



Writer's E-Mail Address: bkeating@gunster.com

March 15, 2021

VIA ELECTRONIC MAIL

Mr. Stephen Bart Fletcher, Chief of Surveillance and Rate Filings
Division of Accounting and Finance
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Florida Public Utilities Company (Gas Divisions and Electric Division) Forecasted Earnings Surveillance Reports

Dear Mr. Fletcher:

In accordance with Rules 25-6.1353 and 25-7.1353, F.A.C., Florida Public Utilities Company, on behalf of its Electric and Natural Gas Divisions, submits the Company's 2021 Forecasted Earnings Surveillance Reports ("Reports").

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

Sincerely,

s/Beth Keating

Beth Keating

Gunster, Yoakley & Stewart, P.A.

215 South Monroe St., Suite 601

Tallahassee, FL 32301

(850) 521-1706

cc: Shari Cornelius
Curt Mouring

	(1) ACTUAL PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
I. AVERAGE RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ 5,170,724	\$118,673	\$5,289,397	\$0	\$5,289,397
AVERAGE RATE BASE	\$137,200,290	(\$31,616,979)	\$105,583,311	\$0	\$105,583,311
AVERAGE RATE OF RETURN	3.77%		5.01%		5.01%
II. YEAR-END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$5,170,724	\$117,201	\$5,287,925	\$0	\$5,287,925
YEAR-END RATE BASE	\$133,057,956	(\$28,383,807)	\$104,674,149	\$0	\$104,674,149
YEAR-END RATE OF RETURN	3.89%		5.05%		5.05%

IV. FINANCIAL INTEGRITY INDICATORS

III. REQUIRED RATES OF RETURN			
AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)		A. TIE WITH AFUDC	22.24
		B. TIE WITHOUT AFUDC	22.24
LOW	5.49%	C. AFUDC TO NET INCOME	0.00
MIDPOINT	6.01%	D. INTERNALLY GENERATED FUNDS	90.60
HIGH	6.54%	E. LTD TO TOTAL INVESTOR FUNDS	25.09
		F. STD TO TOTAL INVESTOR FUNDS	3.35
		G. RETURN ON COMMON EQUITY	8.33

I am aware that Section 837.06, Florida Statutes, provides:

Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree punishable as provided in s. 775.082, s. 775.083. or s. 775.084.

Mike Cassel
 AVP- Regulatory Affairs

 Signature

 Date

AVERAGE RATE OF RETURN

For the Projected 12 Months Ending December 31, 2021

RATE BASE

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	PLANT IN SERVICE	ACCUMULATED DEPRECIATION & AMORTIZATION	PLANT IN SERVICE	NET PROPERTY HELD FOR FUTURE USE	CONSTRUCTION WORK IN PROGRESS	NET UTILITY PLANT	WORKING CAPITAL	TOTAL RATE BASE
PER BOOKS	\$168,275,820	(\$77,778,039)	\$90,497,781	\$0	\$5,543,201	\$96,040,982	\$41,159,308	\$137,200,290
FPSC ADJUSTMENTS:								
			\$0			\$0		\$0
1) ELIM. NON UTILITY PLANT	\$0	\$0	\$0			\$0		\$0
2) REGULATORY LIAB - PENSION AMORT			\$0			\$0		\$0
3) REGULATORY ASSET - LITIGATION COSTS			\$0			\$0		\$0
4) REMOVE STORM COST-INTEREST EARNING			\$0			\$0	(\$31,616,979)	(\$31,616,979)
5) MOVE A/D MICHAEL REG ASSET TO WC			\$0			\$0		\$0
6) ELIMINATE NET UNDERRECOVERY						\$0	\$0	\$0
7) DEFERRED RATE CASE EXPENSE						\$0	\$0	\$0
TOTAL FPSC ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	(\$31,616,979)	(\$31,616,979)
FPSC ADJUSTED	\$168,275,820	(\$77,778,039)	\$90,497,781	\$0	\$5,543,201	\$96,040,982	\$9,542,330	\$105,583,311
FLEX RATE REVENUES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ADJUSTED FOR FLEX RATE REVENUES	\$168,275,820	(\$77,778,039)	\$90,497,781	\$0	\$5,543,201	\$96,040,982	\$9,542,330	\$105,583,311
PROFORMA ADJUSTMENTS								
TOTAL PRO FORMA ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PRO FORMA ADJUSTED	\$168,275,820	(\$77,778,039)	\$90,497,781	\$0	\$5,543,201	\$96,040,982	\$9,542,330	\$105,583,311

AVERAGE RATE OF RETURN

For the Projected 12 Months Ending December 31, 2021

INCOME STATEMENT

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	OPERATING REVENUES	O & M FUEL EXPENSE	O & M OTHER	DEPREC. & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	D.I.T. (NET)	I.T.C. (NET)	GAIN/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
PER BOOKS	\$ 75,896,381	\$ 38,873,507	\$ 13,151,591	\$ 12,057,901	\$ 5,087,486	\$ 1,555,172				\$ 70,725,657	\$ 5,170,724
FPSC ADJUSTMENTS:											
1) INCOME TAX SYNCH ADJUSTMENT						\$ (76,729)				\$ (76,729)	\$ 76,729
2) ELIMINATE FUEL REVENUES AND EXPENSES	\$ (38,000,709)	\$ (38,000,709)			\$ (28,893)	\$ 7,085				\$ (38,022,516)	\$ 21,808
3) ELIMINATE CONSERVATION	\$ (872,799)	\$ (872,799)			\$ (628)	\$ 154				\$ (873,273)	\$ 474
4)NON-UTILITY DEPRECIATION EXPENSE				\$ -		\$ -				\$ -	\$ -
5) ELIMINATE REVENUE RELATED TAXES (FRANCHISE & GROSS RECEIPTS)	\$ (3,785,350)				\$ (3,785,350)	\$ -				\$ (3,785,350)	\$ -
6) ELIMINATE 5% OF ECONOMIC DEVELOPMENT			\$ (1,982)			\$ 486				\$ (1,496)	\$ 1,496
7) OUT OF PERIOD ADJ						\$ -				\$ -	\$ -
8) REMOVE STORM SURCHARGE ADJUSTMENT	\$ (7,875,710)		\$ (208,557)	\$ (7,685,707)	\$ (5,514)	\$ 5,902				\$ (7,893,876)	\$ 18,166
						\$ -				\$ -	\$ -
						\$ -				\$ -	\$ -
TOTAL FPSC ADJUSTMENTS	\$ (50,534,567)	\$ (38,873,507)	\$ (210,539)	\$ (7,685,707)	\$ (3,820,385)	\$ (63,102)	\$ -	\$ -	\$ -	\$ (50,653,240)	\$ 118,673
FPSC ADJUSTED	\$ 25,361,814	\$ 0	\$ 12,941,052	\$ 4,372,194	\$ 1,267,101	\$ 1,492,070	\$ -	\$ -	\$ -	\$ 20,072,417	\$ 5,289,397
PRO FORMA ADJUSTMENTS											
										\$ -	\$ -
TOTAL PRO FORMA ADJUSTMENTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PRO FORMA ADJUSTED	\$25,361,814	\$0	\$12,941,052	\$4,372,194	\$1,267,101	\$1,492,070	\$0	\$0	\$0	\$20,072,417	\$5,289,397

YEAR END RATE OF RETURN

For the Projected 12 Months Ending December 31, 2021

RATE BASE

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	PLANT IN SERVICE	ACCUMULATED DEPRECIATION & AMORTIZATION	PLANT IN SERVICE	NET PROPERTY HELD FOR FUTURE USE	CONSTRUCTION WORK IN PROGRESS	NET UTILITY PLANT	WORKING CAPITAL	TOTAL RATE BASE
PER BOOKS	\$179,720,684	(\$83,703,973)	\$96,016,711	\$0	\$2,567,318	\$98,584,029	\$34,473,927	\$133,057,956
FPSC ADJUSTMENTS:								
1) ELIM. NON UTILITY PLANT	\$0	\$0	\$0			\$0		\$0
2) OUT OF PERIOD LITIGATION ADJ						\$0		\$0
3) ELIMINATION OF UNDER-RECOVERY						\$0	\$0	\$0
4) DEFERRED RATE CASE EXPENSE						\$0	\$0	\$0
5) AMORTIZE STORM COSTS						\$0		\$0
6) REMOVE STORM COST-INTEREST EARNING						\$0	(\$28,383,807)	(\$28,383,807)
TOTAL FPSC ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	(\$28,383,807)	(\$28,383,807)
FPSC ADJUSTED	\$179,720,684	(\$83,703,973)	\$96,016,711	\$0	\$2,567,318	\$98,584,029	\$6,090,120	\$104,674,149
COMP RATE ADJ REVENUES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ADJUSTED FOR COMP RATE ADJ REVENUE	\$179,720,684	(\$83,703,973)	\$96,016,711	\$0	\$2,567,318	\$98,584,029	\$6,090,120	\$104,674,149
PROFORMA ADJUSTMENTS								
TOTAL PRO FORMA ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PRO FORMA ADJUSTED	\$179,720,684	(\$83,703,973)	\$96,016,711	\$0	\$2,567,318	\$98,584,029	\$6,090,120	\$104,674,149

FLORIDA PUBLIC UTILITIES COMPANY
ELECTRIC
YEAR END RATE OF RETURN
For the Projected 12 Months Ending December 31, 2021
INCOME STATEMENT

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	OPERATING REVENUES	O & M FUEL EXPENSE	O & M OTHER	DEPREC. & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	D.I.T. (NET)	I.T.C. (NET)	GAIN/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
PER BOOKS	\$ 75,896,381	\$ 38,873,507	\$ 13,151,591	\$ 12,057,901	\$ 5,087,486	\$ 1,555,172				\$ 70,725,657	\$ 5,170,724
FPSC ADJUSTMENTS:											
1) INCOME TAX SYNCH ADJUSTMENT						\$ (75,257)				\$ (75,257)	\$ 75,257
2) ELIMINATE FUEL REVENUES AND EXPENSES	\$ (38,000,709)	\$ (38,000,709)			\$ (28,893)	\$ 7,085				\$ (38,022,516)	\$ 21,808
3) ELIMINATE CONSERVATION	\$ (872,799)	\$ (872,799)			\$ (628)	\$ 154				\$ (873,273)	\$ 474
4)NON-UTILITY DEPRECIATION EXPENSE				\$ -		\$ -				\$ -	\$ -
5) ELIMINATE REVENUE RELATED TAXES (FRANCHISE & GROSS RECEIPTS)	\$ (3,785,350)				\$ (3,785,350)	\$ -				\$ (3,785,350)	\$ -
6) ELIMINATE 5% OF ECONOMIC DEVELOPMENT			\$ (1,982)			\$ 486				\$ (1,496)	\$ 1,496
7) OUT OF PERIOD ADJ	\$ -		\$ -	\$ -		\$ -				\$ -	\$ -
8) REMOVE STORM SURCHARGE ADJUSTMENT	\$ (7,875,710)		\$ (208,557)	\$ (7,685,707)	\$ (5,514)	\$ 5,902				\$ (7,893,876)	\$ 18,166
						\$ -				\$ -	\$ -
						\$ -				\$ -	\$ -
TOTAL FPSC ADJUSTMENTS	<u>\$ (50,534,567)</u>	<u>\$ (38,873,507)</u>	<u>\$ (210,539)</u>	<u>\$ (7,685,707)</u>	<u>\$ (3,820,385)</u>	<u>\$ (61,630)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (50,651,768)</u>	<u>\$ 117,201</u>
FPSC ADJUSTED	<u>\$ 25,361,814</u>	<u>\$ 0</u>	<u>\$ 12,941,052</u>	<u>\$ 4,372,194</u>	<u>\$ 1,267,101</u>	<u>\$ 1,493,542</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,073,889</u>	<u>\$ 5,287,925</u>
PRO FORMA ADJUSTMENTS										\$ -	\$ -
TOTAL PRO FORMA ADJUSTMENTS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
PRO FORMA ADJUSTED	<u><u>\$25,361,814</u></u>	<u><u>\$0</u></u>	<u><u>\$12,941,052</u></u>	<u><u>\$4,372,194</u></u>	<u><u>\$1,267,101</u></u>	<u><u>\$1,493,542</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$20,073,889</u></u>	<u><u>\$5,287,925</u></u>

AVERAGE	ADJUSTMENTS						LOW POINT		MIDPOINT		HIGH POINT	
	PER BOOKS	HURRICANE MICHAEL	ADJUSTED BOOKS	PRO-RATA ADJ.	SPECIFIC BALANCE	RATIO (%)	COST RATE	WEIGHTED COST	COST RATE	WEIGHTED COST	COST RATE	WEIGHTED COST
							(%)	(%)	(%)	(%)	(%)	(%)
COMMON EQUITY	\$55,148,216		\$55,148,216	\$0	\$55,148,216	52.23%	9.25%	4.83%	10.25%	5.35%	11.25%	5.88%
LONG TERM DEBT - CU	\$40,666,901	(\$21,328,814)	\$19,338,088	-	\$19,338,088	18.32%	2.96%	0.54%	2.96%	0.54%	2.96%	0.54%
SHORT TERM DEBT	\$12,872,339	(\$10,288,165)	\$2,584,174	-	\$2,584,174	2.45%	1.34%	0.03%	1.34%	0.03%	1.34%	0.03%
LONG TERM DEBT - FC	\$0		\$0	-	\$0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
SHORT TERM DEBT - REFINANCED LTD	\$0		\$0	\$0	\$0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$3,974,521		\$3,974,521		\$3,974,521	3.76%	2.32%	0.09%	2.32%	0.09%	2.32%	0.09%
DEFERRED INCOME TAXES	\$24,538,313		\$24,538,313		\$24,538,313	23.24%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$0		\$0		\$0	0.00%	5.40%	0.00%	5.92%	0.00%	6.45%	0.00%
TOTAL AVERAGE	\$137,200,290	(\$31,616,979)	\$105,583,311	\$0	\$105,583,311	100.00%		5.49%		6.01%		6.54%

YEAR-END	ADJUSTMENTS						LOW POINT		MIDPOINT		HIGH POINT	
	PER BOOKS	HURRICANE MICHAEL	ADJUSTED BOOKS	PRO-RATA ADJ.	SPECIFIC BALANCE	RATIO (%)	COST RATE	WEIGHTED COST	COST RATE	WEIGHTED COST	COST RATE	WEIGHTED COST
							(%)	(%)	(%)	(%)	(%)	(%)
COMMON EQUITY	\$52,574,850		\$52,574,850	-	\$0	50.23%	9.25%	4.65%	10.25%	5.15%	11.25%	5.65%
LONG TERM DEBT - CU	\$38,474,084	(\$19,147,716)	\$19,326,368	-	\$19,326,368	18.46%	2.86%	0.53%	2.86%	0.53%	2.86%	0.53%
SHORT TERM DEBT	\$13,846,236	(\$9,236,091)	\$4,610,145	-	\$4,610,145	4.40%	1.12%	0.05%	1.12%	0.05%	1.12%	0.05%
LONG TERM DEBT - FC	\$0		\$0	-	\$0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
SHORT TERM DEBT - REFINANCED LTD	\$0		\$0	-	\$0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$3,974,522		\$3,974,522		\$3,974,522	3.80%	2.23%	0.08%	2.23%	0.08%	2.23%	0.08%
DEFERRED INCOME TAXES	\$24,188,264		\$24,188,264		\$24,188,264	23.11%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$0		\$0		\$0	0.00%	5.23%	0.00%	5.73%	0.00%	6.23%	0.00%
TOTAL YEAR-END	\$133,057,956	(\$28,383,807)	\$104,674,149	\$0	\$104,674,149	100.00%		5.31%		5.81%		6.31%