

April 29, 2011

**BY HAND DELIVERY**

Mr. Marshall Willis, Director  
Division of Economic Regulation  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

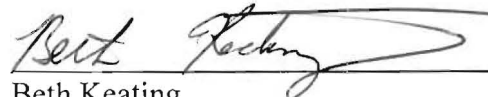
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ECONOMIC REGULATION

Re: Status Report of Peninsula Pipeline Transmission Company (Rule 25-7.100, F.A.C.) *6P004*

Dear Mr. Willis:

Enclosed, please find an original and three copies of the annual status report of Peninsula Pipeline Transmission Company, submitted in accordance with Rule 25-7.100, F.A.C. As always, if you have any questions in this regard, please do not hesitate to contact me.

Sincerely,



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

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**Public Service Commission**  
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**ANNUAL REPORT OF**  
**NATURAL GAS UTILITIES**

GP004-10-AR

**Peninsula Pipeline Company**

(EXACT NAME OF RESPONDENT)

**401 South Dixie Highway**  
**West Palm Beach, FL 33401-5886**

(ADDRESS OF RESPONDENT)

TO THE

FLORIDA PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2010

ECONOMIC REGULATION

11 APR 29 PM 2:04

FLORIDA PUBLIC SERVICE COMMISSION

Officer or other person to whom correspondence should be addressed concerning this report:

Name: Thomas A. Geoffroy	Title: Vice President, Peninsula Pipeline Company
Address: 401 South Dixie Highway	City: WPB State: FL
Telephone No. (561) 838-1731	PSC/ECR 020-G (12/09)

COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
1	UTILITY PLANT			
2	Utility Plant (101-106, 114)	-	1,445,635	1,445,635
3	Construction Work in Progress (107)	-	0	43,094
4	TOTAL Utility Plant Total of lines 2 and 3)		1,445,635	1,488,729
5	(Less) Accum. Prov. for Depr., Amort., Depl. & Acq. Adj. (108, 111, 115)	-	(73,734)	(146,015)
6	Net Utility Plant (Total of line 4 less 5)		1,371,901	1,342,714
7	Utility Plant Adjustments (116)	-		
8	Gas Stored (117.1, 117.2, 117.3, 117.4)	-		
9	OTHER PROPERTY AND INVESTMENTS			
10	Nonutility Property (121)	-		
11	(Less) Accum. Prov. for Depr. and Amort. (122)	-		
12	Investments in Associated Companies (123)	-		
13	Investment in Subsidiary Companies (123.1)	-		
14	Other Investments (124)	-		
15	Special Funds (125, 126, 128)	-		
16	TOTAL Other Property and Investments (Total of lines 10 through 15)		0	0
17	CURRENT AND ACCRUED ASSETS			
18	Cash (131)	-		(293)
19	Special Deposits (132-134)	-		
20	Working Funds (135)	-		
21	Temporary Cash Investments (136)	-		
22	Notes Receivable (141)	-		
23	Customer Accounts Receivable (142)	-	22,000	44,000
24	Other Accounts Receivable (143)	-		
25	(Less) Accumulated Provision for Uncollectible Accounts-Credit (144)	-		
26	Notes Receivable from Associated Companies (145)	-		
27	Accounts Receivable from Associated Companies (146)	-	(1,036,447)	(962,785)
28	Fuel Stock (151)	-		
29	Fuel Stock Expense Undistributed (152)	-		
30	Residuals (Electric) and Extracted Products (Gas) (153)	-		
31	Plant Material and Operating Supplies (154)	-		
32	Merchandise (155)	-		
33	Other Material and Supplies (156)	-		
34	Stores Expenses Undistributed (163)	-		
35	Gas Stored Underground & LNG Stored (164.1-164.3)	-		
36	Prepayments (165)	-	1,247	3,689
37	Advances for Gas (166-167)	-		
38	Interest and Dividends Receivable (171)	-		
39	Rents Receivable (172)	-		
40	Accrued Utility Revenues (173)	-		
41	Miscellaneous Current and Accrued Assets (174)	-		
42	TOTAL Current and Accrued Assets (Total of lines 18 through 41)		(1,013,200)	(915,389)
43	DEFERRED DEBITS			
44	Unamortized Debt Expense (181)	-		
45	Extraordinary Property Losses (182.1)	-		
46	Unrecovered Plant and Regulatory Study Costs (182.2)	-		
47	Other Regulatory Assets (182.3)	-		
48	Preliminary Survey and Investigation Charges (Gas) (183.1, 183.2)	-		
49	Clearing Accounts (184)	-		
50	Temporary Facilities (185)	-		
51	Miscellaneous Deferred Debits (186)	-		
52	Deferred Losses from Disposition of Utility Plant. (187)	-		
53	Research, Development and Demonstration Expenditures (188)	-		
54	Unamortized Loss on Reacquired Debt (189)	-		
55	Accumulated Deferred Income Taxes (190)	-		
56	Unrecovered Purchased Gas Costs (191)	-		
57	TOTAL Deferred Debits (Total of lines 44 through 56)			
58	TOTAL Assets and other Debits (Total of lines 6, 7, 8, 16, 42, 57)		358,701	427,325

December 31, 2010

## COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
1	PROPRIETARY CAPITAL			
2	Common Stock (201, 202, 203, 205, 206, 207)	-		
3	Preferred Stock Issued (204)	-		
4	Other Paid-In Capital (208-214)	-		
5	Retained Earnings (215, 216)	-	77,708	137,018
6	Unappropriated Undistributed Subsidiary Earnings (216.1)	10		
7	(Less) Reacquired Capital Stock (217)	-		
8	TOTAL Proprietary Capital (Total of lines 2 through 7)		77,708	137,018
9	LONG-TERM DEBT			
10	Bonds (221)	-		
11	(Less) Reacquired Bonds (222)	-		
12	Advances from Associated Companies (223)	-		
13	Other Long-Term Debt (224)	-		
14	Unamortized Premium on Long-Term Debt (225)	-		
15	(Less) Unamortized Discount on Long-Term Debt-Debit (226)	-		
16	TOTAL Long-Term Debt (Total of lines 10 through 15)		0	0
17	OTHER NONCURRENT LIABILITIES			
18	Obligations Under Capital Leases - Noncurrent (227)	-		
19	Accumulated Provision for Property Insurance (228.1)	-		
20	Accumulated Provision for Injuries and Damages (228.2)	-		
21	Accumulated Provision for Pensions and Benefits (228.3)	-		
22	Accumulated Miscellaneous Operating Provisions (228.4)	-		
23	Accumulated Provision for Rate Refunds (229)	-		
24	TOTAL Other Noncurrent Liabilities (Total of lines 18 through 23)		0	0
25	CURRENT AND ACCRUED LIABILITIES			
26	Notes Payable (231)	-		
27	Accounts Payable (232)	-	330	2,598
28	Notes Payable to Associated Companies (233)	-		
29	Accounts Payable to Associated Companies (234)	-		
30	Customer Deposits (235)	-		
31	Taxes Accrued (236)	-	(1,202)	9,298
32	Interest Accrued (237)	-		
33	Dividends Declared (238)	-		
34	Long-Term Debt Current (239)	-		
35	Matured Interest (240)	-		
36	Tax Collections Payable (241)	-		330
37	Miscellaneous Current and Accrued Liabilities (242)	-		
38	Obligations Under Capital Leases-Current (243)	-		
39				
40	TOTAL Current and Accrued Liabilities (Total of lines 26 through 39)		(872)	12,226
41	DEFERRED CREDITS			
42	Customer Advances for Construction (252)	-		
43	Other Deferred Credits (253)	-		
44	Other Regulatory Liabilities (254)	-		
45	Accumulated Deferred Investment Tax Credits (255)	-		
46	Deferred Gains from Disposition of Utility Plant (256)	-		
47	Unamortized Gain on Reacquired Debt (257)	-		
48	Accumulated Deferred Income Taxes (281-283)	-	281,865	278,081
49	TOTAL Deferred Credits (Total of lines 42 through 48)		281,865	278,081
50				
51	TOTAL Liabilities and Other Credits (Total of lines 8, 16, 24, 40 and 49)		358,701	427,325

**STATEMENT OF INCOME**

- |  |   |
|--|---|
| <p>1. Use page 11 for important notes regarding the statement of income or any account thereof.</p> <p>2. Give concise explanations on page 11 concerning significant amounts of any refunds made or received during the year.</p> <p>3. Enter on page 11 a concise explanation of only those changes in accounting methods made during the year</p> | <p>which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also give the approximate dollar effect of such changes.</p> <p>4. Explain in a footnote if the previous year's figures are different from that reported in prior reports.</p> |
|--|---|

Line No.	Account (a)	Ref. Page No. (b)	Total Current Year (c)	Total Previous Year (d)
1	UTILITY OPERATING INCOME			
2	Operating Revenues (400)	-	264,000	264,000
3	Operating Expenses			
4	Operation Expenses (401)	-	44,845	32,542
5	Maintenance Expenses (402)	-	6,053	7,370
6	Depreciation Expense (403)	-	72,282	73,734
7	Amortization & Depletion of Utility Plant (404-405)	-	-	-
8	Amortization of Utility Plant Acquisition Adjustment (406)	-	-	-
9	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs (407.1)	-	-	-
10	Amortization of Conversion Expenses (407.2)	-	-	-
11	Regulatory Debits (407.3)	-	-	-
12	(Less) Regulatory Credits (407.4)	-	-	-
13	Taxes Other Than Income Taxes (408.1)	-	22,169	23,846
14	Income Taxes - Federal (409.1)	-	30,870	11,298
15	- Other (409.1)	-	1,986	-
16	Provision for Deferred Income Taxes (410.1)	-	4,310	-
17	(Less) Provision for Deferred Income Taxes - Cr.(411.1)	-	(3,783)	37,502
18	Investment Tax Credit Adjustment - Net (411.4)	-	-	-
19	(Less) Gains from Disposition of Utility Plant (411.6)	-	-	-
20	Losses from Disposition of Utility Plant (411.7)	-	-	-
21	Other Operating Income (412-414)	-	-	-
22	TOTAL Utility Operating Expenses (Total of lines 4 -21)		178,732	186,292
23	Net Utility Operating Income (Total of line 2 less 22)			
24	(Carry forward to page 9, line 25)		85,268	77,708

**STATEMENT OF INCOME**

- |  |   |
|--|---|
| <p>1. Use page 11 for important notes regarding the statement of income or any account thereof.</p> <p>2. Give concise explanations on page 11 concerning significant amounts of any refunds made or received during the year.</p> <p>3. Enter on page 11 a concise explanation of only those changes in accounting methods made during the year</p> | <p>which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also give the approximate dollar effect of such changes.</p> <p>4. Explain in a footnote if the previous year's figures are different from that reported in prior reports.</p> |
|--|---|

Line No.	Total Electric Utility Current Year (e)	Total Electric Utility Previous Year (f)	Total Gas Utility Current Year (g)	Total Gas Utility Previous Year (h)	Total Other Current Year (i)	Total Other Previous Year (j)
1						
2			264,000	264,000		
3						
4			44,845	32,542		
5			6,053	7,370		
6			72,282	73,734		
7			-	0		
8			0	0		
9						
10						
11						
12						
13			22,169	23,846		
14			30,870	11,298		
15			1,986	0		
16			4,310	0		
17			(3,783)	37,502		
18			0	0		
19		-				
20		-				
21		-				
22	0	0	178,732	186,292	0	0
23						
24	0	0	85,268	77,708	0	0

**STATEMENT OF INCOME (Continued)**

Line No.	Account (a)	Ref. Page No (b)	TOTAL	
			Current Year (c)	Previous Year (d)
25	Net Utility Operating Income (Carried forward from page 8)		85,268	77,708
26	<b>Other Income and Deductions</b>			
27	Other Income			
28	Nonutility Operating Income			
29	Revenues From Merchandising, Jobbing and Contract Work (415)	-	-	-
30	(Less) Costs and Exp. of Merchandising, Job & Contract Work (416)	-	-	-
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)	10	-	-
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 (Total of lines 29 through 38)		-	-
40	Other Income Deductions			
41	Loss on Disposition of Property (421.2)	-	-	-
42	Miscellaneous Amortization (425)	-	-	-
43	Miscellaneous Income Deductions (426.1-426.5)	-	-	-
44	TOTAL Other Income Deductions (Total of lines 41 through 43)		-	-
45	Taxes Applicable to Other Income and Deductions			
46	Taxes Other Than Income Taxes (408.2)	-	-	-
47	Income Taxes - Federal (409.2)	-	-	-
48	Income Taxes - Other (409.2)	-	-	-
49	Provision for Deferred Income Taxes (410.2)	-	-	-
50	(Less) Provision for Deferred Income Taxes - Credit (411.2)	-	-	-
51	Investment Tax Credit Adjustment - Net (411.5)	-	-	-
52	(Less) Investment Tax Credits (420)	-	-	-
53	TOTAL Taxes on Other Inc. and Ded. (Total of 46 through 52)		-	-
54	Net Other Income and Deductions (Total of lines 39,44,53)		-	-
55	<b>Interest Charges</b>			
56	Interest on Long-Term Debt (427)	-	24,741	-
57	Amortization of Debt Discount and Expense (428)	-	174	-
58	Amortization of Loss on Reacquired Debt (428.1)	-	-	-
59	(Less) Amortization of Premium on Debt - Credit (429)	-	-	-
60	(Less) Amortization of Gain on Reacquired Debt - Credit (429.1)	-	-	-
61	Interest on Debt to Associated Companies (430)	-	-	-
62	Other Interest Expense (431)	-	1,043	-
63	(Less) Allowance for Borrowed Funds Used During Const.-Credit (432)	-	-	-
64	Net Interest Charges (Total of lines 56 through 63)		25,958	-
65	Income Before Extraordinary Items (Total of lines 25, 54 and 64)		59,310	77,708
66	<b>Extraordinary Items</b>			
67	Extraordinary Income (434)	-	-	-
68	(Less) Extraordinary Deductions (435)	-	-	-
69	Net Extraordinary Items (Total of line 67 less line 68)		-	-
70	Income Taxes - Federal and Other (409.3)	-	-	-
71	Extraordinary Items After Taxes (Total of line 69 less line 70)		-	-
72	Net Income (Total of lines 65 and 71)		59,310	77,708



**STATEMENT OF RETAINED EARNINGS**

- |  |   |
|--|---|
| <p>1. Report all changes in appropriated retained earnings, and unappropriated retained earnings for the year.</p> <p>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).</p> <p>3. State the purpose and amount for each reservation or appropriation of retained earnings.</p> <p>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.</p> | <p>5. Show dividends for each class and series of capital stock.</p> <p>6. Show separately the state and federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.</p> <p>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.</p> <p>8. If any notes appearing in the report to stockholders are applicable to this statement attach them at page 11.</p> |
|--|---|

Line No.	Item (a)	Contra Primary Account Affected (b)	Amount (c)
<b>UNAPPROPRIATED RETAINED EARNINGS (Account 216)</b>			
1	Balance - Beginning of Year		77,708
2	Changes (Identify by prescribed retained earnings accounts)		
3	Adjustments to Retained Earnings (Account 439):		
4	Balance Transferred from Income (Account 433 less Account 418.1)		59,310
5	Credit:		
6	TOTAL Credits to Retained Earnings (Account 439) (Total of lines 4 and 5)		59,310
7	Debit:		
8	Debit:		
9	TOTAL Debits to Retained Earnings (Account 439) (Total of lines 7 and 8)		-
10	Balance Transferred from Income (Account 433 less Account 418.1)		
11	Appropriations of Retained Earnings (Account 436) TOTAL		
12	Dividends Declared - Preferred Stock (Account 437) TOTAL	2380	
13	Dividends Declared - Common Stock (Account 438) TOTAL	2380	
14	Transfers from Acct. 216.1, Unappropriated Undistributed Subsidiary Earnings		
15	FAS 133 Other Comprehensive Income		
16	Balance - End of Year (Total of lines 01, 6, 9, 10, 11, 12, 13, 14 and 15)		137,018
<b>APPROPRIATED RETAINED EARNINGS (Account 215)</b>			
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.			
17			
18	Balance - Beginning of Year (Debit or Credit)		-
19	Equity in Earnings for Year (Credit) (Account 418.1)		-
20	(Less) Dividends (Debit)		
21	Other Changes		
22			
23	TOTAL Appropriated Retained Earnings (Account 215)		-
TOTAL Retained Earnings (Account 215 and 216) (Total of lines 16 and 23)			137,018