

FLORIDA PUBLIC UTILITIES COMPANY
 ELECTRIC
 RATE OF RETURN REPORT SUMMARY
 March 31, 2023

SCHEDULE 1

	(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	\$ 5,266,854	(\$630,502)	\$4,636,352	\$0	\$4,636,352
AVERAGE RATE BASE	\$154,360,766	(\$44,718,087)	\$109,642,679	\$0	\$109,642,679
AVERAGE RATE OF RETURN	3.41%		4.23%		4.23%
II. YEAR-END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$5,266,854	(\$608,936)	\$4,657,918	\$0	\$4,657,918
YEAR-END RATE BASE	\$164,928,305	(\$46,210,077)	\$118,718,228	\$0	\$118,718,228
YEAR-END RATE OF RETURN	3.19%		3.92%		3.92%

IV. FINANCIAL INTEGRITY INDICATORS

III. REQUIRED RATES OF RETURN			
AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)		A. TIE WITH AFUDC	4.83
LOW	4.87%	B. TIE WITHOUT AFUDC	4.83
MIDPOINT	5.26%	C. AFUDC TO NET INCOME	0.00
HIGH	5.64%	D. INTERNALLY GENERATED FUNDS	269.23
		E. LTD TO TOTAL INVESTOR FUNDS	37.90
		F. STD TO TOTAL INVESTOR FUNDS	10.14
		G. RETURN ON COMMON EQUITY	7.57

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.

Michelle Napier
 Director, Regulatory Affairs Distribution

Signature

Date

AVERAGE RATE OF RETURN

For the 12 Months Ending March, 2023

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	\$168,012,103	(\$76,108,312)	\$91,903,791	\$0	\$2,684,125	\$94,587,916	\$59,772,850	\$154,360,766
FPSC ADJUSTMENTS:								
1) ELIM. NON UTILITY PLANT	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2) REGULATORY LIAB - PENSION AMORT				\$0		\$0		\$0
3) REGULATORY ASSET - LITIGATION COSTS				\$0		\$0		\$0
4) REMOVE INT. EARNING STORM				\$0		\$0	(\$23,375,718)	(\$23,375,718)
5) MOVE A/D MICHAEL REG ASSET TO WC		\$0		\$0		\$0	\$0	\$0
6) ADJUST STORM 13-MONTH AVG TO ORDER				\$0		\$0	\$9	\$9
6) ELIMINATE NET UNDERRECOVERY				\$0		\$0	(\$21,342,378)	(\$21,342,378)
7) DEFERRED RATE CASE EXPENSE				\$0		\$0	\$0	\$0
TOTAL FPSC ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	(\$44,718,087)	(\$44,718,087)
FPSC ADJUSTED	\$168,012,103	(\$76,108,312)	\$91,903,791	\$0	\$2,684,125	\$94,587,916	\$15,054,763	\$109,642,678
FLEX RATE REVENUES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ADJUSTED FOR FLEX RATE REVENUES	\$168,012,103	(\$76,108,312)	\$91,903,791	\$0	\$2,684,125	\$94,587,916	\$15,054,763	\$109,642,678
PROFORMA ADJUSTMENTS								
TOTAL PRO FORMA ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PRO FORMA ADJUSTED	\$168,012,103	(\$76,108,312)	\$91,903,791	\$0	\$2,684,125	\$94,587,916	\$15,054,763	\$109,642,678

	(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	\$ 91,573,854	\$ 49,860,141	\$ 13,316,461	\$ 13,500,608	\$ 8,164,997	\$ 1,464,793				\$ 86,307,000	\$ 5,266,854
FPSC ADJUSTMENTS:											
1) INCOME TAX SYNCH ADJUSTMENT						\$ (128,250)				\$ (128,250)	\$ 128,250
2) ELIMINATE FUEL REVENUES AND EXPENSES	\$ (49,810,316)	\$ (49,051,161)			\$ (39,416)	\$ (182,418)				\$ (49,272,995)	\$ (537,321)
3) ELIMINATE CONSERVATION	\$ (804,678)	\$ (808,980)			\$ (579)	\$ 1,237				\$ (808,322)	\$ 3,644
4)NON-UTILITY DEPRECIATION EXPENSE				\$ -		\$ -				\$ -	\$ -
5) ELIMINATE REVENUE RELATED TAXES (FRANCHISE & GROSS RECEIPTS)	\$ (6,211,836)				\$ (6,211,836)	\$ -				\$ (6,211,836)	\$ -
6) ELIMINATE 5% OF ECONOMIC DEVELOPMENT			\$ (935)			\$ 237				\$ (698)	\$ 698
7) OUT OF PERIOD ADJ			\$ -	\$ -		\$ -				\$ -	\$ -
8) REMOVE STORM SURCHARGE ADJUSTMENT	\$ (7,961,415)		\$ (21,057)	\$ (7,632,424)	\$ (5,514)	\$ (76,648)				\$ (7,735,643)	\$ (225,772)
						\$ -				\$ -	\$ -
						\$ -				\$ -	\$ -
TOTAL FPSC ADJUSTMENTS	\$ (64,788,245)	\$ (49,860,141)	\$ (21,992)	\$ (7,632,424)	\$ (6,257,345)	\$ (385,842)	\$ -	\$ -	\$ -	\$ (64,157,743)	\$ (630,502)
FPSC ADJUSTED	\$ 26,785,609	\$ -	\$ 13,294,469	\$ 5,868,184	\$ 1,907,652	\$ 1,078,951	\$ -	\$ -	\$ -	\$ 22,149,257	\$ 4,636,352
PRO FORMA ADJUSTMENTS											
										\$ -	\$ -
TOTAL PRO FORMA ADJUSTMENTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PRO FORMA ADJUSTED	\$26,785,609	\$0	\$13,294,469	\$5,868,184	\$1,907,652	\$1,078,951	\$0	\$0	\$0	\$22,149,257	\$4,636,352

Note: Storm Surcharge Under-recovered due to COVID reduction in Kwh sales.

	(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	\$171,167,814	(\$77,766,884)	\$93,400,929	\$0	\$4,475,412	\$97,876,341	\$67,051,964	\$164,928,305
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	(\$26,235,176)	(\$26,235,176)
4) DEFERRED RATE CASE EXPENSE						\$0	\$0	\$0
5) AMORTIZE STORM COSTS						\$0		\$0
6) REMOVE STORM COST-INTEREST EARNING						\$0	(\$19,974,901)	(\$19,974,901)
TOTAL FPSC ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	(\$46,210,077)	(\$46,210,077)
FPSC ADJUSTED	\$171,167,814	(\$77,766,884)	\$93,400,929	\$0	\$4,475,412	\$97,876,341	\$20,841,887	\$118,718,228
COMP RATE ADJ REVENUES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ADJUSTED FOR COMP RATE ADJ REVENUE	\$171,167,814	(\$77,766,884)	\$93,400,929	\$0	\$4,475,412	\$97,876,341	\$20,841,887	\$118,718,228
PROFORMA ADJUSTMENTS								
TOTAL PRO FORMA ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PRO FORMA ADJUSTED	\$171,167,814	(\$77,766,884)	\$93,400,929	\$0	\$4,475,412	\$97,876,341	\$20,841,887	\$118,718,228

	(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	\$ 91,573,854	\$ 49,860,141	\$ 13,316,461	\$ 13,500,608	\$ 8,164,997	\$ 1,464,793				\$ 86,307,000	\$ 5,266,854
FPSC ADJUSTMENTS:											
1) INCOME TAX SYNCH ADJUSTMENT						\$ (149,816)				\$ (149,816)	\$ 149,816
2) ELIMINATE FUEL REVENUES AND EXPENSES	\$ (49,810,316)	\$ (49,051,161)			\$ (39,416)	\$ (182,418)				\$ (49,272,995)	\$ (537,321)
3) ELIMINATE CONSERVATION	\$ (804,678)	\$ (808,980)			\$ (579)	\$ 1,237				\$ (808,322)	\$ 3,644
4)NON-UTILITY DEPRECIATION EXPENSE				\$ -		\$ -				\$ -	\$ -
5) ELIMINATE REVENUE RELATED TAXES (FRANCHISE & GROSS RECEIPTS)	\$ (6,211,836)				\$ (6,211,836)	\$ -				\$ (6,211,836)	\$ -
6) ELIMINATE 5% OF ECONOMIC DEVELOPMENT			\$ (935)			\$ 237				\$ (698)	\$ 698
7) OUT OF PERIOD ADJ	\$ -		\$ -	\$ -		\$ -				\$ -	\$ -
8) REMOVE STORM SURCHARGE ADJUSTMENT	\$ (7,961,415)		\$ (21,057)	\$ (7,632,424)	\$ (5,514)	\$ (76,648)				\$ (7,735,643)	\$ (225,772)
						\$ -				\$ -	\$ -
						\$ -				\$ -	\$ -
TOTAL FPSC ADJUSTMENTS	\$ (64,788,245)	\$ (49,860,141)	\$ (21,992)	\$ (7,632,424)	\$ (6,257,345)	\$ (407,408)	\$ -	\$ -	\$ -	\$ (64,179,309)	\$ (608,936)
FPSC ADJUSTED	\$ 26,785,609	\$ -	\$ 13,294,469	\$ 5,868,184	\$ 1,907,652	\$ 1,057,385	\$ -	\$ -	\$ -	\$ 22,127,691	\$ 4,657,918
PRO FORMA ADJUSTMENTS											
										\$ -	\$ -
TOTAL PRO FORMA ADJUSTMENTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PRO FORMA ADJUSTED	\$26,785,609	\$0	\$13,294,469	\$5,868,184	\$1,907,652	\$1,057,385	\$0	\$0	\$0	\$22,127,691	\$4,657,918

Note: Storm Surcharge Under-recovered due to COVID reduction in Kwh sales.

AVERAGE	ADJUSTMENTS						LOW POINT		MIDPOINT		HIGH POINT	
	PER BOOKS	ADJUSTED BOOKS	PRO-RATA ADJ.	SPECIFIC	BALANCE	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
COMMON EQUITY	\$65,238,252	\$65,238,252	(\$23,235,552)		\$42,002,700	38.31%	9.25%	3.54%	10.25%	3.93%	11.25%	4.31%
LONG TERM DEBT - CU	\$47,581,881	\$47,581,881	(\$16,946,978)		\$30,634,902	27.94%	3.44%	0.96%	3.44%	0.96%	3.44%	0.96%
SHORT TERM DEBT	\$12,734,444	\$12,734,444	(\$4,535,557)		\$8,198,887	7.48%	3.94%	0.29%	3.94%	0.29%	3.94%	0.29%
LONG TERM DEBT - FC	\$0	\$0	\$0		\$0	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	\$3,972,285	\$3,972,285			\$3,972,285	3.62%	2.34%	0.08%	2.34%	0.08%	2.34%	0.08%
DEFERRED INCOME TAXES	\$24,833,905	\$24,833,905			\$24,833,905	22.65%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$0	\$0			\$0	0.00%	4.79%	0.00%	5.18%	0.00%	5.56%	0.00%
TOTAL AVERAGE	\$154,360,766	\$0	\$154,360,766	(\$44,718,087)	\$0	100.00%		4.87%		5.26%		5.64%

YEAR-END	ADJUSTMENTS						LOW POINT		MIDPOINT		HIGH POINT	
	PER BOOKS	ADJUSTED BOOKS	PRO-RATA ADJ.	SPECIFIC	BALANCE	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
COMMON EQUITY	\$70,833,245	\$70,833,245	(24,644,002)	\$0	\$46,189,243	38.91%	9.25%	3.60%	10.25%	3.99%	11.25%	4.38%
LONG TERM DEBT - CU	\$55,052,499	\$55,052,499	(19,153,632)		\$35,898,867	30.24%	3.09%	0.93%	3.09%	0.93%	3.09%	0.93%
SHORT TERM DEBT	\$6,933,988	\$6,933,988	(2,412,444)		\$4,521,544	3.81%	7.54%	0.29%	7.54%	0.29%	7.54%	0.29%
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	\$3,978,846	\$3,978,846			\$3,978,846	3.35%	2.34%	0.08%	2.34%	0.08%	2.34%	0.08%
DEFERRED INCOME TAXES	\$28,129,727	\$28,129,727			\$28,129,727	23.70%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$0	\$0			\$0	0.00%	4.82%	0.00%	5.21%	0.00%	5.60%	0.00%
TOTAL YEAR-END	\$164,928,305	\$0	\$164,928,305	(\$46,210,077)	\$0	100.00%		4.90%		5.29%		5.68%