,678						11
12	Acquisition Adjustment	3,691	3,691						12
13	TOTAL Utility Plant (Enter Total of lines 8 thru 12)	163,332,253	163,332,253						13
14	Accum. Prov. for Depr., Amort., & Depl.	69,951,890	69,951,890						14
15	Net Utility Plant (Enter total of line 13 less 14)	93,380,363	93,380,363						15
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION								16
17	In Service:								17
18	Depreciation	69,948,199	69,948,199						18
19	Amort. and Depl. of Producing Nat. Gas Land and Land Rights	-	-						19
20	Amort. of Underground Storage Land and Land Rights	-	-						20
21	Amort. of Other Utility Plant	-	-						21
22	TOTAL in Service (Enter Total of lines 18 thru 21)	69,948,199	69,948,199						22
23	Leased to Others								23
24	Depreciation	-	-						24
25	Amortization and Depletion	-	-						25
26	TOTAL Leased to Others (Enter Total of lines 24 and 25)	-	-						26
27	Held for Future Use								27
28	Depreciation	-	-						28
29	Amortization	-	-						29
30	TOTAL Held for Future Use (Ent. Tot. of lines 28 and 29)	-	-						30
31	Abandonment of Leases (Natural Gas)								31
32	Amort. of Plant Acquisition Adjustment	3,691	3,691						32
33	TOTAL Accumulated Provisions (Should agree with line 14 above)(Enter Total of lines 22, 26, 30, 31, and 32)	69,951,890	69,951,890						33

Florida Public Utilities Company Electric Division		An Original For the Year Ended December 31, 2020		Florida Public Utilities Company Electric Division		An Original For the Year Ended December 31, 2020			
ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, 106)				ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, and 106) (Continued)					
1. Report below the original cost of electric plant in service according to the prescribed accounts.		reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements the end of the year, included in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d) reversals of tentative distributions of prior years of unclassified retirements. Attach supplemental statement showing the account distributions of these tentative classifications in columns (c) and (d), including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of accounts 101 and 106 will avoid serious omissions of the reported amount of respondent's plant actually in service at end of year.		6. Show in column (f) reclassifications or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102. In showing the clearance of Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in column (f) only the offset to the debits or credits distributed in column (f) to primary account classifications.		7. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement		8. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchaser, and the date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give also date of such filing.	
Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Line No.	
1	1. INTANGIBLE PLANT							1	
2	(301) Organization	-					- (301)	2	
3	(302) Franchises and Consents	-					- (302)	3	
4	(303) Miscellaneous Intangible Plant	-					- (303)	4	
5	TOTAL Intangible Plant (Enter Total of lines 2, 3, and 4)	-					-	5	
6	2. PRODUCTION PLANT							6	
7	A. Steam Production Plant							7	
8	(310) Land and Land Rights	-					- (310)	8	
9	(311) Structures and Improvements	-					- (311)	9	
10	(312) Boiler Plant Equipment	-					- (312)	10	
11	(313) Engines and Engine Driven Generators	-					- (313)	11	
12	(314) Turbogenerator Units	-					- (314)	12	
13	(315) Accessory Electric Equipment	-					- (315)	13	
14	(316) Misc. Power Plant Equipment	-					- (316)	14	
15	TOTAL Steam Production Plant (Enter Total of lines 8 through 14)	-					-	15	
16	B. Nuclear Production Plant							16	
17	(320) Land and Land Rights	-					- (320)	17	
18	(321) Structures and Improvements	-					- (321)	18	
19	(322) Reactor Plant Equipment	-					- (322)	19	
20	(323) Turbogenerator Units	-					- (323)	20	
21	(324) Accessory Electric Equipment	-					- (324)	21	
22	(325) Misc. Power Plant Equipment	-					- (325)	22	
23	TOTAL Nuclear Production Plant (Enter Total of lines 17 through 22)	-					-	23	
24	C. Hydraulic Production Plant							24	
25	(330) Land and Land Rights	-					- (330)	25	
26	(331) Structures and Improvements	-					- (331)	26	
27	(332) Reservoirs, Dams, and Waterways	-					- (332)	27	
28	(333) Water Wheels, Turbines, and Generators	-					- (333)	28	
29	(334) Accessory Electric Equipment	-					- (334)	29	
30	(335) Misc. Power Plant Equipment	-					- (335)	30	
31	(336) Roads, Railroads, and Bridges	-					- (336)	31	
32	TOTAL Hydraulic Production Plant (Enter Total of lines 25 through 31)	-					-	32	
33	D. Other Production Plant							33	
34	(340) Land and Land Rights	-					- (340)	34	
35	(341) Structures and Improvements	-					- (341)	35	
36	(342) Fuel Holders, Products and Accessories	-					- (342)	36	
37	(343) Prime Movers	-					- (343)	37	
38	(344) Generators	-					- (344)	38	
39	(345) Accessory Electric Equipment	-					- (345)	39	

Florida Public Utilities Company Electric Division		An Original		For the Year Ended December 31, 2020		Florida Public Utilities Company Electric Division		An Original		For the Year Ended December 31, 2020	
ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, 106)				ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, and 106) (Continued)							
Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.		
40	(346) Misc. Power Plant Equipment	-	-	-	-	-	-	(346)	40		
41	TOTAL Other Production Plant (Enter Total of lines 34 through 40)	-	-	-	-	-	-		41		
42	TOTAL Production Plant (Enter Total of lines 15, 23, 32, and 41)	-	-	-	-	-	-		42		
43	3. TRANSMISSION PLANT	-	-	-	-	-	-		43		
44	(350) Land and Land Rights	17,629	-	-	-	-	17,629	(350)	44		
45	(a) (352) Structures and Improvements	1,919,496	-	-	1,750	-	1,921,246	(352)	45		
46	(a) (353) Station Equipment	7,801,458	-	-	10,135	(58,118)	7,753,475	(353)	46		
47	(354) Towers and Fixtures	224,802	-	-	-	-	224,802	(354)	47		
48	(355) Poles and Fixtures	5,462,476	141,560	-	-	-	5,604,036	(355)	48		
49	(a) (356) Overhead Conductors and Devices	3,136,904	132,577	-	(477,462)	-	2,792,019	(356)	49		
50	(a) (357) Underground Conduit	-	-	-	168	(168)	-	(357)	50		
51	(358) Underground Conductors and Devices	-	-	-	-	-	-	(358)	51		
52	(359) Roads and Trails	6,788	-	-	-	-	6,788	(359)	52		
53	TOTAL Transmission Plant (Enter Total of lines 44 through 52)	18,569,553	274,137	-	(465,409)	(58,286)	18,319,995		53		
54	4. DISTRIBUTION PLANT	-	-	-	-	-	-		54		
55	(360) Land and Land Rights	390,572	-	-	-	-	390,572	(360)	55		
56	(361) Structures and Improvements	1,198,983	-	-	-	(756,921)	442,062	(361)	56		
57	(a) (362) Station Equipment	13,265,693	131,597	-	(11,885)	(118,908)	13,266,497	(362)	57		
58	(363) Storage Battery Equipment	-	-	-	-	-	-	(363)	58		
59	(a) (364) Poles, Towers, and Fixtures	25,016,030	54,222	(22,071)	550,793	-	25,598,974	(364)	59		
60	(a) (365) Overhead Conductors and Devices	20,387,191	241,331	(12,448)	379,762	-	20,995,836	(365)	60		
61	(a) (366) Underground Conduit	6,913,571	360,875	-	265,774	168	7,540,388	(366)	61		
62	(a) (367) Underground Conductors and Devices	9,896,677	722,735	(3,755)	(934,443)	-	9,661,214	(367)	62		
63	(a) (368) Line Transformers	23,465,940	527,622	(13,607)	73,199	-	24,053,154	(368)	63		
64	(a) (369) Services	13,964,664	66,341	(58,650)	78,085	-	14,050,440	(369)	64		
65	(a) (370) Meters	5,134,161	324,676	(41,658)	8,167	-	5,425,346	(370)	65		
66	(a) (371) Installations on Customer Premises	3,477,848	277,816	(15,587)	(90)	-	3,739,987	(371)	66		
67	(372) Leased Property on Customer Premises	-	-	-	-	-	-	(372)	67		
68	(a) (373) Street Lighting and Signal Systems	2,648,665	165,021	(1,934)	(346)	-	2,811,406	(373)	68		
69	TOTAL Distribution Plant (Enter Total of lines 55 through 68)	125,759,995	2,872,236	(169,710)	415,016	(875,661)	128,001,876		69		
70	5. GENERAL PLANT	-	-	-	-	-	-		70		
71	(380) Land and Land Rights	-	-	-	-	-	-	(380)	71		
72	(389) Land and Land Rights	1,004,058	1,732	-	-	-	1,005,790	(389)	72		
73	(b) (390) Structures and Improvements	5,878,906	193,085	-	(54,773)	-	6,017,218	(390)	73		
74	(391) Office Furniture and Equipment	2,991,317	895,272	(2,138,044)	-	13,328	1,761,873	(391)	74		
75	(392) Transportation Equipment	5,695,904	51,215	(33,240)	-	-	5,713,879	(392)	75		
76	(393) Stores Equipment	149,712	-	(149,712)	-	-	-	(393)	76		
77	(394) Tools, Shop and Garage Equipment	442,806	-	(335,703)	-	-	107,103	(394)	77		
78	(395) Laboratory Equipment	119,512	-	(119,512)	-	-	-	(395)	78		
79	(396) Power Operated Equipment	898,523	-	-	-	-	898,523	(396)	79		
80	(397) Communication Equipment	517,777	6,417	(368,628)	-	-	157,566	(397)	80		
81	(a) (398) Miscellaneous Equipment	79,927	-	(86,911)	48,044	-	41,060	(398)	81		
82	SUBTOTAL (Enter Total of lines 71 through 80)	17,778,442	1,147,721	(3,229,750)	(6,729)	13,328	15,703,012		82		
83	(399) Other Tangible Property	15,926	-	(5,925)	-	-	10,001	(399)	83		
84	TOTAL General Plant (Enter Total of lines 81 and 82)	17,794,368	1,147,721	(3,235,675)	(6,729)	13,328	15,713,013		84		
85	TOTAL (Accounts 101 and 106)	162,123,916	4,294,094	(3,405,385)	(57,122)	(920,619)	162,034,884		85		
86	(102) Electric Plant Purchased	-	-	-	-	-	-	(102)	86		
87	(Less) (102) Electric Plant Sold	-	-	-	-	-	-		87		
88	(103) Experimental Plant Unclassified	-	-	-	-	-	-	(103)	88		
89	TOTAL Electric Plant in Service	162,123,916	4,294,094	(3,405,385)	(57,122)	(920,619)	162,034,884		89		
90									90		

(a) - During 2020, FPU Electric Division implemented a new software system for plant accounting. During the transition, it was determined that certain amounts were not included in the proper accounts. The adjustments are shown in the column (e) above, Adjustments. The balance of \$2,345 was expensed. The remaining \$54,773 adjustment represents the change in leased assets.

(b) - This account includes leased assets. Please see the Company's Notes to Financial Statements regarding leases reported in this account.

(c) - During the 2020 conversion of our plant asset database to a new software system, a consultant's review of the common assets between FPU's Electric System and the Eight Flags CHP plant (subsidiaries of Chesapeake), determined that some of FPU's Electric plant assets were more appropriately classified as Eight Flag properties.

As Pesco's operations approached dissolution, their plant assets were transferred into FPU Electric.

CONSTRUCTION WORK IN PROGRESS-ELECTRIC (Account 107)

1. Report below descriptions and balances at end of year of projects in process of construction (107).  
 2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstration (see Account 107 of the Uniform System of Accounts).  
 3. Minor projects (5% of the Balance End of the Year for Account 107 or \$100,000, whichever is less) may be grouped

Line No.	Description of Project	Construction Work in Progress-Electric (Acct. 107)
1	Poles	145,241
2	U/G Conduit	12,074
3	U/G Conductors	32,633
4	O/H Conductors	17,906
5	Station Equipment	113,231
6	Line Transformers-Buried	(17,912)
7	Structures and Improvements	672,604
8	Damage Claims	265,315
9 *	Other	52,586
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23	* Grouped Items	
24		
25		
26	TOTAL	1,293,678

ACCUMULATED PROVISION FOR DEPRECIATION OF ELECTRIC UTILITY PLANT (Account 108)

- |   |   |
|---|---|
| <p>1. Explain in a footnote any important adjustments during year.</p> <p>2. Explain in a footnote any difference between the amount for book cost of plant retired, line 11, column (c), and that reported for electric plant in service, pages 204-207, column (d), excluding retirements of non-depreciable property.</p> <p>3. The provisions of Account 108 in the Uniform System of Accounts require that retirements of depreciable plant be recorded when such plant is removed from service.</p> | <p>If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications.</p> <p>4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.</p> |
|---|---|

Section A. Balances and Changes During Year

Line No.	Item (a)	Total (c+d+e) (b)	Electric Plant in Service (c)	Electric Plant Hel for Future Use (d)	Electric Plant Leased to Others (e)
	Item				
1.	Balance Beginning of Year	62,535,464	62,535,464		
2.	Depreciation Provisions for Year, Charged to				
3.	(403) Depreciation Expense	4,144,008	4,144,008		
4.	(413) Exp. of Elec. Plt. Leas. to Others	-	-		
5.	Transportation Expenses-Clearing	354,264	354,264		
6.	Other Clearing Accounts	103,092	103,092		
7.	Other Accounts (Specify):	-	-		
8.	Accrued Depreciation on Transfers	-	-		
9.	TOTAL Deprec. Prov. for Year (Enter Total of lines 3 thru 8)	4,601,364	4,601,364		
10.	Net Charges for Plant Retired:				
11.	Book Cost of Plant Retired	(3,405,381)	(3,405,381)		
12.	Cost of Removal	(397,656)	(397,656)		
13.	Salvage (Credit)	-	-		
14.	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 11 thru 13)	(3,803,037)	(3,803,037)		
15.	Other Debit or Credit Items (Describe)-Transfers	6,618,099	6,618,099	(a)	
16.	Balance End of Year (Enter Total of lines 1, 9, 14, 15, and 16)	69,951,889	69,951,890		

(a) Includes entry to record Rate Order PSC-2020-0347-AS-EI for \$6,842,378, the settlement of the Hurricane Michael rate case.

Section B. Balances at End of Year According to Functional Classifications

18.		-	-		
19.	Nuclear Production	-	-		
20.	Hydraulic Production - Conventional	-	-		
21.	Hydraulic Production - Pumped Storage	-	-		
22.	Other Production	-	-		
23.	Transmission	4,177,276	4,177,276		
24.	Distribution	53,200,824	53,200,824		
25.	General	12,573,790	12,573,790	(a)	
26.	TOTAL (Enter Total of lines 18 thru 25)	69,951,890	69,951,890		

**MATERIALS AND SUPPLIES**

1. For Account 154, report the amount of plant materials and operating supplies under the primary functional classifications as indicated in column (a); estimates of amounts by function are acceptable. In column (d), designate the department or departments which use the class of material.

2. Give an explanation of important inventory adjustments during year (in a footnote) showing general classes of material and supplies and the various accounts (operating expense, clearing accounts, plant, etc.) Affected - debited or credited. Show separately debits or credits to stores expense-clearing, if applicable.

Line No.	Account	Balance Beginning of Year	Balance End of Year	Department or Departments Which Use Material
	(a)	(b)	(c)	(d)
1	Fuel Stock (Account 151)			
2	Fuel Stock Expenses Undistributed (Account 152)			
3	Residuals and Extracted Products (Account 153)			
4	Plant Materials and Operating Supplies (Account 154)			
5	Assigned to - Construction (Estimated)	1,633,010	1,626,824	Operations
6	Assigned to - Operations and Maintenance			
7	Production Plant (Estimated)			
8	Transmission Plant (Estimated)			
9	Distribution Plant (Estimated)	544,337	542,274	Operations
10	Assigned to - Other			
11	TOTAL Account 154 (Enter Total of lines 5 thru 10)	2,177,347	2,169,098	
12	Merchandise (Account 155)	-	-	
13	Other Materials and Supplies (Account 156)	-	-	
14	Nuclear Materials Held for Sale (Account 157) (Not applicable to Gas Utilities)			
15	Stores Expense Undistributed (Account 163)			
16				
17				
18				
19				
20	TOTAL Materials and Supplies (per Balance Sheet)	2,177,347	2,169,098	

Physical Inventories were taken and the appropriate adjustments recorded in the following:

	Amount	Account Debited	Account Credited
114 Northwest Electric Division - Materials & Supplies	740	146, 154, 596	146, 596
115 Northeast Electric Materials & Supplies	826	107, 146, 596	146, 154, 596
121 South Florida - Materials & Supplies	-		
South Florida Gas Division - Merchandise	-		
123 Central Florida - Materials & Supplies	-		
Central Florida Gas Division - Merchandise	-		
993 Central Florida Propane Division - Merchandise	-		
995 Northeast Florida Propane Division - Materials & Supplies	-		
Northeast Florida Propane Division - Merchandise	-		

OTHER REGULATORY ASSETS

1. Reporting below the particulars (details) called for concerning other regulatory assets which are created through the ratemaking actions of regulatory agencies (and not includable in other amounts).

3. Minor items (5% of the Balance at End of Year for Account 182.3 or amounts less than \$50,000, whichever is less) may be grouped by classes.

2. For regulatory assets being amortized, show period of amortization in column (a).

	Description and Purpose of Other Regulatory Assets (a)	Balance Beginning of Year	Debits (b)	Credits		Balance End of Year (e)
				Account Charged (c)	Amounts (d)	
1						
2	Regulatory Asset Retirement Plan	5,332,185	477,413			5,809,598
3	Regulatory Asset 35% Federal Tax (26yrs)	156,371		407	(9,876)	146,495
4	Regulatory Asset Risk FPU	28,162	258,731			286,893
5	Regulatory Asset Storm Reserve (2yrs)	266,415		407	(213,132)	53,283
6	Regulatory Asset COVID 19	-	1,503,895			1,503,895
7	** Regulatory Asset Storm Reserve (6yrs)	-	45,794,544	407	(7,632,425)	38,162,119
8	** Reg. Asset - Storm Accum. Dep (10yrs)		6,842,378	407	(684,238)	6,158,140
9						
10						
11						
12						
13						
14	** In 2019, Florida Public Utilities filed for recovery of costs incurred as a result of storm damage from Hurricane Michael.					
15	The costs were recorded in account 186, pending approval from the PSC.					
16	In October 2020 the Florida Public Service Commission approved a settlement of the Hurricane Michael storm recovery filing					
17	in Docket No. 20190155-EI and issued Order No. PSC-2020-0347-AS-EI. The approved costs were then					
18	transferred to regulatory assets in account 182.3, see page 233.					
19	There were additional entries made to comply with the final order, including one affecting accumulated depreciation.					
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41	TOTAL	\$ 5,783,133	\$ 54,876,961		\$ (8,539,671)	\$ 52,120,423



MISCELLANEOUS DEFERRED DEBITS (Account 186)

1. Report below the particulars (details) called for concerning miscellaneous deferred debits.  
2. For any deferred debit being amortized, show period of amortization in column (a).

3. Minor items (1% of the Balance at End of Year for Account 186 or amounts less than \$50,000, whichever is less) may be grouped by classes.

	Description of Miscellaneous Deferred Debit (a)	Balance at Beginning of Year (b)	Debits (c)	Account Charged (d)	Credit Amount (e)	Balance End of Year (f)
1	** Deferred Rate Case	41,181,354	-	182.3	(40,966,295)	215,059
2	** Deferred Rate Case	-	-	107.0	(299,600)	(299,600)
3	** Deferred Rate Case	-	-	228.1	(52,135)	(52,135)
4	** Deferred Rate Case	-	136,676		-	136,676
5						-
6		41,181,354	136,676		(41,318,030)	(0)
7						
8	Gain on sale of asset	59,216	-		-	59,216
9	Conservation Cost Recovery	189,024	-		(9,838)	179,186
10	* Unrecovered PGC/FEC	3,965,770	-		(3,965,770)	-
11						
12	<i>* During 2020, this balance was fully collected and there is now an over-collection recorded in account 350.</i>					
13	<i>** In 2019, Florida Public Utilities filed for recovery of costs incurred as a result of storm damage from Hurricane Michael. The costs were recorded in account 186, pending approval from the PSC.</i>					
14	<i>In October 2020 the Florida Public Service Commission approved a settlement of the Hurricane Michael storm recovery filing in Docket No. 20190155-EI and issued Order No. PSC-2020-0347-AS-EI. The approved costs were then transferred to regulatory assets in account 182.3, see page 232.</i>					
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36	TOTAL	45,395,364	136,676		(45,293,638)	238,402

ACCUMULATED DEFERRED INCOME TAXES (Account 190)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes.
2. At Other (Specify), include deferrals relating to other income and deductions.
3. If more space is needed, use separate pages as required.
4. In the space provided below, identify by amount and classification, significant items for which deferred taxes are being provided. Indicate insignificant amounts under Other.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Amounts Charged to 410 and 411 (c)	Adjustments (d)	Balance at End of Year (e)
1	<b>Electric</b>				
2	Customer based intangible asset for tax	87,467	(6,511)	-	80,956
3	Bad debt provision	61,809	386,414	-	448,223
4	NOL	3,204,155	(4,877,485)	1,673,330	-
5	Bonus	135,618	-	(135,618)	-
6	OPRB	87,646	(27,028)	(3,019)	57,599
7	State decoupling asset	441,841	(162,477)	-	279,364
8	State NOL	681,540	122,028	(159)	803,409
9	Capitalized Overhead	40,221	(187)	-	40,034
10	Conservation Costs	-	-	-	-
11	Rabbi Trust	-	-	-	-
12	SERP	-	-	-	-
13	Reacquired Debt	(54,848)	-	54,848	-
14	Self insurance	1,385	(118,879)	117,494	-
15	TOTAL Electric (Lines 2 thru 13)	4,686,834	(4,684,125)	1,706,876	1,709,585
16	<b>Gas</b>				
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27	TOTAL Gas (Lines 15 thru 25)	-	-	-	-
28					
29	Other (Specify) Common				
30	TOTAL (Account 190)(Lines 14, 26 & 28)	4,686,834	(4,684,125)	1,706,876	1,709,585

Florida Public Utilities Company Electric Division		Original LONG-TERM DEBT (Accounts 221, 222, 223, and 224)		For the Year Ended December 31, 2020		Florida Public Utilities Company Electric Division		An Original LONG-TERM DEBT (Accounts 221, 222, 223, and 224) (Continued)		For the Year Ended December 31, 2020	
1. Report by balance sheet the account particulars (details) concerning long-term debt included in Accounts 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other Long-Term Debt.		2. In column (a), for new issues, give Commission authorization numbers and dates.		3. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.		4. For advances from Associated Companies, report separately advances on note and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.		5. For receivers' certificates, show in column (a) the name of the court and date of court order under which		such certificates were issued.	
6. In column (b) show the principal amount of bonds or other long-term debt originally issued.		7. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.		8. For column (c) the total expenses should be listed first for each issuance, then the amount of premium (in parentheses) or discount. Indicate the premium or discount with a notation, such as (P) or (D). The expenses, premium or discount should not be netted.		9. Furnish in a footnote particulars (details) regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the		Uniform System of Accounts.		10. Identify separate undisclosed amounts applicable to issues which were redeemed in prior years.	
11. Explain any debits and credits other than amortization debited to Account 428, Amortization of Debt Discount and expense, or credited to Account 429, Amortization of Premium on Debt-Credit.		12. In a supplemental statement, give explanatory particulars (details) for Accounts 223 and 224 of net changes during the year. With respect to long-term advances show for each company: (a) principal advanced during year, (b) interest added to principal amount, and (c) principal repaid during year. Give Commission authorization numbers and dates.		13. If the respondent has pledged any of its long-term debt securities give particulars (details) in a footnote.		14. If the respondent has any long-term debt securities which have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.		15. If interest expense was incurred during the year on any obligations retired or acquired before end of year, include such interest expense in column (i).		16. Give particulars (details) concerning any long-term debt authorized by a regulatory commission but not yet issued.	
Line No.	(a)	Principal Amount of Debt Issued (b)	Total Expense Premium or Discount (c)	Nominal Date of Issue (d)	Date of Maturity (e)	AMORTIZATION PERIOD Date From (f) Date To (g)		Outstanding (Total amount outstanding without reduction for amounts held by respondent) (h)	Interest for Year Amount (i)	Line No.	
1	Unamortized Issuance Costs (DRP)		\$ 260,501							1	
2	Senior Note 6 - 5.5%	\$ 20,000,000	\$ 79,566	12/12/2006	10/12/2020	12/12/2006	10/12/2020	\$ -	\$ 85,861	2	
3	Senior Note 7 - 5.93%	\$ 30,000,000	\$ 39,518	10/31/2008	10/31/2023	10/31/2008	10/31/2023	\$ 9,000,000	\$ 637,475	3	
4	Senior Note 8 - 5.68%	\$ 29,000,000	\$ 34,794	6/24/2011	6/30/2026	6/24/2011	6/30/2026	\$ 17,400,000	\$ 1,070,680	4	
5	Senior Note 9 - 6.43%	\$ 7,000,000	\$ 12,789	5/2/2013	5/2/2028	5/2/2013	5/2/2028	\$ 5,600,000	\$ 375,083	5	
6	Senior Note 10 - 3.73%	\$ 20,000,000	\$ 68,794	12/16/2013	12/16/2028	12/16/2013	12/16/2028	\$ 16,000,000	\$ 668,292	6	
7	Senior Note 11 - 3.88%	\$ 50,000,000	\$ 192,790	5/15/2014	5/15/2029	5/15/2014	5/15/2029	\$ 45,000,000	\$ 1,818,750	7	
8	Senior Note 12 - 3.25%	\$ 70,000,000	\$ 150,539	4/21/2017	4/30/2032	4/21/2017	4/30/2032	\$ 70,000,000	\$ 2,275,000	8	
9	Senior Note 16 - 2.98%	\$ 70,000,000	\$ 165,643	12/20/2019	12/20/2034	12/20/2019	12/20/2034	\$ 70,000,000	\$ 2,086,000	9	
10	Senior Note 17 - 3.00%	\$ 50,000,000	\$ 92,476	7/15/2020	7/15/2035	7/15/2020	7/15/2035	\$ 50,000,000	\$ 689,516	10	
11	Senior Note 18 - 2.96%	\$ 40,000,000	\$ 72,953	8/14/2020	8/15/2035	8/14/2020	8/15/2035	\$ 40,000,000	\$ 448,774	11	
12	Tranche 1	\$ 50,000,000	\$ 99,400	5/1/2018	5/31/2038	5/1/2018	5/31/2038	\$ 50,000,000	\$ 1,740,000	12	
13	Tranche 2	\$ 50,000,000	\$ 95,036	11/1/2018	11/1/2038	11/1/2018	11/1/2038	\$ 50,000,000	\$ 1,790,000	13	
14	Tranche 3	\$ 100,000,000	\$ 167,966	8/1/2019	8/1/2039	8/1/2019	8/1/2039	\$ 100,000,000	\$ 3,980,000	14	
15	Interim Term Note 1	\$ 30,000,000	\$ 8,996	12/21/2018	1/21/2020	12/21/2018	1/21/2020		\$ (32,377)	15	
16	Interim Term Note 2	\$ 30,000,000	\$ 21,786	1/31/2019	2/28/2020	1/31/2019	2/28/2020		\$ 117,942	16	
17	FPU Bond - 9.08%	\$ 8,000,000	\$ 122,010	6/1/1992	6/1/2022				\$ 1,681,580	17	
18	Shelf Facility-Prudential		\$ 58,133	10/8/2015	10/8/2030	10/8/2015	10/8/2030			18	
19	Shelf Facility-Met Life		\$ 34,250	3/2/2017	3/2/2032					19	
20	Shelf Facility-New York Life		\$ 8,636	3/2/2017	5/31/2038					20	
21	Bank Credit Facility (Annual)		\$ 17,066	10/8/2019	10/8/2020	10/8/2019	10/8/2020			21	
22	Bank Credit Facility (Five Years)		\$ 466,119	10/8/2015	10/8/2020	10/8/2015	10/8/2020			22	
23	Subtotal							\$ 523,000,000		23	
24	Less current maturities							\$ (13,600,000)		24	
25										25	
26										26	
27										27	
28										28	
29										29	
30	Totals	\$ 654,000,000	\$ 2,269,761					\$ 509,400,000	\$ 19,432,576	30	
31										31	
32	2020 Annual Amortization of Premiums or Discounts:									32	
33	Allocation to Florida Public Utilities - Electric Division		\$ 25,148				Allocation to Florida Public Utilities - Electric Division		\$ 2,382,131	33	
34	Allocation to Other Jurisdictions		\$ 165,412						\$ 17,050,445	34	
35	Total		\$ 190,560				Allocation to Other Jurisdictions		\$ 19,432,576	35	
36										36	
37										37	
38	Note: Schedule lists total long-term debt for Chesapeake Utilities Corporation.									38	
39	Line number 33 indicates the amount that is allocated to the Florida Public Utilities - Electric Division for DD&E and interest on long-term debt.									39	
40	Additionally, there is an allocation of \$25,863 for DD&E related to short-term debt that is also allocated to the Electric Division and is included in account 428.									40	
41										41	
42										42	
43										43	
44										44	
45										45	

**RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME  
FOR FEDERAL INCOME TAXES**

1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.

2. If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members.

Line No.	Particulars (Details) (a)	Amount (b)
1	<b>Net Income for the Year</b>	4,393,226
2		
3	<b>Taxable Income Not Reported on Books</b>	
4	Taxable service contribution	(451,168)
5		
9	<b>Deductions Recorded on Books Not Deducted for Return</b>	
10	Federal income tax expense	(1,900,495)
11	Deferred income tax expense	2,035,636
12	P100: 50% Meals Deduction	11,795
13	P102: Not Deductible for Tax-Other	19,347
14	25WR: Storm Reserve	1,230,058
15	25RG: ADIT Reg Asset	7,080,719
16	25PG: Purchased Gas Costs	3,965,770
17	25CN: Conservation	9,838
18	25DP.04: Asset Gain/Loss	850,584
19	25BD: Bad Debts	1,524,618
20		
21		
22		
23		
24		
25	<b>Income Recorded on Books Not Included in Return</b>	
26		-
27		
28	<b>Deductions On Return Not Recorded on Books</b>	
	25OH: 263A Capitalized Interest/Overhead	(739)
29	25PN: Pension	(629,276)
30	25AM: Customer Based Intangibles	(25,691)
31	25DP.03: Cost of Removal	(397,656)
32	25ID: Reserve for Insurance Deductibles	(7,247)
33	25SI.01: Self Insurance (Current)	(469,043)
34	25DP.01: Depreciation	(1,311,795)
35	Net Operating Loss Adjustment	(2,992,860)
36	25RC: Rate Case	(14,484)
37	25PR.02: Post Retirement Benefits (Non-Current)	(106,641)
38		
39		
40		
41	<b>Federal Taxable Net Income</b>	12,814,496
42		
43	Federal Taxable Income (Post-NOL)	12,814,496
44	Show Computatation of Tax:	
45	Federal Income Tax @ 21%	2,691,044
46	CARES ACT adjustment	(4,591,539)
47	Prior Period Adjustment	
48		
49	Federal Income Tax Expense	(1,900,495)

Florida Public Utilities Company Electric Division		An Original For the Year Ended December 31, 2020				Florida Public Utilities Company Electric Division		An Original For the Year Ended December 31, 2020				
TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR						TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)						
1. Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged. If the actual or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.		3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to proportions of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.				6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a footnote. Designate debit adjustments by parentheses.		distributed. Report in column (i) only the amounts charged to Accounts 408.1 and 409.1 pertaining to electric operations. Report in column (j) the amounts charged to Accounts 408.1 and 409.1 pertaining to other utility departments and amounts charged to Accounts 408.2 and 409.2. Also show in column (l) the taxes charged to utility plant or other balance sheet accounts.				
2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid accrued taxes). Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by inclusion of these taxes.		4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.				7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll footnote. Designate debit adjustments by parentheses. Deductions or otherwise pending transmittal of such taxes to the taxing authority.		9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.				
		5. If any tax (exclude Federal and State income taxes)				8. Report in column (i) through (l) how the taxes were						
Line No.	Kind of Tax (See Instruction 5) (a)	BALANCE AT BEGINNING OF YEAR				BALANCE AT END OF YEAR		DISTRIBUTION OF TAXES CHARGED				Line No.
		Taxes Accrued (Account 236) (b)	Prepaid Taxes (Include in Account 165) (c)	Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)	Taxes Accrued (Account 236) (g)	Prepaid Taxes (Incl. in Account 165) (h)	Electric (Account 408.1, 409.1) (i)	(Account 408.2 & 409.2) (j)	Adjustment to Ret. Earnings (Account 439) (k)	
1	<b>Federal Taxes:</b>											1
2	Income Tax	(8,060,948)	-	(1,900,495)	567,073	(59,870)	(9,454,240)	-	(1,844,958)	(55,537)	-	2
3	<b>Total Federal Taxes</b>	(8,060,948)	-	(1,900,495)	567,073	(59,870)	(9,454,240)	-	(1,844,958)	(55,537)	-	3
4												4
5	<b>State of Florida:</b>											5
6	Income	52,593	-	679,114	0	(153)	731,554	-	691,454	(12,340)	-	6
7	<b>Total State of Florida Taxes</b>	52,593	-	679,114	0	(153)	731,554	-	691,454	(12,340)	-	7
8												8
9												9
10	<b>Reclassified to Prepaid Taxes</b>											10
11	<b>Federal Taxes:</b>											11
12	Income Tax											12
13	<b>State of Florida:</b>											13
14	Income											14
15												15
16	Payroll Taxes	-	-	249,822	(249,822)	-	-	-	249,822	-	-	16
17	Property Taxes	-	-	1,346,998	(1,346,998)	-	-	-	1,346,998	-	-	17
18	Franchise Tax	-	-	3,351,954	(3,351,954)	-	-	-	3,351,954	-	-	18
19	Gross Receipts Tax	-	-	2,134,784	(2,134,784)	-	-	-	2,134,784	-	-	19
20	Other Taxes	-	-	63,056	(63,056)	-	-	-	63,056	-	-	20
21												21
22												22
23	<b>TOTAL</b>	(8,008,355)	-	5,925,233	(6,579,541)	(60,023)	(8,722,686)	-	5,993,110	(67,877)	-	23

1. Report below the particulars (details) called for concerning other deferred credits.  
2. For any deferred credit being amortized, show the period of amortization.

3. Minor items (5% of the Balance End of Year for Account 253 or amounts less than \$10,000, whichever is greater) may be grouped by classes.

Line No.	Description of Other Deferred Credit (a)	Balance at Beginning of Year (b)	DEBITS		Credits (e)	Balance at End of Year (f)
			Contra Account (c)	Amount (d)		
1	* Unrecovered PGC/FEC	-	-		(3,235,032)	(3,235,032)
2	Storm Other Deferred Credits (6yrs)	-		1,475,298	(2,682,360)	(1,207,062)
3						
4						
5						
6						
7	<i>* At the end of 2019, there was an under-collection of FEC. It was recorded in account 186.</i>					
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42	TOTAL	-		1,475,298	(5,917,392)	(4,442,094)
43						
44						

Florida Public Utilities Company Electric Division ACCUMULATED DEFERRED INCOME TAXES-OTHER PROPERTY (Account 282)				Florida Public Utilities Company Electric Division ACCUMULATED DEFERRED INCOME TAXES-OTHER PROPERTY (Account 282) (Continued)								
An Original For the Year Ended December 31, 2020				An Original For the Year Ended December 31, 2020								
1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to property not subject to accelerated amortization.				2. For Other (Specify), include deferrals relating to other income and deductions. 3. Use footnotes as required.								
Line No.	Account Subdivisions	CHANGES DURING YEAR			CHANGES DURING YEAR		ADJUSTMENTS		Balance at End of Year	Line No.		
		Balance at Beginning of Year	Amounts Debited (Account 410.1)	Amounts Credited (Account 411.1)	Amounts Debited (Account 410.2)	Amounts Credited (Account 411.2)	Acct. Debited (g)	Acct. Credited (i)			Debits Amount (j)	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	
1	Account 282											1
2	Electric	10,132,557	869,187	(637,518)	-	-	254,282	(309,174)	690,996		10,746,048	2
3	Gas	-	-	-	-	-	-	-	-	-	-	3
4	Other - Water	-	-	-	-	-	-	-	-	-	-	4
5	Other - Common	-	-	-	-	-	-	-	-	-	-	5
6	TOTAL (Lines 2 thru 4)	10,132,557	869,187	(637,518)	-	-		(309,174)	690,996		10,746,048	6
7	Other (Specify)											7
8												8
9												9
10	TOTAL Account 282 (Lines 5 thru 8)	10,132,557	869,187	(637,518)	-	-		(309,174)	690,996		10,746,048	10
11												11
12												12
13	Classification of TOTAL											13
14	Federal Income Tax	7,933,739	690,569	(499,173)	-	-		(242,082)	541,046		8,414,099	14
15	State Income Tax	2,198,818	188,618	(138,345)	-	-		(67,092)	149,950		2,331,949	15
16	Local Income Tax											16
17	Total	10,132,557	869,187	(637,518)	-	-		(309,174)	690,996		10,746,048	17
18												18
19												19
20												20
21												21
22												22
23	Total	10,132,557	869,187	(637,518)	-	-		(309,174)	690,996		10,746,048	23

Florida Public Utilities Company Electric Division				Florida Public Utilities Company Electric Division								
An Original				An Original								
For the Year Ended December 31, 2020				For the Year Ended December 31, 2020								
ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283)				ACCUMULATED DEFERRED INCOME TAXES-OTHER (Account 283)(Continued)								
1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amounts recorded in Account 283.				3. Provide in the space below explanations for pages 276 and 277. Include amounts relating to insignificant items under Other.								
2. For Other (Specify), include deferrals relating to other income and deductions.				4. Use footnotes required.								
CHANGES DURING THE YEAR				Debits				Credits				
Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Amounts Debited (Account 410.1) (c)	Amounts Credited (Account 411.1) (d)	Amounts Debited (Account 410.2) (e)	Amounts Credited (Account 411.2) (f)	Acct. Credited (g)	Amount (h)	Acct. Debited (i)	Amount (j)	Balance at End of Year (k)	Line No.
1	Account 283	-	-	-	-	-	-	-	-	-	-	1
2	Electric	-	-	-	-	-	-	-	-	-	-	2
3	Tax Normalization for Tax Rate Increase	-	-	-	-	-	-	-	-	-	-	3
4	Insurance	76,327	47,573	(45,737)	-	-	-	-	282	-	78,163	4
5	Conservation	47,908	61,397	(63,891)	-	-	-	-	190	-	45,414	5
6	Rate Case Costs	3,671	43,328	(39,658)	-	-	-	-	-	-	7,341	6
7	Litigation	-	-	-	-	-	-	-	-	-	-	7
8	Weather Reserve	7,296,055	83,035	(325,965)	-	-	283	49,643	-	-	7,102,768	8
9	Regulatory Liability	3,090,890	81,782	(1,876,391)	-	-	-	-	-	-	1,296,281	9
10	Purchased Fuel Cost	1,005,125	45,805	(1,050,329)	-	-	283	117,494	-	(35,592)	81,903	10
11	Pension	(103,211)	166,758	(7,268)	-	-	-	-	-	-	56,279	11
12	Self Insurance	-	-	-	-	-	-	-	190	-	-	12
13	TOTAL Electric (Total Lines 3-9)	11,416,765	529,678	(3,409,839)	-	-	-	167,137	-	(35,592)	8,668,149	13
14	Other - Common	-	-	-	-	-	-	-	-	-	-	14
15		-	-	-	-	-	-	-	-	-	-	15
16	TOTAL Account 283 (Total lines 11, 13, 14, 15)	11,416,765	529,678	(3,409,839)	-	-	-	167,137	-	(35,592)	8,668,149	16
17		11,416,765	529,678	(3,409,839)	-	-	-	167,137	-	(35,592)	8,668,149	17
18		-	-	-	-	-	-	-	-	-	-	18
19	Classification of TOTAL	-	-	-	-	-	-	-	-	-	-	19
20	Federal Income Tax	8,942,955	414,735	(2,669,896)	-	-	-	130,867	-	(31,557)	6,787,114	20
21	State Income Tax	2,473,810	114,943	(739,953)	-	-	-	39,959	-	(7,724)	1,881,035	21
22	Local Income Tax	-	-	-	-	-	-	-	-	-	-	22
23	Total	11,416,765	529,678	(3,409,839)	-	-	-	170,826	-	(39,281)	8,668,149	23



OTHER REGULATORY LIABILITIES (Account 254)

1. Reporting below the particulars (details) called for concerning other regulatory liabilities which are created through the ratemaking actions of regulatory agencies (and not includable in other amounts).  
2. For regulatory liabilities being amortized, show period of amortization in column (a).

3. Minor items (5% of the Balance at End of Year for Account 254 or amounts less than \$50,000, whichever is less) may be grouped by classes.

Line No.	Description and Purpose of Other Regulatory Liabilities (a)	Balance Beginning of Year (b)	DEBITS		Credits (d)	Balance End of Year (e)
			Account Credited (b)	Amount (c)		
1	Regulatory Liability- Tax Rate Change	(\$5,751,880)	405	\$ 274,333	-	(\$5,477,547)
2	Regulatory Liability- Cares Act	-			(1,207,641)	(\$1,207,641)
3	Regulatory Liability- Hurricane Michael Dorian(6 yrs)	-		276,618	(2,422,507)	(\$2,145,889)
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38	TOTAL	\$ (5,751,880)		\$ 550,951	(3,630,148)	\$ (8,831,077)
39						
40						

Florida Public Utilities Company Electric Division		An Original For the Year Ended December 31, 2020		Florida Public Utilities Company Electric Division		An Original For the Year Ended December 31, 2020		
ELECTRIC OPERATING REVENUES (Account 400)				ELECTRIC OPERATING REVENUES (Account 400) (Continued)				
1. Report below operating revenues for each prescribed account, and manufactured gas revenues in total.		counted for each group of meters added. The average number of customers means the average of twelve figures at the close of each month.		4. Commercial and Industrial Sales, Account 442, may be classified according to the basis of classification (Small or Commercial, and Large or Industrial) regularly used by the respondent if such basis of classification is not generally greater than 1000 kw of demand. (See Account 442 of the Uniform System of Accounts. Explain basis of classification in a footnote.)		5. See page 108-109, Important Changes During Year, for important new territory added and important rate increases or decreases.		
2. Report number of customers, columns (f) and (g), on the basis of meters, in addition to the number of flat rate accounts; except that where separate meter readings are added for billing purposes, one customer should be		3. If increases or decreases from previous year (columns (c), (e), and (g)), are not derived from previously reported figures, explain any inconsistencies in a footnote.		6. For lines 2,4,5, and 6, see page 304 for amounts relating to unbilled revenues by accounts.		7. Include unmetered sales. Provide details of such sales in a footnote.		
Line No.	Title of Account (a)	Amount for Year (b)	Amount for Previous Year (c)	MEGAWATT HOURS SOLD Amount for Year (d)	Amount for Previous Year (e)	AVERAGE NUMBER OF CUSTOMERS PER MONTH Number for Year (f)	Number for Previous Year (g)	Line No.
1	Sales of Electricity							1
2	(440) Residential Sales	46,108,040	45,404,967	305,020	306,446	25,044	24,573	2
3	(442) Commercial and Industrial Sales							3
4	Small (or Commercial)	26,604,951	26,660,925	208,453	221,349	4,318	4,261	4
5	Large (or Industrial)	9,558,299	13,404,237	92,179	111,287	26	27	5
6	(443) Outdoor Lighting	3,014,185	2,137,105	7,436	7,113	2,939	2,956	6
7	(444) Public Street and Highway Lighting	166,307	181,956					7
8	(445) Other Sales to Public Authorities	-	-					8
10	(448) Interdepartmental Sales	29,332	37,033	378	377	14	13	9
9	(456.3) Unbilled Revenues	120,000	(110,554)					10
11		-----	-----	-----	-----	-----	-----	11
12	TOTAL Sales to Ultimate Consumers	85,601,114	87,715,669	613,466	646,572	32,341	31,830	12
13	(447) Sales for Resale							13
14		-----	-----	-----	-----	-----	-----	14
15	TOTAL Sales of Electricity	85,601,114	87,715,669	613,466	646,572	32,341	31,830	15
16	(Less) (449.1) Provision for Rate Refunds	(1,909,803)						16
17		-----	-----	-----	-----	-----	-----	17
18	TOTAL Revenue Net of Provision for Refunds	83,691,311	87,715,669	613,466	646,572	32,341	31,830	18
19	Other Operating Revenues							19
20	(450) Forfeited Discounts	73,613	385,507					20
21	(451) Miscellaneous Service Revenues	247,313	281,648					21
22	(453) Sales of Water and Water Power							22
23	(454) Rent from Electric Property	249,731	274,773					23
24	(455) Interdepartmental Rents							24
25	(456.2) Other Electric Revenues							25
26	(456.1) Overrecoveries Purchase Electric	(1,913,603)	(5,580,452)					26
27	(456.6) Overrecoveries Conservation							27
28		-----	-----	-----	-----	-----	-----	28
29		-----	-----	-----	-----	-----	-----	29
30	TOTAL Other Operating Revenues	(1,342,946)	(4,638,524)					30
31		-----	-----	-----	-----	-----	-----	31
32	TOTAL Electric Operating Revenues	82,348,365	83,077,145					32
		=====	=====					

1. Report below for each rate schedule in effect during the year the MWh of electricity sold, revenue, average number of customers, average KWh per customer, and average revenue per KWh, excluding data for Sales for Resale which is reported on pages 310-311.

2. Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," page 300-301. If the sales under any rate schedule are classified in more than one revenue account, list the rate schedule and sales data under each applicable revenue account subheading.

3. Where the same customers are served under more than one

rate schedule in the same revenues account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers.

4. The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the (12 if all billings are made monthly).

5. For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.

6. Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.

Line No.	Number and Title of Rate Schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWH of Sales per Customer (e)	Revenue (cents) per KWH Sold (f)
1	(440) Residential Sales	305,020	\$ 46,108,040	25,044	12,179	15.1
2	(442) Commercial and Industrial Sales					
3	Small (or Commercial)	208,453	\$ 26,604,951	4,318	48,273	12.8
4	Large (or Industrial)	92,179	\$ 9,558,299	26	3,511,581	10.4
5	(443) Outdoor Lighting	7,436	\$ 3,014,185	2,939	2,530	40.5
6	(444) Public Street and Highway Lighting	-	\$ 166,307	-	-	-
7	(445) Other Sales to Public Authorities	-	\$ -	-	-	-
8	(448) Interdepartmental Sales	378	\$ 29,332	14	27,659	7.8
9	(456) Unbilled Revenues	-	\$ 120,000	-	-	-
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40	Total Billed	613,466	\$ 85,601,114	32,341	19,000	14.0
41						
42	Rate Refund		(1,909,803)			
43	TOTAL	613,466	\$ 83,691,311	32,341	19,000	14.0

ELECTRIC OPERATION AND MAINTENANCE EXPENSES

Account	Amount for Current Year	Amount for Previous Year
(a)	(b)	(c)
1 (1) POWER PRODUCTION EXPENSES		
2 A. Steam Power Generation		
3 Operation		
4 (500) Operation Supervision and Engineering	-	-
5 (501) Fuel	-	-
6 (502) Steam Expenses	-	-
7 (503) Steam from Other Sources	-	-
8 (Less) (504) Steam Transferred-Cr.	-	-
9 (505) Electric Expenses	-	-
10 (506) Miscellaneous Steam Power Expenses	-	-
11 (507) Rents	-	-
12 TOTAL Operation	-	-
13 Maintenance		
14 (510) Maintenance Supervision and Engineering	-	-
15 (511) Maintenance of Structures	-	-
16 (512) Maintenance of Boiler Plant	-	-
17 (513) Maintenance of Electric Plant	-	-
18 (514) Maintenance of Miscellaneous Steam Plant	-	-
19 TOTAL Maintenance	-	-
20 TOTAL Power Production Expenses-Steam Plant	-	-
21 B. Nuclear Power Generation		
22 Operation		
23 (517) Operation Supervision and Engineering	-	-
24 (518) Fuel	-	-
25 (519) Coolants and Water	-	-
26 (520) Steam Expenses	-	-
27 (521) Steam from Other Sources	-	-
28 (Less) (522) Steam Transferred-Cr.	-	-
29 (523) Electric Expenses	-	-
30 (524) Miscellaneous Nuclear Power Expenses	-	-
31 (525) Rents	-	-
32 TOTAL Operation	-	-
33 Maintenance		
34 (528) Maintenance Supervision and Engineering	-	-
35 (529) Maintenance of Structures	-	-
36 (530) Maintenance of Reactor Plant Equipment	-	-
37 (531) Maintenance of Electric Plant	-	-
38 (532) Maintenance of Miscellaneous Nuclear Plant	-	-
39 TOTAL Maintenance	-	-
40 TOTAL Power Production Expenses-Nuclear Power	-	-
41 C. Hydraulic Power Generation		
42 Operation		
43 (535) Operation Supervision and Engineering	-	-
44 (536) Water for Power	-	-
45 (537) Hydraulic Expenses	-	-
46 (538) Electric Expenses	-	-
47 (539) Miscellaneous Hydraulic Power Generation Expenses	-	-
48 (540) Rents	-	-
49 TOTAL Operation	-	-

FLORIDA PUBLIC UTILITIES COMPANY		An Original		For the Year Ended	
Electric Division		ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)		December 31, 2020	
Account		Amount for		Amount for	
		Current Year		Previous Year	
50	C. Hydraulic Power Generation (Continued)				
51	Maintenance				
52	(541) Maintenance Supervision and Engineering	-	-	-	-
53	(542) Maintenance of Structures	-	-	-	-
54	(543) Maintenance of Reservoirs, Dams, and Waterways	-	-	-	-
55	(544) Maintenance of Electric Plant	-	-	-	-
56	(545) Maintenance of Miscellaneous Hydraulic Plant	-	-	-	-
57	TOTAL Maintenance	-	-	-	-
58	TOTAL Power Production Expenses-Hydraulic Power	-	-	-	-
59	D. Other Power Generation				
60	Operation				
61	(546) Operation Supervision and Engineering	-	-	-	-
62	(547) Fuel	-	-	-	-
63	(548) Generation Expenses	-	-	-	-
64	(549) Miscellaneous Other Power Generation Expenses	-	-	-	-
65	(550) Rents	-	-	-	-
66	TOTAL Operation	-	-	-	-
67	Maintenance				
68	(551) Maintenance Supervision and Engineering	-	-	-	-
69	(552) Maintenance of Structures	-	-	-	-
70	(553) Maintenance of Generating and Electric Plant	-	-	-	-
71	(554) Maintenance of Miscellaneous Other Power Generation Plant	-	-	-	-
72	TOTAL Maintenance	-	-	-	-
73	TOTAL Power Production Expenses-Other Power	-	-	-	-
74	E. Other Power Supply Expenses				
75	(555) Purchased Power	42,807,169	54,056,750		
76	(556) System Control and Load Dispatching	-	-		
77	(557) Other Expenses	110,900	282,283		
78	TOTAL Other Power Supply Expenses	42,918,069	54,339,033		
79	TOTAL Power Production Expenses	42,918,069	54,339,033		
80	2. TRANSMISSION EXPENSES				
81	Operation				
82	(560) Operation Supervision and Engineering	29,947	31,668		
83	(561) Load Dispatching	-	-		
84	(562) Station Expenses	29,665	32,885		
85	(563) Overhead Line Expenses	-	-		
86	(564) Underground Line Expenses	-	-		
87	(565) Transmission of Electricity by Others	-	-		
88	(566) Miscellaneous Transmission Expenses	-	-		
89	(567) Rents	-	-		
90	TOTAL Operation	59,612	64,553		
91	Maintenance				
92	(568) Maintenance Supervision and Engineering	-	-		
93	(569) Maintenance of Structures	-	-		
94	(570) Maintenance of Station Equipment	44,732	43,070		
95	(571) Maintenance of Overhead Lines	(11,644)	5,634		
96	(572) Maintenance of Underground Lines	-	-		
97	(573) Maintenance of Miscellaneous Transmission Plant	-	-		
98	TOTAL Maintenance	33,088	48,704		
99	TOTAL Transmission Expenses	92,700	113,257		
100	3. DISTRIBUTION EXPENSES				
101	Operation				
102	(580) Operation Supervision and Engineering	164,079	188,786		
103	(581) Load Dispatching	-	-		

FLORIDA PUBLIC UTILITIES COMPANY Electric Division		An Original	For the Year Ended December 31, 2020
ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)			
Account		Amount for Current Year	Amount for Previous Year
104	3. DISTRIBUTION EXPENSES (Continued)		
105	(581) Load Dispatching	-	-
106	(582) Station Expenses	118,287	123,547
107	(583) Overhead Line Expenses	93,801	99,884
108	(584) Underground Line Expenses	-	(267)
109	(585) Street Lighting and Signal System Expenses	16,658	7,503
110	(586) Meter Expenses	222,464	291,146
111	(587) Customer Installations Expenses	47,891	17,923
112	(588) Miscellaneous Distribution Expenses	226,889	217,597
113	(589) Rents	-	-
114	TOTAL Operation	890,069	946,119
115	Maintenance		
116	(590) Maintenance Supervision and Engineering	-	-
117	(591) Maintenance of Structures	5,727	5,608
118	(592) Maintenance of Station Equipment	82,235	67,368
119	(593) Maintenance of Overhead Lines	2,083,609	2,604,542
120	(594) Maintenance of Underground Lines	254,209	173,436
121	(595) Maintenance of Line Transformers	114,263	119,290
122	(596) Maintenance of Street Lighting and Signal Systems	136,710	85,554
123	(597) Maintenance of Meters	180,530	171,433
124	(598) Maintenance of Miscellaneous Distribution Plant	107,486	91,724
125	TOTAL Maintenance	2,964,769	3,318,955
126	TOTAL Distribution Expenses	3,854,838	4,265,074
127	4. CUSTOMER ACCOUNTS EXPENSES		
128	Operation		
129	(901) Supervision	182,660	253,929
130	(902) Meter Reading Expenses	244,039	258,043
131	(903) Customer Records and Collection Expenses	1,188,233	1,095,443
132	(904) Uncollectible Accounts	239,591	250,721
133	(905) Miscellaneous Customer Accounts Expenses	-	-
134	TOTAL Customer Accounts Expenses	1,854,523	1,858,136
135	5. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES		
136	Operation		
137	(906) Underrecovery Conservation	9,838	(230,654)
138	(907) Supervision	-	10,144
139	(908) Customer Assistance Expenses	689,648	649,910
140	(909) Informational and Instructional Expenses	39,959	47,869
141	(910) Miscellaneous Customer Service and Informational Expenses	52,535	157,920
142	TOTAL Cust. Service and Informational Expenses	791,980	635,189
143	6. SALES EXPENSES		
144	Operation		
145	(911) Supervision	2,680	1,297
146	(912) Demonstrating and Selling Expenses	6,507	8,510
147	(913) Advertising Expenses	64,850	88,218
148	(916) Miscellaneous Sales Expenses	-	-
149	TOTAL Sales Expenses	74,037	98,025
150	7. ADMINISTRATIVE AND GENERAL EXPENSES		
151	Operation		
152	(920) Administrative and General Salaries	2,154,342	2,084,677
153	(921) Office Supplies and Expenses	1,241,271	1,206,964
154	(Less) (922) Administrative expenses Transferred-Cr.	-	-
155	(923) Outside Services Employed	612,789	534,141
156	(924) Property Insurance	923,219	730,158
157	(925) Injuries and Damages	361,821	816,853
158	(926) Employee Pensions and Benefits	792,288	1,210,721



FLORIDA PUBLIC UTILITIES COMPANY Electric Division							An Original PURCHASED POWER (Account 555) (Including power exchanges)			For the Year Ended December 31, 2020			FLORIDA PUBLIC UTILITIES COMPANY Electric Division							An Original PURCHASED POWER (Account 555) (Continued) (Including power exchanges)			For the Year Ended December 31, 2020				
1. Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges.							which meets the definition of RQ service. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.							OS-for other service. Use this category only for those services which cannot be placed in the above-defined categories, such as all nonfirm service regardless of the length of the contract and service from designated units of less than one year. Describe the nature of the service in a footnote.							AD-for out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.						
2. Enter the name of the seller or other party in an exchange transaction in column(g). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the seller.							IF-for intermediate-term firm service. The same as LF service except that "intermediate-term" means longer than one year but less than five years.							4. In column(c), identify the FERC Rate Schedule Number or Tariff, or, for non-FERC jurisdictional sellers, include an appropriate designation for the contract. On separate lines, list all FERC rate schedules, tariffs or contract designations under which service, as identified in column(b), is provided.							5. For requirements RO purchases and any type of service involving demand charges imposed on a monthly (or longer) basis, enter the monthly average billing demand in column(d), the average monthly non-coincident peak(NCP) demand in column(e), and the average monthly coincident peak(CP) demand in column(f). For all other types of service, enter NA in columns(d),(e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP Demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns						
3. In column(b), enter a Statistical Classification Code based on the original contractual terms and conditions of the services as follows:							SF-for short-term firm service. Use this category for all firm services, where the duration of each period of commitment for service is one year or less.							5. For requirements RO purchases and any type of service involving demand charges imposed on a monthly (or longer) basis, enter the monthly average billing demand in column(d), the average monthly non-coincident peak(NCP) demand in column(e), and the average monthly coincident peak(CP) demand in column(f). For all other types of service, enter NA in columns(d),(e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP Demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns													
RQ-for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projected load for this service in its system resource planning). In addition, the reliability of requirements service must be the same as, or second only to, the supplier's service to its own ultimate consumers.							LU-for long-term service from a designated generating unit. Long-term means five years or longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of the designated unit.																				
LF-for long-term service. "Long-term" means five years longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for long-term firm service							IU-for intermediate-term service from a designated generating unit. The same as LU service except that "intermediate-term" means longer than one year but less than five years.																				
							EX-For exchanges of electricity. Use this category for transactions involving a balancing of debits and credits for energy, capacity, etc. and any settlements for imbalanced exchanges.																				
Line No.	Name of Company or Public Authority [Footnote Affiliations] (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (d)	Actual Demand (MW)		Megawatthours Purchased (g)	POWER EXCHANGES			(capacity) Demand Charges (\$ (j))	(fuel cost) Energy Charges (\$ (k))	Other Charges (\$ (l))	Total (+k+l) or Settlement (\$ (m))	Line No.												
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)		Megawatthours Received (h)	Megawatthours Delivered (i)																		
1	Florida Power and Light	RQ	MS	118.56	NA	NA	172,655				4,422,176	4,384,714	1,671,582	10,478,472	1												
2	West-Rock Company	OS		NA	NA	NA	6,000				0	150,033	0	150,033	2												
3	Gulf Power Company	RQ	RE	111.70	NA	NA	297,811				5,406,764	6,723,728	3,184,617	15,315,109	3												
4	Southern Company Services	RQ		N/A	NA	NA	NA				0	0	0	0	4												
5	Rayonier Performance Fibers	OS		N/A	N/A	N/A	3,020				0	85,203	0	85,203	5												
6	Eight Flags	OS		N/A	N/A	N/A	170,979				0	12,678,481	0	12,678,481	6												
	Footnote: Column (l) other Charges														7												
	Florida Power and Light														8												
	Transmission Charge			1,538,587											9												
	Monthly Customer Charges			24,000											10												
	Other Fuel Related Costs			108,995											11												
				<u>1,671,582</u>											12												
	Gulf Power Company			2,113,661											13												
	Transmission Charge			24,000											14												
	Monthly Customer Charges			1,012,453																							
	Distribution Facility Charge			23,298																							
	FERC Anrit Chgs. & Attach. K Costs			9,300																							
	Meter reading & Processing Charge			1,905																							
	Other Fuel Related Costs			<u>3,184,617</u>			650,465				9,828,940	24,022,159	4,856,199	38,707,298													



Florida Public Utilities Company Electric Division Line No.	An Original MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (Electric) Description (a)	For the Year Ended December 31, 2020 Amount (b)
1	Industry Association Dues	\$ 4,255
2		
3	Publishing and Distributing Information and	
4	Reports to Stockholders; Trustee, Registrar, and	
5	Transfer Agent Fees and Expenses, and Other	
6	Expenses of Servicing Outstanding Securities	
7	of the Respondent	124,037
8		
9	Other Expenses (List items of \$5000 or more in	
10	this column showing the (1) purpose, (2) recipient	
11	and (3) amount of such items. Group amounts of	
12	less than \$5,000 by classes if the number of items	
13	so grouped is shown)	
14		
15		
16	Miscellaneous Expenses	2,529
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38		
39		
40		
41		
42		
43		
44		
45		
46		
47	TOTAL	\$ 130,821

**DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Accounts 403, 404, 405)**  
(Except amortization of acquisition adjustments)

<p>1. Report in Section A for the year the amounts for: (a) Depreciation Expense (Account 403); (b) Amortization of Limited-Term Electric Plant (Account 404); and (c) Amortization of Other Electric Plant (Account 405).</p> <p>2. Report in section B the rates used to compute amortization charges for electric plant (Accounts 404 and 405). State the basis used to compute the charges and whether any changes have been made in the basis or rates used from the preceding report year.</p> <p>3. Report all available information called for in section C every fifth year beginning with report year 1971, reporting annually only changes to columns (c) through (g) from the complete report of the preceding year.</p> <p>Unless composite depreciation accounting for total depreciable plant is followed, list numerically in column (a) each plant subaccount, account or functional classification, as appropriate, to which a rate is applied. Identify at the bottom of section C the type of plant included in any subaccounts used.</p> <p>In column (b) report all depreciable plant balances to which rates are applied showing subtotals by functional</p>	<p>classifications and showing a composite total. Indicate at the bottom of section C the manner in which column (b) balances are obtained. If average balances, state the method of averaging used.</p> <p>For columns (c), (d), and (e) report available information for each plant subaccount, account or functional classification listed in column (a). If plant mortality studies are prepared to assist in estimating average service lives, show in column (f) the type mortality curve selected as most appropriate for the account and in column (g), if available, the weighted average remaining life of surviving plant.</p> <p>If composite depreciation accounting is used, report available information called for in columns (b) through (g) on this basis.</p> <p>4. If provisions for depreciation were made during the year in addition to depreciation provided by application of reported rates, state at the bottom of section C the amounts and nature of the provisions and the plant items to which related.</p>
---	--

**A. Summary of Depreciation and Amortization Charges**

Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Amortization of Limited-Term Electric Plant (Acct. 404) (c)	Amortization of Other Electric Plant (Acct. 405) (d)	Total (e)
1	Intangible Plant	-			-
2	Steam Production Plant	-			-
3	Nuclear Production Plant	-			-
4	Hydraulic Production Plant-Conventional	-			-
5	Hydraulic Production Plant-Pumped Storage	-			-
6	Other Production Plant	-			-
7	Transmission Plant	402,067			402,067
8	Distribution Plant	3,455,831			3,455,831
9	General Plant	286,110			286,110
10	Common Plant-Electric	-			-
11	Adjustment	-			-
12	TOTAL	4,144,008	-	-	4,144,008

**B. Basis for Amortization Charges**

C. Factors Used in Estimating Depreciation Charges							
Line No.	Account No. (a)	Depreciable Plant Base (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. Rate(s) (Percent) (e)	Monthly Curve Type (f)	Average Remaining Life (g)
1	<b>CONSOLIDATED ELECTRIC DIVISION ORDER # PSC-2020-0347-AS-EI</b>						
2							
3	<b>TRANSMISSION PLANT</b>						
4	350.1	17,629	N/A	0	1.3		75.0
5	352	1,921,246	N/A	0	1.7		57.0
6	353	7,753,476	N/A	0	1.8		43.0
7	354	224,802	N/A	(15)	1.9		19.0
8	355	1,699,306	N/A	(50)	4.5		26.7
9	355.1	3,904,731	N/A	(30)	2.3		50.2
10	356	2,792,019	N/A	(20)	2.3		46.0
11	359	6,788	N/A	0	0.9		12.5
12	<b>DISTRIBUTION PLANT</b>						
13	360.1	56,995	N/A	0	1.5		26.0
14	361	442,062	N/A	(5)	1.8		54.0
15	362	13,266,497	N/A	(10)	1.9		42.6
16	364	25,598,974	N/A	(50)	3.4		33.6
17	365	20,995,836	N/A	(35)	2.8		30.0
18	366	7,540,387	N/A	(5)	1.7		51.3
19	367	9,681,214	N/A	(5)	2.0		32.6
20	368	24,059,153	N/A	(20)	2.7		19.7
21	369	14,050,440	N/A	(40)	2.6		32.4
22	370	5,425,345	N/A	(10)	3.8		13.0
23	371	3,739,987	N/A	5	3.0		13.6
24	373	2,811,407	N/A	(10)	5.0		11.4
25	<b>GENERAL PLANT</b>						
26	390	5,872,354	N/A	0	2.0		38.0
27	391	366,760		7 Years Amortization			
28	391.1	-		5 Years Amortization			
29	391.2	46,031		5 Years Amortization			
30	391.3	102,618		7 Years Amortization			
31	391.4	1,246,463		5 Years Amortization			
32	392.1	202,254	N/A	15	7.7		5.2
33	392.2	1,212,932	N/A	12	8.0		4.1
34	392.3	3,886,929	N/A	10	6.0		6.1
35	392.4	411,764	N/A	5	3.2		9.4
36	394	107,103		7 Years Amortization			
37	396	898,523	N/A	0	4.1		15.4
38	397	157,567		5 Years Amortization			
39	398	41,061		7 Years Amortization			
40							
41							
42							
43							
44							
45							
46							
47							
48							

Florida Public Utilities Company Electric Division					Florida Public Utilities Company Electric Division							
An Original					An Original							
REGULATORY COMMISSION EXPENSES					REGULATORY COMMISSION EXPENSES (Continued)							
For the Year Ended December 31, 2020					For the Year Ended December 31, 2020							
1. Report particulars (details) of regulatory commission expenses incurred during the current year (or incurred in previous years, if being amortized) relating to formal cases before a regulatory body, or cases in which such a body was a party.					3. Show in column (k) any expenses incurred in prior years which are being amortized. List in column (a) the period of amortization.							
2. Report in columns (b) and (c), only the current year's expenses that are not deferred and the current year's amortization of amounts deferred in previous years.					4. The totals of columns (f), (g) and (h) expenses incurred during year which were charged currently to income, plant							
					5. Minor items (less than \$25,000) may be grouped.							
Line No.	Description (Furnish name of regulatory commission or body, the docket or case number, and a description of the case.) (a)	Assessed by Regulatory Commission (b)	Expenses of Utility (c)	Total Expenses for Current Year (b) + (c) (e)	Deferred in Account 186 at Beginning of Year (f)	EXPENSES INCURRED DURING YEAR			AMORTIZED DURING YEAR		Deferred in Account 186 End of Year (i)	Line No.
						CHARGED CURRENTLY TO Department (f)	Account No. (g)	Amount (h)	Deferred to Account 186 (j)	Contra Account (k)		
1	All expenses incurred by the company											1
2	filings for Rate Relief for electric.											2
3												3
4												4
5	Unrecovered PGC/PEC**			3,965,770		186				3,965,770	-	5
6												6
7	Deferred Rate Case*			41,181,354		186			182.3	40,966,295		7
8									107.0	299,600		8
9									228.1	52,135		9
10								136,676				10
11				41,181,354				136,676		41,318,030	0	11
12												12
13	Gain on Sale			59,216		186					59,216	13
14												14
15	Conservation Cost Recovery			189,024		186			253	9,838	179,186	15
16												16
17												17
18												18
19												19
20												20
21	* Upon settlement of FPU Electric's filing to recover expenses incurred as a result of Hurricane Michael, \$40,966,295 was transferred to account 182.3, \$299,600 was transferred to a/c 107.0 and \$52,135 was transferred to a/c 228.1.											
22	Prior to the settlement, an additional \$136,676 was added to the account.											
23												21
24	** Balance was over-recovered at December 31, 2020. It is recorded in account 253 Other Deferred Credits. See page 269 for details.											
25												22
26												23
27												24
28												25
29												26
30												27
31												28
32												29
33												30
34												31
35												32
36												33
37												34
38												35
39												36
40												37
41												38
42	TOTAL			45,395,364				136,676		45,293,638	238,402	39
												40
												41
												42

DISTRIBUTION OF SALARIES AND WAGES

Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to Utility Departments, Construction, Plant Removals, and Other Accounts, and enter such amounts in the appropriate lines and columns provided. In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used.

Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll Charged for Clearing Accounts (c)	Total (d)
1	<b>Electric</b>			
2	Operation			
3	Production	-		
4	Transmission	837		
5	Distribution	634,891		
6	Customer Accounts	867,346		
7	Customer Service and Informational			
8	Sales	7,960		
9	Administrative and General	121,123		
10	TOTAL Operation (Enter Total of lines 3 thru 9)	1,632,157		
11	Maintenance			
12	Production			
13	Transmission	103		
14	Distribution	1,311,009		
15	Administrative and General	-		
16	TOTAL Maintenance (Enter Total of lines 12 thru 15)	1,311,112		
17	Total Operation and Maintenance			
18	Production (Enter Total of lines 3 and 12)	-		
19	Transmission (Enter Total of lines 4 and 13)	940		
20	Distribution (Enter Total of lines 5 and 14)	1,945,900		
21	Customer Accounts (Transcribe from line 6)	867,346		
22	Customer Service and Information (Transcribe from line 7)	-		
23	Sales (Transcribe from line 8)	7,960		
24	Administrative and General (Enter Total of lines 9 and 15)	121,123		
25	TOTAL Operation and Maintenance (Total of lines 18 - 24)	2,943,269	2,154,342	5,097,611
26	<b>Gas</b>			
27	Operation			
28	Production - Manufactured Gas			
29	Production - Natural Gas (Including Expl. and Dev.)			
30	Other Gas Supply			
31	Storage, LNG Terminaling and Processing			
32	Transmission			
33	Distribution			
34	Customer Accounts			
35	Customer Service and Informational			
36	Sales			
37	Administrative and General			
38	TOTAL Operation (Enter Total of lines 28 thru 37)			
39	Maintenance			
40	Production - Manufactured Gas			
41	Production - Natural Gas			
42	Other Gas Supply			
43	Storage, LNG Terminaling and Processing			
44	Transmission			
45	Distribution			
46	Administrative and General			
47	TOTAL Maintenance (Enter Total of lines 40 thru 46)			

DISTRIBUTION OF SALARIES AND WAGES

Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll Charged for Clearing Accounts (c)	Total (d)
<b>Gas (Continued)</b>				
48	Total Operation and Maintenance			
49	Production - Manufactured Gas ( Total of lines 28 and 40)			
50	Production - Natural Gas (Including Expl. and Dev.) (Total of lines 29 and 41)			
51	Other Gas Supply (Enter Total of lines 30 and 42)			
52	Storage, LNG, Terminating and Processing (Total of lines 31 and 43)			
53	Transmission (Enter Total of lines 32 and 44)			
54	Distribution (Enter Total of lines 33 and 45)			
55	Customer Accounts (Transcribe from line 34)			
56	Customer Service and Informational (From line 35)			
57	Sales (Transcribe from line 36)			
58	Administrative and General (Total of lines 37 and 46)			
59	TOTAL Operation and Maint. (Total of lines 49 thru 58)			
<b>Other Utility Departments</b>				
61	Operation and Maintenance	-	-	-
62	TOTAL All Utility Dept. (Total of lines 25,59, and 61)	2,943,269	2,154,342	5,097,611
<b>Utility Plant</b>				
64	Construction (By Utility Departments)			
65	Electric Plant	1,421,079	-	1,421,079
66	Gas Plant			-
67	Other - Common			-
68	TOTAL Construction (Enter Total of lines 65 thru 67)	1,421,079	-	1,421,079
69	Plant Removal (By Utility Department)			
70	Electric Plant	65,350		65,350
71	Gas Plant			-
72	Other - Water			-
73	TOTAL Plant Removal (Enter Total of lines 70 thru 72)	65,350		65,350
74	Other Accounts (Specify):			
75				
76				
77	Other Accounts Receivable/Employee	128,944		128,944
78	Temporary Facilities	13,070		13,070
79	Stores Expense			-
80	Clearing Accounts			-
81	Miscellaneous Deferred Debits			-
82	Merchandise and Jobbing		-	-
83	Taxes Other Than Income Taxes-Electric			-
84	Taxes Other Than Income Taxes-Gas			-
85				-
86	Vacation Pay			-
87	Non-Operating and Rental Income			-
88	Other Accounts Receivable		-	-
89	Environmental Cost	300,745		300,745
90	Merchandise plant leased to other - Gas			-
91	Accrued Liability Insurance			-
92				-
93				
94				
95	TOTAL Other Accounts	442,759	-	442,759
96	TOTAL SALARIES AND WAGES	4,872,457	2,154,342	7,026,799

COMMON UTILITY PLANT AND EXPENSES

1. Describe the property carried in the utility's accounts as common utility plant and show the book cost of such plant at end of year classified by account as provided by Plant Instruction 13, Common Utility Plant, of the Uniform System of Accounts. Also show the allocation of such plant costs to the respective departments using the common utility plant and explain the basis of allocation used, giving the allocation factors.  
2. Furnish the accumulated provisions for depreciation and amortization at end of year, showing the amounts and classifications of such accumulated provisions, and amounts allocated to utility departments using the common utility plant to which such accumulated provisions relate, including explanation of basis of

allocation and factors used.  
3. Give for the year the expenses of operation, maintenance rents, depreciation, and amortization for common utility plant classified by accounts as provided by the Uniform System of Accounts. Show the allocation of such expenses to the departments using the common utility plant to which such expenses are related. Explain the basis of allocation used and give the factors of allocation.  
4. Give date of approval by the Commission for use of the common utility plant classification and reference to order of the Commission or other authorization.

Account 118: Common Utility Plant  
General Office Buildings and Land  
Land & Land Rights  
Structures & Improvements  
Office Furniture & Equipment  
Communications Equipment  
Miscellaneous

-----  
-  
=====

Account 119: Accumulated Provision for Depreciation  
of Common Utility Plant

-----  
-  
=====

FLORIDA PUBLIC UTILITIES COMPANY                      An Original                      For the Year Ended  
 ELECTRIC ENERGY ACCOUNT                      December 31, 2020

Report below the information called for concerning the disposition of electric energy generated,  
 purchased, exchanged, and wheeled during the year.

Line No.	Item (a)	Megawatt Hours (b)	Line No.	Item (a)	Megawatt Hours (b)
1	SOURCES OF ENERGY		21	DISPOSITION OF ENERGY	
2	Generation (Excluding Station Use):		22	Sales to Ultimate Consumers (Including Interdepartmental Sales)	646,364
3	Steam		23	Requirements Sales For Resale (See instruction 4, page 311)	
4	Nuclear		24	Non-Requirements Sales For Resale (See instruction 4, page 311)	
5	Hydro-Conventional		25	Energy Furnished Without Charge	
6	Hydro-Pumped Storage		26	Energy Used by the Company (Electric Department Only, Excluding Station Use)	508
7	Other		27	Total Energy Losses	3,593
8	Less Energy for Pumping		28	TOTAL (Enter Total of Lines 22 Through 27) (MUST EQUAL LINE 20)	650,465
9	Net Generation (Enter Total of lines 3 thru 8)	0			
10	Purchases	650,465			
11	Interchanges:				
12	Received				
13	Delivered				
14	Purchases	0			
15	Transmission for/by Others (Wheeling)				
16	Received (MWh)				
17	Delivered (MWh)				
18	Net Transmission for Other (Lines 16 minus 17)	0			
19	Transmission By Other Losses				
20	TOTAL (Enter Total of lines 9, 10, 14, 18 and 19)	650,465			

MONTHLY PEAKS AND OUTPUT

1. If the respondent has two or more power systems which are not physically integrated, furnish the required information for each non-integrated system.
2. Report in column (b) the system's energy output for each month such that the total on Line 41 matches the total on Line 20.
3. Report in column © a monthly breakdown of the Non-Requirements Sales For Resale reported on Line 24. Include in the monthly amounts any energy and energy losses associated with the sales so that the total on Line 41 exceeds the amount on Line 24 by the amount of losses incurred (or estimated) in making the Non-Requirements Sales for Resale.
4. Report in column (d) the system's monthly maximum megawatt load (60-minute integration) associated with the net energy for the system defined as the difference between columns (b) and ©.
5. Report in columns (e) and (f) the specified information for each monthly peak load reported in column (d).

Line No.	Month (a)	Total Monthly Energy (b)	Monthly Non-Required Sales for Resale & Associated Losses (c)	MONTHLY PEAK		
				Megawatts (d)	Day of Month (e)	Hour (f)
29	January					
30	February					
31	March					
32	April					
33	May					
34	June		SEE ATTACHED	SCHEDULES		
35	July					
36	August					
37	September					
38	October					
39	November					
40	December					
41	TOTAL					



FLORIDA PUBLIC UTILITIES COMPANY

For the Year Ended  
December 31, 2020

**MONTHLY PEAKS AND OUTPUT  
NORTHWEST FLORIDA SYSTEM**

Month (a)	Megawatts (b)	Day of Month (d)	Hour (e)	Type of Reading (f)	Monthly Output (MWh) (g)
January	64.6	22	6:00 AM	60 Min. Int.	23,471
February	55.2	28	6:00 AM	60 Min. Int.	21,007
March	45.6	26	4:00 PM	60 Min. Int.	21,514
April	48.5	9	3:00 PM	60 Min. Int.	19,821
May	51.5	22	3:00 PM	60 Min. Int.	23,913
June	61.6	30	2:00 PM	60 Min. Int.	28,151
July	61.9	20	2:00 PM	60 Min. Int.	31,117
August	63.8	3	3:00 PM	60 Min. Int.	31,089
September	61.5	3	3:00 PM	60 Min. Int.	26,389
October	51.8	7	3:00 PM	60 Min. Int.	24,055
November	47.2	11	1:00 PM	60 Min. Int.	20,870
December	65.0	18	6:00 PM	60 Min. Int.	26,414
TOTAL					297,811

**MONTHLY PEAKS AND OUTPUT  
NORTHEAST FLORIDA SYSTEM**

Month (a)	Megawatts (b)	Day of Month (d)	Hour (e)	Type of Reading (f)	Monthly Output (MWh) (g)
January	59.5	22	6:00 AM	60 Min. Int.	28,144
February	42.7	25	1:00 PM	60 Min. Int.	23,728
March	57.1	18	4:00 PM	60 Min. Int.	21,295
April	37.5	9	6:00 PM	60 Min. Int.	22,673
May	49.7	22	6:00PM	60 Min. Int.	29,690
June	86.1	11	5:00PM	60 Min. Int.	34,115
July	65.4	16	6:00PM	60 Min. Int.	38,339
August	75.9	6	4:00PM	60 Min. Int.	37,827
September	71.7	1	3:00PM	60 Min. Int.	32,200
October	49.6	19	9:00PM	60 Min. Int.	26,471
November	41.1	12	12:00PM	60 Min. Int.	29,112
December	55.2	27	8:00AM	60 Min. Int.	29,060
TOTAL					352,654

Florida Public Utilities Company Electric Division										Florida Public Utilities Company Electric Division																			
An Original					An Original					For the Year Ended December 31, 2020					An O An Original					For the Year Ended December 31, 2020									
TRANSMISSION LINE STATISTICS										TRANSMISSION LINE STATISTICS (Continued)																			
<p>1. Report information concerning transmission lines, cost of lines, and expenses for year. List each transmission line having nominal voltage of 132 kilovolts or greater. Report transmission lines below voltages in group totals only for each voltage.</p> <p>2. Transmission lines include all lines covered by the definition of transmission system plant as given in the Uniform System of Accounts. Do not report substation costs and expenses on this page.</p> <p>3. Report data by individual lines for all voltages if so required by a State commission.</p> <p>4. Exclude from this page any transmission lines for which plant costs are included in Account 121, Nonutility Property.</p> <p>5. Indicate whether the type of supporting structure reported in column (e) is: (1) single pole, wood, or steel; (2) H-frame wood, or steel poles; (3) tower; or (4) underground construction.</p>										<p>If a transmission line has more than one type of supporting structure, indicate the mileage of each type of construction by the use of brackets and extra lines. Minor portions of a transmission line of a different type of construction need not be distinguished from the remainder of the line.</p> <p>6. Report in columns (f) and (g) the total pole miles of transmission line. Show in column (f) the pole miles of line on structures the cost of which is reported for the line designated; conversely, show in column (g) the pole miles of line on structures the cost of which is reported for another line. Report pole miles of line on leased or partly owned structures in column (g). In a footnote, explain the basis of such occupancy and state whether expenses with respect to such structures are included in the expenses reported for the line designated.</p>										<p>7. Do not report the same transmission line structure twice. Report lower voltage lines and higher voltage lines as one line. Designate in a footnote if you do not include lower voltage lines with higher voltage lines. If two or more transmission line structures support lines of the same voltage, report the pole miles of the primary structure in column (f) and pole miles of the other line(s) in column (g).</p> <p>8. Designate any transmission line or portion thereof for which the respondent is not the sole owner. If such property is leased from another company, give name of lessor, date and terms of lease, and amount of rent for year. For any transmission line other than a leased line, or portion thereof, for which the respondent is not the sole owner but which the respondent operates or</p> <p>share in the operation of, furnish a succinct statement explaining the arrangement and giving particulars (details) of such matters as percent ownership by respondent in the line, name of co-owner, basis of sharing expenses of the line, and how the expenses borne by the respondent are accounted for, and accounts affected. Specify whether lessor, co-owner, or other party is an associated company.</p> <p>9. Designate any transmission line leased to another company and give name of lessee, date and terms of lease, annual rent for year, and how determined. Specify whether lessee is an associated company.</p> <p>10. Base the plant cost figures called for in columns (i) to (l) on the book cost at end of year.</p>									
Line No.	DESIGNATION		VOLTAGE		Type of Supporting Structure (e)	LENGTH		Number of Circuits (h)	COST OF LINE			EXPENSES, EXCEPT DEPRECIATION AND TAXES**					Line no.												
	From (a)	To (b)	Operating (c)	Designed (d)		On Structures of Line Designated (f)	On Structures of Another Line (g)		Size of Conductor and Material (i)	Land (j)	Construction and Other Costs (k)	Total Cost (l)	Operation Expenses (m)	Maintenance Expenses (n)	Rents (o)	Total Expenses (p)													
1	Yulee, FL	Block 97 Fernandina Beach, FL	138,000	138,000	Steel Tower	0.55		2	652 MCM Alum.	15,482	1,496,536	1,512,018						1											
2					Concrete Pole	0.8	NONE											2											
3						2.3												3											
4																		4											
5	Block 97 Fernandina Beach, FL	Block 83 Fernandina Beach, FL	69,000	69,000	Concrete Pole	1.0		1	4/0 Alum.		474,069	474,069						5											
6					Wood Pole	2.8	NONE		394.6MCM Alum.									6											
7									477 MCM Alum.									7											
8									636 MCM Alum.									8											
9	Block 97 Fernandina Beach, FL	State Road 105 and Julia St.	69,000	69,000	Concrete Pole	2.7		1	477MCM Alum.	32,677	786,408	819,085						9											
10					Wood Pole	3.3	NONE											10											
11																		11											
12	Block 83 Fernandina Beach, FL	Container Corporation of America	69,000	69,000	Concrete Pole	1.7	***	1	394.6MCM Alum.		90,636	90,636						12											
13					Wood Pole	0.3	NONE											13											
14																		14											
15	Block 83 Fernandina Beach, FL	ITT Rayonier Inc.	69,000	69,000	Concrete Pole	1.4	NONE	1	636 MCM Alum.		2,783,652	2,783,652						15											
16																		16											
17																		17											
18																		18											
19																		19											
20																		20											
21																		21											
22																		22											
23																		23											
24																		24											
25																		25											
26																		26											
27																		27											
28																		28											
29																		29											
30					TOTAL	16.85				48,159	5,631,301	5,679,460	15,858	47,202			63,060	30											

\*Includes Roads and Trails  
 \*\*Expenses Show Below Include All Transmission Lines  
 \*\*\* Portion of the 1.7 miles of concrete pole construction costs are included in the costs of the Block 83 Fernandina Beach to ITT Rayonier line

Florida Public Utilities Company Electric Division		An Original SUBSTATIONS			For the Year Ended December 31, 2020			Florida Public Utility Company Electric Division		An Original SUBSTATIONS (Continued)			For the Year Ended December 31, 2020		
1. Report below the information called for concerning substations for the respondent as of the end of the year.		may be grouped according to functional character, but the number of such substations must be shown.			4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At end of the page, summarize according to function the capacities reported for the individual stations in column (f).			5. Show in columns (i), (j) and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.		of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner or other party is an associated company.			6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name		
2. Substations which serve only one industrial or street railway customer should not be listed below.															
3. Substations with capacities for less than 10,000 Kva except those serving customers with energy for resale.															
Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVa)			Capacity of Substation (In MVa) (f)	Number of Trans- formers In Service (g)	Number of Spare Trans- formers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT Type of Equipment (i)	Number of Units (j)	Total Capacity (k)	Line No.			
			Primary (c)	Secondary (d)	Tertiary (e)										
1	Fernandina Beach, Fl	Distribution									1				
2	Jesse L. Terry, Substation	Unattended	69M	12.4M		70	2	0	Fans Added		2				
3											3				
4	Amelia Plantation Substation	Distribution	69M	12.4M		80	2	0	Fans Added		4				
5		Unattended									5				
6											6				
7	Rayonier Chip Mill	Distribution	69M	12.4M		8	1	0	Fans Added		7				
8											8				
9	Stepdown Substation	Transmission	138M	69M		150	3	0	Fans Added		9				
10		Distribution	69M	12.4M		40	2	0	Fans Added		10				
11		Unattended									11				
12											12				
13											13				
14											14				
15											15				
16											16				
17											17				
18											18				
19											19				
20											20				
21											21				
22											22				
23											23				
24											24				
25											25				
26											26				
27											27				
28											28				
29											29				
30											30				
31											31				
32											32				
33											33				
34											34				
35											35				
36											36				

**Affiliation of Officers and Directors**

**Company: Florida Public Utilities Company- Electric Division**

**For the Year Ended December 31, 2020**

For each of the officials named in Part 1 of the Executive Summary, list the principal occupation or business affiliation if other than listed in Part 1 of the Executive Summary and all affiliations or connections with any other business or financial organizations, firms, or partnerships. For purposes of this part, the official will be considered to have an affiliation with any business or financial organization, firm or partnership in which he is an officer, director, trustee, partner, or a person exercising similar functions.

Name	Principal Occupation or Bus Affiliation	Affiliation or Connection with any Other Business or Financial Organization Firm or Partnership	
		Affiliation or Connection	Name and Address
<b>Directors</b>			
Jeffrey M. Householder			Chesapeake Utilities Corporation, President and CEO
Eugene H. Bayard			Morris James LLP, Georgetown, Delaware
Thomas J. Bresnan			Denver Accounting Services, Denver, Colorado
Ronald G. Forsythe, Jr.			Qlarant Corporation, Easton, Maryland
Thomas P. Hill, Jr.			Exelon Energy Delivery Company, Philadelphia, PA (Retired)
Dennis S. Hudson, III			Seacoast National Bank and Seacoast Banking Corporation of Florida Stuart, Florida
Lila A. Jaber			Jaber Group Inc., Tallahassee, Florida
Paul L. Maddock, Jr.			Palamad, LLC, Palm Beach, Florida
Calvert A. Morgan, Jr.			WSFS Financial Corp., Wilmington, Delaware (Retired) Wilmington Savings Fund Society, Wilmington, Delaware (Retired) PNC Bank Delaware, Wilmington, Delaware (Retired)
Dianna F. Morgan			Walt Disney World Co., Orlando, Florida (Retired); Board of Trustees, University of Florida, Gainesville, Florida (Retired)
John R. Schimkaitis			Chesapeake Utilities Corporation (Retired)
<b>Officers</b>			
Jeffrey M. Householder	Chair of the Board and Chief Executive Officer (FPU), President & CEO (CUC)		
James Moriarty	Executive Vice President/Secretary/General Counsel/Chief Policy and Risk Officer		
Beth W. Cooper	Executive Vice President/Chief Financial Officer/Assistant Secretary		
Jeffrey S. Sylvester	President (FPU), Senior V.P., Pipeline Transmission and Regulated Gas and Electric Distribution (CUC)		
Joseph D. Steinmetz	Vice President/Controller		
Michael D. Galtman	Vice President/Chief Accounting Officer		
Vikrant A. Gadgil	Vice President/Chief Information Officer		
Thomas E. Mahn	Vice President/Treasurer		
Cheryl M. Martin	Vice President		
Lou J. Anatrella	Chief Human Resources Officer		
Drane A. Shelley	Assistant Vice President		

**Business Contracts with Officers, Directors, and Affiliates**

**Company: Florida Public Utilities Company - Electric Division**

**For the Year Ended December 31, 2020**

List all contracts, agreements, or other business arrangements\* entered into during the calendar year (other than compensation- related to position with respondent) between the respondent and each officer and director listed in Part 1 of the Executive Summary. In addition, provide the same information with respect to professional services for each firm, partnership, or organization with which the officer or director is affiliated.

Note\* Business agreement, for this schedule, shall mean any oral or written business deal which binds the concerned parties for products or services during the reporting year or future years.

Name of Officer or Director	Name and Address of Affiliated Entity	Amount	Identification of Product or Service
None			

\*Business Agreement, for this schedule, shall mean any oral or written business deal which binds the concerned parties for products or services during the reporting year or future years.

--	--	--	--

## Reconciliation of Gross Operating Revenues Annual Report versus Regulatory Assessment Fee Return

Florida Public Utilities Company - Electric Division

For the Year Ended December 31, 2020

For the current year, reconcile the gross operating revenues as reported on Page 300 of this report with the gross operating revenues as reported on the utility's regulatory assessment fee return. Explain and justify any differences between the reported gross operating revenues in column (f).

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Line No.	Description	Gross Operating Revenues per Page 300	Interstate and Sales for Resale Adjustments	Adjusted Intrastate Gross Operating Revenues	Gross Operating Revenues per RAF Return	Intrastate and Sales for Resale Adjustments	Adjusted Intrastate Gross Operating Revenues	Difference (d) - (g)
1	Total Sales to Ultimate Customers (440-446, 448)	85,601,114		85,601,114	85,481,114		85,481,114	120,000
2	Sales for Resale (447)	-		-	-			-
3	Total Sales of Electricity	85,601,114		85,601,114	85,481,114		85,481,114	120,000
4	Provision for Rate Refunds (449.1)	(1,909,803)		(1,909,803)	(1,549,413)		(1,549,413)	(360,390)
5	Total Net Sales of Electricity	83,691,311		83,691,311	83,931,701		83,931,701	(240,390)
6	Total Other Operating Revenues (450-456)	(1,342,946)		(1,342,946)	(1,583,336)		(1,583,336)	240,390
7	Total Electric Operating Revenues	82,348,365		82,348,365	82,348,365		82,348,365	(0)
8	Other (specify): Deferred fuel revenue			-	1,934,448		1,934,448	(1,934,448)
9								
10	<b>Total Gross Operating Revenues</b>	82,348,365		82,348,365	84,282,813		84,282,813	(1,934,448)

Notes:

8 Deferred fuel revenue are reversed to pay RAF only on the actual collected revenue.  
(The original payment of the RAF occurred when the actual revenues were collected.)

1,934,448

1,934,448

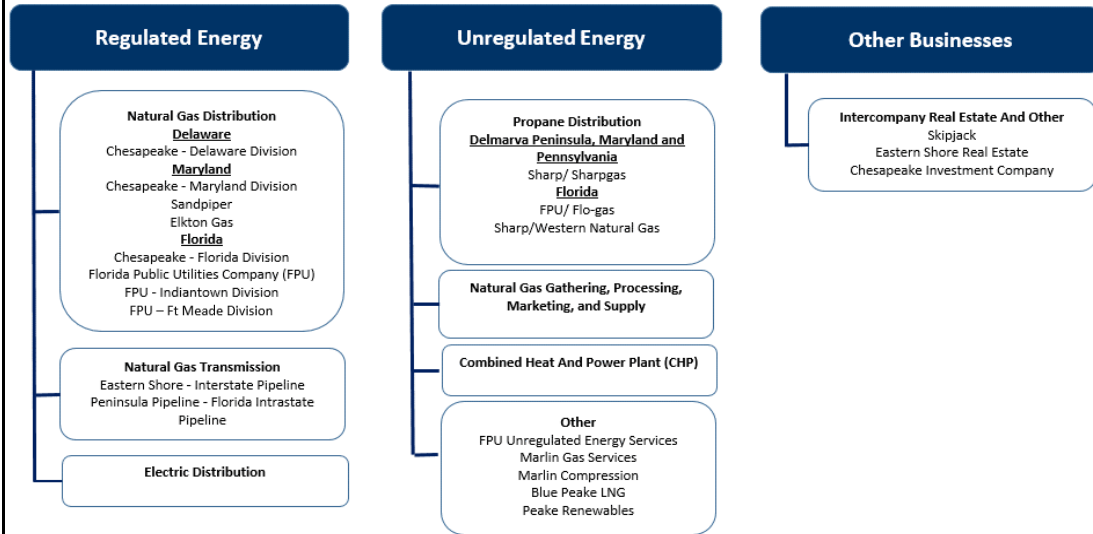
**FLORIDA PUBLIC SERVICE COMMISSION**

# **DIVERSIFICATION REPORT**

PSC/AFA 16 (12/94)

**CORPORATE STRUCTURE**

Provide an updated organizational chart showing all affiliated companies, partnerships, etc.



During 2020, Chesapeake Utilities Corp acquired Elkton Gas, an LDC operating in Elkton, Maryland, and Western Natural Gas, a propane distribution business.



**Analysis of Diversification Activity**

New or Amended Contracts with Affiliated Companies

COMPANY: Florida Public Utilities Company - Electric Division  
For the Year Ended December 31, 2020

Provide a synopsis of each new or amended contract, agreement, or arrangement with affiliated companies for the purchase, lease, or sale of land, goods, or services (excluding tariffed items). The synopsis shall include, at a minimum, the terms, price, quantity, amount, and duration of the contracts.

Name of Affiliated Company (a)	Synopsis of Contract (b)

**Analysis of Diversification Activity**  
**Individual Affiliated Transactions in Excess of \$500,000**

**COMPANY: Florida Public Utilities Company - Electric Division**  
**For the Year Ended December 31, 2020**

Provide information regarding individual affiliated transactions in excess of \$500,000. Recurring monthly affiliated transactions which exceed \$500,000 per month should be reported annually in the aggregate. However, each land or property sales transaction even though similar sales recur, should be reported as a "non-recurring" item for the period in which it occurs.

Name of Affiliate (a)	Description of Transaction (b)	Dollar Amount (c)
Eight Flags Energy LLC	Purchased Power	\$ 12,678,480

### Analysis of Diversification Activity

Summary of Affiliated Transfers and Cost Allocations

**Company: Florida Public Utilities Company - Electric Division**

**For the Year Ended December 31, 2020**

Grouped by affiliate, list each contract, agreement, or other business transaction exceeding a cumulative amount of \$300 in any one year, entered into between the Respondent and an affiliated business or financial organization, firm, or partnership identifying parties, amounts, dates, and product, asset, or service involved.

- (a) Enter name of affiliate.
- (b) Give description of type of service, or name the product involved.
- (c) Enter contract or agreement effective dates.
- (d) Enter the letter "p" if the service or product is a purchased by the Respondent: "s" if the service or product is sold by the Respondent.
- (e) Enter utility account number in which charges are recorded.
- (f) Enter total amount paid, received, or accrued during the year for each type of service or product listed in column (c). Do not net amounts when services are both received and provided.

Name of Affiliate (a)	Type of Service and/or Name of Product (b)	Relevant Contract or Agreement and Effective Date (c)	"p" or "s" (d)	Total Charge for Year	
				Account Number (e)	Dollar Amount (f)
Chesapeake Utilities Corporation	Parent Company:				
	Corporate Services		s		\$ 2,517,371
	Corporate Overheads		s		\$ 1,645,212
	Shared Services		s		\$ 1,964,942

***Analysis of Diversification Activity***

**ASSETS OR RIGHTS PURCHASED FROM OR SOLD TO AFFILIATES**

**FLORIDA PUBLIC UTILITIES COMPANY - Electric Division**

**For the Year Ended December 31, 2020**

Provide a summary of affiliated transactions involving asset transfers or the right to use assets.

Name of Affiliate	Description of Asset or Right	Cost/Orig. Cost	Accumulated Depreciation	Net Book Value	Fair Market Value	Purchase Price	Title Passed Yes/No
Eight Flags (transferred to)	Station Equip. (353)	58,118	5,865	52,253	52,253	52,253	Yes
	Struct. & Improv. (361)	756,921	54,567	702,354	702,354	702,354	Yes
	Station Equip. (362)	118,908	14,113	104,795	104,795	104,795	Yes
		933,947	74,545	859,402	859,402	859,402	
Pesco (received from)	Computer & Peripheral	13,328	4,760	8,568	8,568	8,568	Yes

## ***Analysis of Diversification Activity***

### ***Employee Transfers***

***Company: Florida Public Utilities Company - Electric Division***

***For the Year Ended December 31, 2020***

List employees earning more than \$30,000 annually transferred to/from the utility to/from an affiliate company.				
Company Transferred From	Company Transferred To	Old Job Assignment	New Job Assignment	Transfer Permanent or Temporary and Duration
None				

**Analysis of Diversification Activity**  
**Non-Tariffed Services and Products Provided by the Utility**  
**Company: Florida Public Utilities Company - Electric Division**  
**For the Year Ended December 31, 2020**

Provide the following information regarding all non-tariffed services and products provided by the utility.

Description of Product or Service (a)	Account No. (b)	Regulated or Non-regulated (c)
None		

**NONUTILITY PROPERTY (Account 121)**

1. Give a brief description and state the location of nonutility property included in Account 121.
2. Designate with an asterisk any property which is leased to another company. State name of lessee and whether lessee is an associated company.
3. Furnish particulars (details) concerning sales, purchases, or transfers of Nonutility Property during the year.
4. List separately all property previously devoted to public service and give date of transfer to Account 121, Nonutility Property.
5. Minor items (5% of the Balance at the End of the Year for Account 121 or \$100,000, whichever is less) may be grouped by (1) previously devoted to public service (line 39), or (2) other nonutility property (line 40).

Line No.	Description and Location (a)	Balance at Beginning of Year (b)	Purchases, Sales, Transfers, etc. (c)	Balance at End of Year (d)
1	None			
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				

## **Number of Electric Department Employees**

**Company: Florida Public Utilities Company - Electric Division**

**For the Year Ended December 31, 2020**

### NUMBER OF ELECTRIC DEPARTMENT EMPLOYEES

1. The data on number of employees should be reported for the payroll period ending nearest to October 31, or any payroll period ending 60 days before or after October 31.
2. If the respondent's payroll for the reporting period includes any special construction personnel, include such employees on line 3, and show the number of such special construction employees in a footnote.
3. The number of employees assignable to the electric department from joint functions of combination utilities may be determined by estimate, on the basis of employee equivalents. Show the estimated number of equivalent employees attributed to the electric department from joint functions.

1	Payroll Period Ended (Date)	12/31/20
2	Total Regular Full-Time Employees (Equivalent Employees from joint functions -6)	31
3	Total Part-Time and Temporary Employees	-
4	Total Employees	31



PARTICULARS CONCERNING CERTAIN INCOME DEDUCTIONS AND  
INTEREST CHARGES ACCOUNTS

Report the information specified below, in the order given for the respective income deduction and interest charges accounts. Provide a subheading for each account and total for the account. Additional columns may be added if deemed appropriate with respect to any account.

(a) Miscellaneous Amortization (Account 425) - Describe the nature of items included in this account, the contra account charged, the total of amortization charged for the year, and the period of amortization.

(b) Miscellaneous Income Deductions - Report the nature, payee, and amount of other income deductions for the year as required by Accounts 426.1, Donations; 426.2 Life Insurance; 426.3 Penalties; 426.4, Expenditures for Certain Civic, Political and Related Activities; and 426.5, Other Deductions, of the Uniform System of Accounts. Amounts of less than \$25,000 may be grouped by classes within the above accounts.

(c) Interest on Debt to Associated Companies (Account 430) - For each associated company to which interest on debt was incurred during the year, indicate the amount and interest rate respectively for (a) advances on notes, (b) advances on open account, (c) notes payable, (d) accounts payable, and (e) other debt, and total interest. Explain the nature of other debt on which interest was incurred during the year.

(d) Other Interest Expense (Account 431) - Report particulars (Details) including the amount and interest rate for each other interest charges incurred during the year.

Line No.	Item (a)	Amount (b)
1	Account 415: Revenues From Merchandising, Jobbing and Contract Work	448
2	Account 416: Costs and Exp. of Merchandising, Job & Contract Work	-
3	Account 426: Miscellaneous Income Deductions	
4	426.1 Donations	(5,738)
5	426.4 Expenditures for Certain Civic, Political and Related Activities	(19,348)
6	426.5 Other	(115)
7		
8	TOTAL MISCELLANEOUS INCOME DEDUCTIONS	(24,753)
9		
10	Account 430: Interest on Debt to Associated Company	0
11		
12		
13	Account 431: Other Interest Expense	
14	Customer Deposit	80,952
15	Short-term Borrowings - allocated from the parent	339,973
16	Note Payable - allocated from the parent	0
17	Amortization of Interest payable - Hurricane Michael	(1,475,297)
18	TOTAL OTHER INTEREST EXPENSE	(1,054,372)
19		
20		
21		
22		
23		

**FLORIDA PUBLIC UTILITIES COMPANY  
ANNUAL STATUS REPORT FOR  
STORM DAMAGE RESERVE CONSOLIDATED ELECTRIC**

**Status of Reserve**

Beginning Balance 01/01/2020	\$513,945
2019 Activity:	
Amortization of Accruals under Docket #93-0400 EI	121,620
Amortization of Accruals under Docket #20180061 EI issued March 26, 2019	963,132
Settlement of Docket #20180048-EI	534,252
Storm costs	(175,814)
Ending Balance 12/31/2020	<u>1,957,135</u>

**Reasonableness of Reserve**

**Distribution Plant - Book Cost**

Storm Damage Reserve Balance @ 12/31/2020	\$1,957,135
Total Distribution Plant (per books) @ 12/31/2020	<u>\$128,001,876</u>
Ratio of Reserve to Distribution Plant	<u>1.53%</u>

**Distribution Plant - Replacement Cost**

Storm Damage Reserve Balance @ 12/31/2020	\$1,957,135
Estimated Replacement Cost of Distribution Plant (Distribution Plant @ 12/31/20 times 2)	<u>\$256,003,752</u>
Ratio of Reserve to Replacement Distribution Plant	<u>0.76%</u>

**Availability of Distribution Systems Insurance**

Insurance for the Distribution Systems is now available but the costs would be significant.

## CUSTOMER GROWTH

	2020	2019	2018	2017			
Customers					Current	Prior year	Average
	Current Year	Prior Year	Two Years Prior	Three Years Prior	Year increase	Increase	Increase
<b>Operations:</b>							
Marianna - Electric	14,831	14,629	15,345	15,342	1%	-5%	-2%
Fernandina Beach - Electric	17,737	17,411	16,916	16,696	2%	3%	2%