Ex. 1

AFFIDAVIT

STATE OF FLORIDA)
)
COUNTY OF PALM BEACH)

BEFORE ME, the undersigned authority, personally appeared Laura Scotten, who stated that Florida Public Utilities Company has mailed a copy of the attached notice to all electric customers in its Marianna and Fernandina Beach service areas informing them of the scheduled customer meeting in Docket No. ~~060638-EI~~ 07304. The mailing was sent on 11/10/07 and 11/12/07 to a total of 26,523 electric customers of record as of 10/24/07.

Laura Scotten
Manager, Marketing Communications
Florida Public Utilities Company

Sworn to and subscribed before me
This 14th day of November 2007
Laura Scotten who is
Personally known to me.

Chaundra L. Saylor
Chaundra Saylor
Notary Public, State of Florida

CHAUNDRA L. SAYLOR
Notary Public - State of Florida
My Commission Expires Jun 5, 2010
Commission # DD 522657
Bonded by National Notary Assn.

My commission expires:

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 070304-EI EXHIBIT 1
COMPANY Marianna & Fernandina Beach
WITNESS Notices from FPUC
DATE 01/27-29/08
Service Hearing Exhibits

DOCUMENT NO. DATE
11983-08 1 1
FPSC - COMMISSION CLERK

FLORIDA PUBLIC UTILITIES

IMPORTANT NOTICE TO CUSTOMERS

DOCKET NO. 070304-EI

PETITION FOR RATE INCREASE BY FLORIDA PUBLIC UTILITIES COMPANY

On August 30, 2007, Florida Public Utilities Company filed a Petition with the Florida Public Service Commission (Commission) seeking approval to increase rates and charges to produce an additional $5,249,895 in revenues. This increase is needed in order to enable the Company to continue to provide sufficient, adequate and efficient service and to afford the Company an opportunity to earn a fair rate of return. Comparisons of current and proposed rates are shown below. The comparison also includes the interim rates that the Commission has authorized the company to charge while the request for a permanent rate increase is pending (the interim rates are collected subject to refund). The interim rates are effective for meter readings on or after November 22, 2007. More details are contained in the Minimum Filing Requirements, which also contain detailed financial, accounting, tariff and engineering data supporting the request. The Minimum Filing Requirements and the synopsis of the case are available for review at the business offices at the following locations during regular work hours.

2825 Pennsylvania Avenue
Marianna, Florida 32448-4004
850-526-6800

911 South 8th Street
Fernandina Beach, Florida 32034
904-261-3663

The Public Service Commission has scheduled a hearing on this Petition for February 27-29, 2008, in Tallahassee, and a final decision is scheduled for April 22, 2008. In addition, the Commission has scheduled service hearings at the following time and places (times shown are local time):

December 5, 2007, 10:00 am (CST)
Jackson County Administration Building
County Commission Meeting Room
2864 Madison Street
Marianna, Florida 32446

December 6, 2007, 10:00 am (EST)
Fernandina Beach City Hall
City Commission Chambers
204 Ash Street
Fernandina Beach, Florida 32034

At the service hearings, customers will be afforded an opportunity to present comments to the Commission regarding the proposal and service of the company.

Customers wishing to address the Commission are urged to appear early as the hearing will be adjourned if no one is in attendance.

Any person requiring some accommodation at the service hearings because of physical impairment should call the Division of the Commission Clerk and Administrative Services at 850-413-6770 at least five calendar days prior to the hearing. Any person who is hearing or speech impaired should contact the Commission by using the Florida Relay Service, which can be reached at 1-800-955-8771 (TDD).

Customer comments regarding the Company's quality of service or proposed rate increase may also be submitted to the following address: Director, Division of the Commission Clerk and Administrative Services, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850. Such comments should refer to Docket No. 070304-EI.

Continued on back

For your information, we are also providing the address and telephone number of the Commission's Consumer Affairs Division: Division of Consumer Affairs, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee. Florida 32399-0850, 1-800-342-3552 (Toll Free Number).

Following is a comparison of current, interim, and proposed base rates (there is no interim increase for the service charges):

	Current Customer Charge	Interim Customer Charge	Proposed Customer Charge
Residential (RS)	$10.00	$10.59	$14.00
General Service (GS)	$14.00	$14.82	$21.00
General Service Demand (GSD)	$44.00	$46.58	$62.00
General Service Large Demand (GSLD)	$75.00	$79.39	$113.00
General Service Large Demand (GSLD1)	$600.00	$635.13	$600.00

	Current Energy Charge	Interim Energy Charge	Proposed Energy Charge
Residential (RS)	1.373 c/kwh	1.453c/kwh	1.967 c/kwh
General Service (GS)	1.473 c/kwh	1.559c/kwh	2.206 c/kwh
General Service Demand (GSD)	0.232 c/kwh	0.246c/kwh	0.323 c/kwh
General Service Large Demand (GSLD)	0.086 c/kwh	0.091c/kwh	0.113 c/kwh
General Service Large Demand (GSLD1)	------	------	------

	Current Demand Charge	Interim Demand Charge	Proposed Demand Charge
Residential (RS)	------	------	-------
General Service (GS)	------	------	-------
General Service Demand (GSD)	2.48 $/kw	2.63$/kw	3.47 $/kw
General Service Large Demand (GSLD)	2.89 $/kw	3.06$/kw	4.34 $/kw
General Service Large Demand (GSLD1)	1.12 $/kw	1.19$/kw	1.12 $/kw

	Current Service Charges	Proposed Service Charges
Initial Establishment of Service	$44.00	$53.00
Re-establish Service or Make Changes to Existing Account	$19.00	$23.00
Temporary Disconnect then Reconnect Service Due to Customer Request	$27.00	$33.00
Reconnect After Disconnect for Rule Violation (normal hours)	$37.00	$44.00
Reconnect After Disconnect for Rule Violation (after hours)	$60.00	$95.00
Connect and then disconnect temporary service	$44.00	$52.00
Collection Charge	$11.50	$14.00

The specific impact of the proposed revisions will vary between customers depending on usage. A residential customer in the Northwest Division in Marianna using 1,000 kilowatt-hours (kWh) currently pays $79.81 (including currently approved fuel and conservation factors) and a residential customer in the Northeast Division in Fernandina Beach using 1,000 kWh currently pays $90.13. If the proposed charges in this docket are approved, 1,000 kWh residential bills will increase by $10.20. However, with the projected increases in fuel costs in 2008, the 1,000 kWh residential bill for the Northwest Division is projected to be $113.27 and $103.20 for the Northeast Division.

UNITED STATES POSTAL SERVICE

Restricted Information

Final

3602	**POSTAL SERVICE** **STATEMENT OF MAILING/3607 WEIGHING AND DISPATCH CERTIFICATE**	**TRANS #** 20073140010216 8M1
Postage Statement: 46941494	Mailer's Job#:	
FLORIDA PUBLIC UTILITIES PO BOX 3395 WEST PALM BEACH FL 33402-3395		**FINANCE NUMBER:** 119465
STATION OR UNIT:	Business Mail Entry Unit (0116A)	**PERMIT NO:** 2914

DATE OF MAILING	**CLASS**	**PROC CAT**	**TYPE**
11/10/2007	Standard Mail	Letter	PI

WEIGHT OF SINGLE PIECE (LBS)	**TOTAL *PIECES***	**TOTAL *POUNDS***	***Customer Reference ID***
0.0238	24118	574.0100	**CAPS Acct No:** _____

MAILED BY: **PERMIT NO.** 3689 **NAME:** AMERICAN FULFILLMENT & DIRECT MAIL INC	**Statement Sequence No:** 114816	
CONTAINERS 48	**AMOUNT FROM TRUST:** $5,388.32	

VERIFICATION SUMMARY:
MERLIN ERRORS:
POSTNET Barcode: 99%
Presort Error: 0%
Short Paid: 0%

SIGNATURE OF WEIGHER	PAC **DATA PROCESSED BY**	_____ **RECEIVED FOR PROCESSING BY**
COMMENTS:		**BEGINNING BALANCE:** $24,010.83 **ENDING BALANCE:** $18,622.51

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Terms of Use

Bulk Rate # 2914

PS Form 3602-R - Standard Mail - Permit Imprint

Final

Postage Summary

Permit Holder:	FLORIDA PUBLIC UTILITIES PO BOX 3395 WEST PALM BEACH, FL 33402-3395 Contact: LAURA SCOTTEN (561) 650 - 8433	Mailing Agent:	AMERICAN FULFILLMENT & DIRECT MAIL INC 1230 52ND ST STE B WEST PALM BEACH, FL 33407-2224 Telephone: (561) 848-1660	Org. For Mailing Is Prepared:	
Permit Holder's Permit:	Permit Imprint 2914	Mailing Agent's Permit:	Permit Imprint 3689	Processing Category:	Letters
Post Office Of Mailing:	WEST PALM BEACH FL 33416	Mailing Date:	11/10/2007 Lbl Processed	Weight of Single Piece:	0.0238 lbs.
Total Pieces:	24,118 pcs.	Total Weight:	574.0100 lbs.	Total Postage:	$ 5,388.32
No of Containers:	1' MM Trays: 15	2' MM Trays: 33	2' EMM Trays:	Flat Trays:	Sacks: Pallets: Other:
Statement Sequence No:	114816				

(11) Delivered 11/9/07 per Jony @ American Fulfillment 11/13/07

Part A : Automation Letters

Line Number	Entry Discount	Title	Description	Rate	Quantity	Postage
A1	None	5-Digit	Letters 3.3 oz (0.2063 lbs) or less	0.218	18901 pcs.	$ 4,120.4180
A2	None	3-Digit	Letters 3.3 oz (0.2063 lbs) or less	0.233	1731 pcs.	$ 403.3230
A3	None	AADC	Letters 3.3 oz (0.2063 lbs) or less	0.238	610 pcs.	$ 145.1800
A4	None	Mixed AADC	Letters 3.3 oz (0.2063 lbs) or less	0.252	2199 pcs.	$ 554.1480
A11	DSCF	AADC	Letters 3.3 oz (0.2063 lbs) or less	0.196	35 pcs.	$ 6.8600
					Part A Postage:	$ 5,229.9290

Part D : Nonautomation Letters

Line Number	Entry Discount	Title	Description	Rate	Quantity	Postage
D1	None	AADC	Machinable Letters 3.3 oz (0.2063 lbs) or less	0.248	580 pcs.	$ 142.6800
D2	None	Mixed AADC	Machinable Letters 3.3 oz (0.2063 lbs) or less	0.255	60 pcs.	$ 15.3000
D5	DSCF	AADC	Machinable Letters 3.3 oz (0.2063 lbs) or less	0.204	2 pcs.	$ 0.4080
					Part D Postage:	$ 158.3880
					Total Postage From All Parts:	**$ 5,388.317**
					Affixed Postage:	$ 0.00

USPS Use Only

Perform Verification:	MERLIN - Verification scheduled by system, M2				
One Pass/Two Pass Verification					
Received:		Error Percentage:	0	Additional Postage:	
MERLIN Evaluator Verification					
Received:	2				
	Results		Add. Postage		
POSTNET Barcode	99 %		$ 0.00		
Presort Verification	0 %		$ 0.00		
Short Paid	0 %		$ 0.00		
A/R/C:		Cost Avoidance:	$ 0.00	Verifying Employee's Name:	PEDRO CAMACHO
Total Additional Postage:	$ 0.00				

This mailing has been inspected concerning:
(1) eligibility for postage rates claimed;
(2) proper preparation *(and presort where required);*
(3) proper completion of postage statement; and
(4) payment of annual fee *(if required).*

UNITED STATES POSTAL SERVICE

Restricted Information

OS

NOV 14 2007

Today's Date: 11/12/2007

Final

3602	POSTAL SERVICE STATEMENT OF MAILING/3607 WEIGHING AND DISPATCH CERTIFICATE		TRANS # 200731617134335M1
Postage Statement: 46967255	Mailer's Job#:		
FLORIDA PUBLIC UTILITIES PO BOX 3395 WEST PALM BEACH FL 33402-3395			FINANCE NUMBER: 119465
STATION OR UNIT:	Business Mail Entry Unit (0116A)		PERMIT NO: 2914
DATE OF MAILING 11/12/2007	CLASS Standard Mail	PROC CAT Letter	TYPE PI
WEIGHT OF SINGLE PIECE (LBS) 0.0235	TOTAL PIECES 2405	TOTAL POUNDS 56.5175	Customer Reference ID CAPS Acct No:
MAILED BY: PERMIT NO. 3689 NAME: AMERICAN FULFILLMENT & DIRECT MAIL INC	Statement Sequence No: 145049		
CONTAINERS 7	AMOUNT FROM TRUST: $604.16		
VERIFICATION SUMMARY: No verification errors.			
SIGNATURE OF WEIGHER	KFS DATA PROCESSED BY	RECEIVED FOR PROCESSING BY	
COMMENTS:		BEGINNING BALANCE: $18,622.51 ENDING BALANCE: $18,018.35	

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NOTICE OF CUSTOMER HEARINGS
TO
ALL INTERESTED PERSONS
DOCKET NO. 070304-EI
RE: REQUEST FOR RATE INCREASE
BY
FLORIDA PUBLIC UTILITIES COMPANY

NOTICE is hereby given that the Florida Public Service Commission will hold service hearings in the above docket on the rates and quality of service of Florida Public Utilities Company. The hearings will commence at the time and location indicated and will continue until all witnesses have been heard. CUSTOMERS WHO WISH TO PRESENT TESTIMONY ARE URGED TO APPEAR PROMPTLY AT EACH SCHEDULED HEARING TIME SINCE THE HEARING MAY BE ADJOURNED EARLY IF NO WITNESSES ARE PRESENT TO TESTIFY.

Marianna: *December 5, 2007, 10:00 a.m. (CST)*
Jackson County Administration Building
County Commission Meeting Room
2864 Madison Street
Marianna, Florida 32446

Fernandina Beach: December 6, 2007, 10:00 a.m. (EST)
Fernandina Beach City Hall
City Commission Chambers
204 Ash Street
Fernandina Beach, Florida 32034

PURPOSE AND PROCEDURE

The purpose of these service hearings shall be to take testimony from members of the public on the rates and quality of service of Florida Public Utilities Company. The procedure at these hearings shall be as follows: The Company will present a brief summary of its case and then members of the public may present testimony. Members of the public who wish to present testimony are urged to appear promptly at each scheduled hearing since the hearing may be adjourned early if no witnesses are present to testify. All witnesses will be subject to cross examination at the conclusion of their testimony. The Office of Public Counsel has intervened in this docket and will be available to assist anyone wishing to testify. The Public Counsel may be contacted at (850) 4[illegible]

Any person requiring special accommodation at this hearing because of a physical impairment should call the Division of the Commission Clerk and Administrative Services at (850) 413-6770 at least 48 hours prior to the hearing. Any person who is hearing or speech impaired should contact the Florida Public Service Commission by using the Florida Relay Service, which can be reached at 1-800-955-8771 (TDD).

FLORIDA PUBLIC UTILITIES

INTERNATIONAL
6 • Wednesday, November 21, 2007 • Jackson County Floridan

Jackson County Floridan

Published Sunday & Tuesday Through Friday
Marianna, Jackson County, Florida

State of Florida,
County of Jackson

Before the undersigned authority personally appeared **Martha Manton** who on oath says that he/she is **Senior Sales Consultant** of the Jackson County Floridan, a daily newspaper published at Marianna, in Jackson County, Florida; that that attached copy of advertisement, being a **display ad** for an **Notice of Customer Hearings**

Size: 3x10.5

in the n/a Court, was published in said newspaper in the issues of
November 21, 2007

Total Cost: $423.67

Affiant further states that the said Jackson County Floridan is a newspaper published at Marianna, in said Jackson County, Florida, and that the said newspaper has heretofore been continuously published in said Jackson County, Florida, each day (Monday and Saturday excluded) and has been entered as second class mail matter at the post office in Marianna, in said Jackson County, Florida, for a period of one year next preceding the first publication of the attached copy of advertisment; and affiant further says that she has neither paid nor promised any person, firm or corporation any discount, rebate, commission or refund for the purpose of securing this advertisement for publication in the said newspaper.

Martha Manton
(Signature of Affiant)

Sworn to and subscribed before me this 23rd

day of November 2007

VALERIA ROBERTS
MY COMMISSION EXPIRES
February 19, 2010
#DD 519923
Bonded thru Notary Public Underwriters
NOTARY PUBLIC, STATE OF FLORIDA

Notary Public, State of Florida at Large

(Name of Notary typed, printed or stamped)

Personally Known X or Produced Identification.

NOTICE OF CUSTOMER HEARINGS
TO
ALL INTERESTED PERSONS
DOCKET NO. 070304-EI
RE: REQUEST FOR RATE INCREASE
BY
FLORIDA PUBLIC UTILITIES COMPANY

NOTICE is hereby given that the Florida Public Service Commission will hold service hearings in the above docket on the rates and quality of service of Florida Public Utilities Company. The hearings will commence at the time and location indicated and will continue until all witnesses have been heard. CUSTOMERS WHO WISH TO PRESENT TESTIMONY ARE URGED TO APPEAR PROMPTLY AT EACH SCHEDULED HEARING TIME SINCE THE HEARING MAY BE ADJOURNED EARLY IF NO WITNESSES ARE PRESENT TO TESTIFY.

Marianna: December 5, 2007, 10:00 a.m. (CST)
Jackson County Administration Building
County Commission Meeting Room
2864 Madison Street
Marianna, Florida 32446

Fernandina Beach: December 6, 2007, 10:00 a.m. (EST)
Fernandina Beach City Hall
City Commission Chambers
204 Ash Street
Fernandina Beach, Florida 32034

PURPOSE AND PROCEDURE

The purpose of these service hearings shall be to take testimony from members of the public on the rates and quality of service of Florida Public Utilities Company. The procedure at these hearings shall be as follows: The Company will present a brief summary of its case and then members of the public may present testimony. Members of the public who wish to present testimony are urged to appear promptly at each scheduled hearing time since the hearing may be adjourned early if no witnesses are present to testify. All witnesses will be subject to cross examination at the conclusion of their testimony. The Office of Public Counsel has intervened in this docket and will be available to assist anyone wishing to testify. The Public Counsel may be contacted at (850) 4888-9330.

Any person requiring some accommodation at this hearing because of a physical impairment should call the Division of the Commission Clerk and Administrative Services at (850) 413-6770 at least 48 hours prior to the hearing. Any person who is hearing or speech impaired should contact the Florida Public Service Commission by using the Florida Relay Service, which can be reached at 1-800-955-8771 (TDD).

FLORIDA PUBLIC UTILITIES

The Calhoun – Liberty Journal
11493 NW Summers Road
Post Office Box 536
Phone (850) 643-3333 Bristol, Florida 32321 Fax (850) 643-3334

A weekly newspaper published in Bristol, Liberty County, Florida

NW Electric Storm Recovery Notice
Notice of Customer hearings to all interested persons
Re: Request for rate increase

BEFORE ME, the undersigned authority, personally **appeared, JOHNNY EUBANKS, Publisher, or TERESA EUBANKS, Editor of the Calhoun-Liberty Journal, a weekly newspaper published in Bristol, Liberty County, Florida, and having published once a week since February 4, 1981, and that the attached notice was published for 1 week in the Calhoun-Liberty Journal, published aforesaid beginning with the issue for Nov. 21, 2007.**

Signed, **Johnny Eubanks, Publisher**

Signed, **Teresa Eubanks, Editor**

Sworn to before me this Nov. 21, 2007

NOTARY PUBLIC

Tammy S. McCalvin
Commission DD 667671
Expires April 26, 2011
Bonded Thru Troy Fain Insurance 800-385-7019

The County Record

PUBLISHED WEEKLY
BLOUNTSTOWN, CALHOUN COUNTY, FLORIDA

State of Florida
County of Calhoun

Before the undersigned personally appeared Robert A. Turner or Sharon Turner, who on oaths says that they are Publishers of the Calhoun County Record, a weekly newspaper published at Blountstown, in Calhoun County, Florida; that the attached copy of advertisement, being a Legal in the matter of

Florida Public Utilities

in the CALHOUN COUNTY CIRCUIT, was published in said newspaper in the issues of

November 21, 2007

Affiant further says that the said Calhoun County Record is a newspaper published at Blountstown, in said Calhoun County, Florida and that the said newspaper has heretofore been continuously published in said Calhoun County, Florida, each week and has been entered as second class matter at the post office in Blountstown, in said Calhoun County, Florida, for a period of one year next preceding the first publication of the attached copy of advertisement; and affiant further says that he/she has neither paid nor promised any person, firm or corporation any discount rebate, commission or refund for the purpose of securing this advertisement for publication in the said newspaper.

Sharon Turner

Sworn to and subscribed before me this 27

day of November, A.D. 2007

Notary Public

(SEAL)

KELLI V. PEACOCK
Comm# DD0688596
Expires 7/6/2011
Florida Notary Assn., Inc

COPY OF LEGAL AD

See next page —

NOTICE OF CUSTOMER HEARINGS
TO
ALL INTERESTED PERSONS
DOCKET NO. 070304-EI
RE: REQUEST FOR RATE INCREASE
BY
FLORIDA PUBLIC UTILITIES COMPANY

NOTICE is hereby given that the Florida Public Service Commission will hold service hearings in the above docket on the rates and quality of service of Florida Public Utilities Company. The hearings will commence at the time and location indicated and will continue until all witnesses have been heard. CUSTOMERS WHO WISH TO PRESENT TESTIMONY ARE URGED TO APPEAR PROMPTLY AT EACH SCHEDULED HEARING TIME SINCE THE HEARING MAY BE ADJOURNED EARLY IF NO WITNESSES ARE PRESENT TO TESTIFY.

Marianna: December 5, 2007, 10:00 a.m. (CST)
Jackson County Administration Building
County Commission Meeting Room
2864 Madison Street
Marianna, Florida 32446

Fernandina Beach: December 6, 2007, 10:00 a.m. (EST)
Fernandina Beach City Hall
City Commission Chambers
204 Ash Street
Fernandina Beach, Florida 32034

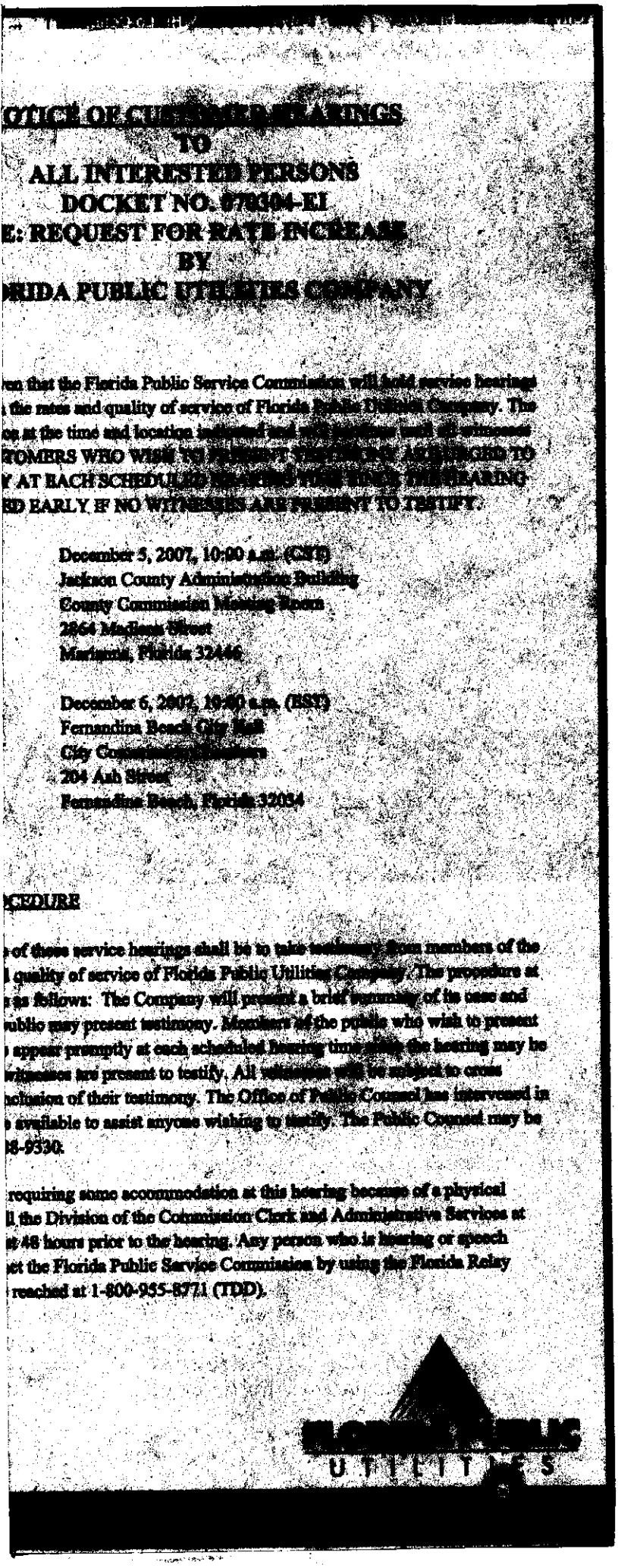
PURPOSE AND PROCEDURE

The purpose of these service hearings shall be to take testimony from members of the public on the rates and quality of service of Florida Public Utilities Company. The procedure at these hearings shall be as follows: The Company will present a brief summary of its case and then members of the public may present testimony. Members of the public who wish to present testimony are urged to appear promptly at each scheduled hearing time since the hearing may be adjourned early if no witnesses are present to testify. All witnesses will be subject to cross examination at the conclusion of their testimony. The Office of Public Counsel has intervened in this docket and will be available to assist anyone wishing to testify. The Public Counsel may be contacted at (850) 488-9330.

Any person requiring some accommodation at this hearing because of a physical impairment should call the Division of the Commission Clerk and Administrative Services at (850) 413-6770 at least 48 hours prior to the hearing. Any person who is hearing or speech impaired should contact the Florida Public Service Commission by using the Florida Relay Service which can be reached at 1-800-955-8771 (TDD).

FLORIDA PUBLIC UTILITIES

The County Record, NOVEMBER 21, 2007, Page 10



OTICE OF CUSTOMER HEARINGS
TO
ALL INTERESTED PERSONS
DOCKET NO. 070304-EI
E: REQUEST FOR RATE INCREASE
BY
RIDA PUBLIC UTILITIES COMPANY

on that the Florida Public Service Commission will hold service hearings
the rates and quality of service of Florida Public Utilities Company. The
ns at the time and location indicated and will receive both oral testimony
TOMERS WHO WISH TO PRESENT TESTIMONY ARE ENCOURAGED TO
AT EACH SCHEDULED HEARING WITH THE CLERK BEFORE THE HEARING
ED EARLY IF NO WITNESSES ARE PRESENT TO TESTIFY.

December 5, 2007, 10:00 a.m. (CST)
Jackson County Administrative Building
County Commission Meeting Room
2864 Madison Street
Marianna, Florida 32446

December 6, 2007, 10:00 a.m. (EST)
Fernandina Beach City Hall
City Commission Chambers
204 Ash Street
Fernandina Beach, Florida 32034

CEDURE

of these service hearings shall be to take testimony from members of the
quality of service of Florida Public Utilities Company. The procedure at
as follows: The Company will present a brief summary of its case and
ublic may present testimony. Members of the public who wish to present
appear promptly at each scheduled hearing time since the hearing may be
witnesses are present to testify. All witnesses will be subject to cross
nclusion of their testimony. The Office of Public Counsel has intervened in
available to assist anyone wishing to testify. The Public Counsel may be
8-9330.

requiring some accommodation at this hearing because of a physical
the Division of the Commission Clerk and Administrative Services at
48 hours prior to the hearing. Any person who is hearing or speech
et the Florida Public Service Commission by using the Florida Relay
reached at 1-800-955-8771 (TDD).

FLORIDA PUBLIC UTILITIES

FLORIDA'S OLDEST WEEKLY NEWSPAPER

NEWS LEADER

Published Weekly
511 Ash Street/P.O. Box 766 (904) 261-3696
Fernandina Beach, Nassau County, Florida 32034

STATE OF FLORIDA
COUNTY OF NASSAU:

Before the undersigned authority personally appeared
Michael B. Hankins
Who on oath says that he is the Advertising Director of the Fernandina Beach News-Leader, a weekly newspaper published at Fernandina Beach in Nassau County, Florida; that the attached copy of advertisement, being a Legal Notice in the matter of

FLORIDA PUBLIC UTILITIES
Storm Recovery Notice

Was published in said newspaper in the issues of

11/21/07
Legal Display

Affiant further says that the said Fernandina Beach News-Leader is a newspaper published at Fernandina Beach, in said Nassau County, Florida and that the said newspaper has heretofore been continuously published in said Nassau County, Florida, each week and has been entered as second class mail matter at the post office in Fernandina Beach in said Nassau County, Florida, for a period of one year next preceding the first publication of the attached copy of advertisement; and Affiant further says that he has neither paid nor promised any person, firm or corporation any discount, rebate, commission or refund for the purpose of securing this advertisement for publication in the said newspaper.

Michael B. Hankins

Sworn to and subscribed before me
This 21st day of November A.D. 2007.

Angeline B. Mudd

Angeline B. Mudd, Notary Public

AM Personally Known

ANGELINE B. MUDD
MY COMMISSION # DD 267348
EXPIRES: January 4, 2008
1-800-3-NOTARY

NOTICE OF CUSTOMER HEARINGS
TO
ALL INTERESTED PERSONS
DOCKET NO. 070304-EI
REQUEST FOR RATE INCREASE
BY
FLORIDA PUBLIC UTILITIES COMPANY

NOTICE is hereby given that the Florida Public Service Commission will hold service hearings in the above docket on the rates and quality of service of Florida Public Utilities Company. These hearings will commence at the time and place listed below. CUSTOMERS WHO HAVE been receiving service from Florida Public Utilities Company are welcome to attend and may APPEAR AND TESTIFY AT EACH OF THE HEARINGS SCHEDULED BELOW. ANYONE WHO DOES NOT APPEAR AT THE HEARING MAY BE DISMISSED EARLY IF THERE ARE A LARGE NUMBER OF PERSONS WISHING TO TESTIFY.

Marianna:

Date: [illegible], 10:00 a.m. (CST)
Location: [illegible]
[illegible]

Panama City Beach:

Date: [illegible], 10:00 a.m. (CST)
[illegible]

[illegible], Florida

HEARINGS AND PROCEDURE

The purpose of these service [illegible] public comment on the rate and quality of service provided by the Company. The procedure at these hearings will be as follows: The [illegible] of the Company will then make a statement. The public may present testimony. Persons who wish to testify are urged to appear promptly at the hearing. If necessary to complete the hearing, the hearing may be adjourned and reconvened at a later date if no witnesses are present to testify. All witnesses will be subject to cross-examination at the conclusion of their testimony. The Office of Public Counsel has represented that this docket will be available to [illegible] Florida Public Service Commission may be contacted at (850) 488-9330.

Any person requiring special accommodations at this hearing because of a physical impairment should call the Division of Consumer Affairs at the Florida Public Service Commission, (850) 413-6770 at least 48 hours prior to the hearing. Any person who is hearing or speech impaired should contact the Florida Public Service Commission by using the Florida Relay Service, which can be reached at 1-800-955-8771 (TDD).

WEDNESDAY, NOVEMBER 21, 2007 [illegible] News-Leader

FLORIDA PUBLISHING COMPANY

Publisher

JACKSONVILLE, DUVAL COUNTY, FLORIDA

STATE OF FLORIDA
COUNTY OF DUVAL

Before the undersigned authority personally appeared _____

Dave Seaman, who on oath says that he is

Sebior Account Executive of The Florida Times-Union,

a daily newspaper published at Jacksonville in Duval County, Florida; that the attached copy of advertisement, being a ROP advertisement

"Notice of Public Hearings"

in the matter of Florida Public Utilities

in the _____ Court,

was published in THE FLORIDA TIMES-UNION in the issues of _____

Wednesday, November 21, 2007

My Nassau Sun

Affiant further says that the said The Florida Times-Union is a newspaper published at Jacksonville, in said Duval County, Florida, and that the said newspaper has heretofore been continuously published in said Duval County, Florida, The Florida Times-Union each day, has been entered as second class mail matter at the postoffice in Jacksonville, in said Duval County, Florida, for a period of one year next preceeding the first publication of the attached copy of advertisement; and affiant further says that he has neither paid nor promised any person, firm or corporation any discount, rebate, commission or refund for the purpose of securing this advertisement for publication in said newspaper.

Sworn to and subscribed before me this 27th day of November A.D. 19 2007

Sally W. Willis
Notary Public,
State of Florida at Large.

My Commission Expires 01/30/2010

Dave Seaman

DA 444

Sally W. Willis
Commission # DD482207
Expires January 30, 2010
Bonded Troy Fain Insurance Inc 800-385-7019

NOTICE OF CUSTOMER HEARINGS
TO
ALL INTERESTED PERSONS
DOCKET NO. 070304-EI
RE: REQUEST FOR RATE INCREASE
BY
FLORIDA PUBLIC UTILITIES COMPANY

NOTICE is hereby given that the Florida Public Service Commission will hold service hearings in the above docket on the rates and quality of service of Florida Public Utilities Company. The hearings will commence at the time and location indicated and will continue until all witnesses have been heard. CUSTOMERS WHO WISH TO PRESENT TESTIMONY ARE URGED TO APPEAR PROMPTLY AT EACH SCHEDULED HEARING TIME SINCE THE HEARING MAY BE ADJOURNED EARLY IF NO WITNESSES ARE PRESENT TO TESTIFY.

Marianna: December 5, 2007, 10:00 a.m. (CST)
Jackson County Administration Building
County Commission Meeting Room
2864 Madison Street
Marianna, Florida 32446

Fernandina Beach: December 6, 2007, 10:00 a.m. (EST)
Fernandina Beach City Hall
City Commission Chambers
204 Ash Street
Fernandina Beach, Florida 32034

PURPOSE AND PROCEDURE

The purpose of these service hearings shall be to take testimony from members of the public on the rates and quality of service of Florida Public Utilities Company. The procedure at these hearings shall be as follows: The Company will present a brief summary of its case and then members of the public may present testimony. Members of the public who wish to present testimony are urged to appear promptly at each scheduled hearing time since the hearing may be adjourned early if no witnesses are present to testify. All witnesses will be subject to cross examination at the conclusion of their testimony. The Office of Public Counsel has intervened in this docket and will be available to assist anyone wishing to testify. The Public Counsel may be contacted at (850) 4888-9330.

Any person requiring some accommodation at this hearing because of a physical impairment should call the Division of the Commission Clerk and Administrative Services at (850) 413-6770 at least 48 hours prior to the hearing. Any person who is hearing or speech impaired should contact the Florida Public Service Commission by using the Florida Relay Service, which can be reached at 1-800-955-8771 (TDD).

FLORIDA PUBLIC UTILITIES

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Comprehensive Exhibit List for Entry into Hearing Record

Hearing I.D. #	Witness	I.D. # As Filed	Exhibit Description	Entered
Service Hearing Exhibits				
1		Exhibit 1	Marianna and Fernandina Beach Notices from FPUC	
Staff				
2		Exhibit List- 2	Comprehensive Exhibit List	
3		Staff's Consolidated Exhibits – 3 stipulated	**Interrogatories** 1. FPUC's Response to Staff's First Set of Interrogatories (Nos. 1-4) *[Bates Nos. 00000001 – 00000203]* 2. FPUC's Response to Staff's Fifth Set of Interrogatories (Nos. 24-28) *[Bates Nos. 00000204 – 00000219]* 3. FPUC's Response to Staff's Sixth Set of Interrogatories (Nos. 29-43) *[Bates Nos. 00000220 – 00000240]* 4. FPUC's Response to Staff's Seventh Set of Interrogatories (Nos. 44-93)*[Bates Nos. 00000241 – 00000274]* 5. FPUC's Response to Staff's Eighth Set of Interrogatories (Nos. 94-101) *[Bates Nos. 00000275 – 00000284]* 6. FPUC's Response to Staff's Tenth Set of Interrogatories (No. 111-134) *[Bates Nos. 00000285 – 00000371]* 7. FPUC's Response to OPC's First Set of Interrogatories (Nos. 2-29, 30, 40, 41, 44-62, 65, 68, 70-73, 75, 80, 97-98, 111-116, 123-125, 129, including supplemental responses to Nos. 13, 45, 62, 65 and 66) *[Bates Nos. 00000372 – 00000955]*	

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 070300-EI 070304-EI EXHIBIT 2
COMPANY FPSC Staff - Exhibit List-2
WITNESS Comprehensive Exhibit List
DATE 02/27-29/08

Comprehensive Exhibit List for Entry into Hearing Record				
Hearing I.D. #	**Witness**	**I.D. # As Filed**	**Exhibit Description**	**Entered**
			8. FPUC's Response to OPC's Second Set of Interrogatories (Nos. 130-132, 137-140) *[Bates Nos. 00000956 – 00000968]* 9. FPUC's Response to OPC's Third Set of Interrogatories (Nos. 141, 147-148, including supplemental response to No. 141) *[Bates Nos. 00000969 – 00001024]* 10. FPUC's Response to FCTA's First Set of Interrogatories (Nos. 1-39) *[Bates Nos. 00001025 – 00001070]* 11. OPC's Response to Staff's First Set of Interrogatories (Nos. 1-3) *[Bates Nos. 00001071 – 00001077]* **Request for Production of Documents** 12. FPUC's Response to Staff's First Request for Production of Documents (Nos. 2-3) *[Bates Nos. 00001078 – 00001378]* 13. FPUC's Response to Staff's Fifth Request for Production of Documents (Nos. 9-16) *[Bates Nos. 00001379 – 00001385]* 14. FPUC's Response to OPC's Second Request for Production of Documents (Nos. 14-17, 21, 23, 25, 29-30, 34-35, 39, 42-46, 50-51, 56-67, 71, 72, 78, 80) *[Bates Nos. 00001386 – 00002728]* (including supplemental responses to Nos. 66 and 78) 15. FPUC's Response to OPC's Third Request for Production of Documents (Nos. 88-93) *[Bates Nos. 00002729 – 00002872]*	

Comprehensive Exhibit List for Entry into Hearing Record				
Hearing I.D. #	**Witness**	**I.D. # As Filed**	**Exhibit Description**	**Entered**
			16. FPUC's Response to FCTA's First Request for Production of Documents (Nos. 1-25) *[Bates Nos. 00002873 – 00002903]* 17. OPC's Response to Staff's First Request for Production of Documents (No. 1) *[Bates Nos. 00002904 – 00003153]* **Deposition Transcripts** 18. Deposition Transcript of Cheryl Martin, Mehrdad Khojasteh, and Jim Mesite, dated December 11, 2007, including Late-Filed Deposition Exhibit Nos. 1, 7, 8, 16 and errata sheet of Cheryl Martin *[Bates Nos. 00003154 – 00003304]* 19. Deposition Transcript of Mark Cutshaw and Don Myers, dated December 13, 2007. *[Bates Nos. 00003305 – 00003396]* 20. Deposition Transcript of Doreen Cox, dated February 6, 2008, including Deposition Exhibit Nos. 1- 2 and errata sheet *[Bates Nos. 00003397 – 00003423]* 21. Deposition Transcript of P. Mark Cutshaw, dated February 6, 2008, including Late-Filed Deposition Exhibit No. 1 *[Bates Nos. 00003424 – 00003461]* **Additional Item** 22. PSC's Distribution Reliability Review, dated December 20, 2006 (pages 15, 16, 31, 32) *[Bates Nos. 00003462 – 00003467]*	

Comprehensive Exhibit List for Entry into Hearing Record

Hearing I.D. #	Witness	I.D. # As Filed	Exhibit Description	Entered
Testimony Exhibit List				
FLORIDA PUBLIC UTILITIES COMPANY (Direct)				
4	Various	FUPC's Composite MFR Exhibit List - 1	Minimum Filing Requirement Schedules B-1 through B-25 C-1 through C-44 D-1 through D-9 E-1 through E-19C F-1 through F-9 G-1 through G-23	
5	Martin, Khojasteh, and Mesite, Jr.	CMM-1	Schedule C-1 (2008) Adjusted Jurisdictional Net Operating Income	
6	Martin, Khojasteh, and Mesite, Jr.	CMM-2	Schedule B-1 (2008) Adjusted Rate Base	
7	Martin, Khojasteh, and Mesite, Jr.	CMM-3	Schedule G-1 Interim Revenue Requirements Increase Requested	
8	Martin, Khojasteh, and Mesite, Jr.	Appendix I	Present Value of Investment And Derivation of Constant Growth and Multi-Stage Discounted Cash Flow Model (DCF)	
9	Camfield and Cox	Appendix II	Derivation of Capital Asset Pricing Model	
10	Camfield and Cox	DC-RC-1	Overall Rate of Return Requirements	
11	Camfield and Cox	DC-RC-2	Cost of Common Equity and Equity Rate of Return Recommendation	
12	Camfield and Cox	DC-RC-3	Long Term Debt Cost Rate, 2008	
13	Camfield and Cox	DC-RC-4	Short Term Debt Cost Rate, 2008	

Comprehensive Exhibit List for Entry into Hearing Record				
Hearing I.D. #	**Witness**	**I.D. # As Filed**	**Exhibit Description**	**Entered**
14	Camfield and Cox	DC-RC-5	Preferred Stock Cost Rate, 2008	
15	Camfield and Cox	DC-RC-6	CAPM Estimates of the Cost of Equity Capital: Mid-Sized Electric Utilities and Gas Utilities	
16	Camfield and Cox	DC-RC-7	Discounted Cash Flow Estimates of Cost of Equity: Mid-Sized Electric Utilities and Gas Utilities	
17	Camfield and Cox	DC-RC-8	Risk Premium Analysis: Mid-Sized Electric Utilities and Gas Utilities	
18	Camfield and Cox	DC-RC-9	Average Returns per Annum Mid-Sized Electric Utilities and Gas Utilities	
19	Camfield and Cox	DC-RC-8	Selection Screen: Mid-Sized Electric Utilities and Gas Utilities	
20	Camfield and Cox	DC-RC-9	Historical Year-End Capital Structure	
21	Camfield and Cox	DC-RC-10	Financial Results Over Recent Years	
22	Camfield and Cox	DC-RC-11	Discounted Cash Flow Estimates of Cost of Equity: Mid-Sized Electric Utilities and Gas Utilities	
23	Camfield and Cox	DC-RC-12	Risk Premium Analysis: Mid-Sized Electric Utilities and Gas Utilities	
24	Cutshaw and Myers	Exhibit 1	Own-Price Elasticities of Demand for Electricity – Synthesis of Values Reported in the Literature	
25	Bachman, Camfield, Cox, Cutshaw, Khojasteh, Martin, and Mesite	Composite Exhibit	Minimum Filing Requirements Schedules B-1 through G-23	

Comprehensive Exhibit List for Entry into Hearing Record				
Hearing I.D. #	**Witness**	**I.D. # As Filed**	**Exhibit Description**	**Entered**
OFFICE OF PUBLIC COUNSEL (Direct)				
26		OPC's Composite Exhibit – 26 stipulated	Cases from other Commission jurisdictions regarding ROE: 1. Order, Application of AEP Texas Central Company for Authority to Change Rates, Public Utility Commission of Texas, PUC Docket No. 33309, SOAH Docket No. 473-07-0833. *http://interchange.puc.state.tx.us/WebApp/Interchange/Documents/33309_749_570785.PDF* 2. Order Approving Settlement Agreement, Petition for Approval of Delivery Service Rates, Public Service Company of New Hampshire, DE 06-028, Order No. 24,750. *http://www.puc.state.nh.us/Regulatory/Orders/2007orders/24750e.pdf* 3. Order Setting Permanent Rates, Reconciling overpayments during Temporary Rate Period, and Establishing Disposition of Property Tax Refunds, State of New York Public Service Commission, Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Orange and Rockland Utilities, Inc. for Electric Service, Case 06-E-1433, Petition of Orange and Rockland Utilities, Inc. Regarding Disposition of Property Tax Benefits for the Towns of Haverstraw and Orangetown, Case 06-E-1547. *http://www3.dps.state.ny.us/pscweb/WebFileRoom.nsf/Web/403856703F6ABB1B85257378005165B9/$File/301_06e1433_Final.pdf?OpenElement*	

Comprehensive Exhibit List for Entry into Hearing Record				
Hearing I.D. #	**Witness**	**I.D. # As Filed**	**Exhibit Description**	**Entered**
			4. Decision, Application of the Connecticut Light and Power Company to Amend Rate Schedules, State of Connecticut, Docket No. 07-07-01 (*no website connection*) 5. Order No. 10, In the Matter of the Application of Entergy Arkansas, Inc. for Approval of Changes in Rates for Retail Electric Service, Arkansas Public Service Commission, Docket No. 06-101-U *http://www.apscservices.info/PDF/06/06-101-u_303_1.pdf*	
27	Hugh Larkin, Jr.	Appendix 1	Qualifications	
28	Hugh Larkin, Jr.	HL-1	Schedules A-1 Revenue Requirement A-2 Revenue Expansion Factor B-1 Adjusted Rate Base B-2 Working Capital B-3 Receivables - Working Capital B-4 Utility Accounts Receivable B-5 Uncollectibles B-6 Charges to Storm Reserve, 1989 - 2007 B-7 Plant in Service Adjustments C-1 Adjusted Net Operating Income C-2 Staff Audit Adjustments C-3 Revision to Company Projection Factors C-4 Uncollectible Expense C-5 Interest Synchronization Adjustment C-6 Income Tax Expense D-1 Overall Cost of Capital, per OPC	

Comprehensive Exhibit List for Entry into Hearing Record				
Hearing I.D. #	**Witness**	**I.D. # As Filed**	**Exhibit Description**	**Entered**
29	Hugh Larkin, Jr.	HL-2	OPC Interrogatory No. 1 Exhibit 50.1 – NE Division – Substation Maintenance 2008 to 2012	
30	Dr. J. Randall Woolridge	Appendix A	Educational Background, Research, and Related Business Experience	
31	Dr. J. Randall Woolridge	JRW-1	Recommended Rate of Return – Weighted Average Cost of Capital	
32	Dr. J. Randall Woolridge	JRW-2	Interest Rates and Yield Spreads	
33	Dr. J. Randall Woolridge	JRW-3	Summary Financial and Risk Statistics for Proxy Groups	
34	Dr. J. Randall Woolridge	JRW-4	Capital Structure Ratios	
35	Dr. J. Randall Woolridge	JRW-5	The Relationship Between Estimated ROE and Market-to-Book Ratios	
36	Dr. J. Randall Woolridge	JRW-6	Public Utility Capital Cost Indicators – Indicators of Public Utility Capital Cost Rates	
37	Dr. J. Randall Woolridge	JRW-7	Industry Average Betas	
38	Dr. J. Randall Woolridge	JRW-8	Three-Stage DCF Model	
39	Dr. J. Randall Woolridge	JRW-9	DCF Study – DCF Results	
40	Dr. J. Randall Woolridge	JRW-10	CAPM Study- CAPM Results	

Comprehensive Exhibit List for Entry into Hearing Record				
Hearing I.D. #	**Witness**	**I.D. # As Filed**	**Exhibit Description**	**Entered**
41	Dr. J. Randall Woolridge	JRW-11	Summary of FPU's Equity Cost Rate Approaches and Results	
42	Dr. J. Randall Woolridge	JRW-12	Historic Equity Risk Premium Evaluation	
43	Dr. J. Randall Woolridge	JRW-13	FPU's DCF Results	
44	Dr. J. Randall Woolridge	JRW-14	FPU's CAPM Results	
45	Dr. J. Randall Woolridge	JRW-15	FPU's RP Results	
46	Dr. J. Randall Woolridge	JRW-16	FPU's RMR Results	
47	Patricia W. Merchant	PWM-1	Résumé	
48	Patricia W. Merchant	PWM-2	Transformer Plant Adjustment	
49	Patricia W. Merchant	PWM-3	OPC POD Exhibit 72.2 Osmoses Estimate	
AT&T (Direct)				
50	Kirk Smith	KS-1	Process to Engage Third-Party Attachers	
EMBARQ (Direct)				
51	Sandra A. Khazraee	SAK-1	Embarq's Cost Estimate	

Comprehensive Exhibit List for Entry into Hearing Record				
Hearing I.D. #	**Witness**	**I.D. # As Filed**	**Exhibit Description**	**Entered**
STAFF (Direct)				
52	Kathy L. Welch	KLW-1	History of Testimony Provided by Kathy L. Welch	
53	Kathy L. Welch	KLW-2	Audit Report	
54	Kathy L. Welch	KLW-3 (supplemental)	Company response to Staff's eleventh Set of Interrogatories to FPUC	
FLORIDA PUBLIC UTILITIES COMPANY (Rebuttal)				
55	D. Cox	DCR-1	Comparison of Recently Requested and Approved Return on Equity Rates	
56	D. Cox	DCR-2	Consolidated Electric Earnings Surveillance Report	
57	D. Cox	DCR-3	Consolidated Electric Rate of Return	
58	D. Cox	DCR-4	Consolidated Electric Rate Base	
59	D. Cox	DCR-5	Consolidated Electric Net Operating Income	
60	Cutshaw	MCR-1	Summary of Storm Hardening Activities	
61	Cutshaw	MCR-2	Pole Replace Cost Worksheet	
62	Cutshaw	MCR-3	69kV Line – Stepdown to JLT	
63	Cutshaw	MCR-4	Invoice for Replacement of 3 Wood Poles in 1998	
64	Cutshaw	MCR-5	Current Pricing on 82 foot poles that will be purchased in January 2008	
65	Cutshaw	MCR-6	Recent Bids for Installation of Concrete Poles	
66	Cutshaw	MCR-7	Service Agreement for Network Integration Transmission Service with JEA	
67	Cutshaw	MCR-8	Substation Maintenance Plan	
68	Cutshaw	MCR-9	Substation Maintenance Costs	
69	Cutshaw	MCR-10	Summary of Training Program for Apprentice Lineman	
70	Cutshaw	MCR-11	Job advertisement and description for Engineer for Storm Hardening Position	
71	Cutshaw	MCR-12	Explanation of number of tree trimming crews and requirements	

Comprehensive Exhibit List for Entry into Hearing Record				
Hearing I.D. #	**Witness**	**I.D. # As Filed**	**Exhibit Description**	**Entered**
72	Cutshaw	MCR-13 (supplemental)	Documents relating to Issues 16-18, and 20 of the Prehearing Order	
73	Khojasteh	MKR-1	Reg. § 240 of the Exchange Act	
74	Khojasteh	MKR-2	Purchased Power or fuel cost - cost increase effect on the write off of bad debts	
75	Khojasteh	MKR-3	Computation of a four-year average write-off rate for the period 2003-2006	
76	Khojasteh	MKR-4	Bad Debt Rate Computation for the most current four year period ending 12/31/07	
77	Khojasteh	MKR-5	Revised Schedule C-7 to separate payroll from non- payroll	
78	Khojasteh	MKR-6	CIS Project Analyst Job Opening Notice	
79	C. Martin	CMMR-1	Company Response to FPSC Audit Report dated Dec. 13, 2007	
80	C. Martin	CMMR-2	Comparison of Audit and What Was in FPUC Books	
81	C. Martin	CMMR-3	Company Additional Response to FPSC Audit Report	
82	C. Martin	CMMR-4	Notice of Job Opening for Compliance Accountant	
83	C. Martin	CMMR-5	Confidential – Minutes of Board of Directors Compensation Committee Meeting	
84	C. Martin	CMMR-6	Confidential – FPU Salary Survey 2007	
85	C. Martin	CMMR-7	Salary survey adjustment	
86	C. Martin	CMMR-8 (supplemental)	Documents relating to Issues 80 and 93 of the Prehearing Order	
87	J. Mesite	JMR-1	Information on the Auto and General Liability Claim Escrow Disbursement Bank Account	
88	J. Mesite	JMR-2	FPUC 2007 Accounts Receivable	
89	J. Mesite	JMR-3	Detail of Accounts 1650.2 and 1650.5	
90	J. Mesite	JMR-4 (supplemental)	Document relating to Issues 42-43, 53, and 114 of the Prehearing Order	

EXHIBITS

NUMBER:		ID.	ADMTD.
1	Notice of Publication of Service Hearings	7	78
2	Staff's Comprehensive Exhibit List	7	78
3	Staff's Stipulated Exhibit List	8	78
4 through 90	(As identified on Exhibit 2 - Staff's Comprehensive Exhibit List)	8	
5			150
6			150
7			150
26			69
50			36
51			25
52			46
53			46
54			46
55			61
56			61
57			61
58			61
59			61
91	Storm Hardening Plan and Revisions	81	100
92	FPUC Support for Corporate Accounting Over and Above Adjustments	148	150

EXHIBITS

NUMBER:		ID.	ADMTD.
60 through 71			713
73 through 86			614
87 through 90			640
93	(Late-Filed) Executive Salary Incentive Goals	603	722
94	Detailed Comparison of Executive Salaries	606	722
95	(Late-Filed) Rebuttal Testimony Exhibit of Hattaway in Related KCPL and Missouri Proceedings	672	722
96	Job Posting	717	720

State of Florida

Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: March 4, 2008

TO: Ann Cole, Commission Clerk - PSC, Office of Commission Clerk

FROM: Martha C. Brown, Senior Attorney, Office of the General Counsel MCB

RE: DN 070300-EI - Review of 2007 Electric Infrastructure Storm Hardening Plan filed pursuant to Rule 25-6.0342, F.A.C., submitted by Florida Public Utilities Company.
and
DN 070304-EI - Petition for rate increase by Florida Public Utilities Company.

On February 27, 2008, Staff's Comprehensive Exhibit List was entered into the record at the hearing in the above styled dockets. However, due to a scrivener's error, Hearing I.D. Nos. 22 and 23 are duplicative of Hearing I.D. Nos. 16 and 17, and will be removed.

In addition, Hearing I.D. Nos. 19, 20, and 21 should be corrected as follows:

19	Camfield and Cox	DC-RC-~~8~~10	Selection Screen: Mid-Sized Electric Utilities and Gas Utilities	
20	Camfield and Cox	DC-RC-~~9~~11	Historical Year-End Capital Structure	
21	Camfield and Cox	DC-RC-~~10~~12	Financial Results Over Recent Years	

Thank you.

CC: Ruth McGill, Jane Faurot, Linda Boles (Office of Commission Clerk)

EXHIBIT NO. _____

DOCKET NO: 070300-EI & 070304-EI

WITNESS: VARIOUS

PARTY: FLORIDA PUBLIC UTILITIES COMPANY

DESCRIPTION: STAFF'S STIPULATED COMPOSITE EXHIBITS – 3

DOCUMENTS:

Interrogatories

1. FPUC's Response to Staff's First Set of Interrogatories (Nos. 1-4)
[Bates Nos. 00000001 – 00000203]

2. FPUC's Response to Staff's Fifth Set of Interrogatories (Nos. 24-28)
[Bates Nos. 00000204 – 00000219]

3. FPUC's Response to Staff's Sixth Set of Interrogatories (Nos. 29-43)
[Bates Nos. 00000220 – 00000240]

4. FPUC's Response to Staff's Seventh Set of Interrogatories (Nos. 44-93)
[Bates Nos. 00000241 – 00000274]

5. FPUC's Response to Staff's Eighth Set of Interrogatories (Nos. 94-101)
[Bates Nos. 00000275 – 00000284]

6. FPUC's Response to Staff's Tenth Set of Interrogatories (No. 111-134)
[Bates Nos. 00000285 – 00000371]

7. FPUC's Response to OPC's First Set of Interrogatories (Nos. 2-29, 30, 40, 41, 44-62, 65, 68, 70-73, 75, 80, 97-98, 111-116, 123-125, 129, including supplemental responses to Nos. 13, 45, 62, 65, and 66)
[Bates Nos. 00000372 – 00000955]

8. FPUC's Response to OPC's Second Set of Interrogatories (Nos. 130-132, 137-140)
[Bates Nos. 00000956 – 00000968]

9. FPUC's Response to OPC's Third Set of Interrogatories (Nos. 141, 147-148, including supplemental responses to No. 141)
[Bates Nos. 00000969 – 00001024]

10. FPUC's Response to FCTA's First Set of Interrogatories (Nos. 1-39)
[Bates Nos. 00001025 – 00001070]

11. OPC's Response to Staff's First Set of Interrogatories (Nos. 1-3)
[Bates Nos. 00001071 – 00001077]

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 070300-EI & 070304-EI EXHIBIT 3
COMPANY FPSC Staff
WITNESS Staff's Consolidated Ex. Stipulated
DATE 02/27-29/08

Request for Production of Documents

12. FPUC's Response to Staff's First Request for Production of Documents (Nos. 2-3)
[Bates Nos. 00001078 – 00001378]

13. FPUC's Response to Staff's Fifth Request for Production of Documents (Nos. 9-16)
[Bates Nos. 00001379 – 00001385]

14. FPUC's Response to OPC's Second Request for Production of Documents (Nos. 14-17, 21, 23, 25, 29-30, 34-35, 39, 42-46, 50-51, 56-67, 71, 72, 78, 80, including supplemental responses to Nos. 66 and 78)
[Bates Nos. 00001386 – 00002728]

15. FPUC's Response to OPC's Third Request for Production of Documents (Nos. 88-93)
[Bates Nos. 00002729 – 00002872]

16. FPUC's Response to FCTA's First Request for Production of Documents (Nos. 1-25)
[Bates Nos. 00002873 – 00002903]

17. OPC's Response to Staff's First Request for Production of Documents (No. 1)
[Bates Nos. 00002904 – 00003153]

Deposition Transcripts

18. Deposition Transcript of Cheryl Martin, Mehrdad Khojasteh, and Jim Mesite, dated December 11, 2007, including Late-Filed Deposition Exhibit Nos. 1, 7, 8, 16 and errata sheet of Cheryl Martin
[Bates Nos. 00003154 – 00003304]

19. Deposition Transcript of Mark Cutshaw and Don Myers, dated December 13, 2007
[Bates Nos. 00003305 – 00003396]

20. Deposition Transcript of Doreen Cox, dated February 6, 2008, including Deposition Exhibit Nos. 1- 2 and errata sheet
[Bates Nos. 00003397 – 00003423]

21. Deposition Transcript of P. Mark Cutshaw, dated February 6, 2008, including Late-Filed Deposition Exhibit No. 1
[Bates Nos. 00003424 – 00003461]

Additional Item

22. PSC's Distribution Reliability Review, dated December 20, 2006 (pages 15, 16, 31, 32)
[Bates Nos. 00003462 – 00003467]

PROFFERED BY: STAFF

1

FPUC's Response to Staff's First Set of Interrogatories (Nos. 1-4)

HEARING EXHIBIT - 00000001

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Petition for rate increase by Florida Public Utilities Company	)	Docket No. 070304-EI

FLORIDA PUBLIC UTILITIES COMPANY'S RESPONSES TO FPSC STAFF'S FIRST SET OF INTERROGATORIES (NOS. 1 - 4)

COMES NOW, Florida Public Utilities Company ("FPUC") and in response to FPSC Staff's First Set of Interrogatories (No. 1 - 4) states as follows:

INTERROGATORIES

1. Provide a reconciliation of FPUC's capital structure from a total company basis (how the Company reports total assets and total capital to the SEC) to a jurisdictional basis (regulated operations only) for 2005, 2006, and 2007. Forpurposes of this response, capital structure refers to investor sources of capital, i.e., common equity, preferred stock, long-term debt, and short term debt. By reconciliation, staff wants the Company to show how the assets and capital associated with non-regulated investments such as Flo-Gas are removed from the balance sheet.

FPUC'S RESPONSE: See attached.

2. What are FPUC's budgeted capital expenditures for 2007 and 2008? For purposes of this response, itemize which portion of the total capital expenditure budget for each year is for regulated operations (separately stating electric and natural gas) and the portions devoted to non-regulated operations.

FPUC'S RESPONSE: See attached.

HEARING EXHIBIT - 00000002

3. Provide schedule G-19 (D-1) for the 2008 projected test year showing FPUC's investment in Flo-Gas removed specifically from common equity.

FPUC'S RESPONSE: See attached.

4. Please refer to the capital structure for the projected test year, Schedule G-19 (D-1), and to the 6.33% cost rate for short-term debt. Please provide the calculation of this rate and complete copies of all supporting documentation. This should include the benchmark rate, like LIBOR, upon which the cost rate for short-term debt is based, any basis points added to that rate, any fees associated with the loan and how the fees are assessed, and the maximum amount of the loan.

FPUC'S RESPONSE: See attached.

Respectfully submitted this 29th day of October, 2007.

Norman H. Horton, Jr.
Messer, Caparello & Self, P.A.
P.O. Box 15579
Tallahassee, FL 32317
(850) 222-0720

Attorneys for Florida Public Utilities Company

HEARING EXHIBIT - 00000003

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for rate increase by Florida Public Utilities Company	)))	Docket No. 070304-EI Filed: October 29, 2007

FLORIDA PUBLIC UTILITIES COMPANY'S NOTICE OF SERVICE OF RESPONSES TO FPSC STAFF'S FIRST SET OF INTERROGATORIES (NOS. 1-4) AND FIRST REQUEST FOR PRODUCTION OF DOCUMENTS (NOS. 1-4)

Florida Public Utilities Company ("FPUC") by and through its undersigned counsel, hereby files and serves Notice that it has served its Responses to FPSC Staff's First Set of Interrogatories (Nos. 1-4) and First Request for Production of Documents (Nos. 1-4) by hand delivery on Martha C. Brown, Esq., Office of General Counsel, Florida Public Service Commission, 2540 Shumard Oaks Blvd., Tallahassee, FL 32399-0850 on this 29th day of October, 2007.

NORMAN H. HORTON, JR.
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(850) 222-0720

Attorneys for Florida Public Utilities Company

HEARING EXHIBIT - 00000004

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that true and correct copies of the foregoing have been served by Hand Delivery this 29th day of October, 2007 upon the following:

Katherine Fleming, Esq.
Martha Brown, Esq.
Office of General Counsel
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850
keflemin@psc.state.fl.us

Patricia A. Christensen, Esq.
Office of the Public Counsel
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NORMAN H. HORTON, JR.

HEARING EXHIBIT - 00000005

RESPONSES OF FLORIDA PUBLIC UTILITIES COMPANY

to

COMMISSION STAFF'S FIRST SET OF INTERROGATORIES NOS. 1-4

DOCKET NUMBER 070304-EI

1. Provide a reconciliation of FPUC's capital structure from a total company basis (how the Company reports total assets and total capital to the SEC) to a jurisdictional basis (regulated operations only) for 2005, 2006, and 2007. For purposes of this response, capital structure refers to investor sources of capital, i.e., common equity, preferred stock, long-term debt, and short-term debt. By reconciliation, staff wants the Company to show how the assets and capital associated with non-regulated investments such as Flo-Gas are removed from the balance sheet.

Response: Please refer to Exhibit 1.1 and 1.2 and 1.3 attached.

Exhibit 1.1 FPUC's 2005 Balance Sheet support for our SEC 10-K Filing showing regulated and non-regulated assets and capital.

Exhibit 1.2 FPUC's 2006 Balance Sheet support for our SEC 10-K Filing showing regulated and non-regulated assets and capital.

Exhibit 1.3 FPUC's 10-Q June 2007 Balance Sheet support for our SEC Filing showing regulated and non-regulated assets and capital.

(COX)

2. What are FPUC's budgeted capital expenditures for 2007 and 2008? For purposes of this response, itemize which portion of the total capital expenditure budget for each year is for regulated operations (separately stating electric and natural gas) and the portion devoted to non-regulated operations.

Response:

2007:

FPUC's total 2007 budget, approved in December 2006, is $11,877,300. The 2007 regulated natural gas direct portion is $6,153,000; the 2007 regulated electric direct portion is $3,400,500. The 2007 non-regulated direct portion is $1,594,000. The 2007 Common budget of $739,800 is allocated between the various regulated and non-regulated divisions as follows: regulated natural gas $406,890, regulated electric $211,907, and non-regulated $121,003.

Subsequent to its approval, the 2007 Budget has been updated for regulated electric to $4,679,100 and the effects are reflected in the rate case filing.

2008:

The FPUC capital budget for 2008 is in the process of being developed. As developed for this filing, the current estimate for consolidated electric total direct budget is $4,709,300. For Common the current estimate is $643,500 with $184,750 allocated to consolidate electric. No further data is available at this time.

(MESITE)

3. Provide schedule G-19 (D-1) for the 2008 projected test year showing FPUC's investment in Flo-Gas removed specifically from common equity.

Response: Please refer to Exhibit 3 attached.

(COX / CAMFIELD)

4. Please refer to the capital structure for the projected test year, Schedule G-19 (D-1), and to the 6.33% cost rate for short-term debt. Please provide the calculation of this rate and complete copies of all supporting documentation. This should include the benchmark rate, like LIBOR, upon which the cost rate for short-term debt is based, any basis points added to that rate, any fees associated with the loan and how the fees are assessed, and the maximum amount of the loan.

Response: : Attached please find Exhibits 4.1 – 4.5 as follows:

4.1 - Bank of America Revolving Promissory Note and Agreements
4.2 - Effective Cost of Short Term Debt
4.3 - Monthly LIBOR Rates, 2006
4.4 - Historical LIBOR, FED FUNDS, TREASURY RATES
4.5 - Average Annual Rates and Interest Rate Spreads 1990 – 2006

Exhibit 4.1 provides a copy of our Line of Credit Agreement with Bank of America dated October 29, 2004 and amendment dated August 25, 2006. Promissory Note dated August 25, 2006 is also attached. (COX)

Exhibit 4.2 entitled "Effective Cost of Short-Term Debt" presents the calculation of the effective cost rate of short-term debt, as applied to the balances of short-term debt within the capital structure. (COX / CAMFIELD)

Exhibits 4.3 – 4.5 presents historical data of observed short-term interest rates from which the interest rate spread between the Fed Funds and LIBOR rates are determined. (CAMFIELD)

AFFIDAVIT

STATE OF FLORIDA)

COUNTY OF PALM BEACH)

I hereby certify that on this 19 day of October, 2007, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared Doreen Cox, who is personally known to me, and he/she acknowledged before me that he/she provided the answers to interrogatory number(s) 1, 3 and 4 from STAFF'S FIRST SET OF INTERROGATORIES TO FLORIDA PUBLIC UTILITIES COMPANY (NOS. 1 - 4) in Docket No(s). 070304-EI, and that the responses are true and correct based on his/her personal knowledge.

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 19th day of October, 2007.

Dina Bellechase
Notary Public
State of Florida, at Large

My Commission Expires:

12/13/2007

DINA BELLECHASES
MY COMMISSION # DD 240690
EXPIRES: December 13, 2007
Bonded Thru Notary Public Underwriters

AFFIDAVIT

STATE OF FLORIDA)

COUNTY OF PALM BEACH)

I hereby certify that on this 19 day of October, 2007, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared Jim Mesite, who is personally known to me, and he/she acknowledged before me that he/she provided the answers to interrogatory number(s) 2 from STAFF'S FIRST SET OF INTERROGATORIES TO FLORIDA PUBLIC UTILITIES COMPANY (NOS. 1 - 4) in Docket No(s). 070304-EI, and that the responses are true and correct based on his/her personal knowledge.

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 19th day of October, 2007.

Dina Bullchah

Notary Public
State of Florida, at Large

My Commission Expires:

12/13/2007

Exhibit ___
PSC First Set of Interrogatories
Docket No. 070304-EI

Witness: COX

FLORIDA PUBLIC UTILITIES
CONSOLIDATED BALANCE SHEET
PERIOD ENDED 12/31/2005

T NAME: 10QCONSBS
DATE: 2/17/2006
USER: ISTERLING

10Q CONSOLIDATED BALANCE SHEET

DESCRIPTION	ACCT	FPU	Propane	REIEL	CONSOLIDATED	REF	2004 CONSOLIDATED
ASSETS							
UTILITY PLANT:							
ELECTRIC		70080568	0	3,690	70,084,258	A	66,577,243
NATURAL & BOTTLED GAS		86571462	15500385	1,263,777	105,335,624	B	99,076,876
WATER		0	0	-	-		-
PLANT ACQUISITION ADJS.	1140	1267467	0	(1,267,467)	-		-
COMMON PLANT		3859023	0	-	3,859,023	C	5,694,220
TOTAL		163778520	15500385	0	179,278,905	D	173,348,139
LESS ACCUM. DEPR. & AMORT		-60111248	-4362552	8,256,355	(56,217,445)	E	(54,625,077)
NET UTILITY PLANT		103667272	11137833	8256355	123,061,460	F	118,723,062
NET OTHER PLANT	1210,1220	8436	0	-	8,436	G	8,436
INVEST IN ASSOC. CO.	1230	10000	0	(10,000)	-		-
CURRENT ASSETS:							
CASH	1310	852745	0	42,370	695,115	H	498,533
WORKING FUNDS	1350	39100	3270	(42,370)	-	I	-
SPEC DEP-OTHER	1320-1340	3257814	0	-	3,257,814	J	3,183,372
ACCOUNTS REC	1420-1430,1720	13077461	1919689	-	14,997,150	K	11,003,107
NOTES REC	1410	0	0	298,411	298,411	L	393,884
ALLOW FOR UNCOLL ACCTS	1440	-216748	-55250	-	(271,998)	M	(269,672)
RECEIVABLES ASSOC. COS.	1460	12872618	0	(12,872,618)	-	N	-
OTHER INVESTMENTS	1240,1280	5044591	47650	(298,411)	5,793,830	O	5,810,747
MAT & SUPPLY	151,154-156,163	1854340	1916798	-	3,781,138	P	2,956,273
PREPAYMENTS-INS & PEN	1650	950750	0	-	950,750	Q	814,294
PREPAYMENTS - OTHER - UT		0	0	1,159,283	1,159,283	R	1,625,304
UNBILLED REVENUES	1730	1510318	407676	-	1,917,994	S	2,284,745
TOTAL		40052989	4239833	-11713335	32,579,487		28,300,587
RED DEBITS							
GOODWILL	1140.2	552803	1852435	-	2,405,238	T	2,405,238
INTANG ASSETS-NET	1010,3031	3384334	1006430	-	4,390,764	U	2,813,838
UNAMORTIZED DEBT EXP	1810	1880040	0	(1,880,040)	-	V	-
PREPAY PENSIONS-RETIRE	1650.3	0	0		-	W	725,619
CLEARING ACCOUNTS	184*	0	0	-	-	X	-
TEMPORARY FACILITIES	1850	21285	0	-	21,285	Y	10,005
OTHER WORK IN PROGRESS	1860.1	688676	0		688,676	Z	860,062
MISC. DEFERRED DEBITS	1860	5777329	28466		5,805,795	AA	5,801,897
OTHER REG. ASSETS-STORM	1820	0	0	452,327	452,327	AB	416,454
OTHER REG ASSETS-ENVIRON	1820	9319979	0	(452,327)	8,867,652	AC	9,297,000
UNDERREC FUEL	1860.21	4527745	0	(1,152,894)	3,374,851	AD	273,883
UNDERREC CON & UNBUND	1860.5&7	62931	0	(62,931)	-	AE	-
UNAMORT LOSS/REACQD DEBT	1890	227025	0		227,025	AF	245,309
REGULATORY ASSETS	1901	0	0	-	-	AG	-
ACCUM DEFERRED INC TAX	1900	3877356	88090	(3,965,446)	-	AH	-
TOTAL		30339503	2975421	(7,081,311)	26,233,613		22,849,305
TOTAL ASSETS		174078200	18353087	(10,548,291)	181,882,996	AI	169,881,390

HEARING EXHIBIT - 00000013

LIABILITIES

TALIZATION:							
ION STOCK 2010		9229514	10000	(10,000)	9,229,514	AJ	6,539,035
MIUM ON COMMON 2070		5373461	0	-	5,373,461	AK	7,565,233
MISC PAID IN CAPITAL 2110		1052761	0	-	1,052,761	AL	2,166,829
RETAINED EARNINGS 2160		31396084	2229013	-	33,625,097	AM	31,848,680
CAP STOCK EXP & DIS 2130-2150		-428441	0	-	(428,441)	AN	(428,441)
TREASURY STOCK 2170		-3349121	0	-	(3,349,121)	AO	(4,210,700)
COMMON SHARE EQUITY		43274258	2239013	-10000	45,503,271	AP	43,212,597
PREFERRED STOCK - A 2040		600000	0	-	600,000	AQ	600,000
LONG TERM DEBT 2210,2240		52500000	0	(1,880,040)	50,619,960	AR	50,537,640
TOTAL CAPITALIZATION		96374258	2239013	-1890040	96,723,231	AS	94,350,237
CURRENT LIABILITIES:							
L-T DEBT - CURRENT		0	0	-	-	AT	-
NOTES PAYABLE 2310		9556000	0	-	9,556,000	AU	5,625,000
ACCOUNTS PAYABLE 2320		13165662	0	-	13,165,662	AV	9,861,359
PAYABLES TO ASSOC CO		0	12872618	(12,872,618)	-	AW	-
CUSTOMER DEPOSITS 2350		7453496	614064	-	8,067,560	AX	7,047,085
TAXES ACCRUED 2360		586155	-1287074	1,159,283	458,364	AY	385,067
INTEREST ACCRUED 2370		1011667	2264	-	1,013,931	AZ	969,521
DIVIDENDS DECLARED 2380		623174	0	-	623,174	BA	599,628
TAX COLLECTIONS PAYABLE 2410		977939	75765	-	1,053,704	BB	1,696,333
VACATION PAY ACCRUED 2420		1075748	0	-	1,075,748	BC	1,018,853
INSURANCE ACCRUED 2260		286132	0	-	286,132	BD	383,547
RATE REFUND 2420,2290		700000	0	-	700,000	BE	-
MISC. CURRENT LIABS. 2420		124305	0	-	124,305	BF	119,668
INACT DIVIDEND CHECKS 2420.2		0	0	-	-	BG	-
TOTAL		35572278	12277837	-11713335	36,136,580	BI	27,886,061
DEFERRED CREDITS:							
OVERREC. FUEL 2530.21		1152894	0	(1,152,894)	-	BJ	-
OVERREC CON & UNBUND 2530.6&7		107034	0	(82,931)	24,103	BK	94,456
MIS DEF -ENV INS PRO 2530.3		14000745	0		14,000,745	BL	13,989,227
STORM DAMAGE RESERVE 2280.11		1536145	0		1,536,145	BM	1,538,088
COST OF REMOVAL		0	0	8,256,355	8,256,355	BN	7,823,582
MED & PENSION RESERVE 2280.3		2662982	0		2,662,982	BO	1,756,813
CUST ADVANCES-CONSTR 2520.1		1830826	515562	-	2,346,388	BP	1,892,585
I' 'ORTIZED I.T.C. 2550.1		410110	418	-	410,528	BQ	491,190
DEF CR 2530.1,4		161073	0	-	161,073	BR	281,493
ATORY LIABILITIES 2821		990879	0	-	990,879	BS	1,112,986
CONTRIB IN AID 2710,2720		0	0	-	-	BT	-
TOTAL		22852688	515980	7,020,530	30,389,198		28,980,500
ROUNDING		0	3	-	3		(3)
ACCUM DEF I/T 2820,2830		19278976	3320457	(3,965,446)	18,633,987	BV	18,664,591
TOTAL LIABILITIES		174078200	18353087	-10548291	181,882,996	BW	169,881,389

MEMO ITEMS - CASH FLO	CURRENT BAL	LAST YR DEC		
AMORTIZATION OF GAIN	-161073	-281493		
MISC. DEF. - AEP	4190130	4299315	-109185	

HEARING EXHIBIT - 00000014

Exhibit 1.2
PSC First Set of Interrogatories
Docket No. 070304-EI

Witness: COX

FLORIDA PUBLIC UTILITIES
CONSOLIDATED BALANCE SHEET
PERIOD ENDED 12/31/2006

REPORT NAME: 10QCONSBS
DATE: 2/27/2007
USER: ALUNDGREN

10Q CONSOLIDATED BALANCE SHEET

DESCRIPTION	ACCT	FPU	Propane	RE/EL	NOTE	CONSOLIDATED	NOTES	2005 CONSOLIDATED
ASSETS								
UTILITY PLANT:								
ELECTRIC		72,772,608	-	3,690	A	72,776,298		70,084,258
NATURAL & BOTTLED GAS		94,128,857	17,153,448	1,263,777	A	112,546,082		105,335,624
WATER		-	-	-	B	-		-
PLANT ACQUISITION ADJS.	1140	1,267,467	-	(1,267,467)	A	-		-
COMMON PLANT		3,646,424	-	-		3,646,424		3,859,023
TOTAL		171,815,356	17,153,448	-		188,968,804		179,278,905
LESS ACCUM. DEPR. & AMORT		(63,596,056)	(4,960,846)	8,799,830	B	(59,757,072)		(56,217,445)
NET UTILITY PLANT		108,219,300	12,192,602	8,799,830		129,211,732	AA	123,061,460
NET OTHER PLANT	1210,1220	8,436	-	-		8,436	HH	8,436
INVEST IN ASSOC. CO.	1230	10,000	-	(10,000)	C	-		-
CURRENT ASSETS:								
CASH	1310	46,668	-	36,970	D	83,638	BB	695,115
WORKING FUNDS	1350	33,700	3,270	(36,970)	D	-		-
SPEC DEP-OTHER	1320-1340	3,364,143	-	-		3,364,143	GG	3,257,814
ACCOUNTS REC	1420-1430,1720	9,608,544	1,725,882	864,902	D	12,199,328	CC	14,997,150
NOTES REC	1410	-	-	297,940		297,940		298,411
ALLOW FOR UNCOLL ACCTS	1440	(364,980)	(64,399)	-		(429,379)	DD	(271,998)
RECEIVABLES ASSOC. COS.	1460	13,389,885	-	(13,389,885)	E	-		-
OTHER INVESTMENTS	1240,1280	6,013,238	24,208	(297,940)		5,739,506	FF	5,793,830
MAT & SUPPLY	151,154-156,163	1,954,014	2,166,364	-		4,120,378	EE	3,781,138
PREPAYMENTS-INS & PEN	1650	961,438	-	-		961,438	FF	950,750
PREPAYMENTS - OTHER - I/T		-	692	97,461	G	98,153	FF	1,159,283
UNBILLED REVENUES	1730	1,617,666	339,173	-		1,956,839	CC	1,917,994
TOTAL		36,624,316	4,195,190	(12,427,522)		28,391,984		32,579,487
DEFERRED DEBITS								
GOODWILL	1140.2	552,803	1,852,435	-		2,405,238		2,405,238
SPECIAL LT DEPOSITS	1340.1	317,836	-	-		317,836		
INTANG ASSETS-NET	1010.3031	3,418,304	986,865	-		4,405,169		4,390,764
UNAMORTIZED DEBT EXP	1810	1,797,719	-	(1,797,719)		-	HH	-
PREPAY PENSIONS-RETIRE	1650.3	-	-	-		-	HH	-
CLEARING ACCOUNTS	184*	-	-	-		-	HH	-
TEMPORARY FACILITIES	1850	12,836	-	-		12,836	HH	21,285
OTHER WORK IN PROGRESS	1860.1	475,117	-	-	I	475,117	HH	688,676
MISC. DEFERRED DEBITS	1860	5,472,737	-	-		5,472,737	HH	5,805,795
OTHER REG ASSETS-STORM	1820.32	270,039	-	-		270,039		452,327
OTHER REG ASSET-ENVIRON	1820.3	8,283,991	-	-		8,283,991		8,867,652
OTHER REG ASSET-RETIRE	1820.2	586,679	-	-		586,679		
UNDERREC FUEL	1860.21	1,707,678	-	(845,464)	F	862,214	II	3,374,851
UNDERREC CON & UNBUND	1860.6&7	-	-	-		-		-
UNAMORT LOSS/REACQD DEBT	1890	208,741	-	-		208,741	HH	227,025
REGULATORY ASSETS	1901	-	-	-		-		-
ACCUM DEFERRED INC TAX	1900	4,252,811	183,576	(4,436,387)	H	-		-
TOTAL		27,357,291	3,022,876	(7,079,570)		23,300,597		26,233,613
TOTAL ASSETS		172,219,343	19,410,668	(10,717,262)		180,912,749		181,882,996

HEARING EXHIBIT - 00000016

LIABILITIES							
CAPITALIZATION:							
COMMON STOCK 2010	9,250,472	10,000	(10,000)	C	9,250,472		9,229,514
PREMIUM ON COMMON 2070	5,542,986	-	-		5,542,986		5,373,461
MISC PAID IN CAPITAL 2110	938,906	-	-		938,906		1,052,761
RETAINED EARNINGS 2160	32,783,799	2,429,056	-		35,212,855		33,625,097
CAP STOCK EXP & DIS 2130-2150	(428,441)	-	-		(428,441)		(428,441)
TREASURY STOCK 2170	(2,841,531)	-	-	C	(2,841,531)		(3,349,121)
COMPREHENSIVE INCOME 2190	(102,777)	-	-	C	(102,777)		
COMMON SHARE EQUITY	45,143,414	2,439,056	(10,000)		47,572,470		45,503,271
PREFERRED STOCK - A 2040	600,000	-	-		600,000		600,000
LONG TERM DEBT 2210,2240	52,500,000	-	(1,797,719)		50,702,281		50,619,960
TOTAL CAPITALIZATION	98,243,414	2,439,056	(1,807,719)		98,874,751	JJ	96,723,231
CURRENT LIABILITIES:							
L-T DEBT - CURRENT	-	-	-		-		-
NOTES PAYABLE 2310	3,466,000	-	-		3,466,000	KK	9,558,000
ACCOUNTS PAYABLE 2320	10,278,572	-	-	D	10,278,572	LL	13,165,662
PAYABLES TO ASSOC CO	-	13,389,885	(13,389,885)	E	-		-
CUSTOMER DEPOSITS 2350	8,024,474	718,150	864,902		9,607,526	QQ	8,067,560
TAXES ACCRUED 2360	1,962,101	(1,483,455)	97,461	G	576,107	OO	458,364
INTEREST ACCRUED 2370	787,294	1,769	-		789,063	NN	1,013,931
DIVIDENDS DECLARED 2380	652,802	-	-	D	652,802	OO	623,174
TAX COLLECTIONS PAYABLE 2410	640,490	60,547	-		701,037	OO	1,053,704
VACATION PAY ACCRUED 2420	1,198,162	-	-		1,198,162	OO	1,075,748
INSURANCE ACCRUED 2280	181,443	-	-		181,443	MM	296,132
RATE REFUND 2420,2290	721,500	-	-		721,500	OO	700,000
MISC. CURRENT LIABS. 2420	142,604	-	150,589		293,193	OO	124,305
INACT DIVIDEND CHECKS 2420.2	-	-	-		-	OO	-
TOTAL	28,055,442	12,686,896	(12,276,933)		28,465,405		36,136,580
DEFERRED CREDITS:							
OVERREC. FUEL 2530.21	4,501,485	-	(845,464)	F	3,656,021		-
OVERREC CON & UNBUND 2530.6&7	355,325	-	-		355,325		24,103
MIS DEF -ENV INS PRO 2530.3	13,753,006	-	-	I	13,753,006	RR	14,000,745
STORM DAMAGE RESERVE 2280.11	1,636,118	-	-		1,636,118	RR	1,536,145
COST OF REMOVAL	-	-	8,799,830		8,799,830		8,256,355
MED & PENSION RESERVE 2280.3	4,881,025	-	(150,589)		4,730,436		2,662,982
CUST ADVANCES-CONSTR 2520.1	2,314,703	392,376	-		2,707,079	RR	2,346,388
UNAMORTIZED I.T.C. 2550.1	335,146	-	-		335,146	SS	410,528
OTHER DEF CR 2530.1,4	40,653	-	-		40,653	RR	161,073
DEF. TAXES CURRENT	-	-	579,000		579,000		
REGULATORY LIABILITIES 2821	876,346	-	-		876,346	SS	990,879
CONTRIB IN AID 2710,2720	-	-	-	B	-	RR	-
TOTAL	28,693,807	392,376	8,382,777		37,468,960		30,389,198
ROUNDING	1	-	-		1		3
ACCUM DEF I/T 2820,2830	17,226,680	3,892,340	(5,015,387)		16,103,633	SS	18,633,987
TOTAL LIABILITIES	172,219,343	19,410,668	(10,717,262)		180,912,749		181,882,996

HEARING EXHIBIT - 00000017

Exhibit 1.3
PSC First Set of Interrogatories
Docket No. 070304-EI

Witness: COX

FLORIDA PUBLIC UTILITIES
CONSOLIDATED BALANCE SHEET
PERIOD ENDED 6/30/2007

REPORT NAME: 10QCONSBS
DATE: 7/19/2007
USER: ALUNDGREN

10Q CONSOLIDATED BALANCE SHEET

DESCRIPTION	ACCT	FPU	Propane	RE/EL	NOTE	CONSOLIDATED	NOTES	2006 CONSOLIDATED
ASSETS								
UTILITY PLANT:								
ELECTRIC		74,163,126	-	3,690	A	74,166,816		72,776,298
NATURAL & BOTTLED GAS		97,203,872	17,612,698	1,263,777	A + K	116,080,347		112,546,082
WATER		-	-	-	K	-		-
PLANT ACQUISITION ADJS.	1140	1,267,467	-	(1,267,467)	A	-		-
COMMON PLANT		3,820,018	-	-		3,820,018		3,646,424
TOTAL		176,454,483	17,612,698	-		194,067,181		188,968,804
LESS ACCUM. DEPR. & AMORT		(65,969,102)	(5,179,120)	9,070,572	M	(62,077,650)		(59,757,072)
NET UTILITY PLANT		110,485,381	12,433,578	9,070,572		131,989,531	AA	129,211,732
NET OTHER PLANT	1210,1220	8,436	-	-		8,436	HH	8,436
INVEST IN ASSOC. CO.	1230	10,000	-	(10,000)	C	-		-
CURRENT ASSETS:								
CASH	1310	1,279,656	-	35,650	D	1,315,306	BB	83,638
WORKING FUNDS	1350	33,700	1,950	(35,650)	D	-		-
SPEC DEP-OTHER	1320-1340	3,413,045	-			3,413,045	GG	3,364,143
ACCOUNTS REC	1420-1430,1720	8,028,998	1,403,202	1,013,324	P	10,445,524	CC	12,199,328
NOTES REC	1410	-	-	292,139	L	292,139		297,940
ALLOW FOR UNCOLL ACCTS	1440	(337,559)	(69,144)	-		(406,703)	DD	(429,379)
RECEIVABLES ASSOC. COS.	1460	14,848,383	-	(14,848,383)	E	-		-
OTHER INVESTMENTS	1240,1280	5,796,177	-	(292,139)	L	5,504,038	FF	5,739,506
MAT & SUPPLY	151,154-156,163	1,863,335	2,161,947	-		4,025,282	EE	4,120,378
PREPAYMENTS-INS & PEN	1650	418,101	-	-		418,101	FF	961,438
PREPAYMENTS - OTHER - I/T		-	-	0	G	-	FF	98,153
UNBILLED REVENUES	1730	1,317,813	369,165	-		1,686,978	CC	1,956,839
Def tax asset - current				561,000		561,000		
TOTAL		36,661,649	3,867,120	(13,274,059)		27,254,710		28,391,984
DEFERRED DEBITS								
GOODWILL	1140.2	552,803	1,852,435	-		2,405,238	HH	2,405,238
SPECIAL LT DEPOSITS	1340.1	317,836	-			317,836		317,836
INTANG ASSETS-NET	1010.3031	3,499,717	976,199	-	K	4,475,916		4,405,169
UNAMORTIZED DEBT EXP	1810	1,759,973	-	(1,759,973)	O	-		-
PREPAY PENSIONS-RETIRE	1650.3	-	-			-	HH	-
CLEARING ACCOUNTS	184*	74	-	-		74	HH	-
TEMPORARY FACILITIES	1850	21,995	-	-		21,995	HH	12,836
OTHER WORK IN PROGRESS	1860.1	598,887	-			598,887	HH	475,117
MISC. DEFERRED DEBITS	1860	5,258,920	-		I	5,258,920	HH	5,472,737
OTHER REG ASSETS-STORM	1820.32	161,870	-			161,870		270,039
OTHER REG ASSET-ENVIRON	1820.3	7,968,917	-			7,968,917		8,283,991
OTHER REG ASSET-RETIRE	1820.2	286,648	-			286,648		586,679
UNDERREC FUEL	1860.21	1,892,403	-	(436,459)	F	1,455,944	II	862,214
UNDERREC CON & UNBUND	1860.6&7	-	-	-	J	-		-
UNAMORT LOSS/REACQD DEBT	1890	199,599	-			199,599	HH	208,741
REGULATORY ASSETS	1901	-	-	-		-		-
ACCUM DEFERRED INC TAX	1900	4,367,205	80,560	(4,447,765)	H	-		-
TOTAL		26,886,847	2,909,194	(6,644,197)		23,151,844		23,300,597
TOTAL ASSETS		174,052,313	19,209,892	(10,857,684)		182,404,521		180,912,749

HEARING EXHIBIT - 00000018

LIABILITIES

CAPITALIZATION:							
COMMON STOCK	2010	9,262,501	10,000	(10,000)	C	9,262,501	9,250,472
PREMIUM ON COMMON	2070	5,633,681	-	-		5,633,681	5,542,986
MISC PAID IN CAPITAL	2110	845,867	-	-		845,867	938,906
RETAINED EARNINGS	2160	35,296,440	784,225	-		36,080,665	35,212,855
CAP STOCK EXP & DIS	2130-2150	(428,441)	-	-		(428,441)	(428,441)
TREASURY STOCK	2170	(2,528,593)	-	-	C	(2,528,593)	(2,841,531)
COMPREHENSIVE INCOME	2190	(53,461)	-			(53,461)	(102,777)
COMMON SHARE EQUITY		48,027,994	794,225	(10,000)		48,812,219	47,572,470
PREFERRED STOCK - A	2040	600,000	-	-		600,000	600,000
LONG TERM DEBT	2210,2240	52,490,000	-	(1,759,973)	O	50,730,027	50,702,281
TOTAL CAPITALIZATION		101,117,994	794,225	(1,769,973)		100,142,246	98,874,751
						JJ	
CURRENT LIABILITIES:							
L-T DEBT - CURRENT		-	-	-		-	-
NOTES PAYABLE	2310	1,105,000	-	-		1,105,000	3,466,000
ACCOUNTS PAYABLE	2320	10,067,190	-	31,025	D	10,098,215 KK	10,278,572
PAYABLES TO ASSOC CO		-	14,848,383	(14,848,383)	E	- LL	-
CUSTOMER DEPOSITS	2350	8,671,724	752,508	982,299	P	10,406,531	9,607,526
TAXES ACCRUED	2360	2,843,593	(1,406,635)	0	G	1,436,958 QQ	576,107
INTEREST ACCRUED	2370	597,622	622	-		598,244 OO	789,063
DIVIDENDS DECLARED	2380	685,723	-	-		685,723 NN	652,802
TAX COLLECTIONS PAYABLE	2410	666,898	60,021	-		726,919 OO	701,037
VACATION PAY ACCRUED	2420	1,198,162	-	-		1,198,162 OO	1,198,162
INSURANCE ACCRUED	2280	150,000	-	-		150,000 OO	181,443
RATE REFUND	2420,2290	760,182	-	-		760,182 MM	721,500
MISC. CURRENT LIABS.	2420	247,093	-	1,414,162		1,661,255 OO	293,193
INACT DIVIDEND CHECKS	2420.2	-	-	-		- OO	-
TOTAL		26,993,187	14,254,899	(12,420,897)		28,827,189	28,465,405
DEFERRED CREDITS:							
OVERREC. FUEL	2530.21	4,255,188	-	(436,459)	F	3,818,729	3,656,021
OVERREC CON & UNBUND	2530.6&7	596,708	-	-	J	596,708 PP	355,325
MIS DEF -ENV INS PRO	2530.3	13,707,771	-	(940,000)	I	12,767,771	13,753,006
STORM DAMAGE RESERVE	2280.11	1,696,928	-			1,696,928 TT	1,636,118
COST OF REMOVAL		-	-	9,070,572	M	9,070,572	8,799,830
MED & PENSION RESERVE	2280.3	5,412,870	-	(124,926)		5,287,944	4,730,436
CUST ADVANCES-CONSTR	2520.1	2,648,681	306,401	(349,236)		2,605,846	2,707,079
UNAMORTIZED I.T.C.	2550.1	300,688	-	-		300,688 WW	335,146
OTHER DEF CR	2530.1,4	2,446	-	-		2,446 VV	40,653
DEF. TAXES CURRENT		-	-	-		-	579,000
REGULATORY LIABILITIES	2821	876,346	-	-		876,346 SS	876,346
CONTRIB IN AID	2710,2720	-	-	-		- VV	-
						UU	
TOTAL		29,497,626	306,401	7,219,951		37,023,978 VV	37,468,960
ROUNDING		-	(2)	-		(2)	1
ACCUM DEF I/T	2820,2830	16,443,506	3,854,367	(3,886,765)	H	16,411,108	16,103,633
						RR	
TOTAL LIABILITIES		174,052,313	19,209,892	(10,657,684)		182,404,521	180,912,749

HEARING EXHIBIT - 00000019

Exhibit - 3 (Schedule D-1a (2008 showing removal of Flo-Gas) COST OF CAPITAL - 13-MONTH AVERAGE

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division
DOCKET NO.: 070304-EI

EXPLANATION: Provide the company's 13-month average cost of capital for the test year, the prior year, and historical base year.

Type of Data Shown:
Projected Test Year Ended 12/31/08
Witness: Doreen Cox, Robert Camfield

Line No.	Class of Capital	(A) Company Total Per Books	(B) Specific Adjustments	(C) Pro Rata Adjustments	(D) System Adjusted	(E) Jurisdictional Factor	(F) Jurisdictional Capital Structure	(G) Ratio	(H) Cost Rate	(I) Weighted Cost Rate	(J) Interest Expense
		Incl Flo-Gas	Flo-Gas (Net of OCI)		Excl Flo-Gas						
	Regulatory Capital Structure, 2008				**Regulatory Capital Structure, 2008**						
1.	Long Term Debt	49,777,370			49,777,370	29.60%	14,733,561	0.3425	7.96%	2.73%	1,173,525
2.	Short Term Debt	6,436,923			6,436,923	29.60%	1,905,259	0.0443	6.81%	0.30%	129,657
3.	Preferred Stock	600,000			600,000	29.60%	177,593	0.0041	4.75%	0.02%	
4.	Common Equity	58,109,878	353,999		57,755,879	29.60%	17,095,113	0.3974	11.50%	4.57%	
5.	Customer Deposits	2,948,763			2,948,763		2,948,763	0.0685	6.32%	0.43%	186,223
6.	Deferred Income Taxes	6,078,743			6,078,743		6,078,743	0.1413	0.00%	0.00%	
7.	Tax Credits-Zero Cost	0			0		0	0.0000	0.00%	0.00%	
8.	Tax Credits-Weighted Cost	81,965			81,965		81,965	0.0019	9.67%	0.02%	
9.	TOTAL	124,033,642	353,999	0	123,679,643		43,020,997	1.0000		8.07%	1,489,405

	Class of Capital	Company Total Per Books	Ratio	Cost Rate	Weighted Cost Rate
	Conventional Capital Structure, 2008				
10.	Long Term Debt	49,777,370	0.4345	7.96%	3.46%
11.	Short Term Debt	6,436,923	0.0562	6.81%	0.38%
12.	Preferred Stock	600,000	0.0052	4.75%	0.02%
13.	Common Equity	57,755,879	0.5041	11.50%	5.80%
14.	TOTAL	114,570,172	1.0000		9.67%

Rate Base	$43,020,997
Direct Components	$9,109,471
	$33,911,526
Jurisdictional Factor	29.60%

Supporting Schedules: B-1 (2008), B-3 (2008), D-3, D-4a, D-5, D-6

Recap Schedules:

Exhibit 3
PSC First Set of Interrogatories
Docket No. 070304-EI

Witness: COX / CAMFIELD

HEARING EXHIBIT - 00000021

Renewal Revolving Promissory Note

Effective Date: August 25, 2006
Amount: $20,000,000.00

Maturity Date: July 1, 2008

Lender:	Borrower:
Bank of America, N.A. 9000 Southside Boulevard Building 100 FL9-100-03-15 Jacksonville, FL 32256-0793	Florida Public Utilities Company 401 South Dixie Highway West Palm Beach, FL 33401

FOR VALUE RECEIVED, Florida Public Utilities Company (the "Borrower") unconditionally promises to pay to the order of Bank of America, N.A. and its successors and assigns (the "Lender"), without setoff, in immediately available funds, at its offices indicated at the beginning of this Note, or at such other place as may be designated by Lender (the "Payment Office of Lender"), the principal amount of Twenty Million Dollars ($20,000,000.00), or so much thereof as may be advanced from time to time, together with interest computed daily on the outstanding principal balance hereunder, at an annual interest rate, and in accordance with the payment schedule, indicated below.

1. **Rate. Variable Interest Rate.** The interest rate on this Note is a fluctuating rate of interest based upon "The Wall Street Journal LIBOR One Month Floating Rate." The Wall Street Journal LIBOR One Month Floating Rate is a fluctuating rate of interest equal to the one month London Interbank Offered Rate as published in the "Money Rates" section of The Wall Street Journal (or, if such source is not available, such alternate source as determined by the Lender) as adjusted from time to time in the Lender's sole discretion for reserve requirements, deposit insurance assessment rates and other regulatory costs (the "Index"). Any change in the Index, and thus, the interest rate on this Note, will take effect on the effective date as indicated in The Wall Street Journal (or any alternate source described herein). Interest will accrue on any day which is not a Business Day at the rate in effect on the immediately preceding Business Day. A Business Day is any day other than a Saturday or Sunday or day on which the Payment Office of Lender is lawfully closed.

The interest rate to be applied to the unpaid principal balance of this Note will be at a rate equal to the Index plus an additional percentage per annum (the "Spread"). The Spread will be 0.90% per annum.

Notwithstanding any provision of this Note, Lender does not intend to charge and Borrower shall not be required to pay any amount of interest or other charges in excess of the maximum permitted by the applicable law. Any payment in excess of such maximum shall be credited against the principal balance of this Note and any remaining excess shall be refunded to the Borrower.

2. **Accrual Method.** The interest rate on this Note shall be computed on a 360/actual basis; that is, by applying the ratio of the annual interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding.

3. **Payment Schedule.** All payments received hereunder shall be applied first to the payment of any expense or charges payable hereunder or under any other Loan Documents executed in connection with this Note, then to interest due and payable, with the balance applied to principal, or in such other order as Lender shall determine at its option. Principal shall be paid in full in a single payment on July 1, 2008 (the "Maturity Date"). Interest on the principal amount outstanding hereunder shall be paid monthly, commencing on September 1, 2006, and continuing on the same day of each consecutive month thereafter, with a final payment of all unpaid interest at the stated maturity of this Note.

This Note may be renewed effective July 1, 2008 and thereafter if and only if the Lender has sent to the Borrower a written notice of renewal (the "Renewal Notice") effective as of the Maturity Date and the Borrower has accepted the same. If this Note is renewed, it will continue to be subject to all the terms and conditions set forth herein except as modified by the Renewal Notice. If this Note is renewed, the term "Maturity Date" shall mean the date set forth in the Renewal Notice as the Maturity Date, and all outstanding principal plus all accrued interest shall be paid on the Maturity Date. The same process for renewal will apply to any subsequent renewal of this Note. A renewal fee may be charged at Lender's option. The amount of the renewal fee will be specified in the Renewal Notice.

4. **Revolving Feature; Availability.** The Borrower may borrow, repay and reborrow under this Note from time to time up to Availability (as defined in the hereinafter described Loan Agreement), by requesting advances as provided in the Loan Agreement.

5. **Automatic Payment.** Borrower has elected to authorize Lender to effect payment of interest due under this Note by means of debiting Borrower's account number 5488080210. This authorization shall not affect the obligation of Borrower to pay such sums when due, without notice, if there are insufficient funds in such account to make such payment in full on the due date thereof, or if Lender fails to debit the account.

6. **Waivers, Consents and Covenants.** Borrower, any indorser or guarantor hereof, or any other party hereto (individually an "Obligor" and collectively "Obligors") and each of them, jointly and severally: (a) waive presentment, demand, protest, notice of demand, notice of intent to accelerate, notice of acceleration of maturity, notice of protest, notice of nonpayment, notice of dishonor, and any other notice otherwise required to be given under the law to any Obligor in connection with the delivery, acceptance, performance, default or enforcement of this Note, any indorsement or guaranty of this Note, or any other documents executed in connection with this Note including, but not limited to, the Amended and Restated Loan Agreement, dated October 29, 2004, between Lender and Borrower, as amended by the First Amendment to Amended and Restated Loan Agreement, dated of even date herewith (as so amended, the "Loan Agreement") and the Related Documents described therein (the "Loan Documents"); (b) consent to all delays, extensions, renewals or other modifications of this Note or the Loan Documents, or waivers of any term hereof or of the Loan Documents, or release or discharge by Lender of any Obligor, or release, substitution or exchange of any security for the payment hereof, or the failure to act on the part of Lender, or any indulgence shown by Lender (without notice to or further assent from any Obligor), and agree that no such action, failure to act or failure to exercise any right or remedy by Lender shall in any way affect or impair the obligations of any Obligor or be construed as a waiver by Lender of, or

otherwise affect, any of Lender's rights under this Note, under any indorsement or guaranty of this Note or under any of the Loan Documents; and (c) agree to pay, on demand, all costs and expenses of collection or defense of this Note or of any indorsement or guaranty hereof and/or the enforcement or defense of Lender's rights with respect to, or the administration, supervision, preservation, or protection of, or realization upon, any property securing payment hereof, including, without limitation, reasonable attorney's and paralegal's fees, including fees related to any suit, mediation or arbitration proceeding, out of court payment agreement, trial, appeal, bankruptcy proceedings or other proceeding, in such amount as may be determined reasonable by any arbitrator or court, whichever is applicable.

7. **Indemnification.** Obligor agrees to promptly pay, indemnify and hold Lender harmless from all State and Federal taxes of any kind (except State and Federal taxes based on income received by Lender, which shall not be an obligation of Obligor) and other liabilities with respect to or resulting from the execution and/or delivery of this Note or any advances made pursuant to this Note. Obligor expressly consents to the deduction of any applicable taxes from each advance extended by Lender hereunder.

8. **Prepayments.** Prepayments may be made in whole or in part at any time.

9. **Delinquency Charge.** Borrower shall pay on demand of Lender, a delinquency charge in an amount not to exceed two percent (2%) of any payment that is more than fifteen days late.

10. **Events of Default.** It shall be an event of default hereunder if there shall be an Event of Default under the Loan Agreement.

11. **Remedies upon Default.** Whenever there is a default under this Note (a) the entire balance outstanding hereunder and all other obligations of any Obligor to Lender (however acquired or evidenced) shall, at the option of Lender, become immediately due and payable and any obligation of Lender to permit further borrowing under this Note shall immediately cease and terminate, and/or (b) to the extent permitted by law, the rate of interest on the unpaid principal shall be increased at Lender's discretion up to the maximum rate allowed by law (the "Default Rate"). The provisions herein for a Default Rate shall not be deemed to extend the time for any payment hereunder or to constitute a "grace period" giving any Obligor a right to cure any default. At Lender's option, any accrued and unpaid interest, fees or charges may, for purposes of computing and accruing interest on a daily basis after the due date of the Note or any installment thereof, be deemed to be a part of the principal balance, and interest shall accrue on a daily compounded basis after such date at the Default Rate until the entire outstanding balance of principal and interest is paid in full. Upon a default under this Note, Lender is hereby authorized at any time, at its option and without notice or demand, to set off and charge against any deposit accounts of any Obligor (as well as any money, instruments, securities, documents, chattel paper, credits, claims, demands, income and any other property, rights and interests of any Obligor), which at any time shall come into the possession or custody or under the control of Lender or any of its agents, affiliates or correspondents, any and all obligations due hereunder. Additionally, Lender shall have all rights and remedies available under each of the Loan Documents, as well as all rights and remedies available at law or in equity.

HEARING EXHIBIT - 00000025

12. **Non-waiver.** The failure at any time of Lender to exercise any of its options or any other rights hereunder shall not constitute a waiver thereof, nor shall it be a bar to the exercise of any of its options or rights at a later date. All rights and remedies of Lender shall be cumulative and may be pursued singly, successively or together, at the option of Lender. The acceptance by Lender of any partial payment shall not constitute a waiver of any default or of any of Lender's rights under this Note. No waiver of any of its rights hereunder, and no modification or amendment of this Note, shall be deemed to be made by Lender unless the same shall be in writing, duly signed on behalf of Lender; each such waiver shall apply only with respect to the specific instance involved, and shall in no way impair the rights of Lender or the obligations of Obligors to Lender in any other respect at any other time.

13. **Applicable Law, Venue and Jurisdiction.** This Note and the rights and obligations of Borrower and Lender shall be governed by and interpreted in accordance with the law of the State of Florida. In any litigation in connection with or to enforce this Note or any indorsement or guaranty of this Note or any Loan Documents, Obligors, and each of them, irrevocably consent to and confer personal jurisdiction on the courts of the State of Florida or the United States located within the State of Florida and expressly waive any objections as to venue in any such courts. Nothing contained herein shall, however, prevent Lender from bringing any action or exercising any rights within any other state or jurisdiction or from obtaining personal jurisdiction by any other means available under applicable law.

14. **Partial Invalidity.** The unenforceability or invalidity of any provision of this Note shall not affect the enforceability or validity of any other provision herein and the invalidity or unenforceability of any provision of this Note or of the Loan Documents to any person or circumstance shall not affect the enforceability or validity of such provision as it may apply to other persons or circumstances.

15. **Binding Effect.** This Note shall be binding upon and inure to the benefit of Borrower, Obligors and Lender and their respective successors, assigns, heirs and personal representatives, provided, however, that no obligations of Borrower or Obligors hereunder can be assigned without prior written consent of Lender.

16. **Controlling Document.** To the extent that this Note conflicts with or is in any way incompatible with any other document related specifically to the loan evidenced by this Note, this Note shall control over any other such document, and if this Note does not address an issue, then each other such document shall control to the extent that it deals most specifically with an issue.

Borrower acknowledges having read and understood, and agrees to be bound by, all terms and conditions of this Note, including the variable interest rate provisions, and hereby executes this Note as of the date here above written. Borrower acknowledges receipt of a completed copy of this Note.

NOTICE OF FINAL AGREEMENT. THIS WRITTEN PROMISSORY NOTE REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR

SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

EXECUTION DATE: August 25, 2006

FLORIDA PUBLIC UTILITIES COMPANY

By: _____
Name: George M. Bachman
Title: CFO and Treasurer

HEARING EXHIBIT - 00000027

FIRST AMENDMENT TO AMENDED AND RESTATED LOAN AGREEMENT

This **FIRST AMENDMENT TO AMENDED AND RESTATED LOAN AGREEMENT** (this "**Amendment**") is dated as of August 25, 2006, is between ***FLORIDA PUBLIC UTILITIES COMPANY***, a Florida corporation (the "**Company**") and **BANK OF AMERICA, N.A.**, a national banking association (the "**Lender**"), and amends that certain Amended and Restated Loan Agreement (the "**Original Agreement**"), dated October 29, 2004, between the Company and the Lender.

Section 1. Section 2.01(a) of the Original Agreement is amended to provide:

(a) Establishment of Line of Credit. On the Closing Date, and upon fulfillment of the applicable conditions set forth herein, the Lender shall establish in favor of the Company a revolving line of credit (the "**Revolving Line of Credit**") in the amount of the Availability. The Company shall be entitled to borrow, repay and reborrow funds from the Lender in accordance with the terms hereof so long as the sum of (i) the total principal amount owed to the Lender under the Revolving Line of Credit plus (ii) the Outstanding Letter of Credit Amount (as defined in **Section 2.01(e)**) does not exceed the Availability. This indebtedness shall be evidenced by a Revolving Promissory Note (as amended, extended or renewed from time to time, the "**Promissory Note**") of even date herewith executed by the Company in favor of the Lender in the principal amount of up to $20,000,000. The Promissory Note shall bear interest at the rate set forth therein and shall be payable as set forth therein.

The Revolving Line of Credit shall terminate on July 1, 2008 (as such date may be extended, the "**Expiration Date**"). The Expiration Date will be considered renewed if and only if the Lender has sent to the Company a written notice of renewal (the "Renewal Notice"). If the Revolving Line of Credit is renewed, it will continue to be subject to all the terms and conditions set forth in this Loan Agreement except as modified by the Renewal Notice. If the Revolving Line of Credit is renewed, the term "Expiration Date" shall mean the date set forth in the Renewal Notice as the Expiration Date and the same process for renewal will apply to any subsequent renewal of the Revolving Line of Credit. A renewal fee may be charged at the Lender's option. The amount of any renewal fee will be specified in the Renewal Notice.

The Lender shall not in any event be required to make an Advance during the continuance of an Event of Default or if any change in the financial condition of the Company occurs which, in the Lender's discretion, is material and adverse.

The Availability as of the Closing Date shall be $12,000,000.00. Provided no Event of Default exists, and provided there has been no change in the financial condition of the Company since the Closing Date which in the Lender's discretion is material and adverse, at any time prior to the Expiration Date or Reduction Date (hereinafter defined) the Company may increase the Availability to $15,000,000.00 by providing not less than 30 days' prior written notice to the Lender, requesting the increase and specifying the effective date thereof. Provided no Event of Default exists, and provided there has been no change in the financial condition of the Company since the Closing Date which in the Lender's discretion is material and adverse, at any time prior to the Expiration Date or Reduction Date the Company may increase the Availability to $20,000,000.00 by providing not less than 30 days' prior written notice to the Lender, requesting the increase and specifying the effective date thereof. At any time the Company may reduce the Availability in increments of $1,000,000.00 by providing not less than 30 days' prior written notice to the Lender, requesting the decrease and specifying the effective date thereof (the date of the first such decrease being referred to herein as the "**Reduction Date**").

Section 2. Section 2.01(c) of the Original Agreement is amended to provide:

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(c) Letter of Credit Facility. The Company may obtain letters of credit under this Agreement from time to time for such purposes as the Company may require in the ordinary course of business. The sum of (i) the aggregate Outstanding Letter of Credit Amount plus (ii) total principal amount owed to the Lender under the Revolving Line of Credit shall not at any time exceed the Availability. For purposes of this Loan Agreement, the "**Outstanding Letter of Credit Amount**" shall include (a) amounts available for draws under outstanding letters of credit (whether or not such draws are subject to satisfaction of prior conditions); and (b) the amount of any draws under letters of credit for which the Lender has not received reimbursement. The Company shall request letters of credit by giving the Lender written notice of each request at least five business days prior to the issuance of the letter of credit. The Company shall, with such request, complete an application in form acceptable to the Lender and execute or otherwise agree to such terms, conditions and reimbursement agreements (each, an "**LC Reimbursement Agreement**") concerning the Letter of Credit as the Lender may require. The obligation of the Company to reimburse the Lender for amounts drawn on such letters of credit shall be an "Obligation" under this Agreement. No letter of credit shall be issued after the Expiration Date or which could be drawn on after the date 18 months after the Expiration Date. In the event of a draw on the letter of credit, the Lender may at its option obtain an Advance under the Revolving Line of Credit (without further notice to or consent of the Company) to reimburse the Lender for such draw. If the Lender elects not to obtain an Advance under the Revolving Line of Credit or if credit in the amount of the draw is not available under the Revolving Line of Credit, the Company shall immediately upon demand reimburse the Lender for the amount of the draw together with interest thereon and such other amounts as may be due under any applicable LC Reimbursement Agreement. The Lender shall not in any event be required to issue a letter of credit during the continuance of an Event of Default. The Company shall pay the Lender such issuance, amendment, draw and other fees with respect to letters of credit as the Lender may from time to time establish Any and all amounts due from the Company to the Lender under any LC Reimbursement Agreement shall constitute part of the Obligations hereunder.

Section 3. Section 5.02(c) of the Original Agreement is amended to provide:

> (c) Indebtedness. Without Lender's prior written consent, incur, create, guarantee, assume or permit to exist (i) any interest rate swap, cap or collar, except with respect to, and with a notional amount not in excess of, Indebtedness permitted under clause (ii), or (ii) any Indebtedness outstanding at any time in a principal amount of more than $2,000,000.00.

Section 4. Section 7.12 of the Original Agreement is amended to provide:

> (c) The Company shall fail to perform or observe the provisions of **Section 5.01(i), (k) or (l) or Section 5.02** of this Loan Agreement, provided that in the case of a failure to perform or observe the provisions of Section 5.01(k) or (l) of the Loan Agreement, said failure shall not constitute an Event of Default until the 91st day following the latest date by which the Company was required to provide the financial information required by Section 5.01(k) or (l), as the case may be, regardless of the date on which the Company actually provided such information; or

Section 5. Section 7.12 of the Original Agreement is amended to provide:

> Section 7.12 Arbitration and Waiver of Jury Trial.
>
> (a) This Section 7.12 concerns the resolution of any controversies or claims between the parties, whether arising in contract, tort or by statute, that arise out of or relate to: (i) this Agreement (including any renewals, extensions or modifications); or (ii) any document

related to this Agreement (collectively a "Claim"). For the purposes of this arbitration provision only, the term "parties" shall include any parent corporation, subsidiary or affiliate of the Bank involved in the servicing, management or administration of any obligation described or evidenced by this Agreement.

(b) At the request of any party to this Agreement, any Claim shall be resolved by binding arbitration in accordance with the Federal Arbitration Act (Title 9, U.S. Code) (the "Arbitration Act"). The Arbitration Act will apply even though this Loan Agreement provides that it is governed by the law of a specified state. The arbitration will take place on an individual basis without resort to any form of class action.

(c) Arbitration proceedings will be determined in accordance with the Arbitration Act, the then-current rules and procedures for the arbitration of financial services disputes of the American Arbitration Association or any successor thereof ("AAA"), and the terms of this Section. In the event of any inconsistency, the terms of this paragraph shall control. If AAA is unwilling or unable to (i) serve as the provider of arbitration or (ii) enforce any provision of this arbitration clause, any party to this Agreement may substitute another arbitration organization with similar procedures to serve as the provider of arbitration.

(d) The arbitration shall be administered by AAA and conducted in West Palm Beach, Florida. All Claims shall be determined by one arbitrator; however, if Claims exceed Five Million Dollars ($5,000,000), upon the request of any party, the Claims shall be decided by three arbitrators. All arbitration hearings shall commence within ninety (90) days of the demand for arbitration and close within ninety (90) days of commencement and the award of the arbitrator(s) shall be issued within thirty (30) days of the close of the hearing. However, the arbitrator(s), upon a showing of good cause, may extend the commencement of the hearing for up to an additional sixty (60) days. The arbitrator(s) shall provide a concise written statement of reasons for the award. The arbitration award may be submitted to any court having jurisdiction to be confirmed, judgment entered and enforced.

(e) The arbitrator(s) will give effect to statutes of limitation in determining any Claim and may dismiss the arbitration on the basis that the Claim is barred. For purposes of the application of the statute of limitations, the service on AAA under applicable AAA rules of a notice of Claim is the equivalent of the filing of a lawsuit. Any dispute concerning this arbitration provision or whether a Claim is arbitrable shall be determined by the arbitrator(s). The arbitrator(s) shall have the power to award legal fees pursuant to the terms of this Agreement.

(f) This Section does not limit the right of any party to: (i) exercise self-help remedies, such as but not limited to, setoff; (ii) initiate judicial or non-judicial foreclosure against any real or personal property collateral; (iii) exercise any judicial or power of sale rights, or (iv) act in a court of law to obtain an interim remedy, such as but not limited to, injunctive relief, writ of possession or appointment of a receiver, or additional or supplementary remedies.

(g) The filing of a court action is not intended to constitute a waiver of the right of any party, including the suing party, thereafter to require submittal of the Claim to arbitration.

(h) By agreeing to binding arbitration, the parties irrevocably and voluntarily waive any right they may have to a trial by jury in respect of any Claim. Furthermore, without intending in any way to limit this agreement to arbitrate, to the extent any Claim is not

arbitrated, the parties irrevocably and voluntarily waive any right they may have to a trial by jury in respect of such Claim. This provision is a material inducement for the parties entering into this Agreement.

Section 6. The Company agrees to pay the fee of counsel to the Lender, Moyle, Flanigan, Katz, Raymond, White & Krasker, P.A., in the amount of $1,500.00, within 15 days after billing, and failing such payment authorize the Lender to debit such fee from any account of the Company maintained at the Lender.

Section 7. The Company acknowledges that the Original Agreement remains in full force and effect except as modified by or as described herein. The Company affirms all representations and warranties made by it in the Original Agreement as of the date hereof. The Company affirms the grant of the security interest made by it in the Security Agreement dated October 29, 2004. The Company affirms that the Tax Indemnity Agreement dated October 29, 2004 between the Company and the Lender remains in effect and encompasses the Loan and the Promissory Note as modified hereby.

Section 8. This Amendment may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to Amended and Restated Loan Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

FLORIDA PUBLIC UTILITIES COMPANY

By: _____
Name: George M. Bachman
Title: CFO and Treasurer

BANK OF AMERICA, N.A.

By: _____
Name: Steven J. Whittingslow
Title: Senior Vice President

AMENDED AND RESTATED LOAN AGREEMENT

Dated as of October 29, 2004

between

FLORIDA PUBLIC UTILITIES COMPANY

and

BANK OF AMERICA, N.A.

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AMENDED AND RESTATED LOAN AGREEMENT

This **AMENDED AND RESTATED LOAN AGREEMENT** (this "**Loan Agreement**") is dated as of October 29, 2004, is between **FLORIDA PUBLIC UTILITIES COMPANY**, a Florida corporation (the "**Company**") and **BANK OF AMERICA, N.A.**, a national banking association (the "**Lender**"), and amends and restates in its entirety that certain Loan Agreement, dated April 21, 2003, between the Company and the Lender, as heretofore amended and supplemented.

RECITALS:

The Company has requested, and the Lender has agreed, that the Lender will establish a revolving line of credit for the Company in the principal amount of up to $20,000,000 (the "**Loan**"), which will be evidenced by a promissory note made by the Company to the order of the Lender (the "**Promissory Note**").

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, including the covenants, terms and conditions hereinafter appearing, and in order to induce the Lender to make the Loan, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Certain Defined Terms. As used in this Loan Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

"**Advance**" means a disbursement of Loan funds made, or to be made, to the Company under the terms and conditions of **Section 2.02** of this Loan Agreement.

"**Availability**" is defined in **Section 2.01(a)** of this Loan Agreement.

"**Business Day**" means a day other than (a) a Saturday or Sunday or (b) a day on which the Lender is lawfully closed.

"**Capital Leases**" means all leases which have been or should be capitalized in accordance with Generally Accepted Accounting Principles as in effect from time to time, including Statement No. 13 of the Financial Accounting Standards Board and any successor thereof.

"**Closing Date**" means October 29, 2004.

"**Default Rate**" means the maximum rate permitted by law.

"**Environmental Laws**" means and includes each and every federal, state or local statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to, or imposing liability or standards of conduct concerning any Hazardous Materials, as now or at any time hereafter in effect.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, including any rules and regulations promulgated thereunder.

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"**Event of Default**" has the meaning assigned to that term in Section 6.01 of this Loan Agreement.

"**Generally Accepted Accounting Principles**" or "**GAAP**" means those principles of accounting set forth in statements of the Financial Accounting Standards Board or which have other substantial authoritative support and are applicable in the circumstances as of the date of a report, as such principles are from time to time supplemented and amended.

"**Governmental Authority**" any domestic or foreign, federal, state, county, municipal or other governmental department, entity, authority, commission, board, bureau, court, agency or any instrumentality of any of them.

"**Hazardous Materials**" means and includes any hazardous, toxic or dangerous waste, substance or material defined as such in (or for purposes of) or subject to regulation under any applicable laws.

"**Indebtedness**" means all items which would, in conformity with Generally Accepted Accounting Principles, be classified as liabilities on a balance sheet (excluding trade payables incurred in the ordinary course of business) as of the date such determination of indebtedness is made and in any event including (without duplication):

(a) all indebtedness for money borrowed;

(b) all liabilities guaranteed or assumed, directly or indirectly, in any manner, or endorsed (otherwise than for collection or deposit in the ordinary course of business) or discounted thereby with recourse;

(c) the face amount of all letters of credit issued for the account of an entity and, without duplication, all drafts drawn thereunder;

(d) all indebtedness in effect guaranteed, directly or indirectly, whether through an agreement, contingent or otherwise, to purchase or repurchase such indebtedness or to purchase, sell or lease (as lessee or lessor) any property or services primarily for the purpose of enabling the debtor to make payment of such indebtedness or to assure the owner of the indebtedness against loss, or to advance or supply funds to or to invest in any other manner in the debtor, whether through purchasing stock, making a loan, advance or capital contribution or by means of agreeing to maintain or cause such debtor to maintain a minimum working capital or net worth, or otherwise (but excluding endorsements for collection or deposit in the ordinary course of business);

(e) all liabilities secured by any lien on any property, to the extent attributable to such Person's interest in such property, even though such person has not assumed or become liable for the payment thereof; and

(f) obligations under Capital Leases.

"**Interest Rate Protection Agreement**" means any and all interest rate swap agreements, interest cap agreements, interest rate collar agreements, exchange agreements, forward currency exchange agreements, forward rate currency or interest rate options, foreign currency hedge, or any similar agreements or arrangements entered into by the Company and the Lender in connection with the Promissory Note to hedge the risk of variable interest rate volatility or fluctuations of interest rates, as such agreements or

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arrangements may be modified, supplemented, and in effect from time to time, and any and all cancellations, buy backs, reversals, terminations, or assignments of any of the foregoing.

"**Loan**" has the meaning assigned to such term in the recitals hereto.

"**Loan Agreement**" means this Loan Agreement and any amendments or supplements hereto.

"**Multiemployer Plan**" means a "multiemployer plan" as defined in Section 4001(a)(3) of ERISA.

"**Obligations**" means any and all of the indebtedness, liabilities, covenants, promises, agreements, terms, conditions, and other obligations of every nature whatsoever, whether joint or several, direct or indirect, absolute or contingent, liquidated or unliquidated, of the Company to the Lender, evidenced by, secured by, under and as set forth in this Loan Agreement, the Promissory Note or the other Related Documents, together with all expenses, attorneys' fees, paralegals' fees and legal assistants' fees incurred by Lender in the preparation, execution, perfection or enforcement of any document relating to any of the foregoing, and including, without limitation, all of the indebtedness, liabilities, covenants, promises, agreements, terms, conditions and other obligations of any nature whatsoever, whether joint or several, direct or indirect, absolute or contingent, liquidated or unliquidated, of the Company to the Lender under any Interest Rate Protection Agreement, including, but not limited to, any and all unpaid accrued payments due the Lender, under any Interest Rate Protection Agreement, the present value of future benefits lost by the Lender's nonreceipt of future payments in excess of corresponding future liabilities under any Interest Rate Protection Agreement, and the costs of collection of all such amounts.

"**PBGC**" means the Pension Benefit Guaranty Corporation or any successor thereto.

"**Person**" means any individual, joint venture, corporation, company, voluntary association, partnership, limited liability company, trust, joint stock company, unincorporated organization, association, government, or any agency, instrumentality, or political subdivision thereof, or any other form of entity.

"**Permitted Encumbrances**" means and includes

(i) liens for taxes, assessments and other governmental charges due but not yet payable;

(ii) landlord's, warehouseman's, carrier's, worker's, vendor's, mechanic's and materialmen's liens and similar liens incurred in the ordinary course of business remaining undischarged for not longer than 60 days from the filing thereof;

(iii) attachments remaining undischarged for not longer than 60 days from the making thereof;

(iv) liens in respect of pledges or deposits under worker's compensation laws, unemployment insurance or similar legislation and in respect of pledges or deposits to secure bids, tenders, contracts (other than contracts for the payment of money), leases or statutory obligations, or in connection with surety, appeal and similar bonds incidental to the conduct of litigation;

(v) Capital Leases permitted by **Section 5.02(c)(iii)** and with respect to property (A) not previously owned by the Company and (B) not otherwise acquired in whole or in part with the proceeds of the Promissory Note;

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(vi) purchase money security interests in property of the Company which property was not acquired in whole or in part with the proceeds of the Promissory Note and securing Indebtedness permitted by **Section 5.02(c)(iii)**;

(vii) liens in respect to that certain Indenture of Mortgage and Deed of Trust dated as of September 1, 1942; and

(viii) any matter consented to in writing by the Lender.

"**Plan**" means an employee benefit plan (other than a Multiemployer Plan) maintained for employees of the Company and covered by Title IV of ERISA.

"**Plan Termination Event**" means (a) a Reportable Event described in Section 4043 of ERISA and the regulations issued thereunder (other than a Reportable Event not subject to the provision for 30-day notice to the PBGC under such regulations), or (b) the withdrawal of the Company from a Plan during a plan year in which it was a "substantial employer" as defined in Section 4001(a)(2) of ERISA, or (c) the filing of a notice of intent to terminate a Plan or the treatment of a Plan amendment as a termination under Section 4041 of ERISA, or (d) the institution of proceedings to terminate a Plan by the PBGC, or (e) any other event or condition which would constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan.

"**Promissory Note**" means the Revolving Promissory Note, dated of even date herewith, made by the Company payable to the order of the Lender in the maximum principal amount of $20,000,000, and all renewals, extensions and modifications of the same.

"**Related Documents**" is defined in **Section 2.04** hereof.

Section 1.02. Computation of Time Periods. In this Loan Agreement, in the computation of a period of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

Section 1.03. Accounting Terms. All accounting terms not specifically defined herein shall be construed in accordance with Generally Accepted Accounting Principles consistently applied, except as otherwise stated herein.

Section 1.04. Other Terms. All capitalized terms used herein to the extent not otherwise defined shall have the meanings given to them in the Related Documents.

ARTICLE II

TERMS OF THE LOAN

Section 2.01. Terms of the Loan.

(a) Establishment of Line of Credit. On the Closing Date, and upon fulfillment of the applicable conditions set forth herein, the Lender shall establish in favor of the Company a revolving line of credit (the "**Revolving Line of Credit**") in the amount of the Availability. The Company shall be entitled to borrow, repay and reborrow funds from the Lender in accordance with the terms hereof so long as the total principal amount owed to the Lender under the Revolving Line of Credit does not exceed the Availability. This

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indebtedness shall be evidenced by a Revolving Promissory Note (as amended, extended or renewed from time to time, the "**Promissory Note**") of even date herewith executed by the Company in favor of the Lender in the principal amount of up to $20,000,000. The Promissory Note shall bear interest at the rate set forth therein and shall be payable as set forth therein. Any obligation of Lender to make Advances under the Revolving Line of Credit shall terminate on June 30, 2007, or such earlier or later date as set forth therein (the "**Expiration Date**"). The Lender shall not in any event be required to make an Advance during the continuance of an Event of Default or if any change in the financial condition of the Company occurs which, in the Lender's discretion, is material and adverse.

The Availability as of the Closing Date shall be $12,000,000.00. Provided no Event of Default exists, and provided there has been no change in the financial condition of the Company since the Closing Date which in the Lender's discretion is material and adverse, at any time prior to the Expiration Date or Reduction Date (hereinafter defined) the Company may increase the Availability to $15,000,000.00 by providing not less than 30 days' prior written notice to the Lender, requesting the increase and specifying the effective date thereof. Provided no Event of Default exists, and provided there has been no change in the financial condition of the Company since the Closing Date which in the Lender's discretion is material and adverse, at any time prior to the Expiration Date or Reduction Date the Company may increase the Availability to $20,000,000.00 by providing not less than 30 days' prior written notice to the Lender, requesting the increase and specifying the effective date thereof. At any time the Company may reduce the Availability in increments of $1,000,000.00 by providing not less than 30 days' prior written notice to the Lender, requesting the decrease and specifying the effective date thereof (the date of the first such decrease being referred to herein as the "**Reduction Date**").

(b) Procedures for Advances. The Company may request Advances by drawing checks on a deposit account which is linked to the Promissory Note in accordance with a cash management system which is mutually satisfactory to the parties. The Lender will make each requested Advance available to the Company not later than the close of business on the Business Day following the day of the request by crediting the Company's account maintained with the Lender in the amount of the Advance if as of such time all conditions and prerequisites to the Advance set forth herein or in any other related documents have been satisfied. Lender, at its option, may set a cut-off time, after which all requests for Advances will be treated as having been requested on the next Business Day. No more than 20 Advances will be made in any month and no Advance will be made for less than $10,000.00.

(c) Persons Authorized to Request Advances. The following persons are authorized to request Advances until Lender receives from Company, at Lender's address specified in or pursuant to **Section 7.02**, written notice of revocation of their authority: George Bachman, CFO, John English, CEO, Charles Stein, EVP and Cheryl Martin, Controller jointly and severally, provided, that the Company may authorize other individuals to request Advances by timely written notification to the Lender.

(d) Fees for Revolving Line of Credit. The Company shall pay the Lender a fee in the amount of 0.25% per annum of the average daily unused amount of the Availability (that is, the Availability less the principal amount of all Advances outstanding) of the Revolving Line of Credit, payable quarterly in arrears, as of and within 15 days after the 21st day of each January, April, July and October, commencing October 21, 2004, and on the termination or expiration of the Revolving Line of Credit.

In addition, the Company shall pay the Lender a nonrefundable fee of in the amount of 0.10% of the Availability on June 30, 2005 and on each June 30 thereafter, to but not including the maturity date of the Promissory Note. At the time of any increase in the Availability pursuant to **Section 2.01(a)**, the Company shall pay the Lender a nonrefundable fee in the amount of 0.10% of the amount of the increase, divided by

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365 days and multiplied by the number of days from and including the effective date of the increase to but not including the next June 30.

(e) Letter of Credit Facility. The Lender hereby establishes in addition to the Revolving Line of Credit a letter of credit facility for the issuance of letters of credit for the Company's account. The Company may obtain letters of credit from time to time for such purposes as the Company may require in the ordinary course of business. The aggregate Outstanding Letter of Credit Amount shall not at any time exceed $500,000 without the prior written consent of the Lender. For purposes of this Loan Agreement, the **"Outstanding Letter of Credit Amount"** shall include (a) amounts available for draws under outstanding letters of credit (whether or not such draws are subject to satisfaction of prior conditions); and (b) the amount of any draws under letters of credit for which the Lender has not received reimbursement. The Company shall request letters of credit by giving the Lender written notice of each request at least five business days prior to the issuance of the letter of credit. The Company shall, with such request, complete an application in form acceptable to the Lender and execute or otherwise agree to such terms, conditions and reimbursement agreements (each, an **"LC Reimbursement Agreement"**) concerning the Letter of Credit as the Lender may require. No letter of credit shall be issued which could be drawn on (i) more than one year after the issuance thereof or (ii) on or after June 30, 2007. In the event of a draw on the letter of credit, the Lender may at its option obtain an Advance under the Revolving Line of Credit (without further notice to or consent of the Company) to reimburse the Lender for such draw. If the Lender elects not to obtain an Advance under the Revolving Line of Credit or if credit in the amount of the draw is not available under the Revolving Line of Credit, the Company shall immediately upon demand reimburse the Lender for the amount of the draw together with interest thereon and such other amounts as may be due under any applicable LC Reimbursement Agreement. The Lender shall not in any event be required to issue a letter of credit during the continuance of an Event of Default. The Company shall pay the Lender such issuance, amendment, draw and other fees with respect to letters of credit as the Lender may from time to time establish Any and all amounts due from the Company to the Lender under any LC Reimbursement Agreement shall constitute part of the Obligations hereunder.

Section 2.02. Payments and Computations. The Company shall make each payment due to the Lender hereunder and under the Promissory Note not later than 2:00 p.m. (New York City time), on the day when due in lawful money of the United States of America to the Lender at its address referred to in Section 7.02 hereof or such other place as may be designated by the Lender to the Company in same day funds. The Company hereby authorizes the Lender, if and to the extent payment is not made when due hereunder, to charge from time to time against any of the Company's accounts with the Lender any amount so due. Computations of any interest, fees or commissions hereunder shall be made by the Lender on the basis of a year of 360 days, for the actual number of days (including the first day but excluding the last day) elapsed. Whenever any payment to be made hereunder shall be stated to be due on a day which is not a Business Day, such payment may be made on the next succeeding Business Day and such extension of time shall in such case be included in the computation of payment of interest, fee or commission, as the case may be.

Section 2.03. Evidence of Debt. The Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Company resulting from each Advance under the Loan made from time to time and the amounts of principal, interest and fees payable and paid from time to time. In any legal action or proceeding in respect of this Loan Agreement, the entries made in such account or accounts shall be conclusive evidence of the existence and amounts of the obligations of the Company therein recorded, absent manifest error.

Section 2.04. Obligations Absolute. The payment obligations of the Company under this Loan Agreement shall be unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Loan Agreement under all circumstances, including, without limitation, the following circumstances:

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(i) any lack of validity or enforceability of any Interest Rate Protection Agreement, the Promissory Note or any other agreement or instrument relating thereto (collectively, the "**Related Documents**"); or

(ii) any amendment or waiver of or any consent to departure from all or any of the Related Documents (unless consented to in writing by the Lender).

ARTICLE III

CONDITIONS OF MAKING LOAN

Section 3.01. Conditions Precedent to the Making of the Loan. The obligation of the Lender to make the Loan is subject to the condition precedent that the Lender shall have received on or before the Closing Date the following, each dated such date, in form and substance satisfactory to the Lender:

(a) Company Organization Documents. (i) A copy of the articles of incorporation of the Company, certified as of a date no earlier than 30 days prior to the Closing Date by the Secretary of State of the State of Florida; (ii) a certificate of the Secretary of State of Florida dated no earlier than 10 days prior to the Closing Date as to the good standing of the Company in the State of Florida; and (iii) a copy of the Bylaws of the Company and of the resolution(s) of the Company evidencing authorization and approval of this Loan Agreement and any Related Document to which the Company is a party and the transactions contemplated thereby, certified by an authorized officer of the Company (which certificate shall state that such resolution(s) and Bylaws are in full force and effect on the Closing Date).

(b) Company Certificate. A certificate of the Company certifying the names and true signatures of the officers of the Company authorized to sign this Loan Agreement, the Related Documents to be executed by the Company and the other documents contemplated hereby and thereby.

(c) Documents. An executed original counterpart of this Loan Agreement and the Promissory Note.

(d) Fees Payable: Evidence of payment by the Company to i) to the Lender, of such fees, costs and expenses as may then be payable under the terms hereof, and (ii) counsel to the Lender of their fees in the amount of $3,500 incurred in connection with this transaction, plus such counsel's out-of-pocket expenses.

(f) Insurance: Evidence of the insurance required by Section 5.01(g) hereof.

(g) Company Counsel Opinion. An opinion of Akerman Senterfitt & Eidson, as counsel to the Company.

(h) Other Documents: Such other documents, instruments, approvals (and, if requested by the Lender, certified duplicates of executed copies thereof) or opinions as the Lender may reasonably request.

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ARTICLE IV

REPRESENTATIONS AND WARRANTIES

Section 4.01. Representations and Warranties of the Company. The Company represents and warrants to the Lender as follows:

(a) The Company is a corporation duly formed, validly existing and in good standing under the laws of the State of Florida. The Company has all requisite power and authority to conduct its business, to own its properties, and to execute and deliver and perform all of its obligations under this Loan Agreement and each of the Related Documents to which it is a party. The Company is duly qualified to do business in every other jurisdiction in which the nature of its business makes such qualification necessary and is in good standing in such jurisdictions, except where the failure to qualify would not have a material adverse effect on its business.

(b) The execution, delivery and performance by the Company of this Loan Agreement and the Related Documents to which it is a party are within the Company's powers, have been duly authorized by all necessary action, and do not contravene (i) any provision of the Articles of Incorporation or Bylaws of the Company, (ii) any law, rule or regulation applicable to the Company or its properties or (iii) any agreement or contractual restriction binding on or affecting the Company or any of its properties, and do not result in or require or cause the creation of any lien, security interest or other charge or encumbrance (except as provided in or contemplated by this Loan Agreement) upon or with respect to any of its properties.

(c) No authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution, delivery and performance by the Company of this Loan Agreement or any Related Document, except as have been duly obtained or made and are in full force and effect.

(d) This Loan Agreement is, and each of the other Related Documents to which the Company is a party when delivered hereunder will be, legal, valid and binding obligations of the Company enforceable against the Company in accordance with their respective terms.

(e) There is no pending or, to the best knowledge of the Company, threatened action, investigation or proceeding before any court, governmental agency or arbitrator against or affecting the Company which may materially adversely affect the financial condition or operations of the Company or the ability of the Company to perform its obligations hereunder or under any of the Related Documents or which purports to affect the legality, validity or enforceability of this Loan Agreement or any Related Document.

(f) The Company's financial statements which have been furnished to the Lender present fairly the financial condition of the Company as of the date thereof and for the period covered therein. The Company has no material liabilities, contingent or otherwise, including material liabilities for taxes, not disclosed by or reserved against in the financial statements referred to above or in the notes thereto, and at the present time there are no material unrealized or anticipated losses from any commitments of the Company except as have been disclosed to the Lender in writing. Said financial statements were prepared in accordance with Generally Accepted Accounting Principles. Since the date of such financial statements there has been no material adverse change in the financial condition, properties or operations of the Company.

(g) The Company has filed all tax returns which are required to be filed by it and has paid all taxes lawfully required to be paid by the Company. The charges, accruals and reserves on the books of the Company in respect of taxes or other governmental charges are adequate. No controversy in respect of

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additional taxes, state, Federal or foreign, of the Company is pending, or, to the knowledge of the Company, threatened.

(h) The Company has no Indebtedness, except as shown in the financial statements referred to in **Section 4.01(f)** hereof.

(i) The Company has good and marketable title to its properties and assets, including the properties and assets reflected in the financial statements and notes thereto described in **Section 4.01(f)** hereof, except for such assets as have been disposed of since the date of said financial statements in the ordinary course of business or as are no longer useful in the conduct of business, and all such properties and assets are free and clear of all liens, mortgages, pledges, encumbrances or charges of any kind except for Permitted Encumbrances and as described in such financial statements.

(j) The Company has not guaranteed any obligations of others and is not, to the best of the Company's knowledge, contingently liable in any manner, direct or indirect, except as disclosed in the financial statements and notes thereto described in **Section 4.01(f)** hereof.

(k) The Company is not a party to nor is it bound by any contract, agreement or other restrictions which materially and adversely affects the business, properties or condition, financial or otherwise, of the Company.

(l) The Company owns, possesses, or has the right to use all patents, licenses, franchises, trademarks, trademark rights, trade names, trade name rights, copyrights, trade secrets, know how and confidential commercial and proprietary information necessary to conduct its business as now conducted, without known conflict with any patent, license, franchise, trademark, trade name, copyright or other proprietary right of any other Person.

(m) Except as has been disclosed to Lender in writing, the Company is not in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any agreement or instrument to which it is a party or by which it may be bound, the effect of which default would allow any Person to cause such obligation under the agreement or instrument to become due prior to its stated maturity.

(n) The Company is in compliance with all applicable laws, rules, regulations and orders of any governmental or regulatory authority, the non-compliance with which would materially and adversely affect its business or credit or ability to satisfy its obligations hereunder or under the related documents.

(o) Neither this Loan Agreement or any Related Documents to which the Company is a party, nor any reports, schedules, certificates, agreements or instruments heretofore or simultaneously with the execution of this Loan Agreement delivered to the Lender by or on behalf of the Company, contains any misrepresentation or untrue statement of fact or omits to state any material fact necessary to make this Loan Agreement or any such other document, agreement, report, schedule, certificate or instrument not misleading.

(p) Except in compliance with all Environmental Laws or as provided on Schedule A attached hereto, (i) the Company is not engaged in the business of transporting any Hazardous Materials; (ii) the Company does not own, lease, use or occupy any facility which, to the best knowledge of the Company, has ever been used to treat, store or dispose of any Hazardous Materials; and (iii) the Company is not now, nor has it ever been, engaged in any activities that constitute spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, dumping or disposing of any Hazardous Materials, in any case that would have a material adverse effect on the financial condition of the Company.

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(q) Except as otherwise identified on Exhibit A, (i) the Company is in material compliance with all Environmental Laws, and there is not now pending, or, to the best knowledge of the Company, threatened, any action, suit, investigation or proceeding against the Company or its property seeking to enforce any right or remedy under any of the Environmental Laws; and (ii) neither the Company nor any of its property has ever been subject to or regulated by any judicial or administrative order, judgment, decree or injunction as the result of violations or asserted violations of any of the Environmental Laws.

(r) The Company is now, and after each of the funding of the Loan will be, solvent.

(s) The Company has all required approvals of all Governmental Authorities for the Company to operate its properties in the manner currently being operated.

(t) The Company has not incurred any material accumulated funding deficiency within the meaning of ERISA, or incurred any material liability to the PBGC established under ERISA (or any successor thereto under ERISA) in connection with any employee benefit plan established or maintained by the Company and no Reportable Event (as defined in ERISA) has occurred or is occurring.

ARTICLE V

COVENANTS OF THE COMPANY

Section 5.01. Affirmative Covenants. So long as the Promissory Note shall be outstanding, or the Company shall have any obligation to pay any amount to the Lender hereunder or thereunder, the Company will, unless the Lender shall otherwise consent in writing:

(a) Preservation of Existence, Etc. (i) Preserve and maintain its existence as a Florida corporation and all rights, privileges and franchises necessary and desirable in the normal conduct of its business and in the performance of its obligations under this Loan Agreement and the Related Documents and not dissolve or otherwise discontinue its existence or operations and (ii) take no action or suffer any actions to be taken by others which will alter, change or destroy its status as a Florida corporation.

(b) Compliance with Laws. Comply with the requirements of all applicable laws, rules, regulations and orders of any governmental or regulatory authority, non-compliance with which would materially adversely affect its business or credit or ability to satisfy its obligations hereunder or under the Related Documents.

(c) Payment of Taxes, Etc. Pay and discharge, before the same shall become delinquent, (i) all taxes, assessments and governmental charges or levies lawfully imposed upon it or upon its property, and (ii) all lawful claims which, if unpaid, might by law become a lien upon its property; provided, however, that the Company shall not be required to pay or discharge any such tax, assessment, charge or claim that is being contested in good faith and by proper proceedings, and, if requested by Lender, reserves with respect thereto acceptable to the Lender shall be maintained; provided further that any such tax, assessment, charge, levy or claim shall be paid forthwith upon the commencement of proceedings to foreclose any lien securing the same.

(d) Inspection Rights. At any reasonable time and from time to time during usual business hours and upon prior notice, permit the Lender or any agents or representatives thereof, to

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examine and make copies of and abstracts from the records and books of account of, and visit the properties of, the Company and discuss the affairs, finances and accounts of the Company with any of its officers.

(e) Keeping of Books. Keep proper books of record and account, in which full and correct entries shall be made of all financial transactions and the assets and business of the Company in accordance with Generally Accepted Accounting Principles.

(f) Maintenance of Properties. Maintain and preserve all of its properties which are used or useful in the conduct of its business in good working order and condition, ordinary wear and tear excepted.

(g) Maintenance of Insurance. Maintain insurance with responsible and reputable insurance companies or associations in such form and amounts and covering such risks, including casualty and business interruption, as is acceptable to the Lender.

(h) Performance and Compliance with Other Covenants. Perform and comply in all material respects with each of the covenants, as in effect on the Closing Date or as such covenants may thereafter be amended or supplemented, set forth in the Related Documents.

(i) Reporting Requirements. Furnish to the Lender the following:

(1) as soon as possible and in any event within 15 days after the occurrence of each Event of Default or each event which, with the giving of notice or lapse of time, or both, would constitute an Event of Default and which is continuing on the date of such statement, a statement of an executive officer of the Company setting forth details of such Event of Default or event and the action which the Company proposes to take with respect thereto;

(2) within 60 days of the period's end, a copy of the Company's Quarterly Report on Form 10Q filed with the United States Securities and Exchange Commission ("SEC") and, if not included therein, the Company's quarterly financial statements including an income statement presented on a rolling four-quarter basis, in each case dated and certified as having been prepared in accordance with GAAP and as accurately reflecting the financial condition of the Company for the period reported upon by an authorized financial officer of the Company. These financial statements may be Company prepared;

(3) within 120 days of the Company's fiscal year end, the Company's Annual Report on Form 10K filed with the SEC, and, if not included therein, annual financial statements, dated and certified as having been prepared in accordance with GAAP and as accurately reflecting the financial condition of the Company for the period reported upon by an authorized financial officer of the Company. These financial statements must be audited (with an unqualified opinion) by a certified public accountant acceptable to the Lender;

(4) together with each delivery of financial statements required by clauses (2) and (3)above, a certificate of the chief financial officer of the Company containing computations demonstrating compliance and certifying that to the best of his or her knowledge the Company has complied in all material respects with all of the terms,

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covenants and conditions contained in **Section 5.01(k) and (l)** of this Loan Agreement or, if the Company has not so complied, specifying the nature and extent of such failure;

(5) promptly upon sending or receipt, copies of any management letters and correspondence relating to management letters, sent to or received by Company to or from Company's auditor, or, if no management letter is prepared, a letter from such auditor stating that no deficiencies were noted that would otherwise be addressed in a management letter;

(6) promptly upon any change of the Company's independent public accountants, notification thereof and such further information as the Lender may reasonably request concerning the resignation, refusal to stand for reappointment or dismissal of such accountants;

(7) promptly upon becoming aware thereof, written notice of any material adverse change in the financial condition, business or operations of the Company;

(8) promptly upon becoming aware thereof, written notice of any actual or contingent liabilities (other than trade payables incurred in the ordinary course of business) of the Company which might, in the reasonable judgment of the Company, result in a material adverse effect on the business, operations or financial condition of the Company or the ability of the Company to perform its obligations under this Loan Agreement or any of the Related Documents;

(9) promptly upon becoming aware thereof, written notice of the commencement or existence of any investigation or proceeding into or against the Company by or before any court or governmental agency which might, in the reasonable judgment of the Company, result in a material adverse effect on the business, operations or financial condition of the Company or the ability of the Company to perform its obligations under this Loan Agreement or any of the Related Documents and, if requested by the Lender, the Company shall establish and maintain reserves with respect thereto reasonably acceptable to the Lender;

(10) promptly upon becoming aware thereof, written notice of any Plan Termination Event or any event or action which would result in the Company's complete withdrawal, partial withdrawal or secondary liability for withdrawal liability payments with respect to a Multiemployer Plan, together with a statement of the chief financial officer of the Company describing the event or the action taken and the reasons therefor; and

(11) such other information respecting the business, properties, condition or operations, financial or otherwise, of the Company as the Lender may from time to time reasonably request.

(j) Payment of Obligations. Pay when due all of its obligations and liabilities, except where the same (other than Indebtedness and judgments) are being contested in good faith by appropriate proceedings diligently prosecuted and for which appropriate reserves for the accrual of same satisfactory to the Lender are maintained.

(k) Total Liabilities to Tangible Net Worth Ratio. Maintain as at the end of each fiscal year a ratio of Total Liabilities (excluding the non-current portion of Subordinated Liabilities) to

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Tangible Net Worth of (i) at December 31, 2003, of not exceeding 4.50:1.00, (ii) at December 31, 2004, of not exceeding 4.25:1.00, and (iii) after December 31, 2004, of not exceeding 4.00:1.00.

"Total Liabilities" means the sum of current liabilities plus long term liabilities.

"Tangible Net Worth" means the value of the Company's total assets (including leaseholds and leasehold improvements and reserves against assets, but excluding good will, patents, trademarks, tradenames, organization expense, unamortized debt discount and expense, capitalized or deferred research and development costs, deferred marketing expense and other like intangibles, and moneys due from affiliates, officers, directors, employees, shareholders, members or managers of the Company) less Total Liabilities, including but not limited to deferred income taxes, but excluding the non-current portion of Subordinated Liabilities.

"Subordinated Liabilities" means liabilities subordinated to the Company's obligations to the Lender in a manner acceptable to the Lender in its sole discretion.

(l) Fixed Charge Coverage Ratio. Maintain a Fixed Charge Coverage Ratio of at least 1.25:1.00.This ratio will be calculated at the end of each quarterly accounting period in the Company's fiscal year using the results of the 12 month period ending with that reporting period.

"Fixed Charge Coverage Ratio" means, for any period, the ratio of (i) net income after income taxes, plus depreciation and amortization, plus interest expense, plus rent/lease expense, plus/minus the change in the value of any Interest Rate Protection Agreement to (ii) current maturities of long term debt and Capital Lease obligations, plus interest expense, plus rent/lease expense. Current maturities of long-term debt and Capital Lease obligations shall be determined as of the last day prior to the commencement of the twelve month period for which the Fixed Charge Coverage Ratio is being measured.

(m) Further Assurances. Upon the request of the Lender, duly execute and deliver or cause to be duly executed and delivered to the Lender such further instruments and do and cause to be done such further acts that may be reasonably necessary or proper in the opinion of the Lender to carry out more effectively the provisions and purposes of this Loan Agreement and the Related Documents.

(n) Operating Accounts; Treasury Management Services. Maintain its operating bank accounts and its treasury management services relationship with the Lender.

(o) Environmental Indemnity. (i) Indemnify the Lender and hold the Lender harmless from and against any and all losses, liabilities, judgments, damages, penalties, fines, liens, suits, injuries, costs (including cleanup costs), expenses (including attorney's, consultants' or experts' fees and expenses) and claims of any and every kind whatsoever paid, incurred or suffered by or asserted against the Lender for, with respect to, or as a direct or indirect result of, (A) the presence on or under or the escape, seepage, leakage, spillage, discharge, emission, disposal or release from, the property of the Company any Hazardous Materials, (B) claims asserted or arising under any Environmental Laws, or (C) any representation or warranty by the Company contained in **Section 4.01(p)** or (q) herein being false or untrue in any material respect; and the indemnity obligations of the Company under this **Section 5.01(o)** shall survive the termination of this Loan Agreement; and

(ii) If the Company receives any notice of (A) the happening of any event involving the release or uncontained presence of any Hazardous Materials (a "**Hazardous**

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Discharge") affecting the Company or any portion of the property of the Company of which would require remediation or payment of response costs or (B) any complaint, order, citation or notice with regard to air emissions or any other environmental, health or safety matter affecting the Company or any portion of the property of the Company (an "**Environmental Complaint**") from any Person, including, without limitation, the United States Environmental Protection Agency ("**EPA**") or any agency, department or authority of the any state, give, within 7 Business Days, oral and written notice of same to the Lender.

(p) ERISA. Comply with all requirements of ERISA applicable to it and furnish to the Lender as soon as possible and in any event within 30 days after the Company or duly appointed administrator of a Plan (as defined in ERISA) knows or has reason to know that any Reportable Event (as defined in ERISA) with respect to any Plan has occurred, a statement of the chief financial officer of the Company describing in reasonable detail such Reportable Event and any action which the Company proposes to take with respect thereto, together with a copy of the notice of such Reportable Event given to the PBGC or a statement that said notice will be filed with the annual report to the United States Department of Labor with respect to such Plan if such filing has been authorized.

Section 5.02. Negative Covenants. So long as the Promissory Note shall be outstanding or the Company shall have any obligation to pay any amount to the Lender hereunder, the Company will not, without the prior written consent of the Lender:

(a) Change in Business. Enter into any business which is materially different from and/or not connected with the business in which it is engaged on the Closing Date.

(b) Consolidation, Merger, Sale of Assets. Transfer, sell, assign or otherwise dispose of all or substantially all of its assets or consolidate with or merge into another entity or permit one or more other entities to consolidate with or merge into it unless it is the survivor and no Event of Default hereunder will exist or occur after giving effect to such transaction. The Company shall not acquire all or substantially all of the assets, or all of or a controlling interest in the stock, partnership interests, membership interests or other ownership interest of another entity for a price of more than $1,500,000.00 without providing the Lender with at least 10 days' prior written notice, and without the written consent of the Lender which consent shall not be unreasonably withheld.

(c) Indebtedness. Without Lender's prior written consent, incur, create, guarantee, assume or permit to exist (i) any interest rate swap, cap collar or similar arrangement, except with respect to, and with a notional amount not in excess of, Indebtedness permitted under clause (ii), or (ii) any Indebtedness outstanding at any time in a principal amount of more than $1,000,000.00.

(d) Loans. Lend or advance money, credit or property to any Person except for trade credit extended in the ordinary course of the Company's business.

(e) Limitations on Liens. Incur, create, assume or permit to exist any mortgage, pledge, security interest, encumbrance, lien or charge of any kind upon any of its property except liens in favor of the Lender and Permitted Encumbrances. This provision shall not apply to restrictions placed upon funds received by the Company from a Governmental Authority which funds are required to be used by the Company for environmental clean-up.

(f) Dividends, Redemptions and Other Payments. If an Event of Default described in Section 6.01, other than Section 6.01(b) or (d), shall have occurred and be continuing or if such

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action would cause the Company to fail to be in compliance with the provisions of this Loan Agreement, (i) declare or pay any dividends or other equity distributions (other than dividends payable solely in common stock of the Company) on any shares of stock or membership interest of any class of the Company now or hereafter outstanding, (ii) purchase, redeem or otherwise retire any such shares or interests, or apply or set apart any of its assets therefor or make any other distribution (by reduction of capital or otherwise) in respect of any such shares or interests or (iii) agree to do any of the foregoing.

(g) Insider Transactions. Directly or indirectly purchase, acquire or lease any property or asset from, or purchase, sell, dispose of, exchange or lease any property or assets to, or render service to, or otherwise deal with, in the ordinary course of business or otherwise, any affiliate, except pursuant to reasonable requirements and upon fair and reasonable terms and conditions not less favorable to the Company than if it were a comparable arm's length transaction and no such relationship existed.

(h) Guarantee. Guarantee, assume, endorse or otherwise become or remain liable in connection with the obligations of any other Person (including obligations of such Persons arising from working capital maintenance agreements), other than:

(i) the endorsement of negotiable instruments in the ordinary course of business for deposit or collection; and

(ii) such guaranties and other contingent liabilities currently existing as disclosed in the financial statements delivered pursuant to **Section 4.01(f)** of this Loan Agreement.

(i) Sales of Assets. Except as otherwise permitted or required hereby, sell, lease, transfer or otherwise dispose of any of its assets, except for the sale of inventory and other assets in the ordinary course of business and disposition of obsolete equipment and except for transfers which do not, individually or in the aggregate materially and adversely affect the ability of the Company to comply with the provisions hereof or of the Related Documents.

(j) Change in Name for Form of Entity. Changed or permit any change in, the name of the Company or the form in or name under which it is currently doing business.

Section 5.03. Automatic Payment Procedure. The Company has elected to authorize the Lender to effect payment of interest due hereunder or under the Promissory Note by means of debiting the Company's account with Lender number 5488080210. This authorization shall not affect the obligations of the Company to pay such sums when due without notice, if there are insufficient funds in such account to make such payment in full on the due date thereof or if the Lender fails to debit the account.

ARTICLE VI

EVENTS OF DEFAULT

Section 6.01. Events of Default. The occurrence of any of the following events shall be an "**Event of Default**" hereunder:

(a) The Company shall fail to pay any amount payable hereunder or under any of the Related Documents on the date when due (after giving effect to applicable grace periods); or

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(b) Any representation, warranty, certification or statement made by the Company herein or by the Company in connection with this Loan Agreement, any of the Related Documents or in any writing furnished by or on behalf of the Company shall prove to have been false, misleading or incomplete in any material respect on the date as of which made; or

(c) The Company shall fail to perform or observe the provisions of **Section 5.01(i), (k)** or **(l)** or **Section 5.02** of this Loan Agreement; or

(d) The Company shall fail to perform or observe any other term, covenant or agreement contained in this Loan Agreement, other than as specifically addressed elsewhere in this **Section 6.01**, on its part to be performed or observed and any such failure shall remain unremedied for a period of 30 days after the date upon which written notice of such failure, requiring the same to be remedied, shall have been given to the Company by the Lender; or

(e) The Company shall fail to pay any Indebtedness or any interest or premium thereon when due (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Indebtedness; or any other default or event under any agreement or instrument relating to any such Indebtedness shall occur and shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such default or event is to accelerate, or to permit the acceleration, of the maturity of such Indebtedness; or any such Indebtedness shall be declared to be due and payable, or required to be prepaid, prior to the stated maturity thereof; or

(f) Liquidation or dissolution of the Company or suspension of the business of the Company or filing by the Company of a voluntary petition in bankruptcy or a voluntary petition or an answer seeking reorganization, arrangement, readjustment of its debts or for any other relief under the Bankruptcy Law, as amended, or under any other insolvency act or law, state or Federal, now or hereafter existing, or any other action of the Company indicating its consent to, approval of, or acquiescence in any such petition or proceeding; the application by the Company for, or the appointment by or with the consent or acquiescence of the Company of, a receiver, a trustee or a custodian for the Company; the application by the Company for, or the consent to or acquiescence of the Company in, an assignment for the benefit of creditors; or the inability of the Company or the admission by the Company in writing of its inability to pay its debts as they mature; or

(g) Filing of an involuntary petition against the Company in bankruptcy or seeking reorganization, arrangement, readjustment of its debts or for any other relief under the Bankruptcy Code, as amended, or under any other insolvency act or law, state or federal, now or hereafter existing; or the involuntary appointment of a receiver, a trustee or a custodian of the Company or for all or a substantial part of its property; the issuance of a warrant of attachment, execution or similar process against any substantial part of the property of the Company and the continuance of any of such events for 60 days undismissed, undischarged or unstayed; or

(h) Any provision of this Loan Agreement or any Related Documents, including any security interest created thereby, shall at any time for any reason cease to be valid and binding on the Company, or shall be declared to be null and void, or the validity or enforceability thereof shall be contested by the Company, or a proceeding shall be commenced by any governmental agency or authority having jurisdiction over the Company seeking to establish the invalidity or unenforceability thereof, or the Company shall deny that it has any or further liability or obligation under this Loan Agreement or any Related Documents; or

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(i) a final non-appealable or order shall be rendered against the Company for the payment of money not covered by insurance in excess of $500,000.00 and such judgment or order shall continue unsatisfied or unstayed for a period of more than 30 days.

Section 6.02. Rights Upon an Event of Default. Upon the occurrence of an Event of Default, and at any time thereafter unless and until such Event of Default has been waived by the Lender or cured to the satisfaction of the Lender, the Lender shall be entitled to take any of the following actions without prejudice to the rights of the Lender to enforce its claims against the Company, except as otherwise specifically provided for herein:

(a) Acceleration of Obligations. Declare the outstanding amount of the Promissory Note and any and all other indebtedness or obligations of any and every kind owing by the Company to the Lender hereunder to be due, whereupon the same shall be immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Company.

(b) Enforcement of Rights. Enforce any and all rights and interests created and existing hereunder or under any of the other Related Documents and all rights of set-off.

(c) Required Financial Information. In addition to all other rights and remedies the Lender has, should the Company fail to timely provide or cause to be provided the information required by Section 5.01(i)(2), (3) or (4), hereof, the Company will, at the Lender's option, pay on demand the Lender a late fee in an amount set by the Lender. The imposition and/or payment of a late fee shall not constitute a waiver of the Lender's rights with respect to the default.

Section 6.03. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Lender is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder, under the Loan Agreement or the other Related Documents, or now or hereafter existing at law or in equity or by statute.

ARTICLE VII

MISCELLANEOUS

Section 7.01. Amendments, Etc. No amendment or waiver of any provision of this Loan Agreement, nor consent to any departure by the Company therefrom, shall in any event be effective unless the same shall be in writing and signed by the Lender and then such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

Section 7.02. Notices. All notices and other communications provided for hereunder shall be in writing (including required copies) and sent by telefacsimile, receipted hand delivery (including Federal Express or other receipted courier service), telex or certified or regular mail, at the following addresses, or, as to each party at such other address as shall be designated by such party in a written notice to other party.

To the Company: George Bachman, CFO
Florida Public Utilities Company
401 South Dixie Highway
West Palm Beach, FL 33401
Telefacsimile:

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To the Lender: Bank of America, N.A.
Jacksonville, CLSC
Attn: Notice Desk
9000 Southside Boulevard
3rd Floor
Jacksonville, Florida 32256
Telefacsimile:904-987-3408

Section 7.03. No Waiver. No failure on the part of the Lender to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right.

Section 7.04. Right of Set-off. (a) Upon the occurrence of any Event of Default, the Lender is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by the Lender to or for the credit or the account of the Company against any and all of the obligations of the Company now and hereafter existing under this Loan Agreement and the Promissory Note, irrespective of whether or not the Lender shall have made any demand hereunder and although such obligations may be contingent or unmatured.

(b) The Lender agrees promptly to notify the Company after any such set-off and application referred to in subsection (a) above, provided that the failure to give such notice shall not affect the validity of such set-off and application. The rights of the Lender under this Section 7.04 are in addition to other rights and remedies (including, without limitation, other rights of set-off) which the Lender may have.

Section 7.05. Costs, Expenses and Taxes. The Company agrees to pay immediately when due all reasonable costs and expenses in connection with the preparation, execution, delivery, filing and recording of, and, upon the occurrence of an Event of Default, enforcement of compliance with, this Loan Agreement and the Related Documents and any other documents which may be delivered in connection with this Loan Agreement or the transactions contemplated hereby, including, without limitation, the reasonable fees and out-of-pocket expenses of the Lender and of counsel and any agents or consultants for the Lender, with respect thereto and with respect to advising the Lender as to its rights and responsibilities under this Loan Agreement, and all reasonable costs and expenses (including counsel fees and expenses, including in connection with any appeal) in connection with the preparation and enforcement of this Loan Agreement, the Related Documents and such other documents as may be delivered in connection herewith or therewith. In addition, the Company shall pay any and all stamps and other taxes and fees payable or determined to be payable in connection with the execution, delivery, filing and recording of this Loan Agreement, the Related Documents and such other documents, and agrees to save the Lender harmless from and against any and all liabilities with respect to or resulting from any delay in paying or omission to pay such taxes and fees.

Section 7.06. Binding Effect. This Loan Agreement shall become effective when it shall have been executed by the Company and the Lender and thereafter shall be binding upon and inure to the benefit of the Company and the Lender and their respective successors and assigns, except that the Company shall not have the right to assign its rights hereunder or any interest herein without the prior written consent of the Lender. The Lender may, without cost or expense to the Company, assign or sell a participation in all or any part of, or any interest (undivided or divided) in, the Lender's rights and benefits under this Loan Agreement to any financial institution. To the extent of any assignment by the Lender, the assignee shall have the same rights and benefits against the Company hereunder as it would have had if such assignee were the Lender hereunder.

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Section 7.07. Severability. Any provision of this Loan Agreement which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

Section 7.08. Headings. Article and section headings in this Loan Agreement are included herein for convenience of reference only and shall not constitute a part of this Loan Agreement for any other purpose.

Section 7.09. Prior Agreements Superseded. This Loan Agreement shall completely and fully supersede all prior undertakings or agreements, both written and oral, between the Company and the Lender relating to the making of the Loan, including those contained in any commitment letter between the Lender and the Company executed in anticipation of the making of the Loan, except for any provisions in such commitment letter which by their express terms survive the making of the Loan.

Section 7.10. Counterparts. This Loan Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 7.11. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida.

Section 7.12. Arbitration and Waiver of Jury Trial. This **Section 7.12** concerns the resolution of any controversies or claims between the Company and the Lender, whether arising in contract, tort or by statute, that arise out of or relate to: (i) this Loan Agreement (including any renewals, extensions or modifications); or (ii) any document related to this Loan Agreement; (collectively a "Claim").

At the request of the Company or the Lender, any Claim shall be resolved by binding arbitration in accordance with the Federal Arbitration Act (Title 9, U. S. Code) (the "Act"). The Act will apply even though this Loan Agreement provides that it is governed by the law of a specified state.

Arbitration proceedings will be determined in accordance with the Act, the rules and procedures for the arbitration of financial services disputes of J.A.M.S./Endispute or any successor thereof ("J.A.M.S."), and the terms of this paragraph. In the event of any inconsistency, the terms of this Section shall control.

The arbitration shall be administered by J.A.M.S. and conducted in West Palm Beach, Florida. All Claims shall be determined by one arbitrator; however, if Claims exceed $5,000,000, upon the request of any party, the Claims shall be decided by three arbitrators. All arbitration hearings shall commence within 90 days of the demand for arbitration and close within 90 days of commencement and the award of the arbitrator(s) shall be issued within 30 days of the close of the hearing. However, the arbitrator(s), upon a showing of good cause, may extend the commencement of the hearing for up to an additional 60 days. The arbitrator(s) shall provide a concise written statement of reasons for the award. The arbitration award may be submitted to any court having jurisdiction to be confirmed and enforced.

The arbitrator(s) will have the authority to decide whether any Claim is barred by the statute of limitations and, if so, to dismiss the arbitration on that basis. For purposes of the application of the statute of limitations, the service on J.A.M.S. under applicable J.A.M.S. rules of a notice of Claim is the equivalent of the filing of a lawsuit. Any dispute concerning this arbitration provision or whether a Claim is arbitrable shall be determined by the arbitrator(s). The arbitrator(s) shall have the power to award legal fees pursuant to the terms of this Loan Agreement.

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This paragraph does not limit the right of the Company or the Lender to: (i) exercise self-help remedies, such as but not limited to, setoff; (ii) initiate judicial or nonjudicial foreclosure against any real or personal property collateral; (iii) exercise any judicial or power of sale rights, or (iv) act in a court of law to obtain an interim remedy, such as but not limited to, injunctive relief, writ of possession or appointment of a receiver, or additional or supplementary remedies.

By agreeing to binding arbitration, the parties irrevocably and voluntarily waive any right they may have to a trial by jury in respect of any Claim. Furthermore, without intending in any way to limit this Loan Agreement to arbitrate, to the extent any Claim is not arbitrated, the parties irrevocably and voluntarily waive any right they may have to a trial by jury in respect of such Claim. This provision is a material inducement for the parties entering into this Loan Agreement.

No provision in this Loan Agreement or in the other Related Documents regarding submission to jurisdiction and/or venue in any court is intended or shall be construed to be in derogation of the provisions of this Loan Agreement or in any other Related Document for arbitration of any controversy or claim.

Section 7.13. Termination of Security Agreement. The Security Agreement dated April 21, 2003 between the Company and the Lender is terminated.

IN WITNESS WHEREOF, the parties hereto have caused this Loan Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

FLORIDA PUBLIC UTILITIES COMPANY

By: _____
Name: George M. Bachman
Title: CFO and Treasurer

By: _____
Name: John English
Title: CEO and President

BANK OF AMERICA, N.A.

By: _____
Name: Steven J. Whittingslow
Title: Senior Vice President

Schedule A

Schedule of Environmental Matters

West Palm Beach Site The Company is currently conducting a contamination assessment investigation of a parcel of real property owned by it in West Palm Beach, Florida, upon which the Company previously operated a gasification plant. After a preliminary contamination assessment investigation indicated soil and groundwater impacts, the Company entered into a Consent Order with the Florida Department of Environmental Protection ("FDEP"), effective April 8, 1991. The Consent Order requires the Company to delineate the extent of soil and groundwater impacts associated with the prior operation of the gasification plant and to remediate such soil and groundwater impacts, if necessary. Numerous reports have been submitted to FDEP, describing the results of soil and groundwater sampling conducted at the site. A Supplemental Contamination Assessment Report Addendum ("SCARA") was submitted to FDEP in December 2001, summarizing the results of past investigations and providing the results of additional field work conducted in 2001, in response to comments received previously from FDEP. On September 26, 2002, the Company submitted to FDEP a work plan for additional field work to respond to FDEP's comments to the SCARA. This work is now underway. Based on results of the initial field effort in January-April 2003, additional field work will be required to evaluate impacts to a coquina layer underlying the site and to complete the evaluation of off-site soil impacts. It is anticipated that the additional field work will be completed by July 2003. Once this additional work is completed, the Company will then have sufficient data to complete an evaluation of remedial alternatives for the site, which will be incorporated in a feasibility study report for submittal to FDEP.

Prior to completion of the contamination assessment/feasibility study phases, the Company is unable to determine the complete extent or cost of remedial action which may be required. Based on findings from the 2003 field work, the Company was recently advised that remediation costs for this site may exceed $6,000,000. A portion of the on-site impacts attributable to past petroleum releases have been determined to be eligible for reimbursement from a state fund, and the FDEP has determined that a portion of the work conducted off-site may be eligible for reimbursement under state law.

Sanford Site The Company owns a parcel of real property located in Sanford, Florida, upon which a gasification plant was operated prior to the Company's acquisition of the property. Upon the discovery of soil and groundwater impacts on the property, the Company has participated with four former owners and operators of the gasification plant in the funding of numerous investigations of the extent of the impacts and the identification of an appropriate remedy. On or about March 25, 1998, the Company executed an Administrative Order on Consent ("AOC") with the four former owners and operators (collectively, the "Group") and the United States Environmental Protection Agency ("EPA") that obligated the Group to implement a Remedial Investigation/Feasibility Study ("RI/FS") task and to pay EPA's past and future oversight costs for the RI/FS. The Group also entered into a Participation Agreement and an

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Escrow Agreement on or about April 13, 1998. These agreements governed the manner and means by which all parties were to satisfy their respective obligations under the AOC for the RI/FS task. The Company agreed to pay approximately 13.7% of the cost for the RI/FS. Field work for the RI/FS was initiated in 1998. A final RI report was submitted to EPA in July 1999. The Group also submitted a Baseline Risk Assessment to EPA in January 2000, including an Ecological Risk Assessment ("ERA"). Additional field work will be required to complete the ERA at a total estimated cost of less than $50,000. The Company's share of the additional ERA work is 13.7%.

On July 5, 2000, EPA issued a Record of Decision ("ROD") approving the final remedial action for contaminated soils at the site ("OU1 Remedy"). The initial estimated cost for the OU1 Remedy described in the ROD ranged from $5,593,000 to $5,760,000. On June 12, 2001, EPA issued a ROD approving the final remedial action for contaminated groundwater at the site ("OU2 Remedy"). The present worth cost estimate for the OU2 Remedy was $320,252.

The Group recently completed negotiations on a remedial design/remedial action ("RD/RA") Consent Decree with EPA to provide for the implementation of the OU1 Remedy and OU2 Remedy. The Group anticipates that the Consent Decree will be signed by EPA and lodged with the United States District Court for public comment in 2003. After lodging, there is a thirty (30) day minimum public comment period. At the conclusion of the comment period, the Court will enter the Consent Decree, unless there has been opposition filed.

Pursuant to the Consent Decree, pre-remedial design field work was performed to assist in the design of the final remedy for OU1 and OU2. The cost of the additional field and design work was approximately $1,100,000. Upon EPA's approval of the final design, the Group will be obligated to implement the remedy for OU1 and OU2. Based on field work completed recently, it is now anticipated that the final cost of the remedy for OU 1 and OU 2 will significantly exceed the $6,000,000.00 combined estimate provided in the RODs for OU 1 and OU 2. Pursuant to the terms and conditions of the Second Participation Agreement entered into by the members of the Group on August 1, 2000, the Company's share of costs for implementation of the OU1 Remedy and OU2 Remedy, including the pre-remedial design field work, is 10.5%, up to a maximum cost of $6,000,000.00. The Company has notified Group members that the Company will oppose any effort by the Group to increase the Company's share of total remedial costs above 10.5% of the current $6,000,000.00 cap, since the increased remedial cost is due to the discovery of additional impacted soils on property not owned by the Company. The Consent Decree also obligates the Group to reimburse EPA's past costs of approximately $142,500 and EPA's future oversight costs. The Company's share of EPA's past costs and future oversight costs is 10.5%.

Pensacola Site The Company is the prior owner/operator of the former Pensacola gasification plant, located at the intersection of Cervantes Street and the Louisville and Nashville (CSX) Railroad line, Pensacola, Florida. Following notification on October 5, 1990, that FDEP had determined that the Company was one of several responsible parties for any environmental impacts associated with the former gasification plant site, the Company entered into cost sharing

agreements with three other responsible parties providing for the funding of certain contamination assessment activities at the site.

A final report describing the results of contamination assessment activities at the site was submitted to FDEP in November 1995. The report concluded that soil or groundwater remediation was not warranted at the site. The report further recommended that existing environmental impacts be monitored through periodic sampling of groundwater at the site. By letter dated July 16, 1997, FDEP approved a groundwater monitoring plan that provides for annual sampling of selected monitoring wells at the site. To date, the Company's share of these costs has not exceeded $3,000.00 annually.

In March 1999, EPA requested site access in order to undertake an Expanded Site Inspection ("ESI"). The ESI was completed by EPA's contractor in 1999 and an ESI Report was transmitted to the Company in January 2000. The ESI Report recommends additional work at the site. The responsible parties met with FDEP on February 7, 2000 to discuss EPA's plans for the site. In February 2000, EPA indicated preliminarily that it will defer management of the site to FDEP; however as of this date, the Company has not received any written confirmation from EPA or FDEP regarding this matter.

Key West Site The Company previously owned and operated a gasification plant at 726 Catherine Street, Key West, Florida. In 1992, FPUC and Suburban Propane, the current owner of the site, contracted with an environmental consultant for the performance of a preliminary contamination assessment of the site. This work was completed in 1993 and a preliminary contamination assessment report ("PCAR") was delivered to FDEP. The consultant concluded in the PCAR that limited soil and groundwater impacts were present at the site. By letter dated September 20, 1993, FDEP's Superfund Site Screening Subsection notified FPUC that "this site does not warrant further CERCLA consideration and a Site Evaluation Accomplished (SEA) disposition is recommended." FDEP then referred the site to FDEP's Marathon Office for consideration of whether additional work would be required by FDEP. To date, no further demands have been made to FPUC for any additional work at the site.

Georgia Transformer Site The Company was identified as a potentially responsible party for certain environmental impacts identified at the Georgia Transformer Site, located in Thomasville, Georgia. EPA and Georgia Environmental Protection Department ("GaEPD") alleged that FPUC, along with many other companies, was responsible for a share of the costs to investigate and remediate the site based on FPUC's alleged delivery of transformers to the site. FPUC settled its alleged liability to EPA and GaEPD in 2001-02 with a small payment.

Green Street Warehouse, Marianna, Florida The Company previously owned a parcel of real property located at 406 South Green Street, Marianna, Florida, which housed the Company's warehouse for its electric distribution utility in Marianna. In the early to mid-1990s, the Company retained a consultant to investigate the alleged burial of capacitors and alleged release of transformer fluids, which had reportedly occurred in the 1970s. Following completion

of the investigation, the Company contracted for the removal and proper disposal of buried capacitors and impacted soil. FDEP and EPA later advised the Company that no further work was required at the site. The real property was later sold to a third party.

Revolving Promissory Note

Effective Date: October 29, 2004
Amount: $20,000,000.00 Maturity Date: June 30, 2007

Lender:	Borrower:
Bank of America, N.A. 9000 Southside Boulevard Building 100 FL9-100-03-15 Jacksonville, FL 32256-0793	Florida Public Utilities Company 401 South Dixie Highway West Palm Beach, FL 33401

FOR VALUE RECEIVED, Florida Public Utilities Company (the "Borrower") unconditionally promises to pay to the order of Bank of America, N.A. and its successors and assigns (the "Lender"), without setoff, in immediately available funds, at its offices indicated at the beginning of this Note, or at such other place as may be designated by Lender (the "Payment Office of Lender"), the principal amount of Twenty Million Dollars ($20,000,000.00), or so much thereof as may be advanced from time to time, together with interest computed daily on the outstanding principal balance hereunder, at an annual interest rate, and in accordance with the payment schedule, indicated below.

1. **Rate. Variable Interest Rate.** The interest rate on this Note is a fluctuating rate of interest based upon "The Wall Street Journal LIBOR One Month Floating Rate." The Wall Street Journal LIBOR One Month Floating Rate is a fluctuating rate of interest equal to the one month London Interbank Offered Rate as published in the "Money Rates" section of The Wall Street Journal (or, if such source is not available, such alternate source as determined by the Lender) as adjusted from time to time in the Lender's sole discretion for reserve requirements, deposit insurance assessment rates and other regulatory costs (the "Index"). Any change in the Index, and thus, the interest rate on this Note, will take effect on the effective date as indicated in The Wall Street Journal (or any alternate source described herein). Interest will accrue on any day which is not a Business Day at the rate in effect on the immediately preceding Business Day. A Business Day is any day other than a Saturday or Sunday or day on which the Payment Office of Lender is lawfully closed.

The interest rate to be applied to the unpaid principal balance of this Note will be at a rate equal to the Index plus an additional percentage per annum (the "Spread"). The Spread will be 0.90% per annum.

Notwithstanding any provision of this Note, Lender does not intend to charge and Borrower shall not be required to pay any amount of interest or other charges in excess of the maximum permitted by the applicable law. Any payment in excess of such maximum shall be credited against the principal balance of this Note and any remaining excess shall be refunded to the Borrower.

2. **Accrual Method.** The interest rate on this Note shall be computed on a 360/actual basis; that is, by applying the ratio of the annual interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding.

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3. **Payment Schedule.** All payments received hereunder shall be applied first to the payment of any expense or charges payable hereunder or under any other Loan Documents executed in connection with this Note, then to interest due and payable, with the balance applied to principal, or in such other order as Lender shall determine at its option. Principal shall be paid in full in a single payment on June 30, 2007. Interest on the principal amount outstanding hereunder shall be paid monthly, commencing on November 29, 2004, and continuing on the same day of each consecutive month thereafter, with a final payment of all unpaid interest at the stated maturity of this Note.

4. **Revolving Feature; Availability**. The Borrower may borrow, repay and reborrow under this Note from time to time up to Availability (as defined in the hereinafter described Loan Agreement), by requesting advances as provided in the Loan Agreement.

5. **Automatic Payment.** Borrower has elected to authorize Lender to effect payment of interest due under this Note by means of debiting Borrower's account number 5488080210. This authorization shall not affect the obligation of Borrower to pay such sums when due, without notice, if there are insufficient funds in such account to make such payment in full on the due date thereof, or if Lender fails to debit the account.

6. **Waivers, Consents and Covenants**. Borrower, any indorser or guarantor hereof, or any other party hereto (individually an "Obligor" and collectively "Obligors") and each of them, jointly and severally: (a) waive presentment, demand, protest, notice of demand, notice of intent to accelerate, notice of acceleration of maturity, notice of protest, notice of nonpayment, notice of dishonor, and any other notice otherwise required to be given under the law to any Obligor in connection with the delivery, acceptance, performance, default or enforcement of this Note, any indorsement or guaranty of this Note, or any other documents executed in connection with this Note including, but not limited to, the Loan Agreement (the "Loan Agreement") of even date herewith between Lender and Borrower and the Related Documents described therein (the "Loan Documents"); (b) consent to all delays, extensions, renewals or other modifications of this Note or the Loan Documents, or waivers of any term hereof or of the Loan Documents, or release or discharge by Lender of any Obligor, or release, substitution or exchange of any security for the payment hereof, or the failure to act on the part of Lender, or any indulgence shown by Lender (without notice to or further assent from any Obligor), and agree that no such action, failure to act or failure to exercise any right or remedy by Lender shall in any way affect or impair the obligations of any Obligor or be construed as a waiver by Lender of, or otherwise affect, any of Lender's rights under this Note, under any indorsement or guaranty of this Note or under any of the Loan Documents; and (c) agree to pay, on demand, all costs and expenses of collection or defense of this Note or of any indorsement or guaranty hereof and/or the enforcement or defense of Lender's rights with respect to, or the administration, supervision, preservation, or protection of, or realization upon, any property securing payment hereof, including, without limitation, reasonable attorney's and paralegal's fees, including fees related to any suit, mediation or arbitration proceeding, out of court payment agreement, trial, appeal, bankruptcy proceedings or other proceeding, in such amount as may be determined reasonable by any arbitrator or court, whichever is applicable.

7. **Indemnification**. Obligor agrees to promptly pay, indemnify and hold Lender harmless from all State and Federal taxes of any kind (except State and Federal taxes based on income received by Lender, which shall not be an obligation of Obligor) and other liabilities with respect to or resulting from the execution and/or delivery of this Note or any advances made pursuant to this Note.

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Obligor expressly consents to the deduction of any applicable taxes from each advance extended by Lender hereunder.

8. **Prepayments.** Prepayments may be made in whole or in part at any time.

9. **Delinquency Charge.** Borrower shall pay on demand of Lender, a delinquency charge in an amount not to exceed two percent (2%) of any payment that is more than fifteen days late.

10. **Events of Default.** It shall be an event of default hereunder if there shall be an Event of Default under the Loan Agreement.

11. **Remedies upon Default.** Whenever there is a default under this Note (a) the entire balance outstanding hereunder and all other obligations of any Obligor to Lender (however acquired or evidenced) shall, at the option of Lender, become immediately due and payable and any obligation of Lender to permit further borrowing under this Note shall immediately cease and terminate, and/or (b) to the extent permitted by law, the rate of interest on the unpaid principal shall be increased at Lender's discretion up to the maximum rate allowed by law (the "Default Rate"). The provisions herein for a Default Rate shall not be deemed to extend the time for any payment hereunder or to constitute a "grace period" giving any Obligor a right to cure any default. At Lender's option, any accrued and unpaid interest, fees or charges may, for purposes of computing and accruing interest on a daily basis after the due date of the Note or any installment thereof, be deemed to be a part of the principal balance, and interest shall accrue on a daily compounded basis after such date at the Default Rate until the entire outstanding balance of principal and interest is paid in full. Upon a default under this Note, Lender is hereby authorized at any time, at its option and without notice or demand, to set off and charge against any deposit accounts of any Obligor (as well as any money, instruments, securities, documents, chattel paper, credits, claims, demands, income and any other property, rights and interests of any Obligor), which at any time shall come into the possession or custody or under the control of Lender or any of its agents, affiliates or correspondents, any and all obligations due hereunder. Additionally, Lender shall have all rights and remedies available under each of the Loan Documents, as well as all rights and remedies available at law or in equity.

12. **Non-waiver.** The failure at any time of Lender to exercise any of its options or any other rights hereunder shall not constitute a waiver thereof, nor shall it be a bar to the exercise of any of its options or rights at a later date. All rights and remedies of Lender shall be cumulative and may be pursued singly, successively or together, at the option of Lender. The acceptance by Lender of any partial payment shall not constitute a waiver of any default or of any of Lender's rights under this Note. No waiver of any of its rights hereunder, and no modification or amendment of this Note, shall be deemed to be made by Lender unless the same shall be in writing, duly signed on behalf of Lender; each such waiver shall apply only with respect to the specific instance involved, and shall in no way impair the rights of Lender or the obligations of Obligors to Lender in any other respect at any other time.

13. **Applicable Law, Venue and Jurisdiction.** This Note and the rights and obligations of Borrower and Lender shall be governed by and interpreted in accordance with the law of the State of Florida. In any litigation in connection with or to enforce this Note or any indorsement or guaranty of this Note or any Loan Documents, Obligors, and each of them, irrevocably consent to and confer personal jurisdiction on the courts of the State of Florida or the United States located

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within the State of Florida and expressly waive any objections as to venue in any such courts. Nothing contained herein shall, however, prevent Lender from bringing any action or exercising any rights within any other state or jurisdiction or from obtaining personal jurisdiction by any other means available under applicable law.

14. Partial Invalidity. The unenforceability or invalidity of any provision of this Note shall not affect the enforceability or validity of any other provision herein and the invalidity or unenforceability of any provision of this Note or of the Loan Documents to any person or circumstance shall not affect the enforceability or validity of such provision as it may apply to other persons or circumstances.

15. Binding Effect. This Note shall be binding upon and inure to the benefit of Borrower, Obligors and Lender and their respective successors, assigns, heirs and personal representatives, provided, however, that no obligations of Borrower or Obligors hereunder can be assigned without prior written consent of Lender.

16. Controlling Document. To the extent that this Note conflicts with or is in any way incompatible with any other document related specifically to the loan evidenced by this Note, this Note shall control over any other such document; and if this Note does not address an issue, then each other such document shall control to the extent that it deals most specifically with an issue.

17. Arbitration and Waiver of Jury Trial. This Section 17 concerns the resolution of any controversies or claims between the Borrower and the Lender, whether arising in contract, tort or by statute, that arise out of or relate to: (i) this Note (including any renewals, extensions or modifications) or (ii) any Loan Document (collectively, a "Claim").

At the request of the Borrower or the Lender, any Claim shall be resolved by binding arbitration in accordance with the Federal Arbitration Act (Title 9, U. S. Code) (the "Act"). The Act will apply even though this Agreement provides that it is governed by the law of a specified state.

Arbitration proceedings will be determined in accordance with the Act, the rules and procedures for the arbitration of financial services disputes of J.A.M.S./Endispute or any successor thereof ("J.A.M.S."), and the terms of this paragraph. In the event of any inconsistency, the terms of this Section shall control.

The arbitration shall be administered by J.A.M.S. and conducted in West Palm Beach, Florida. All Claims shall be determined by one arbitrator; however, if Claims exceed $5,000,000, upon the request of any party, the Claims shall be decided by three arbitrators. All arbitration hearings shall commence within 90 days of the demand for arbitration and close within 90 days of commencement and the award of the arbitrator(s) shall be issued within 30 days of the close of the hearing. However, the arbitrator(s), upon a showing of good cause, may extend the commencement of the hearing for up to an additional 60 days. The arbitrator(s) shall provide a concise written statement of reasons for the award. The arbitration award may be submitted to any court having jurisdiction to be confirmed and enforced.

The arbitrator(s) will have the authority to decide whether any Claim is barred by the statute of limitations and, if so, to dismiss the arbitration on that basis. For purposes of the application of

HEARING EXHIBIT - 00000061

CERTIFICATE OF BORROWER

Bank of America, N.A.

Ladies and Gentlemen:

The undersigned hereby represents and warrants to you as follows:

1. Florida Public Utilities Company (the "Company") is a Florida corporation duly organized, validly existing and in good standing under the laws of the State of Florida, is qualified to do business in, and is in good standing under the laws of, the State of Florida, and has full power and authority to own its properties and to operate its facilities as presently owned and operated.

2. The execution, delivery and performance of the Amended and Restated Loan Agreement, dated as of October 29, 2004 (the "Loan Agreement"), by and between the Company and Bank of America, N.A. (the "Lender") and the "Related Documents" referred to therein to which the Company is a party (collectively, the "Company Documents"), all as executed and delivered on behalf of the Company have been authorized by a resolution (the "Resolution") of the Board of Directors of the Company, and such resolution has not been amended, modified or rescinded and is in full force and effect on the date hereof.

3. The undersigned was on the date of the execution of the Company Documents and is on the date hereof the duly elected and qualified incumbent of the office of the Company set forth below.

4. The Company is not in default under the Company Documents or in the payment of the principal of or interest on any of its indebtedness for borrowed money, and is not, to the knowledge of the undersigned, in default under any instrument under and subject to which any material amounts of such indebtedness have been incurred, and, to the knowledge of the undersigned, no event has occurred and is continuing under the provisions of any such instrument which, with the lapse of time or the giving of notice, or both, would constitute an event of default thereunder other than defaults which are not material.

5. Except for violations which are not in the aggregate material, the Company is not in violation of any existing law, rule or regulation applicable to it or in default under any indenture, mortgage, trust deed, lien, lease, contract, note, order, judgment, decree or other agreement, instrument or restriction of any kind to which the Company is a party or by which it is bound or to which any of its assets are subject, and the execution and delivery by the Company of the Company Documents and the compliance with the terms and conditions thereof will not result in any such violation or default.

6. There is neither pending nor, to the best of the knowledge of the undersigned, threatened against the Company any action, suit, other proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, authority, board, body or arbitrator, or,

HEARING EXHIBIT - 00000062

to the knowledge of the undersigned, is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Company Documents, any of the Company Documents or Related Documents or any related agreement or instrument to which the Company is a party or by which it is bound or any of its assets are subject, and which is used or contemplated for use in consummation of the transactions contemplated therein, or which would materially adversely affect the transactions contemplated by the foregoing.

7. The representations and warranties of the Company contained or referred to in each of the Company Documents are true and correct as of the date hereof, the Company has complied with all covenants and satisfied all conditions and terms of each of the Company Documents and Related Documents on its part to be performed or satisfied on or before the date hereof and no Default or Event of Default under any of the Company Documents or event which, with the lapse of time or the giving of notice, or both, would constitute a Default or Event of Default thereunder has occurred or is continuing.

8. Attached as Exhibit "A" is a true, complete and correct copy of the Resolution as in effect on the date hereof.

9. Attached hereto as Exhibit "B" is a true, complete, and correct copy of the Articles of Incorporation of the Company as in effect on the date hereof.

10. Attached hereto as Exhibit "C" is a true, complete, and correct copy of the Bylaws of the Company as in effect on the date hereof.

11. Attached hereto as Exhibit "D" is evidence that the Company is in good standing under Florida law.

IN WITNESS WHEREOF, Florida Public Utilities Company has caused this certificate to be executed this 29th day of October, 2004.

FLORIDA PUBLIC UTILITIES COMPANY

Name: George M. Bachman
Its: Chief Financial Officer/Treasurer

HEARING EXHIBIT - 00000063

CONFIDENTIAL

CERTIFIED COPY OF EXCERPT OF MEETING MINUTES
OF THE BOARD OF DIRECTORS
FLORIDA PUBLIC UTILITIES COMPANY
JULY 16, 2004

A Special Meeting of the Board of Directors of Florida Public Utilities Company was held at the office of the Company, 401 South Dixie Highway, West Palm Beach, Florida, on Friday, July 16, 2004, at 8:00 a.m. pursuant to call and notice duly given.

The President then stated that it was prudent to reaffirm the resolutions adopted at the Board of Directors meeting March 4, 2003, authorizing a Credit Agreement and Revolving Credit Note of up to $20,000,000 from Bank of America, N.A.

> RESOLVED, that the President or any Vice President, together with the CFO, Treasurer or the Secretary of the Company, be and hereby are authorized on behalf of the Company to execute and deliver a Credit Agreement and Revolving Credit Note for the borrowing by the Company of up to $20,000,000 from Bank of America, N.A. ("Lender").
>
> RESOLVED, that the above officers of this Company are authorized, empowered and directed to execute and deliver from time to time such draw requests, Notes, amendments to the Credit Agreement or Notes and other documentation as is required by Lender to evidence or secure the loans contemplated by the Credit Agreement, all in the name of and under the corporate seal of this Company on behalf of the Company.
>
> RESOLVED, that the said officers are authorized to negotiate and agree to the specific terms, including required collateral, of the instruments to be executed.

I, B.L. Erdek, Assistant Corporate Secretary of Florida Public Utilities Company, do hereby certify that the above is a true and exact copy of the resolution adopted by the Board of Directors of Florida Public Utilities Company at the duly convened meeting on July 16, 2004.

CERTIFIED to as of this 21st day of October 2004.

B.L. Erdek
Assistant Corporate Secretary

State of Florida

Department of State

I certify the attached is a true and correct copy of the Articles of Incorporation, as amended to date, of FLORIDA PUBLIC UTILITIES COMPANY, a corporation organized under the laws of the State of Florida, as shown by the records of this office.

The document number of this corporation is 119792.

Given under my hand and the Great Seal of the State of Florida at Tallahassee, the Capitol, this the Sixteenth day of April, 2003

Glenda E. Hood

Glenda E. Hood
Secretary of State

CR2EO22 (2-03)

HEARING EXHIBIT - 00000065

CERTIFICATE OF RE-INCORPORATION

OF

FLORIDA PUBLIC UTILITIES COMPANY.

The undersigned, FLORIDA PUBLIC UTILITIES COMPANY, a corporation duly incorporated by letters patent issued by the State of Florida onthe 6th day of March, 1924, and recorded in the office of the Clerk of the Circuit Court of Palm Beach County, Florida, on the 18"day of July, 1924, and in Book 5 of Corporations, on Page 532, and by letters patent changing the name of the corporation, issued by the State of Florida on the 24th day of October, 1927, and recorded in the office of the Clerk of the Circuit Court of Palm Beach County, Florida, on October 28, 1927, in Book 14 of Corporations, on Page 303 , and existing under the laws of said state on July 15, 1925, by its President and Secretary, does hereby make, subscribe, acknowledge, and file this certificate for the purpose of re-incorporation under Chapter 10096 of the Laws of Florida, 1925, under the name of FLORIDA PUBLIC UTILITIES COMPANY, as follows:

1. The name of this corporation is FLORIDA PUBLIC UTILITIES COMPANY.

2. The general nature of the business or businesses to be transacted is

(1) To manufacture, or in any manner acquire, produce, distribute and sell artificial gas for light, heat and power and other purposes, and also to buy, refine, treat, convert, sell and deal in its products, by-products and residual products; to mine for, drill for, produce, buy and in any manner acquire, and to sell and distribute natural gas for light, heat and

HEARING EXHIBIT - 00000066

power and other purposes, and also to buy, refine, treat, convert, sell and deal in its products, by-products and residual products; to construct and purchase or in any manner acquire, to maintain and operate, and to sell, mortgage or in any manner dispose of plants and works for the manufacture, distribution, utilization and transmission of artificial and natural gas and their products, by-products and residual products.

(2) To construct, lay, purchase or in any manner acquire and to maintain, and operate, and to sell, encumber or in any manner dispose of pipe lines and gas mains for the sale, distribution and transportation of natural and artificial gas for light, heat, power and other purposes, in, along, over, through or under any streets, alleys, roads, highways, or other public places, and in, over, through or under any private or public property (subject, however, to the consent of governmental or municipal authorities where the same may be required by law).

(3) To lease, buy, or otherwise acquire, to hold and operate, and to sell, lease, encumber, or otherwise dispose of gas and petroleum lands and leases, and rights to explore for and remove natural gas and petroleum, and to take contracts for the drilling of oil and gas wells, and to carry out and execute the same, and to purchase or otherwise acquire, sell and distribute natural gas and petroleum for all purposes.

(4) To manufacture, generate, produce, buy, supply and sell to the public, accumulate, store, transmit, utilize, furnish and distribute electrical energy produced by water and/or steam as a motive force, for light, heat, power and other purposes.

(5) To construct, manufacture, buy, sell, mortgage, lease, let and operate power plants, generating stations and any and all machinery and appliances for the manufacture, generation, production, storage, accumulation, transmission, distribution, and use of electrical energy, and any and all manner of electrical machinery, apparatus and supplies of any nature and kind whatsoever.

(6) To construct, buy, acquire, own, operate, sell, mortgage, and lease hydro-electric power plants, together with everything whatsoever pertaining thereto; to purchase, acquire, hold, lease, encumber, control and to sell, mortgage, lease and dispose of water, water rights, water power privileges and flowage rights for use in connection with such power plants and the generation and distribution of electrical energy for light, heat and power and other purposes.

HEARING EXHIBIT - 00000067

(7) To carry on a general business of electricians, mechanical engineers and suppliers of electricity for the purpose of light, heat and power or otherwise, and to install, erect and maintain and operate, sell or lease wires, cables and fixtures, both interior and exterior for the transmission and use of electrical energy and to manufacture and deal in all apparatus and things required for or capable of being used in connection with the generation, distribution, supply, accumulation, consumption and employment of electricity.

(8) To buy, sell, mortgage, operate and lease pole lines, erect poles, string wires thereon and on poles of individuals and corporations, on any and all streets, avenues, highways and roads of counties, cities, towns and/or other municipal subdivisions and over and along all canals and other waterways, and over and across bridges and through tunnels and over and across all lands belonging to or controlled by individuals, corporations, municipalities, counties, cities, towns and/or other municipal subdivisions, states, the national government or any governmental subdivision of the national government (subject, however, to the consent of governmental or municipal authorities where the same may be required by law), and to use the same both as through lines and for local delivery for the transmission and distribution of electrical energy, and to sell and lease to other individuals or corporations the right to place electric wires on or attach electric wires to any or all poles so erected, owned or leased.

(9) To build and construct, purchase and use for any of the purposes stated above, underground subways and conduits in such streets, avenues, highways, roads and under such canals, and other waterways, and through any tunnels and under any public or private lands, and place electric wires and conductors therein, and to buy and lease from and sell and let to any individual or corporation the right to place and use as aforesaid electric wires or conductors in any such subways (subject, however, to the consent of governmental or municipal authorities where the same may be required by law).

(10) To manufacture, buy, sell, rent and deal in stoves, engines, motors, lamps and all other devices, apparatus, appliances and equipment operated by or in connection with or calculated, directly or indirectly, to promote the consumption or use of electrical energy, natural or of artificial gas or petroleum, or any of their products or by-products.

(11) To mine for, produce, buy and in any manner acquire, refine, sell and distribute, petroleum, petroleum products and by-products, and to acquire, own, maintain and operate works, distributing systems, pipe-lines, stations, stores and other facilities used or useful in connection with or incidental to the distribution, sale, production, or otherwise using or dealing with any of the foregoing.

(12) To acquire, sell, own, mortgage, lease, construct, maintain and operate water works, and to supply municipalities, corporations and individuals with water, water power and water service for domestic mechanical, manufacturing, business, public, fire protection and all other purposes, and to construct, erect, or in any manner acquire, to own,

HEARING EXHIBIT - 00000068

hold and operate, and to sell, exchange, lease, encumber, or in any manner dispose of bodies and streams of water, canals and aqueducts, works, dams, buildings, plants, pumping stations, reservoirs, machinery, equipment, fixtures, pipes, pipe-lines, hydrants, mains, apparatus, appliances, facilities, rights, privileges, franchises, and all such real and personal property, as may be necessary, useful or convenient to the business of procuring and furnishing water, water power and water service, and to use in any manner not in conflict with the laws of Florida any and all streams, springs and other bodies of water located in such State as the source or sources from which it will derive its water supply; to manufacture, buy, sell, lease and deal in fixtures, equipment and appliances capable of being employed in connection with the supply and use of water, and water power; to acquire, carry on, exploit and deal with and inplants, works, dams, buildings, pumping stations, lands, property, franchises, equipment, fixtures, pipes, power houses, good will and business of water companies of persons or municipalities engaged in the business of furnishing to municipalities, corporations and/or individuals, water, water power and water service; and to carry on any business incidental thereto.

(13) To purchase, appropriate, acquire, hold, lease, encumber, control, and to sell, mortgage, lease and dispose of water, water rights and privileges, and power privileges and appropriations for industrial and domestic power and other uses or purposes of every kind.

(14) To manufacture, or in any manner to produce, and to own, hold, buy, sell or otherwise acquire for dispose of ice, whether natural or artificial; to conduct and carry on the business of storage, cold storage, refrigeration, freezing and ice-making; to construct, acquire, own, hold, operate and dispose of, and generally deal in and with refrigerating plants, refrigerating systems, ice machines, ice-making machines, cold storage plants, warehouses, refrigerator cars and refrigerating processes, apparatus, household refrigerators, equipment and devices of all kinds; to acquire, construct, own, maintain, lease, sell, operate and dispose of pipe-lines and facilities for the distribution of refrigeration and to engage in the business of furnishing all kinds of refrigeration and cold storage service; and to manufacture, buy, sell and deal in machinery, supplies, materials and articles of all kinds used or useful in connection with the refrigerating business, or incident thereto.

(15) To manufacture, buy, sell, distribute and generally deal in and with ice cream, ices and all kinds of chilled or cooled confections and products and all refrigerated products and commodities of every kind and character; and to acquire, own, use, maintain and operate ice cream plants and other plants, works and facilities for the manufacture, production, use, sale or distribution of any of the foregoing, and all kinds of equipment, appliances and containers used or useful in connection therewith, and also all kinds of products, supplies, materials and commodities used or useful for refrigerating, cooling, chilling, preserving or purifying.

(16) To manufacture, produce, in any manner or from any materials, buy, sell, lease, dispose of, furnish and distribute heat to persons, firms, corporations, municipalities and others and to construct, buy, acquire, operate, maintain, enlarge,

HEARING EXHIBIT - 00000069

sell, mortgage or otherwise dispose of heating plants, distribution systems, pipe lines, and all kinds of property, real or personal, necessary or convenient for the operation and maintenance thereof; to manufacture, buy or otherwise acquire and to sell, furnish or otherwise dispose of all kinds of devices, articles, apparatus, equipment and property useful or convenient in connection with the production, distribution, consumption, use, and employment of heat.

(17) To construct, manufacture, buy, sell, install, lease or otherwise dispose of and deal in and trade in works, machinery, appliances, instruments, fixtures, devices, supplies, materials and articles of every nature and description used or capable of being used in the manufacture, production, generation, accumulation, transmission, distribution, control, measurement or other application or use in any manner whatsoever of electricity, natural or artificial gas, water, oil, ice, coal, refrigeration, heat, and any power now known or which may hereafter be discovered or invented.

(18) To manufacture, buy, sell, lease and otherwise acquire and dispose of, and generally trade and deal, as principal agent, factor, on commission or otherwise, in metals of all kinds, iron, steel, manganese, coal, coke, copper, lumber, and other materials, and any articles consisting or partly consisting thereof, and all or any products thereof, and in metal, electrical, mechanical and mercantile devices, specialties, machines, appliances, utilities, implements, castings, parts, tools, fixtures, hardware, instruments and apparatus of every kind and nature, and any other articles of commerce ordinarily made in a thoroughly equipped machine shop, factory, laboratory or foundry.

(19) To manufacture, acquire, buy, hold, sell and dispose of in any lawful manner, and generally deal in and with goods, wares, merchandise, property and commodities of any and every class and description, and all articles used or useful in connection therewith, in so far as may be permitted by the laws of Florida; to engage in any business, whether manufacturing or otherwise, which this corporation may deem advantageous or useful in connection with any or all of the foregoing; and to purchase, acquire, manufacture, prepare for market, sell, and otherwise acquire, hold, and dispose of any article or thing which this corporation may use in connection with its business, or which may be employed in utilizing the products sold or the services rendered by this corporation or by any other corporation, firm, association or individual in whose securities or obligations this corporation is interested either as holder, guarantor, or otherwise, or which will foster the sale or use of such products or service.

(20) To obtain the grant of, condemn by eminent domain proceedings or otherwise, appropriate, purchase, lease or otherwise acquire any franchises, easements, concessions, rights, options, patents, licenses, powers, authorities, privileges, lands, rights of way, sites, properties, undertakings or businesses, or any right, option or contract in relation thereto, and to perform, carry out and fulfill the terms and conditions thereof, and to carry the same into effect, and to develop, maintain, lease, sell, transfer, dispose of and otherwise deal with the same, subject, however, to the provisions of the laws of the State of Florida, and the consent of any governmental authority, federal, state, municipal or local that may be required by law.

RING EXHIBIT - 00000070

(21) To purchase at a discount or otherwise acquire by exchange of its own stock, bonds, debentures or other securities or otherwise, take, subscribe for, contract to purchase, own, hold, sell, assign, transfer, mortgage, hypothecate, pledge, contract to sell or otherwise dispose of bonds, debentures, shares of stock, securities, scrip, mortgages, real estate certificates, obligations, contracts, and notes issued or created by other corporations, associations, societies or companies, whether public, private or municipal or any corporate body; to exercise and enjoy to the same full extent as natural persons could do all rights and privileges accruing to or vesting in the holder or owners of the said property and choses in action aforesaid and to do everything needful, convenient, desirable, or considered proper, for the protection, improvement, betterment or enhancement of the value of the said property or choses in action or any class thereof and in any manner to aid or cooperate with such corporations, associations, societies or companies or with the bondholders or stockholders thereof as circumstances may require and as may be necessary, convenient or proper and as may be permitted by law.

(22) In furtherance of and for the accomplishment of its objects and purposes, to guarantee the payment of dividends on any share of the capital stock of any corporation, joint stock company or associations in which this corporation has or may at any time have an interest, to endorse or otherwise guarantee the payment of the principal of, or interest on, any scrip, bonds, coupons, mortgages, debentures or other securities issued or created by any corporation, joint stock company or association, including so-called Massachusetts Trusts, in which this corporation has an interest, or whose shares or securities it owns, to become surety for and to guarantee the carrying out or the performance of any and all contracts of every kind or character of any corporation, joint stock company or associations in which this corporation has an interest, or whose shares or securities it owns, and to do any and all lawful things designed to protect, preserve, improve, or enhance the value of any such shares, scrip, voting trust certificates, bonds coupons, mortgages, debentures, securities or other evidences of indebtedness of any corporation, joint stock company or association in which this corporation has an interest or whose shares or securities it may own.

(23) To construct, acquire, extend, improve, equip, finance, maintain, manage and/or operate, for itself or for others, any corporation or association and/or any property or properties of any kind and/or to advise, aid and/or assist therein and for any of said purposes to furnish the services and advice of engineers, appraisers, supervisors, technical experts, technical advisers, auditors, executives and other assistants in any of such matters; and to aid in any manner the issuer of any stocks, bonds, debentures, evidences of indebtedness, obligations, warrants or securities of any kind at any time held by this corporation, and to do any and all lawful acts or things designed to protect, preserve, enhance or improve the value of any securities held by this corporation, and to use the funds, assets and/or credit of this corporation for any of said purposes.

(24) To borrow money; to draw, make, accept, endorse, transfer, assign, execute, and issue bonds, debentures, promissory notes, and other evidences of indebtedness, and for the purpose of securing any of its obligations or contracts to con-

HEARING EXHIBIT - 00000071

vey, transfer, assign, deliver, mortgage and/or pledge all or any part of the property or assets at any time owned or held or thereafter acquired by this corporation, as may be permitted by law.

(25) To enter into and make, and perform and carry out contracts of any kind and description made for any lawful purposes, without limit as to amount, with any person, firm, association or corporation, either public or private, or with any territory or government or agency thereof; to acquire and to take over as a going concern and thereafter to carry on, operate, sell or dispose of the business of any person, firm or corporation engaged in any business which this corporation is authorized to carry on, and in connection therewith, to acquire the good will and all or any of the assets and to assume or otherwise provide for all or any of the liabilities of any such business.

(26) To organize, incorporate, and reorganize subsidiary corporations and joint stock companies and associations for any prupose permitted by law.

(27) To apply for, obtain, register, purchase, lease or otherwise acquire any concessions, rights, options, patents, privileges, patent rights and privileges, inventions and improvements and processes, copyrights, trade-marks and trade names, or any right, option or contract in relation thereto, and to perform, carry out and fulfill the terms and conditions thereof, and to develop, maintain, lease, sell, transfer, dispose of, and otherwise deal with the same.

(28) To do all and everything necessary, suitable and proper for the accomplishment of any of the purposes or the attainment of any of the objects or the furtherance of any of the powers hereinbefore set forth, either alone or in association with other corporations, firms or individuals, and to do every other act or acts, thing or things, incident or appurtenant to or growing out of or connected with the aforesaid business or powers or any part or parts thereof, provided the same be not inconsistent with the laws of the State of Florida.

(29) To acquire (by purchase, exchange, lease, hire, or otherwise), own, hold, develop, operate, lease, sell, assign, transfer, exchange, mortgage, pledge or otherwise dispose of, or turn to account, and convey, real and personal property of every kind and nature, and rights or privileges therein, in the State of Florida, and in any or all other States, Territories, Districts, Colonies, and Dependencies the United States of America and in any or all foreign countries;

3. The amount of the authorized common stock of the corporation heretofore was Fifty Thousand Dollars ($50,000), divided into five hundred (500) shares of the par value of One Hundred Dollars ($100) each. Hereafter the maximum number of shares without nominal or par value that this corporation is authorized to have outstanding at any one time is Five Thous

HEARING EXHIBIT - 00000072

(5,000) shares, all of one classification, all of which shall be issued in place of and in exchange for the heretofore authorized common stock of the corporation on the basis of 10 shares of stock of no nominal or par value for each share of stock heretofore authorized of the par value of $100.

4. The amount of capital with which the corporation began business was Fifty Thousand Dollars ($50,000), and now is Fifty Thousand Dollars ($50,000).

5. This corporation shall have perpetual existence.

6. The principal office of this corporation is located in the City of West Palm Beach, County of Palm Beach, State of Florida.

7. The number of its directors is three (3).

8. The names and post-office addresses of the Board of Directors of the corporation prior to re-incorporation were as follows:

Name.	Post-Office Addresses.
A. E. Peirce,	105 W. Adams St., Chicago, Ill.
R. L. Aage,	105 W. Adams St., Chicago, Ill.
W. S. McCollough,	105 W. Adams St., Chicago, Ill.

9. The names and post-office addresses of its present Board of Directors, who shall hold office for the first year or until their successors are elected and have qualified, are:

Name.	Post-Office Addresses.
A. E. Peirce,	105 W. Adams St., Chicago, Ill.
R. L. Aage,	105 W. Adams St., Chicago, Ill.
W. S. McCollough,	105 W. Adams St., Chicago, Ill.

10. The names and post-office addresses of the subscribers of the certificate of incorporation and of the stockholders of the corporation prior to re-incorporation,

HEARING EXHIBIT - 00000073

and the number of shares of stock which each agrees to take, are as follows:

Florida Public Utilities Company, West Palm Beach, Florida, whose stockholders prior to re-incorporation are:

Name.	Post-Office Address.	No. of Shares of Stock owned of the par value of $100.	No. Shares of Stock of no nominal or par value agreed to be taken.
A. E. Peirce,	105 W. Adams St., Chicago, Ill.,	1	10
R. L. Aage,	105 W. Adams St., Chicago, Ill.,	1	10
W. S. McCollough,	105 W. Adams St., Chicago, Ill.,	1	10
Federated Utilities, Inc., a Maryland corporation,	101 E. Fayette St., Baltimore, Md.,	497	4970

The names and post-office addresses of the subscribers of the original certificate of incorporation, and the number of shares of original stock which each then agreed to take, are as follows:

Ralph B. Wagner, West Palm Beach, Fla., 498 shares,
Perry H. Odom, West Palm Beach, Fla., 1 share,
Clinton W. Effinger, West Palm Beach, Fla., 1 share.

11. In furtherance and not in limitation of the powers conferred by statute, and in addition to any other powers herein granted,

(1) The Board of Directors is expressly authorized:

(a) To make and alter the by-laws of this corporation;

(b) To set apart out of any funds of this corporation available for dividends, a reserve or reserves for working capital or for any other proper purpose and to abolish any such reserve in the manner in which it was created;

(c) Without any action or consent of the stockholders, to mortgage or otherwise pledge, transfer, or convey real or personal property, including the capital stocks and securities of other corporations owned by this corporation, without limit as to amount, to secure money borrowed by it and any debt contracted by it;

(d) From time to time to determine at what times and places, and under what conditions and regulations, the books and records of this corporation, or any of them, shall be open to inspection of stockholders; subject, however, to the provisions of the laws of the State of Florida;

HEARING EXHIBIT - 00000074

(e) By resolution or resolutions passed by a majority of the whole Board to designate one or more committees, each committee to consist of two or more of the directors of the corporation, which, to the extent provided in said resolution or resolutions or in the by-laws of the corporation, shall have and may exercise the powers of the Board of Directors in the management of the business and affairs of the corporation, and may have power to authorize the seal of the corporation to be affixed to all papers which may require it. Such committee or committees shall have such name or names as may be stated in the by-laws of the corporation or as may be determined from time to time by resolution adopted by the Board of Directors. Any vacancy occurring in any such committee shall be filled by the Board of Directors by the election of a director; such committees shall hold office during the term of the board appointing them, unless otherwise ordered by the Board of Directors;

(f) Without the authorization of the stockholders, to sell, lease, exchange and/or barter for other property, or otherwise dispose of, any of the property of this corporation less than all;

(g) Pursuant to the affirmative vote of the holders of a majority of the stock issued and outstanding, having voting power, given at a stockholders' meeting duly called for that purpose, or when authorized by the written consent of the holders of a majority of the stock issued and outstanding, having voting power (or, if the vote for consent of a larger or different proportion of the holders of such shares is required by the laws of the State of Florida, notwithstanding the above agreement of the stockholders of the corporation to the contrary, then upon the vote or consent of the larger or different proportion of the holders of such shares so required), to sell, lease or exchange, or otherwise dispose of all of the assets of this corporation, including its good will, franchises and/or other rights upon such terms and conditions as the Board of Directors deem expedient and for the best interests of the corporation, including an exchange for shares and/or securities of another corporation, domestic or foreign;

(2) This corporation may in its by-laws confer powers upon its directors, in addition to the foregoing, and in addition to the powers and authorities expressly conferred upon them by statute.

(3) Both stockholders and Directors shall have the power to hold their meetings and have one or more offices within or without the State.

HEARING EXHIBIT - 00000075

(4) In so far as the same is not contrary to the laws of the State of Florida, no contract or other transaction between this corporation and any other corporation shall be affected or invalidated by reason of the fact that any one or more of the directors of this corporation is or are interested therein, or is a director or officer, or are directors or officers of such other corporation, and any director or directors of this corporation individually or jointly, may be a party or parties to, or may be interested in, any contract or transaction of this corporation or in which this corporation is interested; and no contract, act or transaction of this corporation with any person or persons, firm, association, or corporation, shall be affected or invalidated by reason of the fact that any director or directors, of this corporation is a party, or are parties, to, or interested in such contract, act, or transaction, or is, or are, in any way connected with such person or persons, firm, association, or corporation, and each and every person who may become a director of this corporation is hereby relieved from any liability that might otherwise exist from contracting with this corporation for the benefit of himself, or any firm, association, or corporation in which he may be in anywise interested.

12. This corporation reserves the right to amend, alter, change, or repeal any provision contained in this Certificate of Re-Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

13. The Florida Public Utilities Company does hereby surrender its existing charter or certificate of incorporation,

HEARING EXHIBIT - 00000076

and does hereby accept the provisions of the Corporation Law of the State of Florida, approved June 1, 1925, and in effect July 16, 1925, constituting Chapter 10096 of the Laws of Florida, 1925.

IN WITNESS WHEREOF, Florida Public Utilities Company has caused its corporate seal to be hereto affixed, and these presents to be signed by its President and attested by its Secretary, this 22nd day of April, 1929.

FLORIDA PUBLIC UTILITIES COMPANY

By A. E. Peirce
President.

Attest: W. M. McFarland
Secretary.

STATE OF ILLINOIS }
COUNTY OF COOK } SS.

On this day, before me, a Notary Public in and for the County and State aforesaid, personally appeared A. E. Peirce and W. M. McFarland to me known and known to me to be the President and Secretary, respectively, of the above described corporation and the persons who executed the foregoing certificate and they severally duly acknowledged the execution thereof to be their free act and deed and the free act and deed of said Florida Public Utilities Company, for the uses and purposes therein mentioned, and that the facts therein stated are truly set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal, this 22nd day of April, 1929.

Ruth A. Barker
NOTARY PUBLIC.

My Commission Expires Jan. 31, 1933

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HEARING EXHIBIT - 00000077

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

W. W. McFarland being duly sworn, says:

That he is the Secretary of Florida Public Utilities Company, a corporation organized and existing under the laws of the State of Florida; that the foregoing Certificate of Re-Incorporation of Florida Public Utilities Company was submitted to the stockholders of said corporation at a meeting duly called for the purpose of considering the re-incorporation of said corporation, pursuant to Section 64 of the Corporation Law of the State of Florida, approved June 1, 1925, in effect July 15, 1925, and constituting Chapter 10096 of the Laws of Florida, 1925, the surrender of the existing charter or Certificate of Incorporation of the corporation and the acceptance of the provisions of said Corporation Law; that there were present in person or by proxy at said meeting, the holders of the entire capital stock of the corporation outstanding; that the stockholders of said corporation at said meeting, unanimously duly authorized its President to execute the annexed Certificate of Re-Incorporation under the said act and further authorized its Secretary to attest the same under the corporate seal, that said stockholders at said meeting further authorized this corporation to surrender its existing charter or Certificate of Incorporation and to accept the provisions of the Corporation Law of the State of Florida, constituting Chapter 10096 of the Laws of Florida, 1925.

W. W. McFarland

Sworn to before me this 22nd day of April, 1929.

Notary Public.

My Commission Expires Jan. 31, 1933

HEARING EXHIBIT - 00000078

CERTIFICATE OF AMENDMENT OF CHARTER OF

FLORIDA PUBLIC UTILITIES COMPANY

The undersigned, FLORIDA PUBLIC UTILITIES COMPANY, a corporation duly reincorporated under the General Corporation Law of 1925 of the State of Florida, under the corporate seal and hands of its President and Secretary, makes this certificate to amend its charter as follows:

A meeting of the stockholders of Florida Public Utilities Company was held on the 23rd day of November, 1942, in compliance with a resolution of the Board of Directors of Florida Public Utilities Company, calling such meeting of the stockholders of record entitled to vote, for the consideration of an amendment of the charter of Florida Public Utilities Company set forth in the resolution of the Board of Directors of Florida Public Utilities Company calling such meeting and declared by said Board of Directors to be advisable. At said meeting of the stockholders of Florida Public Utilities Company, all of the stock was represented in person or by proxy.

At said meeting of the stockholders of Florida Public Utilities Company, the votes of all of the stockholders of Florida Public Utilities Company were cast in favor of the amendment of Florida Public Utilities Company in the manner in which the Board of Directors of said corporation had declared advisable in its resolution calling said meeting.

Florida Public Utilities Company, in accord with the resolution aforesaid of the Board of Directors and the action aforesaid of its stockholders, hereby certifies under its corporate seal and the hands of its President and Secretary, that the charter of Florida Public Utilities Company is amended in the following manner:

HEARING EXHIBIT - 00000079

The provision of said charter reading as follows:

"3. The amount of the authorized common stock of the corporation heretofore was Fifty Thousand Dollars ($50,000.00), divided into five hundred (500) shares of the par value of One Hundred Dollars ($100) each. Hereafter the maximum number of shares without nominal or par value that this corporation is authorized to have outstanding at any one time is Five Thousand (5,000) shares, all of one classification, all of which shall be issued in place of and in exchange for the heretofore authorized common stock of the corporation on the basis of 10 shares of stock of no nominal or par value for each share of stock heretofore authorized of the par value of $100."

is stricken from said charter, and in lieu thereof there is substituted the following provision which shall henceforth be a part of the charter of Florida Public Utilities Company:

"3. The amount of the authorized common stock of the corporation heretofore was Five Thousand (5,000) shares of no nominal or par value. Hereafter, the authorized capital stock of the corporation shall consist of common stock of the par value of Ten Dollars ($10) per share and the maximum number of shares which this corporation is authorized to have outstanding at any one time is Seventy-one Thousand Five Hundred Fifty (71,550) shares, all of one classification, with a par value of Ten Dollars ($10) per share. One share of such stock of the par value of Ten Dollars ($10) per share shall be issued in exchange for each of the Five Thousand (5,000) shares outstanding without nominal or par value."

IN WITNESS WHEREOF, Florida Public Utilities Company has caused its corporate name to be hereunto signed and its corporate seal to be hereunto affixed, by its President and Secretary, this 23rd day of November, 1942.

FLORIDA PUBLIC UTILITIES COMPANY

(Corporate Seal) By _____
President

ATTEST:

_____
Secretary.

HEARING EXHIBIT - 00000080

STATE OF GEORGIA }
COUNTY OF FULTON } ss

On this day before me, a Notary Public, in and for the county and state aforesaid, personally appeared H. CARL WOLF, to me known, and known to me to be the President of the above-described corporation and the person who executed the foregoing certificate as President of said corporation, and he acknowledged the execution thereof to be his free act and deed, and the free act and deed of said Florida Public Utilities Company for the uses and purposes therein mentioned, and that the facts stated therein are truly set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal, this 23rd day of November, 1942.

Grace Ravey

Notary Public, Georgia, State at Large
My Commission Expires April 8, 1944

(NOTARIAL SEAL)

HEARING EXHIBIT - 00000081

FLORIDA PUBLIC UTILITIES COMPANY

Certificate of Reduction of Capital and Certificate of Amendment of Certificate of Re-Incorporation

FLORIDA PUBLIC UTILITIES COMPANY, a corporation organized and existing under the laws of the State of Florida, hereby certifies:

1. That the Board of Directors of said Corporation at a meeting duly convened and held on the 20th day of December, 1945, adopted resolutions proposing a reduction of the capital of said Corporation to the amount of $358,250 and also setting forth proposed amendments to its Certificate of Re-incorporation, declaring the advisability of the proposed reduction of capital and amendments to the Certificate of Re-incorporation and calling a meeting of the stockholders of said Corporation for the consideration thereof.

2. That thereafter on December 20, 1945, pursuant to such call of the Board of Directors and waiver of notice signed by all the stockholders entitled to vote thereat, a special meeting of the stockholders was held at which meeting the following resolutions approving the proposed reduction of capital and the proposed amendments to the Corporation's Certificate of Re-incorporation were proposed for adoption by the stockholders:

RESOLVED that the proposal of the Board of Directors of this corporation that the capital of the corporation be reduced from $715,500 to $358,250 and that the par value of its 71,550 shares of Common Stock be changed from a par value of $10 per share to a par value of $5 per share, be and the same hereby is authorized and adopted;

RESOLVED that in connection with such reduction of capital there be transferred from the capital, represented by the corporation's outstanding Common Stock, to capital surplus the sum of $357,250;

RESOLVED that the proposal of the Board of Directors that the Certificate of Re-incorporation of this corporation be amended to

HEARING EXHIBIT - 00000082

FLORIDA PUBLIC UTILITIES COMPANY

Certificate of Reduction of Capital and Certificate of Amendment of Certificate of Re-Incorporation

FLORIDA PUBLIC UTILITIES COMPANY, a corporation organized and existing under the laws of the State of Florida, hereby certifies:

1. That the Board of Directors of said Corporation at a meeting duly convened and held on the 20th day of December, 1945, adopted resolutions proposing a reduction of the capital of said Corporation to the amount of $358,250 and also setting forth proposed amendments to its Certificate of Re-incorporation, declaring the advisability of the proposed reduction of capital and amendments to the Certificate of Re-incorporation and calling a meeting of the stockholders of said Corporation for the consideration thereof.

2. That thereafter on December 20, 1945, pursuant to such call of the Board of Directors and waiver of notice signed by all the stockholders entitled to vote thereat, a special meeting of the stockholders was held at which meeting the following resolutions approving the proposed reduction of capital and the proposed amendments to the Corporation's Certificate of Re-incorporation were proposed for adoption by the stockholders:

RESOLVED that the proposal of the Board of Directors of this corporation that the capital of the corporation be reduced from $715,500 to $358,250 and that the par value of its 71,550 shares of Common Stock be changed from a par value of $10 per share to a par value of $5 per share, be and the same hereby is authorized and adopted;

RESOLVED that in connection with such reduction of capital there be transferred from the capital, represented by the corporation's outstanding Common Stock, to capital surplus the sum of $357,250;

RESOLVED that the proposal of the Board of Directors that the Certificate of Re-incorporation of this corporation be amended to

HEARING EXHIBIT - 00000083

change the presently authorized capital stock of the Corporation from 71,550 shares of Common Stock of the par value of $10 per share to 6,000 shares of 4¼% Cumulative Preferred Stock of the par value of $100 per share and 71,550 shares of Common Stock of the par value of $5 per share and to provide that the Corporation's Board of Directors shall consist of not less than three nor more than nine Directors be and the same hereby is adopted and the Certificate of Re-incorporation of this Corporation is hereby amended as follows:

(1) By changing Article numbered 3 of the Certificate of Re-incorporation so that said Article shall be and read as follows:

"3. The maximum number of authorized shares of capital stock of the corporation is Seventy-seven thousand Five hundred Fifty (77,550) divided into Six thousand (6,000) shares of 4¼% Cumulative Preferred Stock (hereinafter called Preferred Stock) of the par value of One Hundred Dollars ($100) per share and Seventy-one thousand Five hundred Fifty (71,550) shares of Common Stock of the par value of Five Dollars ($5) per share.

A description of said classes of stock with the terms on which each class is created is as follows:

DIVISION A—THE PREFERRED STOCK

1. *Dividends.* Out of the assets of the corporation available for dividends, the holders of the Preferred Stock shall be entitled to receive, if and when declared payable by the Board of Directors, dividends in lawful money of the United States of America at the rate of Four Dollars and Seventy Five Cents ($4.75) per share per annum and no more, payable quarterly on January 1, April 1, July 1 and October 1 in each year, before any dividends shall be paid upon or set apart for ~~the Common Stock~~ stock of any class ranking junior to the Preferred Stock, the first quarterly dividend to be payable April 1, 1946, and such dividends on the Preferred Stock shall be cumulative, so that, if in any past dividend period or periods full dividends upon the outstanding Preferred Stock at the rate aforesaid from the date upon which dividends thereon became cumulative shall not have been paid, the

HEARING EXHIBIT - 00000084

deficiency (without interest) shall be paid or declared and set apart for payment before any dividend shall be paid upon or set apart for the stock of any class ranking junior to the Preferred Stock; and the amount of such deficiency may be declared or paid or set apart at any time without reference to any quarterly payment date. Dividends on all shares of Preferred Stock initially issued shall commence to accrue and be cumulative from January 1, 1946. Dividends on any additional shares of Preferred Stock shall commence to accrue and be cumulative from the first day of the quarterly dividend period in which such Preferred Stock is issued, unless such Preferred Stock is issued subsequent to a dividend record date and prior to the next quarterly payment date, in which event dividends shall commence to accrue and be cumulative from such next quarterly payment date.

2. *Preference on liquidation, etc.* In the event of any liquidation, dissolution, or winding up of the corporation, or reduction or decrease of its capital stock resulting in a distribution of assets to the holders of stock of any class ranking junior to the Preferred Stock other than by way of dividends out of the net profits or out of surplus of the corporation, the holders of the Preferred Stock shall be entitled to receive, for each share thereof, the sum of One Hundred ($100) Dollars per share, plus, in case such liquidation, dissolution, winding up, reduction or decrease shall have been voluntary, the sum of Six Dollars ($6) per share, together with all dividends accrued or in arrears thereon, before any distribution of the assets shall be made to the holders of stock of any class ranking junior to the Preferred Stock; but the holders of the Preferred Stock shall be entitled to no further participation in such distribution. If upon any such liquidation, dissolution, winding up, reduction or decrease, the assets distributable among the holders of the Preferred Stock shall be insufficient to permit the payment of the full preferential amounts aforesaid, then the entire assets of the corporation to be distributed shall be distributed among the holders of the Preferred Stock then outstanding, ratably in proportion to the full preferential

HEARING EXHIBIT - 00000085

tion with one or more corporations shall not be deemed to be a liquidation, dissolution or winding up of the corporation or xx a reduction or decrease of its capital stock resulting in a distribution of assets within the meaning of this Paragraph 2.

3. *Redemption and Repurchase.* The corporation may, at its option expressed by vote of its Board of Directors, at any time or from time to time, redeem the whole or (except as hereinafter provided) any part of the Preferred Stock at the redemption price per share of One Hundred Six ($106) Dollars plus any dividends at the time accrued or in arrears. Notice of any proposed redemption of Preferred Stock shall be given by the corporation by mailing a copy of such notice, at least thirty (30) days prior to the date fixed for such redemption, to the holders of record of the Preferred Stock to be redeemed, at their respective addresses then appearing on the books of the corporation. Any such redemption of Preferred Stock shall be in such amount, at such place and by such method, whether by lot or pro rata, as shall from time to time be determined by vote of the Board of Directors. On and after the date specified in such notice, each holder of shares of Preferred Stock called for redemption as aforesaid, upon presentation and surrender at the place designated in such notice of the certificates for such shares of Preferred Stock held by him, properly endorsed in blank for transfer or accompanied by proper instruments of assignment for transfer in blank (if required by the corporation) and bearing all necessary transfer stock tax stamps thereto affixed and cancelled shall be entitled to receive therefor the redemption price thereof. From and after the date fixed in any such notice as the date of redemption, unless default shall be made by the corporation in providing funds sufficient for such redemption at the time and place specified for the payment thereof pursuant to said notice, all dividends on the shares called for redemption shall cease to accrue; and from and after the date so fixed, unless default be made as aforesaid, or from and after the date of the earlier deposit by the corporation in trust, with a solvent bank or trust company doing business in the Borough of Manhattan, City and State of New

HEARING EXHIBIT - 00000086

York and having a combined capital and surplus of at least $1,000,000, of funds sufficient for such redemption (a statement of the intention so to deposit having been included in said notice), all rights of the holders of the shares so called for redemption as stockholders of the corporation, except only the right to receive when due the redemption funds to which they are entitled, shall cease and determine. Any funds so deposited which shall remain unclaimed by the holders of such Preferred Stock at the end of six (6) years after the redemption date, together with any interest thereon that shall have been allowed by the bank or trust company with which the deposit shall have been made, shall be paid by it to the corporation. The corporation may also from time to time repurchase shares of its Preferred Stock at not exceeding the price at which the same may be redeemed, plus dividends accrued or and in arrears and the usual and customary brokerage commissions paid in connection with the purchase thereof. Shares of Preferred Stock redeemed or repurchased by this corporation and not retired may from time to time be reissued by it at such price or prices not less than (a) par plus dividends accrued or in arrears at the time of reissue if the cost thereof to the corporation exceeded par or (b) an amount equal to the cost thereof to the corporation plus dividends accrued or in arrears at the time of reissue, and upon such terms, as shall be determined by the Board of Directors. If and so long as dividends on any shares of Preferred Stock shall be in default, the corporation shall not redeem less than all of the Preferred Stock then outstanding.

4. *Restrictions on Certain Corporate Action.* So long as any shares of the Preferred Stock shall remain outstanding, each of the following described proceedings, matters and things shall require the written consent or the affirmative vote of the holders of at least two-thirds of the issued and outstanding shares of Preferred Stock, voting separately as a class, such vote being taken at a meeting called for the purpose:

HEARING EXHIBIT - 00000087

(a) The creation, authorization or issuance of any shares of any class of stock ranking prior to the Preferred Stock as to dividends or assets, or any class of security convertible into stock ranking prior to the Preferred Stock as to dividends or assets;

(b) The reclassification of shares of stock of any class ranking junior to or on a parity with the Preferred Stock or having preferences junior in any respect to or on a parity with the preferences of the Preferred Stock into shares of stock of a class ranking prior to the Preferred Stock;

(c) Any alteration, amendment or repeal of any of the provisions hereof relative to the rights, designations, privileges or voting powers of any of the Preferred Stock in any manner prejudicial to the holders thereof;

(d) The reduction of the par value of or the amount of capital represented by the outstanding Preferred Stock, or the reduction of the aggregate capital represented by stock of the corporation ranking junior to the Preferred Stock and surplus accounts of the corporation more than $50,000 below the aggregate amount payable upon involuntary liquidation of the issued Preferred Stock and of any class of stock ranking on a parity with or prior to the Preferred Stock to be outstanding immediately after such reduction, except in a case where a State or Federal regulatory body having jurisdiction shall have required or permitted the corporation to reduce the book value of its assets and, in connection therewith, the capital and capital surplus represented by stock of one or more classes ranking junior to the Preferred Stock is to be reduced in an amount or amounts not exceeding in the aggregate the amount of such reduction in book value of assets, and provided that nothing herein contained shall require any such consent or vote of the holders of the Preferred Stock if the reduction of capital shall be in connection with the retirement of shares of Preferred Stock purchased or redeemed in accordance with the provisions of this Division and shall not be in excess of the capital represented by the shares purchased or redeemed.

HEARING EXHIBIT - 00000088

So long as any shards of Preferred Stock shall remain outstanding, each of the following described proceedings, matters and things shall require either the written consent or the affirmative vote of the holders of a majority of the issued and outstanding shares of Preferred Stock, voting separately as a class, such vote being taken at a meeting called for the purpose:

(e) The merger of the corporation into or consolidation of the corporation with any other corporation, or a sale of all or substantially all of the assets of the corporation, unless such merger, consolidation or sale, or the issuance or assumption of all securities to be issued or assumed in connection therewith, shall have been ordered or approved by any Federal or State regulatory authority having jurisdiction in the premises, but the provisions of this clause (e) shall not apply to an acquisition by the corporation of franchises or assets in any manner which does not involve a merger or consolidation;

(f) The issuance of any unsecured notes, debentures or other securities representing unsecured indebtedness, or assumption of any such unsecured securities, other than for the purpose of refunding outstanding unsecured debt securities theretofore issued or assumed or effecting the retirement, by redemption or otherwise, of outstanding shares of the Preferred Stock, or of a class of stock ranking prior thereto or on a parity therewith, if immediately after such issue or assumption the total principal amount of all unsecured securities issued or assumed and then outstanding would exceed ten (10%) per cent of the aggregate of (i) the total principal amount of all bonds or other securities representing secured indebtedness issued or assumed by the corporation and then to be outstanding, and (ii) the total of the capital and surplus of the corporation as then to be stated on its books.

(g) The issuance of any additional shares of Preferred Stock, or any shares of any other class of stock ranking on a parity with the Preferred Stock as to dividends or assets or the reclassification of any shares of any class of stock

HEARING EXHIBIT - 00000089

ranking junior to the Preferred Stock or having preferences junior in any respect to preferences of the Preferred Stock into shares of stock of a class ranking on a parity with the Preferred Stock, unless (i) the net earnings of the corporation determined after provision for depreciation and all taxes and in accordance with sound accounting practice, available for the payment of dividends on shares of Preferred Stock and on any shares of any class of stock ranking prior to or on a parity with the Preferred Stock as to dividends or assets, for any twelve (12) consecutive calendar months within the fifteen (15) calendar months immediately preceding the month within which such additional shares are to be issued, have been at least two and one-half (2½) times the dividend requirements for a twelve (12) months' period upon all shares of Preferred Stock and all shares of any class of stock ranking prior to or on a parity with the Preferred Stock, as to dividends or assets to be outstanding immediately after the proposed issue of any such additional shares or after such reclassification, as the case may be, and (ii) the net earnings of the Company available for the payment of interest charges on the Company's indebtedness, determined after provision for depreciation and all taxes and in accordance with sound accounting practice, for any twelve (12) consecutive calendar months within the fifteen (15) calendar months immediately preceding the month within which such additional shares are to be issued have been at least one and one-half (1½) times the aggregate for a twelve months' period of the interest charges on indebtedness of the Company and the dividend requirements upon all shares of Preferred Stock and on all shares of any class of stock ranking prior to or on a parity with the Preferred Stock as to dividends or assets to be outstanding immediately after the proposed issue of any such additional shares or after such reclassification, as the case may be. There shall be excluded from the foregoing computation interest charges on all indebtedness which is to be retired through the issue of such additional shares. The net earnings of any property acquired by the corporation during the period for which earnings are computed or which is to be acquired in connection with the

HEARING EXHIBIT - 00000090

issuance of any such additional shares may be included on a pro forma basis in the foregoing computation.

(b) The issuance of any additional shares of Preferred Stock or any shares of any other class of stock ranking on a parity with the Preferred Stock as to dividends or assets or the reclassification of any shares of any class of stock ranking junior to the Preferred Stock or having preferences junior in any respect to preferences of the Preferred Stock into shares of stock of a class of stock ranking on a parity with the Preferred Stock, unless the aggregate of the capital of the corporation represented by stock ranking junior to the Preferred Stock and the surplus accounts of the corporation shall be not more than $50,000 below the amount payable upon involuntary dissolution to the holders of issued Preferred Stock and any class of stock ranking on a parity with or prior to the Preferred Stock as to dividends or assets to be outstanding immediately after the proposed issue of such additional shares or after such reclassification, excluding from the foregoing computation ~~all indebtedness and~~ shares of stock which are to be retired in connection with the issue of any such additional shares, and no portion of the surplus of the corporation utilized to satisfy the foregoing requirement shall be available for dividends or other distribution upon or in respect of the Common Stock of the corporation until such number of additional shares are retired;

The holders of the Preferred Stock shall not have any right under the provisions hereinabove in this Paragraph 4 set forth to vote in respect of the creation, issuance or disposition of shares of any class of stock or any indebtedness of the corporation if, through the application of proceeds thereof or otherwise in connection with the issuance thereof, provision is to be made for the redemption of all of the Preferred Stock at ~~the time outstanding any class of stock or any indebtedness of the corporation~~ the time outstanding or if the certificate of amendment of the Certificate of Re-incorporation in respect thereof provides that none of the shares of stock to be authorized thereby may

HEARING EXHIBIT - 00000091

be issued unless provision is made for the purchase, redemption or retirement of all the shares of Preferred Stock.

5. *Voting Rights.* The holders of the Preferred Stock shall not be entitled to vote except as follows:

(a) As provided in the preceding Paragraph 4, or

(b) As may from time to time be mandatorily provided by the laws of Florida, or

(c) Whenever and as often as dividends payable on the Preferred Stock shall be accrued and unpaid in an amount equivalent to or exceeding six quarterly dividends, the holders of the Preferred Stock, voting separately and as one class for such purpose, shall be entitled to elect the smallest number of directors necessary to constitute a majority of the Board of Directors, and the holders of the Common Stock, voting separately and as a class, shall be entitled to elect the remaining directors of the corporation.

Whenever under the provisions of this clause (c), the right shall have accrued to the holders of the Preferred Stock to elect directors, the Board of Directors shall within ten days after delivery to the corporation at its principal office of a request to such effect signed by any holder of Preferred Stock entitled to vote, call a special meeting of the stockholders to be held within forty days from the delivery of such request for the purpose of electing directors; provided, however, that if the regular annual meeting of the corporation shall be scheduled to be held under its by-laws within sixty days after such right shall have accrued to the holders of Preferred Stock, such special meeting may be on the date so scheduled for such annual meeting. At all meetings of stockholders held for the purpose of electing directors during such time as the holders of Preferred Stock shall have the special right, voting separately and as a class, to elect directors pursuant to this clause (c), the presence in person or by proxy of the holders of a majority of the Common Stock shall be required to constitute a quorum of such class for the election of directors, and the presence in person or by proxy of the

HEARING EXHIBIT - 00000092

holders of 33⅓% of the Preferred Stock shall be required to constitute a quorum of such class for the election of directors; provided, however, that the absence of a quorum of the holders of stock of either such class shall not prevent the election at any such meeting or adjournment thereof of directors by the other such class if the necessary quorum of the holders of stock of such class is present in person or by proxy at such meeting; and provided further that in the event such a quorum of the holders of Common Stock is present but such a quorum of the holders of Preferred Stock is not present then the election of the directors elected by the holders of the Common Stock shall not become effective and the directors so elected by the holders of the Common Stock shall not assume their offices and duties until the holders of the Preferred Stock, with such a quorum present, shall have elected the directors they shall be entitled to elect; and provided further, however, that in the absence of a quorum of the holders of stock of either such class, a majority of those holders of the stock of such class who are present in person or by proxy shall have power to adjourn the election of the directors to be elected by such class from time to time without notice other than announcement at the meeting until the holders of the requisite number of shares of such class shall be present in person or by proxy, but such adjournment shall not be made to a date beyond the date for the mailing of notice of the next annual meeting of the corporation or special meeting in lieu thereof.

If and when all dividends accrued and unpaid on the Preferred Stock shall have been paid or declared and set apart for payment, the holders of the Preferred Stock shall at the next annual meeting of the corporation or special meeting in lieu thereof be divested of their rights in respect of the election of a majority of the directors provided in this clause (c), and the voting rights of holders of the Preferred Stock and Common Stock shall revert to the status existing prior to the first dividend payment date on which dividends were not paid in full, but subject always to the provisions for revesting rights in the holders of the Preferred Stock in the event specified in this clause (c) and to the extent herein set forth.

HEARING EXHIBIT - 00000093

In case any vacancy shall occur among the directors elected by the holders of the Preferred Stock or among the directors elected by holders of the Common Stock during any period for which a majority of the members of the Board of Directors shall have been elected by the holders of the Preferred Stock, the successors to any such director shall be elected by the vote of a majority of the remaining members of the Board of Directors ~~which~~ who were elected by the holders of the Preferred Stock or by the holders of the Common Stock, as the case may be, such successor to hold office until the next annual meeting of the corporation or special meeting in lieu thereof.

Any director may be removed from office, either by vote of the holders of a majority of the shares of the class of stock voted for his election or for his predecessor in cases where such director was elected by the Board of Directors, or by vote of a majority of the entire Board of Directors, but in the latter case the majority of the entire Board so voting shall include a majority of the other directors then in office who were either elected by the vote of the class of stock voted for the election of the directors to be removed or succeeded to a vacancy originally filled by the votes of shares of such class. A special meeting of holders of shares of any class may be called by a majority vote of the Board of Directors for the purpose of removing a director in accordance with the provisions of the preceding sentence, and shall be called within forty (40) days after there shall have been delivered to the corporation at its principal office a request or requests to such effect signed by holders of at least five (5%) per centum of the outstanding shares of the class entitled to vote with respect to the removal of any such director.

Preferred Stockholders shall not be entitled to receive notice of any meeting of holders of any class of stock at which they are not entitled to vote.

DIVISION B — THE COMMON STOCK

1. *Dividends.* Out of any assets of the corporation available for dividends remaining after full cumulative dividends upon

HEARING EXHIBIT - 00000094

the Preferred Stock then outstanding shall have been paid, or declared and a sum sufficient for the payment thereof set apart, for all past quarterly dividend periods, and after or concurrently with making payment of or provision for full dividends on the Preferred Stock then outstanding for the current quarterly dividend period, then, and not otherwise, dividends may be paid upon the Common Stock to the exclusion of the Preferred Stock; provided, however, that so long as any shares of the Preferred Stock shall be outstanding the corporation shall not declare or pay any dividends or make any other distribution to the holders of any shares of its capital stock of any class ranking junior to the Preferred Stock (other than a dividend payable in capital stock ranking junior to the Preferred Stock), or purchase or acquire or otherwise retire for a consideration (otherwise than from the proceeds of new financing through the issuance and sale of any shares of any class of stock of the corporation ranking junior to the Preferred Stock) any shares of its capital stock of any class ranking junior to the Preferred Stock (a) if the aggregate amount so paid, distributed and/or applied after January 1, 1946 would exceed the aggregate of the net income of the corporation available for dividends on its capital stock ranking junior to the Preferred Stock accumulated after January 1, 1946, or (b) if the sum of the amount of capital represented by such capital stock ranking junior to the Preferred Stock and of the surplus accounts of the corporation are at the time below, or will as a result of such dividend or other distribution or such purchase, acquisition or other retirement of stock be reduced more than $50,000 below, the aggregate amount payable upon involuntary dissolution to the holders of Preferred Stock and of any class of stock ranking on a parity with or prior to the Preferred Stock at the time issued and outstanding. Net income of the corporation for the purpose of the preceding sentence shall mean gross earnings of the corporation less all proper deductions for operating expenses, taxes, interest charges and other appropriate items, including provision for maintenance and for retirement or depreciation determined in accordance with such system of accounts as may be prescribed by governmental authorities having juris-

HEARING EXHIBIT - 00000095

diction in the premises or in absence thereof in accordance with sound accounting practice; provided, however, that in determining the net income of the corporation for the purposes of this Paragraph 1 no deduction or adjustment shall be made for or in respect of (a) expenses in connection with the redemption or retirement of any securities issued by the corporation, including any amount paid in excess of the principal amount or par or stated value of securities redeemed or retired and, in the event that such redemption or retirement is effected with the proceeds of sale of other securities of the corporation, interest or dividends on the securities redeemed or retired from the date on which the funds required for such redemption or retirement are deposited in trust for such purpose to the date of redemption or retirement, (b) profits or losses from sales of public utility property or other capital assets, or taxes on or in respect of any such profits or (c) amortization or elimination of utility plant adjustment accounts or other intangibles.

2. *Distribution of Assets.* In the event of any liquidation, dissolution or winding up of the corporation, or any reduction or decrease of its capital stock resulting in a distribution of assets to its Common Stockholders other than by way of dividends out of the net profits or out of surplus of the corporation, after there shall have been paid to or set aside for the holders of the Preferred Stock the full preferential amounts to which they are respectively entitled under the provisions of this Article 3, the holders of the Common Stock shall be entitled to receive, pro rata, all of the remaining assets of the corporation available for distribution to its stockholders. The Board of Directors by vote of a majority of the members thereof, may distribute in kind to the holders of the Common Stock such remaining assets of the corporation or may sell, transfer or otherwise dispose of all or any of the remaining property and assets of the corporation to any other corporation and receive payment therefor wholly or partly in cash and/or in stock and/or in obligations of such corporation and may sell all or any part of the consideration received therefor and distribute the balance thereof in kind to the holders of the Common Stock.

HEARING EXHIBIT - 00000096

3. *Voting Rights.* Subject to the voting rights expressly conferred upon the Preferred Stock by this Article 3, holders of the Common Stock shall exclusively possess full voting power for the election of directors and for all other purposes.

DIVISION C—Provisions Applicable to Both Classes of Stock

1. The Board of Directors shall have authority from time to time to set apart out of any assets of the corporation otherwise available for dividends a reserve or reserves as working capital or for any other proper purpose or purposes, and to reduce, abolish or add to any such reserve or reserves from time to time as said Board may deem to be in the interests of the corporation; and said Board shall likewise have power to determine in its discretion what part of the assets of the corporation available for dividends in excess of such reserve or reserves shall be declared as dividends and paid to the stockholders of the corporation.

2. No holder of stock, or of rights or options to purchase stock, of the corporation of any class, as such, shall have any preemptive or preferential right to purchase or subscribe to any shares of stock, or rights or options to purchase stock, of the corporation of any class, whether now or hereafter authorized, or any obligations convertible into stock, or into rights or options to purchase stock of the corporation (including any notes, bonds or other evidences of indebtedness to which are attached or with which are issued warrants or other rights to purchase any stock of the corporation), issued or sold, or any right of subscription to any thereof other than such, if any, as the Board of Directors in its discretion may from time to time fix; and shares of stock, rights or options to purchase stock, or obligations convertible into stock or into rights or options to purchase stock of the corporation may from time to time be issued and sold to such parties, whether

HEARING EXHIBIT - 00000097

stockholders or others, as the Board of Directors in its sole discretion may determine, and in the event the Board of Directors determine to issue or sell any thereof to stockholders at any time, the same may be offered to holders of any class or classes of stock exclusively or to the holders of all classes of stock, and, if offered to more than one class of stock, in such proportions as between said classes of stock, as the Board of Directors in its discretion may determine.

3. Each holder of record of shares of any class of stock entitled to vote at any meeting of stockholders, or of holders of any class of stock, shall, as to all matters in respect of which such stock has voting power, be entitled to one vote for each share of such stock held and owned by him, as shown by the stock books of the corporation, and may cast such vote in person or by proxy. Except as herein expressly provided, or mandatorily provided by the laws of Florida, a quorum of any class of stock entitled to vote as a class at any meeting shall consist of a majority of such class, and a plurality vote of such quorum shall govern."

(2) By changing Article numbered 7 of the Certificate of Re-incorporation so that said Article shall be and read as follows:

"7. The number of Directors shall be not less than three (3) nor more than nine (9)."

3. That at said meeting of the stockholders a vote of the stockholders of record entitled to vote (there being only one such stockholder and he being present in person) was taken for and against the aforesaid resolutions and the reduction of capital and amendments to the Corporation's Certificate of Re-incorporation therein contained and, upon the canvassing of the vote, it appeared that the stockholder of record who held all the issued and outstanding capital stock of the Corporation, and who consequently was entitled to exercise all the voting power of the outstanding capital stock, had voted in favor of the proposed reduction of capital and amendments to the Corporation's Certificate of Re-incorporation and all the aforesaid resolutions were unanimously adopted.

HEARING EXHIBIT - 00000098

IN WITNESS WHEREOF, said FLORIDA PUBLIC UTILITIES COMPANY does hereby make this certificate under its corporate seal and the hand of its President and the hand of its Assistant Secretary and said President and said Assistant Secretary have hereunto set their hands and caused the corporate seal of the Corporation to be hereunto affixed this 20th day of December, 1945.

FLORIDA PUBLIC UTILITIES COMPANY

President

(CORPORATE SEAL)

Assistant Secretary

HEARING EXHIBIT - 00000099

STATE OF NEW YORK }
COUNTY OF NEW YORK } ss:

I, F. Robert Anderson, a Notary Public in and for the State and County aforesaid, hereby certify that JESSE L. TERRY and E. DALE CHAMBERS, personally known to me and known to me to be the President and Assistant Secretary, respectively, of Florida Public Utilities Company, a corporation organized and existing under the laws of the State of Florida, and who as such officers executed the foregoing Certificate of Reduction of capital and of amendment of the Certificate of Re-incorporation of said Corporation, this day personally appeared before me and acknowledged before me that they executed said certificate in the name of and for and on behalf of said Corporation freely and voluntarily and for the uses and purposes therein expressed, and with full authority from the Directors and stockholders of the Corporation so to do.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 20th day of December, 1945.

F. Robert Anderson
Notary Public

F. ROBERT ANDERSON
NOTARY PUBLIC, Queens County
Queens Co. Clerk's No. 27, Reg. No. 79-A-4
N. Y. Co. Clerk's No. 43, Reg. No. 43-A-4
Term expires March 30, 1946

HEARING EXHIBIT - 00000100

FLORIDA PUBLIC UTILITIES COMPANY

Certificate of Amendment of
Certificate of Re-Incorporation

FLORIDA PUBLIC UTILITIES COMPANY, a corporation organized and existing under the laws of the State of Florida, hereby certifies:

1. That the Board of Directors of said Corporation at a meeting duly convened and held on the 7th day of May, 1946, adopted certain resolutions setting forth a proposed amendment to its Certificate of Re-incorporation, declaring the advisability of the proposed amendment to the Certificate of Re-incorporation, authorizing the transfer of $92,250 from capital surplus to capital represented by Common Stock making the aggregate amount of capital represented by the Common Stock outstanding $450,000, and calling a meeting of the stockholders of said Corporation for the consideration thereof.

2. That thereafter on May 7, 1946, pursuant to such call of the Board of Directors and waiver of notice signed by all the stockholders entitled to vote thereat, a special meeting of the stockholders was held at which meeting the following resolution approving the proposed amendment to the Corporation's Certificate of Re-incorporation was proposed for adoption by the stockholders:

RESOLVED that the proposal of the Board of Directors that the Certificate of Re-incorporation of this Corporation be amended to change the presently authorized Common Stock of the Corporation from 71,550 shares of the par value of $5 per share to 150,000 shares

HEARING EXHIBIT - 00000101

of the par value of $3 per share be and the same hereby is adopted and the Certificate of Re-incorporation of this Corporation is hereby amended by changing the first paragraph of Article numbered 3 of the Certificate of Re-incorporation so that said paragraph shall be and read as follows:

> "3. The maximum number of authorized shares of capital stock of the corporation is One hundred fifty-six thousand (156,000) divided into Six thousand (6,000) shares of 4-3/4% Cumulative Preferred Stock (hereinafter called Preferred Stock) of the par value of One Hundred Dollars ($100) per share and One hundred fifty thousand (150,000) shares of Common Stock of the par value of Three Dollars ($3) per share."

3. That at said meeting of the stockholders a vote of the Common Stockholders of record entitled to vote (there being only one such stockholder and he being present in person) was taken for and against the aforesaid resolution and the amendment to the Corporation's Certificate of Re-incorporation therein contained and, upon the canvassing of the vote, it appeared that the stockholder of record who held all the issued and outstanding Common Stock of the Corporation, and who was entitled to exercise all the voting power of the outstanding capital stock, had voted in favor of the proposed amendment to the Corporation's Certificate of Re-incorporation and the aforesaid resolution was unanimously adopted.

IN WITNESS WHEREOF, said FLORIDA PUBLIC UTILITIES COMPANY does hereby make this certificate under its corporate seal and the hand of its Vice President and the hand of its Secretary and said Vice President and said Secretary have here-

HEARING EXHIBIT - 00000102

unto set their hands and caused the corporate seal of the Corporation to be hereunto affixed this 13th day of May, 1946.

FLORIDA PUBLIC UTILITIES COMPANY

Vice President

(Corporate Seal)

Secretary

HEARING EXHIBIT - 00000103

STATE OF NEW YORK)
) SS.:
COUNTY OF NEW YORK)

I, WILLIAM D. HARRINGTON, a Notary Public in and for the State and County aforesaid, hereby certify that PAUL R. TAYLOR and E. DALE CHAMBERS, personally known to me and known to me to be the Vice President and Secretary, respectively, of Florida Public Utilities Company, a corporation organized and existing under the laws of the State of Florida, and who as such officers executed the foregoing Certificate of Amendment of the Certificate of Re-incorporation of said Corporation, this day personally appeared before me and acknowledged before me that they executed said certificate in the name of and for and on behalf of said Corporation freely and voluntarily and for the uses and purposes therein expressed, and with full authority from the Directors and stockholders of the Corporation so to do.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 13th day of May, 1946.

William D. Harrington
Notary Public

WILLIAM D. HARRINGTON
Notary Public, Westchester County
Certificates filed in N. Y. Co. Clerk's No. 411, Reg. No. 5711H-7
Commission expires March 30, 1947

HEARING EXHIBIT - 00000104

FLORIDA PUBLIC UTILITIES COMPANY

CERTIFICATE OF INCREASE OF AUTHORIZED CAPITAL STOCK

AND

CERTIFICATE OF AMENDMENT OF CERTIFICATE OF RE-INCORPORATION

FLORIDA PUBLIC UTILITIES COMPANY, A corporation organized and existing under the laws of the State of Florida, hereby certifies:

1. That the Board of Directors of said Corporation, at a meeting duly convened and held on the 1st day of September, 1950, adopted unanimously a resolution setting forth a proposed amendment to the Certificate of Re-Incorporation, as amended, of the Corporation, declaring the advisability of such amendment to the Certificate of Re-Incorporation and calling a meeting of the holders of the 4-3/4% Cumulative Preferred Stock and Common Stock of said Corporation for consideration thereof.

2. That thereafter, on September 29, 1950, pursuant to such call of the Board of Directors and Notice duly given to all the Stockholders entitled to vote thereat, a Special Meeting of the holders of the 4-3/4% Cumulative Preferred Stock and the Common Stock of said Corporation was held, at which meeting the following resolution approving the proposed amendment to the Corporation's Certificate of Re-Incorporation was proposed for adoption by such Stockholders:

> RESOLVED, that the proposal of the Board of Directors of the Corporation that Clause (f) of Paragraph 4 of Division A of Article 3 of the Certificate of Re-Incorporation, as amended, of the Corporation be amended in certain respects, be and the same is hereby adopted and the Certificate of Re-Incorporation of this Corporation, as amended, is hereby amended as follows:
>
> By changing Clause (f) of Paragraph 4 of Division A of Article 3 of the Certificate of Re-Incorporation, as amended, of the Corporation so that said Clause shall be and read as follows:

HEARING EXHIBIT - 00000105

"(f) The issuance of any unsecured notes, debentures or other securities representing unsecured indebtedness, other than indebtedness maturing not more than one year from the date of creation or assumption of any such unsecured securities, other than for the purpose of refunding outstanding unsecured debt securities theretofore issued or assumed or effecting the retirement, by redemption or otherwise, of outstanding shares of the Preferred Stock, or of a class of stock ranking prior thereto or on a parity therewith, if immediately after such issue or assumption the total principal amount of all unsecured securities issued or assumed and then outstanding, including the unsecured indebtedness then to be issued but excluding indebtedness maturing not more than one year from the date of creation, would exceed ten per centum (10%) of the aggregate of (i) the total principal amount of all bonds or other securities representing secured indebtedness issued or assumed by the corporation and then to be outstanding, and (ii) the total of the capital and surplus of the corporation as then to be stated on its books; provided, however, that any unsecured securities theretofore issued under any authorization of holders of Preferred Stock or any class of stock ranking on a parity therewith given pursuant hereto (and any securities issued to refund the same) shall not be considered in determining the amount of additional securities which may be issued or assumed within the aforesaid 10% limitation."

3. At said meeting of the holders of the 4-3/4% Cumulative Preferred Stock and Common Stock, a vote of the Stockholders of record entitled to vote was taken for and against the aforesaid resolution and the amendments to the Corporation's Certificate of Re-Incorporation therein contained and, upon the canvassing of the vote, it appeared that the holders of 4,098 shares of said 4-3/4% Cumulative Preferred Stock, voting separately as a class, (being the holders of more than two-thirds of the issued and outstanding shares of 4-3/4% Cumulative Preferred Stock as required by the provisions of Paragraph 4 of Article 3 of the Certificate of Re-Incorporation, as amended, of the Corporation) and 125,058 shares of said Common Stock (being the holders of more than a majority of the issued and

HEARING EXHIBIT - 00000106

outstanding shares of said Common Stock) had voted in favor of the adoption of the aforesaid resolution and amendment to the Corporation's Certificate of Re-Incorporation therein contained and that the holders of 45 shares of said 4-3/4% Cumulative Preferred Stock and 245 shares of said Common Stock voted against the adoption of the aforesaid resolution and amendment.

4. That the Board of Directors of said Corporation, at said meeting duly convened and held on the 1st day of September, 1950, adopted unanimously a resolution setting forth another proposed amendment to the Certificate of Re-Incorporation, as amended, of the Corporation, declaring the advisability of such amendment to the Certificate of Re-Incorporation and calling a meeting of the holders of the Common Stock of said Corporation for consideration thereof.

5. That thereafter, on September 29, 1950, pursuant to such call of the Board of Directors and Notice duly given to all the Stockholders entitled to vote thereat, a Special Meeting of the holders of the Common Stock of said Corporation was held, at which meeting the following resolution approving the proposed amendment to the Corporation's Certificate of Re-Incorporation was proposed for adoption by such Stockholders:

> RESOLVED, that the proposal of the Board of Directors of the Corporation that the Certificate of Re-Incorporation of this Corporation, as amended, be amended to increase the authorized Common Stock of the Corporation from 150,000 shares of the par value of $3.00 per share to 200,000 shares of the par value of $3.00 per share, be and the same is hereby adopted and the Certificate of Re-Incorporation of this Corporation, as amended, is hereby amended as follows:
>
> By changing the first paragraph of Article Number 3 of the Certificate of Re-Incorporation, as amended, so that said paragraph shall be and read as follows:

HEARING EXHIBIT - 00000107

"3. The maximum number of authorized shares of capital stock of the Corporation is Two Hundred Six Thousand (206,000) divided into Six Thousand (6,000) shares of 4-3/4% Cumulative Preferred Stock (hereinafter called Preferred Stock) of the par value of One Hundred Dollars ($100) per share and Two Hundred Thousand (200,000) shares of Common Stock of the par value of Three Dollars ($3.00) per share."

6. At said meeting of the holders of the Common Stock, a vote of the Stockholders of record entitled to vote was taken for and against the aforesaid resolution and the amendment to the Corporation's Certificate of Re-Incorporation therein contained and, upon the canvassing of the vote, it appeared that the holders of 124,913 shares of said Common Stock (being the holders of more than a majority of the issued and outstanding shares of said Common Stock) had voted in favor of the adoption of the aforesaid resolution and amendment to the Corporation's Certificate of Re-Incorporation therein contained and that the holders of 390 shares of said Common Stock voted against the adoption of the aforesaid resolution and amendment.

IN WITNESS WHEREOF, said Florida Public Utilities Company does hereby make this certificate under its corporate seal and the hand of its President and the hand of its Secretary and said President and said Secretary have hereunto set their hands and caused the corporate seal of the Corporation to be hereunto affixed this 10th day of October, 1950.

FLORIDA PUBLIC UTILITIES COMPANY

Vice President

ATTEST:

Secretary

HEARING EXHIBIT - 00000108

STATE OF NEW YORK)
) SS:
COUNTY OF NEW YORK)

I, William D. Harrington, a Notary Public in and for the State and County aforesaid, hereby certify that PAUL R. TAYLOR and E. DALE CHAMBERS, personally known to me and known to me to be the Vice President and Secretary, respectively, of Florida Public Utilities Company, a corporation organized and existing under the laws of the State of Florida, and who as such officers executed the foregoing Certificate of Amendment of the Certificate of Re-Incorporation of said Corporation, this day personally appeared before me and acknowledged before me that they executed said certificate in the name of and for and on behalf of said Corporation freely and voluntarily and for the uses and purposes therein expressed, and with full authority from the Directors and stockholders of the Corporation so to do.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 10th day of October, 1950.

William D. Harrington
Notary Public

WILLIAM D. HARRINGTON
NOTARY PUBLIC, State of New York
No. 60-[illegible]
Qualified in [illegible] County
Certs filed in New York Co. Clks & Reg.
Commission expires March 30, 1951

HEARING EXHIBIT - 00000109

FLORIDA PUBLIC UTILITIES COMPANY

CERTIFICATE OF INCREASE OF AUTHORIZED CAPITAL STOCK

AND

CERTIFICATE OF AMENDMENT OF CERTIFICATE OF RE-INCORPORATION

RECEIVED
1955 APR 30 AM 10:58
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

FLORIDA PUBLIC UTILITIES COMPANY, a corporation organized and existing under the laws of the State of Florida, hereby certifies:

1. That the Board of Directors of said Corporation, at a meeting duly convened and held on the 1st day of March, 1955, adopted unanimously a resolution setting forth a proposed amendment to the Certificate of Re-Incorporation, as amended, of the Corporation, declaring the advisability of such amendment to the Certificate of Re-Incorporation and authorizing the submission thereof at the Annual Meeting of the Stockholders of said Corporation for consideration thereof.

2. That thereafter, on March 22, 1955, pursuant to Notice duly given to all the Stockholders entitled to vote thereat, the Annual Meeting of the Stockholders of said Corporation was held, at which meeting the following resolution approving the proposed amendment to the Corporation's Certificate of Re-Incorporation was proposed for adoption by such Stockholders:

> RESOLVED, that the proposal of the Board of Directors of the Corporation that the Certificate of Re-Incorporation of this Corporation, as amended, be amended to increase the authorized Common Stock of the Corporation from 200,000 shares of the par value of $3.00 per share to 300,000 shares of the par value of $3.00 per share, be and the same is hereby adopted and the Certificate of Re-Incorporation of this Corporation, as amended, is hereby amended by changing the first paragraph of Article 3 of the Certificate of Re-Incorporation, as amended, so that said paragraph shall be and read as follows:

HEARING EXHIBIT - 00000110

"3. The maximum number of authorized shares of capital stock of the Corporation is Three Hundred Six Thousand (306,000) divided into Six Thousand (6,000) shares of 4-3/4% Cumulative Preferred Stock (hereinafter called Preferred Stock) of the par value of One Hundred Dollars ($100) per share and Three Hundred Thousand (300,000) shares of Common Stock of the par value of Three Dollars ($3.00) per share."

3. That at said Annual Meeting of the Stockholders, a vote of the holders of the Common Stock of record entitled to vote was taken for and against the aforesaid resolution and the amendment to the Corporation's Certificate of Re-Incorporation therein contained and, upon the canvassing of the vote, it appeared that the holders of 173,333 shares of said Common Stock (being the holders of more than a majority of the issued and outstanding shares of said Common Stock) had voted in favor of the adoption of the aforesaid resolution and amendment to the Corporation's Certificate of Re-Incorporation therein contained, constituting all the votes cast.

IN WITNESS WHEREOF, said Florida Public Utilities Company does hereby make this certificate under its corporate seal and the hand of its Vice President and the hand of its Secretary and said Vice President and said Secretary have hereunto set their hands and caused the corporate seal of the Corporation to be hereunto affixed this 14 day of April, 1955.

FLORIDA PUBLIC UTILITIES COMPANY

Paul R. Taylor
Vice President

ATTEST:

Secretary

HEARING EXHIBIT - 00000111

STATE OF NEW YORK)
) SS:
COUNTY OF NEW YORK)

I, Morton J. Hanlon, a Notary Public in and for the State and County aforesaid, hereby certify that PAUL R. TAYLOR and E. DALE CHAMBERS, personally known to me and known to me to be the Vice President and Secretary, respectively, of Florida Public Utilities Company, a corporation organized and existing under the laws of the State of Florida, and who as such officers executed the foregoing Certificate of Amendment of the Certificate of Re-Incorporation of said Corporation, this day personally appeared before me and acknowledged before me that they executed said certificate in the name of and for and on behalf of said Corporation freely and voluntarily and for the uses and purposes therein expressed, and with full authority from the Directors and Stockholders of the Corporation so to do.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 13th day of April, 1955.

Morton J. Hanlon
Notary Public

MORTON J. HANLON
NOTARY PUBLIC - State of New York
No. 24-4578728
Qualified in Kings County
Cert. filed in N. Y. Co.
Commission expires March 30, 1956

MORTON J. HANLON NOTARY PUBLIC STATE OF NEW YORK

HEARING EXHIBIT - 00000112

RECEIVED
JAN 26 9 25 AM '59
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

FLORIDA PUBLIC UTILITIES COMPANY

CERTIFICATE OF INCREASE OF AUTHORIZED CAPITAL STOCK
AND
CERTIFICATE OF AMENDMENT OF CERTIFICATE OF RE-INCORPORATION

APPROVED AND FILED

FLORIDA PUBLIC UTILITIES COMPANY, a corporation organized and existing under the laws of the State of Florida, hereby certifies:

1. That the Board of Directors of said Corporation, at a meeting duly convened and held on the 6th day of January, 1959, approved and adopted unanimously a resolution setting forth proposed amendments to the Certificate of Re-Incorporation, as amended, of the Corporation, declaring the advisability of such amendments to said Certificate of Re-Incorporation and authorizing the submission thereof at a Special Meeting of the Stockholders of said Corporation for consideration thereof.

2. That thereafter, on January 26, 1959, pursuant to Notice duly given to all the Stockholders entitled to vote thereat, such Special Meeting of the Stockholders of said Corporation was duly held, at which meeting the following resolution approving such proposed amendments to the Corporation's Certificate of Re-Incorporation was proposed for adoption by such Stockholders:

RESOLVED, that the proposal of the Board of Directors of the Corporation that the Certificate of Re-Incorporation of this Corporation, as amended, be amended to increase the number of authorized shares of Common Stock from 300,000 shares of the par value of $3.00 per share to 500,000 shares of the par value of $3.00 per share and to authorize and create a new class of capital stock consisting of 32,500 shares of the par value of $20 per share to be designated as Preference Stock and to make appropriate and related changes in the Certificate of Re-Incorporation, be and the same is hereby approved and adopted and the Certificate of Re-Incorporation of this Corporation, as amended, is hereby amended

(a) By changing the first and second paragraphs of Article 3 of said Certificate of Re-Incorporation, as amended, so that said paragraphs shall be and read as follows:

"3. The maximum number of authorized shares of capital stock of the Corporation is Five Hundred Thirty-Eight Thousand Five Hundred (538,500) divided into Six Thousand (6,000) shares of 4¼% Cumulative Preferred Stock (hereinafter called "Preferred Stock") of the par value of One Hundred Dollars ($100) per share, Thirty-Two Thousand Five Hundred (32,500) shares of Preference Stock of the par value of Twenty Dollars ($20) per share (hereinafter called "Preference Stock") and Five Hundred Thousand (500,000) shares of Common Stock of the par value of Three Dollars ($3.00) per share.

The distinguishing characteristics, including preferences or restrictions as regards dividends, voting powers or restrictions and qualifications of voting powers, and rights of redemption, of the different classes of capital stock, and the powers to divide and issue in designated series authorized but unissued Preference Stock, are as follows:"

(b) By adding at the end of the division designated as "Division A—The Preferred Stock" in said Article 3 a new paragraph 6 which shall be and read as follows:

"6. To the extent that the provisions of this Division A relate to the rights of the Common Stock, such rights shall be subject in all respects to the provisions of Division A-1 of this Article 3, without, however, in any way limiting or otherwise affecting the rights or preferences of the Preferred Stock."

(c) By adding immediately after said division designated as "Division A—The Preferred Stock", as amended hereby, a new and additional division designated as "DIVISION A-1—THE PREFERENCE STOCK" which shall be and read a follows:

HEARING EXHIBIT - 00000113

"DIVISION A-1—THE PREFERENCE STOCK

For the purposes of this Division A-1 the following definitions shall apply:

The term "Preference Stock" shall mean all or any shares of any series of Preference Stock.

The term "Parity Stock" shall mean stock of any class other than the Preference Stock with respect to which dividends or amounts payable upon any liquidation, dissolution or winding up of the Corporation shall be payable on a parity with and in proportion to the respective amounts payable in respect of the Preference Stock, notwithstanding that such Parity Stock may have dividend rates, redemption prices, amounts payable thereon upon liquidation, dissolution or winding up and other terms and provisions varying from those of the Preference Stock.

The term "Junior Stock" shall mean the Common Stock and stock of any other class ranking junior to the Preference Stock in respect of dividends or amounts payable upon any liquidation, dissolution or winding up of the Corporation.

The term "accrued dividends" shall mean, in respect of each share of the Preference Stock of any series, that amount which shall be equal to simple interest upon the par value of such share at an annual rate equal to the percentage that the annual dividend rate fixed for such series is of such par value, and no more, from and including the date upon which dividends on such share became cumulative and (i) up to but not including the date fixed for payment in liquidation or for redemption, or (ii) up to and including the last day of any period for which such accrued dividends are to be determined, less the aggregate amount of all dividends theretofore paid or declared and set apart for payment thereon. Computation of accrued dividends in respect of any portion of a quarterly dividend period shall be by the 30 day month or 360 day year methods of computing interest.

The term "consolidated gross income available for payment of interest charges" shall mean the total consolidated operating revenues and other income of the Corporation and its consolidated subsidiaries, less all proper deductions for operating expenses, taxes (including income, excess profits and other taxes based on or measured by income or undistributed earnings or income), and other appropriate items, including provision for maintenance, and provision for retirements, depreciation and obsolescence (but in no event less than the minimum provisions required by the terms of any indenture or agreement securing any outstanding indebtedness of the Corporation), but excluding any charges on account of interest on indebtedness outstanding and any credits or charges for amortization of debt premium, discount and expense, all to be determined in accordance with sound accounting practice. In determining such "consolidated gross income available for payment of interest charges", no deduction or adjustment shall be made for or in respect of (1) profits or losses from sales of property carried in plant or investment accounts of the Corporation, or from the reacquisition of any securities of the Corporation, or taxes on or in respect of such profits, (2) charges for the elimination or amortization of utility plant adjustment or acquisition accounts or other intangibles or (3) charges for amortization or retirement of the book value of any part of the Corporation's gas manufacturing property or gas storage property which shall have become no longer used or useful by reason of the conversion of the Corporation's gas operations to the use of natural gas. All questions as to whether any subsidiary shall be consolidated shall be determined conclusively by a certificate signed by independent certified public accountants (who may be those regularly employed by the Corporation to audit its books).

The term "consolidated net income available for dividends" shall mean the "consolidated gross income available for payment of interest charges", as defined and determined above, less the sum of charges for interest on indebtedness and less charges or plus credits for amortization of debt premium, discount and expense, all to be determined in accordance with sound accounting practice.

HEARING EXHIBIT - 00000114

In determining "consolidated net income available for dividends" no deduction shall be made for or in respect of (1) expenses in connection with the issuance, redemption or retirement of any securities issued by the Corporation including any amount paid in excess of the principal amount or par or stated value of securities redeemed or retired, or, in the event such redemption or retirement is effected with the proceeds of the sale of other securities of the Corporation, interest or dividends on the securities redeemed or retired from the date on which the funds required for such redemption or retirement are deposited in trust for such purpose to date of redemption or retirement, (2) profits or losses from the sales of property carried in plant or investment accounts of the Corporation, or from the reacquisition of any securities of the Corporation, or taxes on or in respect of such profits, (3) charges for the elimination or amortization of utility plant adjustment accounts or other intangibles, (4) charges for amortization or retirement of the book value of any part of the Corporation's gas manufacturing property or gas storage property which shall have become no longer used or useful by reason of the conversion of the Corporation's gas operations to the use of natural gas, or (5) any earned surplus adjustment (including tax adjustments) applicable to any period prior to January 1, 1958.

The term "consolidated net income available for dividends on Junior Stock" shall mean "consolidated net income available for dividends", as defined above, less all accrued dividends on outstanding Preference ..ock and Parity Stock and on any class of stock ranking as to dividends prior to such Preference Stock or Parity Stock.

The term "equity stock" shall mean any stock, dividends on which are not restricted to a specific and stated rate, or the holders of which are not limited upon liquidation, dissolution or winding up to a specified or stated sum per share (exclusive of dividends).

The term "voting stock" shall mean any stock having the power at all times and without limitation (other than upon default entitling a senior class of stock to vote) to vote for the election of at least a majority of the Board of Directors.

The term "Common Stock Equity" shall mean the aggregate of the par value of, or stated capital represented by, outstanding Common Stock, plus earned surplus and capital surplus and plus premiums on all capital stock.

The term "Total Capitalization" shall mean the aggregate of (i) the Common Stock Equity, (ii) the principal amount of all indebtedness of the Corporation maturing more than twelve (12) months after the date of issue or assumption thereof, and (iii) the par value of or stated capital represented by any outstanding stock of the Corporation other than Common Stock.

The term "sound accounting practice" shall mean recognized principles of accounting practice customarily followed in the public utilities field, subject to any applicable rules, regulations or orders of the Florida Railroad and Public Utilities Commission of Florida or other public regulatory authority having jurisdiction over the accounts of the Corporation, provided that the Corporation may, at the time, contest or controvert in good faith the validity or applicability to the Corporation of any such rule, regulation or order.

1. *Issue in Series.* The shares of Preference Stock may be divided and issued from time to time in one or more series, as hereinafter provided in this Division. Each such series shall be designated so as to distinguish the shares thereof from the shares of all other series, but all shares of Preference Stock irrespective of series shall be of equal rank and all shares of any particular series shall be identical except as to the date or dates from which dividends thereon shall be cumulative as provided in Paragraph 2. The authorized but unissued shares of Preference Stock may be divided by number from time to time into and issued in designated series, and such shares of series of Preference Stock so designated shall provide for dividends at such rates, on such conditions and payable at such times, and shall be subject to redemption

HEARING EXHIBIT - 00000115

at such price or prices and such time or times, as shall be provided herein, or in any amendment to this Certificate of Re-Incorporation, or in the resolution or resolutions providing for the issuance of such shares adopted by the Board of Directors. Any amendment to this Certificate of Re-Incorporation or resolution or resolutions of the Board of Directors of this Corporation establishing a series and fixing the terms thereof shall (a) designate the series to which such Preference Stock shall belong, (b) fix the dividend rate therefor, (c) fix the amounts which the holders of the Preference Stock of such series shall be entitled to be paid in the event of a voluntary or involuntary liquidation, dissolution or winding up of the corporation, (d) state whether or not such series shall be redeemable and at what times and under what conditions and the amount or amounts payable thereon in the event of redemption; and may, to the extent not inconsistent with the provisions of this Division, or applicable provisions of law (i) limit the number of shares of such series which may be issued, (ii) provide for a sinking fund for the purchase or redemption, or a purchase fund for the purchase, of shares of such series and the terms and provisions governing the operation of any such fund, (iii) impose conditions or restrictions upon the creation of indebtedness of the Corporation or upon the issue of additional Preference Stock or other capital stock ranking equally therewith or prior thereto as to dividends or distribution of assets on liquidation, dissolution or winding up, (iv) impose conditions or restrictions upon the payment of dividends upon, or the making of other distributions to, or the acquisition of, Junior Stock, (v) grant to the holders of the Preference Stock of such series the right to convert such stock into shares of any class of Junior Stock, and (vi) grant such other special rights to, or impose other conditions or restrictions upon, the holders of shares of such series as the Board of Directors may determine. The term "fixed for such series" and similar terms shall mean those stated and expressed in this Division or in any amendment to this Certificate of Re-Incorporation or in a resolution or resolutions adopted by the Board of Directors providing for the issue of Preference Stock of the series referred to.

2. *Dividends.* Out of the assets of the Corporation legally available for dividends, the holders of each series of the Preference Stock shall be entitled to receive, but only when and as declared by the Board of Directors and then subject to the provisions of Paragraph 1 of Division A of this Article 3, preferential dividends at the rate per annum fixed for such series and no more. Dividends declared shall be payable quarterly on January 1, April 1, July 1, and October 1, in each year to stockholders of record on a date not more than 30 days prior to any such payment date, as may be determined by the Board of Directors of the Corporation. Dividends on the shares of Preference Stock of any series initially issued shall commence to accrue and be cumulative from and including the date fixed for such series at the time of the initial establishment or designation thereof and on any additional shares of the same series from and including the first day of the quarterly dividend period in which such additional shares shall be issued.

Each share of Preference Stock shall rank on a parity with each other share of Preference Stock, irrespective of series, with respect to preferential dividends at the respective rates fixed for such series and no dividends shall be paid or declared and set apart for payment, on the Preference Stock of any series, unless at the same time a dividend in like proportion, ratably, to the accrued dividends on the Preference Stock of each other series outstanding shall be paid or declared and set apart for payment on each other series of Preference Stock then outstanding. No dividends shall be declared or paid upon or set apart for the shares of any class of Junior Stock, nor any sums applied to the purchase, redemption or other retirement of any class of Junior Stock, unless full dividends on all shares of all series of Preference Stock outstanding for all past quarterly dividend periods shall have been paid or declared and set apart and the full dividend for the then current quarterly dividend period shall have been or concurrently shall be paid or declared and set apart or if the Corporation shall be in default of the sinking fund obligation provided for any series of Preference Stock. The amount of any deficiency for past dividend periods may be paid or declared and set apart at any time without reference to any quarterly dividend payment date. Unpaid accrued dividends on Preference Stock shall not bear interest.

HEARING EXHIBIT - 00000116

3. *Liquidation Rights.* In the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, the holders of each series of Preference Stock shall be entitled to receive, subject to the provisions of Paragraph 2 of Division A of this Article 3, for each share thereof, the par value thereof, plus, in case such liquidation, dissolution or winding up shall have been voluntary, an amount per share equal to the difference between the par value thereof and the then applicable optional redemption price fixed for such series together in each case with accrued dividends, before any distribution of the assets shall be made to the holders of shares of any class of Junior Stock; but the holders of Preference Stock of such series shall be entitled to no further participation in such distribution. In the event that the assets of the Corporation available for distribution to holders of Preference Stock shall not be sufficient to make the payment herein required to be made in full, such assets shall be distributed to the holders of the shares of the respective series of Preference Stock ratably in proportion to the full distributive amounts payable on each share thereof. A consolidation or merger of the Corporation or sale, conveyance, exchange or transfer (for cash, shares of stock, securities or other consideration) of all or substantially all of the property or assets of the Corporation shall not be deemed a dissolution, liquidation or winding up of the Corporation within the meaning of this Paragraph.

4. *Redemption and Repurchase Provisions* (A) Preference Stock of any series shall be subject to redemption at the election of the Corporation, expressed by action of the Board of Directors, at any time and from time to time, in whole or in part, at the applicable redemption prices fixed for such series, plus accrued dividends, in such amount, at such place and by such method, which, if in part, shall be by lot, as shall from time to time be determined by the Board of Directors. Notice of any proposed redemption of Preference Stock shall be given by the Corporation by mailing a copy of such notice, at least thirty (30) days but not more than ninety (90) days prior to the date fixed for such redemption, to the holders of record of the shares of such series of Preference Stock to be redeemed at their respective addresses then appearing on the books of the Corporation. On or after the date specified in such notice, each holder of shares called for redemption as aforesaid, shall be entitled to receive therefor the redemption price thereof, upon presentation and surrender at the place designated in such notice of the certificates for such shares of Preference Stock held by him, bearing all necessary stock transfer tax stamps thereto affixed and cancelled, and (if required by the Corporation) properly endorsed in blank for transfer or accompanied by proper instruments of assignment or transfer in blank. On and after the date fixed for redemption, if notice is given as aforesaid, and unless default is made by the Corporation in providing moneys for payment of the redemption price, all dividends on the shares called for redemption shall cease to accrue; and on and after such redemption date, unless default be made as aforesaid, or on and after the date of earlier deposit by the Corporation with a bank or trust company doing business in the Borough of Manhattan, City and State of New York, and having a capital and surplus of at least $1,000,000, in trust for the benefit of the holders of the shares of the Preference Stock so called for redemption, of all funds necessary for redemption as aforesaid (provided in the latter case that there shall have been mailed as aforesaid to holders of record of shares to be redeemed, a notice of the redemption thereof or that the Corporation shall have executed and delivered to the Transfer Agent for the Preference Stock or to the bank or trust company with which such deposit is made an instrument irrevocably authorizing it to mail such notice at the Corporation's expense) all rights of the holders of the shares called for redemption as stockholders of the Corporation, except only the right to receive the redemption price, shall cease and determine. Any funds so deposited which shall remain unclaimed by the holders of such Preference Stock at the end of six (6) years after the redemption date, together with any interest thereon which shall have been allowed by the bank or trust company with which such deposit shall have been made, shall be paid by it to the Corporation, and thereafter such holders shall look only to the Corporation therefor. Shares of Preference Stock redeemed as aforesaid shall be cancelled and shall not be reissued, but the aggregate number of shares so redeemed shall have the status of authorized but unissued Preference Stock.

HEARING EXHIBIT - 00000117

(B) The Corporation may also from time to time purchase shares of Preference Stock of any series for any sinking or purchase fund and otherwise at not exceeding the applicable redemption prices thereof at the time in effect and accrued dividends thereon to the date of purchase, plus customary brokerage commissions. Shares of Preference Stock of any series so purchased not used to satisfy sinking or purchase fund obligations may in the discretion of the Board of Directors be reissued or otherwise disposed of from time to time to the extent permitted by law.

(C) If and so long as there are dividends in arrears on any shares of Preference Stock of any series or a default exists in any sinking or purchase fund obligation provided for the benefit of any series of Preference Stock, the Corporation shall not redeem any shares of Preference Stock unless in connection therewith all the outstanding Preference Stock of all series is redeemed or purchase any shares of any series of Preference Stock unless an offer to purchase on a comparable basis is made to the holders of all the Preference Stock then outstanding.

5. *Restrictions on Corporate Action.* (A) So long as any Preference Stock is outstanding, the Corporation shall not, without the consent (given in writing without a meeting or by vote in person or by proxy at a meeting called for the purpose) of the holders of at least two-thirds of the aggregate number of shares of all series of Preference Stock (treated as one class) then outstanding—

(i) Amend, change or repeal any of the express terms of the Preference Stock outstanding in any manner prejudicial to the holders thereof, except that, if such amendment, change or repeal is prejudicial to the holders of less than all series of Preference Stock, the consent of only the holders of two-thirds of the total number of shares of the series thereof so affected shall be required, or

(ii) Issue shares of Preference Stock or Parity Stock in excess of 32,500 shares unless, after giving effect to the issue of such additional shares,

(a) the consolidated net income available for dividends for any period of twelve (12) consecutive calendar months within the fifteen (15) calendar months immediately preceding the calendar month within which such additional shares of stock are to be issued, shall have been at least two (2) times the aggregate annual dividend requirements upon the entire amount to be outstanding, of Preference Stock and Parity Stock and of any stocks of the Corporation of any class ranking as to dividends prior to the Preference Stock or Parity Stock,

(b) the consolidated gross income available for payment of interest charges for any period of twelve (12) consecutive calendar months within the fifteen (15) calendar months immediately preceding the calendar month within which such additional shares of stock are to be issued, shall have been at least one and one-half (1½) times the sum of (1) the aggregate annual interest charges on all indebtedness of the Corporation then outstanding, and (2) the aggregate annual dividend requirements upon the entire amount to be outstanding of Preference Stock and Parity Stock and of any stocks of the Corporation of any class ranking as to dividends prior to the Preference Stock or Parity Stock, and

(c) the aggregate of the capital of the Corporation applicable to all Junior Stock, plus the capital surplus and earned surplus of the Corporation and plus premiums on capital stock of the Corporation of any class, shall be not less than the aggregate payable upon involuntary liquidation, dissolution or winding up of the Corporation to the holders of the entire amount of Preference Stock and Parity Stock then to be outstanding.

In the foregoing computations, there shall be excluded (a) all indebtedness and all shares of Preference Stock and Parity Stock to be retired in connection with the issue of such additional shares, and (b) all interest charges on all indebtedness and dividend requirements on

HEARING EXHIBIT - 00000118

all shares of stock to be retired in connection with the issue of such additional shares. The net earnings of any property which has been acquired by the Corporation during or after the period for which income is computed, or of any property which is to be acquired in connection with the issuance of any such additional shares, if capable of being separately determined or estimated, may be included on a pro forma basis in the foregoing computations; and if within or after the period for which income is computed any substantial portion of the properties of the Corporation shall have been disposed of, the net earnings of such property, if capable of being separately determined or estimated, shall be excluded in the foregoing computations.

(B) So long as any Preference Stock is outstanding, the Corporation shall not, without the consent (given in writing without a meeting or by vote in person or by proxy at a meeting called for the purpose) of the holders of a majority of the aggregate number of shares of all series of Preference Stock (treated as one class) then outstanding—

(i) Create, authorize or increase the authorized amount of any shares of any class of stock ranking as to dividends or assets prior to the Preference Stock or of any obligation or security convertible into stock ranking as to dividends or assets prior to the Preference Stock, or

(ii) Issue, assume or create unsecured securities (notes, debentures or other securities representing unsecured indebtedness other than indebtedness maturing in one year or less from the date of its creation) for any purpose, except to refund outstanding unsecured securities, theretofore issued or assumed, if thereby the aggregate principal amount of such unsecured securities, other than indebtedness maturing in one year or less from the date of its creation, would exceed ten percent (10%) of the sum of (1) the total principal amount of all bonds or other securities representing secured indebtedness of the Corporation then to be outstanding, and (2) the capital represented by capital stock (including premiums on capital stock) of the Corporation and the earned and capital surplus of the Corporation; provided, however, that any unsecured securities theretofore issued under any authorization of stockholders given pursuant hereto (and any securities to refund the same) shall not be considered in determining the amount of other unsecured securities which may be issued or assumed within the aforesaid ten percent (10%) limitation; or

(iii) Merge or consolidate with or into any other corporation or corporations unless such merger or consolidation, or the issuance and assumption of all securities to be issued or assumed in connection with any such merger or consolidation, shall have been ordered, approved or permitted by a regulatory authority of the United States of America or of the State of Florida having jurisdiction in the premises, provided that the provisions of this clause (iii) shall not apply to a purchase or other acquisition by the Corporation of franchises or assets of another corporation in any manner which does not involve a merger or consolidation; or

(iv) Sell, lease or otherwise dispose of all or substantially all of its property.

No consent of the holders of the shares of any series of Preference Stock in respect of action hereinabove set forth in subparagraphs (A) or (B) shall be required, if provision is made for the redemption of all shares of such series of Preference Stock at the time outstanding, or provision is made that the proposed action shall not be effective unless provision is made for the purchase, redemption or retirement of all shares of such series of Preference Stock at the time outstanding.

6. *Voting Rights.* The holders of Preference Stock shall not be entitled to vote except:

(a) as provided under Paragraph 5 above;

(b) as may from time to time be required by the laws of Florida; and

(c) Whenever and as often as dividends payable on any series of Preference Stock outstanding shall be in arrears in an amount equivalent to or exceeding six (6) quarterly divi-

HEARING EXHIBIT - 00000119

dends, whether or not consecutive, or if the Corporation shall be in default on any sinking or purchase fund obligation provided for any series of Preference Stock outstanding, the holders of the Preference Stock shall have (1) the right, voting separately as a class, to elect one director (who, if the holders of the Preferred Stock are then entitled to elect a majority of the Board of Directors, shall be one of the remaining directors) and (2) the right, voting with the holders of the Common Stock, to vote (one vote per share) on all other matters. Such right to elect one director may be exercised at any annual meeting and at any special meeting of stockholders called for the purpose of electing directors and the right to vote on all other matters may be exercised at any annual or special meeting, until such time as all arrears in dividends on the Preference Stock and the current dividend thereon shall have been paid or declared and set apart for payment and any sinking or purchase fund default shall have been paid or declared and set apart for payment and any sinking or purchase fund default shall have been remedied, whereupon all voting rights given by this clause (c) shall be divested from the Preference Stock (subject, however, to being at any time or from time to time similarly revived and divested).

So long as holders of the Preference Stock shall have the right to elect a director under the terms of the foregoing clause (c), the holders of the Common Stock voting separately as a class shall, subject to the voting rights of any other class or classes of stock of the Corporation, be entitled to elect the remaining directors.

Whenever, under the provisions of the foregoing clause (c) the right of holders of the Preference Stock, if any, to elect a director shall accrue or shall terminate, the Board of Directors shall, within ten (10) days after delivery to the Corporation at its principal office of a request or requests to such effect signed by the holders of at least five percent (5%) of the outstanding shares of any class of stock entitled to vote, call a special meeting in accordance with the By-laws of the Corporation of the holders of the class or classes of stock of the Corporation entitled to vote, to be held within forty (40) days from the delivery of such request, for the purpose of electing a full Board of Directors to serve until the next annual meeting and until their respective successors shall be elected and shall qualify; provided, however, that if the annual meeting of stockholders for the election of directors is to be held within sixty (60) days after the delivery of such request, the Board of Directors need not act thereon. If, at any special meeting called as aforesaid or at any annual meeting of stockholders after accrual or termination of the right of holders of the Preference Stock to elect a director as in the foregoing clause (c) provided, any director shall not be reelected, his term of office shall end upon the election and qualification of his successor, notwithstanding that the term for which such director was originally elected shall not at the time have expired.

If, during any interval between annual meetings of stockholders for the election of directors while holders of the Preference Stock shall be entitled to elect a director pursuant to the foregoing clause (c), a vacancy in such a directorship shall occur, the remaining directors by majority vote may fill such vacancy. Any director elected pursuant to such clau (c) or the preceding sentence may be removed from office for cause by vote of the holders of a majority of the shares of the Preference Stock. A special meeting of holders of Preference Stock may be called by a majority vote of the Board of Directors or by the President for the purpose of removing a director in accordance with the provisions of the preceding sentence, and shall be called to be held within forty (40) days after there shall have been delivered to the Corporation at its principal office a request or requests to such effect signed by holders of at least five percent (5%) of the outstanding shares of Preference Stock entitled to vote with respect to the removal of any such director.

The holders of a majority of the shares of Preference Stock entitled under this Paragraph to vote for the election or removal of a Director, present in person or represented by proxy at a meeting called for the purpose of voting on any such action, shall constitute a quorum for such purpose without regard to the presence or absence at the meeting of the holders of any other class of stock not entitled to vote in respect thereto. A lesser interest from time to time

HEARING EXHIBIT - 00000120

may adjourn any meeting for such purpose and the same shall be held as adjourned without further notice. When a quorum is present, the vote of the holders of a majority of the shares of such quorum shall govern each such election, removal or filling of a vacancy in respect of which such class is entitled to vote.

Holders of Preference Stock shall not be entitled to receive notice of any meeting of holders of any class of stock at which they are not entitled to vote.

Each holder of Preference Stock, as to all matters in respect of which such stock has voting power, is entitled to one vote for each share of stock standing in his name.

7. *Restrictions on Dividends.* So long as any shares of the Preference Stock shall be outstanding, the Corporation shall not declare or pay any dividends on any shares of Junior Stock (other than dividends payable in shares of Junior Stock) or make any other distribution on any shares of Junior Stock, or make any expenditures for the purchase, redemption or other retirement for a consideration of shares of Junior Stock (other than in exchange for, or from the proceeds of any sale hereafter made of, other shares of Junior Stock), if the aggregate amount of all such dividends, distributions and expenditures after December 31, 1957 would exceed the aggregate amount of the Corporation's net income available for dividends on Junior Stock accumulated after December 31, 1957 plus $175,000."

(d) By changing the division in said Article 3 designated as "Division B—The Common Stock", so that said division shall be and read as follows:

"DIVISION B—THE COMMON STOCK

1. *Dividends.* Out of any assets of the corporation available for dividends remaining after full cumulative dividends upon the Preferred Stock and Preference Stock then outstanding shall have been paid, or declared and a sum sufficient for the payment thereof set apart, for all past quarterly dividend periods, and after or concurrently with making payment of or provision for full dividends on the Preferred Stock and Preference Stock then outstanding for the current quarterly dividend period, then, and not otherwise, dividends may be paid upon the Common Stock to the exclusion of the Preferred Stock and Preference Stock; provided, however, that so long as any shares of the Preferred Stock shall be outstanding the corporation shall not declare or pay any dividends or make any other distribution to the holders of any shares of its capital stock of any class ranking junior to the Preferred Stock (other than a dividend payable in capital stock ranking junior to the Preferred Stock), or purchase or acquire or otherwise retire for a consideration (otherwise than from the proceeds of new financing through the issuance and sale of any shares of any class of stock of the corporation ranking junior to the Preferred Stock) any shares of its capital stock of any class ranking junior to the Preferred Stock (a) if the aggregate amount so paid, distributed and/or applied after January 1, 1946 would exceed the aggregate of the net income of the corporation available for dividends on its capital stock ranking junior to the Preferred Stock accumulated after January 1, 1946, or (b) if the sum of the amount of capital represented by such capital stock ranking junior to the Preferred Stock and of the surplus accounts of the corporation are at the time below, or will as a result of such dividend or other distribution or such purchase, acquisition or other retirement of stock be reduced more than $50,000 below, the aggregate amount payable upon involuntary dissolution to the holders of Preferred Stock and of any class of stock ranking on a parity with or prior to the Preferred Stock at the time issued and outstanding. Net income of the corporation for the purpose of the preceding sentence shall mean gross earnings of the corporation less all proper deductions for operating expenses, taxes, interest charges and other appropriate items, including provision for maintenance and for retirement or depreciation determined in accordance with such system of accounts as may be prescribed by governmental authorities having jurisdiction in the premises or in absence thereof in accordance with sound accounting practice; provided, however, that in determining the net income of the corporation for the purposes of this Paragraph 1 no deduction or adjustment shall be made for or in respect of

HEARING EXHIBIT - 00000121

(a) expenses in connection with the redemption or retirement of any securities issued by the corporation, including any amount paid in excess of the principal amount or par or stated value of securities redeemed or retired and, in the event that such redemption or retirement is effected with the proceeds of sale of other securities of the corporation, interest or dividends on the securities redeemed or retired from the date on which the funds required for such redemption or retirement are deposited in trust for such purpose to the date of redemption or retirement, (b) profits or losses from sales of public utility property or other capital assets, or taxes on or in respect of any such profits or (c) amortization or elimination of utility plant adjustment accounts or other intangibles.

2. *Distribution of Assets.* In the event of any liquidation, dissolution or winding up of the corporation, or any reduction or decrease of its capital stock resulting in a distribution of assets to its Common Stockholders other than by way of dividends out of the net profits or out of surplus of the corporation, after there shall have been paid to or set aside for the holders of the Preferred Stock and of the Preference Stock the full preferential amounts to which they are respectively entitled under the provisions of this Article 3, the holders of the Common Stock shall be entitled to receive, pro rata, all of the remaining assets of the corporation available for distribution to its stockholders. The Board of Directors by vote of a majority of the members thereof, may distribute in kind to the holders of the Common Stock such remaining assets of the corporation or may sell, transfer or otherwise dispose of all or any of the remaining property and assets of the corporation to any other corporation and receive payment therefor wholly or partly in cash and/or in stock and/or in obligations of such corporation and may sell all or any part of the consideration received therefor and distribute the balance thereof in kind to the holders of the Common Stock.

3. *Voting Rights.* Subject to the voting rights expressly conferred upon the Preferred Stock and Preference Stock by this Article 3, holders of the Common Stock shall exclusively possess full voting power for the election of directors and for all other purposes."

and (e) by changing the heading "DIVISION C—PROVISIONS APPLICABLE TO BOTH CLASSES OF STOCK" in said Article 3 so that said heading shall be and read as follows:

"DIVISION C—PROVISIONS APPLICABLE TO ALL CLASSES OF STOCK"

3. That at said Special Meeting of the Stockholders, a vote of the holders of the Common Stock of record entitled to vote was taken for and against the aforesaid resolutions and the amendments to the Corporation's Certificate of Re-Incorporation therein contained and, upon the canvassing of the vote, it appeared that the holders of shares of said Common Stock (being the holders of more than a majority of the issued and outstanding shares of said Common Stock) had duly voted in favor of the approval and adoption of the aforesaid resolution and amendments to the Corporation's Certificate of Re-Incorporation therein contained, and that the holders of shares of said Common Stock voted against the adoption of the aforesaid resolution and amendments.

IN WITNESS WHEREOF, said Florida Public Utilities Company does hereby make this certificate under its corporate seal and the hand of its Vice President and the hand of its Assistant Secretary and said Vice President and said Assistant Secretary have hereunto set their hands and caused the corporate seal of the Corporation to be hereunto affixed this 26th day of January, 1959.

FLORIDA PUBLIC UTILITIES COMPANY

J. H. Lambert
Vice President

ATTEST: E. J. Downey
Assistant Secretary

HEARING EXHIBIT - 00000122

STATE OF FLORIDA }
COUNTY OF PALM BEACH } ss:

I, Betty J. Davis, a Notary Public in and for the State and County aforesaid, hereby certify that J.K. Roberts and E.J. Dourney, personally known to me and known to me to be the Vice President and Assistant Secretary, respectively, of Florida Public Utilities Company, a corporation organized and existing under the laws of the State of Florida and who as such officers executed the foregoing Certificate of Amendment of the Certificate of Re-Incorporation of said Corporation, this day personally appeared before me and acknowledged before me that they executed said certificate in the name of and for and on behalf of said Corporation freely and voluntarily and for the uses and purposes therein expressed, and with full authority from the Directors and Stockholders of the Corporation so to do.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 26th day of January, 1959

Betty J. Davis
Notary Public

Notary Public, State of Florida at large
My commission expires Sept. 8, 1959
Bonded by American Surety Co. of N. Y.

HEARING EXHIBIT - 00000123

FLORIDA PUBLIC UTILITIES COMPANY

CERTIFICATE OF AMENDMENT OF CERTIFICATE OF RE-INCORPORATION ESTABLISHING FIRST SERIES OF PREFERENCE STOCK

RECEIVED
JAN 26 3 ~~PM~~ '59
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

APPROVED AND FILED

FLORIDA PUBLIC UTILITIES COMPANY, a corporation organized and existing under the laws of the State of Florida, hereby certifies:

1. That the Board of Directors of said Corporation, at a meeting duly convened and held on the 6th day of January, 1959, adopted unanimously a resolution setting forth a proposed amendment to the Certificate of Re-Incorporation, as amended, of the Corporation, declaring the advisability of such amendment to the Certificate of Re-Incorporation and authorizing the submission thereof at a Special Meeting of the Stockholders of said Corporation for consideration thereof.

2. That thereafter, on January 26, 1959, pursuant to Notice duly given to all the Stockholders entitled to vote thereat, such Special Meeting of the Stockholders of said Corporation was duly held, at which meeting the following resolution approving the proposed amendment to the Corporation's Certificate of Re-Incorporation was proposed for adoption by such Stockholders:

RESOLVED, that the proposal of the Board of Directors of the Corporation, that the Certificate of Re-Incorporation of the Corporation, as amended, be further amended to establish the first series of Preference Stock of the Corporation, of the par value of $20 per share, and to fix the terms of said series, pursuant to Division A-1 of said Certificate of Re-Incorporation, be and the same hereby is approved and adopted, and that said first series of Preference Stock is hereby designated and established and shall have in addition to the general terms and provisions set forth in said Certificate of Re-Incorporation, as from time to time amended, the following particular terms and provisions:

I. The first series of the Preference Stock of the Corporation authorized by its Certificate of Re-Incorporation, as amended, shall be designated "$ 1.17 Convertible Preference Stock, Cumulative", and shall consist of 32,500 shares, or all of the 32,500 presently authorized and unissued shares, of such Preference Stock (hereinafter sometimes generally referred to as "this Series").

II. The rate at which preferential dividends are to accrue on shares of this Series is hereby fixed at $ 1.17 per share per annum, and with respect to the initial issue of shares of this Series the date from and after which such dividends are to accrue and be cumulative shall be the date of issue of said shares.

III. The Corporation will be entitled, at its option, to redeem all of this Series at any time, or any part or parts of this Series from time to time, in the manner and upon the notice set forth in the relevant provisions of the Certificate of Re-Incorporation, as from time to time amended (hereinafter referred to as "the Certificate of Re-Incorporation"). The amount per share which the holders of shares of this Series so redeemed shall be entitled to receive upon such redemption shall be

(i) $23.17 for shares so redeemed on or prior to March 31, 1962,

(ii) $22.87 for shares so redeemed thereafter and on or prior to March 31, 1965,

(iii) $22.50 for shares so redeemed thereafter and on or prior to March 31, 1968, and

(iv) $22.00 for shares so redeemed thereafter,

plus, in each case, as provided in the Certificate of Re-Incorporation, an amount equal to accrued dividends, if any.

HEARING EXHIBIT - 00000124

IV. The amount per share which the holders of shares of this Series shall be entitled to receive in case of the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, shall be Twenty Dollars ($20) *plus*, in case such liquidation, dissolution or winding up be voluntary, a premium equal to the excess over Twenty Dollars ($20) per share of the optional redemption price specified in clauses (i) to (iv), inclusive, of section III above applicable during the period which includes the effective date of such liquidation, dissolution or winding up and *plus*, in each case, as provided in the Certificate of Re-Incorporation, an amount equal to accrued dividends, if any, subject, however, at all times to the relevant provisions of the Certificate of Re-Incorporation.

V. Except as provided in the Certificate of Re-Incorporation, and except as may from time to time be provided by law, the holders of shares of this Series shall have no voting rights. Whenever the holders of shares of this Series shall be entitled to exercise voting rights, each holder of record shall have one vote for each share thereof so held by him.

VI. Shares of this Series shall be convertible, at the option of the holder, into Common Stock of the Corporation as follows:

A. Subject to the further provisions of this section VI, each holder of shares of this Series shall have the right, at any time, to convert such shares into such number of full paid and non-assessable shares of Common Stock of the Corporation (as defined in subsection L of this section VI) as shall be determined by *dividing* (i) the product of the number of shares surrendered for conversion multiplied by $22.00 by (ii) the conversion price per share of the Common Stock fixed or determined as hereinafter in subsection F of this section VI provided and adjusting the quotient to the nearest one hundredth of a share, provided, however, as to any such shares which shall have been called for redemption, such conversion right may not be exercised after the close of business on the day preceding the date fixed for such redemption, but if the last day for the exercise of such conversion right shall be a legal holiday or a day on which banking institutions are authorized by law to close in the City of New York, then such conversion right may be exercised on the next succeeding day which is neither a legal holiday nor a day on which banking institutions in said City are authorized by law to close.

B. The Corporation shall not be required to issue fractions of shares of Common Stock upon conversion of shares of this Series, but in lieu of any fraction of a share which would otherwise be issuable, the Corporation shall make adjustment for such fractional share interest by payment of an amount in cash equal to the same fraction of the market value of one full share of Common Stock. Such market value shall be the prevailing market value of the Common Stock on any securities exchange or over-the-counter market at the close of the calendar week next preceding the date of conversion, as determined by the Corporation and evidenced by its certificate filed with the Transfer Agent of the Corporation for shares of its Common Stock or other officer or agent designated pursuant to subsection D of this section VI.

C. No payment or adjustment shall be made upon any conversion on account of any accrued dividends on the shares of this Series surrendered for conversion or on account of any dividends on the Common Stock issued on such conversion.

D. The holder of any certificate for shares of this Series desiring to convert any of such shares pursuant to the provisions of this section VI shall surrender such certificate, properly endorsed for, or accompanied by duly executed instruments of, transfer in blank or to the Corporation, to the Conversion Agent which shall be the Transfer Agent of the Corporation for shares of its Common Stock or such officer or other agent of the Corporation as hereafter may be designated for such purpose by the Board of Directors, notice of such designation to be mailed to each of the then holders of record of shares of this Series. The holder of the shares so surrendered for conversion shall be entitled to receive, as promptly as practicable after such surrender, a certificate or certificates, which shall be expressed to be full paid and non-assessable, for the number of shares of Common Stock to which he shall be entitled upon such conversion, registered in the name of such holder, or, subject to compliance with the provisions of subsection

HEARING EXHIBIT - 00000125

K of this section VI, registered in such other name or names as he in writing may specify, and cash in respect of any fraction of a share as provided in subsection B of this section VI.

E. Conversion in respect of any shares of this Series shall be deemed to have been made at the close of business on the date of surrender for conversion of the certificate or certificates representing such shares, and all rights of the holder of such certificate or certificates as a holder of shares of this Series shall cease at such time and the person or persons in whose name or names the certificates for shares of Common Stock are to be issued shall be treated for all purposes as having become the record holder or holders thereof, and such shares shall be deemed to have been issued, at such time, and such conversion shall be at the conversion price in effect at such time; provided, however, that any such surrender on any date when the Common Stock transfer books of the Corporation shall be closed shall constitute the person or persons in whose name or names the certificates for such shares are to be issued as the record holder or holders thereof for all purposes, and such shares shall be deemed to have been issued, at the close of business on the next succeeding day on which such stock transfer books are open, but such conversion shall be at the conversion price in effect at the close of business on the date of such surrender.

F. The initial conversion price of the Common Stock for purposes of the conversion of the $ 4.50 Convertible Preference Stock, Cumulative, shall be $22.00. Such conversion price, however, shall be subject to adjustment from time to time as follows:

(1) In case the Corporation shall at any time hereafter issue any shares of its Common Stock now or hereafter authorized but unissued (other than any shares issued upon conversion of any shares of this Series) without consideration or for a consideration per share less than the conversion price of the Common Stock hereunder in effect immediately prior to the issuance of any additional shares of Common Stock, or as a stock dividend, or shall declare any other dividend on its Common Stock except a dividend payable in cash out of its earned surplus, then successively upon each such occurrence of any such event, if the quotient resulting from dividing (i) the total number of shares of Common Stock outstanding immediately after the occurrence of such event into (ii) the amount equal to

the sum of (a) the total number of shares of Common Stock outstanding at the close of business on January 31, 1959, multiplied by $22.00; plus (b) each share of Common Stock issued after January 31, 1959 and prior to the occurrence of the event in question upon conversion of any shares of this Series, multiplied by the conversion price of the Common Stock hereunder in effect at the time of such conversion; plus (c) the aggregate consideration, if any, received by the Corporation for all shares of Common Stock issued after January 31, 1959 (other than shares issued upon conversion of any shares of this Series); less (d) the aggregate amount of any dividend or dividends payable otherwise than in cash out of earned surplus or in Common Stock of the Corporation which shall have been declared payable to stockholders of record after January 31, 1959,

shall be less, by 25¢ or more, than the conversion price of the Common Stock hereunder in effect immediately prior to the occurrence of such event, then the conversion price of the Common Stock hereunder shall be reduced to an amount equal (to the nearest full cent) to the quotient so obtained.

(2) In case the Corporation shall at any time subdivide or combine into a greater or lesser number of shares the outstanding shares of Common Stock, the conversion price in effect immediately prior to such subdivision or combination shall be proportionately decreased in the case of subdivision or increased in the case of combination, effective in either case at the close of business on the date when such subdivision or combination shall become effective. In the case of any such subdivision or combination, the figure of 25¢ set forth in subparagraph (1) above shall be proportionately decreased or increased, as the case may be.

HEARING EXHIBIT - 00000126

(3) For the purposes of this subsection F, the following provisions shall also be applicable:

(a) In case of the issuance of additional shares of Common Stock for cash, the consideration received by the Corporation therefor shall be deemed to be the amount of cash received by the Corporation for such shares, before deducting therefrom any commissions or other expenses paid or incurred by the Corporation for any underwriting of, or otherwise in connection with, the issuance of such shares.

(b) In case of the issuance (otherwise than upon conversion or exchange of obligations or shares of stock of the Corporation) of additional shares of Common Stock for a consideration other than cash or a consideration a part of which shall be other than cash, the amount of the consideration other than cash received by the Corporation for such shares shall be deemed to be the value of such consideration as determined by the Board of Directors.

(c) In case of the issuance of additional shares of Common Stock upon conversion or exchange of any obligations or of any shares of stock (other than shares of this Series) of the Corporation that shall be convertible into or exchangeable for shares of Common Stock, the amount of the consideration received by the Corporation for such additional shares of Common Stock shall be deemed to be the total of (i) the amount of the consideration received by the Corporation upon the original issuance of such obligations or shares, as the case may be, (exclusive of any amounts representing accrued interest or dividends, and determined upon an average basis in the event that obligations or shares of the same class or series of a class as the obligations or shares so converted or exchanged shall have been originally issued for different amounts of consideration) *plus* (ii) the consideration, if any, other than such obligations or shares, received by the Corporation upon such conversion or exchange, except in adjustment of interest and dividends, with the amounts of such consideration to be determined in the same manner provided in subparagraphs (a) and (b) above with respect to the consideration received by the Corporation in case of the issuance of additional shares of Common Stock.

(d) Shares of Common Stock issued otherwise than as a stock dividend shall be deemed to have been issued and to be outstanding, and any resulting adjustment of the conversion price shall become effective, at the close of business on the date of issue, except that any shares of Common Stock issued pursuant to a subscription offer terminating not later than thirty days after its commencement shall be deemed to have been issued, and any such adjustment to have become effective, at the close of business on the date when such subscription offer terminates, or if such subscription offer shall have been underwritten and any unsubscribed shares, or additional shares of Common Stock not subject to the subscription offer, are to be purchased by underwriters, any shares issued pursuant to such subscription offer shall be deemed to have been issued, and any such adjustment to have become effective, at the close of business on the date such unsubscribed or additional shares are issued or on the fortieth day after the commencement of such subscription offer, whichever first occurs.

(e) In case of the issuance of additional shares of Common Stock as a dividend, the aggregate number of shares of Common Stock issued in payment of such dividend shall be deemed to have been issued and to be outstanding, and any resulting adjustment of the conversion price shall become effective, as of the close of business on the record date fixed for the determination of stockholders entitled to such dividend and shall be deemed to have been issued without consideration.

(f) The amount of a dividend in property (including obligations of the Corporation and shares of stock, other than shares of Common Stock of the Corporation) shall be

HEARING EXHIBIT - 00000127

deemed to be the value of such property as of the date of the adoption of the resolution declaring such dividend, as determined by the Board of Directors of the Corporation at or as of that date, and any adjustment of the conversion price resulting from such dividend shall become effective as of the close of business on the record date fixed for the determination of the stockholders entitled thereto.

(g) The number of shares of Common Stock at any time outstanding shall not include any shares then owned or held by or for the account of the Corporation.

G. In case of any reclassification or change of the outstanding shares of Common Stock (other than a change in par value, or from par value to no par value, or from no par value to par value, or as a result of a subdivision or combination), or in case of any consolidation or merger of the Corporation with or into any other corporation (other than a merger or consolidation in which the Corporation is the surviving or continuing corporation and which does not result in any reclassification, conversion or change of the outstanding shares of Common Stock), or in case of any sale or conveyance to another corporation of the property of the Corporation as an entirety or substantially as an entirety, then as a part of such reclassification, change, consolidation, merger, sale or conveyance, lawful provision shall be made so that holders of shares of this Series then or thereafter issued shall thereafter have the right to convert each share of this Series into the kind and amount of shares of stock and/or other securities or property receivable upon such reclassification, change, consolidation, merger, sale or conveyance by a holder of the number of shares of Common Stock into which such share of this Series might have been converted immediately prior to such reclassification, change, consolidation, merger, sale or conveyance. Such provision shall also provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided for in subsection F of this section VI. The foregoing provisions of this subsection G shall similarly apply to successive reclassifications and changes of Common Stock and to successive consolidations, mergers, sales or conveyances.

H. Whenever the conversion price shall be adjusted pursuant to the provisions of subsection F of this section VI or any reclassification, change, consolidation, merger, sale or conveyance referred to in subsection G of this section VI shall become effective, the Corporation shall forthwith file at the office of the Transfer Agent or of such other officer or agent referred to in subsection D of this section VI a certificate of the Corporation showing in reasonable detail the facts requiring any such adjustment or describing in reasonable detail any such other event, and specifying the adjusted conversion price, and if any such event shall result in a change in the securities into which shares of this Series shall be convertible, specifying such changed securities. The Corporation shall also cause a notice setting forth any such adjusted conversion price or any such change in securities to be sent by mail, first class, postage prepaid, to the record holders of shares of this Series at their respective addresses appearing on the stock books of the Corporation.

I. The Corporation covenants that it will at all times reserve and keep available, solely for the purpose of issue upon conversion of shares of this Series as herein provided, such number of shares of Common Stock as shall be issuable upon the conversion of all outstanding shares of this Series. The Corporation further covenants that if any shares of Common Stock, so required to be reserved for purposes of conversion of shares of this Series, require registration with or approval of any governmental authority under any Federal or State law before such shares may be issued upon conversion, the Corporation will cause such shares to be duly registered or approved, as the case may be.

J. Before taking any action which would cause an adjustment reducing the conversion price below the then par value (if any) of the shares of Common Stock, the Corporation will take any corporate action which may, in the opinion of its counsel, be necessary in order that the Corporation may validly and legally issue fully paid and non-assessable shares of such Common Stock at the conversion price as so adjusted.

HEARING EXHIBIT - 00000128

K. The issuance of certificates for shares of Common Stock upon conversion shall be made without charge for any tax in respect of such issuance. However, if any such certificate is to be issued in a name other than that of the holder of the shares of this Series converted, the person or persons requesting the issuance thereof shall pay to the Corporation the amount of any tax which may be payable in respect of any transfer involved in such issuance or shall establish to the satisfaction of the Corporation that such tax has been paid.

L. The term "Common Stock" as used in this section VI shall mean Common Stock of the Corporation as such stock is constituted at the date of initial issuance of shares of this Series or as it may from time to time be changed, or shares of stock of any class, other securities and/or property into which shares of this Series shall at any time become convertible pursuant to the provisions of subsection C of this section VI.

3. That at said Special Meeting of the Stockholders, a vote of the holders of the Common Stock of record entitled to vote was taken for and against the aforesaid resolution and the amendment to the Corporation's Certificate of Re-Incorporation therein contained and, upon the canvassing of the vote, it appeared that the holders of 191,763 shares of said Common Stock (being the holders of more than a majority of the issued and outstanding shares of said Common Stock) had voted in favor of the adoption of the aforesaid resolution and amendment to the Corporation's Certificate of Re-Incorporation therein contained, and that the holders of 7,625 shares of said Common Stock voted against the adoption of the aforesaid resolution and amendment.

IN WITNESS WHEREOF, said Florida Public Utilities Company does hereby make this certificate under its corporate seal and the hand of its Vice President and the hand of its Assistant Secretary and said Vice President and said Assistant Secretary have hereunto set their hands and caused the corporate seal of the Corporation to be hereunto affixed this 26th day of January, 1959.

FLORIDA PUBLIC UTILITIES COMPANY

J. K. Roberts
Vice President

ATTEST:

E. J. Downey
Assistant Secretary

STATE OF FLORIDA }
COUNTY OF PALM BEACH } ss:

I, BETTY J. DAVIS, a Notary Public in and for the State and County aforesaid, hereby certify that J. K. ROBERTS and E. J. DOWNEY, personally known to me and known to me to be the Vice President and Assistant Secretary, respectively, of Florida Public Utilities Company, a corporation organized and existing under the laws of the State of Florida and who as such officers executed the foregoing Certificate of Amendment of the Certificate of Re-Incorporation of said Corporation, this day personally appeared before me and acknowledged before me that they executed said certificate in the name of and for and on behalf of said Corporation freely and voluntarily and for the uses and purposes therein expressed, and with full authority from the Directors and Stockholders of the Corporation so to do.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 26th day of January, 1959.

Betty J. Davis
Notary Public

Notary Public, State of Florida at large
My commission expires Sept. 8, 1959
Bonded by American Surety Co. of N. Y.

HEARING EXHIBIT - 00000129

FLORIDA PUBLIC UTILITIES COMPANY

CERTIFICATE OF INCREASE OF AUTHORIZED CAPITAL STOCK

and

CERTIFICATE OF AMENDMENT OF CERTIFICATE OF RE-INCORPORATION

RECEIVED
MAY 21 10 07 AM '65
OFFICE OF SECRETARY OF STATE
TALLAHASSEE, FLORIDA

APPROVED AND FILED

FLORIDA PUBLIC UTILITIES COMPANY, a corporation organized and existing under the laws of the State of Florida, hereby certifies:

1. That the Board of Directors of said Corporation, at a meeting duly convened and held on the 4th day of March, 1965, approved and adopted unanimously a resolution setting forth proposed amendments to the Certificate of Re-Incorporation, as amended, of the Corporation and authorized the submission of such amendments to said Certificate of Re-Incorporation at a Special Meeting of the holders of the 4¼% Cumulative Preferred Stock and the $1.12 Convertible Preference Stock and at the Annual Meeting of the Common Stockholders of said Corporation for consideration thereof.

2. That thereafter, on April 20, 1965, pursuant to Notice duly given to all the Stockholders entitled to vote thereat, such Special Meeting of the holders of the 4¼% Cumulative Preferred Stock and the $1.12 Convertible Preference Stock and such Annual Meeting of Common Stockholders of said Corporation were duly held, at which meetings the following resolution approving such proposed amendments to the Corporation's Certificate of Re-Incorporation was proposed for adoption by such Stockholders:

RESOLVED, that the proposal of the Board of Directors of the Corporation that the Certificate of Re-Incorporation of this Corporation, as amended, be amended so that shares of Preferred Stock of the Corporation may be divided and issued from time to time in one or more series and to increase the number of authorized shares of Preferred Stock from 6,000 shares of the par value of $100 per share to 11,000 shares of the par value of $100 per share and to make appropriate and related changes in the Certificate of Re-Incorporation, be and the same is hereby approved and adopted and the Certificate of Re-Incorporation of this Corporation, as amended, is hereby amended

(a) By changing the first and second paragraphs of Article 3 of said Certificate of Re-Incorporation, as amended, so that said paragraphs shall be and read as follows:

"3. The maximum number of authorized shares of capital stock of the Corporation is Five Hundred Forty-Three Thousand Five Hundred (543,500) divided into Eleven Thousand (11,000) shares of Cumulative Preferred Stock (hereinafter called "Preferred Stock") of the par value of One Hundred Dollars ($100) per share, Thirty-Two Thousand Five Hundred (32,500) shares of Preference Stock of the par value of Twenty Dollars ($20) per share (hereinafter called "Preference Stock") and Five Hundred Thousand (500,000) shares of Common Stock of the par value of Three Dollars ($3.00) per share.

HEARING EXHIBIT - 00000130

The distinguishing characteristics, including designations, preferences or restrictions as regards dividends, voting powers or restrictions and qualifications of voting powers, and rights of redemption, of the different classes of capital stock, and the powers conferred upon the Board of Directors to divide and issue in designated series authorized but unissued Preferred Stock and Preference Stock, are as follows:"

and

(b) By changing the Division in said Article 3 designated as "DIVISION A —THE PREFERRED STOCK", so that said Division shall be and read as follows:

"DIVISION A — THE PREFERRED STOCK

1. *Issue In Series.* The shares of Preferred Stock may be divided and issued from time to time in one or more series, as hereinafter provided in this Division. Each such series shall be designated so as to distinguish the shares thereof from the shares of all other series, but all shares of Preferred Stock irrespective of series shall be of equal rank and all shares of any particular series shall be identical except as to the date or dates from which dividends thereon shall be cumulative as provided in Paragraph 2. The authorized but unissued shares of Preferred Stock may be divided by number from time to time into and issued in designated series, and such shares of series of Preferred Stock so designated shall provide for dividends at such rates, on such conditions and payable at such times, and shall be subject to redemption at such price or prices and such time or times, as shall be provided herein, or in any amendment to this Certificate of Re-Incorporation, or in the resolution or resolutions providing for the issuance of such shares adopted by the Board of Directors. Any amendment to this Certificate of Re-Incorporation or resolution or resolutions of the Board of Directors of this Corporation establishing a series and fixing the terms thereof shall (a) designate the series to which such Preferred Stock shall belong and fix the number of shares thereof, (b) fix the dividend rate therefor and fix the date from which dividends on the shares of such series initially issued shall be cumulative, (c) state whether or not such series shall be redeemable and at what times and under what conditions and the amount or amounts payable thereon in the event of redemption; and may, to the extent not inconsistent with the provisions of this Division, or applicable provisions of law (i) limit the number of shares of such series which may be issued, (ii) provide for a sinking fund for the purchase or redemption, or a purchase fund for the purchase, of shares of such series and the terms and provisions governing the operation of any such fund, (iii) impose conditions or restrictions upon the creation of indebtedness of the Corporation or upon the issue of additional Preferred Stock or other capital stock ranking equally therewith or prior thereto as to dividends or distribution of assets on liquidation, (iv) impose conditions or restrictions upon the payment of dividends upon, or the making of other distributions to, or the acquisition of, stock of any class ranking junior to the Preferred Stock, (v) grant to the holders of the Preferred Stock of such series the right to convert such stock into shares of stock of any class ranking junior to the Preferred Stock, and (vi) grant such other special rights to, or impose other conditions or restrictions upon, the holders of shares of such series as the Board of Directors may determine. The term "fixed for such series" and similar terms shall mean those stated and expressed in this Division or in any amendment to this Certificate of Re-Incorporation or in a resolution or resolutions adopted by the Board of Directors providing for the issue of Preferred Stock of the series referred to.

2

HEARING EXHIBIT - 00000131

2. *Dividends.* Out of the assets of the corporation available for dividends, the holders of each series of the Preferred Stock shall be entitled to receive, if and when declared payable by the Board of Directors, dividends in lawful money of the United States of America at the rate per share per annum fixed for each series and no more, payable quarterly on January 1, April 1, July 1 and October 1 in each year, before any dividends shall be paid upon or set apart for stock of any class ranking junior to the Preferred Stock. Dividends on all shares of Preferred Stock of any series initially issued shall commence to accrue and be cumulative from the date fixed for such series at the time of the initial establishment or designation thereof and on any additional shares of the same series from the first day of the quarterly dividend period in which such additional shares shall be issued, unless such additional shares shall be issued subsequent to a dividend record date and prior to the next quarterly payment date, in which event dividends shall commence to accrue and be cumulative from such next quarterly payment date.

Each share of Preferred Stock shall rank on a parity with each other share of Preferred Stock, irrespective of series, with respect to preferential dividends at the respective rates fixed for such series and no dividends shall be paid or declared and set apart for payment, on the Preferred Stock of any series, unless at the same time a dividend in like proportion, ratably, to the accrued dividends on the Preferred Stock of each other series outstanding shall be paid or declared and set apart for payment on each other series of Preferred Stock then outstanding. No dividends shall be declared or paid upon or set apart for the shares of stock of any class ranking junior to the Preferred Stock, nor any sums applied to the purchase, redemption or other retirement of stock of any class ranking junior to the Preferred Stock, unless full dividends on all shares of all series of Preferred Stock outstanding for all past quarterly dividend periods shall have been paid or declared and set apart and the full dividend for the then current quarterly dividend period shall have been or concurrently shall be paid or declared and set apart or if the Corporation shall be in default of the sinking or purchase fund obligation provided for any series of Preferred Stock. The amount of any deficiency for past dividend periods may be paid or declared and set apart at any time without reference to any quarterly dividend payment date. Unpaid accrued dividends on Preferred Stock shall not bear interest.

3. *Preference on liquidation, etc.* In the event of any liquidation, dissolution, or winding up of the corporation, or reduction or decrease of its capital stock resulting in a distribution of assets to the holders of stock of any class ranking junior to the Preferred Stock other than by way of dividends out of the net profits or out of surplus of the corporation, the holders of each series of Preferred Stock shall be entitled to receive, for each share thereof, the par value thereof plus, in case such liquidation, dissolution, winding up, reduction or decrease shall have been voluntary, an amount per share equal to the difference between the par value thereof and the then applicable optional redemption price fixed for such series together in each case with all dividends accrued or in arrears thereon, before any distribution of the assets shall be made to the holders of stock of any class ranking junior to the Preferred Stock; but the holders of the Preferred Stock of such series shall be entitled to no further participation in such distribution. If upon any such liquidation, dissolution, winding up, reduction or decrease, the assets distributable among the holders of the Preferred Stock shall be insufficient to permit the payment of the full preferential amounts aforesaid, then the entire assets of the corporation to be distributed shall be distributed among the holders of the shares of the respective series of Preferred Stock then outstanding, ratably in proportion to the full preferential amounts to which they are respec-

HEARING EXHIBIT - 00000132

tively entitled. As used in this Article 3 the expression "dividends accrued or in arrears" means, in respect of each share of the Preferred Stock of any series that amount which shall be equal to simple interest upon the par value of such share at an annual rate equal to the percentage that the annual dividend rate fixed for such series is of such par value, and no more, from the date upon which dividends thereon become cumulative, to the date as of which the computation is to be made, less the aggregate amount (without interest thereon) of all dividends theretofore paid or declared and set aside for payment in respect thereof. Shares of any series of Preferred Stock at any time owned by this corporation shall, for the purposes of this definition, be deemed to have received in dividends an amount per share equal to that which, during the time such shares were so owned, was paid upon outstanding shares of such series of Preferred Stock and, upon the reissue of any such shares, the shares so reissued shall have the same status with respect to any dividends accrued or in arrears and otherwise as shares of then outstanding Preferred Stock of the same series. Neither the purchase or redemption of shares of Preferred Stock in any manner permitted by Paragraph 4 of this Division, nor the purchase, acquisition or other retirement by the corporation of shares of stock of any class ranking junior to the Preferred Stock if the requirements of Paragraph 1 of Division B of this Article 3 shall be complied with in connection therewith, shall be deemed to be a reduction or decrease of capital resulting in a distribution of assets to any of its stockholders within the meaning of this Paragraph 3, whether or not the shares so redeemed or purchased shall be retired. A dividend or distribution to stockholders from net profits or surplus earned after the date of a reduction of capital or the purchase or redemption of shares of any class of stock by the application of such net profits or surplus shall not be deemed to be a distribution resulting from any such reduction. For the purposes of this Paragraph 3, the voluntary sale, conveyance, exchange or transfer (for cash, shares of stock, securities or other consideration) of all or substantially all of the property or assets of the corporation shall be deemed a voluntary dissolution, liquidation or winding up of the corporation, but a consolidation or merger of the corporation with one or more corporations shall not be deemed to be a liquidation, dissolution or winding up of the corporation or a reduction or decrease of its capital stock resulting in a distribution of assets within the meaning of this Paragraph 3.

4. *Redemption and Repurchase.* The corporation may, at its option expressed by vote of its Board of Directors, at any time or from time to time, redeem the whole or (except as hereinafter provided) any part of any series of Preferred Stock at the applicable redemption price per share fixed for such series plus any dividends at the time accrued or in arrears. Notice of any proposed redemption of Preferred Stock shall be given by the corporation by mailing a copy of such notice, at least thirty (30) days prior to the date fixed for such redemption, to the holders of record of the shares of such series of Preferred Stock to be redeemed, at their respective addresses then appearing on the books of the corporation. Any such redemption of Preferred Stock shall be in such amount, at such place and by such method, whether by lot or pro rata, as shall from time to time be determined by vote of the Board of Directors. On and after the date specified in such notice, each holder of shares of Preferred Stock called for redemption as aforesaid, upon presentation and surrender at the place designated in such notice of the certificates for such shares of Preferred Stock held by him, properly endorsed in blank for transfer or accompanied by proper instruments of assignment for transfer in blank (if required by the corporation) and bearing all necessary transfer stock tax stamps thereon affixed and cancelled shall be entitled to receive therefor the redemption price thereof. From and after the date fixed in

HEARING EXHIBIT - 00000133

any such notice as the date of redemption, unless default shall be made by the corporation in providing funds sufficient for such redemption at the time and place specified for the payment thereof pursuant to said notice, all dividends on the shares called for redemption shall cease to accrue; and from and after the date so fixed, unless default be made as aforesaid, or from and after the date of the earlier deposit by the corporation in trust, with a solvent bank or trust company doing business in the Borough of Manhattan, City and State of New York or Boston, Massachusetts, and having a combined capital and surplus of at least $1,000,000, of funds sufficient for such redemption (a statement of the intention so to deposit having been included in said notice), all rights of the holders of the shares so called for redemption as stockholders of the corporation, except only the right to receive when due the redemption funds to which they are entitled, shall cease and determine. Any funds so deposited which shall remain unclaimed by the holders of such Preferred Stock at the end of six (6) years after the redemption date, together with any interest thereon that shall have been allowed by the bank or trust company with which the deposit shall have been made, shall be paid by it to the corporation. The corporation may also from time to time repurchase shares of its Preferred Stock of any series at not exceeding the price at which the same may be redeemed, plus dividends accrued or in arrears and the usual and customary brokerage commissions paid in connection with the purchase thereof. Shares of Preferred Stock of any series redeemed or repurchased by this corporation and not retired may from time to time be reissued by it at such price or prices not less than (a) par plus dividends accrued or in arrears at the time of reissue if the cost thereof to the corporation exceeded par or (b) an amount equal to the cost thereof to the corporation plus dividends accrued or in arrears at the time of reissue, and upon such terms as shall be determined by the Board of Directors. If and so long as dividends on any shares of Preferred Stock of any series shall be in default, the corporation shall not redeem less than all of the Preferred Stock of all series then outstanding.

5. *Restrictions on Certain Corporate Action.* So long as any shares of the Preferred Stock shall remain outstanding, each of the following described proceedings, matters and things shall require the written consent or the affirmative vote of the holders of at least two-thirds of the issued and outstanding shares of all series of Preferred Stock, voting separately as one class, such vote being taken at a meeting for the purpose:

(a) The creation, authorization or issuance of any shares of any class of stock ranking prior to the Preferred Stock as to dividends or assets, or any class of security convertible into stock ranking prior to the Preferred Stock as to dividends or assets;

(b) The reclassification of shares of stock of any class ranking junior to or on a parity with the Preferred Stock or having preferences junior in any respect to or on a parity with the preferences of the Preferred Stock into shares of stock of a class ranking prior to the Preferred Stock;

(c) Any alteration, amendment or repeal of any of the provisions hereof relative to the rights, designations, privileges or voting powers of any of the Preferred Stock in any manner prejudicial to the holders thereof;

(d) The reduction of the par value of or the amount of capital represented by the outstanding Preferred Stock, or the reduction of the aggregate capital represented by stock of the corporation ranking junior to the Preferred Stock and surplus accounts of the corporation more than $50,000 below the aggregate amount payable upon involuntary liquidation of the

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issued Preferred Stock and of any class of stock ranking on a parity with or prior to the Preferred Stock to be outstanding immediately after such reduction, except in a case where a State or Federal regulatory body having jurisdiction shall have required or permitted the corporation to reduce the book value of its assets and, in connection therewith, the capital and capital surplus represented by stock of one or more classes ranking junior to the Preferred Stock is to be reduced in an amount or amounts not exceeding in the aggregate the amount of such reduction in book value of assets, and provided that nothing herein contained shall require any such consent or vote of the holders of the Preferred Stock if the reduction of capital shall be in connection with the retirement of shares of any series of Preferred Stock purchased or redeemed in compliance with any sinking or purchase fund provision or in accordance with the provisions of this Division and shall not be in excess of the capital represented by the shares purchased or redeemed.

So long as any shares of any class of Preferred Stock shall remain outstanding, each of the following described proceedings, matters and things shall require either the written consent or the affirmative vote of the holders of a majority of the issued and outstanding shares of all series of Preferred Stock, voting separately as one class, such vote being taken at a meeting called for the purpose:

(e) The merger of the corporation into or consolidation of the corporation with any other corporation, or a sale of all or substantially all of the assets of the corporation, unless such merger, consolidation or sale, or the issuance or assumption of all securities to be issued or assumed in connection therewith, shall have been ordered or approved by any Federal or State regulatory authority having jurisdiction in the premises, but the provisions of this clause (e) shall not apply to an acquisition by the corporation of franchises or assets in any manner which does not involve a merger or consolidation;

(f) The issuance of any unsecured notes, debentures or other securities representing unsecured indebtedness, other than indebtedness maturing not more than one year from the date of creation or assumption of any such unsecured securities, other than for the purpose of refunding outstanding unsecured debt securities theretofore issued or assumed or effecting the retirement, by redemption or otherwise, of outstanding shares of any series of Preferred Stock, or of a class of stock ranking prior thereto or on a parity therewith, if immediately after such issue or assumption the total principal amount of all unsecured securities issued or assumed and then outstanding, including the unsecured indebtedness then to be issued but excluding indebtedness maturing not more than one year from the date of creation, would exceed ten per cent (10%) of the aggregate of (i) the total principal amount of all bonds or other securities representing secured indebtedness issued or assumed by the corporation and then to be outstanding, and (ii) the total of the capital and surplus of the corporation as then to be stated on its books; provided, however, that any unsecured securities theretofore issued under any authorization of holders of Preferred Stock or any class of stock ranking on a parity therewith given pursuant hereto (and any securities issued to refund the same), shall not be considered in determining the amount of additional securities which may be issued or assumed within the aforesaid 10% limitation.

(g) The issuance of any additional shares of any series of Preferred Stock, or any shares of any other class of stock ranking on a parity with the Preferred Stock as to dividends or assets or the reclassification of any shares of any class of stock ranking junior to the

HEARING EXHIBIT - 00000135

Preferred Stock or having preferences junior in any respect to preferences of the Preferred Stock into shares of stock of a class ranking on a parity with the Preferred Stock, unless (i) the net earnings of the corporation determined after provision for depreciation and all taxes and in accordance with sound accounting practice, available for the payment of dividends on shares of all series of Preferred Stock and on any shares of any class of stock ranking prior to or on a parity with the Preferred Stock as to dividends or assets, for any twelve (12) consecutive calendar months within the fifteen (15) calendar months immediately preceding the month within which such additional shares are to be issued, have been at least two and one-half (2½) times the dividend requirements for a twelve (12) months' period upon all shares of all series of Preferred Stock and all shares of any class of stock ranking prior to or on a parity with the Preferred Stock, as to dividends or assets to be outstanding immediately after the proposed issue of any such additional shares or after such reclassification, as the case may be, and (ii) the net earnings of the Company available for the payment of interest charges on the Company's indebtedness, determined after provision for depreciation and all taxes and in accordance with sound accounting practice, for any twelve (12) consecutive calendar months within the fifteen (15) calendar months immediately preceding the month within which such additional shares are to be issued have been at least one and one-half (1½) times the aggregate for a twelve months' period of the interest charges on indebtedness of the Company and the dividend requirements upon all shares of all series of Preferred Stock and on all shares of any class of stock ranking prior to or on a parity with the Preferred Stock as to dividends or assets to be outstanding immediately after the proposed issue of any such additional shares or after such reclassification, as the case may be. There shall be excluded from the foregoing computation interest charges on all indebtedness which is to be retired through the issue of such additional shares. The net earnings of any property acquired by the corporation during the period for which earnings are computed or which is to be acquired in connection with the issuance of any such additional shares may be included on a pro forma basis in the foregoing computation.

(b.) The issuance of any additional shares of any series of Preferred Stock or any shares of any other class of stock ranking on a parity with the Preferred Stock as to dividends or assets or the reclassification of any shares of any class of stock ranking junior to the Preferred Stock or having preferences junior in any respect to preferences of the Preferred Stock into shares of stock of a class of stock ranking on a parity with the Preferred Stock, unless the aggregate of the capital of the corporation represented by stock ranking junior to the Preferred Stock and the surplus accounts of the corporation shall be not more than $50,000 below the amount payable upon involuntary dissolution to the holders of issued Preferred Stock of all series and any class of stock ranking on a parity with or prior to the Preferred Stock as to dividends or assets to be outstanding immediately after the proposed issue of such additional shares or after such reclassification, excluding from the foregoing computation shares of stock which are to be retired in connection with the issue of any such additional shares, and no portion of the surplus of the corporation utilized to satisfy the foregoing requirement shall be available for dividends or other distribution upon or in respect of the Common Stock of the corporation until such number of additional shares are retired;

The holders of the Preferred Stock of any series shall not have any right under the provisions hereinabove in this Paragraph 5 set forth to vote in respect of the creation, issuance or dis-

HEARING EXHIBIT - 00000136

position of shares of any class of stock or any indebtedness of the corporation if, through the application of proceeds thereof or otherwise in connection with the issuance thereof, provision is to be made for the redemption of all of the Preferred Stock of such series at the time outstanding or if the certificate of amendment of the Certificate of Re-Incorporation in respect thereof provides that none of the shares of stock to be authorized thereby may be issued unless provision is made for the purchase, redemption or retirement of all the shares of such series of Preferred Stock.

6. *Voting Rights.* The holders of the Preferred Stock of any series shall not be entitled to vote except as follows:

(a) As provided in the preceding Paragraph 5, or

(b) As may from time to time be mandatorily provided by the laws of Florida, or

(c) Whenever and as often as dividends payable on the Preferred Stock of any series shall be accrued and unpaid in an amount equivalent to or exceeding six quarterly dividends, the holders of the Preferred Stock, voting separately and as one class for such purpose, shall be entitled to elect the smallest number of directors necessary to constitute a majority of the Board of Directors, and the holders of the Common Stock, voting separately and as a class, shall be entitled to elect the remaining directors of the corporation.

Whenever under the provisions of this clause (c), the right shall have accrued to the holders of the Preferred Stock to elect directors, the Board of Directors shall within ten days after delivery to the corporation at its principal office of a request to such effect signed by any holder of Preferred Stock entitled to vote, call a special meeting of the stockholders to be held within forty days from the delivery of such request for the purpose of electing directors; provided, however, that if the regular annual meeting of the corporation shall be scheduled to be held under its by-laws within sixty days after such right shall have accrued to the holders of Preferred Stock, such special meeting may be on the date so scheduled for such annual meeting. At all meetings of stockholders held for the purpose of electing directors during such time as the holders of Preferred Stock shall have the special right, voting separately and as a class, to elect directors pursuant to this clause (c), the presence in person or by proxy of the holders of a majority of the Common Stock shall be required to constitute a quorum of such class for the election of directors, and the presence in person or by proxy of the holders of 33⅓% of the Preferred Stock shall be required to constitute a quorum of such class for the election of directors; provided, however, that the absence of a quorum of the holders of stock of either such class shall not prevent the election at any such meeting or adjournment thereof of directors by the other such class if the necessary quorum of the holders of stock of such class is present in person or by proxy at such meeting; and provided further that in the event such a quorum of the holders of Common Stock is present but such a quorum of the holders of Preferred Stock is not present then the election of the directors elected by the holders of the Common Stock shall not become effective and the directors so elected by the holders of the Common Stock shall not assume their offices and duties until the holders of the Preferred Stock, with such a quorum present, shall have elected the directors they shall be entitled to elect; and provided further, however, that in the absence of a quorum of the holders of stock of either such class, a majority of those holders of the stock of such class who are present in person or by proxy shall have power to adjourn the election of the directors to be elected by such class from time to time without notice other than announcement at the meeting until the holders of the requisite number of shares of

HEARING EXHIBIT - 00000137

such class shall be present in person or by proxy, but such adjournment shall not be made to a date beyond the date for the mailing of notice of the next annual meeting of the corporation or special meeting in lieu thereof.

If and when all dividends accrued and unpaid on the Preferred Stock shall have been paid or declared and set apart for payment, the holders of the Preferred Stock shall at the next annual meeting of the corporation or special meeting in lieu thereof be divested of their rights in respect of the election of a majority of the directors provided in this clause (c), and the voting rights of holders of the Preferred Stock and Common Stock shall revert to the status existing prior to the first dividend payment date on which dividends were not paid in full, but subject always to the provisions for revesting rights in the holders of the Preferred Stock in the event specified in this clause (c) and to the extent herein set forth.

In case any vacancy shall occur among the directors elected by the holders of the Preferred Stock or among the directors elected by holders of the Common Stock during any period for which a majority of the members of the Board of Directors shall have been elected by the holders of the Preferred Stock, the successors to any such director shall be elected by the vote of a majority of the remaining members of the Board of Directors who were elected by the holders of the Preferred Stock or by the holders of the Common Stock, as the case may be, such successor to hold office until the next annual meeting of the corporation or special meeting in lieu thereof.

Any director may be removed from office, either by vote of the holders of a majority of the shares of the class of stock voted for his election or for his predecessor in cases where such director was elected by the Board of Directors, or by vote of a majority of the entire Board of Directors, but in the latter case the majority of the entire Board so voting shall include a majority of the other directors then in office who were either elected by the vote of the class of stock voted for the election of the directors to be removed or succeeded to a vacancy originally filled by the votes of shares of such class. A special meeting of holders of shares of any class may be called by a majority vote of the Board of Directors for the purpose of removing a director in accordance with the provisions of the preceding sentence, and shall be called within forty (40) days after there shall have been delivered to the corporation at its principal office a request or requests to such effect signed by holders of at least five (5%) per centum of the outstanding shares of the class entitled to vote with respect to the removal of any such director.

Preferred Stockholders shall not be entitled to receive notice of any meeting of holders of any class of stock at which they are not entitled to vote.

7. *First Series of Preferred Stock.* The first series of the Preferred Stock of the Corporation shall be designated "4¾% Cumulative Preferred Stock" and shall consist of 6,000 shares. The annual dividend rate on said shares of 4¾% Cumulative Preferred Stock is fixed at Four Dollars and Seventy Five Cents ($4.75) per share and no more and the date from which dividends on the shares of said 4¾% Cumulative Preferred Stock, initially issued shall be cumulative is fixed as January 1, 1946. Said shares of 4¾% Cumulative Preferred Stock shall be redeemable and the redemption price per share payable to the holders of said shares of 4¾% Cumulative Preferred Stock upon redemption thereof is fixed at One Hundred Six ($106) Dollars plus accrued dividends.

8. To the extent that the provisions of this Division A relate to the rights of the Common Stock, such rights shall be subject in all respects to the provisions of Division A-1 of this Article

HEARING EXHIBIT - 00000138

3, without however, in any way limiting or otherwise affecting the rights or preferences of the Preferred Stock."

3. That at said Annual Meeting of the Common Stockholders, a vote of the holders of the Common Stock of record entitled to vote was taken for and against the aforesaid resolution and the amendments to the Corporation's Certificate of Re-Incorporation therein contained and, upon the canvassing of the vote, it appeared that the holders of 204,991 shares of said Common Stock (being the holders of more than a majority of the issued and outstanding shares of said Common Stock) had duly voted in favor of the approval and adoption of the aforesaid resolution and amendments to the Corporation's Certificate of Re-Incorporation therein contained, and that the holders of 1,523 shares of said Common Stock voted against the adoption of the aforesaid resolution and amendments.

4. That at said Special Meeting of the holders of the 4¾% Cumulative Preferred Stock and the $1.12 Convertible Preference Stock, the holders of 4,617 shares of 4¾% Cumulative Preferred Stock (being the holders of more than two-thirds of the issued and outstanding shares of said Stock) had duly voted in favor of the approval and adoption of the aforesaid resolution and amendments to the Corporation's Certificate of Re-Incorporation therein contained and that the holders of 349 shares of said 4¾% Cumulative Preferred Stock voted against the adoption of the aforesaid resolution and amendments and the holders of 17,944 shares of $1.12 Convertible Preference Stock (being the holders of more than a majority of the issued and outstanding shares of said Stock) had duly voted in favor of the approval and adoption of the aforesaid resolution and amendments to the Corporation's Certificate of Re-Incorporation therein contained and that the holders of 100 shares of said $1.12 Convertible Preference Stock voted against the adoption of the aforesaid resolution and amendments.

IN WITNESS WHEREOF, said FLORIDA PUBLIC UTILITIES COMPANY does hereby make this certificate under its corporate seal and the hand of its President and the hand of its Assistant Secretary and said President and said Assistant Secretary have hereunto set their hands and caused the corporate seal of the Corporation to be hereunto affixed this 19th day of May, 1965.

FLORIDA PUBLIC UTILITIES COMPANY

President

(CORPORATE SEAL)

Attest:

Assistant Secretary

HEARING EXHIBIT - 00000139

STATE OF FLORIDA
COUNTY OF PALM BEACH } ss:

I hereby certify that on this day before me, an officer duly authorized in the State aforesaid and in the County aforesaid to take acknowledgments, personally appeared J. K. Roberts and E. J. Downey, to me known and known to be the persons described in and who executed the foregoing certificate as President and Assistant Secretary, respectively, of Florida Public Utilities Company, a corporation organized and existing under the laws of the State of Florida, and severally acknowledged before me that they executed the same as such officers in the name and on behalf of said Corporation with full authority from the Directors and Stockholders of the Corporation so to do.

WITNESS my hand and official seal in the County and State last aforesaid this 19th day of May, 1965.

Betty J. Davis
Notary Public
Notary Public, State of Florida at Large
My Commission Expires Oct. 7, 1967
Bonded By American Surety Co. of N. Y.

11

HEARING EXHIBIT - 00000140

FLORIDA PUBLIC UTILITIES COMPANY

CERTIFICATE OF RESOLUTION OF THE BOARD OF DIRECTORS

Designating Second Series of Preferred Stock and Fixing Dividend Rate and Redemption Rights and Providing for a Sinking Fund

Adopted pursuant to Certificate of Re-Incorporation, as amended

RECEIVED
MAY 31 11 45 AM
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

To The Secretary of State of Florida:

In compliance with the provisions of the applicable Florida Statutes, Florida Public Utilities Company does hereby certify by J. K. Roberts, its President, and E. J. Downey, an Assistant Secretary and under its corporate seal, that at a duly called Special Meeting of the Board of Directors of the Corporation held in West Palm Beach, Florida, on May 24, 1965, at 10:00 o'clock in the forenoon, at which meeting a quorum for the transaction of business was present and acting throughout, the Board of Directors of the Corporation pursuant to the provisions of Division A of Article 3 of the Certificate of Re-Incorporation, as amended, of the Corporation, duly adopted the following resolution:

"RESOLVED, by the Board of Directors of Florida Public Utilities Company, that, pursuant to the provisions of Division A of Article 3 of the Certificate of Re-Incorporation, as amended, and subject to the provisions of said Article 3:

(1) 5,000 shares of the authorized and unissued Cumulative Preferred Stock of the Corporation of the par value of $100 per share be issued and the same shall be and are hereby designated as 4-3/4% Series B Cumulative Preferred Stock, and all shares of said Series shall be identical;

(2) the annual dividend rate on said shares of Series B Cumulative Preferred Stock is hereby fixed at 4-3/4% of the par value thereof and no more;

(3) the date from which dividends on shares of said Series B Cumulative Preferred Stock initially issued shall be cumulative is hereby fixed as the date of issuance of said shares;

(4) said shares of Series B Cumulative Preferred Stock shall be redeemable at any time as provided in Paragraph 4 of Division A of Article 3 of the Certificate of Re-Incorporation, as amended, and the redemption price (the "optional redemption price") payable to the holders of said shares of Series B Cumulative Preferred Stock upon redemption thereof is hereby fixed at $105.75 per share if such redemption shall be effected prior to July 1, 1970, at $104.15 per share if such redemption shall be effected on July 1, 1970 or thereafter and prior to July 1, 1975, at $102.55 per share if such redemption shall be effected on July 1, 1975 or thereafter and prior to July 1, 1980 and at $101 per share if redeemed on July 1, 1980 or thereafter, including in each case accrued dividends thereon to the date of redemption, except that no shares of the 4-3/4% Series B Cumulative Preferred Stock may be redeemed prior to July 1, 1970 if such redemption is a part of or in anticipation of any refunding operation involving the application of borrowed funds or the proceeds of the issue of any preferred stock, and if such borrowed funds or such shares have an effective annual interest or dividend cost to the Company of less than 4-3/4%;

(5) the 4-3/4% Series B Cumulative Preferred Stock shall be entitled to the benefits of a sinking fund as follows:

A. Subject to the provisions of subsection B of this Section (5), the Corporation (unless prevented from so doing by any provision in Division A of Article 3 of the Certificate of Re-Incorporation of the Corporation, as amended, or applicable provision of law or by any restriction contained in any agreement now existing relating to indebtedness of the Corporation) shall call for redemption on July 1 in each year, commencing July 1, 1968, at $100 per share, plus accrued dividends (the "sinking fund redemption price"), in the manner provided in Paragraph 4 of Division A of Article 3 of the Certificate of Re-Incorporation, as amended, a number of shares of the 4-3/4% Series B Cumulative Preferred Stock equal to 1% of the aggregate number of shares of such stock originally issued prior to the June 15 next preceding such July 1 and shall deposit with the Transfer Agent for such stock, in trust for such redemption, at least one day prior to such July 1 an amount of money sufficient to redeem at the sinking fund redemption price thereof the shares so called for redemption on such date.

APPROVED AND FILED

HEARING EXHIBIT - 00000141

Such sinking fund obligation shall be cumulative, so that if on any July 1 on or after July 1, 1968 the Corporation shall not have satisfied to the full extent the sinking fund obligation then due, whether by reason of any applicable provision or restriction of the character above mentioned or otherwise, then any such deficiency shall be made good on or before July 1 in the succeeding year or years as soon as and to the extent permitted by law and any applicable provision or restriction of the character aforesaid; and until any such deficiency shall have been so made good no dividends shall be paid or declared and no other distribution shall be made on the Common Stock or any other class of stock ranking junior to the Preferred Stock as to dividends or assets, and neither any Preferred Stock nor any stock ranking junior to the Preferred Stock shall be purchased or otherwise acquired for value by the Corporation.

B. The Corporation shall have the right to satisfy in whole or in part any sinking fund obligation (including any deficiency in any past sinking fund obligation) by crediting against such obligation (a) any shares of the 4-3/4% Series B Cumulative Preferred Stock purchased or otherwise acquired by the Corporation, and/or (b) shares of such Stock which shall have been redeemed at the optional redemption price thereof, such credit to be effected by delivering to the Transfer Agent for the 4-3/4% Series B Cumulative Preferred Stock not later than the June 15 next preceding the July 1 on which there is due any sinking fund obligation in respect of which such credit is to be taken, a certificate signed by its President or one of its Vice Presidents or its Treasurer or one of its Assistant Treasurers, specifying the election of the Corporation to take such credit and stating that no previous sinking fund credit has been taken in respect of any such shares.

The Corporation shall deliver to the Transfer Agent for the 4-3/4% Series B Cumulative Preferred Stock at least one day prior to the July 1 on which any sinking fund obligation is due, certificates properly endorsed in blank for transfer or accompanied by proper instruments of assignment or transfer in blank and bearing all necessary stock transfer tax stamps thereto affixed and cancelled, for any shares of such stock purchased or otherwise acquired by the Corporation which are to be used as a credit against the sinking fund obligation due on such date.

and

(6) so long as any shares of the 4-3/4% Series B Cumulative Preferred Stock shall remain outstanding, any alteration, amendment or repeal of any of the provisions hereof relative to the rights, designations, privileges or voting powers of the 4-3/4% Series B Cumulative Preferred Stock in any manner prejudicial to the holders thereof shall require the written consent or the affirmative vote of the holders of at least two-thirds of the issued and outstanding shares of the 4-3/4% Series B Cumulative Preferred Stock."

In Witness Whereof, Florida Public Utilities Company, this 24th day of May, 1965, has caused this certificate to be signed by its President and an Assistant Secretary under its corporate seal and to be acknowledged by its President before an officer authorized by the laws of the State of Florida to take acknowledgments of deeds to be the act and deed of said Corporation, pursuant to the authority conferred by resolution of its Directors.

FLORIDA PUBLIC UTILITIES COMPANY

By J. [illegible]
President

Attest:

E. F. Downey
Assistant Secretary

HEARING EXHIBIT - 00000142

STATE OF FLORIDA)
) ss.:
COUNTY OF PALM BEACH)

On this 24th day of May, A. D., 1965, before me the undersigned authority authorized by the Laws of the State of Florida to take acknowledgments of deeds personally appeared J. K. Roberts, President of Florida Public Utilities Company, a corporation organized and existing under laws of the State of Florida, said Corporation being the person which is described in and which executed the foregoing certificate, and the said J. K. Roberts being known to me to be the same individual described in and who as such President executed the foregoing certificate on behalf of said Corporation acknowledged that he, as such President, signed said Corporation's name to said certificate, that he caused the seal of said Corporation to be affixed to said certificate by authority and on behalf of said Corporation, and he, the said J. K. Roberts as such President, delivered the said certificate by authority and on behalf of said Corporation, and that all such acts were done freely and voluntarily and for the purpose in said certificate set forth, and that such certificate is the free act and deed of said Corporation.

In Witness Whereof, I have hereunto set my hand and notarial seal the day and year last above written.

Betty J. Davis

Notary Public

Notary Public, State of Florida at Large
My Commission Expires Oct. 7, 1967
Bonded By American Surety Co. of N. Y.

HEARING EXHIBIT - 00000143

FILED

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SECRETARY OF STATE
TALLAHASSEE, FLORIDA

FLORIDA PUBLIC UTILITIES COMPANY

Certificate of Increase of Authorized Capital Stock

and

Certificate of Amendment of Certificate of Re-Incorporation

FLORIDA PUBLIC UTILITIES COMPANY, a corporation organized and existing under the laws of the State of Florida, hereby certifies:

1. That the Board of Directors of said Corporation, at a meeting duly convened and held on the 6th day of March, 1984, approved and adopted unanimously a resolution setting forth proposed amendment to the Certificate of Re-Incorporation, as amended, of the Corporation and authorized the submission of such amendment to said Certificate of Re-Incorporation at the Annual Meeting of the Stockholders of said Corporation for consideration thereof.

2. That thereafter, on April 17, 1984, pursuant to notice duly given to all the Stockholders entitled to vote thereat, the Annual Meeting of the Stockholders of said Corporation was held, at which meeting the following resolution approving the proposed amendment to the Corporation's Certificate of Re-Incorporation was proposed for adoption by such Stockholders:

RESOLVED, that the proposal of the Board of Directors of the Corporation that the Certificate of Re-Incorporation, as amended, of the Corporation, be amended so as to increase the number of authorized shares of Common Stock from 500,000 shares of the par value of $1 per share to 1,200,000 shares of the par value of $1.50 per share, be and the same is hereby approved and adopted and the Certificate of Re-Incorporation of this Corporation, as amended, is hereby amended by changing the first paragraph of Article 3 of the Certificate of Re-Incorporation, as amended, so that said paragraph shall be and read as follows:

> "3. The maximum number of authorized shares of capital stock of the Corporation is One Million Two Hundred Forty-Three Thousand Five Hundred (1,243,500) divided into Eleven Thousand (11,000) shares of Cumulative Preferred Stock (hereinafter called "Preferred Stock") of the par value of One Hundred Dollars ($100) per share, Thirty-Two Thousand Five Hundred (32,500) shares of Preference Stock of the par value of Twenty Dollars ($20) per share (hereinafter called "Preference Stock") and One Million Two Hundred Thousand (1,200,000) shares of Common Stock of the par value of One Dollar and Fifty Cents ($1.50) per share.

3. That at said Annual Meeting of the Stockholders, a vote of the holders of the Common Stock of record entitled to vote was taken for and against the aforesaid resolution and the amendment to the Corporation's

HEARING EXHIBIT - 00000144

Certificate of Re-Incorporation therein contained and, upon the canvassing of the vote, it appeared that the holders of 235,556.365 shares of said Common Stock (being the holders of more than a majority of the issued and outstanding shares of said Common Stock) had voted in favor of the adoption of the aforesaid resolution and amendment to the Corporation's Certificate of Re-Incorporation therein contained, and that the holders of 7,529.926 shares of said Common Stock voted against the adoption of the aforesaid resolution and amendment.

IN WITNESS WHEREOF, said Florida Public Utilities Company does hereby make this certificate under its corporate seal and the hand of its President and the hand of its Assistant Secretary and said President and said Assistant Secretary have hereunto set their hands and caused the corporate seal of the Corporation to be hereunto affixed this 20th day of April, 1984.

FLORIDA PUBLIC UTILITIES COMPANY

By _____
President

ATTEST:

_____
Assistant Secretary

HEARING EXHIBIT - 00000145

STATE OF FLORIDA)
) ss:
COUNTY OF PALM BEACH)

I hereby certify that on this day before me, an officer duly authorized in the State aforesaid and in the County aforesaid to take acknowledgements, personally appeared E. J. Patterson and Harry D. Troy, to me known to be the persons described in and who executed the foregoing certificate as President and Assistant Secretary, respectively, of Florida Public Utilities Company, a coporation organized and existing under the laws of the State of Florida, and severally acknowledged before me that they executed the same as such officers in the name and on behalf of said Corporation with full authority from the Directors and Stockholders of the Corporation so to do.

WITNESS my hand and official seal in the County and State last aforesaid this 20th day of April, 1984.

Notary Public

HEARING EXHIBIT - 00000146

FILED

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SECRETARY OF STATE
TALLAHASSEE, FLORIDA

FLORIDA PUBLIC UTILITIES COMPANY

Certificate of Increase of Authorized Capital Stock

and

Certificate of Amendments of Certificate of Re-Incorporation

FLORIDA PUBLIC UTILITIES COMPANY, a corporation organized and existing under the laws of the State of Florida, hereby certifies:

1. That the Board of Directors of said Corporation, at a meeting duly convened and held on the 4th day of March, 1986, approved and adopted unanimously a resolution setting forth proposed amendments to the Certificate of Re-Incorporation, as amended, of the Corporation and authorized the submission of such amendments to said Certificate of Re-Incorporation at the Annual Meeting of the Stockholders of said Corporation for consideration thereof.

2. That thereafter, on April 15, 1986, pursuant to Notice duly given to all the Stockholders entitled to vote thereat, the Annual Meeting of the Stockholders of said Corporation was held, at which meeting the following resolutions approving the proposed amendments to the Corporation's Certificate of Re-Incorporation were proposed for adoption by such Stockholders:

RESOLVED, that the proposal of the Board of Directors of the Corporation that the Certificate of Re-Incorporation, as amended, of the Corporation, be amended so as to increase the number of authorized shares of Common Stock from 1,200,000 shares of the par value of $1.50 per share to 2,000,000 shares of the par value of $1.50 per share, be and the same is hereby approved and adopted and the Certificate of Re-Incorporation of this Corporation, as amended, is hereby amended by changing the first paragraph of Article 3 of the Certificate of Re-Incorporation, as amended, so that said paragraph shall be and read as follows:

HEARING EXHIBIT - 00000147

"3. The maximum number of authorized shares of capital stock of the Corporation is Two Million Forty Three Thousand Five Hundred (2,043,500) divided into Eleven Thousand (11,000) shares of Cumulative Preferred Stock (hereinafter called "Preferred Stock") of the par value of One Hundred Dollars ($100) per share, Thirty-Two Thousand Five Hundred (32,500) shares of Preference Stock of the par value of Twenty Dollars ($20) per share (hereinafter called "Preference Stock") and Two Million (2,000,000) shares of Common Stock of the par value of One Dollar and Fifty Cents ($1.50) per share."

3. That at said Annual Meeting of the Stockholders, a vote of the holders of the Common Stock of record entitled to vote was taken for and against the aforesaid resolution and the amendment to the Corporation's Certificate of Re-Incorporation therein contained and, upon the canvassing of the vote, it appeared that the holders of 533,028.722 shares of said Common Stock (being the holders of more than a majority of the issued and outstanding shares of said Common Stock) had voted in favor of the aforesaid resolution and amendment to the Corporation's Certificate of Re-Incorporation therein contained, and that the holders of 78,424.858 shares of said Common Stock voted against the adoption of the aforesaid resolution and amendment, constituting all the votes cast.

RESOLVED, that the proposal of the Board of Directors of the Corporation that the the Certificate of Re-Incorporation, as amended, of the Corporation, be amended to include provisions that will: (1) require the approval of the holders of at least 70% of the Corporation's voting stock to authorize certain business combination transactions between the Corporation and a holder of 10% or more of its voting stock unless

HEARING EXHIBIT - 00000148

certain "fair price" and procedural requirements are met or the transaction is approved by a majority of the Directors of the Corporation who are not affiliated with such stockholder ("Fair Price Provisions"), and (2) classify the Board of Directors into three classes, each of which after an interim arrangement will serve for three years, with one class being elected each year; limit the ability of stockholders to remove Directors; require that stockholder actions be taken only at a meeting; and increase the percentage of stockholders required to call a meeting, to amend certain provisions of the Corporation's Certificate of Re-Incorporation, as amended, or to amend the By-Laws (collectively, "Board Classification and Related Provisions"), be and the same is hereby approved and adopted and the Certificate of Re-Incorporation of the Corporation, as amended, is hereby amended by adopting the following as Articles 7 through 10 and replacing and deleting present Articles 7 through 10:

ARTICLE 7

Board of Directors

Section 1. Except as may be otherwise fixed by or pursuant to the provisions of this Certificate of Re-Incorporation, as amended from time to time, relating to the rights of the holders of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation to elect directors under specified circumstances, the number of the directors of the Corporation shall consist of not less than three nor more than nine persons with the number to be determined from time to time exclusively by a majority of the entire Board of Directors. The directors, other than those who may be elected by the holders of any class or series of stock having a preference over the Common Stock as to

HEARING EXHIBIT - 00000149

dividends or upon liquidation to elect directors under specified circumstances, shall be classified, with respect to the time for which they severally hold office, into three classes, as nearly equal in number as possible, one class to be originally elected for a term expiring at the annual meeting of stockholders to be held in 1987, another class to be originally elected for a term expiring at the annual meeting of stockholders to be held in 1988, and another class to be originally elected for a term expiring at the annual meeting of stockholders to be held in 1989, with each class to hold office until its successor is elected and qualified. At each annual meeting of the stockholders of the Corporation, the successors of the class of directors whose term expires at that meeting shall be elected to hold office for a term expiring at the annual meeting of stockholders held in the third year following the year of their election.

Section 2. A director may be removed by the majority vote of the entire Board of Directors. A director may also be removed by stockholders, but only for cause and only by the affirmative vote of the holders of at least 70% of the voting power of the then outstanding shares of capital stock of the Company entitled to vote generally in the election of directors (the "Voting Stock"), voting together as a single class. Except as may otherwise be provided by law, cause for removal shall be construed to exist only if the director whose removal is proposed has been convicted of a felony by a court of competent jurisdiction and such conviction is no longer subject to direct appeal or has been adjudged by court of competent jurisdiction to be liable for negligence or misconduct in the performance of his or her duty to the

HEARING EXHIBIT - 00000150

Corporation in a matter of substantial importance to the Company, and such adjudication is no longer subject to direct appeal.

ARTICLE 8

Action by Stockholders.

Any action required or permitted to be taken by the stockholders of the Corporation must be effected at a duly called annual or special meeting of stockholders of the Corporation and may not be effected by any consent in writing by such stockholders. Special meetings of stockholders, for any purpose or purposes, may be called by the Chairman of the Board of Directors, the President or any Vice President of the Corporation, and shall be called upon the written request of a majority of the entire Board of Directors or the holder or holders of not less than a majority of all the outstanding shares of stock of the Corporation entitled to vote on the matter or matters to be presented at the meeting. Such request shall state the purpose or purposes of the proposed meeting.

ARTICLE 9

Certain Business Combinations

Section 1. Vote Required for Certain Business Combinations.

A. Higher Vote for Certain Business Combinations. In addition to any affirmative vote required by law or the Certificate of Re-Incorporation and except as otherwise expressly provided in Section 2 of this Article 9:

(i) any merger or consolidation of the Corporation or any Subsidiary (as hereinafter defined) with (a) any Interested Stockholder (as hereinafter defined) or (b) any other corporation (whether or not itself an Interested Stockholder) which is, or after

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such merger or consolidation would be, an Affiliate (as hereinafter defined) of an Interested Stockholder; or

(ii) any sale, lease, exchange, mortgage, pledge, transfer or other disposition (in one transaction or a series of transactions) to or with any Interested Stockholder or any Affiliate of any Interested Stockholder of assets of the Corporation or any Subsidiary having an aggregate Fair Market Value (as hereinafter defined) of $1,000,000 or more; or

(iii) the issuance or transfer by the Corporation or any Subsidiary (in one transaction or a series of transactions) of any securities of the Corporation or any Subsidiary to any Interested Stockholder or any Affiliate of any Interested Stockholder in exchange for cash, securities or other property (or a combination thereof) having an aggregate Fair Market Value of $1,000,000 or more; or

(iv) the adoption of any plan or proposal for the liquidation or dissolution of the Corporation proposed by or on behalf of any Interested Stockholder or any Affiliate of any Interested Stockholder;

(v) any reclassification of securities (including any reverse stock split), or recapitalization of the Corporation or merger or consolidation of the Corporation with any of its Subsidiaries or any other transaction (whether or not with or into or otherwise involving an Interested Stockholder) which has the effect, directly or indirectly, of increasing the proportionate share of the outstanding shares of any class of equity or convertible securities of the Corporation or any Subsidiary which is directly or indirectly

HEARING EXHIBIT - 00000152

owned by any Interested Stockholder who was not an Interested Stockholder on February 15, 1986 or any Affiliate of any such Interested Stockholder; shall require the affirmative vote of the holders of at least 70% of the voting power of the then outstanding shares of Voting Stock, voting together as a single class. Such affirmative vote shall be required notwithstanding the fact that no vote may be required, or that a lesser percentage may be specified, by law or in any agreement with any national securities exchange or otherwise.

B. Business Combinations. The term "Business Combination" as used in this Article 9 shall mean any transaction which is referred to in any one or more of clauses (i) through (v) of paragraph A of this Section 1.

Section 1. When Higher Vote is Not Required. The provisions of Section 1 of this Article 9 shall not be applicable or any particular Business Combination, and such Business Combination shall require only such affirmative vote as is required by law, any other provisions of the Certificate of Re-Incorporation or any agreement with any national securities exchange, if, in the case of a Business Combination that does not involve any cash or other consideration being received by the stockholders of the Corporation, solely in their respective capacities as stockholders of the Corporation; the condition specified in the following paragraph A is met, or, in the case of any other Business Combination, the conditions specified in either of the following paragraphs A and B are met:

A. Approval by Continuing Directors. The Business Combination shall have been approved by a majority of the Continuing Directors (as hereinafter defined).

HEARING EXHIBIT - 00000153

B. Price and Procedure Requirements. All of the following conditions shall have been met:

(i) The aggregate amount of the cash and the Fair Market Value (as hereinafter defined), as of the date of the consummation of the Business Combination, of the consideration other than cash to be received per share by holders of Common Stock in such Business Combination shall be at least equal to the highest of the following:

(a) (if applicable) the highest per share price (including any brokerage commissions, transfer taxes and soliciting dealers' fees) paid by the Interested Stockholder for any shares of Common Stock acquired by it (1) within the two-year period immediately prior to the date of the first public announcement of the proposal of the Business Combination (the "Announcement Date") or (2) in the transaction in which it became an Interested Stockholder, whichever is higher; or

(b) the Fair Market Value per share of Common Stock on the Announcement Date or on the date on which the Interested Stockholder became an Interested Stockholder (the "Determination Date"), whichever is higher.

(ii) The aggregate amount of the cash and the Fair Market Value, as of the date of the consummation of the business Combination, of the consideration other than cash to be received per share by holders of shares of any other outstanding class of Voting Stock or any outstanding series thereof if shares of such class are issuable in series shall be at least equal to the highest of the following (it being intended that the requirements of this paragraph B(ii) shall be required to be met with respect to every such class

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or series of outstanding Voting Stock, whether or not the Interested Stockholder has previously acquired any shares of a particular class or series of Voting Stock):

(a) (if applicable) the highest per share price (including any brokerage commissions, transfer taxes and soliciting dealers' fees) paid by the Interested Stockholder for any shares of such class or series of Voting Stock acquired by it (1) within the two-year period immediately prior to the Announcement Date or (2) in the transaction in which it became an Interested Stockholder, whichever is higher;

(b) the Fair Market Value per share of such class or series of Voting Stock on the Announcement Date or on the Determination Date, whichever is higher; or

(c) (if applicable) the highest preferential amount per share to which the holders of shares of such class or series of Voting Stock are entitled in the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation.

(iii) The consideration to be received by holders of a particular class of outstanding Voting Stock or the holders of a particular series of a class thereof if shares of such class are issuable in series shall be in cash or in the same form as the Interested Stockholder has previously paid for shares of such class or series of Voting Stock. If the Interested Stockholder has previously paid for shares of such class or series of Voting Stock with varying forms of consideration, the form of consideration for such class or series of Voting Stock shall be either cash or the

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form used to acquire the largest number of shares of such class or series of Voting Stock previously acquired by the Interested Stockholder. The price determined in accordance with paragraphs B(i) and B(ii) of this Section 2 shall be subject to appropriate adjustment in the event of any stock dividend, stock split, combination of shares or similar event.

(iv) After such Interested Stockholder has become an Interested Stockholder and prior to the consummation of such Business Combination, except as approved by a majority of the Continuing Directors: (a) there shall have been no failure to declare and pay at the regular date therefor any full quarterly dividends (whether or not cumulative) on any outstanding Preferred, or Preference Stock; (b) there shall have been (1) no reduction in the annual rate of dividends paid on the Common Stock (except as necessary to reflect any subdivision of the Common Stock), and (2) an increase in such annual rate of dividends as necessary to reflect any reclassification (including any reverse stock split), recapitalization, reorganization or any similar transaction which has the effect of reducing the number of outstanding shares of Common Stock; and (c) such Interested Stockholder shall have not become the beneficial owner of any additional shares of Voting Stock except as part of the transaction which results in such Interested Stockholder becoming an Interested Stockholder.

(v) After such Interested Stockholder has become an Interest Stockholder except as approved by a majority of the Continuing Directors, such Interested Stockholder shall not have received the benefit, directly or indirectly (except proportionately as a

HEARING EXHIBIT - 00000156

stockholder), of any loans, advances, guarantees, pledges or other financial assistance or any tax credits or other tax advantages provided by the Corporation, whether in anticipation of or in connection with such Business Combination or otherwise.

(vi) A proxy or information statement describing the proposed Business Combination and complying with the requirements of the Securities Exchange Act of 1934 and the rules and regulations thereunder (or any subsequent provisions replacing such Act, rules or regulations) shall be mailed to Stockholders of the Corporation at least 30 days prior to the consummation of such Business Combination (whether or not such proxy or information statement is required to be mailed pursuant to such Act or subsequent provisions).

Section 3. Certain Definitions. For the purposes of this Article 9:

A. A "person" shall mean any individual, firm, corporation or other entity.

B. "Interested Stockholder" shall mean any person (other than the Corporation or any Subsidiary) who or which:

(i) is the beneficial owner, directly or indirectly, of more than 10% of the voting power of the outstanding Voting Stock;

(ii) is an Affiliate of the Corporation and at any time within the two-year period immediately prior to the date in question was the beneficial owner, directly or indirectly, of 10% or more of the voting power of the then outstanding Voting Stock; or

(iii) is an assignee of or has otherwise succeeded to any shares of Voting Stock which were at any time within the two-year

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period immediately prior to the date in question beneficially owned by an Interested Stockholder, if such assignment or succession shall have occurred in the course of a transaction or series of transactions not involving a public offering within the meaning of the Securities Act of 1933.

C. A person shall be a "beneficial owner" of any Voting Stock:

(i) which such person or any of its Affiliates or Associates (as hereinafter defined) beneficially owns, directly or indirectly; or

(ii) which such person or any of its Affiliates or Associates has (a) the right to acquire (whether such right is exercisable immediately or only after the passage of time), pursuant to any agreement, arrangement or understanding or upon the exercise of conversion rights, exchange rights, warrants or options, or otherwise, or (b) the right to vote pursuant to any agreement, arrangement or understanding; or

(iii) which are beneficially owned, directly or indirectly, by any other person with which such person or any of its Affiliates or Associates has any agreement, arrangement or understanding for the purpose of acquiring, holding, voting or disposing of any shares of Voting Stock.

D. For the purposes of determining whether a person is an Interested Stockholder pursuant to paragraph B of this Section 3, the number of shares of Voting Stock deemed to be outstanding shall include shares deemed owned through application of paragraph C of this Section 3 but shall not include any other shares of Voting Stock which may be

HEARING EXHIBIT - 00000158

issuable pursuant to any agreement, arrangement or understanding, or upon the exercise of conversion rights, warrants or options, or otherwise.

E. "Affiliate" or "Associate" shall have the respective meanings ascribed to such terms in Rule 12b-2 of the General Rules and Regulations under the Securities Exchange Act of 1934, as in effect on February 15, 1986.

F. "Subsidiary" means any corporation of which a majority of any class of equity security is owned, directly or indirectly, by the Corporation; provided, however, that for the purposes of the defination of Interested Stockholder set forth in paragraph B of this Section 3, the term "Subsidiary" shall mean only a corporation of which a majority of each class of equity security is owned, directly or indirectly, by the Corporation.

G. "Continuing Director" means any member of the Board of Directors of the Corporation who is not an Affiliate or Associate or representative of the Interested Stockholder and who was a member of the Board prior to the time that the Interested Stockholder became an Interested Stockholder or on February 15, 1986, and any successor of a Continuing Director who is not an Affiliate or Associate or representative of the Interested Stockholder and is elected or recommended to be elected a director by a majority of Continuing Directors then on the Board.

H. "Fair Market Value" means: (i) in the case of stock, the highest closing sale price during the 30-day period immediately preceding the date in question on the National Association of Securities Dealers, Inc. Automated Quotations Systems or any system then in use, or, if such stock is listed on a national securities exchange, the highest closing sale price on such exchange during the 30-day period preceding the date

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in question, or if no such quotations are available, the fair market value on the date in question of a share of such stock as determined by the Board in good faith; and (ii) in the case of property other than cash or stock, the fair market value of such property on the date in question as determined by the Board in good faith.

I. In the event of any Business Combination in which the Corporation survives, the phrase "consideration other than cash to be received" as used in section 2 of this Article 9 shall include the shares of Common Stock and/or the shares of any class or series of outstanding Voting Stock retained by the holders of such shares.

Section 4. Powers of the Board of Directors. A majority of the directors of the Corporation shall have the power and duty to determine for the purposes of this Article 9, on the basis of information known to them after reasonable inquiry, (a) whether a person is an Interested Stockholder, (b) the number of shares of Voting Stock beneficially owned by any person, (c) whether a person is an Affiliate or Associate of another, (d) whether the application conditions set forth in Paragraph B of Section 2 of this Article 9 have been met with respect to any Business Combination, and (e) whether the assets which are the subject of any Business Combination have, or the consideration to be received for the issuance or transfer of securities by the Corporation or any Subsidiary in any Business Combination has, an aggregate Fair Market Value of $1,000,000 or more. A majority of the Directors shall have the further power to interpret all of the terms and provisions of Article 9.

Section 5. No Effect of Fiduciary Obligations of Interested Stockholders. Nothing contained in this Article 9 shall be construed to

HEARING EXHIBIT - 00000160

relieve any Interested Stockholder from any fiduciary obligation imposed by law.

ARTICLE 10

Amendment of Certificate of Re-Incorporation and Bylaws

Section 1. Certificate of Re-Incorporation.

A. The Corporation reserves the right, except as otherwise expressly provided herein, to increase or decrease the authorized capital stock or to reclassify the same and to amend, alter, change or repeal any provision contained in this Certificate of Re-Incorporation or in any amendment hereto, and to take any other action, in the manner now or hereafter prescribed by law, and all rights conferred on officers, directors and stockholders herein or in any amendment hereto are granted subject to this reservation.

B. Notwithstanding the provisions of Paragraph A of this Section 1 of Article 10, the provisions of this Article 10 and the provisions of Articles 7, 8 and 9, may not be altered, amended or repealed in any respect unless such alteration, amendment or repeal is approved by the affirmative vote of the holders of at least 70% of the then outstanding shares of Voting Stock, voting together as a single class; provided however, that such 70% vote shall not be required for any alteration, amendment or repeal approved by two-thirds of the entire Board of Directors and all such directors are Continuing Directors as defined in Paragraph G of Section 3 of Article 9.

Section 2. Bylaws. The power to adopt, alter, amend or repeal bylaws shall be vested in the Board of Directors. Bylaws adopted by the Board of Directors may be repealed or changed, and new bylaws may be adopted by the stockholders only if such repeal, change or adoption is

HEARING EXHIBIT - 00000161

approved by the affirmative vote of the holders of at least 70% of the then Voting Stock, voting together as a single class.

4. That at said Annual Meeting of the Stockholders, a vote of the holders of the Common Stock of record entitled to vote was taken for and against the aforesaid resolution and the amendment to the Corporation's Certificate of Re-Incorporation therein contained and, upon the canvassing of the vote, it appeared that the holders of 480,503.095 shares of said Common Stock (being the holders of more than a majority of the issued and outstanding shares of said Common Stock) had voted in favor of the adoption of the aforesaid resolution and amendment to the Corporation's Certificate of Re-Incorporation therein contained, and that the holders of 88,938.782 shares of said Common Stock voted against the adoption of the aforesaid resolution and amendment, constituting all votes cast.

IN WITNESS WHEREOF, said Florida Public Utilities Company does hereby make this certificate under its corporate seal and the hand of its President and the hand of its Secretary and said President and said Secretary have hereunto set their hands and caused the corporate seal of the Corporation to be hereunto affixed this 23rd day of April, 1986.

FLORIDA PUBLIC UTILITIES COMPANY

By: J. C. Thessman
President

ATTEST:

Edward K. Hall
Secretary

HEARING EXHIBIT - 00000162

STATE OF FLORIDA)
) SS:
COUNTY OF PALM BEACH)

I hereby certify that on this day before me, an officer duly authorized in the State aforesaid and in the County aforesaid to take acknowledgements, personally appeared F. C. Cressman and Mildred K. Hall, to me known to be the persons described in and who executed the foregoing certificate as President and Secretary, respectively, of Florida Public Utilities Company, a corporation organized and existing under the laws of the State of Florida, and severally acknowledged before me that they executed the same as such officers in the name and on behalf of said Corporation with full authority from the Directors and Stockholders of the Corporation so to do.

WITNESS my hand and official seal in the County and State last aforesaid this 23rd day of April, 1986.

Ethel M. Davis
Notary Public

Notary Public, State Of Florida At Large
My Commission Expires April 30, 1989
Bonded By SAF LEO Insurance Company of America

ARTICLE OF AMENDMENT
TO
CERTIFICATE OF REINCORPORATION
OF
FLORIDA PUBLIC UTILITIES COMPANY

FILED
98 MAY 18 AM 10:05
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

Pursuant to the provisions of section 607.1006, Florida Statutes, this Florida profit corporation adopts the following article of amendment to its certificate of reincorporation:

FIRST: Amendment adopted:

Article 3 of the company's Certificate of Reincorporation was amended to increase the number of authorized shares of common stock, $1.50 par value, from 2,000,000 to 3,500,000 shares

SECOND: If an amendment provides for an exchange, reclassification or cancellation of issued shares, provisions for implementing the amendment if not contained in the amendment itself, are as follows:

N/A

THIRD: The date of the amendment's adoption: April 21, 1998.

FOURTH: Adoption of Amendment(s) (CHECK ONE)

☒ The amendment was approved by the shareholders. The number of votes cast for the amendment was sufficient for approval.

☐ The amendment(s) was/were approved by the shareholders through voting groups. *The following statement must be separately provided for each voting group entitled to vote separately on the amendment(s):*

"The number of votes cast for the amendment(s) was/were sufficient for approval by _____.
voting group

☐ The amendment(s) was/were adopted by the board of directors without shareholder action and shareholder action was not required.

☐ The amendment(s) was/were adopted by the incorporators without shareholder action and shareholder action was not required.

Signed this 12 day of May, 1998.

Signature _____
Franklin C. Cressman, Chairman of the Board and CEO

JRB/37cert-rei.amd

HEARING EXHIBIT - 00000164

ARTICLE OF AMENDMENT
TO
CERTIFICATE OF REINCORPORATION
OF
FLORIDA PUBLIC UTILITIES COMPANY

FILED
01 JUN 22 PM 3:50
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

Pursuant to the provisions of section 607.1006, Florida Statutes, this Florida profit corporation adopts the following article of amendment to its certificate of reincorporation:

FIRST: Amendment adopted:

Article 3 of the company's Certificate of Reincorporation was amended to increase the number of authorized shares of common stock, $1.50 par value, from 3,500,000 to 6,000,000 shares.

SECOND:

THIRD: The date of the amendment's adoption: April 17, 2001.

FOURTH: Adoption of Amendment(s) (CHECK ONE)

☒ The amendment was approved by the shareholders. The number of votes cast for the amendment was sufficient for approval.

☐ The amendment(s) was/were approved by the shareholders through voting groups. *The following statement must be separately provided for each voting group entitled to vote separately on the amendment(s):*

"The number of votes cast for the amendment(s) was/were sufficient for approval by _____."
voting group

☐ The amendment(s) was/were adopted by the board of directors without shareholder action and shareholder action was not required.

☐ The amendment(s) was/were adopted by the incorporators without shareholder action and shareholder action was not required.

Signed this 14th day of June, 2001.

Signature _____
Jack R. Brown, Corporate Secretary and Vice President

c:\Reincorporation\cert-reincorp-amd.doc

HEARING EXHIBIT - 00000165

State of Florida

Department of State

I certify from the records of this office that FLORIDA PUBLIC UTILITIES COMPANY, is a corporation organized under the laws of the State of Florida, filed on April 25, 1929, effective March 6, 1924.

The document number of this corporation is 119792.

I further certify that said corporation has paid all fees due this office through December 31, 2003, that its most recent annual report/uniform business report was filed on March 24, 2003, and its status is active.

I further certify that said corporation has not filed Articles of Dissolution.

Given under my hand and the Great Seal of the State of Florida at Tallahassee, the Capitol, this the Sixteenth day of April, 2003

Glenda E. Hood

Glenda E. Hood
Secretary of State

CR2EO22 (2-03)

HEARING EXHIBIT - 00000166

FLORIDA PUBLIC UTILITIES COMPANY

BY-LAWS

AS AMENDED MARCH 6, 2001

HEARING EXHIBIT - 00000167

BY-LAWS

OF

FLORIDA PUBLIC UTILITIES COMPANY

****

ARTICLE I

Name

The name of this Corporation shall be FLORIDA PUBLIC UTILITIES COMPANY.

ARTICLE II

Stockholders□ Meetings

All meetings of the stockholders shall be held at the office of the Corporation in West Palm Beach, Florida, except in cases in which the notice thereof designates some other place, either within or without the State of Florida.

ARTICLE III

Annual Meetings

The Annual Meeting of Stockholders of this Corporation shall be held, beginning with the year 1959, at the hour of 11:00 o□clock a.m. on the third Tuesday in April in each year, if not a legal holiday, and if a legal holiday, then on the first day following not a legal holiday. In the event that such annual meeting is omitted by oversight or otherwise on the date herein provided therefor, a subsequent meeting may be held in place thereof, and any business transacted or elections held at such meeting shall be as valid as if transacted or held at the annual meeting. Such subsequent meetings shall be called in the same manner and as provided for Special Stockholders□ Meetings.

HEARING EXHIBIT - 00000168

ARTICLE IV

Special Meetings

Except as otherwise provided in the Certificate of Re-Incorporation, Special Meetings of the Stockholders of this Corporation shall be held whenever called by the Chairman of the Board, the President, any Vice President, or upon the written request of a majority of the entire Board of Directors or whenever the holder or holders of not less than a majority of the capital stock issued and outstanding and entitled to vote thereat shall make application therefor to the Secretary or an Assistant Secretary.

ARTICLE V

Notice of Stockholders□ Meetings

Notice of each stockholders□ meeting, stating the date, time and place, and in the case of special meetings the objects for which such meeting is called, shall be given by the Secretary or an Assistant Secretary by mail to each stockholder of record entitled to vote thereat at his or her registered address, at least ten days prior to the date of the meeting, and the person giving such notice shall make affidavit in relation thereto.

Any meeting at which every stockholder entitled to vote is present either in person or by proxy, or of which those not present have waived notice in writing, or at which stockholders who hold four-fifths of the stock entitled to vote shall be present however called or notified, and shall sign a written consent thereto on the records of the meeting, shall be a legal meeting for the transaction of business, notwithstanding that notice has not been given as hereinbefore provided.

ARTICLE VI

Waiver of Notice

Notice of any stockholders□ meeting may be waived by any stockholder.

HEARING EXHIBIT - 00000169

ARTICLE VII

Quorum

Except as otherwise provided in the Certificate of Re-Incorporation, at any meeting of the stockholders a majority in interest of the stock of the Corporation issued and outstanding, and entitled to vote, represented by stockholders of record in person or by proxy, shall constitute a quorum, but a less interest may adjourn any meeting from time to time and the meeting may be held as adjourned without further notice. Except as otherwise provided by Statute or by the Certificate of Re-Incorporation, when a quorum is present at any meeting a majority of the stock represented thereat shall decide any question brought before such meeting.

ARTICLE VIII

Proxy and Voting

Stockholders of record entitled to vote may vote at any meeting either in person or by proxy in writing, which shall be filed with the Secretary of the meeting before being voted. Each share of stock shall be entitled to one vote.

ARTICLE IX

Board of Directors

Except as may be otherwise fixed by or pursuant to the provisions of the Certificate of Re-Incorporation, as amended from time to time, relating to the rights of the holders of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation to elect directors under specified circumstances, the number of the directors of the Corporation shall consist of not less than three nor more than nine persons with the number to be determined, from time to time, exclusively by a majority of the entire Board of Directors. The directors, other than those who may be elected by the holders of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation to elect directors under specified circumstances, shall be classified, with respect to the time for which they severally hold office, into three classes, as nearly equal in number as possible, one class to be originally elected for a term expiring at the Annual Meeting of Stockholders to be held in 1987, another class to be originally elected

HEARING EXHIBIT - 00000170

for a term expiring at the Annual Meeting of Stockholders to be held in 1988, and another class to be originally elected for a term expiring at the Annual Meeting of Stockholders to be held in 1989, with each class to hold office until its successor is elected and qualified. At each Annual Meeting of the Stockholders of the Corporation, the successors of the class of directors whose term expires at that meeting shall be elected to hold office for a term expiring at the Annual Meeting of Stockholders held in the third year following the year of their election. Directors need not be stockholders of the Corporation.

ARTICLE X

Powers of Directors

The Board of Directors shall have the entire management of the business of the Corporation. In the management and control of the property, business and affairs of the Corporation, the Board of Directors is hereby vested with all of the powers possessed by the Corporation itself so far as this delegation of authority is consistent with the laws of the State of Florida, with the provisions of the Certificate of Re-Incorporation or with the provisions of these By-Laws. The Board of Directors shall have power to determine what constitutes net earnings, profits and surplus, respectively, what amount shall be reserved for working capital and for any other purposes, and what amounts shall be declared as dividends and such determination of the Board of Directors shall be final and conclusive.

ARTICLE XI

Executive Committee

The Board of Directors may elect from their number an Executive Committee of not less than two nor more than five members, which Committee may exercise the powers of the Board of Directors, when the Board is not in session, in the management of the business of the Corporation. The Executive Committee shall report its action to the Board for approval. The Executive Committee may make rules for the holding and conduct of its meetings and the keeping of the records thereof.

ARTICLE XII

Meetings

HEARING EXHIBIT - 00000171

Regular meetings of the Board of Directors shall be held in such places and at such times as the Board may by vote from time to time determine, and if so determined no notice thereof need be given. Special meetings of the Board of Directors may be held at any time or place whenever called by the Chairman of the Board, the President, a Vice President or three or more Directors, reasonable notice thereof being given by the Secretary or an Assistant Secretary or officer calling the meeting to each director, or at any time without formal notice provided all the directors are present, or those not present have waived notice thereof in writing. Such special meetings shall be held at such times and places as the notice thereof or waiver shall specify.

ARTICLE XIII

Quorum

A majority of the Board of Directors shall constitute a quorum for the transaction of business, but a less number may adjourn any meeting from time to time and the meeting may be held as adjourned without further notice. When a quorum is present at any meeting, except as otherwise provided in these By-Laws, the Certificate of Re-Incorporation or by law, a majority of the members in attendance thereat shall decide any question brought before such meeting.

ARTICLE XIV

Officers

The officers of this Corporation shall be a Chairman of the Board, a President, one or more Vice Presidents, a Secretary and a Treasurer. The officers shall be elected by the Board of Directors at a meeting held after its election by the stockholders, and a regular meeting may be held without notice for this purpose immediately after the Annual Meeting of the Stockholders and at the same place.

ARTICLE XV

Eligibility of Officers

The Chairman of the Board and the President shall be Directors of the Corporation. The Vice Presidents, Secretary and Treasurer and such other officers as may be appointed may be, but need not be, Directors of the Corporation. Any person may hold two or more offices except that the Chairman of the Board

HEARING EXHIBIT - 00000172

or the President shall not also be the Secretary or an Assistant Secretary.

ARTICLE XVI

Additional Officers and Agents

The Board of Directors at its discretion may appoint one or more Assistant Treasurers and one or more Assistant Secretaries, and such other officers or agents as it may deem advisable and prescribe the duties thereof.

The Board of Directors shall designate either the Chairman of the Board or the President as the Chief Executive Officer of the Corporation. Subject to the control of the Board of Directors, the Chief Executive Officer shall have general charge and control of the business and affairs of the Corporation.

ARTICLE XVII

Chairman of the Board

The Chairman of the Board shall be the senior officer of the Corporation, and may also be the Chief Executive Officer pursuant to Article XVI of these By-Laws, and shall preside at all meetings of the stockholders and the Board of Directors at which he is present, and shall perform such other duties as may, from time to time, be assigned to him by the Board of Directors.

HEARING EXHIBIT - 00000173

ARTICLE XVIII

President

The President may be the Chief Executive Officer pursuant to Article XVI of these By-Laws. He shall from time to time obtain information concerning the affairs and business of the Corporation and shall promptly lay such information before the Board of Directors. He shall communicate to the Board of Directors all matters presented by any officer of the Corporation for its consideration and shall, from time to time, communicate to the officers such action of the Board of Directors as may, in his judgement, affect the performance of their official duties. He shall, subject to the approval of the Board of Directors, have power to appoint and remove all servants, agents and employees of the Corporation other than its officers, and shall perform all such other duties as are incident to the office of President and such specific duties as may, from time to time, be assigned to him by the Board of Directors. In the absence of the Chairman of the Board, he shall preside at all meetings of the stockholders and at all meetings of the Board of Directors at which he is present, and shall sign all certificates of stock, bonds, deeds and contracts of the Corporation.

ARTICLE XIX

Vice Presidents

A Vice President shall perform the duties and have the powers of the President during the absence or disability of the President, shall have power to sign all certificates of stock, bonds, deeds and contracts of the Corporation, and shall perform such other duties and have such other powers and titles as the Board of Directors or the President shall, from time to time, designate.

ARTICLE XX

Secretary

The Secretary of the Corporation shall be present at all the meetings of stockholders, the Board of Directors and the Executive Committee, respectively, shall keep an accurate record of the proceedings at such meetings in books provided for that purpose, which books shall be open at all times during business hours for such inspection as is required by law, and shall perform all the duties commonly incident to his office, and

HEARING EXHIBIT - 00000174

shall perform such other duties and have such other powers as the Board of Directors shall, from time to time, designate. In his absence, an Assistant Secretary or a Secretary pro tempore shall perform his duties.

ARTICLE XXI

Treasurer

The Treasurer shall have the care and custody of the funds of the Corporation, and shall have and exercise under the supervision of the Board of Directors, all the powers and duties commonly incident to his office, and shall give bond in such sum and with such sureties as may be required by the Board of Directors. He shall have the custody of all the money, funds and valuable papers and documents of the Corporation, except his own bond, if any, which shall be in the custody of the President. He shall deposit all the funds of the Corporation in such bank or banks, trust company or trust companies, or with such firm or firms doing a banking business as the directors shall designate. He may endorse for deposit or collection all notes et cetera payable to the Corporation or its order. He shall issue notes and accept drafts on behalf of the Corporation, and he shall keep accurate books of account of the Corporation□s transactions, which shall be the property of the Corporation, and, together with all its property in his possession, shall be subject at all times to the inspection and control of the directors. The Treasurer shall hold his office during the pleasure of the Board of Directors and shall in every way be subject to their order. The directors may appoint one or more Assistant Treasurers, with such powers and duties, including the powers and duties of the Treasurer, as herein stated, as shall seem to them best. Except as the Board of Directors shall otherwise expressly order, all checks, drafts, notes or other obligations for the payment of money shall be signed by the Treasurer or an Assistant Treasurer and, with the exception of checks for an amount of $1,000 or less, shall be countersigned as a condition to their validity by the President, a Vice President or such other officer, agent or person as the directors shall by resolution direct. Checks for the total amount of any payroll may be drawn in accordance with the foregoing provisions and deposited in a special fund and checks upon this fund may be drawn by such person or persons as the Treasurer may designate in favor of the various employees named on such payroll, and such checks need not be countersigned. The Board of Directors may authorize, from time to time, the establishment of special

HEARING EXHIBIT - 00000175

funds for the corporate purposes of the Corporation.

ARTICLE XXII

Removals

As provided in Section 2 of Article 7 of the Certificate of Re-Incorporation, the stockholders may at any meeting called for the purpose, by vote of at least seventy percent (70%) in interest of the capital stock issued and outstanding and entitled to vote, remove any director, but only for cause. The directors, by vote of not less than a majority of the entire Board, may remove a director or any officer or agent of the Corporation.

ARTICLE XXIII

Vacancies

Except as otherwise provided in the Certificate of Re-Incorporation, if the office of any director, officer or agent, becomes vacant by reason of death, resignation, removal, disqualification, or otherwise, or in the case of directors by reason of an increase in the number of directors, the remaining directors, although less than a quorum, may, by a majority vote, choose a successor or successors, who shall hold office until the next Annual Meeting of Stockholders, but vacancies in the Board of Directors may be filled by the stockholders at a meeting called for that purpose, unless such vacancy shall have been filled by the directors.

HEARING EXHIBIT - 00000176

ARTICLE XXIV

Certificates of Stock

Every stockholder shall be entitled to a certificate or certificates of stock of the Corporation in form prescribed by the Board of Directors, duly numbered and sealed with the corporate seal of the Corporation, and setting forth the number and kind of shares represented thereby to which each stockholder is entitled. Such certificates shall be signed by the President or a Vice President and by the Treasurer or an Assistant Treasurer or the Secretary or an Assistant Secretary of the Corporation. The Board of Directors may also appoint one or more Transfer Agents and/or Registrars for its stock of any class or classes and require stock certificates to be countersigned and/or registered by one or more of such Transfer Agents and/or Registrars. If certificates of capital stock of the Corporation are signed by (a) a Transfer Agent or an Assistant Co-Transfer Agent, other than the Corporation itself, or by (b) a transfer clerk acting on behalf of the Corporation and a registrar, the signatures of the officers of the Corporation and the seal of the Corporation thereon may be facsimiles, engraved or printed. Any provisions of these By-Laws with reference to the signing and sealing of stock certificates shall include, in cases above permitted, such facsimiles. In case any officer or officers who shall have signed, or whose facsimile signature or signatures shall have been used on any such certificate or certificates shall cease to be such officer or officers of the Corporation, whether because of death, resignation or otherwise, before such certificate or certificates shall have been delivered by the Corporation, such certificate or certificates may nevertheless be adopted by the Board of Directors of the Corporation and be issued and delivered as though the person or persons who signed such certificate or certificates or whose facsimile signature or signatures shall have been used thereon had not ceased to be such officer or officers of the Corporation.

HEARING EXHIBIT - 00000177

ARTICLE XXV

Transfer of Stock

Shares of stock may be transferred by delivery of the certificate, accompanied either by an assignment in writing on the back of the certificate or by a written power of attorney to sell, assign and transfer the same, signed by the registered owner of the certificate. No transfer shall affect the right of the Corporation to pay any dividend upon the stock or to treat the holder of record as the holder in fact, unless such transfer is recorded on the books of the Corporation or a new certificate is issued to the person to whom it has been so transferred. It shall be the duty of every stockholder to notify the Corporation of his post office address.

ARTICLE XXVI

Transfer Books

The Board of Directors may prescribe a period not exceeding sixty days prior to any meeting of the stockholders during which no transfer of the stock entitled to vote at the meeting may be made on the books of the Corporation. The Board of Directors may fix a day not more than sixty days prior to the holding of any meeting as a day as of which stockholders of record entitled to notice of and to vote at such meeting shall be determined, and only stockholders of record on such day shall be entitled to notice of or to vote at such meeting.

ARTICLE XXVII

Loss of Certificates

In the case of the loss, mutilation or destruction of a certificate of stock, a duplicate certificate may be issued upon such terms as the directors shall prescribe.

ARTICLE XXVIII

Seal

The seal of this Corporation shall consist of a circular die, with the words and figures □Florida Public Utilities Company Incorporated 1924 Florida□, cut or engraved thereon.

ARTICLE XXIX

Indemnification of Directors and Officers

HEARING EXHIBIT - 00000178

The Corporation shall, to the extent legally permissible, indemnify each of its directors and officers (including persons who serve at its request as directors, officers, or trustees of another organization in which it has any interest, as a shareholder, creditor or otherwise) against all liabilities and expenses, including amounts paid in satisfaction of judgements, in compromise or as fines and penalties, and counsel fees, reasonably incurred by him in connection with the defense or disposition of any action, suit or other proceeding, whether civil or criminal, in which he may be involved or with which he may be threatened, while in office or thereafter, by reason of his being or having been such a director or officer, except with respect to any matter as to which he shall have been adjudicated in such action, suit or proceeding not to have acted in good faith in the reasonable belief that his action was in the best interests of the Corporation; provided, however, that as to any matter disposed of by a compromise payment by such director or officer, pursuant to a consent decree or otherwise, no indemnification either for said payment or for any other expenses shall be provided unless such compromise shall be approved as in the best interests of the Corporation, after notice that it involves such indemnification, (a) by a disinterested majority of the directors then in office; or (b) by a majority of the disinterested directors then in office, provided that there has been obtained an opinion in writing of independent legal counsel to the effect that such director or officer appears to have acted in good faith in the reasonable belief that his action was in the best interests of the Corporation; or (c) by the holders of a majority of the outstanding stock at the time entitled to vote for directors, voting as a single class, exclusive of any stock owned by any interested director or officer. In discharging his duty any such director or officer, when acting in good faith, may rely upon the books of account of the Corporation or of such other organization, reports made to the Corporation or to such other organization by any of its officers or employees or by counsel, accountants, appraisers or other experts selected with reasonable care by the Board of Directors or Trustees, or upon other records of the Corporation or of such other organization. Expenses incurred with respect to any such action, suit or proceeding may be advanced by the Corporation prior to the final disposition of such action, suit or proceeding, upon receipt of an undertaking by or on behalf of the recipient to repay such amount unless it is ultimately determined that he is entitled to indemnification. The right of indemnification hereby provided shall not be exclusive of or affect any other right to which any director or officer may be

HEARING EXHIBIT - 00000179

entitled. As used in this paragraph, the terms □Director□ and □Officer□ include their respective heirs, executors and administrators and an □interested□ director or officer is one against whom in such capacity the proceedings in question or another proceeding on the same or similar grounds is then pending. Nothing contained in this Article shall affect any rights to indemnification to which corporate personnel, other than directors and officers, may be entitled by contract or otherwise under law.

ARTICLE XXX

Amendments

These By-Laws may be amended, added to, altered or repealed in full or in part at any Annual or Special Meeting of Stockholders of the Corporation by vote in either case of at least seventy percent (70%) in interest of the capital stock issued and outstanding and entitled to vote, provided that notice of the proposed amendment, addition, alteration or repeal is included in the notice of said meeting, or by the affirmative vote of a majority of the Board of Directors present at any regular or special meeting of the Board of Directors, provided notice of the proposed amendment, addition, alteration or repeal is included in the notice of said meeting.

HEARING EXHIBIT - 00000180

FLORIDA PUBLIC UTILITIES

Excerpt - Florida Public Utilities Co. Board of Directors' Meeting Minutes of March 4, 2003

The President then stated that it was considered prudent for the Company to establish a line of credit at Bank of American, N.A.

After discussion and contingent upon Company counsel's approval of the documents mentioned, the following resolutions were, upon motion duly made and seconded, unanimously adopted:

> RESOLVED, that the President or any Vice President, together with the CFO, Treasurer or the Secretary of the Company, be and hereby are authorized on behalf of the Company to execute and deliver a Credit Agreement and Revolving Credit Note for the borrowing by the Company of up to $20,000,000 from Bank of America, N.A. ("Lender").
>
> RESOLVED, that the above officers of this Company are authorized, empowered and directed to execute and deliver from time to time such draw requests, Notes, amendments to the Credit Agreement or Notes and other documentation as is required by Lender to evidence or secure the loans contemplated by the Credit Agreement, all in the name of and under the corporate seal of this Company on behalf of the Company.
>
> RESOLVED, that the said officers are authorized to negotiate and agree to the specific terms of the instruments to be executed.

CERTIFICATION OF RESOLUTION

I, J.R. Brown, Secretary of Florida Public Utilities Company, do hereby certify that the above is a true and exact copy of the resolution adopted by the Board of Directors of Florida Public Utilities Company at a duly convened meeting on March 4, 2003.

CERTIFIED to as of this 16th day of April 2003.

J.R. Brown
Secretary

(CORPORATE SEAL)

Board\Excerpt-BOA-Lineof Credit-March4-2003-certified.doc

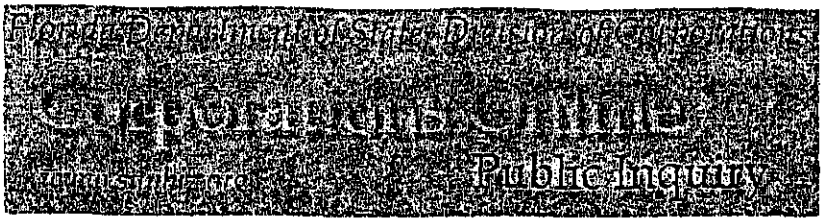
We will grow by focusing on developers and builders with high usage requirements for natural gas, propane, and electric energy, especially when we can leverage our technical expertise and face-to-face service to provide customized energy solutions.

Attn: Vanessa Civalero

838-2325

From: G Bachman 838-1731

HEARING EXHIBIT - 00000181



Florida Profit

FLORIDA PUBLIC UTILITIES COMPANY

PRINCIPAL ADDRESS
401 SOUTH DIXIE HIGHWAY
WEST PALM BEACH 33401-5807 US
Changed 03/25/1994

MAILING ADDRESS
P.O. 3395
WEST PALM BEACH FL 33402-3395 US
Changed 03/25/1994

Document Number	FEI Number	Date Filed
119792	590539080	04/25/1929
State	**Status**	**Effective Date**
FL	ACTIVE	03/06/1924
Last Event	**Event Date Filed**	**Event Effective Date**
AMENDMENT	06/22/2001	NONE

REINCORPORATED

Registered Agent

Name & Address
ENGLISH, J.T. 401 SOUTH DIXIE HIGHWAY WEST PALM BEACH FL 33401
Name Changed: 09/30/1998
Address Changed: 03/08/1990

Officer/Director Detail

Name & Address	Title
ENGLISH, J.T. 401 S. DIXIE HIGHWAY WEST PALM BEACH FL 33401	PD
BACHMAN, G.M. 401 S. DIXIE HIGHWAY WEST PALM BEACH FL 33401	CFTS
STEIN, C. L.	

HEARING EXHIBIT - 00000182

401 S. DIXIE HWY. WEST PALM BEACH FL	COOV
HITCHINS, R.C. 401 S. DIXIE HIGHWAY WEST PALM BEACH FL 33401	D
BROWN, J. R. 400 S. DIXIE HIGHWAY WEST PALM BEACH FL	VS
MADDOCK, P. L. JR. 401 S DIXIE HIGHWAY W. PALM BEACH FL	D

Annual Reports

Report Year	Filed Date
2002	04/15/2002
2003	03/24/2003
2004	02/13/2004

Previous Filing | Return to List | Next Filing

View Events

No Name History Information

Document Images

Listed below are the images available for this filing.

02/13/2004 -- ANN REP/UNIFORM BUS REP
03/24/2003 -- ANN REP/UNIFORM BUS REP
04/15/2002 -- COR - ANN REP/UNIFORM BUS REP
06/22/2001 -- Amendment
04/25/2001 -- ANN REP/UNIFORM BUS REP
04/22/2000 -- ANN REP/UNIFORM BUS REP
03/01/1999 -- ANNUAL REPORT
09/30/1998 -- Reg. Agent Change
05/18/1998 -- Amendment
04/02/1998 -- ANNUAL REPORT
04/15/1997 -- ANNUAL REPORT
04/01/1996 -- 1996 ANNUAL REPORT

THIS IS NOT OFFICIAL RECORD; SEE DOCUMENTS IF QUESTION OR CONFLICT

Corporations Inquiry | Corporations Help

HEARING EXHIBIT - 00000183

TAX INDEMNITY AGREEMENT

This Agreement is made the 29th day of October, 2004, by and between Florida Public Utilities Company ("Borrower") and Bank of America, N.A. ("Lender").

Whereas Lender is making a loan in the amount of up to $20,000,000 (the "Loan") evidenced by that certain $20,000,000 Revolving Promissory Note, dated October 29, 2004 executed by Borrower, upon which State of Florida documentary stamp tax and/or non-recurring intangible taxes (jointly and severally, the "Taxes") may or may not be due, same dependent upon the structure of the Loan; and

Whereas Borrower is of the opinion that the Loan is not subject to the Taxes and has requested that Lender not collect, withhold or pay the Taxes; and

Whereas Borrower has been informed by Lender that non-payment of the Taxes may create a potential liability to Lender in the event that any claims are brought against Lender by reason of non-payment of the Taxes;

Now, therefore, Lender has requested, and Borrower has agreed, to make this agreement with the Borrower indemnifying the Lender as follows:

1. Borrower assumes the risk of all damage, loss, cost and expense (including interest and penalties, if any), and agrees to indemnify and hold harmless Lender, its directors, officers, agents and employees from and against any and all liability, damage, loss, cost, expense and reasonable attorney fees which may accrue to or be sustained by Lender, its directors, officers, agents or employees on account of or arising from any claim or action raised by, filed or brought by or in the name of the State of Florida or any governmental or administrative department thereof with respect to non-payment of the Taxes against Lender, its directors, officers, agents or employees in connection with the Loan.

2. Borrower agrees to indemnify and hold harmless Lender against any claim brought or action filed against Lender with respect to the subject of the indemnity contained herein, whether such claim or action is rightfully or wrongly brought or filed.

3. Lender shall use its best efforts to give written notice to Borrower of any claim or action which Lender is to be indemnified against herein in a timely manner after written notice of such claim or action is received by Lender, by promptly sending notification via certified or registered mail, postage prepaid, return receipt requested or overnight courier to Borrower at its billing address shown on Lender's billing system. Lender shall also request from the entity making said demand or inquiry that the demand or inquiry be in writing and sent to Lender, but is not responsible for non-compliance with its request. Additionally, Borrower shall give immediate notice to Lender if Borrower receives any notice of any possible or actual claim or action.

4. In case a claim should be brought or action filed with respect to the subject of indemnity herein, Borrower agrees that Lender may employ attorneys of its own selection to appear and defend the claim or action on behalf of Lender, at the reasonable expense of Borrower. Lender, at its option, shall have authority for the direction of the defense, and shall be the judge of the acceptability of any compromise or settlement or any claims or actions against Lender; however, Borrower has right to

HEARING EXHIBIT - 00000185

be advised of any compromises or settlements and upon request to the Lender, to be joined in the lawsuit as a party defendant, therefore allowing the Borrower to assert its own defenses.

5. The indemnities and obligations provided herein shall continue in full force and effect notwithstanding the expiration or termination of the Loan for any reason whatsoever, until such time as the period of limitations during which the State of Florida could assert a claim for non-payment of taxes shall have expired.

6. It is further understood and agreed by the parties hereto that if any of the provisions hereof shall contravene, or be invalid under, the laws of the State of Florida, or any other jurisdiction where used, such contravention or invalidity shall not invalidate this Agreement but this Agreement shall be construed as if not containing the particular provision or provisions held to be invalid, and the rights or the obligations of the parties hereto shall be construed and enforced accordingly.

7. Each party agrees to execute and deliver, or cause to be executed and delivered, all, such instruments, certificates and documents, and to take all such other actions as the other party to this Agreement may reasonably request from time to time to effectuate the purpose and intent of this Agreement.

8. The failure of Lender to insist in any one or more instances upon performance of any of the provisions of this Agreement or to take advantage of its rights hereunder shall not be construed as a waiver of any such provisions or the relinquishment of such rights, and the same shall continue and remain in full force and effect. No single or partial exercise by Lender of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy. Waiver by Lender of any breach of any provision of this Agreement shall not constitute or be construed as a continuing waiver or as a waiver of any other breach of any other provision of this Agreement.

9. This Agreement contains the entire agreement between the parties with respect to the matters contemplated herein and supersedes and cancels all prior agreements between them whether oral, written or implied. No modifications, amendments or waivers of this Agreement, or any of its provisions, shall be binding on any party unless evidenced by a written instrument duly executed by the parties.

The undersigned have executed this Indemnity Agreement on the day and year first appearing.

"Lender"	"Borrower"
Bank of America, N.A.	Florida Public Utilities Company
By:	By:
Name: Steven J. Whittinglsow	Name: George M. Bachman
Title: Senior Vice President	Title: Chief Financial Officer/Treasurer

HEARING EXHIBIT - 00000186

Akerman Senterfitt
ATTORNEYS AT LAW

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407 843 7860 *tel* 407 843 6610 *fax*

October 29, 2004

Bank of America, N.A.
Jacksonville, Florida

Peter E. Reinert
407 419 8427
preinert@akerman.com

Re: Florida Public Utilities Company

Ladies and Gentlemen:

We are counsel to Florida Public Utilities Company (the "**Company**"). In that capacity we are familiar with the matters relating to the preparation, execution and delivery of the Amended and Restated Loan Agreement, dated as of October 29, 2004 (the "**Loan Agreement**") among the Company and Bank of America, N.A. (the "**Bank**"), the Promissory Note and the other Related Documents (as defined in the Loan Agreement) to which the Company is a party (all of the foregoing documents identified in this sentence are referred to as the "**Loan Documents**"). Capitalized terms used herein and not otherwise defined are intended to have the meaning ascribed thereto in the Loan Agreement.

This opinion has been prepared and is to be construed in accordance with the Reports on Standards for Opinions of Florida Legal Counsel for Business and Real Estate Transactions, dated September 1998, issued by The Business Law Section and The Real Property, Probate & Trust Law Section of The Florida Bar (the "Report"). In rendering this opinion, we have made no assumptions other than those set forth in the Report. The Report is incorporated by reference into this opinion.

As specified in the Report, the term "to our knowledge" means the actual current recollection of those persons in our firm who have given substantive attention to the Transaction that is the subject of the opinion and does not include constructive knowledge of matters or information.

We have examined the originals, or certified copies of the Articles of Incorporation and Bylaws of the Company and all amendments thereto (the "**Organizational Documents**") and such other agreements, instruments and documents as we have deemed necessary as a basis for the opinions hereinafter expressed. In rendering the following opinions, we have relied, with your approval, as to factual matters that affect our opinions, solely on our examination of the documents listed above, and have made no independent verification of the facts asserted to be true and correct in those documents, including the factual representations and warranties contained in the Loan Agreement.

As to questions of fact material to our opinion, we have relied upon certificates of/statements from representatives of the Company, without undertaking to verify the same by independent investigation.

We are licensed to practice in Florida only and, accordingly, we express no opinions as to matters under or involving any laws other than the laws of Florida, and the law of the United States of America. We express no opinion as to the applicability of the law of any particular jurisdiction to the transactions described in this opinion.

Based on the foregoing, and subject to the qualifications, assumptions, and limitations stated in this letter and in the Report, we are of the opinion that:

1. The Company is a Florida corporation duly formed, validly existing and in good standing under the laws of the State of Florida with full corporate power and authority to carry on its business and own its property.

2. The execution, delivery and performance by the Company of the Loan Documents to which it is a party, are within the Company's powers, have been duly authorized by all necessary action, do not contravene (i) the Company's Organizational Documents, (ii) any law, rule, judgment, writ, order, decree or regulation applicable to the Company or its properties, or (iii) any indenture, mortgage, deed of trust, note, credit agreement or contractual restriction binding on or affecting the Company or any of its properties, and do not result in the creation of any lien, security interest or other charge or encumbrance upon or with respect to any of its properties (other than those created by the Loan Documents).

3. No authorization or approval or other action by, and no notice to or filing or registration with, any governmental authority or regulatory body that has not been obtained, given or made is required for the due execution, delivery and performance by the Company of the Loan Documents.

4. The Loan Documents to which the Company is a party have been duly authorized, executed and delivered by the Company and are the legal, valid and binding obligations of the Company enforceable against the Company in accordance with their respective terms, except to the extent that the enforcement thereof may be limited by laws relating to bankruptcy, insolvency or other similar laws affecting creditors rights generally or by general principles of equity, whether enforcement is considered in a proceeding at law or in equity.

5. To our knowledge, there is no pending or threatened action, investigation or proceeding before any court, governmental agency or arbitrator against or affecting the Company which may materially adversely affect the properties, business, financial condition or operations of the Company or the ability of the Company to perform its obligations under the Loan Documents or which purports to affect the legality, validity or enforceability of any Loan Document.

6. No fees, taxes or impositions of any governmental authority are required to be paid in connection with the Promissory Note, the execution of the Loan Documents or the transactions contemplated thereby, except such as have been paid in full by the Company.

This letter is furnished to you at your request and is intended solely for your information and for use by you and your counsel in connection with the transaction described herein, and is not to be relied upon by, or published or communicated to any third party for any purpose whatsoever without our prior written approval in each instance. The information set forth herein is as of the date of this letter, and we undertake no obligation or responsibility to update or supplement this opinion in response to or to make you aware of subsequent changes in the status of the Company, the law or future events or information affecting the transactions contemplated by the documents relating to this transaction. We have conducted no investigation or review of the business of the Company, except as specifically delineated in this letter. The foregoing opinion should not be construed as relating to any matter other than the specific matters discussed herein.

Very truly yours

Akerman Senterfitt

AKERMAN SENTERFITT

HEARING EXHIBIT - 00000190

HEARING EXHIBIT - 00000191

EXHIBIT 4 2

Effective Cost of Short Term Debt

	Nominal Rate	Effective Cost
Projected Fed Funds	5.25%	5.25%
LIBOR Margin	0.18%	0.18%
BOA Spread	0.90%	0.90%
BOA Projected Int Rate	6.33%	6.33%
BOA Fee on Unused Portion of LOC	0.25%	0.28%
BOA Fee on Total Available LOC	0.10%	0.19%
Cost of ST Debt	6.68%	6.81%

Total Int Exp & Fees	$ 423,453	=	6.81%
Average LOC Balance	$ 6,222,500		

		2007 DEC	2008 JAN	2008 FEB	2008 MAR	2008 APR	2008 MAY	2008 JUN	2008 JUL	2008 AUG	2008 SEP	2008 OCT	2008 NOV	2008 DEC		Effective Cost of ST Debt
Projected Credit Limit	[1]	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000		
LOC Ending Balance	[2]	12,160,000	11,660,000	10,460,000	9,760,000	10,960,000	13,260,000	260,000	660,000	260,000	660,000	2,160,000	5,560,000	5,860,000		
Average Monthly LOC Balance	[3]		11,910,000	11,060,000	10,110,000	10,360,000	12,110,000	6,760,000	460,000	460,000	460,000	1,410,000	3,860,000	5,710,000	Average Balance $ 6,222,500	
		Nominal Rate													Total Expense	
BOA Projected Int Rate	[4]	6.33%	$ 62,825	$ 58,342	$ 53,330	$ 54,649	$ 63,880	$ 35,659	$ 2,427	$ 2,427	$ 2,427	$ 7,438	$ 20,362	$ 30,120	$ 393,884	6.33%
BOA Fee on Unused Portion of LOC	[5]	0.25%	$ 644	$ 821	$ 1,019	$ 967	$ 602	$ 1,092	$ 2,404	$ 2,404	$ 2,404	$ 2,206	$ 1,696	$ 1,310	$ 17,569	0.28%
BOA Fee on Total Available LOC	[6]	0.10%						$ 12,000							$ 12,000	0.19%
			63,469	59,162	54,349	55,616	64,482	48,751	4,831	4,831	4,831	9,644	22,057	31,431	$ 423,453	6.81%

Notes:

[1] Available LOC can be increased from $12M, $15M, $20M with 30 days written notice.
[2] Projected Month-end LOC balance as per Cash Forecast.
[3] Average Monthly Balance.
[4] BOA Agreement calulates interest on the daily balance outstanding, which fluctuates significantly.
[5] BOA Agreement - 0.25% per annum of the average daily unused amount of the availability.
[6] BOA Agreement - 0.10% of the availability on June 30th.

Exhibit 4.2
PSC First Set of Interrogatories
Docket No. 070304-EI
Witness: COX / CAMFIELD

HEARING EXHIBIT - 00000192

EXHIBIT 4.3

MONTHLY LIBOR RATES, 2006

	LIBOR	1-Mo	3-Mo	6-Mo	1-Yr
2006*	6-Jan	4.572	4.6795	4.8126	4.9412
	6-Feb	4.631	4.8192	4.9907	5.1526
	6-Mar	4.826	4.9898	5.1196	5.2476
	6-Apr	5.0245	5.1479	5.2879	5.4217
	6-May	5.1071	5.2335	5.3215	5.4139
	6-Jun	5.3451	5.5085	5.6382	5.766
	6-Jul	5.4045	5.4889	5.5473	5.591
	6-Aug	5.3314	5.4014	5.4501	5.4501
	6-Sep	5.3229	5.3725	5.3704	5.2985
	6-Oct	5.3198	5.3729	5.3898	5.3348
	6-Nov	5.3479	5.3685	5.3495	5.2439
	6-Dec	5.3279	5.3601	5.3651	5.3139

Average 1 Mth Rate 5.130008

* From HSH ARM

EXHIBIT 4.4

Witness: CAMFIELD

HISTORICAL LIBOR, FED FUNDS, TREASURY RATES
(1990 - 2006; Fed Funds and Treasury Rates through March 2007)

Date	1-Month LIBOR	Fed Funds**	3-Month Treasuries**	1M LIBOR vs. 3M T's	FF vs. 3M T's
1990.01	8.31	8.23	7.90	0.41	0.33
1990.02	8.38	8.24	8.00	0.38	0.24
1990.03	8.38	8.28	8.17	0.21	0.11
1990.04	8.56	8.26	8.04	0.52	0.22
1990.05	8.31	8.18	8.01	0.30	0.17
1990.06	8.33	8.29	7.99	0.34	0.30
1990.07	8.06	8.15	7.87	0.19	0.28
1990.08	8.13	8.13	7.69	0.44	0.44
1990.09	8.30	8.20	7.60	0.70	0.60
1990.10	7.94	8.11	7.40	0.54	0.71
1990.11	9.13	7.81	7.29	1.84	0.52
1990.12	7.64	7.31	6.95	0.69	0.36
1991.01	6.97	6.91	6.41	0.56	0.50
1991.02	7.06	6.25	6.12	0.94	0.13
1991.03	6.33	6.12	6.09	0.24	0.03
1991.04	6.08	5.91	5.83	0.25	0.08
1991.05	5.95	5.78	5.63	0.32	0.15
1991.06	6.08	5.90	5.75	0.33	0.15
1991.07	5.95	5.82	5.75	0.20	0.07
1991.08	5.75	5.66	5.50	0.25	0.16
1991.09	5.50	5.45	5.37	0.13	0.08
1991.10	5.25	5.21	5.14	0.11	0.07
1991.11	4.81	4.81	4.69	0.12	0.12
1991.12	4.24	4.43	4.18	0.06	0.25
1992.01	4.14	4.03	3.91	0.23	0.12
1992.02	4.25	4.06	3.95	0.30	0.11
1992.03	4.25	3.98	4.14	0.11	-0.16
1992.04	3.97	3.73	3.84	0.13	-0.11
1992.05	4.02	3.82	3.72	0.30	0.10
1992.06	3.92	3.76	3.75	0.17	0.01
1992.07	3.39	3.25	3.28	0.11	-0.03
1992.08	3.50	3.30	3.20	0.30	0.10
1992.09	3.19	3.22	2.97	0.22	0.25
1992.10	3.28	3.10	2.93	0.35	0.17
1992.11	3.17	3.09	3.21	-0.04	-0.12
1992.12	3.34	2.92	3.29	0.05	-0.37
1993.01	3.20	3.02	3.07	0.13	-0.05
1993.02	3.20	3.03	2.99	0.21	0.04
1993.03	3.20	3.07	3.01	0.19	0.06
1993.04	3.14	2.96	2.93	0.21	0.03
1993.05	3.20	3.00	3.03	0.17	-0.03
1993.06	3.20	3.04	3.14	0.06	-0.10

HISTORICAL LIBOR, FED FUNDS, TREASURY RATES
(1990 - 2006; Fed Funds and Treasury Rates through March 2007)

Date	1-Month LIBOR	Fed Funds**	3-Month Treasuries**	1M LIBOR vs. 3M T's	FF vs. 3M T's
1993.07	3.19	3.06	3.11	0.08	-0.05
1993.08	3.20	3.03	3.09	0.11	-0.06
1993.09	3.19	3.09	3.01	0.18	0.08
1993.10	3.19	2.99	3.09	0.10	-0.10
1993.11	3.58	3.02	3.18	0.40	-0.16
1993.12	3.30	2.96	3.13	0.17	-0.17
1994.01	3.14	3.05	3.04	0.10	0.01
1994.02	3.59	3.25	3.33	0.26	-0.08
1994.03	3.70	3.34	3.59	0.11	-0.25
1994.04	3.94	3.56	3.78	0.16	-0.22
1994.05	4.38	4.01	4.27	0.11	-0.26
1994.06	4.56	4.25	4.25	0.31	0.00
1994.07	4.52	4.26	4.46	0.06	-0.20
1994.08	4.88	4.47	4.61	0.27	-0.14
1994.09	5.00	4.73	4.75	0.25	-0.02
1994.10	5.08	4.76	5.10	-0.02	-0.34
1994.11	6.00	5.29	5.45	0.55	-0.16
1994.12	5.98	5.45	5.76	0.22	-0.31
1995.01	6.08	5.53	5.90	0.18	-0.37
1995.02	6.13	5.92	5.94	0.19	-0.02
1995.03	6.14	5.98	5.91	0.23	0.07
1995.04	6.08	6.05	5.84	0.24	0.21
1995.05	6.06	6.01	5.85	0.21	0.16
1995.06	6.08	6.00	5.64	0.44	0.36
1995.07	5.88	5.85	5.59	0.29	0.26
1995.08	5.91	5.74	5.57	0.34	0.17
1995.09	5.92	5.80	5.43	0.49	0.37
1995.10	5.84	5.76	5.44	0.40	0.32
1995.11	6.03	5.80	5.52	0.51	0.28
1995.12	5.74	5.60	5.29	0.45	0.31
1996.01	5.47	5.56	5.15	0.32	0.41
1996.02	5.35	5.22	4.96	0.39	0.26
1996.03	5.45	5.31	5.10	0.35	0.21
1996.04	5.45	5.22	5.09	0.36	0.13
1996.05	5.45	5.24	5.15	0.30	0.09
1996.06	5.52	5.27	5.23	0.29	0.04
1996.07	5.49	5.40	5.30	0.19	0.10
1996.08	5.43	5.22	5.19	0.24	0.03
1996.09	5.44	5.30	5.24	0.20	0.06
1996.10	5.38	5.24	5.12	0.26	0.12
1996.11	5.39	5.31	5.17	0.22	0.14
1996.12	5.55	5.29	5.04	0.51	0.25
1997.01	5.46	5.25	5.17	0.29	0.08
1997.02	5.47	5.19	5.14	0.33	0.05
1997.03	5.72	5.39	5.28	0.44	0.11
1997.04	5.70	5.51	5.30	0.40	0.21

HISTORICAL LIBOR, FED FUNDS, TREASURY RATES
(1990 - 2006; Fed Funds and Treasury Rates through March 2007)

Date	1-Month LIBOR	Fed Funds**	3-Month Treasuries**	1M LIBOR vs. 3M T's	FF vs. 3M T's
1997.05	5.71	5.50	5.20	0.51	0.30
1997.06	5.72	5.56	5.07	0.65	0.49
1997.07	5.64	5.52	5.19	0.45	0.33
1997.08	5.68	5.54	5.28	0.40	0.26
1997.09	5.67	5.54	5.08	0.59	0.46
1997.10	5.63	5.50	5.11	0.52	0.39
1997.11	5.77	5.52	5.28	0.49	0.24
1997.12	5.85	5.50	5.30	0.55	0.20
1998.01	5.70	5.56	5.18	0.52	0.38
1998.02	5.79	5.51	5.23	0.56	0.28
1998.03	5.72	5.49	5.16	0.56	0.33
1998.04	5.69	5.45	5.08	0.61	0.37
1998.05	5.70	5.49	5.14	0.56	0.35
1998.06	5.75	5.56	5.12	0.63	0.44
1998.07	5.70	5.54	5.09	0.61	0.45
1998.08	5.73	5.55	5.04	0.69	0.51
1998.09	5.40	5.51	4.74	0.66	0.77
1998.10	5.28	5.07	4.07	1.21	1.00
1998.11	5.05	4.83	4.53	0.52	0.30
1998.12	5.12	4.68	4.50	0.62	0.18
1999.01	4.95	4.63	4.45	0.50	0.18
1999.02	5.00	4.76	4.56	0.44	0.20
1999.03	4.94	4.81	4.57	0.37	0.24
1999.04	4.90	4.74	4.41	0.49	0.33
1999.05	4.93	4.74	4.63	0.30	0.11
1999.06	5.22	4.76	4.72	0.50	0.04
1999.07	5.18	4.99	4.69	0.49	0.30
1999.08	5.37	5.07	4.87	0.50	0.20
1999.09	5.40	5.22	4.82	0.58	0.40
1999.10	5.41	5.20	5.02	0.39	0.18
1999.11	6.50	5.42	5.23	1.27	0.19
1999.12	5.83	5.30	5.36	0.47	-0.06
2000.01	5.86	5.45	5.50	0.36	-0.05
2000.02	5.91	5.73	5.73	0.18	0.00
2000.03	6.13	5.85	5.86	0.27	-0.01
2000.04	6.20	6.02	5.82	0.38	0.20
2000.05	6.64	6.27	5.99	0.65	0.28
2000.06	6.65	6.53	5.86	0.79	0.67
2000.07	6.63	6.54	6.14	0.49	0.40
2000.08	6.63	6.50	6.28	0.35	0.22
2000.09	6.62	6.52	6.18	0.44	0.34
2000.10	6.62	6.51	6.29	0.33	0.22
2000.11	6.83	6.51	6.36	0.47	0.15
2000.12	6.57	6.40	5.94	0.63	0.46
2001.01	5.92	5.98	5.29	0.33	0.69
2001.02	5.72	5.49	5.01	0.71	0.48

HISTORICAL LIBOR, FED FUNDS, TREASURY RATES
(1990 - 2006; Fed Funds and Treasury Rates through March 2007)

Date	1-Month LIBOR	Fed Funds**	3-Month Treasuries**	1M LIBOR vs. 3M T's	FF vs. 3M T's
2001.03	5.08	5.31	4.54	0.54	0.77
2001.04	4.44	4.80	3.97	0.46	0.83
2001.05	4.44	4.21	3.70	0.73	0.51
2001.06	3.84	3.97	3.57	0.27	0.40
2001.07	3.76	3.77	3.59	0.17	0.18
2001.08	3.58	3.65	3.44	0.14	0.21
2001.09	2.64	3.07	2.69	-0.05	0.38
2001.10	2.32	2.49	2.20	0.12	0.29
2001.11	2.15	2.09	1.91	0.24	0.18
2001.12	1.88	1.82	1.72	0.16	0.10
2002.01	1.88	1.73	1.68	0.20	0.05
2002.02	1.88	1.74	1.76	0.12	-0.02
2002.03	1.88	1.73	1.83	0.05	-0.10
2002.04	1.84	1.75	1.75	0.09	0.00
2002.05	1.84	1.75	1.76	0.08	-0.01
2002.06	1.84	1.75	1.73	0.11	0.02
2002.07	1.82	1.73	1.71	0.11	0.02
2002.08	1.82	1.74	1.65	0.17	0.09
2002.09	1.82	1.75	1.66	0.16	0.09
2002.10	1.74	1.75	1.61	0.13	0.14
2002.11	1.38	1.34	1.25	0.13	0.09
2002.12	1.38	1.24	1.21	0.17	0.03
2003.01	1.34	1.24	1.19	0.15	0.05
2003.02	1.33	1.26	1.19	0.14	0.07
2003.03	1.31	1.25	1.15	0.16	0.10
2003.04	1.32	1.26	1.15	0.17	0.11
2003.05	1.32	1.26	1.09	0.23	0.17
2003.06	1.12	1.22	0.94	0.18	0.28
2003.07	1.10	1.01	0.92	0.18	0.09
2003.08	1.12	1.03	0.97	0.15	0.06
2003.09	1.12	1.01	0.96	0.16	0.05
2003.10	1.12	1.01	0.94	0.18	0.07
2003.11	1.12	1.00	0.95	0.17	0.05
2003.12	1.12	0.98	0.91	0.21	0.07
2004.01	1.10	1.00	0.90	0.20	0.10
2004.02	1.10	1.01	0.94	0.16	0.07
2004.03	1.09	1.00	0.95	0.14	0.05
2004.04	1.10	1.00	0.96	0.14	0.04
2004.05	1.11	1.00	1.04	0.07	-0.04
2004.06	1.36	1.03	1.29	0.07	-0.26
2004.07	1.49	1.26	1.36	0.13	-0.10
2004.08	1.65	1.43	1.50	0.15	-0.07
2004.09	1.84	1.61	1.68	0.16	-0.07
2004.10	1.99	1.76	1.79	0.20	-0.03
2004.11	2.28	1.93	2.11	0.17	-0.18
2004.12	2.42	2.16	2.22	0.20	-0.06

HEARING EXHIBIT - 00000197

HISTORICAL LIBOR, FED FUNDS, TREASURY RATES
(1990 - 2006; Fed Funds and Treasury Rates through March 2007)

Date	1-Month LIBOR	Fed Funds**	3-Month Treasuries**	1M LIBOR vs. 3M T's	FF vs. 3M T's
2005.01	2.59	2.28	2.37	0.22	-0.09
2005.02	2.69	2.50	2.58	0.11	-0.08
2005.03	2.86	2.63	2.80	0.06	-0.17
2005.04	3.08	2.79	2.84	0.24	-0.05
2005.05	3.11	3.00	2.90	0.21	0.10
2005.06	3.34	3.04	3.04	0.30	0.00
2005.07	3.51	3.26	3.29	0.22	-0.03
2005.08	3.69	3.50	3.52	0.17	-0.02
2005.09	3.86	3.62	3.49	0.37	0.13
2005.10	4.09	3.78	3.79	0.30	-0.01
2005.11	4.30	4.00	3.97	0.33	0.03
2005.12	4.39	4.16	3.97	0.42	0.19
2006.01	4.57	4.29	4.34	0.23	-0.05
2006.02	4.63	4.49	4.54	0.09	-0.05
2006.03	4.83	4.59	4.63	0.20	-0.04
2006.04	5.02	4.79	4.72	0.30	0.07
2006.05	5.11	4.94	4.84	0.27	0.10
2006.06	5.35	4.99	4.92	0.43	0.07
2006.07	5.40	5.24	5.08	0.32	0.16
2006.08	5.33	5.25	5.09	0.24	0.16
2006.09	5.32	5.25	4.93	0.39	0.32
2006.10	5.32	5.25	5.05	0.27	0.20
2006.11	5.35	5.25	5.07	0.28	0.18
2006.12	5.33	5.24	4.97	0.36	0.27
2007.01		5.25	5.11		0.14
2007.02		5.26	5.16		0.10
2007.03		5.26	5.08		0.18

** From Market Vector

HEARING EXHIBIT - 00000199

EXHIBIT 4.5

Witness: CAMFIELD

AVERAGE ANNUAL RATES and INTEREST RATE SPREADS
1990 - 2006

Year	1-Month LIBOR	Fed Funds**	3-Month Treasuries**	1M LIBOR vs. 3M T's	FF vs. 3M T's	1M LIBOR vs. FF's
90	8.20	7.95	7.47	0.73	0.49	0.25
91	5.83	5.69	5.54	0.29	0.15	0.14
92	3.70	3.52	3.52	0.19	0.01	0.18
93	3.23	3.02	3.07	0.17	-0.04	0.21
94	4.56	4.20	4.37	0.20	-0.16	0.36
95	5.99	5.84	5.66	0.33	0.18	0.15
96	5.45	5.30	5.15	0.30	0.15	0.15
97	5.67	5.46	5.20	0.47	0.26	0.21
98	5.55	5.35	4.91	0.64	0.45	0.20
99	5.30	4.97	4.78	0.53	0.19	0.33
00	6.44	6.24	6.00	0.44	0.24	0.20
01	3.79	3.89	3.47	0.32	0.42	-0.10
02	1.76	1.67	1.63	0.13	0.03	0.09
03	1.20	1.13	1.03	0.17	0.10	0.08
04	1.54	1.35	1.40	0.15	-0.05	0.19
05	3.46	3.21	3.21	0.25	0.00	0.25
06	5.13	4.96	4.85	0.28	0.12	0.17
Average	**4.52**	**4.34**	**4.19**	**0.33**	**0.15**	**0.20**

** From Market Vector

HEARING EXHIBIT - 00000201

AFFIDAVIT

STATE OF FLORIDA)

COUNTY OF PALM BEACH)

I hereby certify that on this 19 day of October, 2007, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared Robert Camfield, who is personally known to me, and he/she acknowledged before me that he/she provided the answers to interrogatory number(s) 1, 3 and 4 from STAFF'S FIRST SET OF INTERROGATORIES TO FLORIDA PUBLIC UTILITIES COMPANY (NOS. 1 - 4) in Docket No(s). 070304-EI, and that the responses are true and correct based on his/her personal knowledge.

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 18th day of October, 2007.

County of Dane
State of Wisconsin

Notary Public
State of Florida, at Large

My Commission Expires:

June 22, 2008

HEARING EXHIBIT - 00000202

AFFIDAVIT

STATE OF FLORIDA)

COUNTY OF PALM BEACH)

I hereby certify that on this 15th day of October, 2007, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared Jim Mesite, who is personally known to me, and he/she acknowledged before me that he/she provided the answers to interrogatory number(s) 2 from STAFF'S FIRST SET OF INTERROGATORIES TO FLORIDA PUBLIC UTILITIES COMPANY (NOS. 1 - 4) in Docket No(s). 070304-EI, and that the responses are true and correct based on his/her personal knowledge.

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 15th day of October, 2007.

DINA BELLECHASES
MY COMMISSION # DD 240690
EXPIRES: December 13, 2007
Bonded Thru Notary Public Underwriters

Dina Bellechases
Notary Public
State of Florida, at Large

My Commission Expires:
December 13, 2007

HEARING EXHIBIT - 00000203

2

FPUC's Response to Staff's Fifth Set of Interrogatories (Nos. 24-28)

HEARING EXHIBIT - 00000204

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Review of 2007 Electric Infrastructure Storm Hardening Plan filed pursuant to Rule 25-6.0342, F.A.C., submitted by Florida Public Utilities Company	)	Docket No. 070300-EI
In re: Petition for rate increase by Florida Public Utilities Company	)	Docket No. 070304-EI Date filed: January 18, 2008

FLORIDA PUBLIC UTILITIES COMPANY'S NOTICE OF SERVICE OF RESPONSES TO FPSC STAFF'S FIFTH SET OF INTERROGATORIES (NOS. 24-28)

Florida Public Utilities Company ("FPUC") by and through its undersigned counsel, hereby files and serves Notice that it has served its Responses to FPSC Staff's Fifth Set of Interrogatories (Nos. 24-28) by hand delivery on Martha C. Brown, Esq., Office of General Counsel, Florida Public Service Commission, 2540 Shumard Oaks Blvd., Tallahassee, FL 32399-0850 on this 18th day of January, 2008.

NORMAN H. HORTON, JR.
MESSER, CAPARELLO & SELF, P.A.
Post Office Box 15579
Tallahassee, FL 32317
(850) 222-0720

Attorneys for Florida Public Utilities Company

HEARING EXHIBIT - 00000205

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that true and correct copies of the foregoing have been served by Hand Delivery (*) and/or U. S. Mail this 18th day of January, 2008 upon the following:

Martha Brown, Esq. *
Katherine Fleming, Esq.
Office of General Counsel
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Patricia A. Christensen, Esq.
Office of the Public Counsel
c/o The Florida Legislature
111 West Madison St., Room 812
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Dave Konuch, Esq.
Florida Telecommunications Cable
Association, Inc.
246 East 6th Avenue
Tallahassee, FL 32303

NORMAN H. HORTON, JR.

HEARING EXHIBIT - 00000206

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Review of 2007 Electric Infrastructure Storm Hardening Plan filed pursuant to Rule 25-6.0342, F.A.C., submitted by Florida Public Utilities Company	)	Docket No.: 070300-EI
In re: Petition for rate increase by Florida Public Utilities Company	)	Docket No. 070304-EI

FLORIDA PUBLIC UTILITIES COMPANY'S RESPONSES TO FPSC STAFF'S FIFTH SET OF INTERROGATORIES (NOS. 24-28)

COMES NOW, Florida Public Utilities Company ("FPUC") and in response to FPSC Staff's Fifth Set of Interrogatories (No. 24-28) states as follows:

INTERROGATORIES

24. Refer to MFR Schedule B-8. Please explain why the December 2006 Plant Balances, page 49, lines 82 through 86 and lines 89 through 93, do not tie to December 2006 Plant Balances, page 47, lines 82 through 86 and lines 89 through 93. If the balances in question are in error, please provide restated MFR pages as applicable.

FPUC'S RESPONSE: See attached.

25. Refer to MFR Schedule B-9. Please explain why the 2007 Accumulated Depreciation Beginning of Year balances as allocated, page 55, lines 76 through 78 and lines 81 through 85, do not tie to the 2006 Accumulated Depreciation End of Year balances as allocated, page 53, lines 76 through 78 and lines 81 through 85. If the balances in question are in error, please provide restated MFR pages as applicable.

FPUC'S RESPONSE: See attached.

HEARING EXHIBIT - 00000207

26. Refer to MFR Schedule B-9. Please explain why the 2008 Accumulated Depreciation Beginning of Year balances as allocated, page 56, lines 35 through 48, do not tie to the 2007 Accumulated Depreciation End of Year balances as allocated, page 54, lines 35 through 48. If the balances in question are in error, please provide restated MFR pages as applicable.

FPUC'S RESPONSE: See attached.

27. Refer to MFR Schedule B-10. Please explain why the December 2006 monthly reserve balances, page 61, lines 88 through 90 and lines 93 through 97, do not tie to the December 2006 monthly reserve balances, page 59, lines 88 through 90 and lines 93 through 97. If the balances in question are in error, please provide restated MFR pages as applicable.

FPUC'S RESPONSE: See attached.

28. Refer to MFR Schedule B-10. Please explain why the December 2007 monthly reserve balances, page 62, lines 39 through 52, do not tie to the December 2007 monthly reserve balances, page 60, lines 39 through 52. If the balances in question are in error, please provide restated MFR pages as applicable.

Respectfully submitted this 18th day of January, 2008.

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Attorneys for Florida Public Utilities Company

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HEARING EXHIBIT - 00000208

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for rate increase by Florida Public Utilities Company.	DOCKET NO. 070304-EI

FPUC'S RESPONSES TO STAFF'S FIFTH SET OF INTERROGATORIES TO FLORIDA PUBLIC UTILITIES COMPANY (NOS. 24 - 28)

INTERROGATORIES

24. Refer to MFR Schedule B-8. Please explain why the December 2006 Plant Balances, page 49, lines 82 through 86 and lines 89 through 93, do not tie to December 2006 Plant Balances, page 47, lines 82 through 86 and lines 89 through 93. If the balances in question are in error, please provide restated MFR pages as applicable.

Response:

Lines 82 through 93 for both 2006 and 2007, represent the allocated portion of the account balances: the actual account balances are presented on lines 65 through 76. Please note that the actual December 2006 balances are the same on both the 2006 and the 2007 schedules, line 65 through 76.

The allocated amounts for some accounts are different on the 2007 schedule from the 2006 schedule, since the allocation percentages changed from 2006 to 2007.

Schedule B-8 (2006) and Schedule B-8(2007) are accurate as filed.

(MESITE)

25. Refer to MFR Schedule B-9. Please explain why the 2007 Accumulated Depreciation Beginning of Year balances as allocated, page 55, lines 76 through 78 and lines 81 through 85, do not tie to the 2006 Accumulated Depreciation End of

HEARING EXHIBIT - 00000209

Year balances as allocated, page 53, lines 76 through 78 and lines 81 through 85. If the balances in question are in error, please provide restated MFR pages as applicable.

Response:

Lines 74 through 85 for both 2006 and 2007, represent the allocated portion of the account balances: the actual account balances are presented on lines 59 through 70. Please note that the actual December 2006 balances are the same on both the 2006 and the 2007 schedules, line 59 through 70.

The allocated amounts for some accounts are different on the 2007 schedule from the 2006 schedule, since the allocation percentages changed from 2006 to 2007.

Due to an oversight, the 2007 allocation percentages that were applied to the actual account balances did not print for lines 74 through 85. The percentages used were the same as used to allocate the plant balances on Schedules B-8. Exhibit 25, Staff's Fifth Set of Interrogatories, presents Schedule B-9 (2007), page 2 of 2 [55], with the allocation percentages included.

Except for the omission of the Allocation Percentages on Schedule B-9 (2007), Schedule B-9 (2006) and Schedule B-9 (2007) were correct as filed.

(MESITE)

26. **Refer to MFR Schedule B-9. Please explain why the 2008 Accumulated Depreciation Beginning of Year balances as allocated, page 56, lines 35 through 48 and, do not tie to the 2007 Accumulated Depreciation End of Year balances as allocated, page 54, lines 35 through 48. If the balances in question are in error,**

HEARING EXHIBIT - 00000210

please provide restated MFR pages as applicable.

Response:

The 12/31/07 ending balances indicated on the B-9 (2007) for these accounts were correct. The beginning 12/31/07 balances indicated on the B-9 (2008) were incorrect. All other 2008 activity on the schedule was accurate. Exhibit 26.1, Staff's Fifth Set of Interrogatories, presents the corrected Schedule B-9 (2008).

As initially filed, Schedule B-9 (2008) indicated a 13-month average for Total Utility Reserve of ($35,667,258). The corrected 13-month average for Total Utility Reserve is ($35,504,625). This change represents a reduction of $162,633 in Total Utility Reserve.

Exhibit 26.2, Staff's Fifth Set of Interrogatories, presents the corrected Schedule B-1 (2008). The schedule indicates the reduction in the Accumulated Provision for Depreciation and Amortization, resulting from this correction. This correction results in an increase in Total Rate Base of $162,633, to $43,183,629.

(MESITE)

27. **Refer to MFR Schedule B-10. Please explain why the December 2006 monthly reserve balances, page 61, lines 88 through 90 and lines 93 through 97, do not tie to the December 2006 monthly reserve balances, page 59, lines 88 through 90 and lines 93 through 97. If the balances in question are in error, please provide restated MFR pages as applicable.**

Response:

Lines 88 through 97 for both 2006 and 2007, represent the allocated portion of the account balances: the actual account balances are presented on lines 70 through 79.

HEARING EXHIBIT - 00000211

Please note that the actual December 2006 balances are the same on both the 2006 and the 2007 schedules, line 70 through 79.

The allocated amounts differ for some on the 2007 schedule compared to the 2006 schedule, since the allocation percentages changed from 2006 to 2007.

Schedule B-10 (2006) and Schedule B-10(2007) are correct as filed.

(MESITE)

28. **Refer to MFR Schedule B-10. Please explain why the December 2007 monthly reserve balances, page 62, lines 39 through 52 and, do not tie to the December 2007 monthly reserve balances, page 60 lines 39 through 52. If the balances in question are in error, please provide restated MFR pages as applicable.**

Response:

The 12/31/07 balance indicated on the B-10 (2007) for these accounts was correct. The beginning 12/31/07 balances indicated on the B-10 (2008) were incorrect. Exhibit 28.1, Staff's Fifth Set of Interrogatories, presents the corrected Schedule B-10 (2008).

As initially filed, Schedule B-10 (2008) indicated a 13-month average for Total Utility Reserve of ($35,667,258). The corrected 13-month average for Total Utility Reserve is ($35,504,625). This change represents a reduction of $162,633 in Total Utility Reserve.

Exhibit 26.2, Staff's Fifth Set of Interrogatories, presents the corrected Schedule B-1 (2008). The schedule indicates the reduction in the Accumulated Provision for Depreciation and Amortization, resulting from this correction. This correction results in an increase in Total Rate Base of $162,633, to $43,183,629.

(MESITE)

HEARING EXHIBIT - 00000212

Schedule B-9(2007) [Revised 1/8/08]

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities Company
Consolidated Electnc Division

DOCKET NO :070304-EI

DEPRECIATION RESERVE BALANCES BY ACCOUNT AND SUB-ACCOUNT - 2007

EXPLANATION: Provide the depreciation reserve balances for each account or sub-account to which an individual depreciation rate is applied. (Include Amortization/Recovery schedule amounts)

Type of Data Shown*:

Prior Year Ended 12/31/2007

Witness: Jim Mesite

Line No.	(1) Account/ Sub-account Number	(2) Account/ Sub-account Title		(3) Accumulated Depreciation Beg. of Year	(4) Total Depreciation Accrued	(5) Retirements	(6) Net Salvage	(7) Adjustments or Transfers	(8) Accumulated Depreciation End of Year	(9) 13-Month Average
47										
48		COMMON-To Be Allocated								
49	303	MISC INTANGABLE PLANT		-	-	-	-	-	-	-
50	376	ACCRUED ITEMS		-	-	-	-	-	-	-
51	389	LAND		-	-	-	-	-	-	-
52	390	STRUCTURES & IMPROVEMENTS		(429,446)	(54,968)	30,000	-	-	(454,414)	(447,268)
53	3911	OFFICE FURNITURE		(10,739)	(1,936)	-	-	-	(12,675)	(11,677)
54	3912	OFFICE EQUIPMENT		(34,578)	(10,808)	-	-	-	(45,386)	(39,947)
55	3913	COMPUTER EQUIPMENT		(146,783)	(73,259)	13,604	-	13,000	(193,438)	(162,655)
56	391305	SOFTWARE		(1,112,156)	(200,780)	-	-	-	(1,312,936)	(1,209,782)
57	3921	TRANSPORTATION - AUTOMOBILES		(31,562)	(9,504)	-	-	-	(41,066)	(36,314)
58	3922	TRANSPORTATION - PICKUPS & VANS		(24,374)	(10,364)	-	-	6,000	(28,738)	(26,749)
59	397	COMMUNICATION EQUIPMENT		32,969	(9,120)	-	-	-	23,849	28,409
60	398	MISCELLANEOUS EQUIPM		(231)	(408)	-	-	-	(639)	(435)
61	399	MISC-TANGIBLE ASSETS		(3,745)	(4,596)	-	-	-	(8,341)	(6,043)
62		TOTAL COMMON TO BE ALLOCATED		(1,760,645)	(375,743)	43,604	-	19,000	(2,073,784)	(1,912,461)
63										
64			Alloc.							
65		COMMON - ALLOCATED	Prct.							
66	303	MISC INTANGABLE PLANT	28%	-	-	-	-	-	-	-
67	376	ACCRUED ITEMS	28%	-	-	-	-	-	-	-
68	389	LAND	28%	-	-	-	-	-	-	-
69	390	STRUCTURES & IMPROVEMENTS	28%	(120,245)	(15,391)	8,400	-	-	(127,236)	(125,235)
70	3911	OFFICE FURNITURE	28%	(3,007)	(542)	-	-	-	(3,549)	(3,270)
71	3912	OFFICE EQUIPMENT	28%	(9,682)	(3,026)	-	-	-	(12,708)	(11,185)
72	3913	COMPUTER EQUIPMENT	29%	(42,567)	(21,245)	3,945	-	3,770	(56,097)	(47,170)
73	391305	SOFTWARE	29%	(322,525)	(58,226)	-	-	-	(380,751)	(350,837)
74	3921	TRANSPORTATION - AUTOMOBILES	28%	(8,837)	(2,661)	-	-	-	(11,498)	(10,168)
75	3922	TRANSPORTATION - PICKUPS & VANS	28%	(6,825)	(2,902)	-	-	1,680	(8,047)	(7,490)
76	397	COMMUNICATION EQUIPMENT	28%	9,231	(2,554)	-	-	-	6,678	7,955
77	398	MISCELLANEOUS EQUIPM	28%	(65)	(114)	-	-	-	(179)	(122)
78	399	MISC-TANGIBLE ASSETS	28%	(1,049)	(1,287)	-	-	-	(2,335)	(1,692)
79		TOTAL COMMON ALLOCTED		(505,570)	(107,948)	12,345	-	5,450	(595,723)	(549,213)
80										
83		TOTAL DEPRECIATION RESERVE BALANCE		(32,433,644)	(3,104,459)	631,178	82,233	5,450	(34,819,242)	(33,658,036)
84										
85		NUCLEAR DECOMMISSIONING								
86										
87		FOSSIL DISMANTLEMENT								
88										
89		MISCELLANEOUS INTANGIBLES								
90										
91		TOTAL RESERVE BALANCE		(32,433,644)	(3,104,459)	631,178	82,233	5,450	(34,819,242)	(33,658,036)

Note:
* If data shown represents a historical calendar year, the related annual status report may be substituted for this schedule.

Supporting Schedules:

Recap Schedules:

HEARING EXHIBIT - 00000213

Schedule B-9(2008) [Revised 1/8/08]

DEPRECIATION RESERVE BALANCES BY ACCOUNT AND SUB-ACCOUNT - 2008

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the depreciation reserve balances for each account or sub-account to which an individual depreciation rate is applied. (Include Amortization/Recovery schedule amounts)

Type of Data Shown*:
Projected Test Year Ended 12/31/2008

COMPANY: Florida Public Utilities Company
Consolidated Electric Division

Witness: Jim Mesite

DOCKET NO.:070304-EI

Line No.	(1) Account/ Sub-acct Number	(2) Account/ Sub-account Title	(3) Accumulated Depreciation Beg. of Year	(4) Total Depreciation Accrued	(5) Retirements	(6) Net Salvage	(7) Adjustments or Transfers	(8) Accumulated Depreciation End of Year	(9) 13-Month Average
		TRANSMISSION PLANT							
1	350	LAND	-	-	-	-	-	-	-
2	3501	LAND RIGHTS	(33,788)	-	-	-	-	(33,788)	(33,788)
3	352	STRUCTURES AND IMPROVEMENTS	(10,702)	(504)	-	-	-	(11,206)	(10,941)
4	353	STATION EQUIPMENT	(665,300)	(56,148)	-	-	-	(721,448)	(693,374)
5	354	TOWERS AND FIXTURES	(172,389)	(4,944)	-	-	-	(177,333)	(174,861)
6	355	POLES AND FIXTURES	(924,838)	(89,418)	18,000	219	-	(996,037)	(959,816)
7	356	OVERHEAD CONDUCTORS AND DEVICES	(634,997)	(63,684)	-	-	-	(698,681)	(666,118)
8	359	ROADS AND TRAILS	(4,181)	(264)	-	-	-	(4,445)	(4,313)
		Total Transmission Plant	(2,446,195)	(214,962)	18,000	219	-	(2,642,938)	(2,543,211)
		DISTRIBUTION PLANT							
9	360	DISTRIBUTION PLANT-LAND	-	-	-	-	-	-	-
10	3601	LAND RIGHTS	(5,356)	(408)	-	-	-	(5,764)	(5,560)
11	361	STRUCTURES & IMPROVEMENTS	(32,731)	(2,112)	-	-	-	(34,843)	(33,787)
12	362	STATION EQUIPMENT	(1,332,097)	(212,063)	158,424	11,760	-	(1,373,976)	(1,352,910)
13	364	POLES, TOWERS, & FIXTURES	(4,322,016)	(409,561)	54,012	56,808	-	(4,620,757)	(4,469,772)
14	365	OVERHEAD CONDUCTORS & DEVICES	(5,311,684)	(387,189)	25,776	23,820	-	(5,649,277)	(5,479,223)
15	3662	UNDERGROUND CONDUIT - BURIED	(600,212)	(64,536)	1,140	(84)	-	(663,692)	(631,303)
16	3672	UNDERGROUND COND & DEVICES - BURIED	(1,692,223)	(165,427)	21,564	1,704	-	(1,834,382)	(1,761,876)
17	3681	LINE TRANSFORMERS - OVERHEAD	(4,732,814)	(308,460)	42,768	4,224	-	(4,994,302)	(4,862,934)
18	3683	LINE TRANSFORMERS - BURIED	(3,138,803)	(270,222)	42,768	4,224	-	(3,362,033)	(3,249,091)
19	3691	OVERHEAD SERVICES	(2,265,274)	(164,265)	8,340	2,352	-	(2,418,847)	(2,341,586)
20	3693	UNDERGROUND SERVICES - BURIED	(1,801,339)	(166,340)	8,340	2,352	-	(1,956,987)	(1,878,362)
21	370	METERS	(1,796,540)	(127,164)	74,611	4,020	-	(1,845,073)	(1,820,390)
22	3711	INSTALLATIONS ON CUSTOMER PREMISES-AG	(502,361)	(85,720)	21,612	120	-	(566,349)	(533,941)
23	3713	INSTALLATIONS ON CUSTOMER PREMISES-UG	(248,746)	(47,976)	21,612	120	-	(274,990)	(261,862)
24	3731	STREET LIGHTING & SIGNAL SYSTEMS-AG	(307,679)	(37,330)	7,120	516	-	(337,373)	(322,424)
25	3733	STREET LIGHTING & SIGNAL SYSTEMS-UG	(201,972)	(32,034)	7,120	516	-	(226,370)	(214,156)
		Total Distribution Plant	(28,291,847)	(2,480,827)	495,207	112,452	-	(30,165,015)	(29,219,177)
		GENERAL PLANT							
26	389	GENERAL PLANT-LAND	(6,704)	-	-	-	-	(6,704)	#VALUE!
27	390	STRUCTURES AND IMPROVEMENTS	(492,596)	(28,912)	204	-	-	(521,304)	#VALUE!
28	3911	OFFICE FURNITURE	(7,369)	-	-	-	-	(7,369)	#VALUE!
29	3912	OFFICE MACHINES	(22,902)	(6,948)	2,976	-	-	(26,874)	#VALUE!
30	3913	COMPUTER EQUIPMENT	(151,040)	(25,896)	21,660	-	-	(155,276)	#VALUE!
31	391305	COMPUTER SOFTWARE	(429,657)	(126,240)	-	-	-	(555,897)	#VALUE!
36	3931	STORES EQUIPMENT-FIXED	(86,430)	(11,196)	-	-	-	(97,626)	#VALUE!
37	3932	STORES EQUIPMENT-PORTABLE	(761)	-	-	-	-	(761)	#VALUE!
38	3941	TOOLS, SHOP, & GARAGE EQUIP-FIXED	(35,557)	(72)	456	-	-	(35,173)	#VALUE!
39	3942	TOOLS, SHOP, & GARAGE EQUIP-PORTABLE	(77,251)	(6,384)	3,785	(12)	-	(79,862)	#VALUE!
40	3951	LABORATORY EQUIPMENT-FIXED	(56,705)	(3,432)	144	-	-	(59,993)	#VALUE!
41	3952	LABORATORY EQUIPMENT-PORTABLE	(27,750)	(1,260)	1,932	-	-	(27,078)	#VALUE!
42	396	POWER OPERATED EQUIPMENT	(188,371)	(12,128)	1,632	-	-	(198,867)	#VALUE!
43	397	COMMUNICATION EQUIPMENT	(125,392)	(7,500)	5,580	(36)	-	(127,348)	#VALUE!
44	398	MISCELLANEOUS EQUIPMENT	(12,623)	(276)	1,596	(48)	-	(11,351)	#VALUE!
45	399	MISCELLANEOUS TANGIBLE	(8,000)	(9,000)	-	-	-	(17,000)	#VALUE!
		Total General Plant	(1,729,109)	(239,244)	39,965	(96)	-	(1,928,484)	#VALUE!

HEARING EXHIBIT - 00000214

Schedule B-9(2008) [Revised 1/8/08]

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities Company
Consolidated Electric Division

DOCKET NO.:070304-EI

DEPRECIATION RESERVE BALANCES BY ACCOUNT AND SUB-ACCOUNT - 2008

EXPLANATION: Provide the depreciation reserve balances for each account or sub-account to which an individual depreciation rate is applied. (Include Amortization/Recovery schedule amounts)

Type of Data Shown*:
Projected Test Year Ended 12/31/2008

Witness: Jim Mesite

Line No.	(1) Account/ Sub-acct Number	(2) Account/ Sub-account Title		(3) Accumulated Depreciation Beg. of Year	(4) Total Depreciation Accrued	(5) Retirements	(6) Net Salvage	(7) Adjustments or Transfers	(8) Accumulated Depreciation End of Year	(9) 13-Month Average
		TRANSPORTATION EQUIPMENT								
32	3921	PASSENGER CARS		(89,818)	(10,668)	-	-	-	(100,486)	#VALUE!
33	3922	LIGHT TRUCKS & VANS		(414,196)	(87,761)	-	-	-	(501,957)	#VALUE!
34	3923	HEAVY TRUCKS		(1,222,417)	(217,643)	-	-	-	(1,440,060)	#VALUE!
35	3924	TRAILERS		(29,938)	(4,440)	-	-	-	(34,378)	#VALUE!
		Total Transportation Equipment		(1,756,369)	(320,512)	-	-	-	(2,076,881)	#VALUE!
		TOTAL ACCUM. PROVISION FOR DEPR.		(34,223,520)	(3,255,545)	553,172	112,575	-	(36,813,318)	#VALUE!
48		COMMON PLANT								
49	303	MISC INTANGABLE PLANT		-	-	-	-	-	-	-
50	376	ACCRUED ITEMS		-	-	-	-	-	-	-
51	389	LAND		-	-	-	-	-	-	-
52	390	STRUCTURES & IMPROVEMENTS		(454,414)	(61,334)	-	-	-	(515,748)	(484,765)
53	3911	OFFICE FURNITURE		(12,675)	(2,350)	-	-	-	(15,025)	(13,829)
54	3912	OFFICE EQUIPMENT		(45,386)	(11,335)	-	-	-	(56,721)	(50,997)
55	3913	COMPUTER EQUIPMENT		(193,438)	(103,133)	-	-	-	(296,571)	(243,518)
56	391305	SOFTWARE		(1,312,936)	(243,581)	-	-	-	(1,556,517)	(1,432,356)
57	3921	TRANSPORTATION - AUTOMOBILES		(41,066)	(9,504)	-	-	-	(50,570)	(45,818)
58	3922	TRANSPORTATION - PICKUPS & VANS		(28,738)	(10,560)	-	-	-	(39,298)	(34,018)
59	397	COMMUNICATION EQUIPMENT		23,849	(9,120)	-	-	-	14,729	19,289
60	398	MISCELLANEOUS EQUIPM		(639)	(408)	-	-	-	(1,047)	(843)
61	399	MISC-TANGIBLE ASSETS		(8,341)	(5,968)	-	-	-	(14,309)	(11,237)
62		TOTAL COMMON TO BE ALLOCATED		(2,073,784)	(457,293)	-	-	-	(2,531,077)	(2,298,092)
63										
64			Alloc.							
65		COMMON - ALLOCATED	Prct.							
66	303	MISC INTANGABLE PLANT	28%	-	-	-	-	-	-	-
67	376	ACCRUED ITEMS	28%	-	-	-	-	-	-	-
68	389	LAND	28%	-	-	-	-	-	-	-
69	390	STRUCTURES & IMPROVEMENTS	28%	(127,236)	(17,174)	-	-	-	(144,409)	(135,734)
70	3911	OFFICE FURNITURE	28%	(3,549)	(658)	-	-	-	(4,207)	(3,872)
71	3912	OFFICE EQUIPMENT	28%	(12,708)	(3,174)	-	-	-	(15,882)	(14,279)
72	3913	COMPUTER EQUIPMENT	29%	(56,097)	(29,909)	-	-	-	(86,006)	(70,620)
73	391305	SOFTWARE	29%	(380,751)	(70,638)	-	-	-	(451,390)	(415,383)
74	3921	TRANSPORTATION - AUTOMOBILES	28%	(11,498)	(2,661)	-	-	-	(14,160)	(12,829)
75	3922	TRANSPORTATION - PICKUPS & VANS	28%	(8,047)	(2,957)	-	-	-	(11,003)	(9,525)
76	397	COMMUNICATION EQUIPMENT	28%	6,678	(2,554)	-	-	-	4,124	5,401
77	398	MISCELLANEOUS EQUIPM	28%	(179)	(114)	-	-	-	(293)	(236)
78	399	MISC-TANGIBLE ASSETS	28%	(2,335)	(1,671)	-	-	-	(4,007)	(3,146)
79		TOTAL COMMON ALLOCTED		(595,723)	(131,509)	-	-	-	(727,232)	(660,225)
80										
83		TOTAL DEPRECIATION RESERVE BALANCE		(34,819,243)	(3,387,054)	553,172	112,575	-	(37,540,550)	#VALUE!
84										
85		NUCLEAR DECOMMISSIONING								
86										
87		FOSSIL DISMANTLEMENT								
88										
89		MISCELLANEOUS INTANGIBLES								
90										
91		TOTAL RESERVE BALANCE		(34,819,243)	(3,387,054)	553,172	112,575	-	(37,540,550)	#VALUE!

Note:
* If data shown represents a historical calendar year, the related annual status report may be substituted for this schedule.

Supporting Schedules:

Recap Schedules:

HEARING EXHIBIT - 00000215

Schedule B-1 (2008) [Revised 1/8/08]

ADJUSTED RATE BASE

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

EXPLANATION: Provide a schedule of the 13-month average adjusted rate base for the test year, the prior year and the most recent historical year. Provide the details of all adjustments on Schedule B-2.

Type of Data Shown:
Projected Test Year Ended 12/31/2008
Witness: Jim Mesite, Cheryl Martin

Line No.		(1) Plant in Service	(2)* Accumulated Provision for Depreciation and Amortization	(3) Net Plant in Service (1 - 2)	(4) CWIP - No AFUDC	(5) Plant Held For Future Use	(6) Nuclear Fuel - No AFUDC (Net)	(7) Net Utility Plant	(8) Working Capital Allowance	(9) Other Rate Base Items	(10) Total Rate Base
1	System Per Books (B-3) - as filed	81,494,977	(37,206,306)	44,288,671	75,000	-	-	44,363,671	(1,310,654)	-	43,053,017
2	Correction, Per Staff's Interrogatory 5, #26		162,633	162,633				162,633			162,633
3	Totals as Corrected	81,494,977	(37,043,673)	44,451,304	75,000	-	-	44,526,304	(1,310,654)	-	43,215,650
4	Jurisdictional Factors	100%	100%	100%	100%	100%	100%		100%	100%	
5											
6	Jurisdictional Per Books	81,494,977	(37,043,673)	44,451,304	75,000	-	-	44,526,304	(1,310,654)	-	43,215,650
7	Adjustments:										
8	Non-regulated Propane Operations	(57,464)	25,443	(32,021)	-	-	-	(32,021)	-	-	(32,021)
9											
10											
11											
12	Total Adjustments	$ (57,464)	$ 25,443	$ (32,021)	$ -	$ -	$ -	$ (32,021)	$ -	$ -	$ (32,021)
13											
14	Adjusted Jurisdictional	$ 81,437,513	$ (37,018,230)	$ 44,419,283	$ 75,000	$ -	$ -	$ 44,494,283	$ (1,310,654)	$ -	$ 43,183,629
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46											
47	* Includes Account 2520 - Customer Advances for Construction										

Supporting Schedules: B-2 (2008), B-3 (2008), B-7 (2008), B-9 (2008)

Recap Schedules: B-2 (2008)

HEARING EXHIBIT - 00000216

Schedule B-10(2008) [Revised 1/8/08]
FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities Company
Consolidated Electric Division

DOCKET NO.:070304-EI

DEPRECIATION RESERVE BALANCES BY ACCOUNT AND SUB-ACCOUNT - 2008

EXPLANATION: Provide the depreciation reserve balances for each account or sub-account to which an individual depreciation rate is applied. (Include Amortization/Recovery schedule amounts)

Type of Data Shown*:
Projected Test Year Ended 12/31/2008

Witness: Jim Mesite

Line No.	Account/ Sub-acct Number	Account/ Sub-account Title	12/31/07	1/31/08	2/29/08	3/31/08	4/30/08	5/31/08	6/30/08	7/31/08	8/31/08	9/30/08	10/31/08	11/30/08	12/31/08	13 MONTH AVERAGE
		TRANSMISSION PLANT														
1	350	LAND	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	3501	LAND RIGHTS	(33,788)	(33,788)	(33,788)	(33,788)	(33,788)	(33,788)	(33,788)	(33,788)	(33,788)	(33,788)	(33,788)	(33,788)	(33,788)	(33,788)
3	352	STRUCTURES AND IMPROVEMENTS	(10,702)	(10,739)	(10,776)	(10,813)	(10,850)	(10,887)	(10,929)	(10,971)	(11,018)	(11,065)	(11,112)	(11,159)	(11,206)	(10,941)
4	353	STATION EQUIPMENT	(665,300)	(669,979)	(674,658)	(679,337)	(684,016)	(688,695)	(693,374)	(698,053)	(702,732)	(707,411)	(712,090)	(716,769)	(721,448)	(693,374)
5	354	TOWERS AND FIXTURES	(172,389)	(172,801)	(173,213)	(173,625)	(174,037)	(174,449)	(174,861)	(175,273)	(175,685)	(176,097)	(176,509)	(176,921)	(177,333)	(174,861)
6	355	POLES AND FIXTURES	(924,838)	(932,318)	(939,798)	(947,278)	(954,758)	(962,238)	(951,499)	(958,922)	(966,345)	(973,768)	(981,191)	(988,614)	(996,037)	(959,816)
7	356	OVERHEAD CONDUCTORS AND DEVICES	(634,997)	(640,002)	(645,007)	(650,012)	(655,017)	(660,342)	(665,667)	(670,992)	(676,317)	(681,908)	(687,499)	(693,090)	(698,681)	(666,118)
8	359	ROADS AND TRAILS	(4,181)	(4,203)	(4,225)	(4,247)	(4,269)	(4,291)	(4,313)	(4,335)	(4,357)	(4,379)	(4,401)	(4,423)	(4,445)	(4,313)
		Tota; Transmission Plant	(2,446,195)	(2,463,830)	(2,481,465)	(2,499,100)	(2,516,735)	(2,534,690)	(2,534,431)	(2,552,334)	(2,570,242)	(2,588,416)	(2,606,590)	(2,624,764)	(2,642,938)	(2,543,210)
		DISTRIBUTION PLANT														
9	360	DISTRIBUTION PLANT-LAND	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	3601	LAND RIGHTS	(5,356)	(5,390)	(5,424)	(5,458)	(5,492)	(5,526)	(5,560)	(5,594)	(5,628)	(5,662)	(5,696)	(5,730)	(5,764)	(5,560)
11	361	STRUCTURES & IMPROVEMENTS	(32,731)	(32,907)	(33,083)	(33,259)	(33,435)	(33,611)	(33,787)	(33,963)	(34,139)	(34,315)	(34,491)	(34,667)	(34,843)	(33,787)
12	362	STATION EQUIPMENT	(1,332,097)	(1,335,494)	(1,338,983)	(1,342,439)	(1,345,882)	(1,349,252)	(1,352,833)	(1,356,381)	(1,359,896)	(1,363,378)	(1,366,827)	(1,370,418)	(1,373,976)	(1,352,910)
13	364	POLES, TOWERS, & FIXTURES	(4,322,016)	(4,346,096)	(4,370,286)	(4,394,586)	(4,418,997)	(4,443,822)	(4,468,758)	(4,493,804)	(4,518,960)	(4,544,226)	(4,569,603)	(4,595,125)	(4,620,757)	(4,469,772)
14	365	OVERHEAD CONDUCTORS & DEVICES	(5,311,684)	(5,339,268)	(5,366,921)	(5,394,643)	(5,422,434)	(5,450,295)	(5,478,225)	(5,506,503)	(5,534,850)	(5,563,345)	(5,591,909)	(5,620,543)	(5,649,277)	(5,479,223)
15	3662	UNDERGROUND CONDUIT - BURIED	(600,212)	(605,261)	(610,312)	(615,365)	(620,420)	(625,478)	(630,871)	(636,266)	(641,663)	(647,063)	(652,465)	(657,869)	(663,692)	(631,303)
16	3672	UNDERGROUND COND & DEVICES - BURIED	(1,692,223)	(1,703,449)	(1,714,744)	(1,726,108)	(1,737,541)	(1,749,043)	(1,760,613)	(1,772,736)	(1,784,928)	(1,797,188)	(1,809,517)	(1,821,915)	(1,834,382)	(1,761,876)
17	3681	LINE TRANSFORMERS - OVERHEAD	(4,732,814)	(4,754,281)	(4,775,783)	(4,797,352)	(4,818,992)	(4,840,734)	(4,862,518)	(4,884,380)	(4,906,284)	(4,928,231)	(4,950,220)	(4,972,245)	(4,994,302)	(4,862,934)
18	3683	LINE TRANSFORMERS - BURIED	(3,138,803)	(3,156,708)	(3,174,621)	(3,192,716)	(3,210,994)	(3,229,454)	(3,248,097)	(3,266,922)	(3,285,929)	(3,304,944)	(3,323,966)	(3,342,998)	(3,362,033)	(3,249,091)
19	3691	OVERHEAD SERVICES	(2,265,274)	(2,277,835)	(2,290,439)	(2,303,086)	(2,315,776)	(2,328,509)	(2,341,265)	(2,354,104)	(2,366,966)	(2,379,871)	(2,392,820)	(2,405,812)	(2,418,847)	(2,341,586)
20	3693	UNDERGROUND SERVICES - BURIED	(1,801,339)	(1,813,906)	(1,826,542)	(1,839,247)	(1,852,021)	(1,864,880)	(1,877,824)	(1,890,853)	(1,903,966)	(1,917,136)	(1,930,363)	(1,943,647)	(1,956,987)	(1,878,362)
21	370	METERS	(1,796,540)	(1,800,381)	(1,804,270)	(1,808,192)	(1,812,147)	(1,816,135)	(1,820,156)	(1,824,210)	(1,828,283)	(1,832,386)	(1,836,522)	(1,840,781)	(1,845,073)	(1,820,390)
22	3711	INSTALLATIONS ON CUSTOMER PREMISES-AG	(502,361)	(507,486)	(512,649)	(517,850)	(523,088)	(528,364)	(533,678)	(539,029)	(544,418)	(549,844)	(555,308)	(560,810)	(566,349)	(533,941)
23	3713	INSTALLATIONS ON CUSTOMER PREMISES-UG	(248,746)	(250,930)	(253,115)	(255,300)	(257,486)	(259,672)	(261,859)	(264,046)	(266,234)	(268,422)	(270,611)	(272,800)	(274,990)	(261,862)
24	3731	STREET LIGHTING & SIGNAL SYSTEMS-AG	(307,679)	(310,102)	(312,535)	(314,977)	(317,428)	(319,889)	(322,359)	(324,839)	(327,328)	(329,825)	(332,332)	(334,848)	(337,373)	(322,424)
25	3733	STREET LIGHTING & SIGNAL SYSTEMS-UG	(201,972)	(203,998)	(206,025)	(208,053)	(210,083)	(212,114)	(214,147)	(216,181)	(218,217)	(220,253)	(222,291)	(224,330)	(226,370)	(214,156)
		Total Distribution Plant	(28,291,847)	(28,443,492)	(28,595,732)	(28,748,631)	(28,902,196)	(29,056,778)	(29,212,570)	(29,369,811)	(29,527,689)	(29,686,089)	(29,844,941)	(30,004,536)	(30,165,015)	(29,219,179)
		GENERAL PLANT														
26	389	GENERAL PLANT-LAND	(6,704)	(6,704)	(6,704)	(6,704)	(6,704)	(6,704)	(6,704)	(6,704)	(6,704)	(6,704)	(6,704)	(6,704)	(6,704)	(6,704)
27	390	STRUCTURES AND IMPROVEMENTS	(492,596)	(494,984)	(497,372)	(499,760)	(502,152)	(504,544)	(506,935)	(509,326)	(511,721)	(514,116)	(516,511)	(518,906)	(521,304)	(506,941)
28	3911	OFFICE FURNITURE	(7,369)	(7,369)	(7,369)	(7,369)	(7,369)	(7,369)	(7,369)	(7,369)	(7,369)	(7,369)	(7,369)	(7,369)	(7,369)	(7,369)
29	3912	OFFICE MACHINES	(22,902)	(23,233)	(23,564)	(23,895)	(24,226)	(24,557)	(24,888)	(25,219)	(25,550)	(25,881)	(26,212)	(26,543)	(26,874)	(24,888)
30	3913	COMPUTER EQUIPMENT	(151,040)	(151,393)	(151,746)	(152,099)	(152,452)	(152,805)	(153,158)	(153,511)	(153,864)	(154,217)	(154,570)	(154,923)	(155,276)	(153,158)
31	391305	COMPUTER SOFTWARE	(429,657)	(440,177)	(450,697)	(461,217)	(471,737)	(482,257)	(492,777)	(503,297)	(513,817)	(524,337)	(534,857)	(545,377)	(555,897)	(492,777)
36	3931	STORES EQUIPMENT-FIXED	(86,430)	(87,363)	(88,295)	(89,229)	(90,162)	(91,095)	(92,028)	(92,961)	(93,894)	(94,827)	(95,760)	(96,693)	(97,626)	(92,028)
37	3932	STORES EQUIPMENT-PORTABLE	(761)	(761)	(761)	(761)	(761)	(761)	(761)	(761)	(761)	(761)	(761)	(761)	(761)	(761)
38	3941	TOOLS, SHOP, & GARAGE EQUIP-FIXED	(35,557)	(35,525)	(35,493)	(35,461)	(35,429)	(35,397)	(35,365)	(35,333)	(35,301)	(35,269)	(35,237)	(35,205)	(35,173)	(35,365)
39	3942	TOOLS, SHOP, & GARAGE EQUIP-PORTABLE	(77,251)	(77,469)	(77,687)	(77,905)	(78,123)	(78,341)	(78,559)	(78,777)	(78,994)	(79,211)	(79,428)	(79,645)	(79,862)	(78,558)
40	3951	LABORATORY EQUIPMENT-FIXED	(56,705)	(56,979)	(57,253)	(57,527)	(57,801)	(58,075)	(58,349)	(58,623)	(58,897)	(59,171)	(59,445)	(59,719)	(59,993)	(58,349)
41	3952	LABORATORY EQUIPMENT-PORTABLE	(27,750)	(27,694)	(27,638)	(27,582)	(27,526)	(27,470)	(27,414)	(27,358)	(27,302)	(27,246)	(27,190)	(27,134)	(27,078)	(27,414)
42	396	POWER OPERATED EQUIPMENT	(188,371)	(189,250)	(190,128)	(191,005)	(191,881)	(192,757)	(193,632)	(194,506)	(195,380)	(196,253)	(197,125)	(197,996)	(198,867)	(193,627)
43	397	COMMUNICATION EQUIPMENT	(125,392)	(125,555)	(125,718)	(125,881)	(126,044)	(126,207)	(126,370)	(126,533)	(126,696)	(126,859)	(127,022)	(127,185)	(127,348)	(126,370)
44	398	MISCELLANEOUS EQUIPMENT	(12,623)	(12,517)	(12,411)	(12,305)	(12,199)	(12,093)	(11,987)	(11,881)	(11,775)	(11,669)	(11,563)	(11,457)	(11,351)	(11,987)
45	399	MISCELLANEOUS TANGIBLE	(8,000)	(8,750)	(9,500)	(10,250)	(11,000)	(11,750)	(12,500)	(13,250)	(14,000)	(14,750)	(15,500)	(16,250)	(17,000)	(12,500)
		Total General Plant	(1,729,109)	(1,745,724)	(1,762,338)	(1,778,951)	(1,795,567)	(1,812,183)	(1,828,797)	(1,845,410)	(1,862,026)	(1,878,641)	(1,895,255)	(1,911,868)	(1,928,484)	(1,826,796)

HEARING EXHIBIT - 00000217

Schedule B-10(2008) [Revised 1/8/08]
FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities Company
Consolidated Electric Division

DOCKET NO.:070304-EI

DEPRECIATION RESERVE BALANCES BY ACCOUNT AND SUB-ACCOUNT - 2008

EXPLANATION: Provide the depreciation reserve balances for each account or sub-account to which an individual depreciation rate is applied. (Include Amortization/Recovery schedule amounts)

Type of Data Shown*:
Projected Test Year Ended 12/31/2008

Witness: Jim Mesite

Line No.	Account/ Sub-acct Number	Account/ Sub-account Title	Alloc. Pct.	12/31/07	1/31/08	2/29/08	3/31/08	4/30/08	5/31/08	6/30/08	7/31/08	8/31/08	9/30/08	10/31/08	11/30/08	12/31/08	13 MONTH AVERAGE
		TRANSPORTATION EQUIPMENT															
32	3921	PASSENGER CARS		(89,818)	(90,707)	(91,596)	(92,485)	(93,374)	(94,263)	(95,152)	(96,041)	(96,930)	(97,819)	(98,708)	(99,597)	(100,486)	(95,152)
33	3922	LIGHT TRUCKS & VANS		(414,196)	(419,612)	(425,499)	(432,582)	(439,665)	(446,969)	(454,273)	(461,577)	(469,653)	(477,729)	(485,805)	(493,881)	(501,957)	(455,646)
34	3923	HEAVY TRUCKS		(1,222,417)	(1,240,043)	(1,258,104)	(1,276,165)	(1,294,226)	(1,312,287)	(1,330,348)	(1,348,409)	(1,366,470)	(1,384,531)	(1,402,592)	(1,420,653)	(1,440,060)	(1,330,485)
35	3924	TRAILERS		(29,938)	(30,308)	(30,678)	(31,048)	(31,418)	(31,788)	(32,158)	(32,528)	(32,898)	(33,268)	(33,638)	(34,008)	(34,378)	(32,158)
		Total Transportation Equipment		(1,756,369)	(1,780,670)	(1,805,877)	(1,832,280)	(1,858,683)	(1,885,307)	(1,911,931)	(1,938,555)	(1,965,951)	(1,993,347)	(2,020,743)	(2,048,139)	(2,076,881)	(1,913,441)
		TOTAL ACCUM. PROVISION FOR DEPR.		(34,223,520)	(34,433,716)	(34,645,412)	(34,858,962)	(35,073,181)	(35,288,958)	(35,487,729)	(35,706,110)	(35,925,908)	(36,146,493)	(36,367,529)	(36,589,307)	(36,813,318)	(35,504,626)
46		COMMON PLANT															
49	303	MISC INTANGABLE PLANT		-	-	-	-	-	-	-	-	-	-	-	-	-	-
51	389	LAND		-	-	-	-	-	-	-	-	-	-	-	-	-	-
52	390	STRUCTURES & IMPROVEMENTS		(454,414)	(459,275)	(464,298)	(469,333)	(474,368)	(479,428)	(484,488)	(489,698)	(494,908)	(500,118)	(505,328)	(510,538)	(515,748)	(484,765)
53	3911	OFFICE FURNITURE		(12,675)	(12,858)	(13,041)	(13,232)	(13,425)	(13,620)	(13,817)	(14,014)	(14,213)	(14,414)	(14,617)	(14,820)	(15,025)	(13,829)
54	3912	OFFICE EQUIPMENT		(45,386)	(46,308)	(47,230)	(48,152)	(49,083)	(50,014)	(50,958)	(51,908)	(52,861)	(53,814)	(54,780)	(55,746)	(56,721)	(50,997)
55	3913	COMPUTER EQUIPMENT		(193,438)	(201,138)	(208,838)	(217,089)	(225,409)	(234,159)	(243,113)	(251,562)	(260,011)	(269,006)	(278,071)	(287,321)	(296,571)	(243,518)
56	391305	SOFTWARE		(1,312,936)	(1,332,248)	(1,351,560)	(1,370,872)	(1,390,554)	(1,410,536)	(1,430,518)	(1,451,148)	(1,472,009)	(1,492,870)	(1,513,731)	(1,535,124)	(1,556,517)	(1,432,356)
57	3921	TRANSPORTATION - AUTOMOBILES		(41,066)	(41,858)	(42,650)	(43,442)	(44,234)	(45,026)	(45,818)	(46,610)	(47,402)	(48,194)	(48,986)	(49,778)	(50,570)	(45,818)
58	3922	TRANSPORTATION - PICKUPS & VANS		(28,738)	(29,618)	(30,498)	(31,378)	(32,258)	(33,138)	(34,018)	(34,898)	(35,778)	(36,658)	(37,538)	(38,418)	(39,298)	(34,018)
59	397	COMMUNICATION EQUIPMENT		23,849	23,089	22,329	21,569	20,809	20,049	19,289	18,529	17,769	17,009	16,249	15,489	14,729	19,289
60	398	MISCELLANEOUS EQUIPM		(639)	(673)	(707)	(741)	(775)	(809)	(843)	(877)	(911)	(945)	(979)	(1,013)	(1,047)	(843)
61	399	MISC-TANGIBLE ASSETS		(8,341)	(8,807)	(9,273)	(9,739)	(10,205)	(10,671)	(11,179)	(11,687)	(12,195)	(12,703)	(13,211)	(13,760)	(14,309)	(11,237)
62		TOTAL COMMON TO BE ALLOCATED		(2,073,784)	(2,109,694)	(2,145,766)	(2,182,409)	(2,219,502)	(2,257,352)	(2,295,463)	(2,333,873)	(2,372,519)	(2,411,713)	(2,450,992)	(2,491,029)	(2,531,077)	(2,298,091)
63																	
64			Alloc.														
65		COMMON - ALLOCATED	Pct.														
66	303	MISC INTANGABLE PLANT	28%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
68	389	LAND	28%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
69	390	STRUCTURES & IMPROVEMENTS	28%	(127,236)	(128,597)	(130,003)	(131,413)	(132,823)	(134,240)	(135,657)	(137,115)	(138,574)	(140,033)	(141,492)	(142,951)	(144,409)	(135,734)
70	3911	OFFICE FURNITURE	28%	(3,549)	(3,600)	(3,651)	(3,705)	(3,759)	(3,814)	(3,869)	(3,924)	(3,980)	(4,036)	(4,093)	(4,150)	(4,207)	(3,872)
71	3912	OFFICE EQUIPMENT	28%	(12,708)	(12,966)	(13,224)	(13,483)	(13,743)	(14,004)	(14,268)	(14,534)	(14,801)	(15,066)	(15,338)	(15,609)	(15,882)	(14,279)
72	3913	COMPUTER EQUIPMENT	29%	(56,097)	(58,330)	(60,563)	(62,956)	(65,369)	(67,906)	(70,503)	(72,953)	(75,403)	(78,012)	(80,641)	(83,323)	(86,006)	(70,620)
73	391305	SOFTWARE	29%	(380,751)	(386,352)	(391,952)	(397,553)	(403,261)	(409,055)	(414,850)	(420,833)	(426,883)	(432,932)	(438,982)	(445,186)	(451,390)	(415,383)
74	3921	TRANSPORTATION - AUTOMOBILES	28%	(11,498)	(11,720)	(11,942)	(12,164)	(12,386)	(12,607)	(12,829)	(13,051)	(13,273)	(13,494)	(13,716)	(13,938)	(14,160)	(12,829)
75	3922	TRANSPORTATION - PICKUPS & VANS	28%	(8,047)	(8,293)	(8,539)	(8,786)	(9,032)	(9,279)	(9,525)	(9,771)	(10,018)	(10,264)	(10,511)	(10,757)	(11,003)	(9,525)
76	397	COMMUNICATION EQUIPMENT	28%	6,678	6,465	6,252	6,039	5,827	5,614	5,401	5,188	4,975	4,763	4,550	4,337	4,124	5,401
77	398	MISCELLANEOUS EQUIPM	28%	(179)	(188)	(198)	(207)	(217)	(227)	(236)	(246)	(255)	(265)	(274)	(284)	(293)	(236)
78	399	MISC-TANGIBLE ASSETS	28%	(2,335)	(2,466)	(2,596)	(2,727)	(2,857)	(2,988)	(3,130)	(3,272)	(3,415)	(3,557)	(3,699)	(3,853)	(4,007)	(3,146)
79		TOTAL COMMON ALLOCTED		(595,723)	(606,048)	(616,419)	(626,954)	(637,620)	(648,506)	(659,466)	(670,512)	(681,626)	(692,898)	(704,196)	(715,713)	(727,233)	(660,224)
80																	

Supporting Schedules:

Recap Schedules:

HEARING EXHIBIT - 00000218

AFFIDAVIT

STATE OF FLORIDA)

COUNTY OF PALM BEACH)

I hereby certify that on this 8th day of January , 2008, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared James V. Mesite, Jr. , who is personally known to me, and he/she acknowledged before me that he/she provided the answers to interrogatory number(s) 24 through 28 from STAFF'S FIFTH SET OF INTERROGATORIES TO FLORIDA PUBLIC UTILITIES COMPANY (NOS. 24 - 28) in Docket No. 070304-EI, and that the responses are true and correct based on his/her personal knowledge.

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 8th day of January, 2008.

James V. Mesite, Jr.

Dina Bellechases
Notary Public
State of Florida, at Large

DINA BELLECHASES
MY COMMISSION # DD 730183
EXPIRES: December 13, 2011
Bonded Thru Notary Public Underwriters

My Commission Expires:

December 13, 2011

3

FPUC's Response to Staff's Sixth Set of Interrogatories (Nos. 29-43)

HEARING EXHIBIT - 00000220

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Review of 2007 Electric Infrastructure Storm Hardening Plan filed pursuant to Rule 25-6.0342, F.A.C., submitted by Florida Public Utilities Company	)	Docket No. 070300-EI
In re: Petition for rate increase by Florida Public Utilities Company	)	Docket No. 070304-EI Date filed: February 4, 2008

FLORIDA PUBLIC UTILITIES COMPANY'S NOTICE OF SERVICE OF RESPONSES TO FPSC STAFF'S SIXTH SET OF INTERROGATORIES (NOS. 29-43)

Florida Public Utilities Company ("FPUC") by and through its undersigned counsel, hereby files and serves Notice that it has served its Responses to FPSC Staff's Sixth Set of Interrogatories (Nos. 29-43) by hand delivery on Martha C. Brown, Esq., Office of General Counsel, Florida Public Service Commission, 2540 Shumard Oaks Blvd., Tallahassee, FL 32399-0850 on this 4th day of February, 2008.

NORMAN H. HORTON, JR.
MESSER, CAPARELLO & SELF, P. A.
Post Office Box 15579
Tallahassee, FL 32317
(850) 222-0720

Attorneys for Florida Public Utilities Company

HEARING EXHIBIT - 00000221

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that true and correct copies of the foregoing have been served by Hand Delivery(*) and/or U. S. Mail this 4th day of February, 2008 upon the following:

Martha Brown, Esq.*
Katherine Fleming, Esq.
Office of General Counsel
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Patricia A. Christensen, Esq.
Office of the Public Counsel
c/o The Florida Legislature
111 West Madison St., Room 812
Tallahassee, FL 32399-1400

Jennifer S. Kay, Esq.
Tracy W. Hatch, Esq.
c/o Mr. Greg Follensbee
AT&T Florida
150 S. Monroe St., Suite 400
Tallahassee, FL 32301

Susan Masterton, Esq.
Embarq
1313 Blair Stone Road
Tallahassee, FL 32301

Beth Keating, Esq.
Akerman Law Firm
106 East College Avenue, Suite 1200
Tallahassee, FL 32301

Dave Konuch, Esq.
Florida Telecommunications Cable
Association, Inc.
246 East 6th Avenue
Tallahassee, FL 32303

NORMAN H. HORTON, JR.

HEARING EXHIBIT - 00000222

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Review of 2007 Electric Infrastructure Storm Hardening Plan filed pursuant to Rule 25-6.0342, F.A.C., submitted by Florida Public Utilities Company	)	Docket No.: 070300-EI
In re: Petition for rate increase by Florida Public Utilities Company	)	Docket No. 070304-EI

FLORIDA PUBLIC UTILITIES COMPANY'S RESPONSES TO FPSC STAFF'S SIXTH SET OF INTERROGATORIES (NOS. 29-43)

COMES NOW, Florida Public Utilities Company ("FPUC") and in response to FPSC Staff's Sixth Set of Interrogatories (No. 29-43) states as follows:

INTERROGATORIES

29. Use the chart below to evaluate the different cycles of tree trimming for the Northeast and Northwest Divisions.

Tree Trimming Cycle	Annual Cost (4 yr Average)	Number of Customers Per Mile	Number of Years of Data
3 yr feeders and 3 yr laterals			
4½ - 5 yrs both feeders and laterals			
3 yrs feeders and 6 yrs lateral			

FPUC'S RESPONSE: See attached.

HEARING EXHIBIT - 00000223

30. Please identify the orders and staff recommendations that deny FPUC any increase in vegetation management and provide all data relevant to demonstrate what level of vegetation management would have an impact on outages and improve customer service.

FPUC'S RESPONSE: See attached.

31. Did FPUC propose tree trimming cycle programs in the last two (2) rate proceedings?

FPUC'S RESPONSE: See attached.

32. If your response to Interrogatory No. 31 is yes, please state the tree-trimming cycle programs that FPUC proposed in its last two (2) rate proceedings.

FPUC'S RESPONSE: See attached.

33. If your response to Interrogatory No. 31 is yes, please state the costs FPUC requested in the last two rate proceedings for vegetation management?

FPUC'S RESPONSE: See attached.

34. Please state the dollar amount FPUC has spent on vegetation management on an annual basis for the past four (4) years.

FPUC'S RESPONSE: See attached.

35. In FPUC's last two rate proceedings, how much money did the Commission allow FPUC to include in its budget for vegetation management?

FPUC'S RESPONSE: See attached.

36. Please provide the data FPUC used in the last two (2) rate proceedings that justified a change in FPUC's tree trimming cycle programs.

FPUC'S RESPONSE: See attached.

HEARING EXHIBIT - 00000224

37. Please provide a detailed description of FPUC's current wood pole inspection program.

FPUC'S RESPONSE: See attached.

38. Please state the dollar amount on an annual basis that FPUC has spent on its current wood pole inspection program for the last four (4) years.

FPUC'S RESPONSE: See attached.

39. Please state the number of wooden transmission structures that FPUC has in its Northeast Division.

FPUC'S RESPONSE: See attached.

40. Please provide a detailed description of FPUC's current wooden transmission structure inspection program.

FPUC'S RESPONSE: See attached.

41. Please state the service life for each of the wooden transmission structures in FPUC's Northeast Division.

FPUC'S RESPONSE: See attached.

42. What is the average cost of the wooden transmission structures in FPUC's Northeast Division?

FPUC'S RESPONSE: See attached.

43. What is the cost of each concrete pole which is proposed to replace FPUC's existing wooden transmission structures?

FPUC'S RESPONSE: See attached.

HEARING EXHIBIT - 00000225

Respectfully submitted this 4th day of February, 2008.

Norman H. Horton, Jr.
Messer, Caparello & Self, P.A.
P.O. Box 15579
Tallahassee, FL 32317
(850) 222-0720

Attorneys for Florida Public Utilities Company

DOCKET NOS. 070300-EI, 070304-EI

FLORIDA PUBLIC UTILITIES COMPANY RESPONSE
TO
STAFF'S SIXTH SET OF INTERROGATORIES TO
FLORIDA PUBLIC UTILITIES COMPANY (NOS. 29 – 43)
REPLACING
STAFF'S FIRST SET OF INTERROGATORIES TO
FLORIDA PUBLIC UTILITIES COMPANY (NOS. 1 - 15)
DATED JANUARY 14, 2008

INTERROGATORIES

29. Use the chart below to evaluate the different cycles of tree trimming for the Northeast and Northwest Divisions.

Tree Trimming Cycle	**Annual Cost (4 yr Average)**	**Number of Customers Per Mile**	**Number of Years of Data**
3 yr feeders and 3 yr laterals			
4½ - 5 yrs both feeders and laterals			
3 yrs feeders and 6 yrs lateral			

Response

See below for the information requested. Included is the information requested above with other information necessary to clarify the issues. Also see question #34 for information on average cost for four years.

HEARING EXHIBIT - 00000227

Northwest Florida Division

	3 Year Mains and Laterals	4.5 Year Mains and Laterals	5 Year Mains and Laterals	3 year Mains and 6 year laterals
Average Cost/Crew (4 year average 04-07))	$114,529	$114,529	$114,529	$114,529
Productivity (04 -06) (miles/crew/year)	36	36	36	36
Customers	12982	12982	12982	12982
Mains (miles)	112	112	112	112
Laterals (miles)	514	514	514	514
Total (miles)	626	626	626	626
Number of Customers Per Mile	21	21	21	21
Number of Years Of Cost Data	4	4	4	4
Main Cost/Year	$118,770.81	$79,180.54	$71,262.49	$118,770.81
Lateral Cost/Year	$545,073.20	$363,382.14	$327,043.92	$272,536.60
Total Cost/Year	$663,844.02	$442,562.68	$398,306.41	$391,307.42
Crews Required (Trimming)	5.80	3.86	3.48	3.42
Crews Danger Trees, Secondary & Spot Trimming	1.00	1.00	1.00	1.00
Total Crews	6.80	4.86	4.48	4.42
Crews Requested	7	5	5	5
Total Cost from Average	$801,703	$572,645	$572,645	$572,645

HEARING EXHIBIT - 00000228

Northeast Florida Division

	3 Year Mains and Laterals	4.5 Year Mains and Laterals	5 Year Mains and Laterals	3 year Mains and 6 year laterals
Average Cost/Crew (4 year average 04-07))	$107,977	$107,977	$107,977	$107,977
Productivity (2007) (miles/crew/year)	17	17	17	17
Customers	15302	15302	15302	15302
Mains (miles)	35	35	35	35
Laterals (miles)	62	62	62	62
Total (miles)	97	97	97	97
Number of Customers Per Mile	158	158	158	158
Number of Years Of Cost Data	4	4	4	4
Main Cost/Year	$74,101.86	$49,401.24	$44,461.12	$74,101.86
Lateral Cost/Year	$131,266.16	$87,510.77	$78,759.69	$65,633.08
Total Cost/Year	$205,368.02	$136,912.01	$123,220.81	$139,734.94
Crews Required (Trimming)	1.90	1.27	1.14	1.29
Crews Danger Trees, Secondary & Spot Trimming	1.00	1.00	1.00	1.00
Total Crews	2.90	2.27	2.14	2.29
Crews Requested	3	2	2	2
Total Cost from Average	$323,931	$215,954	$215,954	$215,954

(Cutshaw)

30. *Please identify the orders and staff recommendations that deny FPUC any increase in vegetation management and provide all data relevant to demonstrate what level of vegetation management would have an impact on outages and improve customer service.*

HEARING EXHIBIT - 00000229

Response

In Docket #930400-EI, the Company requested the commission to approve an increase in tree trimming crews for our Northwest Florida Division from two (2) tree trimming crews to three (3) tree trimming crews. The intent at that time was to move towards a three year trim cycle. At that time the addition cost for one tree trimming crew was approximately $90,000 and the existing trim cycle was projected at a 6.5 to 7.5 year trim cycle. Although staff recommended approval of the increase in Issue #69, during the hearing the decision was issued to increase the number of tree trimming crews from two (2) to two and one half (2.5) in order to avoid a large increase in expenses. Information provided during that proceeding could not be located but is contained in the documentation for Issue #69 and the transcript of the hearing.

In Docket #030438-EI, the company requested an increase of $160,000 for an additional one and one half (1.5) tree trimming crews in order to get closer to a four (4) year trim cycle. This addition was approved during the proceeding. However, based upon the concerns and final decision in Docket #930400-EI, the Company made the decision not to move closer to a three year trim cycle to avoid the issue regarding rate shock. Documentation on this request is contained in Interrogatory Question #88 for Docket #030438-EI.

In both Dockets, the data provided by the Company to justify the increase in tree trimming crews was limited to that included in the responses. Based on experience and communication with other utilities, the three year cycle was the optimum trim cycle that would provide for improved reliability and at reasonable cost. Since the Company trim

HEARING EXHIBIT - 00000230

cycle was significantly different, efforts were made in both proceedings to continue to move to the optimum trim cycle.

(Cutshaw)

31. Did FPUC propose tree trimming cycle programs in the last two (2) rate proceedings?

Response

Yes. See response to Question #30.

(Cutshaw)

32. If your response to Interrogatory No. 31 is yes, please state the tree-trimming cycle programs that FPUC proposed in its last two (2) rate proceedings.

Response

Docket #930400-EI proposed moving from a 6.5 to 7.5 tree trimming cycle and closer to a 3 year cycle. The additional crew requested would have resulted in a 4.8 year cycle using the crew productivity estimates available at that time.

Docket #030438-EI proposed moving to a 4.0 year cycle using the crew productivity estimates available at that time.

It should be noted that estimates used to estimate productivity rates were higher than those actually achieved based on current information.

(Cutshaw)

33. If your response to Interrogatory No. 31 is yes, please state the costs FPUC requested in the last two rate proceedings for vegetation management?

HEARING EXHIBIT - 00000231

Response

Docket #930400-EI included an additional $90,000 for one (1) tree trimming crew. One half (0.5) of a tree trimming crew was approved for a total of approximately $45,000. Docket #030438-EI included an additional $160,000 for 1.5 tree trimming crews. The total amount proposed was approved.

(Cutshaw)

34. Please state the dollar amount FPUC has spent on vegetation management on an annual basis for the past four (4) years.

Response

Summary of Cost
Vegetation Management

Year	Northwest Florida Cost	Northeast Florida Cost	Combined Total Cost
2004	$349,240.28	$102,639.97	$451,880.25
2005	$485,829.25	$93,540.93	$579,370.18
2006	$364,639.68	$183,272.49	$547,912.17
2007	$383,414.44	$144,092.82	$527,507.26

Note: For 2004, Northwest Florida amount does not include $28,408 that was charged to storm expense.

Note: For 2005, Northwest Florida amount does not include $7,307 that was charged to storm expense.

Year	Northwest Florida Crews	Northeast Florida Crews	Combined Total Crews
2004	4.00	1.00	5.00
2005	4.00	1.00	5.00
2006	3.00	2.00	5.00
2007	3.00	1.00	4.00

Year	Northwest Florida Cost/Crew	Northeast Florida Cost/Crew	Combined Total Cost/Crew

HEARING EXHIBIT - 00000232

2004	$87,310	$102,640	$189,950
2005	$121,457	$93,541	$214,998
2006	$121,547	$91,636	$213,183
2007	$127,805	$144,093	$271,898
Average	$114,530	$107,977	$222,507

(Cutshaw)

35. In FPUC's last two rate proceedings, how much money did the Commission allow FPUC to include in its budget for vegetation management?

Response

Docket #930400-EI included approval one half (0.5) of a tree trimming crew for a total of approximately $45,000. Total expenses for tree trimming can not be determined accurately. However, based upon the projection for the Northwest Florida Division using the 2.5 crews, the total approved amount would be approximately $225,000 per year.

Docket #030438-EI included approval of 1.5 tree trimming crews for a total of approximately $160,000. Total expenses for tree trimming can not be determined accurately. However, based upon the projection for both divisions using the 5 crews, the total approved amount would be approximately $533,000 per year.

(Cutshaw)

36. Please provide the data FPUC used in the last two (2) rate proceedings that justified a change in FPUC's tree trimming cycle programs.

Response

HEARING EXHIBIT - 00000233

Data from Docket #930400-EI could not be located. However, it appears that total 1993 overhead pole line miles of 785 miles (Northwest Florida Division only) and estimated annual productivity rate of 55 miles per crew were used to determine the number of crews required. Using this information, two crews would result in 7.1 year trim cycle and three crews would result in a 4.8 year trim cycle.

Data from Docket #030438-EI is included in the Company Response to Staff Interrogatory #88 in Docket #030438-EI. The basis for this increase in the Northwest Florida Division was a total 2003 overhead pole line miles of 837 miles and estimated annual productivity rate of 50 miles per crew were used to determine the crews required. Using this information, 2.5 crews resulted in a 6.7 year trim cycle and four crews would result in a 4.2 year trim cycle.

(Cutshaw)

37. Please provide a detailed description of FPUC's current wood pole inspection program.

Response

The current procedure is shown below.

SUBJECT: Overhead Distribution System Inspection

Purpose: A complete inspection will be made of all overhead distribution facilities on a regular basis to insure for an operationally safe system.

Procedure:

I. The inspection will be made of all overhead distribution facilities and will include but not limited to the following:

A. Poles, cross arms, and fixtures.
B. Conductors.

HEARING EXHIBIT - 00000234

C. Ground Wires.
D. Arresters
E. Oil filled equipment.
F. Any unsafe conditions.
G. Tree conditions.

II. Schedules:

In the NW Fl. Division overhead lines will be inspected every 10 years according to the following schedule:

Year 1 –	Caverns Road	OCB#9732	Prison Feeder
	Caverns Road	OCB#9752	Industrial Park Feeder
	Caverns Road	OCB#9722	Dogwood Heights Feeder
Year 2 –	Caverns Road	OCB#9742	Greenwood Feeder
Year 3 –	Marianna	OCB#9854	South St. Feeder
Year 4 –	Marianna	OCB#9512	Railroad Feeder
	Marianna	OCB#9872	Hospital Feeder
	Marianna	OCB#9782	Family Dollar Feeder
Year 5 –	Marianna	OCB#9866	Cottondale Feeder
Year 6 –	Chipola	OCB#9992	HWY 90 W Feeder
	Chipola	OCB#9982	College Feeder
Year 7 –	Chipola	OCB#9932	Indian Springs Feeder
	Chipola	OCB#9942	HWY 90 E Feeder
Year 8 –	Altha	OCB#9952	Altha Feeder
Year 9 –	Altha	OCB#9972	Blountstown Feeder
Year 10 –	Blountstown	OCB#9982	Bristol Feeder

In addition to the above schedule in the NW, the section of line on the Bristol Feeder OCB#9882 between Mayhaw St. and HWY 20 in Blountstown will be inspected on quarterly (4 times a year) basis.

In the NE Fl. Division overhead lines will be inspected every 5 years according to the following schedule:

- Begin on the north end of the Island and move towards the south end until the whole territory is inspected.

Responsibility: It will be the responsibility of the Division Line Supervisor for the training and daily supervision of the employee(s) that perform this inspection and to see to it that the completed inspection forms are turned in to the Electric Operations Manager. It is the responsibility of the Electric Operations Manager to see that the inspections are done according to schedule and that the completed inspection forms are maintained on file for ten years. The Operations Manager will review the completed

HEARING EXHIBIT - 00000235

inspection forms and submit the information to the Division Engineering Manager for preparing the paperwork to correct problems found. The Operations Manager and Line Supervisor will be responsible for scheduling corrections are made.

(Cutshaw)

38. Please state the dollar amount on an annual basis that FPUC has spent on its current wood pole inspection program for the last four (4) years.

Response

For this rate proceeding, the company included $219,833 in the over and above expenses for pole inspections. This included provisions for a contractor to perform the inspections and an additional employee to handle the inspections and other storm hardening activities. As shown above in Question #37, the current pole inspection program includes a variety of other items and does not meet the standards established in the new pole inspection procedure. The new inspection procedure is much more detailed and focused on the integrity of the pole and re-treatment after the inspection. Previous pole inspections were performed by company employees with expenses included in operating accounts that had no provision for the tracking of expenses. The actual costs of these can not be determined. However, these expenses for company employees will continue for other type of operations activities.

(Cutshaw)

39. Please state the number of wooden transmission structures that FPUC has in its Northeast Division.

Response

HEARING EXHIBIT - 00000236

As stated in the transmission pole replacement plan, there are 190 wood transmission structures. A detailed list of this data is included in Mark Cutshaw's Rebuttal Testimony Exhibit #MCR-3.

(Cutshaw)

40. Please provide a detailed description of FPUC's current wooden transmission structure inspection program.

Response

The current procedure is shown below.

SUBJECT: Transmission System Inspection

PURPOSE: A complete transmission system inspection will be performed in such a manner that all facilities are inspected annually.

PROCEDURE:

I. The inspection will be utilized to check all poles, equipment and conductors for deterioration, code violations, etc. The inspection will include but not be limited to the following conditions:

A. Deteriorated poles, X-arms, platforms.
B. Broken ground wires.
C. Blown arresters.
D. Leaking oil filled equipment.
E. Low conductors.
F. Conductors over buildings, signs, etc.
G. Any unsafe condition.
H. Bad tree conditions.

II. The inspection will be conducted on the entire transmission system each year.

III. Responsibilities:

The Electric Operations Manager will be responsible for maintaining records and preparing paperwork required to correct problems found during the inspections and will be responsible for the scheduling and performing the inspection and correcting problems found.

HEARING EXHIBIT - 00000237

(Cutshaw)

41. Please state the service life for each of the wooden transmission structures in FPUC's Northeast Division.

Response

The in service dates of all wood transmission structures is included in Mark Cutshaw's Rebuttal Testimony Exhibit MCR-3.

(Cutshaw)

42. What is the average cost of the wooden transmission structures in FPUC's Northeast Division?

Response

An evaluation was performed for wood transmission structures in the Northeast Florida Division which revealed an average cost of $4,178.38 per pole. The range of cost varied based on location and when the installation occurred. The range of cost was from $1,129.84 (1975) to $15,368.92 (2005) which appeared to increase significantly over time.

(Cutshaw)

43. What is the cost of each concrete pole which is proposed to replace FPUC's existing wooden transmission structures?

Response

HEARING EXHIBIT - 00000238

Information on this has been provided in Mark Cutshaw's Rebuttal Testimony in Exhibits #MCR- 2 (Plan overview), #MCR-5 (Pole Purchase - $5717.10 per pole including tax) and #MCR-6 (Installation Cost - $17,500 - $20,177 per pole).

(Cutshaw)

HEARING EXHIBIT - 00000239

AFFIDAVIT

STATE OF FLORIDA)

COUNTY OF NASSAU)

I hereby certify that on this 1st day of February, 2008, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared P. Mark Cutshaw, who is personally known to me, and he/she acknowledged before me that he/she provided the answers to interrogatory number(s) 29 -43 from STAFF'S SIXTH SET OF INTERROGATORIES TO FLORIDA PUBLIC UTILITIES COMPANY (NOS. 29 - 43) in Docket Nos. 070300-EI and 070304-EI, and that the responses are true and correct based on his/her personal knowledge.

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 1st day of February, 2008.

RENA M. WILLIAMS
Comm# DD0647942
Expires 3/7/2011
Florida Notary Assn., Inc

Rena M Williams
Notary Public
State of Florida, at Large

My Commission Expires:
3/7/2011

HEARING EXHIBIT - 00000240

4

FPUC's Response to Staff's Seventh Set of Interrogatories (Nos. 44-93)

HEARING EXHIBIT - 00000241

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Review of 2007 Electric Infrastructure Storm Hardening Plan filed pursuant to Rule 25-6.0342, F.A.C., submitted by Florida Public Utilities Company	)	Docket No.: 070300-EI
In re: Petition for rate increase by Florida Public Utilities Company	)	Docket No. 070304-EI

FLORIDA PUBLIC UTILITIES COMPANY'S RESPONSES TO FPSC STAFF'S SEVENTH SET OF INTERROGATORIES (NOS. 44-93)

COMES NOW, Florida Public Utilities Company ("FPUC") and in response to FPSC Staff's Seventh Set of Interrogatories (No. 44-93) states as follows:

INTERROGATORIES

44. In its Plan, FPUC asserts that its construction standards meet or exceed the National Electrical Safety Code (NESC). How does FPUC verify that, at a minimum, it has complied with the 2007 NESC?

FPUC'S RESPONSE: See attached.

45. For each of the following, please provide a list of each proposed change to FPUC's current construction standards, policies, practices and procedures contained in its Storm Hardening Plan:

A. New distribution facilities;

B. Major planned expansion, rebuild, or relocation of distribution facilities;

C. Critical infrastructure and major thoroughfares.

FPUC'S RESPONSE: See attached.

HEARING EXHIBIT - 00000242

46. For each of the following, please list the specific efforts that are being made by FPUC to gather and assess information to ensure that it has implemented the most cost-effective EWL standard considering storm restoration costs and storm-caused outages:

A. New distribution facilities;

B. Major planned expansion, rebuild, or relocation of distribution facilities;

C. Critical infrastructure and major thoroughfares.

FPUC'S RESPONSE: See attached.

47. How does FPUC differentiate with respect to construction standard practices and costs between storm hardening and its daily operations?

FPUC'S RESPONSE: See attached.

48a. How does FPUC differentiate between storm hardening construction standard practices and its daily operations?

FPUC'S RESPONSE: See attached.

48b. How does FPUC differentiate between costs incurred for storm hardening and daily operations?

FPUC'S RESPONSE: See attached.

49. Please describe the process or methodology used by FPUC to measure the percentage of storm hardening on a project-by-project basis.

FPUC'S RESPONSE: See attached.

50. What percentage of FPUC's total distribution system on a mile basis is considered critical infrastructure?

FPUC'S RESPONSE: See attached.

HEARING EXHIBIT - 00000243

51. What percentage of FPUC's total distribution system on a plant-in-service basis is considered critical infrastructure?

FPUC'S RESPONSE: See attached.

52. What percentage of FPUC's total critical infrastructure on a mile basis requires storm hardening?

FPUC'S RESPONSE: See attached.

53. What percentage of FPUC's total critical infrastructure on a plant-in-service basis requires storm hardening?

FPUC'S RESPONSE: See attached.

54. What percentage of FPUC's total critical infrastructure on a mile basis will be hardened each year during 2008, 2009 and 2010?

FPUC'S RESPONSE: See attached.

55. What percentage of FPUC's total critical infrastructure on a plant-in-service basis will be hardened each year during 2008, 2009 and 2010?

FPUC'S RESPONSE: See attached.

56. Please identify all storm hardening projects located in areas FPUC believes are prone to storm surge and flooding.

FPUC'S RESPONSE: See attached.

57. What are the costs or estimated costs for each site in which FPUC has determined that underground equipment should be replaced with overhead equipment?

FPUC'S RESPONSE: See attached.

HEARING EXHIBIT - 00000244

58. What is the estimated reduction in storm restoration costs for each site in which FPUC has determined that underground equipment should be replaced with overhead equipment?

FPUC'S RESPONSE: See attached.

59. What is the estimated reduction in customer outages for each site in which FPUC has determined that underground equipment should be replaced with overhead equipment?

FPUC'S RESPONSE: See attached.

60. Please list the costs or estimated costs to third-party attachers for each site in which FPUC has determined that underground equipment should be replaced with overhead equipment.

FPUC'S RESPONSE: See attached.

61. Please list the benefits to third-party attachers for each site in which FPUC has determined that underground equipment should be replaced with overhead equipment.

FPUC'S RESPONSE: See attached.

62. How has FPUC mitigated flood and storm surge damage to underground distribution facilities when developers, communities, governmental agencies, or homeowners request underground distribution facilities in the Company's flood and storm surge prone areas?

FPUC'S RESPONSE: See attached.

63. Provide a list of changes to FPUC's current construction standards, policies, practices and procedures contained in its Strom Hardening Plan. For each change identified, please state the scope of each change, the cost of each change, and the corresponding effect of reducing storm restoration costs and outage times and how cost-effectiveness is determined.

FPUC'S RESPONSE: See attached.

HEARING EXHIBIT - 00000245

64. Please describe FPUC's current policy regarding placement of new and replacement facilities, and identify where that policy is described in FPUC's Storm Hardening Plan.

FPUC'S RESPONSE: See attached.

65. What quantitative criteria are used by FPUC to evaluate opportunities to relocate rear lot facilities?

FPUC'S RESPONSE: See attached.

66. Please describe the procedure used by FPUC to coordinate relocation of storm-damaged facilities with third-party attachers and customers.

FPUC'S RESPONSE: See attached.

67. What qualitative criteria are used to evaluate opportunities to relocate rear lot facilities?

FPUC'S RESPONSE: See attached.

68. Please provide a list of each geographic site where FPUC plans to implement storm hardening activities during the years 2008 through 2010.

FPUC'S RESPONSE: See attached.

69. For each site listed in response to Interrogatory No. 68, please state the scope of the storm hardening activity, the estimated investment costs, estimated operational expenses, estimated storm restoration costs savings, estimated reduction in storm-caused outages, and the criteria FPUC used to select the site for storm hardening.

FPUC'S RESPONSE: See attached.

HEARING EXHIBIT - 00000246

70. Please describe the process that FPUC used to determine and schedule which communities would receive electric infrastructure improvements.

FPUC'S RESPONSE: See attached.

71. What is FPUC's definition of critical infrastructure facilities?

FPUC'S RESPONSE: See attached.

72. What is FPUC's definition of major thoroughfares?

FPUC'S RESPONSE: See attached.

73. Please describe the process used by FPUC to coordinate the selection of critical infrastructure and major thoroughfares with governmental agencies, companies, municipalities, or local communities.

FPUC'S RESPONSE: See attached.

74. Please identify each governmental agency, company, municipality, or local community, if any, that FPUC coordinated with to determine the selection of critical infrastructure and major thoroughfares.

FPUC'S RESPONSE: See attached.

75. If the response to Interrogatory 74 is "none," please provide an explanation as to why FPUC has not coordinated the selection of critical infrastructure and major thoroughfares with governmental agencies, companies, municipalities, or local communities.

FPUC'S RESPONSE: See attached.

76. Please provide FPUC's estimated costs and benefits for each of its storm hardening activities for the years 2008 through 2010.

FPUC'S RESPONSE: See attached.

HEARING EXHIBIT - 00000247

77. Please describe the process and metrics FPUC uses to ensure that cost control, reduction of storm restoration costs, and reduction in storm outages are achieved.

FPUC'S RESPONSE: See attached.

78. Please describe the method or criteria that FPUC used to determine that its level of underground facility installations is appropriate. Please include in your response all estimates of costs and benefits to FPUC.

FPUC'S RESPONSE: See attached.

79. Please identify all specific assumptions third-party attachers should use in estimating cost impacts from FPUC's Plan for each year from 2008 through 2010.

FPUC'S RESPONSE: See attached.

80. Please identify all specific assumptions third-party attachers should use in estimating benefits accruing from the implementation of FPUC's Plan for each year from 2008 through 2010.

FPUC'S RESPONSE: See attached.

81. Please provide the total number of joint use poles that FPUC's Plan will impact for each year from 2008 through 2010.

FPUC'S RESPONSE: See attached.

82. Please state the estimated number or percentage of joint use poles that will be impacted by FPUC's Plan for each third-party attacher for each year from 2008 through 2010.

FPUC'S RESPONSE: See attached.

83. Please identify the incremental hardening costs for each year from 2008 through 2010, which will be attributable to third-party attachers.

FPUC'S RESPONSE: See attached.

HEARING EXHIBIT - 00000248

84. Please identify the proportion of incremental hardening costs attributed to third-party attachers that are perceived to be PSC mandated.

FPUC'S RESPONSE: See attached.

85. For each circumstance where costs are attributed to third-party attachers, please describe the methodology that will be used by FPUC to assign cost among the third-party attachers.

FPUC'S RESPONSE: See attached.

86. Please describe the process that FPUC will use to notify third-party attachers of the schedule when a pole is being storm-hardened.

FPUC'S RESPONSE: See attached.

87. Please describe the process that FPUC will use to determine each third-party attachers' share of the costs when a pole is being storm-hardened.

FPUC'S RESPONSE: See attached.

88. Please provide FPUC's estimated reduction in storm restoration costs and customer outages for each of its storm hardening activities for the years 2008 through 2010.

FPUC'S RESPONSE: See attached.

89. Please describe the process and metrics used by FPUC to ensure that total program cost control, reduction of storm restoration costs, and reduction in storm outages are achieved.

FPUC'S RESPONSE: See attached.

90. Please provide the change in storm restoration costs and customer outages for each storm hardening project for the years 2008 through 2010.

FPUC'S RESPONSE: See attached.

HEARING EXHIBIT - 00000249

91. Please describe the process and metrics used by FPUC to ensure that cost control, reduction of storm restoration costs, and reduction in storm outages are achieved.

FPUC'S RESPONSE: See attached.

92. Please provide the estimated costs, reduction in storm restoration costs, and customer outages associated with implementing an EWL standard consistent with NESC Figure 250(d).

FPUC'S RESPONSE: See attached.

93. Please explain how FPUC proposes to determine when a more substantive increase in promotion of underground facilities is supported due to the reduction of storm restoration costs and reduced customer outages.

FPUC'S RESPONSE: See attached.

Respectfully submitted this 11th day of February, 2008.

Norman H. Horton, Jr.
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P.O. Box 15579
Tallahassee, FL 32317
(850) 222-0720

Attorneys for Florida Public Utilities Company

HEARING EXHIBIT - 00000250

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Review of 2007 Electric Infrastructure Storm Hardening Plan filed pursuant to Rule 25-6.0342, F.A.C., submitted by Florida Public Utilities Company	)	Docket No. 070300-EI
In re: Petition for rate increase by Florida Public Utilities Company	)	Docket No. 070304-EI Date filed: February 11, 2008

FLORIDA PUBLIC UTILITIES COMPANY'S NOTICE OF SERVICE OF RESPONSES TO FPSC STAFF'S SEVENTH SET OF INTERROGATORIES (NOS. 44-93) AND FPSC STAFF'S EIGHTH SET OF INTERROGTORIES (NOS. 94-101)

Florida Public Utilities Company ("FPUC") by and through its undersigned counsel, hereby files and serves Notice that it has served its Responses to FPSC Staff's Seventh Set of Interrogatories (Nos. 44-93) and FPSC Staff's Eighth Set of Interrogatories (Nos. 94-101) by hand delivery on Martha C. Brown, Esq., Office of General Counsel, Florida Public Service Commission, 2540 Shumard Oaks Blvd., Tallahassee, FL 32399-0850 on this 11th day of February, 2008.

NORMAN H. HORTON, JR.
MESSER, CAPARELLO & SELF, P. A.
Post Office Box 15579
Tallahassee, FL 32317
(850) 222-0720

Attorneys for Florida Public Utilities Company

HEARING EXHIBIT - 00000251

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that true and correct copies of the foregoing have been served by Hand Delivery(*) and/or U. S. Mail this 11th day of February, 2008 upon the following:

Martha Brown, Esq.*
Katherine Fleming, Esq.
Office of General Counsel
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

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Tallahassee, FL 32399-1400

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NORMAN H. HORTON, JR.

HEARING EXHIBIT - 00000252

FLORIDA PUBLIC UTILITIES COMPANY RESPONSES
TO
STAFF'S SEVENTH SET OF INTERROGATORIES TO
FLORIDA PUBLIC UTILITIES COMPANY (NOS. 44 - 93)

INTERROGATORIES

44. In its Plan, FPUC asserts that its construction standards meet or exceed the National Electrical Safety Code (NESC). How does FPUC verify that, at a minimum, it has complied with the 2007 NESC?

Response

FPUC has consistently used construction specifications for many years and reviews them to ensure they meet the current NESC requirements. If changes occur, these changes are incorporated into the construction specifications and methods to ensure compliance. FPUC uses a combination of Grade B and Grade C construction specifications, dependent upon the location, in an effort to meet or exceed the NESC requirements. FPUC has recently purchased the Pole Foreman software that complies with the 2007 NESC requirements and will be used in conjunction with pole inspections, construction specifications and the addition of third party attachments to ensure compliance. (Cutshaw)

HEARING EXHIBIT - 00000253

45. For each of the following, please provide a list of each proposed change to FPUC's current construction standards, policies, practices and procedures contained in its Storm Hardening Plan:

A. New distribution facilities;

B. Major planned expansion, rebuild, or relocation of distribution facilities;

C. Critical infrastructure and major thoroughfares.

Response

FPUC has proposed no changes in the current specifications for work performed on the items shown in A, B and C when minor or routine work is performed on any of these. However, as storm hardening projects are performed for the items shown in A, B and C, the Extreme Wind Loading Criteria contained in the 2007 NESC will be included in the construction specifications. The EWL construction specifications will be confirmed using the Pole Foreman software to ensure these construction specifications meet the EWL requirements that will be specific to the project requirements and location. The Company has also proposed in the storm hardening plan the replacement of wood 69 KV transmission structures with concrete poles designed to comply with the EWL standards. (Cutshaw)

HEARING EXHIBIT - 00000254

46. For each of the following, please list the specific efforts that are being made by FPUC to gather and assess information to ensure that it has implemented the most cost-effective EWL standard considering storm restoration costs and storm-caused outages:

A. New distribution facilities;

B. Major planned expansion, rebuild, or relocation of distribution facilities;

C. Critical infrastructure and major thoroughfares.

Response

For the items shown above, FPUC has concerns that implementation of the EWL criteria may not be cost effective in all situations. Based upon typical damage experienced in previous storms that involved tornadoes, trees and wind blown debris, the EWL criteria may not avoid this type of damage. However, FPUC has purchased the Pole Foreman software to be used in the design of EWL projects to ensure compliance without unnecessarily overbuilding to meet these requirements. This will ensure compliance without excessive expenditures. Other efforts involve review of company projects, communication with third party attachers, reviewing related utility literature and review of projects completed by other companies to gather best practices that can be used in future projects. Also, since of the projects will be completed by contractors, bids have been received and will continue to be solicited in order to ensure reasonable construction cost for projects. (Cutshaw)

HEARING EXHIBIT - 00000255

47. How does FPUC differentiate with respect to construction standard practices and costs between storm hardening and its daily operations?

Response

Construction standard practices as currently used which utilizes Grade B and Grade C standards will continue to be employed for minor construction or replacement construction. As specified in the storm hardening plan, construction standards for specific overhead and underground storm hardening projects will utilize EWL or storm surge mitigation for specific construction projects in order to provide for future evaluation of these projects. (Cutshaw)

48a. How does FPUC differentiate between storm hardening construction standard practices and its daily operations?

Response

See response to Question #47.

(Cutshaw)

48b. How does FPUC differentiate between costs incurred for storm hardening and daily operations?

Response

After storm hardening projects are completed, FPUC will be able to compare cost for storm hardening projects compared to normal daily operations. Currently the storm hardening activities have been limited and differentiation between the two is not available. (Cutshaw)

HEARING EXHIBIT - 00000256

49. Please describe the process or methodology used by FPUC to measure the percentage of storm hardening on a project-by-project basis.

Response

Since FPUC does not have the data to adequately evaluate storm hardening projects, the Company has identified specific projects in the Storm Hardening Plan that will be constructed utilizing EWL specifications on 100% of these projects. Completion of these projects will allow the Company to compare these to current construction methods in order to evaluate these projects in the future. (Cutshaw)

50. What percentage of FPUC's total distribution system on a mile basis is considered critical infrastructure?

Response

Northeast Florida Division:

The distribution circuits that provide electric service to critical infrastructure are approximately 3.8% of the total distribution miles. This includes approximately 7.5 miles of feeder lines that serve our critical loads such as the Nassau Baptist Hospital, nursing homes, police and fire facilities, emergency management office, water and waste water plants and FPUC operating properties.

Northwest Florida Division:

The distribution circuits that provide electric service to critical infrastructure are approximately 0.12% of the total distribution miles. This includes approximately 7.5 miles of feeder lines that serve our critical loads such as the Jackson Hospital, nursing homes, police and fire facilities, emergency management office, water and waste water plants, federal prison and FPUC operating properties. (Cutshaw)

HEARING EXHIBIT - 00000257

51. What percentage of FPUC's total distribution system on a plant-in-service basis is considered critical infrastructure?

Response

The distribution system that provides electric service to critical infrastructure represents approximately 3.8% of plant-in-service totals for the Northeast Florida Division. The distribution system that provides electric service to critical infrastructure represents approximately 0.12% of plant-in-service totals for the Northwest Florida Division. (Cutshaw)

52. What percentage of FPUC's total critical infrastructure on a mile basis requires storm hardening?

Response

Based upon previous storm damage and winds experienced during storms, it appears that the Grade B construction standards, which provides for effective winds in excess of 115 mph, has performed adequately. This indicates that storm hardening of critical infrastructure is not required based on previous performance. However, completion of specific storm hardening projects as included in the storm hardening plan will allow a comparison to current Grade B construction standards. FPUC will perform specific storm hardening projects in order to allow for future evaluation of the storm hardening benefits. At this time, FPUC does not have the data to evaluate what benefits are available when storm hardening is employed. (Cutshaw)

53. What percentage of FPUC's total critical infrastructure on a plant-in-service basis requires storm hardening?

Response

See response to Question #52. (Cutshaw)

HEARING EXHIBIT - 00000258

54. What percentage of FPUC's total critical infrastructure on a mile basis will be hardened each year during 2008, 2009 and 2010?

Response

Northeast Florida Division:

As detailed in the Storm Hardening Plan, the percentage of total critical infrastructure miles being hardened during 2008 and 2009 will be 12.5% and 6.25%, respectively. Specific projects for 2010 have not yet been identified but will be included in the next storm hardening plan.

Northwest Florida Division:

As detailed in the Storm Hardening Plan, the percentage of total critical infrastructure miles being hardened during 2008 and 2009 will be 18.6% and 20.0%, respectively. Specific projects for 2010 have not yet been identified but will be included in the next storm hardening plan. (Cutshaw)

55. What percentage of FPUC's total critical infrastructure on a plant-in-service basis will be hardened each year during 2008, 2009 and 2010?

Response

Northeast Florida Division:

The percentage of total critical infrastructure plant in service being hardened during 2008 and 2009 will be 12.5% and 6.25%, respectively. Specific projects for 2010 have not yet been identified but will be included in the next storm hardening plan.

Northwest Florida Division:

HEARING EXHIBIT - 00000259

The percentage of total critical infrastructure plant in service being hardened during 2008 and 2009 will be 18.6% and 20.0%, respectively. Specific projects for 2010 have not yet been identified but will be included in the next storm hardening plan. (Cutshaw)

56. Please identify all storm hardening projects located in areas FPUC believes are prone to storm surge and flooding.

Response

FPUC has not specifically identified storm hardening projects for areas prone to storm surge or flooding. However, there are two areas that may be prone to storm surge and flooding. One area is located along the eastern coast of Amelia Island in the Northeast Florida Division and one in the Apalachicola River Basin located between Bristol and Blountstown in the Northwest Florida Division. Current construction practices do employ techniques such as securing concrete pads, transformer/switchgear locations blocked by buildings and storm guys that are used in these areas. (Cutshaw)

57. What are the costs or estimated costs for each site in which FPUC has determined that underground equipment should be replaced with overhead equipment?

Response

No areas have been identified in which underground equipment should be replaced with overhead equipment. (Cutshaw)

58. What is the estimated reduction in storm restoration costs for each site in which FPUC has determined that underground equipment should be replaced with overhead equipment?

Response

No areas have been identified in which underground equipment should be replaced with overhead equipment. (Cutshaw)

HEARING EXHIBIT - 00000260

59. What is the estimated reduction in customer outages for each site in which FPUC has determined that underground equipment should be replaced with overhead equipment?

Response

No areas have been identified in which underground equipment should be replaced with overhead equipment. (Cutshaw)

60. Please list the costs or estimated costs to third-party attachers for each site in which FPUC has determined that underground equipment should be replaced with overhead equipment.

Response

No areas have been identified in which underground equipment should be replaced with overhead equipment. (Cutshaw)

61. Please list the benefits to third-party attachers for each site in which FPUC has determined that underground equipment should be replaced with overhead equipment.

Response

No areas have been identified in which underground equipment should be replaced with overhead equipment. (Cutshaw)

62. How has FPUC mitigated flood and storm surge damage to underground distribution facilities when developers, communities, governmental agencies, or homeowners request underground distribution facilities in the Company's flood and storm surge prone areas?

Response

FPUC cooperates with entities that request underground service in flood or storm surge prone areas in accordance with standard procedures. Construction is completed in accordance with standard construction practices. The entities are also responsible for the normal CIAC payment based on the installation. The current construction practices and

HEARING EXHIBIT - 00000261

storm hardening standards employed during installation include transformers/switching cabinets with stainless steel cabinets, cable placed in conduit and directionally bored when practical, transformer/switching cabinets installed on concrete pads with a two foot stabilization foundation on each corner of the pad and strategically locating the equipment. (Cutshaw)

63. Provide a list of changes to FPUC's current construction standards, policies, practices and procedures contained in its Storm Hardening Plan. For each change identified, please state the scope of each change, the cost of each change, and the corresponding effect of reducing storm restoration costs and outage times and how cost-effectiveness is determined.

Response

The currently proposed changes from current construction standards to storm hardening standards are limited to the type of pole used in the construction. The Company has purchased Pole Foreman software to assist in the proper design of poles used in conjunction with the storm hardening projects. Since the activity in this area is very limited, the information regarding cost, storm restoration cost, outage times and cost effectiveness has not yet been determined. (Cutshaw)

64. Please describe FPUC's current policy regarding placement of new and replacement facilities, and identify where that policy is described in FPUC's Storm Hardening Plan.

Response

The current policy for the placement of new or replacement facilities is to locate all facilities on public rights of way or private easements that allow reasonable access to company facilities. This information is located in Section 5.0 of the Storm Hardening Plan. (Cutshaw)

HEARING EXHIBIT - 00000262

65. What quantitative criteria are used by FPUC to evaluate opportunities to relocate rear lot facilities?

Response

The amount of rear lot line facilities is estimated at less than 1% of the total system. Approximately half of this is underground distribution facilities that are much more accessible than the overhead facilities. At this time, the cost and benefits combined with the impact to customer property does not justify addressing these issues. (Cutshaw)

66. Please describe the procedure used by FPUC to coordinate relocation of storm-damaged facilities with third-party attachers and customers.

Response

When storm damage occurs, FPUC restores the system using the same construction standards and location in order to expedite repairs and restore service as quickly as possible. This also allows customer and third party attachers to make repairs in the most cost effective manner while minimizing the requirement for coordination of work. (Cutshaw)

67. What qualitative criteria are used to evaluate opportunities to relocate rear lot facilities?

Response

The amount of rear lot line facilities is estimated at less than 1% of the total system. Approximately half of this is underground distribution facilities that are much more accessible than the overhead facilities. At this time, the cost and benefits combined with the impact to customer property does not justify addressing these issues. (Cutshaw)

HEARING EXHIBIT - 00000263

68. Please provide a list of each geographic site where FPUC plans to implement storm hardening activities during the years 2008 through 2010.

Response

2008	Division	Critical Load	Location
	Northwest	Sewer Treatment	Marianna
	Northeast	Hospital	Fernandina Beach

2009	Division	Critical Load	Location
	Northwest	Prison/H.S. Shelter	Marianna
	Northeast	Sewer Treatment	Fernandina Beach

Selection of projects to be included in the 2010 Storm Hardening Plan has not been completed.

(Cutshaw)

69. For each site listed in response to Interrogatory No. 68, please state the scope of the storm hardening activity, the estimated investment costs, estimated operational expenses, estimated storm restoration costs savings, estimated reduction in storm-caused outages, and the criteria FPUC used to select the site for storm hardening.

Response

Below are shown the project and associated cost of those proposed in the current 2007 Storm Hardening Plan. The specific projects for 2010 have not yet been identified. Based on the Company concern over the cost effectiveness of the storm hardening requirements, FPUC selected critical infrastructure that was located close to substations. This allowed for minimizing the total cost of the project, provided for an opportunity to evaluate storm hardening projects and improving the infrastructure to sewer treatment plants, hospitals, storm shelters and a federal prison. Each project will involve reconstruction of the distribution feeder to the facility using EWL criteria as a basis for

HEARING EXHIBIT - 00000264

the installation of poles. At this time changes in operational expense, storm restoration cost and storm-caused outages is not available.

2008	Division	Critical Load	Feeder	Miles	Estimated Cost
	Northwest	Sewer Treatment	#9992	1.1	$141,600
	Northeast	Hospital	#209	1.2	$154,500
2009	Division	Critical Load	Feeder	Miles	Estimated Cost
	Northwest	Prison/H.S. Shelter	#9932	3.2	$424,360
	Northeast	Sewer Treatment	#214	0.6	$79,600

(Cutshaw)

70. Please describe the process that FPUC used to determine and schedule which communities would receive electric infrastructure improvements.

Response

Due to the relatively small service area, possible selections were easily obtained and prioritized. Based on the Company concern over the cost effectiveness of the storm hardening requirements, FPUC selected critical infrastructure that was located close to substations. This allowed for minimizing the total cost of the project, provided for an opportunity to evaluate storm hardening projects and improving the infrastructure to sewer treatment plants, hospitals, storm shelters and a federal prison. (Cutshaw)

71. What is FPUC's definition of critical infrastructure facilities?

Response

Critical infrastructure facilities are identified as those contributing to the safety and welfare of the general public during emergency situations. This includes hospitals, emergency shelters, water plants and sewer treatment plants. Consideration is also given to governmental agencies such as Emergency Operations Centers, Police Departments and Fire Departments as well as critical communications facilities. (Cutshaw)

HEARING EXHIBIT - 00000265

72. What is FPUC's definition of major thoroughfares?

Response

Major thoroughfares are state and federal highways used as evacuation routes, interstates highways or four lane highways that are necessary for the safe and efficient restoration effort. (Cutshaw)

73. Please describe the process used by FPUC to coordinate the selection of critical infrastructure and major thoroughfares with governmental agencies, companies, municipalities, or local communities.

Response

As mentioned in Question #70, the small service area and the selection of lower cost projects limited the number of projects that were originally identified. Based on this selection criterion, governmental agencies were not involved in the selection process. The Company will request input for additional projects based on the successful completion of the initial list of projects. (Cutshaw)

74. Please identify each governmental agency, company, municipality, or local community, if any, that FPUC coordinated with to determine the selection of critical infrastructure and major thoroughfares.

Response

See response to Question #73. (Cutshaw)

75. If the response to Interrogatory 74 is "none," please provide an explanation as to why FPUC has not coordinated the selection of critical infrastructure and major thoroughfares with governmental agencies, companies, municipalities, or local communities.

Response

See response to Question #73. (Cutshaw)

HEARING EXHIBIT - 00000266

76. Please provide FPUC's estimated costs and benefits for each of its storm hardening activities for the years 2008 through 2010.

Response

Below are shown the estimated cost for storm hardening activities included in the 2007 storm hardening plan. Estimates for 2010 have not yet been completed and will be based upon approvals obtained in this proceeding. As previously stated, the company does not have the data or storm related experience required to determine the benefits of each activity.

Description	2007	2008	2009	Comments
Pole Inspections	$220,000	$227,000	$233,000	3050 poles/year
Vegetation Management	$352,000	$363,000	$374,000	
Joint Use Audits	$21,000	$21,500	$22,000	
Transmission Inspections	$18,000	$18,500	$19,000	
Trans. Storm Hardening	$0	$285,950	$300,000	
GIS		$200,000	$4,000	$4,000
Post Storm Forensics	Unknown	Unknown	Unknown	Dependant on Storm
OH/UG Data	N/A	N/A	N/A	No Incremental Cost
Coordination Local Govt.	$10,000	$10,000	$10,000	
Collaborative Research	$10,000	$10,000	$10,000	
Disaster Preparedness	N/A	N/A	N/A	No Incremental Cost
Extreme Wind Loading	$62,500	$296,000	$503,960	Distribution Upgrade

Cutshaw)

77. Please describe the process and metrics FPUC uses to ensure that cost control, reduction of storm restoration costs, and reduction in storm outages are achieved.

Response

All storm hardening projects and activities will be tracked using specific account numbers in the future that will allow the ability to track cost associated with these activities. The completion of projects and activities will also be developed in such as manner as to ensure costs associated with the projects are reasonable while meeting all

HEARING EXHIBIT - 00000267

construction criteria. These items will allow for future analysis of storm restoration cost and storm outages that is not currently available. Cutshaw)

78. Please describe the method or criteria that FPUC used to determine that its level of underground facility installations is appropriate. Please include in your response all estimates of costs and benefits to FPUC.

Response

Based upon previous reliability of the underground systems in place, the Company is continuing to refine the installation techniques and make modifications to facilities in which outages have occurred in order to ensure reliable systems are installed. The estimates of cost have not changed significantly based on modifications and information on the benefits is not available. (Cutshaw)

79. Please identify all specific assumptions third-party attachers should use in estimating cost impacts from FPUC's Plan for each year from 2008 through 2010.

Response

FPUC has identified all storm hardening projects to third party attachers as contained in the storm hardening plan. Communication with third party attachers is continuing and has resulted in additional project route information being provided for the 2008 projects included. The Company has also agreed to participate in the stipulation agreements for the overlashing issues and the process to engage third parties which should assure information is available to all parties. Additional information and assumptions regarding costs needed by third party attachers is unknown at this time. (Cutshaw)

HEARING EXHIBIT - 00000268

80. Please identify all specific assumptions third-party attachers should use in estimating benefits accruing from the implementation of FPUC's Plan for each year from 2008 through 2010.

Response

FPUC has identified all storm hardening projects to third party attachers as contained in the storm hardening plan. Communication with third party attachers is continuing and has resulted in additional project route information being provided for the 2008 projects included. The Company has also agreed to participate in the stipulation agreements for the overlashing issues and the process to engage third parties which will assure information is available to all parties. Additional information and assumptions regarding benefits needed by third party attachers is unknown at this. (Cutshaw)

81. Please provide the total number of joint use poles that FPUC's Plan will impact for each year from 2008 through 2010.

Response

The total number of joint use poles estimated in storm hardening projects in the Northeast Florida Division for 2008 and 2009 are 35 and 25, respectively. Projects for 2010 have not yet been selected but will be included in the next storm hardening plan. The total number of joint use poles estimated in storm hardening projects in the Northwest Florida Division for 2008 and 2009 are 42 and 31, respectively. Projects for 2010 have not yet been selected but will be included in the next storm hardening plan. (Cutshaw)

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HEARING EXHIBIT - 00000269

82. Please state the estimated number or percentage of joint use poles that will be impacted by FPUC's Plan for each third-party attacher for each year from 2008 through 2010.

Response

Northeast Florida Division:

The total number of joint use poles impacted in storm hardening projects for 2008 and 2009 are 35 and 25, respectively. The numbers of Bellsouth attachments are approximately 25 and 20, respectively, while the Comcast attachments are approximately 10 and 5, respectively. Projects for 2010 have not yet been selected but will be included in the next storm hardening plan.

Northwest Florida Division:

The total number of joint use poles impacted in storm hardening projects for 2008 and 2009 are 42 and 31, respectively. The numbers of Embarq attachments are approximately 21 and 28, respectively, while the Comcast attachments are approximately 28 and 6, respectively. Projects for 2010 have not yet been selected but will be included in the next storm hardening plan. (Cutshaw)

83. Please identify the incremental hardening costs for each year from 2008 through 2010, which will be attributable to third-party attachers.

Response

The incremental costs for third party attachers associated with storm hardening projects are limited to transfer of attachments to the new facilities. Unless unauthorized attachments are found during the project development, there will be no direct cost to third party attachers from FPUC. (Cutshaw)

HEARING EXHIBIT - 00000270

84. Please identify the proportion of incremental hardening costs attributed to third-party attachers that are perceived to be PSC mandated.

Response

There are no PSC mandated costs that will be the responsibility of third party attachers. The responsibility and costs to transfer attachments are contained within the specific joint use agreements with third party attachers. (Cutshaw)

85. For each circumstance where costs are attributed to third-party attachers, please describe the methodology that will be used by FPUC to assign cost among the third-party attachers.

Response

There will be no direct costs from FPUC assigned to third party attachers. Transfer cost of attachments is the responsibility of third party attachers. (Cutshaw)

86. Please describe the process that FPUC will use to notify third-party attachers of the schedule when a pole is being storm-hardened.

Response

FPUC and all third party attachers have entered into a "Process to Engage" stipulation agreement similar to those of the other investor owned electric utilities within the state. FPUC has also entered into an "Overlashing" stipulation and agreement with FCTA. (Cutshaw)

87. Please describe the process that FPUC will use to determine each third-party attachers' share of the costs when a pole is being storm-hardened.

Response

See response to Question #85. (Cutshaw)

HEARING EXHIBIT - 00000271

88. Please provide FPUC's estimated reduction in storm restoration costs and customer outages for each of its storm hardening activities for the years 2008 through 2010.

Response

As previously stated, the company does not have adequate data to provide an estimated reduction in storm restoration costs and customer outages. As the projects and activities are completed, information should be available to make the necessary assumptions and estimates of these savings. (Cutshaw)

89. Please describe the process and metrics used by FPUC to ensure that total program cost control, reduction of storm restoration costs, and reduction in storm outages are achieved.

Response

See response to Question #77. (Cutshaw)

90. Please provide the change in storm restoration costs and customer outages for each storm hardening project for the years 2008 through 2010.

Response

See response to Question #88. (Cutshaw)

91. Please describe the process and metrics used by FPUC to ensure that cost control, reduction of storm restoration costs, and reduction in storm outages are achieved.

Response

See response to Question #77. (Cutshaw)

HEARING EXHIBIT - 00000272

92. Please provide the estimated costs, reduction in storm restoration costs, and customer outages associated with implementing an EWL standard consistent with NESC Figure 250(d).

Response

All proposed storm hardening projects include the EWL standard. As stated in Question #88 and due to insufficient data and related outages from previous storms on which to base the reduction in storm restoration costs, this information can not be determined. (Cutshaw)

93. Please explain how FPUC proposes to determine when a more substantive increase in promotion of underground facilities is supported due to the reduction of storm restoration costs and reduced customer outages.

Response

Currently, FPUC is awaiting the results of the undergrounding study included in the Collaborative Research Project being conducted by PURC and electric utilities within the State of Florida. The results should provide additional meaningful information that can be used in determining when and how the promotion of undergrounding is justified. (Cutshaw)

HEARING EXHIBIT - 00000273

AFFIDAVIT

STATE OF FLORIDA)

COUNTY OF NASSAU)

I hereby certify that on this 8th day of February, 2008, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared P. Mark Cutshaw, who is personally known to me, and he/she acknowledged before me that he/she provided the answers to interrogatory number(s) 44 - 93 from STAFF'S SECOND SET OF INTERROGATORIES TO FLORIDA PUBLIC UTILITIES COMPANY (NOS. 44 - 93) in Docket Nos. 070300-EI and 070304-EI, and that the responses are true and correct based on his/her personal knowledge.

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 8th day of February, 2008.

LINDA J. GAMBLE
MY COMMISSION EXPIRES
January 30, 2011
#DD 634674
Bonded thru
Notary Public Underwriters
NOTARY PUBLIC, STATE OF FLORIDA

Linda J Gamble
Notary Public
State of Florida, at Large

My Commission Expires:
January 30, 2011

[redacted]

HEARING EXHIBIT - 00000274

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FPUC's Response to Staff's Eighth Set of Interrogatories (Nos. 94-101)

HEARING EXHIBIT - 00000275

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Review of 2007 Electric Infrastructure Storm Hardening Plan filed pursuant to Rule 25-6.0342, F.A.C., submitted by Florida Public Utilities Company	)	Docket No.: 070300-EI
In re: Petition for rate increase by Florida Public Utilities Company	)	Docket No. 070304-EI

FLORIDA PUBLIC UTILITIES COMPANY'S RESPONSES TO FPSC STAFF'S EIGHTH SET OF INTERROGATORIES (NOS. 94-101)

COMES NOW, Florida Public Utilities Company ("FPUC") and in response to FPSC Staff's Eighth Set of Interrogatories (No. 94-101) states as follows:

INTERROGATORIES

94. Please describe the company's efforts to notify and provide a detailed description of planned infrastructure hardening improvements affecting third-party attachers during the completion of its storm hardening plan. In your response, please indicate what input was received by third-party attachers.

FPUC'S RESPONSE: See attached.

95. Please describe any conference calls and meetings the company held with third-party attachers, to solicit and include their input to the development of FPUC's storm hardening plan. In your response, please state what input was received by third-party attachers.

FPUC'S RESPONSE: See attached.

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HEARING EXHIBIT - 00000276

96. Please describe the company's efforts to solicit third-party attacher cost-benefit information and include it within the storm-hardening plan. In your response, please indicate what input was received by third-party attachers.

FPUC'S RESPONSE: See attached.

97. Please describe any additional efforts to solicit updated third-party cost/benefit information since the company filed its 2007-2009 storm hardening plan on July 3, 2007. In your response, please indicate what input was received by third-party attachers.

FPUC'S RESPONSE: See attached.

98. Please describe the company's efforts to solicit reduced restoration cost information from third-party attachers and include it within the storm hardening plan. In your response, please indicate what input was received by third-party attachers.

FPUC'S RESPONSE: See attached.

99. Please describe any additional efforts to solicit updated third-party reduced restoration cost information since the company filed its 2007-2009 storm hardening plan on July 3, 2007. In your response, please indicate what input was received by third-party attachers.

FPUC'S RESPONSE: See attached.

100. Please state whether the company agreed to stipulate to the Process to Engage Third Parties as an ongoing means of providing additional detailed infrastructure hardening information, and allowing third-party attacher input to FPUC's storm hardening plan?

FPUC'S RESPONSE: See attached.

HEARING EXHIBIT - 00000277

101. If not, please explain what FPUC plans to use in replacement of the Process to Engage Third Parties to provide additional detail and allow input from third-party attachers to FPUC's storm hardening plan.

FPUC'S RESPONSE: See attached.

Respectfully submitted this 11th day of February, 2008.

Norman H. Horton, Jr.
Messer, Caparello & Self, P.A.
P.O. Box 15579
Tallahassee, FL 32317
(850) 222-0720

Attorneys for Florida Public Utilities Company

HEARING EXHIBIT - 00000278

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Review of 2007 Electric Infrastructure Storm Hardening Plan filed pursuant to Rule 25-6.0342, F.A.C., submitted by Florida Public Utilities Company	)	Docket No. 070300-EI
In re: Petition for rate increase by Florida Public Utilities Company	)	Docket No. 070304-EI Date filed: February 11, 2008

FLORIDA PUBLIC UTILITIES COMPANY'S NOTICE OF SERVICE OF RESPONSES TO FPSC STAFF'S SEVENTH SET OF INTERROGATORIES (NOS. 44-93) AND FPSC STAFF'S EIGHTH SET OF INTERROGTORIES (NOS. 94-101)

Florida Public Utilities Company ("FPUC") by and through its undersigned counsel, hereby files and serves Notice that it has served its Responses to FPSC Staff's Seventh Set of Interrogatories (Nos. 44-93) and FPSC Staff's Eighth Set of Interrogatories (Nos. 94-101) by hand delivery on Martha C. Brown, Esq., Office of General Counsel, Florida Public Service Commission, 2540 Shumard Oaks Blvd., Tallahassee, FL 32399-0850 on this 11th day of February, 2008.

NORMAN H. HORTON, JR.
MESSER, CAPARELLO & SELF, P. A.
Post Office Box 15579
Tallahassee, FL 32317
(850) 222-0720

Attorneys for Florida Public Utilities Company

HEARING EXHIBIT - 00000279

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that true and correct copies of the foregoing have been served by Hand Delivery(*) and/or U. S. Mail this 11th day of February, 2008 upon the following:

Martha Brown, Esq.*
Katherine Fleming, Esq.
Office of General Counsel
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Patricia A. Christensen, Esq.
Office of the Public Counsel
c/o The Florida Legislature
111 West Madison St., Room 812
Tallahassee, FL 32399-1400

Jennifer S. Kay, Esq.
Tracy W. Hatch, Esq.
c/o Mr. Greg Follensbee
AT&T Florida
150 S. Monroe St., Suite 400
Tallahassee, FL 32301

Susan Masterton, Esq.
Embarq
1313 Blair Stone Road
Tallahassee, FL 32301

Beth Keating, Esq.
Akerman Law Firm
106 East College Avenue, Suite 1200
Tallahassee, FL 32301

Dave Konuch, Esq.
Florida Telecommunications Cable
Association, Inc.
246 East 6th Avenue
Tallahassee, FL 32303

NORMAN H. HORTON, JR.

HEARING EXHIBIT - 00000280

FLORIDA PUBLIC UTILITIES COMPANY RESPONSES
TO

STAFF'S EIGHTH SET OF INTERROGATORIES TO
FLORIDA PUBLIC UTILITIES COMPANY (NOS. 94 - 101)

INTERROGATORIES

94. Please describe the company's efforts to notify and provide a detailed description of planned infrastructure hardening improvements affecting third-party attachers during the completion of its storm hardening plan. In your response, please indicate what input was received by third-party attachers.

Response

During the development of the initial FPUC storm hardening plan, third party attachers were contacted after the storm hardening plan projects were selected. As stated by third party attachers, the initial plan did not contain sufficient information to allow them to provide input regarding the cost and benefits of the projects. After the initial plan was submitted, additional communication and information was provided on the location and routing of the projects have occurred. (Cutshaw)

95. Please describe any conference calls and meetings the company held with third-party attachers, to solicit and include their input to the development of FPUC's storm hardening plan. In your response, please state what input was received by third-party attachers.

Response

See response to Question #94. (Cutshaw)

HEARING EXHIBIT - 00000281

96. Please describe the company's efforts to solicit third-party attacher cost/benefit information and include it within the storm-hardening plan. In your response, please indicate what input was received by third-party attachers.

Response

See response to Question #94. (Cutshaw)

97. Please describe any additional efforts to solicit updated third-party cost/benefit information since the company filed its 2007-2009 storm hardening plan on July 3, 2007. In your response, please indicate what input was received by third-party attachers.

Response

Since the initial plan was submitted, additional information regarding the location and routing of projects was provided based upon meetings held with third party attachers. The third party attachers just recently received the information are currently reviewing this information in order to develop cost and benefit information. No additional information has been received as of this date. (Cutshaw)

98. Please describe the company's efforts to solicit reduced restoration cost information from third-party attachers and include it within the storm-hardening plan. In your response, please indicate what input was received by third-party attachers.

Response

FPUC submitted the Storm Plan to all third party attachers who stated that the details of the plan were not sufficient to provide information on reduced storm restoration cost. Based upon the late filing of the Storm Plan the time possible to solicit cost information was limited. (Cutshaw)

HEARING EXHIBIT - 00000282

99. Please describe any additional efforts to solicit updated third-party reduced restoration cost information since the company filed its 2007-2009 storm hardening plan on July 3, 2007. In your response, please indicate what input was received by third-party attachers.

Response

Since the initial plan was submitted, additional information regarding the location and routing of projects was provided based upon meetings held with third party attachers. The third party attachers just recently received the information are currently reviewing this information in order to develop cost and benefit information. No additional information has been received as of this date. (Cutshaw)

100. Please state whether the company agreed to stipulate to the Process to Engage Third Parties as an ongoing means of providing additional detailed infrastructure hardening information, and allowing third-party attacher input to FPUC's storm hardening plan?

Response

FPUC has agreed to and executed an agreement to stipulate to the Process to Engage Third Parties. (Cutshaw)

101. If not, please explain what FPUC plans to use in replacement of the Process to Engage Third Parties to provide additional detail and allow input from third-party attachers to FPUC's storm hardening plan.

Response

Not applicable. (Cutshaw)

HEARING EXHIBIT - 00000283

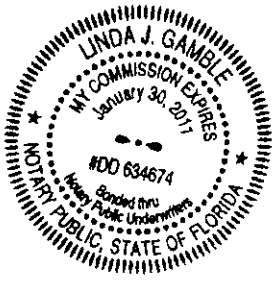
AFFIDAVIT

STATE OF FLORIDA)

COUNTY OF NASSAU)

I hereby certify that on this 8th day of February, 2008, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared P. Mark Cutshaw, who is personally known to me, and he/she acknowledged before me that he/she provided the answers to interrogatory number(s) 94 - 101 from STAFF'S EIGHTH SET OF INTERROGATORIES TO FLORIDA PUBLIC UTILITIES COMPANY (NOS. 94 - 101) in Docket Nos. 070300-EI and 070304-EI, and that the responses are true and correct based on his/her personal knowledge.

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 8th day of February, 2008.



Linda J Gamble
Notary Public
State of Florida, at Large

My Commission Expires:
January 30, 2011

HEARING EXHIBIT - 00000284

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FPUC's Response to Staff's Tenth Set of Interrogatories (Nos. 111-134)

HEARING EXHIBIT - 00000285

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Review of 2007 Electric Infrastructure Storm Hardening Plan filed pursuant to Rule 25-6.0342, F.A.C., submitted by Florida Public Utilities Company	)	Docket No. 070300-EI
In re: Petition for rate increase by Florida Public Utilities Company	)	Docket No. 070304-EI Date filed: February 18, 2008

FLORIDA PUBLIC UTILITIES COMPANY'S NOTICE OF SERVICE OF RESPONSES TO FPSC STAFF'S TENTH SET OF INTERROGATORIES (NOS. 111-134)

Florida Public Utilities Company ("FPUC") by and through its undersigned counsel, hereby files and serves Notice that it has served its Responses to FPSC Staff's Tenth Set of Interrogatories (Nos. 111-134) by hand delivery on Martha C. Brown, Esq., Office of General Counsel, Florida Public Service Commission, 2540 Shumard Oaks Blvd., Tallahassee, FL 32399-0850 on this 18th day of February, 2008.

NORMAN H. HORTON, JR.
MESSER, CAPARELLO & SELF, P. A.
Post Office Box 15579
Tallahassee, FL 32317
(850) 222-0720

Attorneys for Florida Public Utilities Company

HEARING EXHIBIT - 00000286

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that true and correct copies of the foregoing have been served by Hand Delivery (*) and/or U. S. Mail this 18th day of February, 2008 upon the following:

Martha Brown, Esq.*
Katherine Fleming, Esq.
Office of General Counsel
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Patricia A. Christensen, Esq.
Office of the Public Counsel
c/o The Florida Legislature
111 West Madison St., Room 812
Tallahassee, FL 32399-1400

Jennifer S. Kay, Esq.
Tracy W. Hatch, Esq.
c/o Mr. Greg Follensbee
AT&T Florida
150 S. Monroe St., Suite 400
Tallahassee, FL 32301

Susan Masterton, Esq.
Embarq
1313 Blair Stone Road
Tallahassee, FL 32301

Beth Keating, Esq.
Akerman Law Firm
106 East College Avenue, Suite 1200
Tallahassee, FL 32301

Dave Konuch, Esq.
Florida Telecommunications Cable
Association, Inc.
246 East 6th Avenue
Tallahassee, FL 32303

NORMAN H. HORTON, JR.

HEARING EXHIBIT - 00000287

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Review of 2007 Electric Infrastructure Storm Hardening Plan filed pursuant to Rule 25-6.0342, F.A.C., submitted by Florida Public Utilities Company	)	Docket No.: 070300-EI
In re: Petition for rate increase by Florida Public Utilities Company	)	Docket No. 070304-EI

FLORIDA PUBLIC UTILITIES COMPANY'S RESPONSES TO FPSC STAFF'S TENTH SET OF INTERROGATORIES (NOS. 111-134)

COMES NOW, Florida Public Utilities Company ("FPUC") and in response to FPSC Staff's Tenth Set of Interrogatories (No. 111-134) states as follows:

INTERROGATORIES

111. Please refer to page 10, lines 2 – 9 of witness Camfield's testimony. Is it witness Camfield's testimony that unless the Commission approves an authorized ROE of 11.5% in this proceeding, the Commission no longer offers a supportive regulatory environment?

FPUC'S RESPONSE: See attached.

112. Please refer to the discussion on pages 10 – 12 of witness Camfield's testimony. Provide specific examples of the "significant restructuring" that has occurred in FPUC's service territory.

FPUC'S RESPONSE: See attached.

113. Provide examples specific to FPUC of how electric industry restructuring in other states has increased FPUC's financial risk.

FPUC'S RESPONSE: See attached.

HEARING EXHIBIT - 00000288

114. Provide examples specific to FPUC of how electric industry restructuring in other states has increased FPUC's business risk.

FPUC'S RESPONSE: See attached.

115. When does FPUC anticipate it will join a regional transmission organization (RTO)?

FPUC'S RESPONSE: See attached.

116. With respect to witness Camfield's testimony on page 11, lines 5 – 8, please provide specific examples of the "significant changes" that have been and currently are underway within FPUC's service territory.

FPUC'S RESPONSE: See attached.

117. With respect to witness Camfield's testimony on page 11, lines 18 – 23, would FPUC agree that one of the purposes of this proceeding is to set an authorized return on equity for the provision of regulated electric service in Florida? If no, why not?

FPUC'S RESPONSE: See attached.

118. With respect to witness Camfield's testimony on page 24, lines 3 – 5, has FPUC or witness Camfield made any analysis of the authorized returns on equity over the past three years for other transmission and distribution only utilities?

FPUC'S RESPONSE: See attached.

119. Provide the calculation of the pre-tax interest coverage ratio of 4.06 cited on page 25, lines 6 – 8 of witness Camfield's testimony.

FPUC'S RESPONSE: See attached.

HEARING EXHIBIT - 00000289

120. Holding all other components of FPUC's projected 2008 13-month average capital structure constant, what is the pre-tax interest coverage ratio for FPUC assuming the following authorized returns on equity:

a) 11.0%
b) 10.5%
c) 10.0%
d) 9.5%

Show all calculations. For purposes of this response, the cost rate for ITCs can vary with the respective ROE.

FPUC'S RESPONSE: See attached.

121. With respect to witness Camfield's testimony on page 25, lines 2 – 6, what is the range of pre-tax interest coverage ratios FPUC believes is necessary to "maintain its favorable credit standing with markets?"

FPUC'S RESPONSE: See attached.

122. With respect to witness Camfield's testimony on page 30, lines 12– 15, is $40,000 the annual revenue requirement difference between using a projected year-end capital structure versus a projected 13-month average capital structure? If not, what is the difference in annual revenue requirement between these two capital structures?

FPUC'S RESPONSE: See attached.

123. With respect to witness Camfield's testimony on page 56, lines 16– 18, what is the basis for witness Camfield's use of the 13.0% expected market return in his CAPM analysis?

FPUC'S RESPONSE: See attached.

124. With respect to witness Camfield's discussion on pages 60 – 62 relating to a "small size premia," provide a list of all state regulatory commission decisions that have specifically acknowledged and incorporated this adjustment in their determination of the

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HEARING EXHIBIT - 00000290

authorized return on equity. For purposes of this response, provide the name of the utility and cite the order number.

FPUC'S RESPONSE: See attached.

125. With respect to Exhibit DC-RC-2, page 2, was the small size premia for FPUC determined based on the use of earned returns?

FPUC'S RESPONSE: See attached.

126. With respect to Exhibit DC-RC-3, what efforts has FPUC made to refinance the long-term debt issued in 1988 and 1992?

FPUC'S RESPONSE: See attached.

127. What prevents FPUC from refinancing the long-term debt issued in 1988 and 1992 with debt at lower, current market rates?

FPUC'S RESPONSE: See attached.

128. With respect to witness Camfield's testimony on page 32, lines 14– 22, what is the current projection of the Federal Funds rate?

FPUC'S RESPONSE: See attached.

129. With respect to witness Camfield's testimony on page 43, lines 15– 19, has FPUC done an analysis of the authorized returns of other utilities of similar market size to FPUC?

FPUC'S RESPONSE: See attached.

130. With respect to witness Camfield's testimony on page 48, lines 5– 8, explain in detail all exceptions to the stated selection criteria used in the determination of the electric utility and natural gas samples. For purposes of this response, identify all companies in both samples that were either included or excluded from the respective samples due to these exceptions. In each case, explain why the exception was exercised.

HEARING EXHIBIT - 00000291

FPUC'S RESPONSE: See attached.

131. With respect to witness Camfield's testimony on page 55, lines 14– 16, show the derivation of the 33 basis point adjustment associated with the 6% adjustment for issuance costs.

FPUC'S RESPONSE: See attached.

132. With respect to Exhibit DC-RC-8, what is the source of the 11.5% and 13.0% expected market returns?

FPUC'S RESPONSE: See attached.

133. With respect to Exhibit DC-RC-10, page 1, what is the authorized return on equity for each company on this schedule? For purposes of this response, list the ROE and the date set.

FPUC'S RESPONSE: See attached.

134. With respect to Exhibit DC-RC-10, page 3, what is the authorized return on equity for each company on this schedule? For purposes of this response, list the ROE and the date set.

FPUC'S RESPONSE: See attached.

Respectfully submitted this 18th day of February, 2008.

Norman H. Horton, Jr.
Messer, Caparello & Self, P.A.
P.O. Box 15579
Tallahassee, FL 32317
(850) 222-0720

Attorneys for Florida Public Utilities Company

HEARING EXHIBIT - 00000292

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Review of 2007 Electric Infrastructure Storm Hardening Plan filed pursuant to Rule 25-6.0342, F.A.C., submitted by Florida Public Utilities Company.	DOCKET NO. 070300-EI
In re: Petition for rate increase by Florida Public Utilities Company.	DOCKET NO. 070304-EI
	DATED: February 18, 2008

FLORIDA PUBLIC UTILITIES COMPANY'S RESPONSES TO STAFF'S TENTH SET OF INTERROGATORIES (NOS. 111 - 134)

The Staff of the Florida Public Service Commission, by and through its undersigned attorney, propounds the following interrogatories, pursuant to Rule 1.340, Florida Rules of Civil Procedure, to FLORIDA PUBLIC UTILITIES COMPANY ("FPUC"). These interrogatories shall be answered under oath by you or your agent, who is qualified and who will be identified, with the answers being served as provided by the Rules of Civil Procedure, **and within thirty days**. As provided by Rule 1.340(a), Florida Rules of Civil Procedure, each interrogatory shall be answered separately and fully in writing under oath unless it is objected to. Each answer shall be signed by the person making it.

Give the name, address, and relationship to "FPUC" of those persons providing the answers to each of the following interrogatories.

If an interrogatory contained herein asks for information that has already been provided or is in the process of being provided to the Commission through a Commission audit or by a prior data request, please so state, indicating the date provided and the audit document/record request number or the Bates Stamp Number.

HEARING EXHIBIT - 00000293

DEFINITIONS

"You", "your", "Company" or "FPUC" refers to FLORIDA PUBLIC UTILITIES COMPANY, its employees and authorized agents.

"Document" refers to written matter of any kind, regardless of its form, and to information recorded on any storage medium, whether in electrical, optical or electromagnetic form, and capable of reduction to writing by the use of computer hardware and software.

"Identify" means:

(a) With respect to a person, to state the person's name, address and business relationship (e.g., "employee") to the Company;

(b) With respect to a document, to state the nature of the document in sufficient detail for identification in a request for production, its date, its author, and to identify its custodian. If the information or document identified is recorded in electrical, optical or electromagnetic form, identification includes a description of the computer hardware or software required to reduce it to readable form.

HEARING EXHIBIT - 00000294

INTERROGATORIES

111. **Please refer to page 10, lines 2 – 9 of witness Camfield's testimony. Is it witness Camfield's testimony that unless the Commission approves an authorized ROE of 11.5% in this proceeding, the Commission no longer offers a supportive regulatory environment?**

Response: To ensure consistency in the meaning of descriptive terms and for the purpose of my response, "Commission" refers to the Florida Public Service Commission; and "supportive regulatory environment" refers to the condition wherein the governing regulatory authority adheres to well accepted fair rate of return principles and standards. These principles are articulated and elaborated upon at length in a series of well-reasoned decisions by the U.S. and Canadian Courts, the U.S. Supreme Court in particular. The language of these decisions is cited often and, though they reach back many years, such decisions are relevant today. As I interpret them, the Fair Rate of Return principles to which I refer can be briefly described as follows:

1. Returns Equivalent to those Realized On Investments of Comparative Risk: Capital commitment by investors for the convenience and necessity of the public is entitled to returns equivalent to those realized on investments of comparable risks.
2. Maintenance of Financial Integrity: The process of regulatory governance, as a practical matter, must result in a flow of revenue sufficient to cover all prudently incurred costs associated with providing utility services and an adequate return on the capital committed by investors. In turn, adequate return on capital preserves and maintains the financial integrity of entity providing utility services.
3. Ability to Raise Capital on Fair Terms When Needed: The utility and its investors are entitled to adequate returns on capital so that the utility can raise capital as necessary to provide utility services, on fair terms and conditions—*i.e.*, acceptable interest rate levels and terms.

Generally speaking, so long as the Commission adheres to these principles, I would describe the regulatory environment within (of) the State of Florida as *supportive*, from the perspective of investors. While I do not have historical details at hand, I harbor the view that over the long term the decisions of the Florida Public Service Commission

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have consistently adhered to these principles. Nonetheless, the opportunity cost of capital, which is implicit within the phrase "returns equivalent to those realized on investments of comparable risks" is not readily observable—thus, the longstanding controversy attending the return on equity issue. Accordingly, estimates of the cost of capital and recommendations regarding rate of return are advanced for the consideration of the Commission—by Professor Woolridge and myself in the immediate proceeding. In turn, the Commission has the discretion to establish the appropriate level of the authorized return on equity and other elements of the weighted average cost of capital, used to determine retail prices. (Camfield)

112. **Please refer to the discussion on pages 10 – 12 of witness Camfield's testimony. Provide specific examples of the "significant restructuring" that has occurred in FPUC's service territory.**

Response: Significant market restructuring relevant to the Company's service territory include: a) the establishment of contract path-based Open Access Transmission Tariffs ("OATT") of the Federal Energy Regulatory Commission ("FERC") in 1996; b) the characteristics (4 defined attributes) and functions (8 defined functions) of Regional Transmission Organizations ("RTOs") under Order 2000 of the FERC (the so-called "Millennium Order") to which the SeTrans RTO adhered (2003)[1]; c) OATT reform put in place by the FERC with its Order 890 (2007); d) the repeal under the Energy Act of 2005 of the Public Utility Holding Company Act of 1935; e) creation of the Electric Reliability Organization ("ERO") in 2005, and designation by the FERC of the North American Electric Reliability Council ("NERC") as the ERO (Order 672); and f) the establishment

[1] Had it been implemented, the SeTrans RTO would have implemented locational pricing of transmission services within north Florida.

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by the NERC and the approval by the FERC (Orders 672 and 693) of Mandatory Reliability Standards.

In particular, the establishment of the OATT within wholesale generation and transmission markets, in its original form, constituted a milestone regarding industrial organization relevant to FPUC in two major ways. First, OATT defined a standard tariff approach to reserve and obtain transmission services, in support of competitive—or, at least, seemingly contestable—wholesale markets for power supply. Because FPU purchases wholesale generation and transmission services, such provision is vital to the Company. Second, the OATT gave rise to a large expansion of wholesale power transaction activity that, in total, has altered the flow patterns on the meshed transmission network of the Eastern Interconnection. Coupled with ongoing growth of electricity consumption, power systems are currently characterized by tighter supply-demand balance that can increasingly threaten power system reliability across regions, a concern particular to north Florida. Finally, wholesale power prices exhibit substantially higher variation by time and location, as marginal costs are revealed under newly formed wholesale market arrangements, a result that affects the perception of industry risks. (Camfield)

113. **Provide examples specific to FPUC of how electric industry restructuring in other states has increased FPUC's financial risk.**

Response: The restructuring initiatives cited above in response to interrogatory #112 apply to electricity markets generally. In this immediate question, I presume that industry restructuring refers to state-specific initiatives, including the introduction of competitive entry ("retail access") and other mandatory requirements, where such changes increase financial risks. Interpreted narrowly, where financial risks refers to financial leverage, I find no direct linkage between state-specific restructuring and the

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financial leverage employed by, and risks associated with, Florida Public Utilities Company. Indirectly, however, various restructuring initiatives at the state level may, in total, affect perceptions of capital risks by investors that, in turn, cause electricity service providers such as FPUC to underwrite their assets with lower levels of financial leverage than otherwise. If financial risks are interpreted more generally to mean capital risks, utility bond yields appear to have risen above the yields of industrial bonds of equivalent risk ratings, during the 2001-2003 timeframe—an unusual event in view of the long term history. (Camfield)

114. Provide examples specific to FPUC of how electric industry restructuring in other states has increased FPUC's business risk.

Response: I believe that the electricity restructuring at the retail level, which has its origins in the industry restructuring debate previous to the Energy Act of 1992, has resulted in higher levels of operating risks and uncertainty for the period 1995-1996 forward, for the industry as a whole. Specifically, state-level restructuring in the form of retail access has precipitated the sale of generation assets and the spin-off of the generation functionality within operating subsidiaries under a holding company umbrella, often with buyback agreements with a retail subsidiary. At a summary level, the result has been unanticipated financial losses and increased variation in earnings performance for a number of participants in the electricity services industry during the 2001-2004 timeframe, an experience that, I believe, has affected perceptions of the general level of risks for most all entities and service providers across the industry as a whole.

Two important factors, as imposed by regulation at the state level, are on the horizon and may be widely adopted outside mandatory requirements at the federal level. First, electricity service providers are facing substantial commitment of capital to satisfy ongoing increases in electricity demand and for compliance with environmental

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standards, at the state level. Environmental compliance, moreover, is not necessarily limited to air quality standards (e.g., sulfur, CO2, carbon monoxide, lead, VOC, mercury, NOx, and particulate matter), though air quality is arguably of the greatest concern. However, compliance requirements can also be in the form of maintenance of wildlife habitat to satisfy direct and passive use-related services, and adherence to proximity limits in order to mitigate perceived risk associated with electro magnetic fields and the costs associated with degradation of visual aesthetics is also of concern. In some cases, facility builds face requirements that do not accept environmental restoration in the form of habitat equivalency, thus limiting the options available to service providers. Second, resource portfolio standards have been formally put in place by 27 states, with 9 states establishing fairly aggressive levels (reference the EERE web site of the U.S. Department of Energy, and the Pew Central on Global Climate Change). In both cases, such requirements may result in substantially higher direct costs and prices for electricity service to retail consumers, though total social costs may decline. The State of Florida has a long history of sensitivity to environmental quality concerns for which it should be applauded, and it is likely that heightened environmental quality standards, which may have precipitated in other states, will be considered. I realize that this response takes a fairly broad interpretation of the meaning of *restructuring in other states*, which may be a larger view than that intended by the question. (Camfield)

115. **When does FPUC anticipate it will join a regional transmission organization (RTO)?**

Response: FPUC anticipates the appearance of the adoption of RTO functions within the Southeast region sometime within the next ten years. As a wholesale market participant, FPUC may be required to purchase wholesale transmission services provided under the unbundled functions of an RTO, as extended to the Southeast. The implementation of

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RTOs, as facilitating agents of regional wholesale power markets, has proved to be very costly, as far as the direct administrative and operating costs are concerned. Arguably, the direct costs may fully offset the benefits obtained by electricity markets as a whole from the formation of RTOs, where benefits are in the form of a) reduced running costs of generation of the region, b) reduced scheduling costs, c) facilitation of wholesale transactions, d) more efficient use of transmission networks, e) lower incremental costs associated with expanded facilities (new generation and transmission) because of more effective siting. Several studies have been formed to gauge the benefits, costs and general effectiveness of RTOs (see *RTO Report Card* by Christensen Associates Energy Consulting for a useful discussion.) Nonetheless, the cost function of RTOs appear to have substantial scale economies, so that the various functions and activities of RTOs can be unbundled and effectively extended to expanded regions. In this way, we anticipate that the RTOs may reach far beyond current boundaries. (Camfield)

116. **With respect to witness Camfield's testimony on page 11, lines 5 – 8, please provide specific examples of the "significant changes" that have been and currently are underway within FPUC's service territory.**

Response: The Storm Harding requirements immediately come to mind. Also, please reference my response to Staff Interrogatory #112. (Camfield)

117. **With respect to witness Camfield's testimony on page 11, lines 18 – 23, would FPUC agree that one of the purposes of this proceeding is to set an authorized return on equity for the provision of regulated electric service in Florida? If no, why not?**

Response: I hold the view that, yes, the cost of capital focus of the immediate proceeding is for regulated electricity services, where authorized returns fully reflect the risks associated with regulated services as best such risks can be measured. However, it is appropriate for the Commission to also recognize differences in the cost of capital across

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regulated electricity service providers, where such differences are based on the relevant dimensions of risk attributes. (Camfield)

118. **With respect to witness Camfield's testimony on page 24, lines 3 – 5, has FPUC or witness Camfield made any analysis of the authorized returns on equity over the past three years for other transmission and distribution only utilities?**

Response: Such information has not as yet been compiled. (Camfield, Cox)

119. **Provide the calculation of the pre-tax interest coverage ratio of 4.06 cited on page 25, lines 6 – 8 of witness Camfield's testimony.**

Response: The calculations of the Interest Coverage Ratio and Ratio of Earnings to Fixed Charges as filed with the MFRs were incorrect. We are therefore submitting a revised Exhibit DC-RC-12 and Schedule D-9 showing after-tax interest coverage of 2.33 for the test year using the proposed rates. Please see Exhibits 119.1 and 119.2. The detailed support for the ratios has been provided on Exhibit 119.3. Please note that the ratios provided in this response were calculated using earnings before interest, but after tax, which we consider to be the appropriate ratio given that income tax is a real expense and needs to be factored in given the small size of our company. The pre-tax and after tax ratios have however been provided in response to Interrogatory # 120. (Cox, Camfield)

120. **Holding all other components of FPUC's projected 2008 13-month average capital structure constant, what is the pre-tax interest coverage ratio for FPUC assuming the following authorized returns on equity:**

a) 11.0%
b) 10.5%
c) 10.0%
d) 9.5%

Show all calculations. For purposes of this response, the cost rate for ITCs can vary with the respective ROE.

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Response: The pre and post tax interest coverage ratios for the Consolidated Electric segment of FPU, using the projected 2008 13-month average capital structure and holding all other components constant are:

Return on Equity	After Tax Interest Coverage Ratio	Pre-Tax Interest Coverage Ratio
11.5%	**2.33**	**3.74**
a) 11.0%	2.26	3.63
b) 10.5%	2.19	3.52
c) 10.0%	2.13	3.41
d) 9.5%	2.06	3.31

We wish to mention that, by assumption, the level of interest coverage cited in the above table is obtained under the condition that the allowed rate of return on equity is realized by the Company. This assumption, however, is in stark contrast to the financial results of the Company's electricity service division, which have been systematically less than the allowed equity rate of return, as allowed by the Florida Commission. Taking account of that history, where realized earnings are significantly less than authorized, the result is a major shortfall in the effective interest coverage level that can challenge the financial integrity of the Company's electricity division. Also, please reference response to Interrogatory #119 and Exhibits 120.1 (a) – (d) attached. (Cox, Camfield)

121. **With respect to witness Camfield's testimony on page 25, lines 2 – 6, what is the range of pre-tax interest coverage ratios FPUC believes is necessary to "maintain its favorable credit standing with markets?"**

Response: Interest coverage adequacy varies from industry to industry and even between companies within sectors, depending mainly on the stability and consistency of earnings performance, the interest rate level of outstanding debt, and the expected level of capital expenditures. Larger companies can diversify business risks better than smaller entities and thus greater coverage is likely to be required by lenders for smaller

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companies; essentially, size premia is manifest in several ways. In summary, context determines the appropriate level of interest coverage. Florida Public Utilities Company generally wishes to carry a minimum of pre-tax interest cover of, at a minimum 3.0 times, particularly in the view of the chronic shortfall between realized return levels and that which is authorized by the Florida Public Service Commission. However, the Company encourages the Commission and its Staff to utilize, and take full account of, after-tax coverage insofar as income taxes are true cash flow expenses. (Camfield, Cox)

122. **With respect to witness Camfield's testimony on page 30, lines 12– 15, is $40,000 the annual revenue requirement difference between using a projected year-end capital structure versus a projected 13-month average capital structure? If not, what is the difference in annual revenue requirement between these two capital structures?**

Response: Yes, there is an estimated $40,000 shortfall in annual revenue requirement resulting from the six point differential in the rate of return between using a year-end capital structure and a 13 month average. FPU considers the year end structure more appropriate as it is more reflective of the costs and rate base that will be in effect during the period that the rates are in effect. In Exhibits DC-RC-1 and DC-RC-2 which used 13 month average and year-end cost components respectively, the 13 month average rate base was used. If a year-end cost of capital structure is approved the year-end rate base would be more applicable and result in an even greater differential than $40,000. It should however be noted that FPU used the 13 month average capital components and rate base within our standard MFR filing of the Florida PSC. (Camfield, Cox)

123. **With respect to witness Camfield's testimony on page 56, lines 16– 18, what is the basis for witness Camfield's use of the 13.0% expected market return in his CAPM analysis?**

Response: The 13.0% overall market return level, as used within my CAPM analysis, is the realized total return of the S&P 500, for the period 1970 – 2003. My testimony discusses productivity growth, particularly when coupled to comparatively low levels of

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inflation and disciplined monetary policy, as a contributing factor to realized market returns. The average rate of observed productivity for the period 1970 forward resides well within the range stated in my testimony, covering periods of very slow growth—late-1970s – early-1980s—and the high productivity of 1995 through 2003. Productivity growth appears in have receded somewhat in recent years from the exceptional levels obtained during '95-'03 timeframe. Given the relationship between market returns and productivity and other conducive factors, and because overall productivity growth over this timeframe is a reasonably close match to the expected range of productivity in the future (see Martin Baily, Dale Jorgenson) investors have reason to expect annual level of overall market returns to approach 13.0%, prospectively. Moreover, realized market returns for the 1970 – 2003 comport well with realized market returns over extended periods as shown below, with little change in sight.

Total Market Returns through 2006		
Number of Years	Initial Year	Realized Historical Annual Return (%)
81	1926	12.30
70	1937	12.30
60	1947	13.20
50	1957	11.90
40	1967	12.30
30	1977	13.60
20	1987	13.00
10	1997	12.00
	Average, '67-'07	12.7
	Average, '77-'07	12.9

(Camfield)

124. With respect to witness Camfield's discussion on pages 60 – 62 relating to a "small size premia," provide a list of all state regulatory commission decisions that have

specifically acknowledged and incorporated this adjustment in their determination of the authorized return on equity. For purposes of this response, provide the name of the utility and cite the order number.

Response: Analysis of regulatory decisions for other utilities where size premia is explicitly recognized in the returns on equity authorized by the governing regulatory agencies, has not been performed.

However, the possibility of non-explicit discussion of size premia by regulatory agencies within decisions, for small- and mid-sized utilities does not mean that size premia has not been taken into account in setting the return on equity level. Depending on the methods used to estimate the cost of equity, size premia can be implicitly captured within the cost of capital analysis wherein the sample of utility companies used to estimate the cost of capital are of approximately equivalent size to the utility applicant. Hence, a regulatory agency may in fact capture size premia within its decision. The size difference between FPU and the sample of electric utilities utilized in my analysis is striking. Specifically, the market capitalization of FPU is a small fraction—a mere 3.7%—of the average size of the comparable risk sample of electric utilities used to estimate the cost of capital. In the case of FPU, the analytical challenge is one of finding the appropriate balance between liquidity and market experience, and approximate size. At the end of the day, the selection process should obtain a comparable risk sample of utility companies that provide a sufficient level of market liquidity. Because risk is of course inversely related to size, other factors constant; size essentially constitutes a relevant risk attribute, such that the comparable risk sample should also have a level of capitalization approximating that of FPU. For the immediate study, the selection process began with the smallest 30 electric industry companies listed on the major U.S. exchanges though, as mentioned above, such utilities are nonetheless much larger than

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FPU. Thus, to the degree that market capitalization is negatively correlated with the cost of equity, the exceptionally small size of FPU suggests that comparable risk criteria have not been fully satisfied in view the comparatively large size of my sample utilities, even though the sample contains modest-sized entities when compared to the U.S. electricity services industry as a whole. (Camfield)

125. **With respect to Exhibit DC-RC-2, page 2, was the small size premia for FPUC determined based on the use of earned returns?**

Response: The analysis explicitly incorporates small size premia within the risk premium analysis methodology. There are several ways that risk premium analysis can be conducted; my approach is carried out within the CAPM framework, as follows:

$$k_{e,j} = r^{st}_f + rp_{int-st} + rp_{m-int} + rp^{CAPM}_{y-m} + rp^{s}_{j}$$

with,

$k_{e,j}$ = cost of equity capital for risky asset j, stated in percentage terms

r^{st}_f = risk-free rate of return, for a short-term asset s

rp_{int-st} = risk premium, for intermediate-term asset *int* with respect to a short-term asset s

rp_{m-int} = risk premium, for equity market m with respect to a intermediate-term asset *int*

rp^{CAPM}_{y-m} = risk premium, for industry y with respect to equity market m, where industry is the relevant industry sample

rp^{s}_{j} = size-based risk premium for risky asset j

The risk premium approach is additive, which means that risk premia drawn from historically observed differences in realized market returns for the relevant classes of risk-free and risky assets. The approach obtains (builds up) an estimate of the overall expected market return—for the S&P500—and then adjusts for industry-specific risks, as determined by CAPM Beta, which of course is generally a downward adjustment for utilities. Finally, size-related risk premia, shown above as rp^{s}_{j}, takes account of the size difference between the financial asset of interest, FPU in the immediate case, and the

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industry (electric utility sample). As I mention above, the capitalization size of FPU is a small fraction of that for the utility sample that I obtained from the comparable risk selection process.

Size-related premia are estimated for U.S. equity markets, where common stock listings are first sorted into deciles according to market capitalization. The approach is to estimate the cost of capital for the common stocks of each decile, with CAPM. The realized historical market returns of the deciles are compared to the estimates of the cost of capital, as obtained with CAPM. For the various decile groupings, CAPM appears to systematically understate market returns, where the degree of understated returns, measured in basis points, is progressively greater with smaller-sized deciles. The level of understated returns for moderate-sized listings is small, as shown on exhibit 2 of my testimony. However, the understatement rises significantly for the very small capitalization companies, and is significantly for companies, such as FPU, which reside in the tenth decile. Additionally, the level of systematic understatement appears to be further differentiated, when decile ten is broken into two parts, where FPU is within the smaller of the two parts of decile ten. The analysis is conducted by Ibbotson Associated, and is based on the historical market return information for equity and debt markets maintained by the Center for Research in Security Prices of the School of Business, University of Chicago.

The size premia issue, at least within the context of CAPM, appears to have been first documented by Banz (1981) "The Relationship between Returns and the Market Size of Common Stocks", *Journal of Financial Economics*.[2] Since then, various studies have

[2] I maintain the Banz article as well as many others regarding CAPM and market returns in my files and, if these articles are valuable to the Florida Public Service Commission Staff, I would be happy to provide copies.

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challenged the presence of size-related risk premia on various grounds including bid/ask spread, delisting and survivorship bias, and thin trading effects. The analyses are extensive and in-depth. It is necessary to review the relevant studies and criticisms of size premia, which are presented in the formal literature as well as cost of capital studies, and to address any potential limitations and upward bias associated with the analyses that determine size premia. The perspective that I hold is that bid/ask spreads and delisting effects appear to have merit. Bias attributable to delisting appears to be present but is trivial (<10 basis points) for very small listings, and non-existent for the mid-sized entities. However, bias associated with bid/ask spreads, for small equities, is likely to be present and potentially significant (20-50 basis points). For these reasons among others, my risk premium analysis to estimate the cost of capital for FPU incorporates a modest size premia (2.00% shown on Exhibit 2 and 2.20% within the Risk Premium Analysis), which is about one half the size premia levels between deciles 5 and 10, as shown on my Exhibit 2. The Ibbotson Associates studies of size premia are essentially the definitive studies, and are widely applied within the field of capital valuation. Size premia appears to remain unchanged with respect to the selection of market index, but sensitive to other factors. (Camfield)

126. **With respect to Exhibit DC-RC-3, what efforts has FPUC made to refinance the long-term debt issued in 1988 and 1992?**

Response: The bond indentures issued in 1988 ($10M and $5.5M) and 1992 ($8M) all contain penalties or 'make-whole' provisions that make refinancing impractical. In summary, these call for the payment of all interest that would have been due if it were not called, discounted by the current interest rate. SunTrust, our Bankers at the time, was requested to review these bonds in the 1990's and they concurred that it did not make economic sense to call the bonds under the provisions, at least not until 2013. They

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suggested a review be made in 2013 under the redemption premium that applies at that time. In addition in 2002 we asked Bank of America (BOA) to review the economic possibility of paying off the higher interest bonds. BOA also concluded it was not economical to do so because of the make-whole provisions.

In addition we have performed our own internal analyses, which also support the position of our external lenders. Please reference **Exhibits 126.1 to 126.15.** (Cox)

127. **What prevents FPUC from refinancing the long-term debt issued in 1988 and 1992 with debt at lower, current market rates?**

Response: Please refer to Staff's Interrogatory # 126. (Cox)

128. **With respect to witness Camfield's testimony on page 32, lines 14– 22, what is the current projection of the Federal Funds rate?**

Response: In view of what appears to be a rather sharp decline in the current level of economic activity for the U.S., I would guess that, at this point, some observers anticipate that the Federal Reserve Board will cut the Federal Funds target rate by 25 to 50 basis points in the upcoming meeting. And since the Federal Funds rate closely matches the target rate—though short-run periods of large differences can be found in the history—it seems that a Federal Funds rate of 2.50-2.75% may be in order, at least in the near term. A relevant question of course is defining a timeframe. Fed Funds futures are indicative of short-term fed funds over longer timeframes – say, through the remainder of 2008 and 2009. Timeframes further into the future are relevant, as the immediate proceeding is likely to set retail prices for several years forward. For this, fed fund futures are not available. Hence, one appropriate approach review current intermediate term Treasury debt yields and determine the underlying term structure of interest rates, and forward rates as estimates of future spot rates. Alternative views and theory (*unbiased expectations, liquidity, habitat*) of the yield curve are likely to obtain different results.

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however. The starting point in this approach is Treasury Securities of different maturities. Once determined, the implied short-term spot interest rates can be used as a basis to infer the forward federal funds rate, given the historical relationship between short-term Treasury rates and the federal fund rates. (Camfield)

129. **With respect to witness Camfield's testimony on page 43, lines 15– 19, has FPUC done an analysis of the authorized returns of other utilities of similar market size to FPUC?**

Response: Analysis of authorized returns to other utilities similar in size of FPUC has not been performed, at this time. (Camfield)

130. **With respect to witness Camfield's testimony on page 48, lines 5– 8, explain in detail all exceptions to the stated selection criteria used in the determination of the electric utility and natural gas samples. For purposes of this response, identify all companies in both samples that were either included or excluded from the respective samples due to these exceptions. In each case, explain why the exception was exercised.**

Response: The application of the stated criteria obtained the selected utilities for the electricity and natural gas samples. Given the stated criteria, the reasons underlying the exclusion of members of the samples, which initially contain 17 members in the case of the electric sample and 12 members in the case of the natural gas sample, to determine the final samples used for cost of equity estimation are as follows:

For the Electric Sample:

Entity	Reason for Exclusion
Black Hills (BKH)	High CAPM Beta
PNM Resources (PNM)	High CAPM Beta (high variation in market returns also)
Cleco Corp. (CNL)	High CAPM Beta
Empire District (EDE)	Variation in cash flow
OGE Energy (OGE)	Variation in market returns
CH Energy Group (CHG)	High equity participation
NSTAR (NST)	Low equity
UIL Holdings (UIL)	Variation in cash flow

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UNITIL Corp. (UTL) Low CAPM Beta

(Please reference the cell range *G60 – G77* of *Tab DCF_E1_06*, of File *SmEl_06d*, where this information is listed.)

For the Natural Gas Sample:

Entity	**Reason for Exclusion**
Laclede (LG)	Negative historical growth in cash flow/earnings per share[3]
Nicor (GAS)	High CAPM Beta, high equity participation

(Please reference lines 11-13 of page 48 of my testimony regarding Southwest Gas (SWX) for the discussion of an exception to this general selection approach.)

As I alluded to in my deposition of last December, the definition and application of selection criteria that I utilize are quantitative but not fully objective. That is, while the selection of comparable risk equities according to equity participation level, CAPM Beta, variation in market returns, etc. appear to be plausible risk metrics, it is not clear that such criteria are explicitly used by investors, either directly or indirectly through other metrics, to value financial assets. Risk metrics are often correlated and may thus serve as surrogates or proxies for each other. Correlation is of course not to be confused with causality and, at this point, the appropriate set of risk metrics that systematically explain historical market returns have yet to be defined, though several multifactor models are in the works. In particular, while the conceptual foundations underlying mean-variance theory and CAPM are both compelling and elegant, CAPM does a poor job of explaining historical market returns though early evidence suggests that returns are indeed systematically ordered according to CAPM Beta. (Camfield)

[3] Please note that negative growth does not, in any way, preclude the application of DCF analysis or other methods.

HEARING EXHIBIT - 00000311

131. **With respect to witness Camfield's testimony on page 55, lines 14– 16, show the derivation of the 33 basis point adjustment associated with the 6% adjustment for issuance costs.**

Response: Issuance costs, whatever the level, are manifested as reduced proceeds for the issuing entity in its sale of securities in primary markets. For purposes of estimating the effective cost of equity capital in the immediate proceeding, the quantitative effect of issuance costs is obtained by increasing the dividend yield within the single-stage discounted cash flow ("DCF") framework. That is, the dividend yield, Y, is expressed as D_1/P_0, where D_1 refers to the forward yield annual dividend rate, and P_0 refers to the observed market price. The yield adjusted for issuance costs, referred to as Y', is expressed as $D_1/(P_0(1 - I_C))$, where I_C refers to issuance costs expressed as a percentage of market price. Thus, since FPU's issuance costs are estimated to be 6% of the gross proceeds of the sale of common equity shares—P_0 within the expression—the resulting adjusted yield is slightly greater than $Y*(1+I_C)$. However, the effect of issuance costs, in percentage terms, should not be applied to the unadjusted cost of capital, in total. That is, the issuance cost adjustment is not applied to the unadjusted cost estimate for equity, as in $COE*(1+I_C)$ or $COE/(1-I_C)$. Within the single-stage DCF framework, which includes both the adjusted yield and expected growth—i.e., $D_1/(P_0(1 - I_C)) + E(g)$—the net effect works out to be 33 basis points, which is the basis point difference between the forward yield and the forward yield adjusted for issuance costs. This result, for the electric sample, is demonstrated below:

5.10%/(1-.06) + 4.04% = 5.43% + 4.04% = 9.47% (with rounding, 9.48%)

This basis point impact for issuance costs (33 basis points) is then added uniformly to the various estimates of the cost of equity including the results obtained from the application of risk premium, CAPM, and historical market returns methods. In brief, the issuance

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cost adjustment amount (33 basis points) recognizes the share of the estimate, for the cost of equity, attributable to income (yield) and the share attributable to growth. Note, however, that the CAPM and Risk Premium methods do not explicitly recognize the shares of total market returns (and cost of equity) attributable to income and to growth. Also, please reference my rebuttal testimony regarding issuance costs. In retrospect, the effects of issuance costs should have been incorporated within Appendix I—a change that, in the future, I intend to incorporate. (Camfield)

132. **With respect to Exhibit DC-RC-8, what is the source of the 11.5% and 13.0% expected market returns?**

Response: The 11.5% - 13.0% range for equity market returns results from risk premia build up. The various risk premia are drawn from Ibbotson Associates reported data. The key component of these risk premia is the risk premium spread for U.S. equity market. The value (7.5%) used in my cost of capital study, as shown, is the average annual risk premia between equity market returns and the income return component of intermediate term U.S. Treasury debt, for the period 1950 – 2006. These data are provided in my response to the Request for Documents #15, of the Florida Commission Staff, dated January 10, 2008. (Camfield)

133. **With respect to Exhibit DC-RC-10, page 1, what is the authorized return on equity for each company on this schedule? For purposes of this response, list the ROE and the date set.**

Response: Unfortunately, such research to obtain this information has not been undertaken, and is thus not available at this time. (Camfield)

134. **With respect to Exhibit DC-RC-10, page 3, what is the authorized return on equity for each company on this schedule? For purposes of this response, list the ROE and the date set.**

Response: Unfortunately, such research to obtain this information has not been undertaken, and is thus not available at this time. (Camfield)

HEARING EXHIBIT - 00000313

Revised
EXHIBIT DC-RC-12
Page 2 of 3
CONSOLIDATED ELECTRIC INTEREST COVERAGE

FLORIDA PUBLIC UTILITIES COMPANY

	Historical	Projected		
			2008	
	2006	2007	Current Rates	Proposed Rates
Interest Coverage Ratios	1.68	1.21	0.14	2.33
Interest Charges	$1,473,580	$1,567,647	$1,489,405	$1,489,405

Exhibit 119.1
PSC 10th Set of Interrogatories
Revised DC RC 12
Witness: Cox/Camfield

HEARING EXHIBIT - 00000314

Schedule D-9 (Revised) FINANCIAL INDICATORS - SUMMARY Page 1 of 1

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Provide financial indicators for the test year under current and proposed rates, the prior year, and historical base year.

Type of Data Shown:
Projected Test Year Ended 12/31/08
Prior Year Ended 12/31/07
Historic Year Ended 12/31/06
Witness: Doreen Cox, Robert Camfield

Line No	Indicator	Historic Base Year 2006	Prior Year 2007	Test Year Current Rates 2008	Test Year Proposed Rates
1	Interest Coverage Ratios:				
2	Including AFUDC in Income Before Interest Charges	N/A	N/A	N/A	N/A
3	Excluding AFUDC in Income Before Interest Charges	1.68	1.21	0.14	2.33
4	AFUDC as a percent of Income Available for Common	N/A	N/A	N/A	N/A
5	Percent of Construction Funds Generated Internally	N/A	N/A	N/A	N/A
6					
7	Fixed Charges:				
8	Interest	1,473,580	1,567,647	1,489,405	1,489,405
9	Lease Payments	0	0	0	0
10	Sinking Funds Payments	-	-	417,049	417,049
11	Tax on Sinking Fund Payments	N/A	N/A	N/A	N/A
12					
13	Ratio of Earnings to Fixed Charges				
14	Including AFUDC	N/A	N/A	N/A	N/A
15	Excluding AFUDC	1.68	1.21	0.11	1.82
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					

Supporting Schedules: D-1

Recap Schedules:

Exhibit 119.2
PSC 10th Set of Interrogatories
Revised Sch. D-9
Witness: Cox/Camfield

HEARING EXHIBIT - 00000315

FLORIDA PUBLIC UTILITIES
CONSOLIDATED ELECTRIC
IN THOUSANDS

INTEREST COVERAGE RATIO	Source		Historic Base Year 2006	Prior Year 2007	Test Year Current Rates 2008	Test Year Proposed Rates 2008
Operating Income after Taxes	C-1 & A-1	EBI	2,477	1,894	206	3,471
Divide by:						
Interest Expense	D-1a		1,474	1,568	1,489	1,489
Interest Coverage Ratio			**1.68**	**1.21**	**0.14**	**2.33**

FIXED CHARGE COVERAGE						
Interest			1,474	1,568	1,489	1,489
Lease Payments			0	0	0	0
Sinking Funds Payments			0	0	417	417
Tax on Sinking Fund Payments			0	0	-	-
			1,474	1,568	1,906	1,906
Fixed Charge Coverage			**1.68**	**1.21**	**0.11**	**1.82**
Sinking Fund Payments (Company)					1409	1409
Allocated to Electric	D-1a	29.60%			417	417

Int Coverage - Accepted Method3

HEARING EXHIBIT - 00000316

Exhibit 119.3
PSC 10th Set of Interrogatories
Docket No. 070300-EI, 070304-EI
Witness: Cox/Canfield

Consolidated Electric
Analysis of Pre-Tax Interest Coverage
Projected 2008

Hypothetical Return on Equity 11.00%

		13 Mth Avg Jurisdictional Capital Structure	Adjustment for ROE Change	Adjusted	Ratio	Cost Rate	Weighted Cost Rate	Interest Charge
1	Long Term Debt	14,733,561		14,733,561	0.3425	7.96%	2.73%	1,173,525
2	Short Term Debt	1,905,259	86,042 [3]	1,991,301	0.0463	6.81%	0.31%	135,512
3	Preferred Stock	177,593		177,593	0.0041	4.75%	0.02%	
4	Common Equity	17,095,113	(86,042)	17,009,071	0.3954	11.00%	4.35%	
5	Customer Deposits	2,948,763		2,948,763	0.0685	6.32%	0.43%	186,223
6	Deferred Income Taxes	6,078,743		6,078,743	0.1413	0.00%	0.00%	
7	Tax Credits-Zero Cost	0		0	0.0000	0.00%	0.00%	
8	Tax Credits-Weighted Cost	81,965		81,965	0.0019	9.67%	0.02%	
9								
10	TOTAL	43,020,997	0	43,020,997	1.0000		7.86%	1,495,260
11								
12								
13								
14								

			As Filed 11.50% Return on Equity			Hypothetical 11.00% Return on Equity			Change	
16										
17	Income Tax Rate									
18	0.3762		After Tax	Pre Tax		After Tax	Pre Tax		After Tax	Pre Tax
19										
20	Jurisdictional Adjusted Rate Base		43,020,996			43,020,996				
21	Rate of Return on Rate Base Requested		8.07%			7.86%				
22	Revenue Requirement		3,471,794	5,565,557		3,381,450	5,420,728	[3]	(90,344)	(144,829)
23	Interest Expense included in Rev Requirement		(1,489,405)	(1,489,405)		(1,495,260)	(1,495,260)			
24	Operating Income		1,982,390	4,076,152		1,886,190	3,925,468			
25	Add Interest Expense		1,489,405	1,489,405		1,495,260	1,495,260			
26	Earnings before Interest	EBI	3,471,794	5,565,557	EBIT	EBI 3,381,450	5,420,728	EBIT		
27										
28										
29										
30	**Interest Coverage:**	[1]	**2.33**	**3.74**	[2]	[1] **2.26**	**3.63**	[2]	(0.07)	(0.11)
31										
32										
33										
34	Note:	[1] Interest - Coverage Ratio (After-Tax):		EBI	Earnings before Interest / Interest Expense					
35										
36										
37		[2] Interest - Coverage Ratio (Pre-Tax):		EBIT	Earnings before Interest and Taxes / Interest Expense					
38										
39										
40		[3] Difference due to circular reference								

Exhibit 120.1(a)
PSC 10th Set of Interrogatories
Docket No. 070300 EI; 070304 EI
Witness: Cox/Camfield

Int Coverage - Accepted Method3

HEARING EXHIBIT - 00000317

Consolidated Electric
Analysis of Pre-Tax Interest Coverage
Projected 2008

Hypothetical Return on Equity 10.50%

		13 Mth Avg Jurisdictional Capital Structure	Adjustment for ROE Change	Adjusted	Ratio	Cost Rate	Weighted Cost Rate	Interest Charge
1	Long Term Debt	14,733,561		14,733,561	0.3425	7.96%	2.73%	1,173,525
2	Short Term Debt	1,905,259	(176,386)	2,081,645	0.0484	6.81%	0.33%	141,660
3	Preferred Stock	177,593		177,593	0.0041	4.75%	0.02%	
4	Common Equity	17,095,113	(176,386)	16,918,727	0.3933	10.50%	4.13%	
5	Customer Deposits	2,948,763		2,948,763	0.0685	6.32%	0.43%	186,223
6	Deferred Income Taxes	6,078,743		6,078,743	0.1413	0.00%	0.00%	
7	Tax Credits-Zero Cost	0		0	0.0000	0.00%	0.00%	
8	Tax Credits-Weighted Cost	81,965		81,965	0.0019	9.67%	0.02%	
9								
10	TOTAL	43,020,997	0	43,020,997	1.0000		7.66%	1,501,408
11								
12								
13								
14								

		As Filed 11.50% Return on Equity			Hypothetical 10.50% Return on Equity			Change	
15									
16									
17	Income Tax Rate								
18	0.3762	After Tax	Pre Tax		After Tax	Pre Tax		After Tax	Pre Tax
19									
20	Jurisdictional Adjusted Rate Base	43,020,996			43,020,996				
21	Rate of Return on Rate Base Requested	8.07%			7.66%				
22	Revenue Requirement	3,471,794	5,565,557		3,295,408	5,282,796		(176,386)	(282,761)
23	Interest Expense included in Rev Requirement	(1,489,405)	(1,489,405)		(1,501,408)	(1,501,408)			
24	Operating Income	1,982,390	4,076,152		1,794,000	3,781,388			
25	Add Interest Expense	1,489,405	1,489,405		1,501,408	1,501,408			
26	Earnings before Interest	EBI 3,471,794	5,565,557	EBIT	EBI 3,295,408	5,282,796	EBIT		
27									
28									
29									
30	**Interest Coverage:**	[1] 2.33	3.74	[2]	[1] 2.19	3.52	[2]	(0.14)	(0.22)
31									
32									
33									

Note: [1] Interest - Coverage Ratio (After-Tax): EBI / Interest Expense

[2] Interest - Coverage Ratio (Pre-Tax): EBIT / Interest Expense

Exhibit 120.1(b)
PSC 10th Set of Interrogatories
Docket No. 070300-EI; 070304-EI
Witness: Cox/Camfield

Int Coverage - Accepted Method3

HEARING EXHIBIT - 00000318

Consolidated Electric
Analysis of Pre-Tax Interest Coverage
Projected 2008

Hypothetical Return on Equity 10.00%

		13 Mth Avg Jurisdictional Capital Structure	Adjustment for ROE Change	Adjusted	Ratio	Cost Rate	Weighted Cost Rate	Interest Charge
1	Long Term Debt	14,733,561		14,733,561	0.3425	7.96%	2.73%	1,173,525
2	Short Term Debt	1,905,259	266,730	2,171,989	0.0505	6.81%	0.34%	147,808
3	Preferred Stock	177,593		177,593	0.0041	4.75%	0.02%	
4	Common Equity	17,095,113	(266,730)	16,828,383	0.3912	10.00%	3.91%	
5	Customer Deposits	2,948,763		2,948,763	0.0685	6.32%	0.43%	186,223
6	Deferred Income Taxes	6,078,743		6,078,743	0.1413	0.00%	0.00%	
7	Tax Credits-Zero Cost	0		0	0.0000	0.00%	0.00%	
8	Tax Credits-Weighted Cost	81,965		81,965	0.0019	9.67%	0.02%	
9								
10	TOTAL	43,020,997	0	43,020,997	1.0000		7.45%	1,507,556
11								
12								
13								
14								

		As Filed 11.50% Return on Equity			Hypothetical 10.00% Return on Equity			Change	
17	Income Tax Rate								
18	0.3762	After Tax	Pre Tax		After Tax	Pre Tax		After Tax	Pre Tax
19									
20	Jurisdictional Adjusted Rate Base	43,020,996			43,020,996				
21	Rate of Return on Rate Base Requested	8.07%			7.45%				
22	Revenue Requirement	3,471,794	5,565,557		3,205,064	5,137,968		(266,730)	(427,589)
23	Interest Expense included in Rev Requirement	(1,489,405)	(1,489,405)		(1,507,556)	(1,507,556)			
24	Operating Income	1,982,390	4,076,152		1,697,508	3,630,411			
25	Add Interest Expense	1,489,405	1,489,405		1,507,556	1,507,556			
26	Earnings before Interest	EBI 3,471,794	5,565,557	EBIT	EBI 3,205,064	5,137,968	EBIT		
27									
28									
29									
30	**Interest Coverage:**	[1] 2.33	3.74	[2]	[1] 2.13	3.41	[2]	(0.20)	(0.33)
31									
32									
33									

Note: [1] Interest - Coverage Ratio (After-Tax): EBI / Interest Expense

[2] Interest - Coverage Ratio (Pre-Tax): EBIT / Interest Expense

Exhibit 120.1 (c)
PSC 10th Set of Interrogatories
Docket No. 070300 FI; 070301 EI
Witness: Cox/Camfield

Int Coverage - Accepted Method3

HEARING EXHIBIT - 00000319

Consolicated Electric
Analysis of Pre-Tax Interest Coverage
Projected 2008

Hypothetical Return on Equity 9.50%

		13 Mth Avg Jurisdictional Capital Structure	Adjustment for ROE Change	Adjusted	Ratio	Cost Rate	Weighted Cost Rate	Interest Charge
1	Long Term Debt	14,733,561		14,733,561	0.3425	7.96%	2.73%	1,173,525
2	Short Term Debt	1,905,259	(348,470)	2,253,729	0.0524	6.81%	0.36%	153,371
3	Preferred Stock	177,593		177,593	0.0041	4.75%	0.02%	
4	Common Equity	17,095,113	(348,470)	16,746,643	0.3893	9.50%	3.70%	
5	Customer Deposits	2,948,763		2,948,763	0.0685	6.32%	0.43%	186,223
6	Deferred Income Taxes	6,078,743		6,078,743	0.1413	0.00%	0.00%	
7	Tax Credits-Zero Cost	0		0	0.0000	0.00%	0.00%	
8	Tax Credits-Weighted Cost	81,965		81,965	0.0019	9.67%	0.02%	
9								
10	TOTAL	43,020,997	0	43,020,997	1.0000		7.26%	1,513,119
11								
12								
13								
14								

		As Filed 11.50% Return on Equity			Hypothetical 9.50% Return on Equity			Change	
15									
16									
17	Income Tax Rate								
18	0.3762	After Tax	Pre Tax		After Tax	Pre Tax		After Tax	Pre Tax
19									
20	Jurisdictional Adjusted Rate Base	43,020,996			43,020,996				
21	Rate of Return on Rate Base Requested	8.07%			7.26%				
22	Revenue Requirement	3,471,794	5,565,557		3,123,324	5,006,932		(348,470)	(558,625)
23	Interest Expense included in Rev Requirement	(1,489,405)	(1,489,405)		(1,513,119)	(1,513,119)			
24	Operating Income	1,982,390	4,076,152		1,610,206	3,493,813			
25	Add Interest Expense	1,489,405	1,489,405		1,513,119	1,513,119			
26	Earnings before Interest	EBI 3,471,794	5,565,557	EBIT	EBI 3,123,324	5,006,932	EBIT		
27									
28									
29									
30	**Interest Coverage:**	[1] 2.33	3.74	[2]	[1] 2.06	3.31	[2]	(0.27)	(0.43)
31									
32									
33									
34	Note: [1] Interest - Coverage Ratio (After-Tax):	EBI	Earnings before Interest / Interest Expense						
35									
36									
37	[2] Interest - Coverage Ratio (Pre-Tax):	EBIT	Earnings before Interest and Taxes / Interest Expense						
38									

Exhibit 120.1 (d)
PSC 10th Set of Interrogatories
Docket No. 070300-EI; 070304 EI
Witness: Cox/Camfield

HEARING EXHIBIT - 00000320

FLORIDA PUBLIC UTILITIES
Long-Term Debt Redemption Analysis:
As of December 31, 2007
First Mortgage Bond Series:

	Due	Principal	Call Dates On or before	Call Dates After	Estimated Call Premium	Total Payable	Estimated Unamortized Issuance Cost
		$			$	$	$
9.57%	5/1/2018	10,000,000	5/1/2013		3,269,589	13,269,589	38,459
10.03%	5/1/2018	5,500,000	5/1/2013		1,931,558	7,431,558	20,702
9.08%	6/1/2022	8,000,000		6/1/1998	3,424,487	11,424,487	58,968

Note: This analysis does not take into account the additional cost of re-financing the debt.

Exhibit 126.1
PSC 10th Set of Interrogatories
Docket No. 070300-EI; 070304-EI
Witness: Cox

LT DEBT REDEMPTION ANALYSIS (2)

HEARING EXHIBIT - 00000321

FLORIDA PUBLIC UTILITIES
Long-Term Mortgage Bonds - Issuance Costs Unamortized Debt

First Mortgage Bond Series:

	Due	Principal	Issuance Cost	Balance 2006	Annual Amortization Estimated 2007	Annual Amortization Estimated 2003	Estimated Unamortized Issuance Balance Estimated 2007	Estimated Unamortized Issuance Balance Estimated 2008
9.57%	2018	$ 10,000,000	$ 180,273	$ 45,671	$ 7,212	$ 7,211	$ 38,459	$ 31,248
10.03%	2018	$ 5,500,000	$ 97,070	$ 24,590	$ 3,888	$ 3,883	$ 20,702	$ 16,819
9.08%	2022	$ 8,000,000	$ 121,967	$ 63,036	$ 4,068	$ 4,067	$ 58,968	$ 54,901
6.85%	2031	$ 15,000,000	$ 1,208,670	$ 997,152	$ 40,284	$ 40,289	$ 956,868	$ 916,579
4.90%	2031	$ 14,000,000	$ 817,533	$ 667,269	$ 26,832	$ 26,822	$ 640,437	$ 613,615
		$ 52,500,000	$ 2,425,513	$ 1,797,718	$ 82,284	$ 82,271	$ 1,715,434	$ 1,633,163

Exhibit 126.2
PSC 10th Set of Interrogatories
Docket No. 070300 EI; 070304 EI
Witness: Cox

HEARING EXHIBIT - 00000322

FPU
Unamortized Debt Discount
100.1810.1

	Monthly Amortization	Dec 2005	Jan 2006	Feb 2006	Mar 2006	Apr 2006	May 2006	Jun 2006	Jul 2006	Aug 2006	Sep 2006	Oct 2006	Nov 2006	Dec 2006	13 Mth Avg
$10M	$ 601	$ 52,882	$ 52,281	$ 51,680	$ 51,079	$ 50,478	$ 49,878	$ 49,277	$ 48,676	$ 48,075	$ 47,474	$ 46,873	$ 46,272	$ 45,671	$ 49,277
$5.5M	$ 324	$ 28,473	$ 28,150	$ 27,826	$ 27,502	$ 27,179	$ 26,855	$ 26,532	$ 26,208	$ 25,885	$ 25,561	$ 25,237	$ 24,914	$ 24,590	$ 26,532
$8M	$ 339	$ 67,103	$ 66,764	$ 66,425	$ 66,086	$ 65,747	$ 65,408	$ 65,070	$ 64,731	$ 64,392	$ 64,053	$ 63,714	$ 63,375	$ 63,036	$ 65,070
$15M	$ 3,357	$ 1,037,441	$ 1,034,084	$ 1,030,727	$ 1,027,369	$ 1,024,012	$ 1,020,654	$ 1,017,297	$ 1,013,940	$ 1,010,582	$ 1,007,225	$ 1,003,867	$ 1,000,510	$ 997,152	$ 1,017,297
$14M	$ 2,239	$ 694,140	$ 691,901	$ 689,661	$ 687,422	$ 685,183	$ 682,944	$ 680,704	$ 678,465	$ 676,226	$ 673,986	$ 671,747	$ 669,508	$ 667,269	$ 680,704
	$ 6,860	$ 1,880,040	$ 1,873,180	$ 1,866,319	$ 1,859,459	$ 1,852,599	$ 1,845,739	$ 1,838,879	$ 1,832,019	$ 1,825,159	$ 1,818,299	$ 1,811,439	$ 1,804,579	$ 1,797,719	$ 1,838,879

	Monthly Amortization	Dec 2006	Jan 2007	Feb 2007	Mar 2007	Apr 2007	May 2007	Jun 2007	Jul 2007	Aug 2007	Sep 2007	Oct 2007	Nov 2007	Dec 2007	13 Mth Avg
$10M	$ 601	$ 45,671	$ 45,070	$ 44,469	$ 43,869	$ 43,268	$ 42,667	$ 42,066	$ 41,465	$ 40,864	$ 40,263	$ 39,662	$ 39,061	$ 38,460	$ 42,066
$5.5M	$ 324	$ 24,590	$ 24,267	$ 23,943	$ 23,620	$ 23,296	$ 22,972	$ 22,649	$ 22,325	$ 22,002	$ 21,678	$ 21,355	$ 21,031	$ 20,707	$ 22,649
$8M	$ 339	$ 63,036	$ 62,697	$ 62,358	$ 62,019	$ 61,680	$ 61,341	$ 61,002	$ 60,664	$ 60,325	$ 59,986	$ 59,647	$ 59,308	$ 58,969	$ 61,002
$15M	$ 3,357	$ 997,152	$ 993,795	$ 990,438	$ 987,080	$ 983,723	$ 980,365	$ 977,008	$ 973,651	$ 970,293	$ 966,936	$ 963,578	$ 960,221	$ 956,863	$ 977,008
$14M	$ 2,238	$ 667,269	$ 665,033	$ 662,797	$ 660,561	$ 658,326	$ 656,090	$ 653,854	$ 651,618	$ 649,383	$ 647,147	$ 644,911	$ 642,675	$ 640,440	$ 653,854
	$ 6,857	$ 1,797,719	$ 1,790,862	$ 1,784,006	$ 1,777,149	$ 1,770,292	$ 1,763,436	$ 1,756,579	$ 1,749,723	$ 1,742,866	$ 1,736,010	$ 1,729,153	$ 1,722,297	$ 1,715,440	$ 1,756,579

	Monthly Amortization	Dec 2007	Jan 2008	Feb 2008	Mar 2008	Apr 2008	May 2008	Jun 2008	Jul 2008	Aug 2008	Sep 2008	Oct 2008	Nov 2008	Dec 2008	13 Mth Avg
$10M	$ 601	$ 38,460	$ 37,860	$ 37,259	$ 36,658	$ 36,057	$ 35,456	$ 34,855	$ 34,254	$ 33,653	$ 33,052	$ 32,451	$ 31,851	$ 31,250	$ 34,855
$5.5M	$ 324	$ 20,707	$ 20,384	$ 20,060	$ 19,737	$ 19,413	$ 19,090	$ 18,766	$ 18,443	$ 18,119	$ 17,795	$ 17,472	$ 17,148	$ 16,825	$ 18,766
$8M	$ 339	$ 58,969	$ 58,630	$ 58,291	$ 57,952	$ 57,613	$ 57,274	$ 56,935	$ 56,597	$ 56,258	$ 55,919	$ 55,580	$ 55,241	$ 54,902	$ 56,935
$15M	$ 3,357	$ 956,863	$ 953,506	$ 950,149	$ 946,791	$ 943,434	$ 940,078	$ 936,719	$ 933,361	$ 930,004	$ 926,647	$ 923,289	$ 919,932	$ 916,574	$ 936,719
$14M	$ 2,236	$ 640,440	$ 638,204	$ 635,968	$ 633,732	$ 631,497	$ 629,261	$ 627,025	$ 624,789	$ 622,554	$ 620,318	$ 618,082	$ 615,846	$ 613,610	$ 627,025
	$ 6,857	$ 1,715,440	$ 1,708,583	$ 1,701,727	$ 1,694,870	$ 1,688,014	$ 1,681,157	$ 1,674,301	$ 1,667,444	$ 1,660,587	$ 1,653,731	$ 1,646,874	$ 1,640,018	$ 1,633,161	$ 1,674,301

LOSS ON RE'ACQD DEBT
100.1890.1

	Monthly Amortization	Dec 2005	Jan 2006	Feb 2006	Mar 2006	Apr 2006	May 2006	Jun 2006	Jul 2006	Aug 2006	Sep 2006	Oct 2006	Nov 2006	Dec 2006	13 Mth Avg
	1524	$ 227,025	$ 225,502	$ 223,978	$ 222,454	$ 220,931	$ 219,407	$ 217,883	$ 216,360	$ 214,836	$ 213,312	$ 211,789	$ 210,265	$ 208,741	$ 217,883

	Monthly Amortization	Dec 2006	Jan 2007	Feb 2007	Mar 2007	Apr 2007	May 2007	Jun 2007	Jul 2007	Aug 2007	Sep 2007	Oct 2007	Nov 2007	Dec 2007	13 Mth Avg
	1524	$ 208,741	$ 207,218	$ 205,694	$ 204,170	$ 202,647	$ 201,123	$ 199,599	$ 198,076	$ 196,552	$ 195,028	$ 193,505	$ 191,981	$ 190,458	$ 199,599

	Monthly Amortization	Dec 2007	Jan 2008	Feb 2008	Mar 2008	Apr 2008	May 2008	Jun 2008	Jul 2008	Aug 2008	Sep 2008	Oct 2008	Nov 2008	Dec 2008	13 Mth Avg
	1524	$ 190,458	$ 188,934	$ 187,410	$ 185,887	$ 184,363	$ 182,839	$ 181,316	$ 179,792	$ 178,268	$ 176,745	$ 175,221	$ 173,697	$ 172,174	$ 181,316

Total 1810.1 & 1890.1		DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	13 Mth Avg
	2006	$ 2,107,065	$ 2,098,681	$ 2,090,297	$ 2,081,914	$ 2,073,530	$ 2,065,146	$ 2,056,763	$ 2,048,379	$ 2,039,995	$ 2,031,611	$ 2,023,228	$ 2,014,844	$ 2,006,460	$ 2,056,763
	2007	$ 2,008,460	$ 1,998,080	$ 1,989,700	$ 1,981,320	$ 1,972,939	$ 1,964,559	$ 1,956,179	$ 1,947,799	$ 1,939,418	$ 1,931,038	$ 1,922,658	$ 1,914,278	$ 1,905,897	$ 1,956,179
	2008	$ 1,905,897	$ 1,897,517	$ 1,889,137	$ 1,880,757	$ 1,872,377	$ 1,863,996	$ 1,855,616	$ 1,847,236	$ 1,838,856	$ 1,830,475	$ 1,822,095	$ 1,813,715	$ 1,805,335	$ 1,855,616

Exhibit 126.3
PSC 13_ Set of Interrogatories
Docket No. 070300-EI, 070304-EI
Witness: Cox

HEARING EXHIBIT - 00000323

Exhibit 126.4
PSC 10th Set of Interrogatories
Docket No. 070300-EI; 070304 EI
Witness: Cox

ESTIMATED LT DEBT REDEMPTION ANALYSIS

				Due
First Mortgage Bonds	$	10,000,000	9.57%	5/1/2018

Redemption Terms prior to 5/1/2013:

Payment of 100% of Principal of Bonds to be Redeemed				10,000,000
Plus Premium equal to :	Present Value of:			
	Sinking Fund		8,222,826	
	Interest		5,046,763	
Minus	100% O/S Prin of Bond		(10,000,000)	
			3,269,589	
Multiply By	Prin Amt to be Redeemed	10,000,000	1	
	100% Prin of O/S	10,000,000		3,269,589
Total Estimated Amount Payable on Redemption 2007				13,269,589

Exhibit 126.5
PSC 10th Set of Interrogatories
Docket No. 070300 EI; 070304-EI
Witness: Cox

Florida Public Utilities Make-Whole Premium Analysis

Par Amount	Due	Current Coupon	Discount Rate
$10,000,000	2018	9.57%	3.57000%
		$478,500	

Period	Date	Principal O/S	Principal	Interest	PV - PRIN	PV-INT	PV Multiplier
2	11/1/2007	$10,000,000	$0	$478,500	$0	$475,666	0.994076447
8	5/1/2008	$10,000,000	$909,000	$478,500	$887,653	$467,263	0.976515488
14	11/1/2008	$9,091,000	$0	$435,004	$0	$417,284	0.959264755
20	5/1/2009	$9,091,000	$909,000	$435,004	$856,568	$409,913	0.942318766
26	11/1/2009	$8,182,000	$0	$391,509	$0	$362,409	0.925672138
32	5/1/2010	$8,182,000	$909,000	$391,509	$826,572	$356,007	0.909319583
38	11/1/2010	$7,273,000	$0	$348,013	$0	$310,865	0.893255905
44	5/1/2011	$7,273,000	$909,000	$348,013	$797,626	$305,373	0.877476003
50	11/1/2011	$6,364,000	$0	$304,517	$0	$262,486	0.861974861
56	5/1/2012	$6,364,000	$909,000	$304,517	$769,694	$257,849	0.846747557
62	11/1/2012	$5,455,000	$0	$261,022	$0	$217,115	0.831789252
68	5/1/2013	$5,455,000	$909,000	$261,022	$742,740	$213,280	0.817095194
74	11/1/2013	$4,546,000	$0	$217,526	$0	$174,600	0.802660716
80	5/1/2014	$4,546,000	$909,000	$217,526	$716,729	$171,515	0.788481232
86	11/1/2014	$3,637,000	$0	$174,030	$0	$134,796	0.774552236
92	5/1/2015	$3,637,000	$909,000	$174,030	$691,630	$132,414	0.760869305
98	11/1/2015	$2,728,000	$0	$130,535	$0	$97,565	0.747428091
104	5/1/2016	$2,728,000	$909,000	$130,535	$667,410	$95,842	0.734224324
110	11/1/2016	$1,819,000	$0	$87,039	$0	$62,777	0.72125381
116	5/1/2017	$1,819,000	$909,000	$87,039	$644,038	$61,668	0.708512427
122	11/1/2017	$910,000	$0	$43,544	$0	$30,306	0.695996129
128	5/1/2018	$910,000	$910,000	$43,544	$622,168	$29,771	0.683700939
			$10,000,000		$8,222,826	$5,046,763	

Reinvestment Yield (Discount Rate as defined in $10 & $5 2018 Series)

Reinvestment Yield:
Aritmetic mean of the rates published in the Statistical Release under the caption "US Government Securities-Treasury Constant Maturities" for the maturity corresponding to the remaining Weighted Average Life to Maturity of the Bonds of the 2018 Series, plus if the date of such optional redemption is prior to May 1, 2003 the Reinvestment Yield shall be increased by one-half of one per centum (1/2 %)

Weighted Average Life to Maturity:
The number of years obtained by dividing the then Remaining Dollar-years of the Bonds of the 2018 Series by the then outstanding principal amount of the Bonds of the 2018 Series.

Remaining Dollar-years:
The amount obtained by (1) multiplying the amount of each then remaining sinking fund payment and the payment at final maturity, by the number of years (calculated at the nearest one twelfth) which will elapse between the date of determination of the Weighted Average Life to Maturity, of the Bonds of the 2018 Series and the date of payment and (2) totaling all the products obtained in (1).

$10M Bond

Treasury Constant Rate	5 Year	3.57%
Add .5% if prior to May 2003		0.00%
		3.57%

2018 2008 10

Remaining Dollar-years	50,005,000	=	5.0
O/S Principal of the Bonds	10,000,000		

Remaining Sinking Fund Payments	$909,000	0.0	-
	$909,000	1.0	909,000
	$909,000	2.0	1,818,000
	$909,000	3.0	2,727,000
	$909,000	4.0	3,636,000
	$909,000	5.0	4,545,000
	$909,000	6.0	5,454,000
	$909,000	7.0	6,363,000
	$909,000	8.0	7,272,000
	$909,000	9.0	8,181,000
Payment at Full Maturity	$910,000	10.0	9,100,000
			50,005,000

Exhibit 126.6
PSC 10th Set of Interrogatories
Docket No. 070300 EI; 070304 EI
Witness: Cox

HEARING EXHIBIT - 00000326

Exhibit 126.7
PSC 10th Set of Interrogatories
Docket No. 070300-EI; 070304 EI
Witness: Cox

ESTIMATED LT DEBT REDEMPTION ANALYSIS

				Due
First Mortgage Bonds	$	5,500,000	10.03%	5/1/2018

Redemption Terms prior to 5/1/2013:

Payment of 100% of Principal of Bonds to be Redeemed				5,500,000
Plus Premium equal to :	Present Value of:			
	Sinking Fund		4,522,630	
	Interest		2,908,928	
Minus	100% O/S Prin of Bond		(5,500,000)	
			1,931,558	
Multiply By	Prin Amt to be Redeemed	5,500,000	1	
	100% Prin of O/S	5,500,000		1,931,558
Total Estimated Amount Payable on Redemption 2007				7,431,558

Exhibit 126.8
PSC 10th Set of Interrogatories
Docket No. 070300-EI; 070304-EI
Witness: Cox

Florida Public Utilities Make-Whole Premium Analysis

Par Amount	Due	Current Coupon	Discount Rate
$5,500,000	2018	10.03%	3.57000%
		$275,825	

Period	Date		Principal	Interest	PV - PRIN	PV-INT	PV Multiplier
2	11/1/2007	$5,500,000	$0	$275,825	$0	$274,191	0.994076447
8	5/1/2008	$5,500,000	$500,000	$275,825	$488,258	$269,347	0.976515488
14	11/1/2008	$5,000,000	$0	$250,750	$0	$240,536	0.959264755
20	5/1/2009	$5,000,000	$500,000	$250,750	$471,159	$236,286	0.942318766
26	11/1/2009	$4,500,000	$0	$225,675	$0	$208,901	0.925672138
32	5/1/2010	$4,500,000	$500,000	$225,675	$454,660	$205,211	0.909319583
38	11/1/2010	$4,000,000	$0	$200,600	$0	$179,187	0.893255905
44	5/1/2011	$4,000,000	$500,000	$200,600	$438,738	$176,022	0.877476003
50	11/1/2011	$3,500,000	$0	$175,525	$0	$151,298	0.861974861
56	5/1/2012	$3,500,000	$500,000	$175,525	$423,374	$148,625	0.846747557
62	11/1/2012	$3,000,000	$0	$150,450	$0	$125,143	0.831789252
68	5/1/2013	$3,000,000	$500,000	$150,450	$408,548	$122,932	0.817095194
74	11/1/2013	$2,500,000	$0	$125,375	$0	$100,634	0.802660716
80	5/1/2014	$2,500,000	$500,000	$125,375	$394,241	$98,856	0.788481232
86	11/1/2014	$2,000,000	$0	$100,300	$0	$77,688	0.774552236
92	5/1/2015	$2,000,000	$500,000	$100,300	$380,435	$76,315	0.760869305
98	11/1/2015	$1,500,000	$0	$75,225	$0	$56,225	0.747428091
104	5/1/2016	$1,500,000	$500,000	$75,225	$367,112	$55,232	0.734224324
110	11/1/2016	$1,000,000	$0	$50,150	$0	$36,171	0.72125381
116	5/1/2017	$1,000,000	$500,000	$50,150	$354,256	$35,532	0.708512427
122	11/1/2017	$500,000	$0	$25,075	$0	$17,452	0.695996129
128	5/1/2018	$500,000	$500,000	$25,075	$341,850	$17,144	0.683700939
			$5,500,000		$4,522,630	$2,908,928	

HEARING EXHIBIT - 00000328

Reinvestment Yield (Discount Rate as defined in $10 & $5 2018 Series)

Reinvestment Yield:
Aritmetic mean of the rates published in the Statistical Release under the caption "US Government Securities-Treasury Constant Maturities" for the maturity corresponding to the remaining Weighted Average Life to Maturity of the Bonds of the 2018 Series, plus if the date of such optional redemption is prior to May 1, 2003 the Reinvestment Yield shall be increased by one-half of one per centum (1/2 %)

$5.5M Bond

Treasury Constant Rate	5 Year	3.57%
Add .5% if prior to May 2003		0.00%
		3.57%

Weighted Average Life to Maturity:
The number of years obtained by dividing the then Remaining Dollar-years of the Bonds of the 2018 Series by the then outstanding principal amount of the Bonds of the 2018 Series.

2018 2008 10

Remaining Dollar-years	27,500,000	=	5.0
O/S Principal of the Bonds	5,500,000		

Remaining Dollar-years:
The amount obtained by (1) multiplying the amount of each then remaining sinking fund payment and the payment at final maturity, by the number of years (calculated at the nearest one twelfth) which will elapse between the date of determination of the Weighted Average Life to Maturity, of the Bonds of the 2018 Series and the date of payment and (2) totaling all the products obtained in (1).

Remaining Sinking Fund Payments	$500,000	0.0	-
	$500,000	1.0	500,000
	$500,000	2.0	1,000,000
	$500,000	3.0	1,500,000
	$500,000	4.0	2,000,000
	$500,000	5.0	2,500,000
	$500,000	6.0	3,000,000
	$500,000	7.0	3,500,000
	$500,000	8.0	4,000,000
	$500,000	9.0	4,500,000
Payment at Full Maturity	$500,000	10.0	5,000,000
			27,500,000

Exhibit 126.9
PSC 10th Set of Interrogatories
Docket No. 070300-EI; 070304 EI
Witness: Cox

HEARING EXHIBIT - 00000329

[CONFORMED COPY]

FLORIDA PUBLIC UTILITIES COMPANY

BOND PURCHASE AGREEMENT

Dated as of May 1, 1988

Re:

$10,000,000
First Mortgage Bonds,
Series 9.57%,
Due May 1, 2018

and

$5,500,000
First Mortgage Bonds
Series 10.03%
Due May 1, 2018.

HEARING EXHIBIT - 00000330

[FORM OF REVERSE OF BOND OF THE 2018 SERIES]

This bond is one of the bonds, of a series designated as First Mortgage Bonds, 9.57% Series due 2018 (hereinafter sometimes referred to as "Bonds of the 2018 Series"), of an authorized issue of bonds of the Company; known as First Mortgage Bonds, not limited as to maximum aggregate principal amount except as otherwise provided in the Indenture hereinafter mentioned, all issued or issuable in one or more series (which several series may be of different denominations, dates and tenor) under and equally secured (except in so far as any sinking fund, improvement fund or other fund established in accordance with the provisions of said Indenture may afford additional security for the bonds of any specific series) by an Indenture dated as of September 1, 1942, duly executed and delivered by the Company to Continental Illinois National Bank and Trust Company of Chicago and First National in Palm Beach, a division of Southeast Bank N.A., as Trustees, as modified by the First Supplemental Indenture, dated as of December 1, 1945, by the Second Supplemental Indenture, dated as of March 1, 1948, by the Sixth Supplemental Indenture, dated as of July 1, 1959, and by the Twelfth Supplemental Indenture, dated as of May 1, 1988, and as supplemented by all other indentures supplemental thereto, to which Indenture and all indentures supplemental thereto (herein sometimes collectively referred to as the "Indenture") reference is hereby made for a description of the property mortgaged and pledged as security for said bonds, the rights and remedies of the registered owner of this bond in regard thereto, the terms and conditions upon which said bonds are secured thereby, the terms and conditions upon which said bonds may be issued thereunder and the rights, immunities and obligations of the Trustees under the said Indenture. This bond shall be deemed to be a contract made under the laws of the State of Florida, and for all purposes shall be governed by and construed in accordance with the laws of said State.

The Bonds of the 2018 Series shall be subject to redemption prior to maturity as a whole at any time or in part from time to time (a) at

HEARING EXHIBIT - 00000331

the option of the Company, prior to May 1, 2013 upon payment of 100% of the principal amount of the Bonds of the 2018 Series to be redeemed plus, a premium equal to the product of:

(i) the remainder (but in no event less than zero) of

(A) the present value as of the date of any voluntary redemption discounted at the Reinvestment Yield (as hereinafter defined), of the sinking fund payments of the Bonds of the 2018 Series provided for in Section 1.04, the principal payment at final maturity and scheduled interest payments on and in respect of the Bonds of the 2018 Series from the respective dates on which such sinking fund payments and payment at final maturity and interest payments are payable, to the date of such optional redemption, with all such discounts to be computed on the basis of a 360-day year of twelve 30-day months,

MINUS

(B) 100% of the principal amount of the outstanding Bonds of the 2018 Series,

TIMES

(ii) a fraction, the numerator of which is the principal amount of the Bonds of the 2018 Series to be redeemed on such date and the denominator of which is 100% of the principal amount of the outstanding Bonds of the 2018 Series.

"Reinvestment Yield" shall be the arithmetic mean of the rates published in the Statistical Release under the caption "U.S. Government Securities-Treasury Constant Maturities" for the maturity corresponding to the remaining Weighted Average Life to Maturity of the Bonds of the 2018 Series as of the date of such optional redemption rounded to the nearest month, plus if the date of such optional redemption is prior to May 1, 2003 the Reinvestment Yield shall be increased by one-half of one per centum, (1/2%). If no maturity exactly corresponds to such rounded Weighted Average Life to Maturity, yields for the two most closely corresponding published maturities shall be calculated pursuant to the immediately preceding sentence and the Reinvestment Yield shall be interpolated from such yields on a straight-line basis, rounding in each of

— See depiction pg 20

HEARING EXHIBIT - 00000332

such relevant periods to the nearest month. For purposes of calculating the Reinvestment Yield, the most recent Statistical Release published prior to the date of payment hereunder shall be used.

"**Statistical Release**" shall mean the statistical release designated "H.15.(519)" which is published weekly by the Federal Reserve System or, if such statistical release is not published at the time of any determination hereunder, then such other reasonably comparable index which shall be designated by the holders of 66⅔% in aggregate principal amount of the outstanding Bonds of the 2018 Series.

The "**Weighted Average Life to Maturity**" means as at the time of the determination thereof the number of years obtained by dividing the then Remaining Dollar-years of the Bonds of the 2018 Series by the then outstanding principal amount of the Bonds of the 2018 Series. The term "**Remaining Dollar-years**" of the Bonds of the 2018 Series means the amount obtained by (1) multiplying the amount of each then remaining sinking fund payment and the payment at final maturity, by the number of years (calculated at the nearest one-twelfth) which will elapse between the date of determination of the Weighted Average Life to Maturity, of the Bonds of the 2018 Series and the date of that payment and (2) totaling all the products obtained in (1).

In the case of any redemption of the Bonds of the 2018 Series pursuant to this clause (a) prior to May 1, 2013, the Company will deliver a supplemental notice to each holder of Bonds to be redeemed not less than three days before the date fixed for such optional redemption, stating the premium, if any, and accrued interest applicable to the optional redemption and setting forth the calculations used in determining the premium.

HEARING EXHIBIT - 00000333

(b) at the option of the Company on or after May 1, 2013 as a whole at any time or in part from time to time upon payment of the applicable percentage of the principal amount thereof set forth in the following tabulation:

12 Months Period Beginning May 1	Redemption Price (%)
2013	101.33
2014	101.00
2015	100.67
2016	100.33
2017	100.00

and (c)(i) by the operation of the sinking fund for Bonds of the 2018 Series, or (ii) through the application of certain eminent domain moneys and proceeds of sales pursuant to an order of governmental authorities deposited with the Trustee as provided in the Indenture, upon payment of the principal amount thereof; together in any case with interest accrued thereon to the date fixed for redemption.

Prior notice of the redemption of the bonds of such series (unless waived as provided in the Indenture) shall be given by mailing such notice by first class mail, postage prepaid, to the respective registered holders of such bonds not less than thirty (30) nor more than ninety (90) days prior to the redemption date; and otherwise as provided in Article 4 of the Original Indenture and §1.03 of the Twelfth Supplemental Indenture.

If this bond or any portion thereof (One Thousand Dollars ($1,000) or a multiple thereof) is called for redemption and payment duly provided for as specified in said Indenture, this bond or such portion thereof that is so redeemed shall cease to be entitled to the lien and security interest of said Indenture from and after the date payment is so provided and shall cease to bear interest from and after the date fixed for redemption.

The bonds of this series are entitled to the benefit of a sinking fund as provided for in the Twelfth Supplemental Indenture.

In the event of the selection for redemption (whether for the sinking fund or otherwise) of a portion only of the principal of this bond, payment of the redemption price will be made only (a) upon presentation of this bond for notation hereon of such payment of

HEARING EXHIBIT 00000334

§ 1.09. *Duration of Effectiveness of Article 1.* This Article shall be in force and effect only so long as any of the Bonds of the 2018 Series are outstanding.

ARTICLE 2.

Bonds of the Second 2018 Series

§ 2.01. *Establishment of Bonds of the Second 2018 Series.* There shall be, and is hereby created a new series of Bonds, known as and entitled "First Mortgage Bonds, 10.03% Series due 2018", and the form thereof shall be substantially as hereinafter set forth in § 2.05 hereof.

The principal amount of the Bonds of the Second 2018 Series is limited to Five Million Five Hundred Thousand Dollars ($5,500,000) in principal amount of such Bonds to be initially issued in compliance by the Company with the provisions of § 3.03 and/or § 3.04 of the Original Indenture, as supplemented and modified, and to the Bonds of the Second 2018 Series issued in exchange or substitution for outstanding Bonds of said Series under the provisions of the Original Indenture and of this Twelfth Supplemental Indenture.

§ 2.02. *Terms of the Bonds of the Second 2018 Series.* The definitive Bonds of the Second 2018 Series shall be issued only as registered Bonds without coupons of the denomination of $1,000 or any multiple thereof, numbered RL 1 upwards. Notwithstanding the provisions of § 2.08 of the Indenture or any other provisions of the Indenture, the date of authentication of the first Bonds of the Second 2018 Series issued upon original issuance shall be the date of the commencement of the first interest period for Bonds of the Second 2018 Series. All Bonds of the Series shall mature May 1, 2018 and shall bear interest at the rate of 10.03% per annum until the payment of the principal thereof, such interest to be payable semi-annually on May 1 and November 1 in each year commencing November 1, 1988. Both principal of and interest on the Bonds of the Second 2018 Series will be paid in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. Principal of,

HEARING EXHIBIT - 00000335

premium, if any, and interest on Bonds of the Second 2018 Series will be payable at the principal corporation trust office of the Trustee, Continental Illinois National Bank and Trust Company of Chicago in the City of Chicago, Illinois, except that, in the case of the redemption as a whole at any time of Bonds of the Second 2018 Series then outstanding, the Company may designate in the redemption notice of other offices or agencies at which, at the option of the registered holders, Bonds of the Second 2018 Series may be surrendered for redemption and payment. Interest on the Bonds of the Second 2018 Series shall, unless otherwise directed by the respective registered holders thereof, be paid by checks payable to the order of the respective holders entitled thereto, and mailed by the Trustee by first class mail, postage prepaid, to such holders at their respective registered addresses as shown on the Bond register for the Bonds of the Second 2018 Series, in each case to the holder of record on the record date as hereinbelow defined.

The definitive Bonds of the Second 2018 Series may be issued in the form of Bonds engraved, printed or lithographed on steel engraved borders.

The person in whose name any Bond of the Second 2018 Series is registered at the close of business on any record date (as hereinbelow defined) with respect to any interest payment date shall be entitled to receive the interest payable on such interest payment date notwithstanding the cancellation of such Bond of the Second 2018 Series upon any transfer or exchange thereof (including any exchange effected as an incident to a partial redemption thereof) subsequent to the record date and prior to such interest payment date, except that, if and to the extent that the Company shall default in the payment of the interest due on such interest payment date, then the registered holders of Bonds of the Second 2018 Series on such record date shall have no further right to claim in respect of such defaulted interest as such registered holders on such record date, and the persons entitled to receive payment of any defaulted interest thereafter payable or paid on any Bonds of the Second 2018 Series shall be the registered holders of such Bonds of the Second 2018 Series on the record date for payment of such defaulted interest. The term "record date" as used in this § 2.02, and in the form of

HEARING EXHIBIT - 00000336

the Bonds of the Second 2018 Series, with respect to any interest payment date applicable to the Bonds of the Series, shall mean the October 15 next preceding a November 1 interest payment date or the April 15 next preceding a May 1 interest payment date, as the case may be, or such record date established for defaulted interest as hereinafter provided.

In case of failure by the Company to pay any interest when due the claim for such interest shall be deemed to have been transferred by transfer of any Bond of the Second 2018 Series registered on the books of the Company and the Company, by not less than 10 days written notice to bondholders, may fix a subsequent record date for determination of holders entitled to payment of such interest. Such provisions for establishment of subsequent record date, however, shall in no way affect the rights of bondholders or of the Trustee consequent on any default.

Except as provided in this § 2.02, every Bond of the Second 2018 Series shall be dated as provided in § 2.08 of the Original Indenture. However, so long as there is no existing default in the payment of interest on the Bonds of the Second 2018 Series, all Bonds of the Second 2018 Series authenticated by the Trustee between the record date for any interest payment date and such interest payment date shall be dated such interest payment date and shall bear interest from such interest payment date; provided, however, that if and to the extent that the Company shall default in the interest due on such interest payment date, then any such Bond of the Second 2018 Series shall bear interest from the May 1 or November 1, as the case may be, to which interest has been paid, unless such interest payment date is November 1, 1988, in which case from the date of authentication of the first Bonds of the Second 2018 Series issued upon original issuance.

Notwithstanding the provisions of § 2.06 of the Original Indenture no charge shall be made for any exchange of the Bonds of the Second 2018 Series for other Bonds of the Second 2018 Series of different authorized denominations or for any transfer of Bonds of the Second 2018 Series, except that the Company at its option may require the payment of a sum sufficient to reimburse it for any tax or other governmental charge incident thereto.

HEARING EXHIBIT - 00000337

The Trustee hereunder shall, by virtue of its office as such Trustee, be the registrar and transfer agent of the Company for the purpose of registering and transferring Bonds of the Second 2018 Series. Neither the Company nor the Trustee shall be required to make transfers or exchanges of Bonds of the Second 2018 Series for a period of ten days next preceding any designation of Bonds of the Second 2018 Series to be redeemed and neither the Company nor the Trustee shall be required to make transfers or exchanges of any bonds designated in whole for redemption or that part of any bond designated in part for redemption.

§ 2.03. *Redemption Provisions for Bonds of the Second 2018 Series.* The Bonds of the Second 2018 Series shall be subject to redemption prior to maturity as a whole at any time or in part from time to time:

(a) at the option of the Company, prior to May 1, 2013 upon payment of 100% of the principal amount of the Bonds of the Second 2018 Series to be redeemed plus, a premium equal to the product of:

(i) the remainder (but in no event less than zero) of

(A) the present value as of the date of any voluntary redemption discounted at the Reinvestment Yield (as hereinafter defined), of the sinking fund payments of the Bonds of the Second 2018 Series provided for in Section 2.04, the principal payment at final maturity and scheduled interest payments on and in respect of the Bonds of the Second 2018 Series from the respective dates on which such sinking fund payments and payment at final maturity and interest payments are payable, to the date of such optional redemption, with all such discounts to be computed on the basis of a 360-day year of twelve 30-day months,

MINUS

(B) 100% of the principal amount of the outstanding Bonds of the Second 2018 Series,

TIMES

(ii) a fraction, the numerator of which is the principal amount of the Bonds of the Second 2018 Series to be redeemed

HEARING EXHIBIT - 00000338

on such date and the denominator of which is 100% of the principal amount of the outstanding Bonds of the Second 2018 Series.

"Reinvestment Yield" shall be the arithmetic mean of the rates published in the Statistical Release under the caption "U.S. Government Securities-Treasury Constant Maturities" for the maturity corresponding to the remaining Weighted Average Life to Maturity of the Bonds of the Second 2018 Series as of the date of such optional redemption rounded to the nearest month, plus if the date of such optional redemption is prior to May 1, 2003 the Reinvestment Yield shall be increased by one-half of one per centum (½%). If no maturity exactly corresponds to such rounded Weighted Average Life to Maturity, yields for the two most closely corresponding published maturities shall be calculated pursuant to the immediately preceding sentence and the Reinvestment Yield shall be interpolated from such yields on a straight-line basis, rounding in each of such relevant periods to the nearest month. For purposes of calculating the Reinvestment Yield, the most recent Statistical Release published prior to the date of payment hereunder shall be used.

"Statistical Release" shall mean the statistical release designated "H.15.(519)" which is published weekly by the Federal Reserve System or, if such statistical release is not published at the time of any determination hereunder, then such other reasonably comparable index which shall be designated by the holders of 66-2/3% in aggregate principal amount of the outstanding Bonds of the Second 2018 Series.

The "Weighted Average Life to Maturity" means as at the time of the determination thereof the number of years obtained by dividing the then Remaining Dollar-years of the Bonds of the Second 2018 Series by the then outstanding principal amount of the Series T Bonds. The term "Remaining Dollar-years" of the Bonds of the Second 2018 Series means the amount obtained by (1) multiplying the amount of each then remaining sinking fund payment and the payment at final maturity, by the number of years (calculated at the nearest

HEARING EXHIBIT - 00000339

one-twelfth) which will elapse between the date of determination of the Weighted Average Life to Maturity of the Bonds of the Second 2018 Series and the date of that payment and (2) totaling all the products obtained in (1).

In the case of any redemption of the Bonds of the Second 2018 Series pursuant to this clause (a) prior to May 1, 2013 the Company will deliver a supplemental notice to each holder of Bonds to be redeemed not less than three days before the date fixed for such optional redemption, stating the premium, if any, and accrued interest applicable to the optional redemption and setting forth the calculations used in determining the premium.

(b) at the option of the Company on or after May 1, 2013 as a whole at any time or in part from time to time upon payment of the applicable percentage of the principal amount thereof set forth in the following tabulation:

12 Months Period Beginning May 1	Redemption Price (%)
2013	101.33
2014	101.00
2015	100.67
2016	100.33
2017	100.00

and

(c) upon payment of the principal amount thereof

(i) through operation of the sinking fund for the Bonds of the Second 2018 Series provided for in § 2.04 hereof, or

(ii) through the application of cash deposited with the Trustee in connection with the taking by the exercise of the power of eminent domain or the sale through the exercise by any governmental body or agency of any right which it may have to purchase or designate a purchaser of or order the sale of such property, of

HEARING EXHIBIT - 00000340

(A) all the electric properties of the Marianna Divisi
the electric properties of the Fernandina Division or a
properties of the West Palm Beach Division, in any case
entirety, or

(B) all or substantially all of the public utility prop
of the Company subject to the lien of the Indenture as
mortgage,

together in any case with interest accrued thereon to the date
for redemption.

In the event that less than all of the outstanding Bonds o
2018 Series are to be redeemed, the Trustee shall, at the tir
each such partial redemption, prorate among the registered ov
of the Bonds of the 2018 Series in the proportion that their re
tive holdings bear to the aggregate principal amount of Bonds c
2018 Series outstanding on the date of selection, except tha
principal amount of Bonds of the 2018 Series registered in the r
of any holder which is to be redeemed on any partial redemp
shall be $1,000, or a multiple thereof, and such allocations as ma
requisite for this purpose shall be made by the Trustee in its un
trolled discretion. The acceptance of Bonds of the 2018 Serie
the registered owners thereof shall be deemed to constitute a
sent to the foregoing provisions of this Section with the same f
and effect as if the provisions of this Section had been set forth
written instrument duly executed by the registered owners of al
Bonds of the 2018 Series and an executed counterpart of
instrument had been filed with the Trustee.

In all cases of redemption, prior notice (unless waived as prov
in Article 4 of the Original Indenture) shall be given by first c
mail, postage prepaid, to the holder of record at the date of s
notice of each Bond of the 2018 Series affected, at his addres
shown on the books of the Company, upon not less than 30 days'
more than 90 days' notice. Such notice shall be sufficiently give
deposited in the United States mail within such period. Neither
failure to mail such notice, nor any defect in any notice so maile
any such holder, shall affect the sufficiency of such notice v

HEARING EXHIBIT - 00000341

respect to other holders. The foregoing provisions with respect to notice shall be subject to all other conditions and provisions of the Indenture not inconsistent herewith.

§ 2.04. *Sinking Fund for Bonds of the 2018 Series.* As a Sinking Fund for the Bonds of the 2018 Series, the Company will on or before April 30, of each year, beginning in 2008 and continuing to and including April 30, 2017, pay to the Trustee cash sufficient to redeem on the next ensuing May 1, $500,000 of the aggregate principal amount of the Bonds of the Second 2018 Series authenticated and delivered on the March 15 next preceding such May 1.

The above annual principal amounts are herein referred to as "sinking fund payments" and the dates upon which payments are required as above provided are herein referred to as "sinking fund payment dates".

In the event of any partial redemption of the Bonds of the Second 2018 Series pursuant to the provisions of § 2.03 hereof (other than § 2.03(c)(i)) the aggregate amount of sinking fund payments becoming due after the date of such redemption shall be adjusted (as nearly as practicable) by reducing the aggregate amount of each subsequent sinking fund payment to become due by the percentage by which the principal amount of Bonds of the Second 2018 Series so redeemed bears to the total principal amount of such Bonds theretofore authenticated and delivered. In the event that adjustments of any sinking fund payments are at any time, or from time to time, required under the foregoing provisions, the determination of the Trustee as to the amounts of the adjustments shall be conclusive.

Forthwith after the March 15 preceding each sinking fund payment date on which the Company will be required to make to the Trustee a payment in cash for the sinking fund, the Trustee shall proceed to select for redemption in the manner provided in Section 2.03 of the Twelfth Supplemental Indenture, a principal amount of Bonds of the Second 2018 Series equal to the aggregate principal amount of Bonds redeemable with such cash payment and, in the name of the Company, shall give notice as required by the provisions of § 2.03 of this Twelfth Supplemental Indenture of

HEARING EXHIBIT - 00000342

the redemption for the sinking fund on the then next ensuing May 1, of the Bonds so selected. Prior to the sinking fund payment date next preceding such May 1, the Company shall pay to the Trustee the cash payment required by this Section, and the money so paid shall be applied by the Trustee to the redemption of such Bonds.

On or before each sinking fund payment date the Company will pay to the Trustee an amount equal to the interest accrued to the date of redemption on such Bonds of the Second 2018 Series to be redeemed for the sinking fund, and, upon request of the Trustee, from time to time will also pay the cost of giving notice of such redemption and any other expense incurred in the operation of such fund, the intention being that such fund shall not be charged for such interest and expenses.

§ 2.05. *Form of Bonds of the Second 2018 Series.* The Bonds of the Second 2018 Series and the Trustee's authentication certificate to be executed on the Bonds of said Series, shall be in substantially the following forms, respectively:

HEARING EXHIBIT - 00000343

Exhibit 126.11
PSC 10th Set of Interrogatories
Docket No. 070300-EI; 070304-EI
Witness: Cox

ESTIMATED LT DEBT REDEMPTION ANALYSIS

				Due
First Mortgage Bonds	$ 8,000,000		9.08%	6/1/2022

Redemption Terms on or after 6/1/1998 as per Section 1.03:

1) Payment of 100% of Principal			$ 8,000,000
2) Interest accrued to the date of redemption			
3) Make-Whole Premium:			
Excess if any, of			
(i) PV of Principal & Interest (excl interest to date of redemption)	Prin	$3,781,443	
and	Int	$7,643,044	
		$11,424,487	
over (ii) 100% Principal Outstanding being redeemed.		$ 8,000,000	$3,424,487
Total Payable at Redemption			$ 11,424,487

Note: If the Reinvestment Rate is equal to or higher than 9.08% the Make-Whole Premium shall be zero.

Florida Public Utilities Make-Whole Premium Analysis

Par Amount	Current Coupon	Discount Rate	
$8,000,000	9.08%	5.12000%	Reinvestment Rate (see calc details)
	$363,200		

Period	Date	Principal	Interest	PV	PV Multiplier
2	12/1/2007	$0	$363,200	$360,120.42	0.991520971
8	6/1/2008	$0	$363,200	$351,037.45	0.966512814
14	12/1/2008	$0	$363,200	$342,183.58	0.942135414
20	6/1/2009	$0	$363,200	$333,553.02	0.91837286
26	12/1/2009	$0	$363,200	$325,140.14	0.895209646
32	6/1/2010	$0	$363,200	$316,939.45	0.872630655
38	12/1/2010	$0	$363,200	$308,945.60	0.850621152
44	6/1/2011	$0	$363,200	$301,153.37	0.829166772
50	12/1/2011	$0	$363,200	$293,557.68	0.808253516
56	6/1/2012	$0	$363,200	$286,153.56	0.787867733
62	12/1/2012	$0	$363,200	$278,936.19	0.767996122
68	6/1/2013	$0	$363,200	$271,900.86	0.748625712
74	12/1/2013	$0	$363,200	$265,042.97	0.729743863
80	6/1/2014	$0	$363,200	$258,358.05	0.711338253
86	12/1/2014	$0	$363,200	$251,841.74	0.693396869
92	6/1/2015	$0	$363,200	$245,489.79	0.675908002
98	12/1/2015	$0	$363,200	$239,298.04	0.658860241
104	6/1/2016	$0	$363,200	$233,262.46	0.642242458
110	12/1/2016	$0	$363,200	$227,379.11	0.626043809
116	6/1/2017	$0	$363,200	$221,644.15	0.610253723
122	12/1/2017	$0	$363,200	$216,053.84	0.594861894
128	6/1/2018	$0	$363,200	$210,604.53	0.579858279
134	12/1/2018	$0	$363,200	$205,292.66	0.565233085
140	6/1/2019	$0	$363,200	$200,114.76	0.550976767
146	12/1/2019	$0	$363,200	$195,067.46	0.537080023
152	6/1/2020	$0	$363,200	$190,147.47	0.523533783
158	12/1/2020	$0	$363,200	$185,351.57	0.510329206
164	6/1/2021	$0	$363,200	$180,676.63	0.497457675
170	12/1/2021	$0	$363,200	$176,119.60	0.48491079
176	6/1/2022	$8,000,000	$363,200	$171,677.51	0.472680363
		$8,000,000	$10,896,000	$7,643,043.67	
			PV of Principal	$3,781,442.90	

Reinvestment Rate - $8M

Reinvestment Rate (as defined in $8M 2022 Series)

$8M Bond

Reinvestment Rate Calculation:

The sum of

i 0.50% plus

ii the arithmetic mean of the yields under the respective headings "This Week" and "Last Week" published in the Statistical Release under the caption "Treasury Constant Maturities" for the maturity corresponding to the remaining term of the Bonds of the 2022 Series (rounded to the nearest month). Use most current Statistical Release *See Agreement for more details*

If the Reinvestment Rate is equal to or higher than 9 08% the Make-Whole Premium shall be zero.

Reinvestment Rate Calculation:

	0.50%
Average of Treasury Constant Maturities	4.62%
Reinvestment Rate Calculation:	5.12%

Treasury Constant Maturities

"This Week"	12/21/2007	4.66%
"Last Week"	12/28/2007	4.58%
Average of Treasury Constant Maturities		4.62%

Exhibit 176.13
PSC 10th Set of Interrogatories
Docket No. 070300 EI; 070304 EI
Witness: Cox

HEARING EXHIBIT - 00000346

,Instrument,"U.S. government securities/Treasury constant maturities/Nominal"
,Maturity,"20-year"
,Frequency,"Weekly (Friday)"
,Description,"Market yield on U.S. Treasury securities at 20-year constant maturity, quoted on investment basis"
,Note,"Yields on actively traded non inflation-indexed issues adjusted to constant maturities. The 10-year Treasury constant maturity [illegible]

Exhibit 126.14
PSC 10th Set of Interrogatories
Docket No. 070300 EI; 070304-EI
Witness: Cox

HEARING EXHIBIT - 00000347

12/07/2007, 4.46
12/14/2007, 4.61
12/21/2007, 4.58
12/28/2007, 4.66
01/04/2008, 4.43
01/11/2008, 4.40

HEARING EXHIBIT - 00000348

Exhibit 126.15
PSC 10th Set of Interrogatories
Docket No. 070300-EI; 070304 EI
Witness: Cox

FLORIDA PUBLIC UTILITIES COMPANY

To

CONTINENTAL BANK, NATIONAL ASSOCIATION

And

FIRST NATIONAL IN PALM BEACH, A DIVISION OF
FIRST UNION NATIONAL BANK OF FLORIDA,

Trustees

THIRTEENTH SUPPLEMENTAL INDENTURE

Dated as of June 1, 1992

SUPPLEMENTING AND MODIFYING
THE
INDENTURE OF MORTGAGE AND DEED OF TRUST

Dated as of September 1, 1942

This is a Security Agreement covering Personal Property as well as a Mortgage upon Real Estate and Other Property

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HEARING EXHIBIT - 00000349

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HEARING EXHIBIT - 00000350

This is a Security Agreement covering Personal Property
as well as a Mortgage upon Real Estate and Other Property

THIRTEENTH SUPPLEMENTAL INDENTURE

THIS THIRTEENTH SUPPLEMENTAL INDENTURE, dated for convenience as of June 1, 1992 (the *"Thirteenth Supplemental Indenture"*) between FLORIDA PUBLIC UTILITIES COMPANY, as Debtor (its Federal tax number being 59-0539080), a Florida corporation (hereinafter sometimes called the *"Company"*), whose mailing address is P.O. Box 3395, West Palm Beach, Florida 33402-3395, and the address of its principal place of business is 401 South Dixie Highway, West Palm Beach, Florida 33401, party of the first part, and CONTINENTAL BANK, NATIONAL ASSOCIATION (hereinafter sometimes called the *"Trustee"*), as Mortgagee and Secured Party (its Federal tax number being 36-0947896), a national banking association duly organized and existing under the laws of the United States of America, having its principal office at 231 South LaSalle Street, Chicago, Illinois 60697 and FIRST NATIONAL IN PALM BEACH, A DIVISION OF FIRST UNION NATIONAL BANK OF FLORIDA (hereinafter sometimes called the *"Co-Trustee"*), as Mortgagee and Secured Party (its Federal tax number being 59-2216636), a corporation duly organized and existing under the laws of the United States of America, having its principal place of business at 225 South County Road, Palm Beach, Florida 33480 (the *"Trustee"* and *"Co-Trustee"* being hereinafter sometimes collectively called the *"Trustees"*), as Trustees, parties of the second part.

WHEREAS, the Company has heretofore executed and delivered to the Trustees an Indenture of Mortgage and Deed of Trust dated as of September 1, 1942 (hereinafter called the *"Original Indenture"*), to secure, as provided therein, its bonds (in the Original Indenture and herein called the *"Bonds"*), to be designated generally as its *"First Mortgage Bonds"*, and to be issued in one or more series as provided in the Original Indenture; and

WHEREAS, the Company has heretofore executed and delivered to the Trustees twelve indentures supplemental to the Original Indenture as follows: the First Supplemental Indenture dated as of December 1, 1945 (hereinafter sometimes called the *"First Supplemental Indenture"*), the Second Supplemental Indenture dated as of March 1, 1948 (hereinafter sometimes called the *"Second Supplemental Indenture"*), the Third Supplemental Indenture dated as of August 1, 1954 (hereinafter sometimes called the *"Third Supplemental Indenture"*), the Fourth Supplemental Indenture dated as of August 1, 1956 (hereinafter sometimes called the *"Fourth Supplemental Indenture"*), the Fifth Supplemental Indenture dated as of September 1, 1958 (hereinafter sometimes called the *"Fifth Supplemental Indenture"*), the Sixth Supplemental Indenture dated as of July 1, 1959 (hereinafter sometimes called the *"Sixth Supplemental Indenture"*), the Seventh Supplemental Indenture dated as of June 1, 1963 (hereinafter sometimes called the *"Seventh Supplemental Indenture"*), the Eighth Supplemental Indenture dated as of June 1, 1965 (hereinafter sometimes called the *"Eighth Supplemental Indenture"*), the Ninth Supplemental Indenture dated as of July 1, 1972 (hereinafter sometimes called the *"Ninth Supplemental Indenture"*), the Tenth Supplemental Indenture dated as of July 1, 1975 (hereinafter sometimes called the *"Tenth Supplemental Indenture"*), the Eleventh Supplemental Indenture dated as of June 1, 1983 (hereinafter sometimes called the *"Eleventh Supplemental Indenture"*) and the Twelfth

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Supplemental Indenture dated as of May 1, 1988 (hereinafter sometimes called the *"Twelfth Supplemental Indenture"*) each of which supplemental indentures provided for the creation of a new series of First Mortgage Bonds and said First, Second, Sixth and Twelfth Supplemental Indentures modified certain provisions of the Original Indenture and the First Supplemental Indenture; and

WHEREAS, pursuant to the Original Indenture, as so supplemented and modified, there have been executed, authenticated, delivered and issued and there are outstanding as of the date of execution of this Thirteenth Supplemental Indenture, First Mortgage Bonds of series and principal amounts as follows:

TITLE	ISSUED	OUTSTANDING
4-3/4% Series due 1993	$1,000,000	$700,000
4-3/4% Series due 1995	$1,000,000	$727,000
8% Series due 2002	$2,000,000	$1,652,000
10.03% Series due 2018	$5,500,000	$5,500,000
9.57% Series due 2018	$10,000,000	$10,000,000

which constitute the only Bonds outstanding under the Original Indenture, as supplemented and modified by the First, Second, Sixth and Twelfth Supplemental Indentures and as supplemented by the Third, Fourth, Fifth, Seventh, Eighth, Ninth, Tenth and Eleventh Supplemental Indentures; and

WHEREAS, the Board of Directors of the Company has established pursuant to §2.03 of said Original Indenture a new series of Bonds to be designated First Mortgage Bonds, 9.08% Series due 2022 (hereinafter sometimes referred to as the *"Bonds of the 2022 Series"*) in the principal amount of Eight Million Dollars ($8,000,000) and has authorized the issue of said Bonds pursuant to the provisions of Article 3 of the Original Indenture, as supplemented and modified; and

WHEREAS, since the execution and delivery by the Company of the Twelfth Supplemental Indenture, the Company has acquired certain additional properties which by the terms of the Original Indenture, as supplemented and modified, are subject to the lien thereof; and

WHEREAS, §16.01 of the Original Indenture provides, among other things, that the Company may execute and file with the Trustees and the Trustees at the request of the Company shall join in indentures supplemental to the Original Indenture and which thereafter shall form a part thereof, for the purposes, among others, of (a) describing the terms of any new series of Bonds as established by resolution of the Board of Directors of

the Company pursuant to §2.03 of the Original Indenture, (b) subjecting to the lien of the Original Indenture, as supplemented and modified, or perfecting the lien thereof upon, any additional properties of any character, (c) adding to the covenants and agreements of the Company such further covenants or agreements as the Board of Directors of the Company shall consider to be for the protection of the trust estate and of the holders of the Bonds and (d) providing for modifications in the Original Indenture, subject to certain conditions; and

WHEREAS, the Company desires to execute this Thirteenth Supplemental Indenture and hereby requests the Trustees to join in this Thirteenth Supplemental Indenture for the purpose of describing the terms of the Bonds of the 2022 Series and of subjecting to the lien of the Original Indenture, as supplemented and modified, the additional properties acquired by the Company since the execution and delivery of the Twelfth Supplemental Indenture, of modifying certain provisions of the Original Indenture, as supplemented and modified, (the Original Indenture, as supplemented and modified by the First, Second, Sixth, Twelfth and by this Thirteenth Supplemental Indenture and as supplemented by the Third, Fourth, Fifth, Seventh, Eighth, Ninth, Tenth and Eleventh Supplemental Indentures being herein sometimes called the "*Indenture*") and of adding to the covenants and agreements of the Company in the Indenture contained other covenants and agreements hereafter to be observed by the Company; and

WHEREAS, all conditions necessary to authorize the execution, delivery and recording of this Thirteenth Supplemental Indenture and to make this Thirteenth Supplemental Indenture a valid and binding Indenture of Mortgage for the security of the Bonds of the Company issued or to be issued under the Indenture have been complied with or have been done or performed.

NOW, THEREFORE, THIS INDENTURE WITNESSETH, that in order to secure the payment of the principal of and premium, if any, and interest on all Bonds at any time issued and outstanding under the Indenture, according to their tenor, purport and effect, and to secure the performance and observance of all the covenants and conditions in said Bonds and in the Indenture contained and for and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds of the 2022 Series by the holders or registered owners thereof, and of the sum of One Dollar ($1.00) lawful money of the United States of America duly paid to the Company by the Trustees at or before the ensealing and delivery hereof, and for other valuable considerations, the receipt whereof is hereby acknowledged, Florida Public Utilities Company has executed and delivered this Thirteenth Supplemental Indenture, and has granted, bargained, sold, aliened, remised, released, conveyed, assigned, transferred, mortgaged, pledged, set over and confirmed, and by these presents does grant, bargain, sell, alien, remise, release, convey, assign, transfer, mortgage, pledge, set over and confirm unto Continental Bank, National Association and First National in Palm Beach, a Division of First Union National Bank of Florida, as Trustees, and to their successors in the trust, and to their assigns forever, all property real, personal or mixed, described in the Original Indenture and thereby conveyed or mortgaged or intended so to be, including all such property acquired since the execution and delivery of said Original Indenture which by the terms of said Original Indenture, the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental

HEARING EXHIBIT - 00000353

Indenture, the Fourth Supplemental Indenture, the Fifth Supplemental Indenture, the Sixth Supplemental Indenture, the Seventh Supplemental Indenture, the Eighth Supplemental Indenture, the Ninth Supplemental Indenture, the Tenth Supplemental Indenture, the Eleventh Supplemental Indenture, Twelfth Supplemental Indenture and this Thirteenth Supplemental Indenture is subjected or is intended to be subjected to the lien of the Indenture.

Together with all and singular the tenements, hereditaments and appurtenances belonging or in anywise appertaining to the aforesaid properties or any part thereof, with the reversion and reversions, remainder and remainders, tolls, rents, revenues, issues, income, product and profits thereof, and all the estate, right, title, interest and claim whatsoever, at law as well as in equity, which the Company now has or may hereafter acquire in and to the aforesaid properties and every part and parcel thereof.

Expressly Excepting and Excluding, However, from this Thirteenth Supplemental Indenture and from the lien and operation of the Indenture:

(a) any and all property of the character expressly excepted and excluded from (i) the Original Indenture and from the lien and operation thereof by subdivisions (b) to (h), both inclusive, of Part IX of Schedule A thereto and (ii) the Original Indenture as supplemented and modified by the First, Second, Sixth and Twelfth Supplemental Indentures and as supplemented by the Third, Fourth, Fifth, Seventh, Eighth, Ninth, Tenth and Eleventh Supplemental Indentures and from the lien and operation thereof as provided in the Granting Clauses of said First, Second, Third, Fourth, Fifth, Sixth, Seventh, Eighth, Ninth, Tenth, Eleventh and Twelfth Supplemental Indentures; and

(b) all property which has been released by the Trustees or otherwise disposed of by the Company free from the lien of the Original Indenture, as supplemented and modified by the First, Second, Sixth and Twelfth Supplemental Indentures and as supplemented by the Third, Fourth, Fifth, Seventh, Eighth, Ninth, Tenth and Eleventh Supplemental Indentures, in accordance with the provisions thereof.

TO HAVE AND TO HOLD all said properties, real, personal and mixed, mortgaged, pledged or conveyed by the Company as aforesaid, or intended so to be, unto the Trustees, and their successors in the Trust and their assigns forever.

SUBJECT, HOWEVER, to the exceptions and reservations and matters hereinabove recited; and to any permitted liens as defined in §1.05(a) of the Original Indenture, and liens existing on any property hereafter acquired by the Company at the time of such acquisition and permitted by §5.04 of the Original Indenture, as modified by the First Supplemental Indenture.

IN TRUST, NEVERTHELESS, upon the terms and trusts in the Indenture set forth for the equal and proportionate benefit and security of all present and future holders of the

HEARING EXHIBIT - 00000354

Bonds and coupons issued and to be issued under the Indenture, or any of them, without preference or priority of any said Bonds or coupons over any others thereof, or of the Bonds and coupons of any particular series over the Bonds and coupons of any other series, by reason of priority in the time of issue, sale or negotiation thereof or by reason of the purpose of issue or otherwise howsoever, except as otherwise provided in §9.29 of the Original Indenture.

AND THIS INDENTURE FURTHER WITNESSETH, that the Company for itself and its successors, does hereby covenant and agree to and with the Trustees and their successors in said trust, for the benefit of those who shall hold the Bonds and coupons of any of them, as follows:

ARTICLE 1
BONDS OF THE 2022 SERIES

Section 1.01. Establishment of Bonds of the 2022 Series. There shall be, and is hereby created a new series of Bonds, known as and entitled *"First Mortgage Bonds, 9.08% Series due 2022"*, and the form thereof shall be substantially as hereinafter set forth in §1.05 hereof.

The principal amount of the 2022 Series is limited to Eight Million Dollars ($8,000,000) in principal amount of such Bonds to be initially issued upon compliance by the Company with the provisions of §3.03 and/or §3.04 of the Original Indenture, as supplemented and modified, and to the Bonds of the 2022 Series issued in exchange or substitution for outstanding Bonds of said Series under the provisions of the Original Indenture and of this Thirteenth Supplemental Indenture.

Section 1.02. Terms of the Bonds of the 2022 Series. The definitive Bonds of the 2022 Series shall be issued only as registered Bonds without coupons of the denomination of $1,000 or any multiple thereof, numbered RM 1 upwards. Notwithstanding the provisions of §2.08 of the Indenture or any other provisions of the Indenture, the date of authentication of the first Bonds of the 2022 Series issued upon original issuance shall be the date of the commencement of the first interest period for Bonds of the 2022 Series. All Bonds of the 2022 Series shall mature June 1, 2022 and shall bear interest at the rate of 9.08% per annum until the payment of the principal thereof, such interest to be payable semi-annually on June 1 and December 1 in each year commencing December 1, 1992. Both principal of and interest on the Bonds of the 2022 Series will be paid in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. Principal of, premium, if any, and interest on Bonds of the 2022 Series will be payable at the principal corporate trust office of the Trustee, Continental Bank, National Association in the City of Chicago, Illinois, except that, in the case of the redemption as a whole at any time of Bonds of the 2022 Series then outstanding, the Company may designate in the redemption notice other offices or agencies at which, at the option of the registered holders, Bonds of the 2022 Series may be surrendered for redemption and payment. Interest on the Bonds of the 2022 Series may be paid by checks payable to the order of the respective holders entitled thereto, and mailed by the Trustee by

HEARING EXHIBIT - 00000355

first class mail, postage prepaid, to such holders at their respective registered addresses as shown on the Bond register for the Bonds of the 2022 Series, in each case to the holder of record on the record date as hereinbelow defined.

The person in whose name any Bond of the 2022 Series is registered at the close of business on any record date (as hereinbelow defined) with respect to any interest payment date shall be entitled to receive the interest payable on such interest payment date notwithstanding the cancellation of such Bond of the 2022 Series upon any transfer or exchange thereof (including any exchange effected as an incident to a partial redemption thereof) subsequent to the record date and prior to such interest payment date, except that, if and to the extent that the Company shall default in the payment of the interest due on such interest payment date, then the registered holders of Bonds of the 2022 Series on such record date shall have no further right to or claim in respect of such defaulted interest as such registered holders on such record date, and the persons entitled to receive payment of any defaulted interest thereafter payable or paid on any Bonds of the 2022 Series shall be the registered holders of such Bonds of the 2022 Series on the record date for payment of such defaulted interest. The term *"record date"* as used in this §1.02, and in the form of the Bonds of the 2022 Series, with respect to any interest payment date applicable to the Bonds of the 2022 Series, shall mean the November 15 next preceding a December 1 interest payment date or the May 15 next preceding a June 1 interest payment date, as the case may be, or such record date established for defaulted interest as hereinafter provided.

In case of failure by the Company to pay any interest when due the claim for such interest shall be deemed to have been transferred by transfer of any Bond of the 2022 Series registered on the books of the Company and the Company, by not less than 10 days written notice to bondholders, may fix a subsequent record date for determination of holders entitled to payment of such interest. Such provision for establishment of subsequent record date, however, shall in no way affect the rights of bondholders or of the Trustee consequent on any default.

Except as provided in this §1.02, every Bond of the 2022 Series shall be dated as provided in §2.08 of the Original Indenture. However, so long as there is no existing default in the payment of interest on the Bonds of the 2022 Series, all Bonds of the 2022 Series authenticated by the Trustee between the record date for any interest payment date and such interest payment date shall be dated such interest payment date and shall bear interest from such interest payment date; *provided, however,* that if and to the extent that the Company shall default in the interest due on such interest payment date, then any such Bond of the 2022 Series shall bear interest from the June 1 or December 1, as the case may be, to which interest has been paid, unless such interest payment date is December 1, 1992, in which case from the date of authentication of the first Bonds of the 2022 Series issued upon original issuance.

Notwithstanding the provisions of §2.06 of the Original Indenture no charge shall be made for any exchange of Bonds of the 2022 Series for other Bonds of the 2022 Series of different authorized denominations or for any transfer of Bonds of the 2022 Series, except

HEARING EXHIBIT - 00000356

that the Company at its option may require the payment of a sum sufficient to reimburse it for any tax or other governmental charge incident thereto.

The Trustee hereunder shall, by virtue of its office as such Trustee, be the registrar and transfer agent of the Company for the purpose of registering and transferring Bonds of the 2022 Series. Neither the Company nor the Trustee shall be required to make transfers or exchanges of Bonds of the 2022 Series for a period of ten days next preceding any designation of Bonds of the 2022 Series to be redeemed and neither the Company nor the Trustee shall be required to make transfers or exchanges of any bonds designated in whole for redemption or that part of any bond designated in part for redemption.

Section 1.03. Redemption Provisions for Bonds of the 2022 Series. The Bonds of the 2022 Series shall be subject to redemption prior to maturity as a whole at any time or in part from time to time at the option of the Company on or after June 1, 1998 upon payment of 100% of the principal amount of the Bonds of the 2022 Series to be redeemed plus interest accrued thereon to the date of redemption, plus a premium equal to the Make-Whole Premium, defined below, which shall be determined three (3) business days prior to the date of such redemption. The Company will deliver notice to each holder of the Bonds of the 2022 Series to be redeemed (by telecopy or other same-day written communication confirmed by the recipient, on a date at least two (2) business days prior to the date fixed for redemption of the Bonds of the 2022 Series) of the premium, if any, applicable to such redemption and the calculations, in reasonable detail, used to determined the amount of any such premium.

"Make-Whole Premium" shall mean, in connection with any redemption, the excess, if any, of (i) the aggregate present value as of the date of such redemption of each dollar of principal being redeemed and the amount of interest (exclusive of interest accrued to the date of redemption) that would have been payable in respect of such dollar if such redemption had not been made, determined by discounting such amounts at the Reinvestment Rate from the respective dates on which they would have been payable, over (ii) 100% of the principal amount of the outstanding Bonds of the 2022 Series being redeemed. If the Reinvestment Rate is equal to or higher than 9.08% the Make-Whole Premium shall be zero.

"Reinvestment Rate" shall mean the sum of (i) 0.50% plus (ii) the arithmetic mean of the yields under the respective headings "This Week" and "Last Week" published in the Statistical Release under the caption "Treasury Constant Maturities" for the maturity corresponding to the remaining term of the Bonds of the 2022 Series (rounded to the nearest month). If no maturity exactly corresponds to such remaining term of the Bonds of the 2022 Series, yields for the two published maturities most closely corresponding to such remaining term of the Bonds of the 2022 Series shall be calculated pursuant to the immediately preceding sentence and the Reinvestment Rate shall be interpolated or extrapolated from such yields on a straight-line basis, rounding in each of such relevant periods to the nearest month. For the purposes of calculating the Reinvestment Rate, the most recent Statistical Release published prior to the date of determination of the premium hereunder shall be used.

HEARING EXHIBIT - 00000357

"Statistical Release" shall mean the statistical release designated "H.15(519)" or any successor publication which is published weekly by the Federal Reserve System and which establishes yields on actively traded U.S. Government Securities adjusted to constant maturities or, if such statistical release is not published at the time of any determination hereunder, then such other reasonably comparable index which shall be designated by the holders of sixty-six and two-thirds per cent 66-2/3%) in aggregate principal amount of the outstanding Bonds of the 2022 Series.

Section 1.05. Form of Bonds of the 2022 Series. The Bonds of the 2022 Series and the Trustee's authentication certificate to be executed on the Bonds of said Series, shall be in substantially the following form:

HEARING EXHIBIT - 00000358

[FORM OF FACE OF BOND OF THE 2022 SERIES]

No. RM $.....

FLORIDA PUBLIC UTILITIES COMPANY
Incorporated under the laws of the State of Florida
First Mortgage Bond, 9.08% Series due 2022
Due June 1, 2022

FLORIDA PUBLIC UTILITIES COMPANY, a Florida corporation (hereinafter sometimes called the *"Company"*, which term shall include any successor corporation as defined in the Indenture hereinafter mentioned), for value received, hereby promises to pay to , or registered assigns, Dollars ($) on June 1, 2022 and to pay to the registered owner hereof interest thereon from the date hereof if prior to December 1, 1992 or from the interest payment date next preceding the date of this bond, or from the date of this bond if it be an interest payment date, whichever date is the later, at the rate of nine and eight one hundreds per centum (9.08%) per annum, semi-annually on the first day of June and on the first day of December in each year until payment of the principal hereof.

The principal of, and the premium, if any, and the interest on, this bond will be paid in lawful money of the United States of America at the office of Continental Bank, National Association (hereinafter sometimes called the *"Trustee"*) in the City of Chicago, Illinois, or of its successor in trust, and interest thereon will be paid in like lawful money at said office of the Trustee; *provided, however*, that interest on this bond may be paid (i) by check payable to the order of the registered holder entitled thereto and mailed by the Trustee by first class mail, postage prepaid, to such holder at his address as shown on the bond register for bonds of this series, or (ii) as otherwise provided by an agreement of the Company with such holder complying with Section 5.01 of the Thirteenth Supplemental Indenture (hereinafter described).

This bond shall not become or be valid or obligatory for any purpose until the authentication hereon shall have been signed by the Trustee.

The provisions of this bond are continued on the reverse hereof and such continued provisions shall for all purposes have the same effect as though fully set forth at this place.

HEARING EXHIBIT - 00000359

IN WITNESS WHEREOF, FLORIDA PUBLIC UTILITIES COMPANY has caused these presents to be executed in its name and behalf by its President or a Vice President and its corporate seal to be hereunto affixed and attested by its Secretary or an Assistant Secretary, all as of

FLORIDA PUBLIC UTILITIES COMPANY,

By_____
President

ATTEST

_____
Secretary

HEARING EXHIBIT - 00000360

the principal amount of the outstanding Bonds of the 2022 Series being redeemed. If the Reinvestment Rate is equal to or higher than 9.07% the Make-Whole Premium shall be zero.

"Reinvestment Rate" shall mean the sum of (i) 0.50% plus (ii) the arithmetic mean of the yields under the respective headings "This Week" and "Last Week" published in the Statistical Release under the caption "Treasury Constant Maturities" for the maturity corresponding to the remaining term of the Bonds of the 2022 Series (rounded to the nearest month). If no maturity exactly corresponds to such remaining term of the Bonds of the 2022 Series, yields for the two published maturities most closely corresponding to such remaining term of the Bonds of the 2022 Series shall be calculated pursuant to the immediately preceding sentence and the Reinvestment Rate shall be interpolated or extrapolated from such yields on a straight-line basis, rounding in each of such relevant periods to the nearest month. For the purposes of calculating the Reinvestment Rate, the most recent Statistical Release published prior to the date of determination of the premium hereunder shall be used.

"Statistical Release" shall mean the statistical release designated "H.15(519)" or any successor publication which is published weekly by the Federal Reserve System and which establishes yields on actively traded U.S. Government Securities adjusted to constant maturities or, if such statistical release is not published at the time of any determination hereunder, then such other reasonably comparable index which shall be designated by the holders of sixty-six and two-thirds per cent 66-2/3%) in aggregate principal amount of the outstanding Bonds of the 2022 Series.

Prior notice of the redemption of the Bonds of the 2022 Series (unless waived as provided in the Indenture) shall be given by mailing such notice by first class mail, postage prepaid, to the respective registered holders of such bonds not less than thirty (30) nor more than ninety (90) days prior to the redemption date; and otherwise as provided in Article 4 of the Original Indenture and §1.03 of the Thirteenth Supplemental Indenture.

If this bond or any portion thereof (One Thousand Dollars ($1,000) or a multiple thereof) is called for redemption and payment duly provided for as specified in said Indenture, this bond or such portion thereof that is so redeemed shall cease to be entitled to the lien and security interest of said Indenture from and after the date payment is so provided and shall cease to bear interest from and after the date fixed for redemption.

In the event of the selection for redemption of a portion only of the principal of this bond, payment of the redemption price will be made only (a) upon presentation of this bond for notation hereon of such payment of the portion of the principal of this bond so called for redemption, or (b) upon surrender of this bond in exchange for a bond or bonds in registered form (but only of authorized denominations), for the unredeemed balance of the principal of this bond, or (c) upon issuance of a check or upon the making of a wire transfer in the amount of the portions of the principal amount so redeemed payable to the order of the registered holder entitled thereto and, in the case of a check, mailed by the Trustee by first class mail, postage prepaid, to such holder at his address as shown on the bond register for Bonds of the 2022 Series, provided that in either case the holder shall have entered into

HEARING EXHIBIT - 00000361

In case a default as defined in said Indenture shall occur, the principal of this bond may become or be declared due and payable before maturity in the manner and with the effect provided in said Indenture. The holders, however, of certain specified percentages of the bonds at the time outstanding, including in certain cases specified percentages of bonds of particular series, may in the cases, to the extent and under the conditions provided in said Indenture, waive past defaults thereunder and the consequences of such defaults.

No recourse shall be had for the payment of the principal of or premiums, if any, or interest on this bond, or for any claim based hereon, or otherwise in respect hereof or of said Indenture, to or against any incorporator, stockholder, director or officer, past, present or future, as such, of the Company, or of any predecessor or successor corporation, either directly or through the Company, or such predecessor or successor corporation, under any constitution or statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise, all such liabilities of incorporators, stockholders, directors and officers, as such, being waived and released by the holder and owner hereof by the acceptance of this bond and being likewise waived and released by the terms of said Indenture.

HEARING EXHIBIT - 00000362

[FORM OF ENDORSEMENT OF BONDS OF THE 2022 SERIES WITH RESPECT TO PAYMENTS ON ACCOUNT OF PRINCIPAL]

PAYMENTS ON ACCOUNT OF PRINCIPAL

DATE	AMOUNT PAID	BALANCE OF PRINCIPAL AMOUNT UNPAID	SIGNATURE

[FORM OF AUTHENTICATION CERTIFICATE FOR BONDS OF THE 2022 SERIES]

This bond is one of the bonds of the series designated therein, referred to in the within-mentioned Indenture.

CONTINENTAL BANK, NATIONAL ASSOCIATION, TRUSTEE,

By_____
Authorized Officer

Section 1.06. Renewal and Replacement Fund. Notwithstanding the provision of §1.06 of the First Supplemental Indenture, as modified by §2.02 of the Second Supplemental Indenture, that the covenants contained therein shall continue only so long as any of the First Mortgage Bonds, 3-1/4% Series due 1975 (hereinafter sometimes called the *"Bonds of the*

HEARING EXHIBIT - 00000363

1975 Series") shall remain outstanding, the Company hereby covenants that the covenants made by the Company in said §1.06, as so modified, shall also continue so long as any of the Bonds of the 2022 Series shall remain outstanding.

Section 1.07. Restriction on Payment of Dividends on Common Stock. The Company hereby covenants and agrees that, so long as any Bonds of the 2022 Series remain outstanding, the Company shall not (a) declare or pay any dividend (other than dividends payable in capital stock of the Company), or make any distribution on any shares of Common Stock of the Company, or (b) purchase or otherwise retire for a consideration (other than in exchange for, or from the proceeds of, other shares of capital stock of the Company and other than any class of preferred stock required to be purchased, redeemed or otherwise retired for any sinking or purchase fund for such class of stock) any shares of capital stock of the Company, if the aggregate amount so distributed or expended after December 31, 1991 would exceed the aggregate amount of the Company's net income available for dividends on its Common Stock accumulated after December 31, 1991, plus the sum of $2,500,000.

Net income of the Company available for dividends on its Common Stock for the purpose of this Section shall mean the gross earnings of the Company, less all proper deductions for operating expenses, taxes (including income, excess profits and other taxes based on or measured by income or undistributed earnings or income for the determination of liability in respect of which the amount payable by the Company by way of interest is a deductible item), interest charges and other appropriate items, including provisions for maintenance, and provision for retirements, depreciation or obsolescence in an amount not less than the appropriation for renewals and replacements, as defined in §1.06 of the First Supplemental Indenture as amended by §2.02 of the Second Supplemental Indenture, after provision for all dividends accrued on any outstanding stock of the Company having preference over the Common Stock as to dividends, and otherwise determined in accordance with generally accepted accounting principles, provided, however, that in determining the net income of the Company for the purposes of this Section no deduction or adjustment shall be made for or in respect of (a) expenses in connection with the redemption or retirement of any securities issued by the Company, including any amount paid in excess of the principal amount or par or stated value of securities redeemed or retired or, in the event that such redemption or retirement is effected with the proceeds of sale of other securities of the Company, interest or dividends on the securities redeemed or retired from the date on which the funds required for such redemption or retirement are deposited in trust for such purpose to the date of redemption or retirement; (b) profits or losses from sales of property or other capital assets, or taxes on or in respect of any such profits; (c) any earned surplus adjustment (including tax adjustments) applicable to any period prior to January 1, 1992; and (d) amortization or elimination of utility plant adjustment accounts or other intangibles.

Section 1.08. Extension of Certain Covenants to Bonds of the 2022 Series. Notwithstanding the provisions of §1.08 of the First Supplemental Indenture that the covenants contained therein shall continue only so long as any of the Bonds of the 1975 Series shall remain outstanding, the Company hereby covenants that the covenants made by

HEARING EXHIBIT - 00000364

the Company in said §1.08 as modified by §2.05 of the Second Supplemental Indenture, shall also continue so long as any of the Bonds of the 2022 Series shall remain outstanding.

Section 1.09. Duration of Effectiveness of Article 1. This Article shall be in force and effect only so long as any of the Bonds of the 2022 Series are outstanding.

ARTICLE 2
ADDITIONAL COVENANTS OF THE COMPANY

Section 2.01. Notwithstanding the provisions of §1.07(4) of the Original Indenture, as modified by §2.05(a) of the First Supplemental Indenture and §2.03 of the Second Supplemental Indenture, that the definition contained in said §1.07(4), as so modified, shall continue so long as any Bonds of the 1975 Series or First Mortgage Bonds, 3-3/4% Series due 1978 (hereinafter sometimes called the *"Bonds of the 1978 Series"*) shall be outstanding, the Company hereby covenants that the definition contained in said §1.07(4) as modified as aforesaid shall also apply to Bonds of the 2022 Series and continue in effect so long as any Bonds of the 2022 Series shall remain outstanding.

Section 2.02. Notwithstanding the provisions of §1.07(7) of the Original Indenture, as modified by §2.05(c) of the First Supplemental Indenture and §2.04 of the Second Supplemental Indenture, that the definition contained in said §1.07(7), as so modified, shall continue so long as any of the Bonds of the 1975 Series or Bonds of the 1978 Series shall be outstanding, the Company hereby covenants that the definition contained in said §1.07(7) as modified as aforesaid shall also apply to Bonds of the 2022 Series and continue in effect so long as any Bonds of the 2022 Series shall remain outstanding.

ARTICLE 3
MODIFICATION OF THE ORIGINAL INDENTURE

Paragraph (3) of §1.06 of the Original Indenture as modified by §2.04 of the First Supplemental Indenture is hereby amended by deleting from paragraph (3) the words "two and one-half (2-1/2) times" and substituting in place thereof the words "two (2) times" and the acceptance of any Bond of the Bonds of the 2022 Series by the holder thereof shall be deemed to constitute a consent to such amendment; *provided, however*, that such amendment shall not become effective until (a) a further Supplemental Indenture making it effective shall have been executed with the consent of the holders of not less than 75% in principal amount of the Bonds outstanding, including the holders of not less than 60% in principal amount of the Bonds of each series, at the time outstanding, other than Bonds of the 2022 Series and Bonds of any other series in respect of which the Supplemental Indenture creating the series provides that the acceptance of the Bonds of such series by the holder thereof shall be deemed to constitute a consent to such amendment, or (b) none of the Bonds of any series other than Bonds of the 2022 Series and any such other series shall be outstanding.

HEARING EXHIBIT - 00000365

Twelfth Supplemental Indenture and such Section or Article has been modified, then such reference shall be to such Section or Article so modified whether or not expressly so stated.

Section 5.05. Nothing in this Thirteenth Supplemental Indenture expressed or implied is intended or shall be construed to give to any person other than the Company, the Trustees, and the holders of the Bonds and coupons issued hereunder, any legal or equitable right, remedy or claim under or in respect of the Original Indenture, the First Supplemental Indenture, Second Supplemental Indenture, the Third Supplemental Indenture, the Fourth Supplemental Indenture, the Fifth Supplemental Indenture, the Sixth Supplemental Indenture, the Seventh Supplemental Indenture, the Eighth Supplemental Indenture, the Ninth Supplemental Indenture, the Tenth Supplemental Indenture, the Eleventh Supplemental Indenture, Twelfth Supplemental Indenture or this Thirteenth Supplemental Indenture or any covenant, condition or provision therein or herein or in the Bonds contained; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the Company, the Trustees and the holders of the Bonds and coupons issued hereunder.

Section 5.06. The titles of Articles and any wording on the cover of this Thirteenth Supplemental Indenture are inserted for convenience only and are not a part thereof.

Section 5.07. All the covenants, stipulations, promises and agreements in this Thirteenth Supplemental Indenture contained made by or on behalf of the Company or of the Trustees shall inure to and bind their respective successors and assigns.

Section 5.08. Although this Thirteenth Supplemental Indenture is dated for convenience and for the purpose of reference as of June 1, 1992, the actual date or dates of execution by the Company and by the Trustees are as indicated by their respective acknowledgements hereto annexed.

Section 5.09. In order to facilitate the recording or filing of this Thirteenth Supplemental Indenture, the same may be simultaneously executed in several counterparts, each of which shall be deemed to be an original, and such counterparts shall together constitute but one and the same instrument.

Section 5.10. This Thirteenth Supplemental Indenture and each Bond of the 2022 Series shall be deemed to be a contract made under the laws of the State of Florida, and for all purposes shall be governed by and construed in accordance with the laws of said State. Nothing contained in this §5.10 shall be deemed in any manner to impair any of the rights of holders of any bonds previously issued under the Indenture.

IN WITNESS WHEREOF, FLORIDA PUBLIC UTILITIES COMPANY has caused this Thirteenth Supplemental Indenture to be signed in its corporate name and behalf by its President or one of its Vice Presidents and its corporate seal to be hereunto affixed and attested by its Secretary or one of its Assistant Secretaries; and CONTINENTAL BANK, NATIONAL ASSOCIATION in token of its acceptance of the trust hereby created has caused this Thirteenth Supplemental Indenture to be signed in its name and behalf by its President or one of its Vice Presidents or Second Vice Presidents and its seal to be hereunto affixed and attested by one of its Trust Officers; and FIRST NATIONAL IN PALM BEACH, A DIVISION OF FIRST UNION NATIONAL BANK OF FLORIDA, in token of its acceptance of the trust hereby created has caused this Thirteenth Supplemental Indenture to be signed in its corporate name and behalf by its President or one of its Vice Presidents and its corporate seal to be hereunto affixed and attested by one of its Trust Officers or its Cashier, or one of its Assistant Cashiers; all as of the day and year first above written.

FLORIDA PUBLIC UTILITIES COMPANY

(Corporate Seal)

By _____
President

Attest: _____
Secretary

CONTINENTAL BANK, NATIONAL ASSOCIATION

(Seal)

By _____
Vice President

Attest: R C Bergman
Trust Officer

FIRST NATIONAL IN PALM BEACH, A DIVISION OF FIRST UNION NATIONAL BANK OF FLORIDA

(Corporate Seal)

By _____
Vice President and Trust Officer

Attest: _____
Vice President and
Trust Officer

HEARING EXHIBIT - 00000367

STATE OF FLORIDA)
) SS:
COUNTY OF PALM BEACH)

Before the undersigned, a Notary Public in and for said State and County, duly qualified, commissioned and sworn, personally came FRANKLIN C. CRESSMAN and MILDRED K. HALL, each to me well known to be the identical persons described in and who executed the foregoing instrument and to be President and Secretary, respectively, of FLORIDA PUBLIC UTILITIES COMPANY, the corporation described in and which executed said instrument; and the said FRANKLIN C. CRESSMAN acknowledged and declared that he as President of said corporation and being duly authorized by it, freely and voluntarily, signed its name and caused its corporate seal to be affixed to and executed said instrument in the name of, for and on behalf of said corporation and as and for its act and deed. And the said MILDRED K. HALL, acknowledged and declared that she as Secretary of said corporation, being duly authorized by it, freely and voluntarily affixed the corporate seal of said corporation to said instrument and executed and attested said instrument in the name of, for and on behalf of said corporation and as and for its act and deed.

IN TESTIMONY WHEREOF, I do hereunto set my hand and official seal at the City of West Palm Beach in said State and County this 22nd day of June, 1992.

Estelle M. Davis
(Notarial Seal)

NOTARY PUBLIC STATE OF FLORIDA
MY COMMISSION EXP. MAY 4,1993
BONDED THRU GENERAL INS. UND.

HEARING EXHIBIT - 00000368

STATE OF FLORIDA)
) SS:
COUNTY OF PALM BEACH)

Before the undersigned, a Notary Public in and for said State and County, duly qualified, commissioned and sworn, personally came WILLIAM F. DINEEN and T.M. SKELLY, each to me well known to be the identical persons described in and who executed the foregoing instrument and to be a Vice President and Trust Officer of FIRST NATIONAL IN PALM BEACH, A DIVISION OF FIRST UNION NATIONAL BANK OF FLORIDA, the corporation described in and which executed said instrument; and the said WILLIAM F. DINEEN acknowledged and declared that he as a Vice President and Trust Officer of said corporation and being duly authorized by it, freely and voluntarily, signed its name and affixed its corporate seal to and executed said instrument in the name of, for and on behalf of said corporation and as and for its act and deed. And the said T.M. SKELLY, acknowledged and declared that he as a Vice President and Trust Officer of said corporation, being duly authorized by it, freely and voluntarily attested the execution and ensealing of said instrument in the name of, for and on behalf of said corporation and as and for its act and deed.

IN TESTIMONY WHEREOF, I do hereunto set my hand and official seal at the Town of Palm Beach in said State and County this 22nd day of June, 1992.

(Notarial Seal)
NOTARY PUBLIC, STATE OF FLORIDA.
MY COMMISSION EXPIRES: JAN. 2, 1993.
BONDED THRU NOTARY PUBLIC UNDERWRITERS.

HEARING EXHIBIT - 00000369

AFFIDAVIT

STATE OF FLORIDA)

COUNTY OF PALM BEACH)

I hereby certify that on this 15 day of February, 2008, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared Doreen Cox, who is personally known to me, and he/she acknowledged before me that he/she provided the answers to interrogatory number(s) 118 – 122, and 126-127 from STAFF'S TENTH SET OF INTERROGATORIES TO FLORIDA PUBLIC UTILITIES COMPANY (NOS. 111 - 134) in Docket No(s). 070304-EI and 070300-EI, and that the responses are true and correct based on his/her personal knowledge.

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 15 day of February, 2008PK

Dina Bellechase

Notary Public
State of Florida, at Large

DINA BELLECHASES
MY COMMISSION # DD 730183
EXPIRES: December 13, 2011
Bonded Thru Notary Public Underwriters

My Commission Expires:
December 13, 2011

AFFIDAVIT

STATE OF WISCONSIN)

COUNTY OF DANE)

I hereby certify that on this 15 day of February, 2008, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared Robert Camfield, who is personally known to me, and he/she acknowledged before me that he/she provided the answers to interrogatory number(s) 111 – 125, and 128 - 134 from STAFF'S TENTH SET OF INTERROGATORIES TO FLORIDA PUBLIC UTILITIES COMPANY (NOS. 111 - 134) in Docket No(s). 070304-EI and 070300-EI, and that the responses are true and correct based on his/her personal knowledge.

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 15th day of February, 2008.

Julie L. Watson
Notary Public
State of Wisconsin

My Commission Expires:
9/5/10

HEARING EXHIBIT - 00000371

7

FPUC's Response to OPC's First Set of Interrogatories (Nos. 2-30, 40-41, 44-62, 65, 68, 70-73, 75, 80, 97-98, 111-116, 123-125, 129, including supplemental responses to Nos. 13, 45, 62, 65, and 66)

HEARING EXHIBIT - 00000372

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for rate increase by Florida Public Utilities Company	)	Docket No. 070304-EI Filed: November 14, 2007

FLORIDA PUBLIC UTILITIES COMPANY'S NOTICE OF SERVICE OF RESPONSES TO CITIZENS' FORST SET OF INTERROGATORIES (NOS. 1-129)

Florida Public Utilities Company ("FPUC") by and through its undersigned counsel, hereby files and serves Notice that it has served its Responses to FPSC Staff's First Set of Interrogatories (Nos. 1-129) by hand delivery on Patricia Christensen Esq., Associate Public Counsel, Office of Public Counsel, c/o The Florida Legislature, 111 West Madison St., Room 812, Tallahassee, FL 32399-1400 on this 14th day of November, 2007.

NORMAN H. HORTON, JR.
MESSER, CAPARELLO & SELF, P. A.
Post Office Box 15579
Tallahassee, FL 32317
(850) 222-0720

Attorneys for Florida Public Utilities Company

HEARING EXHIBIT - 00000373

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that true and correct copies of the foregoing have been served by Hand Delivery this 14th day of November, 2007 upon the following:

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NORMAN H. HORTON, JR.

HEARING EXHIBIT - 00000374

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for rate increase by Florida Public Utilities Company	)	Docket No. 070304-EI

FLORIDA PUBLIC UTILITIES COMPANY'S OBJECTIONS AND RESPONSES TO CITIZENS' FIRST SET OF INTERROGATORIES (NOS. 1-129)

COMES NOW, Florida Public Utilities Company's ("FPUC") and in response to Citizens' First Set of Interrogatories (Nos. 1-129) states as follows:

GENERAL OBJECTIONS

1. FPUC objects to each and every Item to the extent that it seeks production of information that is protected from disclosure by the attorney work product privilege, attorney-client communication privilege, or other applicable privilege or to the extent it requires disclosure of proprietary confidential business information exempt from disclosure pursuant to Section 366.093, Florida Statutes.

2. FPUC objects to each and every Item to the extent that it seeks production of information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

3. FPUC objects to each and every Item to the extent that it is vague, overly broad, or contains undefined terms susceptible to multiple meanings.

4. FPUC objects to each and every Item to the extent that it seeks FPUC "to provide" information that is a matter of public record, for example, documents that have been filed with a government agency, or to the extent it is as readily available to the Citizens as it is to the Company.

HEARING EXHIBIT - 00000375

5. FPUC objects to each and every Item to the extent that it seeks information for an indeterminate period of time and is thus overly broad and unduly burdensome.

6. FPUC objects to each and every Item to the extent that it imposes a burden of discovery not required in the Rules of Civil Procedure.

7. FPUC objects to each and every Item to the extent that it is unduly burdensome, expensive, or oppressive to respond to as presently written, particularly where an Interrogatory seeks information regarding "all" instances or examples.

8. FPUC objects to each and every Item to the extent it requests documents and/or information not in existence or in a format other than as it is normally kept for business purposes.

9. FPUC objects to each and every Request to the extent documents are to be produced and made available for review in other than the offices of the Company. Such a request is inappropriate through interrogatories and unduly burdensome and expensive. Without waiving this objection, FPUC will provide copies to the extent it is an option under the Rule of Civil Procedure and it can be done efficiently and will make available other documents at its offices for review and copying.

INTERROGATORIES

1. Please state whether the Company's fuel adjustment charge and conservation adjustment charge, as approved by the Commission, are based upon assumptions as to fuel costs and conservation costs which the Company files in dockets associated with fuel and conservation costs. If not, please state how these factors are determined by the Commission.

FPUC'S RESPONSE: See attached.

2. Please provide an explanation of how allocations were made on the Company's balance sheets shown on Schedule B-3 for the years 2006, 2007 and 2008.

HEARING EXHIBIT - 00000376

FPUC'S RESPONSE: See attached.

3. Please provide an explanation of how the Company projected the amounts shown on the balance sheets for the year ended December 31, 2007 and the year ended December 31, 2008.

FPUC'S RESPONSE: See attached.

4. Please provide a schedule reflecting the year-end balance of cash and cash deposits for the years 2002 to 2006. For each year, segregate the interest bearing and the non-interest bearing cash balance.

FPUC'S RESPONSE: See attached.

5. Please state the basis for the $317,836 of special deposit-electric and why such deposit was made and why it is necessary.

FPUC'S RESPONSE: See attached.

6. Please state whether the Company's accounts receivable reflects any other receivables from either employees, customers or other entities for any other service or sale other than the delivery of kWh.

   a. If so, please provide a full explanation of why these amounts have been included in the Company's rate base.

FPUC'S RESPONSE: See attached.

7. Please provide the amortization of Account 1650.4, Prepaid Expense-Other, for each year 2006, 2007 and 2008.

FPUC'S RESPONSE: See attached.

8. Please provide the amortization of Account 1650.41, Prepaid Expense-Maintenance, for each of the years 2006, 2007 and 2008.

HEARING EXHIBIT - 00000377

FPUC'S RESPONSE: See attached.

9. Please provide the calculations of the unbilled revenue for each year 2006, 2007 and 2008. Explain how the Company calculated this number for each projected month shown on the B-3 schedules.

FPUC'S RESPONSE: See attached.

10. Please provide an explanation of the regulatory asset-retirement plan, which appears first on the Company's balance sheet in December 2006. Provide any documentation or support for this prepayment.

    a. Provide a full explanation of how a prepaid regulatory asset related to the retirement plan arose and if the Company has included this amount in its working capital requirement.

FPUC'S RESPONSE: See attached.

    b. If the Company has included this amount in its working capital requirement, please provide a full explanation of why it should be included and a rate of return paid by ratepayers on such an amount.

FPUC'S RESPONSE: See attached.

11. Has the Company included temporary services in Account 1850.1 in its rate base?

    a. If so, please provide an explanation of what the temporary services represent and where such revenues for such temporary services are reflected.

FPUC'S RESPONSE: See attached.

12. Please state whether the Company has included Account 1860.1, Deferred Debits-Other in its rate base. If it has, provide an explanation of why this amount should be included in rate base and provide an itemized listing of each of the deferred debits.

FPUC'S RESPONSE: See attached.

HEARING EXHIBIT - 00000378

13. Provide an itemization list of Account 1860, Deferred Debit-Rate Case Expense for each of the years 2006, 2007 and 2008.

FPUC'S RESPONSE: See attached.

14. Please provide a description and calculation of all amounts of prior period tax adjustments that FPUC removed from net operating income in its MFRs.

FPUC'S RESPONSE: See attached.

15. Please refer to Schedule B-22 and provide a breakdown of each type of deferred income tax, by account, with description of each type of deferred tax and the basis for deferring the tax.

FPUC'S RESPONSE: See attached.

16. Please provide a listing of each type of accumulated deferred income tax in Account 1900, Accumulated Deferred Taxes, which the Company has included in rate base for the years 2006, 2007 and 2008.

FPUC'S RESPONSE: See attached.

17. Please provide a schedule which shows the actual accumulated deferred income tax balances, by month, in each of the accounts 2820, 2821, 2830, for the years 2006 and 2007 year-to-date. Provide a description of each type of deferred income tax.

FPUC'S RESPONSE: See attached.

18. Please explain whether the request to amortize deferred taxes using the straight line remaining life basis as opposed to the average rate assumption method (ARAM) is considered a change in accounting policy for generally accepted accounting principles.

FPUC'S RESPONSE: See attached.

19. Please provide a calculation showing the revenue impact for 2008 of changing the deferred tax amortization method from ARAM to a straight line basis.

HEARING EXHIBIT - 00000379

FPUC'S RESPONSE: See attached.

20. Please provide a detailed explanation of the differences between the ARAM and straight line method of amortizing deferred income taxes, including how the calculation would affect accounts that are originating as well as reversing.

FPUC'S RESPONSE: See attached.

21. Please provide any prior regulatory decision (statute, rule, order, case law) where a utility has been allowed to change from ARAM to straight line amortization for deferred income taxes.

FPUC'S RESPONSE: FPUC incorporates objections 3, 4, and 7. The request to "provide" information is not appropriately framed as an interrogatory and as presented is overbroad and vague as to regulatory decision from whom and inconsistent with the parenthetical "(statute, rule, order, case law)."

22. Please provide the expected revenue impact on a present value basis of the company's request to change from ARAM to straight line amortization for deferred income taxes over the next 5 years in support of Witness Khojasteh's testimony on page 13, line 19-20, that the straight line method impact to customers is more even over each year and is easier to determine on an annual basis without harm to customers.

FPUC'S RESPONSE: See attached.

23. Please provide a schedule which shows the additions to and subtractions from the Company's pension reserve, Account 2280.31, from the Company's last test year to the most current actual month available.

    a. Provide an explanation of each debit or credit to this account with reference to the document which supports the debit or credit.

FPUC'S RESPONSE: See attached.

HEARING EXHIBIT - 00000380

24. Please provide an explanation and the amounts which the Company has booked to account for the requirements of FAS 158.

a. Please state if the recording of the effects of FAS 158 had any impact on the rates request being requested by the Company.

FPUC'S RESPONSE: See attached.

25. Please provide an analysis of the revenue impact of deferring the regulatory impact of FASB 158 as a regulatory asset and expensing the cost until recognized a current pension expense with the alternative treatment proposed by Witness Khojasteh (page 9-10, direct testimony) of amortizing the deferred account over 5 years and allowing current recovery in this rate case.

FPUC'S RESPONSE: See attached.

26. Please provide a schedule which shows the credits and debits to the Company's Medical-Post Retirement, Account 2280.32, from the Company's last test year in its previous filing to the most current month available. Provide a reference to each debit or credit to this account with an explanation of how each debit or credit was determined.

FPUC'S RESPONSE: See attached.

27. Please provide the amount charged against the medical post-retirement account 2280.32 for the years 2003, 2004, 2005, 2006 and 2007 year-to-date. Provide the accrual for each of those years and the amount charged to expense by year.

FPUC'S RESPONSE: See attached.

HEARING EXHIBIT - 00000381

30. Provide the actual amounts charged against the Accrued Liability Insurance Account 2280.201 for the years 2003, 2004, 2005, 2006 and 2007 year-to-date.

FPUC'S RESPONSE: See attached.

HEARING EXHIBIT - 00000382

97. Using the date that the transformer is projected to be placed into service, please provide the revenue impact with supporting calculations in the 2008 test year of year-end versus average rate base recovery.

FPUC'S RESPONSE: See attached.

HEARING EXHIBIT - 00000383

112. Uncollectible accounts - Please provide the calculation of how the Company arrived at the uncollectible account written off as shown on Schedule C-11 for the prior year 2007 in the amount of $90,352 and the projected year 2008 in the amount of $144,563.

FPUC'S RESPONSE: See attached.

113. Please provide the amount of increase in uncollectible accounts resulting from the change if fuel prices implemented in January 2007. Compare this increase on a dollar and percentage basis from the level incurred by month from the levels incurred in 2006 prior to the 2007 fuel increase.

FPUC'S RESPONSE: See attached.

114. Please provide an explanation as to what facts or theory the company relied upon to show that the uncollectible write-offs in 2008 would be 23.40% of revenues.

FPUC'S RESPONSE: See attached.

115. Please explain why on Schedule C-11 of the MFRs, the company is projecting a bad debt write-off of $144,563 for $61.7 million in gross revenues (.2340%) for 2008 but the test year expense for uncollectible accounts reflects an expense of $216,664 (a $129,249 increase of uncollectible accounts expense over 2006 and 2007 or 150%), which equates to a bad debt factor of .3507%. This is prior to the company's requested gross-up revenue increase which includes the .20% bad debt factor.

FPUC'S RESPONSE: See attached.

HEARING EXHIBIT - 00000384

116. On MFR Schedule C-11, the company reports the amount of write-offs for uncollectible accounts. Please provide the dollar per year of recoveries of previously written-off accounts and how these amounts are accounted for with respect to the calculation of the bad debt factor.

FPUC'S RESPONSE: See attached.

HEARING EXHIBIT - 00000385

FPUC'S RESPONSE: See attached.

120. Industrial association dues. Please provide copies of the most recent invoices from the following industrial associations: Southeastern electric exchange, Florida electric power coordinating group and the Florida institute of Certified Public Accountants of which 32% is allocated to electric.

FPUC'S RESPONSE: See attached.

121. Identify, itemize, and describe all expenses recorded below the line in 2006 and the projected years 2007 and 2008.

FPUC'S RESPONSE: See attached.

For the following questions, please reference the direct testimony of Doreen Cox and Robert Camfield:

122. With reference to page 4, lines 3-7, please provide a list of all publications of Robert Camfield.

FPUC'S RESPONSE: See attached.

123. With reference to page 41, line 24 through page 42, lines 1-2, please describe how historical returns can be 'identified and measured' in a manner that reasonably reflects expectations of the future. Please provide copies of all studies used to support this position.

FPUC'S RESPONSE: See attached.

124. With reference to page 45, lines 1-24, please (1) provide precise definitions of the three screening criteria, with the numbers used where relevant, (2) provide the definition of mid-sized electric utilities, along with a list of all mid-sized electric utilities, (3) list the companies eliminated by each of the three screens. Please provide the data and work

papers in both paper and electronic (Microsoft Excel Worksheet) forms. For the Microsoft Excel version, please include keep all formulas embedded in the worksheet.

FPUC'S RESPONSE: FPUC incorporates objections 1, 6, and 8. These interrogatories request definitions but also request production of documents inappropriately through an interrogatory. The request to provide workpapers "with all formulas embedded" would require production of material not the property of the Company but property of the consultants that developed the formulas. Such formulas are proprietary and confidential and constitute trade secrets as to the consultants. Disclosure of such information would deprive the consultant of his property. The Company would make the worksheets available subject to a confidentiality agreement.

125. With reference to page 46, lines 8-19, please (1) provide precise definitions of the risk screening criteria, with the numbers used where relevant, and (2) provide the data and work papers used in the calculations of the risk metrics for the electric and gas groups. Please provide the data and work papers in both paper and electronic (Microsoft Excel Worksheet) forms. For the Microsoft Excel version, please include keep all formulas embedded in the worksheet.

FPUC'S RESPONSE: See response to Interrogatory No. 124.

HEARING EXHIBIT - 00000387

129. Please provide a schedule showing the Company's prepaid insurance by policy and type of coverage showing the coverage period and the premium paid.

a. Show the prepaid balance for each year 2006, 2007 and 2008 and how such amounts were derived.

FPUC'S RESPONSE: See attached.

Respectfully submitted this 14th day of November, 2007.

NORMAN H. HORTON, JR.
MESSER, CAPARELLO & SELF, P.A.
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Tallahassee, FL 32317
(850) 222-0720

Attorneys for Florida Public Utilities Company

RESPONSES OF FLORIDA PUBLIC UTILITIES COMPANY

to

CITIZEN'S FIRST SET OF INTERROGATORIES (NO. 1-129)

DOCKET NUMBER 070304-EI

1. **Please state whether the Company's fuel adjustment charge and conservation adjustment charge, as approved by the Commission, are based upon assumptions as to fuel costs and conservation costs which the Company files in dockets associated with fuel and conservation costs. If not, please state how these factors are determined by the Commission.**

The Commission determines these fuel and conservation factors with detailed fuel and conservation projection schedules, an audit and review of our filings and a hearing that is held each November in separate dockets. See Docket No 070001-EI and Docket 070002-EI for more details and all applicable documents supporting our actual projections for both fuel and conservation for 2008.

Since fuel and conservation are removed as adjustments for the base rate proceeding and the filing details were needed before the 2008 projections of fuel and conservation were completed, we projected these at a high level. The overall amounts are reasonable, but the actual factors per class of customer are not reflective of what they are in our actual fuel and conservation projections. These total amounts would be reasonable; but not what we actually expect. All fuel and conservation costs and revenues are removed for the base rate determination. There is some impact to items such as bad debt expense, but the high level estimate is sufficient and reasonable for this type of projection.

Witness: Martin

2. **Please provide an explanation of how allocations were made on the Company's balance sheets shown on Schedule B-3 for the years 2006, 2007 and 2008.**

RESPONSE:
Costs which are incurred by FPUC applicable for all regulated and non-regulated segments are charged to "Common" accounts. These accounts are then allocated to the various operational segments. Allocation percentages to be used during for a calendar year are calculated based on the prior year's 12-months ended June 30 data.

Amounts shown in column 16 represent the 13-month average of the account. The account may be an electric utility account, or a Common account requiring an allocation to electric. The basis and allocation percentages are indicated in columns 17 and 19, respectively. Accounts that are strictly electric are "direct" and indicate a 100% allocation. Amounts used for Capital Structure (CS) accounts that were not 100% electric, were determined using the deficiency method. The remaining accounts indicate the basis used for the allocation and the resultant

percentage. The electric allocated amount is computed by multiplying the account 13-month average by the indicated percentages.

2006 Allocations were based on 12-months ending June 30, 2005 data.

- Exhibit 2.1 contains allocations based on plant and customers that were used for allocating plant accounts.
- Exhibit 2.2 contains allocations based on consolidated gross profit and regulated gross profit.
- Exhibit 2.3 contains allocations based on payroll.

2007 Allocations were based on 12-months ending June 30, 2006 data.

- Exhibit 2.4 contains allocations based on plant and customers that were used for allocating plant accounts.
- Exhibit 2.5 contains allocations based on consolidated gross profit and regulated gross profit.
- Exhibit 2.6 contains allocations based on payroll.

2008 allocations are the same as those used for 2007 since more current data was not available.

(MESITE)

3. **Please provide an explanation of how the Company projected the amounts shown on the balance sheets for the year ended December 31, 2007 and the year ended December 31, 2008.**

Exhibit 3.1 and 3.2, OPC Interrogatory 1, indicates the methods used to project the 13-month average for years 2007 and 2008, respectively.

(MESITE)

4. **Please provide a schedule reflecting the year-end balance of cash and cash deposits for the years 2002 to 2006. For each year, segregate the interest bearing and the non-interest bearing cash balance.**

RESPONSE:

Please refer to Exhibit 4.1.

(MESITE)

5. **Please state the basis for the $317,836 of special deposit-electric and why such deposit was made and why it is necessary.**

RESPONSE:
Please refer to the response to Item 67, of the Citizen's Second Request for Production of Documents to Florida Public Utilities Company (2-82).

(MESITE)

6. **Please state whether the Company's accounts receivable reflects any other receivables from either employees, customers or other entities for any other service or sale other than the delivery of kWh.**

   a. **If so, please provide a full explanation of why these amounts have been included in the Company's rate base.**

In addition to typical delivery of kWh, Accounts Receivables does include receivables from employees, customers, and other entities for other services.

The employee accounts receivables may include medical insurance premiums, uniform maintenance and purchase, travel, etc. Miscellaneous accounts receivables are amounts due to FPUC for damages to our facilities to be reimbursed, or for other special non-energy related services performed by FPUC on our facilities at the request of customers or other entities.

These accounts are rightfully included in rate base since they represent normal and necessary items that would be expected in the normal course of an ongoing and viable business. As a responsible employer, FPUC provides various benefits or services to employees that are partially reimbursable by the employee. Travel advances to employees for company required travel may also be included in this account.

(MESITE)

7. **Please provide the amortization of Account 1650.4, Prepaid Expense-Other, for each year 2006, 2007 and 2008.**

RESPONSE:
Exhibit 7.1 indicates the actual activity of Account 1650.4, Prepaid Expenses – Other, for 2006.

Exhibit 7.2 indicates the actual activity of Account 1650.4, Prepaid Expenses – Other, for 2007, January through September.

As contained in the MFR, 2006 data was actual. The 2007 data was determined by applying the 2006-2007 inflation and customer growth projection factor to the 2006 13-month average. The 2008 data was determined by applying the 2007-2008 inflation and customer growth projection factor to the 2007 projected 13-month average.

(MESITE)

8. **Please provide the amortization of Account 1650.41, Prepaid Expense-Maintenance, for each of the years 2006, 2007 and 2008.**

RESPONSE:

Exhibit 8.1 indicates the actual activity of Account 1650.41, Prepaid Expenses – Other, for 2006; and for 2007, January through September.

As contained in the MFR, 2006 data was actual. The 2007 data was determined by applying the 2006-2007 inflation and customer growth projection factor to the 2006 13-month average. The 2008 data was determined by applying the 2007-2008 inflation and customer growth projection factor to the 2007 projected 13-month average.

(MESITE)

9. **Please provide the calculations of the unbilled revenue for each year 2006, 2007 and 2008. Explain how the Company calculated this number for each projected month shown on the B-3 schedules.**

See Exhibit 9.1, OPC Interrogatory 2, for the monthly calculation of unbilled revenue for December 2005 through December 2006. These computations comprise the monthly amounts used for the13-month average for account 1730.1 shown on Schedule B-3 (2006), Pages 1 and 2, Line 25.

For 2007, the actual 2006 13-month average was increased by the 2006-2007 inflation and customer growth projection factor of 103.4%. For projection purposes, the monthly amounts were considered to be equal throughout the year. The projected amounts are contained in Schedule B-3 (2007), Pages 1 and 2, Line 25.

For 2008, the computed 2007 13-month average was increased by the 2007-2008 inflation and customer growth projection factor of 10103.5%. For projection purposes, the monthly amounts were considered to be equal throughout the year. The projected amounts are contained in Schedule B-3 (2008), Pages 1 and 2, Line 25.

(MESITE)

10. **Please provide an explanation of the regulatory asset-retirement plan, which appears first on the Company's balance sheet in December 2006. Provide any documentation or support for this prepayment.**
    a. **Provide a full explanation of how a prepaid regulatory asset related to the retirement plan arose and if the Company has included this amount in its working capital requirement.**

RESPONSE:

The regulatory asset-retirement plan resulted in from the application of FASB 158, initially implemented December 2006 that affected the Employees' benefit plan.

In September 2006, the FASB issued Statement No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans". Statement 158 requires the Company to show the funded status of its pension and retiree health care plans as a prepaid asset or accrued liability, and to show the net deferred and unrecognized gains and losses related to the retirement plans, net of tax, as part of accumulated other comprehensive income in shareholders' equity. Previously, the net deferred and unrecognized gains and losses were netted in the prepaid asset or accrued liability recorded for the retirement plans. The Company adopted the recognition provisions of Statement 158, as required, at December 31, 2006.

The Company uses December 31 as the measurement date to measure the assets and obligations of its retirement plans. Statement 158 will also require the Company to use December 31 as the

measurement date no later than fiscal years ending after December 15, 2008. The Company currently uses this date as the measurement date, and has used it for all periods presented.

The actuarial valuation of the retirement plan obligations has been completed and the recognition provisions of Statement 158 at December 31, 2006 resulted in an additional liability for retirement plans. The tax on the non-regulated portion of the liability has been recorded as a deferred income tax asset. As an offset, the regulatory portion of this liability has been deferred as a regulatory asset-retirement plans to be recovered in future rate proceedings and the remaining expense for recording the liability has been included in other comprehensive income. The fair value of retirement plan assets and obligations are subject to change based on market fluctuations. The table below summarizes the effects to our financial statements.

FASB 158 Implementation Summary (Dollars in thousands)			
December 31, 2006	Before Application of SFAS 158	Adjustment	After Application of SFAS 158
Assets:			
Other regulatory assets- retirement plans	$ -	$587	$587
Liabilities and Equity:			
Accumulated other comprehensive income/(loss)	-	(103)	(103)
Other accruals and payables	2,034	151	2,185
Long term medical and pension reserve	4,129	602	4,731
Deferred income taxes	16,167	(63)	16,104

[Khojasteh, Bachman]

b. If the Company has included this amount in its working capital requirement, please provide a full explanation of why it should be included and a rate of return paid by ratepayers on such an amount.

This amount is in working capital requirement. This amount resulted from the application of FASB 158 that affected the employees' pension and postretirement medical benefits. It is appropriate to include for recovery as it relates directly to pension benefits and regulated employees. Our compensation to employees including their benefits is appropriate and reasonable and accordingly should be allowed for recovery by rate payers.

[Khojasteh, Bachman]

11. Has the Company included temporary services in Account 1850.1 in its rate base?

a. If so, please provide an explanation of what the temporary services represent and where such revenues for such temporary services are reflected.

RESPONSE:

Account 1850.1 - Temporary Services, is appropriately included in rate base. Temporary services represent non-permanent, short-term installations providing electric power to residential or commercial construction sites.

The installation and removal costs of temporary services are charged to account 1850.1. As customers are billed for the temporary service, revenues are charged against account 1850.1. Additionally, at December of each year, the previous year's December 31 balance in the account is written-off to miscellaneous service revenue, account 4000.451.

(MESITE)

12. **Please state whether the Company has included Account 1860.1, Deferred Debits-Other in its rate base. If it has, provide an explanation of why this amount should be included in rate base and provide an itemized listing of each of the deferred debits.**

RESPONSE:
Account 1860.1, Deferred Debits-Other, is appropriately included in rate base. This account is includable in rate base since in the normal course of business there will continually exist items that are rightfully includable in the account either due to circumstance or accounting regulation.

The account was analyzed and only items applicable to consolidated electric were included in the MFR filing.

As contained in the MFR, 2006 data was actual data. The 2007 data was determined by applying the 2006-2007 inflation and customer growth projection factor to the 2006 13-month average. The 2008 data was determined by applying the 2007-2008 inflation and customer growth projection factor to the 2007 projected 13-month average.

The actual electric utility items contained in account 1860.1 at December 31, 2006 were:

- Consultant Fees on Fuel Costs, $48,401.
- 2003 Electric Rate Case, $190,702 (Included in the MFR rate base at 50%, per final order).

The actual electric utility items contained in account 1860.1 at September 30, 2007, the currently available data were:

- Consultant Fees on Fuel Costs, $39,326.
- 2003 Electric Rate Case, $127,135.
- 2007 Electric Rate Case, $230,880.

(MESITE)

13. **Provide an itemization list of Account 1860, Deferred Debit-Rate Case Expense for each of the years 2006, 2007 and 2008.**

RESPONSE:
Please see attached Exhibit 13.1, OPC , Interrog 1.

(Martin)

14. **Please provide a description and calculation of all amounts of prior period tax adjustments that FPUC removed from net operating income in its MFRs.**

Deferred taxes were projected at a higher level due to the timing that was needed for cost of capital and our other projections. When we projected the individual timing differences, there was a difference between what we projected at a higher level and what the timing differences computed. This difference was treated as a prior period adjustment and a simple swap between current and deferred. The 2008 amount of $166,296 is based on the timing differences and is attributable to the prior period for purposes of reconciling the overall projection vs. the individual timing difference method.

Witness: Khojasteh

15. **Please refer to Schedule B-22 and provide a breakdown of each type of deferred income tax, by account, with description of each type of deferred tax and the basis for deferring the tax.**

RESPONSE:

Please see "Exhibit #15".

Witness: Khojasteh

16. **Please provide a listing of each type of accumulated deferred income tax in Account 1900, Accumulated Deferred Taxes, which the Company has included in rate base for the years 2006, 2007 and 2008.**

RESPONSE:

Accumulated Deferred Taxes are not included in the rate base.

Witness: Khojasteh

17. **Please provide a schedule which shows the actual accumulated deferred income tax balances, by month, in each of the accounts 2820, 2821, 2830, for the years 2006 and 2007 year-to-date. Provide a description of each type of deferred income tax.**

RESPONSE:

Please see "Exhibit #17".

Witness: Khojasteh

18. **Please explain whether the request to amortize deferred taxes using the straight line remaining life basis as opposed to the average rate assumption method (ARAM) is considered a change in accounting policy for generally accepted accounting principles.**

The change would be a change in method and would require a preferability letter before a change can be made. However, this applies if the change is material and we anticipate the amount to be immaterial.

Witness: Khojasteh

19. **Please provide a calculation showing the revenue impact for 2008 of changing the deferred tax amortization method from ARAM to a straight line basis.**

RESPONSE:

Please refer to our response to question #35 of the OPC's Second Request for Production of Documents.

Witness: Khojasteh

20. **Please provide a detailed explanation of the differences between the ARAM and straight line method of amortizing deferred income taxes, including how the calculation would affect accounts that are originating as well as reversing.**

The adjustment to the ARAM deferred tax liability is computed by looking at the difference between Fixed Asset (FA) temp difference at current rates and FA temp difference at old rates.

The difference in the two methods is that the ARAM method relies on deferred tax balances related to property which could fluctuate unexpectedly due to the book method used for depreciation and the straight line amortization provides a consistent, reasonable, and predictable expense which flows through to customers. The straight line method of amortizing the liability would not result in origination of accounts.

Witness: Khojasteh

21. **Please provide any prior regulatory decision (statute, rule, order, case law) where a utility has been allowed to change from ARAM to straight line amortization for deferred income taxes.**

RESPONSE:

The Company is not aware of prior regulatory decisions, rules or orders for this method outside of the method used to amortize our regulatory deferred asset associated with the flow through. There is a method that has been allowed as an alternative and for some accounts, straight line is used to amortize other regulatory assets and liabilities. The straight line method would be easier to maintain, and not materially different in results from the average rate assumption method. The intent of the amortization would still be over a period of time, similar to average remaining life, yet it would be less costly to maintain.

Witness: Khojasteh

22. **Please provide the expected revenue impact on a present value basis of the company's request to change from ARAM to straight line amortization for deferred income taxes over the next 5 years in support of Witness Khojasteh's testimony on page 13, line 19-20, that the straight line method impact to customers is more even over each year and is easier to determine on an annual basis without harm to customers.**

RESPONSE:
The amounts calculated based on the current approach vary from year to year. Furthermore, we are able to determine the amounts only after the income tax return has been filed and the true up

of taxes have been calculated. Under the proposed strait line amortization, this amount will stay the same based on amortization of the balances over the life of the property.

Please refer to our response to question #35 of the OPC's Second Request for Production of Documents.

Witness: Khojasteh

23. **Please provide a schedule which shows the additions to and subtractions from the Company's pension reserve, Account 2280.31, from the Company's last test year to the most current actual month available.**

Please see "Exhibit #23".

Witness: Khojasteh

a. **Provide an explanation of each debit or credit to this account with reference to the document which supports the debit or credit.**

RESPONSE:

Debits result from contributions made by the employer to the plan and by adjustments required by FASB 158.Credits result from the monthly pension expense, currently at $140,833.33/mon. [$1,690,000/yr per Actuary] and by adjustments required by FASB 158.

Witness: Khojasteh

24. **Please provide an explanation and the amounts which the Company has booked to account for the requirements of FAS 158.**

Please refer to the answer to #10 above.

Witness: Khojasteh

a. **Please state if the recording of the effects of FAS 158 had any impact on the rates request being requested by the Company.**

Yes and as it directly relates to an appropriate benefit and is part of the regulated employee's compensation, it is appropriate for recovery in our rate proceeding.

Witness: Khojasteh

25. **Please provide an analysis of the revenue impact of deferring the regulatory impact of FASB 158 as a regulatory asset and expensing the cost until recognized a current pension expense with the alternative treatment proposed by Witness Khojasteh (page 9-10, direct testimony) of amortizing the deferred account over 5 years and allowing current recovery in this rate case.**

The proposed amount is not included in the Rate Case. However, the proposed amount is shown on Exhibit #25

Witness: Khojasteh

26. **Please provide a schedule which shows the credits and debits to the Company's Medical-Post Retirement, Account 2280.32, from the Company's last test year in its previous filing to the most current month available. Provide a reference to each debit or credit to this account with an explanation of how each debit or credit was determined.**

Please see "Exhibit #26".

Debits result from payments made by the employer for the medical premiums for the retirees and by adjustments required by FASB 158.

Credits result from the monthly post-retirement medical expense accrual, currently at $16,666.67/mon. [$200,000/yr per Actuary] and by adjustments required by FASB 158

Witness: Khojasteh

27. **Please provide the amount charged against the medical post-retirement account 2280.32 for the years 2003, 2004, 2005, 2006 and 2007 year-to-date. Provide the accrual for each of those years and the amount charged to expense by year.**

Please see "Exhibit #27".

Witness: Khojasteh

28. **Please provide the actual workers compensation premium and any credits for each year 2003, 2004, 2005, 2006 and 2007 year-to-date.**

Please see "Exhibit #28.1".

Witness: Khojasteh

a. **Supply the actual employees covered by workers comp for each of the years stated above.**

Please see "Exhibit #28.2".

Witness: Khojasteh

b. **Reconcile the amount shown as a prepaid to the amount expensed for the test year.**

Please see "Exhibit 28.3".

Witness: Khojasteh

29. Please provide a schedule which shows the additions to and deductions from the accrued liability insurance shown in Account 2280.201 and provide an explanation of each debit and credit to this account for the years 2006, 2007, 2008.

		2007 General Liability 2280.201			Auto			
DATE	ACCRUALS (JE 19)	Admin Fees	Legal	Damage Claims	Claims/ Admin Fees	Legal	TO CLAIM INSURANCE	BALANCE
								(181,443.09)
Jan-07	0.00		11,385.94	470.99	453.94	0.00		(169,132.22)
Feb-07	0.00	0.00	18,847.79	1,948.86	10,656.98	0.00		(137,678.59)
Mar-07	(37,500.00)	0.00	40,248.60	3,086.50	21,701.51	0.00		(110,141.98)
Apr-07	(12,500.00)	0.00	7,073.35	792.36	3,205.47	0.00		(111,570.78)
May-07	(12,500.00)	0.00	15,360.85	13,635.42	990.45	0.00		(94,084.06)
Jun-07	(318,728.77)	0.00	343,378.53	6,994.54	5,307.75	0.00	(92,867.99)	(150,000.00)
Jul-07	(12,500.00)	0.00	22,536.41	7,506.65	13,517.67	0.00	(1,631.76)	(120,571.03)
Aug-07	(12,500.00)	0.00	41,506.13	1,887.97	3,381.55	0.00	(709.00)	(87,004.38)
Sep-07	0.00	0.00	0.00	0.00	0.00	0.00		(87,004.38)
Oct-07	0.00	0.00	0.00	0.00	0.00	0.00		(87,004.38)
Nov-07	0.00	0.00	0.00	0.00	0.00	0.00		(87,004.38)
Dec-07	0.00	0.00	0.00	0.00	0.00	0.00		(87,004.38)
Totals	(406,228.77)	0.00	500,337.60	36,323.31	59,215.32	0.00	(95,208.75)	

		2006 General Liability 2280.201			Auto			
DATE	ACCRUALS (JE 33)	Admin Fees	Legal	Damage Claims	Claims/ Admin Fees	Legal	ACTUARIAL CHARGES	BALANCE
	(296,132.23)							(296,132.23)
Jan-06	0.00		0.00	1,182.99	0.00	0.00		(294,949.24)
Feb-06	0.00	0.00	0.00	1,226.52	0.00	0.00		(293,722.72)
Mar-06	0.00	0.00	0.00	3,597.45	100.00	0.00		(290,025.27)
Apr-06	0.00	0.00	732.00	9,895.77	100.00	0.00		(279,297.50)
May-06	0.00	0.00	904.00	43.87	6,742.71	0.00		(271,606.92)
Jun-06	0.00	0.00	1,824.50	525.00	6,708.05	0.00		(262,549.37)
Jul-06	0.00	177.00	609.70	5,267.33	250.00	0.00		(256,245.34)
Aug-06	0.00	0.00	2,280.90	646.65	22,931.79	0.00		(230,386.00)
Sep-06	0.00	8.50	6,828.35	1,283.30	2,910.82	0.00		(219,355.03)
Oct-06	0.00	0.00	(396.15)	10,274.69	3,453.93	0.00		(206,022.56)
Nov-06	1,787.00	0.00	17,711.98	172.34	1,328.75	0.00		(185,022.49)
Dec-06	(732.50)	0.00	2,685.71	1,202.89	423.30	0.00		(181,443.09)
Totals	(295,077.73)	185.50	33,180.99	35,318.80	44,949.35	0.00	0.00	

A schedule for 2008 will be established in 2008.

Debits result from payments made for damage claims and credits occur to build the reserve for future claims.

[Khojasteh, Bachman]

30. Provide the actual amounts charged against the Accrued Liability Insurance Account 2280.201 for the years 2003, 2004, 2005, 2006 and 2007 year-to-date.

Please see "Exhibit #30".

[Khojasteh, Bachman]

31. **Please provide a list of all accrued liability insurance claims in Account 2280 at the end of December 31, 2006 and the most current month available in 2007.**

Please refer to "Exhibit #30".

[Khojasteh, Bachman]

32. **Please refer to Schedule C-3 for the years 2006, 2007 and 2008. Provide a reconciliation between the elimination of revenues for fuel and conservation and the elimination of fuel expenses and conservation expenses. Explain any differences and how the impact of these differences are accounted for in the Company's filing.**

See attached Exhibit 32.1, OPC, Interrog 1. For 2007 and 2008 all fuel revenue and conservation revenue and expenses as well as the over and under recoveries on these amounts, and related taxes other than income taxes are eliminated from the income statement and do not have any impact to our Company's base rate filing. There is some impact to the uncollectible amounts that arise from fuel and conservation, but these are appropriate for recovery in the base rates. For 2006, there is interest on the over and under recovery that remains in the income statement. This amount is appropriate. Since 2008 does not project an over or under recovery, no interest would be appropriate in the test year. All fuel and conservation revenue and expenses are removed for this base rate proceeding.

(Martin)

33. **Please provide the Company's projections of customer growth by meter size and in kWh from 2006 to 2008.**

Please reference Schedule E-15c of our rate filing which provides customer growth by rate class for 2006 – 2008. Customer growth by meter size is not available but is assumed to grow at the same rate.

Witness: Cutshaw / Cox

34. **Please provide the Company's weather adjusted and actual kilowatt hour sales for 2003, 2004, 2005 and 2006.**

RESPONSE:

Please see response to question 41.

Witness: Cutshaw / Cox

35. **Please provide the Company's projected kilowatt hour sales for the years 2007 and 2008 in kilowatt hours.**

RESPONSE:

Please reference Schedule E-15c of our rate filing Docket 070304-EI

Witness: Cutshaw / Cox

36. **Please provide, by rate class, the Company's projection of sales decline as a result of suppression, which the Company has projected from 2006 through 2008.**

RESPONSE:

Please reference Exhibit 36.1 attached.

Witness: Cutshaw / Cox

37. **Please refer to the Company's projections of forfeited discounts in Account 450. Provide the Company's analysis of how forfeited discounts will decrease by $12,563 between 2006 and 2008.**

RESPONSE:

Forfeited Discounts or late payments fees were projected based on factors directly correlated to base revenues. Forfeited Discounts of $354,696 in 2006 represent actual late fee revenue. In 2007 a projection factor of 99.65 was used and a factor of 96.80 in 2008. The factors were derived based on the ratio of base revenues in the relevant projection year to the prior year.

Witness: Cox

38. **Please provide a list of the miscellaneous service revenues in Account 451 and the basis of the Company's projection of these revenues for the year 2008.**

RESPONSE:
Detailed below is a list of Miscellaneous Service Revenues in Account 451:

1	Initial Establishment of Service & Connect / Disconnect Temporary Service
2	Re-establish Service or Make Changes to Existing Account
3	Temporary Disconnect Then Reconnect Service Due To Customer Request
4	Reconnect After Disconnect for Rule Violation (normal hours)
5	Reconnect After Disconnect for Rule Violation (after hours)
6	Collection Charge
7	Returned Check Charge
8	Credit Card Fees
9	Miscellaneous Allowance & Adjustments

The revenues for 2008 were projected based on actual miscellaneous service revenues for 2006 increased by 1.2% annually for projected customer growth.

Witness: Cox / Cutshaw

39. **Please provide a list of rent from electric property in Account 454 and any copies of leases related to such use of electric property.**

Property Rental Income
Pole Rentals
Account 454
2006

Marianna:

HEARING EXHIBIT - 00000401

Central Telephone /Sprint	$ 36,042	
Comcast Cable of Marianna	31,609	
GTC, Inc	5,188	
Time Warner Cable	3,267	$ 76,106
Fernandina Beach:		
Bell South	$ 11,679	
Comcast	21,890	33,570
Property Rental Income - 2006		**$ 109,675**
Prior Year adjustments posted in 2006 and included in Rate Filing:		
2004 Accrual Adjustment	$ 3,987	
2005 Accrual Adjustment	420	4,407
As filed - 2006		$ 114,082

Please refer to Exhibits 39.1 – 39.5 attached.

Witness: Cox / Cutshaw

40. Please provide an explanation and calculation of the unbilled revenue shown in Account 4563 for the projected test year ended December 31, 2008.

	Sch C-5 Unbilled Revenue	% Change		Sch E-15c Unbilled Revenue	% Change
2006	$ 8,373		2006	$ 8,373	
2007	$ 8,039	3.99%	2007	$ 8,206	2.00%
2008	$ 7,546	6.13%	2008	$ 7,703	6.13%

Unbilled Revenues for 2008 were projected based on the projected change in Kwh sales. Please refer to Sch E-15c for the correct percentage change for projected Unbilled Revenues for 2008.

Witness: Cox

41. Please provide the weather adjusted kWh sales for each year 2002 through 2006 and year-to-date 2007.

RESPONSE:
Please see Exhibit 41.1 for the weather adjusted Kwh (excluding Outdoor and Street Lights) for the period April 2004 to September 2007. Weather adjusted data prior to the last rate case in 2004 is not available as the rate classes were re-defined therefore making the data unsuitable for trending and comparative analyses.

Witness: Cutshaw / Cox

HEARING EXHIBIT - 00000402

42. **Please refer to Schedule C-6, pages 2 and 3. Please provide the expenses, by month, in each of the accounts shown on Schedule C-6 for the nine-months ended September 30, 2007.**

RESPONSE:

Please see "Exhibit #42".

Witness: Khojasteh

43. **Please provide the Company's employee count, by description, separated by division of northwest Florida and northeast Florida and administrative for each month of the year 2000 through the current month available in 2007.**

Please see exhibits OPC Interrog. #43.1-#43.8

MAR = Marianna, FL = Northwest Electric division
FBCH = Fernandina Beach, FL = Northeast Electric division

(Martin)

44. **Please refer to the Company's explanation of over/above expenses on page 96. The Company has increased the 2008 projected test year by $56,497 for a vacant position-Operations Manager for the Northwest Florida Division. Please state the following:**
   a. Has the Company filled this position?
   b. Has there ever been a person which held this position between the year 2002 and the current year 2007?

a. Yes. The company filled this position December 11, 2006.

b. Yes. This position was held by Don Myers during the period 2002 until December 2006. In January 2006, Mr. Myers was promoted from the Operations Manager position to the acting General Manager position when the General Manager was transferred to the Northeast Florida Division. This Operations Manager position was open from January 2006 until December 11, 2006 when it was filled.

Witness: Cutshaw / Khojasteh

45. **The Company shows in the projected test year 2008, the cost of $27,127 for each of the northeast and northwest divisions to train eight apprentices in each division. Please provide the following information:**
   a. Have any apprentices been hired in the year 2007? If so, provide the date each apprentice was hired and the position which he/she occupies.
   b. Provide the basis in the form of invoices or contracts upon which the Company based its projection of $27,127 to train the eight apprentices in each division.

a. Yes. Four Apprentices and one Helper were hired during 2007. One Apprentice Lineman B in January 2007, 3 in July 2007 and 1 Helper in September 2007. In addition to those apprentices who require training, there are 8 current apprentice linemen who also require training; 5 Apprentice Lineman A and 3 Apprentice Lineman B.

b. The basis for the estimates was to allow for eight apprentices in each division to begin the FPUC Lineman Training Program and the State Lineman Training program. The 2006 estimate included three weeks of training ($850/week) at the Tampa Electric Company training facility along with an additional $10,000 to cover costs associated with the State Lineman Training Program. This amount was escalated 6.8% to arrive at the $27,127 per division amount.

However, since the preparation of the rate case information, it was determined that the Tampa Electric Company training facility can no longer be used for our training needs and no other acceptable outside facility is available. This resulted in a change in the structure of the training needs in order to attract, train and retain Lineman for the future.

Revised plans are to train a total of 11 Apprentice Lineman in the FPU Lineman Training Program and State Lineman Training Program using in-house personnel, facilities and equipment. This will require the addition of one Training position and the associated equipment and supplies necessary. The will place a Trainer in each division that will also have responsibilities associated with the safety program of the company. The additional cost for 2008 is projected as follows:

Additional Trainer Salary and Benefits	$87,750
Travel Expense for Trainer	$9,600
Training Supplies (non-capital)	$5,150
Preparation of Training Materials	$2,325
Actual Materials used for Training	$11,310
State Lineman Program Materials	$11,000
Total	$127,135

Attached is Exhibit 45.1 which includes the details associated with the training.

Witness: Cutshaw / Khojasteh

46. The Company has included in each division the sum of $14,904, which it has labeled as "Inform and Educate Customers on Various Issues." Please provide the following information:

a. State exactly how the Company arrived at the amount of $14,904 for each division.

b. Provide the information and education which each customer will receive which would not be covered by the current information or advertising program which was included in the actual expenses of the year 2006.

RESPONSE:

a. The basis for the amounts is as follows and applies to account 9134 for which these funds are designated.

2006 Actual Amount-	$121,227
2007 YTD (August) -	$100,476
2007 Projection (current) -	$150,714 (trended based on August actual expenditures)
2007 Projection (in filing) -	$154,148 (estimated based on scheduled work for 2007)

The 2007 amount included in the filing on C-8 was determined by estimating the communication work remaining for 2007 which resulted in the estimate of $154,148. The

over/above amount was determined by increasing the 2006 amount by approximately 3.5% and comparing to the 2007 amount included in the filing. The difference of approximately $28,800 was determined to be the over/above amount. The 2008 projection included in C-8 was increased by 3.5% resulting in the $20,808 over/above amount.

b. The current plan is to continue to keep customers informed of energy costs, storm hardening initiatives and other information of value to our customers. Beginning in 2006 with the expiration of purchased power contracts and the resulting dramatic increase in fuel cost, the Company saw the need to increase communications to customers to keep customers informed and provide information on methods that could be used to control those costs. This information is also required to be provided in accordance with FPSC rules when customer cost is affected significantly.

Although the communications will not change significantly, the communications program will provide more frequent information and continue to evolve and improve in order to provide timely and informative communication to our customers. Communications will continue to focus on the rate increases, methods to control electricity cost, information on storm hardening initiatives and other relevant information. See response to Question #102 for more details.

Witness: Cutshaw / Khojasteh

47. **The Company has included $4,140 and $8,280 for the Northwest Division and the Northeast Division, respectively, and has explained these increases and expense as "Annual NURC Amount For Transmission Access." Please provide the following information regarding these increases in expenses:**

a. Provide a copy of the actual contract or agreement which requires the Company to pay these increased expenses.

b. State the actual amounts paid in 2006 in each division and what has occurred which would increase the actual expense in each division over and above what was incurred in the year 2006.

RESPONSE:

a. During 2006, both electric divisions began work on new wholesale power contracts. The previous contacts which began in 1998 included both transmission and generation within the contract. The new contracts included only the generation portion and required separate transmission contracts. The transmission contracts are still being negotiated and have not been completed, but still require that FPUC fall under the requirement of the OATT tariffs and requirements.

Based upon the published transmission tariffs for both Jacksonville Electric Authority and Southern Company, transmission agreements are necessary to utilize the respective transmission systems which fall under the North American Reliability Corporation authority as well as the SERC and FRCC regional guidelines. Attached is Exhibit 47.1 which shows the 2007 assessment for the Northeast and Northwest Florida Divisions.

b. During 2006 the only amount paid was $100 ($50 per division) for an initial registration fee to the North American Electric Reliability Corporation. As of 10/24/07, the 2007 amount paid to NERC is $10,650.25

Witness: Cutshaw / Khojasteh

48. **The Company has included in the projected test year, $15,525 in each division for what it has termed "Replace customer's trees with low growing trees." Please provide the following information regarding this addition to expense:**
   a. **On what basis, or under what Commission order or precedent would the Company remove trees and replace them with other trees?**
   b. **Is it correct that the Company is authorized to remove trees or branches of trees which pose a hazard to transmission or distribution lines? If not, please state why the Company would not just remove the trees or branches without replacing them.**

RESPONSE:

a. The Company is not aware of Commission precedent or order that addresses this situation. However, replacing trees which may require trimming with low growing trees which require no or less trimming benefits customers. Other Florida utilities use similar programs to educate customers on the importance of planting certain trees near overhead power lines. The ability to provide customer education and low growing trees to replace trees on private property would have a positive impact on reliability, especially during storm events. This program can also be used during negotiations with property owners who have trees located on private property that pose a significant hazard to transmission and distribution lines so that the trees can be remove and replaced with more location appropriate trees.

b. The Company is allowed to remove trees or branches of trees that pose a hazard to transmission or distribution lines and are located on public right of way or utility easements. The Company does not have the right to remove trees or branches of trees that are located on private property but could pose a hazard without first getting permission of the property owner.

Witness: Cutshaw / Khojasteh

49. **The following question pertains to the Northwest Division. The Company has included a total of $10,000 for the "Position upgrade to linemen" for two positions. Please provide the following information regarding these proposed upgrades:**
   a. **Provide a copy of the contract which requires that the positions be upgraded and that the upgraded positions would be an increase of $5,000 annually.**
   b. **If this position upgrade is not based upon the Company's new contracts, please state the basis of it and provide any and all documentation pertaining to this proposed upgrade.**

RESPONSE:

a. The 2007 contract with the IBEW Local 2152 is attached at Exhibit 49.1.

b. The upgrades are based on the new IBEW contract. The contact allows Apprentice Lineman A to move into the Lineman position when certain qualification standards are met. This will result in two employees being upgraded to Lineman increasing the salary by $4.70/hour. This equates to approximately $20,000 per year for the two positions. From this increase, fifty percent will be expensed based on the type work being performed.

Witness: Cutshaw / Khojasteh

50. **The Company has included $25,575 in Account 562 and $47,475 in Account 582, which it has labeled "Inspect and Test Substation Equipment in Accordance with Manufacturing Specifications." Please provide the following information regarding this proposed increase in cost:**

a. **Please state if the Company has been inspecting and testing substation equipment prior to the year 2007. If not, why not?**

b. **Provide the documentation and analysis which shows how the additional cost was arrived in determining each dollar amount and how it is required by the manufacturer's specification.**

RESPONSE:

a. Yes. However, based upon past equipment performance, the inspections and type of testing of substation equipment may not be adequate and needs to be increased to decrease outages and extend the life of equipment. These increases are for maintenance and testing needs for the Northeast Florida Division.

b. Attached is Exhibit 50.1 which indicates the maintenance and testing requirements for substations for the Northeast Florida Division and the amounts shown are for 2008 - 2012. Also attached is Exhibit 50.2 which consists of the International Electrical Testing Association, Inc. Maintenance Testing Specifications and the Waukesha Electric Systems Transformer Maintenance requirements which were used in the development of the substation maintenance schedule.

The over/above amount was based upon the estimated cost for this type work in 2006 and the cost of $126,000 which is necessary in 2008. Annual maintenance estimates vary from $126,000 to $70,000 during the 2008 – 2012 time periods.

Witness: Cutshaw / Khojasteh

51. **The Company has added $5,949 and $8,139 to the projected test year, which it has entitled "New Contracts." Please provide the following information:**

a. **Provide the contract or contracts which require $1 additional per hour for working foreman and show how each total dollar amount was calculated.**

RESPONSE:

a. The Northeast Florida Division negotiated a contract with the IBEW Local 1924 which became effective on June 30, 2007. The contract increased the Working Foreman pay from $26.56/hour in 2006 to $29.48 in 2007. The represented an increase of $2.92/hour for a total of seven Working Foreman. The increase was based on several factors one of which was a $1.00/hour increase needed to be competitive with other neighboring utilities regarding this salary. The ability to attract and retain qualified Lineman has resulted in turnover in this classification. Interviews with those leaving the company indicated low salary levels as a major reason.

The calculation was made as follows:
2080 hours per year * 7 Working Foreman * $1.00/Hour = $14,560
200 overtime hours * 7 Working Foreman * $1.50/hour = $2,100
($14,560 + $2,100) * 1.38 Overhead Factor = $22,990.80 (projected annual cost – 2007)

$22,990.80 * 1.05% = $24,140.34 (projected annual cost – 2008)
$24,140.34 * 50% (expense related work) = $12,070.17 (capital work not included)

The 2007 IBEW Local 1924 Contract is attached as Exhibit 51.1.

Witness: Cutshaw / Khojasteh

52. **The Company has added to the Northeast Division $10,350. It has labeled this amount as "To Promote Growth Within the Community." Please provide the following information:**
a. State why ratepayers should be required to fund "Growth Within the Community."
b. Provide the exact expenditures which will be made in order to accomplish this "Growth Within the Community."

RESPONSE:

a. Economic development and community growth provide benefits to customers by increasing the customer base, increasing sales of electricity, attracting business and industry all of which benefit existing customers. FPSC Rule25-6.0426, Recovery of Economic Development Expenses allows for a public utility to recover reasonable economic development expenses subject to certain limitations. This amount shown will be used to assist certain organizations in the economic development of the area in order to promote growth within the community.

b. The funds would be targeted to the Nassau County Economic Development Board to support economic development activities for Nassau County. These funds will also be used to support a county wide Visioning Initiative aimed and promoting targeted growth within the community.

Witness: Cutshaw / Khojasteh

53. **The Company has added $18,113 to the projected test year 2008, which it has labeled as "During two-months of 2006 we had one instead of two crews" for tree trimming. Please provide the following information:**
a. State how it would occur that the Company had only one crew during two months of 2006.
b. State which two months the Company had only one crew instead of two.
c. State whether the Company has had two tree trimming crews in the Northeast Division for each year 2002 through 2006.

RESPONSE:

a. During 2005, there was only one tree trimming crew used in Northeast Florida. For 2006, the tree trimming budget for the Northeast Florida Division was increased to allow for two tree trimming crews. The tree trimming crew availability was decreased during that time and a crew was not available to start in January as planned.

b. January 2006 and in excess of 8 weeks scattered throughout the remainder of the year.

c. For the years 2002 through 2005 only one contract tree trimming crew worked in the Northeast Florida Division. During 2006, there were two tree trimming crews for most of the year except as noted above.

Witness: Cutshaw / Khojasteh

54. **If the Company has not entered into a contract or no contract exists to perform inspections of the transmission system as reflected on the Company's over/above expenses in the amount of $18,540, please state the basis of the expense and the requirements that the Company used to determine the dollar amount.**

a. **Does the Company anticipate inspecting the transmission system in its entirety every year?**

b. **Has the Company ever inspected its transmission system prior to 2008? If not, why not?**

RESPONSE:

In order to comply with the storm initiative for a six-year transmission structure inspection program, an estimate was obtained from a contractor to perform the inspection in accordance with the guidelines in this program. The estimate in the amount of $112,448.79 (see Exhibit 54.1) was to inspect the 138 KV and 69 KV structures but did not include any significant maintenance that was found. The additional amount included in the over/above amount ($18,540) was an annualized amount for the six year program.

a. No. The company will ensure that each transmission structure if fully inspected on a six year cycle but will not inspect every structure each year. In order to balance yearly budgets and to obtain the most cost effective price from contractors, this inspection will be included along with other inspection programs (distribution pole inspections, joint use attachment inspections) to keep the annual inspection costs the same as much as is practical. Inspection programs will vary from year to year while meeting the inspection requirements and managing budget amounts.

b. The Company has performed visual inspections of the transmission system and corrected items found during these inspections. However, the proposed transmission inspection program is much more detailed and has not been performed to this level of detail in the past.

Witness: Cutshaw / Khojasteh

55. **In the Company's over/above expenses the Company has requested an additional $25,750 in the projected test year for what it has termed "Travel and PURC costs and the utility collaborative research projects." Please provide the following information regarding this projected expenses:**

a. **Any and all benefits that the Company has or will receive as a result of this expenditure.**

b. **State whether the Company is currently a member of PURC.**

RESPONSE:

a. The Company is participating, along with all other electric utilities in the state, in the PURC Collaborative Research Project in accordance with requirement of the Storm Hardening Initiatives. This project is performing research on hurricane damage, tree trimming, undergrounding, etc. and how these impact the restoration effort after hurricanes. These projects and related information will provide guidance in construction and maintenance activities to improve system reliability during hurricanes or other weather related events.

b. The Company is currently a member of PURC and has a representative on the Storm Collaboration Steering Committee.

Witness: Cutshaw / Khojasteh

56. **In the Company's over/above expense the Company has requested an additional employee for what it has termed "Additional employee to handle joint use audits." Please provide the basis for the Company's projection of $20,909.**

RESPONSE:

This additional employee will be used for several projects among which will be conducting the joint use audits, follow-up and documentation. A portion of the employee's salary, benefits, transportation, and expenses is included in this request. For additional details, see question #57.

Witness: Cutshaw / Khojasteh

57. **The Company has requested an additional $219,833 for what it has labeled "Contractor and new employee to handle pole inspections." Please provide the following information regarding this request:**

a. State whether the Company has ever inspected its poles in any prior year. If not, why not.

b. State why the pole inspections will be the same dollar amount on a continuing basis. Does the Company anticipate the same level of inspections each and every year?

c. What number of poles will the contractor inspect based on the Company's projected cost?

d. State the basis of the Company's projection of $219,833.

e. Provide the justification for adding a new employee.

RESPONSE:

a. The Company has performed pole inspections. During 2006 the pole inspections were reduced in anticipation of beginning the inspection program to include the new pole inspection requirements. Past inspections have included visual inspections along with the exterior inspection of the pole at the ground line. The new inspection procedures includes boring into the pole for the purpose of an interior inspection, excavation around the pole and retreating the pole which has not been performed in previous inspections. Contractors will be used to perform the new inspections.

b. The Company will inspect each pole every eight years in accordance with the pole inspection program. In order to reduce the impact to the budget each year, approximately one eighth of the poles each year, as much as practical, in order to meet the inspection program requirements. However, as indicated in Interrogatory Question #54, the number of poles inspected per year will vary in order to incorporate the transmission inspections and joint use attachment inspections without causing significant budget variations from year to year.

c. The Company currently has approximately 24,400 poles that require inspection every eight years. Projections for this proceeding are based on inspecting 3,050 poles per year. Annual variations will occur based on the explanation in Interrogatory Question 57b.

d. The basis of the company's projection is as follows:

Additional Position	
Salary & Benefits –	$76,609
Transportation and Expenses -	$22,838
Total Cost of Position -	$99,447

Expense Breakdown	
Joint Use Audits (21%) -	$20,909
Pole Inspections (79%) -	$78,538 (3050 poles * $25.75/pole)

Pole Inspection Cost	
Pole Inspection Cost - $46.35/pole *3050 poles=	$141,367/year
Additional Position (Pole Inspections)	$78,538/year
Total Cost	$219,905/year

e. The new employee will be used to coordinate and handle the Joint Use Audit and Pole Inspection programs associated with the storm hardening initiatives and ensure all data is collected and submitted to the FPSC in accordance with annual reporting requirements. Additional support will also be provided by this position to coordinate the data collection and reporting for the Vegetation Management and Transmission Pole Inspection programs.

The Pole Inspection Program using contractors to perform very detailed inspections and loading analysis is an entirely new program for FPU. This along with the collection of data and reporting requirements are functions that FPU is not staffed to perform. In addition, the coordinating, data collection and reporting associated with the joint use attachment programs, transmission line inspections and vegetation management programs add additional functions to this position. Staffing for these functions is not currently available.

Witness: Cutshaw / Khojasteh

58. **In the Company's over/above expenses it has added $352,260 for an additional three crews for a total of six crews in northwest Florida for tree trimming. Provide the following information regarding this request:**

a. State the number of miles the tree trimming that the Company currently is able to accomplish with its current level of three crews in the northwest Florida division.

b. State the total number of miles of distribution and transmission in the northwest division that requires tree trimming.

c. Provide the analysis which the Company used to calculate the dollar amount of $352,260.

RESPONSE:

a. The Company average miles of line trimmed per crew as determined in the 2007-2009 Storm Hardening Plan is 36 miles per crew or 108 miles per year for three crews.

b. In the 2007-2009 Storm Hardening Plan filed by FPUC, a total of five (5) tree trimming crews were required in the Northwest Florida Division to meet the requirement of the three year main feeder and six year lateral trim cycle. The following information was provided and is shown based upon a three year trim cycle for main feeders and six year trim cycle. The Northwest Florida Division has no transmission facilities.

Line Miles (NW FL)	50 miles/crew	40 miles/crew	35 miles/crew
112 miles (feeders)	0.8	0.9	1.1
514 miles (laterals)	1.7	2.1	2.4
Total Resources (crews)	2.5	3.0	3.5

Based upon these results, a total of four (4) tree trimming crews are required to ensure the normal three year main feeder and six year lateral trim cycle is accomplished. One (1) additional tree trimming crew is required to address danger trees and spot trimming necessary to avoid outages related to trees conflicts.

c. Based upon the 2007 – 2009 Storm Hardening Plan that was filed to include a three year main feeder and six year lateral trim cycle, the total company tree trimming crews required was a total of seven (7) tree trimming crews rather than the originally proposed eight (8) tree trimming crews. The reduction will decrease the Northwest Florida Division crews down to five (5) tree trimming crews rather than the originally proposed six (6) tree trimming crews.

During 2006, the company had a total of five (5) tree trimming crews working with the exception of the item addressed in Question #53 shown above. Based upon this change in the Storm Hardening Plan, the total 2008 cost for a total of seven (7) tree trimming crews should be modified to $234,840 in the over/above expenses which includes the total cost for two additional tree trimming crews.

Witness: Cutshaw / Khojasteh

59. **The Company has requested an amount of $27,000 for what is termed "Develop and complete post-storm data collections and forensic review." Please explain why this level is necessary from ratepayers for the analysis of storm damage each and every year and provide the calculation of the requested expense.**

RESPONSE:

The Company needs to develop a post-storm data collection and forensics review for damage associated with hurricanes in accordance with the storm hardening initiatives which will improve future reliability during these situations. This will allow the development of the procedure and contracting with a contractor to perform these activities. With assistance from a contractor the detailed methodology will be developed for field collection of data and final analysis of the results.

The estimated amount includes $17,000 for the development of the overall program methodology. The additional $10,000 is an annualized estimated amount for four days of contractor work per year to perform this work. If impacts by hurricanes are averaged for the years 2004 through 2007, the number of occurrences would indicate that some type hurricane would impact one division almost two times per year. However, based upon the assumption that one division will be significantly impacted by a major hurricane every five years, the cost of $50,000 per event to perform field data collection, testing, analysis and determine the overall results seems to be reasonable.

Witness: Cutshaw / Khojasteh

60. **The Company has requested an amount $19,991 which it has termed "Provide personnel to be located at EOC during emergencies." Please provide the following information regarding this request:**
   a. **Does the Company expect to have an EOC emergency each and every year? If so, why?**
   b. **Prior to the projected test year to 2008, did the Company have anyone located at the EOC during an emergency? If not, why not?**

RESPONSE:

a. The Company has two service territories in Northeast and Northwest Florida. Based on the locations of the service territories and the possibility of being impacted by either an Atlantic or Gulf of Mexico hurricane, it is possible that these would occur. The requested amount is for one such occurrence per year. If impacts by hurricanes are averaged for the years 2004 through 2007, the number of occurrences would require that personnel would be required at the EOC almost two times per year.

b. The Company has not placed employees at the EOC during previous hurricanes. Based on the limited work force this was not possible. However, based upon the storm hardening initiatives regarding the increased cooperation with local governments, employees from non-electric divisions within the company will be used for this purpose.

Witness: Cutshaw / Khojasteh

61. **The Company has requested in its over/above expenses an annual maintenance of AM/FM system which it states began in 2007 in the amount of $4,000. Please provide the amounts of maintenance costs of any communication system in any year prior to 2007.**

RESPONSE:

The AM/FM system is an Automated Mapping/Facilities Mapping system that is complies with the GIS requirement in the storm hardening initiative. The $4,000 was an estimate based on other similar type software agreements that are in place within the company and was for the system in the Northeast Florida Division only. The system for Northwest Florida was in service during the 2006 test year. Attached is Exhibit 61.1 which includes the recently received yearly software maintenance cost in the amount of $7,564/year for the UAI software used in the AM/FM system. There is also a maintenance cost for the ESRI software associated with the AM/FM system. The documentation is not available for this at this time but the estimate for the costs is approximately $1,500/year.

Witness: Cutshaw / Khojasteh

62. **The Company has requested in its over and above expenses a new position which it entitles "New position to meet SOX404 internal control requirements." The electric divisions have been allocated $17,098 or 30% of the total cost. Please provide the following information regarding this request:**
   a. **Provide a full description and any documentation which shows that the Company is required to add this new position.**
   b. **Provide a full explanation of what the position entails and why the Company is incurring these costs in 2008 when none was incurred in any other prior years.**

RESPONSE:

a. See response to Document Request No. 78, OPC POD2. The Company has determined that based on the requirements of Sarbanes Oxley Act of 2002, and Section 404 Management assessment of Internal Controls, we will continue to be faced with increasing internal control requirements. For specific information on the rule requirements, please see rules on this web site: http://www.sec.gov/about/laws/soa2002.pdf

   We have determined that it will be prudent and necessary to hire an internal auditor in house to assist with the documentation requirements of 404, the internal control testing, and overall internal controls necessary for a Company. Along with the internal audit requirements, the overall workload continues to increase within the accounting department on a whole, and an increase in staff is required at this time to meet the work load of the department on a whole.

b. This position will be responsible to coordinate all of our internal control activities including risk assessment, control documentation, testing, and coordination of efforts of our external internal control subcontractor. We have incurred costs associated with internal control efforts; however, the overall work load of the accounting department continues to increase, as well as the efforts required for internal control functions. Taking both of these factors into consideration, the increase above and beyond our 2006 historic year will require this additional position and expenditure beginning in 2008.

(Martin)

63. **Provide any analysis or documentation of the potential increase in 2008 for lock box service agreement in the amount of $315.**

RESPONSE:

This cost is associated with the service agreement for the centralized bill payment processing center (Lock Box) equipment located in our Northwest Florida Division. The service agreement ensures prompt response to equipment or software issues associated with this equipment. This cost is allocated to all areas of the company (electric, natural gas and propane). Indications from the equipment provider are to expect increases in the 3 – 5 percentage range for 2008. Attached is Exhibit 63.1 confirming this increase.

Witness: Cutshaw / Khojasteh

64. **On the Company's list of over/above expenses it has listed a dollar amount for corporate accounting which it has labeled as "Electric Rate Case." This increase amounts to $97,244. Please provide the following information:**
   a. **Does the dollar amount of $97,244 represent the amortization of the 2007 rate case? If not, why not?**
   b. **Please provide a reference to the workpaper analysis which the Company used to determine this dollar amount.**
   c. **If this dollar amount is not related to the amortization of rate case expense for the year 2007, provide a complete explanation of what it does represent and how it was determined by the Company.**

RESPONSE:

a. The $97,244 represents amortization of the 2007 rate case expense, plus the amortization of the prior rate case expense that has not yet been amortized. During our last rate proceeding, the Commission changed the period of amortization to coordinate with the period of time the Commission felt would be the time before our next rate proceeding. Since we had to do a rate proceeding earlier than this amortization period, there is still unamortized rate case expense. It would not be appropriate to set our base rates for 2008 with a full year of that remaining rate case expense, nor would it be appropriate to penalize the Company and not allow recovery of those prudently incurred expenditures. It is most appropriate to put that unamortized rate case expense from our 2004 proceeding in our current rate case expense, and amortize it along with the current rate case expenses over the period of time that can be expected before our next rate proceeding. The Company feels four years is most appropriate.

b. See Exhibit 13.1, OPC, Interrog 1 for a detail of the actual expenses and the associated amortization. Also see Exhibit 64.1, OPC Interrog 1 for detail of projected expenses. See previously filed Exhibit 25.1, OPC, POD2, in our responses to the OPC Second request for production of documents.

c. See responses to a. and b. of this same question for more details. This is the four year amortization of both the current rate case expense for the 2008 test year and the actual 2008 unamortized rate case expense from our previous rate proceeding for the 2004 test year.

(Martin)

65. **The Company has included on its over/above expenses an increase of $32,880 in the electric divisions for "Need for special audits including inventory, cash and other processes." In addition, travel expenses related to this new position in the amount $5,200 was added to the electric divisions. Please provide the following information regarding this proposed new position:**
   a. **Did the Company not audit inventory, cash and other processes prior to 2008? If not, why not? If so, provide the yearly expense for the last five-years.**
   b. **State the basis for the Company's projection of the total cost of this individual to be $82,200.**
   c. **State how the Company determined that additional travel costs of $20,000 would be necessary for this individual when all of the Company's locations are within the State of Florida?**

a. The Company does audit the inventory and cash of each division on an annual basis. However, we have the need to perform additional audits based on our Section 404 controls in Sarbanes Oxley, and other audits including operational depending on the risk assessment and the need to improve efficiencies or to test controls. We do not specifically track this cost, but the estimated cost for each of the five years would be between $1000.00 and $2000.00 per year per audit depending on location. Our historical actual estimate for the two electric divisions would be between $2000.00 and $4000.00 per year for the past five years.

b. We reviewed the salary survey, and the current job market to estimate what salary would be required. We added the benefits to that estimate to come up with a total expected cost of 82,200. See Document Request No. 78, OPC POD2 for details of this information.

c. Using our historical cost per trip estimate, we estimated that we would need an additional four to six trips per year. Although our locations are all within the state of Florida, all

trips to divisions require overnight stays at hotels and either car or air travel, depending on location and time constraints. Meals are also provided for these trips. The total cost of hotel, transportation, meals, and other travel related costs make up this estimate. For example: A trip for two people to our Marianna division conducting a material and supplies inventory would involve four nights stay at a hotel for approximately $800.00, meals for five days for approximately $400, transportation $400 to $1000, and other miscellaneous travel related costs of $100.

(Martin)

66. **In the Company's over/above expenses it has requested a new position to meet SOX404 internal control requirements. Please provide the date and the name of the person who has been hired to fill this position in 2007. If no person has been hired to fill this position, please state why.**

This position has not been filled at this time. We did not and still do not expect to fill or require this position until early 2008.

(Martin)

67. **The Company has requested $9,318 in the electric divisions for what is stated as "New position to assist in assuring we stay in compliance." What would this person assure that you stay compliance with?**

RESPONSE:

Please refer to our response to question #80 of the OPC's Second Request for Production of Documents.

Witness: Khojasteh

68. **Please explain the benefit to the rate payers of FPUC becoming an accelerated filer as it relates to the Sarbanes Oxley Act.**

There is no direct benefit to the rate payers of becoming an accelerated filer. We also do not have a choice whether to become an accelerated filer or not, since these are rules mandated by the SEC to all publicly held companies. See http://www.sec.gov/about/laws/soa2002.pdf for rules.

(Martin)

69. **Please explain whether becoming an accelerated filer increases the audit fees above the levels which would be required without becoming an accelerated filer.**

Yes, there are increased requirements related to Section 404 and Sarbanes Oxley, as well as rules governing our external auditors and their duties related to our Company that will increase audit fees. We also will have a shorter period of time to file our external reports, 10 days for the quarterly reports, and 30 days for the annual report. See web site listed in question 68 above for a detail of those rules and requirements. We do not have a choice on whether we are accelerated or not, this is governed by the SEC and related rules.

(Martin)

70. **Please explain whether any of the increased internal or external audit fees will be one time costs and which will recur annually, and provide the respective amounts for each.**

The internal audit fee charged to the rate case will not be recurring unless we have to prepare another rate proceeding. The costs charged directly to our outside services expense for auditing fees and our internal auditor position will be recurring. See responses to the Second request for Production of Documents from the OPC, question 38, and responses to questions 72 and 73 of this interrogatory for more details on the costs as well as our MFR filing.

(Martin)

71. **Please provide a description of the types of internal and external audit functions that are necessitated by the Sarbanes Oxley Act and the respective deadlines that apply to FPUC.**

More internal and external audit related requirements have been necessitate by Sarbanes Oxley and SEC rules. We will require internal control testing and documentation by our internal auditors and there will be more auditing requirements of our external auditors compared to our historic year. We will also require internal audit work by our in-house internal auditor including documentation, risk assessments, testing to assist with these requirements. We have less time to produce our external reports and complete our financial close process once we become an accelerated filer. See web site http://www.sec.gov/about/laws/soa2002.pdf for a detail of these rules. This web site also lists the various reporting due dates by type of report including 10Q and 10K required by publicly held companies. The due dates for these reports decrease by 10 and 30 days, respectively.

(Martin)

72. **Please provide the actual amounts of external audit fees incurred for the years 2005, 2006, 2007 to date and budgeted 2007 and 2008.**

RESPONSE:

Please see "Exhibit #72".

Witness: Khojasteh

73. **Please provide the actual amounts of internal audit fees incurred for the years 2005, 2006, 2007 to date and budgeted 2007 and 2008.**

RESPONSE:

Please see "Exhibit #73".

Witness: Khojasteh

74. **Please explain whether the total increase in internal audit expense requested is driven by the Sarbanes Oxley Act requirements and if not, what other factors are necessitating an increase in this expense.**

Some of the increase is directly related to the SEC requirements on internal audit testing, however as discussed in other related questions on this same topic in this interrogatory and the OPC Second Production of Document request, the overall work load of the accounting department has also impacted the need for an additional accountant to do some internal audit work.

(Martin)

75. **The Company has included in the projected test year a dollar amount of $6,223 for what it has labeled as "Janitorial service new bid, new elevator contract, A/C increase expenses, landscaping." Provide a complete analysis of all of these services that shows there is a required increase in total expenses of $22,224 in 2008, of which 28% is allocated to the electric division.**

RESPONSE:

Please see "Exhibit #75".

Witness: Khojasteh

76. **The Company has requested in the projected test year 2008, $5,486 that is labeled as "To keep managers informed on various issues."**
   a. **State whether the Company has not kept its supervisors informed on various issues before the year 2007.**
   b. **Provide the actual expenditures made in 2007 in the amount of $20,000, which the Company states was necessary to "Keep managers informed on various issues."**

RESPONSE:

a. The Company provided this training on an annual basis every year since 2002. However, we did not conduct the supervisory training in 2006. That is why we needed to adjust the 2006 trended amounts for the additional $21,100 of which $5,486 was allocated to electric.

Witness: Khojasteh

b. 2007 YTD amounts relating to this training is approximately $7,300. This amount consists of the following:

David Block - Employment Law presentation	$5,750
Dale Carnegie	500
Kinko's	300
Meals	800

Witness: Khojasteh

77. **The Company has requested on a total Company basis in the year 2008 of $51,513 for "Safety Adjustment." State how the Company arrived at the allocation to the electric department of $41,225 in 2008, which is 80% of the total expenditures.**

This item refers to "Salary Adjustment" not "Safety Adjustment. It is the amount Over/Above the trended amounts for executives' pay. It is based on the past three years pay increases for the executives to bring the compensation more in line with the current market.

RESPONSE:

The $41,225 allocated to the electric division for 2008 is calculated as follows:

Item	2007	2008	Electric %	2007 Allocation	2007 Trended @5.5%for 2008	2008 Allocation	2008 Total
Salary Adj.	48,845	51,531	40%	19,538	20,613	20,612	41,225

Witness: Khojasteh

78. **Please provide an analysis which shows the accrual to general liability expense for law suits for each year 2002 through 2006 and year-to-date 2007. Provide the actual charges against the accrued liability for law suits for each of the year 2002 through 2006 and year-to-date 2007. Please provide the ending accrued liability for each of the years 2002 through 2006 and year-to-date 2007.**

Please refer to Exhibit 30, General Liability columns, charges for Akerman and Wilkenson

Witness: Khojasteh, Bachman

79. **Please explain what assumptions, instructions, parameters, or guidance were used to calculate the annual storm damage estimate.**

See response to the Second Request for Production of Documents from the OPC, Question 21.

(Martin)

80. **Please provide a list of all hurricanes, tropical storms, winter storms, or any other major weather events that impacted FPUC's service territory and caused damage to the transmission and distribution system for 1991 through 2004. For each storm or weather event listed, provide the date, a description of the storm, the percentage of FPUC's service territory impacted, the total amount of direct or indirect pre-storm and restoration damages incurred, the amount of insurance proceeds receive, and the amount of the damages expensed, capitalized or charged to the storm reserve.**

Please see attached Exhibit #80 for the list of hurricanes that impacted FPUC, the associated costs or damages and changes to the storm reserve account for our electric divisions. We did not receive any insurance proceeds for storm damages.

We do not have the specific information as far as the percentage of service territory impacted and indirect storm costs incurred not charged to the storm reserve if any. We have included details of our storm costs charged to the storm reserve for capital and expense since 2004.

(Khojasteh)

81. **For the calendar years 2004, 2005, 2006 and 2007 please provide the historical costs of hurricane, tropical and winter storm or other major weather event damages incurred to the transmission and distribution system. Provide a description of the type of cost incurred and whether the cost was charged to the storm reserve or to operating income.**

We do not track storm charges to operating income. However, "Exhibit #80" provides more details on the charges to our storm reserve and our procedure for major storm related costs.

(Khojasteh)

82. **Please provide an analysis which shows the accumulation of the storm and property damage reserve from its inception until the most recent date available.**

Please see "Exhibit #80".

Witness: Khojasteh

83. **In determining its requested level of storm accrual, please explain what impact the company's proposed storm hardening measures had on reducing the amount of the projected storm recovery costs.**

The storm hardening measures will theoretically reduce any costs of future storms; however, the range of possible storm costs is such an unknown factor and the amount of damage could vary quite a bit depending on strength of storm, location of storm, and other storm related factors so specifically no adjustment was made for this. Previous storm experience indicates that the vast majority of damage has been the direct result of wind blown debris, uprooted trees located on private property and tornadoes from which the storm hardening measures will have little to no impact. There is such a wide range of possible costs, and savings and we do not have actual data to depend on to more accurately predict these costs, so a high level estimate is appropriate. Our projection however is on the lower side of what we expect could be needed if impacted by a major hurricane the costs projected are reasonable with respect to expected future storm costs.

(Martin, Cutshaw)

84. **Pleases explain whether any of the projection bases used in the current rate case are different from those used in the last rate case and if so, list those differences and explain why the method was changed for this rate case projection methodology.**

RESPONSE:
For the most part the rate case projection methodology is the same as the previous rate case. We may have different direct projections or different factors by account number as they were appropriate, but all of those have been detailed within the MFR filing by account number. All factors were computed based on actual and estimated data appropriate for this time period. The overall methodology used, however, was the same as previous rate case projections. Please refer to our MFR filing for a review of factors used in both this current rate proceeding and our most recent rate proceeding. All factors are all contained within the applicable schedules. All factors that have changed since our last rate proceeding is due to the fact that we felt it would produce a more accurate projection. When direct (also called FPUC) projections could be easily made or was more appropriate that method was used and is so noted on the schedule. We also explained the methodology within the testimony filed with our MFRs.

Witness Martin

85. **By primary account, please provide an analysis of the depreciation and amortization expense requested in the MFRs with the amount reflected in the current depreciation study filed on June 18, 2007.**

RESPONSE:

Exhibit 85.1 presents the analysis of depreciation expenses using existing rates and proposed rates.

(MESITE)

86. **Please provide a comparison of the accumulated depreciation reserve balances by month and primary account for the projected test year 2008 using the depreciable lives used in the MFRs and the current depreciation study filed on June 18, 2007.**

RESPONSE:

Exhibit 86.1 presents the accumulated depreciation reserve balances at the existing depreciable lives as used in the MFR.

Exhibit 86.2 presents the accumulated depreciation reserve balances using the proposed depreciable lives shown in the depreciation study.

(MESITE)

87. **Please provide the amount of plant additions by year that FPUC will make related to replace the wood poles with concrete poles on the 69 KV transmission system.**

Exhibit 27.1, OPC POD 2, shows the total project amount of $7,092,000, and the $354,600 per year amortization for the 20 year replacement schedule. The intent is to replace the 190 poles over the replacement period which will involve annual replacements of approximately 9 to 10 poles per year. This number will vary up or down annually based on the cost associated with poles, load requirements of the poles used and the location of the poles. Although annual cost may vary, the total annual expenditures will closely track the total annual amortization of $354,600.

(MESITE/CUTSHAW)

88. **Please provide what will be the impact, if any, on the company's schedule to replace the wood poles with concrete poles on the 69 KV transmission system if the Commission denies advanced funding for the storm hardening capital improvements, and instead allows recovery as normally allowed for plant improvements that are placed into service.**

Should the commission deny the replacement schedule as proposed; the Company will continue to focus on replacement of these poles in accordance with the approved Storm Hardening Plan. The replacement of poles will be in accordance with the approved Storm Hardening Plan and will be included along with other capital improvement projects and prioritized along with those projects. The available capital funds will then be allocated based on priority which may affect the replacement of 69 KV wood transmission poles.

(CUTSHAW)

89. **Please explain the prudence of using advanced funding through a 20-year amortization period for the transmission line storm hardening capital improvements instead of recovering the cost over the useful life of the assets.**

The advanced funding through a twenty (20) year amortization period will allow these projects to be completed on a regular basis and to delay the need to come in for rate recovery of those projects; thus benefiting both the Company and customers. Without recovery, the replacement schedule may be extended which may result in continued high, on-going maintenance cost due to the issues related to pole damage caused by the woodpecker population on Amelia Island.

(CUTSHAW)

90. **Please provide a net present value calculation in 2008 dollars of allowing advanced recovery of 20 years of plant improvements compared to incremental recovery of depreciation and rate of return on the assets as the assets are constructed and placed into service.**

Exhibit 90.1, OPC Interrogatory 1, shows the calculation of the present value of the requirement if the plan for advanced funding of transmission poles replacements is approved. 2008 present value is calculated to be $4,640,055.

Exhibit 90.2, OPC Interrogatory 1, shows the calculation of the present value of the requirement if the 190 poles are replaced at 9 or 10 per year without advanced recovery. 2008 present value is calculated to be $ 5,388,446.

(MESITE)

91. **Other than the treatment provided by using a projected test year, please list any statutes, rules, or orders that address the regulatory treatment of advanced funding of plant costs prior to the company's investment in those assets.**

We are not aware of any specific statutes, rules or orders that address this issue; however, we did receive similar treatment in our natural gas divisions for a bare steel replacement program. In our most recent rate proceeding for our natural gas segment, the Commission allowed advanced funding of plant costs prior to the Company's investment in those assets. See Docket No. 040216-GU. The Commission has also allowed advanced recovery of storm costs, environmental reserves, and other liabilities expected in the future. This would be similar to those as well.

(Martin)

92. **Please provide the docket and order number where the FPSC approved the advanced funding for natural gas program for bare steel replacement.**

RESPONSE:

Docket No. 040216-GU
Order No. PSC-04-1110-PAA-GU

(MESITE)

93. **Please provide a calculation that shows the annual cost of storm hardening capital improvement costs by year and by primary account, including a description of what type of capital improvement is projected.**

The projected storm hardening capital improvement is the replacement of wood poles on the Northeast Division's 69Kv transmission line. The annual expenditures will be $354,600. We are proposing an offsetting annual amortization of $354,600 against the costs. Account 1070.355 will be the account used to record the expenditure and the amortization, which will result in an annual net change of zero.

Exhibit 90.1, OPC Interrogatory 1, details the annual expenditures associated with this project.

(MESITE)

94. **Please provide a comparison of the revenue impact for the 2008 test year of capitalizing any 2007 and 2008 plant improvements related to the transmission line storm hardening improvements depreciated over the useful life of the assets to the 2008 revenue impact of amortizing the projected capital improvements and collecting those costs over a 20-year period, as requested in the MFRs.**

Refer to Exhibits 90.1 and 90.2, OPC Interrogatory 1, the columns labeled "Annual (Rev.) Requirement" for the lines containing 2008 data.

The revenue impact for the 2008 test year of capitalizing any 2007 and 2008 plant improvements related to the transmission line storm hardening improvements is $11,907. The 2008 revenue impact of amortizing the projected capital improvements and collecting those costs over a 20-year period is $354,600.

(MESITE)

95. **Please provide a side-by-side comparison of the storm hardening activities that the company has requested recovery of in Dockets Nos. 060638-EI, 070300-EI and this rate case 070304-EI. Include in this analysis the recovery methodology and 2008 revenue requirement impact that the company has requested for each activity and an explanation of why any projects or amounts changed from the three filings.**

RESPONSE:

Exhibit 95.1 provides a side-by-side comparison of the storm hardening activities filed in Dockets Nos. 060638-EI, 070300-EI and this rate case 070304-EI. Also included is a column showing the most current estimates and an explanation of the differences.

Witness: Cutshaw / Cox/ Martin

96. **Please provide the projected date that the transformer that was ordered in 2006 is projected to be placed into service.**

Recent information from the supplier indicates that the transformer will be available to be placed into service in February 2008.

(MESITE)

(MESITE)

97. **Using the date that the transformer is projected to be placed into service, please provide the revenue impact with supporting calculations in the 2008 test year of year-end versus average rate base recovery.**

The revenue impact of Plant, Reserve, Depreciation Expense, and Temporary Transformer Rental Expense using an In-Service date of December 2007 is ($86,497). This is the method proposed in the MFR.

The revenue impact of Plant, Reserve, Depreciation Expense, and Temporary Transformer Rental Expense using an In-Service date of February 2007 is ($77,301).

A summary and details are contained in the attached Exhibit 97.1, OPC Interrogatory 1.

(MESITE)

98. **Please provide an analysis of the 2007 plant additions greater than $200,000 by primary account on MFR schedule B-7 (2007) and reflect the in-service dates, additions and retirements on an actual versus projected basis.**

RESPONSE:

Included in account 362 is the purchase of a 40MVA transformer for $790,000. In the MFR the transformer was shown with a December 2007 installation date. In recent discussions, the supplier indicates that the transformer will be in service in February 2008. We shall continue to include this item with an in-service date of December 2007 per the MFR Testimony, Page 11. The associated retirement of the original transformer was recorded in 2006.

Also included in account 362 was a SCADA Equipment project for $354,182 begun in 2006. The actual in-service date was May 2007 and it was indicated as such in the MFR. There was no associated retirement since this is the first-time installation of such equipment.

Included in account 3913.05 is the purchase of a Geographical Information System at the Northeast Florida division for $160,228. In the MFR the system was shown with a September 2007 installation date. It is currently expected that the system will be placed in-service in November 2007 at a total cost of $225,000. There was no associated retirement as this is the first-time installation of the GIS.

Electric utility plant accounts 364, 365, 3662, 3672, 3681, 3683, and 3923 and Common plant accounts 390, 3913, and 391305 indicated total additions in excess of $200,000. These account additions were made up of several revenue and non-revenue producing projects with costs less than the $200,000 criteria.

(MESITE)

99. **Please provide the projected in-service dates for the 2008 plant additions and retirements greater than $200,000 by primary account on MFR schedule B-7 (2008).**

RESPONSE:

Exhibit 99.1 provides a listing indicating the 2008 projected in-service month for additions greater than $200,000 as shown on Schedule B-7.

There are no projected retirements by primary account in excess of $200,000 shown on Schedule B-7

(MESITE)

100. **Please explain the purpose of the computer software general plant additions of $360,744 in 2006, $234,044 in 2007 and $0 in 2008. For the amounts added in 2007 provide the in-service date.**

RESPONSE:

2006:

The following three assets are associated with the Automated Mapping and Facilities Management for the distribution facilities located in our Northwest Florida Division. This system provides maps and data for all facilities in the division as well as a basis for the Customer Outage Management System used for reporting reliability indices. These items were placed in service during 2006.

DATA-FIELD INVENTORY	$145,537.40	Feb. '06
OUTAGE MANAGEMENT-UAI	$68,549.04	Feb. '06
UAI UTILITY CENTER2.3	$146,657.50	Mar. '06
2006 TOTAL	$360,743.94	

2007:

The following asset is associated with the Automated Mapping and Facilities Management for the transmission and distribution facilities located in our Northeast Florida Division. This system provides maps and data for all facilities in the division as well as a basis for the Customer Outage Management System used for reporting reliability indices. This item is expected to be placed in service during November 2007.

GIS MAPPING SFTW	$160,288.00	Nov. '07

The following three assets are associated with the Supervisory Control and Data Acquisition System for our Northwest Florida Division. These assets are used to be able to remotely monitor and control all substation equipment and can be expanded to include additional distribution line equipment.

SCADA FOR ALTHA SUBSTATION	$70,376.00	May '07
MAPOBJECTS SFTWR	$2,250.00	Feb. '07
Symantek ExecII Software	$1,120.00	Mar. '07
2007 TOTAL	$234,034.00	

2008:

None anticipated.

(MESITE)

102. **Please provide a breakdown all communication expenses for each year 2006, 2007 and projected for 2008 and include a description and amount of each type (by media type) and a statement as to the necessity of each type to be incurred annually. For each type of media, provide the type of communication, the cost of production or printing, how many copies will be produced, the number of times any advertisements will run, how many bill inserts will be used, etc.**

RESPONSE:

The information requested is not available exactly as requested. Information which is available regarding the expenses is attached in Exhibit 102.1

(CUTSHAW)

103. **Informational and instructional-Please provide a list by vendor with descriptions of any costs included in 913, sub-account 909, informational and instructional which is equal to or greater than $3,000 for the year 2006 and year-to-date 2007.**

The company has provided a list of all charges to accounts 913 and 909 and has included copies of each invoice with a corresponding charge greater than $3,000. Please see "Exhibit #103".

Witness: Khojasteh

104. **Please provide the calculations used to project revenues from service charges, pole rentals and other miscellaneous sources of revenue for the 2008 test year.**

RESPONSE:

Please reference Interrogatory # 38.

Witness: Cox

105. **If not previously provided, please provide the "Salary Survey," which the Company relied on to increase electric salaries by $43,382 as shown on the over/above expense adjustments.**
a. Show how each of the amounts of page 97 of the over/above expense adjustments to salaries was derived and how the allocation to electric was determined.

The information contained within the salary survey is confidential and accordingly we request that this be reviewed at our Corporate Office. The survey is not expected to be completed and approved until December 2007. We estimated the amount necessary for immediate adjustments to salary ranges as a result of current personnel and the salary ranges appropriate for their positions. Some personnel will require immediate adjustments to bring them in a reasonable range either below or within the minimum salary ranges that their positions demand. Results show that initial adjustments are justified well above the amount we have included for recovery; however, we will limit our initial adjustment amounts to those included for recovery for 2008 and increase other deficiencies over time. We estimated a portion of the salary adjustment for the division personnel, and then estimated a portion of the salary adjustment for corporate personnel. Corporate personnel were allocated to electric based on appropriate allocation factors that follow the payroll allocations used. Below shows the amount included in the test year 2008 and the allocation basis.

	Consolidated	Electric

Corporate Customer Service 903	2,040	30%	827
Corporate AG 920	20,400	40%	11,030
Corporate Safety	6,120	31%	2,572
Electric only personnel		100%	28,953
		Total	43,382

(Martin, Khojasteh)

106. **Please provide a schedule which shows the budgeted salary increase for exempt and non-exempt employees for the years 2005, 2006, and 2007 in dollars and percentages as compared to the actual dollars and percentages increase for those same years.**

The Company does not budget payroll by employee; the payroll expense budget is embedded in various accounts. The actual payroll expense is as follows:

	Dollar	Percent
2004	$16,167,748	N/A
2005	$16,785,347	4%
2006	$17,122,023	2%
2007	N/A	N/A

Witness: Khojasteh

107. **Please provide the total dollar amount of bonuses that were granted to employees as a result of any good performance program in the historical years 2004, 2005, and 2006 and projected years 2007 and 2008. Explain any year-to-year increase which exceeded 3%.**

We do not pay good performance bonuses to employees in our regulated operations or corporate. A portion of the regular pay for Officers is based upon goals and additional compensation is earned if those goals are met. We do however give employee pay increases each year based on merit considering salary ranges, cost of living, and performance. A portion of marketing personnel's salary is paid based on commissions. The normal merit amounts given to employees have exceeded 3% in 2004-2007 and are expected to exceed 3% in 2008. Employees however are not given increases above their established salary ranges.

(Witness Martin)

108. **Please provide any performance reward program incentives which were paid, or are projected in each of the following years: 2004, 2005, and 2006, 2007, and 2008.**

We do not specifically track the merit increases in total, we could provide each individual employee and their specific pay increases over a period of time, if required. We are able to easily determine total payroll dollar increases year to year, but this is made up of various factors including pay increases, personnel changes, commission paid and personnel vacancies. We do know what the normal merit increases have been each year and what we expect to have in 2008. The normal merit increases for 2006 and 2007 have been 5.5% for employees with good performance and those within their salary ranges. The amounts for 2004 and 2005 were 5.00% and 5.25%, respectively. The normal merit increases for 2008 are expected to be 5.5% plus adjustments for the salary survey as shown in our MFR filing.

Witness Martin

109. Please provide the total dollar amount of annual pay increases that were granted to employees as a result of any good performance program in the historical years 2004, 2005, and 2006 and projected 2007 and 2008. Explain any year-to-year increase which exceeds 3%.

We do not specifically track the total dollar amount of annual pay increases granted to employees, but could provide the individual pay sheets with the various increases or total payroll charged to various accounts. We do however give employee regular pay increases based on merit and the normal amounts given to employees have exceeded 3% in 2004-2007. We expect to also exceed the 3% for 2008 based both on our recent salary survey, cost of living, and other salary related factors. We have used expected future increases in our payroll projections. The Company does salary surveys (the most recent is being completed in 2007) to determine appropriate pay ranges for employees. In between these detailed surveys, ranges are increased for estimated cost of living and other salary expectations. Employees are eligible for merit increases at a minimum, on an annual basis and are awarded based upon good performance within the salary ranges established. Employees within their established salary ranges are eligible for annual increases of 5.5% for 2007 as well as 2008. Since most of our employees are within their salary ranges, and have good performance, the actual amount given to employees in 2007 does exceed 3.00% and is expected for 2008 as well. It is not only appropriate but necessary to increase employees for compensation of both inflation and merit on an ongoing basis as long as those are reasonable and within required salary ranges. It is important to be able to attract and retain employees so that they can provide our customers with the service they are entitled to from a utility company. Fair compensation is necessary for our employees. Our compensation for 2007 and expected for 2008 is above 3% and is within these guidelines and appropriate for recovery.

Witness Martin

110. Please provide a schedule showing the Company's medical costs by FERC account for the historical years 2004, 2005, and 2006 and projected 2007 and 2008. Explain any year-to-year increase which exceeds 10%. Provide and explain how the Company projected medical costs for the projected years 2007 and 2008.

RESPONSE:

Please see "Exhibit #110".

Witness: Khojasteh

111. Uncollectible accounts-Please provide the following information for each of the years 2003-though 2006 and year-to-date 2007. Show the actual beginning balance in Account 440-Allowance for Uncollectibles at the beginning of each year.

a. The amount accrued for uncollectible expense throughout the year.

b. The amount written off during each year for bad debts and the amount of recoveries each year for amounts previously written off.

c. The ending balance at the end of each year or accounting period for the allowance for uncollectible accounts.

RESPONSE:

Please see "Exhibit #111" for responses to 111a, 111b, and 111c .

Witness: Khojasteh

112. Uncollectible accounts - Please provide the calculation of how the Company arrived at the uncollectible account written off as shown on Schedule C-11 for the prior year 2007 in the amount of $90,352 and the projected year 2008 in the amount of $144,563.

For 2007:	
2006 historical	$87,213
Inflation & customer growth projection factor	x 1.034
	$90,178
Inc. for sales KWH before price projection factor	174*
	$90,352

* $87,213 x 1.002 = $174

For 2008:	
2006 historical	$87,213
Inflation & customer growth projection factor	x 1.07
	$93,318
Inc. for sales KWH including price projection factor	51,245
	$144,563

Witness: Khojasteh

113. Please provide the amount of increase in uncollectible accounts resulting from the change if fuel prices implemented in January 2007. Compare this increase on a dollar and percentage basis from the level incurred by month from the levels incurred in 2006 prior to the 2007 fuel increase.

It is likely the impact of the fuel increase on the company's bad debt will not materialize immediately as the company's policy is to write off accounts only after it has been determined uncollectible (generally after 90 days). The following represent the monthly write offs for 2006 and 2007:

	2006	2007
Jan	12,597	5,606
Feb	7,356	31,752
Mar	5,479	2,956
Apr	4,451	5,342
May	7,293	5,279
Jun	4,486	4,036
Jul	4,403	8,452
Aug	12,589	6,951

Witness: Khojasteh

114. Please provide an explanation as to what facts or theory the company relied upon to show that the uncollectible write-offs in 2008 would be 23.40% of revenues.

The company based the 2008 projected write-offs on historical data increased for inflation and customer growth as well as increased KWH sales and most importantly a significant increase in fuel costs (purchased power) effective January 1, 2007 in Fernandina Beach and January 1, 2008 in Marianna. Please note that the write-off rate for 2008 is .2340% and not 23.40%.

Witness: Khojasteh

115. Please explain why on Schedule C-11 of the MFRs, the company is projecting a bad debt write-off of $144,563 for $61.7 million in gross revenues (.2340%) for 2008 but the test year expense for uncollectible accounts reflects an expense of $216,664 (a $129,249 increase of uncollectible accounts expense over 2006 and 2007 or 150%), which equates to a bad debt factor of .3507%. This is prior to the company's requested gross-up revenue increase which includes the .20% bad debt factor.

The $144,563 projection of bad debt write off differs from the $216,664 bad debt expense due to the timing delay between the accrual of the bad debt provision (when the expense is incurred) and the actual write off of the uncollectible account. We are however expecting a large increase in bad debts due to both our base rate increase and in a larger part, the fuel rate increases.

The $216,664 Bad Debt expense for 2008 reflects the following:

1. We anticipate the number of annual write-offs to surpass the prior years as the result much higher fuel rates, higher base rates, and slowing economic conditions.

2. The write-offs will lag behind the expense accruals because we must anticipate levels of current billings that will be charged off in future months when the current billing which is not paid becomes delinquent (three to four months lag). There is also a lag in recoveries through collection agencies of an additional one to six months.

3. The current level of customer deposits which reduce the uncollectible accounts prior to write-offs is not adequate to cover the current increases in fuel costs and base rates. The Company's FPSC electric tariff requires: "a new deposit where previously waived or returned, or an additional deposit, in order to secure payment of current bills; provided, however that the total amount of the required deposit shall not exceed an amount equal to the average actual charges for service for two billing periods for the 12-month period immediately prior to the date of notice."

4. When customer billing increases for any reason and deposit coverage remains the same, there is a compounding effect on amounts written off in that all of the billing increase adds considerably to the residual amount that must now be written off. This can be illustrated in the following example:

	Electric Bill Before Increases	Electric Bill With Increases
1st Month	100.00	142.00

2nd Month	100.00	142.00
3rd Month	100.00	142.00
Total Delinquent	300.00	426.00
Customer Deposit	(200.00)	(200.00)
Write-Off	100.00	226.00

Witness: Khojasteh

116. **On MFR Schedule C-11, the company reports the amount of write-offs for uncollectible accounts. Please provide the dollar per year of recoveries of previously written-off accounts and how these amounts are accounted for with respect to the calculation of the bad debt factor.**

The company does not include recoveries in the calculation of the bad debt factor. The dollar amount of recoveries is as follows:

2002 $38,495
2003 $30,512
2004 $27,905
2005 $29,153
2006 $29,188

Witness: Khojasteh

117. **Relating to Property Tax Expense; please respond to the following:**

(a) Provide the actual average millage rates for each year 2004 through 2007.

(b) Please show, in detail, how the normalized rate for the test year was calculated and reconcile that rate to the actual average for 2007.

(c) Provide, for 2006 and 2007, the actual assessed values, the actual taxes paid, and the average millage rate.

(d) Provide any property tax refunds received for each year, 2004 through 2006 and projected for 2007 and 2008.

(a) Please see "Exhibit #117".

(b) We did not use a normalized millage rate to calculate the property tax expense amounts. Therefore, reconciliation to the actual average 2007 rate is not applicable. The 2006 property tax expense amount was trended using Inflation and Customer Growth factors to project 2007 and 2008 expense amounts.

(c) Please see "Exhibit #117".

(d) We have not received any property tax refunds for tax years 2004 through 2007 and do not anticipate receiving any refunds for 2008.

Witness: Khojasteh

118. Miscellaneous General Expenses-Provide a list of each expense and a description of each expense which is $3,000 or greater included in Account 930.2, for the year 2006 and the year to date 2007.

The company has provided a list of all charges to account 9302 for both electric divisions. Copies of invoices for each PL SUMMARY item equal to or greater than $3,000 have been provided (Exhibit #118). For each charge of $3,000 or greater recorded to the electric division account 9302 that originated from JE13, the company has provided a separate listing of all invoices that were charged to a corporate clearing account which was subsequently allocated to the electric divisions. For each item of $3,000 or greater in the clearing account listing, a copy of the invoice has been provided.

Witness: Khojasteh

119. Other information/instruction/con-Please provide a list by vendor which descriptions of any invoice or cost which is equal to or greater than $3,000 charged to Account 913, sub-account 9134 for the year 2006 and year-to-date 2007.

This documentation has already been provided; please see the response to question #103.

Witness: Khojasteh

120. Industrial association dues. Please provide copies of the most recent invoices from the following industrial associations: Southeastern electric exchange, Florida electric power coordinating group and the Florida institute of Certified Public Accountants of which 32% is allocated to electric.

RESPONSE:

Please see "Exhibit #120.1" for copies of the most recent invoices.

Witness: Khojasteh

121. Identify, itemize, and describe all expenses recorded below the line in 2006 and the projected years 2007 and 2008.

RESPONSE:

The only expense below the line is the allocated interest which is shown on MFR Schedule C-23

Witness: Khojasteh

For the following questions, please reference the direct testimony of Doreen Cox and Robert Camfield:

122. With reference to page 4, lines 3-7, please provide a list of all publications of Robert Camfield.

RESPONSE: Below please find a list of publications and discussion papers of Robert J. Camfield.

- R.J. Camfield, *History and Status: U.S. Wholesale Electricity Markets*, National Electricity Symposium, Poland, 2004.

- R.J. Camfield, F.L. Alvarado*, R. Rajaraman, *Open Transmission Access: An Efficient Minimal Role for the ISO*, International Conference On System Sciences, 1997.

- R.J. Camfield, A.G. Schuster, "Pricing Transmission Services Efficiently", *The Electricity Journal*, November 2000.

- R.J. Camfield, M. Welsh., M.J. Morey, *Rate of Return for Ontario's Electricity Distributors,* Electricity Distributors Association, Ontario, 2006.

- R.J. Camfield, L.D. Kirsch, "Developing and Pricing Distribution Services," within Pricing In Competitive Electricity Markets, Kluwer Academic Publishers, 2000.

- R.J. Camfield, C. Clark, L.D. Kirsch*, *Blueprint for the Development of Competitive Electricity Markets*, Polish Power Grid Company/EPRI, 2000.

- R.J. Camfield, F.L. Alvarado, A. Maniaci, R. Rajaraman*, S. Jalali, *Determination of Location and Amount of Series Compensation to Increase Power Transfer Capability*, International Association of Electrical and Electronic Engineers, 1997.

- R.J. Camfield, David Glyer, John Kalfayan, "Self-Designing Electricity Products," within Electricity Pricing In Transition, Kluwer Academic Publishers, 2002.

- R.J. Camfield, Peter Williamson, *Secular Distortions in Regulated Prices and Impacts on the Cost of Capital to Utilities*, Eastern Economics Association, 1981. This work is perhaps worthy of brief discussion. Specifically, this technical discussion paper explores the issue of whether investors discount internal cash returns. The focus was non-cash returns to capital for electric utilities in the form of allowance for funds used during construction (AFUDC) where construction work in progress is excluded from rate base. The analysis suggested that the exclusion of CWIP from rate base thus increasing the non-cash earnings within the returns to capital increases the cost of capital to regulated utilities. (NOTE: Dr. Williamson served on the faculty of Amos Tuck School of Business, Dartmouth College, at the time.)

- R.J. Camfield, R. Rajaraman, *Methodology for Economic Assessment of Transmission Plans Within Unbundled Power Markets*, EPRI, 2004.

- R.J. Camfield, A. Gluszek, R. Paprocki, R. Adapa, *Economic Assessment of Transmission Plans,* International Council on Large Electric Systems (CIGRE), 2004.

- R.J. Camfield, J. Lamb, D. Armstrong, E. Casper, D.G. Glyer, *Incorporating Reserve Services and Scarcity Rents Into Wholesale Price Forecasting*, EPRI, 2001.

- R.J. Camfield, M. Welsh, P. Schoech, D.G. Glyer, *Methodology and Study Findings: Comparators and Cohorts Study for 2006 EDR, Parts I and II*, Ontario Energy Board, 2005.

- R.J. Camfield, L.D. Kirsch, C. Clark, *Market Restructuring and Tariff Study*, EPRI, 1999.

NOTE: Under the condition wherein Robert J. Camfield is not the primary author, the individual assuming the role of primary writer is denoted with *.

(CAMFIELD)

123. **With reference to page 41, line 24 through page 42, lines 1-2, please describe how historical returns can be 'identified and measured' in a manner that reasonably reflects expectations of the future. Please provide copies of all studies used to support this position.**

RESPONSE: As a matter of observation, it is common for historical returns and other financial information, as reported for exchange traded companies, to reflect 3- to 10-years of experience. Thus, the approach is to reflect historical returns that largely follow this convention. Examples include financial data and data to computer returns, as reported by UBS Financial Services (4-5 years); Yahoo Finance (3-years, or extended periods for market data; and ValueLine (10-years); and MorningStar like Value Line provides 10-years of financials reports as well as market experience.

Precisely how these data are utilized by investors to form expectations of future returns remains, unfortunately, an open question. Certainly, we can infer that some investors utilize a longer history, while other use a more current and truncated timeframe. For this reason, we show historical market returns in several ways. However, various studies suggest that indeed history matters. Examples include Christensen Associates informal study of growth impacts mentioned in the testimony and provided elsewhere within the responses to OPC Interrogatories; document 9 (Vander Weide and Carleton) also referenced in the immediate responses to OPC Interrogatories. An another noteworthy example is the classic study, Fama, E., and J.D. MacBeth, (1973),"Risk, Return, and Equilibrium: Empirical Tests," *Journal of Political Economy*, Vol. 38, 607-636, where it is shown, as expected, that returns are ordered according to risks. Nonetheless, I know of no discerning study that conclusively demonstrates how future expectations are formed.

(CAMFIELD)

124. **With reference to page 45, lines 1-24, please (1) provide precise definitions of the three screening criteria, with the numbers used where relevant, (2) provide the definition of mid-sized electric utilities, along with a list of all mid-sized electric utilities, (3) list the companies eliminated by each of the three screens. Please provide the data and work papers in both paper and electronic (Microsoft Excel Worksheet) forms. For the Microsoft Excel version, please include keep all formulas embedded in the worksheet.**

RESPONSE: The testimony is fairly explicit in its explanation of the screening process. Nonetheless, I will add to the description of the initial selection criteria, as follows:

- Liquidity: Electric energy NYSE and NASDAQ exchange traded listings with market capitalization equal to or below $4.5 billion are selected. This initial selection obtains 33 entities.

- Business Line: As described. Entities with substantial non-utility business lines currently or within recent history, such as ALLETE are excluded.
- Reasonably Consistent Financial Experience. Here, anomalous experience, at least in the consistent of utilities as we know them, gives rise to exclusion. An example is WESTAR.

All quantitative analysis has been provided. Please reference the file entitled SmEl_06c, as provided in response to Staff First Set of Requests for Documents. If this response is insufficient, I suggest that we have a conference call for further explanation. Also, as mentioned in other responses, the equations underlying all analyses will be made available for review on site and will be discussed in full.

(CAMFIELD)

125. **With reference to page 46, lines 8-19, please (1) provide precise definitions of the risk screening criteria, with the numbers used where relevant, and (2) provide the data and work papers used in the calculations of the risk metrics for the electric and gas groups. Please provide the data and work papers in both paper and electronic (Microsoft Excel Worksheet) forms. For the Microsoft Excel version, please include keep all formulas embedded in the worksheet.**

RESPONSE: Please reference the response to Question 124, above. All quantitative analysis has been provided. Please reference the file entitled SmNG_06c, as provided in response to Staff First Set of Requests for Documents. As with question 124, if this response is insufficient, I suggest that we have a conference call for further explanation. Also, as mentioned in other responses, the equations underlying all analyses will be made available for review on site and will be discussed in full.

(CAMFIELD)

126. **Please provide a list of all over and under recoveries of fuel and conservation charges, by month, for the years 2004, 2005, 2006 and year-to-date 2007. Show over and under recoveries separately for each charge.**

See Exhibit 126.1, OPC, First Interrogatory.

Martin

127. **Please provide a list of special deposits-electric for each month of the year 2006 and year-to-date 2007.**

RESPONSE:

For 2006 and 2007, monthly balances for the single Special Deposit – Electric of $317,836 is shown as account 1340.1 on Schedules B-3, Line 15.

For further details, refer to the response to Item 5, of the Citizen's First Set of Interrogatories to Florida Public Utilities Company (Nos. 1-129).

(MESITE)

128. Please provide a list with corresponding amounts of the Company's materials and supplies as of the most recent date available.

RESPONSE:

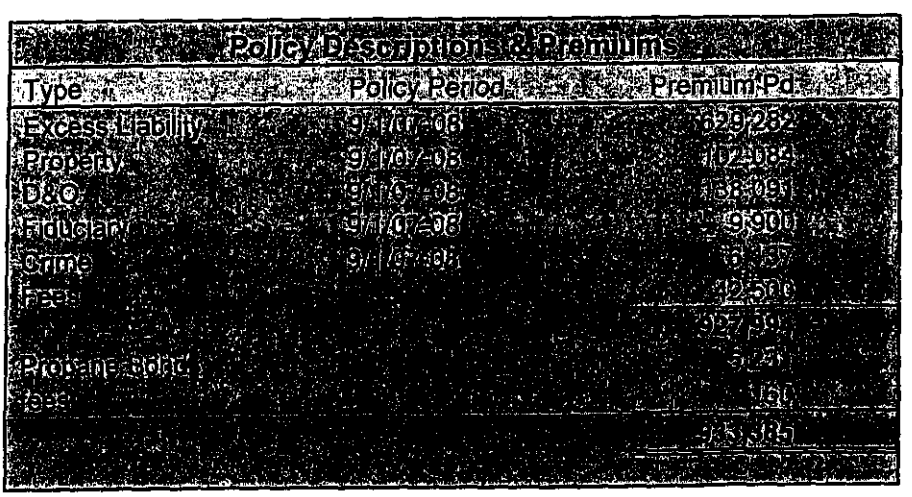
Exhibit 128.1 provides a listing of Materials & Supplies as of September 30, 2007 for the individual electric utility locations.

(MESITE)

129. Please provide a schedule showing the Company's prepaid insurance by policy and type of coverage showing the coverage period and the premium paid.

a. Show the prepaid balance for each year 2006, 2007 and 2008 and how such amounts were derived.

Below are the types of coverage we currently carry, please refer to Exhibit #129 for details:



Policy Descriptions & Premiums		
Type	Policy Period	Premium Pd
Excess Liability	9/10/07-08	629,282
Property	9/10/07-08	102,084
D&O	9/10/07-08	38,091
Fiduciary	9/10/07-08	9,900
Crime	9/10/07-08	6,257
Fleet		42,500
		927,994
Property Bond		5,241
Fees		150
		933,385

(Khojasteh, Bachman)

Exhibit 2.1
OPC Interrog 1
070304-EI

FLORIDA PUBLIC UTILITIES
ALLOCATION OF COMMON UTILITY PLANT
AS OF JUNE 30, 2005

Allocation of Utility Plant All Division	(A) Utility Plant (101,106,107)	(B) Acquisition Adjust (114)	(C) Direct Common Loc & Mer	(D) Sub-Total (A+B+C+D)	(E) Note 1 Allocation %	(F) Remaining Common	(G) Common EDP Equip	(H) Adj. Plant (E+G+H)	Consolidated Allocation %	FPU Allocation %
Florida Public Utilities										
Northwest Electric	$29,096,334	$3,691		$29,100,025	18%	$408,274	$347,715	$29,856,014	18%	18%
Northeast Electric	39,685,166			39,685,166	23%	521,684	427,956	40,634,806	23%	25%
South FL NG	61,390,285	(29,523)	428,592	61,789,354	36%	816,549	936,153	63,542,056	36%	40%
Central Florida NG*	24,527,718	1,293,299		25,821,017	15%	340,229	534,945	26,696,191	15%	17%
Merchandising	377,109		141,088	518,197	0%	-	53,494	571,691	0%	
Propane Operations										
South FL Propane*	7,381,858		82,245	7,464,103	4%	90,728	187,231	7,742,062	4%	
Central FL Propane*	2,787,008			2,787,008	2%	45,364	80,242	2,912,614	2%	
Northeast Propane*	1,982,585			1,982,585	1%	22,682	53,494	2,058,761	1%	
Nature Coast (996)	2,288,931			2,288,931	1%	22,682	53,494	2,365,107	1%	
Total	$169,516,994	$1,267,467	$651,925	$171,436,386	100%	2,268,192	2,674,724	176,379,302	100%	100%

* Excludes acct. 3031 intangible non-compete & Goodwill account 1140.2

ALLOCATE COMPUTER ACCOUNTS

ALLOCATE NON-COMPUTER ACCOUNTS

	EDP Equipment				Remaining Common					
	Customers Billed 6/30/2005	Allocation %	Common EDP	FPUC Allocation %	Remaining Common	Direct Common	Total Remaining Common	Allocation %	Total Common	Allocation %
Florida Public Utilities										
Northwest Electric	12,561	**13%**	347,715	15%	408,274	-	408,274	**12%**	755,989	14%
Northeast Electric	14,508	**16%**	427,956	19%	521,684	-	521,684	**18%**	949,640	17%
South FL NG	31,751	35%	936,153	42%	816,549	428,592	1,245,141	43%	2,181,294	39%
Central Florida NG*	17,731	20%	534,945	24%	340,229	-	340,229	12%	875,174	16%
Merchandising	1,872	2%	53,494		0	141,088	141,088	5%	194,582	3%
Propane Operations										
South FL Propane*	6,106	7%	187,231		90,728	82,245	172,973	6%	360,204	6%
Central FL Propane*	2,680	3%	80,242		45,364	-	45,364	2%	125,606	2%
Northeast Propane*	1,456	2%	53,494		22,682	-	22,682	1%	76,176	1%
Nature Coast (996)	1,957	2%	53,494		22,682	-	22,682	1%	76,176	1%
Total	90,622	100%	2,674,724	100%	2,268,192	651,925	2,920,117	100%	5,594,841	100%

HEARING EXHIBIT - 00000438

FLORIDA PUBLIC UTILITIES
Adjusted Gross Profit
12 Months Ended June 30, 2005

Exhibit 2.2
OPC Interrog 1
070304-EI

		Gross Profit	Less Rate Refund	Less OSS & Trans GSLD	Adjusted Gross Profit	
Northwest Electric		6,574,658	-	-	6,574,658	**16%**
Northeast Electric		7,081,133	-	553,189	6,527,944	**16%**
South FL NG		17,165,812	(273,649)	3,339,014	14,100,447	36%
Central Florida		7,901,505	(9,060)	1,404,534	6,506,031	16%
	Total	38,723,108	(282,709)	5,296,737	33,709,080	
South FL Propane		3,795,860			3,795,860	9%
Central Florida Propane		1,178,633			1,178,633	3%
Northeast Propane		819,244			819,244	2%
Nature Coast Propane (996)		487,724			487,724	1%
	Total	6,281,461	0	0	6,281,461	

		Revenues	Less Merch & Install Exp	Less Jobbing & I&M exp	Adjusted Gross Profit	
South FL M&J		2,512,200	1,499,378	518,999	493,823	1%
Central FL M&J		656,098	388,220	71,243	196,635	0%
Northeast FL M&J		419,826	279,774	33,068	106,984	0%
West FL M&J		166,241	57,086	22,941	86,214	0%
	Total	3,754,365	2,224,458	646,251	883,656	
					40,874,197	100.00%

HEARING EXHIBIT - 00000439

FLORIDA PUBLIC UTILITIES
AFTER TAX PAYROLL ALLOCATIONS
(JE 9's that are booked to each division)

Exhibit 2.3
OPC Interrog 1
070304-EI

			Je 9 12 mths ended 6/30/2005	Common Plant Basis 1840 2003 alloc 935	Common Plant Basis 1849 2003 alloc 935	Common Plant Basis Allocated amounts 935	Payroll Basis 1840 2003 alloc 921X, 926X	Payroll Basis 1849 2003 alloc 921X	Payroll Basis 1849 2003 alloc 926X	Payroll Basis Allocated amounts 921X, 926X
FLORIDA PUBLIC UTILITIES										
SOUTH FL			4,389,746	45%	37%	(19,432)	44%	32%	35%	126,715
CENTRAL FLORIDA			2,141,419	19%	17%	5,247	20%	15%	16%	(57,467)
NORTHWEST FL (ELECTRIC)			1,655,990	16%	14%	4,321	18%	13%	14%	(52,397)
NORTHEAST FL (ELECTRIC)			1,684,733	20%	18%	5,556	18%	14%	14%	(52,311)
PROPANE										
SOUTH FL			1,654,149		7%	2,154		12%	12%	20,017
CENTRAL FLORIDA			627,569		2%	615		5%	5%	8,341
NATURE COAST			292,661		1%	308		3%	3%	5,004
NORTHEAST FL (PROPANE)			482,663		1%	308		1%	1%	1,668
M&J										
SOUTH FL			823,300		2%	615		4%		344
CENTRAL FLORIDA			176,895		1%	308		1%		86
NATURE COAST			36,650		0%	0		0%		0
NORTHEAST FL (PROPANE)			65,709		0%	0		0%		0
Clearing 1840										
		1840.9200	0							
		1840.9252	(100,032)							
		1840.9261	(199,131)							
		1840.9262	(221,226)							
		1840.9350	90							
Clearing 1849										
		1849.9010	126,916							
		1849.9030	116,057							
		1849.9200	1,471,572							
		1849.9201	571,090							
		1849.9213	694							
		1849.9215	7,916							
		1849.9216	0							
		1849.9251	66,702							
		1849.9262	158,202							
		1849.9350	30,766							
Other										
	M&S	1630.1	121,305							
	OWIP	Total 1860.1	642,636							
	Penny	1860.23	(55)							
	*OWIP**	*Elimination 1860.1*	(629,424)							
		Elimination 1860.23	55							
Total			16,195,617	100%	100%	0	100%	100%	100%	0

ALLOCATION

HEARING EXHIBIT - 00000440

FLORIDA PUBLIC UTILITIES
ALLOCATION OF COMMON UTILITY PLANT
AS OF JUNE 30, 2006

Exhibit 2.4
OPC Interrog 1
070304-EI

Allocation of Utility Plant All Division	(A) Utility Plant (101,106,107)	(B) Acquisition Adjust (114)	(C) Direct Common Loc & Mer	(D) Sub-Total (A+B+C+D)	(E) Note 1 Allocation %	(F) Remaining Common	(G) Common EDP Equip	(H) Adj. Plant (E+G+H)	Consolidated Allocation %	FPU Allocation %
Florida Public Utilities										
Northwest Electric	$30,117,139	$3,691		$30,120,830	16%	$372,337	$350,027	$30,843,194	16%	18%
Northeast Electric	41,935,896			41,935,896	23%	535,234	430,805	42,901,935	23%	25%
South FL NG	65,161,579	(29,523)	441,230	65,573,286	36%	837,757	942,386	67,353,429	36%	40%
Central Florida NG*	25,994,217	1,293,299		27,287,516	15%	349,066	538,506	28,175,088	15%	17%
West Florida				-	0%	-	0	0	0%	0%
Merchandising	773,583		145,422	919,005	1%	23,271	53,851	996,127	1%	
Propane Operations										
South FL Propane*	8,526,248		85,298	8,611,546	5%	116,355	239,177	8,967,078	5%	
Central FL Propane*	3,128,522			3,128,522	2%	46,542	103,539	3,278,603	2%	
Northeast FL Propane*	2,166,199			2,166,199	1%	23,271	66,267	2,255,737	1%	
West FL Propane*	2,450,254			2,450,254	1%	23,271	71,441	2,544,966	1%	
Total	$180,253,637	$1,267,467	$671,950	$182,193,054	100%	2,327,104	2,795,999	187,316,157	100%	100%

* Excludes acct. 3031 intangible non-compete & Goodwill account 1140.2

ALLOCATE COMPUTER ACCOUNTS

ALLOCATE NON-COMPUTER ACCOUNTS

	EDP Equipment				Remaining Common					
	Customers Billed 6/30/2006	Allocation %	Common EDP	FPUC Allocation %	Remaining Common	Direct Common	Total Remaining Common	Allocation %	Total Common	Allocation %
Florida Public Utilities										
Northwest Electric	12,708	13%	350,027	15%	372,337	-	372,337	10%	618,895	10%
Northeast Electric	14,755	16%	430,805	19%	535,234	-	535,234	18%	966,039	17%
South FL NG	32,102	35%	942,386	42%	837,757	441,230	1,278,987	43%	2,221,373	39%
Central Florida NG*	18,243	20%	538,506	24%	349,066	-	349,066	12%	887,572	16%
West Florida NG*	0	0%	0	0%	0	-	0	0%	0	0%
Merchandising	2,184	2%	53,851		23,271	145,422	168,693	6%	222,544	4%
Propane Operations										
South FL Propane*	6,216	7%	239,177		116,355	85,298	201,653	7%	440,830	8%
Central FL Propane*	2,779	3%	103,539		46,542	-	46,542	2%	150,081	3%
Northeast FL Propane*	1,569	2%	66,267		23,271	-	23,271	1%	89,538	2%
West FL Propane*	2,134	2%	71,441		23,271	-	23,271	1%	94,712	2%
Total	92,690	100%	2,795,999	100%	2,327,104	671,950	2,999,054	100%	5,691,584	100%

HEARING EXHIBIT - 00000441

FLORIDA PUBLIC UTILITIES
Adjusted Gross Profit
12 Months Ended June 30, 2006

Exhibit 2.5
OPC Interrog 1
070304-EI

		Gross Profit	Less Rate Refund	Less OSS & Trans GSLD	Adjusted Gross Profit	
Northwest Electric		6,820,523	-	-	6,820,523	15%
Northeast Electric		7,489,434	-	546,685	6,942,749	16%
South FL NG		17,970,972	(449,000)	3,760,893	14,659,079	34%
Central Florida		8,707,945	-	1,234,120	7,473,825	17%
West Florida					0	0%
	Total	40,988,874	(449,000)	5,541,698	35,896,176	
South FL Propane		4,219,269			4,219,269	10%
Central Florida Propane		1,343,644			1,343,644	3%
Northeast Propane		1,009,151			1,009,151	2%
West Florida Propane		608,239			608,239	1%
	Total	7,180,303	0	0	7,180,303	

	Revenues	Less Merch & Install Exp	Less Jobbing & I&M exp	Adjusted Gross Profit	
South FL M&J	2,801,995	1,790,326	468,391	543,278	1%
Central FL M&J	1,096,439	632,501	111,195	352,743	1%
Northeast FL M&J	380,663	263,968	72,984	43,711	0%
West FL M&J	250,528	86,987	30,916	132,625	0%
Total	4,529,625	2,773,782	683,486	1,072,357	

HEARING EXHIBIT - 00000442

FLORIDA PUBLIC UTILITIES
AFTER TAX PAYROLL ALLOCATIONS
(JE 9's that are booked to each division)

Exhibit 2.6
OPC Interrog 1
070304-EI

			Je 9 12 mths ended 6/30/2006	Common Plant Basis 1840 2006 alloc 935	Common Plant Basis 1849 2006 alloc 935	Common Plant Basis (A) Allocated amounts 935	Payroll Basis 1840 2006 alloc 921X, 926X	Payroll Basis 1849 2006 alloc 921X	Payroll Basis 1849 2006 alloc 926X	Payroll Basis Allocated amounts 921X, 926X
FLORIDA PUBLIC UTILITIES										
SOUTH FL			4,925,272	46%	40%	(86,572)	44%	34%	34%	(1,503,905)
CENTRAL FLORIDA			2,225,567	18%	16%	18,099	21%	15%	17%	341,797
WEST FLORIDA						0				0
NORTHWEST FL (ELECTRIC)			1,790,030	16%	14%	(4,298)	17%	12%	13%	273,437
NORTHEAST FL (ELECTRIC)			1,650,651	20%	17%	(5,751)	18%	13%	14%	296,224
PROPANE										
SOUTH FL			1,674,766	56%	6%	43,003		11%	12%	250,651
CENTRAL FLORIDA			626,433	20%	2%	15,250		4%	5%	91,146
NORTHEAST FL (PROPANE)			549,686	12%	1%	8,999		3%	3%	68,359
WEST FLORIDA			337,282	12%	1%	8,999		2%	2%	45,573
M&J										
SOUTH FL			779,833		2%	1,514		5%		113,932
CENTRAL FLORIDA			257,860		1%	757		1%		22,786
NORTHEAST FL (PROPANE)			88,229		0%	0		0%		0
WEST FLORIDA			45,773		0%	0		0%		0
Clearing 1840										
		1840.9200	0							
		1840.9252	(93,104)							
		1840.9261	(225,777)							
		1840.9262	(232,256)							
		1840.9350	91							
Clearing 1849										
		1849.9010	127,469							
		1849.9030	120,276							
		1849.9050	24,279							
		1849.9200	1,564,006							
		1849.9201	690,359							
		1849.9213	4,126							
		1849.9215	5,503							
		1849.9216	0							
		1849.9251	75,706							
		1849.9252	(8,747)							
		1849.9262	0							
		1849.9350	33,990							
Other										
	M&S	1630.1	126,362							
	OWIP	Total 1860.1	68,681							
	Penny	1860.23	(39)							
	100	1070.390	3,445 (A)							
	900	1070.3913	42,933 (A)							
		2280.20	105 (B)							
		Elimination 1860.23	39							
	OWIP*	Elimination 1860.1	(64,844)							
Total			17,213,985	200%	100%	0		100%	100%	100% 0

ALLOCATION

HEARING EXHIBIT - 00000443

HEARING EXHIBIT - 00000444

FLORIDA PUBLIC UTILITIES COMPANY
PROJECTION METHODS FOR BALANCE SHEET ACCOUNTS
2007

Exhibit 3.1
OPC Interrog 1
070304-EI

Acct	Sub-Acct.	Account Name	Abr.	Description
ASSETS AND OTHER DEBITS				
UTILITY PLANT				
1010		Electric Plant-In-Service	DIR	Direct Projection of Anticipated Activity
1070		Electric CWIP	DIR	Direct Projection of Anticipated Activity
1070		Allocated Common CWIP	DIR	Direct Projection of Anticipated Activity
1080		Electric Reserve	DIR	Direct Projection of Anticipated Activity
1180		Allocated Common Plant	DIR	Direct Projection of Anticipated Activity
1190		Allocated Common Reserve	DIR	Direct Projection of Anticipated Activity
OTHER PROPERTY AND INVESTMENTS				
1280	1	OTHER SPECIAL FUNDS	NC	No Anticipated Change from Prior Year
CURRENT AND ACCRUED ASSETS				
1310		CASH AND DEPOSITS	DIR	Direct Projection of Anticipated Activity
1340	1	SPECIAL DEPOSITS-ELECT TRANS AGREEMENT	DIR	Direct Projection of Anticipated Activity
1350	1	WORKING FUNDS- PETTY	NC	No Anticipated Change from Prior Year
1350	10	WORKING FUNDS- PETTY	NC	No Anticipated Change from Prior Year
1420, 1430		ACCOUNTS RECEIVABLE-	DIR	Direct Projection of Anticipated Activity
1440		ALLOW. FOR UNCOLL.AC	ICG	Prior Year increased by Inflation and Customer Growth Projection Factor
1540	1	MATERIALS & SUPPLIES	ICG	Prior Year increased by Inflation and Customer Growth Projection Factor
1630	3	STORES EXPENSE	ZB	Zero Balance Projected
1650	2, 5	PREPAID EXP - INSURANCE	DIR	Direct Projection of Anticipated Activity
1650	2	PREPAID LIABILITY IN	DIR	Direct Projection of Anticipated Activity
1650	5	PREPAID INSURANCE-WO	DIR	Direct Projection of Anticipated Activity
1650	4	PREPAID EXPENSE- OTHER	ICG	Prior Year increased by Inflation and Customer Growth Projection Factor
1650	41	PREPAID EXP.-MAINTENANCE	ICG	Prior Year increased by Inflation and Customer Growth Projection Factor
1730	1	UNBILLED REVENUES	ICG	Prior Year increased by Inflation and Customer Growth Projection Factor
1820	2	REG ASSET-RET PLANS	DIR	Direct Projection of Anticipated Activity
1840	7	CLEARING ACCOUNT--REFUNDS	ZB	Zero Balance Projected
1850	1	TEMPORARY SERVICES	ICG	Prior Year increased by Inflation and Customer Growth Projection Factor
DEFERRED DEBITS				
1860		DEFERRED DEBITS - OTHER	ICG	Prior Year increased by Inflation and Customer Growth Projection Factor
1860		DEFERRED DEBITS - RATE CASE	DIR	Direct Projection of Anticipated Activity
1860	3	MISC DEF'D DR-UNDIST	ICG	Prior Year increased by Inflation and Customer Growth Projection Factor
1860	21	DEFERRED DEBITS - NET UNDERRECOVERY FUEL	DIR	Direct Projection of Anticipated Activity
1810, 1890		NET UNAMORTIZED DEBT DISCOUNT	DIR	Direct Projection of Anticipated Activity
1900		ACCUMUILATED DEFERRED TAXES	DIR	Direct Projection of Anticipated Activity
LIABILITIES AND OTHER CREDITS				
PROPRIETARY CAPITAL				
2010	1	COMMON STOCK ISSUED	DIR	Direct Projection of Anticipated Activity
2040	1	PREFERRED STOCK ISSUED-$1	DIR	Direct Projection of Anticipated Activity
2070	1	PREM ON CAPITAL STOCK	DIR	Direct Projection of Anticipated Activity
2110	1	MISCELLANEOUS PAID IN CAPITAL - ALLOCATED	DIR	Direct Projection of Anticipated Activity
2140	1	CAPITAL STOCK EXPENSE	DIR	Direct Projection of Anticipated Activity
2160	1	UNAPPROPRIATED RETAINED EARNINGS	DIR	Direct Projection of Anticipated Activity
2170	1	COMMON STOCK REACQUIRED	DIR	Direct Projection of Anticipated Activity

HEARING EXHIBIT - 00000445

FLORIDA PUBLIC UTILITIES COMPANY
PROJECTION METHODS FOR BALANCE SHEET ACCOUNTS
2007

Exhibit 3.1
OPC Interrog 1
070304-EI

Acct	Sub-Acct.	Account Name	Abr.	Description
LONG TERM DEBT				
2210	1	BONDS	DIR	Direct Projection of Anticipated Activity
OTHER NON-CURRENT LIABILITIES				
2280	11	ELECTRIC STORM RESERVE	DIR	Direct Projection of Anticipated Activity
2280	31	PENSIONS RESERVE	DIR	Direct Projection of Anticipated Activity
2280	32	MEDICAL POST-RETIREMENT	DIR	Direct Projection of Anticipated Activity
2280	34	401(K) ACCRUAL COMPANY SH	DIR	Direct Projection of Anticipated Activity
2280	201	ACCRUED LIABILITY INS	DIR	Direct Projection of Anticipated Activity
CURRENT AND ACCRUED LIABILITIES				
2310	1	NOTES PAYABLE	DIR	Direct Projection of Anticipated Activity
2320		ACCOUNTS PAYABLE - FUEL	DIR	Direct Projection of Anticipated Activity
2320		ACCOUNTS PAYABLE - NET OF GAS & FUEL	ICG	Prior Year increased by Inflation and Customer Growth Projection Factor
2320		ACCOUNTS PAYABLE - OTHER	ICG	Prior Year increased by Inflation and Customer Growth Projection Factor
2350	1	CUSTOMER DEPOSITS	DIR	Direct Projection of Anticipated Activity
2360	1	TAXES ACCRUED - AD VALOREM	ICG	Prior Year increased by Inflation and Customer Growth Projection Factor
2360	2	TAXES ACCRUED - STATE GROSS RECEIPTS	ICG	Prior Year increased by Inflation and Customer Growth Projection Factor
2360	3	TAXES ACCRUED - FPSC ASSESSMENT	ICG	Prior Year increased by Inflation and Customer Growth Projection Factor
2360		TAXES ACCRUED - UNEMPLOYMENT AND FICA	ICG	Prior Year increased by Inflation and Customer Growth Projection Factor
2360		TAXES ACCRUED - INCOME TAX	ICG	Prior Year increased by Inflation and Customer Growth Projection Factor
2370		INTEREST ACCRUED-CUSUSTOMER DEPOSITS	CG	Prior Year increased by Customer Growth Projection Factor
2370		INTEREST ACCRUED-NOTES AND LOANS	ICG	Prior Year increased by Inflation and Customer Growth Projection Factor
2380		DIVIDENDS DECLARED - PREFERRED	NC	No Anticipated Change from Prior Year
2410		WITHHOLDING TAXES PAYABLE	ICG	Prior Year increased by Inflation and Customer Growth Projection Factor
2410		TAX COLLECTIONS PAYABLE	ICG	Prior Year increased by Inflation and Customer Growth Projection Factor
2420		EMPLOYEE FUND	ICG	Prior Year increased by Inflation and Customer Growth Projection Factor
2420		ACCRUED VACATION	PCG	Prior Year increased by Payroll & Customer Growth Projection Factor
2420		PROFESSIONAL FEES & EXPENSES ACCRUED	IFL	Prior Year increased by Inflation Projection Factor
DEFERRED CREDITS				
2520		CUSTOMER ADVANCES FOR CONSTRUCTION	ICG	Prior Year increased by Inflation and Customer Growth Projection Factor
2530	1	OTHER DF CR-CASHIER	ICG	Prior Year increased by Inflation and Customer Growth Projection Factor
2530	21	OVER RECOVERY-FUEL	DIR	Direct Projection of Anticipated Activity
2530	61	OVER RECOVERY-CONSERVATION	DIR	Direct Projection of Anticipated Activity
2550	1	INVEST TAX CREDIT	DIR	Direct Projection of Anticipated Activity
ACCUMULATED DEFERRED INCOME TAXES				
20, 2821, 2830		ACCUMULATED DEFERRED TAXES	DIR	Direct Projection of Anticipated Activity

PROJECTION FACTORS		
DIR	N/A	Direct Projection of Anticipated Activity
NC	100.0%	No Anticipated Change from Prior Year
ICG	103.4%	Prior Year increased by Inflation and Customer Growth Projection Factor
ZB	N/A	Zero Balance Projected
CG	101.2%	Prior Year increased by Customer Growth Projection Factor
IFL	102.2%	Prior Year increased by Inflation Projection Factor
PCG	106.8%	Prior Year increased by Payroll & Customer Growth Projection Factor

HEARING EXHIBIT - 00000447

FLORIDA PUBLIC UTILITIES COMPANY
PROJECTION METHODS FOR BALANCE SHEET ACCOUNTS
2008

Exhibit 3.2
OPC Interrog 1
070304-EI

Acct	Sub-Acct.	Account Name	Abr.	Description
ASSETS AND OTHER DEBITS				
UTILITY PLANT				
1010		Electric Plant-In-Service	DIR	Direct Projection of Anticipated Activity
1070		Electric CWIP	DIR	Direct Projection of Anticipated Activity
1070		Allocated Common CWIP	DIR	Direct Projection of Anticipated Activity
1080		Electric Reserve	DIR	Direct Projection of Anticipated Activity
1180		Allocated Common Plant	DIR	Direct Projection of Anticipated Activity
1190		Allocated Common Reserve	DIR	Direct Projection of Anticipated Activity
OTHER PROPERTY AND INVESTMENTS				
1280	1	OTHER SPECIAL FUNDS	NC	No Anticipated Change from Prior Year
CURRENT AND ACCRUED ASSETS				
1310		CASH AND DEPOSITS	DIR	Direct Projection of Anticipated Activity
1340	1	SPECIAL DEPOSITS-ELECT TRANS AGREEMENT	DIR	Direct Projection of Anticipated Activity
1350	1	WORKING FUNDS- PETTY	NC	No Anticipated Change from Prior Year
1350	10	WORKING FUNDS- PETTY	NC	No Anticipated Change from Prior Year
1420, 1430		ACCOUNTS RECEIVABLE-	ICG	Prior Year increased by Inflation and Customer Growth Projection Factor
1440		ALLOW. FOR UNCOLL.AC	ICG	Prior Year increased by Inflation and Customer Growth Projection Factor
1540	1	MATERIALS & SUPPLIES	ICG	Prior Year increased by Inflation and Customer Growth Projection Factor
1630	3	STORES EXPENSE	ZB	Projected Zero Balance
1650	2, 5	PREPAID EXP - INSURANCE	DIR	Direct Projection of Anticipated Activity
1650	2	PREPAID LIABILITY IN	DIR	Direct Projection of Anticipated Activity
1650	5	PREPAID INSURANCE-WO	DIR	Direct Projection of Anticipated Activity
1650	4	PREPAID EXPENSE- OTHER	ICG	Prior Year increased by Inflation and Customer Growth Projection Factor
1650	41	PREPAID EXP.-MAINTENANCE	ICG	Prior Year increased by Inflation and Customer Growth Projection Factor
1730	1	UNBILLED REVENUES	ICG	Prior Year increased by Inflation and Customer Growth Projection Factor
1820	2	REG ASSET-RET PLANS	DIR	Direct Projection of Anticipated Activity
1840	7	CLEARING ACCOUNT--REFUNDS	ZB	Projected Zero Balance
1850	1	TEMPORARY SERVICES	ICG	Prior Year increased by Inflation and Customer Growth Projection Factor
DEFERRED DEBITS				
1860		DEFERRED DEBITS - OTHER	ICG	Prior Year increased by Inflation and Customer Growth Projection Factor
1860		DEFERRED DEBITS - RATE CASE	DIR	Direct Projection of Anticipated Activity
1860	3	MISC DEF'D DR-UNDIST	ICG	Prior Year increased by Inflation and Customer Growth Projection Factor
1860	21	DEFERRED DEBITS - NET UNDERRECOVERY FUEL	DIR	Direct Projection of Anticipated Activity
1810, 1890		NET UNAMORTIZED DEBT DISCOUNT	DIR	Direct Projection of Anticipated Activity
1900		ACCUMUILATED DEFERRED TAXES	DIR	Direct Projection of Anticipated Activity
LIABILITIES AND OTHER CREDITS				
PROPRIETARY CAPITAL				
2010	1	COMMON STOCK ISSUED	DIR	Direct Projection of Anticipated Activity
2040	1	PREFERRED STOCK ISSUED-$1	DIR	Direct Projection of Anticipated Activity
2070	1	PREM ON CAPITAL STOCK	DIR	Direct Projection of Anticipated Activity
2110	1	MISCELLANEOUS PAID IN CAPITAL - ALLOCATED	DIR	Direct Projection of Anticipated Activity
2140	1	CAPITAL STOCK EXPENSE	DIR	Direct Projection of Anticipated Activity
2160	1	UNAPPROPRIATED RETAINED EARNINGS	DIR	Direct Projection of Anticipated Activity
2170	1	COMMON STOCK REACQUIRED	DIR	Direct Projection of Anticipated Activity

HEARING EXHIBIT - 00000448

FLORIDA PUBLIC UTILITIES COMPANY
PROJECTION METHODS FOR BALANCE SHEET ACCOUNTS
2008

Exhibit 3.2
OPC Interrog 1
070304-EI

Acct	Sub-Acct.	Account Name	Abr.	Description
LONG TERM DEBT				
2210	1	BONDS	DIR	Direct Projection of Anticipated Activity
OTHER NON-CURRENT LIABILITIES				
2280	11	ELECTRIC STORM RESERVE	DIR	Direct Projection of Anticipated Activity
2280	31	PENSIONS RESERVE	DIR	Direct Projection of Anticipated Activity
2280	32	MEDICAL POST-RETIREMENT	DIR	Direct Projection of Anticipated Activity
2280	34	401(K) ACCRUAL COMPANY SH	DIR	Direct Projection of Anticipated Activity
2280	201	ACCRUED LIABILITY INS	DIR	Direct Projection of Anticipated Activity
CURRENT AND ACCRUED LIABILITIES				
2310	1	NOTES PAYABLE	DIR	Direct Projection of Anticipated Activity
2320		ACCOUNTS PAYABLE - FUEL	DIR	Direct Projection of Anticipated Activity
2320		ACCOUNTS PAYABLE - NET OF GAS & FUEL	ICG	Prior Year increased by Inflation and Customer Growth Projection Factor
2320		ACCOUNTS PAYABLE - OTHER	ICG	Prior Year increased by Inflation and Customer Growth Projection Factor
2350	1	CUSTOMER DEPOSITS	DIR	Direct Projection of Anticipated Activity
2360	1	TAXES ACCRUED - AD VALOREM	ICG	Prior Year increased by Inflation and Customer Growth Projection Factor
2360	2	TAXES ACCRUED - STATE GROSS RECEIPTS	ICG	Prior Year increased by Inflation and Customer Growth Projection Factor
2360	3	TAXES ACCRUED - FPSC ASSESSMENT	ICG	Prior Year increased by Inflation and Customer Growth Projection Factor
2360		TAXES ACCRUED - UNEMPLOYMENT AND FICA	ICG	Prior Year increased by Inflation and Customer Growth Projection Factor
2360		TAXES ACCRUED - INCOME TAX	ICG	Prior Year increased by Inflation and Customer Growth Projection Factor
2370		INTEREST ACCRUED-CUSUSTOMER DEPOSITS	CG	Prior Year increased by Customer Growth Projection Factor
2370		INTEREST ACCRUED-NOTES AND LOANS	ICG	Prior Year increased by Inflation and Customer Growth Projection Factor
2380		DIVIDENDS DECLARED - PREFERRED	NC	No Anticipated Change from Prior Year
2410		WITHHOLDING TAXES PAYABLE	ICG	Prior Year increased by Inflation and Customer Growth Projection Factor
2410		TAX COLLECTIONS PAYABLE	ICG	Prior Year increased by Inflation and Customer Growth Projection Factor
2420		EMPLOYEE FUND	ICG	Prior Year increased by Inflation and Customer Growth Projection Factor
2420		ACCRUED VACATION	PCG	Prior Year increased by Payroll & Customer Growth Projection Factor
2420		PROFESSIONAL FEES & EXPENSES ACCRUED	ICG	Prior Year increased by Inflation and Customer Growth Projection Factor
DEFERRED CREDITS				
2520		CUSTOMER ADVANCES FOR CONSTRUCTION	ICG	Prior Year increased by Inflation and Customer Growth Projection Factor
2530	1	OTHER DF CR-CASHIER	ICG	Prior Year increased by Inflation and Customer Growth Projection Factor
2530	21	OVER RECOVERY-FUEL	ZB	Projected Zero Balance
2530	61	OVER RECOVERY-CONSERVATION	ZB	Projected Zero Balance
2550	1	INVEST TAX CREDIT	DIR	Direct Projection of Anticipated Activity
ACCUMULATED DEFERRED INCOME TAXES				
2820, 2821, 2830		ACCUMULATED DEFERRED TAXES	DIR	Direct Projection of Anticipated Activity

PROJECTION FACTORS

DIR	N/A	Direct Projection of Anticipated Activity
NC	100.0%	No Anticipated Change from Prior Year
ICG	103.4%	*Prior Year increased by Inflation and Customer Growth Projection Factor*
ZB	N/A	Zero Balance Projected
CG	101.2%	Prior Year increased by Customer Growth Projection Factor
IFL	102.2%	Prior Year increased by Inflation Projection Factor
PCG	106.8%	Prior Year increased by Payroll & Customer Growth Projection Factor

HEARING EXHIBIT - 00000449

HEARING EXHIBIT - 00000450

Florida Public Utilities Company
NON-INTEREST VS. INTEREST BEARING CASH
2002-2006

Exhibit 4.1
OPC Interrog 1
070304-EI

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	DEC '02	DEC '03	DEC '04	DEC '05	DEC '06	2006 ACCOUNT ALLOCATION BASIS
INTEREST BEARING							
001 0 0 1310 8	BOA - MONEY MARKET		350,589	5,846	7,179	7,888	32% - Adj. Gross Profit
TOTAL INTEREST BEARING CASH		-	**350,589**	**5,846**	**7,179**	**7,888**	
NON-INTEREST BEARING							
001 0 0 1310 7	CASH -CITIBANK OF DELAWARE	11,686	11,686				
001 0 0 1310 12	CASH- SUN BANK-WEST	3,161,918					
001 0 0 1310 13	CASH -BANK OF AMERIC		481,423	473,437	645,566	38,779	32% - Adj. Gross Profit
001 0 0 1310 41	CASH -C&L BANK OF BL	6,604					
001 0 0 1310 43	CASH -C&L BANK OF BR	4,788					
001 0 0 1310 44	CASH -PEOPLES COMM B	1,563					
001 0 0 1340 1	SPECIAL DEPOSIT - TRANSMISSION					317,836	100% - Direct
001 0 0 1340 3	PROJECT FUND - RESTRICTED	(31)					
001 0 0 1350 10	WORKING FUNDS- PETTY CASH				500	500	27% - Payroll
001 1 4 1350 10	WORKING FUNDS-PETTY CASH	2,500	2,500	2,500	5,000	5,000	100% - Direct
001 1 5 1350 10	WORKING FUNDS-PETTY CASH	2,500	2,500	2,500	3,000	3,000	100% - Direct
TOTAL NON-INTEREST BEARING CASH		**3,191,528**	**498,109**	**478,437**	**654,066**	**365,115**	
TOTAL CASH		**3,191,528**	**848,698**	**484,283**	**661,245**	**373,003**	

HEARING EXHIBIT - 00000451

HEARING EXHIBIT - 00000452

Florida Public Utilities Company
100.1650.4 - PREPAYMENT - OTHER
2006

Exhibit 7.1
OPC Interrog 1
070304-EI

Description	DEC '05 BAL	JAN AMORT	JAN BAL	FEB AMORT	FEB BAL	MAR AMORT	MAR BAL	APR AMORT	APR BAL	MAY AMORT	MAY BAL	JUN AMORT	JUN BAL
Prepaid Pipeline Utilities 121.4010.881 and 123.4010.881	5,180	1,295	3,885	1,295	2,590	1,295	1,295	1,295					
Prepaid Pipeline Utilities 121.4010.881 and 123.4010.881													13,416
SSA Global Technologies 100.1849.935	49,272	4,106	45,166	4,106	41,060	4,106	36,954	4,106	32,848	4,106	28,742	4,106	24,636
Midrange Support AS/400 100.1849.935	2,513	359	2,154	359	1,795	359	1,436	359	1,077	359	718	359	359
Moyle, Flanigan, Katz, Raymond, & Sheehan P.A 105.1849.9302	2,025	113	1,913	113	1,800	113	1,688	113	1,575	113	1,463	113	1,350
Akerman, Senterfitt & Eidson 105.1849.9302	654	36	617	36	581	36	545	36	508	36	472	36	436
Mike's Charter 105.1849.9302	141	8	133	8	125	8	117	8	109	8	102	8	94
Mike's Charter 105.1849.9302													
Administration Fee BOA 105.1849.9302	6,000	1,000	5,000	1,000	4,000	1,000	3,000	1,000	2,000	1,000	1,000	1,000	
Administration Fee SunTrust 105.1849.9302	4,173	835	3,339	835	2,504	835	1,669	835	835	835			
Administration Fee SunTrust 105.1849.9302											9,910	826	9,084

HEARING EXHIBIT - 00000453

Florida Public Utilities Company
100.1650.4 - PREPAYMENT - OTHER
2006

Exhibit 7.1
OPC Interrog 1
070304-EI

Description	JUL AMORT	JUL BAL	AUG AMORT	AUG BAL	SEP AMORT	SEP BAL	OCT AMORT	OCT BAL	NOV AMORT	NOV BAL	DEC AMORT	DEC BAL
Prepaid Pipeline Utilities 121.4010.881 and 123.4010.881												
Prepaid Pipeline Utilities 121.4010.881 and 123.4010.881	1,342	12,074	1,342	10,732	1,342	9,391	1,342	8,049	1,342	6,708	1,342	5,366
SSA Global Technologies 100.1849.935	4,106	20,530	4,106	16,424	4,106	12,318	4,106	8,212	4,106	4,106	4,106	
Midrange Support AS/400 100.1849.935	359											
Moyle, Flanigan, Katz, Raymond, & Sheehan P.A 105.1849.9302	113	1,238	113	1,125	113	1,013	113	900	113	788	113	675
Akerman, Senterfitt & Eidson 105.1849.9302	36	400	36	363	36	327	36	291	36	254	36	218
Mike's Charter 105.1849.9302	94											
Mike's Charter 105.1849.9302		86	8	78	8	70	8	62	8	55	8	47
Administration Fee BOA 105.1849.9302												
Administration Fee SunTrust 105.1849.9302												
Administration Fee SunTrust 105.1849.9302	826	8,259	826	7,433	826	6,607	826	5,781	826	4,956	826	4,130

HEARING EXHIBIT - 00000454

Florida Public Utilities Company
100.1650.4 - PREPAYMENT - OTHER
2006

Exhibit 7.1
OPC Interrog 1
070304-EI

Description	DEC '05 BAL	JAN AMORT	JAN BAL	FEB AMORT	FEB BAL	MAR AMORT	MAR BAL	APR AMORT	APR BAL	MAY AMORT	MAY BAL	JUN AMORT	JUN BAL
Creditron 100.1849.903	4,000	1,333	2,667	1,333	1,333	1,333							
Creditron 100.1849.903									15,593	1,418	14,176	1,418	12,758
Monster.com 100.1849.935	6,762	966	5,796	966	4,830	966	3,864	966	2,898	966	1,932	966	966
Monster.com 100.1849.935													
Insight Technologies 100.1849.935	553	79	474	79	395	79	316	79	237	79	158	79	79
Showcase Maintenance 100.1849.935	4,325	481	3,845	481	3,364	481	2,884	481	2,403	481	1,922	481	1,442
Opex Corp. 100.1849.903			13,062	1,187	11,874	1,187	10,687	1,187	9,499	1,187	8,312	1,187	7,125
Rosetta Tech 105.1849.935	56	56											
American Stock Exchange 105.1849.9302	2,500	1,250	1,250	1,250									
American Stock Exchange 105.1849.9302									15,125	1,375	13,750	1,375	12,375
Board of Directors Retainer 100.1840.9302 and 991.4010.930	7,167	1,792	5,375	1,792	3,583	1,792	1,792	1,792					
Board of Directors Retainer 100.1840.9302 and 991.4010.930											41,250	3,750	37,500
Board of Directors Shares 100.1840.9302	8,009	2,002	6,007	2,002	4,005	2,002	2,002	2,002					

Florida Public Utilities Company
100.1650.4 - PREPAYMENT - OTHER
2006

Exhibit 7.1
OPC Interrog 1
070304-EI

Description	JUL AMORT	JUL BAL	AUG AMORT	AUG BAL	SEP AMORT	SEP BAL	OCT AMORT	OCT BAL	NOV AMORT	NOV BAL	DEC AMORT	DEC BAL
Creditron 100.1849.903												
Creditron 100.1849.903	1,418	11,341	1,418	9,923	1,418	8,505	1,418	7,088	1,418	5,670	1,418	4,253
Monster.com 100.1849.935	966											
Monster.com 100.1849.935				13,287	1,208	12,079	1,208	10,871	1,208	9,663	1,208	8,455
Insight Technologies 100.1849.935	79											
Showcase Maintenance 100.1849.935	481	961	481	481	481							
Opex Corp. 100.1849.903	1,187	5,937	1,187	4,750	1,187	3,562	1,187	2,375	1,187	1,187	1,187	
Rosetta Tech 105.1849.935												
American Stock Exchange 105.1849.9302												
American Stock Exchange 105.1849.9302	1,375	11,000	1,375	9,625	1,375	8,250	1,375	6,875	1,375	5,500	1,375	4,125
Board of Directors Retainer 100.1840.9302 and 991.4010.930												
Board of Directors Retainer 100.1840.9302 and 991.4010.930	3,750	33,750	3,750	30,000	3,750	26,250	3,750	22,500	3,750	18,750	3,750	15,000
Board of Directors Shares 100.1840.9302												

HEARING EXHIBIT - 00000456

Florida Public Utilities Company
100.1650.4 - PREPAYMENT - OTHER
2006

Exhibit 7.1
OPC Interrog 1
070304-EI

Description	DEC '05 BAL	JAN AMORT	JAN BAL	FEB AMORT	FEB BAL	MAR AMORT	MAR BAL	APR AMORT	APR BAL	MAY AMORT	MAY BAL	JUN AMORT	JUN BAL
Board of Directors Shares 100.1840.9302											36,645	3,331	33,314
Insight Technologies 100.1849.935	3,256	543	2,714	543	2,171	543	1,628	543	1,085	543	543	543	
Insight Technologies 100.1849.935													
ANI DIRECT 100.1849.935	1,792	256	1,536	256	1,280	256	1,024	256	768	256	512	256	256
US NETCOM CORP 100.1849.935	1,302	186	1,116	186	930	186	744	186	558	186	372	186	186
Midrange Support 100.1849.935	1,314	164	1,150	164	986	164	821	164	657	164	493	164	329
The Complete Phone Book													
123.4010.9136 (56%)	1,379	172	1,207	172	1,034	172	862	172	689	172	517	172	345
993.4010.913 (11%)	271	34	237	34	203	34	169	34	135	34	102	34	68
143.4160.53 (8%)	197	25	172	25	148	25	123	25	99	25	74	25	49
123.4010.909 (25%)	616	77	539	77	462	77	385	77	308	77	231	77	154
Showcase Maintenance 100.1849.935	570	63	506	63	443	63	380	63	317	63	253	63	190
Sungard Recovery Services 100.1849.935	2,164	180	1,984	180	1,803	180	1,623	180	1,443	180	1,262	180	1,082
Moyle Flannigan, katz, raymond, & sheehan PA 105.1849.9302													
United Health Care	15,871	15,871							186,282	186,282			

HEARING EXHIBIT - 00000457

Florida Public Utilities Company
100.1650.4 - PREPAYMENT - OTHER
2006

Exhibit 7.1
OPC Interrog 1
070304-EI

Description	JUL AMORT	JUL BAL	AUG AMORT	AUG BAL	SEP AMORT	SEP BAL	OCT AMORT	OCT BAL	NOV AMORT	NOV BAL	DEC AMORT	DEC BAL
Board of Directors Shares 100.1840.9302	3,331	29,982	3,331	26,651	3,331	23,320	3,331	19,988	3,331	16,657	3,331	13,325
Insight Technologies 100.1849.935												
Insight Technologies 100.1849.935		10,771	979	9,791	979	8,812	979	7,833	979	6,854	979	5,875
ANI DIRECT 100.1849.935	256											
US NETCOM CORP 100.1849.935	186											
Midrange Support 100.1849.935	164	164										
The Complete Phone Book												
123.4010.9136 (56%)	172	172	172									
993.4010.913 (11%)	34	34	34									
143.4160.53 (8%)	25	25	25									
123.4010.909 (25%)	77	77	77									
Showcase Maintenance 100.1849.935	63	127	63	63	63							
Sungard Recovery Services 100.1849.935	180	902	180	721	180	541	180	361	180	180	180	
Moyle Flannigan, katz, raymond, & sheehan PA 105.1849.9302				1,500	125	1,375	125	1,250	125	1,125	125	1,000
United Health Care												

HEARING EXHIBIT - 00000458

Florida Public Utilities Company
100.1650.4 - PREPAYMENT - OTHER
2006

Exhibit 7.1
OPC Interrog 1
070304-EI

Description	DEC '05 BAL	JAN AMORT	JAN BAL	FEB AMORT	FEB BAL	MAR AMORT	MAR BAL	APR AMORT	APR BAL	MAY AMORT	MAY BAL	JUN AMORT	JUN BAL
100.2320.62													
United Health Care 100.2320.62													
United Health Care 100.2320.62													
United Health Care 100.2320.62													
United Health Care 100.2320.62													
Showcase Maintenance 100.1849.935													
SSA Global Technologies 100.1849.935													
Opex Corp. 100.1849.903													
TOTALS	132,062	33,282	111,842	18,542	93,300	17,292	76,008	15,959	277,049	199,944	164,910	20,735	157,591
AMORTIZATION		33,282		18,542		17,292		15,959		199,944		20,735	
ADDITIONS			13,062		-		-		217,000		87,805		13,416

HEARING EXHIBIT - 00000459

Florida Public Utilities Company
100.1650.4 - PREPAYMENT - OTHER
2006

Exhibit 7.1
OPC Interrog 1
070304-EI

Description	JUL AMORT	JUL BAL	AUG AMORT	AUG BAL	SEP AMORT	SEP BAL	OCT AMORT	OCT BAL	NOV AMORT	NOV BAL	DEC AMORT	DEC BAL	
100.2320.62													
United Health Care 100.2320.62		183,588	183,588										
United Health Care 100.2320.62				187,217	187,217								
United Health Care 100.2320.62						193,241	193,241						
United Health Care 100.2320.62								180,826	180,826				
Showcase Maintenance 100.1849.935				5,767	-	5,767	481	5,286	481	4,806	481	4,325	
SSA Global Technologies 100.1849.935										53,214	-	53,214	
Opex Corp. 100.1849.903												14,711	
TOTALS	20,620	331,415	203,090	335,932	207,744	321,428	213,705	288,549	201,290	140,473	20,464	134,720	
AMORTIZATION	20,620		203,254		207,744		213,705		201,290		20,464		1,172,832
ADDITIONS		194,444		207,771		193,241		180,826		53,214		14,711	1,175,490

HEARING EXHIBIT - 00000460

HEARING EXHIBIT - 00000461

Florida Public Utilities Company
100.1650.4 - PREPAYMENT - OTHER
2007

Exhibit 7.2
OPC Interrog 1
070304-EI

Description	DEC '05 BAL	JAN AMORT	JAN BAL	FEB AMORT	FEB BAL	MAR AMORT	MAR BAL	APR AMORT	APR BAL	MAY AMORT	MAY BAL	JUN AMORT	JUN BAL
Moyle, Flanigan, Katz, Raymond, & Sheehan P.A 105.1849.9302	675	113	563	113	450	113	338	113	225	113	113	113	
Akerman, Senterfitt & Eidson 105.1849.9302	218	36	182	36	145	36	109	36	73	36	36	36	
Mike's Charter 105.1849.9302	47	8	39	8	31	8	23	8	16	8	8	8	
Administration Fee SunTrust 105.1849.9302	4,130	826	3,303	826	2,478	826	1,652	826	826	826			
Administration Fee SunTrust 105.1849.9302													
Creditron 100.1849.903	4,253	1,418	2,835	1,418	1,418	1,418							
Monster.com 100.1849.935	8,455	1,208	7,248	1,208	6,040	1,208	4,832	1,208	3,624	1,208	2,416	1,208	1,208
Monster.com 100.1849.935													
American Stock Exchange 105.1849.9302	4,125	1,375	2,750	1,375	1,375	1,375							

HEARING EXHIBIT - 00000462

Florida Public Utilities Company
100.1650.4 - PREPAYMENT - OTHER
2007

Exhibit 7.2
OPC Interrog 1
070304-EI

Description	JUL AMORT	JUL BAL	AUG AMORT	AUG BAL	SEP AMORT	SEP BAL	OCT AMORT	OCT BAL	NOV AMORT	NOV BAL	DEC AMORT	DEC BAL
Moyle, Flanigan, Katz, Raymond, & Sheehan P.A 105.1849.9302												
Akerman, Senterfitt & Eidson 105.1849.9302												
Mike's Charter 105.1849.9302												
Administration Fee SunTrust 105.1849.9302												
Administration Fee SunTrust 105.1849.9302				8,146	815	7,331						
Creditron 100.1849.903												
Monster.com 100.1849.935	1,208											
Monster.com 100.1849.935				12,375	1,125	11,250						
American Stock Exchange 105.1849.9302												

HEARING EXHIBIT - 00000463

Florida Public Utilities Company
100.1650.4 - PREPAYMENT - OTHER
2007

Exhibit 7.2
OPC Interrog 1
070304-EI

Description	DEC '05 BAL	JAN AMORT	JAN BAL	FEB AMORT	FEB BAL	MAR AMORT	MAR BAL	APR AMORT	APR BAL	MAY AMORT	MAY BAL	JUN AMORT	JUN BAL
Board of Directors Retainer 100.1840.9302 and 991.4010.930	15,000	3,750	11,250	3,750	7,500	3,750	3,750	3,750					
FL EAST COAST RAILWAY 121.4010.881 and 123.4010.881			15,879	-	15,879	14,556	1,323	1,323					
FL EAST COAST RAILWAY 121.4010.881 and 123.4010.881	5,366	1,342	4,025	1,342	2,683	1,342	1,342	1,342					
FL EAST COAST RAILWAY 121.4010.881 and 123.4010.881									17,376	1,448	15,928	1,448	14,480
FL EAST COAST RAILWAY 121.4010.881 and 123.4010.881					6,304	630	5,673	630	5,043	630	4,412	630	3,782
UAI INC.'s 114.4020.598									45,500	3,792	41,708	3,792	37,917
Board of Directors Retainer 100.1840.9302 and 991.4010.930											36,671	3,334	33,338
Board of Directors Shares 100.1840.9302	13,325	3,331	9,994	3,331	6,663	3,331	3,331	3,331					
Board of Directors Shares													

HEARING EXHIBIT - 00000464

Florida Public Utilities Company
100.1650.4 - PREPAYMENT - OTHER
2007

Exhibit 7.2
OPC Interrog 1
070304-EI

Description	JUL AMORT	JUL BAL	AUG AMORT	AUG BAL	SEP AMORT	SEP BAL	OCT AMORT	OCT BAL	NOV AMORT	NOV BAL	DEC AMORT	DEC BAL
Board of Directors Retainer 100.1840.9302 and 991.4010.930												
FL EAST COAST RAILWAY 121.4010.881 and 123.4010.881												
FL EAST COAST RAILWAY 121.4010.881 and 123.4010.881												
FL EAST COAST RAILWAY 121.4010.881 and 123.4010.881	1,448	13,032	1,448	11,584	1,448	10,136						
FL EAST COAST RAILWAY 121.4010.881 and 123.4010.881						303						
UAI INC. 114.4020.598	630	3,152	630	2,521	630	1,891						
Board of Directors Retainer 100.1840.9302 and 991.4010.930	3,792	34,125	3,792	30,333	3,792	26,542						
Board of Directors Shares 100.1840.9302												
Board of Directors Shares	3,334	30,004	3,334	26,670	3,334	23,336						

HEARING EXHIBIT - 00000465

Florida Public Utilities Company
100.1650.4 - PREPAYMENT - OTHER
2007

Exhibit 7.2
OPC Interrog 1
070304-EI

Description	DEC '05 BAL	JAN AMORT	JAN BAL	FEB AMORT	FEB BAL	MAR AMORT	MAR BAL	APR AMORT	APR BAL	MAY AMORT	MAY BAL	JUN AMORT	JUN BAL
100.1840.9302													
Insight Technologies 100.1849.935	5,875	979	4,896	979	3,917	979	2,937	979	1,958	979	979	979	
Moyle Flannigan, katz, raymond, & sheehan PA 105.1849.9302	1,000	125	875	125	750	125	625	125	500	125	375	125	250
showcase maintenace 100.1849.935	4,325	481	3,845	481	3,364	481	2,884	481	2,403	481	1,922	481	1,442
SSA Global Technologies 100.1849.935	53,214	4,435	48,780	4,435	44,345	4,435	39,911	4,435	35,476	4,435	31,042	4,435	26,607
Opex Corp. 100.1849.903	14,711	1,226	13,485	1,226	12,259	1,226	11,034	1,226	9,808	1,226	8,582	1,226	7,356
Showcase Maintenance 100.1849.935													
TOTALS	134,720	20,652	129,948	20,651	115,600	35,837	79,763	19,812	122,826	15,306	144,192	17,813	126,378

AMORTIZATION		20,652		20,651		35,837		19,812		15,306		17,813	
ADDITIONS			15,879		6,304		-		62,876		36,671		-

HEARING EXHIBIT - 00000466

Florida Public Utilities Company
100.1650.4 - PREPAYMENT - OTHER
2007

Exhibit 7.2
OPC Interrog 1
070304-EI

Description	JUL AMORT	JUL BAL	AUG AMORT	AUG BAL	SEP AMORT	SEP BAL	OCT AMORT	OCT BAL	NOV AMORT	NOV BAL	DEC AMORT	DEC BAL	
100.1840.9302													
Insight Technologies 100.1849.935													
Moyle Flannigan, katz, raymond, & sheehan PA 105.1849.9302	125	125	125										
showcase maintenace 100.1849.935	481	961	481	481	481								
SSA Global Technologies 100.1849.935	4,435	22,173	4,435	17,738	4,435	13,303							
Opex Corp. 100.1849.903	1,226	6,130	1,226	4,904	1,226	3,678							
Showcase Maintenance 100.1849.935				5,415	-	5,415							
TOTALS	**16,678**	**109,701**	**15,470**	**120,167**	**17,284**	**103,185**	-	-	-	-	-	-	

AMORTIZATION	**16,678**		**15,470**		**17,284**				-		-		**179,503**
ADDITIONS		-		**25,936**		**303**		-		-		-	**147,968**

HEARING EXHIBIT - 00000467

HEARING EXHIBIT - 00000468

Florida Public Utilities Company
100.1650.4 - PREPAYMENT - OTHER
2006

Exhibit 8.1
OPC Interrog 1
070304-EI

Description	DEC '05 BAL	JAN AMORT	JAN BAL	FEB AMORT	FEB BAL	MAR AMORT	MAR BAL	APR AMORT	APR BAL	MAY AMORT	MAY BAL	JUN AMORT	JUN BAL
ORCOM SUPPORT 100.1849.903	88,787	7,399	81,388	7,399	73,989	7,399	66,590	7,399	59,191	7,399	51,792	7,399	44,394
ORCOM SUPPORT 100.1849.903													
TOTALS	88,787	7,399	81,388	7,399	73,989	7,399	66,590	7,399	59,191	7,399	51,792	7,399	44,394
AMORTIZATION		7,399		7,399		7,399		7,399		7,399		7,399	
ADDITIONS		-		-		-		-		-		-	

Florida Public Utilities Company
100.1650.4 - PREPAYMENT - OTHER
2007

Description	DEC '05 BAL	JAN AMORT	JAN BAL	FEB AMORT	FEB BAL	MAR AMORT	MAR BAL	APR AMORT	APR BAL	MAY AMORT	MAY BAL	JUN AMORT	JUN BAL
ORCOM SUPPORT 100.1849.903	91,450	7,621	83,829	7,621	76,208	7,621	68,587	7,621	60,967	7,621	53,346	7,621	45,725
CREDITRON SFTWR MAINTENANCE 100.1849.903											14,277	1,428	12,849
TOTALS	91,450	7,621	83,829	7,621	76,208	7,621	68,587	7,621	60,967	7,621	67,623	9,049	58,574
AMORTIZATION		7,621		7,621		7,621		7,621		7,621		9,049	
ADDITIONS		-		-		-		-			14,277		-

HEARING EXHIBIT - 00000469

Florida Public Utilities Company
100.1650.4 - PREPAYMENT - OTHER
2006

Exhibit 8.1
OPC Interrog 1
070304-EI

Description	JUL AMORT	JUL BAL	AUG AMORT	AUG BAL	SEP AMORT	SEP BAL	OCT AMORT	OCT BAL	NOV AMORT	NOV BAL	DEC AMORT	DEC BAL	
ORCOM SUPPORT 100.1849.903	7,399	36,995	7,399	29,596	7,399	22,197	7,399	14,798	7,399	7,399	7,399	-	
ORCOM SUPPORT 100.1849.903												91,450	
TOTALS	7,399	36,995	7,399	29,596	7,399	22,197	7,399	14,798	7,399	7,399	7,399	91,450	
AMORTIZATION	7,399		7,399		7,399		7,399		7,399		7,399		88,787
ADDITIONS		-		-		-		-		-		91,450	91,450

Florida Public Utilities Company
100.1650.4 - PREPAYMENT - OTHER
2007

Description	JUL AMORT	JUL BAL	AUG AMORT	AUG BAL	SEP AMORT	SEP BAL	OCT AMORT	OCT BAL	NOV AMORT	NOV BAL	DEC AMORT	DEC BAL	
ORCOM SUPPORT 100.1849.903	7,621	38,104	7,621	30,483	7,621	22,862							
CREDITRON SFTWR MAINTENANCE 100.1849.903	1,428	11,422	1,428	9,994	1,428	8,566							
TOTALS	9,049	49,526	9,049	40,477	9,049	31,429	-	-	-	-	-	-	
AMORTIZATION	9,049		9,049		9,049				-				74,298
ADDITIONS		-		-		-		-		-			14,277

HEARING EXHIBIT - 00000470

HEARING EXHIBIT - 00000471

FLORIDA PUBLIC UTILITIES

Exhibit 9.1
OPC Interrog 1
070304-EI

MONTH	DESCRIPTION	114		115	
2005					
ACTUAL JE COMPUTATION					
Cumulative Unbilled Units - 12/04		14,520,765		14,957,213	
Net Cumulative Unbilled Revenue - 12/04		276,559		277,108	
Period:	**12**	**114**		**115**	
DEC	% Unaccounted For:	5.50%	MWH	6.65%	MWH
	As of:	Dec-04		Dec-04	
				5.50%	
DEC	**2005**	**114**		**115**	
	Purchases excl. OSS	31,941,182		37,334,031	
	Purchase Adjustment			(1,148,500)	
	Less: GSLD Adj. (GSLD plus 3.0%)			(9,342,100)	
	Less: Unaccounted for	(1,756,765)		(1,785,088)	
	Net Available For Sale	30,184,417		25,058,343	
	Less: Sales	(27,732,010)		(34,035,653)	
	Less: Sales GSLD			9,070,000	
	Adjustments:				
	% unaccounted for units			4,155,672	
	Unbilled Units	2,452,407		92,690	
				4,248,362	
Base Revenue Factor		0.0135828		0.0135614	
Cumulative Unbilled Units		11,109,349	35%	8,076,388	30%
Cumulative Unbilled Revenue		150,896		109,527	
Plus: 1/2 of Customer Charge (est.)		74,195		81,146	
Net Cumulative Unbilled Revenue		**225,091**		**190,673**	
Net Change in Unbilled Revenue		33,829		58,401	

HEARING EXHIBIT - 00000472

FLORIDA PUBLIC UTILITIES

Exhibit 9.1
OPC Interrog 1
070304-EI

2006 MONTH	DESCRIPTION	114		115	
	Cumulative Unbilled Units - 12/05**	11,109,349		8,076,388	
	** ties to 12/31 file				
	Net Cumulative Unbilled Revenue - 12/05	225,091		190,673	
Period:	**12**	**114**		**115**	
DEC	% Unaccounted For:	5.50%	MWH	5.50%	MWH
	As of:	Dec-05		Dec-05	
				2.00%	
				Jun-06	
				4.00%	
JAN	**2006**	**114**		**115**	
	Purchases	27,379,744		39,457,068	
	Purchase Adjustment prior mth	0		(2,488,935)	
	Purchase Adjustment Current month	0		1,233,033	
	Less: GSLD1 Adj. (GSLD1 plus 3.0%)	0		(12,174,600)	
	Less: Unaccounted for	(1,505,886)		(1,431,461)	
	Net Available For Sale	25,873,858		24,595,105	
	Less: Sales	(29,562,352)		(39,553,556)	
	Plus: Sales GSLD			11,820,000	
	Unbilled Units	(3,688,494)		(3,138,451)	
	Base Revenue Factor	0.0136759		0.0136485	
	Cumulative Unbilled Units	7,420,855	27%	4,937,937	19%
	Cumulative Unbilled Revenue	101,487		67,395	
	Plus: 1/2 of Customer Charge (est.)	74,990		81,243	
	Net Cumulative Unbilled Revenue	**176,477**		**148,638**	
	Net Change in Unbilled Revenue	(48,614)		(42,035)	
FEB	**2006**	**114**		**115**	
	Purchases	26,705,114		46,483,329	
	Purchase Adjustment prior mth			(1,233,033)	
	Purchase Adjustment Current month			1,660,119	
	Less: GSLD1 Adj. (GSLD1 plus 3.0%)			(20,651,500)	
	Less: Unaccounted for	(1,468,781)		(1,444,240)	
	Net Available For Sale	25,236,333		24,814,675	
	Less: Sales	(24,909,037)		(45,657,322)	
	Plus: Sales GSLD			20,050,000	
	Unbilled Units	327,296		(792,647)	
	Adjustment for January unaccounted for	0		0	
	Total Unbilled units	327,296		(792,647)	
	Base Revenue Factor	0.0142083		0.0138258	
	Cumulative Unbilled Units	7,748,151	29%	4,145,290	16%
	Cumulative Unbilled Revenue	110,088		57,312	
	Plus: 1/2 of Customer Charge (est.)	74,223		80,872	
	Net Cumulative Unbilled Revenue	**184,311**		**138,184**	
	Net Change in Unbilled Revenue	7,834		(10,454)	

HEARING EXHIBIT - 00000473

MAR 2006	114		115	
Purchases	25,520,327		39,737,662	
Purchase Adjustment prior mth			(1,660,119)	
Purchase Adjustment Current month			1,281,860	
Less: GSLD1 Adj. (GSLD1 plus 2%)			(15,310,200)	
Less: Unaccounted for	(1,403,618)		(480,984)	
Net Available For Sale	24,116,709		23,568,219	
Less: Sales	(24,413,482)		(40,110,866)	
Plus: Sales GSLD			15,010,000	
Unbilled Units	(296,773)		(1,532,647)	
Adjustment for GSLD and Unaccounted			2,142,318	
Total Adjustments	0		2,142,318	
Adjusted Unbilled Units	(296,773)		609,671	
Base Revenue Factor	0.0141319		0.0137312	
Cumulative Unbilled Units	7,451,378	29%	4,754,961	20%
Cumulative Unbilled Revenue	105,302		65,292	
Plus: 1/2 of Customer Charge (est.)	74,478		81,145	
Net Cumulative Unbilled Revenue	**179,780**		**146,437**	
Net Change in Unbilled Revenue	(4,531)		8,253	

APR 2006	114		115	
Purchases	26,762,533		37,016,326	
Purchase Adjustment prior mth			(1,281,860)	
Purchase Adjustment Current month			1,322,012	
Less: GSLD1 Adj. (GSLD1 plus 2%)			(12,801,000)	
Less: Unaccounted for	(1,471,939)		(485,110)	
Net Available For Sale	25,290,594		23,770,368	
Less: Sales	(24,756,095)		(35,551,139)	
Plus: Sales GSLD			12,550,000	
Unbilled Units	534,499		769,229	
Base Revenue Factor	0.0136414		0.0137350	
Cumulative Unbilled Units	7,985,877	30%	5,524,190	23%
Cumulative Unbilled Revenue	108,939		75,875	
Plus: 1/2 of Customer Charge (est.)	74,462		81,295	
Net Cumulative Unbilled Revenue	**183,401**		**157,170**	
Net Change in Unbilled Revenue	3,621		10,733	

HEARING EXHIBIT - 00000474

MAY 2006	114		115	
Purchases	30,636,387		47,031,092	
Purchase Adjustment prior mth			(1,322,012)	
Purchase Adjustment Current month			1,425,185	
Less: GSLD1 Adj. (GSLD1 plus 2%)			(15,504,000)	
Less: Unaccounted for	(1,685,001)		(632,605)	
Net Available For Sale	28,951,386		30,997,660	
Less: Sales	(25,736,093)		(40,536,947)	
Pluss: Sales GSLD			15,200,000	
Unbilled Units	3,215,293		5,660,713	
Base Revenue Factor	0.0132232		0.0134387	
Cumulative Unbilled Units	11,201,170	37%	11,184,903	35%
Cumulative Unbilled Revenue	148,115		150,311	
Plus: 1/2 of Customer Charge (est.)	75,136		81,513	
Net Cumulative Unbilled Revenue	**223,251**		**231,824**	
Net Change in Unbilled Revenue	39,850		74,654	

JUN 2006	114		115	
Purchases excl. OSS	34,990,035		48,052,666	
Purchase Adjustment prior mth			(1,425,185)	
Purchase Adjustment Current month			1,601,756	
Less: GSLD Adj. (GSLD plus 2.0%)			(13,035,600)	
Less: Unaccounted for	(1,924,452)		(1,407,745)	
Net Available For Sale	33,065,583		33,785,892	
Less: Sales	(30,596,141)		(42,873,390)	
Less: Sales GSLD			12,780,000	
Unbilled Units	2,469,442		3,692,502	
Adj for prior month sales	4,000			
Total Adjustments	4,000		0	
Adjusted Unbilled Units	2,473,442		3,692,502	
Base Revenue Factor	0.0130067		0.0133301	
Cumulative Unbilled Units	13,674,612	39%	14,877,405	42%
Cumulative Unbilled Revenue	177,862		198,317	
Plus: 1/2 of Customer Charge (est.)	74,424		81,589	
Net Cumulative Unbilled Revenue	**252,286**		**279,906**	
Net Change in Unbilled Revenue	29,035		48,082	

JUL 2006	114		115	
Purchases excl. OSS	37,130,081		54,383,921	
Purchase Adjustment prior mth			(1,601,756)	
Purchase Adjustment Current month			1,754,320	
Less: GSLD Adj. (GSLD plus 2.0%)			(14,218,800)	
Less: Unaccounted for	(2,042,154)		(1,612,707)	
Net Available For Sale	35,087,927		38,704,978	
Less: Sales	(34,623,228)		(52,739,089)	
Less: Sales GSLD			13,940,000	
Unbilled Units	464,699		(94,111)	
Base Revenue Factor	0.0127181		0.0128660	
Cumulative Unbilled Units	14,139,311	38%	14,783,294	37%
Cumulative Unbilled Revenue	179,826		190,201	
Plus: 1/2 of Customer Charge (est.)	74,764		81,816	
Net Cumulative Unbilled Revenue	**254,590**		**272,017**	
Net Change in Unbilled Revenue	2,304		(7,889)	

AUG 2006	114		115	
Purchases excl. OSS	38,731,829		54,001,577	
Purchase Adjustment prior mth			(1,754,320)	
Purchase Adjustment Current month			1,741,986	
Less: GSLD Adj. (GSLD plus 2.0%)			(14,127,000)	
Less: Unaccounted for	(2,130,251)		(1,594,490)	
Net Available For Sale	36,601,578		38,267,753	
Less: Sales	(34,255,425)		(48,095,515)	
Less: Sales GSLD			13,850,000	
Unbilled Units	2,346,153		4,022,238	
Base Revenue Factor	0.0128459		0.0132498	
Cumulative Unbilled Units	16,485,464	43%	18,805,532	47%
Cumulative Unbilled Revenue	211,771		249,169	
Plus: 1/2 of Customer Charge (est.)	75,078		82,247	
Net Cumulative Unbilled Revenue	**286,849**		**331,416**	
Net Change in Unbilled Revenue	32,259		59,399	

HEARING EXHIBIT - 00000476

SEP 2006	114		115	
Purchases excl. OSS	30,914,235		44,793,457	
Purchase Adjustment prior mth			(1,741,986)	
Purchase Adjustment Current month			2,986,230	
Less: GSLD Adj. (GSLD plus 2.0%)			(12,097,200)	
Less: Unaccounted for	(1,700,283)		(1,357,620)	
Net Available For Sale	29,213,952		32,582,881	
Less: Sales	(35,624,818)		(48,782,950)	
Less: Sales GSLD			11,860,000	
Unbilled Units	(6,410,866)		(4,340,069)	
Base Revenue Factor	0.0126370		0.0130284	
Cumulative Unbilled Units	10,074,598	33%	14,465,463	43%
Cumulative Unbilled Revenue	127,313		188,462	
Plus: 1/2 of Customer Charge (est.)	74,548		81,982	
Net Cumulative Unbilled Revenue	**201,861**		**270,444**	
Net Change in Unbilled Revenue	(84,988)		(60,972)	

OCT 2006	114		115	
Purchases excl. OSS	27,758,617		40,106,068	
Purchase Adjustment prior mth			(2,986,230)	
Purchase Adjustment Current month			1,293,744	
Less: GSLD Adj. (GSLD plus 2.0%)			(11,934,000)	
Less: Unaccounted for	(1,526,724)		(1,059,183)	
Net Available For Sale	26,231,893		25,420,399	
Less: Sales	(28,427,870)		(41,540,251)	
Sales adjustment - prior month				
Less: Sales GSLD			11,700,000	
Unbilled Units	(2,195,977)		(4,419,852)	
Base Revenue Factor	0.0130322		0.0131694	
Cumulative Unbilled Units	7,878,621	28%	10,045,611	38%
Cumulative Unbilled Revenue	102,676		132,295	
Plus: 1/2 of Customer Charge (est.)	75,409		81,854	
Net Cumulative Unbilled Revenue	**178,085**		**214,149**	
Net Change in Unbilled Revenue	(23,776)		(56,295)	

NOV 2006	114		115	
Purchases excl. OSS	26,563,904		34,169,228	
Purchase Adjustment prior mth			(1,293,744)	
Purchase Adjustment Current month			1,138,974	
Less: GSLD Adj. (GSLD plus 2.0%)			(9,812,400)	
Less: Unaccounted for	(1,461,015)		(968,082)	
Net Available For Sale	25,102,889		23,233,976	
Less: Sales	(23,339,935)		(32,682,557)	
Less: Sales GSLD			9,620,000	
Unbilled Units	1,762,954		171,419	
Base Revenue Factor	0.0139448		0.0136968	
Cumulative Unbilled Units	9,641,575	36%	10,217,030	42%
Cumulative Unbilled Revenue	134,450		139,941	
Plus: 1/2 of Customer Charge (est.)	74,877		82,519	
Net Cumulative Unbilled Revenue	**209,327**		**222,460**	
Net Change in Unbilled Revenue	31,242		8,311	

DEC 2006	114		115	
Purchases excl. OSS	28,817,035		35,599,470	
Purchase Adjustment prior mth			(1,138,974)	
Purchase Adjustment Current month			3,682,704	
Less: GSLD Adj. (GSLD plus 2.0%)			(11,628,000)	
Less: *Unaccounted for*	(1,584,937)		(1,060,608)	*
Net Available For Sale	27,232,098		25,454,592	
Less: Sales	(28,403,744)		(35,976,105)	
Sales adjustment - prior month			26,141	
Less: Sales GSLD			11,400,000	
Unbilled Units	(1,171,646)		904,628	
Base Revenue Factor	0.0135337		0.0137230	
Cumulative Unbilled Units	8,469,929	29%	11,121,658	42%
Cumulative Unbilled Revenue	114,630		152,622	
Plus: 1/2 of Customer Charge (est.)	74,841		82,044	
Net Cumulative Unbilled Revenue	**189,471**		**234,666**	
Net Change in Unbilled Revenue	(19,856)		12,206	

HEARING EXHIBIT - 00000478

HEARING EXHIBIT - 00000479

100.1860.1	2007		ELECTRIC DIVISION RATE CASE				36164			36164
			JE34	EMPLOYEE JE9	COMPUTER SOFTWARE	LEGAL	JE11	CONTRACT LABOR	MISC	CONSULTING	TOTAL
Jan-07											
	-		-	-	-	-	-	-	-	-	-
Feb-07											
	-		-	-	-	-	-	-	-	-	-
Mar-07											
	-		-	-	-	-	-	-	-	-	-
Apr-07	41.58	PL DETAIL - FED EX							41.58		41.58
	1,830.00	PL DETAIL - DARRYL TROY						1,830.00			1,830.00
	1,871.58		-	-	-	-	-	1,830.00	41.58	-	1,871.58
May-07	675.00	PL DETAIL - MESSER, CAPARELLO				675.00					675.00
	14.60	PL DETAIL - FED EX							14.60		14.60
	1,335.00	LAURITS R CHRISTIANSEN ASSOC								1,335.00	1,335.00
	1,380.00	PL DETAIL - DARRYL TROY						1,380.00			1,380.00
	5,276.18		-	-	-	675.00	-	3,210.00	56.18	1,335.00	5,276.18
Jun-07	1,440.00	PL - ROBERT HALF						1,440.00			1,440.00
	1,225.00	PL DETAIL - MESSER, CAPARELLO				1,225.00					1,225.00
	2,520.00	PL DETAIL - DARRYL TROY						2,520.00			2,520.00
	1,920.00	PL - ROBERT HALF						1,920.00			1,920.00
	13.40	PL DETAIL - FED EX							13.40		13.40
	19,665.00	LAURITS R CHRISTIANSEN ASSOC								19,665.00	19,665.00
	960.00	PL - ROBERT HALF						960.00			960.00
	2,310.00	PL DETAIL - DARRYL TROY						2,310.00			2,310.00
	44,392.00	LAURITS R CHRISTIANSEN ASSOC								44,392.00	44,392.00
	6,500.00	PL DETAIL - MESSER, CAPARELLO				6,500.00					6,500.00
	86,221.58		-	-	-	8,400.00	-	12,360.00	69.58	65,392.00	86,221.58
Jul-07	(44,392.00)	LAURITS CHRISTIANSEN (REVERSAL)								(44,392.00)	(44,392.00)
	(6,500.00)	MESSAE CAPARELLO (REVERSAL)				(6,500.00)					(6,500.00)
	48.00	PL - BHATIA, NADIRA							48.00		48.00
	64.00	PL - MESITE, JAMES							64.00		64.00
	1,440.00	PL - ROBERT HALF						1,440.00			1,440.00
	1,920.00	PL - ROBERT HALF						1,920.00			1,920.00
	2,160.00	PL - DARRYL TROY						2,160.00			2,160.00
	50,000.00	PL - LAURITS CHRISTIANSEN ASSOC								50,000.00	50,000.00
	1,875.32	PL - MESSER, CAPARELLO				1,875.32					1,875.32
	32.00	PL - LUIS VARGAS							32.00		32.00
	99.75	PL - SATILLA BUSINESS SERVICES							99.75		99.75
	2,580.00	PL - DARRYL TROY						2,580.00			2,580.00
	2,400.00	PL - ROBERT HALF						2,400.00			2,400.00
	1,920.00	PL - ROBERT HALF						1,920.00			1,920.00
	2,400.00	PL - ROBERT HALF						2,400.00			2,400.00
	102,268.65		-	-	-	3,775.32	-	27,180.00	313.33	71,000.00	102,268.65
Aug-07	1,555.20	PL - ROTH STAFFING CO						1,555.20			1,555.20
	1,728.00	PL - ROTH STAFFING CO						1,728.00			1,728.00
	40.00	PL - LUIS VARGAS							40.00		40.00
	32.00	PL - JAMES MESITE							32.00		32.00
	2,400.00	PL - ROBERT HALF						2,400.00			2,400.00
	42.75	PL - SATILLA BUSINESS SERVICES							42.75		42.75
	2,790.00	PL - DARRYL TROY						2,790.00			2,790.00
	1,728.00	PL - ROTH STAFFING CO						1,728.00			1,728.00
	50,000.00	PL - LAURITS CHRISTIANSEN ASSOC								50,000.00	50,000.00
	1,740.00	PL - ROBERT HALF						1,740.00			1,740.00
	1,380.00	PL - ROBERT HALF						1,380.00			1,380.00
	1,080.00	PL - ROTH STAFFING CO						1,080.00			1,080.00
	1,728.00	PL - ROTH STAFFING CO						1,728.00			1,728.00
	54.27	PL - MEHRDAD KHOJASTEH							54.27		54.27
	8.00	PL-LUIS VARGAS							8.00		8.00
	1,560.00	PL - DARRYL TROY						1,560.00			1,560.00
	2,325.00	PL - ROBERT HALF						2,325.00			2,325.00
	145.42	PL - AM EX TRAVEL							145.42		145.42
	2,600.32	PL - MESSER, CAPARELLO				2,600.32					2,600.32
	175,205.61		-	-	-	6,375.64	-	47,194.20	635.77	121,000.00	175,205.61
Sep-07	16.00	PL - JAMES MESITE							16.00		16.00
	1,382.40	PL - ROTH STAFFING CO						1,382.40			1,382.40
	1,630.80	PL - ROTH STAFFING CO						1,630.80			1,630.80
	1,296.00	PL - ROTH STAFFING CO						1,296.00			1,296.00
	344.00	PL - ROTH STAFFING CO						344.00			344.00
	44,000.00	PL - LAURITS CHRISTIANSEN ASSOC								44,000.00	44,000.00
	29.39	PL DETAIL - FED EX							29.39		29.39
	6,976.00	PL - MESSER, CAPARELLO				6,976.00					6,976.00
	230,880.20		-	-	-	13,351.64	-	51,847.40	681.16	165,000.00	230,880.20
Oct-07											
	230,880.20		-	-	-	13,351.64	-	51,847.40	681.16	165,000.00	230,880.20
Nov-07											
	230,880.20		-	-	-	13,351.64	-	51,847.40	681.16	165,000.00	230,880.20
Dec-07											
	230,880.20		-	-	-	13,351.64	-	51,847.40	681.16	165,000.00	230,880.20

Exhibit: 13.1
Docket No. 070304-EI
OPC First Set of Interrogatories

Witness: MARTIN

HEARING EXHIBIT - 00000480

100.1860.1	2007				ELECTRIC DIVISION RATE CASE			33556			33556
			JE34	EMPLOYEE JE9	COMPUTER SOFTWARE	LEGAL	JE11	CONTRACT LABOR	MISC	CONSULTING	TOTAL
BAL FROM 2006	190,701.97		(227,468.10)	3,943.00	348.85	50,347.26	(19.00)	44,395.97	30,064.46	289,089.53	190,701.97
Jan-07	(7,063.04)	AMORTIZE RATE CASE	(7,063.04)								(7,063.04)
	183,638.93		(234,531.14)	3,943.00	348.85	50,347.26	(19.00)	44,395.97	30,064.46	289,089.53	183,638.93
Feb-07	(7,063.04)	AMORTIZE RATE CASE	(7,063.04)								(7,063.04)
	176,575.89		(241,594.18)	3,943.00	348.85	50,347.26	(19.00)	44,395.97	30,064.46	289,089.53	176,575.89
Mar-07	(7,063.04)	AMORTIZE RATE CASE	(7,063.04)								(7,063.04)
	169,512.85		(248,657.22)	3,943.00	348.85	50,347.26	(19.00)	44,395.97	30,064.46	289,089.53	169,512.85
Apr-07	(7,063.04)	AMORTIZE RATE CASE	(7,063.04)								(7,063.04)
	162,449.81		(255,720.26)	3,943.00	348.85	50,347.26	(19.00)	44,395.97	30,064.46	289,089.53	162,449.81
May-07	(7,063.04)	AMORTIZE RATE CASE	(7,063.04)								(7,063.04)
	155,386.77		(262,783.30)	3,943.00	348.85	50,347.26	(19.00)	44,395.97	30,064.46	289,089.53	155,386.77
Jun-07	(7,063.04)	AMORTIZE RATE CASE	(7,063.04)								(7,063.04)
	148,323.73		(269,846.34)	3,943.00	348.85	50,347.26	(19.00)	44,395.97	30,064.46	289,089.53	148,323.73
Jul-07	(7,063.04)	AMORTIZE RATE CASE	(7,063.04)								(7,063.04)
	141,260.69		(276,909.38)	3,943.00	348.85	50,347.26	(19.00)	44,395.97	30,064.46	289,089.53	141,260.69
Aug-07	(7,063.04)	AMORTIZE RATE CASE	(7,063.04)								(7,063.04)
	134,197.65		(283,972.42)	3,943.00	348.85	50,347.26	(19.00)	44,395.97	30,064.46	289,089.53	134,197.65
Sep-07	(7,063.04)	AMORTIZE RATE CASE	(7,063.04)								(7,063.04)
	127,134.61		(291,035.46)	3,943.00	348.85	50,347.26	(19.00)	44,395.97	30,064.46	289,089.53	127,134.61
Oct-07											-
	127,134.61		(291,035.46)	3,943.00	348.85	50,347.26	(19.00)	44,395.97	30,064.46	289,089.53	127,134.61
Nov-07											-
	127,134.61		(291,035.46)	3,943.00	348.85	50,347.26	(19.00)	44,395.97	30,064.46	289,089.53	127,134.61
Dec-07											-
	127,134.61		(291,035.46)	3,943.00	348.85	50,347.26	(19.00)	44,395.97	30,064.46	289,089.53	127,134.61

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100.1860.1	2006		ELECTRIC DIVISION RATE CASE					33556			33556
			JE34	EMPLOYEE JE9	COMPUTER SOFTWARE	LEGAL	JE11	CONTRACT LABOR	MISC	CONSULTING	TOTAL
BAL FROM 2005	275,458.45		(142,711.62)	3,943.00	348.85	50,347.26	(19.00)	44,395.97	30,064.46	289,089.53	275,458.45
Jan-06	(7,063.04)	JE 34 AMORT ELECTRIC RC 4/04-3/09	(7,063.04)								(7,063.04)
	268,395.41		(149,774.66)	3,943.00	348.85	50,347.26	(19.00)	44,395.97	30,064.46	289,089.53	268,395.41
Feb-06	(7,063.04)	JE 34 AMORT ELECTRIC RC 4/04-3/09	(7,063.04)								(7,063.04)
	261,332.37		(156,837.70)	3,943.00	348.85	50,347.26	(19.00)	44,395.97	30,064.46	289,089.53	261,332.37
Mar-06	(7,063.04)	JE 34 AMORT ELECTRIC RC 4/04-3/09	(7,063.04)								(7,063.04)
	254,269.33		(163,900.74)	3,943.00	348.85	50,347.26	(19.00)	44,395.97	30,064.46	289,089.53	254,269.33
Apr-06	(7,063.04)	JE 34 AMORT ELECTRIC RC 4/04-3/09	(7,063.04)								(7,063.04)
	247,206.29		(170,963.78)	3,943.00	348.85	50,347.26	(19.00)	44,395.97	30,064.46	289,089.53	247,206.29
May-06	(7,063.04)	JE 34 AMORT ELECTRIC RC 4/04-3/09	(7,063.04)								(7,063.04)
	240,143.25		(178,026.82)	3,943.00	348.85	50,347.26	(19.00)	44,395.97	30,064.46	289,089.53	240,143.25
Jun-06	(7,063.04)	JE 34 AMORT ELECTRIC RC 4/04-3/09	(7,063.04)								(7,063.04)
	233,080.21		(185,089.86)	3,943.00	348.85	50,347.26	(19.00)	44,395.97	30,064.46	289,089.53	233,080.21
Jul-06	(7,063.04)	JE 34 AMORT ELECTRIC RC 4/04-3/09	(7,063.04)								(7,063.04)
	226,017.17		(192,152.90)	3,943.00	348.85	50,347.26	(19.00)	44,395.97	30,064.46	289,089.53	226,017.17
Aug-06	(7,063.04)	JE 34 AMORT ELECTRIC RC 4/04-3/09	(7,063.04)								(7,063.04)
	218,954.13		(199,215.94)	3,943.00	348.85	50,347.26	(19.00)	44,395.97	30,064.46	289,089.53	218,954.13
Sep-06	(7,063.04)	JE 34 AMORT ELECTRIC RC 4/04-3/09	(7,063.04)								(7,063.04)
	211,891.09		(206,278.98)	3,943.00	348.85	50,347.26	(19.00)	44,395.97	30,064.46	289,089.53	211,891.09
Oct-06	(7,063.04)	JE 34 AMORT ELECTRIC RC 4/04-3/09	(7,063.04)								(7,063.04)
	204,828.05		(213,342.02)	3,943.00	348.85	50,347.26	(19.00)	44,395.97	30,064.46	289,089.53	204,828.05
Nov-06	(7,063.04)	JE 34 AMORT ELECTRIC RC 4/04-3/09	(7,063.04)								(7,063.04)
	197,765.01		(220,405.06)	3,943.00	348.85	50,347.26	(19.00)	44,395.97	30,064.46	289,089.53	197,765.01
Dec-06	(7,063.04)	JE 34 AMORT ELECTRIC RC 4/04-3/09	(7,063.04)								(7,063.04)
	190,701.97		(227,468.10)	3,943.00	348.85	50,347.26	(19.00)	44,395.97	30,064.46	289,089.53	190,701.97

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100.1860.1	2005		ELECTRIC DIVISION RATE CASE				33556				33556
			JE34	EMPLOYEE JE9	COMPUTER SOFTWARE	LEGAL	JE11	CONTRACT LABOR	MISC	CONSULTING	TOTAL
BAL FROM 2004	360,214.93		(57,955.14)	3,943.00	348.85	50,347.26	(19.00)	44,395.97	30,064.46	289,089.53	360,214.93
											(7,063.04)
Jan-05	(7,063.04)	JE 34 AMORTIZE RATE CASE EXP OVER 60 MONTHS	(7,063.04)								
	353,151.89		(65,018.18)	3,943.00	348.85	50,347.26	(19.00)	44,395.97	30,064.46	289,089.53	353,151.89
											(7,063.04)
Feb-05	(7,063.04)	JE 34 AMORTIZE RATE CASE EXP OVER 60 MONTHS	(7,063.04)								
	346,088.85		(72,081.22)	3,943.00	348.85	50,347.26	(19.00)	44,395.97	30,064.46	289,089.53	346,088.85
											(7,063.04)
Mar-05	(7,063.04)	JE 34 AMORTIZE RATE CASE EXP OVER 60 MONTHS	(7,063.04)								
	339,025.81		(79,144.26)	3,943.00	348.85	50,347.26	(19.00)	44,395.97	30,064.46	289,089.53	339,025.81
											(7,063.04)
Apr-05	(7,063.04)	JE 34 AMORTIZE ELECTRIC RATE CASE	(7,063.04)								
	331,962.77		(86,207.30)	3,943.00	348.85	50,347.26	(19.00)	44,395.97	30,064.46	289,089.53	331,962.77
											(7,063.04)
May-05	(7,063.04)	JE 34 AMORTIZE ELECTRIC RATE CASE	(7,063.04)								
	324,899.73		(93,270.34)	3,943.00	348.85	50,347.26	(19.00)	44,395.97	30,064.46	289,089.53	324,899.73
											(7,063.04)
Jun-05	(7,063.04)	JE 34 AMORTIZE ELECTRIC RATE CASE	(7,063.04)								
	317,836.69		(100,333.38)	3,943.00	348.85	50,347.26	(19.00)	44,395.97	30,064.46	289,089.53	317,836.69
											(7,063.04)
Jul-05	(7,063.04)	JE 34 AMORTIZE ELECTRIC RATE CASE	(7,063.04)								
	310,773.65		(107,396.42)	3,943.00	348.85	50,347.26	(19.00)	44,395.97	30,064.46	289,089.53	310,773.65
											(7,063.04)
Aug-05	(7,063.04)	JE 34 AMORT ELECTRIC RC 4/04-3/09	(7,063.04)								
	303,710.61		(114,459.46)	3,943.00	348.85	50,347.26	(19.00)	44,395.97	30,064.46	289,089.53	303,710.61
											(7,063.04)
Sep-05	(7,063.04)	JE 34 AMORT ELECTRIC RC 4/04-3/09	(7,063.04)								
	296,647.57		(121,522.50)	3,943.00	348.85	50,347.26	(19.00)	44,395.97	30,064.46	289,089.53	296,647.57
											(7,063.04)
Oct-05	(7,063.04)	JE 34 AMORT ELECTRIC RC 4/04-3/09	(7,063.04)								
	289,584.53		(128,585.54)	3,943.00	348.85	50,347.26	(19.00)	44,395.97	30,064.46	289,089.53	289,584.53
											(7,063.04)
Nov-05	(7,063.04)	JE 34 AMORT ELECTRIC RC 4/04-3/09	(7,063.04)								
	282,521.49		(135,648.58)	3,943.00	348.85	50,347.26	(19.00)	44,395.97	30,064.46	289,089.53	282,521.49
											(7,063.04)
Dec-05	(7,063.04)	JE 34 AMORT ELECTRIC RC 4/04-3/09	(7,063.04)								
	275,458.45		(142,711.62)	3,943.00	348.85	50,347.26	(19.00)	44,395.97	30,064.46	289,089.53	275,458.45

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2004 ELECTRIC DIVISION RATE CASE

100 1860 1 — 33556

		BEGINNING 3/11/2003	JE34	EMPLOYEE JE9	COMPUTER SOFTWARE	LEGAL	JE11	CONTRACT LABOR	MISC	CONSULTING	TOTAL
BAL FROM 2003	307,300 17		956 00	1,839 00	200 34	9,846 94	-	34,566 53	12,082 77	247,808 59	307,300 17
Jan-04	(9,846 94)	JE 33 PL ACCRUAL REVERSAL				(9,846 94)					(9,846 94)
	(19 00)	JE 11 OPC LUNCH (12)					(19 00)				(19 00)
	885 47	PL ACCOUNTEMPS						885 47			885 47
	18 63	PL FEDERAL EXPRESS CORP							18 63		18 63
	730 86	PL ACCOUNTEMPS						730 86			730 86
	9,846 94	PL MESSER CAPARELLO & SELF								9,846 94	9,846 94
	810 80	PL CHERYL MARTIN							810 80		810 80
	455 00	PL DARRYL TROY						455 00			455 00
	53 36	PL FEDERAL EXPRESS CORP							53 36		53 36
	1,458 00	JE 9 ELECTRIC DIVISION RATE CASE		1,458 00							1,458 00
	175 71	PL TARA HILL							175 71		175 71
	26 48	PL TARA HILL							26 48		26 48
	30 31	PL TARA HILL							30 31		30 31
	311,925.79		956.00	3,297.00	200 34	-	(19.00)	36,637 86	13,198.06	257,655.53	311,925.79
Feb-04	565 00	JE 9 ELECTRIC DIVISION RATE CASE		565.00							565 00
	1,207 50	PL DARRYL TROY						1,207 50			1,207 50
	64 78	PL NETSPOKE							64 78		64 78
	98 75	PL TARA HILL							98 75		98 75
	192 23	PL MEHRDAD KHOJASTEH							192 23		192 23
	2,439 70	PL CHERYL MARTIN							2,439 70		2,439 70
	57 78	PL FEDERAL EXPRESS CORP							57 78		57 78
	21 23	PL FEDERAL EXPRESS CORP							21 23		21 23
	65 05	PL FEDERAL EXPRESS CORP							65 05		65 05
	1,515 99	PL GEORGE BACHMAN							1,515 99		1,515 99
	437 50	PL DARRYL TROY						437 50			437 50
	546 74	PL MARK CUTSHAW							546 74		546 74
	24,654 67	MESSER, CAPARELLO & SELF				24,654 67					24,654 67
	816 56	PL FEDERAL EXPRESS CORP							816 56		816 56
	13,186 00	PL LAURITS R CHRISTIANSEN ASSOC								13,186 00	13,186 00
	674 64	PL ACCOUNTEMPS						674 64			674 64
	17 95	PL FEDERAL EXPRESS CORP							17 95		17 95
	358,487.86		956.00	3,862.00	200 34	24,654.67	(19.00)	38,957.50	19,034.82	270,841.53	358,487.86
Mar-04	24,432 59	PL MESSER, CAPARELLO & SELF				24,432 59					24,432 59
	224 88	PL ACCOUNTEMPS						224 88			224 88
	18,248 00	PL LAURITS R CHRISTIANSEN ASSOC								18,248 00	18,248 00
	224 88	PL ACCOUNTEMPS						224 88			224 88
	14 02	PL FEDERAL EXPRESS							14 02		14 02
	899 52	PL ACCOUNTEMPS						899 52			899 52
	1,156 03	PL ACCOUNTEMPS						1,156 03			1,156 03
	674 64	PL ACCOUNTEMPS						674 64			674 64
	1,359 40	PL J&R PRINTING AND GRAPHICS, INC							1,359 40		1,359 40
	1,145 49	PL ACCOUNTEMPS						1,145 49			1,145 49
	1,040 07	PL ACCOUNTEMPS						1,040 07			1,040 07
	407,907.38		956.00	3,862.00	200 34	49,087.26	(19.00)	44,323.01	20,408.24	289,089.53	407,907.38
Apr-04	307 93	PL J&R PRINTING AND GRAPHICS, INC							307 93		307 93
	24 29	PL FEDERAL EXPRESS							24 29		24 29
	1,080 00	PL MESSER CAPARELLO & SELF				1,080 00					1,080 00
	843 30	PL ACCOUNTEMPS						843 30			843 30
	1,124 40	PL ACCOUNTEMPS						1,124 40			1,124 40
	36 00	PL JAMES V MESITE, JR							36 00		36 00
	88 00	PL JAMES V MESITE, JR							88 00		88 00
	1,124 40	PL ACCOUNTEMPS						1,124 40			1,124 40
	(3,398 66)	JE 34 AMORTIZE RATE CASE OVER 60 I	(3,398 66)								(3,398 66)
	1,124 40	JE 33 PL ACCRUAL						1,124 40			1,124 40
	410,261 44		(2,442 66)	3,862 00	200 34	50,167 26	(19 00)	48,539 51	20,864 46	289,089 53	410,261 44
May-04	(1,124 40)	JE 33 PL ACCRUAL						(1,124 40)			(1,124 40)
	81 00	JE 9 ELECTRIC DIVISIION RATE CASE		81 00							81 00
	1,187 66	PL ACCOUNTEMPS						1,187 66			1,187 66
	1,145 49	PL ACCOUNTEMPS						1,145 49			1,145 49
	109 45	PL ROTH STAFFING COMPANIES						109 45			109 45
	9,200 00	U S POSTMASTER							9,200 00		9,200 00
	1,103 32	PL ACCOUNTEMPS						1,103 32			1,103 32
	1,145 49	PL ACCOUNTEMPS						1,145 49			1,145 49
	1,124 40	JE 33 PL ACCRUAL						1,124 40			1,124 40
	(6,856 08)	JE 34 AMORTIZE RATE CASE EXP OVEI	(6,856 08)								(6,856 08)
	180 00	PL MESSER, CAPARELLO & SELF				180 00					180 00
	417,557.77		(9,298.74)	3,943.00	200 34	50,347.26	(19.00)	53,230.92	30,064.46	289,089.53	417,557.77
Jun-04	(1,124 40)	PL ACCRUAL - ACCOUNTEMPS						(1,124 40)			(1,124 40)
	164 00	JE 9 ELECTRIC DIVISION - RATE CA	164 00								164 00
	1,124 40	PL ACCOUNTEMPS						1,124 40			1,124 40
	674 64	PL ACCOUNTEMPS						674 64			674 64
	148 51	PL KUBRA DATA TRANSFER LTD			148 51						148 51
	1,124 40	PL ACCOUNTEMPS						1,124 40			1,124 40
	1,124 40	PL ACCOUNTEMPS						1,124 40			1,124 40
	1,124 40	PL ACCOUNTEMPS						1,124 40			1,124 40
	(6,856 08)	JE 34 AMORTIZE RATE CASE EXP OVEI	(6,856 08)								(6,856 08)
	415,062.04		(15,990.82)	3,943.00	348 85	50,347.26	(19.00)	57,278.76	30,064.46	289,089.53	415,062.04
Jul-04	899 52	PL ACCOUNTEMPS						899 52			899 52
	899 52	PL ACCOUNTEMPS						899 52			899 52
	1,156 03	PL ACCOUNTEMPS						1,156 03			1,156 03
	1,124 40	PL ACCOUNTEMPS						1,124 40			1,124 40
	1,054 13	PL ACCOUNTEMPS						1,054 13			1,054 13
	(6,856 08)	JE 34 AMORTIZE RATE CASE EXP OVEI	(6,856 08)								(6,856 08)
	1,124 40	PL ACCOUNTEMPS						1,124 40			1,124 40
	414,463.96		(22,846.90)	3,943.00	348 85	50,347 26	(19 00)	63,536.76	30,064 46	289,089 53	414,463 96

HEARING EXHIBIT - 00000484

2004 ELECTRIC DIVISION RATE CASE

100 1860 1

33556

			BEGINNING 3/11/2003	JE34	EMPLOYEE JE9	COMPUTER SOFTWARE	LEGAL	JE11	CONTRACT LABOR	MISC	CONSULTING	TOTAL
									(1,054 13)			(1,054 13)
Aug-04		(1,054 13)	JE 33 PL ACCRUAL ACCOUNTEMPS						(1,124 40)			(1,124 40)
		(1,124 40)	JE 33 PL ACCRUAL ACCOUNTEMPS						1,124 40			1,124 40
		1,124 40	PL ACCOUNTEMPS						1,054 13			1,054 13
		1,054 13	PL ACCOUNTEMPS						871 41			871 41
		871 41	PL ACCOUNTEMPS						1,124 40			1,124 40
		1,124 40	PL ACCOUNTEMPS						1,096 29			1,096 29
		1,096 29	PL ACCOUNTEMPS						899 52			899 52
		899 52	PL ACCOUNTEMPS						1,124 40			1,124 40
		1,124 40	PL ACCOUNTEMPS									(6,856 08)
		(6,856 08)	JE 34 AMORTIZE RATE CASE EXP OVEF	(6,856 08)					(1,145 49)			(1,145 49)
		(1,145 49)	PL ACCOUNTEMPS						(1,040 07)			(1,040 07)
		(1,040 07)	PL ACCOUNTEMPS						(843 30)			(843 30)
		(843 30)	PL ACCOUNTEMPS						(1,124 40)			(1,124 40)
		(1,124 40)	PL ACCOUNTEMPS						(1,124 40)			(1,124 40)
		(1,124 40)	PL ACCOUNTEMPS						(1,187 66)			(1,187 66)
		(1,187 66)	PL ACCOUNTEMPS						(1,145 49)			(1,145 49)
		(1,145 49)	PL ACCOUNTEMPS						(1,103 32)			(1,103 32)
		(1,103 32)	PL ACCOUNTEMPS						(1,145 49)			(1,145 49)
		(1,145 49)	PL ACCOUNTEMPS						(1,124 40)			(1,124 40)
		(1,124 40)	PL ACCOUNTEMPS						(674 64)			(674 64)
		(674 64)	PL ACCOUNTEMPS						(1,124 40)			(1,124 40)
		(1,124 40)	PL ACCOUNTEMPS						(1,124 40)			(1,124 40)
		(1,124 40)	PL ACCOUNTEMPS						(1,124 40)			(1,124 40)
		(1,124 40)	PL ACCOUNTEMPS						(899 52)			(899 52)
		(899 52)	PL ACCOUNTEMPS						(899 52)			(899 52)
		(899 52)	PL ACCOUNTEMPS						(1,156 03)			(1,156 03)
		(1,156 03)	PL ACCOUNTEMPS						(1,124 40)			(1,124 40)
		(1,124 40)	PL ACCOUNTEMPS						(1,124 40)			(1,124 40)
		(1,124 40)	PL ACCOUNTEMPS						(1,054 13)			(1,054 13)
		(1,054 13)	PL ACCOUNTEMPS						(871 41)			(871 41)
		(871 41)	PL ACCOUNTEMPS						(1,124 40)			(1,124 40)
		(1,124 40)	PL ACCOUNTEMPS						(1,096 29)			(1,096 29)
		(1,096 29)	PL ACCOUNTEMPS						(899 52)			(899 52)
		(899 52)	PL ACCOUNTEMPS						(244 88)			(244 88)
		(244 88)	PL ACCOUNTEMPS						(244 88)			(244 88)
		(244 88)	PL ACCOUNTEMPS						(899 52)			(899 52)
		(899 52)	PL ACCOUNTEMPS						(1,156 03)			(1,156 03)
		(1,156 03)	PL ACCOUNTEMPS						(674 64)			(674 64)
		(674 64)	PL ACCOUNTEMPS						1,110 35			1,110 35
		1,110 35	PL ACCOUNTEMPS						1,026 02			1,026 02
		1,026 02	PL ACCOUNTEMPS						1,124 40			1,124 40
		1,124 40	PL ACCOUNTEMPS						1,124 40			1,124 40
		1,124 40	PL ACCOUNTEMPS						1,110 35			1,110 35
		1,110 35	PL ACCOUNTEMPS						1,040 07			1,040 07
		1,040 07	PL ACCOUNTEMPS						(885 47)			(885 47)
		(885 47)	PL ACCOUNTEMPS						(674 64)			(674 64)
		(674 64)	PL ACCOUNTEMPS						(730 86)			(730 86)
		(730 86)	PL ACCOUNTEMPS									-
												-
	388,467 09			(29,702 98)	3,943 00	348 85	50,347 26	(19 00)	44,395 97	30,064 46	289,089 53	388,467 09
												(7,063 04)
Sep-04		(7,063 04)	JE 34 AMORTIZE RATE CASE EXP OVEF	(7,063 04)								-
												-
	381,404 05			(36,766 02)	3,943 00	348 85	50,347 26	(19 00)	44,395 97	30,064 46	289,089 53	381,404 05
												(7,063 04)
Oct-04		(7,063 04)	JE 34 AMORTIZE RATE CASE EXP OVEF	(7,063 04)								-
	374,341 01			(43,829 06)	3,943 00	348 85	50,347 26	(19 00)	44,395 97	30,064 46	289,089 53	374,341 01
												(7,063 04)
Nov-04		(7,063 04)	JE 34 AMORTIZE RATE CASE EXP OVEF	(7,063 04)								-
	367,277 97			(50,892 10)	3,943 00	348 85	50,347 26	(19 00)	44,395 97	30,064 46	289,089 53	367,277 97
												(7,063 04)
Dec-04		(7,063 04)	JE 34 AMORTIZE RATE CASE EXP OVEF	(7,063 04)								-
	360,214 93			(57,955 14)	3,943 00	348 85	50,347 26	(19 00)	44,395 97	30,064 46	289,089 53	360,214 93
YTD Totals	360,214 93			(57,955 14)	3,943 00	348 85	50,347 26	(19 00)	44,395 97	30,064 46	289,089 53	360,214 93

HEARING EXHIBIT - 00000485

2003 ELECTRIC DIVISION RATE CASE

33556

100 1860 1	BEGINNING 3/11/2003		JE34	COMPUTER SOFTWARE	LEGAL	JE 9	LABOR	MISC	CONSULTING	TOTAL
Jan-03										
Feb-03										
Mar-03									2,500 00	2,500 00
	2,500 00	PL ANA I BLANCHARD CPA							2,500 00	2,500 00
	2,500 00									
							2,047 50			2,047 50
	2,047 50	PL DARRYL TROY						155 35		155 35
	155 35	PL FED EX					1,645 00			1,645 00
	1,645 00	PL DARRYL TROY						28 18		28 18
	28 18	PL SARAH BITTLE						23 00		23 00
	23 00	PL SARAH BITTLE						125 51		125 51
	125 51	PL SARAH BITTLE						50 00		50 00
	50 00	PL SARAH BITTLE								200 34
	200 34	PL DELL MARKETING	200 34			789 00				789 00
Apr-03	789 00	JE ELECTRIC DIVISION RATE CASE								
	7,563 88		200 34			789 00	3,692 50	382 04	2,500 00	7,563 88
									2,812 50	2,812 50
	2,812 50	PL MESSER CAPARELLO & SELF					240 27			240 27
May-03	240 27	PL MESSER CAPARELLO & SELF							1,017 51	1,017 51
	1,017 51	PL ACCOUNTEMPS						180 15		180 15
	180 15	PL SARAH BITTLE						21 01		21 01
	21 01	PL FED EX						27 76		27 76
	27 76	PL FED EX						21 80		21 80
	21 80	PL FED EX					952 29			952 29
	952 29	PL ACCOUNTEMPS					1,043 80			1,043 80
	1,043 80	PL ACCOUNTEMPS							33,799 00	33,799 00
	33,799 00	PL LAURITS R CHRISTIANSEN ASSOC					1,825 00			1,825 00
	1,825 00	PL DARRYL TROY							834 88	834 88
	834 88	PL ACCOUNTEMPS						72 58		72 58
	72 58	PL NETSPOKE						523 89		523 89
	523 89	PL MARK CUTSHAW				193 00				193 00
	193 00	JE ELECTRIC DIVISION RATE CASE				982 00	7,853 96	1,226 03	40,963 89	51,226 92
	51,226 92		200 34							
							1,280 00			1,280 00
	1,280 00	PL DARRYL TROY					834 88			834 88
Jun-03	834 88	PL ACCOUNTEMPS					1,043 80			1,043 80
	1,043 80	PL ACCOUNTEMPS					900 11			900 11
	900 11	PL ACCOUNTEMPS					134 21			134 21
	134 21	PL MESSER CAPARELLO & SELF					2,940 80			2,940 80
	2,940 80	PL MESSER CAPARELLO & SELF							58,553 00	58,553 00
	58,553 00	PL LAURITS R CHRISTIANSEN ASSOC					1,260 00			1,260 00
	1,260 00	PL DARRYL TROY				21 00				21 00
	21 00	JE ELECTRIC DIVISION RATE CASE					490 00			490 00
	490 00	PL DARRYL TROY								
	118,868 32		200 34			1,003 00	18,717 08	1,226 03	99,516 89	118,868 32
									519 00	519 00
	519 00	PL MESSER CAPARELLO & SELF					45 40			45 40
Jul-03	45 40	PL P NETSPOKE					1,400 00			1,400 00
	1,400 00	PL DARRYL TROY							70,223 00	70,223 00
	70,223 00	PL LAURITS R CHRISTIANSEN ASSOC					1,085 00			1,085 00
	1,085 00	PL DARRYL TROY						398 98		398 98
	398 98	PL MARK CUTSHAW						247 80		247 80
	247 80	PL MARK CUTSHAW							1,485 00	1,485 00
	1,485 00	PL MESSER CAPARELLO & SELF								
	194,070 50		200 34			1,003 00	19,247 46	1,875 81	171,743 89	194,070 50
						29 00				29 00
	29 00	JE 9 ELECTRIC DIVISION RATE CA						27 00		27 00
Aug-03	27 00	PL SARAH BITTLE						65 00		65 00
	65 00	PL SARAH BITTLE						31 00		31 00
	31 00	PL SARAH BITTLE						34 89		34 89
	34 89	PL P NETSPOKE							48,526 00	48,526 00
	48,526 00	PL LAURITS R CHRISTIANSEN ASSOC					1,365 00			1,365 00
	1,365 00	PL DARRYL TROY					1,180 00			1,180 00
	1,180 00	PL DARRYL TROY								
	245,336 39		200 34			1,032 00	21,802 46	2,033 70	220,269 89	245,336 39
	62 39	PL FEDERAL EXPRESS						62 39		62 39
	19 50	PL STEPHANIE HUGHLEY						19 50		19 50
Sep-03	1,540 00	DARRYL TROY					1,540 00			1,540 00
	4,591 18	PL MESSER CAPARELLO & SELF							4,591 18	4,591 18
	675 00	PL E W BULLOCK ASSOC						675 00		675 00
	8,899 00	PL LAURITS R CHRISTIANSEN ASSOC							8,899 00	8,899 00
	9 45	FEDERAL EXPRESS CORP						9 45		9 45
	13 05	FEDERAL EXPRESS CORP						13 05		13 05
	9 22	FEDERAL EXPRESS CORP						9 22		9 22
	63 18	PL NETSPOKE						63 18		63 18
	1,680 00	DARRYL TROY					1,680 00			1,680 00
	283,110 36		200 34			1,032 00	25,232 46	2,885 49	233,760 07	283,110 36
						488 00				488 00
	488 00	JE 9 ELECTRIC DIVISION RATE						4,500 00		4,500 00
Oct-03	4,500 00	PL POSTMASTER					1,907 50			1,907 50
	1,907 50	PL DARRYL TROY							4,644 50	4,644 50
	4,644 50	PL MESSER CAPARELLO & SELF						18 28		18 28
	18 28	PL THE MAILING EXPERTS INC						1,500 00		1,500 00
	1,500 00	PL THE MAILING EXPERTS INC								
	276,368 84		200 34			1,520 00	27,139 96	8,905 77	238,804 57	276,368 84
										956 00
	956 00	JE 9 ELECTRIC DIVISION RATE CASE	956 00							507 50
Nov-03	507 50	PL DARRYL TROY					507 50			678 44
	678 44	PL ACCOUNTEMPS					678 44			1,124 40
	1,124 40	PL ACCOUNTEMPS					1,124 40			595 00
	595 00	PL DARRYL TROY					595 00			571 25
	571 25	PL MESSER CAPARELLO & SELF							571 25	4,245 75
	4,245 75	PL MESSER CAPARELLO & SELF							4,245 75	
	285,246 86		956 00	200 34		1,520 00	30,246 30	8,905 77	243,421 57	285,246 86
								8 55		8 55
	8 55	PL IRON MOUNTAIN						20 49		20 49
	20 49	PL MEHRDAD KHOJASTEH					618 42			618 42
	618 42	PL ACCOUNTEMPS						1,412 49		1,412 49
	1,412 49	PL CHERYL MARTIN					1,096 29			1,096 29
	1,096 29	PL ACCOUNTEMPS						51 87		51 87
	51 87	PL NETSPOKE						202 50		202 50
	202 50	PL TARA HILL						30 00		30 00
	30 00	PL E W BULLOCK ASSOC					105 00			105 00
	105 00	PL DARRYL TROY					857 36			857 36
	857 36	PL ACCOUNTEMPS						91 42		91 42
	91 42	PL FEDERAL EXPRESS CORP							4,387 02	4,387 02
	4,387 02	PL MESSER CAPARELLO & SELF						141 11		141 11
	141 11	PL FEDERAL EXPRESS CORP						597 88		597 88
	597 88	PL E W BULLOCK ASSOC						447 28		447 28
	447 28	PL E W BULLOCK ASSOC					1,124 40			1,124 40
	1,124 40	PL ACCOUNTEMPS					449 76			449 76
	449 76	PL ACCOUNTEMPS						136 08		136 08
	136 08	PL FEDERAL EXPRESS CORP					70 00			70 00
	70 00	PL DARRYL TROY						28 27		28 27
	28 27	PL FEDERAL EXPRESS CORP						10 96		10 96
	10 96	PL TARA HILL				319 00				319 00
	319 00	JE 9 ELECTRIC DIVISION RATE CASE								9,846 94
	9,846 94	PL ACCRUAL MESSER CAPARELLO			9,846 94					
	307,300 17		956 00	200 34	9,846 94	1,838 00	34,566 53	12,082 77	247,806 59	307,300 17
YTD Totals	307,300 17		956 00	200 34	9,846 94	1,838 00	34,566 53	12,082 77	247,806 59	307,300 17

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HEARING EXHIBIT - 00000486

DOCKET NOS. 070300-EI AND 070304-EI

FLORIDA PUBLIC UTILITIES COMPANY'S SUPPLEMENTAL RESPONSE TO OFFICE OF PUBLIC COUNSEL'S FIRST SET OF INTERROGATORIES NO. 13

HEARING EXHIBIT - 00000487

Rate Case Projected Expenses- Consolidated Electric Rate Case 2008 Projected Test Year

		Original Projected Amount	Revised Projected Amount	Actual as of 12/2006	Remaining 2008	Description or Calculation of Remaining amount
Outside Consultants:						
Christensen Associates	Consulting Fees	190,000			190,000	Est. from Consultant 165,000, plus estimate for extraodinary costs after filing 25,000
Accounting	Other Costs	20,000			20,000	Estimate
Cost of Service						
Cost of Capital	Net	210,000			210,000	
Rate Design						
Darryl Troy	Consulting Fees	30,000			30,000	Estimate for rate case preparation/support 300 hours $ 85, and 200 hours $ 65
Accounting	Other Costs	1,000			1,000	Estimate
	Net	31,000			31,000	
Legal Services:						
Doc Horton	Legal Services	140,000			140,000	Est. from Attorney
	Costs	10,000			10,000	Estimate
	Net	150,000			150,000	
Additonal Personnel, Consulting, Overtime and Temporary Pay:						
Consulting Services	Costs	30,000			30,000	Extra work by internal auditors due to rate case, and tax consultant due to work constraints of
Overtime Pay	Costs	3,000			3,000	$ 30 per hour 100 hours
Temporary Pay	Costs	80,400			80,400	$ 50 per hour 1200 hours/plus 20,400 divisional level
Extra Pay	Costs	25,000			25,000	Salaried overtime pay for extraordinary work load
	Net	138,400	-	-	138,400	
Travel Expenses:						
2 Service Hearings						
Hotel		1,700			1,700	7 persons at 120 per night, 2 nights
Travel		2,300			2,300	Airlines 5 people $ 400 each, and car travel, rental and tolls $300
Meals		600			600	7 persons at $40 per day, 3 days
Other		800			800	Telephone, parking, other
	Net	5,400	-	-	5,400	
Hearings Actual (2)						
Hotel		4,200			4,200	7 persons at 120 per night, 5 nights
Travel		4,800			4,800	airline tickets, $400 for 5 two times, and car travel, rental and tolls $ 600
Meals		2,000			2,000	7 persons at $40 per day, 7 days
Other		1,600			1,600	Telephone, parking, other
	Net	12,400			12,400	
Other Travel to WPB, and FPSC						
Hotel		2,500			2,500	7 persons at 120 per night, 3 nights
Travel		5,900			5,900	Airlines 7 people $ 400 each two times, and car travel, rental and tolls $300
Meals		1,400			1,400	7 persons at $40 per day, 5 days
Other		1,000			1,000	Telephone, parking, other
	Net	10,800			10,800	
Mailing, Office Supplies, Adm Costs, Other						
customer hearing notices		15,000			15,000	33000 customers
hearing notices		15,000			15,000	33000 customers
Final rate notices		15,000			15,000	33000 customers
Ads for newspapers		4,000			4,000	2 areas, local ads, three times
Office Supplies		5,000			5,000	Estimate
Other Costs		10,000			10,000	Estimate
Unamortized prior rate case expense		106,000			106,000	Actual as of 1/2008
	Net	170,000			170,000	
	TOTAL	728,000	-	-	728,000	
4 years	Annual Expense		$ 182,000			
	Prior Annual Expense		84,756			
	Add above and beyond to 2008		97,244	Acct 928		

C:\Users\mehrdad_khojasteh\AppData\Local\Microsoft\Windows\Temporary Internet Files\Content.Outlook\JWLDP1VK\Electric rate case expense.xls Electric rate case expense.xls 6/27/2007

HEARING EXHIBIT - 00000488

HEARING EXHIBIT - 00000489

OPC INTERROG 1 , 15

ACCT NUMBER	ACCOUNT DESCRIPTION	12 2002	12 2003	12 2004	12 2005	12 2006	12 2007	12 2008
001.1.4.1900.111	ACCUM DEF TAX-DEF GAIN	-	(4,345)	-	-	-	-	
001.1.4.1900.112	ACCUM DEF TAXES-SELF INSURANCE	85,028	87,555	101,604	112,336	112,401	[illegible]	[illegible]
001.1.4.1900.115	ACC DEF TXS-GEN LIABILITY	(10,658)	(26,191)	(29,544)	18,078	11,076	[illegible]	[illegible]
001.1.4.1900.116	ACCUM DEF TXS-VACATION PAY	30,695	32,469	33,691	35,572	36,572	[illegible]	[illegible]
001.1.4.1900.131	ACC FED DEF EL-UNCOLLECTIBLES	9,995	14,047	18,058	6,042	20,318	[illegible]	[illegible]
001.1.4.1900.133	ACC DEF TXS-OUTSID AUDIT FEES	4,975	10,672	6,287	5,440	5,995	[illegible]	[illegible]
001.1.4.1900.134	ACCUM DEF TAXES-AMT	-	15,998	15,998	-	-	(7,999)	
001.1.4.1900.135	ACC DEF TAXES-MISC ACCRUALS	(1,838)	(1,225)	(735)	-	-	368	
001.1.4.1900.150	ACC DEF TXS STORM RESERVE	-	69,495	(17,696)	217,873	236,558	[illegible]	[illegible]
001.1.4.1900.221	ACCUM DEF TAX-DEF GAIN	-	(744)	-	-	-	-	
001.1.4.1900.222	ACCUM DEF TAXES-SELF INSURANCE	14,555	14,988	17,392	19,230	19,241	[illegible]	[illegible]
001.1.4.1900.225	ACC DEF TXS-GEN LIABILITY	(1,825)	(4,484)	(5,057)	3,095	1,896	[illegible]	[illegible]
001.1.4.1900.226	ACCUM DEF TXS-VACATION PAY	5,254	5,558	5,767	6,089	6,260	[illegible]	[illegible]
001.1.4.1900.241	ACC FED DEF EL-UNCOLLECTIBLES	1,711	2,405	3,091	1,034	3,478	[illegible]	[illegible]
001.1.4.1900.243	ACC DEF TXS-OUTSID AUDIT FEES	852	1,827	1,076	931	1,026	[illegible]	[illegible]
001.1.4.1900.244	ACCUM DEF TAXES-AMT	-	2,825	2,825	-	-	(1,413)	
001.1.4.1900.245	ACC DEF TAXES-MISC ACCRUALS	(315)	(210)	(126)	-	-	63	
001.1.4.1900.250	ACC DEF TXS STORM RESERVE	-	11,896	(3,029)	37,295	40,494	[illegible]	[illegible]
001.1.5.1900.112	ACCUM DEF TAXES-SELF INSURANCE	90,697	81,718	101,604	118,577	119,013	[illegible]	[illegible]
001.1.5.1900.115	ACC DEF TXS-GEN LIABILITY	(14,024)	(34,821)	(39,290)	24,738	14,574	[illegible]	[illegible]
001.1.5.1900.116	ACCUM DEF TXS-VACATION PAY	33,056	29,971	36,282	35,572	39,620	[illegible]	[illegible]
001.1.5.1900.131	ACC FED DEF EL-UNCOLLECTIBLES	3,784	5,994	11,621	3,383	2,069	[illegible]	[illegible]
001.1.5.1900.133	ACC DEF TXS-OUTSID AUDIT FEES	6,546	14,230	8,382	7,444	7,888	[illegible]	[illegible]
001.1.5.1900.134	ACCUM DEF TAXES-AMT	-	21,050	21,050	-	-	(10,525)	
001.1.5.1900.135	ACC DEF TAXES-MISC ACCRUALS	(1,960)	(1,144)	(735)	-	-	368	
001.1.5.1900.150	ACC DEF TXS STORM RESERVE	-	10,179	(115,512)	266,289	289,127	[illegible]	[illegible]
001.1.5.1900.222	ACCUM DEF TAXES-SELF INSURANCE	15,525	13,988	17,392	20,298	20,373	[illegible]	[illegible]
001.1.5.1900.225	ACC DEF TXS-GEN LIABILITY	(2,401)	(5,960)	(6,726)	4,235	2,495	[illegible]	[illegible]
001.1.5.1900.226	ACCUM DEF TXS-VACATION PAY	5,659	5,130	6,211	6,089	6,782	[illegible]	[illegible]
001.1.5.1900.241	ACC FED DEF EL-UNCOLLECTIBLES	648	1,026	1,989	579	354	[illegible]	[illegible]
001.1.5.1900.243	ACC DEF TXS-OUTSID AUDIT FEES	1,121	2,436	1,435	1,274	1,350	[illegible]	[illegible]
001.1.5.1900.244	ACCUM DEF TAXES-AMT	-	3,718	3,718	-	-	(1,859)	
001.1.5.1900.245	ACC DEF TAXES-MISC ACCRUALS	(336)	(196)	(126)	-	-	63	
001.1.5.1900.250	ACC DEF TXS STORM RESERVE	-	1,742	(19,773)	45,583	49,493	[illegible]	[illegible]
		276,744	381,597	177,124	997,076	1,048,453	1,146,909	
							[illegible]	[illegible]

Exhibit: 15
Docket No. 070304-EI
OPC First Set of Interrogatories
Witness: KHOJASTEH

HEARING EXHIBIT - 00000490

ACCT NUMBER	ACCOUNT DESCRIPTION	12 2002	12 2003	12 2004	12 2005	12 2006	12 2007	12 2008
001.1.4.2820.1	LONG-TERM LIBERALIZED DEPRECIATION	(1,394,271)	(1,714,312)	(2,049,247)	(2,361,328)	(2,580,127)	(2,845,567)	(3,087,687)
001.1.4.2820.2	LONG-TERM LIBERALIZED DEPRECIATION	(238,672)	(293,456)	(350,790)	(404,211)	(441,665)	(487,103)	(528,548)
001.1.4.2820.3	ACCUM DEFERRED TAXES GROSS UP	37,282	22,283	4,415	(3,973)	(11,056)	(18,792)	(26,201)
001.1.4.2821.1	REGULATORY LIABILITY - FEDERAL	(110,029)	(85,711)	(57,330)	(42,471)	(28,544)	(14,151)	
001.1.4.2821.2	REGULATORY LIABILITY - STATE	18,217	21,070	24,615	25,969	26,091	26,829	
001.1.4.2821.3	REGULATORY LIABILITY - GROSS UP	(55,390)	(38,998)	(19,737)	(9,956)	(1,480)	7,649	
001.1.4.2821.4	REG LIABILITY - FLOWTHRU	21,276	19,639	18,002	16,365	14,728	13,091	
001.1.4.2821.5	REG LIABILITY - GROSS UP	8,739	8,067	7,395	6,723	6,051	5,379	
001.1.4.2821.6	REG LIABILITY - FLOWTHRU	18,108	16,715	15,322	13,929	12,536	11,143	
001.1.5.2820.1	LONG-TERM LIBERALIZED DEPRECIATION	(1,471,803)	(1,709,859)	(2,076,112)	(2,407,322)	(2,850,154)	(3,237,175)	(3,652,102)
001.1.5.2820.2	LONG-TERM LIBERALIZED DEPRECIATION	(251,975)	(292,725)	(355,420)	(412,117)	(487,921)	(554,172)	(625,199)
001.1.5.2820.3	ACCUM DEFERRED TAXES GROSS UP	81,706	87,299	83,919	67,073	49,660	32,531	15,259
001.1.5.2821.1	REGULATORY LIABILITY - FEDERAL	(109,514)	(112,448)	(104,702)	(77,046)	(51,189)	(24,433)	
001.1.5.2821.2	REGULATORY LIABILITY - STATE	18,285	8,789	3,488	598	446	(1,075)	
001.1.5.2821.3	REGULATORY LIABILITY - GROSS UP	(55,038)	(62,537)	(61,062)	(46,121)	(30,613)	(15,389)	
001.1.5.2821.4	REG LIABILITY - FLOWTHRU	(42,130)	(39,120)	(36,110)	(33,100)	(30,090)	(27,080)	
001.1.5.2821.5	REG LIABILITY - GROSS UP	(2,073)	(1,925)	(1,777)	(1,629)	(1,481)	(1,333)	
001.1.5.2821.6	REG LIABILITY - FLOWTHRU	(26,668)	(24,762)	(22,857)	(20,952)	(19,047)	(17,142)	
		(3,553,950)	(4,191,991)	(4,977,988)	(5,689,569)	(6,423,855)	(7,146,789)	
							(7,110,277)	(7,904,477)

HEARING EXHIBIT - 00000491

OPC INTERROG 1, # 5

ACCT NUMBER	ACCOUNT DESCRIPTION	12 2002	12 2003	12 2004	12 2005	12 2006	12 2007	12 2008
001.1.4.2830.111	ACC FED DEF EL-UNDERREC	(128,789)	(259,689)	(310,681)	(323,941)	(256,551)	(229,486)	
001.1.4.2830.113	ACC FED DEF EL-CONSERVATION COST	642	5,142	17,244	(4,287)	(31,976)	(56,586)	(82,736)
001.1.4.2830.114	ACCUM DEF TAXES-PENSION	(102,580)	(74,447)	(29,929)	46,307	102,016	167,989	228,829
001.1.4.2830.117	ACC DEF TAXES - RATE CASE	-	(49,368)	(57,869)	(44,252)	(30,636)	(17,020)	(3,403)
001.1.4.2830.118	ACC FED DEF-LOSS ON REAQUIRED DEBT	(17,208)	(15,245)	(14,187)	(13,859)	(12,743)	(12,021)	(11,102)
001.1.4.2830.158	ACC DEF TAX-CONSULT FEE	-	-	-	-	(7,775)	(11,663)	(17,494)
001.1.4.2830.221	ACC FED DEF EL-UNDERREC	(22,046)	(44,454)	(53,182)	(55,452)	(43,916)	(39,283)	
001.1.4.2830.223	ACC FED DEF EL-CONSERVATION COST	110	880	2,952	(734)	(5,474)	(9,687)	(14,164)
001.1.4.2830.224	ACCUM DEF TAXES-PENSION	(17,560)	(12,744)	(5,123)	7,927	17,463	28,756	39,171
001.1.4.2830.227	ACC DEF TAXES - RATE CASE	-	(8,451)	(9,906)	(7,575)	(5,244)	(2,913)	(582)
001.1.4.2830.228	ACC FED DEF-LOSS ON REAQUIRED DEBT	(2,946)	(2,610)	(2,429)	(2,372)	(2,181)	(2,057)	(1,900)
001.1.4.2830.258	ACC DEF TAX-CONSULT FEE	-	-	-	-	(1,331)	(1,997)	(2,995)
001.1.5.2830.111	ACC FED DEF EL-UNDERREC	(19,918)	(19,726)	(230,105)	(193,945)	(292,126)	(323,137)	
001.1.5.2830.113	ACC FED DEF EL-CONSERVATION COST	13,369	29,102	25,127	38,677	46,323	56,921	66,043
001.1.5.2830.114	ACCUM DEF TAXES-PENSION	(118,988)	(77,044)	(38,291)	40,262	99,597	168,541	232,681
001.1.5.2830.117	ACC DEF TAXES - RATE CASE	-	(49,368)	(57,869)	(44,252)	(30,636)	(17,020)	(3,403)
001.1.5.2830.118	ACC FED DEF-LOSS ON REAQUIRED DEBT	(22,642)	(20,326)	(18,916)	(18,965)	(16,767)	(15,693)	(14,056)
001.1.5.2830.158	ACC DEF TAX-CONSULT FEE	-	-	-	-	(7,776)	(11,664)	(17,496)
001.1.5.2830.221	ACC FED DEF EL-UNDERREC	(3,410)	(3,377)	(39,389)	(33,199)	(50,006)	(55,315)	
001.1.5.2830.223	ACC FED DEF EL-CONSERVATION COST	2,288	4,982	4,301	6,621	7,930	9,745	11,306
001.1.5.2830.224	ACCUM DEF TAXES-PENSION	(20,368)	(13,188)	(6,555)	6,892	17,049	28,851	39,831
001.1.5.2830.227	ACC DEF TAXES - RATE CASE	-	(8,451)	(9,906)	(7,575)	(5,244)	(2,913)	(582)
001.1.5.2830.228	ACC FED DEF-LOSS ON REAQUIRED DEBT	(3,876)	(3,479)	(3,238)	(3,246)	(2,870)	(2,686)	(2,406)
001.1.5.2830.258	ACC DEF TAX-CONSULT FEE	-	-	-	-	(1,331)	(1,997)	(2,995)
		(463,922)	(621,861)	(837,951)	(606,968)	(514,205)	(352,332)	
							294,888	442,548

HEARING EXHIBIT - 00000492

HEARING EXHIBIT - 00000493

OPC Interrog 1 # 17

CO	U	D	ACCT	SUB ACCT	ACCOUNT DESCRIPTION	1 2007 8 mths ago	2 2007 7 mths ago	3 2007 6 mths ago	4 2007 5 mths ago	5 2007 4 mths ago	6 2007 3 mths ago	7 2007 2 mths ago	8 2007 1 mth ago	09 2007 09 2007
1	1	4	2820	1	LONG-TERM LIBERALIZE	(2,570,221)	(2,564,276)	(2,557,599)	(2,539,901)	(2,529,575)	(2,518,673)	(2,507,614)	(2,496,379)	(2,497,740)
1	1	4	2820	2	LONG-TERM LIBERALIZE	(439,969)	(438,952)	(437,809)	(434,779)	(433,011)	(431,145)	(429,252)	(427,329)	(427,562)
1	1	4	2820	3	ACCUM DEFERRED TAXES	(11,056)	(11,056)	(11,056)	(11,056)	(11,056)	(11,056)	(11,056)	(11,056)	(11,056)
1	1	4	2821	1	REGULATORY LIABILITY	(28,544)	(28,544)	(28,544)	(28,544)	(28,544)	(28,544)	(28,544)	(28,544)	(28,544)
1	1	4	2821	2	REGULATORY LIABILITY	26,091	26,091	26,091	26,091	26,091	26,091	26,091	26,091	26,091
1	1	4	2821	3	REGULATORY LIABILITY	(1,480)	(1,480)	(1,480)	(1,480)	(1,480)	(1,480)	(1,480)	(1,480)	(1,480)
1	1	4	2821	4	REG LIAB - FLOWTHRU	14,728	14,728	14,728	14,728	14,728	14,728	14,728	14,728	14,728
1	1	4	2821	5	REG LIAB - FLOWTHRU	6,051	6,051	6,051	6,051	6,051	6,051	6,051	6,051	6,051
1	1	4	2821	6	REG LIAB - FLOWTHRU	12,536	12,536	12,536	12,536	12,536	12,536	12,536	12,536	12,536
1	1	4	2830	111	ACC FED DEF EL-UNDER	(266,610)	(270,931)	(252,820)	(232,898)	(268,086)	(298,940)	(277,561)	(269,475)	(248,096)
1	1	4	2830	113	ACC FED DEF EL-CONSE	(31,544)	(30,817)	(33,391)	(42,833)	(46,387)	(48,099)	(48,272)	(47,266)	(48,962)
1	1	4	2830	114	ACCUM DEF TAXES-PENS	74,431	79,666	92,274	89,901	97,593	95,220	102,913	96,950	92,755
1	1	4	2830	117	ACC DEF RATE CASE- F	(29,502)	(28,367)	(27,232)	(26,098)	(24,963)	(23,828)	(22,694)	(21,559)	(20,424)
1	1	4	2830	118	ACC FED DEF-LOSS ON	(11,984)	(11,896)	(11,808)	(11,720)	(11,632)	(11,544)	(11,456)	(11,367)	(11,279)
1	1	4	2830	158	ACC DEF TAX-CONSULT	(7,613)	(7,451)	(7,289)	(7,127)	(6,965)	(6,804)	(6,641)	(6,479)	(6,317)
1	1	4	2830	221	ACC DEF UNDERREC PUR	(45,638)	(46,378)	(43,278)	(39,867)	(45,891)	(51,172)	(47,513)	(46,129)	(42,469)
1	1	4	2830	223	ACC DEF EL- CONSERV	(5,400)	(5,275)	(5,716)	(7,332)	(7,941)	(8,234)	(8,263)	(8,091)	(8,381)
1	1	4	2830	224	ACCUM DEF TXS-PENSIO	12,740	13,637	15,795	15,389	16,706	16,300	17,617	16,596	15,878
1	1	4	2830	227	ACC DEF RATE CASE- S	(5,050)	(4,856)	(4,662)	(4,467)	(4,273)	(4,079)	(3,885)	(3,690)	(3,496)
1	1	4	2830	228	ACC STATE DEF-LOSS R	(2,051)	(2,036)	(2,021)	(2,006)	(1,991)	(1,976)	(1,961)	(1,946)	(1,931)
1	1	4	2830	258	ACC DEF TAX-CONSULT	(1,303)	(1,276)	(1,248)	(1,220)	(1,192)	(1,165)	(1,137)	(1,109)	(1,081)
1	1	5	2820	1	LONG-TERM LIBERALIZE	(2,820,272)	(2,785,428)	(2,772,228)	(2,789,082)	(2,773,474)	(2,758,134)	(2,742,732)	(2,727,004)	(2,663,399)
1	1	5	2820	2	LONG-TERM LIBERALIZE	(482,806)	(476,841)	(474,582)	(477,467)	(474,795)	(472,169)	(469,532)	(466,840)	(455,952)
1	1	5	2820	3	ACCUM DEFERRED TAXES	49,660	49,660	49,660	49,660	49,660	49,660	49,660	49,660	49,660
1	1	5	2821	1	REGULATORY LIABILITY	(51,189)	(51,189)	(51,189)	(51,189)	(51,189)	(51,189)	(51,189)	(51,189)	(51,189)
1	1	5	2821	2	REGULATORY LIABILITY	446	446	446	446	446	446	446	446	446
1	1	5	2821	3	REGULATORY LIAB-GROS	(30,613)	(30,613)	(30,613)	(30,613)	(30,613)	(30,613)	(30,613)	(30,613)	(30,613)
1	1	5	2821	4	REG LIAB - FLOWTHRU	(30,090)	(30,090)	(30,090)	(30,090)	(30,090)	(30,090)	(30,090)	(30,090)	(30,090)
1	1	5	2821	5	REG LIAB - FLOWTHRU	(1,481)	(1,481)	(1,481)	(1,481)	(1,481)	(1,481)	(1,481)	(1,481)	(1,481)
1	1	5	2821	6	REG LIAB - FLOWTHRU	(19,047)	(19,047)	(19,047)	(19,047)	(19,047)	(19,047)	(19,047)	(19,047)	(19,047)
1	1	5	2830	111	ACC FED DEF EL-UNDER	(310,902)	(302,929)	(278,585)	(254,241)	(278,966)	(309,089)	(284,745)	(260,401)	(236,057)
1	1	5	2830	113	ACC FED DEF EL-CONSE	49,731	52,681	52,412	48,897	49,349	50,907	58,845	60,568	60,092
1	1	5	2830	114	ACCUM DEF TAXES-PENS	92,482	97,716	110,324	107,951	115,644	113,271	120,963	115,001	110,805
1	1	5	2830	117	ACC DEF RATE CASE- F	(29,502)	(28,367)	(27,232)	(26,098)	(24,963)	(23,828)	(22,694)	(21,559)	(20,424)
1	1	5	2830	118	ACC FED DEF-LOSS ON	(16,645)	(16,523)	(16,400)	(16,278)	(16,155)	(16,033)	(15,910)	(15,788)	(15,666)
1	1	5	2830	158	ACC DEF TAX-CONSULT	(7,614)	(7,452)	(7,290)	(7,128)	(6,966)	(6,804)	(6,642)	(6,480)	(6,318)
1	1	5	2830	221	ACC DEF UNDERREC PUR	(53,220)	(51,855)	(47,688)	(43,521)	(47,753)	(52,910)	(48,743)	(44,575)	(40,408)
1	1	5	2830	223	ACC DEF EL- CONSERV	8,513	9,018	8,972	8,370	8,448	8,714	10,073	10,368	10,286
1	1	5	2830	224	ACCUM DEF TXS-PENSIO	15,831	16,727	18,885	18,479	19,796	19,390	20,706	19,686	18,968
1	1	5	2830	227	ACC DEF RATE CASE- S	(5,050)	(4,856)	(4,662)	(4,467)	(4,273)	(4,079)	(3,885)	(3,690)	(3,496)
1	1	5	2830	228	ACC STATE DEF-LOSS R	(2,849)	(2,828)	(2,807)	(2,786)	(2,765)	(2,745)	(2,724)	(2,703)	(2,682)
1	1	5	2830	258	ACC DEF TAX-CONSULT	(1,303)	(1,276)	(1,248)	(1,220)	(1,192)	(1,165)	(1,137)	(1,109)	(1,081)

Exhibit: 17
Docket No. 070304-EI
OPC First Set of Interrogatories
Witness: KHOJASTEH

HEARING EXHIBIT - 00000494

OPC INTERROG 1, #17

	ACCOUNT DESCRIPTION	1/31/2006	2/28/2006	3/31/2006	4/30/2006	5/31/2006	6/30/2006	7/31/2006	8/31/2006	9/30/2006	10/31/2006	11/30/2006	12/31/2006
001.1.4.2820.1	LONG-TERM LIBERALIZE	(2,354,360)	(2,347,880)	(2,349,990)	(2,344,892)	(2,340,950)	(2,319,252)	(2,315,122)	(2,306,834)	(2,614,313)	(2,598,193)	(2,594,857)	(2,580,127)
001.1.4.2820.2	LONG-TERM LIBERALIZE	(403,018)	(401,909)	(402,270)	(401,397)	(400,723)	(397,009)	(396,302)	(394,883)	(447,517)	(444,757)	(444,186)	(441,665)
001.1.4.2820.3	ACCUM DEFERRED TAXES	(3,973)	(3,973)	(3,973)	(3,973)	(3,973)	(3,973)	(3,973)	(3,973)	(11,056)	(11,056)	(11,056)	(11,056)
001.1.4.2821.1	REGULATORY LIABILITY	(42,471)	(42,471)	(42,471)	(42,471)	(42,471)	(42,471)	(42,471)	(42,471)	(28,544)	(28,544)	(28,544)	(28,544)
001.1.4.2821.2	REGULATORY LIABILITY	25,969	25,969	25,969	25,969	25,969	25,969	25,969	25,969	26,091	26,091	26,091	26,091
001.1.4.2821.3	REGULATORY LIABILITY	(9,956)	(9,956)	(9,956)	(9,956)	(9,956)	(9,956)	(9,956)	(9,956)	(1,480)	(1,480)	(1,480)	(1,480)
001.1.4.2821.4	REG LIAB - FLOWTHRU	16,365	16,365	16,365	16,365	16,365	16,365	16,365	16,365	14,728	14,728	14,728	14,728
001.1.4.2821.5	REG LIAB - FLOWTHRU	6,723	6,723	6,723	6,723	6,723	6,723	6,723	6,723	6,051	6,051	6,051	6,051
001.1.4.2821.6	REG LIAB - FLOWTHRU	13,929	13,929	13,929	13,929	13,929	13,929	13,929	13,929	12,536	12,536	12,536	12,536
001.1.4.2830.111	ACC FED DEF EL-UNDER	(296,945)	(321,953)	(294,958)	(296,716)	(328,804)	(351,095)	(324,100)	(305,039)	(278,044)	(251,049)	(262,564)	(256,551)
001.1.4.2830.113	ACC FED DEF EL-CONSE	(7,063)	(8,599)	(13,017)	(12,957)	(16,705)	(18,365)	(17,634)	(20,910)	(24,373)	(25,258)	(29,347)	(31,976)
001.1.4.2830.114	ACCUM DEF TAXES-PENS	51,818	59,010	66,520	74,030	81,541	80,205	73,257	76,654	84,121	90,039	95,956	102,016
001.1.4.2830.117	ACC DEF RATE CASE- F	(43,118)	(41,983)	(40,848)	(39,714)	(38,579)	(37,444)	(36,310)	(35,175)	(34,040)	(32,906)	(31,771)	(30,636)
001.1.4.2830.118	ACC FED DEF-LOSS ON	(13,766)	(13,673)	(13,580)	(13,487)	(13,394)	(13,301)	(13,208)	(13,115)	(13,022)	(12,929)	(12,836)	(12,743)
001.1.4.2830.158	ACC DEF TAX-CONSULT	-	-	-	-	-	(3,934)	(8,585)	(8,423)	(8,261)	(8,099)	(7,937)	(7,775)
001.1.4.2830.221	ACC DEF UNDERREC PUR	(50,831)	(55,112)	(50,491)	(50,792)	(56,285)	(60,100)	(55,479)	(52,216)	(47,595)	(42,974)	(44,946)	(43,916)
001.1.4.2830.223	ACC DEF EL- CONSERV	(1,209)	(1,472)	(2,228)	(2,218)	(2,860)	(3,144)	(3,019)	(3,579)	(4,172)	(4,324)	(5,024)	(5,474)
001.1.4.2830.224	ACCUM DEF TXS-PENSIO	8,870	10,101	11,387	12,672	13,958	13,730	12,539	13,122	14,401	15,413	16,426	17,463
001.1.4.2830.227	ACC DEF RATE CASE- S	(7,381)	(7,187)	(6,992)	(6,798)	(6,604)	(6,410)	(6,215)	(6,021)	(5,827)	(5,633)	(5,439)	(5,244)
001.1.4.2830.228	ACC STATE DEF-LOSS R	(2,356)	(2,341)	(2,325)	(2,309)	(2,293)	(2,277)	(2,261)	(2,245)	(2,229)	(2,213)	(2,197)	(2,181)
001.1.4.2830.258	ACC DEF TAX-CONSULT	-	-	-	-	-	(673)	(1,470)	(1,442)	(1,414)	(1,386)	(1,359)	(1,331)
001.1.5.2820.1	LONG-TERM LIBERALIZE	(2,395,874)	(2,385,632)	(2,392,790)	(2,388,696)	(2,384,667)	(2,482,548)	(2,478,372)	(2,471,260)	(2,840,938)	(2,832,276)	(2,829,016)	(2,850,154)
001.1.5.2820.2	LONG-TERM LIBERALIZE	(410,157)	(408,404)	(409,629)	(408,929)	(408,239)	(424,994)	(424,279)	(423,062)	(486,343)	(484,860)	(484,302)	(487,921)
001.1.5.2820.3	ACCUM DEFERRED TAXES	67,073	67,073	67,073	67,073	67,073	67,073	67,073	67,073	49,660	49,660	49,660	49,660
001.1.5.2821.1	REGULATORY LIABILITY	(77,046)	(77,046)	(77,046)	(77,046)	(77,046)	(77,046)	(77,046)	(77,046)	(51,189)	(51,189)	(51,189)	(51,189)
001.1.5.2821.2	REGULATORY LIABILITY	598	598	598	598	598	598	598	598	446	446	446	446
001.1.5.2821.3	REGULATORY LIAB-GROS	(46,121)	(46,121)	(46,121)	(46,121)	(46,121)	(46,121)	(46,121)	(46,121)	(30,613)	(30,613)	(30,613)	(30,613)
001.1.5.2821.4	REG LIAB - FLOWTHRU	(33,100)	(33,100)	(33,100)	(33,100)	(33,100)	(33,100)	(33,100)	(33,100)	(30,090)	(30,090)	(30,090)	(30,090)
001.1.5.2821.5	REG LIAB - FLOWTHRU	(1,629)	(1,629)	(1,629)	(1,629)	(1,629)	(1,629)	(1,629)	(1,629)	(1,481)	(1,481)	(1,481)	(1,481)
001.1.5.2821.6	REG LIAB - FLOWTHRU	(20,952)	(20,952)	(20,952)	(20,952)	(20,952)	(20,952)	(20,952)	(20,952)	(19,047)	(19,047)	(19,047)	(19,047)
001.1.5.2830.111	ACC FED DEF EL-UNDER	(182,851)	(221,527)	(205,365)	(203,635)	(257,891)	(293,199)	(277,037)	(305,622)	(289,460)	(273,298)	(282,971)	(292,126)
001.1.5.2830.113	ACC FED DEF EL-CONSE	37,541	41,498	39,444	42,916	41,421	42,000	43,344	46,403	47,326	48,251	47,843	46,323
001.1.5.2830.114	ACCUM DEF TAXES-PENS	46,234	53,849	61,801	69,754	77,706	76,320	69,010	72,561	80,638	86,903	93,168	99,597
001.1.5.2830.117	ACC DEF RATE CASE- F	(43,118)	(41,983)	(40,848)	(39,714)	(38,579)	(37,444)	(36,310)	(35,175)	(34,040)	(32,906)	(31,771)	(30,636)
001.1.5.2830.118	ACC FED DEF-LOSS ON	(18,114)	(17,991)	(17,869)	(17,746)	(17,624)	(17,502)	(17,379)	(17,257)	(17,134)	(17,012)	(16,889)	(16,767)
001.1.5.2830.158	ACC DEF TAX-CONSULT	-	-	-	-	-	(3,935)	(8,586)	(8,424)	(8,262)	(8,100)	(7,938)	(7,776)
001.1.5.2830.221	ACC DEF UNDERREC PUR	(31,300)	(37,921)	(35,154)	(34,858)	(44,146)	(50,190)	(47,423)	(52,316)	(49,550)	(46,783)	(48,439)	(50,006)
001.1.5.2830.223	ACC DEF EL- CONSERV	6,426	7,104	6,752	7,346	7,090	7,189	7,420	7,943	8,101	8,260	8,190	7,930
001.1.5.2830.224	ACCUM DEF TXS-PENSIO	7,914	9,218	10,579	11,940	13,302	13,065	11,814	12,421	13,805	14,877	15,949	17,049
001.1.5.2830.227	ACC DEF RATE CASE- S	(7,381)	(7,187)	(6,992)	(6,798)	(6,604)	(6,410)	(6,215)	(6,021)	(5,827)	(5,633)	(5,439)	(5,244)
001.1.5.2830.228	ACC STATE DEF-LOSS R	(3,101)	(3,080)	(3,059)	(3,038)	(3,017)	(2,996)	(2,975)	(2,954)	(2,933)	(2,912)	(2,891)	(2,870)
001.1.5.2830.258	ACC DEF TAX-CONSULT	-	-	-	-	-	(674)	(1,470)	(1,442)	(1,414)	(1,386)	(1,359)	(1,331)

HEARING EXHIBIT - 00000495

HEARING EXHIBIT - 00000496

Exhibit 23
OPC First Set of Interrogatories
Docket No. 070304-EI

Witness: M. Khojasteh

Florida Public Utilities Company
100.1650.3 - Prepayments - Pensions
December 2004

Prepared By:
Aproved by:

DATE	Accruals (JE 6)	Payments (P/L) Description	Payments (P/L) Amount	Other Description	Other Amount	Balance
				BALANCE FORWARD		1,857,417.00
Jan-04	(88,300.00)					1,769,117.00
Feb-04	(88,300.00)					1,680,817.00
Mar-04	(88,300.00)					1,592,517.00
Apr-04	(88,300.00)					1,504,217.00
May-04	(117,400.00)					1,386,817.00
Jun-04	(94,200.00)					1,292,617.00
Jul-04	(94,200.00)					1,198,417.00
Aug-04	(94,200.00)					1,104,217.00
Sep-04	(94,200.00)					1,010,017.00
Oct-04	(94,200.00)					915,817.00
Nov-04	(94,200.00)					821,617.00
Dec-04	(95,998.00)					725,619.00
Totals	(1,131,798.00)		0.00		0.00	

***For 2004, Actuary forecasts expense of $1,060,000.
***For 2004, Actuary re-forecasts expense of $1,130,000.
***For 2004, Actuary re-forecasts expense of $1,131,798.

Monthly Journal Entry For Pension:

		DR	CR
100.1840.9261	100.00%	94,200.00	
100.1650.3			94,200.00
	100.00%	94,200.00	94,200.00

Accrual Balance	(1,131,798.00)
Remaining (0) Months Accrual	0.00
Expected Yearly Accrual	(1,131,798.00)

2004 PENSION REC 1650.310/26/2007

Florida Public Utilities Company
100.1650.3 - Prepayments - Pensions
August 2005

Prepared By: Rebecca Smith
Approved By:

DATE	Accruals (JE 6)	Payments (P/L) Description	Payments (P/L) Amount	Other Description	Other Amount	Balance
				BALANCE FORWARD		725,619.00
Jan-05	(127,083.37)					598,535.63
Feb-05	(127,083.33)					471,452.30
Mar-05	(127,083.33)					344,368.97
Apr-05	(127,083.33)					217,285.64
May-05	(127,083.33)					90,202.31
Jun-05	(127,083.33)			Transfer to 100.2280.31	36,881.02	0.00
Jul-05	(113,750.00)					(113,750.00)
Aug-05	(114,140.00)					(227,890.00)
Sep-05						(227,890.00)
Oct-05						(227,890.00)
Nov-05						(227,890.00)
Dec-05						(227,890.00)
Totals	(990,390.02)		0.00		36,881.02	

Monthly Journal Entry For Pension:

		DR	CR
100.1840.9261	100.00%	127,083.33	
100.1650.3			127,083.33
	100.00%	127,083.33	127,083.33

*****For 2005, Actuary forecasts expense of $1,525,000.**

Accrual Balance	(990,390.02)
Remaining (5) Months Accrual	(508,333.32)
Expected Ending Balance	(1,498,723.34)

Pension Acct #
1650.3
2280.31

Florida Public Utilities Company
100.2280.31 - Pension Reserve
December 2005

Prepared By: Catherine Hulme
Approved by:

DATE	Accruals (JE 6)	Payments	Other	Balance
BALANCES FORWARD	0.00	0.00	0.00	0.00
Jan-05	0.00	0.00	0.00	0.00
Feb-05	0.00	0.00	0.00	0.00
Mar-05	0.00	0.00	0.00	0.00
Apr-05	0.00	0.00	0.00	0.00
May-05	0.00	0.00	0.00	0.00
Jun-05	0.00	0.00	(36,881.02)	(36,881.02)
Jul-05	0.00	0.00	0.00	(36,881.02)
Aug-05	0.00	0.00	(227,890.00)	(264,771.02)
Sep-05	(114,140.00)	0.00	0.00	(378,911.02)
Oct-05	(114,140.00)	0.00	0.00	(493,051.02)
Nov-05	(114,140.00)	0.00	0.00	(607,191.02)
Dec-05	(114,140.00)	0.00	0.00	(721,331.02)
	(456,560.00)	0.00	(264,771.02)	

Monthly Journal Entry For Pension:

		DR	CR
100.1840.9261	100.00%	114,140.40	
100.2280.31			114,140.40
	100.00%	114,140.40	114,140.40

Accrual Total 100.2280.31 for 2005 (721,331.02)

Credited to account 100.1653.30 in 2005: (725,619.00)
Credited to account 100.2280.31 in 2005: (721,331.02)
Total expense for 2005 ***(1,446,950.02)***

For 2005, Actuary forecasts expense of $1,446,952

Florida Public Utilities Company
100.2280.31 - Pension Reserve
December 2006

PRESENTATION REVISED 5-9-07

Prepared by:	N Bhatia
Date:	05/09/07
Approved by:	
Date:	

DATE	Accruals	Payments	FASB 158 ADJ 2/21/07	JE Sub-Total	Balance
BALANCES FORWARD	0.00	0.00		0.00	(721,331.02)
Jan-06	(143,333.00)	0.00		0.00	(864,664.02)
Feb-06	(131,667.00)	0.00		0.00	(996,331.02)
Mar-06	(137,500.00)	0.00		0.00	(1,133,831.02)
Apr-06	(137,500.00)	0.00		0.00	(1,271,331.02)
May-06	(137,500.00)	0.00		0.00	(1,408,831.02)
Jun-06	(137,500.00)	0.00		0.00	(1,546,331.02)
Jul-06	(137,500.00)	0.00		0.00	(1,683,831.02)
Aug-06	(47,500.00)	250,000.00		0.00	(1,481,331.02)
Sep-06	35,000.00	0.00		0.00	(1,446,331.02)
3/20/07 - 1st,2nd,3rd Qrt	(224,555.00)	0.00		0.00	(1,670,886.02)
Oct-06	(108,333.33)	0.00		0.00	(1,779,219.35)
Nov-06	(108,333.33)	0.00		0.00	(1,887,552.68)
Dec-06	(97,785.34)	0.00		0.00	(1,985,338.02)
2/21/2007	(309,955.00)	0.00	(944,934.00)	(1,254,889.00)	(3,240,227.02)
3/20/07 Rev 1st,2nd,3rd Qrt	224,555.00	0.00		0.00	(3,015,672.02)
	(1,599,407.00) E	250,000.00	(944,934.00)		

Monthly Journal Entry For Pension:		DR	CR
100.1840.9261	100.00%	137,500.00	
100.2280.31	100.00%		137,500.00
REVISED AUGUST 2006			
100.1840.9261	100.00%	47,500.00	
100.2280.31	100.00%		47,500.00
REVISED SEPTEMBER 2006			
100.1840.9261	100.00%	72,500.00	
100.2280.31	100.00%		72,500.00
REVISED OCTOBER 2006			
100.1840.9261	100.00%	108,333.33	
100.2280.31	100.00%		108,333.33
REVISED DECEMBER 2006			
100.1840.9261	100.00%	97,785.34	
100.2280.31	100.00%		97,785.34

Accrual Total 100.2280.31 for 2006		(1,599,407.00)
Remaining Accruals	0	0.00
Total Pension Expense for 2006:		(1,599,407.00)

Final YE Liability per Actuary

For 2006, Actuary forecasts expense of $1,720,000
For 2006, Actuary forecasts updated expense of $1,650,000 (e-mail on 2/23/06)
For 2006, Actuary forecasts updated expense of $1,200,000 (e-mail on 8/24/06)
For 2006, Actuary forecasts updated expense of $1,300,000 (e-mail on 10/16/06)
For 2006, Actuary forecasts updated expense of $1,289,452 (AON pg. 5R on 12/20/06)
For 2006, Actuary forecasts updated for valuation adjustment to $1,599,407 per letter on 3/15/07. The value of pension asset is based on a market-related value of assets (designed to smooth fluctuations in yr-to-yr values)

Florida Public Utilities Company
100.2280.31 - Pension Reserve
August 2007

Prepared by: N Bhatia
Date: 10/26/07

Approved by:
Date:

CFO Approval

DATE	Description	Pension Expense Accrual (JE 6)	Payments	Other Adj.	Total FASB 158 Change	Net Pension Reserve Bal.
	2006 BALANCES FORWARD	(2,010,783.02)	250,000.00	(309,955.00)	(944,934.00)	(3,015,672.02) (A)
Jan-07	Normal Accrual	(95,833.33)	0.00	0.00	0.00	(3,111,505.35)
Feb-07	Normal Accrual	(95,833.33)	0.00	0.00	0.00	(3,207,338.68)
Mar-07	Normal Accrual	(140,833.33)	0.00	0.00	0.00	(3,348,172.01)
	Accrual True-up Jan	(45,000.04)	0.00	0.00	0.00	(3,393,172.05)
	Accrual True-up Feb	(45,000.00)	0.00	0.00	0.00	(3,438,172.05)
	Qrtly. Amortiz. of Prior Service Cost per FASB 158	0.00	0.00	0.00	184,279.00	(3,253,893.05)
Apr-07		(140,833.33)	0.00	0.00	0.00	(3,394,726.38)
May-07		(140,833.33)	0.00	0.00	0.00	(3,535,559.71)
Jun-07		(140,833.33)	0.00	0.00	184,279.00	(3,492,114.04)
Jul-07		(140,833.33)	0.00	0.00	0.00	(3,632,947.37)
Aug-07		(140,833.33)	250,000.00 (Q)	0.00	0.00	(3,523,780.70) (F)
Sep-07		0.00	0.00	0.00	0.00	
Oct-07		0.00	0.00	0.00	0.00	
Nov-07		0.00	0.00	0.00	0.00	
Dec-07		0.00	0.00	0.00	0.00	
	YTD Balance 2007	(1,126,666.68) ▲	250,000.00	0.00	368,558.00	
	Total Balance	(3,137,449.70)			(676,376.00) ★	

Detail of FASB 158 Change

	Regulatory Asset	Accum. Other Comp. Income	FASB 158 Change
Pension	(445,891)	(130,485)	(676,376) ★
Medical	159,243	44,767	204,010
Def OCI Tax		32,257	32,257
Balance	(286,648)	(53,461)	(340,109)

Monthly Journal Entry For Pension Accrual:

		DR	CR
Estimate 2007			
100.1840.9261	100.00%	95,833.33	
100.2280.31	100.00%		95,833.33
Estimate 3/16/07			
100.1840.9261	100.00%	140,833.33	
100.2280.31	100.00%		140,833.33

Accrual Total 100.2280.31 for 2007	(1,126,666.68) ▲
Remaining accrual	4 (563,333.32)
Total Estimated Expense for 2007:	(1,690,000.00) (E)

For 2007, Actuary forecasts expense of $1,150,000
For 2007, Actuary forecasts updated exp of $1,690,000 (e-mail on 3/16/07)

			PENSION LIABILITY	FASB 158 Total Effect	
2006 Entry for FASB 158					
Pension Reserve Liability 2280.31					
Balance Forward			$2,070,740		
12/31/06 FASB Adjustment		944,934	944,934	944,934	(C)
2280.31 Ending Balance 12/31/06 and per AON			*$3,015,674* (A)		Dec-06
2007 Entry for FASB 158					
Prior Service Cost (Credit) (booked Qrtly)	(737,115)				
Net (Gain) or Loss (booked at YE)	1,960,946				
	1,223,831				
1st Quarter JE					
Prior Service Cost	737,115/4	(184,279)			
2nd Quarter JE					
Prior Service Cost	737,115/4	(184,279)			
3rd Quarter JE					
Prior Service Cost	737,115/4	(184,279)			
4th Quarter JE					
Prior Service Cost	737,115/4	(184,279)			
Net (Gain) or Loss -annual if it is <than 10% of the greater of the Pension Oblig. Or FV		1,960,946	1,223,831	1,223,831	(D)
	Rounded Est.	[redacted]			
Pension Expense per AON for 2007	YE Adjustment	[redacted]	1,692,115 (F)		
2280.31 Ending Balance 12/31/07 and per AON			*$5,931,620* (B)	*2,168,765*	Dec-07 (D+C)

HEARING EXHIBIT - 00000501

Florida Public Utilities Company
Employer's Accounting For Disclosure (FAS 132 Amended by FAS 158)

Net Periodic Pension Cost

		Projection 12/31/2008	Projection 12/31/2007	Fiscal Year Ending 12/31/2006	12/31/2005	12/31/2004
(1)	Service Cost	$1,195,000	$1,130,000	$1,225,495	$1,195,723	$1,084,564
(2)	Interest Cost	$2,510,000	$2,265,000	$2,160,719	$2,000,099	$1,940,122
(3)	Expected Return on Plan Assets	($2,564,617)	($2,440,000)	($2,426,064)	($2,485,985)	($2,591,099)
(4)	Amortization of Net (Gain) or Loss	$0	$0	$0	$0	$0
(5)	Amortization of Prior Service Cost	$719,476	$737,115	$737,115	$737,115	$698,211
(6)	Amortization of Transition Obligation/(Asset)	$0	$0	$0	$0	$0
(7)	Total FAS 87 Net Periodic Pension Cost	$1,859,859	$1,692,115	$1,697,265	$1,446,952	$1,131,798
(8)	FAS 88 Charges / (Credits)					
	(a) Settlement	$0	$0	$0	$0	$0
	(b) Curtailment	$0	$0	($97,858)	$0	$0
	(c) Special Termination Benefits	$0	$0	$0	$0	$0
	(d) Total	$0	$0	($97,858)	$0	$0
(9)	Total Net Periodic Pension Cost	$1,859,859	$1,692,115 (E)	$1,599,407	$1,446,952	$1,131,798
(10)	Other Changes in Plan Assets and Benefit Obligations Recognized as a Charge to Other Comprehensive Income					
	(a) Prior Service Cost (Credit) for the Period	N/A	N/A	N/A	N/A	N/A
	(b) Net (Gain) or Loss for the Period	N/A	N/A	N/A	N/A	N/A
	(c) Amortization of Transition Obligation	N/A	N/A	N/A	N/A	N/A
	(d) Amortization of Prior Service Cost (Credit)	N/A	N/A	N/A	N/A	N/A
	(e) Amortization of Net (Gain) or Loss	N/A	N/A	N/A	N/A	N/A
	(f) Increase in Minimum Liability Included in OCI	$0	$0	$0	$0	$0
	(g) Total: (a) + (b) + (c) + (d) + (e) + (f)	$0	$0	$0	$0	$0
(11)	Total Recognized in Net Periodic Pension Cost and other Comprehensive Income: (9) + (10)(g)	$1,859,859	$1,692,115	$1,599,407	$1,446,952	$1,131,798
(12)	Weighted Average Assumptions					
	(a) Discount Rate at Beginning of the Period	6.00%	6.00%	5.90%	5.75%	6.25%
	(b) Expected Return on Plan Assets	8.50%	8.50%	8.50%	8.50%	8.50%
	(c) Rate of Compensation Increase	3.25%	3.25%	3.15%	3.00%	3.50%

Expected Amortizations

		Projection 12/31/2009	Projection 12/31/2008	Fiscal Year Ending 12/31/2007	12/31/2006	12/31/2005
(1)	Expected Amortization of Transition Obligation (Asset)	$0	$0	$0	N/A	N/A
(2)	Expected Amortization of Prior Service Cost (Credit)	$719,476	$719,476	$737,115	N/A	N/A
(3)	Expected Amortization of Net Loss (Gain)	$0	$0	$0	N/A	N/A

Florida Public Utilities Company
Employer's Accounting For Disclosure (FAS 132 Amended by FAS 158)

Florida Public Utilities Company sponsors a qualified pension plan for its employees. The following tables provide a reconcilliation of the changes in the plan's benefit obligations and fair value of assets over the 3-year period ending December 31, 2006, and a statement of the funded status as of December 31 of all three years:

Benefit Obligations and Funded Status

		Projection 12/31/2008	Projection 12/31/2007	Fiscal Year Ending 12/31/2006	12/31/2005	12/31/2004
(1)	Accumulated Benefit Obligation at the End of the Year	$39,030,959	$37,338,408	$33,693,860	$31,966,513	$30,518,393
(2)	Change in Projected Benefit Obligation on a Measurement Year Basis					
	(a) Projected Benefit Obligation at the Beginning of the Period	$42,831,620	$38,650,888	$36,349,925	$34,926,383	$31,540,942
	(b) Service Cost	$1,195,000	$1,130,000	$1,225,495	$1,195,723	$1,084,564
	(c) Interest Cost	$2,510,000	$2,265,000	$2,160,719	$2,000,099	$1,940,122
	(d) Actuarial (Gain) or Loss	$76,402	$2,541,801	$541,865	($842,777)	$1,708,132
	(e) Benefits Paid	($1,839,843)	($1,756,069)	($1,529,258)	($1,514,341)	($1,347,377)
	(f) Change in Plan Provisions	$0	$0	$0	$584,838	$0
	(g) Plan Participant Contributions	$0	$0	$0	$0	$0
	(h) Acquisition	$0	$0	$0	$0	$0
	(i) Curtailment	$0	$0	($97,858)	$0	$0
	(j) Settlement	$0	$0	$0	$0	$0
	(k) Special Termination Benefits	$0	$0	$0	$0	$0
	(l) Projected Benefit Obligation at the End of the Period	$44,773,179	$42,831,620	$38,650,888	$36,349,925	$34,926,383
(3)	Change in Plan Assets on a Measurement Year Basis					
	(a) Fair Value of Plan Assets at the Beginning of the Period	$36,900,000	$35,635,214	$32,936,666	$32,385,214	$31,081,063
	(b) Actual Return on Plan Assets	$3,109,843	$3,020,855	$3,977,806	$2,065,793	$2,651,528
	(c) Benefits Paid	($1,839,843)	($1,756,069)	($1,529,258)	($1,514,341)	($1,347,377)
	(d) Employer Contributions	$0	$0	$250,000	$0	$0
	(e) Plan Participant Contributions	$0	$0	$0	$0	$0
	(f) Acquisition	$0	$0	$0	$0	$0
	(g) Settlement	$0	$0	$0	$0	$0
	(h) Fair Value of Assets at the End of the Period	$38,170,000	$36,900,000	$35,635,214	$32,936,666	$32,385,214
(4)	Funded Status at the End of the Measurement Year: (3)(h) - (2)(l)	($6,603,179)	($5,931,620)	($3,015,674)	($3,413,259)	($2,541,169)
(5)	Amounts Recognized in the Statement of Financial Position At Year-End Before Applying FAS 158					
	(a) Prepaid (Accrued) Benefit Cost	($5,622,714)	($3,762,855)	($2,070,740)	($721,333)	$725,619
	(b) (Additional Liability due to an Unfunded ABO)	$0	$0	$0	$0	$0
	(c) Intangible Asset	$0	$0	$0	$0	$0
	(d) Net Asset (Liability): (a) + (b) + (c)	($5,622,714)	($3,762,855)	($2,070,740)	($721,333)	$725,619
	(e) Charge to Accumulated Other Comprehensive Income:	$1,223,831	$944,934	$0	$0	$0
(6)	Adjustments Caused by Applying FAS 158					
	(a) Increase in Net Asset (Liability): (4) - (5)(d)	($980,465)	($2,168,765)	($944,934)	N/A	N/A
	(b) Increase in Charge to Accumulated Other Comprehensive Income:	($243,366)	$1,223,831 (D)	$944,934 (C)	N/A	N/A
	(c) Subtotal of Adjustments: (a) + (b) + (5)(e)	$0	$0	$0	N/A	N/A
(7)	Amounts Recognized in the Statement of Financial Position At Year-End After Applying FAS 158					
	(a) Net Asset (Liability): (5)(d) + (6)(a)	($6,603,179)	($5,931,620)	($3,015,674)	($721,333)	$725,619
	(b) Charge to Accumulated Other Comprehensive Income: (5)(e) + (6)(b)	$980,465	$2,168,765	$944,934	$0	$0
(8)	Net Asset (Liability) Recognized in the Statement of Financial Position At Year-End After Applying FAS 158					
	(a) Noncurrent Assets	$0	$0	$0	N/A	N/A
	(b) (Current Liabilities)	$0	$0	$0	N/A	N/A
	(c) (Noncurrent Liabilities)	($6,603,179)	($5,931,620)	($3,015,674)	N/A	N/A
	(d) Total Net Asset (Liability): (a) + (b) + (c)	($6,603,179)	($5,931,620) (B)	($3,015,674) (A)	N/A	N/A
(9)	Amounts Recognized in Accumulated Other Comprehensive Income After Applying FAS 158					
	(a) Transition Obligation (Asset)	$0	$0	$0	N/A	N/A
	(b) Prior Service Cost (Credit)	$2,535,898	$3,255,374	$3,992,489	N/A	N/A
	(c) Net (Gain) or Loss	($1,555,433)	($1,086,609)	($3,047,555)	N/A	N/A
	(d) Total	$980,465	$2,168,765 (D+C)	$944,934	N/A	N/A
(10)	Weighted Average Assumptions at the End of the Year					
	(a) Discount Rate	6.00%	6.00%	6.00%	5.90%	5.75%
	(b) Rate of Compensation Increase	3.25%	3.25%	3.25%	3.15%	3.00%
	(c) Mortality	RP 2000	RP 2000	GAM 83	GAM 83	GAM 83

HEARING EXHIBIT - 00000503

	Acct #	Alloc	Actual 2006 Pension 2006	Medical 2006	Total 2006	TOTAL CHANGE FOR 2007 Pension 2007	Medical 2007	Total 2007	ENDING BALANCE AS OF 2007 Pension	Medical	Total	2007 ELECTRIC 34%	TOTAL CHANGE FOR 2008 Pension	Medical	Total	ENDING BALANCE AS OF 2008 Pension	Medical	Total	
OCL		0.22	207,885	(42,346)	165,539	257,004	3,411	260,415	464,889	(38,935)	425,954	88,541	(249,543.00)	(4,842.39)	(254,385.39)	215,346.00	(43,777.39)	171,568.61	AOCI
Reg Asset	100.1820.2	0.78	737,049	(150,134)	586,915	966,827	12,832	979,659	1,703,876	(137,302)	1,566,574	333,084	(938,757.00)	(18,216.61)	(956,973.61)	765,119.00	(155,518.61)	609,600.39	Reg. Asset
Total FASB 158			944,934	(192,480)	752,454	1,223,831	16,243	1,240,074	2,168,765	(176,237)	1,992,528	421,625	(1,188,300.00)	(23,059.00)	(1,211,359.00)	980,465.00	(199,296.00)	781,169.00	
								1,240,074			1,992,528								
DCL-DT EXP	0.3763		78,229	(15,935)	62,294	96,711	1,284	97,995	174,940	(14,652)	160,288	33,318			(95,725)			64,561	AOCI
						96,711	1,283	97,994											
Net OCL	100.2190.1		129,656	(26,411)	103,245	160,293	2,127	162,420	289,949	(24,283)	265,666	55,223			(158,560)			107,007	Net OCI
Pension Liability	100.2280.31		(944,934)			(1,223,831)			(2,168,765)										
Retiree Medical Liab	100.2280.32			192,480			(16,243)			176,237									
FASB 158																			
Transition Obligation (Asset)			-	257,366	257,366	-	(42,896)	(42,896)	-	214,470	214,470								
Prior Service Cost (Credit)			3,992,489	-	3,992,489	(737,115)	-	(737,115)	3,255,374	-	3,255,374								
Net (Gain) or Loss			(3,047,555)	(449,846)	(3,497,401)	[redacted]		2,000,248	[redacted]		(1,497,153)								
							19,837	19,837		19,837	19,837								
Total			944,934	(192,480)	752,454	1,223,831	16,243	1,240,074	2,168,765	(176,237)	1,992,528								

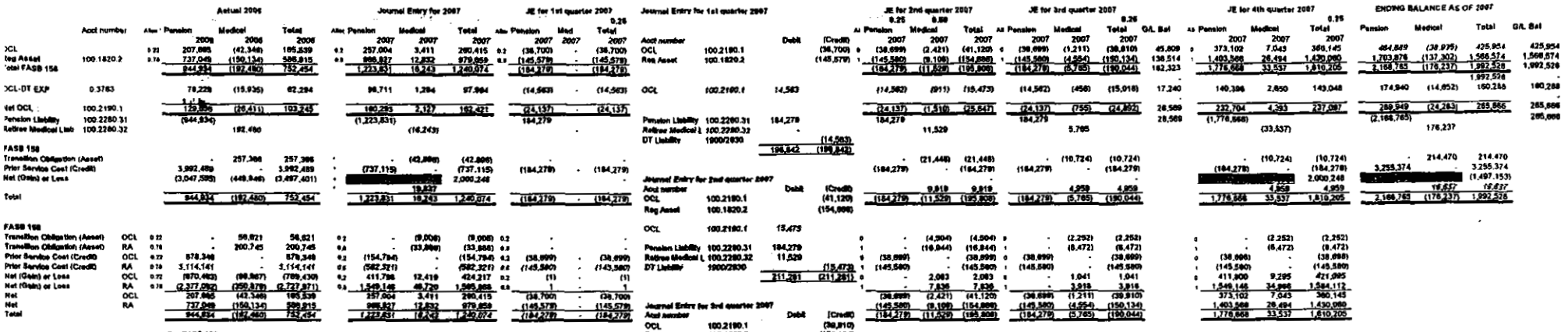
Per FASB 158:

- $42,896 for Transition Obligation on the Postretirement Plan is amortized over 4 quarters
- Prior service cost of $737,115 for the Pension Plan is amortized over 4 quarters
- $19,837 of the net gain/loss is amortized for the Postretirement Plan over 4 quarters & $39,302 at year end
- $1,960,946 of Net Gains is booked at year end for the Pension Plan and $39,302 for the Postretirement Plan

Quarterly Allocation

[redacted] ***Annually Allocation***

HEARING EXHIBIT - 00000504



Actual 2006 | Journal Entry for 2007 | JE for 1st quarter 2007 | Journal Entry for 1st quarter 2007 | JE for 2nd quarter 2007 | JE for 3rd quarter 2007 | JE for 4th quarter 2007 | ENDING BALANCE AS OF 2007

	Acct number	Pension 2006	Medical 2006	Total 2006	Pension 2007	Medical 2007	Total 2007	Pension 2007	Med 2007	Total 2007	Acct number	Debit	(Credit)	Pension 2007	Medical 2007	Total 2007	GL Bal	Pension 2007	Medical 2007	Total 2007	GL Bal	Pension	Medical	Total	GL Bal
OCL		207,885	(42,346)	165,539	257,004	3,411	260,415	(38,700)	-	(38,700)	OCL	100.2190.1	(38,700)	(38,699)	(2,421)	(41,120)	45,809	373,102	7,043	380,145	425,954	425,954			
Reg Asset	100.1820.2	737,049	(150,134)	586,915	986,827	12,832	979,859	(145,579)	-	(145,579)	Reg Asset	100.1820.2	(145,579)	(145,580)	(9,109)	(154,689)	138,514	1,403,568	26,494	1,430,060	1,568,574	1,568,574			
Total FASB 158		944,934	(192,480)	752,454	1,223,831	16,243	1,240,074	(184,279)	-	(184,279)			(184,279)	(184,279)	(11,529)	(195,808)	182,323	1,776,668	33,537	1,810,205	1,992,528	1,992,528			
																						-			
OCL-DT EXP	0.3763	78,228	(15,935)	62,294	98,711	1,294	97,984	(14,563)	-	(14,563)	OCL	100.2190.1	14,563	(14,562)	(911)	(15,473)	17,240	140,396	2,650	143,048	174,840	(14,852)	160,288	160,288	
																									-
Net OCL	100.2190.1	129,656	(26,411)	103,245	160,293	2,127	162,421	(24,137)	-	(24,137)				(24,137)	(1,510)	(25,647)	28,569	232,704	4,393	237,097	289,949	(24,263)	265,686	265,686	
Pension Liability	100.2280.31	(644,934)			(1,223,831)			184,279			Pension Liability	100.2280.31	184,279	184,279			28,569	(1,776,668)			(2,168,765)			285,686	
Retiree Medical Liab	100.2280.32		192,480			(16,243)					Retiree Medical L	100.2280.32	-		11,529				(33,537)			176,237		
											DT Liability	1900/2930													
FASB 158													(14,563)												
Transition Obligation (Asset)		-	257,396	257,396	-	(42,898)	(42,898)	-	-	-			196,842	(184,279)	(21,448)	(21,448)		-	(10,724)	(10,724)		-	214,470	214,470	
Prior Service Cost (Credit)		3,992,489	-	3,992,489	(737,115)	-	(737,115)	(184,279)	-	(184,279)					-	(184,279)		(184,279)	-	(184,279)		3,255,374	-	3,255,374	
Net (Gain) or Loss		(3,047,555)	(449,946)	(3,497,501)	[redacted]	[redacted]	2,000,248											[redacted]	[redacted]	2,000,248		[redacted]	[redacted]	(1,497,153)	
						19,837					Journal Entry for 2nd quarter 2007								4,959	4,959			19,837	19,837	
Total		944,934	(192,480)	752,454	1,223,831	16,243	1,240,074	(184,279)	-	(184,279)	Acct number		Debit	(Credit)											
											OCL	100.2190.1		(41,120)											
FASB 158											Reg Asset	100.1820.2		(154,689)											
Transition Obligation (Asset)	OCL	-	56,821	56,821	-	(9,008)	(9,008)	-	-	-															
Transition Obligation (Asset)	RA	-	200,745	200,745	-	(33,888)	(33,888)	-	-	-	OCL	100.2190.1	15,473												
Prior Service Cost (Credit)	OCL	878,348	-	878,348	(154,794)	-	(154,794)	(38,699)	-	(38,699)															
Prior Service Cost (Credit)	RA	3,114,141	-	3,114,141	(582,321)	-	(582,321)	(145,580)	-	(145,580)	Pension Liability	100.2280.31	184,279												
Net (Gain) or Loss	OCL	(870,483)	(98,807)	(769,430)	411,798	12,419	424,217	(1)	-	(1)	Retiree Medical L	100.2280.32	11,529												
Net (Gain) or Loss	RA	(2,377,092)	(250,879)	(2,727,971)	1,549,146	46,729	1,595,868	1	-	1	DT Liability	1900/2930		(15,473)											
Net	OCL	207,865	(42,346)	165,539	257,004	3,411	260,415	(38,700)	-	(38,700)			211,281	(211,281)											
Net	RA	737,049	(150,134)	586,915	986,827	12,832	979,859	(145,579)	-	(145,579)															
Total		944,934	(192,480)	752,454	1,223,831	16,243	1,240,074	(184,279)	-	(184,279)	Journal Entry for 3rd quarter 2007														
											Acct number		Debit	(Credit)											
											OCL	100.2190.1		(38,810)											
											Reg Asset	100.1820.2		(150,134)											
											OCL	100.2190.1	15,018												
											Pension Liability	100.2280.31	184,279												
											Retiree Medical L	100.2280.32	5,795												
											DT Liability	1900/2930		(15,018)											
													205,092	(205,092)											

Per FASB 158:

- *$42,898 for Transition Obligation on the Postretirement Plan is amortized over 4 quarters.*
- Prior service cost of $737,115 for the Pension Plan is amortized over 4 quarters
- $19,837 of the net gain/loss is amortized for the Postretirement Plan over 4 quarters & $39,302 at year end
- $1,980,946 of Net Gains is booked at year end for the Pension Plan and $39,302 for the Postretirement Plan

[redacted] *Quarterly Allocation*

[redacted] *Annually Allocation*

HEARING EXHIBIT - 00000505

P.O. Box 3395
West Palm Beach, FL 33402-3395

Check No. 270926
Check Date 8/23/2007

REMITTANCE ADVICE

INVOICE NUMBER	INVOICE DATE	GROSS AMOUNT	DISCOUNT	NET AMOUNT PAID
82307	8/20/2007	250,000.00	.00	250,000.00
Memo : CONTRIBUTION TO PENSION FUND-2006				
Total		250,000.00	.00	250,000.00

FLORIDA PUBLIC UTILITIES

P.O. BOX 3395
West Palm Beach, FL 33402-3395

Bank of America

Check No. 270926

VENDOR NO.	DATE
63312	8/23/2007

$ ****250,000.00

(VOID IF NOT CASHED IN 90 DAYS)

Two Hundred Fifty Thousand and 00/100 Dollars

MASS MUTUAL
MASS MUTUAL-M405
1295 STATE STREET
SPRINGFIELD MA 01111

John T English
Authorized Signature

THE BACK OF THIS DOCUMENT CONTAINS A FLORIDA PUBLIC UTILITIES COMPANY WATERMARK AND REQUIRES SPECIAL HOLD AT AN ANGLE TO VIEW. VOID IF NOT PRESENT

P/L AUG 21 2007

FLORIDA PUBLIC UTILITIES COMPANY

CHECK REQUEST

8/23/07

G/L DATE 2007 / 8 (YEAR / PD) VENDOR # 63312 CURRENT DATE 08/20/2007 DUE DATE 08/20/2007

PLEASE AUTHORIZE ISSUANCE OF A CHECK IN THE AMOUNT OF $ 250,000.00 (THIS VALUE WILL COMPUTE AUTOMATICALLY)

TO THE ORDER OF: MASS MUTUAL

ADDRESS

CHECK MESSAGE (40 SPACES)

CONTRIBUTION TO PENSION FUND - 2006

ATTACHMENT ☐ RETURN CHECK TO Nadira Bhatia

MEMO

CHARGE				SUBLEDGER #
100	2280	31	$ 250,000.00	
			$	
			$	
			$	
			$	
			$	
			$	

REQUESTED BY

APPROVED BY

ENTERED
AUG 21 2007

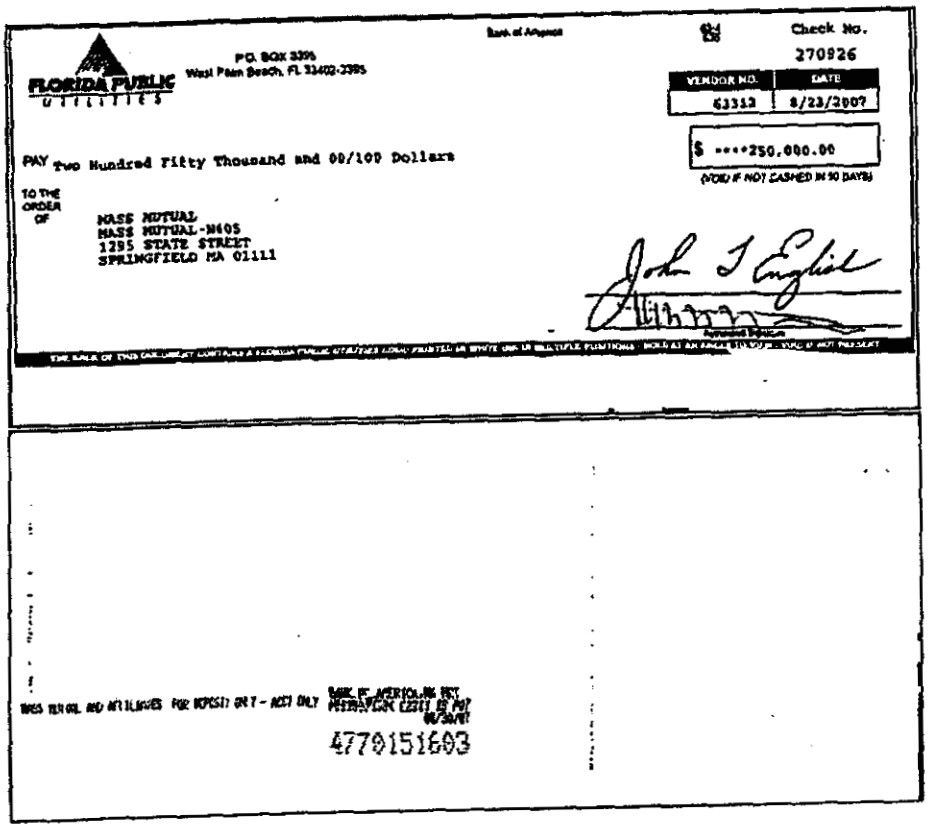
REDACTED

HEARING EXHIBIT - 00000506

Bank of America Higher Standards

Bank of America Direct

REDACTED



FLORIDA PUBLIC UTILITIES

P.O. BOX 3395
West Palm Beach, FL 33402-3395

Bank of America

Check No.
270926

VENDOR NO.	DATE
63313	8/23/2007

$ ****250,000.00
(VOID IF NOT CASHED IN 90 DAYS)

PAY Two Hundred Fifty Thousand and 00/100 Dollars

TO THE ORDER OF
MASS MUTUAL
MASS MUTUAL-M405
1295 STATE STREET
SPRINGFIELD MA 01111

John T English
Authorized Signature

THIS CHECK IS PAYABLE FOR DEPOSIT ONLY TO THE ACCT ONLY

BANK OF AMERICA, NA
ATLANTA, GA
08/30/07

477015603

Check Info	
Account:	
Amount:	250,000.00
Check #:	270926
Posted Date:	08/30/2007

Bank of America, N.A. Member FDIC.
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HEARING EXHIBIT - 00000508

Florida Public Utilities Company
Revenue impact of the Regulatory Asset of FASB 158

Description	Allocation	Regulatory Asset 2006	Regulatory Asset 2007	OCI/L 2006	OCI/L 2007	Accumulated Change	
FASB 158 Change		586,915	979,659	165,539	260,415	1,992,528	(A)
Def Tax (0.3763)		(220,856)	(368,646)	(62,294)	(97,994)	(749,790)	
		366,059	**611,013**	**103,245**	**162,421**	**1,242,738**	
Net operating Income Multiplier	1.6077 (B)	1.6077	1.6077				
ALL DIVISIONS		588,513	982,326			1,570,839	
Electric Division Revenue Impact	34% (C)	200,094	333,991			534,085	
Amorized over 5 years	1	106,817					
	2	106,817					
	3	106,817					
	4	106,817					
	5	106,817					
		534,085					

Exhibit 25
OPC First Set of Interrogatories
Docket No. 070304-EI
Witness: M. Khojasteh

HEARING EXHIBIT - 00000509

	Acct number	Alloc %	Actual 2006 Pension	Medical	Total	Alloc %	Journal Entry for 2007 Pension	Medical	Total	G/L Bal S/B	
			2006	2006	2006		2007	2007	2007		
OCL		0.22	207,885	(42,346)	165,539	0.21	257,004	3,411	260,415	425,954	
Reg Asset	100.1820.2	0.78	737,049	(150,134)	586,915	0.79	966,827	12,832	979,659	1,566,574	
Total FASB 158			944,934	(192,480)	752,454		1,223,831	16,243	1,240,074	1,992,528	(1)
										-	
OCL-DT EXP	0.3763		78,229	(15,935)	62,294		96,711	1,284	97,994	160,288	
										-	
Net OCL	100.2190.1		129,656	(26,411)	103,245		160,293	2,127	162,421	265,666	
Pension Liability	100.2280.31		(944,934)				(1,223,831)			265,666	
Retiree Medical Liab	100.2280.32			192,480				(16,243)			

HEARING EXHIBIT - 000005(40)

Florida Public Utilities Company
Employer's Accounting For Disclosure (FAS 132 Amended by FAS 158)

Florida Public Utilities Company sponsors a postretirement medical program. The medical plan is contributory with participants' contributions *adjusted annually*. The following tables provide required financial disclosures over the 3-year period ending December 31, 2006.

Benefit Obligations and Funded Status

		Projection 12/31/2007	Fiscal Year Ending 12/31/2006
(1)	Change in Accumulated Postretirement Benefit Obligation on a Measurement Year Basis		
(a)	Accumulated Postretirement Benefit Obligation at the Beginning of the Period	$1,865,353	$2,343,583
(b)	Service Cost	$64,365	$59,982
(c)	Interest Cost	$105,937	$105,483
(d)	Actuarial (Gain) or Loss	$39,302	($568,755)
(e)	Benefits Paid	($199,421)	($117,459)
(f)	Change in *Plan Provisions*	$ 0	$ 0
(g)	Plan Participant Contributions	$48,832	$42,519
(h)	*Acquisition*	$ 0	$ 0
(i)	Curtailment	$ 0	$ 0
(j)	Settlement	$ 0	$ 0
(k)	Special Termination Benefits	$ 0	$ 0
(l)	Accumulated Postretirement Benefit Obligation at the End of the Period	$1,924,368	$1,865,353
(2)	Change in Plan Assets on a Measurement Year Basis		
(a)	Fair Value of Plan Assets at the Beginning of the Period	$ 0	$ 0
(b)	Actual Return on Plan Assets	$ 0	$ 0
(c)	Benefits Paid	($199,421)	($117,459)
(d)	Employer *Contributions*	$150,589	$74,940
(e)	Plan Participant Contributions	$48,832	$42,519
(f)	Acquisition	$ 0	$ 0
(g)	Settlement	$ 0	$ 0
(h)	Fair Value of Assets at the End of the Period	$ 0	$ 0
(3)	Funded Status at the End of the Measurement Year: (2)(h) - (1)(l)	($1,924,368)	($1,865,353)
(4)	Amounts Recognized in the Statement of Financial Position At Year-End Before Applying FAS 158		
(a)	Prepaid (Accrued) Benefit Cost	($2,100,605)	($2,057,833)
(b)	(Additional Liability due to an Unfunded ABO)	$0	$0
(c)	Intangible Asset	$0	$0
(d)	Net Asset (Liability): (a) + (b) + (c)	($2,100,605)	($2,057,833)
(e)	Charge to Accumulated Other Comprehensive Income:	($192,480)	$0
(5)	*Adjustments Caused by Applying FAS 158*		
(a)	Increase in Net Asset (Liability): (3) - (4)(d)	$176,237	$192,480
(b)	Increase in Charge to Accumulated Other Comprehensive Income:	$16,243	($192,480)
(c)	Subtotal of Adjustments: (a) + (b) + (4)(e)	$0	$0
(6)	*Amounts* Recognized in the Statement of Financial Position At Year-End After Applying FAS 158		
(a)	Net Asset (Liability): (4)(d) + (5)(a)	($1,924,368)	($1,865,353)
(b)	Charge to Accumulated Other Comprehensive Income: (4)(e) + (5)(b)	($176,237)	($192,480)
(7)	Net Asset (Liability) Recognized in the Statement of Financial Position At Year-End After Applying FAS 158		
(a)	Noncurrent Assets	$0	$0
(b)	(*Current Liabilities*)	($99,263)	($150,589)
(c)	(Noncurrent Liabilities)	($1,825,105)	($1,714,764)
(d)	Total Net Asset (Liability): (a) + (b) + (c)	($1,924,368)	($1,865,353)
(8)	Amounts Recognized in Accumulated Other Comprehensive Income After Applying FAS 158		
(a)	Transition Obligation (Asset)	$214,470	$257,366
(b)	Prior Service Cost (Credit)	$0	$0
(c)	Net (Gain) or Loss	($390,707)	($449,846)
(d)	Total	($176,237)	($192,480)
(9)	Weighted Average Assumptions at the End of the Year		
(a)	Discount Rate	6.00%	6.00%
(b)	Rate of Compensation Increase	N/A	N/A
(c)	*Mortality*	RP 2000	GAM 83
(10)	Assumed Health Care Cost Trend Rates		
(a)	Health Care Cost Trend Rate Assumed for Next Year	10.50%	11.50%
(b)	Ultimate Rate	5.00%	5.00%
(c)	Year that the Ultimate Rate is Reached	2014	2014

HEARING EXHIBIT - 00000511

Florida Public Utilities Company
Employer's Accounting For Disclosure (FAS 132 Amended by FAS 158)

Florida Public Utilities Company sponsors a qualified pension plan for its employees. The following tables provide a reconcilliation of the changes in the plan's benefit obligations and fair value of assets over the 3-year period ending December 31, 2006, and a statement of the funded status as of December 31 of all three years:

Benefit Obligations and Funded Status

		Projection 12/31/2007	Fiscal Year Ending 12/31/2006
(1)	Accumulated Benefit Obligation at the End of the Year	$37,338,408	$33,693,860
(2)	Change in Projected Benefit Obligation on a Measurement Year Basis		
	(a) Projected Benefit Obligation at the Beginning of the Period	$38,650,888	$36,349,925
	(b) Service Cost	$1,130,000	$1,225,495
	(c) Interest Cost	$2,265,000	$2,160,719
	(d) Actuarial (Gain) or Loss	$2,541,801	$541,865
	(e) Benefits Paid	($1,756,069)	($1,529,258)
	(f) Change in Plan Provisions	$0	$0
	(g) Plan Participant Contributions	$0	$0
	(h) Acquisition	$0	$0
	(i) Curtailment	$0	($97,858)
	(j) Settlement	$0	$0
	(k) Special Termination Benefits	$0	$0
	(l) Projected Benefit Obligation at the End of the Period	$42,831,620	$38,650,888
(3)	Change in Plan Assets on a Measurement Year Basis		
	(a) Fair Value of Plan Assets at the Beginning of the Period	$35,635,214	$32,936,666
	(b) Actual Return on Plan Assets	$3,020,855	$3,977,806
	(c) Benefits Paid	($1,756,069)	($1,529,258)
	(d) Employer Contributions	$0	$250,000
	(e) Plan Participant Contributions	$0	$0
	(f) Acquisition	$0	$0
	(g) Settlement	$0	$0
	(h) Fair Value of Assets at the End of the Period	$36,900,000	$35,635,214
(4)	Funded Status at the End of the Measurement Year: (3)(h) - (2)(l)	($5,931,620)	($3,015,674)
(5)	Amounts Recognized in the Statement of Financial Position At Year-End Before Applying FAS 158		
	(a) Prepaid (Accrued) Benefit Cost	($3,762,855)	($2,070,740)
	(b) (Additional Liability due to an Unfunded ABO)	$0	$0
	(c) Intangible Asset	$0	$0
	(d) Net Asset (Liability): (a) + (b) + (c)	($3,762,855)	($2,070,740)
	(e) Charge to Accumulated Other Comprehensive Income:	$944,934	$0
(6)	Adjustments Caused by Applying FAS 158		
	(a) Increase in Net Asset (Liability): (4) - (5)(d)	($2,168,765)	($944,934)
	(b) Increase in Charge to Accumulated Other Comprehensive Income:	$1,223,831	$944,934
	(c) Subtotal of Adjustments: (a) + (b) + (5)(e)	$0	$0
(7)	Amounts Recognized in the Statement of Financial Position At Year-End After Applying FAS 158		
	(a) Net Asset (Liability): (5)(d) + (6)(a)	($5,931,620)	($3,015,674)
	(b) Charge to Accumulated Other Comprehensive Income: (5)(e) + (6)(b)	$2,168,765	$944,934
(8)	Net Asset (Liability) Recognized in the Statement of Financial Position At Year-End After Applying FAS 158		
	(a) Noncurrent Assets	$0	$0
	(b) (Current Liabilities)	$0	$0
	(c) (Noncurrent Liabilities)	($5,931,620)	($3,015,674)
	(d) Total Net Asset (Liability): (a) + (b) + (c)	($5,931,620)	($3,015,674)
(9)	Amounts Recognized in Accumulated Other Comprehensive Income After Applying FAS 158		
	(a) Transition Obligation (Asset)	$0	$0
	(b) Prior Service Cost (Credit)	$3,255,374	$3,992,489
	(c) Net (Gain) or Loss	($1,086,609)	($3,047,555)
	(d) Total	$2,168,765	$944,934
(10)	Weighted Average Assumptions at the End of the Year		
	(a) Discount Rate	6.00%	6.00%
	(b) Rate of Compensation Increase	3.25%	3.25%
		RP 2000	GAM 83

HEARING EXHIBIT - 00000512

Schedule C-44 (2008)

REVENUE EXPANSION FACTOR

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

EXPLANATION: Provide the calculation of the revenue expansion factor for the test year.

Type of Data Shown:
Projected Test Year Ended 12/31/2008
Witness: Doreen Cox

Line No.	Description	Percent
1.	Revenue Requirement	100.0000%
2.	Gross Receipts Tax Rate	0.0000%
3.	Regulatory Assessment Rate	0.0720%
4.	Bad Debt Rate	0.2000%
5.	Net Before Income Taxes (1) - (2) - (3) - (4)	99.7280%
6.	State Income Tax Rate	5.5000%
7.	State Income Tax (5) x (6)	5.4850%
8.	Net Before Federal Income Tax (5) - (7)	94.2430%
9.	Federal Income Tax Rate	34.0000%
10.	Federal Income Tax (8) x (9)	32.0426%
11.	Revenue Expansion Factor (8) - (10)	62.2004%
12.	Net Operating Income Multiplier (100% / Line 11)	1.6077

Supporting Schedules: C-11, C-20, C-22

Recap Schedules:

HEARING EXHIBIT - 00006(6)13

FLORIDA PUBLIC UTILITIES
BEGINNING JANUARY 1, 2007

PENSIONS AND OTHER EMPLOYEE BENEFITS

	1840		1849		Propane		North East Florida	
	Payroll Base 12 mths ended June 30, 2006	%	Payroll Base 12 mths ended June 30, 2006	%	Payroll Base 12 mths ended June 30, 2006	%	Payroll Base 12 mths ended June 30, 2006	%
121 South Florida	$5,675,336	46.0	$5,675,336	36.0				
123 Central Florida	2,538,925	20.0	2,538,925	16.0				
126 West Florida	0	0.0	0	0.0				
114 Northwest Florida	2,163,118	17.0	2,163,118	13.0				
115 Northeast Florida - Electric	2,188,448	17.0	2,188,448	14.0			2,188,448	79.0
991 South Florida - Propane			1,817,159	11.0	1,817,159	52.0		
993 Central Florida - Propane			691,345	4.0	691,345	20.0		
995 Northeast Florida - Propane			584,792	4.0	584,792	17.0	584,792	21.0
996 West Florida - Propane			371,622	2.0	371,622	11.0		
Total	$12,565,827	100.0	$16,030,745	100.0	$3,464,918	100.0	$2,773,240	100.0

Applicable to Accounts :
9261
9262
9263
9264

HEARING EXHIBIT - 00000614

HEARING EXHIBIT - 00000515

Florida Public Utilities Company
100.2280.32 - Reserve - Medical Self Insurance & Retirees
December 2004

Prepared By:
Aproved by:

ACTIVE EMPLOYEES

DATE	Accruals (JE 19)	Admin. Fees & Cobra Pmts.	Expenses	Stop Loss	Balance	Range
Jan-04	0.00	47,833.35	134,947.57		4,079.75	
Feb-04	0.00	27,604.19	16,110.99		47,794.93	
Mar-04	(131,102.79)	(25,468.89)	108,776.75		(0.00)	
Apr-04		889.74	4,712.97		5,602.71	
May-04		1,419.27	7,703.51		14,725.49	
Jun-04	(16,052.86)	209.85	1,077.34		(40.18)	
Jul-04		184.23	990.49		1,134.54	
Aug-04		5.35	28.76		1,168.65	
Sep-04					1,168.65	
Oct-04			(22,655.40)		(21,486.75)	
Nov-04		472.29	2,108.02		(18,906.44)	
Dec-04	18,969.57	12.19	(75.32)		0.00	
	(128,186.08)	53,161.57	253,725.68	0.00		

RETIREES

Accruals (JE 6)	Admin. Fees	Expenses/ Contributions	Fully Ins. Prem. /Stop Loss	Balance
(17,580.00)	2,273.31	3,698.80		(1,649,582.14)
(17,580.00)	23,174.38	616.98		(1,643,370.78)
(17,580.00)	8,930.62	1,854.75		(1,650,165.41)
(17,580.00)	7,312.32	(1,831.41)		(1,662,264.50)
(17,580.00)	7,863.46	(2,001.13)		(1,673,982.17)
(17,580.00)	7,845.25	(2,410.43)		(1,686,127.35)
(17,580.00)	7,845.25	(2,514.57)		(1,698,376.67)
(17,580.00)	7,845.25	(1,958.08)		(1,710,069.50)
(17,580.00)	7,845.25	(2,002.08)		(1,721,806.33)
(17,580.00)	7,367.40	(2,454.08)		(1,734,473.01)
(17,580.00)	8,019.36	(2,454.08)		(1,746,487.73)
(17,229.00)	9,356.91	(2,454.08)		(1,756,813.90)
(210,609.00)	105,678.76	(13,909.41)	0.00	

ACTIVE & RETIREES

Balance
(1,645,502.39)
(1,595,575.85)
(1,650,165.41)
(1,656,661.79)
(1,659,256.68)
(1,666,167.53)
(1,697,242.13)
(1,708,900.85)
(1,720,637.68)
(1,755,959.76)
(1,765,394.17)
(1,756,813.90)

Monthly Journal Entry For Medical Self-Ins. Reserve:

		DR	CR
100.1840.9262	100.00%	110,000.00	
100.2280.32			110,000.00
	100.00%	110,000.00	110,000.00

Monthly Journal Entry For Post Retirement Medical Reserve:

		DR	CR
100.1849.9263	100.00%	17,580.00	
100.2280.32			17,580.00
	100.00%	17,580.00	17,580.00

NOTE:
Expenses were so high in Jan. 2003 due to PPO claims, one employee had heart surgery. According to Dina, we are expecting to be reimbursed for these expenses, from Blue Cross.

*****For January 2003, Actuary forecasts expense of $225,000.**
*****For April 2003, Actuary revised forecasted expense to $232,000.**
*****For July 2003, Actuary revised forecasted expense to $209,741.**
*****For September 2003, Accrual increased due to reclassification of Stop Loss Payments to the reserve**
*****For 2004, Actuary estimate $211,000**
*****For 2004, Actuary estimate $210,609**

Active Employees Self Insured Claim are charged to 100.2280.32 - against the reserve
Retired Employees Self Insured Claim are charged to 100.2280.32 - against the accrual
Active Employees Fully Insured Claim are charged to 100.2320.62 - cleared each month the 1840.9262
Retired Employees Fully Insured Claim are charged to 100.2280.32 - against the accrual

ESTIMATED YEAR END TOTAL ACCRUAL	
Actual	(210,609.00)
Estimated 0 months	
	(210,609.00)

\\NAS1\P_Drive\Departments & Divisions\Accounting Departments\Corp Acct\Catherine_Hulme_NB\CH\Monthly Reconciliations\2004\2004 MED SELF INS. RESERVE REC 2280.3210/26/2007

HEARING EXHIBIT - 00000516
Exhibit 26
OPC First Set of Interrogatories
Docket No. 070304-EI
Witness: M. Khojasteh

Florida Public Utilities Company
100.2280.32 - Reserve - Medical Self Insurance & Retirees
December 2005

Prepared By: Catherine Hulme
Aproved by:

DATE	ACTIVE EMPLOYEES Accruals (JE 19)	Admin. Fees & Cobra Pmts.	Expenses	Stop Loss	Balance	Range	RETIREES Accruals (JE 6)	Fully Insured Premium	Self Insured Fees/Refunds True-ups	Received from Retirees	Balance	ACTIVE & RETIREES Balance
Beginning Balance											(1,756,813.90)	
Jan-05			131.49		131.49		(18,300.00)	9,356.91		(2,885.00)	(1,768,641.99)	(1,768,510.50)
Feb-05		41.21	221.58		394.28		(18,300.00)	8,955.14		(3,557.00)	(1,781,543.85)	(1,781,149.57)
Mar-05			644.89		1,039.17		(18,300.00)	15,446.75		(3,663.00)	(1,788,060.10)	(1,787,020.93)
Apr-05					1,039.17		(18,300.00)	12,110.08		(3,663.00)	(1,797,913.02)	(1,796,873.85)
May-05			(16.68)		1,022.49		(18,300.00)	12,110.08		(3,663.00)	(1,807,765.94)	(1,806,743.45)
Jun-05	43,827.91	(44,850.40)			0.00		(18,300.00)	12,110.08		(3,663.00)	(1,817,618.86)	(1,817,618.86)
Jul-05					0.00		(21,533.33)	12,110.08		(3,663.00)	(1,830,705.11)	(1,830,705.11)
Aug-05					0.00		(27,786.00)	12,110.08		(3,868.00)	(1,850,249.03)	(1,850,249.03)
Sep-05					0.00		(27,786.00)	11,273.31		(3,673.00)	(1,870,434.72)	(1,870,434.72)
Oct-05					0.00		(27,786.00)	11,729.73		(3,673.00)	(1,890,163.99)	(1,890,163.99)
Nov-05					0.00		(27,786.00)	11,729.73	(554.00)	(3,673.00)	(1,910,447.26)	(1,910,447.26)
Dec-05					0.00		(27,786.00)	6,124.36	(6,611.10)	(3,673.00)	(1,942,393.00)	(1,942,393.00)
	43,827.91	(44,809.19)	981.28	0.00			(270,263.33)	135,166.33	(7,165.10)	(43,317.00)		

Monthly Journal Entry For Medical Self-Ins. Reserve:

		DR	CR
100.1840.9262	100.00%	0.00	
100.2280.32			0.00
	100.00%	0.00	0.00

Monthly Journal Entry For Post Retirement Medical Reserve:

		DR	CR
100.1849.9263	100.00%	27,786.00	
100.2280.32			27,786.00
	100.00%	27,786.00	27,786.00

NOTE:

Accrual total from AON for 2005 $220,000 see e-mail
Accrual total from AON for 2005 $239,000 see e-mail 8/8/04
Accrual total from AON for 2006 $270,262 see e-mail 8/19/05

Active Employees Self Insured Claim are charged to 100.2280.32 - against the reserve
Retired Employees Self Insured Claim are charged to 100.2280.32 - against the accrual
Active Employees Fully Insured Claim are charged to 100.2320.62 - cleared each month the 1840.9262
Retired Employees Fully Insured Claim are charged to 100.2280.32 - against the accrual

ESTIMATED YEAR END TOTAL ACCRUAL	
Actual	(270,263.33)

\\NAS1\P_Drive\Departments & Divisions\Accounting Departments\Corp Acct\Catherine_Hulme_NB\CH\Monthly Reconciliations\Ins-Pension Recs 2005\2005 MED SELF INS. RESERVE REC 2280.3210/26/2007

HEARING EXHIBIT - 00000517

Florida Public Utilities Company
100.2280.32 - Retirees Medical Insurance Reserve
'December 2006
REVISED

Prepared By: N. Bhatia
Date: 02/28/07

Approved by:
Date:

RETIREES

	Description	Accruals (JE 6)	Self Insured Premium	Misc. Adj., Fees/Refunds True-ups	Received from Retirees	Balance
						(1,942,393.00)
Jan-06		(23,750.00)	10,295.26	(142.14)	(3,673.00)	(1,959,662.88)
Feb-06		(22,916.00)	9,128.02		(3,685.00)	(1,977,135.86)
Mar-06		(23,333.00)	9,740.16		(3,591.00)	(1,994,319.70)
Apr-06		(23,333.00)	9,128.02		(3,591.00)	(2,012,115.68)
May-06		(23,333.00)	9,891.31		(3,780.00)	(2,029,337.37)
Jun-06		(23,333.00)	9,849.51		(3,277.00)	(2,046,097.86)
Jul-06		(23,333.00)	9,076.38		(3,277.00)	(2,063,631.48)
Aug-06		(23,333.00)	9,382.45		(3,363.00)	(2,080,945.03)
Sep-06	True up adj. per actuarial update of $190,380	43,879.00	9,382.45		(3,591.00)	(2,031,274.58)
Oct-06		(15,865.00)	9,382.45		(3,591.00)	(2,041,348.13)
v-06		(15,865.00)	11,288.23		(3,591.00)	(2,049,515.90)
ec-06	Misc.- FAS 158 Adj.	(15,865.00)	11,056.46	192,480.00	(3,509.00)	***(1,865,353.44)***
		(190,380.00)	117,600.70	192,337.86	(42,519.00)	

Monthly Journal Entry For Post Retirement Medical Reserve:		DR	CR
100.1849.9263	100.00%	23,333.33	
100.2280.32	100.00%		23,333.33
REVISED SEP 2006			
100.1849.9263	100.00%	929.00	
100.2280.32	100.00%		929.00
REVISED OCT 2006			
100.1849.9263	100.00%	15,865.00	
100.2280.32	100.00%		15,865.00

Accrual total : 2006 Budget: $285,000
Updated accrual total from AON for 2006 $280,000 (see e-mail 2/23/06)
E-mail on 8/23/06: no change for 2006 estimates
Updated accrual total from AON for 2006 $190,380 (see e-mail 10/16/06)

ESTIMATED YEAR END TOTAL ACCRUAL		
Accrual total for 2006		(190,380.00)
True-up of Accrual		0.00
Remaining total months	0	0.00
Actual		(190,380.00)

Florida Public Utilities Company
100.2280.32 - Retirees Medical Insurance Reserve
August-07

Prepared By: N. Bhatia
Date: 09/20/07

Approved by:
Date:

RETIREES

Date	Detail	Accruals (JE 6)	Self Insured Premium	Fees/Refun True up	FASB 158	Received fr Retirees	Balance
	2006	(2,132,773.00)	117,600.70	(142.14)	192,480.00	(42,519.00)	(1,865,353.44)
Jan-07		(16,666.63)	9,766.48	0.00		(976.00)	(1,873,229.59)
Feb-07		(16,666.67)	8,076.28	(918.21)		(1,792.00)	(1,884,530.19)
Mar-07		(16,666.67)	7,728.43			(4,586.00)	(1,898,054.43)
Apr-07		(16,666.67)	7,067.17			(2,220.00)	(1,909,873.93)
May-07		(16,666.67)	8,077.15			(2,616.00)	(1,921,079.45)
Jun-07		(16,666.67)	8,077.15		11,529.00	(2,616.00)	(1,920,755.97)
Jul-07		(16,666.67)	8,077.15			(2,616.00)	(1,931,961.49)
Aug-07		(16,666.67)	7,748.96			(3,013.00)	*(1,943,892.20)*
Sep-07							
Oct-07							
Nov-07							
Dec-07							
	YTD	(133,333.32)	64,616.77	(918.21)	11,529	(20,435.00)	
	2006				192,480		
	Rounding				1		
	Total Balance				*204,010* ★		

Detail of FASB 158		
Regulatory Asset	Accum. Other Comp. Income	Total FASB 158 Change
150,134	42,346	**192,480**
9,108	2,421	**11,529**
1		1
159,243	44,767	**204,010** ★
(445,891)	(130,485)	(576,376)
	32,257	32,257
(286,648)	*(53,461)*	*(340,109)*

Pension
Deffered OCI Tax
Accum. FAS158

Monthly Journal Entry For Post Retirement Medical Reserve:

		DR	CR
100.1849.9263	100.00%	16,666.67	
100.2280.32	100.00%		16,666.67

ESTIMATED YEAR END TOTAL ACCRUAL

Accrual total for 2007		(133,333.32)
True-up of Accrual		0.00
Remaining accrual	4	(66,666.68)
Estimate Expense per AON		(200,000.00)

Updated email from AON for 2007 $200,000				200,000.00
(see e-mail 2/19/07)				
Current portion 12/31/06				150,589.00
Current portion 3/31/07				151,124.00
Current portion 6/30/07	50% of 2007's Curr. Lia.	$	150,589	
	50% of 2008's Curr. Lia.	$	*99,263*	***124,926.00***

HEARING EXHIBIT - 00000519

Florida Public Utilities Company
Employer's Accounting For Disclosure (FAS 132 Amended by FAS 158)

orida Public Utilities Company sponsors a postretirement medical program. The medical plan is contributory with participants' contributions .djusted annually. The following tables provide required financial disclosures over the 3-year period ending December 31, 2006.

Benefit Obligations and Funded Status

		Projection 12/31/2008	Projection 12/31/2007	Fiscal Year Ending 12/31/2006	12/31/2005	12/31/2004
(1)	Change in Accumulated Postretirement Benefit Obligation on a Measurement Year Basis					
(a)	Accumulated Postretirement Benefit Obligation at the Beginning of the Period	$1,924,368	$1,865,353	$2,343,583	$1,925,254	$1,807,999
(b)	Service Cost	$68,227	$64,365	$59,982	$100,054	$70,300
(c)	Interest Cost	$109,506	$105,937	$105,483	$127,312	$106,079
(d)	Actuarial (Gain) or Loss	$0	$39,302	($568,755)	$282,812	$32,646
(e)	Benefits Paid	($135,393)	($199,421)	($117,459)	($135,166)	($119,005)
(f)	Change in Plan Provisions	$0	$0	$0	$0	$0
(g)	Plan Participant Contributions	$36,130	$48,832	$42,519	$43,317	$27,235
(h)	Acquisition	$0	$0	$0	$0	$0
(i)	Curtailment	$0	$0	$0	$0	$0
(j)	Settlement	$0	$0	$0	$0	$0
(k)	Special Termination Benefits	$0	$0	$0	$0	$0
(l)	Accumulated Postretirement Benefit Obligation at the End of the Period	$2,002,838	$1,924,368	$1,865,353	$2,343,583	$1,925,254
(2)	Change in Plan Assets on a Measurement Year Basis					
(a)	Fair Value of Plan Assets at the Beginning of the Period	$0	$0	$0	$0	$0
(b)	Actual Return on Plan Assets	$0	$0	$0	$0	$0
(c)	Benefits Paid	($135,393)	($199,421)	($117,459)	($135,166)	($119,005)
(d)	Employer Contributions	$99,263	$150,589	$74,940	$91,849	$91,770
(e)	Plan Participant Contributions	$36,130	$48,832	$42,519	$43,317	$27,235
(f)	Acquisition	$0	$0	$0	$0	$0
(g)	Settlement	$0	$0	$0	$0	$0
(h)	Fair Value of Assets at the End of the Period	$0	$0	$0	$0	$0
(3)	Funded Status at the End of the Measurement Year: (2)(h) - (1)(l)	($2,002,838)	($1,924,368)	($1,865,353)	($2,343,583)	($1,925,254)
(4)	Amounts Recognized in the Statement of Financial Position At Year-End Before Applying FAS 158					
(a)	Prepaid (Accrued) Benefit Cost	($2,202,134)	($2,100,605)	($2,057,833)	($1,942,393)	($1,763,980)
(b)	(Additional Liability due to an Unfunded ABO)	$0	$0	$0	$0	$0
(c)	Intangible Asset	$0	$0	$0	$0	$0
(d)	Net Asset (Liability): (a) + (b) + (c)	($2,202,134)	($2,100,605)	($2,057,833)	($1,942,393)	($1,763,980)
(e)	Charge to Accumulated Other Comprehensive Income:	($176,237)	($192,480)	$0	$0	$0
(5)	Adjustments Caused by Applying FAS 158					
(a)	*Increase in Net Asset (Liability):* (3) - (4)(d)	$199,296	$176,237	$192,480	N/A	N/A
(b)	Increase in Charge to Accumulated Other Comprehensive Income:	($23,059)	$16,243	($192,480)	N/A	N/A
(c)	Subtotal of Adjustments: (a) + (b) + (4)(e)	$0	$0	$0	N/A	N/A
(6)	Amounts Recognized in the Statement of Financial Position At Year-End After Applying FAS 158					
(a)	Net Asset (Liability): (4)(d) + (5)(a)	($2,002,838)	($1,924,368)	($1,865,353)	($1,942,393)	($1,763,980)
(b)	Charge to Accumulated Other Comprehensive Income: (4)(e) + (5)(b)	($199,296)	($176,237)	($192,480)	$0	$0
(7)	Net Asset (Liability) Recognized in the Statement of Financial Position At Year-End After Applying FAS 158					
(a)	Noncurrent Assets	$0	$0	$0	N/A	N/A
(b)	(Current Liabilities)	($101,296)	($99,263)	($150,589)	N/A	N/A
(c)	(Noncurrent Liabilities)	($1,901,542)	($1,825,105)	($1,714,764)	N/A	N/A
(d)	Total Net Asset (Liability): (a) + (b) + (c)	($2,002,838)	($1,924,368)	($1,865,353)	N/A	N/A
(8)	Amounts Recognized in Accumulated Other Comprehensive Income After Applying FAS 158					
(a)	*Transition Obligation (Asset)*	$171,574	$214,470	$257,366	N/A	N/A
(b)	Prior Service Cost (Credit)	$0	$0	$0	N/A	N/A
(c)	Net (Gain) or Loss	($370,870)	($390,707)	($449,846)	N/A	N/A
(d)	Total	($199,296)	($176,237)	($192,480)	N/A	N/A
(9)	Weighted Average Assumptions at the End of the Year					
(a)	Discount Rate	6.00%	6.00%	6.00%	5.90%	5.75%
(b)	Rate of Compensation Increase	N/A	N/A	N/A	N/A	N/A
(c)	*Mortality*	RP 2000	RP 2000	GAM 83	GAM 83	GAM 83
(10)	Assumed Health Care Cost Trend Rates					
(a)	Health Care Cost Trend Rate Assumed for Next Year	9.50%	10.50%	11.50%	9.00%	10.00%
(b)	Ultimate Rate	5.00%	5.00%	5.00%	5.00%	5.00%
(c)	Year that the Ultimate Rate is Reached	*2014*	*2014*	*2014*	*2010*	*2010*

HEARING EXHIBIT - 00000520

Florida Public Utilities Company
Employer's Accounting For Disclosure (FAS 132 Amended by FAS 158)

Net Periodic Pension Cost

		Projection 12/31/2008	Projection 12/31/2007	Fiscal Year Ending 12/31/2006	12/31/2005	12/31/2004
(1)	Service Cost	$68,227	$64,365	$59,982	$100,054	$70,300
(2)	Interest Cost	$109,506	$105,937	$105,483	$127,312	$106,079
(3)	Expected Return on Plan Assets	$0	$0	$0	$0	$0
(4)	Amortization of Transition Obligation/(Asset)	$42,896	$42,896	$42,896	$42,896	$42,896
(5)	Amortization of Prior Service Cost	$0	$0	$0	$0	$0
(6)	Amortization of Net (Gain) or Loss	($19,837)	($19,837)	($17,981)	$0	($8,666)
(7)	Total FAS 106 Net Periodic Pension Cost	$200,792	$193,361	$190,380	$270,262	$210,609
(8)	Charges / (Credits)					
	(a) Settlement	$0	$0	$0	$0	$0
	(b) Curtailment	$0	$0	$0	$0	$0
	(c) Special Termination Benefits	$0	$0	$0	$0	$0
	(d) Total	$0	$0	$0	$0	$0
(9)	Total Net Periodic Pension Cost	$200,792	$193,361	$190,380	$270,262	$210,609
(10)	Other Changes in Plan Assets and Benefit Obligations Recognized as a Charge to Other Comprehensive Income					
	(a) Prior Service Cost (Credit) for the Period	N/A	N/A	N/A	N/A	N/A
	(b) Net (Gain) or Loss for the Period	N/A	N/A	N/A	N/A	N/A
	(c) Amortization of Transition Obligation	N/A	N/A	N/A	N/A	N/A
	(d) Amortization of Prior Service Cost (Credit)	N/A	N/A	N/A	N/A	N/A
	(e) Amortization of Net (Gain) or Loss	N/A	N/A	N/A	N/A	N/A
	(f) Increase in Minimum Liability Included in OCI	$16,243	$0	$0	$0	$0
	(g) Total: (a) + (b) + (c) + (d) + (e) + (f)	$16,243	$0	$0	$0	$0
(11)	Total Recognized in Net Periodic Pension Cost and other Comprehensive Income: (9) + (10)(g)	$217,035	$193,361	$190,380	$270,262	$210,609
(12)	Weighted Average Assumptions					
	(a) Discount Rate at Beginning of the Period	6.00%	6.00%	5.90%	5.75%	6.25%
	(b) Expected Return on Plan Assets	N/A	N/A	N/A	N/A	N/A
	(c) Rate of Compensation Increase	N/A	N/A	N/A	N/A	N/A
(11)	Assumed Health Care Cost Trend Rates					
	(a) Health Care Cost Trend Rate Assumed for Current Year	10.50%	11.50%	12.50%	10.00%	12.00%
	(b) Ultimate Rate	5.00%	5.00%	5.00%	5.00%	5.00%
	(c) Year that the Ultimate Rate is Reached	2014	2014	2014	2010	2010

Expected Amortizations

		Projection 12/31/2009	Projection 12/31/2008	Fiscal Year Ending 12/31/2007	12/31/2006	12/31/2005
(1)	Expected Amortization of Transition Obligation (Asset)	$42,896	$42,896	$42,896	N/A	N/A
(2)	Expected Amortization of Prior Service Cost (Credit)	$0	$0	$0	N/A	N/A
(3)	Expected Amortization of Net Loss (Gain)	($19,837)	($19,837)	($19,837)	N/A	N/A

HEARING EXHIBIT - 00000521

HEARING EXHIBIT - 00000522

Exhibit 27
OPC First Set of Interrogatories
Docket No. 070304-EI

Witness: M. Khojasteh

Account 2280.32	Accrual	Amt Charged
2003	209,741	74,660
2004	210,609	91,769
2005	270,263	128,001
2006	190,380	267,420
2007 Jan-Aug	(133,333)	75,230

See more details under Accrual, Admin exp, Self Ins. Premium, and Fasb 158 adj. in Exhibit #26

HEARING EXHIBIT - 00000523

HEARING EXHIBIT - 00000524

Worker' Comp

Acct #	Policy Period	Premium	Retro Premiums	Prior policy yr (Credit)/ Debit	Dividend	Other Credits		Sub-total
1650.5	10/02-9/03	541,314	49,044	7,058	(63,416)			534,000
	10/03-9/04	516,113						516,113
	10/04-9/05	515,962	21,427	(40,320)				497,069
	10/05-9/06	541,699						541,699
+	10/06-8/07	430,667	52,806	(31,782)		(10,575)	*	441,116
	09/07-9/08	472,359						472,359

+ 11 months policy
* for '03-'04 policy revision

Exhibit 28.1
OPC First Set of Interrogatories
Docket No. 070304-EI
Witness: M. Khojasteh

HEARING EXHIBIT - 00000525

HEARING EXHIBIT - 00000526

Employees covered under WC Policy 10/2006-8/2007

Name
AARONS, KEON S.
ACHTERHOF, COLLEEN D.
ALEXANDER, BRENT
ALLEN, CHRISTOPHER L.
ALLEN, ROBIN L.
ALLEWELT, HAROLD D.
ALVAREZ, MARIO
ANDERSON, CARL W
ANDERSON, NORMAN W
ANDERSON, WARREN E
ANDRE, MICHAEL
ANGULO, PETER V.
ANGULO, VINCENT C.
ANTHONY, DAVID
ANTONACCI, EMANUELE
ARAYA, GIACINTA A.
ARTHUR, PAMELA S
ATKINS, MARY L.
ATKINS, MICHAEL
BACHAND, DAVID
BACHMAN, GEORGE M.
BAIRD, FRANCES H.
BALDWIN, JOHN R
BASH, LEROY D
BASHFORD, MAXINE J.
BEALE, SUSAN M.
BECKER, MICHAEL W.
BELL, JAMES C
BELL, MATTHEW R.
BELLECHASES, DINA
BERNIER, RAYMOND C.
BERRETTA, MICHAEL
BEST III, ALVIN E.
BEVERLY, JUSTIN A.
BEVIS, ANDREW S.
BHATIA, NADIRA
BIANCO, SANDRA I
BITTLE, SARAH J.
BLACK, MATTHEW D.
BLANCO, XIOMARA
BLAND, FRED L.
BLAZINA, GREG S.
BOATRIGHT, CURTIS J.
BONEHILL, GARY T.
BONN, WAYNE C.
BOWEN, FRANK E
BRADLEY, GERRY L.
BRADLEY, MICHAEL J.
BRETT JR, THOMAS E.
BROGDON, AARON W
BROOKS, SHAREE L.

BROWN, CLINTON E.
BROWN, JEVON LAMAR
BROWN, SALEICA T.
BRUMFIELD, BILLY
BRUTZMAN, WILLIAM J.
BRYANT, GARY G.
BUCCI, JAMES
BULLINGTON, TROY
BURKE, JOHN F.
BURNS, PAMELA B.
BUTCHER, DALE M.
BYTHWOOD, CRIS
CALHOUN, PAMELA J.
CALHOUN, RODNEY D.
CAMACHO, ANTHONY
CAMACHO, GENE A
CANINO, CHRISTOPHER C.
CAPRIO, ALEXANDER J.
CARLTON, RONALD E
CARSON, MELINDA L.
CARSON, WILLIE
CARTER, CASEY D
CARVALE, RANDY L.
CASSIDY, EILEEN B.
CASTELLANOS, RICHARD
CASTIGLIONE, DEBORAH S
CASTRO, PABLO E.
CAUSIER, JAMES H.
CHANDLER, DAVID G
CHATWOOD, FRANKLIN S
CLARDY JR, WILLIAM C
CLIFFORD, RITA J.
COLLINS, BRAD L.
COMEAUX, ADAM S.
CONEY, DARREN W.
CONNLEY, SCOTT A.
CORNETT, JR., RAY G.
CORRADO, JOSEPH
COSTA, MARCELO M.
COSTLOW, JOHN M.
COTCAMP, THOMAS E
COTTO, HERSON
COWART, JOSHUA
COX, DOREEN B.
CROSS, GEORGE A.
CRUZ, CINDY L.
CUADRAS, CONRADO E.
CUTSHAW, P. MARK
DANFORD, TAMYKA M.
DANIELS, WILLIAM T
DAVILA, JOSE L.
DAVIS, CARLTON D.
DAVIS, CLEOTA KATRINA
DAVIS, SARAH B.
DAWSON, MERRITT E.

HEARING EXHIBIT - 00000528

DE LOS SANTOS, ROSA
DEAN, TAMMY J.
DECOSTA, DAWN E.
DEERING, DARNELL M.
DELAHAY, DANIEL
DELERME, RICHARD A.
DEPASTINO, GARY R.
DEYOUNKS, JOSEPH
DEZELAN, GRETA R.
DITTY, CHARLES J
DIX, FRANK P.
DOUGLAS, MICHAEL A
DOUGLAS, NEIL T.
DUNHAM, DENISE R.
DURINICK, JOSEPH C.
DYSARD, HEIDI E.
ELMORE, JIMMIE G.
ENGLISH, JOHN T.
ERDEK, BONNIE L.
ERDEK, JESSE J
ERDEK, JOSEPH J
ESCOBAR, DIANA P.
ESPARZA, RAYMOND J.
EVERSOLE, TODD C.
EYSIE, JOSEPH R
FATH, DENNIS C.
FATTA, KIMBERLY A.
FAULK, THOMAS J
FAVORS, CALVIN R.
FEDINA, PATRICIA G.
FERRIOL, PABLO
FEWOX, SHEILA P.
FIGUEROA, JOSE A
FIGUEROA,JOSE A
FINIGAN, CHRISTINA
FITZGERALD, SHARON L.
FLEISCHMAN, JEFFREY
FLORES, JOSE
FLOWERS, DAVID A.
FLYNN, JOHN THOMAS
FORAN, BRADY R.
FORDE, KARL K.
FORREST, BRIAN P.
FOWLER, DONNA T.
FOWLER, JONATHAN
FRUSCIANTE, DONNA M.
GAINES, JAMES C.
GALVIN, LAWRENCE M.
GAMBLE, LINDA J.
GARFIELD, DANIEL J.
GARFOLA, JASON T.
GAUGLER, BRYAN K.
GAUSE, JAMES F.
GAUSE, SUZANNE R.
GEDEON, CASTRA

HEARING EXHIBIT - 00000529

GEORGE, DAVID L
GEORGES, JASON D.
GIBBS, IVAN M.
GIBSON, RICHARD C
GILCHRIEST, SAMUEL
GILL, ROGER F.
GILMORE, ALBERT
GLADUE, ALICIA M.
GOINS, MIA S.
GONZALEZ JR, REINALDO
GOODWIN, PATRICIA H.
GRAY, JOSEPH
GRAY, RHONDON
GREALY, MARK
GRIFFIN, CHRISTINE M.
GRIFFIN, JOHN B.
GRIFFITH, BRANDY L.
GRIMESON JR, WILLIAM F
GRIMM, AILEEN E.
GROOMS, DARRYL D
HAASE, BRUCE A.
HADLEY, GARTH A
HAGANS, WILLIAM
HALL, CHARLES W.
HALL, KEITH R.
HALL, KIMBERLY R.
HARRIS, KEVIN B.
HARTMAN, GEOFFREY L.
HARTMAN, MARTHA J.
HASSETT, SUSAN E.
HEARN, DONALD A.
HEBERT, RAMONA J.
HERNANDEZ, JOSE C.
HILL, TARA
HOLDEN, CLAUDE
HOLLAND, CLARENCE
HOWELL, GARY E.
HOWELL, MERCEDES
HUGGINS, FRANKIE L
HUGHES, ALTON W.
HUGHES, BOBBY B
HUGHLEY-GRANT, STEPHANIE S.
HULME, CATHERINE
HUMPHREY, WINSTON A.
HUNT, NIOKA K.
HUTCHINS, TONYA D.
IACONIS, DAWN E.
INGALLS, JAMES
JACKSON, SEAN C.
JAEGER, MELANIE
JAIKARAN, AMANDA
JAMES, VALERIE M.
JEAN, MIKERLINE
JEZEWSKI, TODD A.
JICKELL, ZACHARY B

HEARING EXHIBIT - 00000530

JOHNSON JR, IRA LEE
JOHNSON, LOUIE C.
JONES, KATHERINE S
JONES, RAY DOUGLAS
JONES, SARAH A.
JONES, TANZANIKA L.
JONES, TIFFANEY L.
JOSE, EMERSON B.
JOYCE, JOHN K
KEIP, DOUGLAS C
KENNEDY, BARRY D.
KENNEDY, KENNETH WAYNE
KHOJASTEH, MEHRDAD
KITNER, DONALD E.
KLEMAS, JOHN E.
KNAPP, JAMES L
KNIGHT, RICHARD P.
KNOWLES, KARLEE
KNOWLES, TERRY D.
KONICEK, ROBERT P.
KROL, NICOLE L.
LACACI, MARIO L.
LACHARITE, ROGER R.
LACKEY, MICHAEL E.
LAFAVOR, SCOTT D
LANDRY, KIMBERLY
LARMONIE, CLAUDE
LAUB, JAMES E.
LEE-CHARLES, SANDRA J.
LEISURE, KIM M.
LEVERT, PAMELA D.
LEVIER, JESSE M
LEWIS, DUANE P.
LEWIS, JERRY LEE
LIFTON, CAROL M.
LINKIEWICZ, CHRISTOPHER L.
LITSEY, DIANE L.
LITTLEFIELD, CAROL L.
LOVE, KAREN S.
LOVE, TIMOTHY A.
LOVETT, EDWIN G.
LUNDGREN, APRIL
LYNCH, DANIEL R
MAHAN, CLAUDETTE A.
MALOTT, JOHN E
MARINELLI, MICHAEL R.
MARTIN, CHERYL M.
MARTIN, COLETTE
MATHIS, DANNY D.
MATTEI-YARNOLD, YSTEB
MATTHEW, CHERIE A.
MAXWELL, DONALD L.
MCCAULEY, LORI ANN
MCCLURE, CHRISTINE M.
MCCLYMONT, MARTA

HEARING EXHIBIT - 00000531

MCCOY, LAURA A.
MCDANIEL, WILLIAM R.
MCGOLDRICK, WILLIAM J.
MCKENNA, JAMES
MCLAUGHLIN, DEBRA A.
MCLEOD, PATRICIA
MCLEOD,PATRICIA
MCMAHON, JULIE M
MCNIE, GERARD A.
MEALY, BARBARA J.
MEDINA, MICHELE
MEDINA, SAMUEL
MERCADO, ESPERANZA
MESITE JR, JAMES V.
MESSINA, VINCENT M.
MIDDLETON, DONALD E.
MILLETT, DONALD W.
MITCHELL, CEDRIC E.
MITCHELL, HENRY L.
MONDS, LILA L.
MONTGOMERY, DAVID N.
MONTGOMERY, LARRY
MOONEY, PHIL C.
MOORE, DON R.
MOORE, JAMES M.
MOORE, MICHELLE N
MOORE, SANDRA L.
MORELAND, DOUGLAS
MORGAN, GARFIELD A.
MORGAN, STEVEN P.
MORIZIO, BETH M.
MORON, LEO J.
MORRELL, ANGELA M.
MORRIS, CLARIECE W.
MOZOLEVSKI, IGOR
MURDOCK, LESLIE M
MYERS, DONALD R.
NABORS, DONALD H.
NAIL, VIRGINIA A.
NAPIER, MICHELLE D.
NORDLUND, ROLAND L.
NUMA, RUDOLPH A.
OAKES, KATHLEEN M
OBRIEN, CRAIG W
OCAMPO, MARIO
O'PRY, BROWARD L
OWENS, PRENTISS
PAGE, ELI C.
PALACIOS, CINDY J.
PARKER, EVERITTE R.
PARRISH, MARILYN M.
PARSONS, MELANIE C.
PAYNE, PAMELA D.
PEACOCK, LEWIS S.
PENDLETON, GLENN E.

PERRY JR., DAVID W.
PESCATORE, MELISSA
PETERSON, BRENDA
PETTY, JULIA K.
PIERCE, GARY A.
PINEDA,CARMEN
PINKOWSKI, STEPHEN
PIRONE III, JAMES J
PLANTE, MICHAEL J.
PLUTA, DAVID F.
POMEROY, KEITH
PONDER, MICHAEL W.
PORTALES, ADIEL
POUNCEY JR, TOMMY L.
PRENTICE, JAMES S.
PREVATT, RONNIE B
PUENTES, JORGE
QUIRINDONGO, DELILAH
RAGOONATH, DARREL
RANCE, DONNA M
RATTLER, SANDRA L.
RAY, KAREN L.
RECK, EULYNN H.
REED, ROGER L.
REGALLIS, JOSEPH
REGISTER, L. WAYNE
REITZ, JEFFREY D.
REUTER, GLENN J.
RICHMOND, JAMES
RICHMOND, YVONNE R.
RILEY, MAXINE J.
RIPPEY, LORI S.
RIPPEY, SHANE T.
ROBINSON, BRANDON J.
ROBINSON, QUENTIN D.
RODNEY, KIRKLAND
RODRIGUEZ, AVILIO
RODRIGUEZ, CARLOS
RODRIGUEZ, RICARDO
RODRIGUEZ, VERONICA O.
ROHOMAN, ABIDALI
ROLLE, JAMES E
ROSALES, JOSE H
ROSARIO, MILLIE G.
ROSENDO, VICTOR M.
ROSSETTO, WALTER
ROYE, JANINE
RUDERMAN, JOEL E.
RUHLIN, SHERRI L
RUINI, MAURO
RUSSELL, FRED A.
RYAN, MATTHEW
SALAZAR, APOLINAR JOSE
SANDSTROM, SUSAN L
SANTAELLA, MARY C.

HEARING EXHIBIT - 00000533

SANTIAGO, ZUREHIDA M
SAUER, WAYNE T.
SAYLOR, CHAUNDRA L.
SCANDALIATO, DON S
SCHAAK, CLIFFORD T.
SCHNEIDERMANN, MARC L.
SCOTCHEL, MARINA
SCOTTEN, LAURA C.
SCRIBBEN, DANIEL P
SEAGRAVE, MARC S.
SEATON, PAULA S.
SEE JR, ROBERT W.
SERRAES, JOHN
SHATZER, ROBERT A.
SHELLEY, DRANE A.
SHEPPARD, BARBARA T.
SHORES, AARON
SHYNE, H. DENISE
SILER, JON MARK
SIMPSON, SHEILA C.
SINGLETARY, RICHARD E.
SLUKA, FRANCIS J.
SMITH, JARRETT J.
SMITH, JAY ALAN
SMITH, REBECCA E.
SMITH, RENA M
SMITH, VIRLIE J.
SNYDER, CHRISTOPHER M.
SPEERIN, GEORGE C.
STAFFORD, RONALD G.
STARR, JENNIFER
STEIN, CHARLES L.
STEPHERSON, LLEWELLYN W.
STERLING, INGRID D.
STEVENS, KIRK A.
STOTTSBERRY, DONALD M.
STUCKART, GERARD
TAMARAZZO, VICTOR
TAMAYO, ROCCO
TANNER, LYNWOOD
TAYLOR, ERNEST PARKER
TAYLOR, KIM
TAYLOR, STEVEN L.
TEW, DONNIE L.
THIBAULT, RAYMOND C.
THOMAS JR, WILLIAM A
THOMPSON, MARK F
THOMPSON, VINSON LOYD
THORNTON, JEREMY D.
THORNTON, PATRICIA A
TODD, ERIK W.
TOOLE, STEPHEN A.
TRACEY, STEPHEN L.
TYLER, WILLIAM A.
USSERY JR, JAMES A.

HEARING EXHIBIT - 00000534

VANLEEUWEN, FERNANDO	
VARGAS, LUIS E	
VILLARREAL, RENE A.	
WADE, SHARON A.	
WAGONER, LARRY J.	
WALKER, CALVIN	
WALKER, MARVIN W.	
WALLACE, ROBERT C.	
WASHINGTON, NATHANIEL	
WATKINS, CHARLES J	
WEBSTER, STEVE H.	
WEITZ, ANDREW I.	
WELSH JR, JOHN A.	
WENING, DONALD C.	
WEST, BARRINGTON	
WHEATON JR, THEODORE S	
WHITAKER, JAMES B.	
WHITE, LISA	
WHITE, SANDRA	
WHITE, TYRONE T	
WILBUR, ANDREA	
WILKES, CHARLES R	
WILLIAMS, ANDRE	
WILLIAMS, CHRISTOPHER	
WILLIAMS, KERON	
WILLIAMS, RENA M	
WILLIS, ARNELL	
WILSON, AUDRA	
WILSON, DEVIN W.	
WINSOR, SHAWN H.	
WINSTON, LINDA M.	
WOLF, MICHAEL A.	
YOUNG, CURTIS D.	
YOUNG, MARK T.	
YURECKA, ROBERT J.	
ZALDIVAR, MAGBIS Y.	
ZEITZ, PHILIP	
ZELINSKI, JASON C.	
ZIEGLER, BARBARA A.	
ZIMMER, PHILIP K.	
(blank)	
Grand Total	

Employees covered under
WC Policy 10/2005-9/2006

NAME	
AARONS, KEON S.	
ACHTERHOF, COLLEEN D.	
ALEXANDER, BRENT	
ALLEN, KENNETH W	
ALLEN, ROBIN L.	
ALLEWELT, HAROLD D.	
ALVAREZ, MARIO	
ANDERSON, CARL W	
ANDERSON, NORMAN W	
ANDERSON, WARREN E	
ANDRE, MICHAEL	
ANGULO, VINCENT C.	
ANTHONY, DAVID	
ANTONACCI, EMANUELE	
ARAYA, GIACINTA A.	
ARTHUR, PAMELA S	
ATKINS, MARY L.	
BACHAND, DAVID	
BACHMAN, GEORGE M.	
BAIRD, BARBARA S	
BAIRD, FRANCES H.	
BALDWIN, JOHN R	
BARBER, DEBORAH J.	
BASH, LEROY D	
BEALE, SUSAN M.	
BELL, JAMES C	
BELLECHASES, DINA	
BERETTA, MICHAEL	
BERNIER, RAYMOND C.	
BERRETTA, MICHAEL	
BEST III, ALVIN E.	
BEVIS, ANDREW S.	
BIANCO, SANDRA I	
BITTLE, SARAH J.	
BLACK, MATTHEW D.	
BLANCO, XIOMARA	
BLAND, FRED L.	
BLAZINA, GREG	
BLAZINA, GREG S.	
BOATRIGHT, CURTIS J.	
BONEHILL, GARY T.	
BONN, WAYNE C.	
BOWEN, FRANK E	
BRADLEY, GERRY L.	
BRADLEY, MICHAEL J.	
BRETT JR, THOMAS E.	
BROGDON, AARON W	
BROWN, CLINTON E.	
BROWN, SALEICA T.	
BRUMFIELD, BILLY	
BRUTZMAN, WILLIAM J.	

BRYANT, GARY G.
BUCCI, JAMES
BULLINGTON, TROY
BURKE, JOHN F.
BUTCHER, DALE M.
BYTHWOOD, CRIS
CALDERA, AGUSTIN S.
CALHOUN, PAMELA J.
CALHOUN, RODNEY D.
CAMACHO, ANTHONY
CAMACHO, GENE A
CAMPBELL, CHRISTOPHER L
CANINO, CHRISTOPHER C.
CAPRIO, ALEXANDER J.
CARLTON, RONALD E
CARSON, MELINDA L.
CARSON, WILLIE
CARVALE, RANDY L.
CASSIDY, EILEEN B.
CASTELLANOS, RICHARD
CASTIGLIONE, DEBORAH S
CASTRO, PABLO E.
CAUSIER, JAMES H.
CHANDLER, DAVID G
CHATWOOD, FRANKLIN S
CHONGCHAROENTANAVAT, PAILIN
CLARDY JR, WILLIAM C
CLIFFORD, RITA J.
COLE, REGINALD
COLLINS, BRAD L.
COMEAUX, ADAM S.
CONEY, DARREN W.
CONLEY, SCOTT G.
CONNLEY, SCOTT A.
CORRADO, JOSEPH
COSTA, MARCELO M.
COTCAMP, THOMAS E
COTTO, HERSON
COWART, JOSHUA
COX, DOREEN B.
CREED, EMERSON
CROSS, GEORGE A.
CRUZ, CINDY L.
CUADRAS, CONRADO E.
CUTSHAW, P. MARK
DANFORD, TAMYKA M.
DANIELS, WILLIAM T
DAUGHTRY, EVERETT M.
DAVILA, JOSE L.
DAVIS, CARLTON D.
DAVIS, CLEOTA KATRINA
DAVIS, SARAH B.
DAWSON, JAMES T
DAWSON, MERRITT E.
DE LOS SANTOS, ROSA

DEAN, TAMMY J.
DEERING, DARNELL M.
DEFFENBAUGH, TIMOTHY
DELERME, RICHARD A.
DEPASTINO, GARY R.
DEYOUNKS, JOSEPH
DEZELAN, GRETA R.
DICKS, KAREN L.
DITTY, CHARLES J
DIX, FRANK P.
DOUGLAS, NEIL T.
DUNHAM, DENISE R.
DURINICK, JOSEPH C.
DYSARD, HEIDI E.
ELMORE, JIMMIE G.
ENGLISH, JOHN T.
ERDEK, BONNIE L.
ERDEK, JESSE J
ERDEK, JOSEPH J
ESCOBAR, DIANA P.
ESPARZA, RAYMOND J.
EVERSOLE, TODD C.
EYSIE, JOSEPH R
FATH, DENNIS C.
FAULK, THOMAS J
FAVORS, CALVIN R.
FAZIO, GEORGE C.
FEDINA, PATRICIA G.
FEWOX, SHEILA P.
FIGUEROA,JOSE A
FINIGAN, CHRISTINA
FLEISCHMAN, JEFFREY
FLORES, JOSE
FLOWERS, DAVID A.
FLYNN, JOHN THOMAS
FORAN, BRADY R.
FORDE, KARL K.
FORREST, BRIAN P.
FOWLER, DONNA T.
FOWLER, JONATHAN
FRUSCIANTE, DONNA M.
GAINES, JAMES C.
GALVIN, LAWRENCE M.
GARFIELD, DANIEL J.
GARFOLA, JASON T.
GAUGLER, BRYAN K.
GAUSE, SUZANNE R.
GEDEON, CASTRA
GEORGE, DAVID L
GIBBS, IVAN M.
GIBSON, RICHARD C
GILCHRIEST, SAMUEL
GILL, ROGER F.
GILLILAND, STEPHEN P.
GILMORE, ALBERT

GLADUE, ALICIA M.
GOINS, MIA S.
GONZALEZ JR, REINALDO
GONZALEZ, REPUBLICA D.
GOODWIN, PATRICIA H.
GOODWIN, RICHARD C.
GRAY, JOSEPH
GRAY, RHONDON
GRAY, STEPHEN J.
GREALY, MARK
GREEN, RICHARD M.
GRIFFIN, JOHN B.
GRIFFIN, ROBERT W
GRIFFITH, BRANDY L.
GRIMESON JR, WILLIAM F
GRIMM, AILEEN E.
GROOMS, DARRYL D
GUIA, RUBEN J.
HAASE, BRUCE A.
HADLEY, GARTH A
HAGANS, WILLIAM
HALL, CHARLES W.
HALL, KEITH R.
HALL, KIMBERLY R.
HARRIS, KEVIN B.
HARTMAN, GEOFFREY L.
HARTMAN, MARTHA J.
HEARN, DONALD A.
HEBERT, RAMONA J.
HERNANDEZ, JOSE C.
HILL, TARA
HOLDEN, CLAUDE
HOLLAND, CLARENCE
HOWELL, GARY E.
HOWELL, MERCEDES
HUFF, HOWARD R.
HUGGINS, FRANKIE L
HUGHES, ALTON W.
HUGHES, BOBBY B
HUGHLEY-GRANT, STEPHANIE S.
HULL, LORI A.
HULME, CATHERINE
HUMPHREY, WINSTON A.
HUNNICUTT, STEPHEN K.
HUNT, NIOKA K.
HURD, JONATHAN G.
HURLEY, PATRICK A.
HURLEY, WILLIAM F.
HUTCHINS, TONYA D.
IACONIS, DAWN E.
INGALLS, JAMES
JACKSON, SEAN C.
JAEGER, MELANIE
JAIKARAN, AMANDA
JAMES, VALERIE M.

HEARING EXHIBIT - 00000539

JEAN, MIKERLINE
JEZEWSKI, TODD A.
JOHNSON JR, IRA LEE
JOHNSON, LOUIE C.
JONES, KATHERINE S
JONES, RAY DOUGLAS
JONES, SARAH A.
JONES, TANZANIKA L.
JONES, TIFFANEY L.
JOSE, EMERSON B.
JOYCE, JOHN K
KARA, ALEXANDER M.
KEIP, DOUGLAS C
KENNEDY, BARRY D.
KENNEDY, KENNETH WAYNE
KHOJASTEH, MEHRDAD
KINGREE, ROY L
KITNER, DONALD E.
KLEIN, ARNOLD
KLEMAS, JOHN E.
KNAPP, JAMES L
KNIGHT, RICHARD P.
KNOWLES, TERRY D.
KONICEK, ROBERT P.
KREPPS, VINCENT P.
KROL, NICOLE L.
LACACI, MARIO L.
LACKEY, MICHAEL E.
LAFAVOR, SCOTT D
LARMONIE, CLAUDE
LAUB, JAMES E.
LEE-CHARLES, SANDRA J.
LEISURE, KIM M.
LEVIER, JESSE M
LEWIS, DUANE P.
LEWIS, JERRY LEE
LINKIEWICZ, CHRISTOPHER L.
LITSEY, DIANE L.
LITTLEFIELD, CAROL L.
LOVE, KAREN S.
LOVE, TIMOTHY A.
LOVETT, EDWIN G.
LUNDGREN, APRIL
LUNDGREN, APRIL M.
LYNCH, DANIEL R
LYONS, DAVID
MAHAN, CLAUDETTE A.
MALOTT, JOHN E
MANUEL, ANTHONY C.
MARINELLI, MICHAEL R.
MARTIN, CHERYL M.
MARTIN, COLETTE
MATHIS, DANNY D.
MAXWELL, DONALD L.
MCCAULEY, LORI ANN

MCCLURE, CHRISTINE M.
MCCOY, LAURA A.
MCDANIEL, WILLIAM R.
MCGOLDRICK, WILLIAM J.
MCKENNA, JAMES
MCLAUGHLIN, DEBRA A.
MCLEOD,PATRICIA
MCMAHON, JULIE M
MEALY, BARBARA J.
MEDINA, MICHELE
MEDINA, MICHELLE
MEDINA, SAMUEL
MERWIN, HARLAN J.
MESITE JR, JAMES V.
MESSINA, VINCENT M.
MIDDLETON, DONALD E.
MILLETT, DONALD W.
MITCHELL, CEDRIC E.
MITCHELL, HENRY L.
MOBLEY, JAMES J.
MONDS, LILA L.
MONTGOMERY, DAVID N.
MOONEY, PHIL C.
MOORE, DON R.
MOORE, MICHELLE N
MOORE, ROGER R.
MORELAND, DOUGLAS
MORGAN, GARFIELD A.
MORIZIO, BETH M.
MORON, LEO J.
MORRELL, ANGELA M.
MORRIS, CLARIECE W.
MOZOLEVSKI, IGOR
MURDOCK, LESLIE M
MURRAY, RYAN E.
MYERS, DONALD R.
NABORS, DONALD H.
NAIL, VIRGINIA A.
NANTON, DWAYNE
NAPIER, MICHELLE D.
NARDI, MICHAEL J.
NORDLUND, ROLAND L.
NUMA, RUDOLPH A.
OAKES, KATHLEEN M
OAKES, THOMAS
OBRIEN, CRAIG W
OCAMPO, MARIO
O'PRY, BROWARD L
PAGE, ELI C.
PALACIOS, CINDY J.
PARKER, EVERITTE R.
PARRISH, MARILYN M.
PARSONS, MELANIE C.
PAYNE, PAMELA D.
PAYNE, ROBERT L

PEACOCK, LEWIS S.
PENDLETON, GLENN E.
PERRY JR., DAVID W.
PESCATORE, MELISSA
PETERSON, BRENDA
PETROFSKY, JOHN M.
PETTY, JULIA K.
PICKLO, JOHN J.
PIERCE, GARY A.
PINEDA,CARMEN
PINKNEY, SEAN P.
PINKOWSKI, STEPHEN
PIRONE III, JAMES J
PLANTE, MICHAEL J.
PLUTA, DAVID F.
POMEROY, KEITH
PONDER, MICHAEL W.
PORTAL, JAHAZIEL
PORTALES, ADIEL
POUNCEY JR, TOMMY L.
PRENTICE, JAMES S.
PREVATT, RONNIE B
PUENTES, JORGE
QUIRINDONGO, DELILAH
RAGOONATH, DARREL
RANCE, DONNA M
RATTLER, SANDRA L.
RAY, KAREN L.
RECK, EULYNN H.
REED, ROGER L.
REGALLIS, JOSEPH
REGISTER, L. WAYNE
REITZ, JEFFREY D.
REUTER, GLENN J.
RICHMOND, YVONNE R.
RILEY, MAXINE J.
RIPPEY, LORI S.
RIPPEY, SHANE T.
ROBINSON, BRANDON J.
ROBINSON, QUENTIN D.
RODNEY, KIRKLAND
RODRIGUEZ, AVILIO
RODRIGUEZ, CARLOS
RODRIGUEZ, RICARDO
RODRIGUEZ, VERONICA O.
ROHOMAN, ABIDALI
ROLLE, JAMES E
ROSALES, JOSE H
ROYE, JANINE
RUDERMAN, JOEL E.
RUSSELL, FRED A.
RUSSELL, TANZANIKA L.
RYAN, MATTHEW
SALGADO, ANDRES
SANDSTROM, SUSAN L

HEARING EXHIBIT - 00000542

SANTAELLA, MARY C.
SANTIAGO, ZUREHIDA M
SAUER, WAYNE T.
SAYLOR, CHAUNDRA L.
SCANDALIATO, DON S
SCHAAK, CLIFFORD T.
SCHNEIDERMANN, MARC L.
SCHWARTZ, RICHARD
SCOTCHEL, MARINA
SCOTTEN, LAURA C.
SCRIBBEN, DANIEL P
SEAGRAVE, MARC S.
SEATON, PAULA S.
SEE JR, ROBERT W.
SERRAES, JOHN
SHATZER, ROBERT A.
SHAW-PORTER, SYBIL I.
SHEPPARD, BARBARA T.
SHERRILL, JACQULYN E
SHIVELY, DAVID A.
SICKELS, RICHARD D.
SILER, JON MARK
SIMPSON, SHEILA C.
SINGLETARY, RICHARD E.
SLUKA, FRANCIS J.
SMITH, COLLEEN D.
SMITH, JARRETT J.
SMITH, REBECCA E.
SMITH, ROBERT L.
SMITH, VIRLIE J.
SNYDER, CHRISTOPHER M.
SPEERIN, GEORGE C.
STAFFORD, RONALD G.
STARR, JENNIFER
STEIN, CHARLES L.
STEPHERSON, LLEWELLYN W.
STERLING, INGRID D.
STEVENS, KIRK A.
STOTTSBERRY, DONALD M.
STUCKART, GERARD
STUDENSKI, FRANK C.
SUAREZ, MAURICIO E.
TAMARAZZO, VICTOR
TAMAYO, ROCCO
TANNER, LYNWOOD
TAYLOR, ERNEST PARKER
TAYLOR, KIM
TAYLOR, STEVEN L.
TEW, DONNIE L.
THIBAULT, RAYMOND C.
THOMAS JR, WILLIAM A
THOMPSON, VINSON LOYD
THORNTON, JEREMY D.
THORNTON, PATRICIA A
TODD, ERIK W.

HEARING EXHIBIT - 00000543

TOOLE, STEPHEN A.	
TRACEY, STEPHEN L.	
TYLER, WILLIAM A.	
USSERY JR, JAMES A.	
VANGELDREN, JASON T	
VANLEEUWEN, FERNANDO	
VANZANT, MICHAEL S.	
VARGAS, LUIS E	
VILLARREAL, RENE A.	
WADE, SHARON A.	
WAGONER, LARRY J.	
WALKER, ALTON	
WALKER, MARVIN W.	
WALLACE, ROBERT C.	
WASHINGTON, NATHANIEL	
WATKINS, CHARLES J	
WEBSTER, STEVE H.	
WEITZ, ANDREW I.	
WELSH JR, JOHN A.	
WENING, DONALD C.	
WEST, BARRINGTON	
WHEATON JR, THEODORE S	
WHITAKER, JAMES B.	
WHITE, LISA	
WHITE, SANDRA	
WHITE, TYRONE T	
WILBUR, ANDREA	
WILKES, CHARLES R	
WILLIAMS, ANDRE	
WILLIAMS, CHRISTOPHER	
WILLIAMS, JERMAYNE M	
WILLIAMS, KERON	
WILLIAMS, RENA M	
WILLIS, ARNELL	
WILSON, DEVIN W.	
WINSOR, SHAWN H.	
WINSTON, LINDA M.	
WOLF, MICHAEL A.	
YOUNG, ANTONIO D.	
YOUNG, CURTIS D.	
YOUNG, MARK T.	
YURECKA, ROBERT J.	
ZEITZ, PHILIP	
ZELINSKI, JASON C.	
ZIEGLER, BARBARA A.	
ZIMMER, PHILIP K.	
(blank)	
Grand Total	

Employees covered under WC Policy 10/2004-8/2005

AARONS KEON S.
AARONS, KEON S.
ABERNATHY SARAH
ALEXANDER, BRENT
ALLEN ROBIN L.
ALLEN, KENNETH W
ALLEN, ROBIN L.
ALLEWELT HAROLD D.
ALLEWELT, HAROLD D.
ALVAREZ MARIO
ALVAREZ, MARIO
ANDERSON CARL W
ANDERSON NORMAN W
ANDERSON, CARL W
ANDERSON, NORMAN W
ANDRE MICHAEL
ANDRE, MICHAEL
ANTONACCI, EMANUELE
ARAYA GIACINTA A.
ARAYA, GIACINTA A.
ARTHUR PAMELA S
ARTHUR, PAMELA S
ATKINS MARY L.
ATKINS, MARY L.
AVILES HECTOR L.
BACHMAN GEORGE M.
BACHMAN, GEORGE M.
BAIRD FRANCES H.
BAIRD, BARBARA S
BAIRD, FRANCES H.
BALDWIN JOHN R
BALDWIN, JOHN R
BARBER DEBORAH J.
BARBER, DEBORAH J.
BASH LEROY D
BASH, LEROY D
BEALE SUSAN M.
BEALE, SUSAN M.
BELL JAMES C
BELL, JAMES C
BELLECHASES DINA
BELLECHASES, DINA
BERGEL RENE A.
BERGMANN MAUREEN A.
BERNIER RAYMOND C.
BERNIER, RAYMOND C.
BEST III ALVIN E.
BEST III, ALVIN E.
BEVIS ANDREW S.
BEVIS, ANDREW S.
BIANCO SANDRA I
BIANCO, SANDRA I
BITTLE SARAH J.
KREPPS VINCENT P.
KREPPS, VINCENT P.
KROL NICOLE L.
KROL, NICOLE L.
LACACI MARIO L.
LACACI, MARIO L.
LACKEY MICHAEL E.
LACKEY, MICHAEL E.
LAFAVOR, SCOTT D
LARMONIE CLAUDE
LARMONIE, CLAUDE
LAUB JAMES E.
LAUB, JAMES E.
LEE-CHARLES SANDRA J.
LEE-CHARLES, SANDRA J.
LEISURE KIM M.
LEISURE, KIM M.
LEVIER JESSE M
LEVIER, JESSE M
LEWIS DUANE P.
LEWIS JERRY LEE
LEWIS, DUANE P.
LEWIS, JERRY LEE
LICHTMAN RAY L.
LINKIEWICZ CHRISTOPHER L.
LINKIEWICZ, CHRISTOPHER L.
LITSEY DIANE L.
LITSEY, DIANE L.
LONG ROBERT S.
LOVE KAREN S.
LOVE TIMOTHY A.
LOVE, KAREN S.
LOVE, TIMOTHY A.
LOVETT EDWIN G.
LOVETT, EDWIN G.
LUNDGREN APRIL M.
LUNDGREN, APRIL M.
LYONS DAVID
LYONS, DAVID
MAHAN CLAUDETTE A.
MAHAN, CLAUDETTE A.
MALDONADO CARLOS
MALOTT, JOHN E
MANUEL ANTHONY C.
MANUEL, ANTHONY C.
MARINELLI MICHAEL R.
MARINELLI, MICHAEL R.
MARTIN CHERYL M.
MARTIN COLETTE
MARTIN DWAYNE L.
MARTIN, CHERYL M.
MARTIN, COLETTE
MATHIS DANNY D.

HEARING EXHIBIT - 00000545

BITTLE, SARAH J.
BLACK MATTHEW D.
BLACK, MATTHEW D.
BLANCO XIOMARA
BLANCO, XIOMARA
BLAND FRED L.
BLAND, FRED L.
BLAZINA GREG
BLAZINA, GREG
BOATRIGHT CURTIS J.
BOATRIGHT, CURTIS J.
BONEHILL GARY T.
BONEHILL, GARY T.
BONN WAYNE C.
BONN, WAYNE C.
BOWEN FRANK E
BOWEN, FRANK E
BRADLEY GERRY L.
BRADLEY MICHAEL J.
BRADLEY, GERRY L.
BRADLEY, MICHAEL J.
BRETT JR THOMAS E.
BRETT JR, THOMAS E.
BRIGGS JOYCE A
BROGDON AARON W
BROGDON, AARON W
BROWN CLINTON E.
BROWN JACK R.
BROWN SALEICA T.
BROWN, CLINTON E.
BROWN, SALEICA T.
BRUTZMAN WILLIAM J.
BRUTZMAN, WILLIAM J.
BUCCI JAMES
BUCCI, JAMES
BULLINGTON TROY
BULLINGTON, TROY
BURKE JOHN F.
BURKE, JOHN F.
BUTCHER DALE M.
BUTCHER, DALE M.
BYTHWOOD, CRIS
CALDERA AGUSTIN S.
CALDERA, AGUSTIN S.
CALHOUN PAMELA J.
CALHOUN RODNEY D.
CALHOUN, PAMELA J.
CALHOUN, RODNEY D.
CAMACHO GENE A
CAMACHO, GENE A
CANINO CHRISTOPHER C.
CANINO, CHRISTOPHER C.
CAPRIO ALEXANDER J.
CAPRIO, ALEXANDER J.
CARLTON RONALD E
MATHIS, DANNY D.
MCCAULEY LORI ANN
MCCAULEY, LORI ANN
MCCLURE CHRISTINE M.
MCCLURE, CHRISTINE M.
MCCOY JUDITH B
MCCOY LAURA A.
MCCOY, LAURA A.
MCDANIEL WILLIAM R.
MCDANIEL, WILLIAM R.
MCGOLDRICK WILLIAM J.
MCGOLDRICK, WILLIAM J.
MCKENNA JAMES
MCKENNA, JAMES
MCKENZIE TERESA L.
MCLEOD,PATRICIA
MCMAHON JULIE M
MCMAHON JULIE M.
MCMAHON, JULIE M
MCNAY LATANJA
MEALY BARBARA J.
MEALY, BARBARA J.
MEDINA SAMUEL
MEDINA, SAMUEL
MERWIN HARLAN J.
MERWIN, HARLAN J.
MESITE JR JAMES V.
MESITE JR, JAMES V.
MESSINA VINCENT M.
MESSINA, VINCENT M.
MIDDLETON DONALD E.
MIDDLETON, DONALD E.
MILLETT DONALD W.
MILLETT, DONALD W.
MITCHELL CEDRIC E.
MITCHELL HENRY L.
MITCHELL, CEDRIC E.
MITCHELL, HENRY L.
MOBLEY JAMES J.
MOBLEY, JAMES J.
MONDS LILA L.
MONDS, LILA L.
MONTGOMERY DAVID N.
MONTGOMERY, DAVID N.
MOONEY PHIL C.
MOONEY, PHIL C.
MOORE DON R.
MOORE MICHELLE N
MOORE ROGER R.
MOORE, DON R.
MOORE, MICHELLE N
MOORE, ROGER R.
MORELAND DOUGLAS
MORELAND, DOUGLAS
MORGAN GARFIELD A.

HEARING EXHIBIT - 00000546

CARLTON, RONALD E
CARMAN ROBERT L
CARSON WILLIE
CARSON, WILLIE
CARVALE RANDY L.
CARVALE, RANDY L.
CASSIDY EILEEN B.
CASSIDY, EILEEN B.
CASTELLANOS RICHARD
CASTELLANOS, RICHARD
CASTIGLIONE DEBORAH S
CASTIGLIONE, DEBORAH S
CASTRO PABLO E.
CASTRO, PABLO E.
CAUDLE ANTHONY R.
CAUSIER JAMES H.
CAUSIER, JAMES H.
CHANDLER DAVID G
CHANDLER, DAVID G
CHATWOOD FRANKLIN S
CHATWOOD, FRANKLIN S
CHONGCHAROENTANAVAT PAILIN
CHONGCHAROENTANAVAT, PAILIN
CLARDY JR WILLIAM C
CLARDY JR, WILLIAM C
CLIFFORD RITA J.
CLIFFORD, RITA J.
COLE REGINALD
COLE, REGINALD
COLLINS BRAD L.
COLLINS, BRAD L.
CONLEY SCOTT G.
CONLEY, SCOTT G.
CONNLEY SCOTT A.
CONNLEY, SCOTT A.
CORTES ANIBAL
COTCAMP THOMAS E
COTCAMP, THOMAS E
COWART JOSHUA
COWART, JOSHUA
COX DOREEN B.
COX, DOREEN B.
CREED, EMERSON
CRESPO SAMUEL
CROSS GEORGE A.
CROSS, GEORGE A.
CRUZ CINDY L.
CRUZ, CINDY L.
CUADRAS CONRADO E.
CUADRAS, CONRADO E.
CUTSHAW P. MARK
CUTSHAW, P. MARK
DANFORD TAMYKA M.
DANFORD, TAMYKA M.
DANIELS SCOTT L.
MORGAN, GARFIELD A.
MORIZIO BETH M.
MORIZIO, BETH M.
MORRELL ANGELA M.
MORRELL, ANGELA M.
MORRIS CLARIECE W.
MORRIS, CLARIECE W.
MORRISON SCOTT A.
MOZOLEVSKI IGOR
MOZOLEVSKI, IGOR
MURPHY JOHN W.
MURRAY RYAN E.
MURRAY, RYAN E.
MYERS DONALD R.
MYERS, DONALD R.
NABORS DONALD H.
NABORS, DONALD H.
NANTON, DWAYNE
NAPIER MICHELLE D.
NAPIER, MICHELLE D.
NARDI MICHAEL J.
NARDI, MICHAEL J.
NELSON THOMAS DAVID
NORDLUND ROLAND L.
NORDLUND, ROLAND L.
NUMA RUDOLPH A.
NUMA, RUDOLPH A.
OAKES KATHLEEN M
OAKES THOMAS
OAKES, KATHLEEN M
OAKES, THOMAS
OBRIEN CRAIG W
OBRIEN, CRAIG W
OCAMPO, MARIO
OGLE JONATHAN D.
O'PRY BROWARD L
O'PRY, BROWARD L
PAGE ELI C.
PAGE, ELI C.
PALACIOS CINDY J.
PALACIOS, CINDY J.
PAPADEAS MICHAEL G.
PARKER EVERITTE R.
PARKER, EVERITTE R.
PARSONS MELANIE C.
PARSONS, MELANIE C.
PAYNE PAMELA D.
PAYNE ROBERT L
PAYNE, PAMELA D.
PAYNE, ROBERT L
PEACOCK LEWIS S.
PEACOCK MICHAEL A.
PEACOCK, LEWIS S.
PENDLETON GLENN E.
PENDLETON, GLENN E.

HEARING EXHIBIT - 00000547

DANIELS WILLIAM T
DANIELS, WILLIAM T
DAUGHTRY EVERETT M.
DAUGHTRY, EVERETT M.
DAVILA JOSE L.
DAVILA, JOSE L.
DAVIS CARLTON D.
DAVIS CLEOTA KATRINA
DAVIS SARAH B.
DAVIS, CARLTON D.
DAVIS, CLEOTA KATRINA
DAVIS, SARAH B.
DAWSON JAMES T
DAWSON MERRITT E.
DAWSON, JAMES T
DAWSON, MERRITT E.
DEAN TAMMY J.
DEAN, TAMMY J.
DEERING DARNELL M.
DEERING, DARNELL M.
DEFFENBAUGH, TIMOTHY
DEMARIA JEFFREY
DEPASTINO GARY R.
DEPASTINO, GARY R.
DEZELAN GRETA R.
DEZELAN, GRETA R.
DICKS KAREN L.
DICKS, KAREN L.
DITTY CHARLES J
DITTY, CHARLES J
DIX FRANK P.
DIX, FRANK P.
DOUGLAS NEIL T.
DOUGLAS, NEIL T.
DREW-SUGERMAN LYNN G.
DUNHAM DENISE R.
DUNHAM, DENISE R.
DURAN FERNANDO A.
DURAND STEPHEN W.
DYSARD HEIDI E.
DYSARD, HEIDI E.
ELMORE JIMMIE G.
ELMORE, JIMMIE G.
ENGLISH JOHN T.
ENGLISH, JOHN T.
ERDEK BONNIE L.
ERDEK JESSE J
ERDEK JOSEPH J
ERDEK, BONNIE L.
ERDEK, JESSE J
ERDEK, JOSEPH J
ESPARZA RAYMOND J.
ESPARZA, RAYMOND J.
FATH DENNIS C.
FATH, DENNIS C.
PERRY JR. DAVID W.
PERRY JR., DAVID W.
PESCATORE MELISSA
PESCATORE, MELISSA
PETERSON BRENDA
PETERSON, BRENDA
PETROFSKY JOHN M.
PETROFSKY, JOHN M.
PETTY JULIA K.
PETTY, JULIA K.
PICKLO JOHN J.
PICKLO, JOHN J.
PIERCE GARY A.
PIERCE, GARY A.
PINEDA,CARMEN
PINKNEY SEAN P.
PINKNEY, SEAN P.
PIRONE III JAMES J
PIRONE III, JAMES J
PLANTE MICHAEL J.
PLANTE, MICHAEL J.
PLUTA DAVID F.
PLUTA, DAVID F.
POLLARI PATRINA J.
POMEROY KEITH
POMEROY, KEITH
PONDER MICHAEL W.
PONDER, MICHAEL W.
PORTAL JAHAZIEL
PORTAL, JAHAZIEL
PORTALES ADIEL
PORTALES, ADIEL
POUNCEY JR TOMMY L.
POUNCEY JR, TOMMY L.
PREVATT RONNIE B
PREVATT, RONNIE B
PRUETT MARK W.
PUENTES JORGE
PUENTES, JORGE
QUIRINDONGO DELILAH
QUIRINDONGO, DELILAH
RANCE DONNA M
RANCE, DONNA M
RATTLER SANDRA L.
RATTLER, SANDRA L.
RECK EULYNN H.
RECK, EULYNN H.
REGISTER L. WAYNE
REGISTER, L. WAYNE
REITZ JEFFREY D.
REITZ, JEFFREY D.
REUTER GLENN J.
REUTER, GLENN J.
RICHMOND YVONNE R.
RICHMOND, YVONNE R.

FAULK THOMAS J
FAULK, THOMAS J
FAVORS CALVIN R.
FAVORS, CALVIN R.
FAZIO GEORGE C.
FAZIO, GEORGE C.
FEDINA PATRICIA G.
FEDINA, PATRICIA G.
FERGILE LIFAITE C.
FEWOX SHEILA P.
FEWOX, SHEILA P.
FIELDS TIM E
FIGUEROA JOSE A
FIGUEROA,JOSE A
FLEISCHMAN JEFFREY
FLEISCHMAN, JEFFREY
FLORES JOSE
FLORES, JOSE
FLOWERS DAVID A.
FLOWERS, DAVID A.
FLYNN JOHN THOMAS
FLYNN, JOHN THOMAS
FORAN BRADY R.
FORAN, BRADY R.
FORDE KARL K.
FORDE, KARL K.
FORREST BRIAN P.
FORREST, BRIAN P.
FORSTROM MICHELLE D.
FOWLER DONNA T.
FOWLER JONATHAN
FOWLER, DONNA T.
FOWLER, JONATHAN
FRANK BETTY
FRATTA-DORMOND ALDO
FRUSCIANTE DONNA M.
FRUSCIANTE, DONNA M.
GAINES JAMES C.
GAINES, JAMES C.
GALVIN LAWRENCE M.
GALVIN, LAWRENCE M.
GARFIELD DANIEL J.
GARFIELD, DANIEL J.
GARFOLA JASON T.
GARFOLA, JASON T.
GAUGLER BRYAN K.
GAUGLER, BRYAN K.
GAUSE SUZANNE R.
GAUSE, SUZANNE R.
GEORGE DAVID L
GEORGE, DAVID L
GIBBS IVAN M.
GIBBS, IVAN M.
GIBSON RICHARD C
GIBSON, RICHARD C
RILEY MAXINE J.
RILEY, MAXINE J.
RIPPEY LORI S.
RIPPEY SHANE T.
RIPPEY, LORI S.
RIPPEY, SHANE T.
RIVERA MICHELLE
RIVERA, MICHELLE
ROBINSON QUENTIN D.
ROBINSON, QUENTIN D.
RODRIGUEZ AVILIO
RODRIGUEZ VERONICA O.
RODRIGUEZ, AVILIO
RODRIGUEZ, VERONICA O.
ROHOMAN ABIDALI
ROHOMAN, ABIDALI
ROLLE JAMES E
ROLLE, JAMES E
RONDON THOMAS J.
ROSALES JOSE H
ROSALES, JOSE H
RUDERMAN JOEL E.
RUDERMAN, JOEL E.
RUSH BEVERLY A.
RUSSELL FRED A.
RUSSELL TANZANIKA L.
RUSSELL, FRED A.
RUSSELL, TANZANIKA L.
RYAN MATTHEW
RYAN, MATTHEW
RYANS LORY L.
SALGADO ANDRES
SALGADO, ANDRES
SANDERS DION M.
SANDSTROM SUSAN L
SANDSTROM, SUSAN L
SANTIAGO MIGUEL
SAUER WAYNE T.
SAUER, WAYNE T.
SAYLOR CHAUNDRA L.
SAYLOR, CHAUNDRA L.
SCANDALIATO DON S
SCANDALIATO, DON S
SCHAAK CLIFFORD T.
SCHAAK, CLIFFORD T.
SCHNEIDERMANN MARC L.
SCHNEIDERMANN, MARC L.
SCHWARTZ RICHARD
SCHWARTZ, RICHARD
SCOTTEN LAURA C.
SCOTTEN, LAURA C.
SCRIBBEN DANIEL P
SCRIBBEN, DANIEL P
SEAGRAVE MARC S.
SEAGRAVE, MARC S.

HEARING EXHIBIT - 00000549

GILCHRIEST SAMUEL
GILCHRIEST, SAMUEL
GILL ROGER F.
GILL, ROGER F.
GILLILAND STEPHEN P.
GILLILAND, STEPHEN P.
GILMORE ALBERT
GILMORE, ALBERT
GLADUE ALICIA M.
GLADUE, ALICIA M.
GONZALEZ HEATHER L.
GONZALEZ JR REINALDO
GONZALEZ JR, REINALDO
GONZALEZ REPUBLICA D.
GONZALEZ, REPUBLICA D.
GOODWIN PATRICIA H.
GOODWIN RICHARD C.
GOODWIN, PATRICIA H.
GOODWIN, RICHARD C.
GRAY JOSEPH
GRAY RHONDON
GRAY STEPHEN J.
GRAY, JOSEPH
GRAY, RHONDON
GRAY, STEPHEN J.
GREALY, MARK
GREEN RICHARD M.
GREEN, RICHARD M.
GREENWALD DAVID M.
GRIFFIN JOHN B.
GRIFFIN ROBERT W
GRIFFIN, JOHN B.
GRIFFIN, ROBERT W
GRIFFITH BRANDY L.
GRIFFITH, BRANDY L.
GRIMESON JR WILLIAM F
GRIMESON JR, WILLIAM F
GRIMM AILEEN E.
GRIMM, AILEEN E.
GROOMS DARRYL D
GROOMS, DARRYL D
GUIA RUBEN J.
GUIA, RUBEN J.
HAASE BRUCE A.
HAASE, BRUCE A.
HAGANS WILLIAM
HAGANS, WILLIAM
HALL CHARLES W.
HALL KEITH R.
HALL KIMBERLY R.
HALL, CHARLES W.
HALL, KEITH R.
HALL, KIMBERLY R.
HARRIS KEVIN B.
HARRIS, KEVIN B.
SEATON PAULA S.
SEATON, PAULA S.
SEE JR ROBERT W.
SEE JR, ROBERT W.
SERRAES JOHN
SERRAES, JOHN
SHATZER ROBERT A.
SHATZER, ROBERT A.
SHAW-PORTER SYBIL I.
SHAW-PORTER, SYBIL I.
SHERRILL JACQULYN E
SHERRILL, JACQULYN E
SHIVELY DAVID A.
SHIVELY, DAVID A.
SICKELS RICHARD D.
SICKELS, RICHARD D.
SILER JON MARK
SILER, JON MARK
SIMPSON SHEILA C.
SIMPSON, SHEILA C.
SINGLETARY RICHARD E.
SINGLETARY, RICHARD E.
SLEEMAN STEVEN M.
SLUKA FRANCIS J.
SLUKA, FRANCIS J.
SMITH JARRETT J.
SMITH REBECCA A.
SMITH REBECCA E.
SMITH ROBERT L.
SMITH, JARRETT J.
SMITH, REBECCA E.
SMITH, ROBERT L.
SNYDER CHRISTOPHER M.
SNYDER, CHRISTOPHER M.
SPEERIN GEORGE C.
SPEERIN, GEORGE C.
ST LOUIS KENNY
STAFFORD RONALD G.
STAFFORD, RONALD G.
STARR JENNIFER
STARR, JENNIFER
STEFFES RAQUEL K.
STEIN CHARLES L.
STEIN, CHARLES L.
STEPHERSON LLEWELLYN W.
STEPHERSON, LLEWELLYN W.
STERLING INGRID D.
STERLING, INGRID D.
STOTTSBERRY DONALD M.
STOTTSBERRY, DONALD M.
STRAUSS LESLIE M.
STRAUSS, LESLIE M.
STUDENSKI FRANK C.
STUDENSKI, FRANK C.
SUAREZ MAURICIO E.

HEARING EXHIBIT - 00000550

HARTMAN GEOFFREY L.
HARTMAN MARTHA J.
HARTMAN, GEOFFREY L.
HARTMAN, MARTHA J.
HASKINS JOHN F.
HEARN DONALD A.
HEARN, DONALD A.
HENSON SUSAN L.
HERNANDEZ JOSE C.
HERNANDEZ, JOSE C.
HIGGINBOTHAM DONALD H.
HILL TARA
HILL, TARA
HOLDAWAY ROY L.
HOLDEN CLAUDE
HOLDEN, CLAUDE
HOWELL GARY E.
HOWELL, GARY E.
HUFF HOWARD R.
HUFF, HOWARD R.
HUGGINS FRANKIE L
HUGGINS, FRANKIE L
HUGHES ALTON W.
HUGHES BOBBY B
HUGHES, ALTON W.
HUGHES, BOBBY B
HUGHLEY-GRANT STEPHANIE S.
HUGHLEY-GRANT, STEPHANIE S.
HULL LORI A.
HULL, LORI A.
HUMPHREY WINSTON A.
HUMPHREY, WINSTON A.
HUNNICUTT STEPHEN K.
HUNNICUTT, STEPHEN K.
HUNT NIOKA K.
HUNT, NIOKA K.
HURD JONATHAN G.
HURD, JONATHAN G.
HURLEY PATRICK A.
HURLEY WILLIAM F.
HURLEY, PATRICK A.
HURLEY, WILLIAM F.
IACONIS DAWN E.
IACONIS, DAWN E.
INGALLS JAMES
INGALLS, JAMES
JACKSON BYRON J.
JACKSON SEAN C.
JACKSON, SEAN C.
JAIKARAN AMANDA
JAIKARAN, AMANDA
JAMES VALERIE M.
JAMES, VALERIE M.
JEZEWSKI TODD A.
JEZEWSKI, TODD A.
SUAREZ, MAURICIO E.
SUMNER KATHERINE M.
SUMNER, KATHERINE M.
TAMARAZZO VICTOR
TAMARAZZO, VICTOR
TAMAYO, ROCCO
TANNER LYNWOOD
TANNER, LYNWOOD
TAYLOR ERNEST PARKER
TAYLOR KIM
TAYLOR STEVEN L.
TAYLOR, ERNEST PARKER
TAYLOR, KIM
TAYLOR, STEVEN L.
TEW DONNIE L.
TEW, DONNIE L.
THIBAULT RAYMOND C.
THIBAULT, RAYMOND C.
THISTEL ROBERT A.
THOMAS JR WILLIAM A
THOMAS JR, WILLIAM A
THOMPSON VINSON LOYD
THOMPSON, VINSON LOYD
THORNTON PATRICIA A
THORNTON, PATRICIA A
TOLAND CASEY S.
TOOLE STEPHEN A.
TOOLE, STEPHEN A.
TOROUNIAN MICHAEL
TRACEY STEPHEN L.
TRACEY, STEPHEN L.
TURNER VERA
TYLER WILLIAM A.
TYLER, WILLIAM A.
USSERY JR JAMES A.
USSERY JR, JAMES A.
VAN ZANT MICHAEL S.
VANGELDREN JASON T
VANGELDREN, JASON T
VANGORDER MELODY
VANZANT MICHAEL S.
VANZANT, MICHAEL S.
VILLARREAL RENE A.
VILLARREAL, RENE A.
WADE SHARON A.
WADE, SHARON A.
WAGONER LARRY J.
WAGONER, LARRY J.
WALKER ALTON
WALKER MARVIN W.
WALKER, ALTON
WALKER, MARVIN W.
WALLACE ROBERT C.
WALLACE, ROBERT C.
WALSH DIANA M.

HEARING EXHIBIT - 00000551

JOHNSON JR IRA LEE
JOHNSON JR, IRA LEE
JOHNSON LOUIE C.
JOHNSON, LOUIE C.
JONES RAY DOUGLAS
JONES SARAH A.
JONES, RAY DOUGLAS
JONES, SARAH A.
JOSE EMERSON B.
JOSE, EMERSON B.
JOYCE JOHN K
JOYCE, JOHN K
KARA ALEXANDER M.
KARA, ALEXANDER M.
KEIP DOUGLAS C
KEIP, DOUGLAS C
KENNEDY BARRY D.
KENNEDY KENNETH WAYNE
KENNEDY RENA M.
KENNEDY, BARRY D.
KENNEDY, KENNETH WAYNE
KHOJASTEH MEHRDAD
KHOJASTEH, MEHRDAD
KINGREE ROY L
KINGREE, ROY L
KITNER DONALD E.
KITNER, DONALD E.
KITTERICK THOMAS
KLEIN ARNOLD
KLEIN, ARNOLD
KLEMAS JOHN E.
KLEMAS, JOHN E.
KNAPP JAMES L
KNAPP, JAMES L
KNIGHT RICHARD P.
KNIGHT, RICHARD P.
KNOWLES TERRY D.
KNOWLES, TERRY D.
KONICEK ROBERT P.
KONICEK, ROBERT P.
WARRINGTON BEVERLY H.
WASHINGTON, NATHANIEL
WEBSTER STEVE H.
WEBSTER, STEVE H.
WEITZ ANDREW I.
WEITZ, ANDREW I.
WELSH JR JOHN A.
WELSH JR, JOHN A.
WENING DONALD C.
WENING, DONALD C.
WHEATON JR THEODORE S
WHEATON JR, THEODORE S
WHITAKER JAMES B.
WHITAKER, JAMES B.
WHITE TYRONE T
WHITE, SANDRA
WHITE, TYRONE T
WILKES CHARLES R
WILKES, CHARLES R
WILLIAMS CHRISTOPHER
WILLIAMS RENA M
WILLIAMS WILLIAM E
WILLIAMS, CHRISTOPHER
WILLIAMS, JERMAYNE M
WILLIAMS, RENA M
WILLIS ARNELL
WILLIS, ARNELL
WILSON DEVIN W.
WILSON, DEVIN W.
WINSOR SHAWN H.
WINSOR, SHAWN H.
WINSTON LINDA M.
WINSTON, LINDA M.
WOLF MICHAEL A.
WOLF, MICHAEL A.
YOUNG ANTONIO D.
YOUNG CURTIS D.
YOUNG MARK T.
YOUNG, ANTONIO D.
YOUNG, CURTIS D.
YOUNG, MARK T.
ZELINSKI JASON C.
ZELINSKI, JASON C.
ZIEGLER BARBARA A.
ZIEGLER, BARBARA A.

Employees covered under WC Policy 10/2006-8/2007

Name
AARONS, KEON S.
ACHTERHOF, COLLEEN D.
ALEXANDER, BRENT
ALLEN, CHRISTOPHER L.
ALLEN, ROBIN L.
ALLEWELT, HAROLD D.
ALVAREZ, MARIO
ANDERSON, CARL W
ANDERSON, NORMAN W
ANDERSON, WARREN E
ANDRE, MICHAEL
ANGULO, PETER V.
ANGULO, VINCENT C.
ANTHONY, DAVID
ANTONACCI, EMANUELE
ARAYA, GIACINTA A.
ARTHUR, PAMELA S
ATKINS, MARY L.
ATKINS, MICHAEL
BACHAND, DAVID
BACHMAN, GEORGE M.
BAIRD, FRANCES H.
BALDWIN, JOHN R
BASH, LEROY D
BASHFORD, MAXINE J.
BEALE, SUSAN M.
BECKER, MICHAEL W.
BELL, JAMES C
BELL, MATTHEW R.
BELLECHASES, DINA
BERNIER, RAYMOND C.
BERRETTA, MICHAEL
BEST III, ALVIN E.
BEVERLY, JUSTIN A.
BEVIS, ANDREW S.
BHATIA, NADIRA
BIANCO, SANDRA I
BITTLE, SARAH J.
BLACK, MATTHEW D.
BLANCO, XIOMARA
BLAND, FRED L.
BLAZINA, GREG S.
BOATRIGHT, CURTIS J.
BONEHILL, GARY T.
BONN, WAYNE C.
BOWEN, FRANK E
BRADLEY, GERRY L.
BRADLEY, MICHAEL J.
BRETT JR, THOMAS E.
BROGDON, AARON W
BROOKS, SHAREE L.

Employees covered under WC Policy 10/2003-8/2004

NAME
AARONS, KEON S.
ABERNATHY, SARAH
ACCARDI, ANTHONY C.
ALLEN, ROBIN L.
ALLEWELT, HAROLD D.
ALVAREZ, MARIO
ANDERSON, CARL W
ANDERSON, NORMAN W
ANDRE, MICHAEL
ARAYA, GIACINTA A.
ARTHUR, PAMELA S
ATKINS, MARY L.
AVILES, HECTOR L.
BACHMAN, GEORGE M.
BAIRD, FRANCES H.
BALDWIN, JOHN R
BARBER, DEBORAH J.
BASH, LEROY D
BEALE, SUSAN M.
BELCHER, ANDREW J.
BELL, JAMES C
BELLECHASES, DINA
BERGEL, RENE A.
BERGMANN, MAUREEN A.
BERNIER, RAYMOND C.
BEST III, ALVIN E.
BEVIS, ANDREW S.
BIANCO, SANDRA I
BITTLE, SARAH J.
BLACK, MATTHEW D.
BLANCO, XIOMARA
BLAND, FRED L.
BLAZINA, GREG
BLUE, ALISHA N.
BOATRIGHT, CURTIS J.
BOBROWSKI, MICHAEL C.
BONEHILL, GARY T.
BONN, WAYNE C.
BOUCK, STACY J.
BOWEN, FRANK E
BRADLEY, GERRY L.
BRADLEY, MICHAEL J.
BRETT JR, THOMAS E.
BRIGGS, JOYCE A
BROGDON, AARON W
BROWN, CLINTON E.
BROWN, JACK R.
BROWN, JUAN S.
BROWN, RICHARD
BROWNING, CATHERINE M.
BRUTZMAN, WILLIAM J.

BUCCI, JAMES
BULLINGTON, TROY
BURKE, JOHN F.
BUTCHER, DALE M.
CALHOUN, PAMELA J.
CAMACHO, GENE A
CANINO, CHRISTOPHER C.
CARLTON, RONALD E
CARMAN, ROBERT L
CARSON, WILLIE
CASSIDY, EILEEN B.
CASTELLANOS, RICHARD
CASTIGLIONE, DEBORAH S
CASTRO, PABLO E.
CAUDLE, ANTHONY R.
CAUSIER, JAMES H.
CHANDLER, DAVID G
CHATWOOD, FRANKLIN S
CHRISTMAS, STEPHEN R.
CLARDY JR, WILLIAM C
CLIFFORD, RITA J.
COLE, REGINALD
COLEY, ROBERT L
COLLINS, BRAD L.
COLLINS, ROBERT N.
COLOMBO, BETTIE F.
CONLEY, SCOTT G.
CONNLEY, SCOTT A.
CORTES, ANIBAL
COTCAMP, THOMAS E
COWART, JOSHUA
COX, DOREEN B.
CRESPO, SAMUEL
CREWS, ROGER D.
CROSS, GEORGE A.
CRUZ, CINDY L.
CUADRAS, CONRADO E.
CUTSHAW, P. MARK
DANFORD, TAMYKA M.
DANIELS, SCOTT L.
DANIELS, WILLIAM T
DAVILA, JOSE L.
DAVIS, CARLTON D.
DAVIS, CLEOTA KATRINA
DAVIS, SARAH B.
DAWSON, MERRITT E.
DEAN, TAMMY J.
DEERING, DARNELL M.
DEMARIA, JEFFREY
DEMURA, KRISTIAN J.
DEPASTINO, GARY R.
DEVERE, JAY P.
DEZELAN, GRETA R.
DICKS, KAREN L.
DITTY, CHARLES J

HEARING EXHIBIT - 00000555

DIX, FRANK P.
DONNELLY, LISA M.
DOUGLAS, NEIL T.
DREW-SUGERMAN, LYNN G.
DURAN, FERNANDO A.
DURAND, STEPHEN W.
DYSARD, HEIDI E.
ELMORE, JIMMIE G.
ENGLISH, JOHN T.
ERDEK, BONNIE L.
ERDEK, JOSEPH J
ESPARZA, RAYMOND J.
FARRELL, MARY B.
FATH, DENNIS C.
FAULK, THOMAS J
FAVORS, CALVIN R.
FAZIO, GEORGE C.
FEDINA, PATRICIA G.
FERGILE, LIFAITE C.
FIELDS, TIM E
FLEISCHMAN, JEFFREY
FLORES, JOSE
FLOWERS, DAVID A.
FLYNN, JOHN THOMAS
FORAN, BRADY R.
FORDE, KARL K.
FORREST, BRIAN P.
FORSTROM, MICHELLE D.
FOSTER, SHAY B.
FOWLER, DONNA T.
FRANK, BETTY
FRATTA-DORMOND, ALDO
FRUSCIANTE, DONNA M.
GAINER, WILLIE L.
GAINES, JAMES C.
GALVIN, LAWRENCE M.
GARFIELD, DANIEL J.
GARFOLA, JASON T.
GARRITY, JOSEPH J.
GAUGLER, BRYAN K.
GEORGE, DAVID L
GIBBS, IVAN M.
GILCHRIEST, SAMUEL
GILL, ROGER F.
GILLILAND, STEPHEN P.
GILMORE, ALBERT
GLADUE, ALICIA M.
GONZALEZ JR, REINALDO
GONZALEZ, HEATHER L.
GOODWIN, PATRICIA H.
GORMAN, SUSAN E.
GOULD, HAROLD C.
GRAHAM, JAMES R.
GRAY, JOSEPH
GRAY, RHONDON

HEARING EXHIBIT - 00000556

GRAY, STEPHEN J.
GREENWALD, DAVID M.
GRIFFIN, JOHN B.
GRIFFIN, ROBERT W
GRIFFITH, BRANDY L.
GRIMESON JR, WILLIAM F
GRIMM, AILEEN E.
GROOMS, DARRYL D
HAASE, BRUCE A.
HAGANS, WILLIAM
HALL, CHARLES W.
HALL, KEITH R.
HALL, KIMBERLY R.
HARREN, CHARLENE J.
HARRIS, KEVIN B.
HARTMAN, GEOFFREY L.
HARTMAN, MARTHA J.
HASKINS, JOHN F.
HASSAN, MONJURUL
HEARN, DONALD A.
HENSON, SUSAN L.
HERNANDEZ, JOSE C.
HIGGINBOTHAM, DONALD H.
HILL, REBECCA DAWN
HILL, TARA
HOLDAWAY, ROY L.
HOLDEN, CLAUDE
HOLTON, TED R.
HOWARD, MELISSA S.
HOWELL, GARY E.
HUGGINS, FRANKIE L
HUGHES, ALTON W.
HUGHES, BOBBY B
HUGHLEY-GRANT, STEPHANIE S.
HULL, LORI A.
HUMPHREY, WINSTON A.
HUNNICUTT, STEPHEN K.
HUNT, NIOKA K.
HURLEY, PATRICK A.
HURLEY, WILLIAM F.
IACONIS, DAWN E.
INGALLS, JAMES
JACKSON, BYRON J.
JAMES, VALERIE M.
JEZEWSKI, TODD A.
JOHNSON JR, IRA LEE
JOHNSON, LOUIE C.
JONES, RAY DOUGLAS
JONES, SARAH A.
JONES, TAMYKA M.
JONES, TANZANIKA L.
JOSE, EMERSON B.
JOYCE, JOHN K
KARA, ALEXANDER M.
KEIP, DOUGLAS C

HEARING EXHIBIT - 00000557

KENNEDY, BARRY D.
KENNEDY, KENNETH WAYNE
KENNEDY, RENA M.
KHOJASTEH, MEHRDAD
KINGREE, ROY L
KIRKUS, NOAH E.
KITNER, DONALD E.
KITTERICK, THOMAS
KLEMAS, JOHN E.
KNAPP, JAMES L
KNIGHT, RICHARD P.
KNOWLES, TERRY D.
KONICEK, ROBERT P.
KREPPS, VINCENT P.
LACACI, MARIO L.
LACKEY, MICHAEL E.
LANIER, MICHAEL A.
LARMONIE, CLAUDE
LEE-CHARLES, SANDRA J.
LEISURE, KIM M.
LEWIS, DUANE P.
LEWIS, JERRY LEE
LICHTMAN, RAY L.
LINKIEWICZ, CHRISTOPHER L.
LITSEY, DIANE L.
LONG, ROBERT S.
LOVE, KAREN S.
LOVE, MICHAEL T.
LOVE, TIMOTHY A.
LOVETT, EDWIN G.
LUNDGREN, APRIL M.
LYONS, DAVID
MALDONADO, CARLOS
MANDRICK, JOHN M.
MANUEL, ANTHONY C.
MARINELLI, MICHAEL R.
MARTIN, CHERYL M.
MARTIN, COLETTE
MARTIN, DWAYNE L.
MATHIS, DANNY D.
MCCAULEY, LORI ANN
MCCLELLAND, ELIAS J
MCCLURE, CHRISTINE M.
MCCOY, JUDITH B
MCCOY, LAURA A.
MCDANIEL, WILLIAM R.
MCKENNA, JAMES
MCKENZIE, TERESA L.
MCMAHON, JULIE M.
MCNAY, LATANJA
MEALY, BARBARA J.
MERWIN, HARLAN J.
MESITE JR, JAMES V.
MESSINA, VINCENT M.
MIDDLETON, DONALD E.

HEARING EXHIBIT - 00000558

MILLETT, DONALD W.
MITCHELL, HENRY L.
MITCHELL, JEFF M.
MITCHELL, STEVEN L.
MOBLEY, JAMES J.
MONDS, LILA L.
MONTGOMERY, DAVID N.
MOONEY, PHIL C.
MOORE, DON R.
MORELAND, DOUGLAS
MORGAN, GARFIELD A.
MORIZIO, BETH M.
MORRELL, ANGELA M.
MORRIS, CLARIECE W.
MORRISON, SCOTT A.
MOZOLEVSKI, IGOR
MURPHY, JOHN W.
MURRAY, RYAN E.
MYERS, DONALD R.
NABORS, DONALD H.
NAME
NAPIER, MICHELLE D.
NARDI, MICHAEL J.
NELSON, THOMAS DAVID
NORDLUND, ROLAND L.
NUMA, RUDOLPH A.
OAKES, KATHLEEN M
OAKES, THOMAS
OBRIEN, CRAIG W
OGLE, JONATHAN D.
O'PRY, BROWARD L
PAGE, ELI C.
PALACIOS, CINDY J.
PAPADEAS, MICHAEL G.
PARKER, EVERITTE R.
PARSONS, MELANIE C.
PASSARO, MAUREEN A.
PAYNE, PAMELA D.
PAYNE, ROBERT L
PEACOCK, LEWIS S.
PEACOCK, MICHAEL A.
PELLICO, DAVID E.
PENDLETON, GLENN E.
PERRY JR., DAVID W.
PERSENAIRE, BRIAN F.
PESCATORE, MELISSA
PETERSON, BRENDA
PETROFSKY, JOHN M.
PETTY, JULIA K.
PHILLIPS, KELLY D.
PICKLO, JOHN J.
PIERCE, GARY A.
PINKNEY, SEAN P.
PITTMAN, WILLIAM H.
PLANTE, MICHAEL J.

HEARING EXHIBIT - 00000559

PLUTA, DAVID F.
POCKELL, JOSEPH
POLLARI, PATRINA J.
POMEROY, KEITH
PONDER, MICHAEL W.
PORTAL, JAHAZIEL
PORTALES, ADIEL
PORTO, ROBERT D.
PREITE, DENNIS
PREVATT, RONNIE B
PREZA, DANIEL P.
PRUETT, MARK W.
PUENTES, JORGE
PYLE, ERNEST C.
QUIRINDONGO, DELILAH
RANCE, DONNA M
RATTLER, SANDRA L.
RECK, EULYNN H.
REGISTER, L. WAYNE
REITZ, JEFFREY D.
REUTER, GLENN J.
REYES, DAVID B.
RICHMOND, YVONNE R.
RIPPEY, LORI S.
RIPPEY, SHANE T.
RIVERA, MICHELLE
ROBERTSON, ROBERT A.
ROBINSON, QUENTIN D.
ROCKWELL, PATRICIA
RODRIGUEZ, AVILIO
ROHOMAN, ABIDALI
ROLLE, JAMES E
RONDON, THOMAS J.
ROSALES, JOSE H
RUDERMAN, JOEL E.
RUSH, BEVERLY A.
RUSSELL, FRED A.
RUSSELL, TANZANIKA L.
RYAN, MATTHEW
RYANS, LORY L.
SALGADO, ANDRES
SANDERS, DION M.
SANTIAGO, MIGUEL
SAUER, WAYNE T.
SAYLOR, CHAUNDRA L.
SCANDALIATO, DON S
SCHAAK, CLIFFORD T.
SCHNEIDERMANN, MARC L.
SCHWARTZ, RICHARD
SCOTT, DESHAUN
SCOTTEN, LAURA C.
SCRIBBEN, DANIEL P
SEAGRAVE, MARC S.
SEATON, PAULA S.
SEE JR, ROBERT W.

HEARING EXHIBIT - 00000560

SERRAES, JOHN
SHAPIRO, MARK A.
SHATZER, ROBERT A.
SHAW-PORTER, SYBIL I.
SHELTON, CHARLES H.
SHERMAN, JOHN M.
SHIVELY, DAVID A.
SICKELS, RICHARD D.
SILER, JON MARK
SIMMONS, GAIL F
SIMPSON, SHEILA C.
SINGLETARY, RICHARD E.
SLEEMAN, STEVEN M.
SLUKA, FRANCIS J.
SLYDELL, CHRISTOPHER L.
SMITH, JARRETT J.
SMITH, JOIROB A.
SMITH, KATHERINE L.
SMITH, LEAH ANN
SMITH, REBECCA A.
SMITH, ROBERT L.
SMITH, ROYCE L.
SMITH, STACYE L.
SNYDER, CHRISTOPHER M.
SPEERIN, GEORGE C.
STAFFORD, RONALD G.
STARR, JENNIFER
STEFFES, RAQUEL K.
STEIN, CHARLES L.
STEPHERSON, LLEWELLYN W.
STEVENS, MARC J.
STONE, DIANE
STRAUSS, LESLIE M.
STUDENSKI, FRANK C.
SUAREZ, MAURICIO E.
SUMNER, KATHERINE M.
SWEAT, JASON C.
TAMARAZZO, VICTOR
TANNER, LYNWOOD
TAUSCHER, JENNIFER E.
TAYLOR, ERNEST PARKER
TAYLOR, KIM
TAYLOR, STEVEN L.
TEW, DONNIE L.
THIBAULT, RAYMOND C.
THISTEL, ROBERT A.
THOMAS JR, WILLIAM A
THOMPSON, VINSON LOYD
THORNTON, PATRICIA A
TOLAND, CASEY S.
TOOLE, STEPHEN A.
TORJAK, JOSEPH L.
TOROUNIAN, MICHAEL
TRACEY, STEPHEN L.
TRACY, TIMOTHY W.

HEARING EXHIBIT - 00000561

TURNER, VERA	
TYLER, WILLIAM A.	
USSERY JR, JAMES A.	
VAN ZANT, MICHAEL S.	
VANGORDER, MELODY	
VEAS, SHARLENE	
VILLARREAL, RENE A.	
WADE, JAKE	
WADE, SHARON A.	
WAGONER, LARRY J.	
WALKER, MARVIN W.	
WALLACE, ROBERT C.	
WALSH, DIANA M.	
WARRINGTON, BEVERLY H.	
WEBSTER, STEVE H.	
WEITZ, ANDREW I.	
WELSH JR, JOHN A.	
WENING, DONALD C.	
WESTERMAN, MICHELLE D.	
WHEATON JR, THEODORE S	
WHITAKER, JAMES B.	
WILKES, CHARLES R	
WILLIAMS, CHRISTOPHER	
WILLIAMS, MARLA T.	
WILLIAMS, WILLIAM E	
WILLIS, ARNELL	
WILSON, DEVIN W.	
WINSOR, SHAWN H.	
WINSTON, LINDA M.	
WOLF, MICHAEL A.	
YIP, JIMMY	
YOUNG, ANTONIO D.	
YOUNG, CURTIS D.	
YOUNG, MARK T.	
ZELINSKI, JASON C.	
ZIEGLER, BARBARA A.	
(blank)	
Grand Total	

HEARING EXHIBIT - 00000562

Oct. 2003 - Oct. 2004 P/R ANALYSIS OF WORKER'S COMPENSATION AUDIT

P/R REPORTS

JOB CATEGORY	GROSS TOTAL	AMOUNT NOT INCLUDED	Adj. Gross P/R	OT TOTAL	1/3 of OT Deducted	TOTAL P/R EXPOSURE
JC 4 - Natural Gas (7502)	5,291,996		5,291,996	685,363	(228,454)	5,063,542
JC 2 - Water (7520)	0		0	0	0	0
JC 3 - Electric (7539)	2,651,437		2,651,437	291,625	(97,208)	2,554,229
JC 1 - Propane (8353)	1,281,237		1,281,237	137,272	(45,757)	1,236,480
JC 5 - Clerical & Officers (8810)	6,053,957	(256,569)	6,797,388	144,114	(48,038)	6,749,350
JC 6 - Salesperson (8742)	849,214		849,214	935	(312)	848,902
GRAND TOTAL	16,127,841	(256,569)	15,871,272	1,259,308	(419,769)	15,451,503

BREAKDOWN OF OFFICER'S SALARIES:

	P/R	MAX. INCLUDED	DISALLOWED AMT.
Charles Stein	170,409	93,600	76,809
George Bachman	143,479	93,600	49,879
John English	223,481	93,600	129,881
	537,369	280,800	256,569

HEARING EXHIBIT - 00000563

	1	2	3	4	
Charles Stein	44,404.40	48,743.20	35,659.20	41,602.40	170,409.20
George Bachman	36,057.00	42,422.00	30,000.00	35,000.00	143,479.00
Jack Brown	37,476.00	35,758.00	0.00	0.00	73,234.00
John English	54,958.00	66,551.00	47,064.00	54,908.00	223,481.00

Key

	Division	
JC 4 - Natural Gas (7502)	0	West Palm Beach
JC 2 - Water (7620)	2	Marianna Water
JC 3 - Electric (7539)	3	Central Florida
JC 1 - Propane (8363)	4	Marianna
JC 5 - Clerical & Officers (8810)	5	Fernandina
JC 6 - Salesperson (8742)	6	Nature Coast

	1 Quarter 4 2003	2 Quarter 1 2004	3 Quarter 2 2004	4	
JC 4 - Natural Gas (7502)	1,349,660.68	1,165,526.25	1,215,926.15	1,560,882.72	5,291,995.80
JC 2 - Water (7620)	0	0	0	0.00	0.00
JC 3 - Electric (7539)	643,249.37	565,787.93	676,035.54	766,364.14	2,651,436.98
JC 1 - Propane (8363)	333,029.75	297,855.85	290,263.14	360,088.71	1,281,237.45
JC 5 - Clerical & Officers (8810)	1,587,664.37	1,440,034.34	1,413,114.69	1,813,143.92	6,053,957.32
JC 6 - Salesperson (8742)	230,438.76	185,035.63	202,365.81	231,373.71	849,213.91
	4,144,042.93	3,654,240.00	3,797,705.33	4,531,853.20	16,127,841.46

	1 Quarter 4 '03 OT	2 Quarter 1 '04 OT	3 Quarter 2 '04 OT	4	
JC 4 - Natural Gas (7502)	154,730.33	125,528.80	111,902.30	293,201.08	685,362.51
JC 2 - Water (7620)	0	0	0	0.00	0.00
JC 3 - Electric (7539)	47,761.08	31,533.56	55,802.95	156,527.58	291,625.17
JC 1 - Propane (8363)	33,758.08	42,806.28	19,801.28	40,906.15	137,271.79
JC 5 - Clerical & Officers (8810)	30,129.04	31,019.04	24,337.89	58,627.80	144,113.77
JC 6 - Salesperson (8742)	76.20	149.60	170.09	538.79	934.68
	266,454.73	231,037.28	212,014.51	549,801.40	1,259,307.92

HEARING EXHIBIT - 00000564

NAME	
ABERNATHY, SARAH	
ACCARDI, ANTHONY C.	
ALLEN, ROBIN L.	
ALLEWELT, HAROLD D.	
ALVAREZ, MARIO	
ANDERSON, CARL W	
ANDERSON, NORMAN W	
ANDRE, MICHAEL	
ARAYA, GIACINTA A.	
ARTHUR, PAMELA S	
ATKINS, MARY L.	
BACHMAN, GEORGE M.	
BAIRD, FRANCES H.	
BALDWIN, JOHN R	
BARBER, DEBORAH J.	
BARROWS, DANIEL L	
BASH, LEROY D	
BELCHER, ANDREW J.	
BELL, JAMES C	
BELLECHASES, DINA	
BERGEL, RENE A.	
BERNIER, RAYMOND C.	
BERRY, FELISA E.	
BEST III, ALVIN E.	
BEVIS, ANDREW S.	
BIANCO, SANDRA I	
BITTLE, SARAH J.	
BLANCO, GARY M.	
BLAND, FRED L.	
BLAZINA, GREG	
BLUE, ALISHA N.	
BOATRIGHT, CURTIS J.	
BOBROWSKI, MICHAEL C.	
BONEHILL, GARY T.	
BONN, WAYNE C.	
BOUCK, STACY J.	
BOWEN, FRANK E	
BRADLEY, MICHAEL J.	
BRIGGS, JOYCE A	
BROGDON, AARON W	
BROWN, CLINTON E.	
BROWN, JACK R.	
BROWN, JUAN S.	
BROWN, RICHARD	
BROWNING, CATHERINE M.	
BRUTZMAN, WILLIAM J.	
BUCCI, JAMES	
BULLINGTON, TROY	
BURKE, JOHN F.	
BUTCHER, DALE M.	
BYRD, ANGELA R.	

HEARING EXHIBIT - 00000565

CALHOUN, PAMELA J.
CAMACHO, GENE A
CAMPBELL, HARRY
CANINO, CHRISTOPHER C.
CARLTON, RONALD E
CARMAN, ROBERT L
CARSON, WILLIE
CASSIDY, EILEEN B.
CASTIGLIONE, DEBORAH S
CASTILLO, ROSALINDA
CAUSIER, JAMES H.
CHANDLER, DAVID G
CHATWOOD, FRANKLIN S
CHRISTMAS, STEPHEN R.
CHUMNEY, MONICA K.
CLARDY JR, WILLIAM C
CLARK, JOHN C.
CLIFFORD, RITA J.
COFFEY, KEVIN J.
COLEY, ROBERT L
COLLINS, BRAD L.
COLLINS, ROBERT N.
COLOMBO, BETTIE F.
CONLEY, SCOTT G.
CONNLEY, SCOTT A.
COTCAMP, THOMAS E
COX, DOREEN B.
CRESPO, SAMUEL
CREWS, ROGER D.
CROSS, GEORGE A.
CROTHERS, MELISSA A.
CRUZ, CINDY L.
CUADRAS, CONRADO E.
CUTSHAW, P. MARK
DANIELS, WILLIAM T
DAVILA, JOSE L.
DAVIS, CARLTON D.
DAVIS, CLEOTA KATRINA
DAVIS, SARAH B.
DAWSON, MERRITT E.
DEAN, TAMMY J.
DEMURA, KRISTIAN J.
DEPALMA, MICHAEL A.
DEPASTINO, GARY R.
DEVERE, JAY P.
DEZELAN, GRETA R.
DICKS, KAREN L.
DITTY, CHARLES J
DIX, FRANK P.
DONNELLY, LISA M.
DREW-SUGERMAN, LYNN G.
DUNLOP, LENORE F.
DURAND, STEPHEN W.
DYSARD, HEIDI E.
ELMORE, JIMMIE G.

HEARING EXHIBIT - 00000566

ENGLISH, JOHN T.
ERDEK, BONNIE L.
ERDEK, JOSEPH J
ESPARZA, RAYMOND J.
FARRELL, MARY B.
FATH, DENNIS C.
FAULK, THOMAS J
FAVORS, CALVIN R.
FAZIO, GEORGE C.
FEDINA, PATRICIA G.
FIELDS, TIM E
FLEISCHMAN, JEFFREY
FLORES, JOSE
FLOWERS, DAVID A.
FLYNN, JOHN THOMAS
FORAN, BRADY R.
FORDE, KARL K.
FORREST, BRIAN P.
FOSTER, SHAY B.
FOWLER, DONNA T.
FRENCH, ROYAL L.
FRUSCIANTE, DONNA M.
FULLER, GERALD A.
FULLER, KEVIN W.
GAINER, WILLIE L.
GAINES, JAMES C.
GALVIN, LAWRENCE M.
GARFIELD, DANIEL J.
GARFOLA, JASON T.
GARRITY, JOSEPH J.
GAUGLER, BRYAN K.
GEORGE, DAVID L
GIBBS, IVAN M.
GILCHRIEST, SAMUEL
GILLILAND, STEPHEN P.
GILMORE, ALBERT
GLADUE, ALICIA M.
GONZALEZ JR, REINALDO
GOODWIN, HOWARD R.
GOODWIN, PATRICIA H.
GORMAN, SUSAN E.
GOULD, HAROLD C.
GRAHAM, JAMES R.
GRAY, JOSEPH
GRAY, RHONDON
GREENWALD, DAVID M.
GRIFFIN, JOHN B.
GRIFFIN, ROBERT W
GRIFFITH, BRANDY L.
GRIMESON JR, WILLIAM F
GROOMS, DARRYL D
HAASE, BRUCE A.
HAGANS, WILLIAM
HALL, CHARLES W.
HALL, KEITH R.

HEARING EXHIBIT - 00000567

HALL, KIMBERLY R.
HANSON, KATHERINE
HARREN, CHARLENE J.
HARTMAN, MARTHA J.
HASSAN, MONJURUL
HAUSER, GLORIA A.
HEARN, DONALD A.
HENSON, SUSAN L.
HERNANDEZ, JOSE C.
HIGGINBOTHAM, DONALD H.
HILL, REBECCA DAWN
HILL, TARA
HOBBS JR, THOMAS S.
HOLDEN, CLAUDE
HOLDER, KAREN
HOLTON, TED R.
HOWARD, MELISSA S.
HOWELL, GARY E.
HUGGINS, FRANKIE L
HUGHES, ALTON W.
HUGHES, BOBBY B
HUGHLEY, STEPHANIE S.
HULL, LORI A.
HUMPHREY, WINSTON A.
HUNNICUTT, STEPHEN K.
HUNT, NIOKA K.
HURLEY, WILLIAM F.
INGALLS, JAMES
INGRAHAM, BETH M.
IRIZARRY, DANILO
JAMES, VALERIE M.
JENKINS, COREY
JEZEWSKI, TODD A.
JOHNSON JR, IRA LEE
JOHNSON, LOUIE C.
JONES, RAY DOUGLAS
JONES, SARAH A.
JONES, TAMYKA M.
JONES, TANZANIKA L.
JOSE, EMERSON B.
JOYCE, JOHN K
KARA, ALEXANDER M.
KEIP, DOUGLAS C
KENNEDY, KENNETH WAYNE
KENNEDY, RENA M.
KHOJASTEH, MEHRDAD
KINGREE, ROY L
KIRKUS, NOAH E.
KITNER, DONALD E.
KITTERICK, THOMAS
KLEMAS, JOHN E.
KNAPP, JAMES L
KNIGHT, RICHARD P.
KREPPS, VINCENT P.
LACACI, MARIO L.

HEARING EXHIBIT - 00000568

LACKEY, MICHAEL E.
LANGLOIS, MICHAEL C.
LANIER, MICHAEL A.
LARMONIE, CLAUDE
LEARY, TIMOTHY J.
LEFFLER, LAUREL T.
LEISURE, KIM M.
LEWIS, DUANE P.
LEWIS, JERRY LEE
LICHTMAN, RAY L.
LINKIEWICZ, CHRISTOPHER L.
LITTLE, WILLIAM D.
LONG, ROBERT S.
LOVE, KAREN S.
LOVE, MICHAEL T.
LOVE, TIMOTHY A.
LOVETT, EDWIN G.
LUNDGREN, APRIL M.
MADER, JULIE M.
MALDONADO, CARLOS
MANDRICK, JOHN M.
MANUEL, ANTHONY C.
MARINELLI, MICHAEL R.
MARTIN, CHERYL M.
MARTIN, COLETTE
MARTIN, DWYANE L.
MATHIS, DANNY D.
MCCAIN, LYNNA
MCCAULEY, LORI ANN
MCCLELLAND, ELIAS J
MCCLURE, CHRISTINE M.
MCCOY, JUDITH B
MCCRANIE, MACK J.
MCDANIEL, WILLIAM R.
MCKENNA, JAMES
MCMAHON, JULIE M.
MEALY, BARBARA J.
MERWIN, HARLAN J.
MESITE JR, JAMES V.
MESSINA, VINCENT M.
MIDDLETON, DONALD E.
MILLETT, DONALD W.
MINOTT, GEORGETTE A.
MITCHELL, HENRY L.
MITCHELL, JEFF M.
MITCHELL, STEVEN L.
MITCHELL, TARA L.
MOBLEY, JAMES J.
MONDS, LILA L.
MONTGOMERY, DAVID N.
MOONEY, PHIL C.
MOORE, DON R.
MOORE, JENNIFER E.
MORELAND, DOUGLAS
MORGAN, GARFIELD A.

HEARING EXHIBIT - 00000569

MORRIS, CLARIECE W.
MORRISON, SCOTT A.
MURRAY, RYAN E.
MYERS, DONALD R.
NABORS, DONALD H.
NAME
NAPIER, MICHELLE D.
NARDI, MICHAEL J.
NELSON, THOMAS DAVID
NEW, BEVERLY H.
NIEMY, JUANITA
OAKES, KATHLEEN M
OAKES, THOMAS
OBRIEN, CRAIG W
OCHOA, RAFAEL A.
OGLE, JONATHAN D.
O'PRY, BROWARD L
ORTIZ, ITHAMAR
PAGE, ELI C.
PALACIOS, CINDY J.
PAPADEAS, MICHAEL G.
PARKER, DANNY L.
PARKER, EVERITTE R.
PARSONS, MELANIE C.
PASSARO, MAUREEN A.
PAYNE, PAMELA D.
PAYNE, ROBERT L
PEACOCK, LEWIS S.
PEACOCK, MICHAEL A.
PELLICO, DAVID E.
PENDLETON, GLENN E.
PEREZ, BARBARA
PERRY JR., DAVID W.
PERSENAIRE, BRIAN F.
PESCATORE, MELISSA
PETERSON, BRENDA
PETROFSKY, JOHN M.
PETTY, JULIA K.
PHILLIPS, KELLY D.
PICKETT, JOSEPH A.
PICKLO, JOHN J.
PIECEWICZ, ANGELA K.
PIERCE, ALBERT L
PIERCE, GARY A.
PITTMAN, WILLIAM H.
PLANTE, MICHAEL J.
POCKELL, JOSEPH
PONDER, MICHAEL W.
PORTAL, JAHAZIEL
PORTO, ROBERT D.
PREITE, DENNIS
PREVATT, RONNIE B
PREZA, DANIEL P.
PRICE, SUSAN D.
PRUETT, MARK W.

HEARING EXHIBIT - 00000570

PURINO, MICHELE A.
PUTNAM, ALLEN A.
PYLE, ERNEST C.
QUIRINDONGO, DELILAH
RANCE, DONNA M
RATTLER, SANDRA L.
RECK, EULYNN H.
REED JR., THOMAS H.
REGISTER, L. WAYNE
REINHARTSEN, JOHN R.
REITZ, JEFFREY D.
REUTER, GLENN J.
REYES, DAVID B.
RIPPEY, LORI S.
RIPPEY, SHANE T.
RIVERA, MICHELLE
ROBERTSON, ROBERT A.
ROBINSON, QUENTIN D.
ROCKWELL, PATRICIA
RODRIGUEZ, AVILIO
ROLLE, JAMES E
RONDON, THOMAS J.
ROSALES, JOSE H
ROSENDO, VICTOR M.
RUDERMAN, JOEL E.
RUSH, BEVERLY A.
RUSSELL, FRED A.
RYALS, TERESA A.
RYAN, MATTHEW
RYANS, LORY L.
SANTIAGO, MIGUEL
SAUER, WAYNE T.
SAVAGE, LORI S.
SAYLOR, CHAUNDRA L.
SCANDALIATO, DON S
SCHAAK, CLIFFORD T.
SCHEINER, GRETA R.
SCHERER, CLAY L.
SCHNEIDERMANN, MARC L.
SCHWARTZ, RICHARD
SCOTT, DESHAUN
SCOTTEN, LAURA C.
SCRIBBEN, DANIEL P
SEAGRAVE, MARC S.
SEATON, PAULA S.
SEE JR, ROBERT W.
SERRAES, JOHN
SHAPIRO, MARK A.
SHATZER, ROBERT A.
SHAW-PORTER, SYBIL I.
SHELTON, CHARLES H.
SHERMAN, JOHN M.
SHIVELY, DAVID A.
SICKELS, RICHARD D.
SILER, JON MARK

HEARING EXHIBIT - 00000571

SIMMONS, DWIGHT E.
SIMMONS, GAIL F
SIMPSON, SHEILA C.
SINGLETARY, RICHARD E.
SLEEMAN, STEVEN M.
SLUKA, FRANCIS J.
SLYDELL, CHRISTOPHER L.
SMITH, JARRETT J.
SMITH, JOIROB A.
SMITH, LEAH ANN
SMITH, REBECCA A.
SMITH, ROBERT L.
SMITH, ROYCE L.
SMITH, STACYE L.
SNYDER, CHRISTOPHER M.
SPEERIN, GEORGE C.
STAFFORD, RONALD G.
STARR, JENNIFER
STEFFES, RAQUEL K.
STEIN, CHARLES L.
STEPHENS, KIMBERLY R.
STEPHERSON, LLEWELLYN W.
STEVENS, MARC J.
STONE, DIANE
STUDENSKI, FRANK C.
SUAREZ, MAURICIO E.
SWEAT, JASON C.
TAMARAZZO, VICTOR
TANNER, LYNWOOD
TAUSCHER, JENNIFER E.
TAYLOR, ERNEST PARKER
TAYLOR, STEVEN L.
TEW, DONNIE L.
THIBAULT, RAYMOND C.
THISTEL, ROBERT A.
THOMAS JR, WILLIAM A
THOMPSON, VINSON LOYD
THORNTON, PATRICIA A
TODD, KEVIN R.
TOOLE, STEPHEN A.
TORJAK, JOSEPH L.
TRACEY, STEPHEN L.
TRACY, TIMOTHY W.
TROY, DARRYL L.
TURNER, VERA
TYLER, WILLIAM A.
USSERY JR, JAMES A.
VALENTI, ARTHUR G
VAN ZANT, MICHAEL S.
VANGORDER, MELODY
VEAS, SHARLENE
WADE, JAKE
WADE, SHARON A.
WAGONER, LARRY J.
WALKER, MARVIN W.

HEARING EXHIBIT - 00000572

WALLACE, ROBERT C.	
WALLACE, WILLIAM B.	
WALSH, DIANA M.	
WARRINGTON, BEVERLY H.	
WEBSTER, STEVE H.	
WEITZ, ANDREW I.	
WELSH JR, JOHN A.	
WESTERMAN, MICHELLE D.	
WHEATON JR, THEODORE S	
WHITAKER, JAMES B.	
WILKES, CHARLES R	
WILLIAMS, CHRISTOPHER	
WILLIAMS, MARLA T.	
WILLIAMS, WILLIAM E	
WILLIS, ARNELL	
WILSON, DEVIN W.	
WINSOR, SHAWN H.	
WINSTON, LINDA M.	
WOLF, MICHAEL A.	
YIP, JIMMY	
YOUNG, CURTIS D.	
YOUNG, MARK T.	
ZELINSKI, JASON C.	
ZIEGLER, BARBARA A.	
(blank)	
Grand Total	

HEARING EXHIBIT - 00000574

Florida Public Utilities Company
100.1650.5 - Prepaid Insurance - Workmen's Compensation
Policy Year Oct. 2002 - Sept. 2003
September 2003

DATE	Accruals (JE 19)	Payments (P/L) Description	Payments (P/L) Amount	Other Description	Other Amount		G/L Balance	S/B	Difference
9/30/02				BALANCE FORWARD			0.00	0.00	0.00
Oct-02	(45,120.00)	Amer Int'l	204,481.00				159,361.00	159,376.08	15.08
Nov-02	(45,109.00)	Amer Int'l	42,109.00				156,361.00	156,370.16	9.16
Dec-02	(45,109.00)	Amer Int'l	42,104.00	Record & expense add'l premium as result of WC 01-02 audit & Carl Anderson retro adj.	49,044.00	(49,044.00)	153,356.00	153,364.24	8.24
Jan-03	(45,109.00)	Amer Int'l	42,104.00	Dividend payment for policy period 2000-2001& expense one month of the dividend	(56,368.00)		93,983.00	150,358.32	56,375.32
Feb-03	(45,109.00)	Amer Int'l	42,104.00	2nd month dividend payment expensed	7,046.00		98,024.00	147,352.40	49,328.40
Mar-03	(45,109.00)	Amer Int'l	42,104.00	3rd month dividend payment expensed	7,046.00		102,065.00	144,346.48	42,281.48
Apr-03	(45,109.00)	Amer Int'l	42,104.00	4th month dividend payment expensed	7,046.00		106,106.00	141,340.56	35,234.56
May-03	(45,109.00)	Amer Int'l	42,104.00	5th month dividend payment expensed	7,046.00		110,147.00	138,334.64	28,187.64
Jun-03	(45,109.00)	Amer Int'l	42,105.00	6th month dividend payment expensed	7,046.00		114,189.00	135,329.72	21,140.72
Jul-03	(45,104.00)			7th month dividend payment expensed	7,046.00		76,131.00	90,219.80	14,088.80
Aug-03	(45,104.00)		(5.00)		7,046.00		38,068.00	45,109.88	7,041.88
Sep-03	(45,114.00)				7,046.00		0.00	0.00	0.00
Totals	(541,314.00)		541,314.00		49,044.00	(49,044.00)			

Policy Year October 02 to September 03 541,314

Balance in GL s/b (according to policy plan):

	PAYMENT	ACCRUAL	BALANCE
(30% down) & 1st Installment/Oct. 2002	204,486.00	(45,109.92)	159,376.08
2nd Installment/Nov. 2002	42,104.00	(45,109.92)	156,370.16
3rd Installment/Dec. 2002	42,104.00	(45,109.92)	153,364.24
4th Installment/Jan. 2003	42,104.00	(45,109.92)	150,358.32
5th Installment/Feb. 2003	42,104.00	(45,109.92)	147,352.40
6th Installment/March 2003	42,104.00	(45,109.92)	144,346.48
7th Installment/April 2003	42,104.00	(45,109.92)	141,340.56
8th Installment/May 2003	42,104.00	(45,109.92)	138,334.64
9th Installment/June 2003	42,105.00	(45,109.92)	135,329.72
July 2003		(45,109.92)	90,219.80
August 2003		(45,109.92)	45,109.88
September 2003		(45,109.88)	0.00

Difference: 0.00

Accrual should be (for 12 months)	(541,314.00)
Actual accrual made for 7 mos. (timing & rounding issue, next 5 months will be adjusted)	541,314.00
Dividend payment for policy period 2000-2001(to be expensed over 9 months)	63,416.00
9 months of dividend payment expensed	(63,416.00)
	0.00

	due		Total payments	Paid in	Due
30% down payment & Installment	1	204,486	204,486	Oct-01	Nov-01
Installment	2	42,104	246,590	Nov-01	Dec-01
Installment	3	42,104	288,694	Dec-01	Jan-02
Installment	4	42,104	330,798	Jan-02	Feb-02
Installment	5	42,104	372,902	Feb-02	Mar-02
Installment	6	42,104	415,006	Mar-02	Apr-02
Installment	7	42,104	457,110	Apr-02	May-02
Installment	8	42,104	499,214	May-02	Jun-02
Installment	9	42,105	541,319	Jun-02	Jul-02
		(5)	541,314	Aug-03	
			541,314		
			541,314		

Monthly Journal Entry:		DR	CR
121.4010.9251	44.93%	20,267.47	
123.4010.9251	14.95%	6,743.60	
114.4010.9251	14.57%	6,572.38	
115.4010.9251	16.00%	7,217.44	
991.4010.925	6.57%	2,963.66	
993.4010.925	2.98%	1,344.25	
100.1650.5	100.00%		45,109.00
		45,109.00	45,109.00

JE To Reduce Expense (Div. Pmt.		DR	CR
100.1650.5	100.00%	7,046.00	
121.4010.9251	44.93%		3,165.77
123.4010.9251	14.95%		1,053.38
114.4010.9251	14.57%		1,026.60
115.4010.9251	16.00%		1,127.36
991.4010.925	6.57%		462.92
993.4010.925	2.98%		209.97
		7,046.00	7,046.00

10-02 to 9-03 WORKER'S COMP REC 1650.510/26/2007

HEARING EXHIBIT - 00000575

Exhibit 28.3
OPC First Set of Interrogatories
Docket No. 070304-EI
Witness: M. Khojasteh

Florida Public Utilities Company
100.1650.5 - Prepaid Insurance - Workmen's Compensation
Policy Year Oct. 2003 - Sept. 2004
December 2003

DATE	Accruals (JE 19)	Payments (P/L) Description	Payments (P/L) Amount	Other Description	Other Amount	G/L Balance	S/B	Difference
9/30/03				BALANCE FORWARD		0.00	0.00	0.00
Oct-03	(41,837.00)	Amer Int'l	189,661.00			147,824.00	147,824.00	0.00
Nov-03	(41,837.00)	Amer Int'l	39,053.00			145,040.00	145,040.00	0.00
Dec-03	(41,850.00)	Amer Int'l	39,053.00			142,243.00	142,243.00	0.00
Totals	(125,524.00)		267,767.00		0.00 0.00			

Policy Year October 03 to September 04 502,084

Balance in GL s/b (according to policy plan):

	PAYMENT	ACCRUAL	BALANCE
(30% down) & 1st Installment/Oct. 2003	189,661.00	(41,837.00)	147,824.00
2nd Installment/Nov. 2003	39,053.00	(41,837.00)	145,040.00
3rd Installment/Dec. 2003	39,053.00	(41,850.00)	142,243.00
4th Installment/Jan. 2004	39,053.00	(41,840.00)	139,456.00
5th Installment/Feb. 2004	39,053.00	(41,840.00)	136,669.00
6th Installment/March 2004	39,053.00	(41,840.00)	133,882.00
7th Installment/April 2004	39,053.00	(41,840.00)	131,095.00
8th Installment/May 2004	39,053.00	(41,840.00)	128,308.00
9th Installment/June 2004	39,052.00	(41,840.00)	125,520.00
July 2003		(41,840.00)	83,680.00
August 2004		(41,840.00)	41,840.00
September 2004		(41,840.00)	0.00
Difference:			0.00

Monthly Journal Entry:		DR	CR
121.4010.9251	42.62%	17,830.92	
123.4010.9251	17.15%	7,175.05	
114.4010.9251	8.99%	3,761.15	
115.4010.9251	16.69%	6,982.60	
991.4010.9251	9.71%	4,062.37	
993.4010.9251	1.95%	815.82	
996.4010.9251	2.89%	1,209.09	
100.1650.5			41,837.00
		41,837.00	41,837.00

10-02 to 9-03 WORKER'S COMP REC 1650.510/26/2007

HEARING EXHIBIT - 00000576

Florida Public Utilities Company
100.1650.5 - Prepaid Insurance - Workmen's Compensation
Policy Year Oct. 2003 - Sept. 2004
September 2004

Date	Accruals (JE 19)	Payments (P/L) Description	Payments (P/L) Amount	Other Description	Other Amount	G/L Balance	S/B	Difference
9/30/03				BALANCE FORWARD		0.00	0.00	0.00
Oct-03	(41,837.00)	Amer Int'l	189,661.00			147,824.00	86,131.62	(61,692.38)
Nov-03	(41,837.00)	Amer Int'l	39,053.00			145,040.00	91,493.67	(53,546.33)
Dec-03	(41,850.00)	Amer Int'l	39,053.00			142,243.00	96,855.72	(45,387.28)
Jan-04	(41,840.00)	Amer Int'l	39,053.00	Payment & Reimbursement for previous policies	0.00	139,456.00	102,217.78	(37,238.22)
Feb-04	(41,840.00)	Amer Int'l	39,053.00			136,669.00	107,579.84	(29,089.16)
Mar-04	(41,840.00)	Amer Int'l	78,106.00	March and April's payment made in March		172,935.00	112,941.90	(59,993.10)
Apr-04	(41,840.00)	Amer Int'l	0.00			131,095.00	118,303.96	(12,791.04)
May-04	(41,840.00)	Amer Int'l	39,053.00			128,308.00	123,666.02	(4,641.98)
Jun-04	(41,840.00)	Amer Int'l	39,053.00			125,521.00	129,028.08	3,507.08
Jul-04	(41,840.00)					83,681.00	86,018.70	2,337.70
Aug-04	(41,840.00)					41,841.00	43,009.32	1,168.32
Sep-04	(41,841.00)					0.00	0.00	0.00
Totals	(502,085.00)		502,085.00		0.00	0.00		

Policy Year October 03 to September 04 516,113

Balance in GL S/B (According to Policy Plan):

	Payment	Accrual	Balance
(30% down) & 1st Installment/Oct. 2004	129,141.00	(43,009.38)	86,131.62
2nd Installment/Nov. 2004	48,371.43	(43,009.38)	91,493.67
3rd Installment/Dec. 2004	48,371.43	(43,009.38)	96,855.72
4th Installment/Jan. 2005	48,371.44	(43,009.38)	102,217.78
5th Installment/Feb. 2005	48,371.44	(43,009.38)	107,579.84
6th Installment/March 2005	48,371.44	(43,009.38)	112,941.90
7th Installment/April 2005	48,371.44	(43,009.38)	118,303.96
8th Installment/May 2005	48,371.44	(43,009.38)	123,666.02
9th Installment/June 2005	48,371.44	(43,009.38)	129,028.08
July 2005		(43,009.38)	86,018.70
August 2005		(43,009.38)	43,009.32
September 2005		(43,009.32)	0.00
Difference:			0.00

Monthly Journal Entry:		DR	CR
121.4010.9251	42.62%	17,832.20	
123.4010.9251	17.15%	7,175.56	
114.4010.9251	8.99%	3,761.42	
115.4010.9251	16.69%	6,983.10	
991.4010.9251	9.71%	4,062.66	
993.4010.9251	1.95%	815.88	
996.4010.9251	2.89%	1,209.18	
100.1650.5			41,840.00
		41,840.00	41,840.00

HEARING EXHIBIT - 00000577

Florida Public Utilities Company
100.1650.5 - Prepaid Insurance - Workmen's Compensation
Policy Year Oct. 2004 - Sept. 2005
December 2004

Prepared By:
Aproved by:

Date	Accruals (JE 19)	Payments (P/L) Description	Payments (P/L) Amount	Other Description	Other Amount	G/L Balance	S/B	Difference
9/30/04				BALANCE FORWARD		0.00	0.00	0.00
Oct-04	(43,013.50)	Liberty Mutual	177,512.43			134,498.93	134,348.43	(150.50)
Nov-04	(42,978.50)	Liberty Mutual	48,371.43			139,891.86	139,741.36	(150.50)
Dec-04	(42,996.99)	Liberty Mutual	48,220.93			145,115.80	145,115.80	0.00
Jan-05		Liberty Mutual					150,490.24	#VALUE!
Feb-05		Liberty Mutual					155,864.68	#VALUE!
Mar-05		Liberty Mutual					161,239.12	#VALUE!
Apr-05		Liberty Mutual					166,613.56	#VALUE!
May-05		Liberty Mutual					171,988.00	#VALUE!
Jun-05							128,991.00	#VALUE!
Jul-05							85,994.00	#VALUE!
Aug-05							42,997.00	#VALUE!
Sep-05							0.00	#VALUE!
Totals	(128,988.99)		274,104.79	0.00	0.00			

Policy Year October 04 to September 05 **515,962.00**

Balance in GL S/B (According to Policy Plan):

	Payment	Accrual	Balance
(25% down) & 1st Installment/Oct. 2004	177,361.93	(43,013.50)	134,348.43
2nd Installment/Nov. 2004	48,371.43	(42,978.50)	139,741.36
3rd Installment/Dec. 2004	48,371.44	(42,997.00)	145,115.80
4th Installment/Jan. 2005	48,371.44	(42,997.00)	150,490.24
5th Installment/Feb. 2005	48,371.44	(42,997.00)	155,864.68
6th Installment/March 2005	48,371.44	(42,997.00)	161,239.12
7th Installment/April 2005	48,371.44	(42,997.00)	166,613.56
8th Installment/May 2005	48,371.44	(42,997.00)	171,988.00
June 2005		(42,997.00)	128,991.00
July 2005		(42,997.00)	85,994.00
August 2005		(42,997.00)	42,997.00
September 2005		(42,997.00)	0.00
	515,962.00	(515,962.00)	
Difference:			**0.00**

Monthly Journal Entry:		DR	CR
121.4010.9251	33.84%	14,550.19	
123.4010.9251	20.48%	8,805.79	
114.4010.9251	9.61%	4,132.01	
115.4010.9251	17.55%	7,545.97	
991.4010.9251	12.94%	5,563.81	
993.4010.9251	2.52%	1,083.52	
996.4010.9251	3.06%	1,315.71	
100.1650.5			42,997.00
		42,997.00	42,997.00

HEARING EXHIBIT - 00000578

Florida Public Utilities Company
100.1650.5 - Prepaid Insurance - Workmen's Compensation
Policy Year Oct. 2004 - Sept. 2005
September 2005

Prepared By: Catherine Hulme
Aproved by:

Date	Accruals (JE 19)	Payments (P/L) Description	Payments (P/L) Amount	Other Description	Other Amount		G/L Balance	G/L S/B	Difference
9/30/04				BALANCE FORWARD			0.00	0.00	0.00
Oct-04	(43,013.50)	Liberty Mutual	177,512.43				134,498.93	134,348.43	(150.50)
Nov-04	(42,978.50)	Liberty Mutual	48,371.43				139,891.86	139,741.36	(150.50)
Dec-04	(42,996.99)	Liberty Mutual	48,220.93		(16,281.00)		128,834.80	145,115.79	16,280.99
Jan-05	(42,997.00)	Liberty Mutual	48,371.43		(5,146.00)	21,427.00	150,490.23	150,490.22	(0.01)
Feb-05	(42,997.00)	Liberty Mutual	48,371.43				155,864.66	155,864.65	(0.01)
Mar-05	(42,997.00)	Liberty Mutual	48,371.43				161,239.09	161,239.08	(0.01)
Apr-05	(42,997.00)	Liberty Mutual	48,371.43	Valuation adjustment for previous policy year	40,320.00	(40,320.00)	166,613.52	166,613.51	(0.01)
May-05	(42,997.00)	Liberty Mutual	48,371.49				171,988.01	171,988.00	(0.01)
Jun-05	(42,997.00)						128,991.01	128,991.00	(0.01)
Jul-05	(42,997.00)						85,994.01	85,994.00	(0.01)
Aug-05	(42,997.00)						42,997.01	42,997.00	(0.01)
Sep-05	(42,997.00)						0.01	(0.00)	(0.01)
Totals	(515,961.99)		515,962.00		18,893.00	(18,893.00)			

Policy Year October 04 to September (**515,962.00**

Balance in GL S/B (According to Policy Plan):

	Payment	Accrual	Balance
(25% down) & 1st Installment/Oct. 200	177,361.93	(43,013.50)	134,348.43
2nd Installment/Nov. 2004	48,371.43	(42,978.50)	139,741.36
3rd Installment/Dec. 2004	48,371.43	(42,997.00)	145,115.79
4th Installment/Jan. 2005	48,371.43	(42,997.00)	150,490.22
5th Installment/Feb. 2005	48,371.43	(42,997.00)	155,864.65
6th Installment/March 2005	48,371.43	(42,997.00)	161,239.08
7th Installment/April 2005	48,371.43	(42,997.00)	166,613.51
8th Installment/May 2005	48,371.49	(42,997.00)	171,988.00
June 2005		(42,997.00)	128,991.00
July 2005		(42,997.00)	85,994.00
August 2005		(42,997.00)	42,997.00
September 2005		(42,997.00)	(0.00)
	515,962.00		
Difference:			**(0.01)**

Monthly Journal Entry:		DR	CR
121.4010.9252	33.84%	14,550.19	
123.4010.9252	20.48%	8,805.79	
114.4010.9252	9.61%	4,132.01	
115.4010.9252	17.55%	7,545.97	
991.4010.9252	12.94%	5,563.81	
993.4010.9252	2.52%	1,083.52	
996.4010.9252	3.06%	1,315.71	
100.1650.5			42,997.00
		42,997.00	42,997.00

HEARING EXHIBIT - 00000579

Florida Public Utilities Company
100.1650.5 - Prepaid Insurance - Workmen's Compensation
Policy Year Oct. 2005 - Sept. 2006
December 2005

Prepared By: Catherine Hulme
Aproved by:

Date	Accruals (JE 19)	Payments (P/L) Description	Payments (P/L) Amount	Other Description	Other Amount	G/L Balance	S/B	Difference
9/30/05				BALANCE FORWARD		0.01	0.00	(0.01)
Oct-05	(45,141.62)	Liberty Mutual	186,209.03			141,067.42	141,067.41	(0.01)
Nov-05	(45,141.58)	Liberty Mutual	50,784.28			146,710.12	146,710.11	(0.01)
Dec-05	(45,141.58)	Liberty Mutual	50,784.28			152,352.82	152,352.81	(0.01)
Jan-06		Liberty Mutual					157,995.51	
Feb-06		Liberty Mutual					163,638.21	
Mar-06		Liberty Mutual					169,280.91	
Apr-06		Liberty Mutual					174,923.61	
May-06		Liberty Mutual					180,566.32	
Jun-06							135,424.74	
Jul-06							90,283.16	
Aug-06							45,141.58	
Sep-06							0.00	
Totals	(135,424.78)		287,777.59		0.00 0.00			

Policy Year October 05 to September 06 541,699.00

Balance in GL S/B (According to Policy Plan):

	Payment	Accrual	Balance
(25% down) & 1st Installment /Oct. 200	186,209.03	(45,141.62)	141,067.41
2nd Installment/Nov. 2005	50,784.28	(45,141.58)	146,710.11
3rd Installment/Dec. 2005	50,784.28	(45,141.58)	152,352.81
4th Installment/Jan. 2006	50,784.28	(45,141.58)	157,995.51
5th Installment/Feb. 2006	50,784.28	(45,141.58)	163,638.21
6th Installment/Mar. 2006	50,784.28	(45,141.58)	169,280.91
7th Installment/Apr. 2006	50,784.28	(45,141.58)	174,923.61
8th Installment/May 2006	50,784.29	(45,141.58)	180,566.32
Jun 2006		(45,141.58)	135,424.74
Jul 2006		(45,141.58)	90,283.16
Aug 2006		(45,141.58)	45,141.58
Sep 2006		(45,141.58)	0.00
	541,699.00	(541,699.00)	
Difference:			0.00
			253,921.40
			253921.41

Monthly Journal Entry:		DR	CR
121.4010.9252	40.50%	18,282.41	
123.4010.9252	17.12%	7,728.24	
114.4010.9252	7.82%	3,530.07	
115.4010.9252	8.35%	3,769.63	
991.4010.9252	13.90%	6,274.68	
993.4010.9252	3.96%	1,787.61	
995.4010.9252	5.78%	2,608.81	
996.4010.9252	2.57%	1,160.14	
100.1650.5			45,141.58
		45,141.58	45,141.58

HEARING EXHIBIT - 00000580

Florida Public Utilities Company
100.1650.5 - Prepaid Insurance - Workmen's Compensation
Policy Year Oct. 2005 - Sept. 2006
September 2006

Prepared By: Catherine Hulme Date: 10/26/07

Aproved by: Date:

		Payments (P/L)		Other		G/L		
Date	Accruals (JE 19)	Description	Amount	Description	Amount	Balance	S/B	Difference
9/30/05				BALANCE FORWARD		0.01	0.00	(0.01)
Oct-05	(45,141.62)	Liberty Mutual	186,209.03			141,067.42	141,067.41	(0.01)
Nov-05	(45,141.58)	Liberty Mutual	50,784.28			146,710.12	146,710.11	(0.01)
Dec-05	(45,141.58)	Liberty Mutual	50,784.28			152,352.82	152,352.81	(0.01)
Jan-06	(45,141.58)	Liberty Mutual	50,784.28			157,995.52	157,995.51	(0.01)
Feb-06	(45,141.58)	Liberty Mutual	50,784.28			163,638.22	163,638.21	(0.01)
Mar-06	(45,141.58)	Liberty Mutual	50,784.28			169,280.92	169,280.91	(0.01)
Apr-06	(45,141.58)	Liberty Mutual	50,784.28			174,923.62	174,923.61	(0.01)
May-06	(45,141.58)	Liberty Mutual	50,784.29			180,566.33	180,566.32	(0.01)
Jun-06	(45,141.58)					135,424.75	135,424.74	(0.01)
Jul-06	(45,141.58)					90,283.17	90,283.16	(0.01)
Aug-06	(45,141.58)					45,141.59	45,141.58	(0.01)
Sep-06	(45,141.59)					0.00	0.00	(0.00)
Totals	(541,699.01)		541,699.00		0.00 0.00			

Policy Year October 05 to September 06 541,699.00

Balance in GL S/B (According to Policy Plan):

	Payment	Accrual	Balance
(25% down) & 1st Installment /Oct. 2005	186,209.03	(45,141.62)	141,067.41
2nd Installment/Nov. 2005	50,784.28	(45,141.58)	146,710.11
3rd Installment/Dec. 2005	50,784.28	(45,141.58)	152,352.81
4th Installment/Jan. 2006	50,784.28	(45,141.58)	157,995.51
5th Installment/Feb. 2006	50,784.28	(45,141.58)	163,638.21
6th Installment/Mar. 2006	50,784.28	(45,141.58)	169,280.91
7th Installment/Apr. 2006	50,784.28	(45,141.58)	174,923.61
8th Installment/May 2006	50,784.29	(45,141.58)	180,566.32
Jun 2006		(45,141.58)	135,424.74
Jul 2006		(45,141.58)	90,283.16
Aug 2006		(45,141.58)	45,141.58
Sep 2006		(45,141.58)	0.00
	541,699.00	(541,699.00)	
Difference:			(0.00)

Monthly Journal Entry:		DR	CR
121.4010.9252	40.50%	18,282.41	
123.4010.9252	17.12%	7,728.24	
114.4010.9252	7.82%	3,530.07	
115.4010.9252	8.35%	3,769.63	
991.4010.9252	13.90%	6,274.68	
993.4010.9252	3.96%	1,787.61	
995.4010.9252	5.78%	2,608.81	
996.4010.9252	2.57%	1,160.14	
100.1650.5			45,141.58
		45,141.58	45,141.58

HEARING EXHIBIT - 00000581

Florida Public Utilities Company
100.1650.5 - Prepaid Insurance - Workmen's Compensation
Policy Year Oct. 2006 - Sept. 2007
December 2006

Prepared By: N Bhatia Date: 10/26/07

Aproved by: Date:

		Payments (P/L)		Other		G/L		
Date	Accruals (JE 19)	Description	Amount	Description	Amount	Balance	S/B	Difference
9/30/06				BALANCE FORWARD		0.00	0.00	0.00
Oct-06	(39,363.25)	Liberty Mutual	162,373.40			123,010.15	123,010.15	0.00
Nov-06	(39,363.25)	Liberty Mutual	44,283.65			127,930.55	127,930.55	0.00
Dec-06	(39,363.25)	Liberty Mutual	44,283.65			132,850.95	132,850.95	0.00
	31,782.00		(31,782.00)	Liberty Mutual refund of '05 premium per Audit. It has a zero effect to this account & correctly reduces exp.		132,850.95	132,850.95	0.00
	(7,581.25)		12,501.65					
Jan-07		Liberty Mutual					137,771.35	
Feb-07		Liberty Mutual					142,691.75	
Mar-07		Liberty Mutual					147,612.15	
Apr-07		Liberty Mutual					152,532.55	
May-07		Liberty Mutual					157,453.00	
Jun-07							118,089.75	
Jul-07							78,726.50	
Aug-07							39,363.25	
Sep-07							0.00	
Totals	(93,889.00)		231,660.35		0.00 0.00			

Policy Year October 06 to September 07 472,359.00

Balance in GL S/B (According to Policy Plan):

	Payment	Accrual	Balance
(25% down) & 1st Installment /Oct. 2006	162,373.40	(39,363.25)	123,010.15
2nd Installment/Nov. 2006	44,283.65	(39,363.25)	127,930.55
3rd Installment/Dec. 2006	44,283.65	(39,363.25)	132,850.95
4th Installment/Jan. 2007	44,283.65	(39,363.25)	137,771.35
5th Installment/Feb. 2007	44,283.65	(39,363.25)	142,691.75
6th Installment/Mar. 2007	44,283.65	(39,363.25)	147,612.15
7th Installment/Apr. 2007	44,283.65	(39,363.25)	152,532.55
8th Installment/May 2007	44,283.70	(39,363.25)	157,453.00
Jun 2007		(39,363.25)	118,089.75
Jul 2007		(39,363.25)	78,726.50
Aug 2007		(39,363.25)	39,363.25
Sep 2007		(39,363.25)	0.00
	472,359.00	(472,359.00)	
Difference:			

Monthly Journal Entry:		DR	CR
121.4010.9252	44.78%	17,626.86	
123.4010.9252	16.88%	6,644.52	
114.4010.9252	7.07%	2,782.98	
115.4010.9252	7.66%	3,015.22	
991.4010.9252	12.82%	5,046.37	
993.4010.9252	3.50%	1,377.71	
995.4010.9252	5.31%	2,090.19	
996.4010.9252	1.98%	779.39	
100.1650.5			39,363.25
		39,363.25	39,363.25

HEARING EXHIBIT - 00000582

Florida Public Utilities Company
100.1650.5 - Prepaid Insurance - Workmen's Compensation
Policy Year Oct. 2006 - Aug. 2007
Aug-07

Prepared By: N Bhatia Date: 10/26/07

Approved by: _____ Date: _____

			Payments (P/L)		Other			G/L		
Date	Accruals (JE 19)		Description	Amount	Description	Amount Received & Allocated		Balance	S/B	Difference
9/30/06					BALANCE FORWARD			0.00	0.00	0.00
Oct-06	(39,363.25)		Liberty Mutual	162,373.40				123,010.15	123,010.15	0.00
Nov-06	(39,363.25)		Liberty Mutual	44,283.65				127,930.55	127,930.55	0.00
Dec-06	(39,363.25)		Liberty Mutual	44,283.65				132,850.95	132,850.95	0.00
	31,782.00			(31,782.00)	Liberty Mutual refund of '05 premium per Audit. It has a zero effect to this account & correctly reduces exp.			132,850.95	132,850.95	0.00
	(7,581.25)			12,501.65						0.00
Jan-07	(39,363.25)		Liberty Mutual	44,283.65				137,771.35	137,771.35	0.00
Feb-07	(39,363.25)		Liberty Mutual	44,283.65				142,691.75	142,691.75	0.00
Mar-07	(18,517.23)		Liberty Mutual	44,283.65	03-'04 Policy refund for the 2/23/07 revision of the FL Terrorism Act JE 5.20	10,575.00	(10,575.00)	168,458.17	168,458.17	0.00
Apr-07			Liberty Mutual	44,283.65						
	(35,888.92)		St PaulTravellers	-	1985-1990 Retro Premium payment for old claims - Aderson & Jickell	52,806.00	0.00	229,658.90	229,658.90	(0.00)
May-07	(35,888.92)			-			(52,806.00)	140,963.98	140,963.98	0.00
Jun-07	(35,888.92)		Liberty Mutual	2,591.70						
True-up Policy period ending 91/07 vs 10/1/07	(29,363.71)							78,303.05	78,303.05	0.00
	(65,252.63)									0.00
Jul-07	(39,151.55)			-				39,151.50	39,151.50	(0.00)
Aug-07	(39,151.50)		Liberty Mutual	110,394.75	new policy (25% down)			110,394.75	110,394.75	0.00
				-						
Totals	(430,667.00)			541,061.75		63,381.00	(63,381.00)			

Policy Year October 06 to September 07 430,667.00

Balance in GL S/B (According to Policy Plan):

	Payment	Travellers Retro Payment	Accrual	Balance
(25% down) & 1st Installment /Oct. 2006	162,373.40		(39,363.25)	123,010.15
2nd Installment/Nov. 2006	44,283.65		(39,363.25)	127,930.55
3rd Installment/Dec. 2006	44,283.65		(39,363.25)	132,850.95
4th Installment/Jan. 2007	44,283.65		(39,363.25)	137,771.35
5th Installment/Feb. 2007	44,283.65		(39,363.25)	142,691.75
6th Installment/Mar. 2007	44,283.65		(18,517.23)	168,458.17
7th Installment/Apr. 2007	44,283.65	52,806.00	(35,888.92)	229,658.90
8th Installment/May 2007 (due in June)	-	(52,806.00)	(35,888.92)	140,963.98
Jun 2007	2,591.70		(65,252.63)	78,303.05
Jul 2007			(39,151.55)	39,151.50
Aug 2007 ; Accrual			(39,151.50)	0.00
	430,667.00		(430,667.00)	0.00
Aug 2007; New Policy Payment (25% down)	110,394.75			110,394.75
	541,061.75			
Difference:			0.00	

Monthly Journal Entry:		DR	CR
121.4010.9252	44.78%	17,532.06	
123.4010.9252	16.88%	6,608.78	
114.4010.9252	7.07%	2,768.01	
115.4010.9252	7.66%	2,999.01	
991.4010.9252	12.82%	5,019.23	
993.4010.9252	3.50%	1,370.30	
995.4010.9252	5.31%	2,078.95	
996.4010.9252	1.98%	775.20	
100.1650.5			39,151.55
		39,151.55	39,151.55

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HEARING EXHIBIT - 00000583

HEARING EXHIBIT - 00000584

Florida Public Utilities Company
100.2280.32 - Reserve - Medical Self Insurance & Retirees
December 2004

Prepared By:
Aproved by:

ACTIVE EMPLOYEES

DATE	Accruals (JE 19)	Admin. Fees & Cobra Pmts.	Expenses	Stop Loss	Balance	Range
Jan-04	0.00	47,833.35	134,947.57		4,079.75	
Feb-04	0.00	27,604.19	16,110.99		47,794.93	
Mar-04	(131,102.79)	(25,468.89)	108,776.75		(0.00)	
Apr-04		889.74	4,712.97		5,602.71	
May-04		1,419.27	7,703.51		14,725.49	
Jun-04	(16,052.86)	209.85	1,077.34		(40.18)	
Jul-04		184.23	990.49		1,134.54	
Aug-04		5.35	28.76		1,168.65	
Sep-04					1,168.65	
Oct-04			(22,655.40)		(21,486.75)	
Nov-04		472.29	2,108.02		(18,906.44)	
Dec-04	18,969.57	12.19	(75.32)		0.00	
	(128,186.08)	53,161.57	253,725.68	0.00		

RETIREES

Accruals (JE 6)	Admin. Fees	Expenses/ Contributions	Fully Ins. Prem. /Stop Loss	Balance
(17,580.00)	2,273.31	3,698.80		(1,649,582.14)
(17,580.00)	23,174.38	616.98		(1,643,370.78)
(17,580.00)	8,930.62	1,854.75		(1,650,165.41)
(17,580.00)	7,312.32	(1,831.41)		(1,662,264.50)
(17,580.00)	7,863.46	(2,001.13)		(1,673,982.17)
(17,580.00)	7,845.25	(2,410.43)		(1,686,127.35)
(17,580.00)	7,845.25	(2,514.57)		(1,698,376.67)
(17,580.00)	7,845.25	(1,958.08)		(1,710,069.50)
(17,580.00)	7,845.25	(2,002.08)		(1,721,806.33)
(17,580.00)	7,367.40	(2,454.08)		(1,734,473.01)
(17,580.00)	8,019.36	(2,454.08)		(1,746,487.73)
(17,229.00)	9,356.91	(2,454.08)		(1,756,813.90)
(210,609.00)	105,678.76	(13,909.41)	0.00	

ACTIVE & RETIREES

Balance
(1,645,502.39)
(1,595,575.85)
(1,650,165.41)
(1,656,661.79)
(1,659,256.68)
(1,686,167.53)
(1,697,242.13)
(1,708,900.85)
(1,720,637.68)
(1,755,959.76)
(1,765,394.17)
(1,756,813.90)

Monthly Journal Entry For Medical Self-Ins. Reserve:

		DR	CR
100.1840.9262	100.00%	110,000.00	
100.2280.32			110,000.00
	100.00%	110,000.00	110,000.00

Monthly Journal Entry For Post Retirement Medical Reserve:

		DR	CR
100.1849.9263	100.00%	17,580.00	
100.2280.32			17,580.00
	100.00%	17,580.00	17,580.00

NOTE:
Expenses were so high in Jan. 2003 due to PPO claims, one employee had heart surgery. According to Dina, we are expecting to be reimbursed for these expenses, from Blue Cross.

*****For January 2003, Actuary forecasts expense of $225,000.**
*****For April 2003, Actuary revised forecasted expense to $232,000.**
*****For July 2003, Actuary revised forecasted expense to $209,741.**
*****For September 2003, Accrual increased due to reclassification of Stop Loss Payments to the reserve**
*****For 2004, Actuary estimate $211,000**
*****For 2004, Actuary estimate $210,609**

Active Employees Self Insured Claim are charged to 100.2280.32 - against the reserve
Retired Employees Self Insured Claim are charged to 100.2280.32 - against the accrual
Active Employees Fully Insured Claim are charged to 100.2320.62 - cleared each month the 1840.9262
Retired Employees Fully Insured Claim are charged to 100.2280.32 - against the accrual

ESTIMATED YEAR END TOTAL ACCRUAL	
Actual	(210,609.00)
Estimated 0 months	
	(210,609.00)

Exhibit 26
OPC First Set of Interrogatories
Docket No. 070304-EI
Witness: M. Khojasteh

HEARING EXHIBIT - 00000585

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Florida Public Utilities Company
100.2280.32 - Reserve - Medical Self Insurance & Retirees
December 2005

Prepared By: Catherine Hulme
Aproved by:

ACTIVE EMPLOYEES

DATE	Accruals (JE 19)	Admin. Fees & Cobra Pmts.	Expenses	Stop Loss	Balance	Range
Beginning Balance						
Jan-05			131.49		131.49	
Feb-05		41.21	221.58		394.28	
Mar-05			644.89		1,039.17	
Apr-05					1,039.17	
May-05			(16.68)		1,022.49	
Jun-05	43,827.91	(44,850.40)			0.00	
Jul-05					0.00	
Aug-05					0.00	
Sep-05					0.00	
Oct-05					0.00	
Nov-05					0.00	
Dec-05					0.00	
	43,827.91	(44,809.19)	981.28	0.00		

RETIREES

Accruals (JE 6)	Fully Insured Premium	Self Insured Fees/Refunds True-ups	Received from Retirees	Balance	ACTIVE & RETIREES Balance
				(1,756,813.90)	
(18,300.00)	9,356.91		(2,885.00)	(1,768,641.99)	(1,768,510.50)
(18,300.00)	8,955.14		(3,557.00)	(1,781,543.85)	(1,781,149.57)
(18,300.00)	15,446.75		(3,663.00)	(1,788,060.10)	(1,787,020.93)
(18,300.00)	12,110.08		(3,663.00)	(1,797,913.02)	(1,796,873.85)
(18,300.00)	12,110.08		(3,663.00)	(1,807,765.94)	(1,806,743.45)
(18,300.00)	12,110.08		(3,663.00)	(1,817,618.86)	(1,817,618.86)
(21,533.33)	12,110.08		(3,663.00)	(1,830,705.11)	(1,830,705.11)
(27,786.00)	12,110.08		(3,868.00)	(1,850,249.03)	(1,850,249.03)
(27,786.00)	11,273.31		(3,673.00)	(1,870,434.72)	(1,870,434.72)
(27,786.00)	11,729.73		(3,673.00)	(1,890,163.99)	(1,890,163.99)
(27,786.00)	11,729.73	(554.00)	(3,673.00)	(1,910,447.26)	(1,910,447.26)
(27,786.00)	6,124.36	(6,611.10)	(3,673.00)	(1,942,393.00)	(1,942,393.00)
(270,263.33)	135,166.33	(7,165.10)	(43,317.00)		

Monthly Journal Entry For Medical Self-Ins. Reserve:

		DR	CR
100.1840.9262	100.00%	0.00	
100.2280.32			0.00
	100.00%	0.00	0.00

Monthly Journal Entry For Post Retirement Medical Reserve:

		DR	CR
100.1849.9263	100.00%	27,786.00	
100.2280.32			27,786.00
	100.00%	27,786.00	27,786.00

NOTE:

Accrual total from AON for 2005 $220,000 see e-mail
Accrual total from AON for 2006 $239,000 see e-mail 8/8/04
Accrual total from AON for 2005 $270,262 see e-mail 8/19/05

Active Employees Self Insured Claim are charged to 100.2280.32 - against the reserve
Retired Employees Self Insured Claim are charged to 100.2280.32 - against the accrual
Active Employees Fully Insured Claim are charged to 100.2320.62 - cleared each month the 1840.9262
Retired Employees Fully Insured Claim are charged to 100.2280.32 - against the accrual

ESTIMATED YEAR END TOTAL ACCRUAL	
Actual	(270,263.33)

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HEARING EXHIBIT - 00000586

Florida Public Utilities Company
100.2280.32 - Retirees Medical Insurance Reserve
'December 2006
REVISED

Prepared By: N. Bhatia
Date: 02/28/07

Approved by: _____
Date: _____

RETIREES

	Description	Accruals (JE 6)	Self Insured Premium	Misc. Adj., Fees/Refunds True-ups	Received from Retirees	Balance
						(1,942,393.00)
Jan-06		(23,750.00)	10,295.26	(142.14)	(3,673.00)	(1,959,662.88)
Feb-06		(22,916.00)	9,128.02		(3,685.00)	(1,977,135.86)
Mar-06		(23,333.00)	9,740.16		(3,591.00)	(1,994,319.70)
Apr-06		(23,333.00)	9,128.02		(3,591.00)	(2,012,115.68)
May-06		(23,333.00)	9,891.31		(3,780.00)	(2,029,337.37)
Jun-06		(23,333.00)	9,849.51		(3,277.00)	(2,046,097.86)
Jul-06		(23,333.00)	9,076.38		(3,277.00)	(2,063,631.48)
Aug-06		(23,333.00)	9,382.45		(3,363.00)	(2,080,945.03)
Sep-06	True up adj. per actuarial update of $190,380	43,879.00	9,382.45		(3,591.00)	(2,031,274.58)
Oct-06		(15,865.00)	9,382.45		(3,591.00)	(2,041,348.13)
v-06		(15,865.00)	11,288.23		(3,591.00)	(2,049,515.90)
ec-06	Misc.- FAS 158 Adj.	(15,865.00)	11,056.46	192,480.00	(3,509.00)	***(1,865,353.44)***
		(190,380.00)	117,600.70	192,337.86	(42,519.00)	

Monthly Journal Entry For Post Retirement Medical Reserve:		DR	CR
100.1849.9263	100.00%	23,333.33	
100.2280.32	100.00%		23,333.33
REVISED SEP 2006			
100.1849.9263	100.00%	929.00	
100.2280.32	100.00%		929.00
REVISED OCT 2006			
100.1849.9263	100.00%	15,865.00	
100.2280.32	100.00%		15,865.00

Accrual total : 2006 Budget: $285,000
Updated accrual total from AON for 2006 $280,000 (see e-mail 2/23/06)
E-mail on 8/23/06: no change for 2006 estimates
Updated accrual total from AON for 2006 $190,380 (see e-mail 10/16/06)

ESTIMATED YEAR END TOTAL ACCRUAL		
Accrual total for 2006		(190,380.00)
True-up of Accrual		0.00
Remaining total months	**0**	0.00
Actual		(190,380.00)

Florida Public Utilities Company
100.2280.32 - Retirees Medical Insurance Reserve
August-07

Prepared By: N. Bhatia
Date: 09/20/07

Approved by: _____
Date: _____

RETIREES

Date	Detail	Accruals (JE 6)	Self Insured Premium	Fees/Refun True up	FASB 158	Received fr Retirees	Balance
	2006	(2,132,773.00)	117,600.70	(142.14)	192,480.00	(42,519.00)	(1,865,353.44)
Jan-07		(16,666.63)	9,766.48	0.00		(976.00)	(1,873,229.59)
Feb-07		(16,666.67)	8,076.28	(918.21)		(1,792.00)	(1,884,530.19)
Mar-07		(16,666.67)	7,728.43			(4,586.00)	(1,898,054.43)
Apr-07		(16,666.67)	7,067.17			(2,220.00)	(1,909,873.93)
May-07		(16,666.67)	8,077.15			(2,616.00)	(1,921,079.45)
Jun-07		(16,666.67)	8,077.15		11,529.00	(2,616.00)	(1,920,755.97)
Jul-07		(16,666.67)	8,077.15			(2,616.00)	(1,931,961.49)
Aug-07		(16,666.67)	7,748.96			(3,013.00)	*(1,943,892.20)*
Sep-07							
Oct-07							
Nov-07							
Dec-07							
	YTD	(133,333.32)	64,618.77	(918.21)	11,529	(20,435.00)	
	2006				192,480		
	Rounding				1		
	Total Balance				*204,010* ★		

Detail of FASB 158		
Regulatory Asset	Accum. Other Comp. Income	Total FASB 158 Change
150,134	42,346	192,480
9,108	2,421	11,529
1		1
159,243	44,767	204,010 ★
(445,891)	(130,485)	(576,376)
	32,257	32,257
(286,648)	*(53,461)*	*(340,109)*

Pension
Deffered OCI Tax
Accum. FAS158

Monthly Journal Entry For Post Retirement Medical Reserve:		DR	CR
100.1849.9263	100.00%	16,666.67	
100.2280.32	100.00%		16,666.67

ESTIMATED YEAR END TOTAL ACCRUAL		
Accrual total for 2007		(133,333.32)
True-up of Accrual		0.00
Remaining accrual	4	(66,666.68)
Estimate Expense per AON		(200,000.00)

Updated email from AON for 2007 $200,000				200,000.00
(see e-mail 2/19/07)				
Current portion 12/31/06				150,589.00
Current portion 3/31/07				151,124.00
Current portion 6/30/07	50% of 2007's Curr. Lia.	$	150,589	
	50% of 2008's Curr. Lia.	$	99,263	124,926.00

HEARING EXHIBIT - 00000588

Florida Public Utilities Company
Employer's Accounting For Disclosure (FAS 132 Amended by FAS 158)

orida Public Utilities Company sponsors a *postretirement medical program.* The medical plan is contributory with participants' contributions .djusted annually. The following tables provide required financial disclosures over the 3-year period ending December 31, 2006.

Benefit Obligations and Funded Status

		Projection 12/31/2008	Projection 12/31/2007	Fiscal Year Ending 12/31/2006	12/31/2005	12/31/2004
(1)	Change in Accumulated Postretirement Benefit Obligation on a Measurement Year Basis					
(a)	Accumulated Postretirement Benefit Obligation at the Beginning of the Period	$1,924,368	$1,865,353	$2,343,583	$1,925,254	$1,807,999
(b)	Service Cost	$68,227	$64,365	$59,982	$100,054	$70,300
(c)	Interest Cost	$109,506	$105,937	$105,483	$127,312	$106,079
(d)	Actuarial (Gain) or Loss	$0	$39,302	($568,755)	$282,812	$32,646
(e)	*Benefits Paid*	($135,393)	($199,421)	($117,459)	($135,166)	($119,005)
(f)	Change in Plan Provisions	$0	$0	$0	$0	$0
(g)	Plan Participant Contributions	$36,130	$48,832	$42,519	$43,317	$27,235
(h)	Acquisition	$0	$0	$0	$0	$0
(i)	Curtailment	$0	$0	$0	$0	$0
(j)	Settlement	$0	$0	$0	$0	$0
(k)	Special Termination Benefits	$0	$0	$0	$0	$0
(l)	*Accumulated Postretirement Benefit* Obligation at the End of the Period	$2,002,838	$1,924,368	$1,865,353	$2,343,583	$1,925,254
(2)	Change in Plan Assets on a Measurement Year Basis					
(a)	Fair Value of Plan Assets at the Beginning of the Period	$0	$0	$0	$0	$0
(b)	Actual Return on Plan Assets	$0	$0	$0	$0	$0
(c)	Benefits Paid	($135,393)	($199,421)	($117,459)	($135,166)	($119,005)
(d)	Employer Contributions	$99,263	$150,589	$74,940	$91,849	$91,770
(e)	Plan Participant Contributions	$36,130	$48,832	$42,519	$43,317	$27,235
(f)	Acquisition	$0	$0	$0	$0	$0
(g)	Settlement	$0	$0	$0	$0	$0
(h)	*Fair Value of* Assets at the End of the Period	$0	$0	$0	$0	$0
(3)	Funded Status at the End of the Measurement Year: (2)(h) - (1)(l)	($2,002,838)	($1,924,368)	($1,865,353)	($2,343,583)	($1,925,254)
(4)	*Amounts* Recognized in the Statement of Financial Position At Year-End Before Applying FAS 158					
(a)	Prepaid (Accrued) Benefit Cost	($2,202,134)	($2,100,605)	($2,057,833)	($1,942,393)	($1,763,980)
(b)	(Additional Liability due to an Unfunded ABO)	$0	$0	$0	$0	$0
(c)	Intangible Asset	$0	$0	$0	$0	$0
(d)	Net Asset *(Liability): (a) + (b) + (c)*	($2,202,134)	($2,100,605)	($2,057,833)	($1,942,393)	($1,763,980)
(e)	Charge to Accumulated Other Comprehensive Income:	($176,237)	($192,480)	$0	$0	$0
(5)	*Adjustments* Caused by Applying FAS 158					
(a)	Increase in Net Asset (Liability): (3) - (4)(d)	$199,296	$176,237	$192,480	N/A	N/A
(b)	Increase in Charge to Accumulated Other Comprehensive Income:	($23,059)	$16,243	($192,480)	N/A	N/A
(c)	Subtotal of Adjustments: (a) + (b) + (4)(e)	$0	$0	$0	N/A	N/A
(6)	Amounts Recognized in the Statement of Financial Position At Year-End After Applying FAS 158					
(a)	Net Asset (Liability): (4)(d) + (5)(a)	($2,002,838)	($1,924,368)	($1,865,353)	($1,942,393)	($1,763,980)
(b)	Charge to *Accumulated Other Comprehensive* Income: (4)(e) + (5)(b)	($199,296)	($176,237)	($192,480)	$0	$0
(7)	Net Asset (Liability) Recognized in the Statement of Financial Position At Year-End After Applying FAS 158					
(a)	Noncurrent Assets	$0	$0	$0	N/A	N/A
(b)	(Current Liabilities)	($101,296)	($99,263)	($150,589)	N/A	N/A
(c)	(Noncurrent Liabilities)	($1,901,542)	($1,825,105)	($1,714,764)	N/A	N/A
(d)	Total Net Asset (Liability): (a) + (b) + (c)	($2,002,838)	($1,924,368)	($1,865,353)	N/A	N/A
(8)	Amounts Recognized in *Accumulated Other Comprehensive Income* After Applying FAS 158					
(a)	Transition Obligation (Asset)	$171,574	$214,470	$257,366	N/A	N/A
(b)	Prior Service Cost (Credit)	$0	$0	$0	N/A	N/A
(c)	Net (Gain) or Loss	($370,870)	($390,707)	($449,846)	N/A	N/A
(d)	Total	($199,296)	($176,237)	($192,480)	N/A	N/A
(9)	Weighted Average Assumptions at the End of the Year					
(a)	Discount Rate	6.00%	6.00%	6.00%	5.90%	5.75%
(b)	Rate of Compensation Increase	N/A	N/A	N/A	N/A	N/A
(c)	Mortality	RP 2000	RP 2000	GAM 83	GAM 83	GAM 83
(10)	*Assumed Health* Care Cost Trend Rates					
(a)	Health Care Cost Trend Rate Assumed for Next Year	9.50%	10.50%	11.50%	9.00%	10.00%
(b)	Ultimate Rate	5.00%	5.00%	5.00%	5.00%	5.00%
(c)	Year that the Ultimate Rate is Reached	2014	2014	2014	2010	2010

HEARING EXHIBIT - 00000589

Florida Public Utilities Company
Employer's Accounting For Disclosure (FAS 132 Amended by FAS 158)

Net Periodic Pension Cost

		Projection 12/31/2008	Projection 12/31/2007	Fiscal Year Ending 12/31/2006	12/31/2005	12/31/2004
(1)	Service Cost	$68,227	$64,365	$59,982	$100,054	$70,300
(2)	Interest Cost	$109,506	$105,937	$105,483	$127,312	$106,079
(3)	Expected Return on Plan Assets	$0	$0	$0	$0	$0
(4)	Amortization of Transition Obligation/(Asset)	$42,896	$42,896	$42,896	$42,896	$42,896
(5)	Amortization of Prior Service Cost	$0	$0	$0	$0	$0
(6)	Amortization of Net (Gain) or Loss	($19,837)	($19,837)	($17,981)	$0	($8,666)
(7)	Total FAS 106 Net Periodic Pension Cost	$200,792	$193,361	$190,380	$270,262	$210,609
(8)	Charges / (Credits)					
	(a) Settlement	$0	$0	$0	$0	$0
	(b) Curtailment	$0	$0	$0	$0	$0
	(c) Special Termination Benefits	$0	$0	$0	$0	$0
	(d) Total	$0	$0	$0	$0	$0
(9)	Total Net Periodic Pension Cost	$200,792	$193,361	$190,380	$270,262	$210,609
(10)	Other Changes in Plan Assets and Benefit Obligations Recognized as a Charge to Other Comprehensive Income					
	(a) Prior Service Cost (Credit) for the Period	N/A	N/A	N/A	N/A	N/A
	(b) Net (Gain) or Loss for the Period	N/A	N/A	N/A	N/A	N/A
	(c) Amortization of Transition Obligation	N/A	N/A	N/A	N/A	N/A
	(d) Amortization of Prior Service Cost (Credit)	N/A	N/A	N/A	N/A	N/A
	(e) Amortization of Net (Gain) or Loss	N/A	N/A	N/A	N/A	N/A
	(f) Increase in Minimum Liability Included in OCI	$16,243	$0	$0	$0	$0
	(g) Total: (a) + (b) + (c) + (d) + (e) + (f)	$16,243	$0	$0	$0	$0
(11)	Total Recognized in Net Periodic Pension Cost and other Comprehensive Income: (9) + (10)(g)	$217,035	$193,361	$190,380	$270,262	$210,609
(12)	Weighted Average Assumptions					
	(a) Discount Rate at Beginning of the Period	6.00%	6.00%	5.90%	5.75%	6.25%
	(b) Expected Return on Plan Assets	N/A	N/A	N/A	N/A	N/A
	(c) Rate of Compensation Increase	N/A	N/A	N/A	N/A	N/A
(11)	Assumed Health Care Cost Trend Rates					
	(a) Health Care Cost Trend Rate Assumed for Current Year	10.50%	11.50%	12.50%	10.00%	12.00%
	(b) Ultimate Rate	5.00%	5.00%	5.00%	5.00%	5.00%
	(c) Year that the Ultimate Rate is Reached	2014	2014	2014	2010	2010

Expected Amortizations

		Projection 12/31/2009	Projection 12/31/2008	Fiscal Year Ending 12/31/2007	12/31/2006	12/31/2005
(1)	Expected Amortization of Transition Obligation (Asset)	$42,896	$42,896	$42,896	N/A	N/A
(2)	Expected Amortization of Prior Service Cost (Credit)	$0	$0	$0	N/A	N/A
(3)	Expected Amortization of Net Loss (Gain)	($19,837)	($19,837)	($19,837)	N/A	N/A

HEARING EXHIBIT - 00000590

HEARING EXHIBIT - 00000591

Florida Public Utilities Company
100.2280.201 - Accrued Insurance - General & Auto Liability
Self Insured Policy Year Jan. 2007 - Dec. 2007
August-07

Prepared By:	Nadira Bhatia
Revised Date:	9/24/07
Approved by:	
Date:	

#30 Charged

#31, 78

		General Liability			Auto						
DATE	ACCRUALS (JE 19)	Admin Fees	Legal	Damage Claims	Claims/ Admin Fees	Legal	TO CLAIM INSURANCE	BALANCE		RANGE S/B	MEDIAN/ MINIMUM
								(181,443.09)			
Jan-07	0.00		11,385.94	470.99	453.94	0.00		(169,132.22)		$100,000 - $200,000	$150,000
Feb-07	0.00	0.00	18,847.79	1,948.86	10,656.98	0.00		(137,678.59)		$100,000 - $200,000	$150,000
Mar-07	(37,500.00)	0.00	40,248.60	3,086.50	21,701.51	0.00		(110,141.98)		$100,000 - $300,000	$200,000
Apr-07	(12,500.00)	0.00	7,073.35	792.38	3,205.47	0.00		(111,570.78)		$100,000 - $300,000	$200,000
May-07	(12,500.00)	0.00	15,360.85	13,635.42	990.45	0.00		(94,084.06)		$100,000 - $300,000	$200,000
Jun-07	(318,728.77)	0.00	343,378.53	6,994.54	5,307.75	0.00	(92,867.99)	(150,000.00)	*	$150,000 - $350,000	$250,000
Jul-07	(12,500.00)	0.00	22,536.41	7,506.65	13,517.67	0.00	(1,631.76)	(120,571.03)		$150,000 - $350,000	$250,000
Aug-07	(12,500.00)	0.00	41,506.13	1,887.97	3,381.55	0.00	(709.00)	(87,004.38)		$150,000 - $350,000	$250,000
Sep-07	0.00	0.00	0.00	0.00	0.00	0.00		(87,004.38)		$150,000 - $350,000	$250,000
Oct-07	0.00	0.00	0.00	0.00	0.00	0.00		(87,004.38)		$150,000 - $350,000	$250,000
Nov-07	0.00	0.00	0.00	0.00	0.00	0.00		(87,004.38)		$150,000 - $350,000	$250,000
Dec-07	0.00	0.00	0.00	0.00	0.00	0.00		(87,004.38)		$150,000 - $350,000	$250,000
Totals	(406,228.77)	0.00	500,337.60	36,323.31	59,215.32	0.00	(95,208.75)				

Jan. Median is based on AON's Estimate of unknow losses at $136k -a 70% confidence level, rounded to the next $50,000, plus $0 known losses = $150,000

Feb. Median = $150,000 estimated unknow + $150,000 est. add'l for Hetherington = $300,000 range and new median was set at $200,000 limit

June Median = $150,000 estimated unknow + $100,000 est. add'l for Hetherington = $250,000 new median limit; Currently, the reserve is maintained at the min. range at $150K

June - * $250k was accrued and paid for the Simpson case in June

June: $318 accrual = $250 Simpson, $100 Hetherington, $12.5 for Normal unknown & ($44) Late entry adj

Exhibit 30
OPC First Set of Interrogatories
Docket No. 070304-EI
Witness: M. Khojasteh

\\NAS1\P_Drive\Departments & Divisions\Accounting Departments\Corp Acct\Catherine_Hulme_NB\CH\Monthly Reconciliations\2007\2280.201 Gen & Auto Liab 20078:02 PM

HEARING EXHIBIT - 00000592

Claims Det. ": 2007

#78

	General Liability, Legal and Administrative Fees												Damage Claim									Total
	WPB		WPB	WPB	WPB	WPB	WPB	WPB	NW	CF			WPB	WPB	WPB	WPB	Central	Northwest	North East			
	Misc South FL	Seminole Fire	P Hetherington	HR - Antony Camacho	W. Simpson	Alexander Kara	Karen Ray	Brian Custer		Mark Miller	Total		Damage Claim	Ashley	David Wantman	FPL, 07 Tony Klein, Flamingo Plumbing	Damage Claim	Damage Claim	Damage Claim	C Etherig e	Terry Cline	Total
PO #		16398	15524, 0.5031		16026	16426, 14265																
Beginning Balance	185.50		25,380.99	7,800.00					-	-	33,366.49	Beginning Balance	15,030.03			7,909.01	950.00	1,083.48	9,646.28	700.00		35,318.80
Jan-Akerman			11,385.94								11,385.94	January							345.99		125.00	470.99
January-Misc			-								-	January										-
Feb-Akerman			-			18,847.79					18,847.79	February	1,948.86									1,948.86
March-Akerman		4,291.00	3,899.25		13,894.69	7,455.16					29,540.10	March	86.50		3,000.00							3,086.50
Mar Accrual Akerman			3,370.50		4,798.00	2,540.00					10,708.50											
April-Akerman		499.34	3,409.07		2,884.92	280.02					7,073.35	April				685.00		107.38				792.38
											-											-
April-Atenta											-	April										-
May-Akerman		700.40	1,993.95		5,969.40	6,697.10					15,360.85	May				7,074.29		2,123.13	4,438.00			13,635.42
June-Akerman			6,773.05		37,360.70						44,133.75	June	2,600.00				250.00		4,144.54			6,994.54
June-James Wilkerson					245,000.00						245,000.00											-
JE 6, 19 -Akerman			10,464.00		32,960.28	10,820.50					54,244.78											-
Jul-Akerman			888.81		1,631.76	19,871.73					22,392.30	July	3.54	1,180.63				5,043.20	1,279.28			7,506.65
Jul-Akerman					144.11						144.11											
Aug-Akerman			1,062.80		564.69	34,531.19	375.00				36,533.88	Aug-Misc	1,626.30				259.67					1,887.97
Aug-Atlenta								4,963.75		8.50	4,972.25	Aug-Atlenta										-
Sep-Atlenta											-	September										-
Sep-Akerman											-											-
Oct-Atlenta											-	October										-
Oct-Akerman											-											-
Oct-Misc											-											-
Nov - Atlenta											-	November										-
Nov - Misc											-											-
Nov-Akerman											-											-
Dec - Akerman											-	December										-
											-											-
Yearly Total	-	5,490.74	43,247.37	-	345,208.75	101,043.49	375.00	4,963.75	-	8.50	500,337.60		6,267.20	1,180.63	3,000.00	7,759.29	509.67	7,273.71	10,207.81	-	125.00	36,323.31
Accumulated Total:			68,628.36		345,208.75																	

Retention		(250,000.00)
Transfer to 1430.2 -June	(92,867.99)	
Transfer to 1430.2 July	(1,631.76)	
Transfer to 1430.2 Aug	(709.00)	(95,208.75)
		-

HEARING EXHIBIT - 00000593

	Auto																						Total
		WPB	WPB	WPB	WPB	WPB	WPB	NW	WPB	WPB	WPB	WPB	WPB	WPB	WPB	WPB	WPB	WPB	WPB	CENTRAL	NW	NW	
	Atlanta Service Fees	J Mc-Laughlin	D Williams	J Ambrosino	Misc	2006 Veh # 457, Veh #505, Veh #524,	2007 Veh# 586,558, 522, 421, 509, 565, 561& 552, 571&579,564	Wieda	Reed	J Tooney	A Neddo	E Snare	M Simpson	H Taragano	R Freidkes	Bryan Anderson	Linda Warren	Jose Lopez & Jennifer Hernand	Misc	Maged Samaan	Lisa Waas	Amy Nobles	Total
PO #															16297							0.5031.35	
Beginning Balance	1600	7736.02	1035.1	762.1	4146.5	2574.37		2034.4	15000	1838.31	889.45	324.4	700	2010.82	2753.74	1328.75			2002.38				46736.35
Jan-Misc							312.05																312.05
January-Atlenta																124.57	1,071.82		-1,054.50				141.89
Feb-Atlenta	100.00						726.81		7,564.25														8,391.06
Feb-Misc																					2,265.92		2,265.92
March-Misc	15.33								491.68														507.01
March-Atlenta															18,637.50				2,557.00				21,194.50
April-Misc.																			-2,557.00				-2,557.00
Apr-Misc. Corr.									-491.98						-1,137.50				1,054.50				-574.98
April-Atenta	200.00						1,180.14								4,557.98				399.33				6,337.45
May-Atlenta						852.00													138.45				990.45
June-Atlenta	450.00				182.31		4,675.44																5,307.75
																							0.00
																							0.00
July-Atlenta																		5,862.50	185.11	1,980.90		4,793.67	12,822.18
July-Misc							695.49																695.49
Aug-Misc							479.25												19.33				498.58
Aug-Atlenta	50.00																	8.50		1,980.90		843.57	2,882.97
Sep-Misc																							0.00
Sep-Akerman																							0.00
Oct-Atlenta																							0.00
Oct-Akerman																							0.00
Oct-Misc																							0.00
Nov-Atlenta																							0.00
Nov-Akerman																							0.00
																							0.00
Dec - Misc																							0.00
Dec - Atlenta																							0.00
TOTAL	815.33	0.00	0.00	0.00	182.31	852.00	8,069.18	0.00	7,563.95	0.00	0.00	0.00	0.00	0.00	22,057.98	124.57	1,071.82	5,871.00	742.22	3,961.80	2,265.92	5,637.24	59,215.32

HEARING EXHIBIT - 00000594

Florida Public Utilities Company
100.2280.201 - Accrued Insurance - General & Auto Liability
Policy Year Jan. 2006 - Dec. 2006
December 2006

Prepared By: Nadira Bhatia
Date: 10/28/07

Approved by:
Date:

#30 charges

DATE	ACCRUALS (JE 33)	General Liability: Admin Fees	General Liability: Legal	General Liability: Damage Claims	Auto: Claims/ Admin Fees	Auto: Legal	ACTUARIAL CHARGES	BALANCE	RANGE S/B	MEDIAN/ MINIMUM
	(296,132.23)							(296,132.23)		
Jan-06	0.00		0.00	1,182.99	0.00	0.00		(294,949.24)	$150,000 - $250,000	$200,000
Feb-06	0.00	0.00	0.00	1,226.52	0.00	0.00		(293,722.72)	$150,000 - $250,000	$200,000
Mar-06	0.00	0.00	0.00	3,597.45	100.00	0.00		(290,025.27)	$150,000 - $250,000	$200,000
Apr-06	0.00	0.00	732.00	9,895.77	100.00	0.00		(279,297.50)	$150,000 - $250,000	$200,000
May-06	0.00	0.00	904.00	43.87	6,742.71	0.00		(271,606.92)	$150,000 - $250,000	$200,000
Jun-06	0.00	0.00	1,824.50	525.00	6,708.05	0.00		(262,549.37)	$150,000 - $250,000	$200,000
Jul-06	0.00	177.00	609.70	5,267.33	250.00	0.00		(256,245.34)	$150,000 - $250,000	$200,000
Aug-06	0.00	0.00	2,280.90	646.65	22,931.79	0.00		(230,386.00)	$150,000 - $250,000	$200,000
Sep-06	0.00	8.50	6,828.35	1,283.30	2,910.82	0.00		(219,355.03)	$165,000 - $265,000	$215,000
Oct-06	0.00	0.00	(396.15)	10,274.69	3,453.93	0.00		(206,022.56)	$165,000 - $265,000	$215,000
Nov-06	1,787.00	0.00	17,711.98	172.34	1,328.75	0.00		(185,022.49)	$165,000 - $265,000	$215,000
Dec-06	(732.50)	0.00	2,685.71	1,202.89	423.30	0.00		**(181,443.09)**	$100,000 - $200,000	$150,000 *
Totals	**(295,077.73)**	**185.50**	**33,180.99**	**35,318.80**	**44,949.35**	0.00	0.00			

* Range & Median are based on AON's Estimate rounded to the next $50,000 plus any known losses

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HEARING EXHIBIT - 00000595

Claims details

	General Liability Legal and Administrative Fees								Damage Claim						Total
	WPB	WPB	WPB	NE	NW	CF			WPB	WPB	Central	Northwest	North East		
	Misc South FL	P Hetherington	HR - Antony Camacho				Total		Damage Claim	FPL	Damage Claim	Damage Claim	Damage Claim	C Etherige	Total
PO #															
Beginning Balance															
Jan-Akerman							-								-
January-Misc							-	January	(680.97)		800.00		1,063.96		1,182.99
February-Attenta							-	February	345.00				881.52		1,226.52
February-Misc							-								-
March-Akerman							-	March	3,597.45						3,597.45
April-Akerman		732.00					732.00	April	323.53	7,909.01	300.00		1,363.23		9,895.77
April-Atenta							-	May							-
May-Akerman		904.00					904.00	May	193.87		(150.00)				43.87
June-Akerman		1,824.50					1,824.50	June	-			525.00			525.00
Jul-Akerman	177.00	609.70					786.70	July	750.00				4,517.33		5,267.33
Aug-Misc		2,280.90					2,280.90	Aug-Misc				638.15			638.15
Aug-Attenta							-	Aug-Attenta	8.50						8.50
Sep-Attenta	8.50						8.50	September					583.30	700.00	1,283.30
Sep-Akerman		6,828.35					6,828.35								-
Oct-Attenta							-	October	9,289.76			(79.67)	1,064.60		10,274.69
Oct-Akerman		(396.15)					(396.15)								-
Oct-Misc							-								
Nov - Attenta							-	November					172.34		172.34
Nov - Misc			7,800.00				7,800.00								-
Nov-Akerman		9,911.98					9,911.98								
Dec - Akerman		2,685.71					2,685.71	December	1,202.89						1,202.89
Yearly Total	185.50	25,380.99	7,800.00	-	-	-	33,366.49		15,030.03	7,909.01	950.00	1,083.48	9,646.28	700.00	35,318.80

HEARING EXHIBIT - 00000596

	Auto																	Total
		WPB	WPB	WPB	WPB	WPB	WPB	WPB	NW	WPB	WPB	WPB	WPB	WPB	WPB	WPB	WPB	WPB	
	Attenta Service Fees	J McLaughlin	D Williams	J Ambrosino	Misc	Veh # 457	Veh # 505	Veh # 524	Wieda	Reed	J Tooney	A Neddo	E Snare	M Simpson	H Taragano	R Freidkes	Bryan Anderson	Misc	Total
PO #																			
Beginning Balance																			
Jan-Akerman																			0.00
January-Atenta																			0.00
Atenta																			0.00
																			0.00
March-Misc	100.00																		100.00
April-Atenta	100.00																		100.00
April-Atenta																			0.00
May-Atenta	100.00	6,642.71																	6,742.71
June-Atenta	250.00	1,093.31	1,035.09	183.14	4,146.51														6,708.05
July-Atenta	250.00																		250.00
Aug-Misc							1,692.77	358.11	2,034.38									15.38	4,100.64
Aug-Atenta	200.00			579.00						15,000.00	1,838.31	889.45	324.39						18,831.15
Sep-Misc														700.00	2,010.82			200.00	2,910.82
Sep-Akerman																			0.00
Oct-Attenta	450.00															2,753.74			3,203.74
Oct-Akerman																			0.00
Oct-Misc						250.19													250.19
Nov-Attenta																	1,328.75		1,328.75
Nov-Akerman																		1,787.00	1,787.00
Dec - Misc						273.30													273.30
Dec - Attenta	150.00																		150.00
TOTAL	1,600.00	7,736.02	1,035.09	762.14	4,146.51	523.49	1,692.77	358.11	2,034.38	15,000.00	1,838.31	889.45	324.39	700.00	2,010.82	2,753.74	1,328.75	2,002.38	46,736.35

HEARING EXHIBIT - 00000597

Florida Public Utilities Company
100.2280.201 - Accrued Insurance - General & Auto Liability
Policy Year Jan. 2005 - Dec. 2005
December 2005

Prepared By: Catherine Hulme
Aproved by:

		General Liability			Auto					
DATE	ACCRUALS (JE 19)	Admin Fees	Legal	Damage Claims	Claims/ Admin Fees	Legal	ACTUARIAL CHARGES	BALANCE	RANGE S/B	MEDIAN
	(363,546.71)							(363,546.71)		
Jan-05	0.00		(2,680.99)	2,026.48	115.00			(364,086.22)	$200,000 - $300,000	$250,000
Feb-05	0.00	1,309.60		(149.90)			8,750.00	(354,176.52)	$150,000 - $250,000	$200,000
Mar-05	0.00		10,281.05	2,824.40		429.97		(340,641.10)	$150,000 - $250,000	$200,000
Apr-05	0.00	554.24	(5,751.56)	892.67	5,893.64			(339,052.11)	$150,000 - $250,000	$200,000
May-05	0.00				9,755.15			(329,296.96)	$150,000 - $250,000	$200,000
Jun-05	0.00			2,491.88	6,318.31			(320,486.77)	$150,000 - $250,000	$200,000
Jul-05	0.00			382.99	6,647.21			(313,456.57)	$150,000 - $250,000	$200,000
Aug-05	0.00		275.50	2,333.68	4.90			(310,842.49)	$150,000 - $250,000	$200,000
Sep-05	0.00							(310,842.49)	$150,000 - $250,000	$200,000
Oct-05	0.00			8,079.29				(302,763.20)	$150,000 - $250,000	$200,000
Nov-05	0.00			3,563.08				(299,200.12)	$150,000 - $250,000	$200,000
Dec-05	0.00	1,059.14	0.00	2,008.75	0.00	0.00	0.00	(296,132.23)	$150,000 - $250,000	$200,000
Totals	(363,546.71)	2,922.98	2,124.00	24,453.32	28,734.21	429.97	8,750.00			

HEARING EXHIBIT - 00000598

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Claims Detail 2005

	General Liability Legal and Administrative Fees										
	WPB	NE	NE	WPB	WPB	Central	NE	WPB	NE		
	Misc South FL	Michael Vanzant	Glen Simon	Kim Taylor	P&S Paving	Al Kara	Federated Mutual Insurance	Bryon Bohnte	George Branch	Wrong Account *	Total
PO #		14265				14265					
Beginning Balance											
Jan-Akerman							256.50			(2,937.49)	(2,680.99)
January-Atenta											0.00
February-Atenta		1,309.60									1,309.60
March-Akerman	560.00	2,350.30								7,370.75	10,281.05
April-Akerman	-560.00	269.19		130.00		1,780.00				(7,370.75)	(5,751.56)
April-Atenta								554.24			554.24
May-Akerman											0.00
June-Akerman											0.00
Aug-Akerman			275.50								275.50
Aug-Misc											0.00
Aug-Attenta											0.00
Sep-Attenta											0.00
Sep-Akerman											0.00
Oct-Attenta											0.00
Oct-Akerman											0.00
Nov - Attenta											0.00
Dec - Akerman					1,059.14						1,059.14
Yearly Total	0.00	3,929.09	275.50	130.00	1,059.14	1,780.00	256.50	554.24	0.00	(2,937.49)	5,046.98

* Wrong accounts will be fixed in January s/b 100.2420.31

Potential Lawsuit I 0.5031.17

HEARING EXHIBIT - 00000599

	Damage Claim				Total
	WPB	Central	Northwest	North East	
	Damage Claim	Damage Claim	Damage Claim	Damage Claim	Total
					-
January	1,152.97		306.03	567.48	2,026.48
February	(251.55)			101.65	(149.90)
March	2,824.40				2,824.40
April	682.67	110.00		100.00	892.67
May					-
					-
June	578.00		1,913.88		2,491.88
July				382.99	382.99
August	832.55	863.37		637.76	2,333.68
					-
September					-
					-
October	509.98	2,856.94	2,542.37	2,170.00	8,079.29
Nov - Attent	150.00				150.00
November	50.00	289.50	2,120.79	952.79	3,413.08
December	1,908.75			100.00	2,008.75
	8,437.77	4,119.81	6,883.07	5,012.67	24,453.32

HEARING EXHIBIT - 00000600

							Auto						Total
		WPB	WPB	WPB	WPB	WPB	WPB	WPB	WPB	WPB	WPB		
	Attenta Service Fees	Rubin	Hoag	Vargas	Philo	Aswila A. Dominguez	Misc Auto	Sharon Talbot	Sharron Burrell	Jean Stokes	Joanna Holland	Total	
PO #													
Beginning Balance													
Jan-Akerman													0.00
January-Atenta		100.00		15.00									115.00
February-Atenta													0.00
Feb- Misc													0.00
March-Misc							429.97						429.97
April-Atenta						300.00		2,640.77	7.95	936.97	2,007.95		5,893.64
May-Attenta	6,097.88		160.00				318.04		1,649.25	1,529.98			9,755.15
June-Attenta	(4,906.44)				9,449.19			150.00	150.00		2,024.46		6,867.21
June-Reimburs							(548.90)						-548.90
July-Attenta	6,647.21												6,647.21
Aug-Attenta	4.90												4.90
Sep-Misc													0.00
Sep-Akerman													0.00
Oct-Attenta													0.00
Oct-Akerman													0.00
Nov-Attenta													0.00
Dec - Attenta													0.00
TOTAL	7,843.55	100.00	160.00	15.00	9,449.19	300.00	199.11	2,790.77	1,807.20	2,466.95	4,032.41		29,164.18

HEARING EXHIBIT - 00000601

Florida Public Utilities Company
100.2280.201 - Accrued Insurance - General & Auto Liability
Policy Year Jan. 2004 - Dec. 2004
December 2004

Prepared By:
Aproved by:

EXHIBIT	DATE	ACCRUALS (JE 19)	PAYEE OR ADJUSTMENT PURPOSE	ATTENTA AKERMAN - AUTO	ATTENTA GENERAL	Legal GEN. LIAB.	DAMAGE CLAIMS	BALANCE	RANGE S/B	MEDIAN
BALANCE FORWARD		(421,513.04)						(421,513.04)		
A	Jan-04	(20,000.00)		3,746.50				(437,766.54)	$400,000 - $600,000	$500,000
B	Feb-04	(20,000.00)		10,941.87		43,306.32	465.62	(403,052.73)	$400,000 - $600,000	$500,000
C	Mar-04	(20,000.00)		265.00		4,592.13	229.60	(417,966.00)	$400,000 - $600,000	$500,000
D	Apr-04	(20,000.00)		2,037.29			1,047.62	(434,881.09)	$400,000 - $600,000	$500,000
E	May-04	0.00		862.37	571.38	876.03	1,444.49	(431,126.82)	$400,000 - $600,000	$500,000
F	Jun-04	0.00		805.00		985.50	2,733.76	(426,602.56)	$400,000 - $600,000	$500,000
G	Jul-04	0.00		420.37		2,701.44		(423,480.75)	$400,000 - $600,000	$500,000
F	Aug-04	0.00		1,745.99			20.39	(421,714.37)	$400,000 - $600,000	$500,000
H	Sep-04	0.00		150.00		759.39	2,548.01	(418,256.97)	$400,000 - $600,000	$500,000
I	Oct-04	0.00				10,252.82	5,611.23	(402,392.92)	$150,000 - $250,000	$200,000
J	Nov-04	0.00		100.00			70.42	(402,222.50)	$150,000 - $250,000	$200,000
K	Dec-04	0.00		21,915.00		15,796.45	964.34	(363,546.71)	$150,000 - $250,000	$200,000
	Totals	(501,513.04)		42,989.39	571.38	79,270.08	15,135.48			

Monthly Journal Entry For Liability Reserve:	DR	CR
114.4010.9251	0	
100.2280.201		0
	0	0

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HEARING EXHIBIT - 00000602

Claims Detail 2004

	General Liability										Total
	WPB	Central	WPB	WPB	NW	NE	MAR	NE	NE		
	John Wideman	Lemoine, Sean, & Vickie	Misc South FL	Glen Simon	Larry Ball	Michael Vanzant	Violet Skipper	Federated Mutual Insurance	George Branch	Wrong Account *	
ın-Akerman											0.00
ınuary-Atenta											0.00
ebruary-Atenta											0.00
eb- Akerman			1,272.00	796.40			41,237.92				43,306.32
arch-Akerman				3,440.93			1,151.20				4,592.13
oril-Atenta											0.00
ay-Atenta			571.38								571.38
ay-Akerman				876.03							876.03
ıne-Akerman				985.50							985.50
ıly-Akerman				2,701.44							2,701.44
ug-Misc											0.00
ug-Attenta											0.00
ep-Attenta											0.00
ep-Akerman				370.92				388.47			759.39
ct-Attenta											0.00
ct-Akerman		1,202.30							9,050.52		10,252.82
ov - Attenta											0.00
ec - Akerman		40.50			1,440.08	10,824.79	1,501.00		352.59	1,637.49	15,796.45
											0.00
OTAL	0.00	1,242.80	1,843.38	9,171.22	1,440.08	10,824.79	43,890.12	388.47	9,403.11	1,637.49	79,841.46

Wrong accounts will be fixed in January s/b 100.2420.31

HEARING EXHIBIT - 00000603

Claims Detail 2004

	Auto									Total	Damage Claim				Total
		WPB	WPB	WPB	Central	WPB	WPB	WPB	WPB		WPB	Central	Northwest	North East	
	Attenta Service Fees	Dominquez	Vargas	Misc Auto	Misc Auto	Louis Guillen	John Kline	Elouis Belorge	John Flynn	Total	Damage Claim	Damage Claim	Damage Claim	Damage Claim	Total
ı-Akerman										0.00					0.00
ıuary-Atenta	465.00			1,195.00			86.50	2,000.00		3,746.50					0.00
bruary-Atenta				10,855.37			86.50			10,941.87					0.00
b- Misc										0.00	240			225.62	465.62
ırch-Misc										0.00	229.6				229.60
ırch-Atenta				265.00						265.00					0.00
ril-Atenta						2,037.29				2,037.29		250		797.62	1,047.62
ay-Akerman					530.37				332.00	862.37			975.96	468.53	1,444.49
ne-Akerman				125.00					680.00	805.00	1595.62	514.82		623.32	2,733.76
ly-Akerman									420.37	420.37					0.00
ıg-Misc										0.00				20.39	20.39
ıg-Attenta				1,745.99						1,745.99					0.00
ep-Misc				150.00						150.00	1959.88	400	188.13		2,548.01
ep-Akerman										0.00					0.00
ct-Attenta										0.00					0.00
ct-Akerman										0.00	3460.9		2036.58	113.75	5,611.23
ov-Attenta				100.00						100.00	60.42			10	70.42
ec - Attenta		20,000.00	1,915.00							21,915.00			964.34		964.34
										0.00					0.00
OTAL	465.00	20,000.00	1,915.00	14,436.36	530.37	2,037.29	173.00	2,000.00	1,432.37	42,989.39	7,546.42	1,164.82	4,165.01	2,259.23	15,135.48

HEARING EXHIBIT - 00000604

Florida Public Utilities Company
100.2280.201 - Accrued Insurance - General & Auto Liability
Policy Year Jan. 2003 - Dec. 2003
December 2003

		ACCRUALS		GENERAL EXPENSES							
EXHIBIT	Date	(JE 19)	Payee or adjustment purpose	Darrell Glenn	Attenta-Auto	Attenta-General	General Liability	Other Activity	Balance	Range S/B	Median
BALANCE FORWARD		(46,284.90)		126,742.45	25,263.74		4,555.43	(710,215.10)	(599,938.38)		
A	Jan-03		Darrell Glenn and Robert Fernandez, ESQ., Jointly	300,000.00					(299,938.38)	$400,000 - $600,000	$500,000
A	Jan-03	(20,000.00)	Akerman, Senterfitt & Eidson, PA	1,238.57			1,015.69		(317,684.12)	$400,000 - $600,000	$500,000
A	Jan-03		Attenta (John Kline PP 02-03)		3,911.20				(313,772.92)	$400,000 - $600,000	$500,000
A	Jan-03		Attenta (Philo Pierre PP 00-01)		3,353.93				(310,418.99)	$400,000 - $600,000	$500,000
A	Jan-03		Reversal of Dec. 2002 adjustment		(10,000.00)				(320,418.99)	$400,000 - $600,000	$500,000
A	Jan-03		Reversal of Dec. 2002 adjustment		10,000.00				(310,418.99)	$400,000 - $600,000	$500,000
A	Jan-03		Escrow adjustment		17,500.00				(292,918.99)	$400,000 - $600,000	$500,000
A	Jan-03		Escrow adjustment		(17,500.00)				(310,418.99)	$400,000 - $600,000	$500,000
B	Feb-03	(20,000.00)	Akerman, Senterfitt & Eidson, PA	9,042.23			1,846.00		(319,530.76)	$400,000 - $600,000	$500,000
B	Feb-03		Attenta (John Kline PP 02-03)		1,690.74				(317,840.02)	$400,000 - $600,000	$500,000
B	Feb-03		Attenta		475.00	85.00			(317,280.02)	$400,000 - $600,000	$500,000
C	Mar-03	(20,000.00)	Reimbursement from AEGIS for Darrell Glenn claim	(187,023.25)					(524,303.27)	$400,000 - $600,000	$500,000
C	Mar-03		Attenta/Federal Express	150.00				22.77	(524,130.50)	$400,000 - $600,000	$500,000
D	Apr-03	(20,000.00)	Akerman, Senterfitt & Eidson, PA/Attenta (Warner)	1,235.78	165.00		8,369.45		(534,360.27)	$400,000 - $600,000	$500,000
E	May-03	17,465.00	Akerman, Senterfitt & Eidson, PA/Attenta (Belorge)		500.00		14,044.81		(502,350.46)	$400,000 - $600,000	$500,000
F	Jun-03	(20,000.00)	Akerman, Senterfitt & Eidson, PA				12,642.40		(509,708.06)	$400,000 - $600,000	$500,000
G	Jun-03		Attenta (Belorge, Delores, Pierre)		4,137.00		618.00		(504,953.06)	$400,000 - $600,000	$500,000
H	Jul-03	(20,000.00)	Akerman, Senterfitt & Eidson, PA				10,774.35		(514,178.71)	$400,000 - $600,000	$500,000
I	Jul-03		Attenta (David Miller 463.8; John Wideman 700)	(1,385.78)	463.80	700.00			(514,400.69)	$400,000 - $600,000	$500,000
J	Jul-03		Class Action Settlement JP Morgan					(73.50)	(514,474.19)	$400,000 - $600,000	$500,000
K	Aug-03	(20,000.00)	Akerman; Attenta		1,766.62	115.00	22,745.11	30.75	(509,816.71)	$400,000 - $600,000	$500,000
L	Sep-03	(20,000.00)	Akerman; Attenta (Philio)		1,081.11		19,096.95	1,842.50	(507,796.15)	$400,000 - $600,000	$500,000
M	Oct-03	(20,000.00)			20,000.00		20,420.47	(1,842.50)	(489,218.18)	$400,000 - $600,000	$500,000
N	Nov-03	(25,000.00)			10,100.00				(504,118.18)	$400,000 - $600,000	$500,000
O	Dec-03	(25,000.00)	Akerman		1,833.91		103,271.23	2,500.00	(421,513.04)	$400,000 - $600,000	$500,000
	Totals	(258,819.90)		250,000.00	74,742.05	900.00	219,399.89	(707,735.08)			

Monthly Journal Entry For Liability Reserve:		DR	CR
115.4010.9251	100.00%	20,000	
100.2280.201			20,000
	100.00%	20,000	20,000

HEARING EXHIBIT - 00000605

Claims Details 20.

	General Liability										Total
	NE (Water)	WPB	Central	WPB	WPB	WPB	MAR	NE	WPB	WPB	
	Winebarger, Rosemary	John Wideman	Misc Central Propane	Misc South Fl Propane	Glen Simon	Leonard & Delores S.	Violet Skipper	Federated Mutual Insurance	Martel, Patti	James Celi	
n-Akerman	252.50						763.19				1,015.69
nuary-Atenta											0.00
ebruary-Atenta							85.00				85.00
eb- Akerman							1,846.00				1,846.00
pril-Akerman	558.00						5,453.89			2,357.56	8,369.45
pril-Atenta											0.00
ay-Atenta											0.00
ay-Akerman	4,446.03				1,345.60		6,811.43			1,441.75	14,044.81
ne-Akerman	782.27				2,736.11		7,728.32		583.70	812.00	12,642.40
ne-Atenta						618.00					618.00
ly-Akerman	121.50				466.50		9,656.41		529.94		10,774.35
ly-Atenta		700.00									700.00
ug-Akerman					404.70		21,549.26				21,953.96
ug-Misc			575.00	216.15							791.15
ug-Attenta		100.00				15.00					115.00
ep-Attenta											0.00
ep-Akerman					369.30		17,354.38	1,373.27			19,096.95
ct-Attenta											0.00
ct-Akerman					166.73		19,906.87	346.87			20,420.47
ov - Attenta											0.00
ec - Akerman							103,176.73	94.50			103,271.23
											0.00
OTAL	6,160.30	800.00	575.00	216.15	5,488.94	633.00	194,331.48	1,814.64	1,113.64	4,611.31	215,744.46

HEARING EXHIBIT - 00000606

Claims Details 2003-

	Auto								Total
	WPB	WPB	WPB	WPB	WPB	WPB	WPB	WPB	
	Misc Auto	Martha Ferguson	James Salinger	David Miller	John Kline	Elouis Belorge	Phol Pierre	Jacqueline Hughes	Total
ın-Akerman									0.00
ınuary-Atenta					3,911.20		3,353.93		7,265.13
ebruary-Atenta	50.00				1,890.74		225.00		2,165.74
eb- Akerman									0.00
pril-Akerman									0.00
pril-Atenta	165.00								165.00
ay-Atenta						500.00			500.00
ay-Akerman									0.00
ıne-Akerman									0.00
ıne-Atenta						526.83	3,460.17	150.00	4,137.00
ıly-Akerman									0.00
ıly-Atenta				463.80					463.80
ug-Akerman									0.00
ug-Misc									0.00
ug-Attenta	1,551.62			100.00			115.00		1,766.62
ep-Attenta							1,081.11		1,081.11
ep-Akerman									0.00
ct-Attenta							20,000.00		20,000.00
ct-Akerman									0.00
lov-Attenta							10,100.00		10,100.00
ec - Attenta		222.60	1,361.31				250.00		1,833.91
									0.00
OTAL	1,766.62	222.60	1,361.31	563.80	5,801.94	1,026.83	38,585.21	150.00	49,478.31

HEARING EXHIBIT - 00000607

Florida Public Utilities Company
100.2280.201 - Accrued Insurance - General & Auto Liability
Policy Year Jan. 2002 - Dec. 2002
DECEMBER 2002

EXHIBIT	DATE	Accruals (JE 19)	Payments (P/L) Payee or adjustment purpose	Auto	General	Other Payee or adjustment purpose	Auto	General	Balance	Range S/B	Median
						BALANCE FORWARD			(600,000.00)		
A	Jan-02		Akerman, Senterfitt & Eidson, PA		7,827.46	TRF. Balance from 100.2280.202	(94,596.83)		(686,769.37)	$400,000 - $600,000	$500,000
	Jan-02		Southern Risk Services (s/b coded to 100.2280.201), will correct in Feb. 2002	220.00		TRF. Balance to 100.2280.202	94,596.83		(591,952.54)	$400,000 - $600,000	$500,000
	Feb-02		Southern Risk Services (s/b coded to 100.2280.201), will correct in March 2002	2,149.80		SRS pmt. corrected from Jan. 02 (from 100.2280.202)	(220.00)		(590,022.74)	$400,000 - $600,000	$500,000
B	Feb-02		Akerman, Senterfitt & Eidson, PA		4,374.60	SRS pmt. corrected from Jan. 02 (to 100.2280.201)	220.00		(585,428.14)	$400,000 - $600,000	$500,000
C	Mar-02					SRS pmt. corrected from Feb. 02 (from 100.2280.202)	(2,149.80)		(587,577.94)	$400,000 - $600,000	$500,000
	Mar-02		Akerman, Senterfitt & Eidson, PA		5,801.99	SRS pmt. corrected from Feb. 02 (to 100.2280.201)	2,149.80		(579,626.15)	$400,000 - $600,000	$500,000
D	Apr-02		Akerman, Senterfitt & Eidson, PA		3,639.08	Atlanta	25.00	90.00	(575,872.07)	$400,000 - $600,000	$500,000
E	May-02		Akerman, Senterfitt & Eidson, PA		1,666.15				(574,205.92)	$400,000 - $600,000	$500,000
F	Jun-02		Akerman, Senterfitt & Eidson, PA		4,047.61				(570,158.31)	$400,000 - $600,000	$500,000
G	Jul-02	(17,500.00)	Akerman, Senterfitt & Eidson, PA		18,558.64				(569,099.67)	$400,000 - $600,000	$500,000
H	Aug-02	(46,000.00)	Akerman, Senterfitt & Eidson, PA		42,170.17	Atlanta	4,948.94		(567,980.56)	$400,000 - $600,000	$500,000
I	Sep-02	(46,000.00)	FL. Dept. of Transportation		2,262.62	Atlanta		115.00	(611,602.94)	$400,000 - $600,000	$500,000
J	Oct-02	(46,000.00)	Akerman, Senterfitt & Eidson, PA		27,907.45	Atlanta	220.00		(629,475.49)	$400,000 - $600,000	$500,000
K	Nov-02	(46,000.00)	Atlanta	7,500.00		Atlanta	200.00		(667,775.49)	$400,000 - $600,000	$500,000
L	Dec-02	45,000.00	Akerman, Senterfitt & Eidson, PA		12,837.11	Atlanta	10,000.00		(599,938.38)	$400,000 - $600,000	$500,000
L	Dec-02					Adjustment	10,000.00		(589,938.38)	$400,000 - $600,000	$500,000
L	Dec-02					Adjustment	(10,000.00)		(599,938.38)	$400,000 - $600,000	$500,000
	Totals	(156,500.00)		9,869.80	131,092.88		15,393.94	205.00			

Monthly Journal Entry For Liability Reserve:		DR	CR
121.4010.9251	34.00%	15,640.00	
123.4010.9251	16.00%	7,360.00	
114.4010.9251	16.00%	7,360.00	
115.4010.9251	16.00%	7,360.00	
137.4010.6578	7.00%	3,220.00	
991.4010.925	8.00%	3,680.00	
993.4010.925	3.00%	1,380.00	
100.2280.201			46,000.00
	100.00%	46,000.00	46,000.00

HEARING EXHIBIT - 00000608

2/18/2003 11:09:01 **Interactive Trial Balance** **GLGITB** **GLDITB**

Journals

Select journal to display account transactions.

Account . : 001.0.0.2280.201 ACCR'D INSUR-GENERAL LIAB

Period . . . . . : 2002 12 DEC 12/31/2002 Monetary USD

Start balance . . : 667,775.49- Posted activity . 67,837.11

End balance . . . : 599,938.38- Unposted activity .00

S	Journal	Date	Reference	Source	N/A	Amount
_	27729	1/14/2003	PLSUMMARY	PL		22,837.11
_	27784	1/14/2003	19	JE		46,000.00-
_	27941	1/21/2003	19	JE		91,000.00
_	28190	2/14/2003	5.40	JE		10,000.00
_	28191	2/14/2003	5.41	JE		10,000.00-

Bottom

F2=Function keys F3=Exit F5=Fold/unfold F24=More keys

HEARING EXHIBIT - 00000609

HEARING EXHIBIT - 00000610

Exhibit 41.1
OPC First Set of Interrogatories
Docket No. 070304-EI

Witness: CUTSHAW / COX

Consolidated Electric
Weather Adjusted Kwh (excl Outdoor and Street Lighting)
April 2004 - September 2007

		Fernandina Beach					Marianna			
Year	Month	RS	GS	GSD	GSLD	GSLD-1	RS	GS	GSD	GSLD
2004	4	12,688,639	2,458,899	7,989,666	1,054,670	7,740,000	9,133,984	2,234,377	6,613,161	3,419,852
2004	5	12,802,525	2,138,955	6,862,421	1,860,700	8,150,000	9,753,861	2,158,625	6,683,336	3,421,545
2004	6	18,168,363	2,817,628	8,033,280	2,250,980	10,970,000	12,405,199	2,639,986	8,085,900	3,954,204
2004	7	20,670,124	2,957,132	8,330,348	1,934,400	10,960,000	14,134,811	2,969,048	8,792,375	4,341,480
2004	8	20,950,004	3,119,039	8,501,583	2,481,860	12,490,000	14,226,941	2,927,497	8,993,872	4,112,494
2004	9	20,037,791	2,783,154	8,524,915	1,952,680	9,660,000	13,313,601	2,761,288	8,571,762	4,127,053
2004	10	15,142,471	2,476,307	7,534,233	2,070,200	11,820,000	11,600,294	2,541,725	8,235,260	3,195,221
2004	11	13,059,630	2,247,510	6,897,230	1,521,540	10,220,000	9,578,618	2,144,758	7,245,291	3,417,324
2004	12	12,792,348	2,139,035	6,652,777	2,409,460	7,410,000	11,244,036	2,161,514	7,238,479	3,448,997
2005	1	18,373,063	2,535,127	6,770,218	2,200,220	9,560,000	15,681,296	2,717,538	7,430,461	2,993,333
2005	2	16,632,585	2,227,574	6,681,962	2,268,760	8,350,000	12,467,208	2,250,900	7,466,597	3,351,082
2005	3	13,498,290	2,097,800	6,147,580	2,037,180	17,690,000	10,169,850	2,040,453	6,756,657	2,558,509
2005	4	13,442,021	2,187,726	6,605,407	1,415,560	9,110,000	9,503,286	2,091,802	8,127,948	3,789,522
2005	5	12,759,381	2,291,121	7,270,360	2,640,840	11,000,000	9,815,833	2,275,442	8,676,732	3,742,809
2005	6	17,923,454	2,617,957	7,310,509	1,999,040	12,550,000	12,591,033	2,564,672	8,307,236	6,684,634
2005	7	21,851,645	3,086,807	8,644,958	2,804,460	9,230,000	14,676,889	2,867,551	9,135,839	6,895,937
2005	8	19,548,691	2,937,068	7,937,031	2,136,460	11,470,000	14,491,221	2,840,392	9,171,957	5,618,417
2005	9	21,515,114	3,203,599	8,992,055	2,696,140	12,120,000	14,855,945	3,059,600	10,174,992	6,816,268
2005	10	16,191,787	2,697,387	8,008,696	2,497,380	12,180,000	10,522,081	2,516,505	8,680,608	5,282,883
2005	11	12,105,396	2,175,755	6,626,548	2,304,600	12,460,000	9,818,433	2,116,602	7,171,067	5,206,000
2005	12	13,666,714	2,274,567	6,430,458	2,346,060	9,070,000	12,721,626	2,300,945	6,837,303	5,622,670
2006	1	16,263,675	2,243,628	6,236,730	2,306,140	11,820,000	15,413,357	2,599,711	7,178,497	4,941,722
2006	2	15,307,315	2,099,408	5,904,842	2,203,020	20,050,000	11,701,259	2,005,686	6,314,564	4,473,931
2006	3	15,043,234	2,182,876	6,132,047	2,261,380	15,010,000	11,725,581	2,131,408	6,394,386	4,445,381
2006	4	12,015,667	2,089,585	6,224,324	2,164,280	12,550,000	9,919,326	2,114,731	7,094,474	5,160,271
2006	5	13,348,885	2,182,291	6,735,447	2,114,440	15,200,000	9,960,506	2,170,777	7,182,855	5,176,576
2006	6	17,670,394	2,636,818	7,325,676	2,337,620	12,780,000	13,566,015	2,769,970	8,533,069	5,882,327
2006	7	23,478,734	3,166,000	9,393,242	2,446,520	13,940,000	15,746,346	3,081,341	9,199,345	6,161,409
2006	8	17,516,931	2,692,251	7,590,880	2,410,880	13,850,000	14,747,361	2,978,925	9,003,519	5,967,111
2006	9	19,029,982	2,933,300	8,547,478	2,418,440	11,860,000	15,652,019	3,206,623	9,697,293	6,441,140
2006	10	16,833,429	2,730,775	8,132,003	2,275,960	11,700,000	12,909,406	2,813,578	8,662,776	6,112,581
2006	11	11,791,083	2,214,548	6,639,117	2,002,480	9,620,000	8,794,376	2,121,183	6,612,406	5,243,265
2006	12	13,187,777	2,176,015	6,323,211	2,175,200	11,400,000	12,453,683	2,223,250	7,029,923	5,701,067
2007	1	18,010,854	2,415,692	6,286,176	2,203,400	11,830,000	16,317,885	2,741,540	6,860,492	4,849,244
2007	2	15,428,595	2,104,244	5,829,153	2,252,060	12,870,000	12,618,505	2,243,434	6,456,665	4,571,390
2007	3	14,896,085	2,204,224	6,204,535	2,107,920	8,530,000	11,918,671	2,237,609	6,753,684	4,750,286
2007	4	12,314,878	2,067,199	6,440,655	2,029,440	11,470,000	9,370,736	2,047,166	6,486,715	4,732,573
2007	5	13,243,156	2,219,678	6,393,939	2,040,960	11,000,000	10,181,930	2,222,052	6,857,944	4,948,247
2007	6	17,859,934	2,665,474	7,931,041	2,345,040	8,380,000	13,345,310	2,733,142	8,104,199	5,824,146
2007	7	21,663,326	2,998,839	8,631,920	2,277,020	10,640,000	15,566,855	3,219,167	9,273,469	6,224,932
2007	8	21,852,433	3,143,939	8,817,441	2,967,200	10,870,000	15,381,639	3,196,004	9,226,218	5,953,881
2007	9	18,845,800	2,903,797	8,318,690	2,305,020	9,800,000	14,557,526	3,123,447	9,225,641	5,692,295

2004 Apr to Dec	146,311,894	23,137,660	69,326,453	17,536,490	89,420,000	105,391,345	22,538,817	70,459,437	33,438,168
2005	197,508,142	30,332,489	87,425,783	27,346,700	134,790,000	147,314,701	29,642,401	97,937,395	58,562,065
2006	191,487,106	29,347,494	85,184,996	27,116,360	159,780,000	152,589,236	30,217,182	92,903,106	65,706,782
2007 Jan to Sep	154,115,063	22,723,086	64,853,551	20,528,060	95,390,000	119,259,057	23,763,561	69,245,025	47,546,993

HEARING EXHIBIT - 00000611

HEARING EXHIBIT - 00000612

				JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	TOTALS
1 1 4	4010	580	OPERATION SUPERVISIO	16,462	14,065	11,100	14,389	11,565	8,070	8,093	7,218	7,493	98,455
1 1 4	4010	582	STATION EXPENSES	635	184	152	432	7,428	(1,246)	324	545	364	8,818
1 1 4	4010	5831	OPERATION OF OVERHEA	3,759	9,685	1,358	3,860	3,042	4,144	7,314	2,399	3,557	39,118
1 1 4	4010	5832	REMOVING & RESETTING	4,940	2,326	4,262	1,332	3,409	1,207	4,466	4,543	1,017	27,502
1 1 4	4010	5841	UNDERGROUND LINE EXP								145	301	446
1 1 4	4010	585	STREET LIGHT/SIGNAL	1,825	1,171	329	523	924	1,189	601	2,067	360	8,989
1 1 4	4010	586	METER EXPENSES	14,378	10,799	14,261	8,895	11,501	13,115	15,354	17,710	15,388	121,401
1 1 4	4010	5871	AREA LIGHT EXPENSE	5,150	2,808	5,867	2,738	4,533	2,574	3,643	3,526	2,847	33,686
1 1 4	4010	5872	OTHER CUSTOMER INSTA	1,019	1,160	542	1,229	1,006	309	631	567	298	6,761
1 1 4	4010	5881	DISTRIBUTION MAPS &	9,552	6,825	6,070	4,695	5,889	3,709	4,582	3,741	3,694	48,757
1 1 4	4010	5882	OTHER DIST OFFICE SU	2,863	2,591	3,225	2,633	2,248	1,905	2,679	2,962	2,085	23,191
1 1 4	4010	5883	MISC DISTRIBUTION OF	387			400	200		662		288	1,937
1 1 4	4010	589	RENTS	215			108	108			353		784
1 1 4	4010	901	SUPERVISION	2,360	2,135	2,363	2,665	3,108	2,741	2,986	2,825	2,759	23,942
1 1 4	4010	9011	SUPERVISION- A & G	1,972	1,681	1,927	1,992	1,824	1,463	1,277	954	1,099	14,189
1 1 4	4010	902	METER READING EXPENS	15,333	9,820	12,525	11,086	15,828	12,421	11,961	11,272	9,436	109,682
1 1 4	4010	903	CUSTOMER RECORDS/COL	19,243	20,549	22,460	23,219	21,080	23,613	20,651	22,373	21,455	194,643
1 1 4	4010	9031	CUSTOMER RECORDS/COL	7,793	9,902	8,667	10,164	7,019	15,108	9,750	9,659	11,449	89,511
1 1 4	4010	904	UNCOLLECTIBLE ACCOUN	3,892	3,827	3,688	3,306	3,430	(15,456)	4,806	4,843	4,702	17,038
1 1 4	4010	905	MISC CUSTOMER ACCOUN	3,543	4,230	3,374	3,587	3,857	2,806	3,755	3,485	3,342	31,979
1 1 4	4010	9051	MISC CUSTOMER ACCNT	692	541	681	637	669	640	571	529	684	5,644
1 1 4	4010	9131	PROMOTIONAL ADVERTIS					300					300
1 1 4	4010	9132	CONSERVATION ADVERTI						3,832	(3,832)	3,620		3,620
1 1 4	4010	9133	SAFETY ADVERTISING				1,651	595	350	61			2,657
1 1 4	4010	9134	OTHER INFO/INSTR/CON	2,500	4,061	10,277	11,508	14,297	3,125	2,750	1,789		50,307
1 1 4	4010	920	ADM & GENERAL SALARI	37,719	34,028	42,284	26,150	36,379	36,030	37,183	38,414	33,579	321,766
1 1 4	4010	9211	OFFICE SUPPLIES	389	703	347	462	509	592	62	832	352	4,248
1 1 4	4010	9212	OFFICE POSTAGE & MAI	268	397	22	393	125	96	400	261	420	2,382
1 1 4	4010	9213	OFF COMPUTER SUPP &	128	1,674	344	38	448	39	314	296	96	3,377
1 1 4	4010	9214	OFFICE UTILITY EXPEN	1,199	1,290	757	8,670	3,040	2,658	3,466	3,497	2,770	27,347
1 1 4	4010	9215	MISC OFFICE EXPENSE	3,565	4,677	4,335	3,492	5,677	2,333	5,722	4,099	6,359	40,259
1 1 4	4010	9216	CO TRAINING EXPENSE-				175	913					1,088
1 1 4	4010	9231	OUTSIDE SERVICES - O	2,221		805				485	633	71	4,215
1 1 4	4010	9232	OUTSIDE SERVICES LEG	575	884	1,828	102	589	702	518	2,204	921	8,323
1 1 4	4010	9233	OUTSIDE AUDIT & ACCO	7,762	7,275	7,275	7,925	7,062	7,437	7,437	7,437	14,412	74,022
1 1 4	4010	924	PROPERTY INSURANCE	9,775	9,699	9,699	9,699	9,699	9,699	9,699	9,699	9,794	87,462
1 1 4	4010	9251	SAFETY	4,445	4,043	5,159	5,064	5,402	5,418	4,201	5,669	4,575	43,976
1 1 4	4010	9252	GENERAL LIABILITY	14,829	14,298	15,145	16,292	26,220	78,772	16,546	16,431	32,177	230,710
1 1 4	4010	9261	EMPLOYEE PENSIONS	12,029	11,428	28,340	17,782	17,415	16,146	15,727	14,852	12,653	146,372
1 1 4	4010	9262	EMPLOYEE BEN-MEDICAL	20,518	18,725	16,990	20,067	18,934	18,968	16,675	14,004	19,188	164,069
1 1 4	4010	9263	RETIREE BENEFITS-POS	2,167	2,167	2,167	2,167	2,167	2,167	2,167	2,167	2,167	19,503
1 1 4	4010	9264	401(K) EXPENSE COMPA	428	548	825	575	645	623	761	1,188	870	6,463
1 1 4	4010	928	REGULATORY COMMISSIO	4,278	4,612	10,472	4,728	4,851	7,139	6,566	7,008	6,669	56,323
1 1 4	4010	9302	MISC. GENERAL EXPENS	3,396	5,432	4,219	3,431	3,964	(165)	2,538	4,416	2,515	29,746
1 1 4	4010	93022	INDUSTRY ASSOCIATION	1,505				38		1,646			3,189
1 1 4	4010	93023	ECONOMIC DEVELOPMENT							5,000			5,000
1 1 4	4010	931	RENTS	439	465	451	456	494	490	517	490	497	4,299
1 1 4	4020	590	MAINT SUPERVISION/EN	4,699	3,340	3,437	2,908	3,039	2,138	2,286	1,707	2,688	26,242
1 1 4	4020	592	MAINT OF DIST STATIO		181	906	1,482	523	3,405	307	(45)	44	6,803

Witness: KHOJASTEH

Exhibit: 42
Docket No. 070304-EI
OPC First Set of Interrogatories

HEARING EXHIBIT - 00000613

					JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	TOTALS
1	1	4	4020	5931 MAINT OF POLES/TOWER			2,153							2,153
1	1	4	4020	5932 MAINT OF OVERHEAD CO	44,122	47,564	67,087	50,374	56,176	48,809	46,531	50,311	39,019	449,993
1	1	4	4020	5933 MAINT OF SERVICES	10,256	8,124	13,353	6,121	11,561	6,386	7,565	4,585	5,711	73,662
1	1	4	4020	5941 MAINT OF UNDERGROUND	1,678	1,300	425	1,099	1,778	496	1,653	859	763	10,051
1	1	4	4020	5942 MAINT OF UNDERGRND L					65				183	248
1	1	4	4020	5951 MAINT OF LINE TRANSF	2,892	2,240	5,824	3,716	4,969	3,675	4,381	1,395	4,628	33,720
1	1	4	4020	5952 MAINT OF LINE TRANSF	192		563	4,910	2,202	(430)	165	132	215	7,949
1	1	4	4020	596 MAINT -STREET LIGHT/	1,764	1,660	474	886	604	343	906	1,084	392	8,113
1	1	4	4020	597 MAINT OF METERS	1,867	1,624	3,390	5,754	1,328	336		6		14,305
1	1	4	4020	598 MAINT OF MISC DISTRI	3,155	4,536	6,036	3,754	5,746	2,242	3,478	3,006	2,572	34,525
1	1	4	4020	935 MAINT OF GENERAL PLA	6,795	3,347	5,682	(1,153)	3,182	3,239	3,233	5,270	2,115	31,710
1	1	4	4030	1 DEPRECIATION EXPENSE	100,941	101,167	101,377	101,599	102,074	103,692	104,129	104,703	105,261	924,943
1	1	4	4030	2 DEPR EXP-COMMON	3,997	3,649	3,650	3,798	3,811	3,982	4,037	4,011	4,022	34,957
1	1	4	4080	1 AD VALOREM TAXES	16,006	16,006	16,006	16,006	16,006	16,006	16,006	16,006	16,006	144,054
1	1	4	4080	11 FRANCHISE TAX	96,966	94,615	92,277	82,373	85,582	100,514	119,933	120,857	117,483	910,600
1	1	4	4080	2 STATE GROSS RECEIPTS	47,103	45,682	44,808	39,960	41,548	48,890	58,370	58,834	57,084	442,279
1	1	4	4080	3 FPSC ASSESSMENT	1,549	1,347	1,287	1,182	1,256	1,452	1,692	1,725	1,636	13,126
1	1	4	4080	5 FEDERAL UNEMPLOYMENT	1,148	578	32	58	58	(31)	5	6	6	1,860
1	1	4	4080	6 STATE UNEMPLOYMENT T	560	285	17	28	28	(15)	3	3	3	912
1	1	4	4080	7 F.I.C.A.	11,507	9,884	18,133	10,342	9,936	7,373	8,983	14,723	8,711	99,592
1	1	4	4080	8 MISCELLANEOUS TAXES									300	300
1	1	4	4090	1 I/T -FEDERAL- UTIL O	52,000	24,600	24,800	35,000	(7,700)	2,400	81,000	68,700	27,200	308,000
1	1	4	4090	2 I/T -STATE - UTIL O	8,900	4,200	4,300	5,900	(1,300)	400	13,900	11,700	4,700	52,700
1	1	4	4110	4 INVEST TAX CREDIT- U	(835)	(835)	(835)	(835)	(835)	(835)	(835)	(835)	(835)	(7,515)
1	1	5	4010	562 STATION EXPENSES	762	52	2,188	2,283	1,567	2,224	1,100	1,949	908	13,033
1	1	5	4010	566 MISC TRANSMISSION EX						101			4,655	4,756
1	1	5	4010	580 OPERATION SUPERVISIO	14,172	14,019	11,758	14,240	14,225	12,808	14,042	13,280	11,216	119,760
1	1	5	4010	582 STATION EXPENSES	3,795	2,519	6,238	3,152	3,563	2,968	8,383	4,844	1,119	36,581
1	1	5	4010	5831 OPERATION OF OVERHEA	2,700	4,965	454	2,246	2,662	3,893	10,203	(7,047)	4,008	24,084
1	1	5	4010	5832 REMOVING & RESETTING	7,629	877	(4,461)	68	1,173	1,929	1,309	696	393	9,613
1	1	5	4010	5841 UNDERGROUND LINE EXP	285	429	299	356	469	1,819	2,146	348	2,702	8,853
1	1	5	4010	5842 UNDERGRND LINE EXPEN	2,556	1,070	2,394	2,165	1,344	4,930	4,581	1,469	2,312	22,821
1	1	5	4010	585 STREET LIGHT/SIGNAL				375	224	511	170		276	1,556
1	1	5	4010	586 METER EXPENSES	9,005	7,087	10,542	6,597	7,439	7,556	8,094	8,086	8,860	73,266
1	1	5	4010	5871 AREA LIGHT EXPENSE	6	9	7	355	1,952	1,068	736	1,859	531	6,523
1	1	5	4010	5872 OTHER CUSTOMER INSTA	2,171	909	1,122	1,346	1,533	3,979	6,005	3,138	4,149	24,352
1	1	5	4010	5881 DISTRIBUTION MAPS &	4,574	5,758	3,312	4,338	4,450	5,124	3,002	3,208	3,026	36,792
1	1	5	4010	5882 OTHER DIST OFFICE SU	4,357	2,227	5,321	5,254	7,788	24,162	6,376	7,024	5,041	67,550
1	1	5	4010	5883 MISC DISTRIBUTION OF	120		761	846	254	254	272	254	254	3,015
1	1	5	4010	589 RENTS										0
1	1	5	4010	901 SUPERVISION	4,269	3,993	1,363	4,803	4,778	4,426	3,970	4,544	4,136	36,282
1	1	5	4010	9011 SUPERVISION- A & G	2,235	1,921	2,202	2,276	2,084	1,672	1,460	1,091	1,256	16,197
1	1	5	4010	902 METER READING EXPENS	10,594	10,920	12,483	8,196	10,955	12,128	14,201	14,144	7,540	101,161
1	1	5	4010	903 CUSTOMER RECORDS/COL	22,807	22,491	22,777	21,874	24,459	35,661	21,128	24,897	25,787	221,881
1	1	5	4010	9031 CUST RECORDS/COLLCTN	8,828	11,317	9,908	11,617	8,024	17,266	11,143	11,038	13,086	102,227
1	1	5	4010	904 UNCOLLECTIBLE ACCOUN	1,277	1,306	1,277	1,171	1,220	3,677	1,784	1,869	1,696	15,277
1	1	5	4010	905 MISC CUSTOMER ACCOUN	(546)	4,824	2,074	1,616	1,631	2,595	1,924	1,522	1,778	17,418
1	1	5	4010	9051 MISC CUST ACCNT EXP	784	618	779	728	764	732	653	605	782	6,445
1	1	5	4010	9132 CONSERVATION ADVERTI						227	(227)			0
1	1	5	4010	9133 SAFETY ADVERTISING			73	1,651	595		233			2,552

HEARING EXHIBIT - 00000614

					JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	TOTALS
1	1	5	4010	9134 OTHER INFO/INSTR/CON	2,912	3,761	10,277	11,508	14,297	3,125	2,500	1,789		50,169
1	1	5	4010	916 MISC. SALES EXPENSES	46	99	67	57	65	26	109	38	64	571
1	1	5	4010	920 ADM & GENERAL SALARI	51,031	46,038	57,208	35,380	49,219	48,746	50,307	51,972	45,430	435,331
1	1	5	4010	9211 OFFICE SUPPLIES	421	703	347	462	509	592	62	832	352	4,280
1	1	5	4010	9212 OFFICE POSTAGE & MAI	290	397	22	393	125	96	400	261	420	2,404
1	1	5	4010	9213 OFF COMPUTER SUPPLIE	139	1,674	344	38	448	39	314	296	96	3,388
1	1	5	4010	9214 OFFICE UTILITY EXPEN	1,299	1,290	757	7,887	2,818	1,262	3,231	3,273	2,546	24,363
1	1	5	4010	9215 MISC OFFICE EXPENSE	3,865	4,675	4,340	3,493	5,687	2,337	5,724	4,096	6,362	40,579
1	1	5	4010	9216 CO TRAINING EXPENSE-			565	880	913	89		140	103	2,690
1	1	5	4010	9231 OUTSIDE SERVICES - O	2,221			3,134		1,015	(72)	676	75	7,049
1	1	5	4010	9232 OUTSIDE SERVICES-LEG	575	943	1,949	109	628	749	552	2,351	983	8,839
1	1	5	4010	9233 OUTSIDE AUDIT & ACCO	7,762	7,760	7,760	8,453	7,533	7,933	7,933	7,933	15,373	78,440
1	1	5	4010	924 PROPERTY INSURANCE	3,700	3,700	3,700	3,700	3,700	3,700	3,700	3,700	3,830	33,430
1	1	5	4010	9251 SAFETY	5,101	4,866	5,595	6,306	6,313	6,271	4,964	6,849	5,156	51,421
1	1	5	4010	9252 GENERAL LIABILITY	13,982	14,026	14,773	15,963	25,888	78,963	16,806	15,905	31,573	227,879
1	1	5	4010	9261 EMPLOYEE PENSIONS	12,437	11,682	28,421	17,757	17,493	18,216	18,444	15,107	12,304	151,861
1	1	5	4010	9262 EMPLOYEE BEN-MEDICAL	21,071	19,265	17,009	20,100	19,323	21,394	19,558	14,430	19,468	171,618
1	1	5	4010	9263 RETIREE BENEFITS-POS	2,333	2,333	2,333	2,333	2,333	2,333	2,333	2,333	2,333	20,997
1	1	5	4010	9264 401(K) EXPENSE COMPA	446	562	825	573	646	698	889	1,204	850	6,693
1	1	5	4010	928 REGULATORY COMMISSIO	4,794	5,088	10,952	5,312	5,377	7,518	7,089	6,890	7,206	60,226
1	1	5	4010	9302 MISC. GENERAL EXPENS	3,275	5,706	4,414	3,573	4,092	(1,245)	2,057	4,495	1,967	28,334
1	1	5	4010	93022 INDUSTRY ASSOCIATION	559				41		1,646			2,246
1	1	5	4010	931 RENTS	473	465	451	456	494	490	517	490	497	4,333
1	1	5	4020	570 MAINT OF TRANS STATI	946	9,690	13,843	8,610	4,238	18,272	461	2,109	3,743	61,912
1	1	5	4020	571 MAINT OF OVERHEAD LI			2,422	5,412	6,346	(390)	1,298	632	8,432	24,152
1	1	5	4020	573 MAINT OF MISC TRANSM										0
1	1	5	4020	590 MAINT SUPERVISION/EN	7,730	8,334	5,175	8,005	6,519	8,822	8,419	8,817	7,516	69,337
1	1	5	4020	591 MAINT OF STRUCTURES	416	112	262	241	(66)	267		38	692	1,962
1	1	5	4020	592 MAINT OF DIST STATIO	2,427	3,562	1,122	3,106	2,795	3,304	1,711	1,635	2,408	22,070
1	1	5	4020	5931 MAINT OF POLES/TOWER	915	1,784	406	4,460	1,749	678	349	1,036	829	12,206
1	1	5	4020	5932 MAINT OF OVERHEAD CO	20,106	18,794	22,436	39,216	36,264	28,395	16,389	28,359	14,723	224,682
1	1	5	4020	5933 MAINT OF SERVICES	1,936	1,941	1,791	1,307	2,374	4,347	2,854	1,067	2,160	19,777
1	1	5	4020	5941 MAINT OF UNDERGROUND	209		677	1,489	3,072	596		115	334	6,492
1	1	5	4020	5942 MAINT OF UNDERGRND L	12,158	11,366	14,046	18,397	30,006	25,536	43,594	6,514	4,606	166,223
1	1	5	4020	5951 MAINT OF LINE TRANSF	1,178	47	552	305	1,873	761	1,633	1,053	641	8,043
1	1	5	4020	5952 MAINT OF LINE TRANSF		486	465	6,482	1,057	736	920	104	419	10,669
1	1	5	4020	5953 MAINT -LINE TRANSFOR	4,783	5,404	493	6,983	9,776	1,734	4,068	1,233	2,625	37,099
1	1	5	4020	596 MAINT -STREET LIGHT/	2,766	4,411	8,341	2,579	1,927	1,235	727	909	1,846	24,741
1	1	5	4020	597 MAINT OF METERS	616	2,045	1,389	4,339	832	952	2,243	1,857	2,913	17,186
1	1	5	4020	598 MAINT OF MISC DISTRI	2,939	2,974	2,176	1,864	2,637	3,518	2,683	2,288	1,459	22,538
1	1	5	4020	935 MAINT OF GENERAL PLA	7,636	5,665	6,744	(872)	4,055	4,611	4,984	8,048	3,642	44,513
1	1	5	4030	1 DEPRECIATION EXPENSE	121,204	121,648	122,259	122,393	122,896	121,864	121,995	123,037	122,891	1,100,187
1	1	5	4030	2 DEPR EXP-COMMON	4,993	4,554	4,555	4,726	4,745	4,942	5,006	4,977	4,990	43,488
1	1	5	4080	1 AD VALROEM TAXES	28,531	28,531	28,531	28,531	28,531	28,531	28,531	28,531	28,531	256,779
1	1	5	4080	11 FRANCHISE TAX	84,301	86,789	62,033	63,680	58,824	60,684	75,064	79,343	73,515	644,233
1	1	5	4080	2 STATE GROSS RECEIPTS	62,052	64,189	60,531	60,263	58,338	63,762	79,062	81,752	74,489	604,438
1	1	5	4080	3 FPSC ASSESSMENT	1,983	1,851	1,769	1,760	1,738	1,884	2,300	2,372	2,156	17,813
1	1	5	4080	5 FEDERAL UNEMPLOYMENT	867	372	(177)	33	33		102	172	150	1,552
1	1	5	4080	6 STATE UNEMPLOYMENT T	421	187	(80)	16	16		50	84	73	767
1	1	5	4080	7 F.I.C.A.	8,739	9,657	16,957	9,244	9,199	7,612	10,025	15,204	8,698	95,335

HEARING EXHIBIT - 00000615

				JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	TOTALS
1 1 5	4090	1 I/T -FEDERAL- UTIL O		39,500	67,600	46,900	(5,300)	700	(14,600)	90,900	97,100	155,100	477,900
1 1 5	4090	2 I/T -STATE - UTIL O		6,800	11,500	8,100	(1,000)	200	(2,600)	15,600	16,600	26,600	81,800
1 1 5	4110	4 INVEST TAX CREDIT- U		(1,627)	(1,627)	(1,627)	(1,627)	(1,627)	(1,627)	(1,627)	(1,627)	(1,627)	(14,643)
		TOTALS		1,329,047	1,310,009	1,376,845	1,254,041	1,280,210	1,359,113	1,509,535	1,466,702	1,459,663	12,345,165

HEARING EXHIBIT - 00000616

HEARING EXHIBIT - 00000617

OPC Interrog # 43.1

DATE: 10/ 07
TIME: 16:52:36

FLORIDA PUBLIC U... TIES COMPANY
MONTHLY EMPLOYEES LISTING

PAGE: 1
PRGM: PYR550

DPT	DIV	PER/TEM	NAME	START DATE
100	00	P	BULLINGTON, TROY	10/09/2000
100	00	P	BURKE, JOHN F.	02/08/1999
100	00	P	FORDE, KARL K.	10/12/1999
100	00	P	GIBBS, IVAN M.	11/08/1999
100	00	P	PERRY JR., DAVID W.	11/22/1999
100	00	P	PERSENAIRE, BRIAN F.	04/17/2000
100	00	P	PETROFSKY, JOHN M.	09/11/2000
100	00	P	RIPPEY, SHANE T.	05/22/2000
100	00	P	SINGLETARY, RICHARD E.	03/06/2000
100	00	P	SLUKA, FRANCIS J.	03/13/2000
100	00	P	WADE, JAKE	09/01/1999
100	00	P	WAGONER, LARRY J.	03/06/2000

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
12							12

DPT	DIV	PER/TEM	NAME	START DATE
101	00	P	CUADRAS, CONRADO E.	06/15/1992
101	00	P	GILMORE, ALBERT	08/19/1974
101	00	P	JOYCE, JOHN K	06/07/1976
101	00	P	PARKER, EVERITTE R.	01/06/1986
101	00	P	PAYNE, ROBERT L	01/03/1979
101	00	P	ROLLE, JAMES E	08/01/1984
101	00	P	ROSALES, JOSE H	08/13/1979
101	03	P	KENNEDY, KENNETH WAYNE	11/08/1982
101	03	P	LACKEY, MICHAEL E.	10/01/1988
101	03	P	OBRIEN, CRAIG W	09/23/1974

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
7			3				10

DPT	DIV	PER/TEM	NAME	START DATE
102	00	P	JOSE, EMERSON B.	10/05/1988
102	00	P	SCHOTT, ROBERT A.	09/07/1990
102	00	P	SERRAES, JOHN	06/19/1962
102	04	P	JONES, RAY DOUGLAS	03/28/2000
102	04	P	MORRIS, CLARIECE W.	05/26/1987
102	05	P	GRAVES, JOHN J	07/20/1973
102	05	P	MCCLELLAND, ELIAS J	09/11/1967

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
3				2	2		7

DPT	DIV	PER/TEM	NAME	START DATE
103	00	P	ACCARDI, ANTHONY C.	09/04/1984
103	00	P	BASH, LEROY D	01/12/1982
103	00	P	BELL, JAMES C	07/26/1973
103	00	P	BERGEL, RENE A.	08/28/1991
103	00	P	BOBROWSKI, MICHAEL C.	09/02/1997
103	00	P	BROWN, ROBERT L	10/10/1968
103	00	P	BUTCHER, DALE M.	04/25/1983
103	00	P	CLARK, JOHN C.	07/08/1991
103	00	P	FAZIO, GEORGE C.	08/11/1998
103	00	P	FLORES, JOSE	10/04/1994

Exhibit: 43.1
Docket No. 070304-EI
OPC First Set of Interrogatories
Witness: CUTSHAW

2000

HEARING EXHIBIT - 00000618

DPT	DIV	PER/TEM	NAME	START DATE
103	00	P	GEORGE, DAVID L	10/04/1976
103	00	P	GOODWIN, HOWARD R.	01/20/1988
103	00	P	HOWELL, GARY E.	10/22/1998
103	00	P	JEZEWSKI, TODD A.	08/14/1995
103	00	P	JOHNSON, IRA LEE JR	02/23/1981
103	00	P	NALLS, CLAUDEIOUS W.	04/17/1995
103	00	P	TORJAK, JOSEPH L.	08/03/1981
103	00	P	WALKER, MARVIN W.	07/18/1990
103	00	P	WEITZ, ANDREW I.	12/02/1991
103	00	P	WESTER, BORIS D.	01/26/1998
103	03	P	BARNICK, FRANK D.	09/29/1997
103	03	P	BRADLEY, MICHAEL J.	05/16/1988
103	03	P	CARLTON, RONALD E	01/06/1982
103	03	P	PIERCE, ALBERT L	08/03/1981
103	03	P	POLIZZI, VINCENT P.	10/21/1985
103	03	P	PONDER, MICHAEL W.	10/29/1984
103	03	P	STAFFORD, RONALD G.	11/10/1986
103	03	P	TRACEY, STEPHEN L.	08/15/1989
103	03	P	WILLIAMS, CHRISTOPHER	11/16/1999

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
20			9				29

DPT	DIV	PER/TEM	NAME	START DATE
104	00	P	DAWSON, MERRITT E.	11/08/1983
104	00	P	DEPASTINO, GARY R.	03/16/1987
104	00	P	DIX, FRANK P.	10/28/1985
104	00	P	GRAY, JOSEPH	04/06/1987
104	00	P	NARDI, MICHAEL J.	01/03/1994
104	00	P	SHATZER, ROBERT A.	09/09/1996
104	04	P	DANIELS, WILLIAM T	06/17/1968

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
6				1			7

DPT	DIV	PER/TEM	NAME	START DATE
105	00	P	ANDERSON, NORMAN W	01/05/1976
105	00	P	BLAND, FRED L.	08/17/1981
105	00	P	BOWEN, FRANK E	09/19/1974
105	00	P	CAMACHO, GENE A	12/22/1980
105	00	P	ERDEK, JOSEPH J	07/28/1972
105	00	P	FLYNN, JOHN THOMAS	02/20/1996
105	00	P	FRUSCIANTE, DONNA M.	06/25/1986
105	00	P	GARFIELD, DANIEL J.	12/03/1991
105	00	P	GAUGLER, BRYAN K.	12/12/1994
105	00	P	HEARN, DONALD A.	02/07/1996
105	00	P	JONES, TAMYKA M.	03/22/1999
105	00	P	KLEMAS, JOHN E.	01/04/1982
105	00	P	KNAPP, JAMES L	07/05/1978
105	00	P	KNIGHT, RICHARD P.	04/19/1993
105	00	P	LARMONIE, CLAUDE	09/29/1997
105	00	P	LEWIS, DUANE P.	10/13/1986
105	00	P	LICHTMAN, RAY L.	03/09/1992
105	00	P	MORELAND, DOUGLAS	06/23/1978

HEARING EXHIBIT - 00000619

2000

DPT	DIV	PER/TEM	NAME	START DATE
105	00	P	OAKES, THOMAS	04/10/1967
105	00	P	REED JR., THOMAS H.	09/16/1991
105	00	P	REITZ, JEFFREY D.	07/17/1995
105	00	P	RUSSELL, FRED A.	04/06/1983
105	00	P	SMITH, STACYE L.	01/20/2000
105	00	P	SPEERIN, GEORGE C.	07/18/1988
105	03	P	BONEHILL, GARY T.	08/04/1986
105	03	P	COTCAMP, THOMAS E	03/10/1980
105	03	P	LOVE, TIMOTHY A.	02/18/1986
105	03	P	MCDANIEL, WILLIAM R.	01/26/1987
105	03	P	PAGE, ELI C.	05/13/1985
105	03	P	SILER, JON MARK	07/13/1981
105	03	P	WHEATON JR, THEODORE S	07/18/1988
105	03	P	WHITAKER, JAMES B.	02/27/1984
105	04	P	BROGDON, AARON W	10/07/1968
105	04	P	HUGHES, BOBBY B	02/01/1982
105	05	P	BEST III, ALVIN E.	08/23/1990
105	05	P	BOATRIGHT, CURTIS J.	01/19/1998
105	05	P	BROWN, JUAN S.	06/10/1991
105	05	P	CLARDY JR, WILLIAM C	04/08/1985
105	05	P	GRIFFIN, ROBERT W	05/03/1966
105	05	P	MCCLURE, CHRISTINE M.	06/22/1998
105	05	P	PEACOCK, LEWIS S.	02/01/1988
105	05	P	ROBINSON, QUENTIN D.	10/06/1998
105	05	P	SCANDALIATO, DON S	12/18/1978
105	05	P	TAYLOR, ERNEST PARKER	06/16/1980
105	05	P	TAYLOR, STEVEN L.	08/16/1982
105	05	P	VAN ZANT, MICHAEL S.	09/05/1991
105	05	P	WILKES, CHARLES R	08/20/1973

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
24			8	2	13		47

106	00	P	CASTILLO, ROSALINDA	05/04/1998
106	00	P	MARTIN, COLETTE	07/18/1995
106	00	P	O'NEAL, VALERIE A.	01/03/2000
106	00	P	RIGGIO, LINDA T.	04/14/1997
106	00	P	SEATON, PAULA S.	02/14/2000
106	03	P	MIDDLETON, DONALD E.	03/14/1994
106	03	P	PENDLETON, GLENN E.	12/27/1983
106	03	P	REGISTER, L. WAYNE	12/05/1983
106	03	P	THOMAS JR, WILLIAM A	10/31/1977
106	05	P	CARMAN, ROBERT L	09/03/1974

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
5			4		1		10

107	04	P	BEVIS, ANDREW S.	10/25/1999
107	04	P	CHATWOOD, FRANKLIN S	08/15/1966
107	04	P	DITTY, CHARLES J	09/29/1969
107	04	P	ELMORE, JIMMIE G.	08/06/1973
107	04	P	FORAN, BRADY R.	11/25/1985

2000

HEARING EXHIBIT - 00000620

DPT	DIV	PER/TEM	NAME	START DATE
107	04	P	GRAY, RHONDON	10/19/1992
107	04	P	GRIFFIN, JOHN B.	08/05/1991
107	04	P	GROOMS, DARRYL D	06/03/1985
107	04	P	HALL, CHARLES W.	09/06/1994
107	04	P	LEWIS, JERRY LEE	04/06/1987
107	04	P	MATHIS, DANNY D.	09/21/1987
107	04	P	MYERS, DONALD R.	05/22/1989
107	04	P	SCOTT, THEO F	05/01/1964
107	04	P	SEE JR, ROBERT W.	03/27/1989
107	04	P	TANNER, LYNWOOD	09/03/1974
107	04	P	USSERY JR, JAMES A.	03/30/1998
107	04	P	WILLIAMS, WILLIAM E	02/19/1974
107	05	P	BARROWS, DANIEL L	04/03/1978
107	05	P	FAULK, THOMAS J	10/26/1981
107	05	P	GAINES, JAMES C.	11/15/1995
107	05	P	NABORS, DONALD H.	01/13/1992
107	05	P	SHELTON, CHARLES H.	09/19/1960
107	05	P	THOMPSON, VINSON L.	09/19/1994

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
				17	6		23

108	00	P	BUCCI, JAMES	05/10/1988
108	00	P	CROSS, GEORGE A.	02/21/1989
108	00	P	FIELDS, TIM E	08/26/1980
108	00	P	FLEISCHMAN, JEFFREY	08/29/1983
108	00	P	GILCHRIEST, SAMUEL	12/15/1972
108	00	P	HUGGINS, FRANKIE L	05/25/1977
108	00	P	MITCHELL, HENRY L.	05/26/1992
108	00	P	MOONEY, PHIL C.	01/30/1989
108	00	P	MORGAN, GARFIELD A.	12/11/1989
108	00	P	SCHWARTZ, RICHARD	07/26/2000
108	00	P	SICKELS, RICHARD D.	12/02/1998
108	00	P	STEVENS, MARC J.	10/18/1999
108	00	P	TAILLEFER, CHERYLEN	09/07/2000
108	00	P	WADE, SHARON A.	08/26/1997
108	03	P	FLOWERS, DAVID A.	09/23/1985
108	03	P	ROSENDO, VICTOR M.	10/16/2000
108	05	P	BROWN, CLINTON E.	10/02/2000
108	05	P	COFFEY, KEVIN J.	07/24/2000

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
14			2		2		18

109	00	P	ALLEWELT, HAROLD D.	12/09/1996
109	00	P	HAASE, BRUCE A.	05/22/1989
109	00	P	SUAREZ, MAURICIO E.	04/25/1994
109	05	P	TYLER, WILLIAM A.	09/05/2000

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
3					1		4

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HEARING EXHIBIT - 00000621

DPT	DIV	PER/TEM	NAME	START DATE
110	05	P	GRAHAM, JAMES R.	02/28/2000
110	05	P	HOLTON, TED R.	08/28/2000
110	05	P	LOVE, MICHAEL T.	01/31/2000
110	05	P	MANDRICK, JOHN M.	02/17/1998
110	05	P	MOORE, DON R.	05/17/1999
110	05	P	PITTMAN, WILLIAM H.	08/27/1990
110	05	P	WALTERS, JASON E.	02/22/1999
110	05	P	WELSH JR, JOHN A.	05/10/1999

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
					8		8

DPT	DIV	PER/TEM	NAME	START DATE
201	00	P	COURTEMANCHE, REBECCA I.	09/28/2000
201	00	P	FEDINA, PATRICIA G.	04/06/1988
201	00	P	HULL, LORI A.	08/19/1991
201	00	P	KOEHLER, LORI S.	08/13/1998
201	00	P	OTT, PAMELA L.	05/04/2000
201	00	P	PEREZ, BARBARA	03/06/2000
201	00	P	PRICE, SUSAN D.	04/06/1992
201	00	P	RATTLER, SANDRA L.	05/08/1989
201	00	P	SIMPSON, SHEILA C.	01/20/1997
201	02	T	FORRESTER, DONALD D.	08/14/2000
201	02	P	OAKES, KATHLEEN M	11/29/1972
201	02	P	PETERSON, BRENDA	12/02/1981
201	03	P	BIANCO, SANDRA I	08/21/2000
201	03	P	CLIFFORD, RITA J.	02/22/2000
201	03	P	DAVIS, CLEOTA KATRINA	12/27/1993
201	03	P	DONNELLY, LISA M.	02/01/1999
201	03	P	GLADUE, ALICIA M.	06/14/1999
201	03	P	HARTMAN, MARTHA J.	06/29/1978
201	03	P	MILLETT, DONALD W.	08/30/1993
201	03	P	SCARDO, SUSAN W.	07/05/2000
201	04	P	BARBER, DEBORAH J.	01/26/1987
201	04	P	CALHOUN, PAMELA J.	03/15/1993
201	04	P	FOWLER, DONNA T.	04/28/1997
201	04	P	HARTIN, KIMBERLY R.	09/05/2000
201	04	P	JONES, SARAH A.	10/09/1998
201	04	P	NEW, BEVERLY H.	05/21/1997
201	05	P	BLUE, ALISHA N.	06/19/2000
201	05	T	BROWNING, CATHERINE M.	02/08/1999
201	05	P	DICKS, KAREN L.	12/04/2000
201	05	P	HOWARD, MELISSA S.	02/05/1990
201	05	P	JONES, EARLINE D.	09/23/1981
201	05	P	LITTLE, ERIN S.	09/18/1995
201	05	P	MCCAIN, LYNNA	07/26/2000
201	05	P	WILLIAMS, RENA M.	09/14/1992
201	05	P	WINSTON, LINDA M.	11/16/1999

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
9		3	8	6	9		35

DPT	DIV	PER/TEM	NAME	START DATE
202	00	P	BRIGGS, JOYCE A	02/22/1982

2000

HEARING EXHIBIT - 00000622

DPT	DIV	PER/TEM	NAME	START DATE
202	00	P	CHANDLER, DAVID G	08/23/1973
202	00	P	LOMBARDO, LISA J	10/09/2000
202	00	P	LOVETT, EDWIN G.	11/11/1996
202	00	P	MONTGOMERY, DAVID N.	05/31/1990
202	00	P	RODRIGUEZ, AVILIO	06/03/1996
202	00	P	VALENTI, ARTHUR G	10/02/1967
202	02	P	KITTERICK, THOMAS	09/19/1988
202	02	P	WALLACE, ROBERT C.	05/10/1993
202	03	P	BALDWIN, JOHN R	09/23/1974
202	03	P	PIERCE, GARY A.	05/24/1989
202	03	P	PREVATT, RONNIE B	06/27/1977
202	03	P	SAUER, WAYNE T.	01/30/1989
202	04	P	HOLDEN, CLAUDE	06/13/1977
202	04	P	MEALY, BARBARA J.	07/05/1994
202	04	P	TEW, DONNIE L.	04/27/1992
202	05	P	GERBER, KATHY D.	10/29/1998
202	05	P	HUNT, NIOKA K.	05/02/2000
202	05	P	PAULK, JACK D.	10/30/2000

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
7		2	4	3	3		19

301	00	P	ARAYA, GIACINTA A.	04/24/1995
301	00	P	BLANCO, GARY M.	10/04/1999
301	00	P	COLEY, ROBERT L	01/05/1970
301	00	P	GOODWIN, PATRICIA H.	02/21/1989
301	00	P	GREGORY, RICHARD E	10/23/1978
301	00	P	HUMPHREY, WINSTON A.	11/02/1998
301	00	P	HURLEY, WILLIAM F.	07/05/1988
301	00	P	KEIP, DOUGLAS C	06/06/1983
301	00	P	KINGREE, ROY L	02/11/1963
301	00	P	LANGLOIS, MICHAEL C.	10/18/1999
301	00	P	MONDS, LILA L.	05/01/1995
301	00	P	OLIVIER, TAMMI J.	06/26/2000
301	00	P	ROBERTSON, ROBERT A.	06/01/1987
301	00	P	SELLICK, PAMELA S.	11/06/2000
301	00	P	SMITH, ROBERT L.	10/11/1993
301	00	P	SOLE, TIMOTHY L.	05/01/2000
301	00	P	WILLIAMS, MICHAEL J.	11/13/2000
301	03	P	BATCHELOR, LAUREL T.	03/06/2000
301	03	P	CRUPPER, MARY O.	06/28/1999
301	03	P	MCKENNA, JAMES	08/17/1998
301	03	P	TODD, KEVIN R.	10/20/1986
301	03	P	ZIEGLER, BARBARA A.	12/18/2000

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
17			5				22

401	00	P	BURROWS, RENEE M.	04/25/1994
401	00	P	FATH, DENNIS C.	02/05/1979
401	00	P	FRANCIS, ROGER W.	07/17/2000
401	00	P	HOBBS JR, THOMAS S.	09/26/1996

2000

HEARING EXHIBIT - 00000623

DPT	DIV	PER/TEM	NAME	START DATE
401	00	P	HYLTON, PAMELA S	01/12/1970
401	00	P	LITTLE JR., WILLIAM D.	02/10/1969
401	00	P	MCCAULEY, LORI ANN	04/17/2000
401	00	P	MESSINA, VINCENT M.	06/30/1999
401	00	P	PAYNE, PAMELA D.	11/24/1980

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
9							9

501	00	P	ALLEN, ROBIN L.	07/08/1991
501	00	P	ALVAREZ, MARIO	10/26/1999
501	00	P	BACHMAN, GEORGE M.	01/28/1985
501	00	P	CARSON, WILLIE	07/30/1962
501	00	P	CASTIGLIONE, DEBORAH S	03/30/1998
501	00	P	COX, DOREEN B.	12/31/1999
501	00	P	GRIMESON JR, WILLIAM F	02/27/1996
501	00	P	JONES, TANZANIKA L.	04/07/1997
501	00	P	KHOJASTEH, MEHRDAD	11/07/1996
501	00	P	MARTIN, CHERYL M.	03/18/1985
501	00	P	MESITE JR, JAMES V.	06/30/1995
501	00	P	NAPIER, MICHELLE D.	05/11/1987
501	00	P	PALACIOS, CINDY J.	02/19/1997
501	00	T	PURINO, MICHELE A.	11/22/2000
501	00	P	QUICK, TONYA G.	07/24/2000
501	00	P	RANCE, DONNA M	08/20/1984
501	00	T	SIMMONS, GAIL F	05/06/1996
501	00	T	SMITH, JOIROB A.	12/12/2000
501	00	T	SMITH, ROYCE L.	12/12/2000
501	00	P	SOUTHARD, PHILIP L.	06/29/2000
501	00	P	STARR, JENNIFER	08/29/1995
501	00	P	TURRIFF, JILL R.	01/11/1999
501	05	P	PUTNAM, ALLEN A.	07/01/1996
501	05	P	THORNTON, PATRICIA A	12/07/1981

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
22					2		24

502	00	P	BELLECHASES, DINA	08/22/1988
502	00	P	MAHANEY, KENNETH W.	02/18/1997
502	00	P	REINHARTSEN, JOHN R.	11/04/1968

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
3							3

503	00	P	BROWN, JACK R.	04/18/1988
503	00	P	ENGLISH, JOHN T.	08/20/1973
503	00	P	ERDEK, BONNIE L.	05/28/1991
503	00	P	HUGHLEY, STEPHANIE S.	09/09/1999
503	00	P	PETTY, JULIA K.	10/11/1999
503	00	P	SAYLOR, CHAUNDRA L.	10/25/1999
503	00	P	SCHNEIDERMANN, MARC L.	02/21/1989

HEARING EXHIBIT - 00000624

2000

DPT	DIV	PER/TEM	NAME	START DATE
503	00	P	SEAGRAVE, MARC S.	07/19/1999
503	00	P	STEIN, CHARLES L.	02/15/1980
503	00	P	TROY, DARRYL L.	02/17/1964
503	03	P	KITNER, DONALD E.	02/20/1990
503	04	P	CUTSHAW, P. MARK	05/13/1991
503	05	P	FOSTER, PATRICK M.	12/02/1991

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
10			1	1	1		13

701	00	P	CANINO, CHRISTOPHER C.	07/06/1998
701	00	P	CONLEY, SCOTT G.	08/20/1991
701	00	P	GOULD, HAROLD C.	10/23/2000
701	00	P	KLINE JR., RICHARD R.	05/30/2000
701	00	P	PELLICO, DAVID E.	01/02/1991
701	00	P	PREITE, DENNIS	09/27/1993
701	00	P	STUDENSKI, FRANK C.	02/03/1993
701	03	P	SCRIBBEN, DANIEL P	06/24/1988
701	03	P	WINSOR, SHAWN H.	07/29/1996
701	04	P	O'PRY, BROWARD L	09/13/1982
701	04	P	TOOLE, STEPHEN A.	06/28/1993
701	05	P	ANDERSON, CARL W	01/13/1969
701	05	P	ATKINS, MARY L.	03/08/2000
701	05	P	CAUSIER, JAMES H.	04/08/1996
701	05	P	JOHNSON, LOUIE C.	12/01/1980
701	05	P	MCCOY, JUDITH B	06/23/1971
701	05	T	SIMPSON, HEULAND N.	06/14/1999

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
7			2	2	6		17

702	00	P	SNYDER, CHRISTOPHER M.	07/08/1991
702	00	P	WILLIS, ARNELL	04/08/1996

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
2							2

901	04	P	DEAN, TAMMY J.	09/08/1997
901	04	P	PEACOCK, MICHAEL A.	02/09/1981
901	05	P	KIRKUS, NOAH E.	12/27/1999

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
				2	1		3

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	FINAL TOTAL
180		5	46	36	55		322

TOTAL PERM.	TOTAL TEMP.
315	7

2000

HEARING EXHIBIT - 00000625

END OF REPORT

2000

HEARING EXHIBIT - 00000626

HEARING EXHIBIT - 00000627

OPC Interrog # 43.7

DATE: 10/ /07
TIME: 16:53:07

FLORIDA PUBLIC U. TIES COMPANY
MONTHLY EMPLOYEES LISTING

PAGE: 1
PRGM: PYR550

DPT	DIV	PER/TEM	NAME	START DATE
100	00	P	ANDRE, MICHAEL	01/08/2001
100	00	P	BELCHER, ANDREW J.	10/22/2001
100	00	P	BULLINGTON, TROY	10/09/2000
100	00	P	BURKE, JOHN F.	02/08/1999
100	00	P	CONNLEY, SCOTT A.	10/17/2001
100	00	P	FORDE, KARL K.	10/12/1999
100	00	P	FULLER, GERALD A.	11/19/2001
100	00	P	GIBBS, IVAN M.	11/08/1999
100	00	P	MITCHELL, JEFF M.	08/13/2001
100	00	P	MOBLEY, JAMES J.	03/05/2001
100	00	P	PERSENAIRE, BRIAN F.	04/17/2000
100	00	P	PETROFSKY, JOHN M.	09/11/2000
100	00	P	RIPPEY, SHANE T.	05/22/2000
100	00	P	SINGLETARY, RICHARD E.	03/06/2000
100	00	P	SLUKA, FRANCIS J.	03/13/2000
100	00	P	WADE, JAKE	09/01/1999
100	00	P	WAGONER, LARRY J.	03/06/2000
100	00	P	WALLACE, WILLIAM B.	08/27/2001

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
18							18

101	00	P	CUADRAS, CONRADO E.	06/15/1992
101	00	P	GILMORE, ALBERT	08/19/1974
101	00	P	JOYCE, JOHN K	06/07/1976
101	00	P	PARKER, EVERITTE R.	01/06/1986
101	00	P	PAYNE, ROBERT L	01/03/1979
101	00	P	ROLLE, JAMES E	08/01/1984
101	00	P	ROSALES, JOSE H	08/13/1979
101	03	P	KENNEDY, KENNETH WAYNE	11/08/1982
101	03	P	LACKEY, MICHAEL E.	10/01/1988
101	03	P	OBRIEN, CRAIG W	09/23/1974

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
7			3				10

102	00	P	JOSE, EMERSON B.	10/05/1988
102	00	P	PERRY JR., DAVID W.	11/22/1999
102	00	P	SERRAES, JOHN	06/19/1962
102	04	P	JONES, RAY DOUGLAS	03/28/2000
102	04	P	MORRIS, CLARIECE W.	05/26/1987
102	05	P	MCCLELLAND, ELIAS J	09/11/1967

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
3				2	1		6

103	00	P	ACCARDI, ANTHONY C.	09/04/1984
103	00	P	BASH, LEROY D	01/12/1982
103	00	P	BELL, JAMES C	07/26/1973
103	00	P	BERGEL, RENE A.	08/28/1991
103	00	P	BOBROWSKI, MICHAEL C.	09/02/1997

Exhibit: 43.2
Docket No. 070304-EI
OPC First Set of Interrogatories
Witness: CUTSHAW

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HEARING EXHIBIT - 00000628

DPT	DIV	PER/TEM	NAME	START DATE
103	00	P	BUTCHER, DALE M.	04/25/1983
103	00	P	CLARK, JOHN C.	07/08/1991
103	00	P	FLORES, JOSE	10/04/1994
103	00	P	GEORGE, DAVID L	10/04/1976
103	00	P	GOODWIN, HOWARD R.	01/20/1988
103	00	P	HOWELL, GARY E.	10/22/1998
103	00	P	JEZEWSKI, TODD A.	08/14/1995
103	00	P	JOHNSON JR, IRA LEE	02/23/1981
103	00	P	TORJAK, JOSEPH L.	08/03/1981
103	00	P	WALKER, MARVIN W.	07/18/1990
103	00	P	WEITZ, ANDREW I.	12/02/1991
103	03	P	BRADLEY, MICHAEL J.	05/16/1988
103	03	P	CARLTON, RONALD E	01/06/1982
103	03	P	DEVERE, JAY P.	10/11/2000
103	03	P	GARFOLA, JASON T.	05/21/2001
103	03	P	HALL, KEITH R.	04/30/2001
103	03	P	PIERCE, ALBERT L	08/03/1981
103	03	P	PLANTE, MICHAEL J.	05/14/2001
103	03	P	PONDER, MICHAEL W.	10/29/1984
103	03	P	PRUETT, MARK W.	02/07/1990
103	03	P	SIMMONS, DWIGHT E.	09/25/2000
103	03	P	STAFFORD, RONALD G.	11/10/1986
103	03	P	TRACEY, STEPHEN L.	08/15/1989
103	03	P	WILLIAMS, CHRISTOPHER	11/16/1999

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
16			13				29

104	00	P	DAWSON, MERRITT E.	11/08/1983
104	00	P	DEPASTINO, GARY R.	03/16/1987
104	00	P	DIX, FRANK P.	10/28/1985
104	00	P	GRAY, JOSEPH	04/06/1987
104	00	P	NARDI, MICHAEL J.	01/03/1994
104	00	P	SHATZER, ROBERT A.	09/09/1996
104	04	P	DANIELS, WILLIAM T	06/17/1968

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
6				1			7

105	00	P	ANDERSON, NORMAN W	01/05/1976
105	00	P	BLAND, FRED L.	08/17/1981
105	00	P	BOWEN, FRANK E	09/19/1974
105	00	P	CAMACHO, GENE A	12/22/1980
105	00	P	ERDEK, JOSEPH J	07/28/1972
105	00	P	FLYNN, JOHN THOMAS	02/20/1996
105	00	P	FRUSCIANTE, DONNA M.	06/25/1986
105	00	P	FULLER, KEVIN W.	10/15/2001
105	00	P	GARFIELD, DANIEL J.	12/03/1991
105	00	P	GAUGLER, BRYAN K.	12/12/1994
105	00	P	HEARN, DONALD A.	02/07/1996
105	00	P	KLEMAS, JOHN E.	01/04/1982
105	00	P	KNAPP, JAMES L	07/05/1978

HEARING EXHIBIT - 00000629

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DPT	DIV	PER/TEM	NAME	START DATE
105	00	P	KNIGHT, RICHARD P.	04/19/1993
105	00	P	LARMONIE, CLAUDE	09/29/1997
105	00	P	LEWIS, DUANE P.	10/13/1986
105	00	P	LICHTMAN, RAY L.	03/09/1992
105	00	P	MORELAND, DOUGLAS	06/23/1978
105	00	P	OAKES, THOMAS	04/10/1967
105	00	P	REED JR., THOMAS H.	09/16/1991
105	00	P	REITZ, JEFFREY D.	07/17/1995
105	00	P	RUSSELL, FRED A.	04/06/1983
105	00	P	SMITH, STACYE L.	01/20/2000
105	00	P	SPEERIN, GEORGE C.	07/18/1988
105	03	P	BONEHILL, GARY T.	08/04/1986
105	03	P	COTCAMP, THOMAS E	03/10/1980
105	03	P	LOVE, TIMOTHY A.	02/18/1986
105	03	P	MCDANIEL, WILLIAM R.	01/26/1987
105	03	P	PAGE, ELI C.	05/13/1985
105	03	P	PARKER, DANNY L.	03/31/1997
105	03	P	SILER, JON MARK	07/13/1981
105	03	P	THIBAULT, RAYMOND C.	09/16/1991
105	03	P	WHEATON JR, THEODORE S	07/18/1988
105	03	P	WHITAKER, JAMES B.	02/27/1984
105	04	P	BROGDON, AARON W	10/07/1968
105	04	P	HUGHES, BOBBY B	02/01/1982
105	05	P	BEST III, ALVIN E.	08/23/1990
105	05	P	BOATRIGHT, CURTIS J.	01/19/1998
105	05	P	CLARDY JR, WILLIAM C	04/08/1985
105	05	P	GRIFFIN, ROBERT W	05/03/1966
105	05	P	MCCLURE, CHRISTINE M.	06/22/1998
105	05	P	PEACOCK, LEWIS S.	02/01/1988
105	05	P	ROBINSON, QUENTIN D.	10/06/1998
105	05	P	SCANDALIATO, DON S	12/18/1978
105	05	P	TAYLOR, ERNEST PARKER	06/16/1980
105	05	P	TAYLOR, STEVEN L.	08/16/1982
105	05	P	VAN ZANT, MICHAEL S.	09/05/1991
105	05	P	WELSH JR, JOHN A.	05/10/1999
105	05	P	WILKES, CHARLES R	08/20/1973

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
24			10	2	13		49

106	00	P	BRUTZMAN, WILLIAM J.	02/08/2001
106	00	P	CASSIDY, EILEEN B.	08/09/2001
106	00	P	CASTILLO, ROSALINDA	05/04/1998
106	00	P	JONES, TAMYKA M.	03/22/1999
106	00	P	SCHEINER, GRETA R.	07/17/2001
106	00	P	SEATON, PAULA S.	02/14/2000
106	03	P	MIDDLETON, DONALD E.	03/14/1994
106	03	P	PENDLETON, GLENN E.	12/27/1983
106	03	P	PYLE, ERNEST C.	05/11/1981
106	03	P	REGISTER, L. WAYNE	12/05/1983
106	03	P	THOMAS JR, WILLIAM A	10/31/1977
106	05	P	CARMAN, ROBERT L	09/03/1974

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
6			5		1		12

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HEARING EXHIBIT - 00000630

DPT	DIV	PER/TEM	NAME	START DATE
107	04	P	BEVIS, ANDREW S.	10/25/1999
107	04	P	CHATWOOD, FRANKLIN S	08/15/1966
107	04	P	DITTY, CHARLES J	09/29/1969
107	04	P	ELMORE, JIMMIE G.	08/06/1973
107	04	P	FORAN, BRADY R.	11/25/1985
107	04	P	GRAY, RHONDON	10/19/1992
107	04	P	GRIFFIN, JOHN B.	08/05/1991
107	04	P	GROOMS, DARRYL D	06/03/1985
107	04	P	HALL, CHARLES W.	09/06/1994
107	04	P	LEWIS, JERRY LEE	04/06/1987
107	04	P	MATHIS, DANNY D.	09/21/1987
107	04	P	MYERS, DONALD R.	05/22/1989
107	04	P	SEE JR, ROBERT W.	03/27/1989
107	04	P	TANNER, LYNWOOD	09/03/1974
107	04	P	USSERY JR, JAMES A.	03/30/1998
107	04	P	WILLIAMS, WILLIAM E	02/19/1974
107	05	P	BARROWS, DANIEL L	04/03/1978
107	05	P	FAULK, THOMAS J	10/26/1981
107	05	P	GAINES, JAMES C.	11/15/1995
107	05	P	NABORS, DONALD H.	01/13/1992
107	05	P	THOMPSON, VINSON LOYD	09/19/1994

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
				16	5		21

108	00	P	BUCCI, JAMES	05/10/1988
108	00	P	CROSS, GEORGE A.	02/21/1989
108	00	P	DAVIS, CARLTON D.	08/20/2001
108	00	P	FIELDS, TIM E	08/26/1980
108	00	P	FLEISCHMAN, JEFFREY	08/29/1983
108	00	P	GARRITY, JOSEPH J.	11/06/2001
108	00	P	GILCHRIEST, SAMUEL	12/15/1972
108	00	P	GRIFFITH, BRANDY L.	08/14/2001
108	00	P	HUGGINS, FRANKIE L	05/25/1977
108	00	P	MITCHELL, HENRY L.	05/26/1992
108	00	P	MOONEY, PHIL C.	01/30/1989
108	00	P	MORGAN, GARFIELD A.	12/11/1989
108	00	P	SCHWARTZ, RICHARD	07/26/2000
108	00	P	SICKELS, RICHARD D.	12/02/1998
108	00	P	WADE, SHARON A.	08/26/1997
108	03	P	FLOWERS, DAVID A.	09/23/1985
108	03	P	FRENCH, ROYAL L.	12/01/2000
108	03	P	ROSENDO, VICTOR M.	10/16/2000
108	03	P	SCHERER, CLAY L.	10/08/2001
108	03	P	YOUNG, MARK T.	06/01/1987
108	05	P	BROWN, CLINTON E.	10/02/2000
108	05	P	COFFEY, KEVIN J.	07/24/2000
108	05	P	HIGGINBOTHAM, DONALD H.	10/29/2001
108	05	P	HUNNICUTT, STEPHEN K.	07/30/2001
108	05	P	MURRAY, RYAN E.	05/21/2001
108	05	P	NELSON, THOMAS DAVID	11/09/2001
108	05	P	PICKETT, JOSEPH A.	10/29/2001

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
15			5		7		27

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HEARING EXHIBIT - 00000631

DPT	DIV	PER/TEM	NAME	START DATE
109	00	P	ALLEWELT, HAROLD D.	12/09/1996
109	00	P	HAASE, BRUCE A.	05/22/1989
109	00	P	SUAREZ, MAURICIO E.	04/25/1994
109	05	P	TYLER, WILLIAM A.	09/05/2000

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
3					1		4

110	05	P	BROWN, JUAN S.	06/10/1991
110	05	P	CREWS, ROGER D.	04/16/2001
110	05	P	GRAHAM, JAMES R.	02/28/2000
110	05	P	HOLTON, TED R.	08/28/2000
110	05	P	LOVE, MICHAEL T.	01/31/2000
110	05	P	MANDRICK, JOHN M.	02/17/1998
110	05	P	MOORE, DON R.	05/17/1999
110	05	P	PITTMAN, WILLIAM H.	08/27/1990
110	05	P	SWEAT, JASON C.	07/09/2001

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
					9		9

201	00	P	CROTHERS, MELISSA A.	10/08/2001
201	00	P	FEDINA, PATRICIA G.	04/06/1988
201	00	P	GORMAN, SUSAN E.	05/16/2001
201	00	P	HAGANS, WILLIAM	10/08/2001
201	00	P	HAUSER, GLORIA A.	10/08/2001
201	00	P	HULL, LORI A.	08/19/1991
201	00	P	KOEHLER, LORI S.	08/13/1998
201	00	P	LEARY, TIMOTHY J.	05/29/2001
201	00	P	PEREZ, BARBARA	03/06/2000
201	00	P	PETERSON, BRENDA	12/02/1981
201	00	P	PRICE, SUSAN D.	04/06/1992
201	00	P	RATTLER, SANDRA L.	05/08/1989
201	00	P	SIMPSON, SHEILA C.	01/20/1997
201	03	P	BIANCO, SANDRA I	08/21/2000
201	03	P	BYRD, ANGELA R.	05/25/1999
201	03	P	CLIFFORD, RITA J.	02/22/2000
201	03	P	DAVIS, CLEOTA KATRINA	12/27/1993
201	03	P	DONNELLY, LISA M.	02/01/1999
201	03	P	GLADUE, ALICIA M.	06/14/1999
201	03	P	HARTMAN, MARTHA J.	06/29/1978
201	03	P	HENSON, SUSAN W.	07/05/2000
201	03	P	MILLETT, DONALD W.	08/30/1993
201	03	P	RIVERA, MICHELLE	12/17/2001
201	03	P	RYALS, TERESA A.	12/01/2000
201	03	P	RYANS, LORY L.	10/22/2001
201	04	P	BARBER, DEBORAH J.	01/26/1987
201	04	P	CALHOUN, PAMELA J.	03/15/1993
201	04	P	FOWLER, DONNA T.	04/28/1997
201	04	P	JONES, SARAH A.	10/09/1998
201	04	P	NEW, BEVERLY H.	05/21/1997
201	04	P	STEPHENS, KIMBERLY R.	09/05/2000

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HEARING EXHIBIT - 00000632

DPT	DIV	PER/TEM	NAME	START DATE
201	05	P	BLUE, ALISHA N.	06/19/2000
201	05	P	HOWARD, MELISSA S.	02/05/1990
201	05	P	JAMES, VALERIE M.	09/17/2001
201	05	P	TAUSCHER, JENNIFER E.	10/31/2001
201	05	P	WILLIAMS, RENA M.	09/14/1992
201	05	P	WINSTON, LINDA M.	11/16/1999

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
13			12	6	6		37

202	00	P	BRIGGS, JOYCE A	02/22/1982
202	00	P	CHANDLER, DAVID G	08/23/1973
202	00	P	FAZIO, GEORGE C.	08/11/1998
202	00	P	KITTERICK, THOMAS	09/19/1988
202	00	T	LOVE, KAREN S.	06/25/2001
202	00	P	LOVETT, EDWIN G.	11/11/1996
202	00	P	MONTGOMERY, DAVID N.	05/31/1990
202	00	P	RODRIGUEZ, AVILIO	06/03/1996
202	00	P	VALENTI, ARTHUR G	10/02/1967
202	00	P	WALLACE, ROBERT C.	05/10/1993
202	03	P	BALDWIN, JOHN R	09/23/1974
202	03	P	MCCRANIE, MACK J.	08/20/2001
202	03	P	PIERCE, GARY A.	05/24/1989
202	03	P	PREVATT, RONNIE B	06/27/1977
202	03	P	SAUER, WAYNE T.	01/30/1989
202	04	P	HOLDEN, CLAUDE	06/13/1977
202	04	P	MEALY, BARBARA J.	07/05/1994
202	04	P	TEW, DONNIE L.	04/27/1992
202	05	P	DAVIS, SARAH B.	04/02/2001
202	05	P	HUNT, NIOKA K.	05/02/2000

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
10			5	3	2		20

301	00	P	ARAYA, GIACINTA A.	04/24/1995
301	00	P	BLANCO, GARY M.	10/04/1999
301	00	P	COLEY, ROBERT L	01/05/1970
301	00	P	COLLINS, ROBERT N.	11/26/2001
301	00	P	COLOMBO, BETTIE F.	08/01/2001
301	00	P	DUNLOP, LENORE F.	03/19/2001
301	00	P	GOODWIN, PATRICIA H.	02/21/1989
301	00	P	HUMPHREY, WINSTON A.	11/02/1998
301	00	P	HURLEY, WILLIAM F.	07/05/1988
301	00	P	KEIP, DOUGLAS C	06/06/1983
301	00	P	KINGREE, ROY L	02/11/1963
301	00	P	LANGLOIS, MICHAEL C.	10/18/1999
301	00	P	MONDS, LILA L.	05/01/1995
301	00	P	PAPADEAS, MICHAEL G.	08/06/2001
301	00	P	ROBERTSON, ROBERT A.	06/01/1987
301	00	T	SLYDELL, CHRISTOPHER L.	08/28/2001
301	00	P	SMITH, ROBERT L.	10/11/1993
301	00	P	STEVENS, MARC J.	10/18/1999

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HEARING EXHIBIT - 00000633

DPT	DIV	PER/TEM	NAME	START DATE
301	00	P	TRACY, TIMOTHY W.	08/13/2001
301	03	P	LEFFLER, LAUREL T.	03/06/2000
301	03	P	MARTIN, COLETTE	07/18/1995
301	03	P	MCKENNA, JAMES	08/17/1998
301	03	P	OCHOA, RAFAEL A.	01/23/2001
301	03	P	TODD, KEVIN R.	10/20/1986
301	03	P	ZIEGLER, BARBARA A.	12/18/2000
301	05	P	DICKS, KAREN L.	12/04/2000
301	05	P	KIRKUS, NOAH E.	12/27/1999
301	05	P	MCCAIN, LYNNA	07/26/2000

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
19			6		3		28

DPT	DIV	PER/TEM	NAME	START DATE
401	00	P	FATH, DENNIS C.	02/05/1979
401	00	P	HILL, REBECCA DAWN	04/02/2001
401	00	P	HOBBS JR, THOMAS S.	09/26/1996
401	00	P	MCCAULEY, LORI ANN	04/17/2000
401	00	P	MESSINA, VINCENT M.	06/30/1999
401	00	P	MYERS, LYNN D.	06/18/2001
401	00	P	PAYNE, PAMELA D.	11/24/1980

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
7							7

DPT	DIV	PER/TEM	NAME	START DATE
501	00	P	ALLEN, ROBIN L.	07/08/1991
501	00	P	ALVAREZ, MARIO	10/26/1999
501	00	P	CASTIGLIONE, DEBORAH S	03/30/1998
501	00	P	COX, DOREEN B.	12/31/1999
501	00	P	DYSARD, HEIDI E.	11/16/2001
501	00	P	GRIMESON JR, WILLIAM F	02/27/1996
501	00	P	HANSON, KATHERINE	02/21/2001
501	00	P	INGRAHAM, BETH M.	12/10/2001
501	00	P	JONES, TANZANIKA L.	04/07/1997
501	00	P	KHOJASTEH, MEHRDAD	11/07/1996
501	00	P	LUNDGREN, APRIL M.	10/08/2001
501	00	P	MARTIN, CHERYL M.	03/18/1985
501	00	P	MESITE JR, JAMES V.	06/30/1995
501	00	P	MITCHELL, TARA L.	03/26/2001
501	00	P	NAPIER, MICHELLE D.	05/11/1987
501	00	P	PALACIOS, CINDY J.	02/19/1997
501	00	T	PURINO, MICHELE A.	11/22/2000
501	00	P	RANCE, DONNA M	08/20/1984
501	00	P	SIMMONS, GAIL F	05/06/1996
501	00	T	STARR, JENNIFER	08/29/1995
501	00	P	YOUNG, CURTIS D.	08/27/2001
501	05	P	PUTNAM, ALLEN A.	07/01/1996
501	05	P	THORNTON, PATRICIA A	12/07/1981

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
21					2		23

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HEARING EXHIBIT - 00000634

DPT	DIV	PER/TEM	NAME	START DATE
502	00	P	BELLECHASES, DINA	08/22/1988
502	00	P	BONN, WAYNE C.	02/12/2001
502	00	P	MERWIN, HARLAN J.	05/07/2001
502	00	P	PESCATORE, MELISSA	05/14/2001
502	00	P	REINHARTSEN, JOHN R.	11/04/1968
502	05	P	SHELTON, CHARLES H.	09/19/1960

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
5					1		6

503	00	P	BACHMAN, GEORGE M.	01/28/1985
503	00	P	BROWN, JACK R.	04/18/1988
503	00	P	ENGLISH, JOHN T.	08/20/1973
503	00	P	ERDEK, BONNIE L.	05/28/1991
503	00	P	SAYLOR, CHAUNDRA L.	10/25/1999
503	00	P	STEIN, CHARLES L.	02/15/1980
503	00	P	TROY, DARRYL L.	02/17/1964

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
7							7

504	00	P	HUGHLEY, STEPHANIE S.	09/09/1999
504	00	P	HYLTON, PAMELA S	01/12/1970
504	00	P	OAKES, KATHLEEN M	11/29/1972
504	00	P	PETTY, JULIA K.	10/11/1999

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
4							4

505	00	P	SCHNEIDERMANN, MARC L.	02/21/1989
505	00	P	SEAGRAVE, MARC S.	07/19/1999
505	03	P	KITNER, DONALD E.	02/20/1990
505	04	P	CUTSHAW, P. MARK	05/13/1991
505	05	P	LACACI, MARIO L.	06/18/2001

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
2			1	1	1		5

701	00	P	CANINO, CHRISTOPHER C.	07/06/1998
701	00	P	CONLEY, SCOTT G.	08/20/1991
701	00	P	GOULD, HAROLD C.	10/23/2000
701	00	P	LINKIEWICZ, CHRISTOPHER L.	02/19/2001
701	00	P	PELLICO, DAVID E.	01/02/1991
701	00	P	PREITE, DENNIS	09/27/1993
701	00	P	STUDENSKI, FRANK C.	02/03/1993
701	00	P	ZELINSKI, JASON C.	11/05/2001
701	03	P	SCRIBBEN, DANIEL P	06/24/1988
701	03	P	WINSOR, SHAWN H.	07/29/1996
701	04	P	O'PRY, BROWARD L	09/13/1982
701	04	P	TOOLE, STEPHEN A.	06/28/1993

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HEARING EXHIBIT - 00000635

DPT	DIV	PER/TEM	NAME	START DATE
701	05	P	ANDERSON, CARL W	01/13/1969
701	05	P	ATKINS, MARY L.	03/08/2000
701	05	P	CAUSIER, JAMES H.	04/08/1996
701	05	P	JOHNSON, LOUIE C.	12/01/1980
701	05	P	MCCOY, JUDITH B	06/23/1971

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
8			2	2	5		17

DPT	DIV	PER/TEM	NAME	START DATE
702	00	P	SNYDER, CHRISTOPHER M.	07/08/1991
702	00	P	WILLIS, ARNELL	04/08/1996

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
2							2

DPT	DIV	PER/TEM	NAME	START DATE
901	04	P	DEAN, TAMMY J.	09/08/1997
901	04	P	PEACOCK, MICHAEL A.	02/09/1981

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
				2			2

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	FINAL TOTAL
196			62	35	57		350

TOTAL PERM.	TOTAL TEMP.
346	4

END OF REPORT

HEARING EXHIBIT - 00000636

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HEARING EXHIBIT - 00000637

OPC Interrog. #43.3

DATE: 10, J07
TIME: 16:53:32

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MONTHLY EMPLOYEES LISTING

PAGE: 1
PRGM: PYR550

DPT	DIV	PER/TEM	NAME	START DATE
WPB	LW	DBCH SAN MAR FBCH DEL	DPT TOTAL	
101	00	P	CUADRAS, CONRADO E.	06/15/1992
101	00	P	GILMORE, ALBERT	08/19/1974
101	00	P	JOYCE, JOHN K	06/07/1976
101	00	P	PARKER, EVERITTE R.	01/06/1986
101	00	P	PAYNE, ROBERT L	01/03/1979
101	00	P	ROLLE, JAMES E	08/01/1984
101	00	P	ROSALES, JOSE H	08/13/1979
101	03	P	KENNEDY, KENNETH WAYNE	11/08/1982
101	03	P	LACKEY, MICHAEL E.	10/01/1988
101	03	P	OBRIEN, CRAIG W	09/23/1974
WPB	LW	DBCH SAN MAR FBCH DEL	DPT TOTAL	
7		3	10	
102	00	P	JOSE, EMERSON B.	10/05/1988
102	00	P	PERRY JR., DAVID W.	11/22/1999
102	00	P	SERRAES, JOHN	06/19/1962
102	04	P	JONES, RAY DOUGLAS	03/28/2000
102	04	P	MORRIS, CLARIECE W.	05/26/1987
102	05	P	MCCLELLAND, ELIAS J	09/11/1967
WPB	LW	DBCH SAN MAR FBCH DEL	DPT TOTAL	
3		2 1	6	
103	00	P	ACCARDI, ANTHONY C.	09/04/1984
103	00	P	ANDRE, MICHAEL	01/08/2001
103	00	P	BASH, LEROY D	01/12/1982
103	00	P	BELCHER, ANDREW J.	10/22/2001
103	00	P	BELL, JAMES C	07/26/1973
103	00	P	BERGEL, RENE A.	08/28/1991
103	00	P	BOBROWSKI, MICHAEL C.	09/02/1997
103	00	P	BULLINGTON, TROY	10/09/2000
103	00	P	BURKE, JOHN F.	02/08/1999
103	00	P	BUTCHER, DALE M.	04/25/1983
103	00	P	FLORES, JOSE	10/04/1994
103	00	P	FORDE, KARL K.	10/12/1999
103	00	P	GEORGE, DAVID L	10/04/1976
103	00	P	GIBBS, IVAN M.	11/08/1999
103	00	P	HOWELL, GARY E.	10/22/1998
103	00	P	JEZEWSKI, TODD A.	08/14/1995
103	00	P	JOHNSON JR, IRA LEE	02/23/1981
103	00	P	MITCHELL, JEFF M.	08/13/2001
103	00	P	PERSENAIRE, BRIAN F.	04/17/2000
103	00	P	PETROFSKY, JOHN M.	09/11/2000
103	00	P	RYAN, MATTHEW	10/07/2002
103	00	P	TORJAK, JOSEPH L.	08/03/1981
103	00	P	WALKER, MARVIN W.	07/18/1990

Exhibit: 43.3
Docket No. 070304-EI
OPC First Set of Interrogatories
Witness: CUTSHAW

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DPT	DIV	PER/TEM	NAME	START DATE
103	00	P	WEITZ, ANDREW I.	12/02/1991
103	00	P	WILSON, DEVIN W.	06/19/2002
103	03	P	BRADLEY, MICHAEL J.	05/16/1988
103	03	P	CARLTON, RONALD E	01/06/1982
103	03	P	DEMURA, KRISTIAN J.	10/14/2002
103	03	P	DEVERE, JAY P.	10/11/2000
103	03	P	GARFOLA, JASON T.	05/21/2001
103	03	P	PLANTE, MICHAEL J.	05/14/2001
103	03	P	PONDER, MICHAEL W.	10/29/1984
103	03	P	PRUETT, MARK W.	02/07/1990
103	03	P	STAFFORD, RONALD G.	11/10/1986
103	03	P	TRACEY, STEPHEN L.	08/15/1989
103	03	P	WILLIAMS, CHRISTOPHER	11/16/1999

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
25			11				36

DPT	DIV	PER/TEM	NAME	START DATE
104	00	P	DAWSON, MERRITT E.	11/08/1983
104	00	P	DEPASTINO, GARY R.	03/16/1987
104	00	P	DIX, FRANK P.	10/28/1985
104	00	P	GRAY, JOSEPH	04/06/1987
104	00	P	NARDI, MICHAEL J.	01/03/1994
104	00	P	PORTAL, JAHAZIEL	12/17/2001
104	00	P	SHATZER, ROBERT A.	09/09/1996
104	04	P	DANIELS, WILLIAM T	06/17/1968
104	04	P	WILLIAMS, WILLIAM E	02/19/1974

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
7				2			9

DPT	DIV	PER/TEM	NAME	START DATE
105	00	P	ANDERSON, NORMAN W	01/05/1976
105	00	P	BLAND, FRED L.	08/17/1981
105	00	P	BOWEN, FRANK E	09/19/1974
105	00	P	CAMACHO, GENE A	12/22/1980
105	00	P	CASSIDY, EILEEN B.	08/09/2001
105	00	P	CONNLEY, SCOTT A.	10/17/2001
105	00	P	ERDEK, JOSEPH J	07/28/1972
105	00	P	FLYNN, JOHN THOMAS	02/20/1996
105	00	P	FRUSCIANTE, DONNA M.	06/25/1986
105	00	P	GARFIELD, DANIEL J.	12/03/1991
105	00	P	GAUGLER, BRYAN K.	12/12/1994
105	00	P	HEARN, DONALD A.	02/07/1996
105	00	P	KLEMAS, JOHN E.	01/04/1982
105	00	P	KNAPP, JAMES L	07/05/1978
105	00	P	KNIGHT, RICHARD P.	04/19/1993
105	00	P	LARMONIE, CLAUDE	09/29/1997
105	00	P	LEWIS, DUANE P.	10/13/1986
105	00	P	LICHTMAN, RAY L.	03/09/1992
105	00	P	MOBLEY, JAMES J.	03/05/2001
105	00	P	MORELAND, DOUGLAS	06/23/1978
105	00	P	OAKES, THOMAS	04/10/1967
105	00	P	REITZ, JEFFREY D.	07/17/1995

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DPT	DIV	PER/TEM	NAME	START DATE
105	00	P	REUTER, GLENN J.	04/29/2002
105	00	P	RIPPEY, SHANE T.	05/22/2000
105	00	P	RUSSELL, FRED A.	04/06/1983
105	00	P	SINGLETARY, RICHARD E.	03/06/2000
105	00	P	SLUKA, FRANCIS J.	03/13/2000
105	00	P	SMITH, STACYE L.	01/20/2000
105	00	P	WADE, JAKE	09/01/1999
105	00	P	WAGONER, LARRY J.	03/06/2000
105	00	P	WALLACE, ROBERT C.	05/10/1993
105	03	P	BONEHILL, GARY T.	08/04/1986
105	03	P	COTCAMP, THOMAS E	03/10/1980
105	03	P	LOVE, TIMOTHY A.	02/18/1986
105	03	P	MCDANIEL, WILLIAM R.	01/26/1987
105	03	P	PAGE, ELI C.	05/13/1985
105	03	P	SILER, JON MARK	07/13/1981
105	03	P	SPEERIN, GEORGE C.	07/18/1988
105	03	P	THIBAULT, RAYMOND C.	09/16/1991
105	03	P	WHEATON JR, THEODORE S	07/18/1988
105	03	P	WHITAKER, JAMES B.	02/27/1984
105	04	P	BROGDON, AARON W	10/07/1968
105	04	P	HUGHES, BOBBY B	02/01/1982
105	05	P	BEST III, ALVIN E.	08/23/1990
105	05	P	BOATRIGHT, CURTIS J.	01/19/1998
105	05	P	CLARDY JR, WILLIAM C	04/08/1985
105	05	P	GRIFFIN, ROBERT W	05/03/1966
105	05	P	PEACOCK, LEWIS S.	02/01/1988
105	05	P	ROBINSON, QUENTIN D.	10/06/1998
105	05	P	SCANDALIATO, DON S	12/18/1978
105	05	P	TAYLOR, ERNEST PARKER	06/16/1980
105	05	P	TAYLOR, STEVEN L.	08/16/1982
105	05	P	VAN ZANT, MICHAEL S.	09/05/1991
105	05	P	WELSH JR, JOHN A.	05/10/1999
105	05	P	WILKES, CHARLES R	08/20/1973

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
31			10	2	12		55

106	00	P	BRUTZMAN, WILLIAM J.	02/08/2001
106	00	P	JONES, TAMYKA M.	03/22/1999
106	00	P	PETERSON, BRENDA	12/02/1981
106	00	P	SCHEINER, GRETA R.	07/17/2001
106	00	P	SEATON, PAULA S.	02/14/2000
106	00	P	VEAS, SHARLENE	11/04/2002
106	03	P	MIDDLETON, DONALD E.	03/14/1994
106	03	P	PENDLETON, GLENN E.	12/27/1983
106	03	P	PYLE, ERNEST C.	05/11/1981
106	03	P	REGISTER, L. WAYNE	12/05/1983
106	03	P	THOMAS JR, WILLIAM A	10/31/1977
106	05	P	CARMAN, ROBERT L	09/03/1974

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
6			5		1		12

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DPT	DIV	PER/TEM	NAME	START DATE
107	04	P	BEVIS, ANDREW S.	10/25/1999
107	04	P	CHATWOOD, FRANKLIN S	08/15/1966
107	04	P	DITTY, CHARLES J	09/29/1969
107	04	P	ELMORE, JIMMIE G.	08/06/1973
107	04	P	FORAN, BRADY R.	11/25/1985
107	04	P	GRAY, RHONDON	10/19/1992
107	04	P	GRIFFIN, JOHN B.	08/05/1991
107	04	P	GROOMS, DARRYL D	06/03/1985
107	04	P	HALL, CHARLES W.	09/06/1994
107	04	P	LEWIS, JERRY LEE	04/06/1987
107	04	P	MATHIS, DANNY D.	09/21/1987
107	04	P	MYERS, DONALD R.	05/22/1989
107	04	P	SEE JR, ROBERT W.	03/27/1989
107	04	P	TANNER, LYNWOOD	09/03/1974
107	04	P	USSERY JR, JAMES A.	03/30/1998
107	05	P	FAULK, THOMAS J	10/26/1981
107	05	P	GAINES, JAMES C.	11/15/1995
107	05	P	MANDRICK, JOHN M.	02/17/1998
107	05	P	NABORS, DONALD H.	01/13/1992
107	05	P	THOMPSON, VINSON LOYD	09/19/1994

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
				15	5		20

108	00	P	BUCCI, JAMES	05/10/1988
108	00	P	CROSS, GEORGE A.	02/21/1989
108	00	P	DAVIS, CARLTON D.	08/20/2001
108	00	P	FIELDS, TIM E	08/26/1980
108	00	P	FLEISCHMAN, JEFFREY	08/29/1983
108	00	P	GARRITY, JOSEPH J.	11/06/2001
108	00	P	GILCHRIEST, SAMUEL	12/15/1972
108	00	P	GRIFFITH, BRANDY L.	08/14/2001
108	00	P	HUGGINS, FRANKIE L	05/25/1977
108	00	P	MITCHELL, HENRY L.	05/26/1992
108	00	P	MOONEY, PHIL C.	01/30/1989
108	00	P	MORGAN, GARFIELD A.	12/11/1989
108	00	P	POCKELL, JOSEPH	02/13/1989
108	00	P	RUDERMAN, JOEL E.	02/02/1999
108	00	P	SCHWARTZ, RICHARD	07/26/2000
108	00	P	SICKELS, RICHARD D.	12/02/1998
108	00	P	WADE, SHARON A.	08/26/1997
108	00	P	WILLIAMS, MARLA T.	07/22/2002
108	03	P	FLOWERS, DAVID A.	09/23/1985
108	03	P	FORREST, BRIAN P.	01/07/2002
108	03	P	HALL, KEITH R.	04/30/2001
108	03	P	KARA, ALEXANDER M.	02/02/1996
108	05	P	BROWN, CLINTON E.	10/02/2000
108	05	P	HIGGINBOTHAM, DONALD H.	07/01/1985
108	05	P	HUNNICUTT, STEPHEN K.	07/30/2001
108	05	P	MURRAY, RYAN E.	05/21/2001
108	05	P	NELSON, THOMAS DAVID	11/09/2001
108	06	P	BERNIER, RAYMOND C.	11/01/2002
108	06	P	INGALLS, JAMES	05/28/2002

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DPT	DIV	PER/TEM	NAME	START DATE
108	06	P	MORRISON, SCOTT A.	11/01/2002
108	06	P	TAMARAZZO, VICTOR	11/01/2002
108	06	P	YOUNG, MARK T.	06/01/1987

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
18			4		5	5	32

DPT	DIV	PER/TEM	NAME	START DATE
109	00	P	ALLEWELT, HAROLD D.	12/09/1996
109	00	P	HAASE, BRUCE A.	05/22/1989
109	00	P	SUAREZ, MAURICIO E.	04/25/1994
109	05	P	TYLER, WILLIAM A.	09/05/2000

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
3					1		4

DPT	DIV	PER/TEM	NAME	START DATE
110	05	P	BROWN, JUAN S.	06/10/1991
110	05	P	CREWS, ROGER D.	04/16/2001
110	05	P	GRAHAM, JAMES R.	02/28/2000
110	05	P	HOLTON, TED R.	08/28/2000
110	05	P	LOVE, MICHAEL T.	01/31/2000
110	05	P	MITCHELL, STEVEN L.	09/09/2002
110	05	P	MOORE, DON R.	05/17/1999
110	05	P	PITTMAN, WILLIAM H.	08/27/1990
110	05	P	SWEAT, JASON C.	07/09/2001

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
					9		9

DPT	DIV	PER/TEM	NAME	START DATE
201	00	P	BITTLE, SARAH J.	01/31/2002
201	00	P	FEDINA, PATRICIA G.	04/06/1988
201	00	P	GORMAN, SUSAN E.	05/16/2001
201	00	P	HAGANS, WILLIAM	10/08/2001
201	00	P	HARREN, CHARLENE J.	01/30/2002
201	00	P	HILL, TARA	09/10/2002
201	00	P	HULL, LORI A.	08/19/1991
201	00	P	OGLE, JONATHAN D.	04/22/2002
201	00	P	RATTLER, SANDRA L.	05/08/1989
201	00	P	RONDON, THOMAS J.	10/23/2002
201	00	P	RUSH, BEVERLY A.	01/30/2002
201	00	P	SAVAGE, LORI S.	08/13/1998
201	00	P	SIMPSON, SHEILA C.	01/20/1997
201	03	P	ABERNATHY, SARAH	08/19/2002
201	03	P	BIANCO, SANDRA I	08/21/2000
201	03	P	CLIFFORD, RITA J.	02/22/2000
201	03	P	DAVIS, CLEOTA KATRINA	12/27/1993
201	03	P	DONNELLY, LISA M.	02/01/1999
201	03	P	HARTMAN, MARTHA J.	06/29/1978
201	03	P	HENSON, SUSAN L.	07/05/2000
201	03	P	MARTIN, COLETTE	07/18/1995
201	03	P	MILLETT, DONALD W.	08/30/1993
201	03	P	RIVERA, MICHELLE	12/17/2001

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DPT	DIV	PER/TEM	NAME	START DATE
201	03	P	RYANS, LORY L.	10/22/2001
201	04	P	BARBER, DEBORAH J.	01/26/1987
201	04	P	CALHOUN, PAMELA J.	03/15/1993
201	04	P	FOWLER, DONNA T.	04/28/1997
201	04	P	JONES, SARAH A.	10/09/1998
201	04	P	NEW, BEVERLY H.	05/21/1997
201	04	P	STEPHENS, KIMBERLY R.	09/05/2000
201	05	P	BLUE, ALISHA N.	06/19/2000
201	05	T	BROWNING, CATHERINE M.	01/11/2002
201	05	P	HOWARD, MELISSA S.	02/05/1990
201	05	P	JAMES, VALERIE M.	09/17/2001
201	05	P	KENNEDY, RENA M.	09/14/1992
201	05	P	MOORE, JENNIFER E.	10/31/2001
201	05	P	THORNTON, PATRICIA A	12/07/1981
201	05	P	WINSTON, LINDA M.	11/16/1999
201	06	P	BAIRD, FRANCES H.	11/01/2002
201	06	P	SMITH, LEAH ANN	11/20/2002

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
13			11	6	8	2	40

202	00	P	BRIGGS, JOYCE A	02/22/1982
202	00	P	CHANDLER, DAVID G	08/23/1973
202	00	P	FAZIO, GEORGE C.	08/11/1998
202	00	P	KITTERICK, THOMAS	09/19/1988
202	00	P	LOVE, KAREN S.	12/10/2001
202	00	P	LOVETT, EDWIN G.	11/11/1996
202	00	P	MONTGOMERY, DAVID N.	05/31/1990
202	00	P	PORTO, ROBERT D.	06/17/2002
202	00	P	RODRIGUEZ, AVILIO	06/03/1996
202	00	T	YIP, JIMMY	10/28/2002
202	03	P	BALDWIN, JOHN R	09/23/1974
202	03	P	PIERCE, GARY A.	05/24/1989
202	03	P	PREVATT, RONNIE B	06/27/1977
202	03	P	ROCKWELL, PATRICIA	12/02/2002
202	03	P	SAUER, WAYNE T.	01/30/1989
202	03	T	STONE, DIANE	09/03/2002
202	04	P	HOLDEN, CLAUDE	06/13/1977
202	04	P	MEALY, BARBARA J.	07/05/1994
202	04	P	TEW, DONNIE L.	04/27/1992
202	05	P	DAVIS, SARAH B.	04/02/2001
202	05	P	HUNT, NIOKA K.	05/02/2000
202	05	P	MCCLURE, CHRISTINE M.	06/22/1998
202	05	P	SHIVELY, DAVID A.	03/11/2002

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
10			6	3	4		23

301	00	P	ARAYA, GIACINTA A.	04/24/1995
301	00	P	COLEY, ROBERT L	01/05/1970
301	00	P	COLLINS, ROBERT N.	11/26/2001
301	00	P	COLOMBO, BETTIE F.	08/01/2001

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DPT	DIV	PER/TEM	NAME	START DATE
301	00	P	CRESPO, SAMUEL	10/21/2002
301	00	P	GILLILAND, STEPHEN P.	04/17/2001
301	00	P	GOODWIN, PATRICIA H.	02/21/1989
301	00	P	HUMPHREY, WINSTON A.	11/02/1998
301	00	P	HURLEY, WILLIAM F.	07/05/1988
301	00	P	KEIP, DOUGLAS C	06/06/1983
301	00	P	KINGREE, ROY L	02/11/1963
301	00	P	LEISURE, KIM M.	11/04/2002
301	00	P	MONDS, LILA L.	05/01/1995
301	00	P	PAPADEAS, MICHAEL G.	08/06/2001
301	00	P	ROBERTSON, ROBERT A.	06/01/1987
301	00	P	SCOTTEN, LAURA C.	11/05/2002
301	00	T	SLYDELL, CHRISTOPHER L.	08/28/2001
301	00	T	SMITH, JOIROB A.	12/12/2000
301	00	P	SMITH, ROBERT L.	10/11/1993
301	00	T	SMITH, ROYCE L.	12/12/2000
301	00	P	STEPHERSON, LLEWELLYN W.	09/16/2002
301	00	P	STEVENS, MARC J.	10/18/1999
301	00	P	TRACY, TIMOTHY W.	08/13/2001
301	03	P	BLAZINA, GREG	05/28/2002
301	03	P	GLADUE, ALICIA M.	06/14/1999
301	03	P	MCKENNA, JAMES	08/17/1998
301	03	P	RECK, EULYNN H.	10/21/2002
301	03	P	ZIEGLER, BARBARA A.	12/18/2000
301	05	P	DICKS, KAREN L.	12/04/2000
301	05	P	KIRKUS, NOAH E.	12/27/1999

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
23			5		2		30

DPT	DIV	PER/TEM	NAME	START DATE
401	00	P	DREW-SUGERMAN, LYNN G.	06/18/2001
401	00	P	FATH, DENNIS C.	02/05/1979
401	00	P	HILL, REBECCA DAWN	04/02/2001
401	00	P	MARINELLI, MICHAEL R.	04/01/2002
401	00	P	MCCAULEY, LORI ANN	04/17/2000
401	00	P	MESSINA, VINCENT M.	06/30/1999
401	00	P	PASSARO, MAUREEN A.	07/15/2002
401	00	P	PAYNE, PAMELA D.	11/24/1980

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
8							8

DPT	DIV	PER/TEM	NAME	START DATE
501	00	P	ALLEN, ROBIN L.	07/08/1991
501	00	P	ALVAREZ, MARIO	10/26/1999
501	00	T	CARSON, WILLIE	07/12/2002
501	00	P	CASTIGLIONE, DEBORAH S	03/30/1998
501	00	P	COX, DOREEN B.	12/31/1999
501	00	P	DYSARD, HEIDI E.	11/16/2001
501	00	P	FARRELL, MARY B.	10/28/2002
501	00	P	GALVIN, LAWRENCE M.	10/21/2002
501	00	P	GRIMESON JR, WILLIAM F	02/27/1996
501	00	P	INGRAHAM, BETH M.	12/10/2001

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HEARING EXHIBIT - 00000644

DPT	DIV	PER/TEM	NAME	START DATE
501	00	P	JONES, TANZANIKA L.	04/07/1997
501	00	P	KHOJASTEH, MEHRDAD	11/07/1996
501	00	P	LUNDGREN, APRIL M.	10/08/2001
501	00	P	MARTIN, CHERYL M.	03/18/1985
501	00	P	MESITE JR, JAMES V.	06/30/1995
501	00	P	NAPIER, MICHELLE D.	05/11/1987
501	00	P	PALACIOS, CINDY J.	02/19/1997
501	00	P	RANCE, DONNA M	08/20/1984
501	00	T	SIMMONS, GAIL F	05/06/1996
501	00	P	SMITH, REBECCA A.	08/30/2002
501	00	T	STARR, JENNIFER	08/29/1995
501	00	P	YOUNG, CURTIS D.	08/27/2001

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
22							22

DPT	DIV	PER/TEM	NAME	START DATE
502	00	P	BELLECHASES, DINA	08/22/1988
502	00	P	BONN, WAYNE C.	02/12/2001
502	00	P	MERWIN, HARLAN J.	05/07/2001
502	00	P	PESCATORE, MELISSA	05/14/2001
502	05	P	SHELTON, CHARLES H.	09/19/1960

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
4					1		5

DPT	DIV	PER/TEM	NAME	START DATE
503	00	P	BACHMAN, GEORGE M.	01/28/1985
503	00	P	BROWN, JACK R.	04/18/1988
503	00	P	ENGLISH, JOHN T.	08/20/1973
503	00	P	ERDEK, BONNIE L.	05/28/1991
503	00	P	SAYLOR, CHAUNDRA L.	10/25/1999
503	00	P	STEIN, CHARLES L.	02/15/1980

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
6							6

DPT	DIV	PER/TEM	NAME	START DATE
504	00	P	ARTHUR, PAMELA S	01/12/1970
504	00	P	HUGHLEY, STEPHANIE S.	09/09/1999
504	00	P	OAKES, KATHLEEN M	11/29/1972
504	00	P	PETTY, JULIA K.	10/11/1999

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
4							4

DPT	DIV	PER/TEM	NAME	START DATE
505	00	P	SCHNEIDERMANN, MARC L.	02/21/1989
505	00	P	SEAGRAVE, MARC S.	07/19/1999
505	03	P	KITNER, DONALD E.	02/20/1990
505	04	P	CUTSHAW, P. MARK	05/13/1991
505	05	P	LACACI, MARIO L.	06/18/2001

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
2			1	1	1		5

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MONTHLY EMPLOYEES LISTING

DPT	DIV	PER/TEM	NAME	START DATE
701	00	P	CANINO, CHRISTOPHER C.	07/06/1998
701	00	P	CONLEY, SCOTT G.	08/01/2002
701	00	P	LINKIEWICZ, CHRISTOPHER L.	02/19/2001
701	00	P	PELLICO, DAVID E.	01/02/1991
701	00	P	PHILLIPS, KELLY D.	09/30/2002
701	00	P	PREITE, DENNIS	09/27/1993
701	00	P	STUDENSKI, FRANK C.	02/03/1993
701	00	P	ZELINSKI, JASON C.	11/05/2001
701	03	P	SCRIBBEN, DANIEL P	06/24/1988
701	03	P	WINSOR, SHAWN H.	07/29/1996
701	04	P	O'PRY, BROWARD L	09/13/1982
701	04	P	TOOLE, STEPHEN A.	06/28/1993
701	05	P	ANDERSON, CARL W	01/13/1969
701	05	P	ATKINS, MARY L.	03/08/2000
701	05	P	CAUSIER, JAMES H.	04/08/1996
701	05	P	JOHNSON, LOUIE C.	12/01/1980
701	05	P	MCCOY, JUDITH B	06/23/1971
701	05	T	PREZA, DANIEL P.	07/01/2002

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
8			2	2	6		18

702	00	P	SNYDER, CHRISTOPHER M.	07/08/1991
702	00	P	WILLIS, ARNELL	04/08/1996

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
2							2

901	04	P	DEAN, TAMMY J.	09/08/1997
901	04	P	PEACOCK, MICHAEL A.	02/09/1981

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
				2			2

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	FINAL TOTAL
202			58	35	56	7	358

TOTAL PERM.	TOTAL TEMP.
348	10

END OF REPORT

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OPC Interrog. 43.4

DATE: 10/ /07
TIME: 16:54:01

FLORIDA PUBLIC U.. TIES COMPANY
MONTHLY EMPLOYEES LISTING

PAGE: 1
PRGM: PYR550

DPT	DIV	PER/TEM	NAME	START DATE
101	00	P	CUADRAS, CONRADO E.	06/15/1992
101	00	P	GILMORE, ALBERT	08/19/1974
101	00	P	JOYCE, JOHN K	06/07/1976
101	00	P	PARKER, EVERITTE R.	01/06/1986
101	00	P	PAYNE, ROBERT L	01/03/1979
101	00	P	ROLLE, JAMES E	08/01/1984
101	00	P	ROSALES, JOSE H	08/13/1979
101	03	P	KENNEDY, KENNETH WAYNE	11/08/1982
101	03	P	LACKEY, MICHAEL E.	10/01/1988
101	03	P	OBRIEN, CRAIG W	09/23/1974

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
7			3				10

102	00	P	JOSE, EMERSON B.	10/05/1988
102	00	P	PERRY JR., DAVID W.	11/22/1999
102	00	P	SERRAES, JOHN	06/19/1962
102	04	P	JONES, RAY DOUGLAS	03/28/2000
102	04	P	MORRIS, CLARIECE W.	05/26/1987
102	05	P	CAUSIER, JAMES H.	04/08/1996

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
3				2	1		6

103	00	P	ANDRE, MICHAEL	01/08/2001
103	00	P	BASH, LEROY D	01/12/1982
103	00	P	BELL, JAMES C	07/26/1973
103	00	P	BULLINGTON, TROY	10/09/2000
103	00	P	BURKE, JOHN F.	02/08/1999
103	00	P	BUTCHER, DALE M.	04/25/1983
103	00	P	COLLINS, BRAD L.	01/21/2003
103	00	P	ESPARZA, RAYMOND J.	01/30/2003
103	00	P	FLORES, JOSE	10/04/1994
103	00	P	FORDE, KARL K.	10/12/1999
103	00	P	GEORGE, DAVID L	10/04/1976
103	00	P	GIBBS, IVAN M.	11/08/1999
103	00	P	HERNANDEZ, JOSE C.	09/22/2003
103	00	P	HOWELL, GARY E.	10/22/1998
103	00	P	JEZEWSKI, TODD A.	08/14/1995
103	00	P	JOHNSON JR, IRA LEE	02/23/1981
103	00	P	LYONS, DAVID	11/20/2003
103	00	P	NARDI, MICHAEL J.	01/03/1994
103	00	P	NUMA, RUDOLPH A.	12/08/2003
103	00	P	PETROFSKY, JOHN M.	09/11/2000
103	00	P	RYAN, MATTHEW	10/07/2002
103	00	P	SANTIAGO, MIGUEL	07/28/2003
103	00	P	WALKER, MARVIN W.	07/18/1990
103	00	P	WEBSTER, STEVE H.	09/10/2003
103	00	P	WEITZ, ANDREW I.	12/02/1991
103	00	P	WILSON, DEVIN W.	06/19/2002
103	03	P	BRADLEY, MICHAEL J.	05/16/1988
103	03	P	CARLTON, RONALD E	01/06/1982

Exhibit: 43.4
Docket No. 070304-EI
OPC First Set of Interrogatories
Witness: CUTSHAW

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DPT	DIV	PER/TEM	NAME	START DATE
103	03	P	GARFOLA, JASON T.	05/21/2001
103	03	P	INGALLS, JAMES	05/28/2002
103	03	P	PLANTE, MICHAEL J.	05/14/2001
103	03	P	PONDER, MICHAEL W.	10/29/1984
103	03	P	PRUETT, MARK W.	02/07/1990
103	03	P	SLUKA, FRANCIS J.	03/13/2000
103	03	P	STAFFORD, RONALD G.	11/10/1986
103	03	P	THIBAULT, RAYMOND C.	09/16/1991
103	03	P	TRACEY, STEPHEN L.	08/15/1989
103	03	P	WILLIAMS, CHRISTOPHER	11/16/1999

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
26			12				38

DPT	DIV	PER/TEM	NAME	START DATE
104	00	P	DAWSON, MERRITT E.	11/08/1983
104	00	P	DEPASTINO, GARY R.	03/16/1987
104	00	P	DIX, FRANK P.	10/28/1985
104	00	P	GRAY, JOSEPH	04/06/1987
104	00	P	SHATZER, ROBERT A.	09/09/1996
104	04	P	DANIELS, WILLIAM T	06/17/1968
104	04	P	WILLIAMS, WILLIAM E	02/19/1974

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
5				2			7

DPT	DIV	PER/TEM	NAME	START DATE
105	00	P	ANDERSON, NORMAN W	01/05/1976
105	00	P	BERGEL, RENE A.	08/28/1991
105	00	P	BITTLE, SARAH J.	01/31/2002
105	00	P	BOWEN, FRANK E	09/19/1974
105	00	P	CAMACHO, GENE A	12/22/1980
105	00	P	CASSIDY, EILEEN B.	08/09/2001
105	00	P	CONNLEY, SCOTT A.	10/17/2001
105	00	P	ERDEK, JOSEPH J	07/28/1972
105	00	P	FLYNN, JOHN THOMAS	02/20/1996
105	00	P	FRUSCIANTE, DONNA M.	06/25/1986
105	00	P	GARFIELD, DANIEL J.	12/03/1991
105	00	P	GAUGLER, BRYAN K.	12/12/1994
105	00	P	HEARN, DONALD A.	02/07/1996
105	00	P	KITTERICK, THOMAS	09/19/1988
105	00	P	KLEMAS, JOHN E.	01/04/1982
105	00	P	KNAPP, JAMES L	07/05/1978
105	00	P	KNIGHT, RICHARD P.	04/19/1993
105	00	P	LARMONIE, CLAUDE	09/29/1997
105	00	P	LEWIS, DUANE P.	10/13/1986
105	00	P	LICHTMAN, RAY L.	03/09/1992
105	00	P	MOBLEY, JAMES J.	03/05/2001
105	00	P	MORELAND, DOUGLAS	06/23/1978
105	00	P	OAKES, THOMAS	04/10/1967
105	00	P	REITZ, JEFFREY D.	07/17/1995
105	00	P	REUTER, GLENN J.	04/29/2002
105	00	P	RIPPEY, SHANE T.	05/22/2000
105	00	P	RODRIGUEZ, AVILIO	06/03/1996

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DPT	DIV	PER/TEM	NAME	START DATE
105	00	P	RUSSELL, FRED A.	04/06/1983
105	00	P	SINGLETARY, RICHARD E.	03/06/2000
105	00	P	VILLARREAL, RENE A.	08/04/2003
105	00	P	WAGONER, LARRY J.	03/06/2000
105	00	P	WALLACE, ROBERT C.	05/10/1993
105	03	P	BONEHILL, GARY T.	08/04/1986
105	03	P	CLIFFORD, RITA J.	02/22/2000
105	03	P	COTCAMP, THOMAS E	03/10/1980
105	03	P	LOVE, TIMOTHY A.	02/18/1986
105	03	P	MCDANIEL, WILLIAM R.	01/26/1987
105	03	P	PAGE, ELI C.	05/13/1985
105	03	P	SILER, JON MARK	07/13/1981
105	03	P	SPEERIN, GEORGE C.	07/18/1988
105	03	P	WHEATON JR, THEODORE S	07/18/1988
105	03	P	WHITAKER, JAMES B.	02/27/1984
105	04	P	BROGDON, AARON W	10/07/1968
105	04	P	HUGHES, BOBBY B	02/01/1982
105	05	P	BEST III, ALVIN E.	08/23/1990
105	05	P	BOATRIGHT, CURTIS J.	01/19/1998
105	05	P	GAINES, JAMES C.	11/15/1995
105	05	P	GRIFFIN, ROBERT W	05/03/1966
105	05	P	PEACOCK, LEWIS S.	02/01/1988
105	05	P	ROBINSON, QUENTIN D.	10/06/1998
105	05	P	SCANDALIATO, DON S	12/18/1978
105	05	P	TAYLOR, ERNEST PARKER	06/16/1980
105	05	P	TAYLOR, STEVEN L.	08/16/1982
105	05	P	VAN ZANT, MICHAEL S.	09/05/1991
105	05	P	WELSH JR, JOHN A.	05/10/1999
105	05	P	WILKES, CHARLES R	08/20/1973

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
32			10	2	12		56

106	00	P	BRUTZMAN, WILLIAM J.	02/08/2001
106	00	P	DEZELAN, GRETA R.	07/17/2001
106	00	P	FAVORS, CALVIN R.	08/25/2003
106	00	P	JONES, TAMYKA M.	03/22/1999
106	00	P	PETERSON, BRENDA	12/02/1981
106	00	P	SEATON, PAULA S.	02/14/2000
106	00	P	TURNER, VERA	01/23/2003
106	03	P	BLAND, FRED L.	08/17/1981
106	03	P	MIDDLETON, DONALD E.	03/14/1994
106	03	P	PENDLETON, GLENN E.	12/27/1983
106	03	P	REGISTER, L. WAYNE	12/05/1983
106	03	P	THOMAS JR, WILLIAM A	10/31/1977
106	05	P	CARMAN, ROBERT L	09/03/1974

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
7			5		1		13

107	04	P	BEVIS, ANDREW S.	10/25/1999
107	04	P	CHATWOOD, FRANKLIN S	08/15/1966

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2003

DPT	DIV	PER/TEM	NAME	START DATE
107	04	P	DITTY, CHARLES J	09/29/1969
107	04	P	ELMORE, JIMMIE G.	08/06/1973
107	04	P	FORAN, BRADY R.	11/25/1985
107	04	P	GRAY, RHONDON	10/19/1992
107	04	P	GRIFFIN, JOHN B.	08/05/1991
107	04	P	GROOMS, DARRYL D	06/03/1985
107	04	P	HALL, CHARLES W.	09/06/1994
107	04	P	LEWIS, JERRY LEE	04/06/1987
107	04	P	MATHIS, DANNY D.	09/21/1987
107	04	P	MYERS, DONALD R.	05/22/1989
107	04	P	SEE JR, ROBERT W.	03/27/1989
107	04	P	TANNER, LYNWOOD	09/03/1974
107	04	P	USSERY JR, JAMES A.	03/30/1998
107	05	P	CLARDY JR, WILLIAM C	04/08/1985
107	05	P	FAULK, THOMAS J	10/26/1981
107	05	P	MOORE, DON R.	05/17/1999
107	05	P	NABORS, DONALD H.	01/13/1992
107	05	P	THOMPSON, VINSON LOYD	09/19/1994

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
				15	5		20

108	00	P	BUCCI, JAMES	05/10/1988
108	00	P	CAUDLE, ANTHONY R.	11/03/2003
108	00	P	CROSS, GEORGE A.	02/21/1989
108	00	P	DAVIS, CARLTON D.	08/20/2001
108	00	P	FIELDS, TIM E	08/26/1980
108	00	P	FLEISCHMAN, JEFFREY	08/29/1983
108	00	P	GILCHRIEST, SAMUEL	12/15/1972
108	00	P	GONZALEZ JR, REINALDO	07/30/2003
108	00	P	GRIFFITH, BRANDY L.	08/14/2001
108	00	P	HUGGINS, FRANKIE L	05/25/1977
108	00	P	MITCHELL, HENRY L.	05/26/1992
108	00	P	MOONEY, PHIL C.	01/30/1989
108	00	P	MORGAN, GARFIELD A.	12/11/1989
108	00	P	RUDERMAN, JOEL E.	02/02/1999
108	00	P	SCHWARTZ, RICHARD	07/26/2000
108	00	P	SLEEMAN, STEVEN M.	07/08/2003
108	00	P	WADE, SHARON A.	08/26/1997
108	03	P	BIANCO, SANDRA I	08/21/2000
108	03	P	FLOWERS, DAVID A.	09/23/1985
108	03	P	FORREST, BRIAN P.	01/07/2002
108	03	P	HALL, KEITH R.	04/30/2001
108	03	P	KARA, ALEXANDER M.	02/02/1996
108	05	P	BROWN, CLINTON E.	10/02/2000
108	05	P	HUNNICUTT, STEPHEN K.	07/30/2001
108	05	P	MURRAY, RYAN E.	05/21/2001
108	05	P	NELSON, THOMAS DAVID	11/09/2001
108	05	P	SCHAAK, CLIFFORD T.	03/24/2003
108	06	P	BERNIER, RAYMOND C.	06/24/1998
108	06	P	HUGHES, ALTON W.	06/30/2003
108	06	P	MORRISON, SCOTT A.	10/01/1985
108	06	P	TAMARAZZO, VICTOR	04/27/1990

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2003

DPT	DIV	PER/TEM	NAME	START DATE
108	06	P	YOUNG, MARK T.	06/01/1987

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
17			5		5	5	32

109	00	P	ALLEWELT, HAROLD D.	12/09/1996
109	00	P	HAASE, BRUCE A.	05/22/1989
109	00	P	SUAREZ, MAURICIO E.	04/25/1994
109	05	P	TYLER, WILLIAM A.	09/05/2000

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
3					1		4

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL

201	00	P	DAVILA, JOSE L.	08/25/2003
201	00	P	FEDINA, PATRICIA G.	04/06/1988
201	00	P	FRATTA-DORMOND, ALDO	10/29/2003
201	00	P	HAGANS, WILLIAM	10/08/2001
201	00	P	HILL, TARA	09/10/2002
201	00	P	HULL, LORI A.	08/19/1991
201	00	P	MARTIN, DWAYNE L.	06/03/2003
201	00	P	OGLE, JONATHAN D.	04/22/2002
201	00	P	PORTAL, JAHAZIEL	12/17/2001
201	00	P	RATTLER, SANDRA L.	05/08/1989
201	00	P	RIPPEY, LORI S.	08/13/1998
201	00	P	RONDON, THOMAS J.	10/23/2002
201	00	P	RUSH, BEVERLY A.	01/30/2002
201	00	P	SIMPSON, SHEILA C.	01/20/1997
201	03	P	ABERNATHY, SARAH	08/19/2002
201	03	P	DAVIS, CLEOTA KATRINA	12/27/1993
201	03	P	HARTMAN, MARTHA J.	06/29/1978
201	03	P	HENSON, SUSAN L.	07/05/2000
201	03	P	MARTIN, COLETTE	07/18/1995
201	03	P	MILLETT, DONALD W.	08/30/1993
201	03	P	QUIRINDONGO, DELILAH	06/02/2003
201	03	P	RIVERA, MICHELLE	12/17/2001
201	03	P	RYANS, LORY L.	10/22/2001
201	04	P	BARBER, DEBORAH J.	01/26/1987
201	04	P	CALHOUN, PAMELA J.	03/15/1993
201	04	P	FOWLER, DONNA T.	04/28/1997
201	04	P	HALL, KIMBERLY R.	09/05/2000
201	04	P	JONES, SARAH A.	10/09/1998
201	04	P	MCCOY, LAURA A.	10/19/2003
201	04	P	WARRINGTON, BEVERLY H.	05/21/1997
201	05	P	HUNT, NIOKA K.	05/02/2000
201	05	P	JAMES, VALERIE M.	09/17/2001
201	05	P	KENNEDY, RENA M.	09/14/1992
201	05	P	PARSONS, MELANIE C.	02/03/2003

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DPT	DIV	PER/TEM	NAME	START DATE
201	05	P	THORNTON, PATRICIA A	12/07/1981
201	05	P	VANGORDER, MELODY	09/15/2003
201	05	P	WINSTON, LINDA M.	11/16/1999
201	06	P	BAIRD, FRANCES H.	11/24/2001
201	06	T	WALSH, DIANA M.	01/16/2003

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
14			9	7	7	2	39

DPT	DIV	PER/TEM	NAME	START DATE
202	00	P	BRIGGS, JOYCE A	02/22/1982
202	00	P	CHANDLER, DAVID G	08/23/1973
202	00	P	FAZIO, GEORGE C.	08/11/1998
202	00	P	LOVE, KAREN S.	12/10/2001
202	00	P	LOVETT, EDWIN G.	11/11/1996
202	00	P	MALDONADO, CARLOS	06/26/2003
202	00	P	MANUEL, ANTHONY C.	02/03/2003
202	00	P	MONTGOMERY, DAVID N.	05/31/1990
202	00	P	SICKELS, RICHARD D.	12/02/1998
202	03	P	BALDWIN, JOHN R	09/23/1974
202	03	P	CRUZ, CINDY L.	02/17/2003
202	03	P	PIERCE, GARY A.	05/24/1989
202	03	P	PREVATT, RONNIE B	06/27/1977
202	03	P	SAUER, WAYNE T.	01/30/1989
202	04	P	HOLDEN, CLAUDE	06/13/1977
202	04	P	MEALY, BARBARA J.	07/05/1994
202	04	P	TEW, DONNIE L.	04/27/1992
202	05	P	DAVIS, SARAH B.	04/02/2001
202	05	P	MCCLURE, CHRISTINE M.	06/22/1998
202	05	P	SHIVELY, DAVID A.	03/11/2002

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
9			5	3	3		20

DPT	DIV	PER/TEM	NAME	START DATE
301	00	P	ARAYA, GIACINTA A.	04/24/1995
301	00	P	GILLILAND, STEPHEN P.	04/17/2001
301	00	P	GOODWIN, PATRICIA H.	02/21/1989
301	00	P	GREENWALD, DAVID M.	03/03/2003
301	00	P	HASKINS, JOHN F.	10/06/2003
301	00	P	HUMPHREY, WINSTON A.	11/02/1998
301	00	P	HURLEY, WILLIAM F.	07/05/1988
301	00	P	KEIP, DOUGLAS C	06/06/1983
301	00	P	KINGREE, ROY L	02/11/1963
301	00	P	LEISURE, KIM M.	11/04/2002
301	00	P	LONG, ROBERT S.	02/03/2003
301	00	P	MONDS, LILA L.	05/01/1995
301	00	P	SCOTTEN, LAURA C.	11/05/2002
301	00	P	SMITH, ROBERT L.	10/11/1993
301	00	P	STEFFES, RAQUEL K.	05/07/2003
301	00	P	STEPHERSON, LLEWELLYN W.	09/16/2002
301	03	P	BLAZINA, GREG	05/28/2002
301	03	P	GLADUE, ALICIA M.	06/14/1999
301	03	P	MCKENNA, JAMES	08/17/1998

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2003

DPT	DIV	PER/TEM	NAME	START DATE
301	03	P	PAPADEAS, MICHAEL G.	08/06/2001
301	03	P	RECK, EULYNN H.	10/21/2002
301	03	P	THISTEL, ROBERT A.	08/25/2003
301	03	P	ZIEGLER, BARBARA A.	12/18/2000
301	05	P	DICKS, KAREN L.	12/04/2000

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
16			7		1		24

401	00	P	DREW-SUGERMAN, LYNN G.	06/18/2001
401	00	P	FATH, DENNIS C.	02/05/1979
401	00	P	MARINELLI, MICHAEL R.	04/01/2002
401	00	P	MCCAULEY, LORI ANN	04/17/2000
401	00	P	MESSINA, VINCENT M.	06/30/1999
401	00	P	PASSARO, MAUREEN A.	07/15/2002
401	00	P	PAYNE, PAMELA D.	11/24/1980
401	00	P	WOLF, MICHAEL A.	06/30/2003

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
8							8

501	00	P	ALLEN, ROBIN L.	07/08/1991
501	00	P	ALVAREZ, MARIO	10/26/1999
501	00	P	CASTIGLIONE, DEBORAH S	03/30/1998
501	00	P	COX, DOREEN B.	12/31/1999
501	00	P	DYSARD, HEIDI E.	11/16/2001
501	00	P	GALVIN, LAWRENCE M.	10/21/2002
501	00	P	GRIMESON JR, WILLIAM F	02/27/1996
501	00	P	JONES, TANZANIKA L.	04/07/1997
501	00	P	KHOJASTEH, MEHRDAD	11/07/1996
501	00	P	LUNDGREN, APRIL M.	10/08/2001
501	00	P	MARTIN, CHERYL M.	03/18/1985
501	00	P	MCNAY, LATANJA	10/20/2003
501	00	P	MESITE JR, JAMES V.	06/30/1995
501	00	P	MORIZIO, BETH M.	12/10/2001
501	00	P	NAPIER, MICHELLE D.	05/11/1987
501	00	P	PALACIOS, CINDY J.	02/19/1997
501	00	P	RANCE, DONNA M	08/20/1984
501	00	P	SHAW-PORTER, SYBIL I.	06/17/2003
501	00	P	SMITH, JARRETT J.	12/31/2002
501	00	P	SMITH, REBECCA A.	08/30/2002
501	00	T	STARR, JENNIFER	08/29/1995
501	00	P	YOUNG, CURTIS D.	08/27/2001

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
22							22

502	00	P	BELLECHASES, DINA	08/22/1988
502	00	P	BONN, WAYNE C.	02/12/2001
502	00	P	MERWIN, HARLAN J.	05/07/2001
502	00	P	PESCATORE, MELISSA	05/14/2001

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200.3

DPT	DIV	PER/TEM	NAME	START DATE
WPB	LW	DBCH SAN MAR FBCH DEL	DPT TOTAL	
4			4	
503	00	P	BACHMAN, GEORGE M.	01/28/1985
503	00	P	BROWN, JACK R.	04/18/1988
503	00	P	ENGLISH, JOHN T.	08/20/1973
503	00	P	ERDEK, BONNIE L.	05/28/1991
503	00	P	SAYLOR, CHAUNDRA L.	10/25/1999
503	00	P	STEIN, CHARLES L.	02/15/1980
WPB	LW	DBCH SAN MAR FBCH DEL	DPT TOTAL	
6			6	
504	00	P	ARTHUR, PAMELA S	01/12/1970
504	00	P	HUGHLEY-GRANT, STEPHANIE S.	09/09/1999
504	00	P	OAKES, KATHLEEN M	11/29/1972
504	00	P	PETTY, JULIA K.	10/11/1999
504	00	P	WILLIS, ARNELL	04/08/1996
WPB	LW	DBCH SAN MAR FBCH DEL	DPT TOTAL	
5			5	
505	00	P	SCHNEIDERMANN, MARC L.	02/21/1989
505	00	P	SEAGRAVE, MARC S.	07/19/1999
505	03	P	KITNER, DONALD E.	02/20/1990
505	04	P	CUTSHAW, P. MARK	05/13/1991
505	05	P	LACACI, MARIO L.	06/18/2001
WPB	LW	DBCH SAN MAR FBCH DEL	DPT TOTAL	
2		1 1 1	5	
701	00	P	CANINO, CHRISTOPHER C.	07/06/1998
701	00	P	CONLEY, SCOTT G.	08/01/2002
701	00	T	DURAND, STEPHEN W.	07/22/2003
701	00	P	KREPPS, VINCENT P.	05/27/2003
701	00	P	LINKIEWICZ, CHRISTOPHER L.	02/19/2001
701	00	P	STUDENSKI, FRANK C.	02/03/1993
701	00	P	ZELINSKI, JASON C.	11/05/2001
701	03	P	SCRIBBEN, DANIEL P	06/24/1988
701	03	P	WINSOR, SHAWN H.	07/29/1996
701	04	P	O'PRY, BROWARD L	09/13/1982
701	04	P	TOOLE, STEPHEN A.	06/28/1993
701	05	P	ANDERSON, CARL W	01/13/1969
701	05	P	ATKINS, MARY L.	03/08/2000
701	05	P	JOHNSON, LOUIE C.	12/01/1980
701	05	P	MCCOY, JUDITH B	06/23/1971
WPB	LW	DBCH SAN MAR FBCH DEL	DPT TOTAL	
7		2 2 4	15	

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DPT	DIV	PER/TEM	NAME	START DATE
702	00	P	CRESPO, SAMUEL	10/21/2002
702	00	P	SNYDER, CHRISTOPHER M.	07/08/1991

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
2							2

DPT	DIV	PER/TEM	NAME	START DATE
901	04	P	DEAN, TAMMY J.	09/08/1997
901	04	P	PEACOCK, MICHAEL A.	02/09/1981

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
				2			2

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	FINAL TOTAL
195			59	36	41	7	338

TOTAL PERM.	TOTAL TEMP.
335	3

END OF REPORT

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OPC Interrog. # 43.5

DATE: 10/ /07
TIME: 16:54:25

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MONTHLY EMPLOYEES LISTING

PAGE: 1
PRGM: PYR550

DPT	DIV	PER/TEM	NAME	START DATE
101	00	P	CUADRAS, CONRADO E.	06/15/1992
101	00	P	GILMORE, ALBERT	08/19/1974
101	00	P	JOYCE, JOHN K	06/07/1976
101	00	P	LOVE, KAREN S.	12/10/2001
101	00	P	PAYNE, ROBERT L	01/03/1979
101	00	P	ROLLE, JAMES E	08/01/1984
101	00	P	ROSALES, JOSE H	08/13/1979
101	03	P	IACONIS, DAWN E.	07/06/2004
101	03	P	KENNEDY, KENNETH WAYNE	11/08/1982
101	03	P	LACKEY, MICHAEL E.	10/01/1988
101	03	P	OBRIEN, CRAIG W	09/23/1974
101	03	P	THIBAULT, RAYMOND C.	09/16/1991

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
7			5				12

DPT	DIV	PER/TEM	NAME	START DATE
102	00	P	JOSE, EMERSON B.	10/05/1988
102	00	P	PERRY JR., DAVID W.	11/22/1999
102	00	P	SERRAES, JOHN	06/19/1962
102	04	P	JONES, RAY DOUGLAS	03/28/2000
102	04	P	MORRIS, CLARIECE W.	05/26/1987
102	05	P	CAUSIER, JAMES H.	04/08/1996
102	05	P	MOORE, DON R.	05/17/1999

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
3				2	2		7

DPT	DIV	PER/TEM	NAME	START DATE
103	00	P	ANDRE, MICHAEL	01/08/2001
103	00	P	BASH, LEROY D	01/12/1982
103	00	P	BELL, JAMES C	07/26/1973
103	00	P	BULLINGTON, TROY	10/09/2000
103	00	P	BURKE, JOHN F.	02/08/1999
103	00	P	BUTCHER, DALE M.	04/25/1983
103	00	P	CASTRO, PABLO E.	04/14/2004
103	00	P	COLLINS, BRAD L.	01/21/2003
103	00	P	FORDE, KARL K.	10/12/1999
103	00	P	GEORGE, DAVID L	10/04/1976
103	00	P	GIBBS, IVAN M.	11/08/1999
103	00	P	HOWELL, GARY E.	10/22/1998
103	00	P	JOHNSON JR, IRA LEE	02/23/1981
103	00	P	LYONS, DAVID	11/20/2003
103	00	P	NARDI, MICHAEL J.	01/03/1994
103	00	P	NUMA, RUDOLPH A.	12/08/2003
103	00	P	RYAN, MATTHEW	10/07/2002
103	00	P	WALKER, MARVIN W.	07/18/1990
103	00	P	WEBSTER, STEVE H.	09/10/2003
103	00	P	WEITZ, ANDREW I.	12/02/1991
103	00	P	WILSON, DEVIN W.	06/19/2002
103	03	P	BLACK, MATTHEW D.	06/28/2004
103	03	P	BRADLEY, MICHAEL J.	05/16/1988
103	03	P	CARLTON, RONALD E	01/06/1982
103	03	P	DAVIS, CLEOTA KATRINA	12/27/1993

Exhibit: 43.5
Docket No. 070304-EI
OPC First Set of Interrogatories
Witness: CUTSHAW

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DPT	DIV	PER/TEM	NAME	START DATE
103	03	P	GARFOLA, JASON T.	05/21/2001
103	03	P	HERNANDEZ, JOSE C.	09/22/2003
103	03	P	INGALLS, JAMES	05/28/2002
103	03	P	PLANTE, MICHAEL J.	05/14/2001
103	03	P	SLUKA, FRANCIS J.	03/13/2000
103	03	P	STAFFORD, RONALD G.	11/10/1986
103	03	P	TRACEY, STEPHEN L.	08/15/1989
103	03	P	WILLIAMS, CHRISTOPHER	11/16/1999

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
21			12				33

DPT	DIV	PER/TEM	NAME	START DATE
104	00	P	DAWSON, MERRITT E.	11/08/1983
104	00	P	DEPASTINO, GARY R.	03/16/1987
104	00	P	DIX, FRANK P.	10/28/1985
104	00	P	GRAY, JOSEPH	04/06/1987
104	00	P	HEARN, DONALD A.	02/07/1996
104	00	P	PETROFSKY, JOHN M.	09/11/2000
104	04	P	DANIELS, WILLIAM T	06/17/1968
104	04	P	SEE JR, ROBERT W.	03/27/1989

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
6				2			8

DPT	DIV	PER/TEM	NAME	START DATE
105	00	P	ANDERSON, NORMAN W	01/05/1976
105	00	P	BOWEN, FRANK E	09/19/1974
105	00	P	CAMACHO, GENE A	12/22/1980
105	00	P	CASSIDY, EILEEN B.	08/09/2001
105	00	P	CASTELLANOS, RICHARD	01/05/2004
105	00	P	CONNLEY, SCOTT A.	10/17/2001
105	00	P	COWART, JOSHUA	02/02/2004
105	00	P	DANFORD, TAMYKA M.	03/22/1999
105	00	P	ERDEK, JOSEPH J	07/28/1972
105	00	P	ESPARZA, RAYMOND J.	01/30/2003
105	00	P	FLORES, JOSE	10/04/1994
105	00	P	FLYNN, JOHN THOMAS	02/20/1996
105	00	P	FRUSCIANTE, DONNA M.	06/25/1986
105	00	P	GARFIELD, DANIEL J.	12/03/1991
105	00	P	GAUGLER, BRYAN K.	12/12/1994
105	00	P	JEZEWSKI, TODD A.	08/14/1995
105	00	P	KLEMAS, JOHN E.	01/04/1982
105	00	P	KNAPP, JAMES L	07/05/1978
105	00	P	KNIGHT, RICHARD P.	04/19/1993
105	00	P	LARMONIE, CLAUDE	09/29/1997
105	00	P	LEWIS, DUANE P.	10/13/1986
105	00	P	MOBLEY, JAMES J.	03/05/2001
105	00	P	MORELAND, DOUGLAS	06/23/1978
105	00	P	OAKES, THOMAS	04/10/1967
105	00	P	PARKER, EVERITTE R.	01/06/1986
105	00	P	REITZ, JEFFREY D.	07/17/1995
105	00	P	REUTER, GLENN J.	04/29/2002
105	00	P	RIPPEY, LORI S.	08/13/1998

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DPT	DIV	PER/TEM	NAME	START DATE
105	00	P	RIPPEY, SHANE T.	05/22/2000
105	00	P	RODRIGUEZ, AVILIO	06/03/1996
105	00	P	RUSSELL, FRED A.	04/06/1983
105	00	P	SHATZER, ROBERT A.	09/09/1996
105	00	P	SINGLETARY, RICHARD E.	03/06/2000
105	00	P	VILLARREAL, RENE A.	08/04/2003
105	00	P	WAGONER, LARRY J.	03/06/2000
105	00	P	WALLACE, ROBERT C.	05/10/1993
105	03	P	BONEHILL, GARY T.	08/04/1986
105	03	P	CLIFFORD, RITA J.	02/22/2000
105	03	P	COTCAMP, THOMAS E	03/10/1980
105	03	P	LOVE, TIMOTHY A.	02/18/1986
105	03	P	MCDANIEL, WILLIAM R.	01/26/1987
105	03	P	PAGE, ELI C.	05/13/1985
105	03	P	PONDER, MICHAEL W.	10/29/1984
105	03	P	SILER, JON MARK	07/13/1981
105	03	P	SPEERIN, GEORGE C.	07/18/1988
105	03	P	WHEATON JR, THEODORE S	07/18/1988
105	03	P	WHITAKER, JAMES B.	02/27/1984
105	04	P	BROGDON, AARON W	10/07/1968
105	04	P	HUGHES, BOBBY B	02/01/1982
105	05	P	BEST III, ALVIN E.	08/23/1990
105	05	P	BOATRIGHT, CURTIS J.	01/19/1998
105	05	P	GAINES, JAMES C.	11/15/1995
105	05	P	GRIFFIN, ROBERT W	05/03/1966
105	05	P	PEACOCK, LEWIS S.	02/01/1988
105	05	P	ROBINSON, QUENTIN D.	10/06/1998
105	05	P	SCANDALIATO, DON S	12/18/1978
105	05	P	TAYLOR, ERNEST PARKER	06/16/1980
105	05	P	TAYLOR, STEVEN L.	08/16/1982
105	05	P	WELSH JR, JOHN A.	05/10/1999
105	05	P	WILKES, CHARLES R	08/20/1973

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
36			11	2	11		60

106	00	P	BRUTZMAN, WILLIAM J.	02/08/2001
106	00	P	DEZELAN, GRETA R.	07/17/2001
106	00	P	FAVORS, CALVIN R.	08/25/2003
106	00	P	MONDS, LILA L.	05/01/1995
106	00	P	PETERSON, BRENDA	12/02/1981
106	00	P	SEATON, PAULA S.	02/14/2000
106	03	P	BLAND, FRED L.	08/17/1981
106	03	P	MIDDLETON, DONALD E.	03/14/1994
106	03	P	PENDLETON, GLENN E.	12/27/1983
106	03	P	REGISTER, L. WAYNE	12/05/1983
106	03	P	THOMAS JR, WILLIAM A	10/31/1977

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
6			5				11

107	04	P	BEVIS, ANDREW S.	10/25/1999

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DPT	DIV	PER/TEM	NAME	START DATE
107	04	P	CHATWOOD, FRANKLIN S	08/15/1966
107	04	P	DITTY, CHARLES J	09/29/1969
107	04	P	ELMORE, JIMMIE G.	08/06/1973
107	04	P	FORAN, BRADY R.	11/25/1985
107	04	P	GRAY, RHONDON	10/19/1992
107	04	P	GRIFFIN, JOHN B.	08/05/1991
107	04	P	GROOMS, DARRYL D	06/03/1985
107	04	P	HALL, CHARLES W.	09/06/1994
107	04	P	HARRIS, KEVIN B.	03/01/2004
107	04	P	LEWIS, JERRY LEE	04/06/1987
107	04	P	MATHIS, DANNY D.	09/21/1987
107	04	P	MYERS, DONALD R.	05/22/1989
107	04	P	TANNER, LYNWOOD	09/03/1974
107	04	P	USSERY JR, JAMES A.	03/30/1998
107	05	P	CLARDY JR, WILLIAM C	04/08/1985
107	05	P	FAULK, THOMAS J	10/26/1981
107	05	P	NABORS, DONALD H.	01/13/1992
107	05	P	PUENTES, JORGE	01/05/2004
107	05	P	THOMPSON, VINSON LOYD	09/19/1994

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
				15	5		20

108	00	P	BUCCI, JAMES	05/10/1988
108	00	P	COLE, REGINALD	08/30/2004
108	00	P	CROSS, GEORGE A.	02/21/1989
108	00	P	DAVIS, CARLTON D.	08/20/2001
108	00	P	FLEISCHMAN, JEFFREY	08/29/1983
108	00	P	GILCHRIEST, SAMUEL	12/15/1972
108	00	P	GONZALEZ JR, REINALDO	07/30/2003
108	00	P	GRIFFITH, BRANDY L.	08/14/2001
108	00	P	HUGGINS, FRANKIE L	05/25/1977
108	00	P	MITCHELL, HENRY L.	05/26/1992
108	00	P	MOONEY, PHIL C.	01/30/1989
108	00	P	MORGAN, GARFIELD A.	12/11/1989
108	00	P	RUDERMAN, JOEL E.	02/02/1999
108	00	P	VANGELDREN, JASON T	11/01/2004
108	00	P	WADE, SHARON A.	08/26/1997
108	00	P	YOUNG, ANTONIO D.	07/06/2004
108	03	P	BIANCO, SANDRA I	08/21/2000
108	03	P	FLOWERS, DAVID A.	09/23/1985
108	03	P	FORREST, BRIAN P.	01/07/2002
108	03	P	HALL, KEITH R.	04/30/2001
108	03	P	KARA, ALEXANDER M.	02/02/1996
108	05	P	BROWN, CLINTON E.	10/02/2000
108	05	P	HUNNICUTT, STEPHEN K.	07/30/2001
108	05	P	MURRAY, RYAN E.	05/21/2001
108	05	T	PLUTA, DAVID F.	01/08/2004
108	05	P	SCHAAK, CLIFFORD T.	03/24/2003
108	05	P	WENING, DONALD C.	01/05/2004
108	06	P	BERNIER, RAYMOND C.	06/24/1998
108	06	P	HUGHES, ALTON W.	06/30/2003
108	06	T	NORDLUND, ROLAND L.	02/03/2004

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HEARING EXHIBIT - 00000661

DPT	DIV	PER/TEM	NAME	START DATE
108	06	P	POMEROY, KEITH	09/07/2004
108	06	P	TAMARAZZO, VICTOR	04/27/1990
108	06	P	YOUNG, MARK T.	06/01/1987

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
16			5		6	6	33

109	00	P	ALLEWELT, HAROLD D.	12/09/1996
109	00	P	HAASE, BRUCE A.	05/22/1989
109	00	T	SUAREZ, MAURICIO E.	10/12/2004
109	05	P	TYLER, WILLIAM A.	09/05/2000

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
3					1		4

201	00	P	AARONS, KEON S.	02/09/2004
201	00	P	BLANCO, XIOMARA	05/10/2004
201	00	P	FEDINA, PATRICIA G.	04/06/1988
201	00	P	GREEN, RICHARD M.	11/08/2004
201	00	P	HAGANS, WILLIAM	10/08/2001
201	00	P	HILL, TARA	09/10/2002
201	00	P	HULL, LORI A.	08/19/1991
201	00	P	LEE-CHARLES, SANDRA J.	06/07/2004
201	00	P	PORTAL, JAHAZIEL	12/17/2001
201	00	P	PORTALES, ADIEL	03/10/2004
201	00	P	RATTLER, SANDRA L.	05/08/1989
201	00	P	RILEY, MAXINE J.	11/02/2004
201	00	P	SIMPSON, SHEILA C.	01/20/1997
201	03	P	DAUGHTRY, EVERETT M.	11/01/2004
201	03	P	GRIMM, AILEEN E.	07/06/2004
201	03	P	HARTMAN, MARTHA J.	06/29/1978
201	03	P	MARTIN, COLETTE	07/18/1995
201	03	P	MILLETT, DONALD W.	08/30/1993
201	03	P	QUIRINDONGO, DELILAH	06/02/2003
201	03	P	RICHMOND, YVONNE R.	04/12/2004
201	03	P	RIVERA, MICHELLE	12/17/2001
201	04	P	BARBER, DEBORAH J.	01/26/1987
201	04	P	CALHOUN, PAMELA J.	03/15/1993
201	04	P	FOWLER, DONNA T.	04/28/1997
201	04	P	HALL, KIMBERLY R.	09/05/2000
201	04	P	JONES, SARAH A.	10/09/1998
201	04	P	MCCOY, LAURA A.	10/19/2003
201	04	P	STRAUSS, LESLIE M.	08/19/2004
201	04	P	SUMNER, KATHERINE M.	09/07/2004
201	05	P	BEALE, SUSAN M.	07/21/2004
201	05	P	BRADLEY, GERRY L.	01/12/2004
201	05	P	HUNT, NIOKA K.	05/02/2000
201	05	P	JAMES, VALERIE M.	09/17/2001
201	05	P	KENNEDY, RENA M.	09/14/1992
201	05	P	PARSONS, MELANIE C.	02/03/2003
201	05	P	THORNTON, PATRICIA A	12/07/1981
201	05	P	WINSTON, LINDA M.	11/16/1999

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DPT	DIV	PER/TEM	NAME	START DATE
201	06	P	BAIRD, FRANCES H.	11/24/2001
201	06	P	DUNHAM, DENISE R.	09/27/2004

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
13			8	8	8	2	39

202	00	P	CHANDLER, DAVID G	08/23/1973
202	00	P	FAZIO, GEORGE C.	08/11/1998
202	00	P	GRAY, STEPHEN J.	05/10/2004
202	00	P	HUFF, HOWARD R.	11/10/2004
202	00	P	KONICEK, ROBERT P.	10/25/2004
202	00	P	LOVETT, EDWIN G.	08/02/2004
202	00	P	MANUEL, ANTHONY C.	02/03/2003
202	00	P	MONTGOMERY, DAVID N.	05/31/1990
202	00	P	PINKNEY, SEAN P.	07/26/2004
202	00	P	SICKELS, RICHARD D.	12/02/1998
202	03	P	BALDWIN, JOHN R	09/23/1974
202	03	P	CRUZ, CINDY L.	02/17/2003
202	03	P	PIERCE, GARY A.	05/24/1989
202	03	P	PREVATT, RONNIE B	06/27/1977
202	03	P	SAUER, WAYNE T.	01/30/1989
202	04	P	DEERING, DARNELL M.	06/14/2004
202	04	P	HOLDEN, CLAUDE	06/13/1977
202	04	P	MEALY, BARBARA J.	07/05/1994
202	05	P	DAVIS, SARAH B.	04/02/2001
202	05	P	MCCLURE, CHRISTINE M.	06/22/1998
202	05	P	SHIVELY, DAVID A.	03/11/2002

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
10			5	3	3		21

301	00	P	ARAYA, GIACINTA A.	04/24/1995
301	00	P	DAVILA, JOSE L.	08/25/2003
301	00	P	GAUSE, SUZANNE R.	12/13/2004
301	00	P	GILL, ROGER F.	02/23/2004
301	00	P	GILLILAND, STEPHEN P.	04/17/2001
301	00	P	GOODWIN, PATRICIA H.	02/21/1989
301	00	P	HARTMAN, GEOFFREY L.	06/28/2004
301	00	P	HUMPHREY, WINSTON A.	11/02/1998
301	00	P	HURLEY, PATRICK A.	06/21/2004
301	00	P	HURLEY, WILLIAM F.	07/05/1988
301	00	P	KEIP, DOUGLAS C	06/06/1983
301	00	P	KINGREE, ROY L	02/11/1963
301	00	P	KROL, NICOLE L.	11/29/2004
301	00	P	LEISURE, KIM M.	11/04/2002
301	00	P	MCGOLDRICK, WILLIAM J.	11/15/2004
301	00	P	MORRELL, ANGELA M.	06/01/2004
301	00	P	RODRIGUEZ, VERONICA O.	11/10/2004
301	00	P	SCHWARTZ, RICHARD	07/26/2000
301	00	P	SCOTTEN, LAURA C.	11/05/2002
301	00	P	SEAGRAVE, MARC S.	07/19/1999
301	00	P	STEPHERSON, LLEWELLYN W.	09/16/2002

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HEARING EXHIBIT - 00000663

DPT	DIV	PER/TEM	NAME	START DATE
301	03	P	BLAZINA, GREG	05/28/2002
301	03	P	BRETT JR, THOMAS E.	06/21/2004
301	03	P	GLADUE, ALICIA M.	06/14/1999
301	03	P	MCKENNA, JAMES	08/17/1998
301	03	P	RECK, EULYNN H.	10/21/2002
301	03	P	ZIEGLER, BARBARA A.	12/18/2000
301	05	P	DICKS, KAREN L.	12/04/2000
301	05	P	DOUGLAS, NEIL T.	01/26/2004

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
21			6		2		29

401	00	P	FATH, DENNIS C.	02/05/1979
401	00	P	KNOWLES, TERRY D.	03/25/2004
401	00	P	MARINELLI, MICHAEL R.	04/01/2002
401	00	P	MCCAULEY, LORI ANN	04/17/2000
401	00	P	MESSINA, VINCENT M.	06/30/1999
401	00	P	PAYNE, PAMELA D.	11/24/1980
401	00	P	WOLF, MICHAEL A.	06/30/2003

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
7							7

501	00	P	ALLEN, ROBIN L.	07/08/1991
501	00	P	ALVAREZ, MARIO	10/26/1999
501	00	P	BITTLE, SARAH J.	01/31/2002
501	00	P	CASTIGLIONE, DEBORAH S	03/30/1998
501	00	P	COX, DOREEN B.	12/31/1999
501	00	P	DYSARD, HEIDI E.	11/16/2001
501	00	P	GALVIN, LAWRENCE M.	10/21/2002
501	00	P	GRIMESON JR, WILLIAM F	02/27/1996
501	00	P	KHOJASTEH, MEHRDAD	11/07/1996
501	00	P	LUNDGREN, APRIL M.	10/08/2001
501	00	P	MAHAN, CLAUDETTE A.	11/29/2004
501	00	P	MARTIN, CHERYL M.	03/18/1985
501	00	P	MESITE JR, JAMES V.	06/30/1995
501	00	P	MORIZIO, BETH M.	12/10/2001
501	00	P	NAPIER, MICHELLE D.	05/11/1987
501	00	P	PALACIOS, CINDY J.	02/19/1997
501	00	P	RANCE, DONNA M	08/20/1984
501	00	P	RUSSELL, TANZANIKA L.	04/07/1997
501	00	P	SHAW-PORTER, SYBIL I.	06/17/2003
501	00	P	SMITH, JARRETT J.	12/31/2002
501	00	P	SMITH, REBECCA A.	08/30/2002
501	00	T	STARR, JENNIFER	08/29/1995
501	00	P	YOUNG, CURTIS D.	08/27/2001

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
23							23

502	00	P	BELLECHASES, DINA	08/22/1988

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HEARING EXHIBIT - 00000664

DPT	DIV	PER/TEM	NAME	START DATE
502	00	P	BONN, WAYNE C.	02/12/2001
502	00	P	CAPRIO, ALEXANDER J.	10/04/2004
502	00	P	MERWIN, HARLAN J.	05/07/2001
502	00	P	PESCATORE, MELISSA	05/14/2001

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
5							5

503	00	P	BACHMAN, GEORGE M.	01/28/1985
503	00	P	ENGLISH, JOHN T.	08/20/1973
503	00	P	ERDEK, BONNIE L.	05/28/1991
503	00	P	SAYLOR, CHAUNDRA L.	10/25/1999
503	00	P	SMITH, ROBERT L.	10/11/1993
503	00	P	STEIN, CHARLES L.	02/15/1980

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
6							6

504	00	P	ARTHUR, PAMELA S	01/12/1970
504	00	P	HUGHLEY-GRANT, STEPHANIE S.	09/09/1999
504	00	P	OAKES, KATHLEEN M	11/29/1972
504	00	P	PETTY, JULIA K.	10/11/1999
504	00	P	WILLIS, ARNELL	04/08/1996

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
5							5

505	00	P	KENNEDY, BARRY D.	06/02/2004
505	00	P	SCHNEIDERMANN, MARC L.	02/21/1989
505	03	P	KITNER, DONALD E.	02/20/1990
505	04	P	CUTSHAW, P. MARK	05/13/1991
505	05	P	LACACI, MARIO L.	06/18/2001

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
2			1	1	1		5

701	00	P	CANINO, CHRISTOPHER C.	07/06/1998
701	00	P	CONLEY, SCOTT G.	08/01/2002
701	00	P	KREPPS, VINCENT P.	05/27/2003
701	00	P	LINKIEWICZ, CHRISTOPHER L.	02/19/2001
701	00	P	MOZOLEVSKI, IGOR	11/24/2003
701	00	P	PICKLO, JOHN J.	04/05/2004
701	00	P	SALGADO, ANDRES	05/10/2004
701	00	P	STUDENSKI, FRANK C.	02/03/1993
701	00	P	TAYLOR, KIM	01/12/2004
701	00	P	ZELINSKI, JASON C.	11/05/2001
701	03	P	HENSON, SUSAN L.	07/05/2000
701	03	P	LITSEY, DIANE L.	09/27/2004
701	03	P	SCRIBBEN, DANIEL P	06/24/1988
701	03	P	WINSOR, SHAWN H.	07/29/1996

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HEARING EXHIBIT - 00000665

DPT	DIV	PER/TEM	NAME	START DATE
701	04	P	O'PRY, BROWARD L	09/13/1982
701	04	P	TEW, DONNIE L.	04/27/1992
701	04	P	TOOLE, STEPHEN A.	06/28/1993
701	05	P	ANDERSON, CARL W	01/13/1969
701	05	P	ATKINS, MARY L.	03/08/2000
701	05	P	JOHNSON, LOUIE C.	12/01/1980

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
10			4	3	3		20

DPT	DIV	PER/TEM	NAME	START DATE
702	00	P	ROHOMAN, ABIDALI	08/02/2004
702	00	P	SNYDER, CHRISTOPHER M.	07/08/1991

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
2							2

DPT	DIV	PER/TEM	NAME	START DATE
901	04	P	DEAN, TAMMY J.	09/08/1997

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
				1			1

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	FINAL TOTAL
202			62	37	42	8	351

TOTAL PERM.	TOTAL TEMP.
347	4

END OF REPORT

HEARING EXHIBIT - 00000666

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HEARING EXHIBIT - 00000667

OPC Interrog. # 43.6

DATE: 10/ J07
TIME: 16:54:49

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MONTHLY EMPLOYEES LISTING

PAGE: 1
PRGM: PYR550

DPT	DIV	PER/TEM	NAME	START DATE
100	00	P	ESPARZA, RAYMOND J.	01/30/2003
100	00	P	FLORES, JOSE	10/04/1994
100	00	P	GARFIELD, DANIEL J.	12/03/1991
100	00	P	GAUGLER, BRYAN K.	12/12/1994
100	00	P	KNIGHT, RICHARD P.	04/19/1993
100	00	P	MEDINA, SAMUEL	01/03/2005
100	00	P	RIPPEY, LORI S.	08/13/1998
100	00	P	SINGLETARY, RICHARD E.	03/06/2000
100	00	P	VILLARREAL, RENE A.	08/04/2003

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
9							9

DPT	DIV	PER/TEM	NAME	START DATE
101	00	P	CUADRAS, CONRADO E.	06/15/1992
101	00	P	JOYCE, JOHN K	06/07/1976
101	00	P	LOVE, KAREN S.	12/10/2001
101	00	P	NUMA, RUDOLPH A.	12/08/2003
101	00	P	ROLLE, JAMES E	08/01/1984
101	00	P	ROSALES, JOSE H	08/13/1979
101	03	P	IACONIS, DAWN E.	07/06/2004
101	03	P	KENNEDY, KENNETH WAYNE	11/08/1982
101	03	P	LACKEY, MICHAEL E.	10/01/1988
101	03	P	OBRIEN, CRAIG W	09/23/1974
101	03	P	THIBAULT, RAYMOND C.	09/16/1991

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
6			5				11

DPT	DIV	PER/TEM	NAME	START DATE
102	00	P	JOSE, EMERSON B.	10/05/1988
102	00	P	PERRY JR., DAVID W.	11/22/1999
102	00	P	SERRAES, JOHN	06/19/1962
102	04	P	JONES, RAY DOUGLAS	03/28/2000
102	04	P	MORRIS, CLARIECE W.	05/26/1987
102	05	P	CAUSIER, JAMES H.	04/08/1996
102	05	P	MOORE, DON R.	05/17/1999

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
3				2	2		7

DPT	DIV	PER/TEM	NAME	START DATE
103	00	P	ANDRE, MICHAEL	01/08/2001
103	00	P	BASH, LEROY D	01/12/1982
103	00	P	BELL, JAMES C	07/26/1973
103	00	P	BULLINGTON, TROY	10/09/2000
103	00	P	BURKE, JOHN F.	02/08/1999
103	00	P	CASTRO, PABLO E.	03/31/2005
103	00	P	COLLINS, BRAD L.	01/21/2003
103	00	P	FORDE, KARL K.	10/12/1999
103	00	P	GEDEON, CASTRA	10/17/2005
103	00	P	GEORGE, DAVID L	10/04/1976
103	00	P	GIBBS, IVAN M.	11/08/1999
103	00	P	HOWELL, GARY E.	10/22/1998

Exhibit: 43.6
Docket No. 070304-EI
OPC First Set of Interrogatories
Witness: CUTSHAW

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DPT	DIV	PER/TEM	NAME	START DATE
103	00	P	HUGGINS, FRANKIE L	05/25/1977
103	00	P	JOHNSON JR, IRA LEE	02/23/1981
103	00	P	LAUB, JAMES E.	01/31/2005
103	00	P	RYAN, MATTHEW	10/07/2002
103	00	P	WALKER, MARVIN W.	07/18/1990
103	00	P	WEBSTER, STEVE H.	09/10/2003
103	00	P	WEITZ, ANDREW I.	12/02/1991
103	00	P	WILSON, DEVIN W.	06/19/2002
103	00	P	YURECKA, ROBERT J.	10/11/2005
103	00	P	ZEITZ, PHILIP	12/19/2005
103	03	P	BLACK, MATTHEW D.	06/28/2004
103	03	P	BRADLEY, MICHAEL J.	05/16/1988
103	03	P	CARLTON, RONALD E	01/06/1982
103	03	P	CARVALE, RANDY L.	02/14/2005
103	03	P	DAVIS, CLEOTA KATRINA	12/27/1993
103	03	P	FOWLER, JONATHAN	06/06/2005
103	03	P	GARFOLA, JASON T.	05/21/2001
103	03	P	HERNANDEZ, JOSE C.	09/22/2003
103	03	P	INGALLS, JAMES	05/28/2002
103	03	P	PLANTE, MICHAEL J.	05/14/2001
103	03	P	STAFFORD, RONALD G.	11/10/1986
103	03	P	TRACEY, STEPHEN L.	08/15/1989
103	03	P	WILLIAMS, CHRISTOPHER	11/16/1999

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
22			13				35

DPT	DIV	PER/TEM	NAME	START DATE
104	00	P	DAWSON, MERRITT E.	11/08/1983
104	00	P	DEPASTINO, GARY R.	03/16/1987
104	00	P	DIX, FRANK P.	10/28/1985
104	00	P	GRAY, JOSEPH	04/06/1987
104	00	P	HEARN, DONALD A.	02/07/1996
104	00	P	RIPPEY, SHANE T.	05/22/2000
104	04	P	DANIELS, WILLIAM T	06/17/1968
104	04	P	SEE JR, ROBERT W.	03/27/1989

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
6				2			8

DPT	DIV	PER/TEM	NAME	START DATE
105	00	P	ALEXANDER, BRENT	08/22/2005
105	00	P	ANDERSON, NORMAN W	01/05/1976
105	00	P	BOWEN, FRANK E	09/19/1974
105	00	P	CAMACHO, GENE A	12/22/1980
105	00	P	CASSIDY, EILEEN B.	08/09/2001
105	00	P	CASTELLANOS, RICHARD	01/05/2004
105	00	P	CONNLEY, SCOTT A.	10/17/2001
105	00	P	COWART, JOSHUA	02/02/2004
105	00	P	DANFORD, TAMYKA M.	03/22/1999
105	00	P	ERDEK, JOSEPH J	07/28/1972
105	00	P	FIGUEROA,JOSE A	04/11/2005
105	00	P	FLYNN, JOHN THOMAS	02/20/1996
105	00	P	FRUSCIANTE, DONNA M.	06/25/1986

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DPT	DIV	PER/TEM	NAME	START DATE
105	00	P	JACKSON, SEAN C.	03/30/2005
105	00	P	JEZEWSKI, TODD A.	08/14/1995
105	00	P	KLEMAS, JOHN E.	01/04/1982
105	00	P	KNAPP, JAMES L	07/05/1978
105	00	P	LARMONIE, CLAUDE	09/29/1997
105	00	P	LEWIS, DUANE P.	10/13/1986
105	00	P	MORELAND, DOUGLAS	06/23/1978
105	00	P	PARKER, EVERITTE R.	01/06/1986
105	00	P	PIRONE III, JAMES J	04/07/2005
105	00	P	REITZ, JEFFREY D.	07/17/1995
105	00	P	REUTER, GLENN J.	04/29/2002
105	00	P	RUSSELL, FRED A.	04/06/1983
105	00	P	SHATZER, ROBERT A.	09/09/1996
105	00	P	TAMAYO, ROCCO	08/29/2005
105	00	P	WAGONER, LARRY J.	03/06/2000
105	00	P	WALLACE, ROBERT C.	05/10/1993
105	03	P	BONEHILL, GARY T.	08/04/1986
105	03	P	CLIFFORD, RITA J.	02/22/2000
105	03	P	COTCAMP, THOMAS E	03/10/1980
105	03	P	LOVE, TIMOTHY A.	02/18/1986
105	03	P	MCDANIEL, WILLIAM R.	01/26/1987
105	03	P	PAGE, ELI C.	05/13/1985
105	03	P	PONDER, MICHAEL W.	10/29/1984
105	03	P	SANDSTROM, SUSAN L	07/05/2000
105	03	P	SILER, JON MARK	07/13/1981
105	03	P	SLUKA, FRANCIS J.	03/13/2000
105	03	P	SPEERIN, GEORGE C.	07/18/1988
105	03	P	WHEATON JR, THEODORE S	07/18/1988
105	03	P	WHITAKER, JAMES B.	02/27/1984
105	04	P	BROGDON, AARON W	10/07/1968
105	04	P	HUGHES, BOBBY B	02/01/1982
105	05	T	ANDERSON, WARREN E	09/26/2005
105	05	P	BEST III, ALVIN E.	08/23/1990
105	05	P	BOATRIGHT, CURTIS J.	01/19/1998
105	05	P	GAINES, JAMES C.	11/15/1995
105	05	P	PEACOCK, LEWIS S.	02/01/1988
105	05	P	ROBINSON, QUENTIN D.	10/06/1998
105	05	P	SCANDALIATO, DON S	12/18/1978
105	05	P	TAYLOR, ERNEST PARKER	06/16/1980
105	05	P	TAYLOR, STEVEN L.	08/16/1982
105	05	P	WELSH JR, JOHN A.	05/10/1999
105	05	P	WILKES, CHARLES R	08/20/1973

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
29			13	2	11		55

106	00	P	BRUTZMAN, WILLIAM J.	02/08/2001
106	00	P	DEZELAN, GRETA R.	07/17/2001
106	00	P	FAVORS, CALVIN R.	08/25/2003
106	00	P	MONDS, LILA L.	05/01/1995
106	00	P	PETERSON, BRENDA	12/02/1981
106	00	P	SEATON, PAULA S.	02/14/2000
106	03	P	BLAND, FRED L.	08/17/1981

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HEARING EXHIBIT - 00000670

DPT	DIV	PER/TEM	NAME	START DATE
106	03	P	MIDDLETON, DONALD E.	03/14/1994
106	03	P	PENDLETON, GLENN E.	12/27/1983
106	03	P	REGISTER, L. WAYNE	12/05/1983
106	03	P	THOMAS JR, WILLIAM A	10/31/1977

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
6			5				11

107	04	P	BEVIS, ANDREW S.	10/25/1999
107	04	P	CHATWOOD, FRANKLIN S	08/15/1966
107	04	P	DITTY, CHARLES J	09/29/1969
107	04	P	ELMORE, JIMMIE G.	08/06/1973
107	04	P	FORAN, BRADY R.	11/25/1985
107	04	P	GRAY, RHONDON	10/19/1992
107	04	P	GRIFFIN, JOHN B.	08/05/1991
107	04	P	GROOMS, DARRYL D	06/03/1985
107	04	P	HALL, CHARLES W.	09/06/1994
107	04	P	HARRIS, KEVIN B.	03/01/2004
107	04	P	LEWIS, JERRY LEE	04/06/1987
107	04	P	MATHIS, DANNY D.	09/21/1987
107	04	P	MYERS, DONALD R.	05/22/1989
107	04	P	TANNER, LYNWOOD	09/03/1974
107	04	P	USSERY JR, JAMES A.	03/30/1998
107	05	P	BROWN, CLINTON E.	10/02/2000
107	05	P	CLARDY JR, WILLIAM C	04/08/1985
107	05	P	FAULK, THOMAS J	10/26/1981
107	05	P	LAFAVOR, SCOTT D	09/06/2005
107	05	P	NABORS, DONALD H.	01/13/1992
107	05	P	PUENTES, JORGE	01/05/2004
107	05	P	THOMPSON, VINSON LOYD	09/19/1994

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
				15	7		22

108	00	P	ANTONACCI, EMANUELE	09/19/2005
108	00	P	BUCCI, JAMES	05/10/1988
108	00	P	CROSS, GEORGE A.	02/21/1989
108	00	P	DAVIS, CARLTON D.	08/20/2001
108	00	P	FLEISCHMAN, JEFFREY	08/29/1983
108	00	P	GILCHRIEST, SAMUEL	12/15/1972
108	00	P	GONZALEZ JR, REINALDO	07/30/2003
108	00	P	GRIFFITH, BRANDY L.	08/14/2001
108	00	P	MITCHELL, HENRY L.	05/26/1992
108	00	P	MOONEY, PHIL C.	01/30/1989
108	00	P	MORGAN, GARFIELD A.	12/11/1989
108	00	P	RUDERMAN, JOEL E.	02/02/1999
108	00	P	WADE, SHARON A.	08/26/1997
108	03	P	BIANCO, SANDRA I	08/21/2000
108	03	P	FLOWERS, DAVID A.	09/23/1985
108	03	P	FORREST, BRIAN P.	01/07/2002
108	03	P	HALL, KEITH R.	04/30/2001
108	05	P	BRUMFIELD, BILLY	10/25/2005

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HEARING EXHIBIT - 00000671

DPT	DIV	PER/TEM	NAME	START DATE
108	05	P	CALHOUN, RODNEY D.	04/04/2005
108	05	P	CORRADO, JOSEPH	10/24/2005
108	05	P	PLUTA, DAVID F.	03/08/2004
108	05	P	SCHAAK, CLIFFORD T.	03/24/2003
108	05	P	WENING, DONALD C.	01/05/2004
108	06	P	BERNIER, RAYMOND C.	06/24/1998
108	06	P	HUGHES, ALTON W.	06/30/2003
108	06	P	MALOTT, JOHN E	08/02/2005
108	06	T	NORDLUND, ROLAND L.	02/03/2004
108	06	P	POMEROY, KEITH	09/07/2004
108	06	P	TAMARAZZO, VICTOR	04/27/1990
108	06	P	WATKINS, CHARLES J	10/30/2005
108	06	P	YOUNG, MARK T.	06/01/1987

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
13			4		6	8	31

109	00	P	ALLEWELT, HAROLD D.	12/09/1996
109	00	P	HAASE, BRUCE A.	05/22/1989
109	00	P	STOTTSBERRY, DONALD M.	03/07/2005
109	05	P	TYLER, WILLIAM A.	09/05/2000

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
3					1		4

201	00	P	AARONS, KEON S.	02/09/2004
201	00	P	BLANCO, XIOMARA	05/10/2004
201	00	P	FEDINA, PATRICIA G.	04/06/1988
201	00	P	HAGANS, WILLIAM	10/08/2001
201	00	P	HILL, TARA	09/10/2002
201	00	P	HUTCHINS, TONYA D.	10/03/2005
201	00	P	LEE-CHARLES, SANDRA J.	06/07/2004
201	00	P	PINEDA,CARMEN	06/28/2005
201	00	P	PORTALES, ADIEL	03/10/2004
201	00	P	RILEY, MAXINE J.	11/02/2004
201	00	P	SANTAELLA, MARY C.	11/08/2005
201	00	P	SIMPSON, SHEILA C.	01/20/1997
201	00	P	WHITE, SANDRA	08/29/2005
201	03	P	FINIGAN, CHRISTINA	10/10/2005
201	03	P	GRIMM, AILEEN E.	07/06/2004
201	03	P	HARTMAN, MARTHA J.	06/29/1978
201	03	P	MARTIN, COLETTE	07/18/1995
201	03	P	MILLETT, DONALD W.	08/30/1993
201	03	P	QUIRINDONGO, DELILAH	06/02/2003
201	03	P	RICHMOND, YVONNE R.	04/12/2004
201	04	P	CALHOUN, PAMELA J.	03/15/1993
201	04	P	FOWLER, DONNA T.	04/28/1997
201	04	P	HALL, KIMBERLY R.	09/05/2000
201	04	P	JONES, KATHERINE S	10/17/2005
201	04	P	JONES, SARAH A.	10/09/1998
201	04	P	MCCOY, LAURA A.	11/19/2003
201	04	P	MURDOCK, LESLIE M	08/19/2004

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DPT	DIV	PER/TEM	NAME	START DATE
201	05	P	BEALE, SUSAN M.	07/21/2004
201	05	P	BRADLEY, GERRY L.	01/12/2004
201	05	P	FEWOX, SHEILA P.	02/28/2005
201	05	P	HUNT, NIOKA K.	05/02/2000
201	05	P	JAMES, VALERIE M.	09/17/2001
201	05	P	PARSONS, MELANIE C.	02/03/2003
201	05	P	THORNTON, PATRICIA A	12/07/1981
201	05	P	WILLIAMS, RENA M	09/14/1992
201	05	P	WINSTON, LINDA M.	11/16/1999
201	06	P	BAIRD, FRANCES H.	11/24/2001
201	06	P	DUNHAM, DENISE R.	09/27/2004

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
13			7	7	9	2	38

DPT	DIV	PER/TEM	NAME	START DATE
202	00	T	BERETTA, MICHAEL	12/19/2005
202	00	P	BYTHWOOD, CRIS	09/01/2005
202	00	P	CHANDLER, DAVID G	08/23/1973
202	00	P	KONICEK, ROBERT P.	10/25/2004
202	00	P	LOVETT, EDWIN G.	08/02/2004
202	00	P	MITCHELL, CEDRIC E.	02/14/2005
202	00	P	MONTGOMERY, DAVID N.	05/31/1990
202	00	P	OCAMPO, MARIO	08/08/2005
202	00	P	POUNCEY JR, TOMMY L.	12/27/2004
202	00	P	RODNEY, KIRKLAND	12/05/2005
202	00	P	WHITE, TYRONE T	07/18/2005
202	03	P	BALDWIN, JOHN R	09/23/1974
202	03	P	CRUZ, CINDY L.	02/17/2003
202	03	P	PIERCE, GARY A.	05/24/1989
202	03	P	PREVATT, RONNIE B	06/27/1977
202	03	P	SAUER, WAYNE T.	01/30/1989
202	04	P	DEERING, DARNELL M.	06/14/2004
202	04	P	HOLDEN, CLAUDE	06/13/1977
202	04	P	MEALY, BARBARA J.	07/05/1994
202	05	P	DAVIS, SARAH B.	04/02/2001
202	05	P	MCCLURE, CHRISTINE M.	06/22/1998

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
11			5	3	2		21

DPT	DIV	PER/TEM	NAME	START DATE
301	00	P	ARAYA, GIACINTA A.	04/24/1995
301	00	P	BROWN, SALEICA T.	03/29/2005
301	00	P	BUTCHER, DALE M.	04/25/1983
301	00	P	DAVILA, JOSE L.	08/25/2003
301	00	P	DYSARD, HEIDI E.	11/16/2001
301	00	T	EYSIE, JOSEPH R	11/07/2005
301	00	P	GAUSE, SUZANNE R.	12/13/2004
301	00	P	GILL, ROGER F.	02/23/2004
301	00	P	GOODWIN, PATRICIA H.	02/21/1989
301	00	P	GREALY, MARK	08/02/2005
301	00	P	HADLEY, GARTH A	12/05/2005
301	00	P	HARTMAN, GEOFFREY L.	06/28/2004

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DPT	DIV	PER/TEM	NAME	START DATE
301	00	P	HUMPHREY, WINSTON A.	11/02/1998
301	00	P	JAIKARAN, AMANDA	05/31/2005
301	00	P	KEIP, DOUGLAS C	06/06/1983
301	00	P	KROL, NICOLE L.	11/29/2004
301	00	P	LEISURE, KIM M.	11/04/2002
301	00	P	MCGOLDRICK, WILLIAM J.	11/15/2004
301	00	P	MCMAHON, JULIE M	04/18/2005
301	00	P	MORRELL, ANGELA M.	06/01/2004
301	00	P	RATTLER, SANDRA L.	05/08/1989
301	00	P	RODRIGUEZ, AVILIO	06/03/1996
301	00	P	RODRIGUEZ, VERONICA O.	11/10/2004
301	00	P	SCOTTEN, LAURA C.	11/05/2002
301	00	P	SEAGRAVE, MARC S.	07/19/1999
301	00	P	STEPHERSON, LLEWELLYN W.	09/16/2002
301	03	P	BRETT JR, THOMAS E.	06/21/2004
301	03	P	GIBSON, RICHARD C	06/06/2005
301	03	P	GLADUE, ALICIA M.	06/14/1999
301	03	P	MCKENNA, JAMES	08/17/1998
301	03	P	RECK, EULYNN H.	10/21/2002
301	03	P	ZIEGLER, BARBARA A.	12/18/2000
301	05	P	DICKS, KAREN L.	12/04/2000
301	05	P	DOUGLAS, NEIL T.	01/26/2004

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
26			6		2		34

401	00	P	FATH, DENNIS C.	02/05/1979
401	00	P	KNOWLES, TERRY D.	03/25/2004
401	00	P	LEVIER, JESSE M	06/30/2005
401	00	P	MARINELLI, MICHAEL R.	04/01/2002
401	00	P	MCCAULEY, LORI ANN	04/17/2000
401	00	P	MESSINA, VINCENT M.	06/30/1999
401	00	P	PAYNE, PAMELA D.	11/24/1980
401	00	P	WOLF, MICHAEL A.	06/30/2003

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
8							8

501	00	P	ALLEN, ROBIN L.	07/08/1991
501	00	P	ALVAREZ, MARIO	10/26/1999
501	00	P	BELLECHASES, DINA	08/22/1988
501	00	P	BITTLE, SARAH J.	01/31/2002
501	00	P	CASTIGLIONE, DEBORAH S	03/30/1998
501	00	P	COX, DOREEN B.	12/31/1999
501	00	P	GALVIN, LAWRENCE M.	10/21/2002
501	00	P	GRIMESON JR, WILLIAM F	02/27/1996
501	00	P	JAEGER, MELANIE	11/14/2005
501	00	P	KHOJASTEH, MEHRDAD	11/07/1996
501	00	P	MAHAN, CLAUDETTE A.	09/19/2005
501	00	P	MARTIN, CHERYL M.	03/18/1985
501	00	P	MESITE JR, JAMES V.	06/30/1995
501	00	P	MORIZIO, BETH M.	12/10/2001

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HEARING EXHIBIT - 00000674

DPT	DIV	PER/TEM	NAME	START DATE
501	00	P	NAPIER, MICHELLE D.	05/11/1987
501	00	P	PALACIOS, CINDY J.	02/19/1997
501	00	P	RANCE, DONNA M	08/20/1984
501	00	P	RUSSELL, TANZANIKA L.	04/07/1997
501	00	P	SMITH, JARRETT J.	12/31/2002
501	00	P	SMITH, REBECCA E.	08/30/2002
501	00	T	STARR, JENNIFER	08/29/1995
501	00	P	STERLING, INGRID D.	04/04/2005
501	00	P	YOUNG, CURTIS D.	08/27/2001

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
23							23

502	00	P	BONN, WAYNE C.	02/12/2001
502	00	P	CAPRIO, ALEXANDER J.	10/04/2004
502	00	P	MOORE, MICHELLE N	04/13/2005
502	00	P	PESCATORE, MELISSA	05/14/2001
502	00	P	STUCKART, GERARD	10/17/2005

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
5							5

503	00	P	BACHMAN, GEORGE M.	01/28/1985
503	00	P	ENGLISH, JOHN T.	08/20/1973
503	00	P	ERDEK, BONNIE L.	05/28/1991
503	00	P	SAYLOR, CHAUNDRA L.	10/25/1999
503	00	P	STEIN, CHARLES L.	02/15/1980

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
5							5

504	00	P	ARTHUR, PAMELA S	01/12/1970
504	00	P	HUGHLEY-GRANT, STEPHANIE S.	09/09/1999
504	00	P	OAKES, KATHLEEN M	11/29/1972
504	00	P	PETTY, JULIA K.	10/11/1999
504	00	P	WILLIS, ARNELL	04/08/1996

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
5							5

505	00	P	KENNEDY, BARRY D.	06/02/2004
505	00	P	SCHNEIDERMANN, MARC L.	02/21/1989
505	03	P	KITNER, DONALD E.	02/20/1990
505	04	P	CUTSHAW, P. MARK	05/13/1991
505	05	P	LACACI, MARIO L.	06/18/2001

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
2			1	1	1		5

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HEARING EXHIBIT - 00000675

DPT	DIV	PER/TEM	NAME	START DATE
701	00	P	CANINO, CHRISTOPHER C.	07/06/1998
701	00	P	GILMORE, ALBERT	04/05/2005
701	00	P	LINKIEWICZ, CHRISTOPHER L.	02/19/2001
701	00	P	MCLEOD,PATRICIA	07/05/2005
701	00	P	MOZOLEVSKI, IGOR	12/27/2004
701	00	P	TAYLOR, KIM	01/12/2004
701	00	T	WASHINGTON, NATHANIEL	09/16/2005
701	00	P	ZELINSKI, JASON C.	11/05/2001
701	03	P	LITSEY, DIANE L.	09/27/2004
701	03	P	MEDINA, MICHELLE	12/17/2001
701	03	P	SCRIBBEN, DANIEL P	06/24/1988
701	03	P	WINSOR, SHAWN H.	07/29/1996
701	04	P	O'PRY, BROWARD L	09/13/1982
701	04	P	TEW, DONNIE L.	04/27/1992
701	04	P	TOOLE, STEPHEN A.	06/28/1993
701	05	P	ANDERSON, CARL W	01/13/1969
701	05	P	ATKINS, MARY L.	03/08/2000
701	05	P	JOHNSON, LOUIE C.	12/01/1980

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
8			4	3	3		18

702	00	P	ROHOMAN, ABIDALI	08/02/2004
702	00	P	SNYDER, CHRISTOPHER M.	07/08/1991

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
2							2

901	04	P	DEAN, TAMMY J.	09/08/1997

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
				1			1

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	FINAL TOTAL
205			63	36	44	10	358

TOTAL PERM.	TOTAL TEMP.
352	6

END OF REPORT

HEARING EXHIBIT - 00000676

2005

HEARING EXHIBIT - 00000677

OPC Interrog. # 43.7

DATE: 10/ /007
TIME: 16:55:11

FLORIDA PUBLIC U. ITIES COMPANY
MONTHLY EMPLOYEES LISTING

PAGE: 1
PRGM: PYR550

DPT	DIV	PER/TEM	NAME	START DATE
100	00	P	ANGULO, VINCENT C.	07/24/2006
100	00	P	COWART, JOSHUA	02/02/2004
100	00	P	ESPARZA, RAYMOND J.	01/30/2003
100	00	P	GAUGLER, BRYAN K.	12/12/1994
100	00	P	KNIGHT, RICHARD P.	04/19/1993
100	00	P	MEDINA, SAMUEL	01/03/2005
100	00	P	SINGLETARY, RICHARD E.	03/06/2000
100	00	P	VILLARREAL, RENE A.	08/04/2003

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
8							8

101	00	P	COLLINS, BRAD L.	01/21/2003
101	00	P	CUADRAS, CONRADO E.	06/15/1992
101	00	P	FLORES, JOSE	10/04/1994
101	00	P	JOYCE, JOHN K	06/07/1976
101	00	P	LAUB, JAMES E.	01/31/2005
101	00	P	NUMA, RUDOLPH A.	12/08/2003
101	00	P	PARRISH, MARILYN M.	07/03/2006
101	00	P	ROLLE, JAMES E	08/01/1984
101	00	P	ROSALES, JOSE H	08/13/1979
101	03	P	IACONIS, DAWN E.	07/06/2004
101	03	P	KENNEDY, KENNETH WAYNE	11/08/1982
101	03	P	LACKEY, MICHAEL E.	10/01/1988
101	03	P	OBRIEN, CRAIG W	09/23/1974
101	03	P	THIBAULT, RAYMOND C.	09/16/1991

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
9			5				14

102	00	P	JOSE, EMERSON B.	10/05/1988
102	00	P	PERRY JR., DAVID W.	11/22/1999
102	00	P	SERRAES, JOHN	06/19/1962
102	04	P	JONES, RAY DOUGLAS	03/28/2000
102	04	P	MORRIS, CLARIECE W.	05/26/1987
102	05	P	MOORE, DON R.	05/17/1999
102	05	P	REED, ROGER L.	04/24/2006

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
3				2	2		7

103	00	P	ANDRE, MICHAEL	01/08/2001
103	00	P	ANTHONY, DAVID	01/25/2006
103	00	P	BELL, JAMES C	07/26/1973
103	00	P	BULLINGTON, TROY	10/09/2000
103	00	P	BURKE, JOHN F.	02/08/1999
103	00	P	CASTRO, PABLO E.	03/31/2005
103	00	P	CONEY, DARREN W.	07/06/2006
103	00	P	COSTA, MARCELO M.	07/10/2006
103	00	P	DELERME, RICHARD A.	04/10/2006
103	00	P	FORDE, KARL K.	10/12/1999

Exhibit: 43.7
Docket No. 070304-EI
OPC First Set of Interrogatories
Witness: CUTSHAW

2006

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DPT	DIV	PER/TEM	NAME	START DATE
103	00	P	GEORGE, DAVID L	10/04/1976
103	00	P	HOLLAND, CLARENCE	03/14/2006
103	00	P	HOWELL, GARY E.	10/22/1998
103	00	P	HUGGINS, FRANKIE L	05/25/1977
103	00	P	JOHNSON JR, IRA LEE	02/23/1981
103	00	P	POUNCEY JR, TOMMY L.	12/27/2004
103	00	P	ROSSETTO, WALTER	11/06/2006
103	00	P	RYAN, MATTHEW	10/07/2002
103	00	P	WALKER, MARVIN W.	07/18/1990
103	00	P	WEBSTER, STEVE H.	09/10/2003
103	00	P	WEITZ, ANDREW I.	12/02/1991
103	00	P	WILLIAMS, ANDRE	03/21/2006
103	03	P	BELL, MATTHEW R.	10/09/2006
103	03	P	BLACK, MATTHEW D.	06/28/2004
103	03	P	BRADLEY, MICHAEL J.	05/16/1988
103	03	P	CARLTON, RONALD E	01/06/1982
103	03	P	DAVIS, CLEOTA KATRINA	12/27/1993
103	03	P	GARFOLA, JASON T.	05/21/2001
103	03	P	HERNANDEZ, JOSE C.	09/22/2003
103	03	P	INGALLS, JAMES	05/28/2002
103	03	P	PLANTE, MICHAEL J.	05/14/2001
103	03	P	ROSENDO, VICTOR M.	11/13/2006
103	03	P	STAFFORD, RONALD G.	11/10/1986
103	03	P	TRACEY, STEPHEN L.	08/15/1989
103	03	P	WILLIAMS, CHRISTOPHER	11/16/1999

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
22			13				35

DPT	DIV	PER/TEM	NAME	START DATE
104	00	P	DAWSON, MERRITT E.	11/08/1983
104	00	P	DEPASTINO, GARY R.	03/16/1987
104	00	P	DIX, FRANK P.	10/28/1985
104	00	P	GARFIELD, DANIEL J.	12/03/1991
104	00	P	GRAY, JOSEPH	04/06/1987
104	00	P	HEARN, DONALD A.	02/07/1996
104	00	P	RIPPEY, SHANE T.	05/22/2000
104	04	P	DANIELS, WILLIAM T	06/17/1968
104	04	P	GRIFFIN, JOHN B.	08/05/1991
104	04	P	SEE JR, ROBERT W.	03/27/1989

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
7				3			10

DPT	DIV	PER/TEM	NAME	START DATE
105	00	P	ANDERSON, NORMAN W	01/05/1976
105	00	P	CAMACHO, GENE A	12/22/1980
105	00	P	CASSIDY, EILEEN B.	09/25/2006
105	00	P	CASTELLANOS, RICHARD	01/05/2004
105	00	P	CONNLEY, SCOTT A.	10/17/2001
105	00	P	DEYOUNKS, JOSEPH	03/13/2006
105	00	P	ERDEK, JOSEPH J	07/28/1972
105	00	P	FIGUEROA,JOSE A	04/11/2005
105	00	P	FLYNN, JOHN THOMAS	02/20/1996

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DPT	DIV	PER/TEM	NAME	START DATE
105	00	P	FRUSCIANTE, DONNA M.	06/25/1986
105	00	P	JACKSON, SEAN C.	03/30/2005
105	00	P	JEZEWSKI, TODD A.	08/14/1995
105	00	P	KLEMAS, JOHN E.	01/04/1982
105	00	P	KNAPP, JAMES L	07/05/1978
105	00	P	LARMONIE, CLAUDE	09/29/1997
105	00	P	LEWIS, DUANE P.	10/13/1986
105	00	P	MCLAUGHLIN, DEBRA A.	04/10/2006
105	00	P	MITCHELL, CEDRIC E.	02/14/2005
105	00	P	MORELAND, DOUGLAS	06/23/1978
105	00	P	MORON, LEO J.	02/07/2006
105	00	P	OCAMPO, MARIO	08/08/2005
105	00	P	PARKER, EVERITTE R.	01/06/1986
105	00	P	PIRONE III, JAMES J	04/07/2005
105	00	P	REITZ, JEFFREY D.	07/17/1995
105	00	P	REUTER, GLENN J.	04/29/2002
105	00	P	RODNEY, KIRKLAND	12/05/2005
105	00	P	RUSSELL, FRED A.	04/06/1983
105	00	P	SHORES, AARON	09/25/2006
105	00	P	TAMAYO, ROCCO	08/29/2005
105	00	P	WALLACE, ROBERT C.	05/10/1993
105	03	P	CLIFFORD, RITA J.	02/22/2000
105	03	P	COTCAMP, THOMAS E	03/10/1980
105	03	P	LOVE, TIMOTHY A.	02/18/1986
105	03	P	MCDANIEL, WILLIAM R.	01/26/1987
105	03	P	PAGE, ELI C.	05/13/1985
105	03	P	PONDER, MICHAEL W.	10/29/1984
105	03	P	SANDSTROM, SUSAN L	07/05/2000
105	03	P	SILER, JON MARK	07/13/1981
105	03	P	SLUKA, FRANCIS J.	03/13/2000
105	03	P	SPEERIN, GEORGE C.	07/18/1988
105	03	P	WHEATON JR, THEODORE S	07/18/1988
105	03	P	WHITAKER, JAMES B.	02/27/1984
105	04	P	BROGDON, AARON W	10/07/1968
105	04	P	HOLDEN, CLAUDE	06/13/1977
105	05	P	BEST III, ALVIN E.	08/23/1990
105	05	P	BOATRIGHT, CURTIS J.	01/19/1998
105	05	P	PEACOCK, LEWIS S.	02/01/1988
105	05	P	ROBINSON, QUENTIN D.	10/06/1998
105	05	P	SCANDALIATO, DON S	12/18/1978
105	05	P	TAYLOR, ERNEST PARKER	06/16/1980
105	05	P	THORNTON, JEREMY D.	07/17/2006
105	05	P	WELSH JR, JOHN A.	05/10/1999
105	05	P	WILKES, CHARLES R	08/20/1973

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
30			12	2	9		53

106	00	P	BRUTZMAN, WILLIAM J.	02/08/2001
106	00	P	DANFORD, TAMYKA M.	03/22/1999
106	00	P	FAVORS, CALVIN R.	08/25/2003
106	00	P	MONDS, LILA L.	05/01/1995
106	00	P	PETERSON, BRENDA	12/02/1981

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HEARING EXHIBIT - 00000680

DPT	DIV	PER/TEM	NAME	START DATE
106	00	P	SEATON, PAULA S.	02/14/2000
106	03	P	BLAND, FRED L.	08/17/1981
106	03	P	MIDDLETON, DONALD E.	03/14/1994
106	03	P	PENDLETON, GLENN E.	12/27/1983
106	03	P	REGISTER, L. WAYNE	12/05/1983
106	03	P	THOMAS JR, WILLIAM A	10/31/1977

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
6			5				11

DPT	DIV	PER/TEM	NAME	START DATE
107	04	P	BEVIS, ANDREW S.	10/25/1999
107	04	P	CHATWOOD, FRANKLIN S	08/15/1966
107	04	P	DITTY, CHARLES J	09/29/1969
107	04	P	ELMORE, JIMMIE G.	08/06/1973
107	04	P	FORAN, BRADY R.	11/25/1985
107	04	P	GRAY, RHONDON	10/19/1992
107	04	P	GROOMS, DARRYL D	06/03/1985
107	04	P	HALL, CHARLES W.	09/06/1994
107	04	P	HARRIS, KEVIN B.	03/01/2004
107	04	P	LEWIS, JERRY LEE	04/06/1987
107	04	P	MATHIS, DANNY D.	09/21/1987
107	04	P	SHELLEY, DRANE A.	12/11/2006
107	04	P	TANNER, LYNWOOD	09/03/1974
107	04	P	USSERY JR, JAMES A.	03/30/1998
107	05	P	BROWN, CLINTON E.	10/02/2000
107	05	P	CLARDY JR, WILLIAM C	04/08/1985
107	05	P	FAULK, THOMAS J	10/26/1981
107	05	P	MAXWELL, DONALD L.	07/12/2006
107	05	P	PUENTES, JORGE	01/05/2004
107	05	P	TAYLOR, STEVEN L.	08/16/1982
107	05	P	THOMPSON, VINSON LOYD	09/19/1994

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
				14	7		21

DPT	DIV	PER/TEM	NAME	START DATE
108	00	P	BECKER, MICHAEL W.	12/18/2006
108	00	P	BUCCI, JAMES	05/10/1988
108	00	P	CROSS, GEORGE A.	02/21/1989
108	00	P	DAVIS, CARLTON D.	08/20/2001
108	00	P	FLEISCHMAN, JEFFREY	08/29/1983
108	00	P	GILCHRIEST, SAMUEL	12/15/1972
108	00	P	GONZALEZ JR, REINALDO	07/30/2003
108	00	P	GRIFFITH, BRANDY L.	08/14/2001
108	00	P	MITCHELL, HENRY L.	05/26/1992
108	00	P	MOONEY, PHIL C.	01/30/1989
108	00	P	MORGAN, GARFIELD A.	12/11/1989
108	00	P	RUDERMAN, JOEL E.	02/02/1999
108	00	P	STEVENS, KIRK A.	02/06/2006
108	00	P	WADE, SHARON A.	08/26/1997
108	00	P	WILLIAMS, KERON	03/13/2006
108	03	P	BLAZINA, GREG S.	05/01/2006
108	03	P	FLOWERS, DAVID A.	09/23/1985

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DPT	DIV	PER/TEM	NAME	START DATE
108	03	P	HALL, KEITH R.	04/30/2001
108	05	P	CALHOUN, RODNEY D.	04/04/2005
108	05	P	CORRADO, JOSEPH	10/24/2005
108	05	P	MOORE, JAMES M.	10/18/2006
108	05	P	PLUTA, DAVID F.	03/08/2004
108	05	P	SCHAAK, CLIFFORD T.	03/24/2003
108	05	P	SHATZER, ROBERT A.	09/09/1996
108	06	P	BRYANT, GARY G.	03/27/2006
108	06	P	HUGHES, ALTON W.	06/30/2003
108	06	P	POMEROY, KEITH	09/07/2004
108	06	P	TAMARAZZO, VICTOR	04/27/1990
108	06	P	YOUNG, MARK T.	06/01/1987
108	06	P	ZIMMER, PHILIP K.	09/20/2006

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
15			3		6	6	30

DPT	DIV	PER/TEM	NAME	START DATE
109	00	P	ALLEWELT, HAROLD D.	12/09/1996
109	00	P	HAASE, BRUCE A.	05/22/1989
109	00	P	RAGOONATH, DARREL	03/22/2006
109	00	P	STOTTSBERRY, DONALD M.	03/07/2005
109	05	P	TYLER, WILLIAM A.	09/05/2000

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
4					1		5

DPT	DIV	PER/TEM	NAME	START DATE
201	00	P	AARONS, KEON S.	02/09/2004
201	00	P	ANGULO, PETER V.	11/27/2006
201	00	P	BROOKS, SHAREE L.	10/23/2006
201	00	P	FEDINA, PATRICIA G.	04/06/1988
201	00	P	HAGANS, WILLIAM	10/08/2001
201	00	P	HILL, TARA	09/10/2002
201	00	P	JEAN, MIKERLINE	09/01/2006
201	00	P	PORTALES, ADIEL	03/10/2004
201	00	P	RILEY, MAXINE J.	11/02/2004
201	00	P	RIPPEY, LORI S.	08/13/1998
201	00	P	SANTAELLA, MARY C.	11/08/2005
201	00	P	SANTIAGO, ZUREHIDA M	04/17/2006
201	00	P	SIMPSON, SHEILA C.	01/20/1997
201	00	P	VARGAS, LUIS E	06/26/2006
201	00	P	WHITE, LISA	01/24/2006
201	00	P	WHITE, SANDRA	08/29/2005
201	00	P	ZALDIVAR, MAGBIS Y.	12/04/2006
201	03	P	CARSON, MELINDA L.	02/27/2006
201	03	P	FINIGAN, CHRISTINA	10/10/2005
201	03	P	GRIMM, AILEEN E.	07/06/2004
201	03	P	HARTMAN, MARTHA J.	06/29/1978
201	03	P	MARTIN, COLETTE	07/18/1995
201	03	P	MILLETT, DONALD W.	08/30/1993
201	03	P	MOORE, SANDRA L.	10/09/2006
201	03	P	RICHMOND, YVONNE R.	04/12/2004
201	03	P	ROSARIO, MILLIE G.	12/06/2006

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DPT	DIV	PER/TEM	NAME	START DATE
201	04	P	CALHOUN, PAMELA J.	03/15/1993
201	04	P	FOWLER, DONNA T.	04/28/1997
201	04	P	HALL, KIMBERLY R.	09/05/2000
201	04	P	JONES, KATHERINE S	10/17/2005
201	04	P	JONES, SARAH A.	10/09/1998
201	04	P	MCCOY, LAURA A.	11/19/2003
201	04	P	MURDOCK, LESLIE M	08/19/2004
201	04	P	ROYE, JANINE	02/13/2006
201	05	P	BEALE, SUSAN M.	07/21/2004
201	05	P	BRADLEY, GERRY L.	01/12/2004
201	05	P	FEWOX, SHEILA P.	08/24/2006
201	05	P	HEBERT, RAMONA J.	06/05/2006
201	05	P	HUNT, NIOKA K.	05/02/2000
201	05	P	PARSONS, MELANIE C.	02/03/2003
201	05	P	THORNTON, PATRICIA A	12/07/1981
201	05	P	WILLIAMS, RENA M	09/14/1992
201	05	P	WINSTON, LINDA M.	11/16/1999
201	06	P	BAIRD, FRANCES H.	11/24/2001
201	06	P	DUNHAM, DENISE R.	09/27/2004

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
17			9	8	9	2	45

DPT	DIV	PER/TEM	NAME	START DATE
202	00	P	BYTHWOOD, CRIS	09/01/2005
202	00	P	CHANDLER, DAVID G	08/23/1973
202	00	P	MONTGOMERY, DAVID N.	05/31/1990
202	03	P	BALDWIN, JOHN R	09/23/1974
202	03	P	CRUZ, CINDY L.	02/17/2003
202	03	P	PIERCE, GARY A.	05/24/1989
202	03	P	PREVATT, RONNIE B	06/27/1977
202	03	P	SAUER, WAYNE T.	01/30/1989
202	04	P	ALLEN, CHRISTOPHER L.	10/31/2006
202	04	P	MEALY, BARBARA J.	07/05/1994
202	04	P	NAIL, VIRGINIA A.	07/31/2006
202	05	P	DAVIS, SARAH B.	04/02/2001
202	05	P	GOINS, MIA S.	02/27/2006
202	05	P	MCCLURE, CHRISTINE M.	06/22/1998

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
3			5	3	3		14

DPT	DIV	PER/TEM	NAME	START DATE
301	00	P	ARAYA, GIACINTA A.	04/24/1995
301	00	P	BROWN, SALEICA T.	03/29/2005
301	00	P	BUTCHER, DALE M.	04/25/1983
301	00	P	COSTLOW, JOHN M.	09/25/2006
301	00	P	DYSARD, HEIDI E.	11/16/2001
301	00	P	GOODWIN, PATRICIA H.	02/21/1989
301	00	P	GREALY, MARK	08/02/2005
301	00	P	HADLEY, GARTH A	12/05/2005
301	00	P	HUMPHREY, WINSTON A.	11/02/1998
301	00	P	JAIKARAN, AMANDA	05/31/2005
301	00	P	KEIP, DOUGLAS C	06/06/1983

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DPT	DIV	PER/TEM	NAME	START DATE
301	00	P	KNOWLES, KARLEE	10/30/2006
301	00	P	KROL, NICOLE L.	11/29/2004
301	00	P	LEISURE, KIM M.	11/04/2002
301	00	P	MCGOLDRICK, WILLIAM J.	11/15/2004
301	00	P	MCMAHON, JULIE M	04/18/2005
301	00	P	RATTLER, SANDRA L.	05/08/1989
301	00	P	RODRIGUEZ, AVILIO	06/03/1996
301	00	P	SCOTTEN, LAURA C.	11/05/2002
301	00	P	SEAGRAVE, MARC S.	07/19/1999
301	00	P	SMITH, JARRETT J.	12/31/2002
301	00	P	STEPHERSON, LLEWELLYN W.	09/16/2002
301	03	P	EYSIE, JOSEPH R	03/20/2006
301	03	P	GLADUE, ALICIA M.	06/14/1999
301	03	P	JONES, TIFFANEY L.	06/14/2006
301	03	P	LYNCH, DANIEL R	05/22/2006
301	03	P	MCKENNA, JAMES	08/17/1998
301	03	P	RECK, EULYNN H.	10/21/2002
301	03	P	ZIEGLER, BARBARA A.	12/18/2000
301	05	P	DOUGLAS, NEIL T.	01/26/2004
301	05	P	RAY, KAREN L.	12/04/2000

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
22			7		2		31

401	00	P	COMEAUX, ADAM S.	04/26/2006
401	00	P	FATH, DENNIS C.	02/05/1979
401	00	P	GAUSE, JAMES F.	10/30/2006
401	00	P	GAUSE, SUZANNE R.	12/13/2004
401	00	P	KNOWLES, TERRY D.	03/25/2004
401	00	P	MARINELLI, MICHAEL R.	04/01/2002
401	00	P	MESSINA, VINCENT M.	06/30/1999
401	00	P	PAYNE, PAMELA D.	11/24/1980
401	00	P	WOLF, MICHAEL A.	06/30/2003

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
9							9

501	00	P	ALLEN, ROBIN L.	07/08/1991
501	00	P	ALVAREZ, MARIO	10/26/1999
501	00	P	BELLECHASES, DINA	08/22/1988
501	00	P	BHATIA, NADIRA	12/04/2006
501	00	P	BITTLE, SARAH J.	01/31/2002
501	00	P	BURNS, PAMELA B.	10/08/2006
501	00	T	CARSON, WILLIE	11/02/2006
501	00	P	COX, DOREEN B.	12/31/1999
501	00	P	GRIMESON JR, WILLIAM F	02/27/1996
501	00	P	JAEGER, MELANIE	06/07/2006
501	00	P	JONES, TANZANIKA L.	04/07/1997
501	00	P	KHOJASTEH, MEHRDAD	11/07/1996
501	00	P	LUNDGREN, APRIL	05/22/2006
501	00	P	MAHAN, CLAUDETTE A.	09/19/2005
501	00	P	MARTIN, CHERYL M.	03/18/1985

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DPT	DIV	PER/TEM	NAME	START DATE
501	00	T	MCCAULEY, LORI ANN	04/17/2006
501	00	P	MESITE JR, JAMES V.	06/30/1995
501	00	P	MORIZIO, BETH M.	12/10/2001
501	00	P	NAPIER, MICHELLE D.	05/11/1987
501	00	P	PALACIOS, CINDY J.	02/19/1997
501	00	P	RANCE, DONNA M	08/20/1984
501	00	P	RUHLIN, SHERRI L	12/11/2006
501	00	T	STARR, JENNIFER	08/29/1995
501	00	P	WILSON, AUDRA	10/02/2006
501	00	P	YOUNG, CURTIS D.	08/27/2001

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
25							25

502	00	P	BONN, WAYNE C.	02/12/2001
502	00	P	MOORE, MICHELLE N	04/13/2005
502	00	P	WILBUR, ANDREA	02/20/2006

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
3							3

503	00	P	BACHMAN, GEORGE M.	01/28/1985
503	00	P	ENGLISH, JOHN T.	08/20/1973
503	00	P	ERDEK, BONNIE L.	05/28/1991
503	00	P	SAYLOR, CHAUNDRA L.	10/25/1999
503	00	P	STEIN, CHARLES L.	02/15/1980

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
5							5

504	00	P	ARTHUR, PAMELA S	01/12/1970
504	00	P	HUGHLEY-GRANT, STEPHANIE S.	09/09/1999
504	00	P	OAKES, KATHLEEN M	11/29/1972
504	00	P	PETTY, JULIA K.	10/11/1999
504	00	P	WILLIS, ARNELL	04/08/1996

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
5							5

505	00	P	KENNEDY, BARRY D.	06/02/2004
505	00	P	SCHNEIDERMANN, MARC L.	02/21/1989
505	03	P	KITNER, DONALD E.	02/20/1990
505	04	P	LACACI, MARIO L.	06/18/2001
505	04	P	MYERS, DONALD R.	05/22/1989
505	05	P	CUTSHAW, P. MARK	05/13/1991

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
2			1	2	1		6

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DPT	DIV	PER/TEM	NAME	START DATE
506	00	P	GILMORE, ALBERT	04/05/2005
506	00	P	PRENTICE, JAMES S.	07/12/2006

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
2							2

507	00	P	STUCKART, GERARD	10/17/2005

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
1							1

701	00	P	CANINO, CHRISTOPHER C.	07/06/1998
701	00	P	GIBBS, IVAN M.	11/08/1999
701	00	P	MCLEOD,PATRICIA	07/05/2005
701	00	P	MOZOLEVSKI, IGOR	12/27/2004
701	00	P	PESCATORE, MELISSA	05/14/2001
701	00	P	REGALLIS, JOSEPH	09/19/2006
701	00	P	SMITH, VIRLIE J.	05/01/2006
701	00	P	VANLEEUWEN, FERNANDO	05/30/2006
701	00	P	ZELINSKI, JASON C.	11/05/2001
701	03	P	LITSEY, DIANE L.	09/27/2004
701	03	P	MEDINA, MICHELE	12/17/2001
701	03	P	SCRIBBEN, DANIEL P	06/24/1988
701	03	P	WINSOR, SHAWN H.	07/29/1996
701	04	P	O'PRY, BROWARD L	09/13/1982
701	04	P	TEW, DONNIE L.	04/27/1992
701	04	P	TOOLE, STEPHEN A.	06/28/1993
701	05	P	ANDERSON, CARL W	01/13/1969
701	05	P	ATKINS, MARY L.	03/08/2000
701	05	P	JOHNSON, LOUIE C.	12/01/1980

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
9			4	3	3		19

702	00	P	ROHOMAN, ABIDALI	08/02/2004
702	00	P	SNYDER, CHRISTOPHER M.	07/08/1991

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
2							2

901	04	P	DEAN, TAMMY J.	09/08/1997

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
				1			1

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	FINAL TOTAL
209			64	38	43	8	362

TOTAL PERM.	TOTAL TEMP.
359	3

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END OF REPORT

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OPC Interrog. #43.8

DATE: 10. :2007
TIME: 16:55:57

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PAGE: 1
PRGM: PYR550

DPT	DIV	PER/TEM	NAME	START DATE
100	00	P	ANGULO, VINCENT C.	07/24/2006
100	00	P	COWART, JOSHUA	02/02/2004
100	00	P	ESPARZA, RAYMOND J.	01/30/2003
100	00	P	KNIGHT, RICHARD P.	04/19/1993
100	00	P	MEDINA, SAMUEL	01/03/2005
100	00	P	SANTIAGO, ZUREHIDA M	04/17/2006
100	00	P	SINGLETARY, RICHARD E.	03/06/2000

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
7							7

101	00	P	COLLINS, BRAD L.	01/21/2003
101	00	P	CUADRAS, CONRADO E.	06/15/1992
101	00	P	FLORES, JOSE	10/04/1994
101	00	P	JOYCE, JOHN K	06/07/1976
101	00	P	LAUB, JAMES E.	01/31/2005
101	00	P	NUMA, RUDOLPH A.	12/08/2003
101	00	P	PARRISH, MARILYN M.	07/03/2006
101	00	P	ROLLE, JAMES E	08/01/1984
101	00	P	ROSALES, JOSE H	08/13/1979
101	03	P	DECOSTA, DAWN E.	07/06/2004
101	03	P	KENNEDY, KENNETH WAYNE	11/08/1982
101	03	P	LACKEY, MICHAEL E.	10/01/1988
101	03	P	OBRIEN, CRAIG W	09/23/1974
101	03	P	THIBAULT, RAYMOND C.	09/16/1991

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
9			5				14

102	00	P	MCNIE, GERARD A.	01/29/2007
102	00	P	PERRY JR., DAVID W.	11/22/1999
102	00	P	SERRAES, JOHN	06/19/1962
102	04	P	JONES, RAY DOUGLAS	03/28/2000
102	04	P	MORRIS, CLARIECE W.	05/26/1987
102	05	P	MOORE, DON R.	05/17/1999
102	05	P	REED, ROGER L.	04/24/2006

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
3				2	2		7

103	00	P	ANTHONY, DAVID	01/25/2006
103	00	P	BELL, JAMES C	07/26/1973
103	00	P	BULLINGTON, TROY	10/09/2000
103	00	P	BURKE, JOHN F.	02/08/1999
103	00	P	CASTRO, PABLO E.	03/31/2005
103	00	P	CONEY, DARREN W.	07/06/2006
103	00	P	COSTA, MARCELO M.	07/10/2006
103	00	P	DELERME, RICHARD A.	04/10/2006
103	00	P	FORDE, KARL K.	10/12/1999
103	00	P	GEORGE, DAVID L	10/04/1976
103	00	P	HOLLAND, CLARENCE	03/14/2006

Exhibit: 43.8
Docket No. 070304-EI
OPC First Set of Interrogatories
Witness: CUTSHAW

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DPT	DIV	PER/TEM	NAME	START DATE
103	00	P	HOWELL, GARY E.	10/22/1998
103	00	P	HUGGINS, FRANKIE L	05/25/1977
103	00	P	JOHNSON JR, IRA LEE	02/23/1981
103	00	P	POUNCEY JR, TOMMY L.	12/27/2004
103	00	P	ROSSETTO, WALTER	11/06/2006
103	00	P	RYAN, MATTHEW	10/07/2002
103	00	P	STEPHENS, ALEJANDRO	10/02/2007
103	00	P	WEBSTER, STEVE H.	09/10/2003
103	00	P	WEITZ, ANDREW I.	12/02/1991
103	00	P	WILLIAMS, ANDRE	03/21/2006
103	03	P	BELL, MATTHEW R.	10/09/2006
103	03	P	BRADLEY, MICHAEL J.	05/16/1988
103	03	P	DAVIS, CLEOTA KATRINA	12/27/1993
103	03	P	GARFOLA, JASON T.	05/21/2001
103	03	P	HERNANDEZ, JOSE C.	09/22/2003
103	03	P	INGALLS, JAMES	05/28/2002
103	03	P	PLANTE, MICHAEL J.	05/14/2001
103	03	P	RICHMOND, JAMES	03/19/2007
103	03	P	SALAZAR, APOLINAR JOSE	07/16/2007
103	03	P	STAFFORD, RONALD G.	11/10/1986
103	03	P	TRACEY, STEPHEN L.	08/15/1989

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
21			11				32

DPT	DIV	PER/TEM	NAME	START DATE
104	00	P	DAWSON, MERRITT E.	11/08/1983
104	00	P	DEPASTINO, GARY R.	03/16/1987
104	00	P	DIX, FRANK P.	10/28/1985
104	00	P	GARFIELD, DANIEL J.	12/03/1991
104	00	P	GRAY, JOSEPH	04/06/1987
104	00	P	RIPPEY, SHANE T.	05/22/2000
104	04	P	GRIFFIN, JOHN B.	08/05/1991
104	04	P	SEE JR, ROBERT W.	03/27/1989

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
6				2			8

DPT	DIV	PER/TEM	NAME	START DATE
105	00	P	ANDERSON, NORMAN W	01/05/1976
105	00	P	CAMACHO, GENE A	12/22/1980
105	00	P	CASSIDY, EILEEN B.	09/25/2006
105	00	P	CASTELLANOS, RICHARD	01/05/2004
105	00	P	CONNLEY, SCOTT A.	10/17/2001
105	00	P	DEYOUNKS, JOSEPH	03/13/2006
105	00	P	ERDEK, JOSEPH J	07/28/1972
105	00	P	FIGUEROA, JOSE A	04/11/2005
105	00	P	FLYNN, JOHN THOMAS	02/20/1996
105	00	P	FRUSCIANTE, DONNA M.	06/25/1986
105	00	P	GAUGLER, BRYAN K.	12/12/1994
105	00	P	JACKSON, SEAN C.	03/30/2005
105	00	P	JEZEWSKI, TODD A.	08/14/1995
105	00	P	KLEMAS, JOHN E.	01/04/1982
105	00	P	KNAPP, JAMES L	07/05/1978

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HEARING EXHIBIT - 00000690

DPT	DIV	PER/TEM	NAME	START DATE
105	00	P	LARMONIE, CLAUDE	09/29/1997
105	00	P	LEWIS, DUANE P.	10/13/1986
105	00	P	MCLAUGHLIN, DEBRA A.	04/10/2006
105	00	P	MITCHELL, CEDRIC E.	02/14/2005
105	00	P	MORELAND, DOUGLAS	06/23/1978
105	00	P	MORON, LEO J.	02/07/2006
105	00	P	OCAMPO, MARIO	08/08/2005
105	00	P	PARKER, EVERITTE R.	01/06/1986
105	00	P	PIRONE III, JAMES J	04/07/2005
105	00	P	REITZ, JEFFREY D.	07/17/1995
105	00	P	REUTER, GLENN J.	04/29/2002
105	00	P	RODNEY, KIRKLAND	12/05/2005
105	00	P	RUSSELL, FRED A.	04/06/1983
105	00	P	SHATZER, ROBERT A.	09/09/1996
105	00	P	SHORES, AARON	09/25/2006
105	00	P	TAMAYO, ROCCO	08/29/2005
105	00	P	WALLACE, ROBERT C.	05/10/1993
105	03	P	CLIFFORD, RITA J.	02/22/2000
105	03	P	COTCAMP, THOMAS E	03/10/1980
105	03	P	LOVE, TIMOTHY A.	02/18/1986
105	03	P	MCDANIEL, WILLIAM R.	01/26/1987
105	03	P	PAGE, ELI C.	05/13/1985
105	03	P	PONDER, MICHAEL W.	10/29/1984
105	03	P	SANDSTROM, SUSAN L	07/05/2000
105	03	P	SILER, JON MARK	07/13/1981
105	03	P	SLUKA, FRANCIS J.	03/13/2000
105	03	P	SPEERIN, GEORGE C.	07/18/1988
105	03	P	WHEATON JR, THEODORE S	07/18/1988
105	03	P	WHITAKER, JAMES B.	02/27/1984
105	03	P	WILLIAMS, CHRISTOPHER	11/16/1999
105	04	P	BROGDON, AARON W	10/07/1968
105	04	P	HOLDEN, CLAUDE	06/13/1977
105	05	P	BEST III, ALVIN E.	08/23/1990
105	05	P	BEVERLY, JUSTIN A.	07/30/2007
105	05	P	BOATRIGHT, CURTIS J.	01/19/1998
105	05	P	CORNETT, JR., RAY G.	07/09/2007
105	05	P	PEACOCK, LEWIS S.	02/01/1988
105	05	P	ROBINSON, QUENTIN D.	10/06/1998
105	05	P	SCANDALIATO, DON S	12/18/1978
105	05	P	TAYLOR, ERNEST PARKER	06/16/1980
105	05	P	THOMPSON, VINSON LOYD	09/19/1994
105	05	P	WILKES, CHARLES R	08/20/1973

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
32			13	2	10		57

DPT	DIV	PER/TEM	NAME	START DATE
106	00	P	BRUTZMAN, WILLIAM J.	02/08/2001
106	00	P	DANFORD, TAMYKA M.	03/22/1999
106	00	P	FAVORS, CALVIN R.	08/25/2003
106	00	P	MONDS, LILA L.	05/01/1995
106	00	P	PETERSON, BRENDA	12/02/1981
106	00	P	SEATON, PAULA S.	02/14/2000
106	03	P	BLAND, FRED L.	08/17/1981

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HEARING EXHIBIT - 00000691

DPT	DIV	PER/TEM	NAME	START DATE
106	03	P	MIDDLETON, DONALD E.	03/14/1994
106	03	P	PENDLETON, GLENN E.	12/27/1983
106	03	P	REGISTER, L. WAYNE	12/05/1983
106	03	P	THOMAS JR, WILLIAM A	10/31/1977

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
6			5				11

107	04	P	ALLEN, CHRISTOPHER L.	10/31/2006
107	04	P	BEVIS, ANDREW S.	10/25/1999
107	04	P	DITTY, CHARLES J	09/29/1969
107	04	P	ELMORE, JIMMIE G.	08/06/1973
107	04	P	FORAN, BRADY R.	11/25/1985
107	04	P	GRAY, RHONDON	10/19/1992
107	04	P	GROOMS, DARRYL D	06/03/1985
107	04	P	HALL, CHARLES W.	09/06/1994
107	04	P	HARRIS, KEVIN B.	03/01/2004
107	04	P	LEWIS, JERRY LEE	04/06/1987
107	04	P	MATHIS, DANNY D.	09/21/1987
107	04	P	SHELLEY, DRANE A.	12/11/2006
107	04	P	SIMS, JOHN STANTON	09/17/2007
107	04	P	TANNER, LYNWOOD	09/03/1974
107	04	P	USSERY JR, JAMES A.	03/30/1998
107	05	P	ATKINS, MICHAEL	07/16/2007
107	05	P	BROWN, CLINTON E.	10/02/2000
107	05	P	CLARDY JR, WILLIAM C	04/08/1985
107	05	P	FAULK, THOMAS J	10/26/1981
107	05	P	MAXWELL, DONALD L.	07/12/2006
107	05	P	MONTGOMERY, LARRY	07/23/2007
107	05	P	MORGAN, STEVEN P.	07/02/2007
107	05	P	PUENTES, JORGE	01/05/2004
107	05	P	TAYLOR, STEVEN L.	08/16/1982

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
				15	9		24

108	00	P	BECKER, MICHAEL W.	12/18/2006
108	00	P	BUCCI, JAMES	05/10/1988
108	00	P	CARTER, CASEY D	07/23/2007
108	00	P	CROSS, GEORGE A.	02/21/1989
108	00	P	DOUGLAS, MICHAEL A	08/06/2007
108	00	P	FLEISCHMAN, JEFFREY	08/29/1983
108	00	P	GILCHRIEST, SAMUEL	12/15/1972
108	00	P	HERNANDEZ, ANTONIO	09/24/2007
108	00	P	MATTEI-YARNOLD, YSTEB	05/21/2007
108	00	P	MITCHELL, HENRY L.	05/26/1992
108	00	P	MOONEY, PHIL C.	01/30/1989
108	00	P	MORGAN, GARFIELD A.	12/11/1989
108	00	P	RUDERMAN, JOEL E.	02/02/1999
108	00	P	WADE, SHARON A.	08/26/1997
108	03	P	BLAZINA, GREG S.	05/01/2006
108	03	P	FLOWERS, DAVID A.	09/23/1985

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HEARING EXHIBIT - 00000692

DPT	DIV	PER/TEM	NAME	START DATE
108	03	P	HALL, KEITH R.	04/30/2001
108	05	P	ASSELIN, RANDALL JOHN	09/17/2007
108	05	P	CALHOUN, RODNEY D.	04/04/2005
108	05	P	CORRADO, JOSEPH	10/24/2005
108	05	P	MOORE, JAMES M.	10/18/2006
108	05	P	PLUTA, DAVID F.	03/08/2004
108	06	P	BRYANT, GARY G.	03/27/2006
108	06	P	HUGHES, ALTON W.	06/30/2003
108	06	P	POMEROY, KEITH	09/07/2004
108	06	P	TAMARAZZO, VICTOR	04/27/1990
108	06	P	YOUNG, MARK T.	06/01/1987
108	06	P	ZIMMER, PHILIP K.	09/20/2006

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
14			3		5	6	28

109	00	P	ALLEWELT, HAROLD D.	12/09/1996
109	00	P	HAASE, BRUCE A.	05/22/1989
109	00	P	RAGOONATH, DARREL	03/22/2006
109	00	P	STOTTSBERRY, DONALD M.	03/07/2005
109	05	P	TYLER, WILLIAM A.	09/05/2000

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
4					1		5

201	00	P	AARONS, KEON S.	02/09/2004
201	00	P	BASHFORD, MAXINE J.	11/02/2004
201	00	P	FEDINA, PATRICIA G.	04/06/1988
201	00	P	HAGANS, WILLIAM	10/08/2001
201	00	P	HILL, TARA	09/10/2002
201	00	P	MCCLYMONT, MARTA	04/09/2007
201	00	P	PORTALES, ADIEL	03/10/2004
201	00	P	RIPPEY, LORI S.	08/13/1998
201	00	P	SANTAELLA, MARY C.	11/08/2005
201	00	P	SHYNE, H. DENISE	01/08/2007
201	00	P	SIMPSON, SHEILA C.	01/20/1997
201	00	P	VARGAS, LUIS E	06/26/2006
201	00	P	WHITE, LISA	01/24/2006
201	00	P	WHITE, SANDRA	08/29/2005
201	00	P	ZALDIVAR, MAGBIS Y.	12/04/2006
201	03	P	CARSON, MELINDA L.	02/27/2006
201	03	P	FINIGAN, CHRISTINA	10/10/2005
201	03	P	GRIMM, AILEEN E.	07/06/2004
201	03	P	HARTMAN, MARTHA J.	06/29/1978
201	03	P	MARTIN, COLETTE	07/18/1995
201	03	P	MILLETT, DONALD W.	08/30/1993
201	03	P	MOORE, SANDRA L.	10/09/2006
201	03	P	PREVATT, RONNIE B	09/25/2007
201	03	P	RICHMOND, YVONNE R.	04/12/2004
201	03	P	ROSARIO, MILLIE G.	12/06/2006
201	04	P	CALHOUN, PAMELA J.	03/15/1993
201	04	P	FOWLER, DONNA T.	04/28/1997

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HEARING EXHIBIT - 00000693

DPT	DIV	PER/TEM	NAME	START DATE
201	04	P	HALL, KIMBERLY R.	09/05/2000
201	04	P	JONES, SARAH A.	10/09/1998
201	04	P	MCCOY, LAURA A.	11/19/2003
201	04	P	MURDOCK, LESLIE M	08/19/2004
201	04	P	ROYE, JANINE	02/13/2006
201	05	P	BEALE, SUSAN M.	07/21/2004
201	05	P	BRADLEY, GERRY L.	01/12/2004
201	05	P	GAMBLE, LINDA J.	02/06/2007
201	05	P	HUNT, NIOKA K.	05/02/2000
201	05	P	LACHARITE, ROGER R.	01/22/2007
201	05	P	THORNTON, PATRICIA A	12/07/1981
201	05	P	WILLIAMS, RENA M	09/14/1992
201	05	P	WINSTON, LINDA M.	11/16/1999
201	06	P	BAIRD, FRANCES H.	11/24/2001
201	06	P	DUNHAM, DENISE R.	09/27/2004

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
15			10	7	8	2	42

202	00	P	BYTHWOOD, CRIS	09/01/2005
202	00	P	CHANDLER, DAVID G	08/23/1973
202	00	P	MONTGOMERY, DAVID N.	05/31/1990
202	03	P	BALDWIN, JOHN R	09/23/1974
202	03	P	CRUZ, CINDY L.	02/17/2003
202	03	P	PIERCE, GARY A.	05/24/1989
202	03	P	SAUER, WAYNE T.	01/30/1989
202	04	P	JONES, KATHERINE S	10/17/2005
202	04	P	MEALY, BARBARA J.	07/05/1994
202	04	P	NAIL, VIRGINIA A.	07/31/2006
202	05	P	BROWN, JEVON LAMAR	06/19/2007
202	05	P	DAVIS, SARAH B.	04/02/2001
202	05	P	GOINS, MIA S.	02/27/2006

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
3			4	3	3		13

301	00	P	ARAYA, GIACINTA A.	04/24/1995
301	00	P	BUTCHER, DALE M.	04/25/1983
301	00	P	COSTLOW, JOHN M.	09/25/2006
301	00	P	CZAJKOWSKI, DAVID MARC	08/28/2007
301	00	P	EYSIE, JOSEPH R	03/20/2006
301	00	T	FITZGERALD, SHARON L.	07/30/2007
301	00	P	HADLEY, GARTH A	12/05/2005
301	00	P	HUMPHREY, WINSTON A.	11/02/1998
301	00	P	JAIKARAN, AMANDA	05/31/2005
301	00	P	KEIP, DOUGLAS C	06/06/1983
301	00	P	LEISURE, KIM M.	11/04/2002
301	00	P	LIFTON, CAROL M.	02/19/2007
301	00	P	MCGOLDRICK, WILLIAM J.	11/15/2004
301	00	P	MCLEAN, MICHELLE A.	08/28/2007
301	00	P	MCMAHON, JULIE M	04/18/2005
301	00	P	PESCATORE, MELISSA	05/14/2001

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HEARING EXHIBIT - 00000694

DPT	DIV	PER/TEM	NAME	START DATE
301	00	P	RATTLER, SANDRA L.	05/08/1989
301	00	P	RODRIGUEZ, AVILIO	06/03/1996
301	00	P	RUINI, MAURO	01/15/2007
301	00	P	SCOTTEN, LAURA C.	11/05/2002
301	00	P	SEAGRAVE, MARC S.	07/19/1999
301	00	P	SEAY, CATHERINE T.	09/24/2007
301	00	P	SMITH, JARRETT J.	12/31/2002
301	00	P	STEPHERSON, LLEWELLYN W.	09/16/2002
301	03	P	JONES, TIFFANEY L.	06/14/2006
301	03	P	LAKE, KIRA I.	10/01/2007
301	03	P	LANDRY, KIMBERLY	05/21/2007
301	03	P	LYNCH, DANIEL R	05/22/2006
301	03	P	RECK, EULYNN H.	10/21/2002
301	03	P	THOMPSON, MARK F	05/21/2007

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
24			6				30

401	00	P	COMEAUX, ADAM S.	04/26/2006
401	00	P	FATH, DENNIS C.	02/05/1979
401	00	P	GAUSE, JAMES F.	10/30/2006
401	00	P	KNOWLES, TERRY D.	03/25/2004
401	00	P	LEVERT, PAMELA D.	11/24/1980
401	00	P	MARINELLI, MICHAEL R.	04/01/2002
401	00	P	MERCADO, ESPERANZA	01/29/2007
401	00	P	MESSINA, VINCENT M.	06/30/1999
401	00	P	WOLF, MICHAEL A.	06/30/2003

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
9							9

501	00	P	ALLEN, ROBIN L.	07/08/1991
501	00	P	ALVAREZ, MARIO	10/26/1999
501	00	P	BELLECHASES, DINA	08/22/1988
501	00	P	BHATIA, NADIRA	12/04/2006
501	00	P	BITTLE, SARAH J.	01/31/2002
501	00	P	BURNS, PAMELA B.	10/08/2006
501	00	T	CARSON, WILLIE	11/02/2006
501	00	P	CHRISTIANSEN, JENNIFER R.	10/01/2007
501	00	P	COX, DOREEN B.	12/31/1999
501	00	P	GRIMESON JR, WILLIAM F	02/27/1996
501	00	P	JAEGER, MELANIE	06/07/2006
501	00	P	JONES, TANZANIKA L.	04/07/1997
501	00	P	KHOJASTEH, MEHRDAD	11/07/1996
501	00	P	LUNDGREN, APRIL	05/22/2006
501	00	P	MAHAN, CLAUDETTE A.	09/19/2005
501	00	P	MARTIN, CHERYL M.	03/18/1985
501	00	T	MCCAULEY, LORI ANN	04/17/2006
501	00	P	MESITE JR, JAMES V.	06/30/1995
501	00	P	NAPIER, MICHELLE D.	05/11/1987
501	00	P	PALACIOS, CINDY J.	02/19/1997
501	00	P	RANCE, DONNA M	08/20/1984

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HEARING EXHIBIT - 00000695

DPT	DIV	PER/TEM	NAME	START DATE
501	00	P	RUHLIN, SHERRI L	12/11/2006
501	00	T	STARR, JENNIFER	08/29/1995
501	00	P	WILSON, AUDRA	10/02/2006
501	00	P	YOUNG, CURTIS D.	08/27/2001

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
25							25

502	00	P	BONN, WAYNE C.	02/12/2001
502	00	P	FATTA, KIMBERLY A.	06/25/2007
502	00	P	MATTHEW, CHERIE A.	04/23/2007

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
3							3

503	00	P	BACHMAN, GEORGE M.	01/28/1985
503	00	P	ENGLISH, JOHN T.	08/20/1973
503	00	P	ERDEK, BONNIE L.	05/28/1991
503	00	P	SAYLOR, CHAUNDRA L.	10/25/1999
503	00	P	STEIN, CHARLES L.	02/15/1980

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
5							5

504	00	P	ARTHUR, PAMELA S	01/12/1970
504	00	P	HUGHLEY-GRANT, STEPHANIE S.	09/09/1999
504	00	P	OAKES, KATHLEEN M	11/29/1972
504	00	P	PETTY, JULIA K.	10/11/1999
504	00	P	WILLIS, ARNELL	04/08/1996

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
5							5

505	00	P	KENNEDY, BARRY D.	06/02/2004
505	00	P	SCHNEIDERMANN, MARC L.	02/21/1989
505	03	P	KITNER, DONALD E.	02/20/1990
505	04	P	LACACI, MARIO L.	06/18/2001
505	04	P	MYERS, DONALD R.	05/22/1989
505	05	P	CUTSHAW, P. MARK	05/13/1991

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
2			1	2	1		6

506	00	P	GILMORE, ALBERT	04/05/2005
506	00	P	PRENTICE, JAMES S.	07/12/2006

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
2							2

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HEARING EXHIBIT - 00000696

DPT	DIV	PER/TEM	NAME	START DATE
507	00	P	DELAHAY, DANIEL	03/05/2007
507	00	P	STUCKART, GERARD	10/17/2005

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
2							2

701	00	P	CANINO, CHRISTOPHER C.	07/06/1998
701	00	P	GIBBS, IVAN M.	11/08/1999
701	00	P	MOZOLEVSKI, IGOR	12/27/2004
701	00	P	REGALLIS, JOSEPH	09/19/2006
701	00	P	VANLEEUWEN, FERNANDO	05/30/2006
701	00	P	ZELINSKI, JASON C.	11/05/2001
701	03	P	CARLTON, RONALD E	01/06/1982
701	03	P	LITSEY, DIANE L.	09/27/2004
701	03	P	MEDINA, MICHELE	12/17/2001
701	03	P	SCRIBBEN, DANIEL P	06/24/1988
701	03	P	WINSOR, SHAWN H.	07/29/1996
701	04	P	O'PRY, BROWARD L	09/13/1982
701	04	P	TEW, DONNIE L.	04/27/1992
701	04	P	TOOLE, STEPHEN A.	06/28/1993
701	05	P	ANDERSON, CARL W	01/13/1969
701	05	P	ATKINS, MARY L.	03/08/2000
701	05	P	JOHNSON, LOUIE C.	12/01/1980

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
6			5	3	3		17

702	00	P	ROHOMAN, ABIDALI	08/02/2004
702	00	P	SNYDER, CHRISTOPHER M.	07/08/1991

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
2							2

901	04	P	DEAN, TAMMY J.	09/08/1997
901	05	P	SMITH, JAY ALAN	08/01/2007

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	DPT TOTAL
				1	1		2

WPB	LW	DBCH	SAN	MAR	FBCH	DEL	FINAL TOTAL
205			63	37	43	8	356

TOTAL PERM.	TOTAL TEMP.
352	4

END OF REPORT

2007

HEARING EXHIBIT - 00000697

Exhibit 45.1
OPC Interrogatory 1
Docket 070304-EI

FPU's Apprenticeship Program

September 11, 2007
Fernandina Beach, FL

Charles Shelton
Buddy Shelley
Jorge Puentes

HEARING EXHIBIT - 00000698

Apprenticeship Program Will Consist of Two Separate and Distinct Units

REGISTERED UNIT

- State sanction
- Text book study
- Accumulation of OJT hours
- Oversight

ENHANCED UNIT

- 204 Individual tasks
- Documentation of 'what was learned'
- Practical exercises of each task
- Documentation of 'show of' competence

HEARING EXHIBIT - 00000699

THE TECO SURPRISE

The TECO facility is maxed out for the foreseeable future training of outside trainees is no longer offered.

6

HEARING EXHIBIT - 00000700

HOW DOES FPUC COMPARE TO WHAT SEEMS TO BE A STRONG NATIONAL TREND

FERNANDINA JOURNEYMEN

		YOB	Selected retirement age	Year of retirement	Years to retirement
1	C. Wilkes	1945	62	2007	0
2	D. Scandaliato	1948	62	2010	3
3	S. Taylor	1954	62	2016	9
4	P. Taylor	1958	62	2020	13
5	R. Cornett	1958	62	2020	13
6	B. Clardy	1961	62	2023	16
7	S. Morgan	1963	62	2025	18
8	A. Best	1968	62	2030	23

SUPERVISORS

L. Thompson	1943	62	2005	-2
T. Faulk	1962	62	2024	17

MARIANNA JOURNEYMEN

		YOB	Selected retirement age	Year of retirement	Years to retirement
1	J. Elmore	1948	62	2010	3
2	B. Foran	1950	62	2012	5
3	D. Mathis	1954	62	2016	9
4	D. Grooms	1961	62	2023	16
5	J. Lewis	1962	62	2024	17
6	R.Gray	1966	62	2028	21

SUPERVISORS

J. Ditty	1949	62	2011	4
L. Tanner	1953	62	2015	8

- 50% of Journeyman and Supervisors will have the potential to retire in the next 10 years
- National average is approximately 50+%

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HEARING EXHIBIT - 00000701

FPU's High Level Timeline Apprenticeship Program

Description	Year 1	Year 2	Year 3	Year 4	**Totals**
Modules	52	49	50	53	**204**
Stations	4	13	8	8	**33**
Boards	15	6	2	1	**24**

14

HEARING EXHIBIT - 00000702

FULL TIME DEDICATED TRAINER

(Training yard & classroom in each Division. Training alternate weeks in each division)

Full time trainer to have a minimum of ten years experience as a class A lineman with work experience in both overhead and underground. Have teaching experience or training as an instructor. Must be versed in human behavior, possess motivational skills and display a positive attitude. Must possess a valid Florida; Class "A" Commercial driver's license. Skilled with computers an Microsoft suite. Trainer shall administer modules to all apprentices and be held responsible for all documentation. Training facilities shall be constructed in both divisions to include classrooms, appropriate training aids and training yards.

ADVANTAGES

Continuity and consistency of training

Minimum loss of productivity

Certainty of proper documentation

No concerns with union Contract

Less subjectivity in evaluations

No job priority concerns

Trainer travels between division -- not apprentices

DISADVANTAGES

Additional personnel required

Cost to construct classroom and training yard

Description		Year 1	Year 2	Year 3	Year 4
Loss of productivity (Apprentices)		9%	9%	9%	9%
Loss of productivity (each crew)		4%	4%	4%	4%
Trainer's Salary		$87,750	$90,383	$93,094	$95,887
Travel ($400/trip Trainer)		$9,600	$9,600	$9,600	$9,600
Classrooms & Supplies:		$30,150	$0	$0	$0
Printing and Editing		$2,325	$2,325	$2,325	$2,325
Materials					
	Stock	$9,260	$11,300	$11,160	$12,700
	Non- Stock	$2,050	$1,530	$300	$50
TOTALS>>>>>>>>>>>>>>>		$141,135	$115,138	$116,479	$120,562

18

HEARING EXHIBIT - 00000703

BENEFITS OF A DEDICATED TRAINER

- Complete Documentation of Apprentice Progress Through Program
- Consistency and Fairness in Apprentice Performance Evaluations
- Assurance that Training Facilities are Built and Maintained
- Ensures That all Apprentices Receive the Same Quality and Quantity of Training
- Relieve Working Linemen of Some of the On-The-Job Training
- Responsible for Keeping the Program Up To Date and Improved

23

HEARING EXHIBIT - 00000704

OTHER USES FOR DEDICATED TRAINER

- Assisting With Safety Training and Improving Safety Standards
- Keeping Records For State Certification of Apprentices
- Testing and Evaluating New Products and Procedures
- Pre-Evaluation of Potential Employees Into the Apprentice Program
- Available For Help During Outages and Emergencies
- Develop and Provide Basic Substation and Switching Training

24

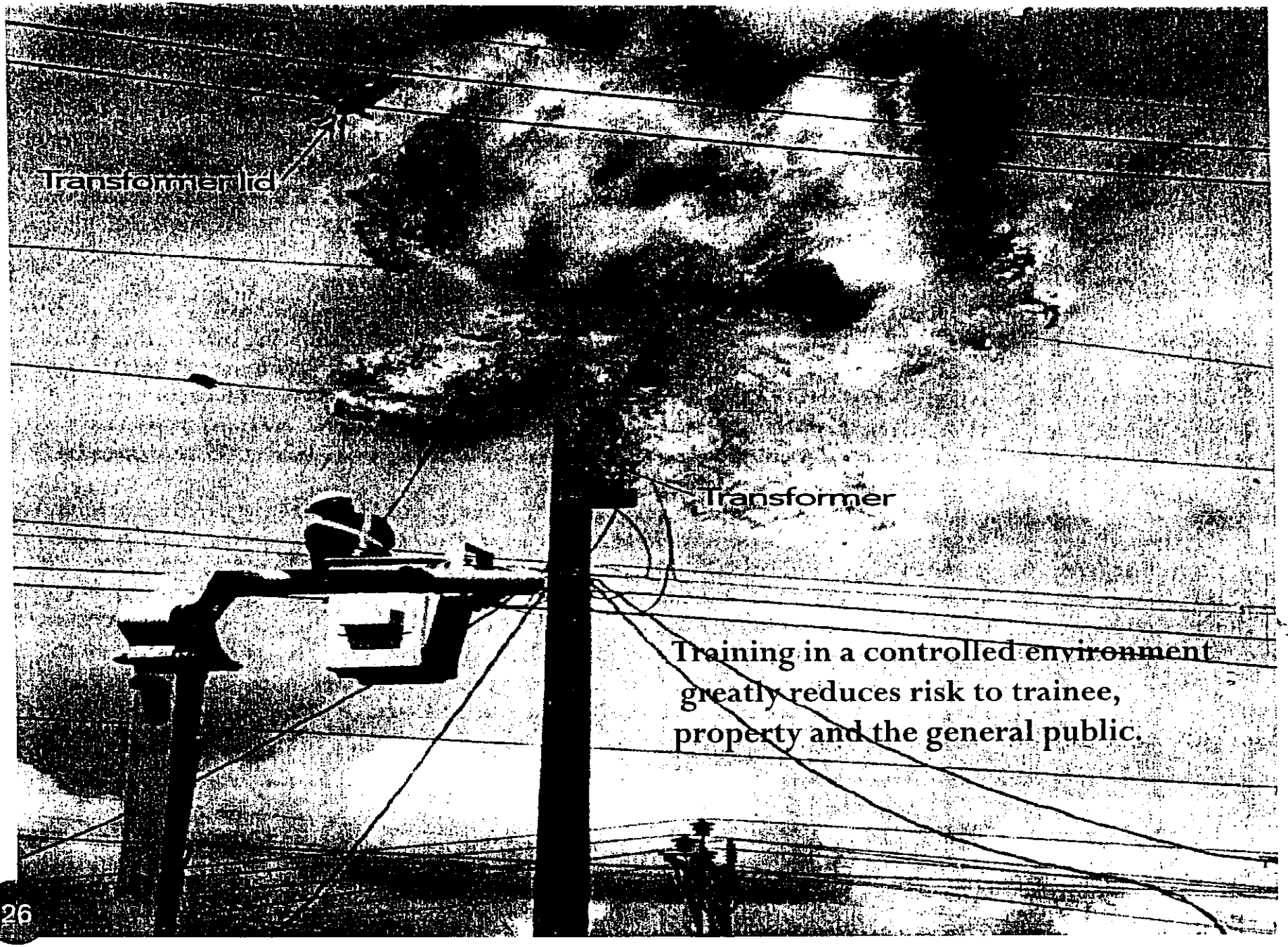
HEARING EXHIBIT - 00000705

PROGRAM IMPLEMENTATION BENEFITS

- Increased Knowledge and Skill Level of Workforce
- Improved Standardization of System Construction and Procedures
- Improved Morale Due To A Better Trained Workforce
- Capability of Retaining Extensive Knowledge of Retiring Linemen
- Increased Safety Awareness and Productivity
- Consistency of Training Apprentices
- Assurance That Apprentice Is Capable of Becoming a Lineman

25

HEARING EXHIBIT - 00000706



HEARING EXHIBIT - 00000707

HEARING EXHIBIT - 00000708

DOCKET NOS. 070300-EI AND 070304-EI

FLORIDA PUBLIC UTILITIES COMPANY'S
SUPPLEMENTAL RESPONSE TO
OFFICE OF PUBLIC COUNSEL'S
FIRST SET OF INTERROGATORIES NO. 45

HEARING EXHIBIT - 00000709

FPU's Apprenticeship Program

September 11, 2007
Fernandina Beach, FL

Charles Shelton
Buddy Shelley
Jorge Puentes

HEARING EXHIBIT - 00000710

THINGS LEFT UNDONE!!!!!

FPUC's electric apprenticeship program has been in place for 22 years and we have not formally proclaimed what we wish to accomplish.

OBJECTIVE

Provide a standardized training program for apprentices developing highly qualified individuals that are productive, motivated and safety conscious in performing the duties of journeyman lineman.

HEARING EXHIBIT - 00000711

A CHRONOLOGICAL PERSPECTIVE

Traditionally utilities predominately used OJT for training

Last quarter of the nineteen hundreds:

Technological advances & sophistication of devices required a more educated lineman and advanced methodology of teaching skills

FPU's response to this need was a formal apprenticeship program

State sanction

Text book study

Accumulation of specific task hours

Oversight by apprenticeship committee

Mid-nineties:

Regulatory requirements of training in specific skills with verification of knowledge and skill competence prompted a full assessment of our program

Unanimously supervisors and journeyman voiced that they did not want to abandon the existing program rather to enhance it to comply with federal requirements

Thus we began a search for a canned program rather than build one from scratch

3

We purchased the TECO program

HEARING EXHIBIT - 00000712

STATUS UPDATE

The enormity of this program was not appreciated by any of us!!

It came into perspective, as we progressed through the purging and editing the comments by TECO which required 5 full time personnel, scores of specialists on an interim bases and five years and 1.5 million to develop

We began with 250 modules in 12 volumes
We purged 67 Modules that were not related
Thus we marked up for editing 183 modules and added 21 topics unique to our operations

All journeymen, supervisors and operations managers have contributed to the editing process

Initiated a revision of the safety manual with topics related to the TECO program (on going)

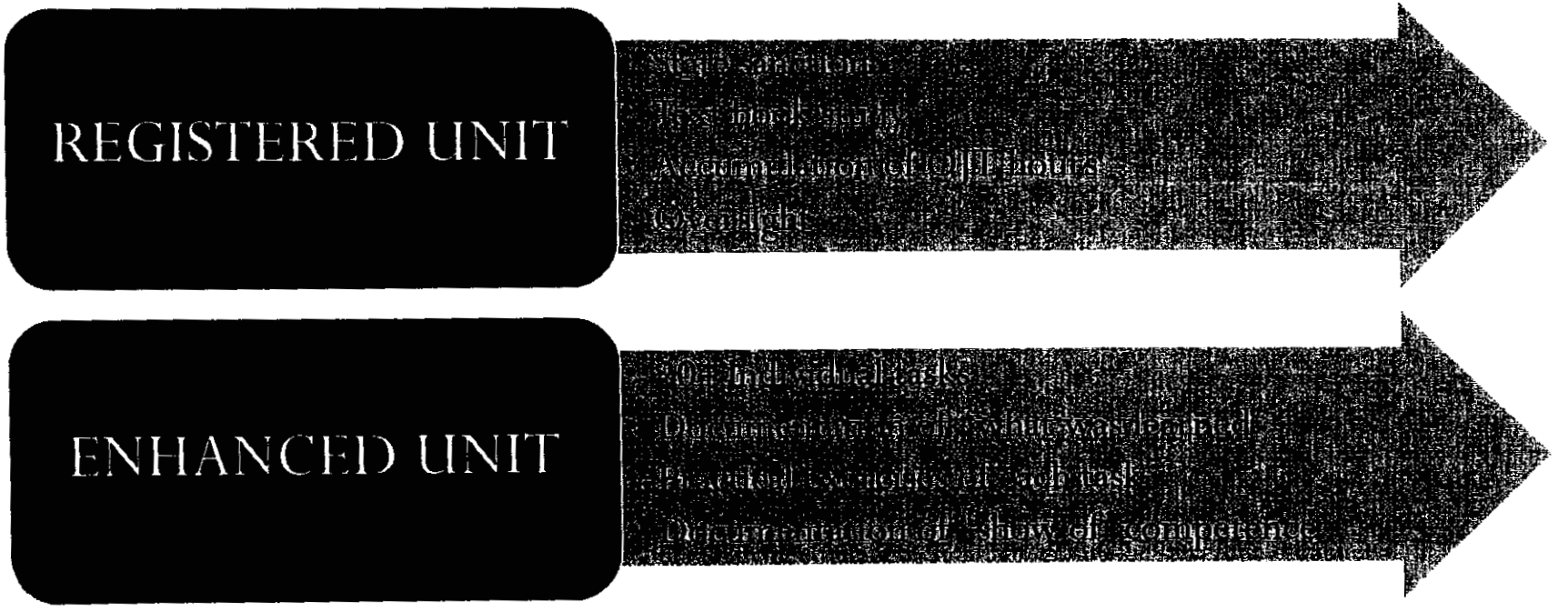
A final week long meeting with TECO representatives to hear their advice on implementation

We have a plan for implementation!!!

4

HEARING EXHIBIT - 00000713

Apprenticeship Program Will Consist of Two Separate and Distinct Units



HEARING EXHIBIT - 00000714

THE TECO SURPRISE

The TECO facility is maxed out for the foreseeable future training of outside trainees is no longer offered.

6

HEARING EXHIBIT - 00000715

SEARCHING FOR AN OFFSITE REPLACEMENT TRAINING FACILITY

In the past we searched nationwide for a packaged program to enhance our existing apprenticeship program. That search lead us to Tampa Electric

The 2007 search for an offsite training facility yielded a much different view

300 percent increase in commercially available linemen training programs

400 percent increase Community Colleges and Technical Institutions offering linemen training programs as part of their accredited skills academia

WHY?

An article in Florida Trend and EnergyBiz Magazine

Edison Institute

La Plata Electric Association of Durango, Colorado, a cooperative

7

HEARING EXHIBIT - 00000716

POLE POSITION: A student trains to become an FPL line specialist. Almost half of FPL's line specialists will be eligible to retire in three years. The company pays apprentice line specialists more than $41,000 a year.

Ed Powell, Edison Electric Institute:
"utilities are concerned about the aging work force –especially linemen."
"utilities have not done a good job of recruiting and training new, younger linemen to replace them."

Greg Munro, La Plata Electric Association:
"La Plata will lose one-third of its work force over the next ten years."

8

HEARING EXHIBIT - 00000717

HOW DOES FPUC COMPARE TO WHAT SEEMS TO BE A STRONG NATIONAL TREND

FERNANDINA JOURNEYMEN

		YOB	Selected retirement age	Year of retirement	Years to retirement
1	C. Wilkes	1945	62	2007	0
2	D. Scandaliato	1948	62	2010	3
3	S. Taylor	1954	62	2016	9
4	P. Taylor	1958	62	2020	13
5	R. Cornett	1958	62	2020	13
6	B. Clardy	1961	62	2023	16
7	S. Morgan	1963	62	2025	18
8	A. Best	1968	62	2030	23

SUPERVISORS

L. Thompson	1943	62	2005	-2
T. Faulk	1962	62	2024	17

MARIANNA JOURNEYMEN

		YOB	Selected retirement age	Year of retirement	Years to retirement
1	J. Elmore	1948	62	2010	3
2	B. Foran	1950	62	2012	5
3	D. Mathis	1954	62	2016	9
4	D. Grooms	1961	62	2023	16
5	J. Lewis	1962	62	2024	17
6	R.Gray	1966	62	2028	21

SUPERVISORS

J. Ditty	1949	62	2011	4
L. Tanner	1953	62	2015	8

- 50% of Journeyman and Supervisors will have the potential to retire in the next 10 years
- National average is approximately 50+%

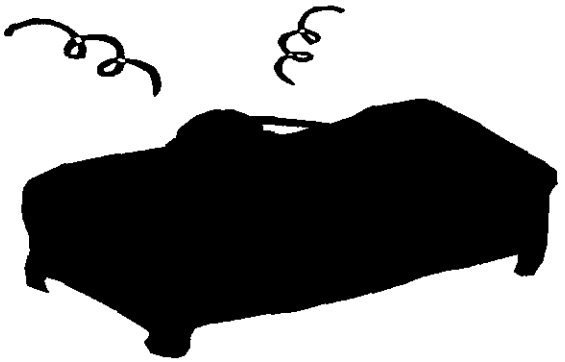
9

HEARING EXHIBIT - 00000718

With monumental growth in lineman training programs nationwide,

there should be a fit for our needs????? RIGHT!

WRONG!!!



Available programs to us are Entry Level

13 to 16 weeks with marketing focus predominately to young males with no line experience

Course outline simple – very simple --Basic electric power systems --Transformers --Basic electricity --Person protective grounding --Rigging & Math --Career planning

The modules we selected for "off site" training are addressed sparingly or not at all

No available programs were discovered that match the intensity and sophistication of the TECO program except SAK a Canadian program

10

HEARING EXHIBIT - 00000719

IT WAS TIME TO CAUCUS

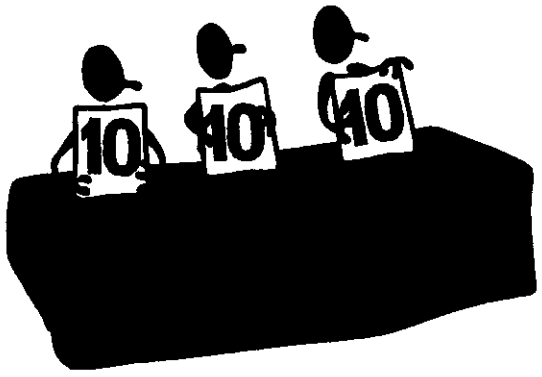
Scrap our initiative?

Remove modules from the program?

Resort solely to OJT?

OR

Declare that we were on our own and move on!!



HEARING EXHIBIT - 00000720

Hallmarks of TECO's Program ("Power Pros")

- Dedicated trainers with guest linemen
- Centralized training facilities - Classroom and yard
  - Rotation standards with feedback
  - Class sessions (Avg. 4 week)
  - OJT (Avg. 40 of Week)
- Teacher to student ratio 1:3
- Documentation and evaluation process (forms)

HEARING EXHIBIT - 00000721

APPRENTICE LINEMAN CLIMBING QUALIFICATION

NAME: _____

EVALUATORS: _____

START DATE _____

GROUND - FOUR FEET LEVEL

- CONTINUOUS CLIMBING INSTRUCTION
- SAFETY OFF AROUND POLE
- ADJUST LENGTH SAFETY ON POLE
- PASS BASKET BALL
- PASS 2" COUPLING (POLE TO POLE)
- WALK AROUND POLE (BOTH DIRECTIONS)
- WALK AROUND POLE WITH X-ARM ON BELT

QUALIFIED DATE _____

START DATE _____

GROUND - TEN FEET LEVEL

- CONTINUOUS CLIMBING INSTRUCTION
- SAFETY OFF AROUND POLE
- ADJUST LENGTH SAFETY ON POLE
- PASS BASKET BALL
- PASS 2" COUPLING (POLE TO POLE)
- WALK AROUND POLE (BOTH DIRECTIONS)
- WALK AROUND POLE WITH X-ARM ON BELT
- RELAY X-ARM WITH PARTNER ON POLE
- CLIMB OVER ROPE AT 15' LEVEL

QUALIFIED DATE _____

START DATE _____

GROUND - TEN FEET LEVEL

- CONTINUOUS CLIMBING INSTRUCTION
- SAFETY OFF AROUND POLE
- ADJUST LENGTH SAFETY ON POLE
- PASS BASKET BALL
- PASS 2" COUPLING (POLE TO POLE)
- WALK AROUND POLE (BOTH DIRECTIONS)
- WALK AROUND POLE WITH X-ARM ON BELT
- RELAY X-ARM WITH PARTNER ON POLE

QUALIFIED DATE _____

START DATE _____

GROUND - TWENTY FIVE FEET LEVEL

- CONTINUOUS CLIMBING INSTRUCTION
- SAFETY OFF AROUND POLE
- ADJUST LENGTH SAFETY ON POLE
- PASS BASKET BALL
- PASS 2" COUPLING (POLE TO POLE)
- WALK AROUND POLE (BOTH DIRECTIONS)
- WALK AROUND POLE WITH X-ARM ON BELT
- RELAY X-ARM WITH PARTNER ON POLE

QUALIFIED DATE _____

START DATE _____

GROUND - FIFTEEN FEET LEVEL

- CONTINUOUS CLIMBING INSTRUCTION
- SAFETY OFF AROUND POLE
- ADJUST LENGTH SAFETY ON POLE
- PASS BASKET BALL
- INSTALL CI EYE ON ROPE AND PASS
- PASS 2" COUPLING (POLE TO POLE)
- WALK AROUND POLE (BOTH DIRECTIONS)
- WALK AROUND POLE WITH X-ARM ON BELT
- RELAY X-ARM WITH PARTNER ON POLE

QUALIFIED DATE _____

START DATE _____

GROUND - THIRTY FIVE FEET LEVEL

- CONTINUOUS CLIMBING INSTRUCTION
- SAFETY OFF AROUND POLE
- ADJUST LENGTH SAFETY ON POLE
- PASS BASKET BALL
- PASS 2" COUPLING (POLE TO POLE)
- WALK AROUND POLE (BOTH DIRECTIONS)
- WALK AROUND POLE WITH X-ARM ON BELT
- RELAY X-ARM WITH PARTNER ON POLE

QUALIFIED DATE _____

[redacted] POWER POLE

COMPETENCY TEST

NAME	MODULE #

[redacted] POWER POLE

PRACTICE

NAME	MODULE #

Attendance Roster

Topic: _____

Date: _____

Location: _____

Instructor: _____

Employee Name	Employee #	Signature

E-4
ASSEMBLE AND PUT ON CLIMBING TOOLS
TEST

Name _____

Date _____

1. Check the steps that are followed in assembling a set of climbers:
   - A. Run leg strap through "D" ring and attach to leg iron.
   - B. Climb foot strap to be attached to leg iron. Place leg strap through keeper in climber pole and through metal loop at top of climber.
   - C. Attach strap hooks of pole strap to the left of "D" ring and position belt 4" below waist.

2. When wearing a body belt, it should be worn above the waist.
   - True ____
   - False ____

3. When putting on a set of climbers, the gaff are on the:
   - A. Outside of the leg.
   - B. Inside of the leg.
   - C. Back of the leg.
   - D. Front of the leg.

4. In preparing to climb a pole, you should wear:
   - A. Short sleeve shirt and gloves.
   - B. Long sleeve shirt buttoned at the wrist and gloves.
   - C. Long sleeve shirt and gloves.
   - D. No shirt or gloves.

5. Before the leg straps are fastened, the trousers legs should be:
   - A. Pulled up so they are loose at the knees.
   - B. Pulled down so they are tight at the knees.
   - C. Folded in snugly against the calf

E-8
OPERATE BASKET CONTROLS
FIELD EVALUATION

Name _____

The course manager will observe and evaluate the following procedures:

		YES	NO
1.	Was Safety Equipment worn as student left test room?	____	____
2.	Did the student use the body belt? (memory)	____	____
3.	Was upper boom control moved correctly the first time?	____	____
4.	Was lower boom control moved correctly first time?	____	____
5.	Did the student elevate both booms to maximum elevated positions?	____	____
6.	Did the student rotate in both directions at the maximum elevated positions?	____	____

7. The course manager should observe and write his comments below as to the student's reactions at the maximum elevated position (held on the side of basket; did not go all the way up; panicked at the way; afraid of height; motion sickness, etc.).

8. Smooth operation of basket controls (Dexterity)

   - Much above average ____
   - Above average ____
   - Average ____
   - Below average ____

Evaluated by: _____

Date: _____

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HEARING EXHIBIT - 00000722

FPU's High Level Timeline Apprenticeship Program

Description	Year 1	Year 2	Year 3	Year 4	**Totals**
Modules	52	49	50	53	**204**
Stations	4	13	8	8	**33**
Boards	15	6	2	1	**24**

HEARING EXHIBIT - 00000723

NUMEROUS IMPLEMENTATION SCENARIOS WERE INVESTIGATED

FIVE WERE SELECTED FOR INDEPTH DISCOVERY OF ADVANTAGE AND DISADVANTAGES AS WELL AS ASSOCIATED COST

- Full Time Dedicated Trainer
- Dedicated Lineman As Trainer In Each Division
- Dedicated Lineman As Trainer for Both Divisions
- Supervisors As Trainers
- All Working Foreman As Trainers

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HEARING EXHIBIT - 00000724

"EMPLOY FLORIDA BANNER CENTERS"

"Road Map to Florida's Future"

Part of Florida's Strategic Plan for Economic Development

State Legislature appropriated 4.2 million in the '06-'07 budget establishing seven centers around the state

- Aviation/Aerospace
- Biotechnology
- Career Academics
- Construction
- Financial Services
- Health Services
- Homeland Security
- Logistics & Distribution
- Energy

FCCJ Jacksonville (Federal funding)
UF Gainesville
Okaloosa County School Dist.
Santa Fe CC
Miami Dade
Valencia CC
Indiana River CC
Lake City CC
Lake Sumter CC

Work Force Florida was assigned to administer the "Florida Banner Centers"

16

HEARING EXHIBIT - 00000725

LAKE-SUMTER COMM. COLLEGE - ELECTRIC UTILITY INSTITUE

Campus Leesburg, Florida Program partly sponsored by
Work Force Florida

ADVANTAGES	DISADVANTAGES
Work Force Florida will cover a % of tuition & books	Future state funding uncertain
Experienced and quality trainers	Program not as inclusive and extensive as the TECO program
No additional Personnel	Scheduling training difficult due to varying skill levels of existing apprentices
Flexible training - trainers to conduct classroom training at our locations	Travel cost to Leesburg
Saves cost associated with completing modification & customizing TECO modules	Program not specifically geared to FPU materials and equipment
Can train future FPU trainer	Concerns with FPU safety procedures & requirements
On site training yard not required	LSCC program is predominantly an entry level program
Program also offers 6 week boot camp for new apprentice applicants	Loss of productivity
	Probability of poor documentation
	Cost to construct classrooms and training aids
	Earliest entry into LSCC program 2nd term 10/07
	Concerns with viability of Employ Florida Banner Center program

The Bottom Line

Lake Sumter is a 16 week entry level program

Eight weeks per year for four years(Feb & Oct)

Classes run Mon -Fri 8am -4pm

The number of TECO modules that would be eliminated 13 or (6.5%) (Remaining 191 modules still to be taught)

The number of stations eliminated in the training yard 7 (Remaining 26 stations still to be constructed)

Total contact hours at Lake Sumter 748 in four years (class room & Lab)

Total contact hours with the TECO program in four years 1536

Total travel cost each year:

$98,720.00*

Loss productivity ---- Surreal

*Includes $700.00 per week/per trainee -- 13 trainees Plus overtime for travel

17

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HEARING EXHIBIT - 00000726

FULL TIME DEDICATED TRAINER

(Training yard & classroom in each Division. Training alternate weeks in each division)

Full time trainer to have a minimum of ten years experience as a class A lineman with work experience in both overhead and underground. Have teaching experience or training as an instructor. Must be versed in human behavior, possess motivational skills and display a positive attitude. Must possess a valid Florida; Class "A" Commercial driver's license. Skilled with computers an Microsoft suite. Trainer shall administer modules to all apprentices and be held responsible for all documentation. Training facilities shall be constructed in both divisions to include classrooms, appropriate training aids and training yards.

ADVANTAGES

Continuity and consistency of training

Minimum loss of productivity

Certainty of proper documentation

No concerns with union Contract

Less subjectivity in evaluations

No job priority concerns

Trainer travels between division -- not apprentices

DISADVANTAGES

Additional personnel required

Cost to construct classroom and training yard

Description		Year 1	Year 2	Year 3	Year 4
Loss of productivity (Apprentices)		9%	9%	9%	9%
Loss of productivity (each crew)		4%	4%	4%	4%
Trainer's Salary		$87,750	$90,383	$93,094	$95,887
Travel ($400/trip Trainer)		$9,600	$9,600	$9,600	$9,600
Classrooms & Supplies:		$30,150	$0	$0	$0
Printing and Editing		$2,325	$2,325	$2,325	$2,325
Materials					
	Stock	$9,260	$11,300	$11,160	$12,700
	Non- Stock	$2,050	$1,530	$300	$50
TOTALS>>>>>>>>>>>>>>		$141,135	$115,138	$116,479	$120,562

HEARING EXHIBIT - 00000727

A DEDICATED LINEMAN AS TRAINER IN EACH DIVISION

Training yard & classroom each Division

Selected lineman to receive formal training as a trainer, shall administer modules to all apprentices and be held responsible for all documentation. Training facilities shall be constructed in both divisions. Facilities shall include classrooms, appropriate training aids and training yards.

ADVANTAGES

- No additional personnel
- Familiar with FPU equip. & materials
- Can use some jobs for training
- Familiar with apprentice skills
- Standardized training

DISADVANTAGES

- Will take longer- part time trainer
- Lineman to be trained as trainer - formal training required
- Alternate lineman to be trained as a trainer
- Union contract concerns
- Significant Loss of productivity
- Facility cost
- Probability of overall success may be less than desired
- Other projects not *meeting expectations* & deadlines
- Potentially additional lineman to be hired
- Lineman VS trainer as job priority

Description		Year 1	Year 2	Year 3	Year 4
Loss of productivity (Apprentices)		9%	9%	9%	9%
Loss of productivity (Journeymen)		29%	29%	29%	29%
Loss of productivity (each crew)		4%	4%	4%	4%
Train the Trainer(Formal)		$5,000.00	$0.00	$0.00	$0.00
Classrooms & Supplies:		$30,150	$0	$0	$0
Printing and Editing		$2,325	$2,325	$2,325	$2,325
Materials					
	Stock	$9,260	$11,300	$11,160	$12,700
	Non- Stock	$2,050	$1,530	$300	$50
TOTALS>>>>>>>>>>>>>>		$48,785	$15,155	$13,785	$15,075

HEARING EXHIBIT - 00000728

DEDICATED LINEMAN AS TRAINER (One lineman serving both Div.)

(Central training yard & classroom)

Selected lineman to receive formal training as a trainer, shall administer modules to all apprentices and be held responsible for all documentation. Training facilities shall be constructed in one division with apprentices from the other division traveling as necessary. The training facility shall include classroom, appropriate training aids and training yard.

ADVANTAGES

- No additional personnel
- Familiar with FPU equip. & materials
- Can use some jobs for training
- Familiar with apprentice skills
- Standardized training

DISADVANTAGES

- Will take longer- part time trainer
- Lineman to be trained as a trainer – formal training required
- Alternate lineman to be trained as a trainer
- Union contract concerns
- Travel cost to central location by trainees
- Loss of productivity
- Lineman VS trainer as job priority
- Facility cost
- Probability of overall success may be less than desired
- Other projects not meeting expectations & deadlines
- Potentially additional lineman to be hired

Description		Year 1	Year 2	Year 3	Year 4
Loss of productivity (Apprentices)		13%	13%	13%	13%
Loss of productivity (Journeymen)		57%	57%	57%	57%
Loss of productivity (each crew)		10%	10%	10%	10%
Train the Trainer(Formal)		$2,500.00	$0.00	$0.00	$0.00
Travel Apprentice ($140/day)		$33,120.00	$33,120.00	$33,120.00	$33,120.00
Classrooms & Supplies:		$25,075	$0	$0	$0
Printing and Editing		$2,325	$2,325	$2,325	$2,325
Materials					
	Stock	$4,630.00	$5,650.00	$5,580.00	$6,350.00
	Non- Stock	$1,025.00	$765.00	$150.00	$25.00
TOTALS>>>>>>>>>>>>>>>		$68,675	$41,860	$41,175	$41,820

20

HEARING EXHIBIT - 00000729

SUPERVISORS AS TRAINERS

Integration of the TECO modules into our existing OJT program; 1) Supervisors to administer modules by explaining, demonstrating, pointing out specifics in material and tooling where found. 2) Trainee studies module, a test is given by the supervisor for what has been absorbed. Trainee to demonstrate skills with assigned crews. Supervisor to be responsible for all required documentation. No classroom, training aids or training yards required.

ADVANTAGES

- No additional personnel
- Familiar with FPU equip. & materials
- Can use some jobs as training
- Familiar with apprentice skills

DISADVANTAGES

- Will take longer to train
- Supervisor to be trained as a trainer – formal training required
- Each apprentice receives different level of training
- Insufficient standardization of training
- Probability of poor documentation
- Major loss of supervisor productivity
- Insufficient oversight of crews
- Makeup's will be a burden for supervisors
- The overwhelming burden will demoralize supervisors
- Probability of overall success will be highly diminish
- Improper coordination of sequential learning
- Other projects not meeting expectations & deadlines

Description		Year 1	Year 2	Year 3	Year 4
Loss of Spv. Productivity		37%	35%	35%	35%
Loss of productivity (Apprentices)		9%	9%	9%	9%
Loss of productivity (each crew)		4%	4%	4%	4%
Train the Trainer(Formal)		$10,000	$0	$0	$0
File Storage		$1,550	$0	$0	$0
Printing and Editing		$2,325	$2,325	$2,325	$2,325
Materials					
	Stock	$0	0	0	0
	Non- Stock	$0	0	0	0
TOTALS>>>>>>>>>>>>>>>		$13,875	$2,325	$2,325	$2,325

21

HEARING EXHIBIT - 00000730

ALL WORKING FOREMEN AS TRAINERS

Integration of the TECO modules into our existing OJT program; 1) Foreman to administer modules by explaining, demonstrating, pointing out specifics in material and tooling where found. 2) Trainee studies module, a test is given by the working foreman for what has been absorbed. Trainee to demonstrate skills while assigned to the working foreman's crew. Trainee may move from crew to crew. Working foreman that administers a specific module is responsible for all required documentation for that module. No classroom, training aids or training yards required.

ADVANTAGES

- No additional personnel
- Familiar with FPU equip. & materials
- Can use some jobs for training
- Familiar with apprentice skills
- Minimum loss of productivity for supervisor's

DISADVANTAGES

- Will take longer to train
- All linemen to be trained as a trainer – formal training required
- Each apprentice receives different level of training
- Insufficient standardization of training
- Probability of poor documentation
- Significant loss of productivity
- Insufficient oversight of crews
- Makeup's will be a burden
- The overwhelming burden will demoralize linemen
- Probability of overall success will be highly diminished
- Improper coordination of sequential learning
- Other projects not meeting expectations & deadlines

Description		Year 1	Year 2	Year 3	Year 4
Loss of productivity (Apprentices)		9%	9%	9%	9%
Loss of productivity (Journeymen)		13%	13%	13%	13%
Loss of productivity (each crew)		11%	11%	11%	11%
Train the Trainer(Formal)		$32,500	$0	$0	$0
File Storage		$1,550	$0	$0	$0
Printing and Editing		$2,325	$2,325	$2,325	$2,325
Materials					
	Stock	$0	$0	$0	$0
	Non- Stock	$0	$0	$0	$0
TOTALS>>>>>>>>>>>>>>>		$36,375	$2,325	$2,325	$2,325

22

HEARING EXHIBIT - 00000731

22

BENEFITS OF A DEDICATED TRAINER

- Complete Documentation of Apprentice Progress Through Program
- Consistency and Fairness in Apprentice Performance Evaluations
- Assurance that Training Facilities are Built and Maintained
- Ensures That all Apprentices Receive the Same Quality and Quantity of Training
- Relieve Working Linemen of Some of the On-The-Job Training
- Responsible for Keeping the Program Up To Date and Improved

23

HEARING EXHIBIT - 00000732

OTHER USES FOR DEDICATED TRAINER

- Assisting With Safety Training and Improving Safety Standards
- Keeping Records For State Certification of Apprentices
- Testing and Evaluating New Products and Procedures
- Pre-Evaluation of Potential Employees Into the Apprentice Program
- Available For Help During Outages and Emergencies
- Develop and Provide Basic Substation and Switching Training

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HEARING EXHIBIT - 00000733

PROGRAM IMPLEMENTATION BENEFITS

- Increased Knowledge and Skill Level of Workforce
- Improved Standardization of System Construction and Procedures
- Improved Morale Due To A Better Trained Workforce
- Capability of Retaining Extensive Knowledge of Retiring Linemen
- Increased Safety Awareness and Productivity
- Consistency of Training Apprentices
- Assurance That Apprentice Is Capable of Becoming a Lineman

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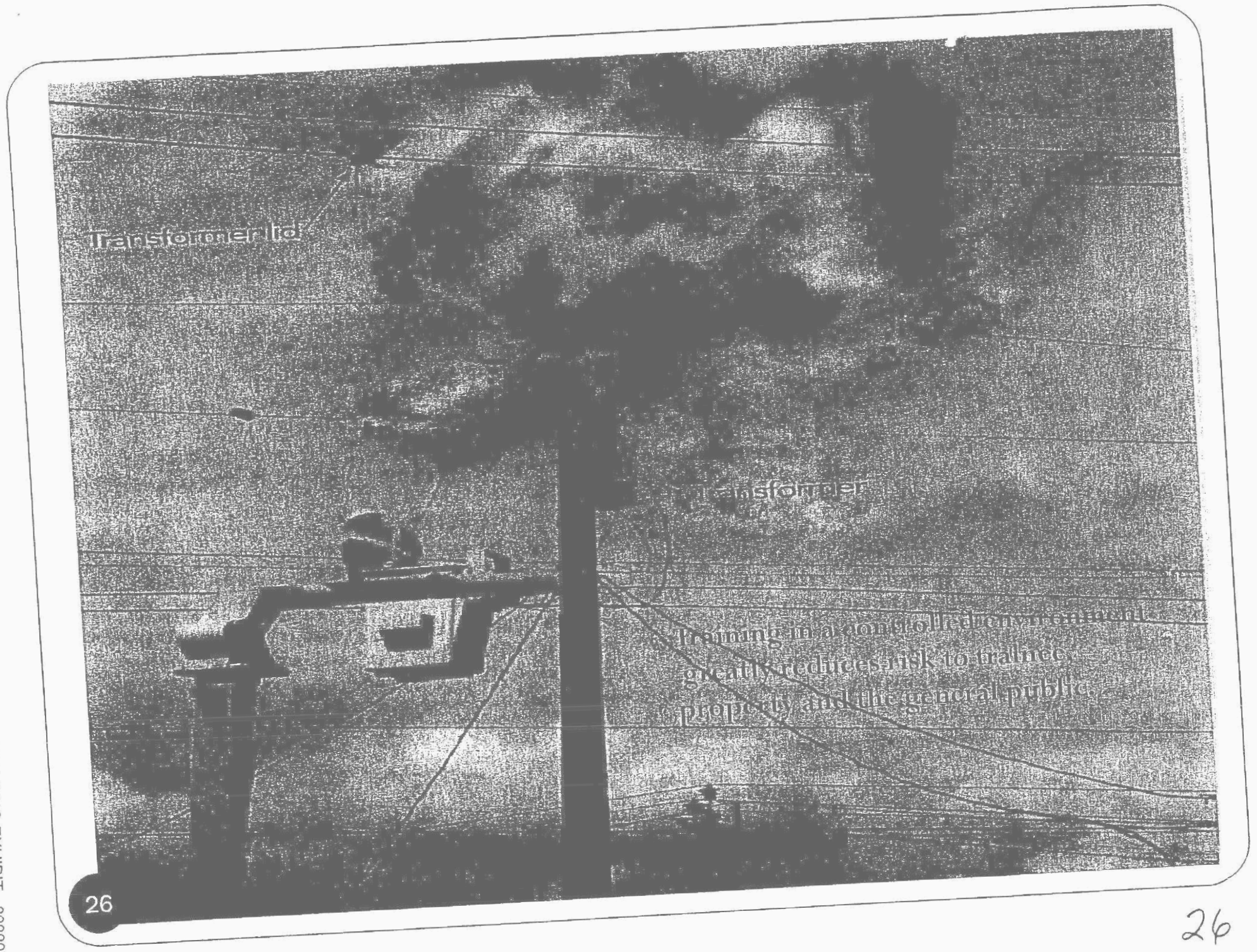
HEARING EXHIBIT - 00000734



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HEARING EXHIBIT - 00000735

ACTION ITEMS - FPU'S ENHANCED LINEMAN'S TRAINING PROGRAM (TECO)

Qty	MODULE	TITLE	Description of Action Item (Mariana Meeting June)	Description of Action Item (FB Meeting July)	Requires a Yard	Same modules, but need to be included for practice	Modules that use this modules facilities	# Boards	# Stations	Size of stations Sq. ft.	# hrs/ Station	# Hrs/ Board	$ Materials so-stock	Yr of Impleme ntation	NW Yard	$ Costs	NE Yard	$ Costs	
1	102	Drive All Wheel Vehicle with trailer		Vehicle & Trailer	Yard										X		X		52
2	103	Communications with Radio		2 Walkie Talkies											X		X		51
3	104	Use Hand Signals to Direct Traffic													X		X		50
4	105	Housekeeping													X		X		49
5	108	Maintain First Aid Kit		First Aid Kit out of a Vehicle											X		X		48
6	107	Load and Secure Trenching Equipmen	PHOTO - add ball type pintle hook. Pg. 8 PHOTO screw type binder	Towing Vehicle & Trailer											X	$0	X	$0	47
7	108	Operate truck Mounted Winch/Capsta	Purchase one capstans	Vehicle with winch & something to winch			228								X		X		46
8	109	Jump Start a Stalled Vehicle		Jumper cables, Vehicle, and battery pack (if available)											X		X		45
9	110	Load Material	Re-instated	Truck, pvhid. Xfmr., crossarms, & miscellaneous materials to load											X		X		44
10	111	Inspect Fire Extinguisher	Re-instated	Fire Extinguisher											X		X		43
11	112	Identify Conduit Material	PHOTO add heat blanket	(2-4) Display Boards, Ref. to module for matls., (16 Hours To Build) By Apprentices											X	$200	X	$200	42
12	113	Operate Portable Air Compressor		Air Compressor, Manufacturers Instruction Manuals											X		X		41
13	114	Operate Duct Bird Gun		Air Compressor, Duct Bird Gun, rabbit(mouse), tolso, matls, Undg. Conduit (Build 204)											X		X		40
14	115	Repair Broken Conduit		Repair sleeves, pry bar, hacksaw, nylon string, (Build 204)											X		X		39
15	116	Identify Helper Tools		Display Board, Ref. to module for matls., (4 Hours To Build) By Apprentices											X	$50	X	$50	38
16	117	Tie 6 Basic Knots & Make 2 Splice		Display Board, braide rope, tape, pliers, come-along (3 Hours To Build) By Apprentices											X	$50	X	$50	37
17	118	Operate Gasoline Diaphragm Pump		Displn. Pump, Centric. Pump, suction hose, discharge hose, strainer, oil, pump manuals											X		X		36
18	119	Daily Activity Report	Re-instated	Time Sheet											X		X		35
19	120	Minumum Approach Distance	Re-named for FPU, (Charles to initiate)												X		X		34
20	125	Use the Safety Manual													X		X		33
21	127	Set Up Ladders		Step, extension, single section ladders											X		X		32
22	128	Enter a Confined Space	PHOTO Pg. 13 replace with photo of hand rails and pg 4 replace picture of vault. Replace (items 5 to 11) with new sniffer. On pg. 13 re-write to "RAILS"	Ref. to equipment list in FPU safety manual, blast blankets, & rails (CHARLES SHELTON to add information on blast blankets), (2 people 16hr Hours to Build) By Apprentices	Yard		129										X	$100	31
23	129	Confined/Enclosed Space Rescue	Replace rescue with bottle type	Mannequin; same matls. As 128	Yard										X		X		30
24	130	Install UD Secondary Hand holes		Shovel, saw, ruler, tamp; (1 Hour to Build) By Apprentices	Yard		210								X		X		29
25	131	Proper care and Testing of Rubber Gloves		Rubber gloves & sleeves; leather protectors, canvas bags; Mechanical Air Tester											X		X		28
26	133	Identify UD Materials	PHOTO Pg. 2 add FSS 20 and FSS 350 and picture of squirrel guard. Make display board with UG materials	Display Board, Ref. to module for matls., (24 Hours To Build) By Apprentices											X	$100	X	$100	27
27	134	Set Concrete Pad 1 Ph Transformer	STANDARDS - Obtain from engineering (work with NE&NW to generate one standard) see 204 (Puentes has original)	Concrete pad, fiberglass pad, (8 Hours to Build) By Apprentices	Yard		313,315								X		X		26
28	135	Pull UG Conductors into Conduit		Single phase cable, tape, Kellum grip, lubricant, pulling equipment	Yard										X		X		25
29	136	Apply Pest Control inside Pamounted	Add MSDS statement		YARD										X		X		24
30	137	Identify UD Tools	PHOTO Pg. 4 change cable stripper	Display Board, Ref. to module for matls., (4 Hours To Build) By Apprentices											X	$50	X	$50	23
31	138	Drive Ground Rod		Ground Rod, driver, resistance tester	Yard										X		X		22
32	139	OPERATING AN EARTH TESTER		KEEP!! Edit module when we purchase MEGER											X		X		21
33	140	Pre-Flight Bucket Truck	Add a form (Daily inspection)	Bucket Truck											X		X		20
34	141	Set Up Bucket Truck for Operation	Remove some portions of picture (Bucket)	Bucket Truck											X		X		19
35	142	Identify Bolt & Cable Cutters	Compare with pre-entry modules	Sizing belt, (Contact Manufacture for belt) tape measure											X		X		18
36	143	Select Proper Climbing Tools		Display Board, Ref. to module for matls., (2 Hours To Build) By Apprentices											X	$50	X	$50	17
37	144	Pull Out & Cut Wire		Truck or trailer, ruler, wire cutters, tape											X		X		16
38	145	Select & Install Kellem Grips		Kellum Grips (different sizes), tape, wire, etc.											X		X		15
39	146	Bucket Rescue From Ground		Bucket Truck, Mannequin ($1200)											X	$1,200	X	$1,200	14
40	147	Learning to Climb a Pole		2 Poles (20'), Handlines, tape lines, harness, fall protection; climbing gear, (Build 229)	Yard		(147=255+304+404 +502=615)								X		X		13
41	148	Identify UD Cable & Wire		Display Board, All wire sizes used AL & CU, (16 Hours To Build) By Apprentices											X	$50	X	$50	12

Lin Training Information.xls

HEARING EXHIBIT - 00000736

ACTION ITEMS - FPU'S ENHANCED LINEMAN'S TRAINING PROGRAM (TECO)

Qty	MODULE	TITLE	Description of Action Item (Mariana Meeting June)	Description of Action Item (FB Meeting July)	Requires a Yard	Same modules, but need to be included for practice	Modules that use this modules facilities	# Boards	# Stations	Size of stations Sq. ft.	# hrs/ Station	# Hrs/ Board	$ Materials re-stock	Yr of Implementation	NW Yard	$ Costs	NE Yard	$ Costs
42	149	Identify Line Related Tools	PHOTO Pg. 4 add wire grip	Display Board, Ref. to module for matls., (24 Hours To Build) By Apprentices											X	$50	X	$50
43	150	Use a Hand line		Hand lines; Bucket Truck, misc: matls.											X		X	
44	151	Roll Up Wire By Hand		Truck or trailer; ruler, wire cutters, tape											X		X	
45	152	Identify Guy Wire & Where to Use		Display Board, Ref. to module for matls., (1 Hour To Build) By Apprentices											X	$50	X	$50
46	153	Pull Down Guys		Anchor (already installed), ref. to module for matls	Yard										X		X	
47	154	Identify Pole Hardware		Display Board, Ref. to module for matls., (32 Hours To Build) By: Apprentices											X	$50	X	$50
48	155	Install & Ground Wire on a Pole		Ground wire, staples hammer, etc.	Yard										X		X	
49	157	Use Lifting & Hoist	Ask TECO - What is lifted fin??	Strap Jack (Different Types), chain jacks, chains (different sizes)											X		X	
50	158	Identify & Use Perform Materials		Display Board, Ref. to module for matls., (2 Hours To Build) By Apprentices											X		X	
51	159	Assemble Cross arms For 3 Ph Primary		Cross Arms, hand tools, and misc matls. Referenced in module	Yard										X		X	
52	160	Assemble 9 ft. Cross arm & Double A	PHOTO Pg. 4 replace with applicable to FPUC	Cross Arms, hand tools, and misc matls. Referenced in module	Yard										X		X	
53	200	100 Series Pre- test															X	
54	201	Install Shoring		Shoring Equipment, (2 Hours To Build) By Apprentices	Yard												X	
55	202	Load Trenching Equipment for Transp	PHOTO Pg. 3 add pintle hook. PHOTO Pg. 8 screw type binder. Load binder change to screw type. Pg. 5 re-write manufacture's instructions (Shelton to develop instructions)	Tow Vehicle, Trailer											X		X	
56	204	Install Conduit as Specified	STANDARDS - Obtain from engineering (work with NE&NW to generate one standard) see 134 (Puentes has original)	Ref. to module for matls., (2 Hours To Build) By Apprentices	Yard		114,115,211,240,1								X		X	
57	205	Operate Chainsaw	PHOTO Pg. 10 update with approved PPE	Chain Saw, Chaps											X		X	
58	206	Learn to Operate Forklift		Forklift											X		X	
59	209	Materials Form	LOW PRIORITY - Modify to include new procedure												X		X	
60	210	Make Connections in Hand hole	PHOTO Pg. 2 replace drawing of st lights and see flood seal	Underground cable, inhibitor, cutters, skinners, etc.	Yard										X		X	
61	211	Install UD Service	Re-instated - NEEDS EDITING	Trencher, level, service wire, etc.	Yard										X		X	
62	212	Inspect Protective Equipment	Develop form (monthly) for 500-10-18	Refer to Module for Materials											X	$100	X	$100
63	213	Identify Types and Assemble St. Lights		All different types of lights used, (8 Hours to Build) By Apprentices	Yard										X		X	
64	214	Clean-Up Procedures for PCB Spills		Oil Absorbent Materials											X		X	
65	215	Loadbuster Tool	Re-Instated, Modify to FPU Type	Manufacturer's Instructions	Yard										X		X	
66	216	Prepare Load buster for Load Pickup	Modify to FPU Type	Manufacturer's Instructions	Yard										X		X	
67	217	Selecting Transformers	Modify Symbols(Shelley has original)	Several Transformer Nameplates (Collect several name plates on trip)			620								X		X	
68	218	Splice UD Service	PHOTO Pg. 1 add 2/0 URD tee splice in between splice covers	UD Splicing Materials											X	$200	X	$200
69	219	Re-Fuse Mark II Fuse Unit		Mark II & Mark III Fuse Holders & Fuses, (1 Hour To Build) By Apprentices	Yard		408, 606								X		X	
70	220	Install Tags & Making Tape on UD Ca	STANDARDS - Have NE engineering review this module and create a standard (Puentes has original)	From Stock	Yard										X		X	
71	221	Transport Pad mounted Transformer	PHOTO Pg. 3 add warning labels	Display Board (PLACE OUTSIDE), Ref. to module for matls.; (2 Hours To Build) By Apprentices											X	$50	X	$50
72	223	Identify Anchor and Extensions		Line Truck, Anchor	Yard										X		X	
73	224	Calculate Anchor Points & Install		FPU Standard Method and Materials	Yard										X		X	
74	225	Stub Pole (Temporary Repair)		Capstan Hoist, Rigging Materials											X		X	
75	226	Install & Use a Capstan Hoist																
76	227	Learn & Demo. Crane Hand Signals	Investigate equipment (clearance to energized 1910-269)	Line Truck, Pole Trailer, Hooks, Slings; etc.	YARD										X		X	
77	228	Load & Unload Poles																
78	229	Install & Remove Pole in Energized Ar	Investigate equipment (clearance to energized 1910-269)	Build in yard to be Capable of Energizing, (2 Days to Build) By Lineman & Apprentices (Estimated to use 10 30' poles class 6 $100/pole)	Yard		146,147,155,225,230,231,238,251,253,254,308,309,310,311,312,323,401,415,504,508,509,308,309,523,702,709,704,705,706,707,709,711,712,804								X	$1,000	X	$1,000

# Boards	# Stations	Size of stations Sq. ft.	# Hrs/ Station	# Hrs/ Board	$ Materials re-stock
15	4	532	48	126	2060

HEARING EXHIBIT - 00000737

ACTION ITEMS - FPU'S ENHANCED LINEMAN'S TRAINING PROGRAM (TECO)

Qty	MODULE	TITLE	Description of Action Item (Mariana Meeting June)	Description of Action Item (FB Meeting July)	Requires a Yard	Same modules, but need to be included for practice	Modules that use this modules facilities	# Boards	# Stations	Size of stations Sq. ft.	# hrs/ Station	# Hrs/ Board	$ Materials no-stock	Yr of implementation	NW Yard	$ Costs	NE Yard	$ Costs	
79	230	Assist in Setting Pole By Hand		Refer to Module for Materials (Use station 229)	Yard										X		X		23
80	231	Butt Test a Wood Pole		In Yard, (4 Hours to Build) By Apprentices (Use station 229)	Yard										X		X		22
81	232	Identify Wire And Sleeve Sizes		Display Board, Ref. to module for matls., (16 Hours To Build) By Apprentices											X	$50	X	$50	21
82	234	Identify Transmission Materials		Display Board, Ref. to module for matls., (16 Hours To Build) By Apprentices													X	$50	20
83	235	Adjust a Burndy & Kearney Hy- tool		Hy Tool, wrench, gauge, Manufacturer's Instructions											X		X		19
84	238	Install Splice Compression Tool		Refer to Module for Materials											X		X		18
85	238	Rigging		Rope, Blocks, Hand Lines, Slings, etc.											X		X		17
86	239	Prepare Stringing Blocks (Roller type)	PHOTO Pg. 13 replace large block	Rope, Blocks, Hand Lines, Slings, Stringing Equipment, (1)Hour To Build) By Apprentices (Use station 229)	Yard										X	$30	X	$30	16
87	240	Install Pilot Line Winder	PHOTO Pg. add PENGO equipment. Re-write the entire module per the PENGO equipment	Per Manufacturer's Instructions											X		X		15
88	241	Install Traveling Grounds													X		X		14
89	242	Prepare Grounds for Use		Display Board, Ref. to module for matls., (16 Hours To Build) By Apprentices											X	$50	X	$50	13
90	243	Re-Fuse a Cutout Door	Review Liman's handbook for fusing laterals	Fuses, pliers, Hot Stick, Adjustable Wrench, etc.	Yard										X		X		12
91	244	Re-Fuse a Bay-o-Net Fuse Holder		Fuse Holder, Fuses, Shotgun Stick, (2Hours to Build) By Apprentices	Yard		409								X		X		11
92	245	Prepare Pole Mount Xformer for installation		Transformers, lugs, Hand Tools, (40 Hours to Build) By Apprentices	Yard		410, 701								X		X		10
93	246	Explain Grid ID System	LOW PRIORITY - Explain our mapping system	Maps											X		X		9
94	247	Install an Anchor By Hand		Sledge Hammer, Anchor, Hand Tools	Yard										X		X		8
95	248	Splice as OH Service Cable		Splice, Service Cable, Sleeves, Dies, Tools	Yard										X		X		7
96	249	Install a Squeeze On Connector	Pg. 2 - Add a statement of the difference between compacted and compressed cable	Squeeze on Clamp, wire brush, dies compression tool, Inhibitor	Yard										X		X		6
97	250	Select Secondary Riser		KEEPII Edit module											X		X		5
98	251	Operate & Set Pole w/ Line Truck In Energized		Line Truck, Pole	Yard										X		X		4
99	252	Assemble Cutout/Arrestor on Bracket		"L" & "T" brackets, (1 Hour to Build) By Apprentices	Yard		510, 709, 713								X		X		3
100	253	Assemble 2ph & 3ph Steel Appurtenance Arm		Cutouts, Surge Arresters, Steel Arms, (4 Hour to Build) By Apprentices (Use station 229)	Yard										X		X		2
101	254	Assemble 8 foot Cross Arms	Re-write to depict X-arm with braces 8 foot	8' Crossarm, (4 Hours to Build) By Apprentices (Use station 229)	Yard		801								X		X		1
102	255	Learning to Climb a Pole			Yard	(147+255+304+404 +502+618)									X		X		50
103	257	Operate Backhoe		Backhoe (Must be trained to Manufacturer's Recommendations)											X		X		49
104	301	Sharpen Hooks	Re-instated	Climbing hooks with sharpening kit											X		X		48
105	303	Drill a Concrete Pole		Concrete Pole, (4 Hours to Build) By Apprentices	Yard										X		X		47
106	304	Learning to Climb a Pole			Yard	(147+255+304+404 +502+618)									X		X		46
107	305	Learn to Use Rules & Specifications Books													X		X		45
108	306	Install Street Lights		Different Type Lights, (40 Hours to Build) By Apprentices	Yard										X		X		44
109	307	Install Service -- House to Pole		Single phase (2 Hours to Build) By Apprentices	Yard		418, 417								X		X		43
110	308	Install Rubber Goods on Secondary		Rubber Covers, (4 Hours to Build) By Apprentices (Use station 229)	Yard										X		X		42
111	309	Install Alley Arm	Re-draw entire drawing (Pg. 2)	Alley Arms, braces, hand tools, etc. Build In (Use station 229)	Yard										X		X		41
112	310	Install Sidewalk Guy		Pole, guy, guy wire, grips, (4 Hours to Build) By Apprentices (Use station 229)	Yard										X		X		40
113	311	Install Down Guy		Guying Materials (Use station 229)	Yard										X		X		39
114	312	Pull 1/4" & 3/8" OH Guys		Guying Materials (Use station 229)	Yard										X		X		38
115	313	Install Load break Terminator		Load Break, Elbow, Terminator, Manufacturer's Instructions (use station 134)											X		X		37
116	314	Install 3M indoor/outdoor Terminator		Terminator, Manufacturer's Instructions											X		X		36
117	315	Install Fault Indicators		FPU Requirements (Use station 134)	Yard										X		X		35
118	316	Checking for Continuity -- Tester & Meters		Meters, Test Stations, (1 Hour to Build) By Apprentices			318, 320, 321, 408, 407, 710								X	$50	X	$50	34
119	317	Interpret a Work Order	STANDARDS - Change to include all symbols and work with engineering to create one standard (ELIMINATE 203 & 217 SEE 716) (Shelley has original)	Work Orders											X		X		33

HEARING EXHIBIT - 00000738

ACTION ITEMS - FPU'S ENHANCED LINEMAN'S TRAINING PROGRAM (TECO)

Qty.	MODULE	TITLE	Description of Action Item (Mariana Meeting June)	Description of Action Item (FB Meeting July)	Requires a Yard	Same modules, but need to be included for practice	Modules that use this modules facilities	# Boards	# Stations	Size of stations Sq. ft.	# hrs/ Station	# Hrs/ Board	$ Materials no-stock	Yr of Implementation	NW Yard	$ Costs	NE Yard	$ Costs
120	318	Job Briefing (Tailboard)		Work Orders											X		X	
121	319	Voltage Readings — VOM & Multimeter		Meters, Test Stations (use station 316)											X		X	
122	320	Check Load 1ph / 120/240V Transformer		Meters; Transformers (use station 316)											X		X	
123	321	Check Transformer Polarity		Meters; Transformers (use station 316)											X		X	
124	322	Operate UG Primary Stripping Tools		Stripping Tools, Misc Hand Tools											X		X	
125	323	Pole Top Rescue Energized		New Module for TECO. Refer to module for materials	Yard	(323+414+526+601 +715)									X		X	
126	400	400 Series Post test													X	$200	X	$200
127	401	Sag Primary Conductors		Use 229 Station (Buy Dynamometers)	Yard										X		X	
128	404	Learning to Climb a Pole			Yard	(147+225+304+401 +502+618)									X		X	
129	405	Interpret a One Line Diagram	STANDARDS - (Shelley has original)												X		X	
130	406	Check 3ph Rotation		Use 316 Station	Yard													
131	407	Use a Capacitance "C" Meter	Re-write to describe "Quick Check" unit (talk to Tommy Faulk)	Use 316 Station	Yard										X		X	
132	408	Prepare S&C Equipment for Use		Use 219 Station	Yard										X		X	
133	409	Re-Fuse Pad Xformer with a Bay-O-N	PHOTO add bayonet fuse location on pad mount	Use 244 Station	Yard										X		X	
134	410	Match Phases on Service Conductors		Use 245 Station	Yard										X		X	
135	411	Install/Inspect CT on Secondaries		Use 412 Station	Yard										X		X	
136	412	Set Three Ph / Four Wire Meter		Build a station (4 hours 1x person)	Yard		408, 411, 413								X		X	
137	413	Read Standard KWH Meter		Use 412 Station	Yard													
138	414	Pole Top Rescue Energized			Yard	(323+414+526+601 +715)									X		X	
139	415	Use of Line Hose & Blankets	STANDARDS - Great form to be used during a monthly inspection by supervisor (obtain agreement)	Use 229 Station	Yard										X		X	
140	416	Inspect 1ph / Three Wire Meter Socket		Use 307 Station	Yard										X		X	
141	417	Sag Secondary Cable		Use 307 Station	Yard										X		X	
142	500	500 Series Post Test													X		X	
143	502	Learning to Climb a Pole			Yard	(147+225+304+401 +502+618)									X		X	
144	504	Install Line Guards – Armor Rods		Use 229 Station	Yard													
145	506	Identify Hot Line Tools		Display Board, Ref. to module for matls (editing required) - (3 Hours To Build) By Apprentices											X	$50	X	$50
146	507	INSTALL AND OPERATE A C.S.P. TRANSFORMER		KEEP!! Very little Editing required (use this module for awareness purposes as not too many CSPs in system - Florida Transformer may provide a bit housing) Install a station at ground level (2 people, 3 Hours to Build) By Linemen & Apprentices	Yard										X		X	
147	508	Work Energized Conductors from Bucket		Bucket truck (use station 229)	Yard										X		X	
148	509	Bucket Truck Rescue from Ground		Bucket truck - (buy a Mannequin)	Yard										X		X	
149	510	Install Primary Line Fuse Cutout		Use 252 Station	Yard													
150	511	Operate UD Fault Locator		Install faulted cable in the ground (2 people, 6 Hours to Build) By Apprentices (Use the 2 Dynatels)	Yard										X		X	
151	512	Cut/ Spike Primary with Remote Cable Cutter		Use current module and edit if once new equipment is purchased (evaluate available equipment)											X		X	
152	513	Build Open Wye/Open Delta Bank –	Where is this Module?? (print it and edit it)	Edit list of equipment required (2 people, 8 Hours to Build) By Linemen & Apprentices (UG pedmounts)	Yard		515, 527								X		X	
153	514	Splice UD Primary Cable		FB - Think about the barn and adding at two levels											X	$50	X	$50
154	515	Troubleshoot UD Circuits Using Fault	PHOTO replace with one of our fuse indicators	Set up a display board with blinking lights (do in class setting)											X		X	
155	516	Connect Transformers Wye-Wye	Add minimum clearances table	Set a pole and install banks (2 people, 8 Hours to Build) By Linemen & Apprentices	Yard		517, 516, 518, 513								X		X	
156	517	Connect Transformers Open-Wye, Open Delta		Use 516 Station	Yard										X		X	
157	518	Connect Transformers Closed Delta		Use 516 Station	Yard										X		X	
158	519	Connect Transformer 3 Variations of Delta		Use 516 Station	Yard										X		X	
159	520	Inspect Transformers Nameplates		Use 217 Station											X		X	
160	521	Change Tap Setting		Use 513 Station	Yard										X		X	
161	522	Test for V & Apply Grounding Elbow		Use 513 Station	Yard										X		X	
162	523	Install Personal Protective Grounds		Use 229 Station	Yard										X		X	
163	524	Use Material Handling Bucket		Bucket											X		X	
164	526	Pole Top Rescue Energized			Yard	(323+414+526+601 +703+715)									X		X	
165	600	600 Series Post Test													X		X	
166	601	Pole Top Rescue Energized			Yard	(323+414+526+601 +715)												
167	605	Replace Horizontal Line Post Insulator		Set a poles and insulators (2 people, 8 Hours to Build) By Lineman & Apprentices	Yard		605, 607, 612, 614, 617, 618, 807, 808										X	
168	606	Frame Triangular Construction Pole		Use 605 Station	yard												X	
169	607	Ground Transmission Circuit		Use 605 Station	yard												X	
170	608	Prepare Conductor & Sleeve for Compression		Buy 60 ton press (obtain $$)														

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HEARING EXHIBIT - 00000739

ACTION ITEMS - FPU'S ENHANCED LINEMAN'S TRAINING PROGRAM (TECO)

Qty.	MODULE	TITLE	Description of Action Item (Mariana Meeting June)	Description of Action Item (FB Meeting July)	Requires a Yard	Same modules, but need to be included for practice	Modules that use this modules facilities	# Boards	# Stations	Size of stations Sq. ft.	# hrs/ Station	# Hrs/ Board	$ Materials no-stock	Yr of Impleme station	NW Yard	$ Costs	NE Yard	$ Costs
171	610	Learn Rigging Procedures			Yard										X		X	
172	612	Install Dead-end -- Clamp & Compression		Use 605 Station	yard												X	
173	614	Install Anchor & Extension with Digger		Use 605 Station	yard												X	
174	617	Care, Handling& installation of Composite Insku		Use 605 Station	yard												X	
175	618	Climb Transmission Pole		FB - Has built this station at JLT side yard (old JLT)	yard	(147+255+304+404 +502=618)									X		X	
176	700	700 Series Post Test													X		X	
177	701	Trouble Shoot Transformers		Use 245 Station (It need to be done with energized equipment)	yard										X		X	
178	702	Install Conductor Ties		Use 229 distribution Station	Yard										X		X	
179	703	Change Out Xarms Energized -- 3ph Primary Arm		Use 229 distribution Station	Yard										X		X	
180	704	Cutting Double Dead-end -- Existing Primary		Use 229 distribution Station	Yard										X		X	
181	705	Splice Energized 336 MCM Conducto	PHOTO add one showing die installation hydraulic Y35 tool	Use 229 distribution Station	Yard										X		X	
182	706	Change Out Xarms Energized -- 3ph Primary Arm		Use 229 distribution Station	Yard										X		X	
183	707	Frame & Layout for re-Conductoring	STANDARDS - Obtain from engineering (work with NE&NW to generate one standard)	Use 229 distribution Station	Yard										X		X	
184	708	Use Load break Pickup Tool	KEEP!! MAY NEED EDITING	Use existing distribution Station (use station 229)	Yard										X		X	
185	709	Replace :lighting Arrestor		Use 252 distribution Station	Yard										X		X	
186	710	Check for an Open Neutral		Use 316 distribution Station	Yard										X		X	
187	711	Replace Dead-end Insulators		Use 229 distribution Station	Yard										X		X	
188	712	Change Out Horizontal Line Post Insulator		Use 229 distribution Station	Yard										X		X	
189	713	Use Load break Tools		Use 252 distribution Station	Yard										X		X	
190	715	Pole Top Rescue Energized			Yard	(323+414+528=801 =715)									X		X	
191	716	Interpret Work Order Symbols & Abbr	STANDARDS - Change to include all symbols and work with engineering to create one standard SEE 317 (Shelley has original)												X		X	
192	717	Parallel Transformers banks		Use 516 distribution Station	Yard										X		X	
193	801	Install 600 Switches Vertical	STANDARDS - Pg. 17 - Replace standard with FPU's	Use 254 distribution Station	Yard										X		X	
194	802	Install Primary Metering		Build primary metering station in yard to be Capable of Energizing; obtain PTs, CTs, meters from stock (4 persons, 8 hours to Build) By Lineman & Apprentices	Yard										X		X	
195	803	Replace 3ph Capacitor Bank		Build station in yard to be Capable of Energizing, Buy a cap bank with oil sw and controls ; to be done in the training yard to ultimately install in the field (3 persons; 8 hours to Build) By Lineman & Apprentices (obtain from stock and keep in stock until is is intall as a unit of property) (try to obtain demos from manufactures)	Yard										X		X	
196	804	Install Primary Jumpers		Use 229 distribution Station	Yard													
197	805	Operate Line regulator		Build station in yard for regulator and by pass switches - Capable of Energizing; (3 persons, 16 hours to Build) By Lineman & Apprentices. Mariana and FB(JLT) have spares; Connect to 120v source to simulate tap switching (try to obtain demos from manufactures)	Yard										X		X	
198	806	Switch Tag UG Equipment	PHOTO Pg. 10 replace with our style elbow cover. STANDARDS - Pg. 7 - Safety department to standardize tags	Use 219 Station an obtain live front McGraw Edison, and Cooper MOST series unit (use items from stock until installed as a unit of property)	Yard										X		X	
199	807	Switch and Tag Over heard		Use 605 Station	Yard										X		X	
200	808	Switch & Tag Transmission		Use 605 Station	Yard										X		X	
201	809	Oil Sampling													X		X	
202	810	Oil-Filled equipment Procedure		PCB														
203	811	Forms Pertaining to Oil Fill Equipment																
204	812	Install OCR & Place in Service	(THIS MODULE CAN ALSO BE USED AS A REFRESHER FOR EXPERIENCED JOURNEYMEN)	Build station in JLT yard and Mariana for reclosers with FORM 5 or FORM 6 controls (2 persons, 16 hours to Build) By Lineman & Apprentices (obtain $$ estimate) USE EQUIPMENT FROM STOCK UNTIL IT BECOMES UNIT OF PRPERTY (try to obtain demos from manufactures or use existing old equipment)	Yard										X		X	
								24	33	3032	429	196	$3,830		0	$3,730	0	$3,880
								1	1	8	612	200	4		$24	$33	$3,032	$429

Totals>>>>

ADDITIONAL NOTES :
- The abbreviations of UD (underground distribution) and UG (underground) are used interchangeably -- meaning electric plant install underground versus overhead
- NE purchase one capstan for module 108
- NE & NW build display boards
- NE & NW pole top rescue set-up and installation
- TECO & FPUC discuss the copyright stamp

ADDITIONAL NOTES FORM FB JULY MEETING :
- Edit "FINGER TREES"
- During classroom lectures be sure to remove ALL tests and answer sheets from all modules

HEARING EXHIBIT - 00000740

ACTION ITEMS - FPU'S ENHANCED LINEMAN'S TRAINING PROGRAM (TECO)

Qty	MODULE	TITLE	Description of Action Item (Mariana Meeting June)	Description of Action Item (FB Meeting July)	Requires a Yard	Same modules, but need to be included for practice	Modules that use this modules facilities	# Boards	# Stations	Size of stations Sq. ft.	# hrs/ Station	# Hrs/ Board	$ Materials no-stock	Yr of Implementation	NW Yard	$ Costs	NE Yard	$ Costs

- *TECO provided to FPU updated or new modules that are to be reviewed and incorporated into the program (SEE MODULES PRIVED AT THE MEETING: 103, 119, 114, 127, 323, 812, 813, 814, 815, 816)*

OPEN ITEMS:
- Charging/using stock material on the training yard (left Message to Cheryl)
- Investigate use of land at JLT (JP to address)
- Buy a capstan ($1700) and 60 ton press($6000) for your regular construction and maintenance

HEARING EXHIBIT - 00000741

		2008		2009		2010		2011		2012
SD										
ST 911	degasify & gen testing	25000	doble bushings/oil samples	3000	doble bushings/oil samples	3000	doble bushings/oil samples	3000	General Testing (5yr)	10000
ST 908	doble bushings/oil samples	3000	doble bushings/oil samples	3000	doble bushings/oil samples	3000	doble bushings/oil samples	3000	General Testing (5yr)	10000
ST 907	doble bushings/oil samples	3000	doble bushings/oil samples	3000	doble bushings/oil samples	3000	doble bushings/oil samples	3000	General Testing (5yr)	10000
ST 906	General Testing & LTC Mtc	10000	doble bushings/oil samples	3000	doble bushings/oil samples	3000	doble bushings/oil samples	3000	General Testing & LTC Mtc (5yr)	10000
ST 913	General Testing & LTC Mtc	10000	doble bushings/oil samples	3000	doble bushings/oil samples	3000	doble bushings/oil samples	3000	General Testing & LTC Mtc (5yr)	10000
JLT										
ST 904	General Testing & LTC Mtc	10000	doble bushings/oil samples	3000	doble bushings/oil samples	3000	doble bushings/oil samples	3000	General Testing & LTC Mtc (5yr)	10000
ST 905	General Testing & LTC Mtc	10000	doble bushings/oil samples	3000	doble bushings/oil samples	3000	doble bushings/oil samples	3000	General Testing & LTC Mtc (5yr)	10000
AIP										
ST 910	doble bushings/oil samples	3000	doble bushings/oil samples	3000	doble bushings/oil samples	3000	General Testing & LTC Mtc (5yr)	10000	doble bushings/oil samples	3000
ST 909	doble bushings/oil samples	3000	doble bushings/oil samples	3000	doble bushings/oil samples	3000	General Testing & LTC Mtc (5yr)	10000	doble bushings/oil samples	3000
TOTALS FOR TRANSFORMERS		**77000**		**27000**		**27000**		**41000**		**76000**

SD 138KV				
GCB 401			major 6yr	3000
GCB 402			major 6yr	3000
SD 69KV				
OCB 301	Oil Samples (baseline)/visua	500	major 6yr	3000
OCB 302	Oil Samples (baseline)/visua	500	major 6yr	3000
OCB 303	Oil Samples (baseline)/visua	500	major 6yr	3000
OCB 306	Oil Samples (baseline)/visua	500	major 6yr	3000
GCB 304		major 6yr	3000	
GCB 305		major 6yr	3000	
GCB 309		major 6yr	3000	
GCB 313	major 6 yr	3000		
GCB 315	major 6 yr	3000		
SD 15KV				
VCB 307		major 5 yr.	3000	
VCB 308		major 5 yr.	3000	
VCB 310		major 5 yr.	3000	
VCB 311		major 5 yr.	3000	
VCB 312		major 5 yr.	3000	

HEARING EXHIBIT - 00000742

JLT 69KV					
GCB 201			major 6yr	3000	
GCB 202			major 6yr	3000	
GCB 203			major 6yr	3000	
GCB 204			major 6yr	3000	
JLT 15KV					
VCB 206	major 5 yr.	3000			
VCB 207	major 5 yr.	3000			
VCB 208	major 5 yr.	3000			
VCB 209	major 5 yr.	3000			
VCB 210	major 5 yr.	3000			
VCB 211	major 5 yr.	3000			
VCB 212	major 5 yr.	3000			
VCB 213	major 5 yr.	3000			
VCB 214	major 5 yr.	3000			
VCB 215	major 5 yr.	3000			
AIP 69KV					
GCB 150					
GCB 151					
TOTAL FOR CBS	**8000**	**54000**	**30000**	**0**	**0**

HEARING EXHIBIT - 00000743

NE Division - Substation Maintenance

Equipment	*2008*	*2009*	*2010*	*2011*	*2012*
Transformers	$77,000	$27,000	$27,000	$41,000	$76,000
Circuit Breakers (oil & SF6)	$8,000	$54,000	$30,000	$0	$0
Circuit Switchers	$9,000	$0	$0	$9,000	$0
Potential Transformers	$4,000	$1,000	$4,000	$1,000	$4,000
Relays	$10,000	$1,000	$10,000	$1,000	$10,000
Switches	$5,000	$5,000	$5,000	$5,000	$5,000
Infrared (all stations)	$3,000	$3,000	$3,000	$3,000	$3,000
Washing Insulators (Stepdown Only)	$10,000	$10,000	$10,000	$10,000	$10,000
Totals	$126,000	$101,000	$89,000	$70,000	$108,000

Assumptions & Notes:

- New CBs and Tx at SD & JLT require less maintenance in early years.
- Time-based maintenance schedule based on 2005 NETA's (National Electrical Testing Association) guidelines and manufacturer's recommendations
- SF6 CBs at AIP are replaced in 2009
- Above figures to change contingent upon equipment failures and repairs

	FULL TIME DEDICATED TRAINER (Case 1) (Training yard & classroom each division - Training alternate weeks in each div.)					SUPERVISORS AS TRAINERS (Case 2) (Integrate TECO modules with OJT)					ALL WORKING FOREMEN AS TRAINERS (Case 3) (Integrate TECO modules with OJT)				
	Year 1	Year 2	Year 3	Year 4	Totals	Year 1	Year 2	Year 3	Year 4	Totals	Year 1	Year 2	Year 3	Year 4	Totals
Modules	52	49	50	53	204	52	49	50	53	204	52	49	50	53	204
Stations	4	13	8	8	33					0					0
Boards	15	8	2	1	24					0					0
hrs/ Station	45	104	80	200	429					0					0
Hrs/ Board	125	64	3	4	196					0					0
upervisors (LN & Svc)															
Loss of Spv. Productivity	0	0	0	0		37%	35%	35%	35%		0%	0%	0%	0%	
ess of productivity (Apprentices)	9%	9%	9%	9%		9%	9%	9%	9%		9%	9%	9%	9%	
ess of productivity (Journeymen)	0%	0%	0%	0%		0%	0%	0%	0%		13%	13%	13%	13%	
ess of productivity (each crew)	4%	4%	4%	4%		4%	4%	4%	4%		11%	11%	11%	11%	
rainer's Salary	$87,750	$90,383	$92,094	$95,887	$366,114	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
rain the Trainer(Formal)						$10,000	$0	$0	$0	$10,000	$32,500	$0	$0	$0	$32,500
ravel ($400/trip Trainer)	$9,600	$9,600	$9,600	$9,600	$38,400	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
avel Apprentice ($140/day)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
lass rooms:	$24,000	$0	$0	$0	$24,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
tables (6 [3M & 3FB])	$2,200	$0	$0	$0	$2,200	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Chairs (16 [8M & 8 FB])	$640	$0	$0	$0	$640	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Filing Cabinets (4 [2M & 2FB])	$750	$0	$0	$0	$750	$750	$0	$0	$0	$750	$750	$0	$0	$0	$750
Bookshelves (2 [1M & 1FB])	$800	$0	$0	$0	$800	$800	$0	$0	$0	$800	$800	$0	$0	$0	$800
black/white board (2 [1M & 1FB])	$360	$0	$0	$0	$360	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
HVAC (2)	$800	$0	$0	$0	$800	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Permitting/Land (FB only)	$600	$0	$0	$0	$600	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
rinting and Editing	$2,325	$2,325	$2,325	$2,325	$9,300	$2,325	$2,325	$2,325	$2,325	$9,300	$2,325	$2,325	$2,325	$2,325	$9,300
aterials															
Stock	$9,260	$11,300	$11,160	$12,700	$44,420	$0	0	0	0	$0	$0	$0	$0	$0	$0
Non- Stock	$2,050	$1,530	$300	$50	$3,930	$0	0	0	0	$0	$0	$0	$0	$0	$0
OTALS>>>>>>>>>>>>>>>	$141,135	$115,138	$115,479	$120,862	$492,314	$13,875	$2,325	$2,325	$2,325	$20,850	$36,375	$2,325	$2,325	$2,325	$43,350

HEARING EXHIBIT - 00000745

NERC
NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION
3-390 Village Blvd
rinceton, NJ 08540-5731
609-452-8060 (T) 609-452-9550 (F)

3rd Quarter 2007 Invoice

5172

DATE	NUMBER
5/14/2007	5172

Billing Address

Florida Public Utilities Company
Mark Cutshaw
911 South 8th Street
PO Box 418
Fernandina Beach, FL 32034

Exhibit 47.1
OPC Interrogatory 1
Docket 070304-EI

Please return the bottom portion with your payment. Please reference the invoice number on your check.

Charge Date	Charge Code	Description	Amount
5/14/2007	1079NERC	Florida Public Utilities Company NERC Assmnt	$638.60
5/14/2007	1079REGION	Florida Public Utilities Company FRCC REGION Assmnt	$1,314.83

5.5011.171
115.4010.557

RECEIVED
MAY 23 2007
BY: gr

Payment Terms: Net 45 Days

Total: $1,953.43

Customer ID
Customer Name

Invoice ID 5172
Invoice Date 5/14/2007

Charge Date	Charge Code	Description	Amount
5/14/2007	1079NERC	Florida Public Utilities Company NERC Assmnt	$638.60
5/14/2007	1079REGION	Florida Public Utilities Company FRCC REGION Assmnt	$1,314.83

Payment Terms: Net 45 Days

Total: $1,953.43

SAFEGUARD LITHO USA 11/06 LD4SF017855M

HEARING EXHIBIT - 00000746

2007 Allocation of NERC and Regional Entity Costs to Load Serving Entities (or designee)

				ANNUAL			QUARTERLY		
	Regional Entity	Entity	Country	Total ERO Funding (w/ RE costs)	Total NERC Funding	Regional Entity Funding (including RAB funding)	Total ERO Funding	NERC Funding	Regional Entity Funding (including RAB funding)
2005	RFC	PSI Energy, Inc. dba Duke Energy Indiana, Inc.	U.S.	482,628.15	166,774.18	315,853.98	120,657.03	41,693.54	78,963.49
2005	RFC	Public Lighting Department of Detroit	U.S.	9,672.55	3,342.68	6,329.87	2,418.14	835.67	1,582.47
2005	RFC	Quest Energy	U.S.	16,568.32	5,725.41	10,842.91	4,142.08	1,431.35	2,710.73
2005	RFC	Quest Energy	U.S.	21,102.13	7,291.73	13,810.40	5,275.53	1,822.93	3,452.60
2005	RFC	Ripley	U.S.	340.52	117.41	223.11	85.13	29.35	55.78
2005	RFC	Sempra Energy Solutions	U.S.	1,257.24	434.35	822.89	314.31	108.59	205.72
2005	RFC	Sempra Energy Solutions	U.S.	3,482.40	1,203.20	2,279.20	870.60	300.80	569.80
2005	RFC	Strategic Energy (STRAT)	U.S.	4,796.16	1,657.59	3,138.58	1,199.04	414.40	784.64
2005	RFC	Strategic Energy, LLC	U.S.	22,175.56	7,663.06	14,512.51	5,543.89	1,915.76	3,628.13
2005	RFC	Strategic Energy, LLC	U.S.	22,603.20	7,810.34	14,792.87	5,650.80	1,952.58	3,698.22
2005	RFC	Strategic Energy, LLC	U.S.	4,255.36	1,470.19	2,785.17	1,063.84	367.55	696.29
2005	RFC	Tell City Electric Department	U.S.	2,918.44	1,008.52	1,909.92	729.61	252.13	477.48
2005	RFC	The Cincinnati Gas & Electric Co. dba Duke Energy Ohio, Inc..	U.S.	300,289.16	103,766.03	196,523.13	75,072.29	25,941.51	49,130.78
2005	RFC	The Union Light, Heat and Power Company dba Duke Energy Kentucky, Inc.	U.S.	65,467.29	22,622.65	42,844.64	16,366.82	5,655.66	10,711.16
2005	RFC	Thumb Electric Cooperative	U.S.	2,413.64	834.13	1,579.51	603.41	208.53	394.88
2005	RFC	Vectren Energy Delivery of IN	U.S.	89,314.21	30,862.70	58,451.51	22,328.55	7,715.67	14,612.88
2005	RFC	Village of Riverton, IL	U.S.	345.72	119.19	226.52	86.43	29.80	56.63
2005	RFC	Village of Sebewaing	U.S.	638.75	220.98	417.78	159.68	55.24	104.44
2005	RFC	Wabash Valley Power Association, Inc.	U.S.	37,291.37	12,886.50	24,404.87	9,322.85	3,221.63	6,101.22
2005	RFC	Wisconsin Electric Power Co. (WEPC)	U.S.	461,745.93	159,558.51	302,187.42	115,436.49	39,889.63	75,546.86
2005	RFC	Wisconsin Energy Services	U.S.	8,759.83	3,027.11	5,732.72	2,189.96	756.78	1,433.18
2005	RFC	Wisconsin Public Power, Inc.	U.S.	58,799.08	20,318.60	38,480.48	14,699.77	5,079.65	9,620.12
2005	RFC	Wolverine Power Marketing Cooperative	U.S.	13,572.71	4,690.43	8,882.28	3,393.18	1,172.61	2,220.57
2005	RFC	Wolverine Power Supply Cooperative	U.S.	1,553.44	536.56	1,016.87	388.36	134.14	254.22
2005	RFC	Wolverine Power Supply Cooperative	U.S.	16,365.07	5,655.06	10,710.01	4,091.26	1,413.76	2,677.50
2005	RFC	WPS Energy Services, Inc.	U.S.	1,317.14	454.89	862.25	329.28	113.72	215.56
2005	RFC	WPS Energy Services, Inc.	U.S.	1,682.97	581.63	1,101.34	420.74	145.41	275.33
2005	RFC	Zelienople (ZELI)	U.S.	522.10	180.33	341.78	130.52	45.08	85.44
				14,321,241.10	4,948,769.10	9,372,472.00	3,580,310.29	1,237,192.27	2,343,118.02
2005	SERC	Alabama Electric Cooperative, Inc.	U.S.	90,690.31	43,830.63	46,859.68	22,672.58	10,957.66	11,714.92
2005	SERC	Alabama Municipal Electric Authority	U.S.	37,499.77	18,123.65	19,376.12	9,374.94	4,530.91	4,844.03
2005	SERC	Alabama Power Company	U.S.	624,146.35	301,649.27	322,497.08	156,036.59	75,412.32	80,624.27
2005	SERC	Ameren - CILCO	U.S.	71,895.20	34,747.09	37,148.12	17,973.80	8,686.77	9,287.03
2005	SERC	Ameren - IP	U.S.	207,025.26	100,055.57	106,970.69	51,756.56	25,013.89	26,742.67
	SERC	Ameren - UE/CIPS	U.S.	617,926.68	298,643.03	319,283.65	154,481.67	74,660.76	79,820.91
	SERC	APGI - Yadkin Division	U.S.	413.10	199.43	213.67	103.28	49.86	53.42
2005	SERC	Associated Electric Cooperative, Inc.	U.S.	193,605.54	93,569.19	100,036.35	48,401.39	23,392.30	25,009.09
2005	SERC	Big Rivers Electric Corporation	U.S.	117,233.29	56,658.49	60,574.81	29,308.32	14,164.62	15,143.70
2005	SERC	Black Warrior EMC	U.S.	4,658.54	2,251.30	2,407.24	1,164.64	562.83	601.81
2005	SERC	Blue Ridge EMC	U.S.	12,098.43	5,847.19	6,251.24	3,024.61	1,461.80	1,562.81
2005	SERC	Central Electric Power Cooperative Inc	U.S.	1,537.10	742.87	794.23	384.28	185.72	198.56
2005	SERC	City of Blountstown, FL	U.S.	436.21	211.05	225.16	109.05	52.76	56.29
2005	SERC	City of Camden, SC	U.S.	2,120.23	1,024.48	1,095.75	530.08	256.12	273.94
2005	SERC	City of Collins, MS	U.S.	451.61	218.45	233.17	112.90	54.61	58.29
2005	SERC	City of Columbia, MO	U.S.	15,120.66	7,307.97	7,812.69	3,780.16	1,826.99	1,953.17
2005	SERC	City of Conway, AR (Conway Corporation)	U.S.	9,543.61	4,612.44	4,931.17	2,385.90	1,153.11	1,232.79
2005	SERC	City of Dalton, GA	U.S.	17,907.10	8,654.48	9,252.62	4,476.77	2,163.62	2,313.15
2005	SERC	City of Evergreen, AL	U.S.	695.66	336.17	359.49	173.91	84.04	89.87
2005	SERC	City of Hampton, GA	U.S.	277.26	134.19	143.07	69.32	33.55	35.77
2005	SERC	City of Hartford, AL	U.S.	336.33	162.56	173.77	84.08	40.64	43.44
2005	SERC	City of Henderson, KY	U.S.	7,284.76	3,520.86	3,763.90	1,821.19	880.22	940.97
2005	SERC	City of North Little Rock, AR (DENL)	U.S.	11,209.13	5,417.50	5,791.63	2,802.28	1,354.37	1,447.91
2005	SERC	City of Orangeburg (SC) Department of Public	U.S.	10,458.00	5,054.17	5,403.83	2,614.50	1,263.54	1,350.96
2005	SERC	City of Robertsdale, AL	U.S.	662.64	320.31	342.33	165.66	80.08	85.58
2005	SERC	City of Ruston, LA (DERS)	U.S.	3,018.67	1,459.08	1,559.60	754.67	364.77	389.90
2005	SERC	City of Seneca, SC	U.S.	1,897.86	917.17	980.69	474.46	229.29	245.17
2005	SERC	City of Troy, AL	U.S.	3,731.79	1,803.63	1,928.16	932.95	450.91	482.04
2005	SERC	City of West Memphis, AR (West Memphis	U.S.	4,249.20	2,053.68	2,195.52	1,062.30	513.42	548.88
2005	SERC	Dominion Virginia Power	U.S.	904,198.98	436,998.28	467,200.69	226,049.74	109,249.57	116,800.17
2005	SERC	Duke Energy Carolinas	U.S.	897,856.49	433,933.07	463,923.42	224,464.13	108,483.27	115,980.86
2005	SERC	East Kentucky Power Cooperative	U.S.	132,827.77	64,195.57	68,632.20	33,206.94	16,048.89	17,158.05
2005	SERC	East Mississippi (Includes SEPA)	U.S.	4,277.97	2,067.49	2,210.48	1,069.49	516.87	552.62
2005	SERC	Electric Energy Inc.	U.S.	545.82	263.69	282.13	136.45	65.92	70.53
2005	SERC	EnergyUnited EMC	U.S.	24,875.50	12,022.37	12,853.13	6,218.87	3,005.59	3,213.28
2005	SERC	Entergy	U.S.	1,127,033.05	544,693.91	582,339.14	281,758.26	136,173.48	145,584.78
2005	SERC	Fayetteville (NC) Public Works Commission	U.S.	24,083.07	11,639.21	12,443.87	6,020.77	2,909.80	3,110.97
2005	SERC	Florida Public Utilities (FL Panhandle Load)	U.S.	3,782.06	1,827.78	1,954.29	945.51	456.94	488.57
2005	SERC	French Broad EMC	U.S.	5,407.98	2,613.82	2,794.16	1,351.99	653.45	698.54
2006	SERC	Georgia Power Company	U.S.	930,669.59	449,791.39	480,878.20	232,667.40	112,447.85	120,219.55
2007	SERC	Georgia System Operations Corporation	U.S.	388,277.80	187,654.32	200,623.48	97,069.45	46,913.58	50,155.87
2008	SERC	Greenwood (SC) Commissioners of Public Works	U.S.	3,395.21	1,640.95	1,754.26	848.81	410.24	438.57
2009	SERC	Gulf Power Company	U.S.	126,267.94	61,024.93	65,243.01	31,566.98	15,256.23	16,310.75
2010	SERC	Illinois Municipal Electric Agency	U.S.	18,524.36	8,953.00	9,571.36	4,631.09	2,238.25	2,392.84
2011	SERC	Kentucky Utilities Company	U.S.	222,740.88	107,650.35	115,090.53	55,685.22	26,912.59	28,772.63
	SERC	Louisiana Generating, LLC	U.S.	91,559.68	44,250.74	47,308.94	22,889.92	11,062.69	11,827.23
20..	SERC	Louisville Gas & Electric Company	U.S.	131,899.99	63,746.88	68,153.11	32,975.00	15,936.72	17,038.28

HEARING EXHIBIT - 00000747

2007 Allocation of NERC and Regional Entity Costs to Load Serving Entities (or designee)

Year	Regional Entity	Entity	Country	ANNUAL: Total ERO Funding (w/ RE costs)	ANNUAL: Total NERO Funding	ANNUAL: Regional Entity Funding (including RAB funding)	QUARTERLY: Total ERO Funding	QUARTERLY: NERC Funding	QUARTERLY: Regional Entity Funding (including RAB funding)
2005	ERCOT	ERCOT	U.S.	6,264,938.24	1,394,183.24	4,870,755.00	1,566,234.56	348,545.81	1,217,688.75
				6,264,938.24	1,394,183.24	4,870,755.00	1,566,234.56	348,545.81	1,217,688.75
2005	FRCC	Alachua, City of	U.S.	1,654.55	541.18	1,113.37	413.64	135.30	278.34
2005	FRCC	Bartow, City of	U.S.	10,412.72	3,403.82	7,008.90	2,603.17	850.95	1,752.22
2005	FRCC	Chattahoochee, City of	U.S.	1,323.04	432.35	890.69	330.76	108.09	222.67
2005	FRCC	Florida Keys Electric Cooperative Assn	U.S.	11,358.17	3,713.06	7,645.11	2,839.55	928.27	1,911.28
2005	FRCC	Florida Municipal Power Agency	U.S.	113,779.99	37,194.25	76,585.74	28,445.00	9,298.56	19,146.44
2005	FRCC	Florida Power & Light Co.	U.S.	1,727,802.94	564,813.43	1,162,989.51	431,950.74	141,203.36	290,747.38
2005	FRCC	Florida Public Utilities Company	U.S.	7,813.71	2,554.38	5,259.33	1,953.43	638.60	1,314.83
2005	FRCC	Gainesville Regional Utilities	U.S.	31,144.00	10,180.92	20,963.08	7,786.00	2,545.23	5,240.77
2005	FRCC	Homestead, City of	U.S.	6,395.52	2,090.51	4,305.01	1,598.88	522.63	1,076.25
2005	FRCC	JEA	U.S.	207,941.48	67,975.57	139,965.91	51,985.37	16,993.89	34,991.48
2005	FRCC	Lakeland Electric	U.S.	46,629.20	15,242.90	31,386.30	11,657.30	3,810.73	7,846.57
2005	FRCC	Mount Dora, City of	U.S.	3,638.61	1,189.20	2,449.40	909.65	297.30	612.35
2005	FRCC	New Smyrna Beach, Utilities Commission of	U.S.	6,254.31	2,044.72	4,209.58	1,563.58	511.18	1,052.40
2005	FRCC	Orlando Utilities Commission	U.S.	106,727.16	34,888.59	71,838.57	26,681.79	8,722.15	17,959.64
2005	FRCC	Progress Energy Florida	U.S.	684,063.63	223,618.19	460,445.45	171,015.91	55,904.55	115,111.36
2005	FRCC	Quincy, City of	U.S.	4,914.58	1,606.29	3,308.29	1,228.64	401.57	827.07
2005	FRCC	Reedy Creek Improvement District	U.S.	19,817.21	6,478.03	13,339.18	4,954.30	1,619.51	3,334.79
2005	FRCC	Seminole Electric Cooperative	U.S.	258,434.67	84,481.43	173,953.24	64,608.67	21,120.36	43,488.31
2005	FRCC	St. Cloud, City of (OUC)	U.S.	8,128.53	2,657.13	5,471.39	2,032.13	664.28	1,367.85
2005	FRCC	Tallahassee, City of	U.S.	45,479.76	14,867.52	30,612.24	11,369.94	3,716.88	7,653.06
2005	FRCC	Tampa Electric Company	U.S.	322,277.37	105,351.41	216,925.96	80,569.34	26,337.85	54,231.49
2005	FRCC	Wauchula, City of	U.S.	1,086.68	355.04	731.64	271.67	88.76	182.91
2005	FRCC	Williston, City of	U.S.	1,150.44	376.39	774.05	287.61	94.10	193.51
2005	FRCC	Winter Park, City of	U.S.	12,067.26	3,945.00	8,122.26	3,016.82	986.25	2,030.57
				3,640,295.52	1,190,001.32	2,450,294.20	910,073.89	297,500.35	612,573.54
2005	MRO	Alliant Energy (Alliant East - WPL & Alliant West	U.S.	741,069.94	169,670.56	571,399.38	185,267.48	42,417.64	142,849.84
2005	MRO	Ames Municipal Electric System	U.S.	19,546.54	4,475.47	15,071.07	4,886.64	1,118.87	3,767.77
2005	MRO	Auburn Board of Public Works	U.S.	1,788.56	409.14	1,379.42	447.14	102.29	344.85
2005	MRO	Basin Electric Power Cooperative	U.S.	184,972.78	42,350.15	142,622.63	46,243.20	10,587.54	35,655.66
2005	MRO	Cedar Falls Municipal Utilities	U.S.	11,459.07	2,623.94	8,835.14	2,864.76	655.98	2,208.78
2005	MRO	Central Iowa Power Cooperative (CIPCO)	U.S.	76,190.56	17,444.18	58,746.38	19,047.64	4,361.04	14,686.60
	MRO	City of Escanaba Electric Department	U.S.	3,705.83	848.28	2,857.55	926.46	212.07	714.39
	MRO	Corn Belt Power Cooperative	U.S.	42,514.29	9,733.83	32,780.46	10,628.58	2,433.46	8,195.12
	MRO	Dairyland Power Cooperative / GEN-SYS Energy	U.S.	120,062.00	27,488.43	92,573.57	30,015.50	6,872.11	23,143.39
2005	MRO	Falls City Water & Light Department	U.S.	1,326.46	303.46	1,023.00	331.62	75.87	255.75
2005	MRO	Fremont Department of Utilities	U.S.	10,706.59	2,452.01	8,256.58	2,677.15	613.00	2,064.15
2005	MRO	Geneseo Municipal Utilities	U.S.	2,020.22	462.51	1,557.71	505.06	115.63	389.43
2005	MRO	Grand Island Utilities Department	U.S.	17,391.71	3,981.63	13,410.09	4,347.93	995.41	3,352.52
2005	MRO	Great River Energy	U.S.	317,095.91	72,599.98	244,495.93	79,273.97	18,149.99	61,123.98
2005	MRO	Hastings Utilities	U.S.	12,385.77	2,835.87	9,549.91	3,096.45	708.97	2,387.48
2005	MRO	Heartland Consumers Power District	U.S.	15,470.98	3,542.48	11,928.51	3,867.75	885.62	2,982.13
2005	MRO	Hutchinson Utilities Commission	U.S.	7,971.73	1,825.26	6,146.47	1,992.93	456.31	1,536.62
2005	MRO	Iowa Association of Municipal Utilities	U.S.	12,465.05	2,853.86	9,611.18	3,116.27	713.47	2,402.80
2005	MRO	Lincoln Electric System	U.S.	87,478.41	20,028.47	67,449.94	21,869.60	5,007.12	16,862.48
2005	MRO	Madison, Gas and Electric	U.S.	84,225.09	19,283.69	64,941.39	21,056.27	4,820.92	16,235.35
2005	MRO	Manitoba Hydro	Canada	598,304.27	136,983.72	461,320.55	149,576.07	34,245.93	115,330.14
2005	MRO	Manitowoc Public Utilities	U.S.	13,902.16	3,183.22	10,718.94	3,475.53	795.80	2,679.73
2005	MRO	McGregor and St. Charles Municipal (GEN-SYS	U.S.	1.59	0.36	1.23	0.40	0.09	0.31
2005	MRO	MidAmerican Energy Company	U.S.	510,823.92	116,954.81	393,869.11	127,705.98	29,238.70	98,467.28
2005	MRO	Minnesota Power	U.S.	319,541.16	73,159.75	246,381.40	79,885.29	18,289.94	61,595.35
2005	MRO	Minnkota Power Cooperative, Inc.	U.S.	93,801.48	21,476.34	72,325.14	23,450.37	5,369.09	18,081.28
2005	MRO	Missouri River Energy Services	U.S.	47,060.10	10,774.35	36,285.75	11,765.03	2,693.59	9,071.44
2005	MRO	MN Municipal Power Agency (MMPA)	U.S.	23,013.10	5,268.65	17,744.44	5,753.27	1,317.16	4,436.11
2005	MRO	Montana-Dakota Utilities Co.	U.S.	58,067.09	13,294.88	44,772.21	14,516.77	3,323.72	11,193.05
2005	MRO	Municipal Energy Agency of Nebraska	U.S.	13,079.57	2,994.92	10,084.65	3,269.89	748.73	2,521.16
2005	MRO	Muscatine Power and Water	U.S.	22,582.14	5,170.04	17,412.10	5,645.54	1,292.51	4,353.03
2005	MRO	Nebraska City Utilities	U.S.	696.52	159.68	536.85	174.13	39.92	134.21
2005	MRO	Nebraska Public Power District	U.S.	290,723.43	66,561.70	224,161.73	72,680.85	16,640.42	56,040.43
2005	MRO	Northwestern Public Service Company	U.S.	33,693.89	7,714.35	25,979.54	8,423.47	1,928.59	6,494.88
2005	MRO	Omaha Public Power District	U.S.	250,533.35	57,360.17	193,173.18	62,633.33	14,340.04	48,293.29
2005	MRO	Otter Tail Power Company	U.S.	97,196.01	22,253.18	74,942.83	24,299.00	5,563.29	18,735.71
2005	MRO	Rochester Public Utilities	U.S.	442.33	101.19	341.14	110.58	25.30	85.28
2005	MRO	SaskPower	Canada	473,954.74	108,513.40	365,441.34	118,488.69	27,128.35	91,360.34
2005	MRO	Southern Minnesota Municipal Power Agency	U.S.	72,603.83	16,622.94	55,980.89	18,150.95	4,155.73	13,995.22
2005	MRO	Southern Montana Generation and Transmission	U.S.	411.24	94.14	317.11	102.81	23.53	79.28
2005	MRO	Western Area Power Administration (LM)	U.S.	8,319.01	1,904.87	6,414.14	2,079.75	476.22	1,603.53
2005	MRO	Western Area Power Administration (UM)	U.S.	162,765.41	37,265.97	125,499.45	40,691.35	9,316.49	31,374.86
2005	MRO	Willmar Municipal Utilities	U.S.	7,450.55	1,706.16	5,744.38	1,862.64	426.54	1,436.10
2005	MRO	Wisconsin Public Power, Inc. (East and West	U.S.	125,124.35	28,647.77	96,476.58	31,281.08	7,161.94	24,119.14
2005	MRO	WPS Resources (WPS and UPPCO)	U.S.	369,283.87	84,548.54	284,735.33	92,320.96	21,137.13	71,183.83
2005	MRO	Xcel Energy Company (NSP)	U.S.	1,149,464.85	263,173.34	886,291.51	287,366.21	65,793.33	221,572.88
				6,512,689.44	1,491,101.63	5,021,587.82	1,628,172.34	372,775.39	1,255,396.95

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10/24/2007 14:03:45 Analytical Inquiry PLGAIPW1 PLDAIPW1

PAYMENTS

Type options and press Enter.
5=Payment information 6=Accounting entries 7=Paid items
8=Vendor controls 9=Cleared history

Option	Pay date	Payment	Account	Vendor	Payment amount
Loc					
	9/10/2007	271878	BOA	67666	1,953.43
	8/09/2007	270269	BOA	67666	1,953.43
	6/07/2007	266593	BOA	67666	2,898.94
	4/05/2007	263136	BOA	67666	945.51
	3/08/2007	261876	BOA	67666	1,953.43
	2/01/2007	259968	BOA	67666	945.51
	10/16/2006	254470	BOA	67666	100.00

10,650.25

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F2=Function keys F3=Exit F5=Refresh F9=Payment Sort F24=More keys

NERC Payments

HEARING EXHIBIT - 00000749

HEARING EXHIBIT - 00000750

Exhibit 49.1
OPC Interrogatory 1
Docket 070304-EI

LABOR AGREEMENT

BETWEEN

FLORIDA PUBLIC UTILITIES

AND

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS

LOCAL NO. 2152

NORTHWEST FLORIDA DIVISION

EFFECTIVE DATE: June 15, 2007

HEARING EXHIBIT - 00000751

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HEARING EXHIBIT - 00000753

LABOR AGREEMENT

THIS AGREEMENT made and entered into this 15th day of June, 2007 by and between FLORIDA PUBLIC UTILITIES COMPANY, a Florida Corporation, hereinafter referred to as the "Company" and LOCAL UNION 2152 of the INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, a Labor Union affiliated with the American Federation of Labor and Congress of Industrial Organization, hereinafter referred to as the "Union".

WITNESSETH:

It is the purpose of the parties hereto that, through the provisions and procedure provided by this Agreement, there be promoted and preserved an amicable relationship between the Company and the Union to the end that an adequate and uninterrupted service to the public be maintained.

NOW, THEREFORE, the parties hereto contract and agree as follows:

ARTICLE I - RECOGNITION

SECTION 1. The term employee(s) as used in this Agreement shall mean any employee of the Company in the bargaining unit. The bargaining unit is defined as the bargaining unit originally described in the National Labor Relations Notice of Election and Certification No. 15-RC-4808. The Union is hereby recognized as the exclusive and sole bargaining agency for the employees in the bargaining unit as defined above. At the time of execution of the Agreement, the employees covered by said certification are employed as: hourly paid employees of the employer at its Marianna, Florida division, including linemen, servicemen, meter readers, utility men, and apprentices. It is agreed that excluded from the unit are: office employees, clerical employees, outside contractor's employees, salesmen, professional employees, guards and watchmen, foremen, and supervisors as defined by the National Labor Relations Act, as amended.

ARTICLE II - COMPANY, UNION AND EMPLOYEE COOPERATION

SECTION 1. The Union agrees that the Company has the right to require all employees, including members of the Union, to promptly obey orders of the Company; perform loyal and efficient work and service; and use their influence and best efforts to protect the property of the Company, and the Company's interests; and to cooperate with the Company and its employees, in promoting and advancing the welfare of the Company and its services at all times. The Company will cooperate with the Union in its efforts to promote harmony and efficiency.

SECTION 2. Neither the Union, its agents nor any of its members shall solicit employees or Union membership, collect dues or engage in other Union activities on Company time, unless specifically authorized in advance by an immediate supervisor on the day the employee engages in such activities.

SECTION 3. The Company shall be the sole judge as to the number of men required in each section and in each classification for the necessary operation of its business.

SECTION 4. New employees shall be regarded as probationary employees until they have worked continuously for six (6) months. The retention of a probationary employee is entirely within the discretion of

the Company.

SECTION 5. The Company agrees to have equal representation of the Company and the Union regarding any disputes concerning Union jurisdiction.

ARTICLE III - HOURS OF WORK

SECTION 1. The regular work day shall consist of eight (8) hours which shall be consecutive except for any meal period which may be provided.

SECTION 2. The regular work week shall consist of five (5), eight (8) hour days and shall be consecutive if reasonable and practicable.

The regular work week shall be from 7:00 a.m. Monday to 7:00 a.m. the following Monday, except regular shift operation, in which case the work week ends for the regular shift ending the nearest to 7:00 a.m. Monday and the succeeding work week begins immediately thereafter.

SECTION 3. The pay period shall be bi-weekly and payment shall be made no later than Friday following the close of the second work week. All payroll checks will be direct deposited in to the account specified by the employee.

SECTION 4. The Union agrees that arranging schedules is a normal and exclusive function of the Company, and the Company shall have the right to exercise such function unless specifically limited or abridged by this Agreement.

SECTION 5. Employees may be regularly scheduled to work on shifts (either overlapping shifts, two shifts, or three shift operation). The regular schedule will be five (5) days per work week of eight (8) consecutive hours (exclusive of meal time) per day, Monday through Saturday; provided that after the general work schedules have become effective and an individual employee's schedule has been established within such general work schedule, the employee shall be given not less than twenty-four (24) hours' notice when he is assigned to another schedule of hours.

SECTION 6. If 50% or more of an employee's regular straight time scheduled shift falls between the hours of 3:00 p.m. and 12:00 midnight, he shall receive a shift differential of .75¢ per hour for all hours actually worked on such shift.

SECTION 7. To facilitate rescheduling and/or to maintain proper coverage of jobs, employees shall be obligated to give notice to their foreman or superintend-dent prior to their regular assigned work period, if for any reason they will not be able to report for duty at the beginning of their regular assigned work period.

SECTION 8. Hours worked with Company approval in lieu of posted hours at the request of or to suit the convenience of the employee shall not constitute a change of schedule.

SECTION 9. Sunday and holiday work may be regularly scheduled, but wherever possible rest days shall be consecutive.

HEARING EXHIBIT - 00000755

ARTICLE IV - OVERTIME

SECTION 1. The following hours of labor shall be termed to be overtime hours and shall be compensated at one and one-half (1½) times the regular rate:

a. All hours over forty (40) per work week.

b. All hours over eight (8) per day except if employees trade hours of work or parts of shifts for their own convenience with consent of their immediate supervisor, the Company will not be liable for daily overtime pay.

c. All hours outside scheduled hours.

SECTION 2. Any employee working more than sixteen (16) consecutive hours shall be compensated at two (2) times the regular wage rate for time worked over sixteen (16) hours.

SECTION 3. Overtime shall not be paid on both a daily and weekly basis, i.e., no pyramiding of overtime.

SECTION 4. It is the policy of the Company to adjust the size of its work force and schedule said forces in such manner as to keep the necessity for overtime to a minimum. When, in the judgment of the Company, it is necessary or desirable for the employees to work overtime, the Company agrees to distribute overtime among the employees within a classification qualified to perform the work in an equitable, reasonable, and practicable manner.

SECTION 5. When the Company requires an employee to work outside his regular schedule, he shall not be required to take time off from his regular schedule later in the week.

SECTION 6. In the event, the office is opened after normal working hours for the purpose of answering telephones for outage calls, the Customer Service Representatives will be called in to perform these duties. Should a sufficient number of the Customer Service Representatives are not able to perform these duties, the Union personnel, the Meter Readers, Serviceman/Collectors, IMC Techs, or Warehouseman will be called in to perform these duties.

SECTION 7. Should the company request that an employee travel out of town for storm duty to assist a non-FPUC company, each employee will receive a minimum of four (4) hours of overtime pay in addition to the normal eight (8) hours of straight time pay for each day assigned except for travel days. Should time worked exceed a total of twelve (12) hours, they will be paid for actual time worked."

ARTICLE V - HOLIDAYS

SECTION 1. In order that as many of the employees as possible may be off on the holidays observed by the Company each year, the Company agrees that only those employees required to do necessary work shall be on duty on a holiday. The determination as to the necessity for holiday work, and the number and choice of employees required for holiday work shall be in the sole judgment of the Company. Holidays which the Company will observe each year are as follows:

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New Year's Day	Christmas Eve Day	Christmas Day
Thanksgiving Day	Day after Thanksgiving	Two (2) Personal Days
Memorial Day	Labor Day	Independence Day

If a holiday falls on a Sunday, the following day shall be observed. If a holiday falls on a Saturday, the preceding Friday shall be observed.

SECTION 2. All employees who do not work on a holiday shall receive pay for eight (8) straight-time hours, providing employee shall receive no pay for hours not actually worked on a holiday unless they also work their regularly scheduled day before and day after the holiday, unless the employee's absence is excused by the Company. The Company may make whatever investigation it deems necessary including a doctor's certificate to make its determination.

SECTION 3. If a holiday is observed on a day the employee would have worked had there been no holiday, and the employee works on that day, he shall receive time and one-half (1½) for all hours worked, plus the holiday allowance of eight (8) hours at the basic wage rate.

SECTION 4. If a holiday falls on the employee's day off, he shall be allowed eight (8) hours pay at straight-time rate or a day off within a reasonable time at the option of the Company.

ARTICLE VI - VACATIONS

SECTION 1. Each employee shall be entitled to the following vacation with pay provided all service is continuous.

a. Two normal work weeks (80 hours) upon completion of one year of service.

b. Three normal work weeks (120 hours) upon completion of five years of service.

c. Four normal work weeks (160 hours) upon completion of fifteen years of service.

d. Five normal work weeks (200 hours) upon completion of twenty-five years of service.

e. The company agrees to allow employees to carry over up to one (1) week of vacation to the following calendar year.

SECTION 2. To be eligible for vacation under this Article, an employee must have worked at least seventy-five percent (75%) of his allotted working days during his said period of employment in the twelve months immediately preceding the employee's anniversary date of that year. For purposes of this section only, any time paid for absence due to holidays, jury duty, or absence for death in family will be counted as time worked.

SECTION 3. Said vacation shall be granted between January 1st and December 31st, or when the requirements of the Company will permit. If the requirements of the Company will not permit the employee to take his vacation, the employee shall, on December 31st, be given his regular vacation rate of pay for that portion of his vacation which he did not take, unless by mutual agreement between the employee and the Company a later vacation is arranged. All vacation requests for the January 1st until March 31st time period will be scheduled during December for completion by January 1st. All vacation requests for the April 1st until December 31st time period will be scheduled during January 1st - March 31st time period for completion by April 1st. Seniority shall prevail as to choice of vacation period. After April 1st, vacations will

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be awarded on a first come, first serve basis without regard to seniority.

ARTICLE VII - FUNERAL LEAVE

SECTION 1. When a death occurs in an employee's immediate family, the employee, after proper notification to the Company, shall be allowed up to three (3) scheduled working days off without loss of pay at his regular straight time rate. Immediate family shall be the husband, wife, children, mother, father, brother, sister, current mother-in-law, current father-in-law, grandchildren, grandmother, grandfather, stepmother, stepfather, current brother-in-law, current sister-in-law, current daughter-in-law and current son-in-law.

ARTICLE VIII - JURY DUTY

SECTION 1. When an employee receives jury notice he shall promptly notify his supervisor. When an employee is called for jury service, he shall be paid his regular straight-time wage rate for time lost from regular working hours. Fees received for jury duty will be returned to the Company. An employee shall keep the Company advised daily during such service.

SECTION 2. An employee shall report for a partial day's work if released for jury duty before or at Noon if he desires to receive the difference in pay.

SECTION 3. When an employee is excused from jury duty for one (1) or more days during the period of jury service, he shall immediately notify his supervisor so arrangements can be made for him to return to work.

SECTION 4. Time lost for jury duty shall not be counted as time worked in computing overtime for that work week.

ARTICLE IX - NON-OCCUPATIONAL SICKNESS AND ACCIDENT COMPENSATION

SECTION 1. Any employee who is ill or injured and unable to work shall be granted leave of absence for the duration of his illness or injury; provided each illness or injury is supported by satisfactory evidence as hereinafter provided. Seniority shall accumulate during such leave. The Company may require a certificate from a physician that an injured or ill employee is unable to work during the period of absence, and may require the employee to submit to a physical examination by the Company's physician. The return of an injured employee to his former position shall be subject to said employee's condition and fitness to carry on the duties of that position. The Company shall have the absolute right to reassign any employee who in the opinion of the Company is permanently disabled from performing the duties of his position in a satisfactory manner or whose leave as aforesaid shall extend beyond ninety (90) days duration. Sick leave shall not be charged against an employee's vacation time, but any employee who is ill or injured and who is eligible for vacation pay may obtain his vacation or any part thereof during his illness or injury without prejudice to the sick leave benefits payable by the Company as herein provided.

SECTION 2. The Company agrees to pay ill or injured employees, who have had one or more years of continuous service in the Company's employ, sickness and accident compensation for the periods and in the amounts and subject to the conditions as follows:

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a. Such compensation on a weekly basis shall amount to the employee's straight-time pay at the time of injury or illness for a period of forty (40) hours after deduction of the amount of any weekly benefit payable to such employee under the Company's Group Insurance Plan, in respect to such injury or illness. In case of any injury or illness of less than one or more full week's duration, the amount of such compensation shall be prorated to the number of days such injury or illness required leave of absence.

b. In any one year following the anniversary date of his employment, the aggregate amount of the combined sickness and accident compensation payable by the Company to any employee shall not exceed:

1. Compensation for one week as aforesaid in the case of an employee with one year or more but less than two years of continuous employment by the Company;

2. Compensation for two weeks as aforesaid in the case of an employee with two years or more but less than three years of continuous employment by the Company;

3. Compensation for three weeks as aforesaid in the case of an employee with three years or more but less than four years of continuous employment by the Company;

4. Compensation for four weeks as aforesaid in the case of an employee with four years or more but less than seven years of continuous employment by the Company;

5. Compensation for six weeks as aforesaid in the case of an employee with seven years or more but less than fifteen years of continuous employment by the Company;

6. Compensation for eight weeks as aforesaid in the case of an employee with fifteen years or more of continuous employment by the Company.

c. Such compensation shall not be payable to any employee in respect to an illness due to the employee's use of alcohol or due to other forms of dissipation or injuries incurred while gainfully employed by others.

SECTION 3. An employee claiming accident or illness compensation without just cause, failing to furnish the required physician's certificate, refusing to submit to a physical examination, or accepting of employment elsewhere during period of absence, or refusing to perform other work assigned to him by the Company suitable to his condition, shall forfeit all his rights under this sickness and accident compensation pay plan, and in addition, such employee may be subject to discipline by the Company.

SECTION 4. Unused sick leave for illness may be accumulated each year at the rate of 100%. The use of such accumulated sick leave for illness in any year may not exceed the allowable sick leave for such year.

ARTICLE X - JOB RELATED ILLNESS AND INJURY COMPENSATION

SECTION 1. Any employee who is injured and unable to work shall be granted a leave of absence for the duration of his injury, provided each injury is supported by satisfactory evidence as hereinafter provided. Seniority shall accumulate during such leave. The Company may require a certificate from a physician that an injured employee is unable to work during the period of absence, and may require the employee to submit to a physical examination by the Company's physician. The return of an injured employee

HEARING EXHIBIT - 00000759

to his former position shall be subject to said employee's condition and fitness to carry on the duties of that position. The Company shall have the absolute right to reassign any employee who in the opinion of the Company is permanently disabled from performing the duties of his position in a satisfactory manner. Leave shall not be charged against an employee's vacation time, but any employee who is injured and who is eligible for vacation may obtain his vacation or any part thereof during his injury, regardless of the season of the year, without prejudice to the benefits payable by the Company as herein provided.

SECTION 2. The Company agrees to pay injured employees who have had six (6) months or more of continuous service in the Company's employ accident compensation for the periods and in the amounts and subject to the conditions as follows:

a. The Company shall pay the employee in any one year (dating from anniversary of date of employment) the difference between the compensation payable to him under the Workers' Compensation Laws of the State of Florida and his normal straight-time weekly wage as follows:

   1. compensation for three (3) days as aforesaid in the case of any employee with 6 months or more but less than 12 months of continuous employment by the Company.

   2. compensation for three (3) weeks as aforesaid in the case of an employee with one year or more but less than four years of continuous employment by the Company.

   3. compensation for four (4) weeks as aforesaid in the case of an employee with four years or more but less than seven years of continuous employment by the Company.

   4. compensation for five (5) weeks as aforesaid in the case of an employee with seven years or more but less than ten years of continuous employment by the Company.

   5. compensation for six (6) weeks as aforesaid in the case of an employee with ten years or more of continuous employment by the Company.

b. Such compensation shall not be payable to any employee in respect to any injury incurred while the employee is under the influence of alcohol or in respect to any injury not incurred while performing the duties of his employment and for which compensation is not payable by the Florida Public Utilities Company under the Workmen's Compensation Laws of the State of Florida.

SECTION 3. An employee claiming accident compensation without just cause, failing to furnish the required physician's certificate, refusing to submit to a physical examination, or accepting of employment elsewhere during period of absence, or refusing to perform other work assigned to him by the Company suitable to his condition, shall forfeit all his rights under this accident compensation pay plan, and in addition such employee may be subject to discipline by the Company.

SECTION 4. The Company may, at its sole discretion, extend the absence limits set forth above in unusual cases or special circumstances.

ARTICLE XI - GRIEVANCE PROCEDURE

SECTION 1. A grievance is hereby defined as a violation or alleged violation of the terms of this Agreement. No grievance shall be considered as such unless it has been handled as set forth in this Article

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within fifteen (15) days after its occurrence or fifteen (15) days after first knowledge of the grievance's existence by the aggrieved employee. No employee shall leave his assigned work without being relieved, or without permission from his supervisor for the purpose of processing his grievance. It is mutually agreed that the Company may process a grievance in the same manner as the Union, as provided in this Article.

SECTION 2. It being the desire of both parties to settle in the simplest and most direct manner disputes and disagreements which may arise and to avoid formal grievances, the employee or employees concerned and/or their steward and their immediate Foreman or Supervisor shall first attempt to reach a settlement through informal discussion as soon as possible after the dispute or question arises. If a settlement cannot be reached in this manner, the grievance shall be reduced to writing and carried through as many of the following steps as necessary until a settlement is reached:

a. Between the representative of the Union and NW Operations Manager.

b. Between the representatives of the Union and the NW General Manager.

c. Between the representatives of the Local Union and the President of the Company or his designated representative.

The grievant will be included in step 1, 2 and the first part of step 3 but will be dismissed from the second part of step 3. A sincere effort will be made by both parties to settle each of the above steps within ten (10) days of the time when it is presented to the Company or its representative. Any of the above steps may be waived by mutual consent.

ARTICLE XII - ARBITRATION

SECTION 1. It is agreed that grievances arising as to the interpretation or enforcement of this Agreement, which cannot be settled by the grievance procedure between the Company and the Union, or their representatives, shall be submitted to a Board of Arbitration upon written notice by either party to the other. In such event, the Company and the Union will, within forty-eight (48) hours after receipt of such notice appoint one representative each, and if these two representatives cannot settle the question, they shall agree upon a third disinterested party who, together with them, will comprise the Board of Arbitration. In the event the parties fail to select a third member within three (3) days, the parties shall jointly request the Federal Mediation and Conciliation Service to provide a list of seven names from which the third member may be selected. In the event one of the parties refuses or fails to join in such request, then the party in default shall forfeit its case. The majority decision of the Board of Arbitration shall be final and binding on both parties hereto.

The Company and the Union shall each bear the expense of its own representatives. The expense of the third party shall be borne equally by the Company and the Union. If the presence of a court reporter is agreed upon by both parties, the cost shall be shared. If both parties do not agree to the presence of a court reporter then the party requesting one be present will pay the cost with the party not agreeing not getting a copy of the report.

ARTICLE XIII - CALL OUT

SECTION 1. If an employee covered by this Agreement is called out without previous notice for work at a time other than his regular work schedule, he shall be allowed a minimum of three (3) hours as time actually worked for the first call out, except if he is called out before his regular starting time and works

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through his regular work period, then only time actually worked shall be allowed. All subsequent call outs in the 24 hour period will be at time actually worked.

SECTION 2. Employees must respond to and work at least 45% of the call out requests presented to them. The answering service will keep track of all callouts and responses to the requests for callout. The results will be posted weekly on the warehouse bulletin board. Any disputes will be resolved utilizing the normal grievance procedure. These records shall be totaled every six (6) months ending June 30th and December 31st of each year. An employee not meeting the 45% callout response rate for any six (6) month period shall be subject to discipline utilizing the company's standard disciplinary procedure. Any employee that is 60 years of age or older will have the option to refuse a call-out without affecting his or her call-out response percentage, however they will be required to respond if no other member of the job classification is available.

ARTICLE XIV - REST PERIOD

SECTION 1. If an employee has worked sixteen (16) consecutive hours or more (exclusive of any meal period), he shall be entitled to a rest period of eight (8) hours before being required to report for duty on his regular schedule.

If such rest period shall extend beyond the starting time of his next scheduled tour of duty, he shall be allowed to defer the starting time until he has had eight (8) hours of rest and he shall suffer no loss of pay for the time not worked on his regular schedule.

ARTICLE XV - MEALS

SECTION 1. Any employee covered by this Agreement required to work ten and a half (10.5) consecutive hours shall be entitled to a meal allowance up to $9.00 for breakfast, up to $9.00 for lunch, up to $9.00 for dinner, eating time to be inclusive. If the employee does not eat the meal he shall be paid the sum of $9.00.

SECTION 2. If an employee works five (5) hours during his off scheduled work period, he shall be eligible for a meal or a meal allowance and shall be entitled to a meal or meal allowance for each subsequent five hour period that he works during his off scheduled work period.

ARTICLE XVI - BULLETIN BOARDS

SECTION 1. The Company shall provide a reasonable number of bulletin boards for the use of the Union for posting officially signed bulletins pertaining to Union activity. The Union agrees to limit its use of bulletin boards to non- controversial and non-inflammatory matters.

ARTICLE XVII - JOB POSTING

SECTION 1. Except as noted below, when the Company determines that a job vacancy exists in any classification covered by this Agreement, it shall post notice of such vacancy for a period of five (5) working days. The notice shall set forth the qualifications required, rate of pay for the job, and the date and hour of posting.

SECTION 2. The Company will accept applications of employees for such vacancies if they are presented in writing, including a statement of the qualifications of the applicant and further provided that such applications are filed within five (5) working days after the notice of vacancy was posted.

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SECTION 3. Employees will be considered for the posted position in accordance with the provisions of ARTICLE XVIII, SENIORITY.

SECTION 4. If no qualified employee is found by the above method, the Company may select a person from any source whatsoever.

ARTICLE XVIII - SENIORITY

SECTION 1. Company seniority shall be the total length of service with the Company including all time employed by any of its predecessors beginning with the date of last hiring.

SECTION 2. In case of discharge or layoff of a Bargaining Unit member, the Company shall promptly furnish in writing to the Union, if requested either verbally or in writing by a Union officer, the reason for such discharge or layoff.

SECTION 3. In layoffs, promotions and demotions, the principle of seniority shall govern, provided that ability, skill and qualifications are sufficient. Final determination of such qualifications will be made by the Company, except that any dispute that may arise in connection with any such matter shall be handled in accordance with the provisions set forth in ARTICLE X, GRIEVANCE PROCEDURE, of this Agreement.

SECTION 4. Each employee employed by the Company on a job covered by the terms of this Agreement, shall serve a probationary period of six (6) months after which such employee shall have seniority rights retroactive to the date of last hiring.

ARTICLE XIX - SAFETY

SECTION 1. The safety of the employee is a matter of paramount importance, shall receive first consideration, and no employee shall be allowed or required to take any undue risk in the performance of his duties which he or his foreman or supervisor considers unsafe to himself or to his fellow workers. Supervisors and foremen will be held strictly responsible for the enforcement of safe working rules. In case any employee is charged by the Company as being at fault in connection with any accident and such charge is deemed unfair, the action may be taken up as a grievance.

SECTION 2. No employee shall be required to perform routine scheduled work out of doors during period of excessive rain, lightning, sleet or snow (excessive will be determined at the sole discretion of management). In so far as possible the company will confine work during periods of such inclement weather in case of emergency to such work as can be done without undue exposure.

ARTICLE XX - CONTINUITY OF WORK

SECTION 1. For the duration of this Agreement the Union, its officers, representatives, members and the employees covered by this Agreement shall not authorize, instigate, condone, aid, encourage or take part in any strike, slowdown or stoppage of work, boycott, sympathy strike or other interruption or interference of a like or similar nature with the work of the Company. In consideration of this no-strike pledge by the Union and employees, the Company shall not lock out its employees for the duration of this Agreement.

SECTION 2. Failure or refusal on the part of any employee to comply with any provision of this Article shall be cause for disciplinary action, including suspension or discharge, against whatever number of

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employees is deemed necessary by the Company.

SECTION 3. In the event of a strike or other work stoppage unauthorized by the International Brotherhood of Electrical Workers or its Local Union 2152, there shall be no monetary liability on the part of the Local Union, or its officers and representatives, provided that the Union takes the following affirmative action:

a. Upon receiving notice of the strike or other work stoppage from the Company, immediately issue a written statement directed to its members advising them that the work stoppage is illegal and directing them to return to their jobs and to cease any action that will adversely affect the business of the Company, including maintenance and recognition of any picket line. Said notice shall be signed by an authorized representative of the Local Union.

b. Declare publicly by means of the local media (e.g., newspapers, radio, etc.) that such strike or other work stoppage is unauthorized by the Union and is in direct violation of the term of this Agreement.

c. Promptly take such other action and steps as may be appropriate under the circumstances in an effort to terminate any such strike or work stoppage.

It is further agreed that the Union shall not question the unqualified right of the Company to discipline or discharge employees who have engaged in, instigated or encouraged any strike or other work stoppage unauthorized by the Union.

SECTION 4. It is further understood that the Union shall, upon receiving notice that one or more of its members are engaged in, or have instigated or encouraged, an unauthorized strike or work stoppage among bargaining unit employees of the Company, use its best efforts to stop said illegal strike or work stoppage by Local 2152 members and to encourage said employees to return to work.

SECTION 5. Neither the violation of any provision of this Agreement nor the commission of any act constituting an unfair labor practice or otherwise made unlawful by any Federal, State or Local laws shall excuse employees, the Union or the Company from their obligations under the provisions of this Article.

ARTICLE XXI - WAGES

SECTION 1. The job classifications and rates of pay which shall prevail during the term of this Agreement are set forth and contained in the Hourly Wage Schedules as Exhibit A, attached hereto and considered in all respects to be a part of this Agreement.

SECTION 2. When an employee is required to temporarily replace a supervisor and assumes such duties, he shall be compensated at his regular base rate and in addition shall received .50¢ per hour for the duration of such assignment.

SECTION 3. Any employee covered by this Agreement who is designated to temporarily relieve or substitute in a higher classification for a period of two (2) or more consecutive hours shall be paid at the rate of the higher classification for the time of relief or substitution.

Section 4. Any time a Working Foreman has four or more employees of any classification under his or her direction, the Senior Working Foreman will receive a premium of $1.00 per hour.

HEARING EXHIBIT - 00000764

ARTICLE XXII - MANAGEMENT RIGHTS

SECTION 1. It is agreed that the management of the business and the direction of the working force of the Company shall be within the sole control of the Company, including, but not limited to, the right to hire, promote, transfer, discipline, suspend, discharge for cause, and to lay off employees because of lack of work in compliance with the terms of this Agreement. The Company shall also determine the number and classification of employees required at any particular time or place, the methods and equipment to be used, and the work assignments and the tours of duty. Nothing in this Article is intended nor shall be construed as authorizing violation of this Agreement or of depriving the Union or any employee of any rights granted hereunder or determined by law.

SECTION 2. All other powers, rights, privileges, management prerogatives and responsibilities not otherwise referred to herein shall remain with the Company including the right on the part of the Company, at all times to change any of its operations, to continue or discontinue its business, or to change, alter, or modify the nature of its business or its method of doing business.

ARTICLE XXIII - LEGALITY

SECTION 1. It is understood and agreed that any part of this Agreement that may be construed by proper authority to be in conflict with any present or future laws shall be inoperative, but all other provisions shall continue in full force and effect.

ARTICLE XXIV - NON-DISCRIMINATION

SECTION 1. The Union and the Company pledge that they will not discriminate against any employee or applicant for employment because of race, creed, color, sex or national origin, or because the applicant is between 40 and 65 years of age, and both parties agree that they will take affirmative action to assure that applicants are employed and employees are treated during employment without regard to race, creed, color, sex, or national origin, or because of age as specified above.

ARTICLE XXV - DEDUCTION OF DUES

SECTION 1. It is agreed that the Company will deduct from the pay of employees who are members of the Union, their monthly dues to the Union and remit such deductions monthly to the person designated in writing by the Union as one to receive such payments. These deductions of dues will be made when individual written authorizations are received by the Company from the members, which authorization shall be in the form attached hereto and made a part hereof and shall remain in full force and effect during the term of this Agreement or any extension thereof, unless sooner revoked in writing by such individual member of the Union.

Deductions shall be made on the second pay day of each month.

ARTICLE XXVI - RESIDENCY REQUIREMENTS

SECTION 1. All employees covered by this agreement shall reside at his or her permanent residence which is to be located no farther than twenty (20) miles from the nearest Marianna City Limits. City limits are based on the existing city limits in effect on June 15, 2004.

ARTICLE XXVII - TOOLS

SECTION 1. Basic hand tools, hard hats and appropriate foul weather gear shall be provided by the Company on a one time basis. Worn out tools, hard hats and foul weather gear will be replaced by the Company. Company furnished equipment that is lost or stolen shall be replaced by the employee. All employees are to have available all hand tools, hard hats and foul weather gear that has been provided to them by the Company.

ARTICLE XXVIII – CLOTHING

SECTION 1. Employees exposed to atmospheres or conditions which may potentially contain flammable materials, open flame, or an electric arc shall be required to wear clothing that is in compliance with the Company's "Hazardous Conditions Clothing Policy". This requirement will be updated from time to time to reflect changes necessary to comply with governmental regulations. Beginning with the execution of the contract dated June 15, 2002, the following guidelines will become effective:

a. Employees assigned to the Line Department and the Instrumentation, Measurement and Control (IMC) Department will wear flame retardant shirts or coats as required in the Hazardous Conditions Clothing Policy. These employees will receive 6 shirts or 3 shirts and 1 coat per year. The Company will pay 100% of the cost of these items.

b. Employees assigned to the Customer Service Department will wear a Company approved FPUC shirt while performing their normal duties or flame retardant shirts/coats as required in the Hazardous Conditions Clothing Policy. These employees will receive 3 flame retardant shirts or 1 coat per year. The Company will pay 100% of the cost of these items.

c. All employees may participate in the Company shirt program by which the Company currently pays 25% of the purchase cost of certain, Company approved FPUC shirts. The Company retains the right to change or modify the Company shirt purchase program at any time in the future.

ARTICLE XXIX – APPRENTICE PROGRAM

SECTION 1. Automatic progression to Lineman for Apprentice A's that have completed the Company's Apprentice Lineman Program. This includes completion of State Certification (OJT hours) and ICS book work.

ARTICLE XXX – RETIREMENT CHANGE

SECTION 1. All employees covered by this agreement who were hired prior 6/15/06 will continue to be eligible for the Company pension plan and the 410K, as documented in the FPUC HR Policies Manual.

SECTION 2. All new employees hired after 6/15/06 will no longer be eligible for the Company pension plan, how ever they will become eligible for a new 401K Company match plan for

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contributions by the employee up to 6%. The Company will match the first 2 % of the employees contribution at 100% and will match up to an additional 4% of the employees contribution at 50%. The Company match will begin after six (6) months of service, and match will 100% vested after three (3) years of service.

SECTION 3. The Company and the Union agree that, unless otherwise required by law or governmental regulations, the provisions of the retirement plan will not be amended during the term of this agreement.

ARTICLE XXXI – PAID TIME OFF (PTO) PROGRAM

SECTION 1. All employees cover by this agreement who were hired prior to 6/15/07 will continue to be eligible for the Company Sick Leave, Vacation and Holiday plans as documented in Article V (Holidays), Article VI (Vacations), and Article IX (Non-occupational sickness and accident compensation). Beginning in December 2007, these employees will have an annual option to change to the PTO Plan as outlined in this article. However, if the employee elects to make this change, the employee does not have the right to reverse this decision in future years. Changes will become effective on January 1, of each year.

SECTION 2. All new employees hired into the bargaining unit after 6/15/07 will no longer be eligible for the Company Sick Leave, Vacation and Holiday plans as documented in Article V (Holidays), Article VI (Vacations) and Article IX (Non-occupational sickness and accident compensation). These employees will be covered entirely by the PTO Plan in this article.

SECTION 3. The Company and the Union agree that, unless otherwise required by law or governmental regulations, the provisions of the PTO plan will not be amended during the term of this labor agreement.

SECTION 4. Employees will be offered a specific number of PTO days per year in place of the current vacation, personal days, and sick time plans. The eight (8) major holidays in Article V, Holidays, Funeral Leave in Article VII, Jury Duty, Article VIII will remain unchanged and outside this PTO plan. The two (2) Personal Days in Article V, Holidays will be included in the PTO days listed below. Employees will earn a new allotment of PTO time every January 1, and will be earned according to the below guidelines:

a. 17 days after 1 year of service
b. 22 days after 5 years of service
c. 27 days after 15 years of service
d. 32 days after 25 years of service

Section 5. PTO days can be used for any purpose, including caring for sick family members if

HEARING EXHIBIT - 00000767

needed. All PTO days need to be scheduled in advance with the employees immediate supervisor, with the exception of time needed due to legitimate illness or non work related injury of the employee or one of their family members, or if they have a personal hardship, either of which requires a call to the supervisor before the start of each work day. Department Managers will keep track of PTO time taken (tracked in hours) that are scheduled in advance (i.e. vacation and/or personal days) and unscheduled hours (sick time due to illness or injury). Department managers will have discretion to limit scheduling of PTO during peak season timeframes or to limit the number of employees off at any one time.

Section 6. Unused PTO days, up to 5 days per year, will be accumulated or "banked" for future years use. Up to 10 weeks of unused PTO, plus the unused portion of the current year's allotment, will be paid out at retirement or termination; however this pay-out will be excluded from pension benefit calculations.

Section 7. Incumbent employees, selecting the PTO plan, will keep 100% of their existing sick time bank, which will be frozen effective as of the date of the change. This bank of sick time will be available for a legitimate long-term illness or injury and not for vacation or personal time. If an employee needs time off for a long term illness or injury, they will be required to utilize a minimum of 5 PTO days first (if available) before using their sick time bank, and will require a doctor's note. Employees will be able to utilize a maximum of 16 weeks of banked sick time in any one calendar year after first utilizing 5 PTO days, providing that they have a doctor's note to support the medical absence.

Section 8. Employees must work on their scheduled workdays before and after a holiday in order to receive holiday pay unless they are on a) paid leave of absence, b) long term disability, c) scheduled PTO, or d) have a legitimate illness or injury with a doctor's note.

Section 9. Loaning or donating PTO or banked sick time from one employee to another is prohibited.

Section 10. When the employee's allotment of PTO days has been exhausted, they will not have any other paid time available for the balance of the year unless they have banked sick time to be used for a legitimate illness or injury. Generally, good attendance is required as part of each employee's job performance expectations, and the use of unpaid (i.e. no work – no pay) time off beyond the PTO allowance is not acceptable unless the employee has a personal hardship

Section 11. In general, employees will be limited to taking no more than 3 weeks off at a time for vacation or personal reasons. However, employees will be given a one-time-only opportunity to take 4-8 weeks off at one time if they have sufficient time available to them; have requested the time off with ample notice for the department to plan for this time off; and it fits within the business needs

of the department and the Company.

Section 12. PTO for new employees hired during the year will be as per the below guideline:

1 from 1that point forward, increasing with years of service as per the above guidelines.

New employees who start in the second quarter receive:

a) 2 days after 90 days of service
b) 4 days on January 1 following the year of hire
c) 4 days on April 1 following the year of hire
d) 4 days on July 1 following the year of hire
e) 4 days on October 1 following the year of hire
f) 17 days on the following January, and every January 1 from that point forward, increasing with years of service as per the above guidelines.

New employees who start in the third quarter receive:

a) 2 days after 90 days of service
b) 4 days on April 1 following the year of hire
c) 4 days on July 1 following the year of hire
d) 4 days on October 1 following the year of hire
e) 17 days on the following January, and every January 1 from that point forward, increasing with years of service as per the above guidelines.

New employees who start in the fourth quarter receive:

a) 2 days after 90 days of service
b) 4 days on July 1 following the year of hire
c) 4 days on October 1 following the year of hire
d) 17 days on the following January, and every January 1 from that point forward, increasing with years of service as per the above guidelines

ARTICLE XXXII - TERM OF AGREEMENT

SECTION 1. This Agreement shall remain in full force and effective from June 14, 2007 through June 15, 2008, and shall automatically renew itself from year to year thereafter from June 15, through June 14 of each year thereafter, unless terminated, modified, or changed pursuant to the following conditions: If either party elects to modify or change this Agreement, it shall give written notice to the other party by Certified Mail no later than sixty (60) days prior to the annual expiration date specifically setting forth the changes or modifications desired.

SECTION 2. If notice to terminate or to amend shall have been given as provided above, negotiations for a new or amended agreement shall begin as soon as possible after the notification has been given and shall continue until an agreement has been reached. During such negotiations, this Agreement shall continue in full force and effect. At any time after the anniversary date of this Agreement, if agreement has not been reached, either party may given written notice to the other party of intent to terminate the Agreement in not less than ten (10) days.

SECTION 3. In order that notice to terminate or amend this Agreement by the Union shall be effective, it shall be signed by the President of the Local Union #2152, and shall be sent by Certified Mail to the Company at its office, 401 South Dixie Highway, West Palm Beach, Florida 33402.

HEARING EXHIBIT - 00000769

SECTION 4. In order that notice to terminate or amend this Agreement by the Company shall be effective, it shall be signed by an Officer of the Company and shall be sent by Certified Mail to the President of the Local Union #2152.

HEARING EXHIBIT - 00000770

IN WITNESS WHEREOF, we have hereunto set our hands and seal this _____ day of _____,2006.

Witnesses:

FLORIDA PUBLIC UTILITIES COMPANY

_____

By_____
Wayne C. Bonn, Director, Human Resources

Witnesses

LOCAL UNION NO. 2152

_____

By_____

_____

By_____

_____

By_____

HEARING EXHIBIT - 00000771

EXHIBIT A

HOURLY WAGE SCHEDULES

EFFECTIVE JUNE 15, 2007

	RANGE 6/15/2007	INCREASE EACH 6 MONTHS
CUSTOMER SERVICE DEPARTMENT (Prior to 6/15/97)		
Turn-On/Turn-Off Serviceman	$23.82 - $24.32	10¢
Meter Reader	$15.26 - $15.56	0¢
Helper	$15.69 - $16.19	10¢
LINE DEPARTMENT		
Working Foreman	$27.66	
Lineman	$26.64 - $27.04	8¢
Utilityman	$22.17 - $22.47	6¢
Apprentice Lineman A	$21.59 - $21.94	7¢
Apprentice Lineman B	$19.45 - $19.75	6¢
Helper	$15.69 - $16.19	10¢
INSTRUMENTATION, MEASUREMENT & CONTROL (IMC) DEPARTMENT		
IMC Technician I	$26.64 - $27.04	8¢
IMC Technician II	$22.17 - $22.47	6¢
CUSTOMER SERVICE DEPARTMENT (After to 6/15/97)		
Turn-On/Turn-Off Serviceman	$19.80 - $20.00	4¢
Meter Reader/Collector	$16.54 - $16.84	6¢
Meter Reader	$13.09 - $13.39	6¢
STORES DEPARTMENT		
Warehouseman	$14.83 - $17.83	25¢

HEARING EXHIBIT - 00000772

EXHIBIT B

AUTHORIZATION FOR DEDUCTION OF DUES

I, _____, a member of Local Union No. 2152 of the I.B.E.W., hereby authorize and request the Florida Public Utilities Company to deduct from any wages due me on the second pay day in each calendar month, the sum of $_____ and to pay the same to the Financial Secretary of the above Local Union for me. This Pay Roll Deduction Authorization shall remain in effect unless and until withdrawn by me, by notice in writing to the Company.

Signature _____

Date _____

HEARING EXHIBIT - 00000773

HEARING EXHIBIT - 00000774

Exhibit 50.1
OPC Interrogatory 1
Docket 070304-EI

NE Division - Substation Maintenance

Equipment	*2008*	*2009*	*2010*	*2011*	*2012*
Transformers	$77,000	$27,000	$27,000	$41,000	$76,000
Circuit Breakers (oil & SF6)	$8,000	$54,000	$30,000	$0	$0
Circuit Switchers	$9,000	$0	$0	$9,000	$0
Potential Transformers	$4,000	$1,000	$4,000	$1,000	$4,000
Relays	$10,000	$1,000	$10,000	$1,000	$10,000
Switches	$5,000	$5,000	$5,000	$5,000	$5,000
Infrared (all stations)	$3,000	$3,000	$3,000	$3,000	$3,000
Washing Insulators (Stepdown Only)	$10,000	$10,000	$10,000	$10,000	$10,000
Totals	$126,000	$101,000	$89,000	$70,000	$108,000

Assumptions & Notes:

- New CBs and Tx at SD & JLT require less maintenance in early years.
- Time-based maintenance schedule based on 2005 NETA's (National Electrical Testing Association) guidelines and manufacturer's recommendations
- SF6 CBs at AIP are replaced in 2009
- Above figures to change contingent upon equipment failures and repairs

HEARING EXHIBIT - 00000775

HEARING EXHIBIT - 00000776

NETA MTS–2005

MAINTENANCE TESTING SPECIFICATIONS

Exhibit 50.2
OPC Interrogatory 1
Docket 070304-EI

FOR ELECTRICAL POWER DISTRIBUTION EQUIPMENT AND SYSTEMS

Celebrating 35 Years
Setting the Standard

InterNational Electrical Testing Association Inc.
Quality Since 1972
Setting the Standard

2005

InterNational Electrical Testing Association

777

APPENDIX B

Frequency of Maintenance Tests

NETA recognizes that the ideal maintenance program is reliability-based, unique to each plant and to each piece of equipment. In the absence of this information and in response to requests for a maintenance timetable, NETA's Standards Review Council presents the following time-based maintenance schedule and matrix.

One should contact a NETA Full-Member company for a reliability-based evaluation.

The following matrix is to be used in conjunction with NETA's Frequency of Maintenance Tests table. Application of the matrix is recognized as a guide only.

Specific condition, criticality, and reliability must be determined to correctly apply the matrix. Application of the matrix, along with the culmination of historical testing data and trending, should provide a quality electrical preventive maintenance program.

MAINTENANCE FREQUENCY MATRIX				
		EQUIPMENT CONDITION		
		POOR	AVERAGE	GOOD
EQUIPMENT RELIABILITY REQUIREMENT	LOW	1.0	2.0	2.5
	MEDIUM	*0.50*	*1.0*	*1.5*
	HIGH	0.25	0.50	0.75

HEARING EXHIBIT - 000 78

APPENDIX B (cont.)
Inspections and Tests
(Frequency in Months)
Multiplier for Inspections and Tests
(Multiply Value by Matrix)

Section	Description	Visual	Visual & Mechanical	Visual & Mechanical & Electrical
7.1	Switchgear & Switchboard Assemblies	12	12	24
7.2	Transformers			
7.2.1.1	Small Dry-Type Transformers	2	12	36
7.2.1.2	Large Dry-Type Transformers	1	12	24
7.2.2	Liquid-Filled Transformers	1	12	24
	Sampling	–	–	12
7.3	Cables			
7.3.2	Low-Voltage Cables	2	12	36
7.3.3	Medium- and High-Voltage Cables	2	12	36
7.4	Metal-Enclosed Busways	2	12	24
	Infrared Only	–	–	12
7.5	Switches			
7.5.1.1	Low-Voltage Air Switches	2	12	36
7.5.1.2	Medium-Voltage Metal-Enclosed Switches	–	12	24
7.5.1.3	Medium- and High-Voltage Open Switches	1	12	24
7.5.2	Medium-Voltage Oil Switches	1	12	24
7.5.3	Medium-Voltage Vacuum Switches	1	12	24
7.5.4	Medium-Voltage SF_6 Switches	1	12	24
7.5.5	Cutouts	12	24	24
7.6	Circuit Breakers			
7.6.1.1	Low-Voltage Insulated-Case/Molded-Case CB	1	12	36
7.6.1.2	Low-Voltage Power CB	1	12	36
7.6.1.3	Medium-Voltage Air CB	1	12	36
7.6.2	Medium-Voltage Oil CB	1	12	36
	Sampling	–	–	12
7.6.2	High-Voltage Oil CB	1	12	12
	Sampling	–	–	12
7.6.3	Medium-Voltage Vacuum CB	1	12	24
7.6.4	Extra-High-Voltage SF_6	1	12	12
7.7	Circuit Switchers	1	12	12
7.8	Network Protectors	12	12	24

HEARING EXHIBIT - 00000779

APPENDIX B (cont.)
Inspections and Tests
(Frequency in Months)
Multiplier for Inspections and Tests
(Multiply Value by Matrix)

Section	Description	Visual	Visual & Mechanical	Visual & Mechanical & Electrical
7.9	Protective Relays			
7.9.1	Electrical/Mechanical and Solid State	1	12	12
7.9.2	Microprocessor-Based	1	12	12
7.10	Instrument Transformers	12	12	36
7.11	Metering Devices	12	12	36
7.12	Regulating Apparatus			
7.12.1.1	Step-Voltage Regulators	1	12	24
	Sample Liquid	–	–	12
7.12.1.2	Induction Regulators	12	12	24
7.12.2	Current Regulators	1	12	24
7.12.3	Load-Tap-changers	1	12	24
	Sample Liquid	–	–	12
7.13	Grounding Systems	2	12	24
7.14	Ground-Fault Protection Systems	2	12	12
7.15	Rotating Machinery			
.15.3	AC Motors	1	12	24
/.15.1	DC Motors	1	12	24
7.15.3	AC Generators	1	12	24
7.15.4	DC Generators	1	12	24
7.16	Motor Control			
7.16.1.1	Low-Voltage Motor Starters	2	12	24
7.16.1.2	Medium-Voltage Motor Starters	2	12	24
7.16.2.1	Low-Voltage Motor Control Centers	2	12	24
7.16.2.2	Medium-Voltage Motor Control Centers	2	12	24
7.17	Adjustable Speed Drive Systems	1	12	24
7.18	Direct-Current Systems			
7.18.1	Batteries	1	12	12
7.18.2	Battery Chargers	1	12	12
7.18.3	Rectifiers	1	12	24
7.19	Surge Arresters			
7.19.1	Low-Voltage Devices	2	12	24
7.19.2	Medium- and High-Voltage Devices	2	12	24

HEARING EXHIBIT - 0000780

APPENDIX B (cont.)
Inspections and Tests
(Frequency in Months)
Multiplier for Inspections and Tests
(Multiply Value by Matrix)

Section	Description	Visual	Visual & Mechanical	Visual & Mechanical & Electrical
7.20	Capacitors and Reactors			
7.20.1	Capacitors	1	12	12
7.20.2	Capacitor Control Devices	1	12	12
7.20.3.1	Reactors – Dry-Type	2	12	24
7.20.3.2	Reactors – Liquid-Filled	1	12	24
	Sampling	–	–	12
7.21	Outdoor Bus Structures	1	12	36
7.22	Emergency Systems			
7.22.1	Engine Generator	1	2	12
	Functional Testing	–	–	2
7.22.2	Uninterruptible Power Systems	1	12	12
	Functional Testing	–	–	2
7.22.3	Automatic Transformer Switches	1	12	12
	Functional Testing	–	–	2
7.23	Telemetry/Pilot Wire SCADA	1	12	12
7.24	Automatic Circuit Reclosers and Line Sectionalizers			
7.24.1	Automatic Circuit Reclosers, Oil/Vacuum	1	12	24
	Sample	–	–	12
7.24.2	Automatic Line Sectionalizers, Oil	1	12	24
	Sample	–	–	12
7.27	*EMF Testing*	12	12	12

HEARING EXHIBIT - 00000781

APPENDIX C

About the InterNational Electrical Testing Association

The InterNational Electrical Testing Association (NETA) is an accredited standards developer for the American National Standards Institute (ANSI) and defines the standards by which electrical equipment is deemed safe and reliable. NETA Certified Technicians conduct the tests that ensure this equipment meets the association's stringent specifications. NETA is the leading source of specifications, procedures, testing, and requirements, not only for commissioning new equipment but for testing the reliability and performance of existing equipment.

Certification

Certification of competency is particularly important in the electrical testing industry. Inherent in the determination of the equipment's serviceability is the prerequisite that individuals performing the tests be capable of conducting the tests in a safe manner and with complete knowledge of the hazards involved. They must also evaluate the test data and make an informed judgment on the continued serviceability, deterioration, or nonserviceability of the specific equipment. NETA, a nationally-recognized certification agency, provides recognition of four levels of competency within the electrical testing industry in accordance with *ANSI/NETA ETT Standard for Certification of Electrical Testing Technicians.*

Qualifications of the Testing Organization

An independent overview is the only method of determining the long-term usage of electrical apparatus and its suitability for the intended purpose. NETA companies best support the interest of the owner, as the objectivity and competency of the testing firm is as important as the competency of the individual technician. NETA Members are part of an independent, third-party electrical testing association dedicated to testing world standards in electrical maintenance and acceptance testing. Hiring a NETA Member company assures the customer that:

- The NETA Technician has broad-based knowledge -- this person is trained to inspect, test, maintain, and calibrate all types of electrical equipment in all types of industries.
- NETA Technicians meet stringent educational and experience requirements in accordance with *ANSI/NETA ETT Standard for Certification of Electrical Testing Technicians.*
- A Registered Professional Engineer will review all engineering reports.
- All tests will be performed objectively, according to NETA specifications, using calibrated instruments traceable to the National Institute of Science and Technology (NIST).
- The firm is a well-established, full-service electrical testing and maintenance business.

HEARING EXHIBIT - 00[redacted]782

APPENDIX C (cont.)

About the InterNational Electrical Testing Association

Specifications and Publications

As a part of its service to the industry, the InterNational Electrical Testing Association provides nationally-recognized publications:

ANSI/NETA ETT	*Standard for Certification of Electrical Testing Technicians*
ANSI/NETA MTS 7.2.1	*Standard for Electrical Maintenance Testing of Dry-Type Transformers*
ANSI/NETA MTS 7.2.2	*Standard for Electrical Maintenance Testing of Liquid-Filled Transformers*
NETA MTS	*Electrical Maintenance Testing Specifications for Electrical Power Distribution Equipment and Systems*
NETA ATS	*Electrical Acceptance Testing Specifications for Electrical Power Distribution Equipment and Systems*

The Association also produces a quarterly technical journal, *NETA World*, which features articles of interest to electrical testing and maintenance companies, consultants, engineers, architects, and plant personnel directly involved in electrical testing and maintenance.

Educational Programs

NETA's Annual Technical Conference draws hundreds of qualified industry professionals from around the globe. This conference provides a forum for current industry advances, critical informational updates, networking, and more. Regular attendees include technicians from electrical testing and maintenance companies, consultants, engineers, architects, and plant personnel directly involved in electrical testing and maintenance. Paper presentations from field-experienced industry experts share practical knowledge and experience while in-depth seminars offer interactive training. One highlight of this meeting is the trade show. Attendees enjoy the highest-quality gathering of industry-specific suppliers displaying state-of-the-art products and services directly related to the electrical testing industry. It is impossible to find better opportunities for interaction and input in a professional technical environment.

HEARING EXHIBIT - 00000783

WAUKESHA ELECTRIC SYSTEMS

Transformer Maintenance

GENERAL

Transformers in service are often subjected to heavy electrical and mechanical stresses. In order to avoid faults and disturbances, it is extremely important that the transformers are carefully supervised.

Certain items on or in a transformer must be inspected regularly to insure long life. The frequency of these inspections is determined by the size and type of the transformer, the atmospheric conditions, and the importance of continuity of service. The actual frequency of inspection should be adjusted for each device as experience dictates or at the minimum interval specified on the chart on, page 4.

Observation of oil condition and temperature on an annual basis is recommended.

Spare transformers must be inspected and maintained in the same manner as transformers in operation.

EXTERNAL MAINTENANCE - CLEANING

Use solvent to thoroughly remove all oil that appears on the outside of the tank or on the gaskets. This oil, later showing up on the painted surface, often gives the false impression of a leak.

The bushing porcelains must be kept free of dust and dirt and inspected at least once per year. Abnormal conditions such as sandstorms, salt deposits, dust or chemical fumes, require regular cleaning to avoid accumulations on the external surface. Accepted methods of hot line washing or cleaning with solvents may be used.

Keep the heat radiating surfaces of the transformer clean. External surfaces of forced oil heat exchangers should be periodically cleaned as the environment may dictate. Transformers near the sea coast or in corrosive atmosphere areas should be painted regularly to prevent corroding or rusting of metal parts.

If it becomes necessary to remove a radiator, first close the top and bottom valves and bolt them in the closed position. Next, drain the oil from the radiator by removing the 3/4 inch drain plug from the bottom header and the 3/4 inch vent plug from the top. After draining the oil, remove the radiator. If the radiator is to be off for any length of time, the transformer valves should be gasketed and protected with covers. This also applies to the radiator header openings.

All breathers and small openings in pressure relief valves and pressure-vacuum bleeders must be kept clean and in operating condition.

All ground buses and wiring leads to ground must be kept in good condition. Proper relay operation depends on low ground resistance. Ground resistance should be measured annually.

PERIODIC INSPECTION

External Circuit And Control Equipment

The following must be inspected 30 days after installation and once per year thereafter.

A. Control circuit voltage.

B. Excess heating of parts - as evidenced by discoloration of metal parts, charred insulation or odor.

C. Freedom of moving parts (no binding or sticking).

D. Excessive noise in relay coils.

E. Excessive arcing in opening circuits.

F. Proper functioning of timing devices, sequencing of devices, relief device alarm contacts and thermometer contacts.

G. Evidence of water or liquids in control cabinets.

Cooling System

With naturally cooled transformers and transformers equipped with air cooled oil coolers, there is, in general, no need for taking special steps to keep the internal cooling surfaces clean, as long as the oil is in good condition. If, however, formation of sludge in the oil has set in, the sludge may deposit in horizontal surfaces in radiators and coolers. In such a case, the radiators and the coolers should be rinsed in conjunction with changing of oil and overhauling the transformer.

External cooling surfaces should be checked annually for accumulation of dirt or debris that can block external air passages of radiators or coolers. Clear as necessary to maintain free air flow.

⚠ CAUTION

Follow proper safety precautions when working with solvents. Dispose of solvents in accordance with all applicable local, state and federal regulations.

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HEARING EXHIBIT - 00000784

Oil Levels
The oil levels in the tank and mechanism compartment should be checked at two-week intervals during the first month of operation and annually after that.

Oil Dielectric Test
Any insulating oil from a transformer in service, testing 26 kV or less per ASTM-D877, should be filtered. Test the oil annually or more frequently if the operation seems to warrant a question of the oil's dielectric strength.

Low insulating oil strength may also be an indication that the transformer insulation contains excess moisture. Further investigations should then be made, such as making power factor tests, measuring oil moisture content and taking dew point measurements.

PERIODIC POWER FACTOR TESTING

Power factor tests on the unit must be made whenever the unit is de-energized for long periods (one month or more) or the unit is opened for any reason.

PERIODIC INSPECTION – EXTERNAL TANK, COVER, GASKETS, VALVES

Regular annual inspection is required on these components. Any required replacement or adjustment should be accomplished as soon as possible. Nitrile rubber gaskets around doors, maintenance holes, covers, etc. may be re-used if in good condition.

ACCESSORIES

Test all accessories once a year. Examine all apparatus, electrical cables and conductors, signalling and operating devices to the control room or control board. Megger test is also recommended.

MAINTENANCE INSPECTION CHART

Refer to the chart on page 4 for inspection interval and type of inspection recommendation.

PAINT MAINTENANCE

WES transformers are supplied with a standard paint system or with the paint system specified by the purchaser. The paint system must be free from scratches through to the bare metal or exposed primer when a transformer is placed into storage and when it is placed into service. In order to obtain maximum corrosion protection from the paint system, all damage should be restored to its minimum thickness as soon as possible after any damage occurs.

If bare metal is exposed, the area must be sanded down to blend the damaged area into the undamaged paint surface. Wipe the sanded areas with denatured alcohol or a safety solvent to remove dust, oil, or road contamination. The area must then be brush or spray painted with primer, intermediate coat if applicable, and finish coat. If the primer is intact, lightly sand the damaged paint surface to smooth rough edges. Spray or brush on the intermediate coat, if applicable, and the finish coat to restore or exceed the original finish thickness.

In locations where the transformer will be exposed to abrasive, wind blown materials, the finish coats, and intermediate coats if applicable, should be restored to original thickness on a regular basis and as soon as possible after the finish coat has been abraded through.

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HEARING EXHIBIT - 00000785

Fans
Fan motors use pre-lubricated sealed ball bearings that do not require lubrication maintenance. During extended periods of reduced capacity not requiring fan operation, it is suggested that the fans be run periodically (quarterly for example) to insure satisfactory operation when required. Make sure that the proper drain holes on the motor are open. Motors on vertically mounted fans must have the drain screw in the bell end removed and the two drain holes in the motor housing plugged. If the fan is mounted for horizontal blowing the two drain screws in the body of the motor must be removed and the hole in the bell end plugged.

Dissolved Gas Analysis
IEEE and ANSI standards provide guidance for the sampling, detection and interpretation of gases generated in oil filled transformers (IEEE C57.104-1991). Application of these guidelines can provide early warning of evolving problems within the transformer and allow preventive actions to be taken before serious damage or loss of life occurs.

eriodic Inspection - Oil
Transformer oil is hygroscopic and thus easily absorbs moisture from the air. The absorption of moisture is minimized by the oil preservation system. In a sealed tank system, the pressure-vacuum regulator permits the entry of very small quantities of air only during a -3.0 psi vacuum condition. The positive pressure nitrogen system precludes the entry of any air as long as positive gas pressure is maintained. The oil conservator system with a silica gel breather also minimizes the entry of moisture as long as the gel is properly renewed or regenerated as soon as its ability to absorb moisture begins to diminish. Saturation with moisture is signalled by a change in color from blue to pink.

If some work has been carried out on a transformer and the oil has, during that time, been exposed to the humidity of the air, the breakdown value and moisture content of the oil should be checked. Aside from this, a similar check of the oil should be made on all transformers at regular intervals.

IEEE and ANSI standards provide guidance for the acceptance, maintenance, continued use and reclamation of insulating oil. These guidelines should be applied to **WES** transformers. The limits in this manual will supercede the Guides limits when they are more restrictive than the Guide limits. The applicable Guides are:

> IEEE C57.106-1991, Guide for Acceptance and Maintenance of Insulating Oil in Equipment.
>
> IEEE Std 637-1985 (Reaff 1992) Guide for the reclamation of insulating oil and its continued use (ANSI).

Temperature
The life of a transformer is highly dependent upon the temperature prevailing in the core and coils. It is therefore important that the temperature be continually kept under observation.

When the temperature of the transformer's cooling oil is relatively low, the transformer can within limits, be safely overloaded. But note that a given increment of load increase will produce a greater than proportional increase (1.6th power) in oil temperature. The ANSI Loading Guide may be used, but do not exceed its recommendations without consulting **WES**.

If, without an increase in load, there is a tendency for the temperature of a transformer to rise, the reason may be that in some way the cooling is impaired. This situation should be fully investigated before increasing the transformer load.

The overload capacity is sometimes limited by the accessories of the transformer, such as, bushings, tapchangers etc. Know these limitations before increasing the transformer load. After every continuous overload of 20% or more, a complete investigation to detect degradation of the transformer insulation system is recommended.

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HEARING EXHIBIT - 00000786

SUGGESTED MAINTENANCE SCHEDULE

COMPONENT	1 Visual	2 Cleaning	3 Testing	4 Filtering	5 Lubrication	6 Operational Testing	7 Testing of Electrical circuits	8 Megger Testing	9 Inspecting Contacts	10 Changing of Contacts
Tank, cover, gaskets		A								
Conservator tank, open		A								
Conservator tank, sealed with rubber diaphragm		M								
Radiators		A								
Coolers with fans		A			S	A	A	A		
Coolers, water cooled, (oil side)		WR								
Coolers, water cooled, (water side)		WR								
Valves		WR								
Oil pumps with motors		WR				A	A	A		
Fans with motors		WR				A	A	A		
Oil			A	WR						
Bushings		A								
Oil level indicators	D	WR				A	A	A		
Gas operated relay	W	WR				A	A	A		
Temperature indicator	D	WR				A	A	A		
Thermostats		WR				A	A	A		
Flow indicators for oil and water	D	WR				A	A	A		
Pressure gauges for oil and water	D	WR				A	A	A		
Explosion vent	M	A				A	A	A		
Silica gel breathers	W	WR								
Nitrogen equipment	D	WR				A	A	A		
Deenergized Tap Changer		A			A	A	A	A		
Load tap changer:										
Main contacts		F							F	WR
Oil			A	WR						
Oil level indicator	D	WR				A	A	A		
Thermostat		WR				A	A			
Pressure gauge	D	WR				A	A	A		
Driving mechanism	A				A	A	A	A		
Automatic system for operation						A	A	A		
Lightning arresters		A				A				
Protective relays		A				A	A	A		

D = Daily
A = Annually
S = Semi-annually
M = Monthly
F = Five years or 100,000 operations
W = Weekly
WR = When Required

Figure 7-1. Maintenance schedule.

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HEARING EXHIBIT - 00000787

HEARING EXHIBIT - 00000788

Exhibit 51.1
OPC Interrogatory 1
Docket 070304-EI

LABOR AGREEMENT

BETWEEN

FLORIDA PUBLIC UTILITIES

AND

LOCAL UNION 1924

OF THE

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS

NORTHEAST FLORIDA DIVISION

EFFECTIVE DATE: FEBRUARY 18, 2007

EXPIRATION DATE: FEBRUARY 17, 2008

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LABOR AGREEMENT

THIS AGREEMENT, made and entered into this 18th day of February, 2007, by and between the FLORIDA PUBLIC UTILITIES COMPANY, a Florida corporation, hereinafter referred to as the "Company" and Local Union 1924 of the INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, a Labor Union affiliated with the American Federation of Labor and Congress of Industrial Organization, hereinafter referred to as the "Union".

WITNESSETH:

It is the purpose of the parties hereto that, through the provisions and procedures provided by this Agreement, there be promoted and preserved an amicable relationship between the Company and the Union to the end that an adequate and uninterrupted service to the public be maintained.

NOW, THEREFORE, the parties hereto contract and agree as follows:

ARTICLE I -RECOGNITION

Section 1. The term employee(s) as used in this Agreement shall mean any employee of the Company in the bargaining unit. The bargaining unit is defined as the bargaining unit originally described in the National Labor Relations Notice of Election and Certification No. 12-RC-231. The Union is hereby recognized as the exclusive and sole bargaining agency for the employees in the bargaining unit as defined above. At the time of execution of this Agreement, the employees covered by said certification are employed as: hourly paid employees of the employer at its Northeast Florida Division, including all classifications listed on Exhibit "A" of this contract. It is agreed that excluded from the unit are: office employees, clerical employees, outside contractors' employees, salesmen, professional employees, guards and watchmen, storekeepers, and supervisors as defined by the National Labor Relations Act, as amended.

ARTICLE II - GENERAL AGREEMENT

Section 1. The Company agrees not to interfere with the rights of its employees to become members of the Union and there shall be no discriminations, interference, or coercion by the Company, or any of its agents against any employee because of membership in the Union. Neither the Union nor its members will, at any time, intimidate, interfere with, or coerce the employees who are not Union members.

Section 2. The Union agrees that the Company has the right to require all employees including members of the Union, to promptly obey orders of the Company, perform loyal and efficient work and service during working hours and use their influence and best efforts to protect the property of the Company and the Company's interest, and to cooperate with the Company and its employees in promoting and advancing the welfare of the Company and its services at all times. The Company will cooperate with the Union in its efforts to promote harmony and efficiency.

Section 3. The Company shall be the sole judge as to the number of men required in each section and in each classification for the necessary operation of its business.

Section 4. New employees shall be regarded as probationary employees until they have worked continuously for six (6) months. The retention of a probationary employee is entirely within the discretion of the Company. They

may not be used for overtime assignments except when a job in progress continues after normal working hours or in the case that no other employee can be located utilizing the standard call out procedure.

Section 5. It is agreed that neither the Union nor its representatives will solicit membership, engage in organizing work, or other Union activities during the working time of the employees except as provided in Article X.

Section 6. The Company shall supply a reasonable number of bulletin boards for the use of the Union for posting officially signed bulletins pertaining to Union activity.

Section 7. The primary function of the supervisor is supervision. No supervisor shall displace employees in classifications covered by this Agreement; provided, however, that nothing in this Agreement shall be construed to prevent him from doing any type of work in:

a. emergencies
b. training and instructing employees
c. adjusting and testing equipment
d. maintaining or preventing impairment of service to the public
e. situations where no qualified employee is available to perform the work

Section 8. When employees are required to work away from their headquarters, the Company will pay for reasonable meals and lodging where necessary.

Section 9. All employees covered by this agreement in the Service and Line Sections shall reside at his or her permanent residence which is to be located no farther than fifteen (15) miles from the Thomas J. Shave Bridge and be able to report no later than 45 minutes after the call is received . New or existing employees moving into these sections will have six months to relocate into this required area.

ARTICLE III - WORK DAY & WORK WEEK

Section 1. The normal work day shall consist of eight (8) hours, and the normal work week shall consist of five (5) days.

Section 2. For payroll purposes, the work week shall be from 8:00 a.m. Monday to 8:00 a.m. the following Monday, except regular shift operations, in which case the work week ends for the regular shift ending nearest to 8:00 a.m. Monday and the succeeding work week begins immediately thereafter.

Section 3. Line and Service Section employees may be regularly scheduled to work on shifts (either overlapping shifts, two shift or three shift operation). The regular schedule will be five (5) days per week of eight (8) consecutive hours (not including a one-half hour unpaid meal period) per day. Sunday and holiday work may be regularly scheduled but, whenever possible, rest days shall be consecutive.

Section 4. All employees other than shift employees as defined in Section 3 above shall be regularly assigned to work (5) days per week of eight (8) consecutive hours (not including a one-half hour unpaid meal period) Monday through Saturday between the hours of 7:00 a.m. and 6:00 p.m. Whenever possible, rest days shall be consecutive. The one half hour lunch period and two fifteen minute breaks shall be taken so as not to disrupt the normal work flow of the job or extend beyond the allotted time. The thirty minute lunch period will be at the discretion of the employee in charge, based on work duties for the day and will be taken between 11:30 AM and 1:30 PM. Should

work conditions prevent lunch during this time, the employee's supervisor will be notified, in advance, in order to determine what will be the appropriate action for the lunch period. Overtime is to be paid to an employee that is required to work through the one-half hour lunch period due to emergency circumstances.

Section 5. Schedules of both shift and non-shift employees may be permanently changed on twenty-four (24) hours' notice. Except as noted below, both shift and non-shift employees may be temporarily rescheduled upon twelve (12) hours' notice. If employees are temporarily or permanently rescheduled and it is not practicable to give notice as provided above, then such employees shall be paid at overtime rates for all hours worked on the new schedule until expiration of the appropriate time period. When an employee's work week is rescheduled, he shall be told of his new work period and days off. The provisions of this Section with respect to temporary rescheduling shall not apply when rescheduling is occasioned by the absence of an employee.

Section 6. In order to facilitate rescheduling and/or to maintain proper coverage of jobs, employees shall be obligated to give notice to their immediate supervisor as soon as possible if for any reason they will not be able to report for duty at the beginning of their regularly assigned work period.

Section 7. With the consent of their immediate supervisor, shift employees shall have the privilege of exchanging shifts or parts of shifts within the same work week, by individual arrangement; provided the change can be accomplished without additional cost to the Company and without resulting in any employee's working more than forty (40) hours in any one work week.

Section 8. If an employee is required to report for work (other than regularly scheduled work) and no work is available, he shall be allowed three (3) hours as hours worked provided a notification to the contrary has not been given to him at least one (1) hour prior to the time he is required to work. Employees required to report for work outside their regularly scheduled hours will be given as much prior notice as possible.

Section 9. Nothing in this Article shall be construed as a guarantee of hours of work that will be provided each day or each week.

ARTICLE IV - WAGES

Section 1. The basic wage rates for the period covered by this Agreement shall be in accordance with the wage rates set forth in the attached Exhibit A, which shall be signed and dated as of the time of signing this Agreement.

Section 2. The following hours of work shall be termed to be overtime hours and shall be compensated at one and one half (1/2) times the regular rate:

a. all hours over forty per work week;

b. all hours over eight per day except if employees trade hours of work or parts of shifts for their own convenience with consent of their immediate supervisor, the Company will not be liable for daily overtime pay.

c. all hours outside scheduled hours

Section 3. The following hours of work shall be compensated at two (2) times the regular rate:

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a. all hours worked over sixteen (16) hours per day Monday through Saturday

b. all hours worked over eight (8) hours on Sunday

Section 4. Overtime shall not be paid on both a daily and weekly basis (i.e., no pyramiding of overtime). No employee covered by this Agreement shall be required to take off to offset overtime hours worked.

Section 5. The Company and the Union will cooperate to keep overtime work to a minimum. When it is considered necessary by the Company to do essential work that cannot be done conveniently by any available qualified employee on straight time, such overtime work shall be distributed as equally as reasonably practicable among the employees in their respective classifications who are qualified to perform the work involved; however, it is understood by the parties hereto that equal distribution of emergency work is dependent upon the availability of employees when the occasion for emergency calls arises. Overtime hours shall be the accumulation of actual hours worked. Overtime lists shall be posted every week by classification on the Warehouse Bulletin Board showing the number of overtime hours accumulated. Such lists shall accumulate overtime beginning January 1 of each year and shall be posted on each consecutive month thereafter. Employees going from one department to another will be placed one hour below the low man in that department on the overtime list at the time of transfer. Normal accumulation of overtime hours shall occur thereafter.

Section 6. An employee who must necessarily be off duty during his regularly scheduled hours on account of death and/or funeral in immediate family, immediate family to be defined as wife, husband, children, mother, father, brother, sister, current mother-in-law or current father-in-law, brother-in-law, sister-in- law, stepmother, stepfather, stepbrother, stepsister, and grandparents, the hours off shall be paid for but not counted as time worked in computing overtime for that week, providing such time allowed shall be limited to a reasonable period not to exceed three (3) days.

Section 7. When an employee is required to substitute temporarily for an employee in a job paying a lower rate than that paid for his regular job, he shall continue to receive his regular rate of pay.

Section 8. When an employee is required to substitute temporarily for an employee in a job paying a higher rate than that paid for his regular job for one (1) continuous two (2) hour period, such substituting employee shall be paid for all hours worked at the higher paying job so long as the temporary substitution shall continue, the minimum wage scale of the higher classification, or his regular wage, whichever is higher.

Section 9. Except as noted below, if an employee works more than sixteen (16) hours in one twenty-four (24) hour period and, as a result, has less than eight (8) continuous hours off duty before the beginning of his next regularly scheduled or rescheduled work period, then such employee, with due consideration given to employee's request, shall have the option to be released from duty when their supervisor is notified and they are properly relieved and will either (a) be allowed sufficient additional time off duty at no loss of pay to bring the total off duty time up to eight (8) hours, or (b) be required to report at the beginning of the next regular work period in which case he shall be paid double time for those hours worked before the expiration of the eight (8) off hour period. If the rest period ends after 2 PM, the employee will not be required to report to work during that day unless the supervisor feels that there is a legitimate need. If the rest period ends before 2 PM, the employee will be required to report to

work at the end of the rest period unless excused by the supervisor.

Section 10. Wages shall be paid bi-weekly. Payment shall normally be paid, when possible, on the Friday following the end of a bi-weekly payroll period.

Section 11. Designated shift workers will receive a shift differential of $0.75 per hour added to their base pay for all hours actually worked on such shift, including continuous overtime on such shift, and will apply to all hours worked during the period of time they are assigned to shift work except those overtime hours worked that are separate and apart from their scheduled shift work hours. Shift workers are defined as those employees normally scheduled to begin their eight hour shift between noon and 3 P.M. This will not apply to personnel who are working regular hours and the working hours extend into the shift period.

Should the company elect not to utilize shift work on a continuous basis, the $0.75 per hour will be added to the base pay of the standby employee and will apply to all hours worked during the period of time they are on standby. This will not apply to back up standby personnel.

ARTICLE V - HOLIDAYS AND HOLIDAY PAY

Section 1. In order that as many of the employees as possible may observe the holidays observed by the Company each year, the Company agrees that only those employees required to do necessary work shall be on duty on a holiday. The determination as to the necessity for holiday work, and the number and choice of employees required for holiday work shall be in the sole judgment of the Company. Holidays which the Company will observe each year are as follows:

New Year's Day	Christmas Day	Independence Day
Labor Day	Christmas Eve Day	Thanksgiving Day
Memorial Day	Two Personal Days	Day After Thanksgiving

If a holiday falls on a Saturday, the preceding Friday shall be observed. If a holiday falls on a Sunday, the following day shall be observed.

Section 2. All employees who do not work on a holiday shall receive pay for eight (8) straight-time hours, providing employees shall receive no pay for hours not actually worked on a holiday unless they also work their regularly scheduled day before and the day after the holiday, unless in the event of justified absence.

Section 3. If a holiday is observed on a day the employee would have worked had there been no holiday, and the employee works on that day, he shall receive time and one half for the hours worked on the holiday plus the holiday allowance of eight (8) hours at the basic wage rate; provided, however, that if the employee worked eight (8) hours on the holiday, the Company shall have the option of allowing another day off duty in the same payroll week in which the holiday was observed in lieu of the holiday allowance. The day to be taken off shall be selected by the employee. If a holiday falls on the employee's day off, he shall be allowed eight (8) hours pay at straight time or a day off within a reasonably time at the option of the Company. The day to be taken off shall be selected by the employee.

Section 4. If a holiday is observed on a day an employee would have worked had there been no holiday and

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the employee performs no work on that day, he shall receive a holiday allowance of eight (8) hours at the basic wage rate, and such allowed time shall be treated as though worked in computing the forty (40) hours' work for weekly overtime pay purposes.

ARTICLE VI - VACATIONS

Section 1. Each employee, except those governed by Article XX, Paid Time Off (PTO) Program, shall be entitled to the following vacation with pay provided all service is continuous:

a. two normal work weeks (80 hours) upon completion of one year in service
b. three normal work weeks (120 hours) upon completion of 5 years of continuous service
c. four normal work weeks (160 hours) upon completion of 15 years of continuous service
d. five normal work weeks (200 hours) upon completion of 25 years of continuous service

Said vacation shall be granted between January 1st and December 31st, or when the requirements of the Company will permit. If the requirements of the Company will not permit the employee to take his vacation, the employee shall, on December 1st, be given his regular vacation rate of pay for that portion of his vacation which he did not take, unless by mutual agreement between the employee and the Company a later vacation is arranged.

Section 2. To be eligible for a vacation under Section 1 of this Article, an employee must have worked at least seventy-five percent (75%) of his allotted working days during his said period of employment immediately preceding the employee's anniversary date of this year. For purposes of this Section only, any paid absence time shall be treated as time worked in determining eligibility for vacations.

Section 3. When a holiday occurs during an employee's vacation period, the employee on vacation shall be allowed an additional day off.

Section 4. Choice of vacation period shall be determined according to Company seniority, but shall be subject to the requirements of the Company's operation. Each employee will receive the vacation schedule for the forthcoming calendar year in the order of company seniority. Upon receipt of the schedule, the employee has three calendar days in which to post his/her vacation. At the end of this posting period, the list is to be surrendered to the person of the next lowest company seniority.

Section 5. All vacations should be taken on consecutive days; if possible, beginning 7:00 a.m. Monday of the week scheduled off and continue until 7:00 a.m. Monday of the following week, unless the Company and the employee(s) shall, in any case, agree upon different arrangements as to vacation time. For this section, an employee will be considered on vacation on the scheduled off days falling during his vacation period. Up to five days of vacation may be scheduled in one day increments. All unscheduled vacation request shall be submitted in writing to the company for approval with three days advance notice except in emergency situations.

ARTICLE VII - SENIORITY

Section 1. Company Seniority as used herein is defined as the length of employment with the Company wherever served in any division of Florida Public Utilities Company since the most recent date of employment, and is used in determining such benefits as vacation, pay during absence, pensions, layoff allowance and insurance, and

establishes the order by which employees will be considered for layoffs, and rehiring; provided, however, that if an employee is laid off or is absent with leave granted by the Company for thirty (30) days or less, it shall be ignored; if the layoff or leave of absence is in excess of thirty (30) days but not more than one (1) year, the period of absence shall be deducted in length of service; and if the period of layoff or absence exceeds one (1) year, no credit shall be given for previous service and upon re-employment, the employee shall be considered a new employee, except when leave of absence has been granted in accordance with Section 8 of this Article.

Section 2. Sectional Seniority is defined as the length of employment in one of the sections of the Company included in the bargaining unit.

Section 3. The term Section as used herein is defined as meaning one of the following employee groups:

a. Service Section employees classified as
    1. Service Working Foreman
    2. Meterman
    3. Serviceman
    4. Apprentice Serviceman A
    5. Apprentice Serviceman B
b. Line Section employees classified as
    1. Line Working Foreman
    2. Lineman
    3. Apprentice Lineman A
    4. Apprentice Lineman B
c. Field Service Section employees classified as
    1. Turn on/Turn off Serviceman
    2. Meter Reader - Collector
    3. Meter Reader
d. Warehouse Section employees classified as
    1. Warehouse Assistant

Section 4. As long as an employee continues in the section to which he is now assigned, his seniority shall accumulate in that section; but in the event an employee is transferred or promoted to another section or to another job outside the bargaining unit, his seniority status shall be determined in the following manner:

a. Any employee who may be transferred from one section to another or to a job outside the bargaining unit shall temporarily continue to accumulate seniority in the section from which he was transferred for a period of six (6) months, then,

b. At the end of six (6) months, he shall date his seniority in his new section from the date of transfer and shall retain his seniority in his former section which he held as of the date of transfer

Section 5. When an employee is temporarily transferred from the section in which he is regularly employed to another location in the Company's property, his seniority will continue to accumulate in his regular section while he is temporarily working elsewhere.

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Section 6. Seniority lists setting forth the seniority status and job classification in each section covered by this Agreement shall be prepared by the Company as of January 1 of each year, posted on a bulletin board accessible to the employees and a copy furnished the Local Union. Only employees in the bargaining unit shall be on this list.

Section 7. In making promotions and demotions of employees to jobs covered by this Agreement, the Company will consider the qualifications and abilities of the eligible employees; and if the Company finds that the qualifications and abilities are relatively equal, then Northeast Florida Division seniority shall govern. Should the Company by-pass an employee because of inability or lack of qualifications, the employee is free to file a grievance should he so desire, and have it processed under the grievance procedure.

Section 8. A complete loss of seniority will result when any employee:

a. voluntarily terminates his employment

b. retires

c. is discharged for proper cause

d. fails to return to work, after he has been laid off, within seven (7) calendar days after written notice from the Company by registered mail that work is available for him is mailed to him at the last known address on file with the Company

e. is otherwise absent for more than one year, except when excused by:

1. leave of absence granted in writing by an officer of the Company because of illness attested to by a physician's certificate, or so granted for other cause

2. service by enlistment or draft in accordance with the Selective Service Act of June, 1948, or amendments thereto in the armed military or naval forces of the United States of America.

Section 9. The Field Service Section is a section unto itself and personnel from other sections covered by this contract may not bid on jobs in the section. Personnel entering the section will be recruited from outside the bargaining unit and will only accrue section seniority that applies to the Field Service Section. An exception may be made at management discretion if an employee outside the section becomes physically unable to perform his/her current job function but is qualified and can physically perform the duties of a job within the section. Field Service Section employees may apply for entry level jobs in any other section but will have no specific rights to those positions. These employees will be called out for overtime only in the case that no other employee covered by this contract, with exception of probationary employees, can be located utilizing the standard callout procedure. Relief for vacation/sick occurrences of Field Service Section employees will be provided by employees within the department whenever possible. One Field Service Section employee will be allowed to schedule vacation at a time. Field Service Section employees with documented seniority in other sections will continue to maintain the seniority but may change sections only once and be dependant upon their individual qualifications.

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ARTICLE VIII - JOB POSTING

Section 1. Except as hereinafter provided, the Company will post notices of vacancies in jobs within the employee groups set forth in Article VII, Section 3. Any employee may bid upon the job vacancy with the exception of the limitations outlined in Article VII, Section 9. The applicant having Northeast Florida Division seniority and who is qualified will be selected. Determination of such qualifications shall be made by the Company. If no qualified employee is found by the above method, the Company may select a person from any source whatsoever. Pending posting of notice and selection of an applicant, the Company may fill the job on a temporary basis.

Section 2. If the senior employee bidding on a promotion is not awarded the job, the Company will notify the employee and the local Union.

Section 3. The provisions of this Article relative to job posting shall not apply to (1) promotions to supervisory positions, (2) jobs outside the bargaining unit, and (3) laborers.

Section 4. Nothing in this Article shall be construed as limiting the right of the Company to determine the number of men required in each classification nor shall it be construed as limiting the Company's right to determine whether or not the vacancy shall be filled.

ARTICLE IX - MANAGEMENT OF COMPANY

Section 1. In the interest of progress and the development of the business of the Company, nothing in this Agreement shall be construed as intending to interfere with, abridge or limit the Company's right to manage its business, and it is agreed that the management of said business including the composition, assignment and direction of the working force, the right to hire and discharge and to make and enforce reasonable rules and regulations, and other functions and responsibilities which have heretofore been vested in the management, will and shall remain vested exclusively in the Company. Without limiting the generality of the foregoing, it is specifically agreed that dishonesty, drinking alcoholic beverages during working hours, reporting to work under the influence of liquor during regular working hours, unauthorized use of Company property, incompetence, inexcusable absenteeism, insubordination, and disobedience of Company rules shall be considered sufficient grounds for the immediate dismissal of an employee without the employee's having the benefit of representation by the Union; provided, however, that an employee shall have benefit of representation by the Union until it is shown that he is guilty of one of the above. It is agreed that in case of employee carelessness resulting in the loss of or damage to Company property or subjecting the Company to liability for damages, the Company shall have the unqualified right to discipline or discharge the employee.

ARTICLE X - GRIEVANCE PROCEDURE

Section 1. A grievance is hereby defined as a violation or an alleged violation of the terms of this Agreement. No grievance shall be considered as such unless it has been handled as set forth in this Article within fifteen (15) days after its occurrence or fifteen (15) days after first knowledge of the grievance's existence by the aggrieved

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employee. No employee shall leave his assigned work without being relieved or without permission from his supervisor for the purpose of processing his grievance. It is mutually agreed that the Company may process a grievance in the same manner as the Union, as provided for in this Article.

Section 2. It being the desire of both parties to settle in the simplest and most direct manner disputes and disagreements which may arise and to avoid formal grievances, the employee or employees concerned and/or their steward and their immediate Supervisor shall first attempt to reach a settlement through informal discussion as soon as possible after the dispute or question arises. If a settlement cannot be reached in this manner, the grievance shall be reduced to writing and carried through as many of the following steps as necessary until a settlement is reached:

a. within seven working days from the date of the informal discussion a meeting will be held between the aggrieved employee or employees and/or the representatives of the Union and Northeast Florida Division Electric Operations Manager or Customer Service Manager and the aggrieved employee(s) direct supervisor .

b. within fifteen working days from the date the meeting was held in step (a) a second meeting will be held between the aggrieved employee or employees and/or representatives of the Union and the Northeast Florida Division General Manager and the Electric Operations Manager or Customer Service Manager (an International Representative of the IBEW may be included in this step).

c. within thirty working days from the date the meeting was held in step (b) a third meeting will be held between the representatives of the Local Union and the President of the Company or his designated representative along with the Northeast Florida Division General Manager (an International Representative of the IBEW may be included in this step only to assist the Local Union)

Any of the above steps may be waived by mutual consent.

The Company's decision shall be reduced to writing and a copy furnished the Union as soon as possible after the conclusion of each step.

If a stenographic report is made of the proceedings of any such meeting by either party, and both parties agreed in writing to share the cost of the report, a typewritten copy shall be furnished the other party as soon as it is available. The cost of such record shall be borne equally between the Company and the Union. Should either party elect not to have a stenographic report available, that party will not receive a copy and will not be responsible for sharing the cost.

In any case where it is found that any employee was unjustly suspended or discharged, he shall be reinstated to his former position with no reduction in seniority and be paid the wages to which he would have been entitled had he continued in the Company's employ during the period of suspension or discharge.

Section 3. It is agreed that questions arising as to the interpretation or enforcement of this Agreement, which cannot be settled by negotiations between the Company and the Union, or their representatives, shall be submitted to a Board of Arbitration upon written notice by either party to the other. In such event, the Company and the Union will appoint one representative each, and these two representatives shall agree upon a third disinterested party who, together with them will comprise the Board of Arbitration. If the two members appointed by the parties hereto fail to agree upon the third member within ten (10) days after their first meeting, the parties hereto shall apply to the American Arbitration Association to designate the third member of the Board. This Arbitration Board shall hear all

evidence and arguments on the points in dispute and the written decision of a majority of the members of such Board shall be final and binding upon the parties hereto.

The Board shall have jurisdiction and authority to interpret and apply the provisions of this Agreement insofar as shall be necessary to the determination of the grievance or complaint, but it shall not have jurisdiction or authority to alter in any way the provisions of this Agreement. The Board may make such retroactive award, or settlement, of any grievance or complaint as the equities of the case may demand but in no event shall any award be retroactive beyond the date on which the grievance was presented in Step (a) of the grievance procedure. In each case submitted to the arbitrators for decision, the arbitrators must make written findings, setting forth the reason for their decision or award.

The Company and the Union shall each bear the expense of its own representatives. The expense of the third party shall be borne equally by the Company and the Union.

ARTICLE XI - MEAL ALLOWANCE

Section 1. If an employee works his regular work period and in addition works continuously and without interruption for two (2) hours or more beyond his regularly scheduled hours, he shall be paid a meal allowance of $8.00. A meal allowance of $8.00 will be paid to employees required to work the entire regular eight (8) hour work period without a lunch break.

Section 2. If an employee works for more than five (5) continuous hours during his off-scheduled work period, he shall be eligible for a meal allowance of $8.00 at intervals not to exceed five (5) hours.

ARTICLE XII - CLOTHING

Section 1. Raincoats and rain-hats shall be provided for those employees who are usually required to work out of doors in wet weather. Rubber boots shall be provided those employees who, in the judgment of the Company, are doing jobs that require boots. Such equipment shall remain the property of the Company and shall not be devoted to personal use.

Section 2. Employees shall not be required to work outside, except in emergency conditions, when rain, sleet, or snow makes such outside work impracticable. The Company shall have the sole responsibility for determining whether weather conditions warrant cessation of outside work. The Company will, if reasonably practicable, provide indoor work for employees unable to work outside because of weather conditions.

Section 3. Employees assigned to the Meter Reading Section will wear a company designated shirt, and if a cap and/or jacket is worn, it will be a company designated cap and jacket. These employees will also have the option to wear company provided pants or personal denim pants. The Company shall pay 75% of the cost of up to 8 company provided pairs of pants, 12 shirts, 4 caps, and 1 jacket in each calendar year. Company also agrees to offer $50 towards the purchase of ANSI approved safety boots, once a year, for employees covered in this section. Safety boots to be worn at all time as part of everyday uniform for these employees.

Section 4. Employees exposed to atmospheres or conditions which may potentially contain flammable

materials, open flame, or an electric arc shall be required to wear clothing that is in compliance with the company's "Hazardous Conditions Clothing Policy". This policy will be updated from time to time to reflect changes necessary to comply with governmental regulations. Employees will be provided a clothing allowance in each calendar year where the Company will pay 100% of the cost for up to 6 shirts and 1 coat. Employees will have the option, on an exchange basis, to substitute 1 shirt for 3 pairs of pants or 1 coat for 6 pairs of pants. The company will provide, approve and make available the type of pants required. If changes to these regulations significantly effect the type and cost of the clothing necessary to achieve compliance, the company and the union will re-negotiate the clothing allowance under this section at that time. In addition, Company agrees to offer 50% reimbursement for climbing boots, once a year, priced up to $250.00, for employees who actually climb poles as part of their job and/or for Apprentices that have been formally accepted into the Apprenticeship program and have shown required competency in climbing. Climbing boots to be worn at all times as part of everyday uniform. Company also agrees to offer $50 towards the purchase of ANSI approved safety boots, once a year, for employees who are not in the climbing boot program. Safety boots to be worn at all time as part of everyday uniform for these employees.

Section 5. An employee in the Warehouse Assistant position will be eligible to purchase up to six (6) company shirts and six (6) pairs of pants/shorts each year. The Company shall pay 75% of the cost of the clothing each year. Company also agrees to offer $50 towards the purchase of ANSI approved safety boots/shoes, once a year, for employees covered in this section. Safety boots/shoes to be worn at all times as part of the everyday uniform for this employee.

Section 6. The Company will replace eye glasses an employee is wearing that are damaged during a job related activity, provided such damage is not caused by the Employee's deliberate carelessness, or refusal to use protective equipment made available by the Company which would have prevented the eye glasses from being damaged. The Company's replacement cost is limited to the actual cost or $300.00, whichever is less.

ARTICLE XIII - JURY PAY

Section 1. An employee called for jury duty shall be paid the difference between his regular straight-time wages and the fee received for acting as a juror. Time lost for jury duty shall not be counted in calculation of the forty (40) hour week for weekly overtime pay purposes.

ARTICLE XIV - STANDBY AND CALL IN PAY AND PROCEDURE

Section 1. An employee is on standby when the employee is scheduled to be the first employee to respond to all after hour's calls in accordance with Section 4 below. Employees on backup standby are those who will be scheduled, according to Section 4, and will be available to be the second to respond to after hours calls in order to provide prompt assistance to and as requested by the standby employee. The Company maintains the sole right to determine the number and classification of employees required to provide standby and backup standby duties. Call in applies to employees who are not on standby or backup standby but are called in to assist with after hour calls in accordance with Section 7 below.

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Section 2. When an employee not on standby is called in and reports at the request of a supervisor for work outside his regular work period, he shall be entitled to a minimum of three (3) hours of time at the overtime rate for each such call out. Should the time worked extend beyond three (3) hours, the employee shall be paid for all time worked at overtime rate; however, when an employee reports for work before the regular work period starts and continues into the regular work period, he shall receive pay from the time of reporting to work until the time his regular work period starts at overtime rate. Overtime rate is defined as one and one half (1/2) times the regular rate.

Section 3. If the Company requires an employee to stand by for trouble calls, the employee shall be expected to handle all trouble calls capable of being handled by one man which he is capable of performing. If the employee finds a situation requiring additional manpower, he shall report the conditions to the answering service who will call in such additional help as is required. The employee on standby shall be paid at overtime rates for actual time spent on trouble calls. The first call worked of three (3) hours or less each day will be charged as three (3) hours of overtime pay. Each call after the first call shall be paid as time worked at the overtime rate. A routine plant inspection call shall be treated in the same manner as a trouble call for purposes of this Article. The standby person may have the option whether or not to work overtime, other than call-ins, when they notify their supervisor and are properly relieved of duty. If the Company requires an employee to back up for stand by for trouble calls, the employee shall be expected to promptly respond as needed by the stand by employee. The employee on backup standby shall be paid at overtime rates for actual time spent on trouble calls; provided, however, that he shall be guaranteed a minimum of three (3) hours per day to be paid for at the overtime rate in the event his total actual work time is less than three (3) hours per day. The first call worked of three (3) hours or less each day will be charged as three (3) hours of overtime pay against the three hour standby guarantee. Each call after the first call shall be paid as time worked at the overtime rate. The three (3) hours minimum per day shall be computed from the hours involved after the employee has been released and placed on standby duty, prior to his next scheduled starting time.

Section 4. The standby period will be Monday at 8:00AM to Monday at 8:00AM of the following week. He/she will go on standby at 8:00AM Monday and work Monday through Friday for his/her normal 40 hour week. He/she will be relieved of standby at 8:00AM Monday of the following week. An employee assigned to substitute standby shall remain on standby for the duration of the standby period unless the employee normally assigned to the standby period returns to duty from vacation or sick leave. Holidays actually or normally occurring on Monday shall be covered by the employee normally assigned to the standby period, unless the low overtime Working Foreman/Meterman or Lineman/Serviceman agrees to accommodate this one day and approval is granted by the Company.

Section 5. Employees who are age 60 or older may be eligible to be exempt from serving standby duty in the year after their 60th birthday. The employee may make a request to the Company by December 1st each year for the forthcoming year. The company maintains the right to approve or deny the request and establish the minimum number of employees on standby. If necessary, employees age 60 or older could be reassigned to the standby schedule until the minimum number of employees established by the company is reached.

Section 6. Employees on light duty will be removed from the standby list. When the employee returns to full

duty, he/she will be placed back on the standby list in the same call rotation as he/she previously occupied. At the time the employee returns to full duty, he/she has the option of keeping his/her total cumulative overtime hours or a level one hour below the lowest overtime employee in his/her classification. Employees on light duty will not be scheduled or called out for overtime work. A light duty employee may work overtime to complete a job that was started during normal working hours. In addition, a light duty employee may be called out in the case that no other employee can be located utilizing the standard call out procedure.

Section 7. In general, Electric Division employees will be used for electric call outs. Employees have the right to refuse overtime. However, if no qualified employee agrees to work, the employee with the least amount of overtime will be required to work unless a valid reason for not working is given (sickness, intoxication, family crisis, etc). Employees will be called in order by the answering service, or in some cases by the supervisor on call, utilizing the order established on the current overtime list described in Article IV, section 5 of this contract. If when called, the phone is answered by an answering machine, the next employee will be immediately called. Employees are expected to answer the phone personally when at home. If, after the entire list of eligible employees are called, the required number and/or classifications of employees are not reached, beepers will be called in the same order skipping the employees already responding by regular telephone callout. The answering service number will be placed in the beeper. Beepers are provided by the company to all employees eligible for callout. Employees are requested to respond as soon as possible if they are in the area and in a position to work (not out of town, sick, intoxicated, or under family crisis). If, after the entire list of eligible employees are beeped, the required number and/or classifications of employees are not reached, beepers will be called in the same order skipping the employees already responding by regular telephone callout or beep. The answering service number plus (999) will be placed in the beeper. Employees are highly requested to respond as soon as possible if they are in the area and in a position to work (not out of town, sick, intoxicated, or under family crisis). Calls received within ten (10) minutes of the end of the normal work day will be assigned to the person on standby, unless a supervisor can determine that the call will be of excessive duration.

Section 8. Employees must respond to and work at least 50% of the call out requests presented to them as described in Section 7 of this article. The answering service will keep track of all callouts and responses to the requests for callout. The results will be posted weekly on the Warehouse Bulletin Board. Disputes shall be resolved utilizing the normal grievance procedure. These records shall be totaled every six (6) months ending June 30th and December 31st of each calendar year. An employee not meeting the 50% callout response rate for any six (6) month period may be subject to discipline utilizing the Company's standard discipline procedure. All employees are expected to call back within 15 minutes and tell the Company if he or she can come to work or not. It is understood that there are circumstances in which an employee cannot respond to the call or to the page, but this must be the exception and not the norm. It is agreed that reporting to a call-in is defined as actually reporting to the shop or to the needed work location within 45 minutes. If an employee does not return the page within 15 minutes and does not come in, it will count against his or her 50% call out response requirement.

Section 9. The company intends to schedule additional standby personnel on certain holiday weekends. At the

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beginning of each January, April, July, and October the company will post the holidays in which additional personnel are to be scheduled as well as the classifications and number of additional personnel required for the following three month period. The January 1st holiday coverage will be included in the October posting and July 4th holiday coverage will be included in the April posting. Volunteers will be sought and if more than the number of personnel required volunteer, the current low overtime list described in Article IV, Section 5. shall be utilized to determine the successful volunteers. If less than the number of personnel required volunteer, the current low overtime list described in Article IV, Section 5. shall be utilized to determine the employees required to work.

ARTICLE XV - SAFETY

Section 1. It is agreed that the Company has the right to require employees to observe safety rules and practices as may be required in order that the work of the Company shall be performed in a manner conducive to the safety of the employee, the Company's property and the general public. The Company agrees to furnish all tools and equipment required to perform the work in a safe and workman-like manner. Employees shall use reasonable care to protect all tools and equipment, including safety tools and equipment, from damage, loss and theft, and shall pay for all tools lost or stolen or damaged through carelessness or improper use.

Section 2. If an employee feels that the conclusions drawn by the Company after investigating an accident are unfair to him, the matter may be taken up through the grievance procedure.

Section 3. In the handling of all work, superintendents and supervisors are required to see that sufficient experienced workmen, equipped with the necessary safety devices, are on the job to properly handle the work to be done. No employee shall be required to take any undue risk in the performance of his duties.

ARTICLE XVI - SICKNESS COMPENSATION

Section 1. Any employee who is ill (including personal injury other than injury arising in the course of employment with the Company) and unable to work shall be granted a leave of absence for the duration of his illness provided each illness is supported by satisfactory evidence as hereinafter provided. Seniority shall accumulate during such leave. The Company may require a certificate from a physician that an ill employee is unable to work during the period of absence, and may require the employee to submit to a physical examination by the Company's physician. The return of the employee to his former position shall be subject to said employee's condition and fitness to carry on the duties of that position. Sick leave shall not be charged against an employee's vacation time, but any employee who is ill and who is eligible for vacation may obtain his vacation or any part thereof during his illness, regardless of the season of the year, without prejudice to the sick leave benefits payable by the Company as herein provided.

Section 2. The Company agrees to pay ill employees, except those governed by Article XX, Paid Time Off (PTO) Program, who have had six (6) months or more of continuous service in the Company's employ, sickness and accident compensation for the periods and in the amounts and subject to the conditions as follows:

a. Such compensation on a weekly basis shall amount to the employee's straight time pay for forty (40) hours at the time of illness after deduction of the amount of any weekly benefit payable to such employee

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under the Company's Group Insurance Plan, in respect of such illness. In case of any illness of less than one or more full week's duration the amount of such compensation shall be prorated to the number of days such illness required leave of absence.

b. In any one year following the employee's anniversary date of employment, the aggregate amount of sickness compensation payable by the Company to any employee shall not exceed:

   1. compensation for three (3) days as aforesaid in the case of an employee with six (6) months or more but less than twelve (12) months of continuous employment by the Company

   2. compensation for three (3) weeks as aforesaid in the case of an employee with one (1) year or more but less than four years of continuous employment by the Company

   3. compensation for four (4) weeks as aforesaid in the case of an employee with four years or more but less than seven years of continuous employment by the Company

   4. compensation for six (6) weeks as aforesaid in the case of an employee with seven years or more but less than ten years of continuous employment by the Company

   5. compensation for eight (8) weeks as aforesaid in the case of an employee with ten years or more of continuous employment by the Company

c. If an employee has five (5) or more instances of illness and uses forty (40) or more hours of sick leave during any calendar year, the employee will be required to submit a doctors excuse for each occurrence of illness in the following calendar year in order to be paid for the first day of absence. The employee will be issued a letter stating the number of instances and hours of sick leave used as described above at the beginning of each calendar year after this limit has been exceeded. If, after being issued this letter, an employees sick time usage record does not improve, the employee will be subject to the company's standard discipline procedure.

d. Unused sick leave may be accumulated each year at the rate of 100%. The use of accumulated sick leave any year may not exceed the allowable sick leave for such year. Employees may contact the Electric Operations Manager or Customer Service Manager to determine the amount of accumulated sick leave the employee has on record.

e. Such compensation shall not be payable to any employee in respect of an illness due to the employee's use of alcohol or due to other forms of dissipation or injuries incurred while gainfully employed by others.

Section 3. An employee claiming illness compensation without just cause, failing to furnish the required physician's certificate, refusing to submit to a physical examination, or accepting of employment elsewhere during the period of absence, or refusing to perform other work assigned to him by the Company suitable to his condition, shall forfeit all his rights under the sickness compensation pay plan, and in addition such employee may be subject to discipline by the Company.

Section 4. The Company may, at its sole discretion, extend the absence limits set forth above in unusual cases or special circumstances.

ARTICLE XVII - ACCIDENT COMPENSATION

Section 1. Any employee who is injured (injury arising in the course of employment with the Company) and unable to work shall be granted a leave of absence for the duration of his injury, provided each injury is supported by satisfactory evidence as hereinafter provided. Seniority shall accumulate during such leave. The Company may require a certificate from a physician that an injured employee is unable to work during the period of absence, and may require the employee to submit to a physical examination by the Company's physician. The return of an injured employee to his former position shall be subject to said employee's condition and fitness to carry on the duties of that position. The Company shall have the absolute right to reassign any employee who in the opinion of the Company is permanently disabled from performing the duties of his position in a satisfactory manner. Leave shall not be charged against an employee's vacation time, but any employee who is injured and who is eligible for vacation may obtain his vacation or any part thereof during his injury, regardless of the season of the year, without prejudice to the benefits payable by the Company as herein provided.

Section 2. The Company agrees to pay injured employees who have had six (6) months or more of continuous service in the Company's employ accident compensation for the periods and in the amounts and subject to the conditions as follows:

a. The Company shall pay the employee in any one year (dating from anniversary of date of employment) the difference between the compensation payable to him under the Workers' Compensation Laws of the State of Florida and his normal straight-time weekly wage as follows:

   1. compensation for three (3) days as aforesaid in the case of an employee with 6 months or more but less than 12 months of continuous employment by the Company.

   2. compensation for three (3) weeks as aforesaid in the case of an employee with one year or more but less than four years of continuous employment by the Company.

   3. compensation for four (4) weeks as aforesaid in the case of an employee with four years or more but less than seven years of continuous employment by the Company.

   4. compensation for five (5) weeks as aforesaid in the case of an employee with seven years or more but less than ten years of continuous employment by the Company.

   5. compensation for six (6) weeks as aforesaid in the case of an employee with ten years or more of continuous employment by the Company.

b. Such compensation shall not be payable to any employee in respect to any injury incurred while the employee is under the influence of alcohol or in respect to any injury not incurred while performing the duties of his employment and for which compensation is not payable by the Florida Public Utilities Company under the Workmen's Compensation Laws of the State of Florida.

Section 3. An employee claiming accident compensation without just cause, failing to furnish the required physician's certificate, refusing to submit to a physical examination, or accepting of employment elsewhere during period of absence, or refusing to perform other work assigned to him by the Company suitable to his condition, shall forfeit all his rights under this accident compensation pay plan, and in addition such employee may be subject to discipline by the Company.

Section 4. The Company may, at its sole discretion, extend the absence limits set forth above in unusual cases or special circumstances.

ARTICLE XVIII - APPRENTICESHIP PROGRAM

Section 1. All apprentices are expected to become "qualified" to be promoted to Lineman/Serviceman. The company will provide training to make this possible. However, these employees must qualify mentally, physically and have the aptitude and desire for advancement to higher classifications. If an employee does not have the above qualities and/or, after being trained, is not capable of showing proficiency on the skills of becoming a Lineman/Serviceman, such employee will be discharged so that another employee may be assigned and trained.

Section 2. Once an employee has been admitted to the FPUC Apprenticeship Program, such employee is expected to continuously work towards a successful graduation from the program. Apprentices will also be expected to keep track of all paperwork, training hours and any other requirements of the program, and this must be approved by Company management and records maintained by Company management.

The apprenticeship committee shall consist of two (2) members from management and (2) members from the union. However, this composition may change if the need arises. The committee shall meet quarterly at the middle of each quarter.

The following are some of the main goals of this committee:

- Ensures that the program meets the training needs of both employees and the company. In addition, it ensures that the TECO program, currently being customized by the company, properly enhances the official Florida State registered Apprenticeship Program.
- Establishes timelines for reasonable progress through the program and oversees and evaluates the progress of all apprentices.
- Establishes appropriate benchmarks in accordance with the salary progression in Exhibit B. Both parties agree to establish the benchmarks as soon as practical.
- Provide recommendations to management.

Section 3. All employees enrolled in the Apprentice program will be required to make progress through the program and certain benchmarks will be established for salary purposes. As employees successfully complete the necessary training, salary will be modified according to the Exhibit B. For existing employees, assuming satisfactory progression in the program, salary will be set under the guidelines shown in Exhibit A. After successful completion of all training, Apprentice A employees will automatically progress to Lineman/ Serviceman and will be included in the standby rotation.

ARTICLE XIX – RETIREMENT PLAN CHANGE

Section 1. All employees covered by this agreement who were hired prior to 12/31/04 will continue to be eligible for the Company pension plan and the 401K plan, as documented in the FPUC HR Policies Manual.

Section 2. All new employees hired into this bargaining unit after 1/1/05 will no longer be eligible for the

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Company pension plan, however they will become eligible for a new 401K Company match plan for contributions by the employee, up to 6% of their salary. The Company will match the first 2% of the employees' contribution at 100% and will match up to an additional 4% of the employees' contribution at 50% for a maximum company match up to 4%. The Company match will begin after six (6) months of continuous service, and this Company match will be 100% vested after three (3) years of continuous service.

Section 3. The Company and the Union agree that, unless otherwise required by law or governmental regulations, the provisions of the retirement plan will not be amended during the term of this labor agreement.

Section 4. Please refer to the most current FPUC HR Policies Manual, and the FPUC Pension Plan and 401K Summary Plan Documents for specific details.

ARTICLE XX – PAID TIME OFF (PTO) PROGRAM

Section 1. All employees covered by this agreement who were hired prior to 02/17/07 will continue to be eligible for the Company Sick Leave, Vacation and Holiday plans as documented in Article V (Holidays and Holiday Pay), Article VI (Vacations) and Article XVI (Sickness Compensation). Beginning in December 2007, these employees will have an annual option to change to the PTO Plan as outlined in this article. However, if the employee elects to make this change, the employee does not have the right to reverse this decision in future years. Changes may become effective on January 1st of each year.

Section 2. All new employees hired into this bargaining unit after 2/17/07 will no longer be eligible for the Company Sick Leave, Vacation and Holiday plans as documented in Article V (Holidays and Holiday Pay), Article VI (Vacations) and Article XVI (Sickness Compensation). These employees will be covered entirely by the PTO Plan in this article.

Section 3. The Company and the Union agree that, unless otherwise required by law or governmental regulations, the provisions of the PTO plan will not be amended during the term of this labor agreement.

Section 4. Employees will be offered a specific number of PTO days per year in place of the current vacation, personal days, and sick time plans. The 8 major holidays in Article 5, Holidays and Holiday Pay, Funeral Leave in Article IV, Wages and Jury Duty, Article XIII will remain unchanged and outside this PTO plan. The two (2) Personal Days in Article 5, Holidays and Holiday Pay will be included in the PTO days listed below. Employees will earn a new allotment of PTO time every January 1st, and will be earned according to the below guideline:

a. 17 days after 1 year of service
b. 22 days after 5 years of service
c. 27 days after 15 years of service
d. 32 days after 25 years of service

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Section 5. PTO days can be used for any purpose, including caring for sick family members if needed. All PTO days need to be scheduled in advance with the employees immediate supervisor, with the exception of time needed due to legitimate illness or non work related injury of the employee or one of their family members, or if they have a personal hardship, either of which requires a call to the supervisor before the start of each work day. Department Managers will keep track of PTO time taken (tracked in hours) that are scheduled in advance (i.e. vacation and/or personal days) and unscheduled hours (sick time due to illness or injury). Department managers will have discretion to limit scheduling of PTO during peak season timeframes or to limit the number of employees off at any one time.

Section 6. Unused PTO days, up to 5 days per year, will be accumulated or "banked" for future years use. Up to 10 weeks of unused PTO, plus the unused portion of the current year's allotment, will be paid out at retirement or termination; however this pay-out will be excluded from pension benefit calculations.

Section 7. Incumbent employees, selecting the PTO plan, will keep 100% of their existing sick time bank, which will be frozen effective as of the date of the change. This bank of sick time will be available for a legitimate long-term illness or injury and not for vacation or personal time. If an employee needs time off for a long term illness or injury, they will be required to utilize a minimum of 5 PTO days first (if available) before using their sick time bank, and will require a doctor's note. Employees will be able to utilize a maximum of 16 weeks of banked sick time in any one calendar year after first utilizing 5 PTO days, providing that they have a doctor's note to support the medical absence.

Section 8. Employees must work on their scheduled workdays before and after a holiday in order to receive holiday pay unless they are on a) paid leave of absence, b) long term disability, c) scheduled PTO, or d) have a legitimate illness or injury with a doctor's note.

Section 9. Loaning or donating PTO or banked sick time from one employee to another is prohibited. Section 10. When the employee's allotment of PTO days has been exhausted, they will not have any other paid time available for the balance of the year unless they have banked sick time to be used for a legitimate illness or injury. Generally, good attendance is required as part of each employee's job performance expectations, and the use of unpaid (i.e. no work – no pay) time off beyond the PTO allowance is not acceptable unless the employee has a personal hardship.

Section 11. In general, employees will be limited to taking no more than 3 weeks off at a time for vacation or personal reasons. However, employees will be given a one-time-only opportunity to take 4-8 weeks off at one time if they have sufficient time available to them; have requested the time off with ample notice for the department to plan for this time off; and it fits within the business needs of the department and the Company.

Section 12. PTO for new employees hired during the year will be as per the below guideline:

New employees who start in the first quarter of a year receive:

a) 2 days after 90 days of service
b) 4 days on October 1 of the year of hire
c) 4 days on January 1 following the year of hire
d) 4 days on April 1 following the year of hire
e) 4 days on July 1 following the year of hire

f) 4 days on October 1 following the year of hire
g) 17 days on the following January, and every January 1 from that point forward, increasing with years of service as per the above guidelines.

New employees who start in the second quarter receive:

a) 2 days after 90 days of service
b) 4 days on January 1 following the year of hire
c) 4 days on April 1 following the year of hire
d) 4 days on July 1 following the year of hire
e) 4 days on October 1 following the year of hire
f) 17 days on the following January, and every January 1 from that point forward, increasing with years of service as per the above guidelines.

New employees who start in the third quarter receive:

a) 2 days after 90 days of service
b) 4 days on April 1 following the year of hire
c) 4 days on July 1 following the year of hire
d) 4 days on October 1 following the year of hire
e) 17 days on the following January, and every January 1 from that point forward, increasing with years of service as per the above guidelines.

New employees who start in the fourth quarter receive:

a) 2 days after 90 days of service
b) 4 days on July 1 following the year of hire
c) 4 days on October 1 following the year of hire
d) 17 days on the following January, and every January 1 from that point forward, increasing with years of service as per the above guidelines.

ARTICLE XXI - CONTINUITY OF WORK

Section 1. For the duration of this Agreement the Union, its officers, representatives, members and the employees covered in this Agreement shall not authorize, instigate, condone, aid, encourage or take part in any strike, slowdown or stoppage of work, boycott, sympathy strike or other interruption or interference of a like or similar nature with the work of the Company. In consideration of this no-strike pledge by the Union and employees, the Company shall not lock out its employees for the duration of this Agreement.

Section 2. Failure or refusal on the part of any employee to comply with any provision of this Article shall be cause for disciplinary action, including suspension or discharge, against whatever number of employees is deemed necessary by the Company.

Section 3. In the event of a strike or other work stoppage unauthorized by the International Brotherhood of Electrical Workers or its Local Union 1924, there shall be no monetary liability on the part of the Local Union, or its officers and representatives, provided that the Union takes the following affirmative action:

a. Upon receiving notice of the strike or other work stoppage from the Company, immediately issue a written statement directed to its members advising them that the work stoppage is illegal and directing them to return to their jobs and to cease any action that will adversely affect the business of the Company, including maintenance and recognition of any picket line. Said notice shall be signed by an authorized representative of the Local Union.

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b. Declare publicly by means of the local media (e.g., newspapers, radio, etc.) that such strike or other work stoppage is unauthorized by the Union and is in direct violation of the terms of this Agreement.

c. Promptly take such other action and steps as may be appropriate under the circumstances in an effort to terminate any such strike or work stoppage.

It is further agreed that the Union shall not question the unqualified right of the Company to discipline or discharge employees who have engaged in, instigated or encouraged any strike or other work stoppage unauthorized by the Union.

Section 4. It is further understood that the Union shall, upon receiving notice that one or more of its members are engaged in, or have instigated or encouraged, an unauthorized strike or work stoppage among bargaining unit employees of the Company, use its best efforts to stop said illegal strike or work stoppage by Local 1924 members *and to encourage said employees to return to work.*

Section 5. Neither the violation of any provision of this Agreement nor the commission of any act constituting an unfair labor practice or otherwise made unlawful by any Federal, State or Local laws shall excuse *employees, the Union or the Company from their obligations under the provisions of this Article.*

ARTICLE XXII - CHECK-OFF

Section 1. The Company agrees that during the life of this Agreement it will honor written volunteer individual requests for membership dues to be deducted from the member's regular pay and remitted to Local Union No. 1924. Such check-off requests shall authorize the Company to deduct current membership dues only and shall not apply to special assessments or dues in arrears. Authorization for deduction of dues shall be in the following form:

> I, _____, a member of Local Union No. 1924 of the IBEW, hereby authorize and request the Florida Public Utilities Company to deduct from any wages due me on the last pay day in each calendar month, the sum of $_____ dollars *and to pay the same to the Financial Secretary of the above Local* Union for me. This Payroll Deduction Authorization shall remain in effect unless and until withdrawn by me by notice in writing to the Company.
>
> Date_____ Signature_____

The Union shall hold the Company free and harmless from any claims or damages from any party whatsoever arising out of making or failing to make such deductions and shall indemnify the Company against any and all such *claims and damages. The Union agrees to keep the Company advised of the proper mailing address of the Financial* Secretary.

ARTICLE XXIII - NON-DISCRIMINATION

The Union and the Company pledge that they will continue their policy of not discriminating against any employee because of race, creed, color, sex, or national origin, or because the employee is between 40 and 65 years of age, and both parties agree that they will take affirmative action to assure that employees are treated during employment without regard to race, creed, color, sex or national origin, or because of age as specified above.

ARTICLE XXIV - COVERAGE OF AGREEMENT

It is agreed that this written Agreement reflects the entire agreement between the parties, and all prior agreements and understandings are expressly terminated. Any amendments or clarifications of this Agreement mutually agreed upon shall be reduced to writing, signed by the parties, attached hereto and made a part hereof.

ARTICLE XXV - LEGALITY

It is understood and agreed that any part of this Agreement that may be construed by proper authority to be in conflict with any present or future laws shall be inoperative, but all other provisions shall continue in full force and effect.

ARTICLE XXVI - TERM OF AGREEMENT

Section 1. This Agreement shall remain in full force and effect from February 18, 2007, until and through February 17, 2008, and shall automatically renew itself for each subsequent annual period, unless terminated, modified, or changed pursuant to the following conditions: If either party elects to modify or change this Agreement, it shall give written notice to the other party by Certified Mail no later than sixty (60) days prior to the expiration date specifically setting forth the changes or modifications desired. The contract will be opened sixty (60) days prior to February 18, 2008.

Section 2. If notice to terminate or to amend shall have been given as provided above, negotiations for a new or amended agreement shall begin as soon as possible after notification has been given and shall continue until an agreement has been reached. During such negotiations, this Agreement will continue in full force and effect. At any time after the anniversary date of this Agreement, if agreement has not been reached, either party may give written notice to the other party of intent to terminate the Agreement in not less than ten days.

Section 3. In order that notice to terminate or amend this Agreement by the Union shall be effective, it shall be signed by the President of the local Union, and shall be sent by Certified Mail to the Company at its office, 401 South Dixie, West Palm Beach, Florida 33402.

Section 4. In order that notice to terminate or amend this Agreement by the Company shall be effective, it shall be signed by an officer of the Company and shall be sent by Certified Mail to the President of the local Union.

HEARING EXHIBIT - 00000813

IN WITNESS WHEREOF, we have hereunto set our hands and seal this _____ day of _____, 2007.

WITNESSES:

FLORIDA PUBLIC UTILITIES COMPANY

_____

By_____
Wayne C. Bonn, Director, Human Resources

WITNESSES:

LOCAL UNION NO. 1924

_____

By_____
James Truett, President, Local Union No. 1924

HEARING EXHIBIT - 00000814

EXHIBIT A

HOURLY WAGE SCHEDULES

EFFECTIVE FEBRUARY 18, 2007

CLASSIFICATION **RANGE EFFECTIVE: 02/18/2007**

SERVICE SECTION	Minimum		Maximum		Increase each 6 Months
Service Working Foreman	$ 28.98		$ 29.48	*	
Meterman	$ 28.98		$ 29.48		
Serviceman		-	$ 26.88		
Apprentice Serviceman A	$ 19.62	-	$ 21.68	**	32¢
Apprentice Serviceman B	$ 17.26	-	$ 19.03		8¢

LINE SECTION	Minimum		Maximum		Increase each 6 Months
Line Working Foreman	$ 28.98		$ 29.48	*	
Lineman		-	$ 26.88		
Apprentice Lineman A	$ 19.62	-	$ 21.68	**	32¢
Apprentice Lineman B	$ 17.26	-	$ 19.03		8¢

SERVICE SECTION/ CUSTOMER SERVICE	Minimum		Maximum		Increase each 6 Months
Turn on/Turn off Serviceman	$ 19.77		$ 20.01		8¢
Meter Reader-Collector	$ 16.42	-	$ 16.86		11¢
Meter Reader	$ 13.15	-	$ 13.41		13¢

STOREROOM	Minimum		Maximum		Increase each 6 Months
Warehouse Assistant	$ 15.05		$ 18.05		25¢

* Under specific conditions will receive $1.00 above Working Foreman Rates and be classified as Senior Working Foreman. This includes any time a Working Foreman has three (3) or more FPU employees of any classification under his/her direction or any time another FPU Working Foreman is under his/her direction for more than two (2) hours.

HEARING EXHIBIT - 00000815

** Steps will be in accordance with the Apprentice Lineman Program and will be based upon successful completion as defined in the program. Apprentice B and Apprentice A progression will consist of the benchmarks established by the Apprentice Lineman Committee. At the successful completion of Company's Apprentice Program and State Certification based on successful completion of the State Apprenticeship Training and OJT accumulation of hours, the Apprentice will automatically progress to Lineman/Serviceman and standby duties. Existing employees will progress based on annual increases, and if applicable, six month increases until salary/training allows additional advancement.

EXHIBIT B

HOURLY WAGE SCHEDULES

APPRENTICE LINEMAN TRAINING PROGRESSION

EFFECTIVE FEBRUARY 18, 2007

Classification	Benchmark	Salary
Apprentice B	1	$17.26
Apprentice B	2	$17.85
Apprentice B	3	$18.44
Apprentice B	4	$19.03
Apprentice A	5	$19.62
Apprentice A	6	$20.21
Apprentice A	7	$20.80
Apprentice A	8	$21.68

HEARING EXHIBIT - 00000816

HEARING EXHIBIT - 00000817

Exhibit 54.1
OPC Interrogatory 1
Docket 070304-EI

James E. Banner, Operations Supervisor
Southern Region
FAX: 336-719-7453

PIKE ELECTRIC, INC., P. O. BOX 868, 100 PIKE WAY, MOUNT AIRY, NC 27030 TELEPHONE: 336-789-2171

November 7, 2006

Florida Public Utilities Corporation
P.O. Box 418
Fernandina Beach, Florida 32035

Attn: Mr. Mark Cutshaw

Pike's area supervisor, Barry McCarty, recently conveyed the request from Florida Public Utilities Corporation (FPUC) for estimates related to the inspections of 138 kV transmission structures(95) and 69 kV transmission structures(202). To perform these inspections, Pike would use a two-man crew consisting of an A-Class Lineman, an Apprentice Lineman, a 95-foot bucket truck, a live-line trailer, and a marsh-master (for approximately 1 week). We estimate the inspection of the 138 kV transmission structures to cost approximately $48,976.35 and the inspection of the 69 kV transmission structures to cost approximately $63,472.44.

Classification	Hourly Rate
A-Lineman	$42.69
B-Lineman	$32.89
93' Bucket Truck	$79.41
Live-Line Trailer	$2.12
Per Hour	$157.11
Est. 285 hrs	$44,776.35
Marshmaster	$4,200.00
Total 138 kV Est.	$48,976.35

Classification	Hourly Rate
A-Lineman	$42.69
B-Lineman	$32.89
93' Bucket Truck	$79.41
Live-Line Trailer	$2.12
Per Hour	$157.11
Est. 404 hrs	$63,472.44
Total 69 kV Est.	$63,472.44

Please note, the above is only an estimate. ***The actual time worked will be used for billing purposes.*** These hourly rates are effective until December 31, 2006.

Sincerely,

James E. Banner
Operations Supervisor

HEARING EXHIBIT - 00000818

HEARING EXHIBIT - 00000819

Exhibit 61.1
OPC Interrogatory 1
Docket 070304-EI

Contact
Jeff Smith
(239) 313-6607
(239) 410-0812
jeff.smith@uai.com
10/4/2007

Company	2007 Utility Center Post Implementation Plan
Florida Public Utilities	

UAI products and Services

Training:

Item	Item Price	Qty		Price
***Utility Center* On-Site Training: South Division:** $[redacted] Training Services, $[redacted] Estimated Travel Expenses:		1		
Utility Center, uaAdministrator, On-Site Training: South Division: $[redacted] Training Services, $[redacted] *Estimated Travel Expenses:*		1		
uaAdministrator Training: Huntsville, Alabama: Training for 1 Corporate IT administrator, 1 South Division Administrator, 1 Central Division administrator, 1 Northeast Division Administrator. Training Date to be Determined		4		
uaFM for ArcGIS Training: Huntsville, Alabama: Training for 1 South Division uaFM user, 1 Central Division uaFM user, 1 Northeast Division user. Training Date to be Determined		3		
Learning ArcGIS Desktop Online Training: Required for uaFM for ArcGIS training. Training is performed online at training.esri.com		3		
Introduction to the Trimble GeoXT, Terrasync and *Pathfinder Office with Utility Center*: Onsite: Teaches users to learn the basics of using the Trimble GeoXT, Terrasync and Pathfinder Office with Utility Center.		2		

Additional Software (Needed Today):

Item	Item Price	Qty		Price
ESRI ArcGIS 9.1, ArcEditor: ArcGIS is required for UAI's uaFM software. uaFM enables users to perform a variety of tasks such as AutoCAD style drafting, plotting, and geographic analysis for marketing applications and manipulation of county and city GIS data. Each division should have one license of this software. *To my knowledge only the* Central and Northwest divisions have licenses. The Northeast and the South divisions need at least one license, as soon as possible.		2		
Trimble Terrasync Field Mapping Software: Used in conjunction with the Trimble GeoXT handheld mapping system.i.e. the 5 handheld GPS units that are Calvin's office. Dan Scribben in the Central Division is using this software to collect field data.		5		
Trimble Pathfinder Office: Software is needed to process and export data collected in the field using a Trimble GeoXT into Utility Center format. Also enables export to AutoCAD and Microstation.		1		

Additional Software (Future):

Item	Item Price	Qty		Price
ESRI ArcGIS 9.1, ArcEditor: by the end of the year, the South and the Central divisions will need additional ArcGIS licenses. I foresee the Central Division needing 1 additional license and the South needing 2 additional licenses.		3		
ESRI ArcGIS 9.1, ArcSDE: *Spatial database engine for ESRI ArcGIS. Enhances* performance of GIS applications when multiple ArcGIS users are manipulating Utility Center database.		1		
UAI Web GIS Server: Server based GIS. Will enable FPUC to view Utility Center data via a web browser. Data input, editing and Dispatching will still require Utility Center client software. One UAI GIS Server license is needed for each server. $[redacted] per division. *Will require 1 week to setup and install the software per division,* $[redacted]		4		

HEARING EXHIBIT - 00000820

UAI Services				
Item	Item Price	Qty		Price
Server-URL Enabling of uaDocumentManager (Central). The current client based architecture of the scanned service record cards and as built drawings will be transposed to a server based, URL architecture. Thus freeing 5GB on each Central Division computer.		1		
Server-URL Enabling of uaDocumentManager (South). The current client based architecture of the scanned service record cards and as built drawings will be transposed to a server based, URL architecture. Thus 15GB on each South Division Computer.		1		
Custom Aerial Photo Services: the central division's aerial photos are made up of approximately 250 individual photographs in Volusia and Seminole counties. This service would combine those photos into 2 - 4 separate individual photos for management and speed purposes.		1		
GeoCoding and Web-URL Enabling of Remaining As-Built Drawings: 5,000 as-built drawings were not scanned during the initial scanning project. These remaining images are special in nature because each CAD drawing references other CAD drawings and raster images. They are currently stored in a folder on a FPUC Server. UAI will create gDrawing reference polygons of each as-built and will configure uaDocument Manager to reference the unique FPUC Server folder where these CAD drwaings are located.	ate. Need further review, on-site.			

UAI Yearly Software Maintenance				
Item	Yearly Cost	Date Due		Price
Northwest Division		1/1/08		
Central Division		1/1/08		
South Division		1/1/08		
Northeast Division	$7,564	8/1/08		$7,564

Summary

Training		$26,525
Additional Software (Needed Today)		$22,470
Additional Software (Future)		$151,000
UAI Services		$30,500
UAI Yearly Software Maintenance		$29,057

HEARING EXHIBIT - 00000821

DOCKET NOS. 070300-EI AND 070304-EI

FLORIDA PUBLIC UTILITIES COMPANY'S SUPPLEMENTAL RESPONSE TO OFFICE OF PUBLIC COUNSEL'S FIRST SET OF INTERROGATORIES NO. 65

HEARING EXHIBIT - 00000823

Khojasteh Mehrdad

From: Martin Cheryl
Sent: Friday, May 25, 2007 8:30 AM
To: Khojasteh Mehrdad
Subject: expenses

Put in travel dollars and misc costs for new auditor position of $20,000. They will be doing quite a bit of traveling.

Cheryl Martin
Controller
Florida Public Utilities Company
(561) 838-1725

HEARING EXHIBIT - 00000824

Compliance Accountant

The Company does audit the inventory and cash of each division on an annual basis. However, we have the need to perform additional audits based on our Section 404 controls in Sarbanes Oxley, and other audits including operational depending on the risk assessment and the need to improve efficiencies or to test controls. We do not specifically track this cost, but the estimated cost for each of the five years would be between $1000.00 and $2000.00 per year per audit depending on location. Our historical actual estimate for the two electric divisions would be between $2000.00 and $4000.00 per year for the past five years.

We reviewed the salary survey, and the current job market to estimate what salary would be required. We added the benefits to that estimate to come up with a total expected cost of 82,200. See Document Request No. 78, OPC POD2 for details of this information.

Using our historical cost per trip estimate, we estimated that we would need an additional four to six trips per year. Although our locations are all within the state of Florida, all trips to divisions require overnight stays at hotels and either car or air travel, depending on location and time constraints. Meals are also provided for these trips. The total cost of hotel, transportation, meals, and other travel related costs make up this estimate. For example: A trip for two people to our Marianna division conducting a material and supplies inventory would involve four nights stay at a hotel for approximately $800.00, meals for five days for approximately $400, transportation $400 to $1000, and other miscellaneous travel related costs of $100.

Exhibit: 72.1
Docket No. 070304-EI
OPC First Set of Interrogatories

FLORIDA PUBLIC UTILITIES COMPAN
SINGLE INVOICE VOUCHER FORM

Witness: KHOJASTEH

FE: November 09, 2004 Total $15,000.00 DIVISION: Tax Exempt PREPARED BY: Heidi Dysard

CORRECT TAX RATE 0.0% COMPANY FPUC

BIDS

For LPOs Greater than $2,500 and Bids Attached	If No, please explain			
	X Exempting List Approved and on file with Increase Ext'n LRRV	Sole Source	Emergency	Please attach a detailed explanation
		Manager's Signature		

APPROVALS

INITIATED BY	LOCAL MANAGER	DIVISION MANAGER	ADD'L EXECUTIVE	EXECUTIVE	FINANCE
HED					

GL YEAR/PERIOD	ATTACHMENT TO BE MAILED WITH THE CHECK	VENDOR #	52357	VENDOR NAME	BDO Seidman LLP
04/ 11	X			VOUCHER MESSAGE:	

RETURN CHECK TO: REMIT TO ADDRESS:

INVOICE

INVOICE NUMBER	INVOICE DATE	GROSS AMOUNT	DUE DATE	DISCOUNT %	DISCOUNT TERMS	NET AMT DUE
780128	11/5/04	$15,000.00				$15,000.00
PURCHASE ORDER # LPO/PO/CODE/RSI	**SALES TAX CHARGED $$**	**FREIGHT CHARGED**	**Total Tax & Freight**		**Discount $$**	
RRV						

	ACCOUNT NUMBER / DISTRIBUTION CODE	DISTRIBUTION AMOUNT	EXPENSE DESCRIPTION / DESCRIPTION OF PURCHASE	SUBLEDGER
		$ -		
100%	100.2420.3	$ 15,000.00	Audit in Progress	
		$ -		
		$ -		
		$ -		
		$ -		
		$ -		
		$ -		
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		$ -		
		$ -		
		$ -		
		$ -		
		$ -		
		$ -		
	TOTAL	$ 15,000.00		

ENTERED
NOV 11 2004

Acceptable Codes for the "Purchase Order # - LPO/PO/Code" Box:
UT - Utility Payments - This is for utility payments only
RRV - Use this code after the vendor has been approved for the Recurring Payment I

HEARING EXHIBIT - 00000826

BDO Seidman, LLP
Accountants and Consultants

1601 Forum Place
Centurion Plaza, Suite 904
West Palm Beach, Florida 33401
Telephone: (561) 688-1600
Fax: (561) 688-1848

FLORIDA PUBLIC UTILITIES COMPANY
ATTN: GEORGE M. BACHMAN
401 SOUTH DIXIE HIGHWAY
WEST PALM BEACH, FL 33401

NOVEMBER 5, 2004
INVOICE # 780128
ENGAGEMENT NO. 148351-0004

TIN 13-5381590

2004 AUDITING & ACCOUNTING

AUDIT IN PROGRESS

Total for this invoice $ 15,000.00

ENTERED
NOV 11 2004

HEARING EXHIBIT - 00000827

** VOID - DUPLICATE FILE COPY **

Check No. 217729

Check Date 12/09/2004

780128	11/05/2004	15,000.00		.00	15,000.00

VOID - DUPLICATE FILE COPY

Total	15,000.00	.00	15,000.00

Bank of America

63-4
630

Check No.
217729

52357 12/09/2004

Fifteen Thousand and 00/100 Dollars

*****15,000.00

BDO SEIDMAN LLP
1601 FORUM PLACE
CENTRUION PLAZA, SUITE 904
WEST PALM BEACH FL 33401

NON - NEGOTIABLE

VOID - DUPLICATE FILE COPY

HEARING EXHIBIT - 00000828

P/L DEC 3 0 2004

FLORIDA PUBLIC UTILITIES

FLORIDA PUBLIC UTILITIES COMPANY
SINGLE INVOICE VOUCHER FORM

DATE: December 22, 2004 | Total $35,000.00 | DIVISION: Tax Exempt | PREPARED BY: Heidi Dysard

CORRECT TAX RATE 0.0% | COMPANY FPUC

BIDS

For LPOs greater than $2,500 are Bids Attached?	If NO, please explain			
Yes	X	Exemption List Approved and on the list - includes EXUT & RRV	Sole Source	Emergency	Please attach a detailed explanation
			Manager's Signature	

APPROVALS

AUDITED BY	LOCAL MANAGER	DIVISION MANAGER	ADD'L EXECUTIVE	EXECUTIVE	FINANCIAL
HED					

G/L YEAR/PERIOD	ATTACHMENT TO BE MAILED WITH THE CHECK
04/ 12	X

VENDOR # 52357 VENDOR NAME BDO Seidman LLP

VOUCHER MESSAGE:

RETURN CHECK TO:

REMIT TO ADDRESS:

INVOICE

INVOICE NUMBER	INVOICE DATE	GROSS AMOUNT	DUE DATE	DISCOUNT %	DISCOUNT TERMS	NET AMT DUE
787015	12/7/04	$35,000.00				$35,000.00

PURCHASE ORDER # LPO/PO/CODE/RSI	SALES TAX CHARGED $$	FREIGHT CHARGED	Total Tax & Freight		Discount $$	
RRV						

%	ACCOUNT NUMBER/ DISTRIBUTION CODE	DISTRIBUTION AMOUNT	EXPENSE DESCRIPTION / DESCRIPTION OF PURCHASE	SUBLEDGER
		$ -		
100%	100.2420.3	$ 35,000.00	Audit in Progress	
		$ -		
		$ -		
		$ -		
		$ -		
		$ -		
		$ -		
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		$ -		
		$ -		
		$ -		
		$ -		
	TOTAL	$ 35,000.00		

ENTERED
DEC 3 0 2004

Acceptable Codes for the "Purchase Order # - LPO/PO/Code" Box:

UT - Utility Payments - This is for utility payments only

RRV - Use this code after the vendor has been approved for the Recurring Payment I

HEARING EXHIBIT - 00000829

BDO Seidman, LLP
Accountants and Consultants

1601 Forum Place
Centurion Plaza, Suite 904
West Palm Beach, Florida 33401
Telephone: (561) 688-1600
Fax: (561) 688-1848

FLORIDA PUBLIC UTILITIES COMPANY
ATTN: GEORGE M. BACHMAN
401 SOUTH DIXIE HIGHWAY
WEST PALM BEACH, FL 33401

DECEMBER 7, 2004
INVOICE # 787015
ENGAGEMENT NO. 148351-0004

TIN 13-5381590

2004 AUDITING & ACCOUNTING

AUDIT IN PROGRESS

Total for this invoice $ 35,000.00

ENTERED
DEC 3 0 2004

HEARING EXHIBIT - 00000830

** VOID - DUPLICATE FILE COPY **

Check No. 219187

Check Date 1/06/2005

787015	12/07/2004	35,000.00	.00	35,000.00

VOID - DUPLICATE FILE COPY

Total	35,000.00	.00	35,000.00

Bank of America

63-4
630

Check No.
219187

52357 1/06/2005

Thirty-Five Thousand and 00/100 Dollars

*****35,000.00

BDO SEIDMAN LLP
1601 FORUM PLACE
CENTRUION PLAZA, SUITE 904
WEST PALM BEACH FL 33401

NON - NEGOTIABLE

VOID - DUPLICATE FILE COPY

P/L FEB 7 2005

FLORIDA PUBLIC UTILITIES COMPANY
SINGLE INVOICE VOUCHER FORM

E: February 14, 2005 Total $35,000.00 DIVISION: Tax Exempt PREPARED BY: Heidi Dysard

CORRECT TAX RATE 0.0% COMPANY FPUC

BIDS

For LPOs Amts Greater than $2,500 are Bids Attached?	If No, please explain	Exemption List	Sole Source	Emergency	Please attach detailed explanation
Yes		X Approved and on the list - includes EX, UT, & RRV	Manager's Signature		

APPROVALS

AUDITED BY	LEGAL MANAGER	DIVISION MANAGER	ADD'L EXECUTIVE	EXECUTIVE	FINANCIAL
HED					

G/L YEAR/PERIOD	ATTACHMENT TO BE MAILED WITH THE CHECK?
05/ 02	X

VENDOR # 52357 VENDOR NAME BDO Seidman LLP

VOUCHER MESSAGE:

RETURN CHECK TO: George B. REMIT TO ADDRESS:

INVOICE

INVOICE NUMBER	INVOICE DATE	GROSS AMOUNT	DUE DATE	DISCOUNT %	DISCOUNT TERMS	NET AMT DUE
~~80248~~ ~~787045~~	2/8/05	$35,000.00	9/14/05			$35,000.00
PURCHASE ORDER # LPO/PO/CODE/RSI	**SALES TAX CHARGED $$**	**FREIGHT CHARGED**	**Total Tax & Freight**		**Discount $$**	
RRV						

%	ACCOUNT NUMBER/ DISTRIBUTION CODE	DISTRIBUTION AMOUNT	EXPENSE DESCRIPTION / DESCRIPTION OF PURCHASE	SUB LEDGER
		$ -		
100%	100.2420.3	$ 35,000.00	Audit in Progress	
		$ -		
		$ -		
		$ -		
		$ -		
		$ -		
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		$ -		
		$ -		
		$ -		
		$ -		
	TOTAL	$ 35,000.00		

ENTERED
FEB 22 2005

Acceptable Codes for the "Purchase Order # - LPO/PO/Code" Box:
UT - Utility Payments - This is for utility payments only
RRV - Use this code after the vendor has been approved for the Recurring Payment I

HEARING EXHIBIT - 00000832

BDO Seidman, LLP
Accountants and Consultants

1601 Forum Place
Centurion Plaza, Suite 904
West Palm Beach, Florida 33401
Telephone: (561) 688-1600
Fax: (561) 688-1848

FLORIDA PUBLIC UTILITIES COMPANY
ATTN: GEORGE M. BACHMAN
401 SOUTH DIXIE HIGHWAY
WEST PALM BEACH, FL 33401

FEBRUARY 8, 2005
INVOICE # 801248
ENGAGEMENT NO. 148351-0004

TIN 13-5381590

2004 AUDITING & ACCOUNTING

AUDIT IN PROGRESS

Total for this invoice $ 35,000.00

ENTERED
FEB 22 2005

HEARING EXHIBIT - 00000833

** VOID - DUPLICATE FILE COPY **

Check No. 222668

Check Date 3/14/2005

801248	2/08/2005	35,000.00		.00	35,000.00

REDACTED

VOID - DUPLICATE FILE COPY

Total	35,000.00	.00	35,000.00

Bank of America

63-4
630

Check No.
222668

52357 3/14/2005

Thirty-Five Thousand and 00/100 Dollars

****35,000.00

BDO SEIDMAN LLP
1601 FORUM PLACE
CENTRUION PLAZA, SUITE 904
WEST PALM BEACH FL 33401

NON - NEGOTIABLE

VOID - DUPLICATE FILE COPY

HEARING EXHIBIT - 00000834

RECEIVED MAY 24 2005

FLORIDA PUBLIC UTILITIES COMPANY
SINGLE INVOICE VOUCHER FORM

May 19, 2005 | Total $25,000.00 | DIVISION: Tax Exempt | PREPARED BY: Dina Bellechases

CORRECT TAX RATE 0.0% | COMPANY FPUC

BIDS

For: LPO# / PO# Greater than $2,500.00 Bids Attached:	If No, please explain:	Exemption List (If Approved and on the list Includes EX, UT, & RRV)	Sole Source	Emergency	Please attach a detailed explanation
Yes	X		Manager's Signature		

APPROVALS

AUDITED BY	LOCAL MANAGER	DIVISION MANAGER	ADD'L EXECUTIVE	EXECUTIVE	FINANCIAL
DB					

GL YEAR/PERIOD	ATTACHMENT TO BE MAILED WITH THE CHECK	VENDOR #	52357	VENDOR NAME	BDO Seidman LLP
05/ 05	X				

VOUCHER MESSAGE:

RETURN CHECK TO: REMIT TO ADDRESS:

INVOICE

INVOICE NUMBER	INVOICE DATE	GROSS AMOUNT	DUE DATE	DISCOUNT %	DISCOUNT TERMS	NET AMT DUE
835422	5/18/05	$25,000.00				$25,000.00
PURCHASE ORDER # LPO/PO/CODE/RSI	**SALES TAX CHARGED $$**	**FREIGHT CHARGED**	**Total Tax & Freight**		**Discount $$**	
RRV						

	ACCOUNT NUMBER / DISTRIBUTION CODE	DISTRIBUTION AMOUNT	EXPENSE DESCRIPTION / DESCRIPTION OF PURCHASE	SUBLEDGER
		$ -		
100%	100.2420.3	$ 25,000.00	Audit in Progress	
		$ -		
		$ -		
		$ -		
		$ -		
		$ -		
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		$ -		
		$ -		
		$ -		
		$ -		
		$ -		
		$ -		
	TOTAL	$ 25,000.00		

MAY 24 2005

Acceptable Codes for the "Purchase Order # - LPO/PO/Code" Box:

UT - Utility Payments - This is for utility payments only

RRV - Use this code after the vendor has been approved for the Recurring Payment I

HEARING EXHIBIT - 00000835

BDO Seidman, LLP
Accountants and Consultants

1601 Forum Place
Centurion Plaza, Suite 904
West Palm Beach, Florida 33401
Telephone: (561) 688-1600
Fax: (561) 688-1848

FLORIDA PUBLIC UTILITIES COMPANY
ATTN: GEORGE M. BACHMAN
401 SOUTH DIXIE HIGHWAY
WEST PALM BEACH, FL 33401

MAY 18, 2005
INVOICE # 835422
ENGAGEMENT NO. 148351-0006

TIN 13-5381590

2005 AUDITING & ACCOUNTING

REVIEW OF 1ST QUARTER 10Q

Total for this invoice $ 25,000.00

ENTERED
MAY 24 2005

HEARING EXHIBIT - 00000836

** VOID - DUPLICATE FILE COPY **

Check No. 227501

Check Date 6/09/2005

835422	5/18/2005	25,000.00		.00	25,000.00

REDACTED

VOID - DUPLICATE FILE COPY

Total	25,000.00	.00	25,000.00

Bank of America

63-4
630

Check No.
227501

52357 6/09/2005

Twenty-Five Thousand and 00/100 Dollars

*****25,000.00

BDO SEIDMAN LLP
1601 FORUM PLACE
CENTRUION PLAZA, SUITE 904
WEST PALM BEACH FL 33401

NON - NEGOTIABLE

VOID - DUPLICATE FILE COPY

HEARING EXHIBIT - 00000837

P/L AUG 19 2005

FLORIDA PUBLIC UTILITIES COMPANY
SINGLE INVOICE VOUCHER FORM

August 19, 2005 | Total $25,000.00 | DIVISION: Tax Exempt | PREPARED BY: Dina Bellechases

CORRECT TAX RATE 0.0% | COMPANY FPUC

BIDS

For LPOs Greater than $2,500 are Bids Attached:	If No, please explain:		
Yes	X Exemption List. Approved and on the list. Includes EX/UT & RRV	Sole Source	Emergency — Please attach a detailed explanation
		Manager's Signature:	

APPROVALS

AUDITED BY	LOCAL MANAGER	DIVISION MANAGER	ADD'L EXECUTIVE	EXECUTIVE	FINANCIAL
DB					

G/L YEAR/PERIOD	ATTACHMENT TO BE MAILED WITH THE CHECK	VENDOR #	VENDOR NAME
05/ 08	X	52357	BDO Seidman LLP

VOUCHER MESSAGE:

RETURN CHECK TO:

REMIT TO ADDRESS:

INVOICE

INVOICE NUMBER	INVOICE DATE	GROSS AMOUNT	DUE DATE	DISCOUNT %	DISCOUNT TERMS	NET AMT DUE
854122	7/20/05	$25,000.00				$25,000.00
PURCHASE ORDER # LPO/PO/CODE/RSI	SALES TAX CHARGED $$	FREIGHT CHARGED	Total Tax & Freight		Discount $$'s	
RRV						

%	ACCOUNT NUMBER/ DISTRIBUTION CODE	DISTRIBUTION AMOUNT	EXPENSE DESCRIPTION / DESCRIPTION OF PURCHASE	SUBLEDGER
		$ -		
100%	100.2420.3	$ 25,000.00	Audit in Progress	
		$ -		
		$ -		
		$ -		
		$ -		
		$ -		
		$ -		
		$ -		
		$ -		
		$ -		
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		$ -		
		$ -		
		$ -		
		$ -		
		$ -		
		$ -		
		$ -		
		$ -		
	TOTAL	$ 25,000.00		

AUG 22 2005

Acceptable Codes for the "Purchase Order # - LPO/PO/Code" Box:

UT - Utility Payments - This is for utility payments only

RRV - Use this code after the vendor has been approved for the Recurring Payment

HEARING EXHIBIT - 00000838

BDO Seidman, LLP
Accountants and Consultants

1601 Forum Place
Centurion Plaza, Suite 904
West Palm Beach, Florida 33401
Telephone: (561) 688-1600
Fax: (561) 688-1848

FLORIDA PUBLIC UTILITIES COMPANY
ATTN: GEORGE M. BACHMAN
401 SOUTH DIXIE HIGHWAY
WEST PALM BEACH, FL 33401

JULY 20, 2005
INVOICE # 854122
ENGAGEMENT NO. 148351-0006

TIN 13-5381590

2005 AUDITING & ACCOUNTING

REVIEW OF 2ND QUARTER 10Q

Total for this invoice $ 25,000.00

ENTERED
AUG 22 2005

HEARING EXHIBIT - 00000839

** VOID - DUPLICATE FILE COPY **

Check No. 231965

Check Date 8/22/2005

854112	7/20/2005	25,000.00		.00	25,000.00

REDACTED

VOID - DUPLICATE FILE COPY

Total	25,000.00	.00	25,000.00

Bank of America

63-4
630

Check No.
231965

52357 8/22/2005

Twenty-Five Thousand and 00/100 Dollars

*****25,000.00

BDO SEIDMAN LLP
1601 FORUM PLACE
CENTRUION PLAZA, SUITE 904
WEST PALM BEACH FL 33401

NON - NEGOTIABLE

VOID - DUPLICATE FILE COPY

HEARING EXHIBIT - 00000840

FLORIDA PUBLIC UTILITIES COMPANY
SINGLE INVOICE VOUCHER FORM

FLORIDA PUBLIC UTILITIES

E: October 12, 2005 Total $25,000.00 DIVISION: Tax Exempt PREPARED BY: Dina Bellechases

CORRECT TAX RATE 0.0% COMPANY FPUC

BIDS

For LPO's Greater than $2,500 are Bids Attached?	If No, please explain:		
Yes	X Exemption List Approved and on the list Includes EX, UT, & RRV	Sole Source	Emergency

Manager's Signature

APPROVALS

ACCTS PAY	LOCAL MANAGER	DIVISION MANAGER	V.P. ADM. & CFO	EXECUTIVE	MGR. A/P
DB					

GL YEAR/PERIOD	ATTACHMENT TO BE MAILED WITH THE CHECK
05/ 10	X

VENDOR # 52357 VENDOR NAME BDO Seidman LLP

VOUCHER MESSAGE:

RETURN CHECK TO: REMIT TO ADDRESS:

INVOICE

INVOICE NUMBER	INVOICE DATE	GROSS AMOUNT	DUE DATE	% DISCOUNT	DISCOUNT TERMS	NET AMOUNT DUE
870277	10/4/05	$25,000.00				$25,000.00

PURCHASE ORDER # LPO/PO/CODE/RR	SALES TAX CHARGED $$	FREIGHT CHARGED	Total Tax & Freight		Discount $$	
0.5013.94						

%	ACCOUNT NUMBER/ DISTRIBUTION CODE	DISTRIBUTION AMOUNT	EXPENSE DESCRIPTION / DESCRIPTION OF PURCHASE	
		$ -		
100%	100.2420.3	$ 25,000.00	REVIEW OF 3RD QTR 10-Q	
		$ -		
		$ -		
		$ -		
		$ -		
		$ -		
		$ -		
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		$ -		
		$ -		
		$ -		
		$ -		
		$ -		
		$ -		
	TOTAL	$ 25,000.00		

Acceptable Codes for the "Purchase Order # - LPO/PO/Code" Box:

UT - Utility Payments - This is for utility payments only

RRV - Use this code after the vendor has been approved for the Recurring Payment l

HEARING EXHIBIT - 00000841

BDO Seidman, LLP
Accountants and Consultants

1601 Forum Place
Centurion Plaza, Suite 904
West Palm Beach, Florida 33401
Telephone: (561) 688-1600
Fax: (561) 688-1848

FLORIDA PUBLIC UTILITIES COMPANY
401 SOUTH DIXIE HIGHWAY
WEST PALM BEACH, FL 33401

OCTOBER 4, 2005
INVOICE # 870277
ENGAGEMENT NO. 148351-0007

TIN 13-5381590

2005 SEC SERVICES

REVIEW OF 3RD QUARTER 10Q

94

Total for this invoice $ 25,000.00

HEARING EXHIBIT - 00000842

** VOID - DUPLICATE FILE COPY **

Check No. 236258

Check Date 11/10/2005

870277	10/04/2005	25,000.00		.00	25,000.00

REDACTED

VOID - DUPLICATE FILE COPY

Total	25,000.00	.00	25,000.00

Bank of America

63-4
630

Check No.
236258

52357 11/10/2005

Twenty-Five Thousand and 00/100 Dollars

*****25,000.00

BDO SEIDMAN LLP
1601 FORUM PLACE
CENTRUION PLAZA, SUITE 904
WEST PALM BEACH FL 33401

NON - NEGOTIABLE

VOID - DUPLICATE FILE COPY

P/L NOV 30 2005

FLORIDA PUBLIC UTILITIES COMPANY
SINGLE INVOICE VOUCHER FORM

November 30, 2005 | Total $60,000.00 | DIVISION: Tax Exempt | PREPARED BY: Dina Bellechases

CORRECT TAX RATE 0.0% | COMPANY: FPUC

BIDS

For LPO's Greater than $2,500 are Bids Attached?	If No, please explain:		
[ ] Yes	X	Exemption List Approved and on the list Includes EX, UT, & RRV	Sole Source [ ] Emergency [ ] Please attach a detailed explanation
			Manager's Signature:

APPROVALS

AUDITED BY:	G/L MANAGER:	DIVISION MANAGER:	VP/DIV EXECUTIVE:	CEO/EXECUTIVE:
DB				

G/L YEAR/PERIOD	ATTACHMENT TO BE MAILED WITH THE CHECK	VENDOR #	VENDOR NAME
05/ 11	X	52357	BDO Seidman LLP

VOUCHER MESSAGE:

RETURN CHECK TO:

REMIT TO ADDRESS:

INVOICE

INVOICE NUMBER	INVOICE DATE	GROSS AMOUNT	DUE DATE	DISCOUNT	DISCOUNT TERMS	NET AMOUNT DUE
882960	11/22/05	$60,000.00				$60,000.00
PURCHASE ORDER # LPO/PO/CODE/RSI	**SALES TAX CHARGED $$**	**FREIGHT CHARGED**	**Total Tax & Freight**		**Discount $$**	
0.5013.127						

%	ACCOUNT NUMBER/ DISTRIBUTION CODE	DISTRIBUTION AMOUNT	EXPENSE DESCRIPTION / DESCRIPTION OF PURCHASE	PROJECT
		$ -		
100%	100.2420.3	$ 60,000.00	2005 AUDIT IN PROGRESS	
		$ -		
		$ -		
		$ -		
		$ -		
		$ -		
		$ -		
		$ -		
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		$ -		
		$ -		
		$ -		
		$ -		
		$ -		
		$ -		
		$ -		
		$ -		
	TOTAL	$ 60,000.00		

Acceptable Codes for the "Purchase Order # - LPO/PO/Code" Box:

UT - Utility Payments - This is for utility payments only

RRV - Use this code after the vendor has been approved for the Recurring Payment l

HEARING EXHIBIT - 00000844

BDO Seidman, LLP
Accountants and Consultants

1601 Forum Place
Centurion Plaza, Suite 904
West Palm Beach, Florida 33401
Telephone: (561) 688-1600
Fax: (561) 688-1848

FLORIDA PUBLIC UTILITIES COMPANY
401 SOUTH DIXIE HIGHWAY
WEST PALM BEACH, FL 33401

NOVEMBER 22, 2005
INVOICE # 882960
ENGAGEMENT NO. 148351-0006

TIN 13-5381590

2005 AUDITING & ACCOUNTING

AUDIT IN PROGRESS

Total for this invoice $ 60,000.00

ENTERED
DEC 01 2005

HEARING EXHIBIT - 00000845

** VOID - DUPLICATE FILE COPY **

Check No. 237736

Check Date 12/08/2005

882960	11/22/2005	60,000.00		.00	60,000.00

REDACTED

VOID - DUPLICATE FILE COPY

Total	60,000.00	.00	60,000.00

Bank of America

63-4
630

Check No.
237736

52357 12/08/2005

[redacted]

Sixty Thousand and 00/100 Dollars

BDO SEIDMAN LLP
1601 FORUM PLACE
CENTRUION PLAZA, SUITE 904
WEST PALM BEACH FL 33401

NON - NEGOTIABL.

VOID - DUPLICATE FILE COPY

HEARING EXHIBIT - 00000846

** VOID - DUPLICATE FILE COPY **

Check No. 237736

Check Date 12/08/2005

882960	11/22/2005	60,000.00		.00	60,000.00

REDACTED

VOID - DUPLICATE FILE COPY

Total	60,000.00	.00	60,000.00

Bank of America

63-4
630

Check No.
237736

52357 12/08/2005

[redacted]

Sixty Thousand and 00/100 Dollars

BDO SEIDMAN LLP
1601 FORUM PLACE
CENTRUION PLAZA, SUITE 904
WEST PALM BEACH FL 33401

NON - NEGOTIABL.

VOID - DUPLICATE FILE COPY

HEARING EXHIBIT - 00000846

E/L JAN 3 0 2006

FLORIDA PUBLIC UTILITIES COMPANY
SINGLE INVOICE VOUCHER FORM

E: January 18, 2006 | Total $65,000.00 | DIVISION: Tax Exempt | PREPARED BY: Dina Bellechases

CORRECT TAX RATE 0.0% | COMPANY FPUC

BIDS

For LPO's greater than $2,500 are Bids Attached:	If No, please explain:	Sole Source	Emergency	Attach approval letter
Yes	X Exemption List Approved and on the list Includes EX, UT, & RRV	Manager's Signature		

APPROVALS

ADDED BY/VERIFIED	LOCAL MANAGER	DIVISION MANAGER	VICE PRESIDENT	EXECUTIVE	CFO
DB					

G/L YEAR/PERIOD	ATTACHMENT TO BE MAILED WITH THE CHECK	VENDOR #	52357	VENDOR NAME	BDO Seidman LLP
06/ 01	X			VOUCHER MESSAGE:	

RETURN CHECK TO: _____ REMIT TO ADDRESS: _____

INVOICE

INVOICE NUMBER	INVOICE DATE	GROSS AMOUNT	DUE DATE	DISCOUNT $	DISCOUNT TERMS	NET AMOUNT
894538	1/12/06	$65,000.00	3/15/06			$65,000.00
PURCHASE ORDER # LPO/PO/CODE/RSI	**SALES TAX CHARGED $$**	**FREIGHT CHARGED**	**Total Tax & Freight**		**Discount $$**	
0.5013.10						

%	ACCOUNT NUMBER/ DISTRIBUTION CODE	DISTRIBUTION AMOUNT	EXPENSE DESCRIPTION / DESCRIPTION OF PURCHASE	
		$ -		
100%	100.2420.3	$ 65,000.00	2005 AUDIT IN PROGRESS	
		$ -		
		$ -		
		$ -		
		$ -		
		$ -		
		$ -		
		$ -	JAN 31 2006	
		$ -		
		$ -		
		$ -		
		$ -		
		$ -		
		$ -		
		$ -		
		$ -		
		$ -		
		$ -		
		$ -		
		$ -		
		$ -		
	TOTAL	$ 65,000.00		

Acceptable Codes for the "Purchase Order # - LPO/PO/Code" Box:

UT - Utility Payments - This is for utility payments only

RRV - Use this code after the vendor has been approved for the Recurring Payment l

HEARING EXHIBIT - 00000847

BDO Seidman, LLP
Accountants and Consultants

1601 Forum Place
Centurion Plaza, Suite 904
West Palm Beach, Florida 33401
Telephone: (561) 688-1600
Fax: (561) 688-1848

FLORIDA PUBLIC UTILITIES COMPANY
401 SOUTH DIXIE HIGHWAY
WEST PALM BEACH, FL 33401

JANUARY 12, 2006
INVOICE # 894538
ENGAGEMENT NO. 148351-0006

TIN 13-5381590

2005 AUDITING & ACCOUNTING

AUDIT IN PROGRESS

Total for this invoice $ 65,000.00

ENTERED
JAN 31 2006

HEARING EXHIBIT - 00000848

** VOID - DUPLICATE FILE COPY **

Check No. 242564

Check Date 3/13/2006

894538	1/12/2006	65,000.00		.00	65,000.00

REDACTED

VOID - DUPLICATE FILE COPY

Total	65,000.00	.00	65,000.00

Bank of America

63-4
630

Check No.
242564

52357 3/13/2006

Sixty-Five Thousand and 00/100 Dollars

*****65,000.00

BDO SEIDMAN LLP
1601 FORUM PLACE
CENTRUION PLAZA, SUITE 904
WEST PALM BEACH FL 33401

NON - NEGOTIABLE

VOID - DUPLICATE FILE COPY

P/L MAY 22 2006

FLORIDA PUBLIC UTILITIES

FLORIDA PUBLIC UTILITIES COMPANY
SINGLE INVOICE VOUCHER FORM

May 17 2006 | Total $25,000.00 | DIVISION: Tax Exempt | PREPARED BY: D. Bellechases

CORRECT TAX RATE 0.0% | COMPANY FPUC

AUDITED BY	LOCAL MANAGER	DIVISION MANAGER	ADDL EXECUTIVE	EXECUTIVE	FINANCE
	DMR MAY 17 2006				

ATTACHMENT TO BE MAILED WITH THE CHECK	VENDOR #: 52357	VENDOR NAME: BDO
YEAR/PERIOD: 06/ 05		VOUCHER MESSAGE:

RETURN CHECK TO:

REMIT TO ADDRESS:

DESCRIPTION OF PURCHASE: REVIEW OF 1ST QUARTER 10Q

INVOICE

INVOICE NUMBER	INVOICE DATE	GROSS AMOUNT	DUE DATE	DISCOUNT %	DISCOUNT TERMS	NET AMOUNT DUE
930586	5/11/2006	$25,000.00				$25,000.00
PURCHASE ORDER # LPO/PO/RRV/RSF	**SALES TAX CHARGED $$**	**FREIGHT CHARGED**	**Total Tax & Freight**		**Discount $$**	
15221			$0.00			

	ACCOUNT NUMBER/ DISTRIBUTION CODE	DISTRIBUTION AMOUNT	EXPENSE DESCRIPTION / DESCRIPTION OF PURCHASE	NET AMOUNT DUE
		$ -		
100%	100.2420.3	$ 25,000.00		
		$ -		
		$ -		
		$ -		
		$ -		
		$ -		
		$ -		
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		$ -		
		$ -		
		$ -		
		$ -		
		$ -		
		$ -		
		$ -		
	TOTAL	$ 25,000.00		

OS MAY 17 2006

MAY 23 2006

BDO 15221 revised as of 12/17/04

HEARING EXHIBIT - 00000850

BDO Seidman, LLP
Accountants and Consultants

1601 Forum Place
Centurion Plaza, Suite 904
West Palm Beach, Florida 33401
Telephone: (561) 688-1600
Fax: (561) 688-1848

FLORIDA PUBLIC UTILITIES COMPANY
401 SOUTH DIXIE HIGHWAY
WEST PALM BEACH, FL 33401

MAY 11, 2006
INVOICE # 930586
ENGAGEMENT NO. 148351-0009

TIN 13-5381590

2006 SEC SERVICES

REVIEW OF 1ST QUARTER 10Q

Total for this invoice $ 25,000.00

ENTERED
MAY 23 2006

OS
MAY 17 2006

HEARING EXHIBIT - 00000851

** VOID - DUPLICATE FILE COPY **

Check No. 246434

Check Date 5/25/2006

930586		5/11/2006	25,000.00	.00	25,000.00

REDACTED

VOID - DUPLICATE FILE COPY

Total	25,000.00	.00	25,000.00

Bank of America

63-4
630

Check No.
246434

52357 5/25/2006

Twenty-Five Thousand and 00/100 Dollars

*****25,000.00

BDO SEIDMAN LLP
1601 FORUM PLACE
CENTRUION PLAZA, SUITE 904
WEST PALM BEACH FL 33401

NON - NEGOTIABLE

VOID - DUPLICATE FILE COPY

HEARING EXHIBIT - 00000852

P/L AUG 16 2006

FLORIDA PUBLIC UTILITIES

FLORIDA PUBLIC UTILITIES COMPANY
SINGLE INVOICE VOUCHER FORM

August 16, 2006 | Total $25,000.00 | DIVISION Tax Exempt | PREPARED BY D. Bellechases

CORRECT TAX RATE 0.0% | COMPANY FPUC

APPROVALS

AUDITED BY	LOCAL MANAGER	DIVISION MANAGER	CADD / EXECUTIVE	EXECUTIVE	FINANCIAL
	AUG 16 2006				

G/L YEAR/PERIOD	ATTACHMENT TO BE MAILED WITH THE CHECK	VENDOR #:	52357	VENDOR NAME:	BDO
06/ 08				VOUCHER MESSAGE:	

RETURN CHECK TO: | REMIT TO ADDRESS:

DESCRIPTION OF PURCHASE: REVIEW OF 2ND QUARTER 10Q

INVOICE

INVOICE NUMBER	INVOICE DATE	GROSS AMOUNT	DUE DATE	DISCOUNT %	DISCOUNT TERMS	NET AMOUNT DUE
947881	7/13/2006	$25,000.00				$25,000.00
PURCHASE ORDER # LPO/PO/RRV/RSI	**SALES TAX CHARGED $$**	**FREIGHT CHARGED**	**Total Tax & Freight**		**Discount $$**	
15221			$0.00			

	ACCOUNT NUMBER/ DISTRIBUTION CODE	DISTRIBUTION AMOUNT	EXPENSE DESCRIPTION / DESCRIPTION OF PURCHASE	SUB LEDGER
		$ -		
100%	100.2420.3	$ 25,000.00		
		$ -		
		$ -		
		$ -		
		$ -		
		$ -		
		$ -		
		$ -		
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		$ -		
		$ -		
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		$ -		
		$ -		
		$ -		
		$ -		
		$ -		
		$ -		
	TOTAL	$ 25,000.00		

RECEIVED AUG 16 2006

BDO 15221 revised as of 12/17/04

HEARING EXHIBIT - 00000853

BDO Seidman, LLP
Accountants and Consultants

1601 Forum Place
Centurion Plaza, Suite 904
West Palm Beach, Florida 33401
Telephone: (561) 688-1600
Fax: (561) 688-1848

FLORIDA PUBLIC UTILITIES COMPANY
401 SOUTH DIXIE HIGHWAY
WEST PALM BEACH, FL 33401

JULY 13, 2006
INVOICE # 947881
ENGAGEMENT NO. 148351-0009

TIN 13-5381590

2006 SEC SERVICES

REVIEW OF 2ND QUARTER 10Q

Total for this invoice $ 25,000.00

ENTERED
AUG 16 2006

HEARING EXHIBIT - 00000854

** VOID - DUPLICATE FILE COPY **

Check No. 251272

Check Date 8/17/2006

947881	7/13/2006	25,000.00		.00	25,000.00

REDACTED

VOID - DUPLICATE FILE COPY

Total	25,000.00	.00	25,000.00

Bank of America

63-4
630

Check No.
251272

52357 8/17/2006

Twenty-Five Thousand and 00/100 Dollars

*****25,000.00

BDO SEIDMAN LLP
1601 FORUM PLACE
CENTRUION PLAZA, SUITE 904
WEST PALM BEACH FL 33401

NON - NEGOTIABLE

VOID - DUPLICATE FILE COPY

HEARING EXHIBIT - 00000855

P/L NOV 17 2006

FLORIDA PUBLIC UTILITIES

FLORIDA PUBLIC UTILITIES COMPANY
SINGLE INVOICE VOUCHER FORM

November 16, 2006 | Total $25,000.00 | DIVISION: Tax Exempt | PREPARED BY: D. Bellechases

CORRECT TAX RATE 0.0% | COMPANY FPUC

AUDITED BY	APPROVED BY	DIVISION MANAGER	V.P./DIV. EXECUTIVE	EXECUTIVE	FINANCE
	SJB NOV 17 2006				

G/L YEAR/PERIOD	ATTACHMENT TO BE MAILED WITH THE CHECK	VENDOR #:	52357	VENDOR NAME:	BDO
06/ 11				VOUCHER MESSAGE:	

RETURN CHECK TO: | REMIT TO ADDRESS:

DESCRIPTION OF PURCHASE: REVIEW OF 3RD QUARTER 10Q

INVOICE

INVOICE NUMBER	INVOICE DATE	GROSS AMOUNT	DUE DATE	DISCOUNT %	DISCOUNT TERMS	NET AMT DUE
856	10/4/2006	$25,000.00				$25,000.00
PURCHASE ORDER # LPO/PO/RRV/RSI	**SALES TAX CHARGED $$**	**FREIGHT CHARGED**	**Total Tax & Freight**		**Discount $$**	
15221			$0.00			

%	ACCOUNT NUMBER/ DISTRIBUTION CODE	DISTRIBUTION AMOUNT	EXPENSE DESCRIPTION / DESCRIPTION OF PURCHASE	MISC. CHARGE CODE
		$ -		
100%	100.2420.3	$ 25,000.00	ENTERED NOV 19 2006	
		$ -		
		$ -		
		$ -		
		$ -		
		$ -		
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		$ -		
		$ -		
		$ -		
	TOTAL	$ 25,000.00		

BDO 15221 revised as of 12/17/04

HEARING EXHIBIT - 00000856

BDO Seidman, LLP
Accountants and Consultants

1601 Forum Place
Suite 904
Centurion Plaza
West Palm Beach, FL 33401-2122
Telephone: 561 6881600
Fax: 561 6881848

FLORIDA PUBLIC UTILITIES COMPANY
401 SOUTH DIXIE HIGHWAY
WEST PALM BEACH, FL 33401

October 04, 2006
Invoice # 000000856
Customer # 0148351

REVIEW OF 3RD QUARTER 10Q

Invoice TOTAL: $25,000.00

ENTERED
NOV 19 2006

HEARING EXHIBIT - 00000857

** VOID - DUPLICATE FILE COPY **

Check No. 256307
Check Date 11/20/2006

856	10/04/2006	25,000.00		.00	25,000.00

REDACTED

VOID - DUPLICATE FILE COPY

Total	25,000.00	.00	25,000.00

Bank of America

63-4
630

Check No.
256307

52357 11/20/2006

Twenty-Five Thousand and 00/100 Dollars

*****25,000.00

BDO SEIDMAN LLP
1601 FORUM PLACE
CENTRUION PLAZA, SUITE 904
WEST PALM BEACH FL 33401

NON - NEGOTIABLE

VOID - DUPLICATE FILE COPY

HEARING EXHIBIT - 00000858

P/L FEB 0 1 2007

FLORIDA PUBLIC UTILITIES COMPANY
SINGLE INVOICE VOUCHER FORM

FLORIDA PUBLIC UTILITIES

DATE: January 31, 2007	Total $70,000.00	DIVISION: Tax Exempt	PREPARED BY: D. Bellechases		
	CORRECT TAX RATE 0.0%	COMPANY FPUC			

AUDITED BY:	DEPT MANAGER	DIVISION MANAGER	ADD'L EXECUTIVE	V.P. EXECUTIVE	FINANCIAL
	SJB FEB 0 1 2007				

GL ACCT YEAR/PERIOD	ATTACHMENT TO BE MAILED WITH THE CHECK	VENDOR #:	52357	VENDOR NAME:	BDO
~~2006/ 12~~ 07/01 SB				VOUCHER MESSAGES:	

RETURN CHECK TO:

REMIT TO ADDRESS:

DESCRIPTION OF PURCHASE: 0

ACCRUED

INVOICE

INVOICE NUMBER	INVOICE DATE	GROSS AMOUNT	DUE DATE	DISCOUNT %	DISCOUNT TERMS	NET AMT DUE
7192	11/13/200X6	$70,000.00				$70,000.00
PURCHASE ORDER # LPO/PO/RRV/RSI	**SALES TAX CHARGED $$**	**FREIGHT CHARGED**	**Total Tax & Freight**		**Discount $$**	
15221			$0.00			

%	ACCOUNT NUMBER / DISTRIBUTION CODE	DISTRIBUTION AMOUNT	EXPENSE DESCRIPTION / DESCRIPTION OF PURCHASE	SUBACCT
		$ -		
100%	100.2420.3	$ 70,000.00		
		$ -		
		$ -		
		$ -		
		$ -		
		$ -		
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		$ -		
		$ -		
		$ -		
		$ -		
		$ -		
		$ -		
	TOTAL	$ 70,000.00		

ENTERED FEB 0 2 2007

BDO 15221 xls revised as of 12/17/04

HEARING EXHIBIT - 00000859

BDO Seidman, LLP
Accountants and Consultants

1601 Forum Place
Suite 904
Centurion Plaza
West Palm Beach, FL 33401-2122
Telephone: 561 6881600
Fax: 561 6881848

FLORIDA PUBLIC UTILITIES COMPANY
401 SOUTH DIXIE HIGHWAY
WEST PALM BEACH, FL 33401

November 13, 2006
Invoice # 000007192
Customer # 0148351

AUDIT IN PROGRESS

Invoice TOTAL: $70,000.00

ENTERED
FEB 02 2007

** VOID - DUPLICATE FILE COPY **

Check No. 259983

Check Date 2/05/2007

7192	11/13/2006	70,000.00		.00	70,000.00

REDACTED

VOID - DUPLICATE FILE COPY

Total	70,000.00	.00	70,000.00

Bank of America

63-4
630

Check No.
259983

52357 2/05/2007

Seventy Thousand and 00/100 Dollars

*****70,000.00

BDO SEIDMAN LLP
1601 FORUM PLACE
CENTRUION PLAZA, SUITE 904
WEST PALM BEACH FL 33401

NON - NEGOTIABLE

VOID - DUPLICATE FILE COPY

P/L APR 17 2007

FLORIDA PUBLIC UTILITIES COMPANY
SINGLE INVOICE VOUCHER FORM

FLORIDA PUBLIC UTILITIES

April 13, 2007 | Total $75,000.00 | DIVISION: Tax Exempt | PREPARED BY: D. Bellechases

CORRECT TAX RATE 0.0% | COMPANY: FPUC

AUDITED	BLOCK MANAGER	DIVISION MANAGER	ADDL EXECUTIVE	EXECUTIVE	CEO/VP
	SJB APR 16 2007				

G/L YEAR/PERIOD	ATTACHMENT TO BE MAILED WITH THE CHECK	VENDOR #:	52357	VENDOR NAME:	BDO
2007/ 04				VOUCHER MESSAGE:	

RETURN CHECK TO:

REMIT TO ADDRESS:

DESCRIPTION OF PURCHASE: 0

INVOICE

INVOICE NUMBER	INVOICE DATE	GROSS AMOUNT	DUE DATE	DISCOUNT %	DISCOUNT TERMS	NET AMT DUE
14624	1/11/2007	$75,000.00				$75,000.00
PURCHASE ORDER # LPO/PO/RRV/RSI	**SALES TAX CHARGED $$**	**FREIGHT CHARGED**	**Total Tax & Freight**		**Discount $$**	
15221			$0.00			

%	ACCOUNT NUMBER/ DISTRIBUTION CODE	DISTRIBUTION AMOUNT	EXPENSE DESCRIPTION / DESCRIPTION OF PURCHASE	SUB ACCT
		$ -		
100%	100.2420.3	$ 75,000.00		
		$ -		
		$ -		
		$ -		
		$ -		
		$ -		
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		$ -		
	TOTAL	$ 75,000.00		

RECEIVED APR 18 2007

BDO 15221 xls revised as of 12/17/04

HEARING EXHIBIT - 00000862

BDO Seidman, LLP
Accountants and Consultants

1601 Forum Place
Suite 904
Centurion Plaza
West Palm Beach, FL 33401-2122
Telephone: 561 6881600
Fax: 561 6881848

FLORIDA PUBLIC UTILITIES COMPANY
401 SOUTH DIXIE HIGHWAY
WEST PALM BEACH, FL 33401

January 11, 2007
Invoice # 000014624
Customer # 0148351

Audit in Progress

Invoice TOTAL: $75,000.00

ENTERED
APR 18 2007

HEARING EXHIBIT - 00000863

** VOID - DUPLICATE FILE COPY **

Check No. 264050
Check Date 4/19/2007

14624	1/11/2007	75,000.00		.00	75,000.00

REDACTED

VOID - DUPLICATE FILE COPY

Total	75,000.00	.00	75,000.00

Bank of America

63-4
630

Check No.
264050

52357 4/19/2007

Seventy-Five Thousand and 00/100 Dollars

*****75,000.00

BDO SEIDMAN LLP
1601 FORUM PLACE
CENTRUION PLAZA, SUITE 904
WEST PALM BEACH FL 33401

NON - NEGOTIABLE

VOID - DUPLICATE FILE COPY

HEARING EXHIBIT - 00000864

P/L MAY 18 2007

FLORIDA PUBLIC UTILITIES COMPANY
SINGLE INVOICE VOUCHER FORM

May 16, 2007	Total: $25,000.00	DIVISION: Tax Exempt	PREPARED BY: D. RANCE
	CORRECT TAX RATE: 0.0%	COMPANY: FPUC	

APPROVALS

	SJB			
	MAY 16 2007	MAY 18 2007		

GL YEAR/PERIOD: 07/ 05	ATTACHMENT TO BE MAILED WITH THE CHECK:	VENDOR #: 52357	VENDOR NAME: BDO		
			VOUCHER MESSAGE:		
RETURN CHECK TO:			REMIT TO ADDRESS:		0
DESCRIPTION OF PURCHASE:			NOT ACCRUED		

INVOICE

INVOICE NUMBER	INVOICE DATE	GROSS AMOUNT	DUE DATE	DISCOUNT	DISCOUNT TERMS	NET AMOUNT DUE
35383	5/7/2007	$25,000.00				$25,000.00
PURCHASE ORDER # LPO/PO/RRV/RSI	**SALES TAX CHARGED**	**FREIGHT CHARGED**	**Total Tax & Freight**		**DISCOUNT %**	
16239			$0.00			

	ACCOUNT NUMBER / DISTRIBUTION CODE	DISTRIBUTION AMOUNT	EXPENSE DESCRIPTION / DESCRIPTION OF PURCHASE	DUE FROM
100%	100.2420.3	$ 25,000.00		
0%		$ -		
0%		$ -		
0%		$ -		
0%		$ -		
0%		$ -		
0%		$ -		
0%		$ -		
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0%		$ -		
0%		$ -		
0%		$ -		
0%		$ -		
0%		$ -		
		$ -		
		$ -		
	TOTAL	$ 25,000.00		

BDO 16239 EXP 12-31-07 revised as of 12/17/04

HEARING EXHIBIT - 00000865

BDO Seidman, LLP
Accountants and Consultants

1601 Forum Place
Suite 904
Centurion Plaza
West Palm Beach, FL 33401-2122
Telephone: 561 6881600
Fax: 561 6881848

FLORIDA PUBLIC UTILITIES COMPANY
401 SOUTH DIXIE HIGHWAY
WEST PALM BEACH, FL 33401

May 07, 2007
Invoice # 000035383
Customer # 0148351

AUDIT IN PROGRESS

Invoice TOTAL: $25,000.00

** VOID - DUPLICATE FILE COPY **

Check No. 266578

Check Date 6/07/2007

35383	5/07/2007	25,000.00		.00	25,000.00

REDACTED

VOID - DUPLICATE FILE COPY

Total	25,000.00	.00	25,000.00

Bank of America

63-4
630

Check No.
266578

52357 6/07/2007

Twenty-Five Thousand and 00/100 Dollars

*****25,000.00

BDO SEIDMAN LLP
1601 FORUM PLACE
CENTRUION PLAZA, SUITE 904
WEST PALM BEACH FL 33401

NON - NEGOTIABLE

VOID - DUPLICATE FILE COPY

P/L JUL 0 3 2007

FLORIDA PUBLIC UTILITIES

FLORIDA PUBLIC UTILITIES COMPANY
SINGLE INVOICE VOUCHER FORM

DATE: July 03, 2007 Total $15,000.00 DIVISION: Tax Exempt PREPARED BY: D. RANCE

CORRECT TAX RATE 0.0% COMPANY FPUC

APPROVALS

AUDITED BY	LOCAL MANAGER	DIVISION MANAGER	ADDL EXECUTIVE	EXECUTIVE	FINANCIAL
	JUL 0 3 2007				

G/L YEAR/PERIOD	ATTACHMENT TO BE MAILED WITH THE CHECK
07/ 06	

VENDOR #: 52357 VENDOR NAME: BDO

VOUCHER MESSAGE:

RETURN CHECK TO: REMIT TO ADDRESS: 0

DESCRIPTION OF PURCHASE:

INVOICE

INVOICE NUMBER	INVOICE DATE	GROSS AMOUNT	DUE DATE	DISCOUNT %	DISCOUNT TERMS	NET AMT DUE
44883	6/26/2007	$15,000.00				$15,000.00
PURCHASE ORDER # LPO/PO/RRV/RSI	**SALES TAX CHARGED $$**	**FREIGHT CHARGED***	**Total Tax & Freight**		**Discount $$**	
16239			$0.00			

%	ACCOUNT NUMBER/ DISTRIBUTION CODE	DISTRIBUTION AMOUNT	EXPENSE DESCRIPTION / DESCRIPTION OF PURCHASE	SUBLEDGER
		$ -		
100%	100.2420.3	$ 15,000.00		
0%		$ -		
0%		$ -		
0%		$ -		
0%		$ -		
0%		$ -		
0%		$ -		
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0%		$ -		
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0%		$ -		
		$ -		
		$ -		
	TOTAL	$ 15,000.00		

ENTERED JUL 05 2007

BDO 16239 EXP 12-31-07 revised as of 12/17/04

HEARING EXHIBIT - 00000868

BDO Seidman, LLP
Accountants and Consultants

1601 Forum Place
Suite 904
Centurion Plaza
West Palm Beach, FL 33401-2122
Telephone: 561 6881600
Fax: 561 6881848

FLORIDA PUBLIC UTILITIES COMPANY
401 SOUTH DIXIE HIGHWAY
WEST PALM BEACH, FL 33401

June 26, 2007
Invoice # 000044883
Customer # 0148351

PENSION AND 401(k) PLAN IN PROGRESS

401k- Full Audit (11-K)
Pension- Limited Scope

Invoice TOTAL: $15,000.00

ENTERED
JUL 05 2007

RECEIVED
JUN 28 2007
BY:

HEARING EXHIBIT - 00000869

** VOID - DUPLICATE FILE COPY **

Check No. 268309

Check Date 7/09/2007

44883	6/26/2007	15,000.00		.00	15,000.00

REDACTED

VOID - DUPLICATE FILE COPY

Total	15,000.00	.00	15,000.00

Bank of America

63-4
630

Check No.
268309

52357 7/09/2007

Fifteen Thousand and 00/100 Dollars

*****15,000.00

BDO SEIDMAN LLP
1601 FORUM PLACE
CENTRUION PLAZA, SUITE 904
WEST PALM BEACH FL 33401

NON - NEGOTIABLE

VOID - DUPLICATE FILE COPY

FLORIDA PUBLIC UTILITIES COMPANY
SINGLE INVOICE VOUCHER FORM

DATE: August 29, 2007 Total $27,500.00 DIVISION: Tax Exempt PREPARED BY: D. RANCE

CORRECT TAX RATE 0.0% COMPANY FPUC

APPROVALS					
AUDITED BY	LOCATION	DIVISION MANAGER	ADD'L EXECUTIVE	EXECUTIVE	FINANCIAL
	AUG 29 2007				

G/L YEAR/PERIOD	ATTACHMENT TO BE MAILED WITH THE CHECK
07/ 08	

VENDOR #: 52357 VENDOR NAME: BDO

VOUCHER MESSAGE:

RETURN CHECK TO: REMIT TO ADDRESS: 0

DESCRIPTION OF PURCHASE:

INVOICE

INVOICE NUMBER	INVOICE DATE	GROSS AMOUNT	DUE DATE	DISCOUNT %	DISCOUNT TERMS	NET AMT DUE
52364	8/22/2007	$27,500.00				$27,500.00
PURCHASE ORDER # LPO/PO/RRV/RSI	**SALES TAX CHARGED $$**	**FREIGHT CHARGED**	**Total Tax & Freight**		**Discount $$**	
16239			$0.00			

%	ACCOUNT NUMBER/ DISTRIBUTION CODE	DISTRIBUTION AMOUNT	EXPENSE DESCRIPTION / DESCRIPTION OF PURCHASE	SUBLEDGER
		$ -		
100%	100.2420.3	$ 27,500.00		
0%		$ -		
0%		$ -		
0%		$ -		
0%		$ -		
0%		$ -		
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0%		$ -		
	TOTAL	$ 27,500.00		

ENTERED
AUG 30 2007

BDO 16239 EXP 12-31-07 revised as of 12/17/04

HEARING EXHIBIT - 00000871

BDO Seidman, LLP
Accountants and Consultants

1601 Forum Place
Suite 904
Centurion Plaza
West Palm Beach, FL 33401-2122
Telephone: 561 6881600
Fax: 561 6881848

FLORIDA PUBLIC UTILITIES COMPANY
401 SOUTH DIXIE HIGHWAY
WEST PALM BEACH, FL 33401

August 22, 2007
Invoice # 000052364
Customer # 0148351

REVIEW OF 2ND QUARTER 10Q

Invoice TOTAL: $27,500.00

ENTERED
AUG 30 2007

HEARING EXHIBIT - 00000872

** VOID - DUPLICATE FILE COPY **

Check No. 271638

Check Date 9/10/2007

52364	8/22/2007	27,500.00		.00	27,500.00

REDACTED

VOID - DUPLICATE FILE COPY

Total	27,500.00	.00	27,500.00

Bank of America

63-4
630

Check No.
271638

52357 9/10/2007

Twenty-Seven Thousand Five Hundred and 00/100 Dollars

*****27,500.00

BDO SEIDMAN LLP
1601 FORUM PLACE
CENTRUION PLAZA, SUITE 904
WEST PALM BEACH FL 33401

NON - NEGOTIABLE

VOID - DUPLICATE FILE COPY

HEARING EXHIBIT - 00000874

EXHIBIT: 731
Docket No. 070304-EI
OPC First Set of Interrogatories
Witness: KHOJASTEH

FLORIDA PUBLIC UTILITIES

FLORIDA PUBLIC UTILITIES COMPA
SINGLE INVOICE VOUCHER FORM

DATE: January 11, 2005 Total $4,420.98 DIVISION: Tax Exempt PREPARED BY: Heidi Dysard

CORRECT TAX RATE 0.0% COMPANY FPUC

BIDS

From LPO	If No, please explain				
Bid Attached? Yes	X Exemption List (Approved and on file in Mgmt's EX. LIST REV.)	Sole Source	Emergency		Please attach detailed explanation
		Manager's Signature			

APPROVALS

REQUESTED BY	LOC. MANAGER	DIVISION MANAGER	ADDL EXECUTIVE	EXECUTIVE	FINANCIAL
HED					

GL YEAR/PERIOD	ATTACHMENT TO BE MAILED WITH THE CHECK
04/12	X

VENDOR # 50131 VENDOR NAME Crowe Chizek

VOUCHER MESSAGE:

RETURN CHECK TO: REMIT TO ADDRESS:

INVOICE

INVOICE NUMBER	INVOICE DATE	GROSS AMOUNT	DUE DATE	% Discount	Discount Terms	NET AMT DUE
705-1353539	12/31/04	$4,420.98				$4,420.98
PURCHASE ORDER # LPO/PO/CODE/RSI	**SALES TAX CHARGED $$**	**FREIGHT CHARGED**	**Total Tax & Freight**		**Discount $$**	
RRV						

%	ACCOUNT NUMBER / DISTRIBUTION CODE	DISTRIBUTION AMOUNT	EXPENSE DESCRIPTION / DESCRIPTION OF PURCHASE	SUB LEDGER
		$ -		
100%	100.2420.3	$ 4,420.98	Sarbanes Oxley Documentation	
		$ -		
		$ -		
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		$ -		
		$ -		
		$ -		
	TOTAL	$ 4,420.98		

ENTERED
JAN 12 2004

Acceptable Codes for the "Purchase Order # - LPO/PO/Code" Box:
UT - Utility Payments - This is for utility payments only
RRV - Use this code after the vendor has been approved for the Recurring Payment l

HEARING EXHIBIT - 00000875

Crowe™

CROWE CHIZEK AND COMPANY LLC P.O. BOX 145415 CINCINNATI, OH 45250-9791
Please use P.O. Box address for payments only.

Florida Public Utilities Company
401 South Dixie Highway
West Palm Beach, FL 33401

December 31, 2004

INVOICE NO: 705-1353539
TERMS: PAYABLE UPON RECEIPT
Acct No. 874386.001 (PF#827729)

F.E.I.N. 35-0921680

PROFESSIONAL SERVICES,

Internal audit services provided to Florida Public Utilities Company through November 9, 2004 as follows:

Sarbanes-Oxley Section 404 documentation (Chan - 1.00 hour, Strammello - 7.25 hours, Mufarreh - 2.00 hours, Wydra - 1.50 hours, Tian - 2.25 hours, Others - 4.00 hours).	$	3,231.00
Coordination and administration of the internal audit plan (Strammello - 3.75 hours).		862.50
Out-of-pocket expenses (capped at 8% of professional fees)		327.48
Total	$	4,420.98

ENTERED
JAN 12 2004

[redacted]

Rebecca Jarrett

-Heidi. can we get this in Dec 2004, the second close will not be today

Service Is Our Passion

If you have any questions concerning this invoice, please call the Billing Department at (317) 569-8989.

HEARING EXHIBIT - 00000876

Crowe™

CROWE CHIZEK AND COMPANY LLC P.O. BOX 145415 CINCINNATI, OH 45250-9791
Please use P.O. Box address for payments only.

REMITTANCE ADVICE
Please return this page with payment

Florida Public Utilities Company
401 South Dixie Highway
West Palm Beach, FL 33401

December 31, 2004

INVOICE NO: 705-1353539
TERMS: PAYABLE UPON RECEIPT
Acct No. 874386.001 (PF#827729)

F.E.I.N. 35-0921680

PROFESSIONAL SERVICES,

Invoice Amount	$ 4,420.98

ENTERED
JAN 12 2004

If you have any questions concerning this invoice, please call the Billing Department at (317) 569-8989.

HEARING EXHIBIT - 00000877

** VOID - DUPLICATE FILE COPY **

Check No. 219717

Check Date 1/13/2005

705-1353539	12/31/2004	4,420.98		.00	4,420.98

REDACTED

VOID - DUPLICATE FILE COPY

Total	4,420.98	.00	4,420.98

Bank of America

63-4
630

Check No.
219717

50131 1/13/2005

Four Thousand Four Hundred Twenty and 98/100 Dollars

******4,420.98

CROWE, CHIZEK, AND COMPANY LLP
PO BOX 145415
CINCINNATI OH 45250-9791

NON - NEGOTIABLE

VOID - DUPLICATE FILE COPY

HEARING EXHIBIT - 00000878

P/L JAN 20 2005

FLORIDA PUBLIC UTILITIES COMPANY
SINGLE INVOICE VOUCHER FORM

DATE: January 19, 2005 Total $1,636.57 DIVISION: Tax Exempt PREPARED BY: Heidi Dysard

CORRECT TAX RATE 0.0% COMPANY FPUC

BIDS

For LPOs greater than $2,500 if Bids Attached	If No, please explain	Exemption List	Sole Source	Emergency	Please attach detailed explanation
Yes		X			

Approved per Online list. Include EXEMPTION #

Manager's Signature

APPROVALS

AUDITED BY	LOCAL MANAGER	DIVISION MANAGER	ADDL EXECUTIVE	EXECUTIVE	FINANCIAL
HED					

G/L YEAR/PERIOD	ATTACHMENT TO BE MAILED WITH THE CHECK
05/ 01	X

VENDOR # 50131 VENDOR NAME Crowe Chizek

VOUCHER MESSAGE:

RETURN CHECK TO: REMIT TO ADDRESS:

INVOICE

INVOICE NUMBER	INVOICE DATE	GROSS AMOUNT	DUE DATE	DISCOUNT %	DISCOUNT TERMS	NET AMT DUE
705-1357872	1/13/05	$1,636.57				$1,636.57

PURCHASE ORDER # LPO/PO/CODE/RSI	SALES TAX CHARGED $$	FREIGHT CHARGED	Total Tax & Freight		Discount $$	
RRV						

%	ACCOUNT NUMBER DISTRIBUTION CODE	DISTRIBUTION AMOUNT	EXPENSE DESCRIPTION / DESCRIPTION OF PURCHASE	DATE SUBJECT
		$ -		
100%	100.2420.3	$ 1,636.57	Sarbanes Oxley Documentation	
		$ -		
		$ -		
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		$ -		
	TOTAL	$ 1,636.57		

ENTERED
JAN 24 2005

Acceptable Codes for the "Purchase Order # - LPO/PO/Code" Box:

UT - Utility Payments - This is for utility payments only

RRV - Use this code after the vendor has been approved for the Recurring Payment l

HEARING EXHIBIT - 00000879

CROWE CHIZEK AND COMPANY LLC P.O. BOX 145415 CINCINNATI, OH 45250-9791
Please use P.O. Box address for payments only.

Florida Public Utilities Company
401 South Dixie Highway
West Palm Beach, FL 33401

OS

JAN 18 2005

January 13, 2005

INVOICE NO: 705-1357872
TERMS: PAYABLE UPON RECEIPT
Acct No. 874386.001 (PF#837285)

F.E.I.N. 35-0921680

PROFESSIONAL SERVICES,

Internal audit services provided through December 7, 2004:

Sarbanes-Oxley Section 404 documentation (Strammello - 2.50 hours; Wydra - .50 hours; Tian - 8.25 hours)	$	1,572.50
Out-of-pocket expenses.		64.07
Total	$	1,636.57

ENTERED
JAN 24 2005

If you have any questions concerning this invoice, please call the Billing Department at (317) 569-8989.

HEARING EXHIBIT - 00000880

** VOID - DUPLICATE FILE COPY **

Check No. 221189

Check Date 2/10/2005

705-1357872	1/13/2005	1,636.57		.00	1,636.57

REDACTED

VOID - DUPLICATE FILE COPY

Total	1,636.57	.00	1,636.57

Bank of America

63-4
630

Check No.
221189

50131 2/10/2005

One Thousand Six Hundred Thirty-Six and 57/100 Dollars

*****1,636.57

CROWE, CHIZEK, AND COMPANY LLP
PO BOX 145415
CINCINNATI OH 45250-9791

NON - NEGOTIABLE

VOID - DUPLICATE FILE COPY

HEARING EXHIBIT - 00000881

P/L AUG 19 2005

FLORIDA PUBLIC UTILITIES COMPANY
SINGLE INVOICE VOUCHER FORM

August 19, 2005 Total $14,314.86 DIVISION: Tax Exempt PREPARED BY: Dina Bellechases

CORRECT TAX RATE 0.0% COMPANY FPUC

BIDS

For LPOs Greater than $2,500 are Bids Attached?	If No, please explain	Exemption List	Sole Source	Emergency	Please attach a detailed explanation
Yes		X Approved and on the list Includes EX, UT, & RRV	Manager's Signature		

APPROVALS

AUDITED BY	LOCAL MANAGER	DIVISION MANAGER	ADD'L EXECUTIVE	EXECUTIVE	FINANCIAL
DB					

G/L YEAR/PERIOD	ATTACHMENT TO BE MAILED WITH THE CHECK	VENDOR #	VENDOR NAME
05/ 08	X	50131	Crowe Chizek

VOUCHER MESSAGE:

RETURN CHECK TO:

REMIT TO ADDRESS:

INVOICE

INVOICE NUMBER	INVOICE DATE	GROSS AMOUNT	DUE DATE	DISCOUNT %	DISCOUNT TERMS	NET AMT DUE
705-1392503	7/31/05	$14,314.86				$14,314.86
PURCHASE ORDER # LPO/PO/CODE/RSI	**SALES TAX CHARGED $$**	**FREIGHT CHARGED**	**Total Tax & Freight**		**Discount $$**	
RRV						

%	ACCOUNT NUMBER/ DISTRIBUTION CODE	DISTRIBUTION AMOUNT	EXPENSE DESCRIPTION / DESCRIPTION OF PURCHASE	SUBLEDGER
		$ -		
100%	100.2420.3	$ 14,314.86	Sarbanes Oxley Documentation	
		$ -		
		$ -		
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		$ -		
	TOTAL	$ 14,314.86		

AUG 22 2005

Acceptable Codes for the "Purchase Order # - LPO/PO/Code" Box:

UT - Utility Payments - This is for utility payments only

RRV - Use this code after the vendor has been approved for the Recurring Payment

HEARING EXHIBIT - 00000882

Crowe

CROWE CHIZEK AND COMPANY LLC P.O. BOX 145415 CINCINNATI, OH 45250-9791
Please use P.O. Box address for payments only.

Florida Public Utilities Company
401 South Dixie Highway
West Palm Beach, FL 33401

July 31, 2005

INVOICE NO: 705-1392503
TERMS: PAYABLE UPON RECEIPT
Acct No. 874386.001 (PF#941350)

F.E.I.N. 35-0921680

OS
AUG 0 8 2005

PROFESSIONAL SERVICES provided to Florida Public Utilities Company through July 17, 2005 as follows:

ENTERED
AUG 2 2 2005

Internal Audit Services		
Stempek	1.25 hrs	
Strammello	2.00 hrs	
Wadsworth	15.00 hrs	
Wydra	0.25 hr	
Scott	68.00 hrs	
		$ 13,254.50
Out-of-pocket expenses (capped at 8% of professional fees)		1,060.36
Total		$ 14,314.86

100.2420.3

If you have any questions concerning this invoice, please call the Billing Department at (317) 569-8989.

HEARING EXHIBIT - 00000883

** VOID - DUPLICATE FILE COPY **

Check No. 231964
Check Date 8/22/2005

705-1392503	7/31/2005	14,314.86	.00	14,314.86

VOID - DUPLICATE FILE COPY

Total	14,314.86	.00	14,314.86

Bank of America

63-4
630

Check No.
231964

50131 8/22/2005

Fourteen Thousand Three Hundred Fourteen and 86/100 Dollars

*****14,314.86

CROWE, CHIZEK, AND COMPANY LLP
PO BOX 145415
CINCINNATI OH 45250-9791

NON - NEGOTIABLE

VOID - DUPLICATE FILE COPY

HEARING EXHIBIT - 00000884

FLORIDA PUBLIC UTILITIES COMPANY
SINGLE INVOICE VOUCHER FORM

DATE: October 04, 2005 | Total: $35,181.81 | DIVISION: Tax Exempt | PREPARED BY: Dina Bellechases

CORRECT TAX RATE: 0.0% | COMPANY: FPUC

BIDS

For CIP Only: If No, please explain:			
Bid Required?	X Exemption List Approved and on the list Includes EX, UT & RRV	Sole Source	Emergency
		Manager's Signature	Sales Tax Exemption

APPROVALS

ADJUSTED BY	LOCAL MANAGER	DIVISION MANAGER	APP'D EXECUTIVE	CONTROLLER	MANAGER
DB					

ACCOUNTING PERIOD:	ATTACHMENT TO BE MAILED WITH THE CHECK?	VENDOR #	VENDOR NAME
05/ 09	X	50131	Crowe Chizek

VOUCHER MESSAGE:

RETURN CHECK TO:

REMIT TO ADDRESS:

INVOICE

INVOICE NUMBER	INVOICE DATE	GROSS AMOUNT	DUE DATE	DISCOUNT	DISCOUNT TERMS	NET AMOUNT
705-1399255	9/27/05	$35,181.81				$35,181.81
PURCHASE ORDER # LPO/PO/CODE/RSI	**SALES TAX CHARGED $$**	**FREIGHT CHARGED**	**Total TAX & Freight**		**Discount $$**	
0.5013.81						

%	ACCOUNT NUMBER/ DISTRIBUTION CODE	DISTRIBUTION AMOUNT	EXPENSE DESCRIPTION / DESCRIPTION OF PURCHASE	
		$ -		
100%	100.2420.3	$ 35,181.81	Sarbanes Oxley Documentation	
		$ -		
		$ -		
		$ -		
		$ -		
		$ -		
		$ -		
		$ -		
		$ -		
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		$ -		
		$ -		
		$ -		
	TOTAL	$ 35,181.81		

Acceptable Codes for the "Purchase Order # - LPO/PO/Code" Box:

UT - Utility Payments - This is for utility payments only

RRV - Use this code after the vendor has been approved for the Recurring Payment

HEARING EXHIBIT - 00000885

Crowe

CROWE CHIZEK AND COMPANY LLC P.O. BOX 145415 CINCINNATI, OH 45250-9791
Please use P.O. Box address for payments only.

OS
SEP 30 2005

Florida Public Utilities Company
401 South Dixie Highway
West Palm Beach, FL 33401

September 27, 2005

INVOICE NO: 705-1399255
TERMS: PAYABLE UPON RECEIPT
Acct No. 874386.001 (PF#966496)

F.E.I.N. 35-0921680

PROFESSIONAL SERVICES provided to Florida Public Utilities Company through September 18, 2005 as follows:

Internal audit services			
Stempak	1.50 hours		
Strammello	6.00 hours		
Wadsworth	28.00 hours		
Wydra	25.25 hours		
Tian	93.75 hours		
Nevatia	42.50 hours		
Waddle	65.00 hours	$	32,575.75
Out-of-pocket expenses (capped at 8% of total professional fees)			2,606.06
Total		$	35,181.81

0.5013.81

If you have any questions concerning this invoice, please call the Billing Department at (317) 569-8989.

HEARING EXHIBIT - 00000886

FLORIDA PUBLIC UTILITIES

FLORIDA PUBLIC UTILITIES COMPANY
SINGLE INVOICE VOUCHER FORM

P/L NOV 23 2005

TE: November 23, 2005 | Total $23,663.88 | DIVISION: Tax Exempt | PREPARED BY: Dina Bellechases

CORRECT TAX RATE 0.0% | COMPANY FPUC

BIDS

For LPOs under $2,500 if NO please explain:

Bids Attached? X Exemption List - Approved and on the list - Includes EX, UT, & RRV

Sole Source | Emergency | Contract Amendment (explain)

Manager's Signature

APPROVALS

AUDITED BY	LOCAL MANAGER	DIVISION MANAGER	DOT-EXECUTIVE	EXECUTIVE	CONTROL
DB 11/16					

G/L YEAR/PERIOD	ATTACHMENT TO BE MAILED WITH THE CHECK
05/ 11	X

VENDOR # 50131 | VENDOR NAME Crowe Chizek

VOUCHER MESSAGE:

RETURN CHECK TO:

REMIT TO ADDRESS:

INVOICE

INVOICE NUMBER	INVOICE DATE	GROSS AMOUNT	DUE DATE	DISCOUNT %	DISCOUNT TAKEN	NET AMOUNT DUE
705-1406275	11/15/05	$23,663.88				$23,663.88
PURCHASE ORDER # LPO/PO/CODE/RSI	**SALES TAX CHARGED $$**	**FREIGHT CHARGED**	**Total Tax & Freight**		**Discount $$**	
0.5013.122						

%	ACCOUNT NUMBER/ DISTRIBUTION CODE	DISTRIBUTION AMOUNT	EXPENSE DESCRIPTION / DESCRIPTION OF PURCHASE	SUB CODES (IF ANY)
		$ -		
100%	100.2420.3	$ 23,663.88	Sarbanes Oxley Documentation	
		$ -		
		$ -		
		$ -		
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		$ -		
		$ -		
	TOTAL	$ 23,663.88		

Acceptable Codes for the "Purchase Order # - LPO/PO/Code" Box:

UT - Utility Payments - This is for utility payments only

RRV - Use this code after [illegible] has been approved for the Recurring Payment

HEARING EXHIBIT - 00000887

Crowe

CROWE CHIZEK AND COMPANY LLC P.O. BOX 145415 CINCINNATI, OH 45250-9791
Please use P.O. Box address for payments only.

Florida Public Utilities Company
401 South Dixie Highway
West Palm Beach, FL 33401

November 15, 2005

INVOICE NO: 705-1406275
TERMS: PAYABLE UPON RECEIPT
Acct No. 874386.001 (PF#976705)

F.E.I.N. 35-0921680

PROFESSIONAL SERVICES provided to Florida Public Utilities Company through October 13, 2005 as follows:

Internal audit services			
Strammello	2.50 hours		
Wydra	43.50 hours		
Tian	83.00 hours		
Waddle	53.50 hours		
Nevatia	12.00 hours	$	21,911.00
Out-of-pocket expenses (capped at 8% of professional fees)			1,752.88
Total		$	23,663.88

If you have any questions concerning this invoice, please call the Billing Department at (317) 569-8989.

HEARING EXHIBIT - 00000888

** VOID - DUPLICATE FILE COPY **

Check No. 237733
Check Date 12/08/2005

705 1406275	11/15/2005	23,663.88		.00	23,663.88

VOID - DUPLICATE FILE COPY

Total	23,663.88	.00	23,663.88

Bank of America

63-4
630

Check No.
237733

50131 12/08/2005

Twenty-Three Thousand Six Hundred Sixty-Three and 88/100 Dollars

*****23,663.88

CROWE, CHIZEK, AND COMPANY LLP
PO BOX 145415
CINCINNATI OH 45250-9791

NON - NEGOTIABLE

VOID - DUPLICATE FILE COPY

HEARING EXHIBIT - 00000889

P/L MAR 03 2006

FLORIDA PUBLIC UTILITIES

FLORIDA PUBLIC UTILITIES COMPANY
SINGLE INVOICE VOUCHER FORM

March 02, 2006 | Total $4,376.43 | DIVISION: Tax Exempt | PREPARED BY: SBattle

CORRECT TAX RATE 0.0% | COMPANY: FPUC

APPROVALS

APPLIED BY	DEPARTMENT MANAGER	DIVISION MANAGER	ADD'L EXECUTIVE	EXECUTIVE	FINANCE
	MAR 2 2006				

G/L YEAR/PERIOD	ATTACHMENTS TO BE MAILED WITH CHECK	VENDOR #	VENDOR NAME
06/ 02	X	50131	CROWE, CHIZEK - VENDOR #50131

VOUCHER MESSAGE:

RETURN CHECK TO:

REMIT TO ADDRESS:

DESCRIPTION OF PURCHASE:

INVOICE

INVOICE NUMBER	INVOICE DATE	GROSS AMOUNT	DUE DATE	DISCOUNT $	DISCOUNT TERMS	NET AMOUNT DUE
705-1418802	2/7/2006	$4,376.43				$4,376.43
PURCHASE ORDER # LPO/PO/RRV/RS	**SALES TAX CHARGED $$**	**FREIGHT CHARGED**	**Total TAX & Freight**		**Discount $$**	
15246			$0.00			

%	ACCOUNT NUMBER / DISTRIBUTION CODE	DISTRIBUTION AMOUNT	EXPENSE DESCRIPTION / DESCRIPTION OF PURCHASE	ACTIVITY CODE
		$ -		
100%	100.2420.3	$ 4,376.43		
		$ -		
		$ -		
		$ -		
		$ -		
		$ -		
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		$ -		
		$ -		
	TOTAL	$ 4,376.43		

ENTERED MAR - 3 2006

CROWE CHIZEK PO 15246 revised as of 12/17/04

HEARING EXHIBIT - 00000890

Crowe

CROWE CHIZEK AND COMPANY LLC P.O. BOX 145415 CINCINNATI, OH 45250-9791
Please use P.O. Box address for payments only.

Florida Public Utilities Company
401 South Dixie Highway
West Palm Beach, FL 33401

February 7, 2006

INVOICE NO: 705-1418802
TERMS: PAYABLE UPON RECEIPT
Acct No. 874386.001 (PF#1016225)

F.E.I.N. 35-0921680

PROFESSIONAL SERVICES provided to Florida Public Utilities Company through January 15, 2006 as follows:

Internal audit services:

Sarbanes-Oxley Section 404 compliance testing

Stempak	.25 hours	
Strammello	7.75 hours	
Wydra	7.25 hours	
Plumery	.75 hours	$ 4,052.25

Out of pocket expenses (capped at 8% of professional fees):

Incurred	$ 426.31	
Less amount absorbed by Crowe	-102.13	324.18
Total		$ 4,376.43

ENTERED
MAR - 3 2006

If you have any questions concerning this invoice, please call the Billing Department at (317) 569-8989.

HEARING EXHIBIT - 00000891

** VOID - DUPLICATE FILE COPY **

Check No. 242292
Check Date 3/09/2006

705-1418802	2/07/2006	4,376.43		.00	4,376.43

REDACTED

VOID - DUPLICATE FILE COPY

Total	4,376.43	.00	4,376.43

Bank of America

63-4
630

Check No.
242292

50131 3/09/2006

Four Thousand Three Hundred Seventy-Six and 43/100 Dollars

*****4,376.43

CROWE, CHIZEK, AND COMPANY LLP
PO BOX 145415
CINCINNATI OH 45250-9791

NON - NEGOTIABLE

VOID - DUPLICATE FILE COPY

HEARING EXHIBIT - 00000892

P/L JUL 24 2006

FLORIDA PUBLIC UTILITIES COMPANY
SINGLE INVOICE VOUCHER FORM

FLORIDA PUBLIC UTILITIES

D[illegible] July [illegible] 24, 2006 | Total $9,310.14 | DIVISION: Tax Exempt | PREPARED BY: S. BITTLE

CORRECT TAX RATE 0.0% | COMPANY: FPUC

APPROVALS

AUDITED BY	DEPT. MANAGER	DIVISION MANAGER	VP/DIV. EXECUTIVE	EXECUTIVE	VP/CONT.
	JUL 24 2006				

G/L PERIOD FOR THIS INVOICE YEAR/PERIOD	ATTACHMENTS TO BE MAILED WITH THE CHECK	VENDOR #	VENDOR NAME
06/ 07	X	50131	CROWE, CHIZEK - VENDOR #50131

VOUCHER MESSAGE:

RETURN CHECK TO:

REMIT TO ADDRESS:

DESCRIPTION OF PURCHASE:

INVOICE

INVOICE NUMBER	INVOICE DATE	GROSS AMOUNT	DUE DATE	% DISCOUNT	DISCOUNT TERMS	NET AMT DUE
705-1445429	7/17/2006	$9,310.14				$9,310.14
PURCHASE ORDER # LPO/PO/RRV/RSI	**SALES TAX CHARGED $$**	**FREIGHT CHARGED**	**Total Tax & Freight**		**Discount $$**	
15246			$0.00			

%	ACCOUNT NUMBER/ DISTRIBUTION CODE	DISTRIBUTION AMOUNT	EXPENSE DESCRIPTION/DESCRIPTION OF PURCHASE	
		$ -		
100%	100.2420.3	$ 9,310.14	ENT JUL 25 2006	
		$ -		
		$ -		
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		$ -		
	TOTAL	$ 9,310.14		

CROWE CHIZEK PO 15246 revised as of 12/17/04

HEARING EXHIBIT - 00000893

Crowe

CROWE CHIZEK AND COMPANY LLC P.O. BOX 145415 CINCINNATI, OH 45250-9791
Please use P.O. Box address for payments only.

Florida Public Utilities Company
401 South Dixie Highway
West Palm Beach, FL 33401

July 17, 2006

INVOICE NO: 705-1445429
TERMS: PAYABLE UPON RECEIPT
Acct No. 874386.001 (PF#1094703)

F.E.I.N. 35-0921680

PROFESSIONAL SERVICES provided to Florida Public Utilities Company from January 16 through June 18, 2006 as follows:

Internal audit services:

Sarbanes-Oxley Section 404 Consulting Services

Strammello	25.00 hours	
Flickinger	5.00 hours	
Murer	4.00 hours	
Alnashashibi	.25 hours	8,620.50

ENTERED
JUL 25 2006

Out of pocket expenses (capped at 8% of professional fees):

Incurred	$ 1,051.66	
Less: Amount absorbed by Crowe	-362.02	689.64
Total		$ 9,310.14

If you have any questions concerning this invoice, please call the Billing Department at (317) 569-8989.

HEARING EXHIBIT - 00000894

** VOID - DUPLICATE FILE COPY **

Check No. 250659
Check Date 8/10/2006

705-1445429	7/17/2006	9,310.14	.00	9,310.14

REDACTED

VOID - DUPLICATE FILE COPY

Total	9,310.14	.00	9,310.14

Bank of America

63-4
630

Check No.
250659

50131 8/10/2006

Nine Thousand Three Hundred Ten and 14/100 Dollars

******9,310.14

CROWE, CHIZEK, AND COMPANY LLP
PO BOX 145415
CINCINNATI OH 45250-9791

NON - NEGOTIABLE

VOID - DUPLICATE FILE COPY

P/L NOV 08 2006

FLORIDA PUBLIC UTILITIES

FLORIDA PUBLIC UTILITIES COMPANY
SINGLE INVOICE VOUCHER FORM

November 07, 2006 | Total $51,585.66 | DIVISION: Tax Exempt | PREPARED BY: S. BITTLE

CORRECT TAX RATE 0.0% | COMPANY: FPUC

APPROVED BY	LOCAL MANAGER	DIVISION MANAGER	VICE PRESIDENT	EXECUTIVE	CONTROLLER
	NOV 07 2006				

G/L ACCOUNT YEAR/PERIOD	ATTACHMENT TO BE MAILED WITH THE CHECK?	VENDOR #:	VENDOR NAME
06/ 10	X	50131	CROWE, CHIZEK - VENDOR #50131

VOUCHER MESSAGE:

RETURN CHECK TO:

REMIT TO ADDRESS:

DESCRIPTION OF PURCHASE: Accrued 10/

INVOICE

INVOICE NUMBER	INVOICE DATE	GROSS AMOUNT	DUE DATE	DISCOUNT %	DISCOUNT TERMS	NET AMT DUE
705-1461211	10/31/2006	$51,585.66				$51,585.66
PURCHASE ORDER # LPO/PO/RRV/RSI	**SALES TAX CHARGED $$**	**FREIGHT CHARGED**	**Total Tax & Freight**		**Discount $$**	
15246			$0.00			

%	ACCOUNT NUMBER/ DISTRIBUTION CODE	DISTRIBUTION AMOUNT	EXPENSE DESCRIPTION/DESCRIPTION OF PURCHASE	NET $ TO BE BOOKED
		$ -		
100%	100.2420.3	$ 51,585.66		
		$ -		
		$ -		
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		$ -		
	TOTAL	$ 51,585.66		

RECEIVED NOV 8 2006

CROWE CHIZEK PO 15246 revised as of 12/17/04

HEARING EXHIBIT - 00000896

Crowe

CROWE CHIZEK AND COMPANY LLC P.O. BOX 145415 CINCINNATI, OH 45250-9791
Please use P.O. Box address for payments only.

Jan

Florida Public Utilities Company
401 South Dixie Highway
West Palm Beach, FL 33401

October 31, 2006

INVOICE NO: 705-1461211
TERMS: PAYABLE UPON RECEIPT
Acct No. 874386.001 (PF#1165861)

F.E.I.N. 35-0921680

PROFESSIONAL SERVICES provided to Florida Public Utilities Company from June 19 through October 17, 2006 as follows:

Internal Audit Services:		
Sarbanes-Oxley Section 404 consulting services (15.25 hrs)		$ 3,235.00
Sarbanes-Oxley Section 404 ITGC consulting services (52.25 hrs)		9,899.50
Propane Business Audit (239.50 hrs)		31,405.00
Merchandise Sales and Customer Credit Audit (20.50 hrs)		3,225.00
Out of pocket expenses (capped at 8% of professional fees):		
Incurred	$ 9,882.64	
Less: amount absorbed by Crowe	(6,061.48)	
Net billed out of pocket expenses		3,821.16
Total		$ 51,585.66

RECEIVED
NOV 08 2006

If you have any questions concerning this invoice, please call the Billing Department at (317) 569-8989.

HEARING EXHIBIT - 00000897

** VOID - DUPLICATE FILE COPY **

Check No. 255593

Check Date 11/09/2006

705-1461211	10/31/2006	51,585.66	.00	51,585.66

REDACTED

VOID - DUPLICATE FILE COPY

Total	51,585.66	.00	51,585.66

Bank of America

63-4
630

Check No.
255593

50131 11/09/2006

Fifty-One Thousand Five Hundred Eighty-Five and 66/100 Dollars

*****51,585.66

CROWE, CHIZEK, AND COMPANY LLP
PO BOX 145415
CINCINNATI OH 45250-9791

NON - NEGOTIABLE

VOID - DUPLICATE FILE COPY

P/L DEC 2 0 2006

FLORIDA PUBLIC UTILITIES

FLORIDA PUBLIC UTILITIES COMPANY
SINGLE INVOICE VOUCHER FORM

December 20, 2006 | Total $37,619.64 | DIVISION: Tax Exempt | PREPARED BY: S. BITTLE

CORRECT TAX RATE: 0.0% | COMPANY: FPUC

APPROVALS

AUDITED BY	COST MANAGER	DIVISION MANAGER	COO/EXECUTIVE	EXECUTIVE	FINANCIAL
	DEC 2 0 2006				

GL ACCT YEAR/PERIOD	ATTACHMENT TO BE MAILED WITH THE CHECK	VENDOR #:	50131	VENDOR NAME:	CROWE, CHIZEK - VENDOR #50131
06/ 12	X			VOUCHER MESSAGE:	

RETURN CHECK TO:

REMIT TO ADDRESS:

DESCRIPTION OF PURCHASE:

INVOICE

INVOICE NUMBER	INVOICE DATE	GROSS AMOUNT	DUE DATE	DISCOUNT %	DISCOUNT TERMS	NET AMT DUE
705-1466845	12/12/2006	$37,619.64				$37,619.64
PURCHASE ORDER # LPO/PO/RRV/RSI	**SALES TAX CHARGED $$**	**FREIGHT CHARGED**	**Total Tax & Freight**		**Discount $$**	
15246			$0.00			

	ACCOUNT NUMBER / DISTRIBUTION CODE	DISTRIBUTION AMOUNT	EXPENSE DESCRIPTION / DESCRIPTION OF PURCHASE	PUBLISHER #
100%	100.2420.3	$ 37,619.64		
		$ -		
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	TOTAL	$ 37,619.64		

ENTERED
DEC 2 1 2006

N/OT ACCRUED

CROWE CHIZEK PO 15246.xls revised as of 12/17/04

HEARING EXHIBIT - 00000899

Crowe CROWE CHIZEK AND COMPANY LLC P.O. BOX 145415 CINCINNATI, OH 45250-9791
Please use P.O. Box address for payments only.

Florida Public Utilities Company
401 South Dixie Highway
West Palm Beach, FL 33401

December 12, 2006

INVOICE NO: 705-1466845
TERMS: PAYABLE UPON RECEIPT
Acct No. 874386.001 (PF#1181190)

F.E.I.N. 35-0921680

PROFESSIONAL SERVICES provided to Florida Public Utilities Company from October 18 through November 17, 2006 as follows:

Merchandise sales internal audit - 84.25 hrs	$ 13,881.00		
SOX 404 (IT) - 78.50 hrs	14,301.00		
Engagement management - 14.00 hrs	4,248.00		
SOX 404 - 7.00 hrs	1,332.00		
Propane internal audit - 3.75 hrs	1,071.00		
Total project fees		$	34,833.00
Out of pocket expenses (capped at 8% of professional fees):			
Total expenses incurred	$ 6,543.51		
Less: amount absorbed by Crowe	(3,756.87)		
Total billable expenses			2,786.64
Total		$	37,619.64

ENTERED
DEC 21 2006

√cm

If you have any questions concerning this invoice, please call the Billing Department at (317) 569-8989.

HEARING EXHIBIT - 00000900

FLORIDA PUBLIC UTILITIES COMPANY

DIVISION	SO FL CORP
PURCHASE ORDER #	15246
REQUISITION #	060.5013.12

NON INVENTORY
MATERIAL RECEIPT

INVOICE DATE	12/12/06
INVOICE NUMBER	705-1466845
INVOICE AMOUNT	$37,619.64
DATE RECEIVED	11/17/2006
MATERIAL RECEIPT PROCESS DATE	12/20/2006

ESTIMATED MATERIAL RECEIPT ☐ ACCRUED MATERIAL RECEIPT ☑

TO BE COMPLETED BY OFFICE SERVICES

DATE SENT:
SENT BY:

VENDOR NAME (RECEIVED FROM)
CROWE, CHIZEK - VENDOR #50131

MATERIAL RECEIVED BY:

DELIVERY
PARTIAL RECEIPT ☐ RECEIVED IN FULL ☐

FREIGHT COMPANY

FREIGHT CHARGES
PREPAID ☐ COLLECT ☐

GIVE FULL REPORT OF OVER, SHORT OR DAMAGED MATERIAL

FREIGHT BILL #

AMOUNT

	ACCOUNT NUMBER	SUBLEDGER NUMBER	QUANTITY RECEIVED	DESCRIPTION (INCLUDING PART #)
100%	100.2420.3		$37,619.64	INTERNAL AUDITING - SARBANES OXLEY - 2006
0%				
0%				
0%				
0%				
0%				

ENTERED
DEC 21 2006

DMR

WHITE - PURCHASING YELLOW- PREPARER

DATE INVOICE PASSED FOR PAYMENT:

REMARKS: DEC 20 2006

FPU-030

REV 1/00

HEARING EXHIBIT - 00000901

FLORIDA PUBLIC UTILITIES

FLORIDA PUBLIC UTILITIES COMPANY
SINGLE INVOICE VOUCHER FORM

January 02, 2007 | Total $40,664.16 | DIVISION Tax Exempt | PREPARED BY S. BITTLE

CORRECT TAX RATE 0.0% | COMPANY FPUC

AUDITED BY	LOCAL MANAGER	DIVISION MANAGER	ADD'L EXECUTIVE	EXECUTIVE	FINANCIAL
	SJB JAN 0 2 2007				

YEAR/PERIOD	ATTACHMENT TO BE MAILED WITH THE CHECK	VENDOR #	VENDOR NAME
06/ 12	X	50131	CROWE, CHIZEK - VENDOR #50131

VOUCHER MESSAGE:

RETURN CHECK TO:

REMIT TO ADDRESS:

DESCRIPTION OF PURCHASE:

INVOICE

INVOICE NUMBER	INVOICE DATE	GROSS AMOUNT	DUE DATE	DISCOUNT %	DISCOUNT TERMS	NET AMT DUE
705-1468027	12/20/2006	$40,664.16				$40,664.16
PURCHASE ORDER # LPO/PO/RRV/RSI	**SALES TAX CHARGED $$**	**FREIGHT CHARGED**	**Total Tax & Freight**		**% Discount $$**	
15246			$0.00			

PCT	ACCOUNT NUMBER/ DISTRIBUTION CODE	DISTRIBUTION AMOUNT	EXPENSE DESCRIPTION / DESCRIPTION OF PURCHASE	
		$ -		
100%	100.2420.3	$ 40,664.16		
		$ -		
		$ -		
		$ -	ENTERED JAN 03 2006	
		$ -		
		$ -		
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		$ -		
		$ -		
	TOTAL	$ 40,664.16		

CROWE CHIZEK PO 15246.xls revised as of 12/17/04

Crowe

CROWE CHIZEK AND COMPANY LLC P.O. BOX 145415 CINCINNATI, OH 45250-9791
Please use P.O. Box address for payments only.

Florida Public Utilities Company
401 South Dixie Highway
West Palm Beach, FL 33401

December 20, 2006

INVOICE NO: 705-1468027
TERMS: PAYABLE UPON RECEIPT
Acct No. 874386.001 (PF#1195117)

F.E.I.N. 35-0921680

PROFESSIONAL SERVICES provided to Florida Public Utilities Company from November 18 through December 17, 2006 as follows:

SOX 404 IT	60.00 hrs	$ 10,800.00	
SOX 404	192.00 hrs	26,852.00	$ 37,652.00

Out of pocket expenses (capped at 8% of professional fees):

Total expenses incurred	$ 6,687.73	
Less amount absorbed by Crowe	-3,675.57	3,012.16
Total		$ 40,664.16

ENTERED
JAN 03 2006

If you have any questions concerning this invoice, please call the Billing Department at (317) 569-8989.

HEARING EXHIBIT - 00000903

** VOID - DUPLICATE FILE COPY **

Check No. 258598

Check Date 1/08/2007

705-146685	12/12/2006	37,619.64		.00	37,619.64
705-1468027	12/20/2006	40,664.16		.00	40,664.16

REDACTED

VOID - DUPLICATE FILE COPY

Total	78,283.80	.00	78,283.80

Bank of America

63-4
630

Check No.
258598

50131 1/08/2007

Seventy-Eight Thousand Two Hundred Eighty-Three and 80/100 Dollars

*****78,283.80

CROWE, CHIZEK, AND COMPANY LLP
PO BOX 145415
CINCINNATI OH 45250-9791

NON - NEGOTIABLE

VOID - DUPLICATE FILE COPY

HEARING EXHIBIT - 00000904

P/L FEB 2 8 2007

FLORIDA PUBLIC UTILITIES COMPANY
SINGLE INVOICE VOUCHER FORM

FLORIDA PUBLIC UTILITIES

February 28, 2007 | Total $10,333.17 | DIVISION: Tax Exempt | PREPARED BY: BELLECHASES

CORRECT TAX RATE 0.0% | COMPANY: FPUC

JOINED BY	FISCAL MANAGER	DIVISION MANAGER	ADD'L EXECUTIVE	EXECUTIVE	PLANNING
	SJB				

FEB 2 8 2007

ATTACHMENT TO BE MAILED WITH THE CHECK

VENDOR #: 50131 | VENDOR NAME: CROWE CHIZEK

YEAR/PERIOD: 07/ 02

VOUCHER MESSAGE:

RETURN CHECK TO:

REMIT TO ADDRESS:

DESCRIPTION OF PURCHASE:

INVOICE

INVOICE NUMBER	INVOICE DATE	GROSS AMOUNT	DUE DATE	DISCOUNT %	DISCOUNT TAKEN	NET AMOUNT
705-1478824	2/22/2007	$10,333.17				$10,333.17

PURCHASE ORDER # LPO/PO/RRV/RSI	SALES TAX CHARGED $$	FREIGHT CHARGED	Total Tax & Freight	Discount $$	
16236			$0.00		

	ACCOUNT NUMBER/ DISTRIBUTION CODE	DISTRIBUTION AMOUNT	EXPENSE DESCRIPTION / DESCRIPTION OF PURCHASE	
		$ -		
100%	100.2420.3	$ 10,333.17		
0%		$ -		
0%		$ -		
0%		$ -		
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	TOTAL	$ 10,333.17		

RECEIVED
FEB 2 8 2007

CROWE CHIZEK PO 16236.xls revised as of 12/17/04

HEARING EXHIBIT - 00000905

Crowe CROWE CHIZEK AND COMPANY LLC P.O. BOX 145415 CINCINNATI, OH 45250-9791
Please use P.O. Box address for payments only.

Florida Public Utilities Company
401 South Dixie Highway
West Palm Beach, FL 33401

February 22, 2007

INVOICE NO: 705-1478824
TERMS: PAYABLE UPON RECEIPT
Acct No. 874386.001 (PF#1233343)

F.E.I.N. 35-0921680

PROFESSIONAL SERVICES, for the period ended February 18, 2007.

PROFESSIONAL SERVICES provided to Florida Public Utilities Company from December 18, 2006 through February 18, 2007 as follows:

Project	Hours	Fees		
SOX 404 IT	11.50	$ 2,070.00		
SOX 404	7.00	1,353.75		
Project Management/ Project Administration	28.50	6,144.00		
Total Project Fees	47.00		$	9,567.75

Out of pocket expenses (capped at 8% of professional fees)

Total expenses incurred	$ 2,839.51		
Amount absorbed by Crowe	(2,074.09)		
Total billable expenses			765.42
Total		$	10,333.17

RECEIVED
FEB 28 2007

If you have any questions concerning this invoice, please call the Billing Department at (317) 569-8989.

HEARING EXHIBIT - 00000906

** VOID - DUPLICATE FILE COPY **

Check No. 261616

Check Date 3/08/2007

705-1478824	2/22/2007	10,333.17	.00	10,333.17

REDACTED

VOID - DUPLICATE FILE COPY

Total	10,333.17	.00	10,333.17

Bank of America

63-4
630

Check No.
261616

50131 3/08/2007

Ten Thousand Three Hundred Thirty-Three and 17/100 Dollars

*****10,333.17

CROWE, CHIZEK, AND COMPANY LLP
PO BOX 145415
CINCINNATI OH 45250-9791

NON - NEGOTIABLE

VOID - DUPLICATE FILE COPY

HEARING EXHIBIT - 00000907

P/L APR 25 2007

FLORIDA PUBLIC UTILITIES COMPANY
SINGLE INVOICE VOUCHER FORM

FLORIDA PUBLIC UTILITIES

April 24 2007 — Total $12,159.00 — DIVISION: Tax Exempt — PREPARED BY: BELLECHASES

CORRECT TAX RATE 0.0% — COMPANY FPUC

APPROVALS

SJB
APR 24 2007

YEAR/PERIOD	LEGAL ATTACHMENT TO BE MAILED WITH THE CHECK
07/ 04	

VENDOR #: 50131 — VENDOR NAME: CROWE CHIZEK

VOUCHER MESSAGE:

RETURN CHECK TO:

REMIT TO ADDRESS:

ACCRUED CC

DESCRIPTION OF PURCHASE:

INVOICE

INVOICE NUMBER	INVOICE DATE	GROSS AMOUNT	DUE DATE	DISCOUNT %	DISCOUNT TERMS	NET AMT DUE
705-1489793	4/19/2007	$12,159.00				$12,159.00
PURCHASE ORDER # (PO/PORV/RSI)	**SALES TAX CHARGED $$**	**FREIGHT CHARGED**	**Total Tax & Freight**		**Discount $$**	
16236			$0.00			

%	ACCOUNT NUMBER/ DISTRIBUTION CODE	DISTRIBUTION AMOUNT	EXPENSE DESCRIPTION / DESCRIPTION OF PURCHASE	
		$		
100%	100.2420.3	$ 12,159.00		
0%		$ -		
0%		$ -		
0%		$ -		
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%		$ -		
	TOTAL	$ 12,159.00		

ENTERED
APR 25 2007

CROWE CHIZEK PO 16236 revised as of 12/17/04

HEARING EXHIBIT - 00000908

Crowe

CROWE CHIZEK AND COMPANY LLC P.O. BOX 145415 CINCINNATI, OH 45250-9791
Please use P.O. Box address for payments only.

Florida Public Utilities Company
401 South Dixie Highway
West Palm Beach, FL 33401

April 19, 2007

INVOICE NO: 705-1489793
TERMS: PAYABLE UPON RECEIPT
Acct No. 874386.001 (PF#1280203)

F.E.I.N. 35-0921680

PROFESSIONAL SERVICES provided to Florida Public Utilities Company from February 19 through April 16, 2007 as follows:

SOX 404 IT - 25.00 hrs	$ 4,510.00	
SOX 404 - 23.50 hrs	6,748.00	
Total project fees		$ 11,258.00
Out of pocket expenses (capped at 8% of professional fees):		
Total expenses incurred	$ 1,159.00	
Less: Amount absorbed by Crowe	(258.00)	
Total billable expenses		901.00
Total		$ 12,159.00

ENTERED
APR 25 2007

If you have any questions concerning this invoice, please call the Billing Department at (317) 569-8989.

HEARING EXHIBIT - 00000909

** VOID - DUPLICATE FILE COPY **

Check No. 265008
Check Date 5/10/2007

705-1489793	4/19/2007	12,159.00		.00	12,159.00

REDACTED

VOID - DUPLICATE FILE COPY

Total	12,159.00	.00	12,159.00

Bank of America

63-4
630

Check No.
265008

50131 5/10/2007

Twelve Thousand One Hundred Fifty-Nine and 00/100 Dollars

$ *****12,159.00

CROWE, CHIZEK, AND COMPANY LLP
PO BOX 145415
CINCINNATI OH 45250-9791

NON - NEGOTIABLE

VOID - DUPLICATE FILE COPY

HEARING EXHIBIT - 00000910

P/L JUL 11 2007

FLORIDA PUBLIC UTILITIES COMPANY
SINGLE INVOICE VOUCHER FORM

DATE: July 10, 2007 Total $12,290.40 DIVISION: Tax Exempt PREPARED BY: BELLECHASES

CORRECT TAX RATE 0.0% COMPANY FPUC

APPROVAL					
AUDITED BY	LOCATION MANAGER	DIVISION MANAGER	ADD'L EXECUTIVE	EXECUTIVE	FINANCIAL
	SJB JUL 11 2007	DMR JUL 11 2007			

G/L YEAR/PERIOD	ATTACHMENT TO BE MAILED WITH THE CHECK
07/ 06 SB	

VENDOR #: 50131 VENDOR NAME: CROWE CHIZEK

VOUCHER MESSAGE:

RETURN CHECK TO: REMIT TO ADDRESS: NOT ACCRUED

DESCRIPTION OF PURCHASE:

INVOICE

INVOICE NUMBER	INVOICE DATE	GROSS AMOUNT	DUE DATE	DISCOUNT %	DISCOUNT TERMS	NET AMT DUE
705-1501569	6/30/2007	$12,290.40				$12,290.40
PURCHASE ORDER # LPO/PO/RRV/RSI	**SALES TAX CHARGED $$**	**FREIGHT CHARGED**	**Total Tax & Freight**		**Discount $$**	
16236			$0.00			

%	ACCOUNT NUMBER/ DISTRIBUTION CODE	DISTRIBUTION AMOUNT	EXPENSE DESCRIPTION / DESCRIPTION OF PURCHASE	SUBLEDGER
		$ -		
100%	100.2420.3	$ 12,290.40		
0%		$ -		
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		$ -		
	TOTAL	$ 12,290.40		

JUL 11 2007

CROWE CHIZEK PO 16236 EXP 12-31-07 revised as of 12/17/04

HEARING EXHIBIT - 00000911

Crowe

CROWE CHIZEK AND COMPANY LLC P.O. BOX 145415 CINCINNATI, OH 45250-9791
Please use P.O. Box address for payments only.

Florida Public Utilities Company
401 South Dixie Highway
West Palm Beach, FL 33401

June 30, 2007

INVOICE NO: 705-1501569
TERMS: PAYABLE UPON RECEIPT
Acct No. 874386.001 (PF#1323478)

F.E.I.N. 35-0921680

PROFESSIONAL SERVICES, from April 17, 2007 to June 17, 2007.

SOX 404 IT, 15.50 hours	$ 2,945.00	
SOX 404, 42.50 hours	8,435.00	$ 11,380.00
Out of pocket expenses (capped at 8% of professional fees):		
Total Expenses Incurred	$ 1,635.56	
Less Amount Absorbed by Crowe	(725.16)	910.40
Total		$ 12,290.40

JUL 11 2007

If you have any questions concerning this invoice, please call the Billing Department at (317) 569-8989.

HEARING EXHIBIT - 00000912

P/L JUL 27 2007

FLORIDA PUBLIC UTILITIES COMPANY
SINGLE INVOICE VOUCHER FORM

DATE: July 25, 2007 | Total: $17,226.00 | DIVISION: Tax Exempt | PREPARED BY: BELLECHASES

CORRECT TAX RATE: 0.0% | COMPANY: FPUC

APPROVALS

AUDITED	COMPTROLLER	DIVISION MANAGER	VP/CFO	EXECUTIVE
	JUL 27 2007	JUL 27 2007		

G/L YEAR/PERIOD	ATTACHMENT TO BE MAILED WITH THE CHECK
07/ 07	X

VENDOR #: 50131 | VENDOR NAME: CROWE CHIZEK

VOUCHER MESSAGE:

RETURN CHECK TO: | REMIT TO ADDRESS:

DESCRIPTION OF PURCHASE:

INVOICE

INVOICE NUMBER	INVOICE DATE	GROSS AMOUNT	DUE DATE	% DISCOUNT	DISCOUNT TERMS	NET AMT CLOSED
705-1503947	7/20/2007	$17,226.00				$17,226.00

PURCHASE ORDER # LPO/POI/RRV/RSF	SALES TAX CHARGED $$	FREIGHT CHARGED	Total Tax & Freight	% Discount	Discount $$
16236			$0.00		

	ACCOUNT NUMBER/ DISTRIBUTION CODE	DISTRIBUTION AMOUNT	EXPENSE DESCRIPTION / DESCRIPTION OF PURCHASE
		$ -	
100%	100.2420.3	$ 17,226.00	
0%		$ -	
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		$ -	
	TOTAL	$ 17,226.00	

ENTERED
JUL 29 2007

NOT ACCRUED

Partial

CROWE CHIZEK PO 16236 EXP 12-31-07 revised as of 12/17/04

HEARING EXHIBIT - 00000913

Crowe

CROWE CHIZEK AND COMPANY LLC P.O. BOX 145415 CINCINNATI, OH 45250-9791
Please use P.O. Box address for payments only.

Florida Public Utilities Company
401 South Dixie Highway
West Palm Beach, FL 33401

July 20, 2007

INVOICE NO: 705-1503947
TERMS: PAYABLE UPON RECEIPT
Acct No. 874386.001 (PF#1336605)

F.E.I.N. 35-0921680

PROFESSIONAL SERVICES, for the period ended July 15, 2007.

Please see attached detail.	$ 17,226.00

ENTERED
JUL 29 2007

If you have any questions concerning this invoice, please call the Billing Department at (317) 569-8989.

HEARING EXHIBIT - 00000914

PROFESSIONAL SERVICES provided to Florida Public Utilities Company from June 18 through July 15, 2007 as follows:

Project	Hours	Fees
SOX 404 IT	54.0	$ 9,750.00
SOX 404	35.0	$ 6,200.00
Total Project Fees	**89.0**	**$ 15,950.00**

Out of pocket expenses (capped at 8% of professional fees):	
Total Expenses Incurred	$ 1,519.11
Less: Amount Absorbed by Crowe	$ (243.11)
Total Billable Expenses	**$ 1,276.00**
Total Invoice	**$ 17,226.00**

ENTERED
JUL 29 2007

HEARING EXHIBIT - 00000915

Check No. 270000

Check Date 8/09/2007

705-1503947	7/20/2007	17,226.00		.00	17,226.00

REDACTED

VOID - DUPLICATE FILE COPY

Total	17,226.00	.00	17,226.00

Bank of America

63-4
630

Check No.
270000

50131 8/09/2007

Seventeen Thousand Two Hundred Twenty-Six and 00/100 Dollars

*****17,226.00

CROWE, CHIZEK, AND COMPANY LLP
PO BOX 145415
CINCINNATI OH 45250-9791

NON - NEGOTIABLE

VOID - DUPLICATE FILE COPY

P/L AUG 3 0 2007

FLORIDA PUBLIC UTILITIES

FLORIDA PUBLIC UTILITIES COMPANY
SINGLE INVOICE VOUCHER FORM

DATE: August 29, 2007 Total $21,643.00 DIVISION: Tax Exempt PREPARED BY: BELLECHASES

CORRECT TAX RATE 0.0% COMPANY FPUC

APPROVALS				
AUDITED BY	DIVISION MANAGER	ADD'L EXECUTIVE	EXECUTIVE	FINANCIAL
AUG 29 2007				

G/L YEAR/PERIOD	ATTACHMENT TO BE MAILED WITH THE CHECK
07/ 08	X

VENDOR #: 50131 VENDOR NAME: CROWE CHIZEK

VOUCHER MESSAGE:

RETURN CHECK TO:

REMIT TO ADDRESS:

NOT ACCRUED

DESCRIPTION OF PURCHASE:

INVOICE

INVOICE NUMBER	INVOICE DATE	GROSS AMOUNT	DUE DATE	DISCOUNT %	DISCOUNT TERMS	NET AMT DUE
705-1508213	8/22/2007	$21,643.00			Due	$21,643.00
PURCHASE ORDER # LPO/PO/RRV/RSI	**SALES TAX CHARGED $$**	**FREIGHT CHARGED**	**Total Tax & Freight**		**Discount $$**	
16236			$0.00			

%	ACCOUNT NUMBER/ DISTRIBUTION CODE	DISTRIBUTION AMOUNT	EXPENSE DESCRIPTION / DESCRIPTION OF PURCHASE	SUBLEDGER
		$		
100%	100.2420.3	$ 21,643.00		
0%		$ -		
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	TOTAL	$ 21,643.00		

ENTERED AUG 3 0 2007

CROWE CHIZEK PO 16236 EXP 12-31-07 revised as of 12/17/04

HEARING EXHIBIT - 00000917

Crowe

CROWE CHIZEK AND COMPANY LLC P.O. BOX 145415 CINCINNATI, OH 45250-9791
Please use P.O. Box address for payments only.

Florida Public Utilities Company
401 South Dixie Highway
West Palm Beach, FL 33401

August 22, 2007

INVOICE NO: 705-1508213
TERMS: PAYABLE UPON RECEIPT
Acct No. 874386.001 (PF#1349691)

F.E.I.N. 35-0921680

PROFESSIONAL SERVICES provided to Florida Public Utilities Company from July 16 through August 17, 2007 as follows:

SOX 404 IT - 6.25 hrs	$ 1,530.00	
SOX 404 - 99.00 hrs	18,510.00	$ 20,040.00
Out of pocket expenses (capped at 8% of professional fees):		
Total expenses incurred		1,603.20
Total		$ 21,643.20

ENTERED
AUG 30 2007

Change Collection Audit Acct.
Once over
$100,000
Goes to Rate Case
SJ.
✓cm
✓cm

If you have any questions concerning this invoice, please call the Billing Department at (317) 569-8989.

HEARING EXHIBIT - 00000918

** VOID - DUPLICATE FILE COPY **

Check No. 271284
Check Date 9/04/2007

705-1508213	8/22/2007	21,643.20	.00	21,643.20

REDACTED

VOID - DUPLICATE FILE COPY

Total	21,643.20	.00	21,643.20

Bank of America

63-4
630

Check No.
271284

50131 9/04/2007

Twenty-One Thousand Six Hundred Forty-Three and 20/100 Dollars

*****21,643.20

CROWE, CHIZEK, AND COMPANY LLP
PO BOX 145415
CINCINNATI OH 45250-9791

NON - NEGOTIABLE

VOID - DUPLICATE FILE COPY

HEARING EXHIBIT - 00000919

HEARING EXHIBIT - 00000920

HEARING EXHIBIT - 00000921

Exhibit: 75
Docket No. 070304-EI
OPC First Set of Interrogatories

Witness: KHOJASTEH

OPC's 1st Set Of Interrogatories #75

Account #	Item	Reason	2008 Annual Added Expense	28% allocation of 2008 Annual Added Expense
100.1849.935	Additional Landscaping Expense	A landscaping contractor will be needed prior 2008 to care for the Main Office landscaping. This improvement will be necessary due to the general neighborhood improvements in the locale of the main office building. A landscaper is expected to be hired during December 2007. Currently, the Company uses a part-time building maintenance employee to do the maintenance of the lot. This has proven to not be effective and the part time employee will be used for other work at FPU's main office. The cost will be approximately $416 per month inclusive of taxes. The 28% allocation to electric operations will be over $116 monthly	$4,992	$1,398
100.1849.935	Additional Janitorial Service Expense	Janitorial services need to be re-bid and awarded to a new contractor due to continuous failure of current janitorial contractor which has been hired by FPU in 1998 without any increases since being hired. FPU did not cancel the services of the current contractor due to their low cost which has been approximately 30% lower than other cleaning services which have provided quotes to FPU. The current cost of the current janitorial services, which includes all supplies, soaps, cleaning solutions and paper goods is $2,285 monthly. The cost of employing a new janitorial service will be at least $3,000 per month. The monthly increase allocation to FPU's electric operations will be approximately $204.	$8,736	$2,446
100.1849.935	Additional Elevator Service Cost	FPU's elevator service contractor was purchased by a larger company who has failed to perform consistently under FPU's agreement with the original contractor. FPU hired East Coast Elevator during the 1990s. East Coast's cost was much lower than all other bidders. The Company re-bid the contract and Otis Elevator was awarded the bid. The increased monthly cost is nearly $208 per month higher than what FPU has been paying the company which acquired East Coast Elevator. This increased costs include hard costs that are covered by the new contract and a relatively small amount of other costs which are not covered under the Otis services contract. This increased cost results in an incremental allocation to FPU's electric operations.	$2,496	$699
100.1849.935	Additional Air Conditioning Contractor Cost	Much of the air conditioning equipment at the FPU's main office has been replaced. To effective manage the systems, the Company will be hiring an outside contractor to perform routine maintenance on the systems. The incremental monthly expense will be $500, of which 28% or $140 will be allocated to FPU's electric operations.	$6,000	$1,680
Totals			$22,224	$6,223

HEARING EXHIBIT - 00000922

Exhibit 80
OPC First Set of Interrogatories
Docket No. 070304-EI

Witness: M. Khojasteh

FLORIDA PUBLIC UTILITIES COMPANY
ELECTRIC DIVISION
OPC FIRST SET OF INTERROGATORIES
DOCKET NO. 070304-EI QUESTION NO. 82

YEAR	BEGINNING BALANCE	ACCRUALS	STORM CHARGES	OVER-EARNINGS	OTHER	ENDING BALANCE
1989	0	10,454	0	0	0	10,454
1990	10,454	38,928	0	0	0	49,382
1991	49,382	38,928	0	0	0	88,310
1992	88,310	38,928	0	0	0	127,238
1993	127,238	38,928	0	0	0	166,166
1994	166,166	107,838	(22,576)	0	0	251,428
1995	251,428	121,620	(142,850)	0	0	230,198
1996	230,198	121,620	(8,089)	63,506	0	407,235
1997	407,235	121,620	0	173,167	0	702,022
1998	702,022	121,620	0	248,145	0	1,071,787
1999	1,071,787	121,620	(72,395)	139,350	0	1,260,362
2000	1,260,362	121,620	0	213,231	0	1,595,213
2001	1,595,213	121,620	(6,155)	242,000	0	1,952,678
2002	1,952,678	121,620	0	30,000	0	2,104,298
2003	2,104,298	121,620	(21,067)	(4,200)	0	2,200,651
2004	2,200,651	121,620	(805,692)	21,509	0	1,538,088
2005	1,538,088	121,620	(169,580)	16,759	0	1,506,887
2006	1,506,887	121,620	(9,148)	0	16,759	1,636,118
2007	1,636,118	91,215	0	0	0	1,727,333
TOTALS	0	1,824,659	(1,257,552)	1,143,467	16,759	1,727,333

OTHER: ECONOMIC DEVELOPMENT TRANSFER PER PSC-04-0369-AS-EI.

STORMS:	YEAR	NAME	DIVISION	COSTS
	1994	ALBERTO	NW	10,968
	1994	LOCAL	NE	11,608
	1995	OPAL	NW	142,850
	1996	LOCAL	NW	8,089
	1999	FLOYD	NE	72,395
	2001	LOCAL	NE	6,155
	2003	LOCAL	NE	21,067
	2004	CHARLEY	NE	30,284
	2004	FRANCIS	NE	234,958
	2004	FRANCIS	NW	20,278
	2004	IVAN	NE	4,181
	2004	IVAN	NW	259,803
	2004	JEANNE	NE	260,998
	2005	DENNIS	NW	108,306
	2005	OPHELIA	NE	8,829
	2005	TAMMY	NE	47,637

LOCAL REFERS TO LOCAL STORMS AND LIGHTNING STRIKES. PRIOR TO 2001 SOME OF THE COSTS COULD BE LOCAL STORMS ALSO.

HEARING EXHIBIT - 00000923

GENERAL ACCOUNTING

ADDENDUM B

Objective:

To provide guidelines and procedures to properly account for hurricane related expenses. Because we have already received rate relief for normal operations through our rate cases, only expenses above and beyond our normal operations should be charged to the special job number. Beyond normal operations includes, but are not limited to, items bought specifically for a named storm, overtime, standby time (time spent at FPUC or fire stations that is above normal work hours), hiring temporary help and/or subcontractors.

Annual Preparation:

A. Any general expenses incurred to set up plans for unspecified future storms should be charged to account xxx.4010.9251 subledger # 34445. This includes charges for holding tentative hotel reservations and other items purchased before the hurricane season.

B. Labor for general training and plan readiness should be charged to xxx.1840.56, which includes time spent training in other departments.
(xxx=cost center)

Pre-Storm:

A. When a division activates their hurricane plan, or needs to track expenses related to another type of storm, General Accounting needs to be notified so that a special job number can be assigned. If the same storm causes several divisions to activate plans, each division needs to notify accounting so we can establish unique numbers. Reconciliation Analyst will create special job numbers for expenses (1860.1) and cost of removal for gas and electric (1860.1). The Construction Accountant will create special IR numbers for gas and electric capital items so that costs are captured directly in 1070 initially and eliminate reclassification after the storm (see Capital section below).

B. If preparation expenses (including payroll) are **beyond normal*** for a specific named storm, they should be charged to 100.1860.1 with the special job number created for expenses. Otherwise, these expenses should be charged to regular expense accounts. This includes time and materials incurred for hurricane preparation and execution such as:

- Labor for installing hurricane shutters and securing property, if on an overtime basis
- Costs of hurricane supplies and food
- Standby time, if above normal work hours

***beyond normal** = items bought specifically for a named storm, overtime, time spent at FPUC or fire stations that is above normal work hours, hiring temporary help and/or subcontractors.

HEARING EXHIBIT - 00000924

GENERAL ACCOUNTING

Post-Storm:
Expenses:
All expenses ***beyond normal*** operating expenses incurred before, during and after the named storm should be charged to 100.1860.1with the special job number. This includes repairing damage caused by the storm and reestablishing services after a storm caused outages (relighting gas appliances). Payroll beyond normal include overtime, non regulated employees working on regulated storm work and hiring temporary help or contractors, due to the named storm, should be charged to the special job. Payroll for time off due to the storm during normal work hours should be charged to your areas non-productive time account, 1840.5.

Capital:
Natural Gas:
Capital items for natural gas cannot be charged to storm reserve. Therefore, all capital items incurred due to a named storm must be charged directly to capital (1070).

Note: The only exception is if the capital item costs more than normal due to hurricane, then excess costs could be charged to storm reserve. For example, an item usually costs $1,000 but due to the hurricane the price to obtain is higher at $3,000. The difference of $2,000 can be charged to storm reserve.

Electric:
As part of the plan activation, the Construction Accountant will assign an IR# for capital items for each named storm. All capital items will be charged to the appropriate plant account (1070) along with the special IR# assigned. Charges will be classified initially and eliminate reclassification of charges after the storm, other than cost of removal.

Retirements:

A. Prepare retirement form with the named storm as the reason for retirement
B. Forward to Construction Accountant, who will prepare the JE for the retirements (JE 14S).

Capital Items:

A. Addition forms for taggable assets will be prepared by the division and sent to the Construction Accountant for preparation of the JE.

Cost of Removal:

A. Charge all expenses for cost of removal to the account (1860.1) using the special job number created by the Reconciliation Analyst, including 1080 account number on paperwork (payroll, transportation, inventory, contractors). This special job number will provide tracking of these costs and easy reclassification.

HEARING EXHIBIT - 00000925

GENERAL ACCOUNTING

Accounting Treatment:

Expenses:
Transfer the operating expenses charged to the special job to our storm reserve account (Procedure ADM-1.3), if specified threshold is met. If costs are less than the threshold specified in Procedure ADM-1.3, the charges will be expensed.

Capital:
For electric, capital expenses will be transferred to our utility plant accounts. The total rate base would be unchanged from storm related plant replacement (since there is a storm reserve). Since retirements are made without gains or losses, they do not, in themselves, affect rate base. However, the cost of new plant items would increase rate base, along with removal costs.

To eliminate any storm related increase in rate base, an amount reflecting the difference between the new asset cost basis and the original basis needs to be charged to the storm reserve giving the new asset the original basis (excluding betterments that will remain in plant). In addition, we would charge the retirement and removal costs for storm related items either directly to the storm reserve, or transfer an equivalent amount from the storm reserve to offset these costs in the depreciation reserve. This is illustrated below:

Assumes: Original cost of plant retired = $300, New cost of plant = $500; Cost of removal = $100

	Original Amount	Storm related Retirements	Net Plant	New Charges to Rate Base	Net Plant	Storm Reserve	Pla After reser
Plant $1,000	$1,000	-300	700	+500	1,200	-200	
Reserve	$ 600	-300	300	-100	200	+400	60
Net	$ 400	0	400	+600	1,000	-600	$ 40

By making the appropriate storm reserve entries, the rate base will be unaffected by storm related replacement.

HEARING EXHIBIT - 00000926

FLORIDA PUBLIC UTILITIES

Procedure No: ADM 1.3
Effective Date: June 1, 2005
Revision # : 1
Approved By: GMB

PROCEDURE FOR CHARGING RESTORATION COSTS TO STORM RESERVE

Costs to restore service following a storm are to be charged as follows:

1. Costs associated with a "Named" storm are to be charged to the account as indicated below, regardless of threshold.
2. Unnamed storm costs (excluding capital), expected to be greater than the threshold, are to be charged to the accounts indicated below. Costs less than the threshold are to be expensed. If it is not readily determinable the threshold will be exceeded, costs can be accumulated in a "holding" account (1860.1) pending the proper classification of accumulated costs.

Division	Account No.	Threshold
Northwest Florida	100.2280.11	$ 5,000
Northeast Florida	100.2280.11	$ 5,000
South Florida	100.2280.12	$ 5,000
Central Florida	100.2280.12	$ 5,000

HEARING EXHIBIT - 00000927

[redacted]

FLORIDA PUBLIC UTILITIES COMPANY
40 MVA TRANSFORMER
SUMMARY - COMPARE REVENUE IMPACT: In-Service of December 2007 vs. February 2008 *

Exhibit 97.1
OPC Interrog 1
070304-EI

			Revenue Impact
December 2007 In Service			
Plant - 13-Mo. Avg.	790,000		
Reserve - 13-Mo. Avg.	(11,850)		
Net - 13-Mo. Avg.		778,150	
Return on Investment at 8.07% per MFR			(62,797)
Depreciation Expense			(23,700)
Monthly Rental of Transformer @ $2,140 per mo.			-
TOTAL - Before Taxes			**(86,497)**
February 2007 In Service			
Plant - 13-Mo. Avg.	668,462		
Reserve - 13-Mo. Avg.	(8,356)		
Net - 13-Mo. Avg.		660,106	
Return on Investment at 8.07% per MFR			(53,271)
Depreciation Expense			(19,750)
Monthly Rental of Transformer @ $2,140 per mo.			(4,280)
TOTAL - Before Taxes			**(77,301)**

* See sheet 2 of 2 for details.

HEARING EXHIBIT - 00000929

FLORIDA PUBLIC UTILITIES COMPANY
40 MVA TRANSFORMER
COMPARE REVENUE IMPACT: In-Service of December 2007 vs. February 2008

Exhibit 97.1
OPC Interrog 1
070304-EI

PLANT - NEW TRANSFORMER	Dec '07	Jan '08	Feb '08	Mar '08	Apr '08	May '08	Jun '08	Jul '08	Aug '08	Sep '08	Oct '08	Nov '08	Dec '08	13-Mo. Ave.
December 2007 In Service: B-11, Line 2	790,000	790,000	790,000	790,000	790,000	790,000	790,000	790,000	790,000	790,000	790,000	790,000	790,000	790,000
February 2008 In Service			790,000	790,000	790,000	790,000	790,000	790,000	790,000	790,000	790,000	790,000	790,000	668,462

DEPRECIATION EXPENSE @ 3.0% **Depreciation Rate**	Jan '08	Feb '08	Mar '08	Apr '08	May '08	Jun '08	Jul '08	Aug '08	Sep '08	Oct '08	Nov '08	Dec '08	Total
December 2007 In Service	1975	1,975	1,975	1,975	1,975	1,975	1,975	1,975	1,975	1,975	1,975	1,975	23,700
February 2008 In Service	-	-	1,975	1,975	1,975	1,975	1,975	1,975	1,975	1,975	1,975	1,975	19,750

RESERVE - NEW TRANSFORMER	Dec '07	Jan '08	Feb '08	Mar '08	Apr '08	May '08	Jun '08	Jul '08	Aug '08	Sep '08	Oct '08	Nov '08	Dec '08	13-Mo. Ave.
December 2007 In Service	-	1,975	3,950	5,925	7,900	9,875	11,850	13,825	15,800	17,775	19,750	21,725	23,700	11,850
February 2008 In Service		-	-	1,975	3,950	5,925	7,900	9,875	11,850	13,825	15,800	17,775	19,750	8,356

RENTAL OF TRANSFORMER	Jan '08	Feb '08	Mar '08	Apr '08	May '08	Jun '08	Jul '08	Aug '08	Sep '08	Oct '08	Nov '08	Dec '08	Total
December 2007 In Service	-	-	-	-	-	-	-	-	-	-	-	-	-
February 2008 In Service	2,140	2,140	-	-	-	-	-	-	-	-	-	-	4,280

HEARING EXHIBIT - 00000930

HEARING EXHIBIT - 00000931

OPC Interrog 1, #111

AUDIT SCHEDULE: 3.20.51

FLORIDA PUBLIC UTILITIES COMPANY
ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS
TOTAL COMPANY - G/L ACCOUNT 1440.1 & 1440.2 SUMMARY

MONTH	Beginning Balance	Receivable Charged Off Je 4/2	Accruals Je 6	Recoveries Je 11	Misc Je	Ending Balance	Net Write Off	Receivable 1420.1	Reserve as a % of Receivable	Write Off as a % of Receivable
Dec-07	(405,143.16)	0.00	0.00	0.00	0.00	(405,143.16)	0.00	0.00		
Nov-07	(405,143.16)	0.00	0.00	0.00	0.00	(405,143.16)	0.00	0.00		
Oct-07	(405,143.16)	0.00	0.00	0.00	0.00	(405,143.16)	0.00	0.00		
Sep-07	(405,143.16)	0.00	0.00	0.00	0.00	(405,143.16)	0.00	0.00		
Aug-07	(390,986.74)	33,194.26	(38,020.00)	(11,330.68)	0.00	(405,143.16)	21,883.58	9,405,271.30	-4.31%	0.23%
Jul-07	(406,702.56)	55,830.16	(31,007.00)	(9,107.34)	0.00	(390,986.74)	48,722.82	9,763,173.02	-4.00%	0.48%
Jun-07	(412,195.21)	31,858.80	(18,701.89)	(7,664.26)	0.00	(406,702.56)	24,194.54	9,227,893.20	-4.41%	0.26%
May-07	(430,287.09)	61,695.48	(35,528.00)	(8,075.60)	0.00	(412,195.21)	53,819.88	8,902,479.13	-4.63%	0.60%
Apr-07	(426,259.07)	41,250.21	(40,588.00)	(4,690.23)	0.00	(430,287.09)	36,559.98	11,083,047.15	-3.88%	0.33%
Mar-07	(400,871.46)	31,183.70	(48,791.00)	(7,780.31)	0.00	(426,259.07)	23,403.39	11,904,382.08	-3.58%	0.20%
Feb-07	(412,362.03)	72,180.45	(47,175.00)	(13,514.88)	0.00	(400,871.46)	58,665.57	12,187,823.68	-3.29%	0.48%
Jan-07	(429,378.52)	73,746.89	(47,048.00)	(9,684.40)	0.00	(412,362.03)	64,064.49	11,817,513.46	-3.55%	0.55%
YTD		400,941.95	(304,858.89)	(71,847.70)	0.00		329,094.25	84,091,383.02	-0.48%	1.57%
Yearly Average										
							Avg. Yearly Write Off	Avg. Yearly Receivable		
2003		360,736.37	(177,963.36)	(81,998.89)	9,123.82	(160,072.99)	25,855.29	8,917,315.56	-2.02%	0.29%
2004		391,517.30	(406,939.53)	(67,914.13)	(4,262.63)	(269,671.98)	26,611.71	8,226,339.12	-3.28%	0.32%
2005		428,593.48	(344,520.00)	(86,431.59)	32.05	(271,998.04)	28,516.16	10,563,703.43	-2.57%	0.27%
2006		588,923.20	(637,983.02)	(108,315.66)	(4.80)	(429,378.52)	40,050.21	11,359,086.00	-3.78%	0.35%
2007		400,941.95	(304,858.89)	(71,847.70)	0.00	(405,143.16)	329,094.25	10,511,422.88	-3.85%	
Total		1,900,683.03	(1,627,147.93)	(352,120.02)	(63,076.55)	(1,053,420.74)	2,773,577.34			
4 Year Average						(267,780.38)	25,169.21	9,766,611.11	-3.18%	0.29%

2 year Receivable Avg. * Current Reserve Avg.
10,961,394.72 X -0.48% = (52,610.81)

Receivable Avg 1 year * Receivable
11,359,086.00 X -0.48% = (54,726.84)

4yr Avg. Receivable * Write Off Avg. 4 year
9,766,611.11 X .29% = 28,323.17

1 yr Receivable Avg. * Write Off Avg current year
11,359,086.00 X 1.57% = 178,041.39

RANGE
Current Month Receivable X 4yr Avg Write Off
9,405,271.30 X .29% = 27,275.29
3 Month Reserve Goal 81,800.00
8 Month Reserve Goal 218,202.29
Actual Reserve Balance 405,143.16
Difference (186,940.87)

NOTE: The large variance is due to the Dec-2005 uncollectible adjustment of (50K), for those accounts that extended past ninety days, however had not been written off yet.

Dec 2006 accrual made to fully reserve for over 90 day AR balances

Exhibit: 111
Docket No. 070304-EI
OPC First Set of Interrogatories
Witness: KHOJASTEH

HEARING EXHIBIT - 00000932

HEARING EXHIBIT - 00000933

Florida Public Utilities Company
100.1650.2 - Prepayments - Insurance
Policy Year Sep. 2006 - Aug. 2007
December 2006

Prepared By: N Bhatia Date: 11/9/2007

Approved by: Date:

LIABILITY INSURANCES — JE 19M

DATE	Accruals (JE 19)	Description	Amount	Balance S/B	G/L Balance	Difference
8/31/06 BALANCE FORWARD			760,314.58	760,314.58	760,314.58	0.00
Sep-06	(74,838.75)		42,500.00	727,975.83	727,975.83	0.00
Oct-06	(74,854.50)		95,345.47	748,466.76	748,466.80	(0.04)
Nov-06	(74,846.77)			673,620.03	673,620.03	0.00
Dec-06	(74,846.67)			598,773.36	598,773.36	0.00
Jan-07						
Feb-07						
Mar-07						
Apr-07						
May-07						
Jun-07						
Jul-07						
Aug-07						
Totals	(299,386.69)		898,160.05			
Difference:	0.00					

Balance in GL for Liability Insurances S/B:

	PAYMENT	ACCRUAL	BALANCE
1st Installment/Sept. 2006	802,814.58	(74,838.75)	727,975.83
Oct 2006	95,345.47	(74,854.54)	748,466.76
Nov 2006		(74,845.73)	673,620.03
Dec 2006		(74,846.67)	598,773.36
Jan 2007		(74,846.67)	523,926.69
Feb 2007		(74,846.67)	449,080.02
Mar 2007		(74,846.67)	374,233.35
Apr 2007		(74,846.67)	299,386.68
May 2007		(74,846.67)	224,540.01
Jun 2007		(74,846.67)	149,693.34
Jul 2007		(74,846.67)	74,846.67
Aug 2007		(74,846.67)	0.00
	898,160.05	(898,160.05)	

	Amount Due	Total payments	Paid in	Due in	Amt Due	Due in
Installment 1	898,160.05	898,160.05	Aug 06 & Sep 06	Sep-06	-	Oct-06

BOND INSURANCES

Accruals (JE 19)	Desc	Amount	Balance S/B	G/L Balance	Difference
		3,125.00	3,125.00	3,125.00	0.00
		2,075.00	4,763.00	4,763.00	0.00
(437.00)			4,330.00	4,330.00	0.00
(433.00)			3,897.00	3,897.00	0.00
(433.00)			3,464.00	3,464.00	0.00
(433.00)					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
(1,736.00)		5,200.00			

1650.2 G/L

Balance	Balance Diff
763,439.56	0.00
732,738.83	0.00
752,796.80	0.00
677,517.03	0.00
802,237.36 *	0.00

September 2006 - August 2007

Sep-06	5,200.00	(437.00)	4,763.00
Oct-06		(433.00)	4,330.00
Nov-06		(433.00)	3,897.00
Dec-06		(433.00)	3,464.00
Jan-07		(433.00)	3,031.00
Feb-07		(433.00)	2,598.00
Mar-07		(433.00)	2,165.00
Apr-07		(433.00)	1,732.00
May-07		(433.00)	1,299.00
Jun-07		(433.00)	866.00
Jul-07		(433.00)	433.00
Aug-07		(433.00)	0.00
	5,200.00	(5,200.00)	

Monthly JE For 250K Prg (Traveler's)		DR	CR
991.4010.924	51.00%	222.13	
993.4010.924	19.00%	83.57	
995.4010.924	14.00%	59.32	
996.4010.924	16.00%	67.98	
100.1650.2			433.00
	100.00%	433.00	433.00

Based on plant allocation schedule

Monthly Journal Entry For Liabilities:		DR	CR
991.4010.8031	1.00%	745.15	
993.4010.8031	0.29%	219.16	
995.4010.8031	0.59%	438.32	
996.4010.8031	0.65%	482.16	
991.4010.924	0.52%	385.10	
993.4010.924	0.19%	144.88	
995.4010.924	0.14%	102.84	
996.4010.924	0.16%	117.86	
991.4010.9252	6.62%	4,943.40	
993.4010.9252	2.10%	1,565.41	
995.4010.9252	1.43%	1,071.07	
996.4010.9252	0.88%	859.12	
114.1840.1	2.94%	2,195.75	
115.1840.1	2.56%	1,908.35	
121.1840.1	4.73%	3,532.29	
123.1840.1	2.56%	1,909.35	
100.1840.924	10.16%	7,590.25	
100.1840.9252	62.50%	46,685.69	
100.1650.2			74,697.15
	100.00%	74,697.15	74,697.15

Monthly JE For Conservation:		DR	CR
114.4010.907	5.00%	7.48	
114.4010.908	20.00%	29.90	
115.4010.907	5.00%	7.48	
115.4010.908	20.00%	29.90	
121.4010.907	5.00%	7.48	
121.4010.908	20.00%	29.90	
123.4010.907	5.00%	7.48	
123.4010.908	20.00%	29.90	
100.1650.2			149.52
	100.00%	149.52	149.52

Note: Insurance Premiums for 2006/2007 of $760,314.58 were paid in August 2006
The property insurance premium of $96,346.47+ $42,600 fee were paid October 2006

Exhibit: 129
Docket No. 070304-EI
OPC First Set of Interrogatories
Witness: KHOJASTEH/BACHMAN

HEARING EXHIBIT - 00000934

Florida Public Utilities Company
100.1650.2 - Prepayments - Insurance
Policy Year Sep. 2007 - Aug. 2008
September 2007

Prepared By: N Bhatia Date: 11/9/2007

Approved by: Date:

LIABILITY INSURANCES — JE 19M

DATE	Accruals (JE 19)	Description	Amount Pd.	Balance S/B	G/L Balance	Difference
8/31/07 BALANCE FORWARD			42,500.14	42,500.14	42,500.14	0.00
Sep-07	(77,332.81)		885,196.54	850,363.87	850,363.87	0.00
Oct-07						
Nov-07						
Dec-07						
Jan-08						
Feb-08						
Mar-08						
Apr-08						
May-08						
Jun-08						
Jul-08						
Aug-08						
Totals	(77,332.81)		927,696.68			
Difference:	0.00					

Balance in GL for Liability Insurances S/B:

	INS. PREMIUM	ACCRUAL	BALANCE
1st Installment/Sept. 2007	927,696.68	(77,332.81)	850,363.87
Oct 2007	297.26	(77,332.81)	773,328.34
Nov 2007		(77,332.81)	695,995.53
Oct 2007		(77,332.81)	618,662.72
Jan 2008		(77,332.81)	541,329.91
Feb 2008		(77,332.81)	463,997.10
Mar 2008		(77,332.81)	386,664.29
Apr 2008		(77,332.81)	309,331.48
May 2008		(77,332.81)	231,998.67
Jun 2008		(77,332.81)	154,665.86
Jul 2008		(77,332.81)	77,333.05
Aug 2008		(77,333.05)	(0.00)
	927,993.96	(927,993.96)	

	Amount Due	Total payments	Paid in	Due in	Amt Due	Due in
Installment 1	927,993.96	927,993.96	Sep 08 & Oct 08	Sep-08	-	

BOND INSURANCES

Accruals (JE 19)	Desc	Amount	Balance S/B	G/L Balance	Difference
		6,231.25	5,231.25	5,231.25	0.00
(433.00)			4,798.25	4,798.25	0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
				0.00	0.00
(433.00)		5,231.25			

1650.2 G/L Balance	Balance Diff
47,731.39	0.00
855,162.12	0.00

September 2007 - August 2008			
Sep-06	5,231.25	(433.00)	4,798.25
Oct-06		(436.20)	4,362.05
Nov-06		(436.20)	3,925.85
Dec-06		(436.20)	3,489.65
Jan-07		(436.20)	3,053.45
Feb-07		(436.20)	2,617.25
Mar-07		(436.20)	2,181.05
Apr-07		(436.20)	1,744.85
May-07		(436.20)	1,308.65
Jun-07		(436.20)	872.45
Jul-07		(436.20)	436.25
Aug-07		(436.25)	0.00
	5,231.25	(5,231.25)	

Monthly JE For 250K Prop: (Traveler's)		DR	CR
991.4010.924	51.00%	222.13	
993.4010.924	19.00%	83.57	
996.4010.924	14.00%	59.32	
995.4010.924	16.00%	67.98	
100.1650.2			436.20
	100.00%	433.00	436.20

Based on plant allocation schedule

Monthly Journal Entry For Liabilities:		DR	CR
991.4010.8031	1.19%	919.86	
993.4010.8031	0.37%	287.46	
995.4010.8031	0.82%	632.41	
996.4010.8031	0.67%	517.43	
991.4010.924	0.55%	422.30	
993.4010.924	0.20%	154.27	
995.4010.924	0.14%	106.12	
996.4010.924	0.16%	118.77	
991.4010.9252	6.49%	5,006.74	
993.4010.9252	2.09%	1,612.34	
995.4010.9252	1.54%	1,188.04	
996.4010.9252	0.88%	678.88	
114.1840.1	3.82%	2,950.45	
115.1840.1	3.49%	2,693.89	
121.1840.1	6.49%	5,002.93	
123.1840.1	2.83%	2,180.77	
100.1840.924	10.52%	8,113.91	
100.1840.9252	57.75%	44,549.99	
100.1650.2			77,137.56
	100.00%	77,137.56	77,137.56

Monthly JE For Conservation:		DR	CR
114.4010.907	3.40%	6.64	
114.4010.908	20.00%	39.05	
115.4010.907	3.80%	7.42	
115.4010.908	20.00%	39.05	
121.4010.907	8.20%	16.01	
121.4010.908	20.00%	39.05	
123.4010.907	4.60%	8.98	
123.4010.908	20.00%	39.05	
100.1650.2			195.25
	100.00%	195.25	195.25

Policy Descriptions & Premiums

Excess Liability	Aegis&EIM	629,282
Property	Starr	102,084
D&O		136,061
Fiduciary		10,900
Crime		8,137
Fleet		42,500
		927,984
Property Bond		5,231
Add		160
Total		933,086

HEARING EXHIBIT - 00000935

Florida Public Utilities Company
100.1650.2 - Prepayments - Insurance
Policy Year Sep. 2006 - Aug. 2007
Ending Balance Jan - Dec 2008

Prepared By: N Bhatia Date: 11/9/2007

Approved by: Date:

LIABILITY INSURANCES — JE 19M

DATE	Accruals (JE 19)	Description	Amount	Balance S/B	G/L Balance	Difference
8/31/07 BALANCE FORWARD			940,185.00	940,185.00	940,185.00	0.00
Sep-08	(78,348.75)		0.00	861,836.25	861,836.25	0.00
Oct-08	(78,348.75)			783,487.50	783,487.50	0.00
Nov-08	(78,348.75)			705,138.75	705,138.75	0.00
Dec-08	(78,348.75)			626,790.00	626,790.00	0.00
Jan-09	(78,348.75)			548,441.25	548,441.25	0.00
Feb-09	(78,348.75)			470,092.50	470,092.50	0.00
Mar-09	(78,348.75)			391,743.75	391,743.75	0.00
Apr-09	(78,348.75)			313,395.00	313,395.00	0.00
May-09	(78,348.75)			235,046.25	235,046.25	0.00
Jun-09	(78,348.75)			156,697.50	156,697.50	0.00
Jul-09	(78,348.75)			78,348.75	78,348.75	0.00
Aug-09	(78,348.75)			0.00	0.00	0.00
Totals	(940,185.00)		940,185.00			

Difference: 0.00

BOND INSURANCES

Accruals (JE 19)	Desc	Amount	Balance S/B	G/L Balance	Difference
		3,125.00	3,125.00	3,125.00	0.00
(437.00)		2,075.00	4,763.00	4,763.00	0.00
(433.00)			4,330.00	4,330.00	0.00
(433.00)			3,897.00	3,897.00	0.00
(433.00)			3,464.00	3,464.00	0.00
(433.00)			3,031.00	3,031.00	0.00
(433.00)			2,598.00	2,598.00	0.00
(433.00)			2,165.00	2,165.00	0.00
(433.00)			1,732.00	1,732.00	0.00
(433.00)			1,299.00	1,299.00	0.00
(433.00)			866.00	866.00	0.00
(433.00)			433.00	433.00	0.00
(433.00)			0.00	0.00	0.00
(5,200.00)		5,200.00			

1660.2 G/L Balance		Balance Diff
943,310.00		0.00
866,599.25		0.00
787,817.50		0.00
709,035.75		0.00
630,254.00		0.00
551,472.25		0.00
472,690.50		0.00
393,908.75		0.00
315,127.00		0.00
236,345.25		0.00
157,563.50		0.00
78,781.75	*	0.00
0.00		0.00

Balance in GL for Liability Insurances S/B: 2008

	PAYMENT		Estimated ACCRUAL	BALANCE
1st Installment/Sept 2008	940,185.00	*	(78,348.75)	861,836.25
Oct-08	0.00		(78,348.75)	783,487.50
Nov-08			(78,348.75)	705,138.75
Dec-08			(78,348.75)	626,790.00
Jan-09			(78,348.75)	548,441.25
Feb-09			(78,348.75)	470,092.50
Mar-09			(78,348.75)	391,743.75
Apr-09			(78,348.75)	313,395.00
May-09			(78,348.75)	235,046.25
Jun-09			(78,348.75)	156,697.50
Jul-09			(78,348.75)	78,348.75
Aug-09			(78,348.75)	0.00
	940,185.00		(940,185.00)	

	Amount Due	Total payments	Paid in	Due in	Amt Due	Due in
Installment 1	940,185.00	940,185.00	Aug 06 & Sep 06	Sep-06	-	Oct-06

September 2006 - August 2007

Sep-06	5,200.00	(437.00)	4,763.00
Oct-06		(433.00)	4,330.00
Nov-06		(433.00)	3,897.00
Dec-06		(433.00)	3,464.00
Jan-07		(433.00)	3,031.00
Feb-07		(433.00)	2,598.00
Mar-07		(433.00)	2,165.00
Apr-07		(433.00)	1,732.00
May-07		(433.00)	1,299.00
Jun-07		(433.00)	866.00
Jul-07		(433.00)	433.00
Aug-07		(433.00)	0.00
	5,200.00	(5,200.00)	

Monthly JE For 250K Prp (Traveler's)		DR	CR
991.4010.924	51.00%	222.13	
993.4010.924	19.00%	83.57	
996.4010.924	14.00%	59.32	
995.4010.924	16.00%	67.98	
100.1650.2			433.00
	100.00%	433.00	433.00

Based on plant allocation schedule

Monthly Journal Entry For Liabilities:			DR	CR
991.4010.8031	1.04%	810.11	0.0104	
993.4010.8031	0.30%	238.27	0.0030	
995.4010.8031	0.85%	667.15	0.0085	
996.4010.8031	0.61%	476.53	0.0061	
991.4010.924	0.53%	413.37	0.0053	
993.4010.924	0.19%	150.89	0.0019	
995.4010.924	0.13%	103.74	0.0013	
996.4010.924	0.15%	117.09	0.0015	
991.4010.9252	6.94%	5,428.23	0.0694	
993.4010.9252	2.24%	1,748.21	0.0224	
995.4010.9252	1.65%	1,288.21	0.0165	
996.4010.9252	0.94%	736.20	0.0094	
114.1840.1	2.87%	2,246.87	0.0287	
115.1840.1	2.62%	2,051.49	0.0262	
121.1840.1	4.87%	3,809.91	0.0487	
123.1840.1	2.12%	1,660.73	0.0212	
100.1840.924	10.16%	7,946.16	0.1016	
100.1840.9252	61.77%	48,300.12	0.6177	
100.1650.2				78,193.29
	100.00%	78,193.29	1.00	78,193.29

Monthly JE For Conservation:		DR	CR
114.4010.907	3.40%	5.29	
114.4010.908	20.00%	31.09	
115.4010.907	3.80%	5.91	
115.4010.908	20.00%	31.09	
121.4010.907	8.20%	12.75	
121.4010.908	20.00%	31.09	
123.4010.907	4.60%	7.15	
123.4010.908	20.00%	31.09	
100.1650.2			155.46
	100.00%	155.46	155.46

Note: Insurance Premiums for 2006/2007 of $760,314.68 were paid in August 2006
The property insurance premium of $96,346.47+ $42,600 fee were paid October 2006

	Actual	Budgeted	Annual Diff.
Bond Ins	5,200.00	0.00	5,200.00
Property Ins	0.00	81,369.47	(81,369.00)

May

HEARING EXHIBIT - 00000936

Florida Public Utilities
2007 Budget Considerations
At May 15, 2007

Estimates

Coverage	Company	Expiration	2005 Premiums	2006 Premiums	Notes	9/2007-8/2008 % Inc	9/2007-8/2008 Premiums	9/2008-8/2009 % Inc	9/2008-8/2009 Premiums
Excess Liability ($	AEGIS	9/1/2007	$407,733	$429,355		3.0%	$442,236	5.0%	$464,347
TRIA			$24,912	$24,912		3.0%	$25,659	5.0%	$26,942
Continuity Credit			-$47,524	-$45,145			-$45,145	5.0%	-$47,402
			$385,121	$409,122	(2)		$422,750		$443,887
Excess LiabilityTAX				$21,310			$21,363		$21,363
Excess Liability ($	EIM	9/1/2007	$170,000	$170,000		0.0%	$170,000	0.0%	$170,000
TRIA			$1,700	$1,700		0.0%	$1,700	0.0%	$1,700
			$171,700	$171,700			$171,700		$171,700
Directors & Officer	AEGIS	9/1/2007	$151,000	$151,000			$151,000	0.0%	$151,000
Continuity Credit			-$15,019	-$15,880			-$15,880	0.0%	-$15,880
			$135,981	$135,120	(2)		$135,120		$135,120
TAX				$7,026			$7,037		$7,037
Fiduciary Liability	St Paul/Travelers	9/1/2007	$9,000	$9,900			$10,000	5.0%	$10,500
Crime	St Paul/Travelers	9/1/2007	$5,488	$6,137			$6,444	5.0%	$6,766
Property	Starr Tech	9/15/2007	$83,917	$90,715		3.0%	$93,436	5.0%	$98,108
Florida CAT Assessment				$4,630	(3)		$1,028	5.0%	$1,079
				$95,345			$94,464		$99,187
Broker Service Ag	MSW	9/1/2007	$42,500	$42,500			$42,500	5.0%	$44,625
			$833,707	**$898,160**			**$911,378**		**$940,185**

(9/07 Grand totals now include Surplus Tax)

→* 2006

* 2008 Estimate

NOTES:

1) *Premiums are based on our* best estimates as of May 15, 2007 and are subject to review given any change in exposures, losses or market conditions. 2007 hurricane and windstorm results could also impact property rates.

2) Premiums do not include Surplus Lines Tax due for non-admitted carriers. In 2006 FPU paid SLT of $28,300 for AEGIS Excess Liability and Directors & Officers. For 2007 estimate SLT at $28,400.

3) Florida CAT Assessment has been reduced from 5.1% to 1.1% of rated premium effective January 1, 2007.

k:FPU/Budget/2007 Insurance Budget

HEARING EXHIBIT - 00000937

HEARING EXHIBIT - 00000938

AFFIDAVIT

STATE OF **FLORIDA**

COUNTY OF **PALM BEACH**

BEFORE ME, the undersigned authority, personally appeared Doreen Cox, who deposed and stated that he/she provided the answers to interrogatories 33 – 41, 95, 104 served on October 9, 2007 by Office of Public Counsel on First Set of Interrogatories and that the responses are true and correct to the best of his/her information and belief.

(Signed)

DATED at West Palm Beach on this 12th day of November, 2007.

Sworn to and subscribed before me this 12th day of November, 2007.

NOTARY PUBLIC

DINA BELLECHASES
MY COMMISSION # DD 240690
EXPIRES: December 13, 2007
Bonded Thru Notary Public Underwriters

State of **FLORIDA** at Large

My Commission Expires: December 13, 2007

AFFIDAVIT

STATE OF **FLORIDA**

COUNTY OF **PALM BEACH**

BEFORE ME, the undersigned authority, personally appeared Mehrdad Khojasteh, who deposed and stated that he/she provided the answers to interrogatories 10, 14-31, 42, 44-61, 63, 67, 72-73, 75-78, 80-82, 103, 105-106, 110-121, 129 served on October 9, 2007 by Office of Public Counsel on First Set of Interrogatories and that the responses are true and correct to the best of his/her information and belief.

(Signed)

DATED at West Palm Beach Florida, this day of 11/12/07, 2007.

Sworn to and subscribed before me this 12th day of November, 2007.

NOTARY PUBLIC

State of **FLORIDA** at Large

My Commission Expires: December 13, 07

DINA BELLECHASES
MY COMMISSION # DD 240690
EXPIRES: December 13, 2007
Bonded Thru Notary Public Underwriters

AFFIDAVIT

STATE OF **FLORIDA**

COUNTY OF **PALM BEACH**

BEFORE ME, the undersigned authority, personally appeared **Cheryl Martin**, who deposed and stated that he/she provided the answers to interrogatories 1, 3, 32, 43, 62, 64, 65, 66, 68, 70, 71, 74, 79, 83, 84, 91, 95, 105, 107, 108, 109, 126 served on October 9, 2007 by Office of Public Counsel on First Set of Interrogatories and that the responses are true and correct to the best of his/her information and belief.

Cheryl Martin
(Signed)

DATED at West Palm Beach on this 12th day of November, 2007.

Sworn to and subscribed before me this 12th day of November, 2007.

Dina Bellechase
NOTARY PUBLIC

DINA BELLECHASES
MY COMMISSION # DD 240690
EXPIRES: December 13, 2007
Bonded Thru Notary Public Underwriters

State of **FLORIDA** at Large

My Commission Expires: December 13, 2007

AFFIDAVIT

STATE OF **FLORIDA**

COUNTY OF **PALM BEACH**

BEFORE ME, the undersigned authority, personally appeared James V. Mesite, Jr., who deposed and stated that he/she provided the answers to interrogatories 2-9, 11, 12, 85-90, 92-94, 96-100, 127, and 128 served on October 9, 2007, by Office of Public Counsel on First Set of Interrogatories and that the responses are true and correct to the best of his/her information and belief.

James V. Mesite, Jr.

(Signed)

DATED at West Palm Beach, Florida, this 12th day of November, 2007.

Sworn to and subscribed before me this 12th day of November, 2007.

Dina Bellechase

NOTARY PUBLIC

DINA BELLECHASES
MY COMMISSION # DD 240690
EXPIRES: December 13, 2007
Bonded Thru Notary Public Underwriters

State of **FLORIDA** at Large

My Commission Expires: December 13, 07

HEARING EXHIBIT - 00000942

AFFIDAVIT

STATE OF **FLORIDA**

COUNTY OF **NASSAU**

BEFORE ME, the undersigned authority, personally appeared P. Mark Cutshaw, who deposed and stated that he/she provided the answers to interrogatories 33 - 36, 38, 39, 41, 44 -61, 63, 83, 87, 88, 89, 102 served on October 9, 2007 by Office of Public Counsel on First Set of Interrogatories and that the responses are true and correct to the best of his/her information and belief.

P. Mark Cutshaw
(Signed)

DATED at Fernandina Beach, Florida this 12th day of November, 2007.

Sworn to and subscribed before me this 12th day of November, 2007.

Rena M Williams
NOTARY PUBLIC

State of **FLORIDA** at Large

My Commission Expires: 03/07/2011

RENA M. WILLIAMS
Comm# DD0647942
Expires 3/7/2011
Florida Notary Assn., Inc

AFFIDAVIT

STATE OF **FLORIDA**

COUNTY OF **PALM BEACH**

BEFORE ME, the undersigned authority, personally appeared **George Bachman**, who deposed and stated that he/she provided the answers to interrogatories 10, 29, 30, 78, 129 served on October 9, 2007 by Office of Public Counsel on First Set of Interrogatories and that the responses are true and correct to the best of his/her information and belief.

(Signed)

DATED at West Palm Beach on this 14th day of November, 2007.

Sworn to and subscribed before me this 14th day of November, 2007.

NOTARY PUBLIC

DINA BELLECHASES
MY COMMISSION # DD 240690
EXPIRES: December 13, 2007
Bonded Thru Notary Public Underwriters

State of **FLORIDA** at Large

My Commission Expires: December 13, 2007

AFFIDAVIT

STATE OF **FLORIDA**

COUNTY OF **PALM BEACH**

BEFORE ME, the undersigned authority, personally appeared Robert Camfield, who deposed and stated that he/she provided the answers to interrogatories 122 - 125 served on October 9, 2007 by Office of Public Counsel on First Set of Interrogatories and that the responses are true and correct to the best of his/her information and belief.

(Signed)

DATED at West Palm Beach on this 12th day of November, 2007.

Sworn to and subscribed before me this 14th day of November, 2007.

NOTARY PUBLIC

State of ~~FLORIDA~~ WISCONSIN at Large

My Commission Expires: County of Dane June 22, 2008

AFFIDAVIT

STATE OF ~~FLORIDA~~ WISCONSIN
COUNTY OF ~~PALM BEACH~~ DANE

BEFORE ME, the undersigned authority, personally appeared Robert Camfield, who deposed and stated that he/she provided the answers to interrogatories 1ST set & 2ND request for production of document served on Norman H. Horton, Jr. by Charles J. Beck on October 9, 2007 and that the responses are true and correct to the best of his/her information and belief.

DATED at Tuesday, 6th, this day of November, 2007.

Sworn to and subscribed before me this 6th day of November, 2007.

NOTARY PUBLIC
State of ~~FLORIDA~~ WISCONSIN at Large
COUNTY OF DANE
My Commission Expires: JUNE 22, 2008

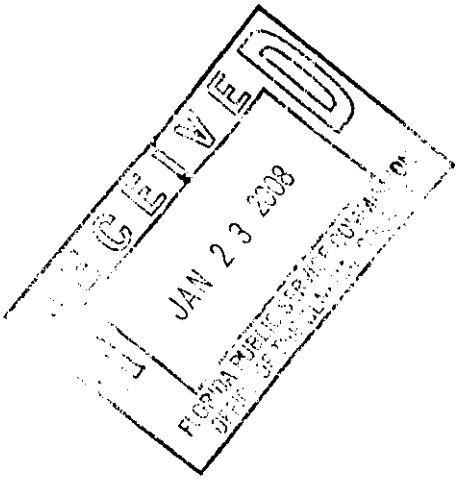
HEARING EXHIBIT - 00000946

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Review of 2007 Electric Infrastructure Storm Hardening Plan filed pursuant to Rule 25-6.0342, F.A.C., submitted by Florida Public Utilities Company	)	Docket No. 070300-EI
In re: Petition for rate increase by Florida Public Utilities Company	)	Docket No. 070304-EI Filed: January 22, 2008

FLORIDA PUBLIC UTILITIES COMPANY'S NOTICE OF SERVICE OF SUPPLEMENTAL RESPONSE TO CITIZENS' FIRST SET OF INTERROGATORIES AND CITIZENS' SECOND REQUEST FOR PRODUCTION OF DOCUMENTS

Florida Public Utilities Company ("FPUC") by and through its undersigned counsel, hereby files and serves Notice that it has served its Supplemental Response to Citizens' First Set of Interrogatories and Citizens' Second Request for Production of Documents by U. S. Mail on Patricia Christensen Esq., Associate Public Counsel, Office of Public Counsel, c/o The Florida Legislature, 111 West Madison St., Room 812, Tallahassee, FL 32399-1400 on this 22nd day of January, 2008.



NORMAN H. HORTON, JR.
MESSER, CAPARELLO & SELF, P. A.
Post Office Box 15579
Tallahassee, FL 32317
(850) 222-0720

Attorneys for Florida Public Utilities Company

HEARING EXHIBIT - 00000947

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Review of 2007 Electric Infrastructure Storm Hardening Plan filed pursuant to Rule 25-6.0342, F.A.C., submitted by Florida Public Utilities Company	)	Docket No. 070300-EI
In re: Petition for rate increase by Florida Public Utilities Company	)	Docket No. 070304-EI Filed: January 22, 2008

FLORIDA PUBLIC UTILITIES COMPANY'S SUPPLEMENTAL RESPONSES TO CITIZENS' DISCOVERY

COMES NOW, Florida Public Utilities Company ("FPUC" or "Company") and files these supplemental responses to Citizens' First Set of Interrogatories and Second Request for Production of Documents. As its Supplemental Response, FPUC states:

1. On October 9, 2007, the Citizens served their First Set of Interrogatories consisting of 129 items and Second Request for Production of Documents with 79 requests. The Company filed its responses and objections to Citizens First Set of Interrogatories on November 14, 2007 and on November 8, 2007, the Company filed its responses and objections to Citizens' Second Request for Production of Documents.

2. On or about November 27, 2007, the Citizens provided the Company with an informal list of Production of Documents Requests which, in their opinion, were deficient. There was no Motion to Compel filed as to the documents on the list, some of which were subject to objection. Also included in the list were some documents which the Company asserted are confidential and agreed to make available for review at their offices and some of which the Company asserted were not in the formal discovery requests. During a subsequent visit by Staff from the Office of Public Counsel ("OPC"), these and other documents were made available to OPC.

HEARING EXHIBIT - 00000948

3. The Company and OPC continued to communicate with respect to the documents with OPC providing an updated list on December 4, 2007, similar to the November list but with comments added as a result of the trip to the Company offices. On December 13, 2007, the Company provided additional documents either viewed during the OPC office visit or subsequently recovered. These documents are responses to Production of Documents Request Nos. 9, 14, 15, 16, 21, 24, 26, 27, 28, 31, 35, 36, 46, 47, 48, 68, 71, 72, 73, 74, 76, 77, 78, 79, 80, 81, and 82. Copies of the Documents were provided to Staff, as well.

Respectfully submitted this 22nd day of January, 2008.

NORMAN H. HORTON, JR.
MESSER, CAPARELLO & SELF, P.A.
P.O. Box 15579
Tallahassee, FL 32317
(850) 222-0720

Attorneys for Florida Public Utilities Company

HEARING EXHIBIT - 00000949

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Review of 2007 Electric Infrastructure Storm Hardening Plan filed pursuant to Rule 25-6.0342, F.A.C., submitted by Florida Public Utilities Company	)	Docket No. 070300-EI
In re: Petition for rate increase by Florida Public Utilities Company	)	Docket No. 070304-EI Filed: February 15, 2008

FLORIDA PUBLIC UTILITIES COMPANY'S NOTICE OF SERVICE OF SUPPLEMENTAL RESPONSE TO CITIZENS' FIRST SET OF INTERROGATORIES AND CITIZENS' SECOND REQUEST FOR PRODUCTION OF DOCUMENTS

Florida Public Utilities Company ("FPUC") by and through its undersigned counsel, hereby files and serves Notice that it has served its Supplemental Response to Citizens' First Set of Interrogatories and Citizens' Second Request for Production of Documents by Electronic Mail on Patricia Christensen, Esq. at Christense.Patty@leg.state.fl.us and U. S. Mail on Patricia Christensen Esq., Associate Public Counsel, Office of Public Counsel, c/o The Florida Legislature, 111 West Madison St., Room 812, Tallahassee, FL 32399-1400 on this 15th day of February, 2008.

NORMAN H. HORTON, JR.
MESSER, CAPARELLO & SELF, P. A.
Post Office Box 15579
Tallahassee, FL 32317
(850) 222-0720

Attorneys for Florida Public Utilities Company

HEARING EXHIBIT - 00000950

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that true and correct copies of the foregoing have been served by Electronic Mail and/or U. S. Mail this 15th day of February, 2008 upon the following:

Martha Brown, Esq.
Katherine Fleming, Esq.
Office of General Counsel
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Patricia A. Christensen, Esq.
Office of the Public Counsel
c/o The Florida Legislature
111 West Madison St., Room 812
Tallahassee, FL 32399-1400

Jennifer S. Kay, Esq.
Tracy W. Hatch, Esq.
c/o Mr. Greg Follensbee
AT&T Florida
150 S. Monroe St., Suite 400
Tallahassee, FL 32301

Susan Masterton, Esq.
Embarq
1313 Blair Stone Road
Tallahassee, FL 32301

Beth Keating, Esq.
Akerman Law Firm
106 East College Avenue, Suite 1200
Tallahassee, FL 32301

Dave Konuch, Esq.
Florida Telecommunications Cable
Association, Inc.
246 East 6th Avenue
Tallahassee, FL 32303

NORMAN H. HORTON, JR.

HEARING EXHIBIT - 00000951

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Review of 2007 Electric Infrastructure Storm Hardening Plan filed pursuant to Rule 25-6.0342, F.A.C., submitted by Florida Public Utilities Company	)	Docket No. 070300-EI
In re: Petition for rate increase by Florida Public Utilities Company	)	Docket No. 070304-EI Filed: February 15, 2008

FLORIDA PUBLIC UTILITIES COMPANY'S SUPPLEMENTAL RESPONSES TO CITIZENS' DISCOVERY

COMES NOW, Florida Public Utilities Company ("FPUC" or "Company") and files this Supplemental Response to discovery propounded by Citizens and as basis states:

1. On November 14, 2007 and November 8, 2007, FPUC served its responses to Citizens' First Set of Interrogatories and Second Set of Document Production: specifically Interrogatory questions 62 and 66 and POD number 78.

2. Upon reviewing the prefiled testimony of Patricia Merchant the position statements of Citizens as well as discussions with OPC, FPUC realized that the responses previously provided were with referenced to the incorrect position. FPUC has included several additional positions in the projected test year and has addressed these positions in prefiled rebuttal but only recently realized that the earlier responses to discovery were incorrect.

Respectfully submitted this 15th day of February, 2008.

NORMAN H. HORTON, JR.
MESSER, CAPARELLO & SELF, P.A.
P.O. Box 15579
Tallahassee, FL 32317
(850) 222-0720

Attorneys for Florida Public Utilities Company

HEARING EXHIBIT - 00000952

Interrogatory

62. **The Company has requested in it's over and above expenses a new position which it entitles "New position to meet SOX404 internal control requirements." The electric divisions have been allocated $17,098 or 30% of the total cost. Please provide the following information regarding this request:**

a. **Provide a full description and any documentation which shows that the Company is required to add this new position.**

b. **Provide a full explanation of what the position entails and why the Company is incurring these costs in 2008 when none was incurred in any other prior years.**

Customer Relations, CR Analyst Coordinator. Previously, we had many of the duties of the new position decentralized to each local office and we struggled as a company to successfully complete these duties in a timely manner. Our intention is to ensure we are compliant within our local offices on 404, so we have decided to centralize some of the duties/tasks so we can operate more smoothly and efficiently. This will also allow the personnel in the local offices to concentrate on their own duties and serve our customers better. The customer relations manager has reviewed the situation and has determined that it is necessary to add this new position in 2008. The cost estimates for this position are

HEARING EXHIBIT - 00000953

based on the skills required and the local job market. See the job description filed in Mr. Khojasteh rebuttal testimony as Exhibit MKR-6 for details of the job requirements. This is a needed position that is required for our company. This expense is proper and should be allowed for recovery. In 2007 many of the duties were covered by salaried individuals working overtime. The work load has been increasing as well over time. We are very conservative when adding new positions, and do not do so until we are absolutely sure it is necessary. Positions are increased over time, and initially duties can be absorbed through management personnel until such time the work load increases and a new position is warranted. Beginning in 2008, we have determined we require this additional position. We have already incurred additional costs in 2008 for temporary personnel in this department, but the actual position is not expected to be filled until March or April 2008.

(Martin)

66. **In the Company's over/above expenses it has requested a new position to meet SOX404 internal control requirements. Please provide the date and the name of the person who has been hired to fill this position in 2007. If no person has been hired to fill this position, please state why.**

IT- Programmer. We hired Jim Gause on 10/30/06 and Esperanza Mercado on 1/29/07. We have two other programmers, Dennis Fath and Vince Messina. The total current number of programmers is four. While the Company has annualized the 2006 amounts to reflect vacancies in this area, we have also correctly explained part of the reason for the addition of the fourth position in the IT department as being related to the required SOX 404 controls.
The IT department originally had three programmers in 2005. It added a fourth position in 2006 in order to assist the department and prepare and stay in compliance with SOX 404 controls. Also, during the year, we had one of the original programmers leave and that is why we have had to annuallze the 2006 amounts as well as having to explain the need for the additional programmer as a SOX 404 requirement.
(Martin)

POD

78. **In the Company's over/above expenses it has requested a new position to meet SOX404 internal control requirements. Please provide copies of supporting documentation, studies or other requirements which the Company analyzed to determine that they did not meet the SOX requirement for internal control.**

HEARING EXHIBIT - 00000954

The Company does meet our requirement for internal control; however, we have determined that we need some additional positions to perform some of the internal control functions required by SOX currently being absorbed for the most part, on an overtime basis by management personnel or through the use of temporary and overtime help in 2007. We have filed supporting documentation in rebuttal testimony as it relates to specific positions, or in interrogatory responses and document requests. The Company's management has reviewed requirements for good internal control, but no formal studies have been specifically prepared to address the need for new positions. Management in several departments have determined they need positions to help us meet our SOX404 control requirements. We meet our requirements for internal control; however, the work load associated with SOX 404 controls continues to increase as we are currently not an accelerated filer and the overall work load continues to increase. The Company has determined that based on the requirements of Sarbanes Oxley Act of 2002, and Section 404 Management assessment of Internal Controls, we will continue to be faced with increasing internal control requirements. There are several positions that have been added in part, to insure we are compliant with our internal control requirements. We have however, filed in other interrogatory responses, and testimony, the support associated with all new positions, and the need for those positions.

(Martin)

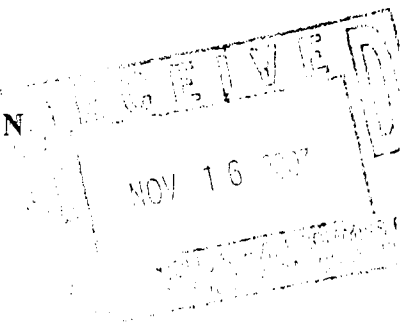
HEARING EXHIBIT - 00000955

8

FPUC's Response to OPC's Second Set of Interrogatories (Nos. 130-132, 137-140)

HEARING EXHIBIT - 00000956

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION



In re: Petition for rate increase by Florida Public Utilities Company	)	Docket No. 070304-EI

FLORIDA PUBLIC UTILITIES COMPANY'S RESPONSES TO CITIZENS' SECOND SET OF INTERROGATORIES (NOS. 130-140)

COMES NOW, Florida Public Utilities Company's ("FPUC") and in response to Citizens' Second Set of Interrogatories (Nos. 130-140) states as follows:

INTERROGATORIES

130. In regards to the Company's pension plan, please state each and every change and assumption which the Company has made to its pension plan calculation in each year 2003 through 2008.

FPUC'S RESPONSE: See attached.

131. Please refer to Schedule C-17, Pension Costs, and state how the amount shown on line 28, "Balance in Working Capital" has been determined.

FPUC'S RESPONSE: See attached.

132. What percentage of pension costs has been allocated to the electric division and how was such allocation determined?

FPUC'S RESPONSE: See attached.

133. Please refer to Schedule C-18 for the year 2008 and state whether the Company has removed the total lobbying and other political expenses and charitable/civic contribution from the 2008 projected test year. If not, why not? Provide all reasoning for inclusion of these costs in rates.

FPUC'S RESPONSE: See attached.

HEARING EXHIBIT - 00000957

134. As referenced on Schedule C-16, Outside Professional Services, state how the Company projected the 2008 BDO Seidman, LLP fees of $519,400.

FPUC'S RESPONSE: See attached.

135. As referenced on Schedule C-16, Outside Professional Services, regarding the 2008 projected purchased power financial services by Christensen Associates:

a. Please state what portion of the projected $125,000 will be charged to Accounts 557, 928 and 1860.1.

FPUC'S RESPONSE: See attached.

b. Please state why there will be amounts charged to Accounts 928 and 1960.1 when no amounts were charged in the test year 2006.

FPUC'S RESPONSE: See attached.

c. Please explain the purpose of these services and how often these specific types of services will be required.

FPUC'S RESPONSE: See attached.

136. As referenced on Schedule C-16, Outside Professional Services, regarding the legal services provided by the firm of Messer, Caparello & Self, please state how the Company projected the 2008 total cost of $107,500 and the allocated electric share of $88,800, and state which accounts have been charged and in what amounts for the allocated electric share of $88,800.

FPUC'S RESPONSE: See attached.

137. Please refer to Schedule C-22, State and Federal Income Tax Calculation, for the year 2008 and provide an explanation of each temporary and permanent adjustment made to taxable income and the basis and purposes of each adjustment.

FPUC'S RESPONSE: See attached.

138. Please refer to Schedule C-20 for the year 2008 and state whether Federal Unemployment Tax and State Unemployment Tax amounts, which are not charged to operating expenses, are included in this schedule.

FPUC'S RESPONSE: See attached.

139. Please refer to Schedule C-20 for the year 2008 for utility assessment fees. The amount of $44,487 does not agree with the amount shown on Schedule C-7 for the year 2008. Please provide an explanation.

FPUC'S RESPONSE: See attached.

140. Please refer to Schedule C-20 for the year 2008 and provide an explanation why the miscellaneous taxes of $613 do not agree with the amount shown on Schedule C-7 for the year 2008.

FPUC'S RESPONSE: See attached.

Respectfully submitted this 16th day of November, 2007.

NORMAN H. HORTON, JR.
MESSER, CAPARELLO & SELF, P.A.
P.O. Box 15579
Tallahassee, FL 32317
(850) 222-0720

Attorneys for Florida Public Utilities Company

HEARING EXHIBIT - 00000959

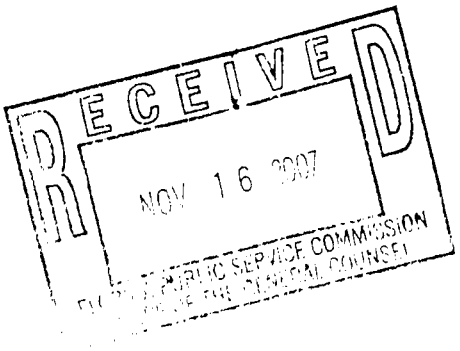
GCL.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for rate increase by Florida Public Utilities Company	)	Docket No. 070304-EI
	)	Filed: November 16, 2007
	)	

FLORIDA PUBLIC UTILITIES COMPANY'S NOTICE OF SERVICE OF RESPONSES TO CITIZENS' SECOND SET OF INTERROGATORIES (NOS. 130-140) AND THIRD REQUEST FOR PRODUCTION OF DOCUMENTS (NOS. 83-93)

Florida Public Utilities Company ("FPUC") by and through its undersigned counsel, hereby files and serves Notice that it has served its Responses to Citizens' Second Set of Interrogatories (Nos. 130-140) and Third Request for Production of Documents (Nos. 83-93) by hand delivery on Patricia Christensen Esq., Associate Public Counsel, Office of Public Counsel, c/o The Florida Legislature, 111 West Madison St., Room 812, Tallahassee, FL 32399-1400 on this 16th day of November, 2007.



NORMAN H. HORTON, JR.
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(850) 222-0720

Attorneys for Florida Public Utilities Company

DOCUMENT NUMBER-DATE
10327 NOV 16 07
FPSC-COMMISSION CLERK

HEARING EXHIBIT - 00000960

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that true and correct copies of the foregoing have been served by Hand Delivery this 16th day of November, 2007 upon the following:

Katherine Fleming, Esq.
Martha Brown, Esq.
Office of General Counsel
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850
keflemin@psc.state.fl.us
mbrown@psc.state.fl.us

Patricia A. Christensen, Esq.
Office of the Public Counsel
c/o The Florida Legislature
111 West Madison St., Room 812
Tallahassee, FL 32399-1400
CHRISTENSEN.PATTY@leg.state.fl.us

NORMAN H. HORTON, JR.

HEARING EXHIBIT - 00000961

RESPONSES OF FLORIDA PUBLIC UTILITIES COMPANY

to

CITIZEN'S SECOND SET OF INTERROGATORIES (NO. 130-140)

DOCKET NUMBER 070304-EI

INTERROGATORIES

130. **In regards to the Company's pension plan, please state each and every change and assumption which the Company has made to its pension plan calculation in each year 2003 through 2008.**

See Exhibit 23 of OPC 1st Interrogatories

[Khojasteh]

131. **Please refer to Schedule C-17, Pension Costs, and state how the amount shown on line 28, "Balance in Working Capital" has been determined.**

Line 28 was not applicable in determining the Pension Cost and Postretirement Medical Cost.

(Khojasteh)

132. **What percentage of pension costs has been allocated to the electric division and how was such allocation determined.**

The percentage of pension costs that has been allocated to the electric division is 27%. This allocation is based on electric's percent of overall payroll.

[Khojasteh]

133. **Please refer to Schedule C-18 for the year 2008 and state whether the Company has removed the total lobbying and other political expenses and charitable/civic contributions from the 2008 projected test year. If not, why not? Provide all reasoning for inclusion of these costs in rates.**

To the best of our knowledge, all costs of this nature have been removed from the filing.

Witness: Khojasteh

134. **As referenced on Schedule C-16, Outside Professional Services, state how the Company projected the 2008 BDO Seidman, LLP fees of $519,400.**

See attached Exhibit 134

HEARING EXHIBIT - 00000962

(Khojasteh)

135. **As referenced on Schedule C-16, Outside Professional Services, regarding the 2008 projected purchased power financial services by Christensen Associates:**

a. **Please state what portion of the projected $125,000 will be charged to Accounts 557, 928 and 1860.1.**

b. **Please state why there will be amounts charged to Accounts 928 and 1860.1 when no amounts were charged in the test year 2006.**

c. **Please explain the purpose of these services and how often these specific types of services will be required.**

a) The projection of outside services for Christiansen and Associates reflects an estimate of total charges from these vendors and was not intended to directly tie into a particular expense account or rate case projection. The timing of these costs could vary between 2007 and 2008 and therefore the amounts applicable to a particular expense account could also vary. The amount of Christensen services that will be charged to 1860.1 over 2007 and 2008, and subsequently amortized to 928 can be found in our MFR filing (Schedule C-10). Approximately 1/3 of the Christensen services on Schedule C-16 would be applicable to indirect fuel issues and 2/3 would be applicable to rate case expense 1860.1. Although we did not show expenses for 2006 other than those charged to 557, we did incur costs in 2006 that were deferred in 1860.1. After the November 2006 fuel hearing we had to make an adjusting JE to transfer some of the costs from 557 to 1860.1 for the services related to indirect fuel contract work and a step rate. These are subsequently being amortized in account 928.

b) We anticipate using either Christiansen or another similar consulting firm for other regulatory related matters, but for this purpose we used Christiansen's name as we do not know who exactly may provide those services. We have some future indirect fuel and other regulatory related matters that we need to address over the next ten years, and accordingly anticipate the use of a specialist for these services. We do not have the expertise in house. We did not have any rate case work in 2006 and accordingly we did not use them for this service and did not charge 1860.1 for rate case work.

c) The nature of these services is confidential in nature, and if possible, we can discuss these on an informal basis for purposes of review of the MFRs.

(Martin)

136. **As referenced on Schedule C-16, Outside Professional Services, regarding the legal services provided by the firm of Messer, Caparello & Self, please state how the Company projected the 2008 total cost of $107,500 and the allocated electric share of $88,800, and state which accounts have been charged and in what amounts for the allocated electric share of $88,800.**

Scheduel C 16 was prepared on the basis of total fees charged and not expense accounts only. See Exhibit 136 attached for a breakdown by expenses. For expense projection by primary accounts see MFR schedules C7.

HEARING EXHIBIT - 00000963

(Martin)

137. **Please refer to Schedule C-22, State and Federal Income Tax Calculation, for the year 2008 and provide an explanation of each temporary and permanent adjustment made to taxable income and the basis and purposes of each adjustment.**

Please see "Exhibit #137".

Witness: Khojasteh

138. **Please refer to Schedule C-20 for the year 2008 and state whether Federal Unemployment Tax and State Unemployment Tax amounts, which are not charged to operating expenses, are included in this schedule.**

The amounts shown on Schedule C-20 for Federal and State Unemployment Taxes reflect charges to the expense accounts only.

Witness: Khojasteh

139. **Please refer to Schedule C-20 for the year 2008 for utility assessment fees. The amount of $44,487 does not agree with the amount shown on Schedule C-7 for the year 2008. Please provide an explanation.**

The Utility Assessment Fee of $44,487for 2008 on Schedule C-20 is correct. The amount on Schedule C-7 should be $44,487.

Witness: Khojasteh

140. **Please refer to Schedule C-20 for the year 2008 and provide an explanation why the miscellaneous taxes of $613 do not agree with the amount shown on Schedule C-7 for the year 2008.**

The Miscellaneous Tax amount of $656 for 2008 on Schedule C-7 is correct. The amount on Schedule C-20 should be $656.

Witness: Khojasteh

HEARING EXHIBIT - 00000964

HEARING EXHIBIT - 00000965

Exhibit: 137
Docket No. 070304-EI
OPC Second Set of Interrogatories

Witness: MARTIN

Account	Acct #	Explanation
Book Depreciation: Tax Depreciation:	2820.1 2820.2	Book: Depreciation is recorded on the books as per PSC guidelines. Tax: an accelerated method allowed by IRS
Unrecovered Purchase Power/Gas	2830.111 2830.221	Book: A Receivable is recorded. Tax: Purchases are deducted as expenses in year of purchase Difference between power purchased versus power billed to customers.
Outside Audit Fees:	1900.133 1900.243	Auditor fees are deducted as paid on tax return; For book purposes: audit fees are accrued upon service provided
Ordinary Loss on Acrs Property:	2820.1 2820.2	For book purposes the losses are adjusted vs. Accumulated Reserves For tax purposes:Losses are deducted in year of disposal
Cost of Removal of Property	2820.1 2820.2	For book purposes the costs of removal are adjusted vs. Accumulated Reserves For tax purposes:Costs of removal are netted against sale price to arrive at taxable gain or loss on sale/disposal
Conservation Program Costs	1900.223 1900.113	Book: Expensed as incurred; Tax: netted vs. customer billings. When expenses exceed billings, expense is recognized.
Self Insurance Reserve	1900.112 1900.222	Book: Insurance is recorded as incurred Tax: Insurance is deducted when paid
Taxable Contributions	2280.1 2280.2	Book: Net Contributions are recorded against plant asset; Tax: Net Contribution are recognized as income
Pension	1900.114 1900.224	Book: Recorded as incurred Tax: Recognized when paid
Vacation Pay	1900.116 1900.226	Book: Recorded when earned by employees Tax: Recognized when paid
Uncollectibles	1900.131 1900.241	Book: Recorded when identified Tax: Recognized when receivable is deemed worthless
Loss on Reacquired Debt	2830.118 2830.228	Book: PSC has allowed annual amortization expense Tax: Loss was recognized when debt was reacquired
General Liability	1900.115 1900.225	Book: Self Insure whereby reserves are recorded for anticipated expenses Tax: Deduct expense when paid
Rate Case Expense	2830.117 2830.227	Book: Expenses are accrued as incurred Tax: Expenses are deducted when paid
Storm Reserve	1900.150 1900.250	Book: Expense is accrued according to yearly estimates Tax: Expense is deducted at time it is paid
Capitalized Interest	1070	Book: Interest is expensed Tax: Interest is capitalized against plant asset
Electric Consultant Fees	2830.158 2830.258	Book: Fees are deducted as services are incurred Tax: Fees are deducted as paid
Non-Deductible Meals-Corporate	Diverse	Book: expensed at 100% when incurred Tax: IRS allows a 50% of total expense deduction
Non-Deductible Meals-Other	Diverse	Book: expensed at 100% when incurred Tax: IRS allows a 50% of total expense deduction

HEARING EXHIBIT - 00000966

AFFIDAVIT

STATE OF **FLORIDA**
COUNTY OF **PALM BEACH**

BEFORE ME, the undersigned authority, personally appeared Mehrdad Khojasteh, who deposed and stated that he/she provided the answers to interrogatories 130-134, 137-140 served on Florida Public Utilities Company by the Office of Public Counsel on October 17, 2007and that the responses are true and correct to the best of his/her information and belief.

Signed

DATED at West Palm Beach, Florida this 13th day of November ,2007.

Sworn to and subscribed before me this 13th day of November, 2007.

NOTARY PUBLIC

DINA BELLECHASES
MY COMMISSION # DD 240690
EXPIRES: December 13, 2007
Bonded Thru Notary Public Underwriters

State of **FLORIDA** at Large

My Commission Expires: December 13, 2007

HEARING EXHIBIT - 00000967

AFFIDAVIT

STATE OF **FLORIDA**
COUNTY OF **PALM BEACH**

BEFORE ME, the undersigned authority, personally appeared Cheryl Martin, who deposed and stated that he/she provided the answers to interrogatories 135-136 served on Florida Public Utilities Company by the Office of Public Counsel on October 17, 2007and that the responses are true and correct to the best of his/her information and belief.

Signed

DATED at West Palm Beach, Florida this 13th day of November .2007.

Sworn to and subscribed before me this 13th day of November 2007.

NOTARY PUBLIC

DINA BELLECHASES
MY COMMISSION # DD 240690
EXPIRES: December 13, 2007
Bonded Thru Notary Public Underwriters

State of **FLORIDA** at Large

My Commission Expires: December 13, 2007

HEARING EXHIBIT - 00000968

9

FPUC's Response to OPC's Third Set of Interrogatories (Nos. 141, 147-148, including supplemental responses to No. 141)

HEARING EXHIBIT - 00000969

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for rate increase by Florida Public Utilities Company	)))	Docket No. 070304-EI

FLORIDA PUBLIC UTILITIES COMPANY'S RESPONSES TO CITIZENS' THIRD SET OF INTERROGATORIES (NOS. 141-151)

COMES NOW, Florida Public Utilities Company's ("FPUC") and in response to Citizens' Third Set of Interrogatories (Nos. 141-151) states as follows:

INTERROGATORIES

141. Refer to FPUC's responses to OPC Interrogatory 6. Please provide an itemization of Accounts Receivable by the following account numbers (1420.2; 1420.21; 1420.22; 1430.1; and 1430.2) for the years 2006 through 2008.

FPUC'S RESPONSE: See attached.

142. (Other info-instru/con) Refer to FPUC's response to Interrogatory 46. Please provide the annual expense for the years 2002 through 2005 and an itemization of the annual expense for the years 2006 through 2008.

FPUC'S RESPONSE: See attached.

143. (Substation Inspection) Refer to the response to OPC Interrogatory 50. Please provide the annual expense for account 562 and 582 separately for the years 2002 through 2005.

FPUC'S RESPONSE: See attached.

144. (Training Expense) Refer to the response to OPC Interrogatory 76. Please provide the annual expense for the years 2002 through 2005.

FPUC'S RESPONSE: See attached.

1003

HEARING EXHIBIT - 00000970

145. (Communications Expense) Refer to FPUC's response to OPC Interrogatory 102. Please provide the same type of information provided in FPUC's response to Interrogatory 102 for the years 2002 through 2005.

FPUC'S RESPONSE: See attached.

146. (Economic Development) Please provide an itemization of Account 93023 for the years 2006 through 2008 and the annual expense for the years 2002 through 2005.

FPUC'S RESPONSE: See attached.

147. (Taxes other than income) Refer to Schedules C-1 and C-2. Please explain why the amount for taxes other than income is different than the amounts on C-20. Please state the correct amount.

FPUC'S RESPONSE: See attached.

148. (Property Taxes) Refer to Schedule C-20. The amount for 2007 Property taxes expense in columns 4 and 7 appear to be incorrect. Please provide the correct amount.

FPUC'S RESPONSE: See attached.

149. (O&M Expense) Refer to Schedule C-7. Please provide the annual expense for the years 2002 through 2005 for the following accounts.

562 Station Expenses

566 Miscellaneous Transmission Expenses

5882 Other Dist Office Su

9233 Outside Audit and Accounting

924 Property Insurance

928 Regulatory Commission

93023 Economic Development

1004

HEARING EXHIBIT - 00000971

590 Maint Supervision & Eng

5931 Maint of Poles/Tower

5932 Maint of Overhead Co

5933 Maint of Services

935 Maint of General Plant

FPUC'S RESPONSE: See attached.

150. (Uncollectible Accounts) Refer to FPUC's response to OPC Interrogatory 115, MFR Schedules B-3 (2008), C-11, and C-44. Please reconcile the requested bad debt expense of $216,664 (.3507%) with the balance of the system basis balance of Allowance for Uncollectibles for December 2008 of $36,745 and 0.20% bad debt factor in the revenue expansion factor.

FPUC'S RESPONSE: See attached.

a. As part of this reconciliation, explain why the company believes that it is reasonable to have a test year uncollectible expense of .3507% of test year revenues but escalate the revenue requirement for a bead debt rate of 0.20%

FPUC'S RESPONSE: See attached.

b. Explain whether the company's projected bad debt rate of .3507% will be a one-year event and whether this level will be maintained on a going forward basis after 2008.

FPUC'S RESPONSE: See attached.

c. Please explain what actions the company has taken in 2007 to maintain or bring its customer deposits in line with FPUC's current policy and Commission rule 25-6.097(3), Florida Administrative Code, regarding additional deposits required for delinquent accounts and how these actions will impact the amount of bad debt expense.

1005

HEARING EXHIBIT - 00000972

151. Please describe the turnover rate for any employee whose salary is charged or allocated to the electric division for the years 2002 to September 30, 2007. Include the number the employees by position descriptions by year, the annual turnover rate for each position, and the reason for turnover. The turnover rate is defined as the number of times an employee vacates a position within a given twelve-month period.

FPUC'S RESPONSE: See attached.

Respectfully submitted this 20th day of December, 2007.

NORMAN H. HORTON, JR.
MESSER, CAPARELLO & SELF, P.A.
P.O. Box 15579
Tallahassee, FL 32317
(850) 222-0720

Attorneys for Florida Public Utilities Company

1006

HEARING EXHIBIT - 00000973

RESPONSES OF FLORIDA PUBLIC UTILITIES COMPANY

to

CITIZEN'S THIRD SET OF INTERROGATORIES (NO. 141-151)

DOCKET NUMBER 070304-EI

INTERROGATORIES

141. Refer to FPUC's response to OPC Interrogatory 6. Please provide an itemization of Accounts Receivable by the following account numbers (1420.2; 1420.21; 1420.22; 1430.1; and 1430.2) for the years 2006 through 2008.

FPUC Response:

Exhibit 141.1, OPC Interrogatory 3, contains the 2006 monthly detail and the December 2006 balance for Account 1430.1, Employee Accounts Receivable, for each of the consolidated electric divisions.

Exhibit 141.2, OPC Interrogatory 3, contains the 2006 monthly detail and the December 2006 balance for Account 1430.2, Accounts Receivable-Other, for each of the consolidated electric divisions.

Account 1420.2 is a non-regulated receivable account which was not included in the MFR.

Account 1420.21 and 1420.22 are non-regulated receivable accounts. During research for this response, it was discovered that these two accounts were erroneously included in the MFR. The 13-month averages of the two accounts as included in the MFR for 2006, 2007, and 2008, are as follows:

	2006	2007	2008
Account 1420.21	$ 84,607	$104,913	$ 108,585
Account 1420.22	$ 19,920	$ 24,701	$ 25,566

Monthly balance detail for the 2006 amount is contained in the response to Item 3, OPC Production of Documents 2, for accounts 114.1420.22, 115.1420.21, & 115.1420.22.

The 2007 Accounts Receivable amounts shown in the MFR were projected by increasing the historic 2006 13-month average by 24%. This factor was comprised of 3.4% for inflation and customer growth, plus 20.6% attributable to fuel cost increases.

The 2008 Accounts Receivable amounts shown in the MFR were projected by increasing the 2007 projected 13-month average by 3.5% for inflation and customer growth.

(MESITE)

Khojasteh

147. **(Taxes other than income) Refer to Schedules C-1 and C-2. Please explain why the amount for taxes other than income is different than the amounts on C-20. Please state the correct amount.**

The correct amounts for taxes other than income for 2007 and 2008 are reflected on Schedule C-20. Therefore, the 2008 amounts on Schedules C-1 and C-2 for this expense in understated by $2,507 which will result in additional revenue requirement of $4,030 ($2,507 times the 2008 net operating multiplier of 1.6077).

Khojasteh

148. **(Property Taxes) Refer to Schedule C-20. The amount for 2007 property tax expense in columns 4 and 7 appear to be incorrect. Please provide the correct amount.**

The 2007 amount on Schedule C-20, columns 4 and 7 are not correct. The correct amount is $531,358 (2006 amount of $513,886 multiplied by the inflation and customer growth factor of 1.034%). It appears that a formula in these columns referred to the 2006 amounts instead of the 2007 amounts. Therefore, the 2007 amounts in columns 4 and 7 are understated by $$17, 472.

Khojasteh

924

HEARING EXHIBIT - 00000976

MARIANNA DIVISION

December-06	EMP #	DATE	DESCRIPTION OF REMAINING BALANCE	AMOUNT	TOTAL		BEGINNING BALANCE	MONTHLY CHANGE	BALANCE	FINAL BALANCE	Acct Imbalance
BEVIS, ANDREW	2477					Bal Fwd		0.00	0.00		
						Jan-06	0.00	0.00	0.00		
						Feb-06	0.00	0.00	0.00		
						Mar-06	0.00	0.00	0.00		
						Apr-06	0.00	0.00	0.00		
						May-06	0.00	0.00	0.00		
						Jun-06	0.00	0.00	0.00		
						Jul-06	0.00	0.00	0.00		
						Aug-06	0.00	0.00	0.00		
						Sep-06	0.00	0.00	0.00		
						Oct-06	0.00	0.00	0.00		
						Nov-06	0.00	0.00	0.00		
					0.00	Dec-06	0.00		0.00	0.00	0.00
BROGDON, AARON	2727					Bal Fwd		0.00	0.00		
						Jan-06	0.00	0.00	0.00		
						Feb-06	0.00	0.00	0.00		
						Mar-06	0.00	0.00	0.00		
						Apr-06	0.00	0.00	0.00		
						May-06	0.00	0.00	0.00		
						Jun-06	0.00	0.00	0.00		
						Jul-06	0.00	0.00	0.00		
						Aug-06	0.00	0.00	0.00		
						Sep-06	0.00	0.00	0.00		
						Oct-06	0.00	0.00	0.00		
						Nov-06	0.00	0.00	0.00		
					0.00	Dec-06	0.00	0.00	0.00	0.00	0.00
BRUNSON, A	4424					Bal Fwd		0.00	0.00		
						Jan-06	0.00	0.00	0.00		
						Feb-06	0.00	0.00	0.00		
						Mar-06	0.00	0.00	0.00		
						Apr-06	0.00	0.00	0.00		
						May-06	0.00	0.00	0.00		
						Jun-06	0.00	0.00	0.00		
						Jul-06	0.00	0.00	0.00		
						Aug-06	0.00	0.00	0.00		
						Sep-06	0.00	0.00	0.00		
						Oct-06	0.00	0.00	0.00		
						Nov-06	0.00	0.00	0.00		
					0.00	Dec-06	0.00	0.00	0.00	0.00	0.00
CALHOUN, P	2024					Bal Fwd		0.00	0.00		
						Jan-06	0.00	0.00	0.00		
						Feb-06	0.00	0.00	0.00		
						Mar-06	0.00	0.00	0.00		
						Apr-06	0.00	0.00	0.00		
						May-06	0.00	0.00	0.00		
						Jun-06	0.00	0.00	0.00		
						Jul-06	0.00	0.00	0.00		
						Aug-06	0.00	0.00	0.00		
						Sep-06	0.00	0.00	0.00		
						Oct-06	0.00	0.00	0.00		
						Nov-06	0.00	0.00	0.00		
					0.00	Dec-06	0.00	0.00	0.00	0.00	0.00
DANIELS, WILLIAM T	2751	Dec-06	JE 1 DEDUCTIONS	(50.00)		Bal Fwd	0.00	0.00	0.00		
						Jan-06	0.00	0.00	0.00		
						Feb-06	0.00	0.00	0.00		
						Mar-06	0.00	0.00	0.00		
						Apr-06	0.00	0.00	0.00		
						May-06	0.00	0.00	0.00		
						Jun-06	0.00	0.00	0.00		
						Jul-06	0.00	0.00	0.00		
						Aug-06	0.00	0.00	0.00		
						Sep-06	0.00	0.00	0.00		
						Oct-06	0.00	0.00	0.00		
						Nov-06	0.00	0.00	0.00		
					(50.00)	Dec-06	0.00	(50.00)	(50.00)	(50.00)	0.00

MARIANNA DIVISION

December-06	EMP #	DATE	DESCRIPTION OF REMAINING BALANCE	AMOUNT	TOTAL		BEGINNING BALANCE	MONTHLY CHANGE	BALANCE	FINAL BALANCE	Acct Imbalance
DEAN, TAMMY	2367					Bal Fwd		0.00	0.00		
						Jan-06	0.00	0.00	0.00		
						Feb-06	0.00	0.00	0.00		
						Mar-06	0.00	0.00	0.00		
						Apr-06	0.00	0.00	0.00		
						May-06	0.00	0.00	0.00		
						Jun-06	0.00	0.00	0.00		
						Jul-06	0.00	0.00	0.00		
						Aug-06	0.00	0.00	0.00		
						Sep-06	0.00	0.00	0.00		
						Oct-06	0.00	0.00	0.00		
						Nov-06	0.00	0.00	0.00		
					0.00	Dec-06	0.00	0.00	0.00	0.00	0.00
DEERING, DARNELL	2804					Bal Fwd		7.19	7.19		
						Jan-06	7.19	0.00	7.19		
						Feb-06	7.19	(7.19)	0.00		
						Mar-06	0.00	0.00	0.00		
						Apr-06	0.00	0.00	0.00		
						May-06	0.00	0.00	0.00		
						Jun-06	0.00	0.00	0.00		
						Jul-06	0.00	0.00	0.00		
						Aug-06	0.00	0.00	0.00		
						Sep-06	0.00	0.00	0.00		
						Oct-06	0.00	0.00	0.00		
						Nov-06	0.00	0.00	0.00		
					0.00	Dec-06	0.00	0.00	0.00	0.00	0.00
DITTY, CHARLES	2760	Dec-06	PAYROLL	31.00		Bal Fwd		48.00	48.00		
		Dec-06	JE 1 DEDUCTIONS	22.00		Jan-06	48.00	6.00	54.00		
						Feb-06	54.00	0.00	54.00		
						Mar-06	54.00	(54.00)	0.00		
						Apr-06	0.00	0.00	0.00		
						May-06	0.00	0.00	0.00		
						Jun-06	0.00	54.00	54.00		
						Jul-06	54.00	0.00	54.00		
						Aug-06	54.00	(54.00)	0.00		
						Sep-06	0.00	0.00	0.00		
						Oct-06	0.00	0.00	0.00		
						Nov-06	0.00	0.00	0.00		
					53.00	Dec-06	0.00	53.00	53.00	53.00	0.00
ELMORE, JIMMIE	2778					Bal Fwd		0.00	0.00		
						Jan-06	0.00	0.00	0.00		
						Feb-06	0.00	0.00	0.00		
						Mar-06	0.00	0.00	0.00		
						Apr-06	0.00	0.00	0.00		
						May-06	0.00	0.00	0.00		
						Jun-06	0.00	0.00	0.00		
						Jul-06	0.00	0.00	0.00		
						Aug-06	0.00	0.00	0.00		
						Sep-06	0.00	0.00	0.00		
						Oct-06	0.00	0.00	0.00		
						Nov-06	0.00	0.00	0.00		
					0.00	Dec-06	0.00	0.00	0.00	0.00	0.00
FORAN BRADY R	2786					Bal Fwd		7.19	7.19		
						Jan-06	7.19	0.00	7.19		
						Feb-06	7.19	(7.19)	0.00		
						Mar-06	0.00	0.00	0.00		
						Apr-06	0.00	0.00	0.00		
						May-06	0.00	0.00	0.00		
						Jun-06	0.00	0.00	0.00		
						Jul-06	0.00	0.00	0.00		
						Aug-06	0.00	0.00	0.00		
						Sep-06	0.00	0.00	0.00		
						Oct-06	0.00	0.00	0.00		
						Nov-06	0.00	0.00	0.00		
					0.00	Dec-06	0.00	0.00	0.00	0.00	0.00

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HEARING EXHIBIT - 00000978

FLORIDA PUBLIC UTILITIES COMPANY
070304-EI

MARIANNA DIVISION

December-06	EMP #	DATE	DESCRIPTION OF REMAINING BALANCE	AMOUNT	TOTAL		BEGINNING BALANCE	MONTHLY CHANGE	BALANCE	FINAL BALANCE	Acct Imbalance
FOWLER, DONNA	2341	Jul-06	JE 5.14 FPU SHIRTS	51.12		Bal Fwd		0.00	0.00		
		Aug-06	JE 1 FPU SHIRTS	(11.00)		Jan-06	0.00	0.00	0.00		
		Aug-06	JE 1 FPU SHIRTS	(11.00)		Feb-06	0.00	0.00	0.00		
		Sep-06	JE 1 FPU SHIRTS	(11.00)		Mar-06	0.00	0.00	0.00		
		Sep-06	JE 1 FPU SHIRTS	(11.00)		Apr-06	0.00	0.00	0.00		
		Oct-06	JE 1 FPU SHIRTS	(11.50)		May-06	0.00	0.00	0.00		
						Jun-06	0.00	0.00	0.00		
						Jul-06	0.00	51.12	51.12		
						Aug-06	51.12	(22.00)	29.12		
						Sep-06	29.12	(22.00)	7.12		
						Oct-06	7.12	(11.50)	(4.38)		
						Nov-06	(4.38)	0.00	(4.38)		
					(4.38)	Dec-06	(4.38)	0.00	(4.38)	(4.38)	0.00
GRAY, RHONDON	4697					Bal Fwd		0.00	0.00		
						Jan-06	0.00	265.39	265.39		
						Feb-06	265.39	0.00	265.39		
						Mar-06	265.39	0.00	265.39		
						Apr-06	265.39	0.00	265.39		
						May-06	265.39	0.00	265.39		
						Jun-06	265.39	0.00	265.39		
						Jul-06	265.39	(132.70)	132.69		
						Aug-06	132.69	(132.69)	0.00		
						Sep-06	0.00	0.00	0.00		
						Oct-06	0.00	0.00	0.00		
						Nov-06	0.00	0.00	0.00		
					0.00	Dec-06	0.00	0.00	0.00	0.00	0.00
GRIFFIN, JOHN B	1120					Bal Fwd		0.00	0.00		
						Jan-06	0.00	0.00	0.00		
						Feb-06	0.00	0.00	0.00		
						Mar-06	0.00	0.00	0.00		
						Apr-06	0.00	0.00	0.00		
						May-06	0.00	0.00	0.00		
						Jun-06	0.00	0.00	0.00		
						Jul-06	0.00	0.00	0.00		
						Aug-06	0.00	0.00	0.00		
						Sep-06	0.00	0.00	0.00		
						Oct-06	0.00	0.00	0.00		
						Nov-06	0.00	0.00	0.00		
					0.00	Dec-06	0.00	0.00	0.00	0.00	0.00
GROOMS, DARRYL	2794					Bal Fwd		0.00	0.00		
						Jan-06	0.00	0.00	0.00		
						Feb-06	0.00	0.00	0.00		
						Mar-06	0.00	0.00	0.00		
						Apr-06	0.00	0.00	0.00		
						May-06	0.00	0.00	0.00		
						Jun-06	0.00	0.00	0.00		
						Jul-06	0.00	0.00	0.00		
						Aug-06	0.00	0.00	0.00		
						Sep-06	0.00	0.00	0.00		
						Oct-06	0.00	0.00	0.00		
						Nov-06	0.00	0.00	0.00		
					0.00	Dec-06	0.00	0.00	0.00	0.00	0.00
HALL, CHARLES	2018					Bal Fwd		0.00	0.00		
						Jan-06	0.00	0.00	0.00		
						Feb-06	0.00	0.00	0.00		
						Mar-06	0.00	0.00	0.00		
						Apr-06	0.00		0.00		
						May-06	0.00	0.00	0.00		
						Jun-06	0.00	0.00	0.00		
						Jul-06	0.00	0.00	0.00		
						Aug-06	0.00	0.00	0:00		
						Sep-06	0.00	0.00	0.00		
						Oct-06	0.00	0.00	0.00		
						Nov-06	0.00	0.00	0.00		
					0.00	Dec-06	0.00	0.00	0.00	0.00	0.00

HEARING EXHIBIT - 00000979

MARIANNA DIVISION

December-06	EMP #	DATE	DESCRIPTION OF REMAINING BALANCE	AMOUNT	TOTAL		BEGINNING BALANCE	MONTHLY CHANGE	BALANCE	FINAL BALANCE	Acct Imbalance
HALL (STEPHENS), KIMBERLY	2545					Bal Fwd		0.00	0.00		
						Jan-06	0.00	0.00	0.00		
						Feb-06	0.00	0.00	0.00		
						Mar-06	0.00	0.00	0.00		
						Apr-06	0.00	49.52	49.52		
						May-06	49.52	(26.00)	23.52		
						Jun-06	23.52	(23.52)	0.00		
						Jul-06	0.00	0.00	0.00		
						Aug-06	0.00	0.00	0.00		
						Sep-06	0.00	0.00	0.00		
						Oct-06	0.00	0.00	0.00		
						Nov-06	0.00	0.00	0.00		
					0.00	Dec-06	0.00	0.00	0.00	0.00	0.00
HARRIS KEVIN	2777	12/006	JE 1 DEDUCTIONS	(50.00)		Bal Fwd		0.00	0.00		
						Jan-06	0.00	0.00	0.00		
						Feb-06	0.00	0.00	0.00		
						Mar-06	0.00	0.00	0.00		
						Apr-06	0.00	0.00	0.00		
						May-06	0.00	0.00	0.00		
						Jun-06	0.00	0.00	0.00		
						Jul-06	0.00	0.00	0.00		
						Aug-06	0.00	0.00	0.00		
						Sep-06	0.00	0.00	0.00		
						Oct-06	0.00	0.00	0.00		
						Nov-06	0.00	0.00	0.00		
					(50.00)	Dec-06	0.00	(50.00)	(50.00)	(50.00)	0.00
***HESTER, R E	94	Jan-06	PL 2006-01	225.00		Bal Fwd		225.00	225.00		
		Sep-06	pl 2006-09 UNUM LIFE INS CO	213.00		Jan-06	225.00	12.00	237.00		
UNUM PAYMENT						Feb-06	237.00	(12.00)	225.00		
INFORMED NICOLE 06/06						Mar-06	225.00	0.00	225.00		
						Apr-06	225.00	0.00	225.00		
						May-06	225.00	0.00	225.00		
						Jun-06	225.00	0.00	225.00		
						Jul-06	225.00	0.00	225.00		
						Aug-06	225.00	0.00	225.00		
						Sep-06	225.00	213.00	438.00		
						Oct-06	438.00	0.00	438.00		
						Nov-06	438.00	0.00	438.00		
					438.00	Dec-06	438.00	0.00	438.00	438.00	0.00
HOLDEN CLAUDE	2378					Bal Fwd		0.00	0.00		
						Jan-06	0.00	0.00	0.00		
						Feb-06	0.00	0.00	0.00		
						Mar-06	0.00	0.00	0.00		
						Apr-06	0.00	0.00	0.00		
						May-06	0.00	0.00	0.00		
						Jun-06	0.00	0.00	0.00		
						Jul-06	0.00	0.00	0.00		
						Aug-06	0.00	0.00	0.00		
						Sep-06	0.00	0.00	0.00		
						Oct-06	0.00	0.00	0.00		
						Nov-06	0.00	0.00	0.00		
					0.00	Dec-06	0.00	0.00	0.00	0.00	0.00
HUGHES BOBBY	1572	Sep-06	BOBBY HUGHES (12)	(158.00)		Bal Fwd		12.34	12.34		
		Oct-06	BOBBY HUGHES (10)	(158.00)		Jan-06	12.34	(12.34)	0.00		
		Dec-06	BOBBY HUGHES (12)	(158.00)		Feb-06	0.00	0.00	0.00		
						Mar-06	0.00	0.00	0.00		
						Apr-06	0.00	0.00	0.00		
						May-06	0.00	0.00	0.00		
						Jun-06	0.00	0.00	0.00		
						Jul-06	0.00	0.00	0.00		
						Aug-06	0.00	0.00	0.00		
						Sep-06	0.00	(158.00)	(158.00)		
						Oct-06	(158.00)	(158.00)	(316.00)		
						Nov-06	(316.00)	0.00	(316.00)		
					(474.00)	Dec-06	(316.00)	(158.00)	(474.00)	(474.00)	0.00

HEARING EXHIBIT - 00000980

MARIANNA DIVISION

December-06	EMP #	DATE	DESCRIPTION OF REMAINING BALANCE	AMOUNT	TOTAL		BEGINNING BALANCE	MONTHLY CHANGE	BALANCE	FINAL BALANCE	Acct Imbalance
HUNG N	293	Jul-05	PL 2005-06 UNUM LIFE INS. CO. O	225.00		Bal Fwd		1,350.00	1,350.00		
Retired		Aug-05	PL2005-07	225.00		Jan-06	1,350.00	225.00	1,575.00		
		Sep-05	PL2005-09 UNUM LIFE INS. CO	225.00		Feb-06	1,575.00	201.00	1,776.00		
		Oct-05	PL 2005-10 UNUM LIFE INS CO	225.00		Mar-06	1,776.00	213.00	1,989.00		
WAYNE IS PREPARING LETTERS		Nov-05	PL 2005-11 UNUM LIFE INS CO	225.00		Apr-06	1,989.00	213.00	2,202.00		
PER NICOLE		Dec-05	PL 2005-12 UNUM LIFE INS. CO.O.	225.00		May-06	2,202.00	213.00	2,415.00		
		Jan-06	PL 2006-01 UNUM LIFE INS. CO.	225.00		Jun-06	2,415.00	(240.00)	2,175.00		
		Feb-06	PL 2006-02 UNUM LIFE INS. CO.	201.00		Jul-06	2,175.00	(240.00)	1,935.00		
		Mar-06	PL 2006-03 UNUM LIFE INS. CO.	213.00		Aug-06	1,935.00	150.00	2,085.00		
		Apr-06	PL 2006-04 UNUM LIFE INS CO	213.00		Sep-06	2,085.00	150.00	2,235.00		
		May-06	PL 2006-05 UNUM LIFE INS CO	213.00		Oct-06	2,235.00	(1,500.00)	735.00		
		Jun-06	PL 2006-06 UNUM LIFE CO	(240.00)		Nov-06	735.00	0.00	735.00		
		Apr-06	PL 2006-07 UNUM LIFE INS CO	(240.00)	735.00	Dec-06	735.00	0.00	735.00	735.00	0.00
		Aug-06	PL 2006-08 UNUM LIFE INS CO	150.00							
		Sep-06	PL 2006-09 UNUM LIFE INS CO	150.00							
		Oct-06	PL 2006 UNUM LIFE INS CO	(1,500.00)							
JONES, DOUGLAS RAY	2604	Dec-06	JE 1 PAYROLL DEDUCTIONS	(50.00)		Bal Fwd		0.00	0.00		
						Jan-06	0.00	0.00	0.00		
						Feb-06	0.00	55.29	55.29		
						Mar-06	55.29	(45.00)	10.29		
						Apr-06	10.29	(10.29)	0.00		
						May-06	0.00	0.00	0.00		
						Jun-06	0.00	0.00	0.00		
						Jul-06	0.00	0.00	0.00		
						Aug-06	0.00	0.00	0.00		
						Sep-06	0.00	0.00	0.00		
						Oct-06	0.00	28.76	28.76		
						Nov-06	28.76	(20.00)	8.76		
					(50.00)	Dec-06	8.76	(58.76)	(50.00)	(50.00)	0.00
JONES, SARAH	2431					Bal Fwd		0.00	0.00		
						Jan-06	0.00	0.00	0.00		
						Feb-06	0.00	0.00	0.00		
						Mar-06	0.00	0.00	0.00		
						Apr-06	0.00	0.00	0.00		
						May-06	0.00	0.00	0.00		
						Jun-06	0.00	0.00	0.00		
						Jul-06	0.00	0.00	0.00		
						Aug-06	0.00	0.00	0.00		
						Sep-06	0.00	0.00	0.00		
						Oct-06	0.00	0.00	0.00		
						Nov-06	0.00	0.00	0.00		
					0.00	Dec-06	0.00	0.00	0.00	0.00	0.00
LACACI, MARIO	2597	Jul-06	JE 11 MARIO LACACI (18)	(306.07)		Bal Fwd		0.00	0.00		
		Jul-06	JE 19 LACACI	612.14		Jan-06	0.00	(12.00)	(12.00)		
		Aug-06	JE 11 MARIO LACACI (18)	(306.07)		Feb-06	(12.00)	25.00	13.00		
		Aug-06	JE 19 LACACI	306.07		Mar-06	13.00	(13.00)	0.00		
		Dec-06	JE 11 MARIO LACACI (18)	(306.07)		Apr-06	0.00	(719.61)	(719.61)		
		Dec-06	JE 19 LACACI	336.66		May-06	(719.61)	(240.00)	(959.61)		
						Jun-06	(959.61)	959.61	0.00		
						Jul-06	0.00	306.07	306.07		
						Aug-06	306.07	0.00	306.07		
						Sep-06	306.07	0.00	306.07		
						Oct-06	306.07	0.00	306.07		
						Nov-06	306.07	0.00	306.07		
					336.66	Dec-06	306.07	30.59	336.66	336.66	0.00
LEWIS, JERRY LEE	2866					Bal Fwd		0.00	0.00		
						Jan-06	0.00	0.00	0.00		
						Feb-06	0.00	0.00	0.00		
						Mar-06	0.00	0.00	0.00		
						Apr-06	0.00	0.00	0.00		
						May-06	0.00	0.00	0.00		
						Jun-06	0.00	0.00	0.00		
						Jul-06	0.00	0.00	0.00		
						Aug-06	0.00	0.00	0.00		
						Sep-06	0.00	392.31	392.31		
						Oct-06	392.31	(392.31)	0.00		
						Nov-06	0.00	0.00	0.00		
					0.00	Dec-06	0.00	0.00	0.00	0.00	0.00

HEARING EXHIBIT - 00000981

FLORIDA PUBLIC UTILITIES COMPANY
070304-EI

MARIANNA DIVISION

December-06	EMP #	DATE	DESCRIPTION OF REMAINING BALANCE	AMOUNT	TOTAL		BEGINNING BALANCE	MONTHLY CHANGE	BALANCE	FINAL BALANCE	Acct Imbalance
MATHIS, DANNY	3236					Bal Fwd		0.00	0.00		
						Jan-06	0.00	0.00	0.00		
						Feb-06	0.00	0.00	0.00		
						Mar-06	0.00	0.00	0.00		
						Apr-06	0.00	0.00	0.00		
						May-06	0.00	0.00	0.00		
						Jun-06	0.00	0.00	0.00		
						Jul-06	0.00	0.00	0.00		
						Aug-06	0.00	0.00	0.00		
						Sep-06	0.00	0.00	0.00		
						Oct-06	0.00	0.00	0.00		
						Nov-06	0.00	0.00	0.00		
					0.00	Dec-06	0.00	0.00	0.00	0.00	0.00
MCCOY LAURA	2762					Bal Fwd		0.00	0.00		
						Jan-06	0.00	0.00	0.00		
						Feb-06	0.00	0.00	0.00		
						Mar-06	0.00	0.00	0.00		
						Apr-06	0.00	1,600.00	1,600.00		
						May-06	1,600.00	0.00	1,600.00		
						Jun-06	1,600.00	(1,600.00)	0.00		
						Jul-06	0.00	0.00	0.00		
						Aug-06	0.00	0.00	0.00		
						Sep-06	0.00	0.00	0.00		
						Oct-06	0.00	0.00	0.00		
						Nov-06	0.00	0.00	0.00		
					0.00	Dec-06	0.00	0.00	0.00	0.00	0.00
MEALY B	2017					Bal Fwd		0.00	0.00		
						Jan-06	0.00	0.00	0.00		
						Feb-06	0.00	0.00	0.00		
						Mar-06	0.00	0.00	0.00		
						Apr-06	0.00	0.00	0.00		
						May-06	0.00	0.00	0.00		
						Jun-06	0.00	0.00	0.00		
						Jul-06	0.00	0.00	0.00		
						Aug-06	0.00	0.00	0.00		
						Sep-06	0.00	0.00	0.00		
						Oct-06	0.00	0.00	0.00		
						Nov-06	0.00	0.00	0.00		
					0.00	Dec-06	0.00	0.00	0.00	0.00	0.00
MORRIS C. W.	337					Bal Fwd		7.19	7.19		
						Jan-06	7.19	0.00	7.19		
						Feb-06	7.19	(7.19)	0.00		
						Mar-06	0.00	0.00	0.00		
						Apr-06	0.00	0.00	0.00		
						May-06	0.00	0.00	0.00		
						Jun-06	0.00	0.00	0.00		
						Jul-06	0.00	0.00	0.00		
						Aug-06	0.00	0.00	0.00		
						Sep-06	0.00	0.00	0.00		
						Oct-06	0.00	0.00	0.00		
						Nov-06	0.00	0.00	0.00		
					0.00	Dec-06	0.00	0.00	0.00	0.00	0.00
MURDOCK STRAUSS,	2825					Bal Fwd		7.19	7.19		
						Jan-06	7.19	0.00	7.19		
						Feb-06	7.19	(7.19)	0.00		
						Mar-06	0.00	0.00	0.00		
						Apr-06	0.00	0.00	0.00		
						May-06	0.00	0.00	0.00		
						Jun-06	0.00	0.00	0.00		
						Jul-06	0.00	19.17	19.17		
						Aug-06	19.17	(19.17)	0.00		
						Sep-06	0.00	0.00	0.00		
						Oct-06	0.00	0.00	0.00		
						Nov-06	0.00	0.00	0.00		
					0.00	Dec-06	0.00	0.00	0.00	0.00	0.00

MARIANNA DIVISION

December-06	EMP #	DATE	DESCRIPTION OF REMAINING BALANCE	AMOUNT	TOTAL		BEGINNING BALANCE	MONTHLY CHANGE	BALANCE	FINAL BALANCE	Acct Imbalance
MYERS, DONALD	256	Dec-06	JE 9 MYERS	(30.00)		Bal Fwd		42.19	42.19		
		Dec-06	JE 1 PAYROLL DEDUCTIONS	81.00		Jan-06	42.19	3.00	45.19		
						Feb-06	45.19	(7.19)	38.00		
						Mar-06	38.00	(38.00)	0.00		
						Apr-06	0.00	0.00	0.00		
						May-06	0.00	0.00	0.00		
						Jun-06	0.00	38.00	38.00		
						Jul-06	38.00	0.00	38.00		
						Aug-06	38.00	(38.00)	0.00		
						Sep-06	0.00	0.00	0.00		
						Oct-06	0.00	0.00	0.00		
						Nov-06	0.00	0.00	0.00		
					51.00	Dec-06	0.00	51.00	51.00	51.00	0.00
O'PREY, BROWARD	2874					Bal Fwd		282.19	282.19		
						Jan-06	282.19	257.00	539.19		
		Jul-06	JE 9 O'PRY	45.00		Feb-06	539.19	(1.19)	538.00		
		Jul-06	JE 1 AUTO BENEFITS	(15.00)		Mar-06	538.00	(30.00)	508.00		
		Aug-06	JE 1 AUTO BENEFITS	(24.00)		Apr-06	508.00	0.00	508.00		
						May-06	508.00	0.00	508.00		
		Dec-06	JE 9 OPREY	69.00		Jun-06	508.00	(230.00)	278.00		
		Dec-06	JE 1 AUTO BENEFITS	(18.00)		Jul-06	278.00	6.00	284.00		
		Dec-06	JE1 AUTO BENEFITS	(21.00)		Aug-06	284.00	(278.00)	6.00		
						Sep-06	6.00	0.00	6.00		
						Oct-06	6.00	0.00	6.00		
						Nov-06	6.00	0.00	6.00		
					36.00	Dec-06	6.00	30.00	36.00	36.00	0.00
ROYE, JANINE M	2961					Bal Fwd		0.00	0.00		
						Jan-06	0.00	0.00	0.00		
						Feb-06	0.00	0.00	0.00		
						Mar-06	0.00	0.00	0.00		
						Apr-06	0.00	30.35	30.35		
						May-06	30.35	(14.00)	16.35		
						Jun-06	16.35	(14.00)	2.35		
						Jul-06	2.35	32.80	35.15		
						Aug-06	35.15	(20.00)	15.15		
						Sep-06	15.15	(15.15)	0.00		
						Oct-06	0.00	0.00	0.00		
						Nov-06	0.00	0.00	0.00		
					0.00	Dec-06	0.00	0.00	0.00	0.00	0.00
SEE, ROBERT W. JR.	177					Bal Fwd		0.00	0.00		
						Jan-06	0.00	0.00	0.00		
						Feb-06	0.00	0.00	0.00		
						Mar-06	0.00	0.00	0.00		
						Apr-06	0.00	0.00	0.00		
						May-06	0.00	0.00	0.00		
						Jun-06	0.00	0.00	0.00		
						Jul-06	0.00	0.00	0.00		
						Aug-06	0.00	0.00	0.00		
						Sep-06	0.00	0.00	0.00		
						Oct-06	0.00	0.00	0.00		
						Nov-06	0.00	0.00	0.00		
					0.00	Dec-06	0.00	0.00	0.00	0.00	0.00
SHELLEY, DRANE	2903	Dec-06	JE 9 DRANE	35.00		Bal Fwd		0.00	0.00		
						Jan-06	0.00	0.00	0.00		
						Feb-06	0.00	0.00	0.00		
						Mar-06	0.00	0.00	0.00		
						Apr-06	0.00	0.00	0.00		
						May-06	0.00	0.00	0.00		
						Jun-06	0.00	0.00	0.00		
						Jul-06	0.00	0.00	0.00		
						Aug-06	0.00	0.00	0.00		
						Sep-06	0.00	0.00	0.00		
						Oct-06	0.00	0.00	0.00		
						Nov-06	0.00	0.00	0.00		
					35.00	Dec-06	0.00	35.00	35.00	35.00	0.00

HEARING EXHIBIT - 00000983

MARIANNA DIVISION

December-06	EMP #	DATE	DESCRIPTION OF REMAINING BALANCE	AMOUNT	TOTAL		BEGINNING BALANCE	MONTHLY CHANGE	BALANCE	FINAL BALANCE	Acct Imbalance
SUMNER, KATHERINE	2827					Bal Fwd		0.00	0.00		
						Jan-06	0.00	0.00	0.00		
						Feb-06	0.00	0.00	0.00		
						Mar-06	0.00	(204.00)	(204.00)		
						Apr-06	(204.00)	(102.00)	(306.00)		
						May-06	(306.00)	0.00	(306.00)		
						Jun-06	(306.00)	306.00	0.00		
						Jul-06	0.00	0.00	0.00		
						Aug-06	0.00	0.00	0.00		
						Sep-06	0.00	0.00	0.00		
						Oct-06	0.00	0.00	0.00		
						Nov-06	0.00	0.00	0.00		
					0.00	Dec-06	0.00	0.00	0.00	0.00	0.00
TANNER, LYNWOOD	2903	Dec-06	JE 9 PAYROLL	183.00		Bal Fwd		31.00	31.00		
		Dec-06	JE 1 DEDUCTIONS	(149.00)		Jan-06	31.00	3.00	34.00		
						Feb-06	34.00	0.00	34.00		
						Mar-06	34.00	(34.00)	0.00		
						Apr-06	0.00	0.00	0.00		
						May-06	0.00	0.00	0.00		
						Jun-06	0.00	34.00	34.00		
						Jul-06	34.00	(34.00)	0.00		
						Aug-06	0.00	0.00	0.00		
						Sep-06	0.00	0.00	0.00		
						Oct-06	0.00	0.00	0.00		
						Nov-06	0.00	0.00	0.00		
					34.00	Dec-06	0.00	34.00	34.00	34.00	0.00
TEW, DONNIE	1736	Dec-06	JE 1 DEDUCTION	(50.00)		Bal Fwd		0.00	0.00		
						Jan-06	0.00	0.00	0.00		
						Feb-06	0.00	0.00	0.00		
						Mar-06	0.00	0.00	0.00		
						Apr-06	0.00	0.00	0.00		
						May-06	0.00	0.00	0.00		
						Jun-06	0.00	0.00	0.00		
						Jul-06	0.00	0.00	0.00		
						Aug-06	0.00	0.00	0.00		
						Sep-06	0.00	0.00	0.00		
						Oct-06	0.00	0.00	0.00		
						Nov-06	0.00	(50.00)	(50.00)		
					(50.00)	Dec-06	(50.00)	0.00	(50.00)	(50.00)	0.00
TOOLE, STEPHEN	6041	Dec-06	JE 9 PAYROLL	312.00		Bal Fwd		28.00	28.00		
		Dec-06	JE 1 DEDUCTION	365.00		Jan-06	28.00	1.00	29.00		
		Dec-06	JE 1 DEDUCTION	(617.00)		Feb-06	29.00	0.00	29.00		
						Mar-06	29.00	(29.00)	0.00		
						Apr-06	0.00	0.00	0.00		
						May-06	0.00	0.00	0.00		
						Jun-06	0.00	29.00	29.00		
						Jul-06	29.00	0.00	29.00		
						Aug-06	29.00	(29.00)	0.00		
						Sep-06	0.00	0.00	0.00		
						Oct-06	0.00	0.00	0.00		
						Nov-06	0.00	0.00	0.00		
					60.00	Dec-06	0.00	60.00	60.00	60.00	0.00
USSERY, JAMES JR	2358					Bal Fwd		0.00	0.00		
						Jan-06	0.00	0.00	0.00		
						Feb-06	0.00	0.00	0.00		
						Mar-06	0.00	0.00	0.00		
						Apr-06	0.00	(4.30)	(4.30)		
						May-06	(4.30)	0.00	(4.30)		
						Jun-06	(4.30)	0.00	(4.30)		
						Jul-06	(4.30)	4.30	0.00		
						Aug-06	0.00	0.00	0.00		
						Sep-06	0.00	0.00	0.00		
						Oct-06	0.00	0.00	0.00		
						Nov-06	0.00	0.00	0.00		
					0.00	Dec-06	0.00	0.00	0.00	0.00	0.00
										0.00	
				1,100.28						1,100.28	0.00
			G/L BALANCE-	Dec-06	1100.28						
					0						

HEARING EXHIBIT - 00000984

	EMP #	Date	DESCRIPTION OF REMAINING BALANCE	AMOUNT	TOTAL			MONTHLY CHANGE	BALANCE	FINAL BALANCE	Account Imbalance
Anderson, Carl	1848	Dec-06	JE 8 ANDERSON	1,143.00		Bal Fwd		11.00	11.00		
Engineer		Dec-06	JE 1 PAYROLL DEDUCTIONS	203.00		Jan-06	11.00	1.00	12.00		
		Dec-06	JE 1 PAYROLL DEDUCTIONS	(1,294.00)		Feb-06	12.00	55.31	67.31		
						Mar-06	67.31	(57.00)	10.31		
						Apr-06	10.31	(10.31)	-		
						May-06	0.00	0.00	-		
						Jun-06	0.00	12.00	12.00		
						Jul-06	12.00	0.00	12.00		
						Aug-06	12.00	(12.00)	-		
						Sep-06	0.00	0.00	-		
						Oct-06	0.00	0.00	-		
						Nov-06	0.00	0.00	-		
					52.00	Dec-06	0.00	52.00	52.00	52.00	-
Atkins, Mary	2806					Bal Fwd		0.00	-		
						Jan-06	0.00	0.00	-		
						Feb-06	0.00	0.00	-		
						Mar-06	0.00	0.00	-		
						Apr-06	0.00	0.00	-		
						May-06	0.00	133.86	133.86		
						Jun-06	133.86	0.00	133.86		
						Jul-06	133.86	(54.00)	79.86		
						Aug-06	79.86	(65.28)	14.38		
						Sep-06	14.38	0.00	14.38		
						Oct-06	14.38	0.00	14.38		
						Nov-06	14.38	0.00	14.38		
					0.00	Dec-06	14.38	(14.38)	-	-	-
BEALE,SUSAN M	2828					Bal Fwd		0.00	-		
						Jan-06	0.00	0.00	-		
						Feb-06	0.00	0.00	-		
						Mar-06	0.00	0.00	-		
						Apr-06	0.00	0.00	-		
						May-06	0.00	0.00	-		
						Jun-06	0.00	0.00	-		
						Jul-06	0.00	0.00	-		
						Aug-06	0.00	0.00	-		
						Sep-06	0.00	0.00	-		
						Oct-06	0.00	52.72	52.72		
						Nov-06	52.72	164.00	216.72		
					0.00	Dec-06	216.72	(216.72)	-	-	-
Best, A	3361					Bal Fwd		0.00	-		
						Jan-06	0.00	0.00	-		
						Feb-06	0.00	0.00	-		
						Mar-06	0.00	0.00	-		
						Apr-06	0.00	0.00	-		
						May-06	0.00	0.00	-		
						Jun-06	0.00	0.00	-		
						Jul-06	0.00	15.98	15.98		
						Aug-06	15.98	0.00	15.98		
						Sep-06	15.98	(8.00)	7.98		
						Oct-06	7.98	(7.98)	-		
						Nov-06	0.00	0.00	-		
					0.00	Dec-06	0.00	0.00	-	-	-
BOATRIGHT, CURTIS	2391					Bal Fwd		0.00	-		
						Jan-06	0.00	0.00	-		
						Feb-06	0.00	0.00	-		
						Mar-06	0.00	0.00	-		
						Apr-06	0.00	0.00	-		
						May-06	0.00	0.00	-		
						Jun-06	0.00	0.00	-		
						Jul-06	0.00	0.00	-		
						Aug-06	0.00	0.00	-		
						Sep-06	0.00	0.00	-		
						Oct-06	0.00	0.00	-		
						Nov-06	0.00	0.00	-		
					0.00	Dec-06	0.00	0.00	-	-	-
BRADLEY, GERRY	2768					Bal Fwd		419.90	419.90		
						Jan-06	419.90	0.00	419.90		
						Feb-06	419.90	0.00	419.90		
						Mar-06	419.90	52.70	472.60		
						Apr-06	472.60	(11.00)	461.60		
						May-06	461.60	(22.00)	439.60		
						Jun-06	439.60	(19.72)	419.88		
						Jul-06	419.88	0.02	419.90		
						Aug-06	419.90	(412.71)	7.19		
						Sep-06	7.19	0.00	7.19		
						Oct-06	7.19	0.00	7.19		
						Nov-06	7.19	50.00	57.19		
					0.00	Dec-06	57.19	(57.19)	-	-	-

HEARING EXHIBIT - 00000985

	EMP #	Date	DESCRIPTION OF REMAINING BALANCE	AMOUNT	TOTAL			MONTHLY CHANGE	BALANCE	FINAL BALANCE	Account Imbalance
BROWN, CLINT	2581					Bal Fwd		49.24	49.24		
						Jan-06	49.24	70.00	119.24		
						Feb-06	119.24	(22.61)	96.63		
						Mar-06	96.63	(49.32)	47.31		
						Apr-06	47.31	(26.73)	20.58		
						May-06	20.58	0.00	20.58		
						Jun-06	20.58	(20.58)	-		
						Jul-06	0.00	0.00	-		
						Aug-06	0.00	0.00	-		
						Sep-06	0.00	0.00	-		
						Oct-06	0.00	0.00	-		
						Nov-06	0.00	0.00	-		
					0.00	Dec-06	0.00	0.00	-	-	-
BRUMFIELD, BILLY C	2931					Bal Fwd		43.80	43.80		
						Jan-06	43.80	(10.96)	32.84		
						Feb-06	32.84	(32.84)	-		
						Mar-06	0.00	0.00	-		
						Apr-06	0.00	0.00	-		
						May-06	0.00	0.00	-		
						Jun-06	0.00	0.00	-		
						Jul-06	0.00	0.00	-		
						Aug-06	0.00	0.00	-		
						Sep-06	0.00	0.00	-		
						Oct-06	0.00	0.00	-		
						Nov-06	0.00	0.00	-		
					0.00	Dec-06	0.00	0.00	-	-	-
CALHOUN, RODNEY D	2587					Bal Fwd		0.00			
						Jan-06	0.00	0.00	-		
						Feb-06	0.00	0.00	-		
						Mar-06	0.00	0.00	-		
						Apr-06	0.00	0.00	-		
						May-06	0.00	0.00	-		
						Jun-06	35.13	0.00	35.13		
						Jul-06	35.13	(5.02)	30.11		
						Aug-06	30.11	(15.06)	15.05		
						Sep-06	15.05	(10.04)	5.01		
						Oct-06	5.01	(5.01)	-		
						Nov-06	0.00	0.00	-		
					0.00	Dec-06	0.00	0.00	-	-	-
CARMEN, ROBERT	1927					Bal Fwd		(19.00)	(19.00)		
Retired 9/04						Jan-06	(19.00)	401.00	382.00		
prepaid ins reimb						Feb-06	382.00	(839.00)	(457.00)		
						Mar-06	(457.00)	438.00	(19.00)		
						Apr-06	(19.00)	438.00	419.00		
						May-06	419.00	(876.00)	(457.00)		
						Jun-06	(457.00)	438.00	(19.00)		
						Jul-06	(19.00)	438.00	419.00		
						Aug-06	419.00	(2,171.00)	(1,752.00)		
						Sep-06	(1,752.00)	438.00	(1,314.00)		
						Oct-06	(1,314.00)	438.00	(876.00)		
						Nov-06	(876.00)	438.00	(438.00)		
					0.00	Dec-06	(438.00)	438.00	-	-	-
CLARDY, BILLY	4829					Bal Fwd		49.65	49.65		
						Jan-06	49.65	(19.86)	29.79		
						Feb-06	29.79	22.21	52.00		
						Mar-06	52.00	(15.19)	36.81		
						Apr-06	36.81	(10.52)	26.29		
						May-06	26.29	(10.52)	15.77		
						Jun-06	15.77	(10.52)	5.25		
						Jul-06	5.25	(5.25)	-		
						Aug-06	0.00	0.00	-		
						Sep-06	0.00	0.00	-		
						Oct-06	0.00	0.00	-		
						Nov-06	0.00	0.00	-		
					0.00	Dec-06	0.00	0.00	-	-	-

HEARING EXHIBIT - 00000986

G/L 1438.1 — Fernandina Beach #118

	EMP #	Date	DESCRIPTION OF REMAINING BALANCE	AMOUNT	TOTAL			MONTHLY CHANGE	BALANCE	FINAL BALANCE	Account Imbalance
CORRADO, JOSEPH	2936					Bal Fwd		87.80	87.80		
						Jan-06	87.80	(21.96)	65.84		
						Feb-06	65.84	(21.96)	43.88		
						Mar-06	43.88	(32.91)	10.97		
						Apr-06	10.97	(10.97)	-		
						May-06	0.00	0.00	-		
						Jun-06	0.00	95.92	95.92		
						Jul-06	95.92	(11.99)	83.93		
						Aug-06	83.93	(21.59)	62.34		
						Sep-06	62.34	(23.98)	38.36		
						Oct-06	38.36	(23.98)	14.38		
						Nov-06	14.38	0.00	14.38		
					0.00	Dec-06	14.38	(14.38)	-	-	-
CUTSHAW, MARK	865	Dec-06	JE 9 CUTSHAW	4.00		Bal Fwd		0.00	-		
		Dec-06	JE 1 PAYROLL DEDUCTIONS	51.00		Jan-06	0.00	70.17	70.17		
		Dec-06	JE 1 PAYROLL DEDUCTIONS	(11,408.33)		Feb-06	70.17	(40.17)	30.00		
						Mar-06	30.00	(30.00)	-		
						Apr-06	0.00	0.00	-		
						May-06	0.00	0.00	-		
						Jun-06	0.00	56.00	56.00		
						Jul-06	56.00	0.00	56.00		
						Aug-06	56.00	(56.00)	-		
						Sep-06	0.00	0.00	-		
						Oct-06	0.00	0.00	-		
						Nov-06	0.00	0.00	-		
					(11,353.33)	Dec-06	0.00	(11,353.33)	(11,353.33)	(11,353.33)	-
DAVIS, SARAH	2888					Bal Fwd		0.00	-		
						Jan-06	0.00	0.00	-		
						Feb-06	0.00	0.00	-		
						Mar-06	0.00	0.00	-		
						Apr-06	0.00	0.00	-		
						May-06	0.00	0.00	-		
						Jun-06	0.00	41.73	41.73		
						Jul-06	41.73	(41.73)	-		
						Aug-06	0.00	0.00	-		
						Sep-06	0.00	0.00	-		
						Oct-06	0.00	0.00	-		
						Nov-06	0.00	0.00	-		
					0.00	Dec-06	0.00	0.00	-	-	-
DICKS, KAREN	2877					Bal Fwd		0.00	-		
						Jan-06	0.00	0.00	-		
				0.		Feb-06	0.00	0.00	-		
						Mar-06	0.00	0.00	-		
						Apr-06	0.00	0.00	-		
						May-06	0.00	0.00	-		
						Jun-06	0.00	0.00	-		
						Jul-06	0.00	750.00	750.00		
						Aug-06	750.00	(750.00)	-		
						Sep-06	0.00	0.00	-		
						Oct-06	0.00	0.00	-		
						Nov-06	0.00	0.00	-		
					0.00	Dec-06	0.00	0.00	-	-	-
DAWSON, JAMES T.	2888					Bal Fwd		0.00	-		
						Jan-06	0.00	0.00	-		
						Feb-06	0.00	0.00	-		
						Mar-06	0.00	0.00	-		
						Apr-06	0.00	0.00	-		
						May-06	0.00	0.00	-		
						Jun-06	0.00	0.00	-		
						Jul-06	0.00	0.00	-		
						Aug-06	0.00	0.00	-		
						Sep-06	0.00	0.00	-		
						Oct-06	0.00	0.00	-		
						Nov-06	0.00	0.00	-		
					0.00	Dec-06	0.00	0.00	-	-	-
DOUGLAS, NEIL	2789					Bal Fwd			-		
						Jan-06	0.00	0.00	-		
						Feb-06	0.00	0.00	-		
						Mar-06	0.00		-		
						Apr-06	0.00	43.13	43.13		
						May-06	43.13	(22.00)	21.13		
						Jun-06	21.13	(21.13)	-		
						Jul-06	0.00	700.00	700.00		
						Aug-06	700.00	0.00	700.00		
						Sep-06	700.00	0.00	700.00		
						Oct-06	700.00	(700.00)	-		
						Nov-06	0.00	0.00	-		
					0.00	Dec-06	0.00	0.00	-	-	-

HEARING EXHIBIT - 00000987

G.L. 1430.1 — Fernandina Beach #116

	EMP #	Date	DESCRIPTION OF REMAINING BALANCE	AMOUNT	TOTAL		MONTHLY CHANGE	BALANCE	FINAL BALANCE	Account Imbalance
FAULK, THOMAS	Dec-06	Dec-06	JE 8 FAULK	274.00		Bal Fwd		-		
		Dec-06	JE 1 PAYROLL DEDUCTIONS	(261.00)		Jan-06	0.00	0.00	-	
						Feb-06	0.00	0.00	-	
						Mar-06	0.00		-	
						Apr-06	0.00	43.13	43.13	
						May-06	43.13	(22.00)	21.13	
						Jun-06	21.13	(21.13)	-	
						Jul-06	0.00	700.00	700.00	
						Aug-06	700.00	0.00	700.00	
						Sep-06	700.00	0.00	700.00	
						Oct-06	700.00	(700.00)	-	
						Nov-06	0.00	0.00	-	
					13.00	Dec-06	0.00	13.00	13.00	13.00 -
FEWOX, SHEILA	2984					Bal Fwd		0.00	-	
						Jan-06	0.00	0.00	-	
						Feb-06	0.00	0.00	-	
						Mar-06	0.00	0.00	-	
						Apr-06	0.00	0.00	-	
						May-06	0.00	0.00	-	
						Jun-06	0.00	0.00	-	
						Jul-06	0.00	0.00	-	
						Aug-06	0.00	0.00	-	
						Sep-06	0.00	330.00	330.00	
						Oct-06	330.00	(330.00)	-	
						Nov-06	0.00	0.00	-	
					0.00	Dec-06	0.00	0.00	-	- -
GRAVES, JOHN	2085	Dec-01	JE 1	10.48		Bal Fwd		(230.71)	(230.71)	
HAS 2 ACCT BAL	2502	Dec-03	J11 JOHN GRAVES (5)	(468.75)		Jan-06	(230.71)	56.25	(174.46)	
BALANCE DOES NOT		Dec-03	PL 2003-12 UNUM LIFE INS	156.25		Feb-06	(174.46)	(112.50)	(286.96)	
MATCH AS400		Mar-04	PL 2004-03 UNUM LIFE	184.25		Mar-06	(286.96)	56.25	(230.71)	
RESEARCH 10/2004		Apr-04	PL 2004-04 UNUM LIFE INS	184.25		Apr-06	(230.71)	56.25	(174.46)	
		May-04	J11 JOHN GRAVES (3)	(168.75)		May-06	(174.46)	(112.50)	(286.96)	
B/L IN #2502 = $1509.80		May-04	PL 2004-05 UNUM LIFE INS	184.25		Jun-06	(286.96)	56.25	(230.71)	
B/L IN #2085 = 171.31		Dec-04	PL 2004-12	56.25		Jul-06	(230.71)	56.25	(174.46)	
		Jan-05	JE11 MARY GRAVES (21)	(240.94)		Aug-06	(174.46)	(112.50)	(286.96)	
		Jan-05	PL 2005-01 UNUM LIFE INS. CO.	(71.75)		Sep-06	(286.96)	56.25	(230.71)	
RESEARCHING 8/06						Oct-06	(230.71)	56.25	(174.46)	
		Nov-06	JE 11 JOHN GRAVES (7)	-188.75		Nov-06	(174.46)	(112.50)	(286.96)	
		Nov-06	PL 2006-11 UNUM LIFE INS	56.25	(230.71)	Dec-06	(286.96)	56.25	(230.71)	(230.71) -
		Dec-06	PL 2006-12 UNUM LIFE	56.25						
GRIFFIN, ROBERT	3041	Dec-06	JE 11 ROBERT GRIFFIN (14)	(204.00)		Bal Fwd		(7.00)	(7.00)	
***Retired		Dec-05	PL 2005-12 UNUM LIFE INS CO	197.00		Jan-06	(7.00)	(7.00)	(14.00)	
		Jan-06	JE 11 ROBERT GRIFFIN (12)	(204.00)		Feb-06	(14.00)	39.00	25.00	
WAYNE WRITING LETTERS		Jan-06	PL 2006-01 UNUM LIFE INS CO	197.00		Mar-06	25.00	16.00	41.00	
PER NICOLE 8/06		Feb-06	JE 11 ROBERT GRIFFIN (8)	(204.00)		Apr-06	41.00	16.00	57.00	
		Feb-06	PL 2006-02 UNUM LIFE INS CO	243.00		May-06	57.00	16.00	73.00	
		Mar-06	JE 11 ROBERT GRIFFIN (13)	(204.00)		Jun-06	73.00	16.00	89.00	
		Mar-06	PL 2006-03 UNUM LIFE	220.00		Jul-06	89.00	16.00	105.00	
		Apr-06	JE 11 ROBERT GRIFFIN	(204.00)		Aug-06	105.00	16.00	121.00	
		Apr-06	PL 2006-04 UNUM LIFE INS	220.00		Sep-06	121.00	16.00	137.00	
		May-06	JE 11 ROBERT GRIFFEN (12)	-204.00		Oct-06	137.00	16.00	153.00	
		May-06	PL 2006-05 UNUM LIFE INS	220.00		Nov-06	153.00	16.00	169.00	
		Jun-06	JE 11 ROBERT GRIFFIN (21)	-204.00	389.00 N	Dec-06	169.00	220.00	389.00	389.00 -
		Jun-06	PL 2006-06 UNUM LIFE INS CO	220.00						
		Jul-06	JE 11 ROBERT GRIFFIN (21)	-204.00						
		Jul-06	PL 2006-06 UNUM LIFE INS CO	220.00						
		Aug-06	JE 11 ROBERT GRIFFEN (15)	-204.00						
		Aug-06	PL 2006-08 UNUM LIFE INS CO	220.00						
		Sep-06	JE 11 ROBERT GRIFFIN	-204.00						
		Sep-06	PL 2006-09 UNUM LIFE INS	220.00						
		Oct-06	JE 11 GRIFFIN	-204.00						
		Oct-06	PL 2006-10 UNUM LIFE	220.00						
		Nov-06	JE 11 R GRIFFIN (15)	-204.00						
		Nov-06	PL 2006-11 UNUM LIFE INS	220.00						
		Dec-06	PL 2006-12 UNUM LIFE INS	220.00						

FLORIDA PUBLIC UTILITIES COMPANY
070304-EI

Exhibit 141.1
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G/L 1430.1 — Fernandina Beach #116

	EMP #	Date	DESCRIPTION OF REMAINING BALANCE	AMOUNT	TOTAL			MONTHLY CHANGE	BALANCE	FINAL BALANCE	Account Imbalance
GOINS, MIA	2960	Sep-06	PL CR091506 GOINS	330.00		Bal Fwd		0.00	-		
						Jan-06	0.00	0.00	-		
						Feb-06	0.00	0.00	-		
						Mar-06	0.00	0.00	-		
						Apr-06	0.00	0.00	-		
						May-06	0.00	0.00	-		
						Jun-06	0.00	34.79	34.79		
						Jul-06	34.79	(5.80)	28.99		
						Aug-06	28.99	(17.40)	11.59		
						Sep-06	11.59	318.41	330.00		
						Oct-06	330.00	0.00	330.00		
						Nov-06	330.00	0.00	330.00		
					330.00	Dec-06	330.00	0.00	330.00	330.00	-
HUNT,NIOKA	2543	Mar-06	PL CR032306 FLORIDA PUBLIC UTIL	678.06		Bal Fwd		0.00	-		
		Mar-06	JE 1 FPU REPAYMENT	(25.00)		Jan-06	0.00	0.00	-		
		Apr-06	JE 1 MERCH ACCT	(25.00)		Feb-06	0.00	0.00	-		
		Apr-06	JE 1 MERCH ACCT	(25.00)		Mar-06	0.00	653.06	653.06		
		May-06	JE 1 MERCH ACCT	(25.00)		Apr-06	653.06	(50.00)	603.06		
		May-06	JE 1 MERCH ACCT	(25.00)		May-06	603.06	(50.00)	553.06		
		Jun-06	JE 1 MERCH ACCT	(25.00)		Jun-06	553.06	(50.00)	503.06		
		Jun-06	JE 1 MERCH ACCT	(25.00)		Jul-06	503.06	(50.00)	453.06		
		Jul-06	JE 1 MERCH ACCT	(25.00)		Aug-06	453.06	(75.00)	378.06		
		Jul-06	JE 1 MERCH ACCT	(25.00)		Sep-06	378.06	(50.00)	328.06		
		Aug-06	JE 1 MERCH ACCT	(25.00)		Oct-06	328.06	(50.00)	278.06		
		Aug-06	JE 1 MERCH ACCT	(25.00)		Nov-06	278.06	150.00	428.06		
		Aug-06	JE 1 MERCH ACCT	(25.00)	178.06	Dec-06	428.06	(250.00)	178.06	178.06	-
		Sep-06	JE 1	(25.00)							
		Sep-06	JE 1	(25.00)							
		Oct-06	JE 1	(25.00)							
		Oct-06	JE 1	(25.00)							
		Nov-06	JE 1 MERCH ACCT	(25.00)							
		Nov-06	JE 1 MERCH ACCT	(25.00)							
		Nov-06	JE MERCH	(25.00)							
		Dec-06	JE 1 MERCH ACCT	(25.00)							
JOHNSON, LOUIE	459	Dec-06	JE 9 PAYROLL	966.00		Bal Fwd		0.00	-		
Engineer		Dec-06	JE 1 PAYROLL DEDUCTIONS	(934.00)		Jan-06	0.00	0.00	-		
						Feb-06	0.00	0.00	-		
						Mar-06	0.00	0.00	-		
						Apr-06	0.00	275.00	275.00		
						May-06	275.00	0.00	275.00		
						Jun-06	275.00	(275.00)	-		
						Jul-06	0.00	0.00	-		
						Aug-06	0.00	0.00	-		
						Sep-06	0.00	0.00	-		
						Oct-06	0.00	0.00	-		
						Nov-06	0.00	0.00	-		
					32.00	Dec-06	0.00	32.00	32.00	32.00	-
LAFAVOR,SCOTT	2907					Bal Fwd		79.44	79.44		
						Jan-06	79.44	0.00	79.44		
						Feb-06	79.44	0.00	79.44		
						Mar-06	79.44	0.00	79.44		
						Apr-06	79.44	0.00	79.44		
						May-06	79.44	0.00	79.44		
						Jun-06	79.44	0.00	79.44		
						Jul-06	79.44	0.00	79.44		
						Aug-06	79.44	(59.58)	19.86		
						Sep-06	19.86	(19.86)	-		
						Oct-06	0.00	0.00	-		
						Nov-06	0.00	0.00	-		
					0.00	Dec-06	0.00	0.00	-	-	-
MAXWELL, DONALD	3005					Bal Fwd		0.00	-		
						Jan-06	0.00	0.00	-		
						Feb-06	0.00	0.00	-		
						Mar-06	0.00	0.00	-		
						Apr-06	0.00	0.00	-		
						May-06	0.00	0.00	-		
						Jun-06	0.00	0.00	-		
						Jul-06	0.00	0.00	-		
						Aug-06	0.00	14.38	14.38		
						Sep-06	14.38	0.00	14.38		
						Oct-06	14.38	0.00	14.38		
						Nov-06	14.38	0.00	14.38		
					0.00	Dec-06	14.38	(14.38)	-	-	-

HEARING EXHIBIT - 00000989

	EMP #	Date	DESCRIPTION OF REMAINING BALANCE	AMOUNT	TOTAL			MONTHLY CHANGE	BALANCE	FINAL BALANCE	Account Imbalance
MCCLELLAND E J	3857	Sep-05	JE 19 MCCLELLAND	281.13		Bal Fwd		556.64	556.64		
RETIRED		Oct-05	JE 19 MCCLELLAND	281.13		Jan-06	556.64	(444.75)	111.89		
		Nov-05	JE 19 MCCLELLAND	281.13		Feb-06	111.89	82.00	193.89		
		Dec-05	JE 11 BETH MCCLELLAND (14)	(284.75)		Mar-06	193.89	76.00	269.89		
		Jan-06	JE 11 BETH MCCLELLAND (12)	(284.75)		Apr-06	269.89	(152.00)	117.89		
		Jul-06	JE 11 MAC MCCLELLAND (31)	(228.00)		May-06	117.89	76.00	193.89		
		Oct-06	PL 2006-10 UNUM LIFE INS CO	76.00		Jun-06	193.89	76.00	269.89		
		Nov-06	PL 2006-11 UNUM LIFE INS CO	76.00		Jul-06	269.89	(152.00)	117.89		
		Dec-06	PL 2006-12 UNUM LIFE INS	76.00		Aug-06	117.89	76.00	193.89		
						Sep-06	193.89	(152.00)	41.89		
						Oct-06	41.89	76.00	117.89		
						Nov-06	117.89	76.00	193.89		
					269.89	Dec-06	193.89	76.00	269.89	269.89	-
MCCLURE, CHRSINE	2406					Bal Fwd		0.00	-		
						Jan-06	0.00	0.00	-		
						Feb-06	0.00	0.00	-		
						Mar-06	0.00	0.00	-		
						Apr-06	0.00	0.00	-		
						May-06	0.00	0.00	-		
						Jun-06	0.00	13.07	13.07		
						Jul-06	13.07	(13.07)	-		
						Aug-06	0.00	0.00	-		
						Sep-06	0.00	0.00	-		
						Oct-06	0.00	0.00	-		
						Nov-06	0.00	0.00	-		
					0.00	Dec-06	0.00	0.00	-	-	-
MCCOY JUDEE	705	Apr-06	PL 2006-04 UNUM LIFE INS CO	76.00		BalFwd		628.00	628.00		
		May-06	PL 2006-05 UNUM LIFE INS	76.00		Jan-06	628.00	157.00	785.00		
		Jun-06	PL 2006-06 UNUM LIFE INS	76.00		Feb-06	785.00	183.00	968.00		
		Jul-06	JE 11 JUDEE MCCOY (10)	(380.00)		Mar-06	968.00	76.00	1,044.00		
		Jul-06	PL 2006-07 UNUM LIFE INS CO	76.00		Apr-06	1,044.00	76.00	1,120.00		
		Aug-06	PL 2006-08 UNUM LIFE INS	76.00		May-06	1,120.00	(968.00)	152.00		
		Sep-06	PL 2006-09 UNUM LIFE INS	76.00		Jun-06	152.00	76.00	228.00		
		Oct-06	PL 2006-10 UNUM LIFE INS CO	76.00		Jul-06	228.00	(304.00)	(76.00)		
		Nov-06	PL 2006-11 UNUM LIFE INS CO	76.00		Aug-06	(76.00)	76.00	-		
		Dec-06	PL 2006-UNUM LIFE INS	76.00		Sep-06	0.00	76.00	76.00		
						Oct-06	76.00	76.00	152.00		
						Nov-06	152.00	76.00	228.00		
					304.00	Dec-06	228.00	76.00	304.00	304.00	-
MOORE, DON	2476					Bal Fwd		0.00	-		
						Jan-06	0.00	0.00	-		
						Feb-06	0.00	0.00	-		
						Mar-06	0.00	0.00	-		
						Apr-06	0.00	0.00	-		
						May-06	0.00	0.00	-		
						Jun-06	0.00	0.00	-		
						Jul-06	0.00	0.00	-		
						Aug-06	0.00	0.00	-		
						Sep-06	0.00	0.00	-		
						Oct-06	0.00	0.00	-		
						Nov-06	0.00	0.00	-		
						Dec-06	0.00	0.00	-		
					0.00					-	-
NABORS, DONALD	3001					Bal Fwd		(834.28)	(834.28)		
						Jan-06	(834.28)	0.00	(834.28)		
						Feb-06	(834.28)	0.00	(834.28)		
						Mar-06	(834.28)	(271.34)	(1,105.60)		
						Apr-06	(1,105.60)	0.00	(1,105.60)		
						May-06	(1,105.60)	(271.34)	(1,378.94)		
						Jun-06	(1,378.94)	271.34	(1,105.60)		
						Jul-06	(1,105.60)	0.00	(1,105.60)		
						Aug-06	(1,105.60)	0.00	(1,105.60)		
						Sep-06	(1,105.60)	0.00	(1,105.60)		
						Oct-06	(1,105.60)	0.00	(1,105.60)		
						Nov-06	(1,105.60)	(1,065.12)	(2,170.72)		
					0.00	Dec-06	(2,170.72)	2,170.72	-	-	-
PEACOCK L	5040					Bal Fwd		0.00	-		
						Jan-06	0.00	0.00	-		
						Feb-06	0.00	0.00	-		
						Mar-06	0.00	0.00	-		
						Apr-06	0.00	0.00	-		
						May-06	0.00	0.00	-		
						Jun-06	0.00	76.30	76.30		
						Jul-06	76.30	(10.97)	65.33		
						Aug-06	65.33	(25.72)	39.61		
						Sep-06	39.61	(21.94)	17.67		
						Oct-06	17.67	(10.48)	7.19		
						Nov-06	7.19	100.00	107.19		
					0.00	Dec-06	107.19	(107.19)	-	-	-

HEARING EXHIBIT - 00000990

	EMP #	Date	DESCRIPTION OF REMAINING BALANCE	AMOUNT	TOTAL			MONTHLY CHANGE	BALANCE	FINAL BALANCE	Account Imbalance
PLUTA DAVID F	2788					Bal Fwd		52.99	52.99		
						Jan-06	52.99	0.00	52.99		
						Feb-06	52.99	0.00	52.99		
						Mar-06	52.99	0.00	52.99		
						Apr-06	52.99	0.00	52.99		
						May-06	52.99	0.00	52.99		
						Jun-06	52.99	31.19	84.18		
						Jul-06	84.18	0.00	84.18		
						Aug-06	84.18	(84.18)	-		
						Sep-06	0.00	0.00	-		
						Oct-06	0.00	0.00	-		
						Nov-06	0.00	0.00	-		
					0.00	Dec-06	0.00	0.00	-	-	-
PUENTES, JORGE	2755					Bal Fwd		0.00	-		
						Jan-06	0.00	0.00	-		
						Feb-06	0.00	0.00	-		
						Mar-06	0.00	0.00	-		
						Apr-06	0.00	0.00	-		
						May-06	0.00	0.00	-		
						Jun-06	0.00	0.00	-		
						Jul-06	0.00	0.00	-		
						Aug-06	0.00	0.00	-		
						Sep-06	0.00	0.00	-		
						Oct-06	0.00	0.00	-		
						Nov-06	0.00	0.00	-		
					0.00	Dec-06	0.00	0.00	-	-	
SCANDALIATO DONALD	2005					Bal Fwd		0.00	-		
						Jan-06	0.00	0.00	-		
						Feb-06	0.00	0.00	-		
						Mar-06	0.00	0.00	-		
						Apr-06	0.00	0.00	-		
						May-06	0.00	0.00	-		
						Jun-06	0.00	0.00	-		
						Jul-06	0.00	0.00	-		
						Aug-06	0.00	0.00	-		
						Sep-06	0.00	0.00	-		
						Oct-06	0.00	0.00	-		
						Nov-06	0.00	0.00	-		
					0.00 ✓	Dec-06	0.00	0.00	-	-	-
SHELTON CHARLES	1459	Jan-05	PL 2005-01 UNUM LIFE INS. CO. O	70.00		Bal Fwd		187.28	187.28		
		Feb-05	JE11 CHARLES SHELTON (10)	(183.00)		Jan-06	187.28	(113.00)	74.28		
		Feb-05	PL 2005-02 UNUM LIFE INS. CO. O	70.00		Feb-06	74.28	82.00	156.28		
		Mar-05	PL 2005-03 UNUM LIFE	70.00		Mar-06	156.28	82.00	238.28		
		Apr-05	PL 2005-04 UNUM LIFE	70.00		Apr-06	238.28	82.00	320.28		
		May-05	JE 11 CHARLES SHELTON (12)	(183.00)		May-06	320.28	82.00	402.28		
		May-05	PL 2005-05 UNUM LIFE INS. CO	70.00		Jun-06	402.28	(101.00)	301.28		
		Jun-05	PL 2005-06 UNUM LIFE INS. CO. O	70.00		Jul-06	301.28	82.00	383.28		
		Jun-05	PL 4488481380 SUNTRUST BANKCARD NA	79.28		Aug-06	383.28	82.00	465.28		
		Jul-05	JE11 CHARLES SHELTON (10)	(183.00)		Sep-06	465.28	82.00	547.28		
		Jul-05	PL 2005-06 UNUM LIFE INS. CO. O	70.00		Oct-06	547.28	82.00	629.28		
		Aug-05	PL 2005-07	70.00		Nov-06	629.28	82.00	711.28		
		Sep-05	pl 2005-08 UNUM LIFE	70.00	711.28 ✓	Dec-06	711.28	0.00	711.28	711.28	-
		Oct-05	PL 2005-10 UNUM LIFE INS CO	70.00							
		Nov-05	JE11 CHARLES SHELTON (10)	(183.00)							
		Nov-05	PL 2005-10 UNUM LIFE INS CO	70.00							
		Dec-05	PL 2005-12 UNUM LIFE INS CO	70.00							
		Jan-06	JE11 CHARLES SHELTON (13)	(183.00)							
		Jan-06	PL 2006-01 UNUM LIFE INS CO	70.00							
		Feb-06	PL 2006-02 UNUM LIFE INS CO	82.00							
		Mar-06	PL 2006-03 UNUM LIFE INS CO	82.00							
		Apr-06	PL 2006-04 UNUM LIFE INS CO	82.00							
		May-06	PL 2006-05 UNUM LIFE	82.00							
		Jun-06	JE 11 CHARLES SHELTON (12)	(183.00)							
		Jun-06	PL 2006-06 UNUM LIFE INS CO	82.00							
		Jul-06	PL 2006-07 UNUM LIFE INS	82.00							
		Aug-06	PL 2006-08 UNUM LIFE INS	82.00							
		Sep-06	PL 2006-09 UNUM LIFE	82.00							
		Oct-06	PL 2006-10 UNUM LIFE INS	82.00							
		Nov-06	PL 2006-11 UNUM LIFE INS CO	82.00							
SCHAAK, CLIFFORD	2718	Dec-06	JE 9	151.00		Bal Fwd		45.00	45.00		
		Dec-06	JE 1 DEDUCTIONS	(123.00)		Jan-06	45.00	(36.00)	9.00		
						Feb-06	9.00	0.00	9.00		
						Mar-06	9.00	(9.00)	-		
						Apr-06	0.00	0.00	-		
						May-06	0.00	0.00	-		
						Jun-06	0.00	9.00	9.00		
						Jul-06	9.00	750.00	759.00		
						Aug-06	759.00	(9.00)	750.00		
						Sep-06	750.00	0.00	750.00		
						Oct-06	750.00	(750.00)	-		
						Nov-06	0.00	0.00	-		
					28.00 ✓	Dec-06	0.00	28.00	28.00	28.00	-

HEARING EXHIBIT - 00000991

	EMP #	Date	DESCRIPTION OF REMAINING BALANCE	AMOUNT	TOTAL			MONTHLY CHANGE	BALANCE	FINAL BALANCE	Account Imbalance
SHATZER, ROBERT	1041	Dec-06	JE 1 PAYROLL DEDUCTIONS	(42.91)		Bal Fwd		45.00	45.00		
		Dec-06	J E 5.24 MISC ADJ	42.03		Jan-06	45.00	(36.00)	9.00		
						Feb-06	9.00	0.00	9.00		
						Mar-06	9.00	(9.00)	-		
						Apr-06	0.00	0.00	-		
						May-06	0.00	0.00	-		
						Jun-06	0.00	9.00	9.00		
						Jul-06	9.00	750.00	759.00		
						Aug-06	759.00	(9.00)	750.00		
						Sep-06	750.00	0.00	750.00		
						Oct-06	750.00	(750.00)	-		
						Nov-06	0.00	0.00	-		
					(0.88)	Dec-06	0.00	(0.88)	(0.88)	(0.88)	(0.00)
SHIVELY, ADAM	2870					Bal Fwd		0.00	-		
						Jan-06	0.00	0.00	-		
						Feb-06	0.00	0.00	-		
						Mar-06	0.00	0.00	-		
						Apr-06	0.00	0.00	-		
						May-06	0.00	0.00	-		
						Jun-06	0.00	0.00	-		
						Jul-06	0.00	0.00	-		
						Aug-06	0.00	0.00	-		
						Sep-06	0.00	0.00	-		
						Oct-06	0.00	0.00	-		
						Nov-06	0.00	0.00	-		
					0.00	Dec-06	0.00	0.00	-	-	-
TAYLOR, ERNEST	2647					Bal Fwd		42.48	42.48		
		Aug-06	PL 99-33537 MONARK	93.47		Jan-06	42.48	(42.48)	-		
		Dec-06	JE 1 PAYROLL DEDUCTION	(32.00)		Feb-06	0.00	0.00	-		
		Dec-06	JE 1 PAYROLL DEDUCTION	(32.00)		Mar-06	0.00	0.00	-		
						Apr-06	0.00	0.00	-		
						May-06	0.00	0.00	-		
						Jun-06	0.00	0.00	-		
						Jul-06	0.00	15.98	15.98		
						Aug-06	15.98	93.47	109.45		
						Sep-06	109.45	(8.00)	101.45		
						Oct-06	101.45	(7.98)	93.47		
						Nov-06	93.47	0.00	93.47		
					29.47 N	Dec-06	93.47	(64.00)	29.47	29.47	-
THOMPSON, V	2648	Dec-06	JE 8 THOMPSON	(228.00)		Bal Fwd		59.00	59.00		
		Dec-06	JE 1 PAYROLL DEDUCTIONS	304.00		Jan-06	59.00	6.00	65.00		
						Feb-06	65.00	0.00	65.00		
						Mar-06	65.00	(65.00)	-		
						Apr-06	0.00	0.00	-		
						May-06	0.00	0.00	-		
						Jun-06	0.00	96.70	96.70		
						Jul-06	96.70	(31.70)	65.00		
						Aug-06	65.00	(65.00)	-		
						Sep-06	0.00	0.00	-		
						Oct-06	0.00	0.00	-		
						Nov-06	0.00	0.00	-		
					76.00 N	Dec-06	0.00	76.00	76.00	76.00	-
THORNTON, JEREMY	3013					Bal Fwd		0.00	-		
						Jan-06	0.00	0.00	-		
						Feb-06	0.00	0.00	-		
						Mar-06	0.00	0.00	-		
						Apr-06	0.00	0.00	-		
						May-06	0.00	0.00	-		
						Jun-06	0.00	0.00	-		
						Jul-06	0.00	0.00	-		
						Aug-06	0.00	7.19	7.19		
						Sep-06	7.19	0.00	7.19		
						Oct-06	7.19	0.00	7.19		
						Nov-06	7.19	0.00	7.19		
					0.00 N	Dec-06	7.19	(7.19)	-	-	-
THORNTON, P	276					Bal Fwd		0.00	-		
						Jan-06	0.00	0.00	-		
						Feb-06	0.00	0.00	-		
						Mar-06	54.32	0.00	54.32		
						Apr-06	54.32	(11.00)	43.32		
						May-06	43.32	(22.00)	21.32		
						Jun-06	21.32	(21.32)	-		
						Jul-06	0.00	0.00	-		
						Aug-06	0.00	21.57	21.57		
						Sep-06	21.57	0.00	21.57		
						Oct-06	21.57	0.00	21.57		
						Nov-06	21.57	0.00	21.57		
					0.00	Dec-06	21.57	(21.57)	-	-	-

HEARING EXHIBIT - 00000992

G/L 1430.1 — Fernandina Beach #116

	EMP #	Date	DESCRIPTION OF REMAINING BALANCE	AMOUNT	TOTAL			MONTHLY CHANGE	BALANCE	FINAL BALANCE	Account Imbalance
TUTEN J	2368	Jul-05	PL 2005-06 UNUM LIFE INS. CO. O	56.25		Bal Fwd		337.50	337.50		-
Retired		Aug-05	PL 2005-07	56.25		Jan-06	337.50	56.25	393.75		-
		Sep-05	PL 2005-09 UNUM LIFE INS CO	56.25		Feb-06	393.75	56.25	450.00		-
		Oct-05	PL 2005-10 UNUM LIFE INS CO	56.25		Mar-06	450.00	56.25	506.25		-
		Nov-05	PL 2005-11 UNUM LIFE INS CO	56.25		Apr-06	506.25	56.25	562.50		-
		Dec-05	PL 2005-12 UNUM LIFE INS CO	56.25		May-06	562.50	56.25	618.75		-
		Jan-06	PL 2006-01 UNUM LIFE INS CO	56.25		Jun-06	618.75	56.25	675.00		-
		Feb-06	PL 2006-02 UNUM LIFE INS CO	56.25		Jul-06	675.00	(56.25)	618.75		-
		Mar-06	PL 2006-03 UNUM LIFE INS CO	56.25		Aug-06	618.75	0.00	618.75		-
		Apr-06	PL 2006-04 UNUM LIFE INS CO	56.25		Sep-06	618.75	0.00	618.75		-
		May-06	PL 2006-05 UNUM LIFE INS CO	56.25		Oct-06	618.75	0.00	618.75		-
		6-Jun	PL 2006-06 UNUM LIFE INS CO	56.25		Nov-06	618.75	0.00	618.75		-
		Jul-06	PL 2006-07 UNUM LIFE INS	(56.25)	618.75 N	Dec-06	618.75	0.00	618.75	618.75	-
TYLER, WILLIAM	2548	Dec-06	JE 9 TYLER	21.00		Bal Fwd		140.26	140.26		-
		Dec-06	JE 1 PAYROLL DEDUCTIONS	6.00		Jan-06	140.26	(20.08)	120.18		-
						Feb-06	120.18	(31.06)	89.12		-
						Mar-06	89.12	(73.59)	15.53		-
						Apr-06	15.53	(15.53)	-		-
						May-06	0.00	0.00	-		-
						Jun-06	0.00	27.00	27.00		-
						Jul-06	27.00	0.00	27.00		-
						Aug-06	27.00	(27.00)	-		-
						Sep-06	0.00	0.00	-		-
						Oct-06	0.00	0.00	-		-
						Nov-06	0.00	0.00	-		-
					27.00 N	Dec-06	0.00	27.00	27.00	27.00	-
WELSH,JOHN	2475					Bal Fwd		0.00	-		-
						Jan-06	0.00	0.00	-		-
						Feb-06	0.00	0.00	-		-
						Mar-06	0.00	0.00	-		-
						Apr-06	0.00	0.00	-		-
						May-06	0.00	0.00	-		-
						Jun-06	0.00	0.00	-		-
						Jul-06	0.00	0.00	-		-
						Aug-06	0.00	0.00	-		-
						Sep-06	0.00	0.00	-		-
						Oct-06	0.00	0.00	-		-
						Nov-06	0.00	0.00	-		-
					0.00	Dec-06	0.00	0.00	-	-	-
WENING, DONALD	2767	Dec-06	JE 11 WENING (21)	(918.21)		Bal Fwd		0.00	-		-
		Dec-06	JE 19 WENING	336.66		Jan-06	0.00	0.00	-		-
						Feb-06	0.00	0.00	-		-
						Mar-06	0.00	0.00	-		-
						Apr-06	0.00	0.00	-		-
						May-06	0.00	0.00	-		-
						Jun-06	0.00	42.40	42.40		-
						Jul-06	42.40	(42.40)	-		-
						Aug-06	0.00	0.00	-		-
						Sep-06	0.00	0.00	-		-
						Oct-06	0.00	0.00	-		-
						Nov-06	0.00	0.00	-		-
					(581.55) N	Dec-06	0.00	(581.55)	(581.55)	(581.55)	-
WILKES, CHARLES	2021					Bal Fwd		11.30	11.30		-
						Jan-06	11.30	(11.30)	-		-
						Feb-06	0.00	0.00	-		-
						Mar-06	0.00	0.00	-		-
						Apr-06	0.00	0.00	-		-
						May-06	0.00	0.00	-		-
						Jun-06	0.00	0.00	-		-
						Jul-06	0.00	0.00	-		-
						Aug-06	0.00	0.00	-		-
						Sep-06	0.00	0.00	-		-
						Oct-06	0.00	0.00	-		-
						Nov-06	0.00	0.00	-		-
					0.00	Dec-06	0.00	0.00	-	-	-
WILLIAMS KENNEDY, RENA	4116	Nov-06	PL CR112106 RENA WILLIAMS	430.00		Bal Fwd		0.00	-		-
						Jan-06	0.00	0.00	-		-
						Feb-06	0.00	0.00	-		-
						Mar-06	0.00	39.94	39.94		-
						Apr-06	39.94	(10.00)	29.94		-
						May-06	29.94	15.95	45.89		-
						Jun-06	45.89	(9.94)	35.95		-
						Jul-06	35.95	(18.00)	17.95		-
						Aug-06	17.95	(17.95)	-		-
						Sep-06	0.00	0.00	-		-
						Oct-06	0.00	0.00	-		-
						Nov-06	0.00	430.00	430.00		-
					430.00 ✓	Dec-06	430.00	0.00	430.00	430.00	-

HEARING EXHIBIT - 00000993

G/L 1438.1 — Fernandina Beach #115

	EMP #	Date	DESCRIPTION OF REMAINING BALANCE	AMOUNT	TOTAL			MONTHLY CHANGE	BALANCE	FINAL BALANCE	Account Imbalance
WINSTON, LINDA	2483					Bal Fwd		0.00	-		-
						Jan-06	0.00	0.00	-		-
						Feb-06	0.00	0.00	-		-
						Mar-06	0.00	60.71	60.71		-
						Apr-06	60.71	14.16	74.87		-
						May-06	74.87	(38.00)	36.87		-
						Jun-06	36.87	(33.71)	3.16		-
						Jul-06	3.16	(3.16)	0.00		-
						Aug-06	0.00	0.00	0.00		-
						Sep-06	0.00	0.00	0.00		-
						Oct-06	0.00	0.00	0.00		-
						Nov-06	0.00	100.00	100.00		-
					0.00 N	Dec-06	100.00	(100.00)	-	-	-
					(8,678.02)					(8,678.02) N	(0.00)
			GL BALANCE-	Dec-06	(8,678.02) N						
					0.00						

HEARING EXHIBIT - 00000994

HEARING EXHIBIT - 00000995

FLORIDA PUBLIC UTILITIES COMPANY
070304-EI

Exhibit 141.2
OPC Interrogatory 3

MARIANNA

FOR PERIOD ENDING DECEMBER 2006	S/L#	DATE	DESCRIPTION	REF#	ACTIVITY	BALANCE
SC REC	1	09/06	CASH	JE 11	(80.00)	
		Dec-06	TRANSFER CHARGES	JE 11M	80.00	0.00
MARY HODGES	35635	May-06	TRANSPORTATION	J E 12	281.00	
		May-06	INVENTORY	JE 3	302.00	
		May-06	PAYROLL	JE 9	1514.00	
		May-06	PL PC060206	JE 3	56.00	
						2153.00
ALAN VANLANDINGHAM	035440	Feb-06	JE 12 ALAN VANLANDINGHAM	JE 12	36.00	
		Feb-06	JE 12 ALAN VANLANDINGHAM	J 3	273.00	
		Feb-06	JE 12 ALAN VANLANDINGHAM	J 9	127.00	0.00
		Jul-06	JE 11 CASH	JE 11	(523.20)	
		Sep-06	WRITE-OFF	JE 23	87.20	
ANDERSON COLUMBIA	035548	Mar-06	J 12 ANDERSON COLUMBIA SE	J 12	83.00	(100.00)
		Apr-06	JE 3 ANDERSON COLUMBIA	J 3	1434.00	
		Apr-06	JE 9 ANDERSON COLUMBIA	J 9	270.00	
		Dec-06	CASH	JE 11	(1887.00)	
ANDERSON COLUMBIA	036016	Dec-06	TRANSPORTATION	JE 12	16.00	
		Dec-06	PAYROLL	JE 9	114.00	
						130.00
ARTHUR DOZIER	034596	Nov-04		J12	31.00	
		Nov-04		J 9	319.00	
		Dec-05	JE 23 WRITE-OFF	JE 23	(350.00)	
		Jan-06	JE 11	JE 11	(420.00)	
		Feb-06	JE 23 ARTHUR DOZIER SCHOOL	JE 23	70.00	
		Feb-06	JE 23 ARTHUR DOZIER SCHOOL	JE 23	350.00	0.00
ARTHUR DOZIER	034618	Nov-04		J12	18.00	
				J 3	109.00	
				J 9	196.00	
				PL PC 112404	6.00	
		Dec-05	JE 23 WRITE-OFF	JE 23	(329.00)	
		Jan-06	JE 11	JE 11	(394.80)	
		Feb-06	JE 23 ARTHUR DOZIER SCHOOL	JE 23	65.80	
		Feb-06	JE 23 ARTHUR DOZIER SCHOOL	JE 23	329.00	0.00
ARTHUR DOZIER	035211	Oct-05	ARTHUR DOZIER SCHOOL	JE 12	12.00	
		Oct-05		JE 3	330.00	
		Oct-05		JE 9	103.00	
		Feb-06	ARTHUR DOZIER (2)	JE 11	(534.00)	
		Mar-06	ARTHUR DOZIER SCHOOL FOR	JE 23	89.00	0.00
ARTHUR DOZIER	035474	Feb-06	ARTHUR DOZIER SCHOOL	JE 12	71.00	
		Feb-06	ARTHUR DOZIER SCHOOL	JE 9	536.00	0.00
		Jul-06	JE 11 CASH (5)	JE 11	(707.00)	
		Sep-06	WRITE-OFF	JE 23	100.00	
ARTHUR DOZIER SCHOOL	035509	Mar-06	ARTHUR DOZIER SCHOOL	J 12	31.00	
			ARTHUR DOZIER SCHOOL	J 3	5.00	
			ARTHUR DOZIER SCHOOL	J 9	104.00	0.00
		Aug-06	CASH	JE 11	(168.00)	
		Sep-06	WRITE-OFF	JE 23	28.00	
ARTHUR DOZIER SCHOOL	035589	Apr-06	ARTHUR DOZIER SCHOOL	J 12	33.00	
		Apr-06	ARTHUR DOZIER SCHOOL	J 3	208.00	
		Apr-06	ARTHUR DOZIER SCHOOL	J 9	293.00	
		Oct-06	CASH (11)	JE 11	(534.00)	0.00
		Nov-07	JE 23 PROFIT	JE 23	100.00	

MARIANNA

FOR PERIOD ENDING DECEMBER 2006	S/L#	DATE	DESCRIPTION	REF#	ACTIVITY	BALANCE
.ROWHEAD	034833	Mar-05		J12	8.00	
				J9	61.00	
		Dec-05	JE 23 WRITE-OFF	JE 23	(69.00)	0.00
		Jan-06	JE 11	JE 11	(82.80)	
		Feb-06	JE 23 ARROWHEAD CAMPSITE	JE 23	13.80	
		Feb-06	JE 23 ARROWHEAD CAMPSITE	JE 23	69.00	
ARROWHEAD CAMPGROUND	034858	Mar-05		J12	130.00	
				J3	403.00	
				J9	624.00	
		Dec-05	JE 23 WRITE-OFF	JE 23	(1157.00)	0.00
		Jan-06	JE 11	JE 11	(1257.00)	
		Feb-06	JE 23 ARROWHEAD CAMPGROUND	JE 23	100.00	
		Feb-06	JE 23 ARROWHEAD CAMPGROUND	JE 23	1157.00	
ARROWHEAD CAMP GROUND	034876	Apr-05		J12	123.00	
		Apr-05		J3	271.00	
		Apr-05		J9	651.00	
		May-05	LESLIE MURDOCK STRAU	PL PC042205	14.00	
		Dec-05	JE 23 WRITE-OFF	JE 23	(1059.00)	
		Jan-06	JE 11	JE 11	(1159.00)	
		Feb-06	JE 23 ARROWHEAD CAMPGROUND	JE 23	100.00	
		Feb-06	JE 23 ARROWHEAD CAMPGROUND	JE 23	1059.00	0.00
ARROWHEAD CAMP GROUND	034930	Apr-05		J12	384.00	
		May-05	ARROWHEAD CAMPGROUND	J3	1022.00	
		May-05	ARROWHEAD CAMPGROUND	J9	1769.00	0.00
		Dec-05	JE 23 WRITE-OFF	JE 23	(3175.00)	
		Jan-06	JE 11	JE 11	(3275.00)	
		Feb-06	JE 23 ARROWHEAD CAMPGROUND	JE 23	100.00	
		Feb-06	JE 23 ARROWHEAD CAMPGROUND	JE 23	3175.00	
OWHEAD CAMPGROUND	035653	May-06	INVENTORY	JE 3	474.00	
						474.00
ARROWHEAD CAMPGROUND	035660	May-06	TRANSPORTATION	JE 12	59.00	
		Jun-06	PAYROLL	JE 9	405.00	
						464.00
BILL DEAN	035270	Nov-05	BILL DEAN MATERIALS	JE 3	64.00	
		Feb-06	BILL DEAN (28)	JE 11	(76.80)	
		Mar-06	BILL DEAN	JE 23	12.80	0.00
BRENT HALL	035170	Sep-05		J12	154.00	
		Sep-05		J3	427.00	
		Sep-05		J9	803.00	0.00
		Oct-05		PL PC101005	14.00	
		Jan-06	JE 11	JE 11	(816.29)	
		Jun-06	WRITE OFF	JE 23	(581.71)	
BRIGHT HOUSE COMMUNICATION	035272	Nov-05	BRIGHT HOUSE COMMUNICATIONS	JE 12	37.00	
		Nov-05	BRIGHT HOUSE COMMUNICATIONS	JE 3	331.00	
		Dec-05		JE 9	235.00	
		Feb-06	BRIGHT HOUSE COMMUNICATIONS	JE 11	(703.00)	
		Mar-06	BRIGHT HOUSE COMMUNICATIONS	JE 23	100.00	0.00
BUFFALO ROCK	035505	Mar-06	BUFFALO ROCK	J12	21.00	
			BUFFALO ROCK	J3	109.00	
			BUFFALO ROCK	J9	88.00	0.00
		Oct-06	CASH (11)	JE 11	(261.60)	
		Nov-06	PROFIT	JE 23	43.60	
CASH SALES	005014	Dec-06	INVENTORY	JE 3	614.00	
		Dec-06	CASH - BIG RIVER CONST	JE 11	(542.93)	
		Dec-06	CASH - PAUL DONOFRO	JE 11	(130.00)	
		Dec-06	CASH - ATC ELECTRIC	JE 11	(66.46)	
						(125.39)

MARIANNA

FOR PERIOD ENDING DECEMBER 2006	S/L#	DATE	DESCRIPTION	REF#	ACTIVITY	BALANCE
ITRAL TELEPHONE CO. OF FL	010000	Jan-06	CENTRAL TELEPHONE	JE 23	36041.80	
		Mar-06	TO CORRECT $ TO WRONG	JE 11 M	(36041.80)	0.00
CITY OF BLOUNTSTOWN	035652	May-06	INVENTORY	JE 3	396.00	
		Oct-06	CASH	JE 11	(475.20)	
		Nov-06	PROFIT	JE 23	79.20	0.00
CITY OF BLOUNTSTOWN	035654	May-06	INVENTORY	JE 3	197.00	
		Oct-06	CASH	JE 11	(236.40)	
		Dec-06	PROFIT	JE 23	39.40	
						0.00
CITY OF BLOUNTSTOWN	035676	Jun-06	INVENTORY	JE 3	190.00	
		Oct-06	CASH	JE 11	(228.00)	
		Nov-06	PROFIT	JE 23	38.00	0.00
CITY OF BLOUNTSTOWN	035768	Jul-06	INVENTORY	JE3	83.00	
		Oct-06	CASH	JE 11	(99.60)	
		Nov-07	PROFIT	JE 23	16.60	0.00
CITY OF BRISTOL	035327	Dec-05		JE 12	39.00	
		Dec-06		JE 9	118.00	
		Mar-06	CITY OF BRISTOL (14)	JE 11	(188.40)	
		Apr-06	CITY OF BRISTOL (14)	JE 23	31.40	0.00
CITY OF BRISTOL	035358	Jan-06	CITY OF BRISTOL REMO	JE 12	16.00	
		Jan-06	CITY OF BRISTOL REMO	JE 9	81.00	
		Apr-06	CITY OF BRISTOL REMO	JE 11	(116.40)	0.00
		May-06	PROFIT/LOSS	JE 23	19.40	
CITY OF COTTONDALE	035296	Nov-05	JE 12 CITY OF COTTONDALE	JE 12	74.00	
		Dec-05	CITY OF COTTONDALE	JE 3	41.00	
			CITY OF COTTONDALE	JE 9	645.00	
		Feb-06	CITY OF COTTONDALE	JE 11	(860.00)	
		Mar-06	CITY OF COTTONDALE	JE 23	100.00	0.00
CITY OF COTTONDALE	035298	Dec-05	CITY OF COTTONDALE	JE 12	65.00	
			CITY OF COTTONDALE	JE 9	403.00	
		Feb-06	CITY OF COTTONDALE	JE 11	(561.60)	
		Mar-06	CITY OF COTTONDALE	JE 23	93.60	0.00
CITY OF COTTONDALE	035359	Jan-06	CITY OF COTTONDALE	JE 12	40.00	
		Jan-06	CITY OF COTTONDALE	JE 9	365.00	
		Apr-06	CITY OF COTTONDALE	JE 11	(486.00)	0.00
		May-06	PROFIT/LOSS	JE 23	81.00	
CITY OF COTTONDALE	035979	Nov-06	TRANSPORTATION	JE 12	51.00	
		Dec-06	PAYROLL	JE 9	598.00	
						649.00
CITY OF MARIANNA	034570	Feb-06	CITY OF MARIANNA	JE 11	(57.60)	
		Mar-06	CITY OF MARIANNA	JE 23	9.60	
		Mar-06	CITY OF MARIANNA	JE 23	48.00	0.00
CITY OF MARIANNA	035707	Jun-06	INVENTORY	JE 3	21.00	
		Nov-06	CASH (9)	JE 11	(25.20)	
		Dec-06	PROFIT	JE 23	4.20	0.00
COMCAST	005749	Jan-06	COMCAST POLE RENTALS	JE 23	31608.50	
		Aug-06	CASH	JE 11	(31608.50)	
						0.00

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FOR PERIOD ENDING DECEMBER 2006	S/L#	DATE	DESCRIPTION	REF#	ACTIVITY	BALANCE
/CAST	034270	Apr-06	COMCAST (10)	JE 11	(981.00)	
		Jun-06	REVERSE W/O	JE 23	881.00	
		Jun-06	RECORD PROFIT	JE 23	100.00	**0.00**
DANELLA CONSTRUCTION CO	034941	Feb-06	DANELLA COMPANIES	JE 11	(1057.00)	
		Mar-06	DANELLA COMPANIES	JE 23	100.00	
		Mar-06	DANELLA COMPANIES	JE 23	957.00	**0.00**
DANELLA CONSTRUCTION CO	034970	Feb-06	DANELLA COMPANIES	JE 11	(1153.00)	
		Mar-06	DANELLA CONSTRUCTION	JE 23	100.00	
		Mar-06	DANELLA CONSTRUCTION	JE 23	1053.00	**0.00**
DANELLA CONSTRUCTION CO	035142	Sep-05	DANELLA CONSTRUCTION	J12	18.00	
		Sep-05	DANELLA CONSTRUCTION	J 9	69.00	
		Feb-06	DANELLA COMPANIES	J 11	(104.40)	
		Mar-06	DANELLA COMPANIES	JE 23	17.40	**0.00**
DANELLA CONSTRUCTION CO	035239	Oct-05	DANELLA CONSTRUCTION	JE 12	86.00	
		Nov-05	DANELLA CONSTRUCTION	JE 9	412.00	
		Feb-06	DANELLA COMPANIES	JE 11	(597.60)	
		Mar-06	DANELLA COMPANIES	JE 23	99.60	**0.00**
DANIEL GOODHUE	035742	Jul-06	TRANSPORTATION	JE 12	20.00	
		Jul-06	PAYROLL	JE 9	82.00	
		Sep-06	CASH (25)	JE 11	(122.40)	
		Oct-06	PROFIT	JE 23	20.40	**0.00**
DELITE	030502	Mar-06	LAMAR COMPANIES (29)	JE 11	(400.00)	
~NT ON W LAFAYETTE		Apr-06	LAMAR COMPANIES (7)	JE 11	(2758.00)	
		Jun-06	TRANSFER MONIES	JE 23	3158.00	**0.00**
DENISE JONES	035832	Sep-06	TRANSPORTATION	JE 12	72.00	
		Sep-06	INVENTORY	JE 3	156.00	
		Sep-06	PAYROLL	JE 9	400.00	
						628.00
DOZIER SCHOOL FOR BOYS	035397	Jan-06	DOZIER SCHOOL FOR BOYS	JE 12	56.00	
		Jan-06	DOZIER SCHOOL FOR BOYS	JE 3	32.00	
		Jan-06	DOZIER SCHOOL FOR BOYS	JE 9	435.00	
		Mar-06	ARTHUR G. DOZIER (31)	JE 11	(623.00)	
		Apr-06	DOZIER SCHOOL FOR BOYS	JE 23	100.00	**0.00**
DUSTIN LAND	035944	Nov-06	TRANSPORTATION	JE 12	80.00	
		Nov-06	INVENTORY	JE 3	448.00	
		Nov-06	PAYROLL	JE 9	500.00	
						1028.00
ECONOMY HEATING & A/C	034528	Oct-04		J3	51.00	
		Dec-05	JE 23 WRITE-OFF	JE 23	(51.00)	**0.00**
		Jan-06	JE 11	JE 11	(61.20)	
		Feb-06	ECONOMY HEATING & AC	JE 23	10.20	
		Feb-06	ECONOMY HEATING & AC	JE 23	51.00	
ECONOMY HEATING & A/C	035739	Jul-06	INVENTORY	JE 3	77.00	
						77.00
ECONOMY HEATING & A/C	034540	Oct-04		J3	51.00	
		Dec-05	JE 23 WRITE-OFF	JE 23	(51.00)	**0.00**

HEARING EXHIBIT - 00000999

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FOR PERIOD ENDING DECEMBER 2006	S/L#	DATE	DESCRIPTION	REF#	ACTIVITY	BALANCE
ELMORE ELECTRIC	034936	May-05	ELMORE ELECTRIC	J12	79.00	
		May-05	ELMORE ELECTRIC	J3	196.00	
		May-05	ELMORE ELECTRIC	J9	377.00	
		May-05	HUGHES SUPPLY INC	PL S115620342	11.18	
		Dec-05	JE 23 WRITE-OFF	JE 23	(663.18)	
		Feb-06	ELMORE ELECTRIC	JE 11	(763.18)	
		Mar-06	ELMORE ELECTRIC	JE 23	100.00	
		Mar-06	ELMORE ELECTRIC	JE 23	663.18	0.00
ECONOMY HEATING & A/C	034885	Apr-05		J3	58.00	
		Dec-05	JE 23 WRITE-OFF	JE 23	(58.00)	0.00
		Jan-06	JE 11	JE 11	(69.60)	
		Feb-06	ECONOMY HEATING & AC	JE 23	11.60	
		Feb-06	ECONOMY HEATING & AC	JE 23	58.00	
FL ENVIRONMENTAL LANSCAPE	035682	Jun-06	TRANSPORTATION	JE 12	21.00	
		Jun-06	PAYROLL	JE 9	133.00	
						154.00
FP&L STROM RESTORATION	035218	Oct-05	FPL STORM RESTORATION	JE 12	2976.00	
		Nov-05	FPL STORM RESTORATION	JE 12	1744.00	
		Nov-05	FPL STORM RESTORATION	JE 9	38548.00	
		Nov-05	PL PC 111705 LESLIE MURDOCK	PL	19.75	
		Nov-05	PL PC 111705 LESLIE MURDOCK	PL	444.41	
		Nov-05	PL 440440 ASPLUNDH TREE EXPERT	PL	3984.26	
		Nov-05	PL 440442 ASPLUNDH TREE EXPERT	PL	3939.52	
		Nov-05	PL 451653 ASPLUNDH TREE EXPERT	PL	4753.82	
		Nov-05	PL 451678 ASPLUNDH TREE EXPERT	PL	4680.58	
		Mar-06	FP&L	JE 11	(61190.34)	0.00
FLORIDA TRANSFORMER, INC	035362	Dec-05	JE 11 FL TRANSFORMER	JE 5.27	68.50	
		Jan-06	JE 11 FL TRANSFORMER	JE 11	(68.50)	
						0.00
FLORIDA TRANSFORMER, INC	035491	Mar-06	FL TRANSFORMER	JE 11	(206.90)	
		Mar-06		JE 5.28	206.90	0.00
FLORIDA TRANSFORMER, INC	035623	May-06	CASH	JE 11	(26.25)	
		May-06	MISCELLANEOUS	JE 5.17	26.25	
						0.00
GOLDEN PEANUT CO.	034417	Feb-06	GOLDEN PEANUT CO.	JE 11	(93.60)	
		Mar-06	GOLDEN PEANUT CO.	JE 23	15.60	
		Mar-06	GOLDEN PEANUT CO.	JE 23	78.00	0.00
GTC, INC.	009999	Jan-06	GTC INC POLE RENTAL	JE 23	5188.30	
		Feb-06	GTC INC	JE 11	(5188.30)	
						0.00
GUY TATUM	035432	Feb-06	GUY TATUM SECONDARY	JE 3	75.00	
		Jul-06	CASH (11)	JE 11	(90.00)	
		Sep-06	PROFIT	JE 23	15.00	0.00
HIGGINS ELECTRIC	034872	Feb-06	BIG LITTLE STORE INC.	JE 11	(321.60)	
		Mar-06	HIGGINS ELECTRIC	JE 23	53.60	
		Mar-06	HIGGINS ELECTRIC	JE 23	268.00	0.00

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FOR PERIOD ENDING DECEMBER 2006	S/L#	DATE	DESCRIPTION	REF#	ACTIVITY	BALANCE
.RICANE RITA	035174	Sep-05		J12	4342.00	
		Sep-05		J9	6805.00	
		Oct-05		JE 12	3680.00	
		Oct-05		JE 9	46884.00	
		Oct-05	LESLIE MURDOCK	PL PC101005	452.21	
		Oct-05	ASPLUNDH TREE EXPERT	PL 396161	1013.52	
		Oct-05	ASPLUNDH TREE EXPERT	PL 396169	1045.56	
		Oct-05	ASPLUNDH TREE EXPERT	PL400658	7252.24	
		Oct-05	ASPLUNDH TREE EXPERT	PL400664	7465.63	
		Oct-05	ASPLUNDH TREE EXPERT	PL 415174	4425.83	
		Oct-05	ASPLUNDH TREE EXPERT	PL415198	4893.20	
		Nov-05	PL PC 111705 LESLIE MURDOCK	PL	35.00	
		Feb-06	ENTERGY	JE 11	(87938.47)	0.00
		Jun-06	WRITE-OFF	JE 23	(355.72)	
JACKSON COUNTY ROAD DEPART	035184	Sep-05	JACKSON CO ROAD DEPA	J12	18.00	
		Oct-05	JACKSON CO ROAD DEPA	JE 3	248.00	
		Oct-05	JACKSON CO ROAD DEPA	JE 9	83.00	
		Feb-06	JACKSON CO ROAD DEPA	JE 11	(416.80)	
		Mar-06	JACKSON CO ROAD DEPA	JE 23	69.80	0.00
JACKSON COUNTY SCHOOL	035464	Feb-06	JACKSON COUNTY SCHOOL	J 12	9.00	
		Feb-06	JACKSON COUNTY SCHOOL	J 9	66.00	0.00
		Apr-06	JACKSON COUNTY SCHOOL	JE 11	(90.00)	
		May-06	PROFIT/LOSS	JE 23	15.00	
JACKSON COUNTY SCHOOL BOARD	035508	Mar-06	JACKSON COUNTY SCHOOL	J 12	10.00	
		Mar-06	JACKSON COUNTY SCHOOL	J 3	15.00	
		Mar-06	JACKSON COUNTY SCHOOL	J 9	60.00	0.00
		Apr-06	JACKSON COUNTY SCHOOL	JE 11	(84.00)	
		Jun-06	WRITE - OFF	JE 23	(1.00)	
.SON COUNTY SCHOOL BOA	035593	Apr-06	JACKSON COUNTY SCHOOL	JE 12	8.00	
		Apr-06	JACKSON COUNTY SCHOOL	JE 9	72.00	
						80.00
JACKSON COUNTY SCHOOL BOARD	035905	Oct-06	TRANSPORTATION	JE 12	13.00	
		Oct-06	PAYROLL	JE 9	111.00	
						124.00
JAMES ELMORE	035989	Dec-06	INVENTORY	JE 3	81.00	
						81.00
JAMES WEEKS	035192	Oct-05	JAMES WEEKS	JE 12	55.00	
		Oct-05	JAMES WEEKS	JE 3	378.00	
		Oct-05	JAMES WEEKS	JE 9	457.00	
		Jun-06	WRITE-OFF	JE 23	(890.00)	0.00
JOHN WILLIAMS	035817	Aug-06	TRANSPORTATION	JE 12	31.00	
		Aug-06	PAYROLL	JE 9	121.00	
						152.00
KEVIN SUDDUTH	035482	Feb-06	KEVIN SUDDUTH	J 12	27.00	
		Mar-06	KEVIN SUDDUTH	J 3	101.00	
		Mar-06	KEVIN SUDDUTH	J 9	159.00	0.00
		Aug-06	CASH	JE 11	(344.40)	
		Sep-06	PROFIT	JE 23	57.40	
OWLES METER SERVICE	035936	Dec-06	MISC JE 5.23	JE 5.23	550.00	
						550.00
LEON FOSTER	036009	Dec-06	INVENTORY	JE 3	148.00	
						148.00

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FOR PERIOD ENDING DECEMBER 2006	S/L#	DATE	DESCRIPTION	REF#	ACTIVITY	BALANCE
LEWIS	005650	Mar-06	LEWIS METALS (15)	JE 11	(3656.20)	
		Mar-06	LEWIS METALS	JE 5.23	3656.20	0.00
LIBERTY CO CORRECTIONAL INS	035185	Sep-05	LIBERTY CO CORRECTION	J 12	18.00	
		Oct-05	LIBERTY CO CORRECTION	J 12	16.00	
		Oct-05	LIBERTY CO CORRECTION	J 9	257.00	0.00
		Jan-06	LIBERTY CO CORRECTION	JE 11	(349.20)	
		Feb-06	LIBERTY CO CORRECTION	JE 23	58.20	
LIBERTY CO CORRECTIONAL INS	035398	Jan-06	LIBERTY CO CORRECTION	J12	16.00	
		Jan-06	LIBERTY CO CORRECTION	J 9	73.00	
		Mar-06	DEPT OF CORRECTIONS	JE 11	(106.80)	
		Apr-06	LIBERTY CO CORRECTION	JE 23	17.80	0.00
LIBERTY CO CORRECTIONAL INS	035465	Feb-06	LIBERTY COUNTY CORRECTION	J 12	27.00	
		Feb-06	LIBERTY COUNTY CORRECTION	J 9	112.00	0.00
		Oct-06	CASH	JE 11	(166.80)	
		Nov-07	PROFIT	JE 23	27.80	
LIBERTY CO CORRECTIONAL INS	035496	Mar-06	LIBERTY COUNTY CORRECTION	J 12	21.00	
			LIBERTY COUNTY CORRECTION	J 9	69.00	0.00
		Oct-06	CASH	JE 11	(108.00)	
		Nov-07	PROFIT	JE 23	18.00	
LIBERTY CORRECTIONAL INST	035611	Apr-06	LIBERTY CORRECTIONAL	JE 12	17.00	
		May-06	PAYROLL	JE 9	74.00	
						91.00
LIBERTY CORRECTION INST	035659	May-06	TRANSPORTATION	JE 12	25.00	
		Jun-06	PAYROLL	JE 9	130.00	155.00
BERTY CORRECTIONAL INST	035743	Jul-06	TRANSPORTATION	JE 12	29.00	
		Jul-06	PAYROLL	JE 9	142.00	
						171.00
LIBERTY COUNTY CORRECTION	035777	Jul-06	TRANSPORTATION	JE 12	49.00	
		Jul-06	PAYROLL	JE 9	220.00	
		Aug-06	PL PC090106	PL	8.00	277.00
LIBERTY COUNTY CORRECTION	035818	Aug-06	TRANSPORTATION	JE 12	52.00	
		Aug-06	PAYROLL	JE 9	204.00	
		Aug-06	PL PC090106	PL	8.00	264.00
LIBERTY COUNTY CORRECTION	035881	Oct-06	TRANSPORTATION	JE 12	18.00	
		Oct-06	PAYROLL	JE 9	74.00	
						92.00
LIL HOLLIS	035603	Apr-06	LIL HOLLIS 400 WATT	JE 3	12.00	
						12.00
LILLIE HOLLIS	035592	Apr-06	LILLIE HOLLIS	JE 12	8.00	
		Apr-06	LILLIE HOLLIS	JE 9	72.00	
						80.00
MARIANNA GARDEN APARTMENT	034799	Mar-06	MARIANNA GARDEN APT	JE 11	(86.40)	
		May-06	PROFIT/LOSS	JE 23	14.40	0.00
		May-06	PROFIT/LOSS	JE 23	72.00	
MARIANNA GARDEN APARTMENT	034831	Mar-06	MARIANNA GARDEN APT	JE 11	(84.00)	
		May-06	PROFIT/LOSS	JE 23	14.00	0.00
		May-06	PROFIT/LOSS	JE 23	70.00	
ARIANNA GARDEN APARTMENT	034938	Mar-06	MARIANNA GARDEN APT	JE 11	(112.80)	
		May-06	PROFIT/LOSS	JE 23	18.80	
		May-06	PROFIT/LOSS	JE 23	94.00	0.00

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FOR PERIOD ENDING DECEMBER 2006	S/L#	DATE	DESCRIPTION	REF#	ACTIVITY	BALANCE
.IANNA OAKS GOLF COURSE	035590	Apr-06	MARIANNA OAKS GOLF COURSE	J 12	58.00	
		Apr-06	MARIANNA OAKS GOLF COURSE	J 3	2499.00	
		Apr-06	MARIANNA OAKS GOLF COURSE	J 9	511.00	
						3068.00
MARIANNA GARDEN APARTMENT	035624	May-06	TRANSPORTATION	JE 12	8.00	
			INVENTORY	JE 3	16.00	
			PAYROLL	JE 9	67.00	
						91.00
MARIANNA GARDEN APARTMENT	035726	Jun-06	PAYROLL	JE 9	64.00	
						64.00
MARIANNA GARDEN APTS	035722	Jun-06	INVENTORY	JE 3	344.00	
						344.00
MELVIN ENGINEERING	034779	Feb-06	DAVID MELVIN	JE 11	(7778.00)	
		Mar-06	MELVIN ENGINEERING	JE 23	100.00	
		Mar-06	MELVIN ENGINEERING	JE 23	7678.00	0.00
NICOLE ROBERTS	035217	Oct-05	NICOLE ROBERTS	JE 12	47.00	
		Oct-05	NICOLE ROBERTS	JE 3	104.00	
		Oct-05	NICOLE ROBERTS	JE 9	230.00	
		Feb-06	LARRY ROBERTS	JE 11	(457.20)	
		Mar-06	NICOLE ROBERTS	JE 23	76.20	0.00
NO NAME	035886	Oct-06	TRANSPORTATION	JE 12	62.00	
		Oct-06	INVENTORY	JE 3	96.00	
		Oct-06	PAYROLL	JE 9	263.00	
		Oct-06	PL PC103106	PL	2.00	423.00
.H MULDER CONSTRUCTION	035776	Jul-06	TRANSPORTATION	JE 12	29.00	
		Jul-06	PAYROLL	JE 9	246.00	
		Aug-06	INVENTORY	JE 3	265.00	548.00
		Aug-06	PL PC090106	PL	8.00	
RICKY SPEARS	034921	Apr-05		J3	93.00	
		Dec-05	JE 23 WRITE-OFF	JE 23	(93.00)	0.00
		Jan-06	JE 11	JE 11	(111.60)	
		Feb-06	RICKY SPEARS	JE 23	18.60	
		Feb-06	RICKY SPEARS	JE 23	93.00	
ROY REESE	035790	Aug-06	TRANSPORTATION	JE 12	21.00	
		Aug-06	PAYROLL	JE 9	132.00	153.00
SALLIE MAE	035144	Sep-05		JE 12	99.00	
		Sep-05		JE 3	49.00	
		Sep-05		JE 9	758.00	
		Feb-06	SALLIE MAE	JE 11	(1006.00)	
		Mar-06	SALLIE MAE	JE 23	100.00	0.00
SANDRA MORGAN	035135	Aug-05	SANDRA MORGAN	JE 12	173.00	
		Sep-05	SANDRA MORGAN	JE 3	450.00	
		Sep-05	SANDRA MORGAN	JE 9	773.00	
		Dec-05	JE 23 WRITE-OFF	JE 23	(1396.00)	0.00
		Jan-06	JE 11	JE 11	(1496.00)	
		Feb-06	SANDRA MORGAN	JE 23	100.00	
		Feb-06	SANDRA MORGAN	JE 23	1396.00	
S & S ELECTRIC	034392	Jul-04		J3	45.00	
		Dec-05	JE 23 WRITE-OFF	JE 23	(45.00)	
		Jan-06	JE 11	JE 11	(57.50)	0.00
		Feb-06	S&S ELECTRIC	JE 23	12.50	
		Feb-06	S&S ELECTRIC REV WRITE OFF	JE 23	45.00	
SPRINT/LOCAL	012211	Feb-06	SPRINT	JE 11	(36041.80)	
		Mar-06	TO CORRECT $ TO WRONG	JE 11 M	36041.80	0.00

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FOR PERIOD ENDING DECEMBER 2006	S/L#	DATE	DESCRIPTION	REF#	ACTIVITY	BALANCE
EVE COUTURIER	035332	Dec-05		JE 3	62.00	
		Oct-06	CASH (11)	JE 11	(74.40)	0.00
		Nov-07	PROFIT	JE 23	12.40	
SUNLAND	034461	Mar-06	SUNLAND (7)	JE 11	(1513.00)	
		May-06	PROFIT/LOSS	JE 23	100.00	0.00
		May-06	PROFIT/LOSS	JE 23	1413.00	
SUNLAND	034623	Nov-04		J12	92.00	
		Nov-04		J3	599.00	
		Nov-04		J9	635.00	
		Dec-05	JE 23 WRITE-OFF	JE 23	(1326.00)	
		Jan-06	JE 11	JE 11	(1426.00)	
		Mar-06	SUNLAND	JE 23	100.00	
		Mar-06	SUNLAND	JE 23	1326.00	0.00
SUNLAND	034866	Mar-06	SUNLAND (7)	JE 11	(1487.00)	
		May-06	PROFIT/LOSS	JE 23	100.00	0.00
		May-06	PROFIT/LOSS	JE 23	1387.00	
SUNLAND	034882	Feb-06	SUNLAND	JE 11	(379.20)	
		Mar-06	SUNLAND	JE 23	63.20	
		Mar-06	SUNLAND	JE 23	316.00	0.00
SUNLAND	034901	Mar-06	SUNLAND (7)	JE 11	(204.00)	
		May-06	PROFIT/LOSS	JE 23	34.00	0.00
		May-06	PROFIT/LOSS	JE 23	170.00	
SUNLAND	035034	Feb-06	SUNLAND	JE 11	(224.40)	
		Mar-06	SUNLAND	JE 23	37.40	
		Mar-06	SUNLAND	JE 23	187.00	0.00
SUNLAND	035077	Jul-05	SUNLAND CHANGE	J 12	99.00	
		Jul-05	SUNLAND CHANGE	J3	324.00	
		Jul-05	SUNLAND CHANGE	J 9	340.00	
		Dec-05	JE 23 WRITE-OFF	JE 23	(763.00)	
		Feb-06	SUNLAND CHANGE	JE 11	(863.00)	
		Mar-06	SUNLAND	JE 23	100.00	
		Mar-06	SUNLAND	JE 23	763.00	0.00
SUNLAND	035161	Sep-05	SUNLAND	J 12	36.00	
		Sep-05	SUNLAND	JE 9	129.00	
		Feb-06	SUNLAND	JE 11	(198.00)	
		Mar-06	SUNLAND	JE 23	33.00	0.00
SUNLAND	035191	Oct-05	SUNLAND	JE 12	78.00	
		Oct-05		JE 3	34.00	
		Oct-05		JE 9	474.00	
		Mar-06	SUNLAND (7)	JE 11	(686.00)	
		Apr-06	SUNLAND	JE 23	100.00	0.00
SUNLAND	035216	Oct-05	SUNLAND	JE 12	16.00	
		Oct-05	SUNLAND	JE 9	146.00	
		Feb-06	SUNLAND	JE 11	(194.40)	
		Mar-06	SUNLAND	JE 23	32.40	0.00
SUNLAND	035247	Nov-05	SUNLAND SET 45FT P	JE 12	74.00	
		Nov-05	SUNLAND SET 45FT P	JE 3	791.00	
		Nov-05	SUNLAND SET 45FT P	JE 9	504.00	0.00
		Apr-06	SUNLAND (12)	JE 11	(1469.00)	
		May-06	PROFIT/LOSS	JE 23	100.00	
AND	035334	Dec-05	SUNLAND SET 40FT P	JE 12	92.00	
			SUNLAND SET 40FT P	JE 3	449.00	
			SUNLAND SET 40FT P	JE 9	475.00	0.00
		Apr-06	SUNLAND SET 40FT P	JE 11	(1116.00)	
		May-06	PROFIT/LOSS	JE 23	100.00	

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FOR PERIOD ENDING DECEMBER 2006	S/L#	DATE	DESCRIPTION	REF#	ACTIVITY	BALANCE
ILAND	035531	Mar-06	SUNLAND WIRE #350 MC	J 3	336.00	(67.20)
		Dec-06	CASH (1)	JE 11	(403.20)	
SUNLAND	035687	Jun-06	TRANSPORTATION	JE 12	125.00	
		Jun-06	INVENTORY	JE 3	683.00	
		Jun-06	PAYROLL	JE 9	527.00	1335.00
SUNLAND CENTER	034923	Mar-06	SUNLAND (7)	JE 11	(541.20)	
		May-06	PROFIT/LOSS	JE 23	90.20	0.00
		May-06	PROFIT/LOSS	JE 23	451.00	
SUNLAND TRAINING CENTER	035406	Jan-06	SUNLAND TRAINING CENTER	J 3	(184.00)	
		Jan-06	SUNLAND TRAINING CENTER	J 3	184.00	
		Jan-06	SUNLAND TRAINING CENTER	J 3	184.00	0.00
		Oct-06	CASH (11)	JE 11	(220.80)	
		Nov-07	PROFIT	JE 23	36.80	
SUNLAND TRAINING CENTER	035755	Jul-06	TRANSPORTATION	JE 12	10.00	
		Jul-06	PAYROLL	JE 9	78.00	
						88.00
SUNLAND	035839	Sep-06	TRANSPORTATION	JE 12	31.00	
		Sep-06	INVENTORY	JE 3	1141.00	
		Sep-06	PAYROLL	JE 9	99.00	
						1271.00
SUNLAND	035933	Oct-06	TRANSPORTATION	JE 12	79.00	
		Oct-06	INVENTORY	JE 3	806.00	
		Nov-06	PAYROLL	JE 9	321.00	1206.00
M & ASSOCIATES	034886	Feb-06	TATUM & ASSOCIATES	JE 11	(69.60)	
		Mar-06	TATUM & ASSOCIATES	JE 23	11.60	
		Mar-06	TATUM & ASSOCIATES	JE 23	58.00	0.00
TATUM & ASSOCIATES	035228	Oct-05	TATUM & ASSOCIATES	JE 3	71.00	
		Feb-06	TATUM & ASSOCIATES	JE 11	(85.20)	
		Mar-06	TATUM ASSOCIATES	JE 23	14.20	0.00
TATUM & ASSOCIATES	035532	Mar-06	TATUM & ASSOCIATES V	J 3	73.00	0.00
		Oct-06	CASH	JE 11	(87.60)	
		Nov-06	PROFIT	JE 23	14.60	
THOMAS HENDERSON	035297	Nov-05	THOMAS HENDERSON	JE 12	37.00	
		Dec-05		JE 3	810.00	
		Dec-05		JE 9	235.00	
		Feb-06	THOMAS HENDERSON	JE 11	(1182.00)	
		Mar-06	THOMAS HENDERSON	JE 23	100.00	0.00
TIME WARNER	031251					
						0.00
TOWN OF ALFORD	035301	Dec-05	TOWN OF ALFORD	JE 12	39.00	
		Dec-05	TOWN OF ALFORD	JE 9	243.00	
		Feb-06	TOWN OF ALFORD	JE 11	(338.40)	
		Mar-06	TOWN OF ALFORD	JE 23	56.40	0.00
TOWN OF ALFORD	035371	Jan-06	TOWN OF ALFORD	JE 12	12.00	
		Jan-06	TOWN OF ALFORD	JE 9	109.00	
		Apr-06	TOWN OF ALFORD	JE 11	(145.20)	0.00
		May-06	PROFIT/LOSS	JE 23	24.20	
WN OF ALFORD	035973	Nov-06	TRANSPORTATION	JE 12	15.00	
		Dec-06	PAYROLL	JE 9	170.00	
						185.00

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FOR PERIOD ENDING DECEMBER 2006	S/L#-	DATE	DESCRIPTION	REF#	ACTIVITY	BALANCE
WN OF ALTHA	035264	Nov-05	TOWN OF ALTHA	JE 12	148.00	
		Nov-05	TOWN OF ALTHA	JE 9	856.00	
		Feb-06	TOWN OF ALTHA	JE 11	(1004.00)	0.00
TOWN OF ALTHA	035271	Nov-05	TOWN OF ALTHA	JE 3	3008.00	
		Feb-06	TOWN OF ALTHA	JE 11	(3108.00)	
		Mar-06	TOWN OF ALTHA	JE 23	100.00	0.00
TOWN OF ALTHA	035300	Dec-05	TOWN OF ALTHA	JE 12	39.00	
				JE 9	135.00	
		Feb-06	TOWN OF ALTHA	JE 11	(208.80)	
		Mar-06	TOWN OF ALTHA	JE 23	34.80	0.00
TOWN OF ALTHA	035357	Jan-06	TOWN OF ALTHA	JE 12	16.00	
		Jan-06	TOWN OF ALTHA	JE 9	81.00	
		Apr-06	TOWN OF ALTHA	JE 11	(116.40)	0.00
		May-06	PROFIT/LOSS	JE 23	19.40	
TOWN OF ALTHA	035978	Nov-06	TRANSPORTATION	JE 12	15.00	
		Dec-06	PAYROLL	JE 9	99.00	
						114.00
TOWN OF BRISTOL	035977	Nov-06	TRANSPORTATION	JE 12	29.00	
		Dec-06	PAYROLL	JE 9	193.00	
						222.00
TOWN OF GREENWOOD	035284	Nov-05	TOWN OF GREENWOOD	JE 3	55.00	
		Feb-06	TOWN OF GREENWOOD	JE 11	(155.00)	
		Mar-06	TOWN OF GREENWOOD	JE 23	100.00	0.00
WN OF GREENWOOD	035295	Nov-05	TOWN OF GREENWOOD	JE 12	56.00	
		Dec-05		JE 9	484.00	
		Feb-06	TOWN OF GREENWOOD	JE 11	(540.00)	0.00
TOWN OF GREENWOOD	035299	Dec-05	TOWN OF GREENWOOD	JE 12	39.00	
		Dec-05		JE 9	243.00	
		Feb-06	TOWN OF GREENWOOD	JE 11	(338.40)	
		Mar-06	TOWN OF GREENWOOD	JE 23	56.40	0.00
TOWN OF GREENWOOD	035302	Dec-05	TOWN OF GREENWOOD	JE 12	26.00	
		Dec-05		JE 9	162.00	
		Feb-06	TOWN OF GREENWOOD	JE 11	(225.60)	
		Mar-06	TOWN OF GREENWOOD	JE 23	37.60	0.00
TOWN OF GREENWOOD	035365	Jan-06	TOWN OF GREENWOOD	JE 12	48.00	
		Jan-06		JE 9	436.00	
		Apr-06		JE 11	(580.80)	0.00
		May-06	PROFIT/LOSS	JE 23	96.80	
TOWN OF GREENWOOD	035970	Nov-06	TRANSPORTATION	JE 12	58.00	
		Nov-06	INVENTORY	JE 3	40.00	
		Dec-06	PAYROLL	JE 9	683.00	781.00
TOWN OF MALONE	035495	Mar-06	TOWN OF MALONE	J 12	21.00	
			TOWN OF MALONE	J 9	69.00	0.00
		Aug-06	CASH	JE 11	(108.00)	
		Sep-06	PROFIT	JE 23	18.00	
UNKNOWN	034780	Feb-05		J12	247.00	
				J9	1143.00	
				PL PC022805	42.00	
		Mar-05		J3	589.00	
				PL PC033005	2.00	0.00
		May-06	PROFIT/LOSS	JE 23	(2023.00)	

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FOR PERIOD ENDING DECEMBER 2006	S/L#	DATE	DESCRIPTION	REF#	ACTIVITY	BALANCE
JOWN	035175	Sep-05		J12	72.00	
		Sep-05		J9	256.00	
		Oct-05	LESLIE MURDOCK	PL PC101005	14.00	0.00
		May-06	PROFIT/LOSS	JE 23	(342.00)	
UNKNOWN	035850	Sep-06	TRANSPORTATION	JE 12	143.00	
		Sep-06	PAYROLL	JE 9	2019.00	
		Sep-06	PL PC092906	PL	64.00	
		Oct-06	PL PC103106 MURDOCK	PL	2.00	2228.00
UNKNOWN	035942	Nov-06	TRANSPORTATION	JE 12	22.00	
		Nov-06	PAYROLL	JE 9	119.00	
						141.00
WARD BELL COMMUNICATIONS	035543	Mar-06	WARD BELL COMM (29)	JE 11	(150.00)	
		Mar-06	WARD BELL COMMUNICATIONS	JE 5.16	150.00	0.00
WASTE MANAGEMENT	035227	Oct-05	WASTE MANAGEMENT	JE 12	39.00	
		Oct-05	WASTE MANAGEMENT	JE 3	189.00	
		Nov-05	WASTE MANAGEMENT	JE 9	202.00	
		Feb-06	WASTE MANAGEMENT	JE 11	(516.00)	
		Mar-06	WASTE MANAGEMENT	JE 23	86.00	0.00
WAYNE HOWELL	035117	Aug-05	W HOWELL CAR HIT	JE 12	85.00	
		Aug-05	W HOWELL CAR HIT	JE 3	922.00	
		Aug-05	W HOWELL CAR HIT	JE 9	335.00	
		Sep-05	PL LESLIE MURDOCK	PL	14.00	
		Dec-05	JE 23 WRITE-OFF	JE 23	(1356.00)	
		Jan-06	JE 11	JE 11	(1456.00)	
		Feb-06	WAYNE HOWELL	JE 23	100.00	
		Feb-06	WAYNE HOWELL	JE 23	1356.00	0.00
WILLIE PITTMAN	035943	Nov-06	TRANSPORTATION	JE 12	22.00	
		Nov-06	PAYROLL	JE 9	205.00	
						227.00
ZACHARY HENDERSON	035995	Dec-06	TRANSPORTATION	JE 12	80.00	
		Dec-06	INVENTORY	JE 3	113.00	
		Dec-06	PAYROLL	JE 9	184.00	
						377.00
FOR PERIOD ENDING DECEMBER 2006					20,607.41	20,607.41
						0.00
						In Balance
				December-06	Per GL	20,607.41
						0.00

FOR PERIOD ENDING DECEMBER 2001	S/L	DATE	DESC	REFERENCE	ACTIVITY	BALANCE
MISC REC	000001	Mar-06				
						0.00
ERIK ROBERT	035617	May-06	TRANSPORTATION	JE 12	53.00	
		May-06	INVENTORY	JE 3	97.00	
		May-06	PAYROLL	JE 9	264.00	
		May-06	PL 811870		481.42	
		Jul-06	CASH	JE 11	(896.59)	0.00
		Sep-06	PROFIT	JE 23	1.17	
NO NAME	035775	Jul-06	TRANSPORTATION	JE 12	43.00	
		Jul-06	INVENTORY	JE 3	621.00	
		Jul-06	PAYROLL	JE 9	453.00	
		Dec-06	W/O	JE 23	(1117.00)	0.00
ATKINS ELECTRIC	035219	Oct-05	ATKINS ELECTRIC COM	JE 12	71.00	
		Nov-05	ATKINS ELECTRIC COM	J 9	337.00	
		Jun-06	ADKINS ELECTRIC (19)	JE 11	(409.38)	
		Aug-06	PROFIT	JE 23	1.38	
						0.00
ALLYSON BRYNN SWART	035952	Nov-06	TRANSPORTATION	JE 12	74.00	
		Nov-06	INVENTORY	JE 3	158.00	
		Nov-06	PAYROLL	JE 9	570.00	
						802.00
BAPTIST HOSPITAL NASSAU	035459	Feb-06	BAPTIST HOSPITAL NASSAU	J 12	19.00	
		Feb-06	BAPTIST HOSPITAL NASSAU	J 9	96.00	
		Mar-06	BAPTIST HOSPITAL NASSAU	J 9	35.00	
		Apr-06	BAPTIST HOSPITAL NASSAU	J 12	22.00	
		Apr-06	BAPTIST HOSPITAL NASSAU	J 9	92.00	
		Jul-06	CASH (11)	JE 11	(264.08)	0.00
		Sep-06	PROFIT	JE 23	0.08	
BRYLEN HOMES	035558	May-06	TRANSPORTATION	JE 12	481.00	
		May-06	INVENTORY	JE 3	863.00	
		May-06	PAYROLL	JE 9	1496.00	
		May-06	PL 52206A		591.00	
		May-06	PL 52206B		788.00	
		Jun-06	PAYROLL	JE 9	333.00	
		Jun-06	CASH (26)	JE 11	(4219.03)	
		Jun-06	PL PC063006	PL	8.00	
		Jul-06	CASH (14)	JE 11	4219.03	(0.00)
		Aug-06	CASH	JE 11	(341.18)	
		Aug-06	PL PC073106	PL	8.00	
		Aug-06	PL PC	PL	8.00	
		Sep-06	CASH	JE 11	(4219.03)	
		Oct-06	CASH	JE 11	(16.00)	
		Nov-06	PROFIT	JE 23	0.21	
CAR HIT POLE	035882	Oct-06	TRANSPORTATION	JE 12	85.00	
		Oct-06	INVENTORY	JE 3	223.00	
		Oct-06	PAYROLL	JE 9	485.00	
		Nov-06	CASH (17)	JE 11	(798.40)	0.00
		Nov-06	PL PC103106	PL	2.00	
		Dec-06	PROFIT	JE 23	3.40	
CAR HIT POLE	035875	Oct-06	TRANSPORTATION	JE 12	118.00	
		Oct-06	INVENTORY	JE 3	913.00	
		Oct-06	PAYROLL	JE 9	1431.00	
		Nov-06	CASH (29)	JE 11	(2612.80)	(0.00)
		Nov-06	PL PC103106	PL	32.00	
		Dec-06	PROFIT	JE 23	118.80	
CAR HIT POLE	036011	Dec-06	TRANSPORTATION	JE 12	84.00	
		Dec-06	INVENTORY	JE 3	1695.00	
		Dec-06	PAYROLL	JE 9	2119.00	
						3,898.00
CASH SALES FERNANDINA BCH	010282					
						0.00
OF FERNANDINA BEACH	035642	Jun-06	CASH	JE 11	(95.72)	
		Aug-06	CORRECTION	JE 5.12	(72.00)	
		Sep-06	CORRECTION	JE 5.10	144.00	
		Oct-06	PROFIT	JE 23	23.72	
						0.00

		DATE	DESC	REFERENCE	ACTIVITY	BALANCE
COASTLINE UTILITIES	035549	Apr-06	COASTLINE UTILITIES	JE 12	105.00	
		Apr-06	COASTLINE UTILITIES	JE 9	734.00	
		Jul-06	CASH	JE 11	(839.00)	0.00
COMCAST: CABLEVISION POLE RENT/	006968					
		Jan-06	COMCAST	JE 23	1824.20	
		Feb-06	COMCAST	JE 23	1824.20	
		Mar-06	COMCAST	JE 23	1824.20	
						21,890.40
		Apr-06	C	JE 23	1824.20	
		May-06	COMCAST	JE23	1824.20	
		Jun-06	COMCAST	JE 23	1824.20	
		Aug-06	COMCAST	JE 23	1824.20	
		Aug-06	C	JE 23M	1824.20	
		Sep-06	COMCAST	JE 23	1824.20	
		Oct-06	PROFIT	JE 23	1824.20	
		Nov-06		JE 23	1824.20	
		Dec-06	COMCAST	JE 23	1824.20	
D. J. ELIUM	034896	Apr-05		J12	99.00	
				J9	449.00	
		May-05	DJ ELIUM 4/16/05	J12	374.00	
			DJ ELIUM 4/16/05	J9	536.00	
			SEA COAST GROUP	PL 53105A	392.00	
		Jun-05	DJ ELIUM 4/16/05	J3	1520.00	
		Jun-05	DJ ELIUM 4/16/05	J9	590.00	
		Aug-05	PIKE ELECTRIC INC	PL 662441	756.05	
		Dec-05	JE 23 WRITE-OFF	JE 23	(4716.05)	
						0.00
D.J. ELIUM	035967	Nov-06	TRANSPORTATION	JE 12	25.00	
		Nov-06	INVENTORY	JE 3	144.00	
		Dec-06	PAYROLL	JE 9	304.00	
		Dec-06	PL 904992	PL	254.56	
						727.56
DANELLA CONSTRUCTION CORP	035490	Mar-06	DANELLA CONSTRUCTION	J 12	72.00	
		Mar-06	DANELLA CONSTRUCTION	J 9	531.00	
		Apr-06	TRANSFER BETWEEN 354	JE 5.12	235.00	
		Sep-06	CASH	JE 11	(840.00)	0.00
		Oct-06	PROFIT	JE 23	2.00	
DANIS CONSTRUCTION	035438	Feb-06	DANIS CONSTRUCTION	J 3	302.00	
		Feb-06	DANIS CONSTRUCTION	JE 11	(330.24)	
		Mar-06	DANIS CONSTRUCTION	JE 23	28.24	
						0.00
DAVE TURNER PLUMBING	035392	Jan-06	DAVE TURNER PLUMBING	J 12	38.00	
		Jan-06	DAVE TURNER PLUMBING	J 3	(317.00)	
		Jan-06	DAVE TURNER PLUMBING	J 3	317.00	
		Jan-06	DAVE TURNER PLUMBING	J 3	317.00	
		Jan-06	DAVE TURNER PLUMBING	J 9	236.00	
		Dec-06	CASH	JE 11	(591.54)	
		Dec-06	CASH	JE 11	(1540.83)	
						(1,541.37)
D & W ELECTRIC	035193	Oct-05	D AND W ELECTRIC	J 12	174.00	
				J 3	630.00	
				J 9	1011.00	
				PL 101905	98.50	
		May-06	CASH	JE 11	(1916.22)	(0.00)
		Jun-06	W/O	JE 23	2.72	

FOR PERIOD ENDING DECEMBER 2001	S/L	DATE	DESC	REFERENCE	ACTIVITY	BALANCE
D & W ELECTRIC	035607	May-06	TRANSPORTATION	JE 12	113.00	
		May-06	INVENTORY	JE 3	897.00	
		May-06	PAYROLL	JE 9	525.00	
						1,535.00
DOGI LAND DEVELOPMENT	035476	Mar-06	DOGI LAND DEVELOPMENT	J 3	235.00	
		Apr-06	TRANSFER BETWEEN 354	JE 5.12	(235.00)	
						0.00
EDWARD BONER	034987	Jun-05	EDWARD BONER MATERIA	J12	(14.00)	
		Jun-05	EDWARD BONER MATERIA	J12	14.00	
		Jun-05	EDWARD BONER MATERIA	J12	20.00	
		Jun-05	EDWARD BONER MATERIA	J9	69.00	
		Jul-05	PIKE ELECTRIC INC	PL 668747	147.82	
		Dec-05	JE 23 WRITE-OFF	JE 23	(236.82)	
						0.00
ENTERGY	035457	Feb-06	ENTERGY BILLING INFO	J 12	356.00	
		Feb-06	ENTERGY BILLING INFO	J 12	357.00	
		Feb-06	ENTERGY BILLING INFO	J 9	4184.00	
		Feb-06	ASPLUNDH TREE EXPERT	PL 843068	500.31	
		Feb-06	ASPLUNDH TREE EXPERT	PL 843070	502.17	
		Mar-06	LESLIE MRDOCK	PL PC022806	225.61	
		Mar-06	PATTI THORNTON	PL PC033106	24.00	
		Mar-06	PATTI THORNTON	PL PC033106	24.00	
		Mar-06	PATTI THORNTON	PL PC033106	24.00	
		May-06	CASH	JE 11	(6125.09)	
		Sep-06	WRITE-OFF	JE 23	(72.00)	0.00
FPU CAR (NO NAME)	034716	Oct-05	AMELIA ISLAND PLANTATION	JE 23	217.00	
		Mar-06	REVERSE PROFIT RECORDS	JE23Y	(217.00)	
						0.00
HOME IQ OF AMELIA	035552	Apr-06	HOME IQ OF AMELIA	JE 12	13.00	
		Apr-06	HOME IQ OF AMELIA	JE 3	542.00	
		Apr-06	HOME IQ OF AMELIA	JE 9	100.00	
		Jun-06	CASH	JE 11	(655.46)	(0.00)
		Aug-06	PROFIT	JE 23	0.46	
JEMA HOUSE MOVERS	035551	May-06	TRANSPORTATION	JE 12	40.00	
		Jun-06	PAYROLL	JE 9	332.00	
		Jul-06	CASH	JE 11	(372.01)	
		Sep-06	PROFIT	JE 23	0.01	0.00
INSTALL CONDUIT & CONDUCT	035761	Aug-06	TRANSPORTATION	JE 12	79.00	
		Aug-06	INVENTORY	JE 3	111.00	
		Aug-06	PAYROLL	JE 9	637.00	
		Aug-06	PL 858876	PL	1429.28	0.00
		Dec-06	W/O	JE 23	(2256.28)	
JOHNNY'S ELECTRIC	035648	Jul-06	TRANSPORTATION	JE 12	10.00	
		Jul-06	INVENTORY	JE 3	191.00	
		Jul-06	PAYROLL	JE 9	67.00	
		Dec-06	CASH	JE 11	(268.66)	(0.66)
KENNEDY ELECTRIC	035669	Jun-06	TRANSPORTATION	JE 12	44.00	
		Jun-06	PAYROLL	JE 9	227.00	
		Aug-06	CASH	JE 11	(271.14)	
		Sep-06	PROFIT	JE 23	0.14	0.00
LANDSOUTH CORPORATION	035715	Jun-06	TRANSPORTATION	JE 12	44.00	
		Jun-06	INVENTORY	JE 3	1723.00	
		Jun-06	PAYROLL	JE 9	310.00	
		Sep-06	CASH	JE 11	(2077.35)	
		Oct-06	PROFIT	JE 23	0.35	0.00
M. ANTHONOPOULOS	034785	Sep-05	M. ANTHONOPOULOS	J 12	113.00	
		Sep-05	M. ANTHONOPOULOS	J 3	212.00	
		Sep-05	M. ANTHONOPOULOS	J 9	277.00	
		Oct-05	M. ANTHONOPOULOS	J 12	142.00	
		Oct-05	M. ANTHONOPOULOS	J 3	196.00	
		Oct-05	M. ANTHONOPOULOS	J 9	114.00	
		Nov-05	M. ANTHONOPOULOS	J 9	600.00	
		Mar-06	M. ANTHONOPOULOS (17)	JE 11	(1645.27)	
		Sep-06	WRITE OFF	JE 23	(8.73)	0.00
ITHONOPOULOS	035198	Oct-05	M. ANTHONOPOULOS	J 12	155.00	
		Oct-05	M. ANTHONOPOULOS	J 3	105.00	
		Oct-05	M. ANTHONOPOULOS	J 9	988.00	
		Mar-06	M. ANTHONOPOULOS (17)	JE 11	(1248.52)	
		Apr-06	M	JE 23	0.52	0.00

FOR PERIOD ENDING DECEMBER 200(	S/L	DATE	DESC	REFERENCE	ACTIVITY	BALANCE
M. ANTONOPOULAS	035714	Jul-06	TRANSPORTATION	JE 12	77.00	
		Jul-06	INVENTORY	JE 3	144.00	
		Jul-06	PAYROLL	JE 9	541.00	
		Aug-06	CASH (22)	JE 11	(762.71)	(0.00)
		Sep-06	PROFIT	JE 23	0.71	
MIKE ANTONOPOULAS	035996	Dec-06	TRANSPORTATION	JE 12	11.00	
		Dec-06	INVENTORY	JE 3	227.00	
		Dec-06	PAYROLL	JE 9	58.00	
		Dec-06	PL- PIKE ELEC	JE 33	525.09	
						821.09
MULLIS TERRELL	005642	May-06	INVENTORY	JE 3	72.00	
		Aug-06	CORRECTION	JE 5.12	72.00	
		Sep-06	CORRECTION	JE 5.10	(144.00)	0.00
MYERS TRACTOR SERVICES	035493	Mar-06	MYERS TRACTOR SERVICES	J 12	84.00	
		Mar-06	MYERS TRACTOR SERVICES	J 3	373.00	
		Mar-06	MYERS TRACTOR SERVICES	J 9	349.00	
		Apr-06	MYERS TRACTOR SERVICES	JE 11	(806.68)	
		May-06	PROFIT/LOSS	JE 23	0.68	
						0.00
NASSAU BUILDERS CAPE SOUN	035869	Oct-06	TRANSPORTATION	JE 12	314.00	
		Oct-06	INVENTORY	JE 3	503.00	
		Oct-06	PAYROLL	JE 9	1088.00	
		Nov-06	PAYROLL	JE 9	176.00	
		Nov-06	PL 890215	PL	357.32	(5,221.01)
		Dec-06	CASH	JE 11	(7659.33)	
NICK GILLETTE	035522	Mar-06	NICK GILLETTE REMOVE	J 12	174.00	
		Mar-06	NICK GILLETTE REMOVE	J 9	786.00	
		Mar-06	PATTI THORNTON	PL PC033106	8.00	
		Mar-06	PATTI THORNTON	PL PC033106	8.00	
		Mar-06	PIKE ELECTRIC INC	PL 791495	1086.32	
		Apr-06	NICK GILLETTE REMOVE	JE 11	(2062.72)	
		May-06	PROFIT/LOSS	JE 23	0.40	(0.00)
NAME	035808	Aug-06	PURCHASE 16-35-3125	JE 3	17.00	
		Sep-06	CASH	JE 11	(17.00)	
						0.00
PRESTON LINK ELECTRIC	035282	Dec-05	PRESRON, LINNK	J12	81.00	
			PRESRON, LINNK	J3	276.00	
		Mar-06	PRESTON LINK ELECTRIC	JE 11	(357.00)	
						0.00
PURCHASE OF SEC VAULT	035895	Oct-06	INVENTORY	JE 3	152.00	
		Oct-06	CASH	JE 11	(204.20)	
		Nov-06	PROFIT	JE 23	52.20	0.00
RAYONIER	035583	Apr-06	RAYONIER	JE 12	35.00	
		Apr-06	RAYONIER	JE 9	284.00	
		Jul-06	CASH (17)	JE 11	(319.00)	
						0.00
RAYONIER	035596	Apr-06	RAYONIER	JE 12	131.00	
		May-06	PAYROLL	JE 9	869.00	
		May-06	PL 808792		759.65	
		May-06	PL 811866		197.30	
		May-06	PL 811871		706.28	
		Jul-06	CASH (17)	JE 11	(2663.23)	0.00
RAYONIER	035631	May-06	TRANSPORTATION	JE 12	561.00	
		May-06	INVENTORY	JE 3	88.00	
		May-06	PAYROLL	JE 9	3575.00	
		May-06	PL 815099B		806.29	
		Jul-06	cash (17)	JE 11	(5030.09)	(0.00)
		Dec-06	LOSS	JE 23	(0.20)	
RICHARD AMERICAN HOMES	035110	Aug-05	RICHMOND AMERICAN HOME!	J 12	13.00	
		Aug-05	RICHMOND AMERICAN HOME!	J 9	115.00	
		Sep-05	RICHMOND AMERICAN HOME!	JE 3	212.00	
		Dec-05	JE 23 WRITE-OFF	JE 23	(340.00)	
		Jan-06	JE 11	JE 11	(340.66)	
		Mar-06	RICHMOND AMERICAN HOME!	JE 23	0.66	
		Mar-06	RICHMOND AMERICAN HOME!	JE 23	340.00	
						0.00
RITZ CARLTON	035807	Dec-06	CASH (8)	JE 11	(1200.00)	
						(1,200.00)

Lucie will bill to Osceola per Mary H. in Feb

HEARING EXHIBIT - 00001011

FOR PERIOD ENDING DECEMBER 200(	S/L	DATE	DESC	REFERENCE	ACTIVITY	BALANCE
ROBERT HANNAN	035526	Mar-06	ROBERT HANNAN CUSTOM	J 12	354.00	
		Mar-06	ROBERT HANNAN CUSTOM	J 3	126.00	
		Mar-06	ROBERT HANNAN CUSTOM	J 9	1877.00	
		Mar-06	PATTI THORNTON	PL PC033106	8.00	
		Mar-06	PATTI THORNTON	PL PC033106	8.00	
		Mar-06	PATTI THORNTON	PL PC033106	8.00	
		Mar-06	PATTI THORNTON	PL PC033106	8.00	
		Nov-06	CASH (16)	JE 11	(17088.54)	
		Nov-06	TO CAPITAL	JE 5.24	14699.54	
						0.00
ROBERT PETERS	035138	Jan-06	ROBERT PETERS FPU LI	J12	113.00	
		Jan-06	ROBERT PETERS FPU LI	J9	501.00	
		Jan-06	NASSAU COMM PROPERTY	J11	(550.00)	
		Feb-06	ROBERT PETERS - LOSS	JE 23	(64.00)	
		Mar-06	ROBERT PETERS (2)	JE 11	(64.04)	
		Apr-06	ROBERT PETERS	JE 23	0.04	
		Apr-06	ROBERT PETERS	JE 23	64.00	
						0.00
ROBERT PETERS	035201	Feb-06	ROBERT PETERS FPU LI	J 12	85.00	
		Feb-06	ROBERT PETERS FPU LI	J 9	711.00	
		Apr-06	ROBERT PETERS FPU LI	JE 11	(796.05)	
		May-06	PROFIT/LOSS	JE 23	0.05	0.00
SAND HILL RECYCLE CENTER	035958	Nov-06	TRANSPORTATION	JE 12	74.00	
		Nov-06	INVENTORY	JE 3	144.00	
		Nov-06	PAYROLL	JE 9	324.00	
		Dec-06	CASH	JE 11	(542.07)	
						(0.07)
SEDA CONSTRUCTION	035494	Mar-06	SEDA CONSTRUCTION CO	J 12	48.00	
			SEDA CONSTRUCTION CO	J 3	154.00	
			SEDA CONSTRUCTION CO	J 9	225.00	
		May-06	CASH	JE 11	(427.23)	
		Jun-06	PROFIT	JE 23	0.23	
						(0.00)
SEDA CONSTRUCTION	035570	Apr-06	SEDA CONSTRUCTION	JE 12	44.00	
		Apr-06	SEDA CONSTRUCTION	JE 3	354.00	
		Apr-06	SEDA CONSTRUCTION	JE 9	281.00	
		May-06	CASH	JE 11	(679.05)	0.00
		Jun-06	PROFIT	JE 23	0.05	
SHORELINE CABLE CONCEPTS	035133	Sep-05		J12	90.00	
		Sep-05		J3	104.00	
		Sep-05		J9	263.00	
		May-06	CASH	JE 11	(469.75)	
		Jun-06	PROFIT	JE 23	12.75	0.00
SOUTHEAST ELECTRICAL	035661	Jun-06	TRANSPORTATION	JE 12	35.00	
		Jun-06	PAYROLL	JE 9	170.00	
		Sep-06	CASH	JE 11	(205.00)	
						0.00
SOUTHERN BELL	006923	Dec-04	DIFFERENCE IN PAYMENTS		0.06	
		Jan-05		JE23	973.28	
		Feb-05		JE23M	973.28	
		Mar-05		JE23	973.28	
		Apr-05		JE23	973.28	
		May-05	BELLSOUTH	JE23	973.28	
		Jun-05	SOUTHERN BELL	JE23	973.28	
		Jul-05	SOUTHERN BELL	JE 23	973.28	
		Aug-05	BELL SOUTH	JE 23	973.28	
		Sep-05	BELL SOUTH	JE 23	973.28	
		Oct-05	SOUTHERN BELL	JE 23	973.28	
		Nov-05	SOUTHERN BELL	JE23	973.28	
		Dec-05	SOUTHERN BELL	JE 12	973.28	
		Jan-06	BELLSOUTH POLE RENTALS	JE 23	973.28	
		Feb-06	BELL SOUTH	JE 23	973.28	
		Mar-06	BELLSOUTH (16)	JE 11	(11679.26)	
		Mar-06	BELL SOUTH	JE 23	973.28	
		Apr-06	BELLSOUTH POLE RENTALS	JE 23	973.28	
		May-06	PROFIT/LOSS	JE 23	973.28	11,679.52
		Jun-06	PROFIT/LOSS	JE 23	973.28	
		Aug-06	BELLSOUTH	JE 23	973.28	
		Aug-06	BELLSOUTH	JE 23M	973.28	
		Sep-06	BELLSOUTH	JE 23	973.28	
		Oct-06	PROFIT/LOSS	JE 23	973.28	
		Nov-06	POLE RENTALS	JE 23	973.28	
		Dec-06	POLE RENTALS	JE 23	973.28	
STEVE LENDRY	035521	Mar-06	STEVE LENDRY REMOVE	J 12	192.00	
		Apr-06	STEVE LENDRY REMOVE	J 9	623.00	
		May-06	CASH	JE 11	(815.04)	
		Jun-06	PROFIT	JE 23	0.04	0.00

FOR PERIOD ENDING DECEMBER 200(	S/L	DATE	DESC	REFERENCE	ACTIVITY	BALANCE
STEVE LENDRY	035555	Apr-06	STEVE LENDRY	JE 12	9.00	
		Apr-06	STEVE LENDRY	JE 3	161.00	
		Apr-06	STEVE LENDRY	JE 9	70.00	
		Jul-06	CASH (5)	JE 11	(240.11)	(0.00)
		Sep-06	PROFIT	JE 23	0.11	
STEVE LENDRY	035992	Dec-06	TRANSPORTATION	JE 12	45.00	
		Dec-06	INVENTORY	JE 3	235.00	
		Dec-06	PAYROLL	JE 9	362.00	
		Dec-06	PIKE ELECTRIC	JE 33	535.98	
						1,177.98
STONE CONTAINER CORP	035946	Nov-06	TRANSPORTATION	JE 12	205.00	
		Nov-06	PAYROLL	JE 9	2311.00	
						2,516.00
SUMMER BEACH	034758	Feb-05		J12	24.00	
		Feb-05		J3	141.00	
		Feb-05		J9	85.00	
		Aug-05	SUMMER BEACH COST TO	J 12	39.00	
		Aug-05	SUMMER BEACH COST TO	J 3	152.00	
		Aug-05	SUMMER BEACH COST TO	J 9	196.00	
		Oct-05	SUMMER BEACH COST TO	J12	78.00	
		Oct-05	SUMMER BEACH COST TO	J 3	263.00	
		Oct-05	SUMMER BEACH COST TO	J 9	436.00	
		Dec-05	SUMMER BEACH COST TO	JE 3	34.00	
		Dec-05	JE 23 WRITE-OFF	JE 23	(1414.00)	
		Jul-06	CASH	JE 11	(1148.03)	0.00
		Nov-06	REVERSE W/O	JE 23	1414.00	
		Dec-06	LOSS	JE 23	(299.97)	
SUMMER BEACH	035092	Aug-05	SUMMER BEACH COST TO	J 12	245.00	
		Aug-05	SUMMER BEACH COST TO	J 3	766.00	
		Aug-05	SUMMER BEACH COST TO	J 9	1995.00	
		Aug-05	PATTI THORNTON	PL PC083105	8.00	
		Aug-05	PATTI THORNTON	PL PC083105	8.00	
		Aug-05	PATTI THORNTON	PL PC083105	8.00	
		Aug-05	SEA COAST GROUP	PL 82205B	98.50	
		Oct-05	PATTI THORNTON	PL PC093005	8.00	
		Dec-05	JE 23 WRITE-OFF	JE 23	(3136.50)	
		Mar-06	CRABTREE PLUMBING (2	JE 11	(3140.02)	
		Apr-06	SUMMER BEACH PROFIT	JE 23	3.52	
		Apr-06	SUMMER BEACH REV JE	JE 23	3136.50	
						0.00
SUMMER BEACH	035241	Nov-05	SUMMER BEACH COST TO	JE 12	415.00	
		Nov-05	SUMMER BEACH COST TO	JE 3	817.00	
		Nov-05	SEA COAST GROUP	PL 112105	896.35	
		Dec-05	SUMMER BEACH COST TO	JE 9	1808.00	
		Mar-06	SUBLEDGER 1 CORRECTION		(3936.35)	
						0.00
SUMMER BEACH	035403	Feb-06	SUMMER BEACH COST TO	J 12	38.00	
		Feb-06	SUMMER BEACH COST TO	J 3	519.00	
		Feb-06	SUMMER BEACH COST TO	J 9	211.00	
		Feb-06	SEA COAST GROUP	PL 20206	394.00	
		Jul-06	CASH	JE 11	(1162.24)	(0.00)
		Sep-06	PROFIT	JE 23	0.24	
SUMMER BEACH - VAULT DAMAGE	035622	May-06	TRANSPORTATION	JE 12	13.00	
		May-06	INVENTORY	JE 3	197.00	
		May-06	PAYROLL	JE 9	75.00	
		Jul-06	CASH	JE 11	(285.00)	0.00
SUMMER BEACH	035781	Aug-06	TRANSPORTATION	JE 12	148.00	
		Aug-06	INVENTORY	JE 3	66.00	
		Aug-06	PAYROLL	JE 9	842.00	
		Aug-06	PL 808006	PL	541.75	0.00
		Nov-06	CASH	JE 11	(1598.27)	
		Dec-06	CASH	JE 23	0.52	
SUMMER BEACH DEVELOPMENT	034160	Jul-06	CASH	JE 11	(890.86)	
		Oct-06	PROFIT	JE 23	38.86	
		Oct-06	PROFIT	JE 23	852.00	0.00
SUMMER BEACH-VAULT DAMAGE	035852	Sep-06	TRANSPORTATION	JE 12	66.00	
		Sep-06	INVENTORY	JE 3	695.00	
		Oct-06	PAYROLL	JE 9	182.00	
						943.00

FOR PERIOD ENDING DECEMBER 200(	S/L	DATE	DESC	REFERENCE	ACTIVITY	BALANCE
SUMMER BEACH VAULT DAMAGE	035921	Oct-06	TRANSPORTATION	JE 12	92.00	
		Oct-06	INVENTORY	JE 3	303.00	
		Nov-06	PAYROLL	JE 9	258.00	
						653.00
SUMMER BEACH-VAULT DAMAGE	035956	Nov-06	TRANSPORTATION	JE 12	99.00	
		Nov-06	INVENTORY	JE 3	431.00	
		Nov-06	PAYROLL	JE 9	526.00	
		Nov-06	PL 899789 PIKE ELECTRIC	PL	254.56	
		Nov-06	PL 899786	PL	127.28	1,437.84
SUMMER BEACH-BUC LAND	035960	Nov-06	TRANSPORTATION	JE 12	25.00	
		Nov-06	PAYROLL	JE 9	107.00	
		Nov-06	CASH (16)	JE 11	(2841.00)	
		Dec-06	INVENTORY	JE 3	743.00	
						(1,966.00)
SUMMIT ELECTRIC	035355	Jan-06	SUMMIT ELECTRIC COST	J 12	82.00	
		Jan-06	SUMMIT ELECTRIC COST	J 3	(125.00)	
		Jan-06	SUMMIT ELECTRIC COST	J 3	125.00	
		Jan-06	SUMMIT ELECTRIC COST	J 3	125.00	
		Jan-06	SUMMIT ELECTRIC COST	J 9	335.00	
		Mar-06	SUMMIT ELECTRIC CONTRAC	JE 11	(542.08)	
		Apr-06	SUMMIT ELECTRIC PROF	JE 23	0.08	(0.00)
TRUCK HIT POLE	035884	Oct-06	TRANSPORTATION	JE 12	79.00	
		Oct-06	INVENTORY	JE 3	1132.00	
		Oct-06	PAYROLL	JE 9	291.00	
		Oct-06	PL 883977	PL	303.62	
						1,805.62
WATSON CUSTOM HOME	035563	Apr-06	WATSON CUSTOM	JE 12	52.00	
		Apr-06	WATSON CUSTOM	JE 3	161.00	
		Apr-06	WATSON CUSTOM	JE 9	315.00	
		May-06	CASH	JE 11	(528.15)	0.00
		Jun-06	PROFIT	JE 23	0.15	
WATSON CUSTOM HOME	035577	Apr-06	WATSON CUSTOM	JE 12	35.00	
		Apr-06	WATSON CUSTOM	JE 3	161.00	
		Apr-06	WATSON CUSTOM	JE 9	224.00	
		May-06	CASH	JE 11	(420.15)	0.00
		Jun-06	PROFIT	JE 23	0.15	
WATSON CUSTOM HOME	035716	Jun-06	TRANSPORTATION	JE 12	70.00	
		Jun-06	PAYROLL	JE 9	412.00	
		Jul-06	INVENTORY	JE 3	381.00	
		Dec-06	CASH	JE 11	(863.38)	
						(0.38)
WILLIS HODGES ELECTRIC	035166	Oct-05	WILLIS HODGES ELECTRIC	J 3	19.00	
		May-06	CASH	JE 11	(19.08)	
		Jun-06	PROFIT	JE 23	0.08	0.00
				Total	$ 39,957.52	39,957.52

		Workpapers	0.00
	December-06	Per GL	39,957.52
			0.00

HEARING EXHIBIT - 00001015

AFFIDAVIT

STATE OF **FLORIDA**
COUNTY OF **PALM BEACH**

BEFORE ME, the undersigned authority, personally appeared **Mehrdad Khojasteh**, who deposed and stated that he/she provided the answers to interrogatories **142 and 144-150** served on Florida Public Utilities Company by the Office of Public Counsel on **November 20, 2007** and that the responses are true and correct to the best of his/her information and belief.

Signed

DATED at West Palm Beach, Florida this 17th day of December 2007.

Sworn to and subscribed before me this 17th day of December, 2007.

NOTARY PUBLIC

DINA BELLECHASES
MY COMMISSION # DD 730183
EXPIRES: December 13, 2011
Bonded Thru Notary Public Underwriters

State of **FLORIDA** at Large

My Commission Expires: December 13, 2011

AFFIDAVIT

STATE OF **FLORIDA**
COUNTY OF **PALM BEACH**

BEFORE ME, the undersigned authority, personally appeared Jim Mesite, who deposed and stated that he/she provided the answers to interrogatories **141** served on Florida Public Utilities Company by the Office of Public Counsel on **November 20, 2007** and that the responses are true and correct to the best of his/her information and belief.

Signed

DATED at West Palm Beach, Florida this 17th day of December 2007.

Sworn to and subscribed before me this 17th day of December, 2007.

NOTARY PUBLIC

DINA BELLECHASES
MY COMMISSION # DD 730183
EXPIRES: December 13, 2011
Bonded Thru Notary Public Underwriters

State of **FLORIDA** at Large

My Commission Expires: December 13, 2011

DOCKET NOS. 070300-EI AND 070304-EI

FLORIDA PUBLIC UTILITIES COMPANY'S SUPPLEMENTAL RESPONSE TO OFFICE OF PUBLIC COUNSEL'S THIRD SET OF INTERROGATORIES NO. 141

HEARING EXHIBIT - 00001018

FLORIDA PUBLIC UTILITIES COMPANY
MARIANNA DIVISION

TYPICAL MONTHLY BILLS FOR ELECTRIC SERVICE
FOR PERIOD ENDING December 31, 2008 PROFORMA w/20% base incr plus est. fuel increases

I.Schedule Name & Code: RESIDENTIAL SERVICE - RS

	MIN.BILL	100 KWH	250 KWH	500 KWH	750 KWH
1.Base Rate.....	10.00	11.65	14.12	18.24	22.36
2.Fuel/Pur.Pow.Adj.....		7.10	17.75	35.50	53.25
3.Other Adj.....		0.06	0.15	0.30	0.45
4.TOTAL.....	10.00	18.81	32.02	54.04	76.06

	1000 KWH	2500 KWH			
1.Base Rate.....	26.48	51.19			
2.Fuel/Pur.Pow.Adj.....	71.00	177.50			
3.Other Adj.....	0.60	1.50			
4.TOTAL.....	98.08	230.19			

II.Schedule(s) Name & Code: COMMERCIAL AND INDUSTRIAL SERVICE - GS (COMM.SERV.)
and LARGE POWER AND LIGHTING SERVICE - GSD (25 KW - 499 KW)

GENERAL

	GS MIN.BILL	6 KW GS 750 KWH	12 KW GS 1500 KWH	30 KW GSD 6000 KWH	40 KW GSD 10000 KWH
1.Base Rate.....	14.00	27.26	40.51	149.98	190.88
2.Fuel/Pur.Pow.Adj.....		53.25	106.50	426.00	710.00
3.Other Adj.....		0.45	0.90	3.60	6.00
4.TOTAL.....	14.00	80.96	147.91	579.58	906.88

COMMERCIAL AND INDUSTRIAL SERVICE - GS (COMM.SERV.)
and GSD (25 KW - 499 KW)

NON-PROFIT
SPORTS FIELDS

	GS MIN.BILL	6 KW GS 750 KWH	12 KW GS 1500 KWH	30 KW GSD 6000 KWH	40 KW GSD 10000 KWH
1.Base Rate.....	18.08	47.28	76.47	149.98	190.88
2.Fuel/Pur.Pow.Adj.....		53.25	106.50	426.00	710.00
3.Other Adj.....		0.45	0.90	3.60	6.00
4.TOTAL.....	18.08	100.98	183.87	579.58	906.88

1

2006 RATES

114 2008
115 2008
114 2006
115 2006

2006 rate
2008 rate

Inc. from 2006 to 2008

Rate increase only - does not include

HEARING EXHIBIT - 00001019

FLORIDA PUBLIC UTILITIES COMPANY
MARIANNA DIVISION

TYPICAL MONTHLY BILLS FOR ELECTRIC SERVICE
FOR PERIOD ENDING December 31, 2008 PROFORMA w/20% base incr plus est. fuel increases

LARGE COMMERCIAL OR INDUSTRIAL SERVICE
GSD (25 KW - 499 KW) and GSLD (500 KW - 4999 KW)

	75 KW GSD 15000 KWH	75 KW GSD 30000 KWH	150 KW GSD 30000 KWH	150 KW GSD 60000 KWH	300 KW GSD 60000 KWH
1.Base Rate.....	308.96	350.72	573.92	657.44	1103.84
2.Fuel/Pur.Pow.Adj.....	1065.00	2130.00	2130.00	4260.00	4260.00
3.Other Adj.....	9.00	18.00	18.00	36.00	36.00
4.TOTAL.....	1382.96	2498.72	2721.92	4953.44	5399.84

	300KW GSD 120000 KWH	500 KW GSLD 100000 KWH	500 KW GSLD 200000 KWH	1000 KW GSLD 200000 KWH	1000 KW GSLD 400000 KWH
1.Base Rate.....	1270.88	1912.20	2015.40	3749.40	3955.80
2.Fuel/Pur.Pow.Adj.....	8520.00	7100.00	14200.00	14200.00	28400.00
3.Other Adj.....	72.00	60.00	120.00	120.00	240.00
4.TOTAL.....	9862.88	9072.20	16335.40	18069.40	32595.80

Cheryl M. Martin (Signed) 6/26/2007 (Date) Cheryl M. Martin Controller

HEARING EXHIBIT - 00001020

FLORIDA PUBLIC UTILITIES COMPANY
FERNANDINA BEACH DIVISION

TYPICAL MONTHLY BILLS FOR ELECTRIC SERVICE
FOR PERIOD ENDING December 31, 2008 PROFORMA w/20% base incr plus est. fuel increases

I.Schedule Name & Code: RESIDENTIAL SERVICE-RS-2

	MIN.BILL	100 KWH	250 KWH	500 KWH	750 KWH
1.Base Rate.....	10.00	11.65	14.12	18.24	22.36
2.Fuel/Pur.Pow.Adj.....		6.10	15.25	30.50	45.75
3.Other Adj.....		0.06	0.15	0.30	0.45
4.TOTAL.....	10.00	17.81	29.52	49.04	68.56

	1000 KWH	2500 KWH			
1.Base Rate.....	26.48	51.19			
2.Fuel/Pur.Pow.Adj.....	61.00	152.50			
3.Other Adj.....	0.60	1.50			
4.TOTAL.....	88.08	205.19			

II.Schedule(s) Name & Code: COMMERCIAL AND INDUSTRIAL SERVICE-GS (COMM.SERV.) and LARGE POWER AND LIGHTING SERVICE-GSD

	GS MIN.BILL	6 KW GS 750 KWH	12 KW GS 1500 KWH	30 KW GSD 6000 KWH	40 KW GSD 10000 KWH
1.Base Rate.....	14.00	27.26	40.51	149.98	190.88
2.Fuel/Pur.Pow.Adj.....		45.75	91.50	366.00	610.00
3.Other Adj.....		0.45	0.90	3.60	6.00
4.TOTAL.....	14.00	73.46	132.91	519.58	806.88

LARGE COMMERCIAL OR INDUSTRIAL SERVICE
GSD (25 KW - 499 KW) and GSLD (500 KW - 4999 KW)

	75 KW 15000 KWH	75 KW 30000 KWH	150 KW 30000 KWH	150 KW 60000 KWH	300 KW 60000 KWH
1.Base Rate.....	308.96	350.72	573.92	657.44	1103.84
2.Fuel/Pur.Pow.Adj.....	915.00	1830.00	1830.00	3660.00	3660.00
3.Other Adj.....	9.00	18.00	18.00	36.00	36.00
4.TOTAL.....	1232.96	2198.72	2421.92	4353.44	4799.84

	300KW 120000 KWH	500 KW 100000 KWH	500 KW 200000 KWH	1000 KW 200000 KWH	1000 KW 400000 KWH
1.Base Rate.....	1270.88	1912.20	2015.40	3749.40	3955.80
2.Fuel/Pur.Pow.Adj.....	7320.00	6100.00	12200.00	12200.00	24400.00
3.Other Adj.....	72.00	60.00	120.00	120.00	240.00
4.TOTAL.....	8662.88	8072.20	14335.40	16069.40	28595.80

Cheryl M. Martin 6/26/2007 Cheryl M. Martin
(Signed) (Date) Controller

HEARING EXHIBIT - 00001021

FLORIDA PUBLIC UTILITIES COMPANY
MARIANNA DIVISION

TYPICAL MONTHLY BILLS FOR ELECTRIC SERVICE
FOR PERIOD ENDING DECEMBER 31, 2006

I.Schedule Name & Code: RESIDENTIAL SERVICE - RS

	MIN.BILL	100 KWH	250 KWH	500 KWH	750 KWH
1.Base Rate.....	10.00	11.37	13.43	16.87	20.30
2.Fuel/Pur.Pow.Adj.....		4.53	11.32	22.65	33.97
3.Other Adj.....		0.05	0.12	0.23	0.35
4.TOTAL.....	10.00	15.95	24.87	39.75	54.62

	1000 KWH	2500 KWH			
1.Base Rate.....	23.73	44.33			
2.Fuel/Pur.Pow.Adj.....	45.29	113.23			
3.Other Adj.....	0.46	1.15			
4.TOTAL.....	69.48	158.71			

II.Schedule(s) Name & Code: COMMERCIAL AND INDUSTRIAL SERVICE - GS (COMM.SERV.)
and LARGE POWER AND LIGHTING SERVICE - GSD (25 KW - 499 KW)

GENERAL

	GS MIN.BILL	6 KW GS 750 KWH	12 KW GS 1500 KWH	30 KW GSD 6000 KWH	40 KW GSD 10000 KWH
1.Base Rate.....	14.00	25.05	36.10	132.32	166.40
2.Fuel/Pur.Pow.Adj.....		33.56	67.11	256.68	427.80
3.Other Adj.....		0.35	0.69	2.76	4.60
4.TOTAL.....	14.00	58.96	103.90	391.76	598.80

COMMERCIAL AND INDUSTRIAL SERVICE - GS (COMM.SERV.)
and GSD (25 KW - 499 KW)

NON-PROFIT
SPORTS FIELDS

	GS MIN.BILL	6 KW GS 750 KWH	12 KW GS 1500 KWH	30 KW GSD 6000 KWH	40 KW GSD 10000 KWH
1.Base Rate.....	18.08	42.41	66.74	132.32	166.40
2.Fuel/Pur.Pow.Adj.....		33.56	67.11	256.68	427.80
3.Other Adj.....		0.35	0.69	2.76	4.60
4.TOTAL.....	18.08	76.32	134.54	391.76	598.80

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HEARING EXHIBIT - 00001022

FLORIDA PUBLIC UTILITIES COMPANY
MARIANNA DIVISION

TYPICAL MONTHLY BILLS FOR ELECTRIC SERVICE
FOR PERIOD ENDING DECEMBER 31, 2006

LARGE COMMERCIAL OR INDUSTRIAL SERVICE
GSD (25 KW - 499 KW) and GSLD (500 KW - 4999 KW)

	75 KW GSD 15000 KWH	75 KW GSD 30000 KWH	150 KW GSD 30000 KWH	150 KW GSD 60000 KWH	300 KW GSD 60000 KWH
1.Base Rate.....	264.80	299.60	485.60	555.20	927.20
2.Fuel/Pur.Pow.Adj.....	641.70	1283.40	1283.40	2566.80	2566.80
3.Other Adj.....	6.90	13.80	13.80	27.60	27.60
4.TOTAL.....	913.40	1596.80	1782.80	3149.60	3521.60

	300KW GSD 120000 KWH	500 KW GSLD 100000 KWH	500 KW GSLD 200000 KWH	1000 KW GSLD 200000 KWH	1000 KW GSLD 400000 KWH
1.Base Rate.....	1066.40	1606.00	1692.00	3137.00	3309.00
2.Fuel/Pur.Pow.Adj.....	5133.60	4102.00	8204.00	8204.00	16408.00
3.Other Adj.....	55.20	46.00	92.00	92.00	184.00
4.TOTAL.....	6255.20	5754.00	9988.00	11433.00	19901.00

Cheryl M. Martin 6/26/2007 Cheryl M. Martin
(Signed) (Date) Controller

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1206 TYPICAL BILL 6/26/2007, 8:50 AM cdy
HEARING EXHIBIT - 00001023

FLORIDA PUBLIC UTILITIES COMPANY
FERNANDINA BEACH DIVISION

TYPICAL MONTHLY BILLS FOR ELECTRIC SERVICE
FOR PERIOD ENDING DECEMBER 31, 2006

I.Schedule Name & Code: RESIDENTIAL SERVICE-RS-2

	MIN.BILL	100 KWH	250 KWH	500 KWH	750 KWH
1.Base Rate.....	10.00	11.37	13.43	16.87	20.30
2.Fuel/Pur.Pow.Adj.....		3.29	8.22	16.44	24.65
3.Other Adj.....		0.05	0.12	0.23	0.35
4.TOTAL.....	10.00	14.71	21.77	33.54	45.30

	1000 KWH	2500 KWH			
1.Base Rate.....	23.73	44.33			
2.Fuel/Pur.Pow.Adj.....	32.87	82.18			
3.Other Adj.....	0.46	1.15			
4.TOTAL.....	57.06	127.66			

II.Schedule(s) Name & Code: COMMERCIAL AND INDUSTRIAL SERVICE-GS (COMM.SERV.) and LARGE POWER AND LIGHTING SERVICE-GSD

	GS MIN.BILL	6 KW GS 750 KWH	12 KW GS 1500 KWH	30 KW GSD 6000 KWH	40 KW GSD 10000 KWH
1.Base Rate.....	14.00	25.05	36.10	132.32	166.40
2.Fuel/Pur.Pow.Adj.....		24.12	48.24	185.58	309.30
3.Other Adj.....		0.35	0.69	2.76	4.60
4.TOTAL.....	14.00	49.52	85.03	320.66	480.30

LARGE COMMERCIAL OR INDUSTRIAL SERVICE
GSD (25 KW - 499 KW) and GSLD (500 KW - 4999 KW)

	75 KW 15000 KWH	75 KW 30000 KWH	150 KW 30000 KWH	150 KW 60000 KWH	300 KW 60000 KWH
1,000 KWH					
1.Base Rate..... 17.65	264.80	299.60	485.60	555.20	927.20
2.Fuel/Pur.Pow.Adj..... 30.93	463.95	927.90	927.90	1855.80	1855.80
3.Other Adj..... 0.46	6.90	13.80	13.80	27.60	27.60
4.TOTAL..... 49.04	735.65	1241.30	1427.30	2438.60	2810.60

	300KW 120000 KWH	500 KW 100000 KWH	500 KW 200000 KWH	1000 KW 200000 KWH	1000 KW 400000 KWH
1,000 KWH					
1.Base Rate..... 8.89	1066.40	1606.00	1692.00	3137.00	3309.00
2.Fuel/Pur.Pow.Adj..... 30.93	3711.60	2998.00	5996.00	5996.00	11992.00
3.Other Adj..... 0.46	55.20	46.00	92.00	92.00	184.00
4.TOTAL..... 40.28	4833.20	4650.00	7780.00	9225.00	15485.00

Cheryl M. Martin (Signed) 6/26/2007 (Date) Cheryl M. Martin Controller

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FPUC's Response to FCTA's First Set of Interrogatories (Nos. 1-39)

HEARING EXHIBIT - 00001025

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Review of 2007 Electric Infrastructure Storm hardening Plan filed pursuant to Rule 25-6.0342, F.A.C., submitted by Florida Public Utilities Company	)	Docket No. 070300-EI

FLORIDA PUBLIC UTILITIES COMPANY'S OBJECTIONS AND RESPONSES TO FLORIDA CABLE TELECOMMUNICATIONS ASSOCIATION, INC.'S FIRST SET OF INTERROGATORIES

COMES NOW, Florida Public Utilities Company's ("FPUC") and in response to Florida Cable Telecommunications Association, Inc.'s First Set of Interrogatories. FPUC incorporates in this Response those Objections filed November 14, 2007 as required by the Procedural Order.

INTERROGATORIES

1. Please identify and describe the amount of costs the Company expects to incur in connection with its implementation of Storm Hardening, including the estimated costs set forth in Section 6.4 of the Company's Plan, that the Company will (a) seek to recover from cable operators in the form of increased annual pole attachment rental; and (b) seek to recover from cable operators in the form of direct reimbursements.

FPUC'S RESPONSE: See attached.

2. Please identify and describe the incremental cost difference for (a) make-ready engineering for new third party attachments, if any, due to Storm Hardening; and (b) make-ready work for new third party attachments, if any, due to Storm Hardening.

FPUC'S RESPONSE: See attached.

3. If a pole is determined to be in need of replacement and a third party attachers is deemed to be responsible, will the Company require third party attachers to set a stronger class

HEARING EXHIBIT - 00001026

pole than the replaced pole? If so, describe in particularity the circumstances for such requirement.

FPUC'S RESPONSE: See attached.

4. If a pole is replaced or designed to be replaced in the make-ready process or as a result of the Company's Wood Pole Inspection Plan or Joint Use Pole Attachment Audit please identify and describe whether the Company will require the cable operator to replace the pole with (a) a pole exceeding the NESC strength and loading requirements; (b) a pole exceeding the standards for separation that applied to the replaced pole; or (c) a pole exceeding the NESC separation requirements. If the answer to (a), (b), or (c) is yes, please describe whether the Company will require the third party attacher to pay for the incremental cost associated with exceeding the standards that plied to the replaced pole or exceeding the NESC standards.

FPUC'S RESPONSE: See attached.

5. Please identify and describe the NESC construction grade(s) (i.e., Grade C, Grade B, other) currently employed by the Company for its distribution poles. Has the Company always employed this construction grade for its distribution poles? If not, please explain in detail the different NESC construction grades the Company has employed for distribution poles.

FPUC'S RESPONSE: See attached.

6. Please identify and describe the cost differentials for purchasing, setting, or otherwise performing make-ready for poles meeting (a) Grade C, (b) Grade B, and (c) extreme wind load standards.

FPUC'S RESPONSE: See attached.

7. Please identify and describe the amount of which each of the dollar amounts designated by the Company on the FERC Form 1 for each of the following items in the listed accounts (as applicable) will be increased or decreased as a result of Storm Hardening.

a) Accumulated deferred income taxes – Total Plant (Account 190)

FPUC'S RESPONSE: See attached.

b) Accumulated deferred income taxes – Electric Plant (Account 190)

FPUC'S RESPONSE: See attached.

c) Accumulated deferred income taxes – Accelerated amortization property – Total Plant (Acct 281)

FPUC'S RESPONSE: See attached.

d) Accumulated deferred income taxes – Accelerated amortization property – Electric Plant (Acct 281)

FPUC'S RESPONSE: See attached.

e) Accumulated deferred income taxes – Other property – Total Plant (Account 282)

FPUC'S RESPONSE: See attached.

f) Accumulated deferred income taxes – Other property – Electric Plant (Account 282)

FPUC'S RESPONSE: See attached.

g) Accumulated deferred income taxes – Other – Total Plant (Account 283)

FPUC'S RESPONSE: See attached.

h) Accumulated deferred income taxes – Other - Electric Plant (Account 283)

FPUC'S RESPONSE: See attached.

i) Poles, towers and fixtures (Account 364)

FPUC'S RESPONSE: See attached.

HEARING EXHIBIT - 00001028

j) Overhead conductors and devices (Account 365)

FPUC'S RESPONSE: See attached.

k) Services (Account 369)

FPUC'S RESPONSE: See attached.

l) Taxes other than income taxes (Account 408.1)

FPUC'S RESPONSE: See attached.

m) Income taxes – federal (Account 409.1 Federal)

FPUC'S RESPONSE: See attached.

n) Income taxes – other (Account 409.1 Other)

FPUC'S RESPONSE: See attached.

o) Provision for deferred income taxes – (Account 410.1)

FPUC'S RESPONSE: See attached.

p) Provision for deferred income taxes – Credit (Account 411.1 Credit)

FPUC'S RESPONSE: See attached.

q) Investment tax credit adjustment (Account 411.4)

FPUC'S RESPONSE: See attached.

r) Maintenance of overhead lines (Account 593)

FPUC'S RESPONSE: See attached.

s) General Administrative expenses (Acc'ts 920-929, 930.1 & 930.2, 931)

FPUC'S RESPONSE: See attached.

t) Maintenance of General Plant (Account 935)

FPUC'S RESPONSE: See attached.

u) Plant in Service - Total Plant

HEARING EXHIBIT - 00001029

FPUC'S RESPONSE: See attached.

v) Plant in Service – Electric Plant

FPUC'S RESPONSE: See attached.

w) Depreciation - Total Plant

FPUC'S RESPONSE: See attached.

x) Depreciation – Electric Plant

FPUC'S RESPONSE: See attached.

y) Depreciation Rate for Poles

FPUC'S RESPONSE: See attached.

z) Rate of return authorized for the utility for intrastate service

FPUC'S RESPONSE: See attached.

aa) Number of Poles Solely Owned

FPUC'S RESPONSE: See attached.

bb) Number of Poles Jointly Owned

FPUC'S RESPONSE: See attached.

cc) Percentage Ownership in Poles Jointly Owned

FPUC'S RESPONSE: See attached.

8. Please identify the number of distribution poles the Company had at year end 2006 (a) in service and (b) in inventory, with the number of poles in each class and height.

FPUC'S RESPONSE: See attached.

9. Please identify the number of distribution poles the Company estimates it will have at the end of years 2007, 2008, and 2009. Please identify the number of poles for each of those three years that exceed the number of poles at year end 2006 (a) that are attributable to the

HEARING EXHIBIT - 00001030

Company's Storm hardening activities and (b) the percentage of such poles that include or will include third party attachments.

FPUC'S RESPONSE: See attached.

10. Please identify the number of distribution poles the Company estimates it will replace in years 2007, 2008, and 2009 as a result of Storm hardening (including but not limited to poles replaced through the Company's Wood Pole Inspection Program, Joint Use Pole Attachment Audit, Extreme Wind Loading projects) and the percentage of such poles with third party attachments.

FPUC'S RESPONSE: See attached.

11. Does the Company plan to use extreme wind loading (EWL) grade C or EWL grade B as its basic EWL standard?

FPUC'S RESPONSE: See attached.

12. Does the Company plant to consider the guying effects of power lines, communications lines, and all attached guy wires on poles which are evaluated for strength to withstand wind loading for all applicable grades of construction?

FPUC'S RESPONSE: See attached.

13. Does the Company plant to apply EWL design to distribution lines where trees near the lines shelter the lines from high winds and/or trees are in such close proximity that they may fall on the lines in extreme wind conditions? Please explain your answer.

FPUC'S RESPONSE: See attached.

14. Does the Company anticipate that the average utility pole height will increase as a result of Storm Hardening? If the answer is yes, please indicate by how much?

FPUC'S RESPONSE: See attached.

15. Does the Company anticipate that the average utility pole circumference and/or pole class will change as a result of Storm Hardening? If the answer is yes, please indicate by how much and/or to what class.

FPUC'S RESPONSE: See attached.

16. Please confirm that in replacing poles or setting new poles as a result of the Storm Hardening that (a) any new pole installed by the Company will be of a class and height that is capable of accommodating the entities attached to adjacent poles; and (b) the Company will automatically license entities attached to adjacent poles, i.e., they will not have to file an application for attachment to the replaced or new pole.

FPUC'S RESPONSE: See attached.

17. Please confirm that with respect to any poles that are replaced as a result of Section 3.4 of the Company's Plan (i.e., Extreme Wind Loading for Distribution Facilities) that FPUC will not seek direct reimbursement from cable operators other than for any transfer work performed by the Company at the request of cable operators.

FPUC'S RESPONSE: See attached.

18. In relocating poles with third party attachments and setting new poles in lines where adjacent poles have third party attachments, please identify and describe the process that the Company will undertake to ensure that such relocation results in reasonable transfer costs for third party attachers.

FPUC'S RESPONSE: See attached.

19. Please identify and describe any change to the Company's requirements for new third party attachments and overlashing, including any additional loading analysis being

required, due to Storm Hardening. Will the same requirements be applicable to attachments made by the Company?

FPUC'S RESPONSE: See attached.

20. Will the Company permit a third party cable operator attacher to perform any required loading analysis (a) itself, or (b) using a third party contractor. If the answer is "no," will the Company perform the analysis using its own work force or hire a contractor? If a contractor will be used to perform any loading analysis of third party attachments required by the Company, which contractor will be used.

FPUC'S RESPONSE: See attached.

21. Please identify whether the Company has a contract in place for the performance of any required loading analysis of third party attachments. If the answer is "yes," what amount will the Company pay or has the Company agreed to pay to the contractor for the loading analysis? What amount, if any, will the Company charge the third party attacher for the loading analysis?

FPUC'S RESPONSE: See attached.

22. Please identify and describe the criteria that will be considered in any loading analysis required for third party attachments. Will the same criteria be used to assess the strength and loading impact of Company attachments? Will the same criteria be used to assess the strength and loading impact of all third party attachments?

FPUC'S RESPONSE: See attached.

23. What, if any, pole loading software will be used to perform the loading analysis required by the Company for new third party attachments and overlashing? What factors does such software take into account in performing the loading determination?

FPUC'S RESPONSE: See attached.

24. Has the Company ever allowed cable operators to overlash without prior approval from the Company?

FPUC'S RESPONSE: See attached.

25. Please identify and describe any and all actual examples of a Company pole failure that was caused by third party overlashing.

FPUC'S RESPONSE: See attached.

26. Please identify and describe the process by which the Company assesses responsibility for existing violations on poles that are being evaluated for new attachments or overlashing.

FPUC'S RESPONSE: See attached.

27. Please confirm whether the Company agrees or disagrees that the party that requires additional space or strength on a pole is the party responsible for any necessary make-ready engineering and construction, including the pole owner.

FPUC'S RESPONSE: See attached.

28. Please identify and describe whether the Company intends, as a part of its Strength and Loading Assessment described at page 4 of the Company's Plan, to assess whether third party attachments comply with current FPUC specifications governing separation of facilities? If the answer is yes, please identify and describe any ways in which FPUC's specifications governing separation of facilities differ from the NESC requirements.

FPUC'S RESPONSE: See attached.

29. Has the Company commenced the Wood Pole Inspection Plan set forth in Section 1.0 of the Company's Plan, including the Strength and loading Assessment described at page 4

of FPUC's plan? If so, what percentage of its plant has the Company inspected to date? Please provide the results, to date, of any such inspection.

FPUC'S RESPONSE: See attached.

30. With regard to the Wood Pole Inspection Plan, please explain: (a) whether the Company intends to seek direct reimbursement from third party attachers for the Inspection or any part of the Inspection; (b) how the Company intends to assign responsibility for any non-compliance with loading standards and, if applicable, separation standards, uncovered in the Inspection (i.e., if the attacher is licensed, explain whether it will be held responsible and under what basis); (c) whether the responsible party will be required to pay the full cost of correcting any non-compliance; and (d) if correction requires pole replacement, whether the responsible party will be required to replace the pole with a pole that exceeds NESC standards – strength and loading and/or separation. If the answer to (d) is yes, please explain what construction standard (Grade C, Grade B or extreme wind) will be applied.

FPUC'S RESPONSE:

a. No direct reimbursement is requested at this time.

b. Should non-compliance violations be found, each case will be considered based upon the existing joint use contract, approved attachment applications and the type violation or non-compliance found.

c. Should one party be found to have caused the non-compliance, that party will be responsible for the cost of correcting the non-compliance.

d. If pole replacement is required, the type construction will be in accordance with the existing grade of construction used on the pole. (Cutshaw)

HEARING EXHIBIT - 00001035

31. Has the Company commenced the Joint Use Pole Attachment Audit described at Section 2.2 of the Company's Plan? If so, what percentage of its plant has the Company audited to date? Please provide the results, to date, of any such audit.

FPUC'S RESPONSE: No. All parties will be requested to participate when the audit begins. (Cutshaw)

32. With regard to such Joint Use Pole Attachment Audit, please state: (a) whether the Company intends to seek direct reimbursement from third party attachers for the audit; (b) what the Company considers to be a "violation" as that term is used in the list of information being collected set forth at page 7 of the Company's Plan; (c) how the Company intends to assign responsibility for such "violations"; (d) whether the responsible party will be required to pay the full cost of correcting any non-compliance; and (e) if correction requires pole replacement, whether the responsible party will be required to replace the pole with a pole that exceeds NESC standards – strength and loading and/or separation. If the answer to (e) is yes, please explain what construction standard (Grade C, Grade B or extreme wind) will be applied.

FPUC'S RESPONSE: See attached.

33. Please explain the process the Company has developed to allow third party attachers to have input concerning the data being collected in the Joint-Use Pole Attachment Audit as set forth on page 7 of the Company's Plan, the entity performing the audit, the cost of the audit, and the verification of audit results.

FPUC'S RESPONSE: See attached.

34. Please identify and describe what the Company has done prior to the storm hardening initiatives to ensure that its utility pole plant is sound and meets NESC strength and

HEARING EXHIBIT - 00001036

loading standards and NESC separation requirements, or any standards adopted by the Company that exceed NESC.

FPUC'S RESPONSE: See attached.

35. Please identify any instances in which standards and processes being developed for Storm Hardening, including any analysis for strength and wind loading, will be applied differently to attachments made by the Company, cable operators and other third party attachers.

FPUC'S RESPONSE: See attached.

36. Please identify and describe the number of Company poles with 69 KV transmission lines on which third party cable operators are attached.

FPUC'S RESPONSE: See attached.

37. Please identify and describe any Attachment Standards and Procedures in the contracts described in Section 7.3 of the Company's Plan.

FPUC'S RESPONSE: See attached.

38. Please explain whether, as additional specifications governing third party attachments are developed as set forth in Section 7.3 of the Company's Plan, the Company will impose such specifications upon third party attachers other than by mutually agreed to terms and conditions.

FPUC'S RESPONSE: See attached.

39. Please explain the circumstances in which the Company believes that bracing can be used in lieu of replacing poles.

FPUC'S RESPONSE: See attached.

HEARING EXHIBIT - 00001037

Respectfully submitted this 29th day of November, 2007.

NORMAN H. HORTON, JR.
MESSER, CAPARELLO & SELF, P.A.
P.O. Box 15579
Tallahassee, FL 32317
(850) 222-0720

Attorneys for Florida Public Utilities Company

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HEARING EXHIBIT - 00001038

BEFORE THE PUBLIC SERVICE COMMISSION

In Re: Review of 2007 Electric Infrastructure Storm Hardening Plan Filed pursuant to Rule 25-6.0342, F.A.C., Submitted by Florida Public Utilities Company.	DOCKET NO. 070300-EI Served October 30, 2007

FLORIDA PUBLIC UTILITIES RESPONSE TO FCTA'S FIRST SET OF INTERROGATORIES TO FLORIDA PUBLIC UTILITIES COMPANY

INTERROGATORIES

1. Please identify and describe the amount of costs the Company expects to incur in connection with its implementation of Storm Hardening, including the estimated costs set forth in Section 6.4 of the Company's Plan, that the Company will (a) seek to recover from cable operators in the form of increased annual pole attachment rental; and (b) seek to recover from cable operators in the form of direct reimbursements.

Response

a. At this time, there is no plan to increase the increased pole attachment rental. However, based upon the final approval of the storm plan, negotiations will be required to address all aspects of the storm hardening plan to ensure all initiatives are appropriately addressed. The current contracts will direct activities until additional negotiations are completed.

b. At this time there are no plans to recover the direct cost from cable operators other than items included in the current contract that specifically address the situation.

HEARING EXHIBIT - 00001039

(Cutshaw)

2. Please identify and describe the incremental cost difference for (a) make-ready engineering for new third party attachments, if any, due to Storm Hardening; and (b) make-ready work for new third party attachments, if any, due to Storm Hardening.

Response

a. There are no incremental cost differences for engineering associated with new third party attachments due to Storm Hardening.

b. In general, there should be no incremental cost difference for make ready work for new third party attachments. Based on the current Storm Hardening Plan, the divisions will continue to utilize the grade of construction (Grade B or Grade C) that is in use at this time when performing most pole replacements that are necessary for new third party attachments. Should new attachment applications be received for lines that are included in the projects using the Extreme Wind Loading criteria, some incremental cost will be included. These situations will require case by case investigation to calculate the incremental cost.

(Cutshaw)

3. If a pole is determined to be in need of replacement and a third party attacher is deemed to be responsible, will the Company require third party attachers to set a stronger class pole than the replaced pole? If so, describe in particularity the circumstances for such requirement.

Response

Should a pole be owned by FPUC and in need of replacement due to the third party attachment, FPUC will determine the size of pole required based upon the current specifications which, in most cases, will not include the extreme wind loading criteria. The pole size required for replacement will not be affected by the storm hardening plan. The current contract with the third party attacher will be used to determine if any billing is necessary.

(Cutshaw)

4. If a pole is replaced or designated to be replaced in the make-ready process or as a result of the Company's Wood Pole Inspection Plan or Joint Use Pole Attachment Audit please identify and describe whether the Company will require the cable operator to replace the pole with (a) a pole exceeding the NESC strength and loading requirements; (b) a pole exceeding the standards for separation that applied to the replaced pole; or (c) a pole exceeding the NESC separation requirements. If the answer to (a), (b), or (c) is yes, please describe whether the Company will require the third party attacher to pay for the incremental cost associated with exceeding the standards that applied to the replaced pole or exceeding the NESC standards.

Response

a. No. Current FPUC standards for poles will be used to determine the type pole used in replacement.

b. No. Current FPUC specifications included in the joint use attachment contract will be used as a basis for the required separation. Violations to the separation that were found will be addressed based on the contract.

c. No. Current FPUC specifications included in the joint use attachment contract will be used as a basis for the required separation.

(Cutshaw)

5. Please identify and describe the NESC construction grade(s) (i.e., Grade C, Grade B, other) currently employed by the Company for its distribution poles. Has the Company always employed this construction grade for its distribution poles? If not, please explain in detail the different NESC construction grades the Company has employed for distribution poles.

Response

The standard of construction in the Northeast Florida Division has been based on Grade B construction for many years due to the coastal location and will continue at that level. The standard of construction in the Northwest Florida Division has been based on Grade C construction for many years due to its inland location and will continue at that level. In some cases, Grade B construction standards have been used for construction of some main line feeders which will continue to be the practice.

(Cutshaw)

6. Please identify and describe the cost differentials for purchasing, setting, or otherwise performing make-ready for poles meeting (a) Grade C, (b) Grade B, and (c) extreme wind load standards.

Response

This information has not been developed at this time and is not available.

(Cutshaw)

7. Please identify and describe the amount by which each of the dollar amounts designated by the Company on the FERC Form 1 for each of the following items in the listed accounts (as applicable) will be increased or decreased as a result of Storm Hardening:

a) Accumulated deferred income taxes - Total Plant (Account 190)

Response

No impact as a result of Storm Hardening

b) Accumulated deferred income taxes - Electric Plant (Account 190)

Response

No impact as a result of Storm Hardening

c) Accumulated deferred income taxes - Accelerated amortization property - Total Plant (Acct 281)

Response

No impact as a result of Storm Hardening

d) Accumulated deferred income taxes-Accelerated amortization property-Electric Plant (Acct 281)

Response

No impact as a result of Storm Hardening

e) Accumulated deferred income taxes - Other property - Total Plant (Account 282)

Response

No impact as a result of Storm Hardening

f) Accumulated deferred income taxes - Other property - Electric Plant (Account 282)

Response

The Accumulated Deferred Tax impact for 2008 for the Geographic Information System (GIS) and the capital expenditures relating to the Extreme Wind Loading is estimated to be $12,200. See Exhibit 7F for details.

g) Accumulated deferred income taxes - Other - Total Plant (Account 283)

Response

No impact as a result of Storm Hardening

h) Accumulated deferred income taxes - Other - Electric Plant (Account 283)

Response

No impact as a result of Storm Hardening

i) Poles, towers and fixtures (Account 364)

Response

This account will increase by a net of $130,136. See Exhibit 7.1.

j) Overhead conductors and devices (Account 365)

Response

No impact as a result of Storm Hardening

k) Services (Account 369)

Response

No impact as a result of Storm Hardening

l) Taxes other than income taxes (Account 408.1)

Response

The impact to Taxes other than Income Taxes for 2008 for the Geographic Information System (GIS) and the capital expenditures relating to the Extreme Wind Loading is estimated to be $4,275. Please reference Exhibit 7L for Details.

m) Income taxes – federal (Account 409.1 Federal)

Response

The impact to Federal Income Taxes is estimated to be $186,468. Please refer to Exhibit 7M.

n) Income taxes – other (Account 409.1 Other)

Response

The impact to Income Taxes is estimated to be $31,920. Please refer to Exhibit 7N.

o) Provision for deferred income taxes (Account 410.1)

Response

The impact to Provision for Deferred Taxes is estimated to be $32,325. Please refer to Exhibit 7o.

p) Provision for deferred income taxes – Credit (Account 411.1 Credit)

Response

No impact as a result of Storm Hardening

q) Investment tax credit adjustment (Account 411.4)

Response

The Investment Tax Credit adjustment is estimated to be immaterial.

r) Maintenance of overhead lines (Account 593)

Response

The overall increase projected due to Vegetation Management and Post Storm Data Collection and Forensics Analysis is $261,840.

s) General Administrative expenses (Acc'ts 920-929, 930.1 & 930.2, 931)

Response

No impact as a result of Storm Hardening

t) Maintenance of General Plant (Account 935)

Response

The overall increase projected due to maintenance of the GIS software is $9,064

u) Plant in Service - Total Plant

Response

Plant In Service – Total Plant will increase by $311,866. See Exhibit 7.1.

v) Plant in Service - Electric Plant

Response

Plant In Service – Electric Plant will increase by $311,866. See Exhibit 7.1.

w) Depreciation - Total Plant

Response

Depreciation Reserve – Total Plant will decrease by $6,312. Depreciation Expense – Total Plant will increase by $48,821. See Exhibit 7.1.

x) Depreciation - Electric Plant

Response

Depreciation Reserve – Total Plant will decrease by $6,312. Depreciation Expense – Total Plant will increase by $48,821. See Exhibit 7.1.

y) Depreciation Rate for Poles

Response

The annual depreciation rate for distribution poles is 4.2%.

z) Rate of return authorized for the utility for intrastate service

Response

The rate of return authorized in our last rate proceeding for Consolidated Electric was 7.86%.

aa) Number of Poles Solely Owned

Response

The numbers of poles solely owned by FPUC are shown in Question #8 below.

bb) Number of Poles Jointly Owned

Response

There are no jointly owned poles.

cc) Percentage Ownership in Poles Jointly Owned

Response

There are no jointly owned poles.

(Cutshaw, Khojasteh, Mesite, Cox)

8. Please identify the number of distribution poles the Company had at year end 2006 (a) in service and (b) in inventory, with the number of poles in each class and height.

Response

This information is not readily available. However, the in-service pole information as of September 30, 2007 is as follows. Information on the class size is not readily available at this time but the numbers of wood and concrete poles are shown.

	Wood	Concrete
Primary	16,174	24
Secondary	7,327	24
Lighting	2,085	404
Guying	481	14
Total	26,067	466

(Cutshaw)

9. Please identify the number of distribution poles the Company estimates it will have at the end of years 2007, 2008 and 2009. Please identify the number of poles for each of those three years that exceed the number of poles at year end 2006 (a) that are attributable to the Company's Storm Hardening activities and (b) the percentage of such poles that include or will include third party attachments.

Response

The number of poles as of September 30, 2007 is shown in Question #8 which includes the number of wood and concrete poles. Due to the significant amount of underground construction activity, the change to the total in-service poles will be minimal during 2008 and 2009. The Storm Hardening Plan includes the number of third party attachments in Section 2.2 (Joint-Use Pole Attachment Audit), the number of poles to be replaced based on storm hardening projects in Section 6.3 (Upgrading of Joint Use Facilities) and the number of poles to be replaced based on the wood pole inspection program in Section 7.1 (Wood Pole Inspections). The number of third party attachments on the poles to be replaced has not been determined.

(Cutshaw)

10. Please identify the number of distribution poles the Company estimates it will replace in years 2007, 2008 and 2009 as a result of Storm Hardening (including but not limited to poles replaced through the Company's Wood Pole Inspection Program, Joint Use Pole Attachment Audit, and Extreme Wind Loading projects) and the percentage of such poles with third party attachments.

Response

The number of poles as of September 30, 2007 is shown in Question #8 which includes the number of wood and concrete poles. Due to the significant amount of underground construction activity, the change to the total in-service poles will be minimal during 2008 and 2009. The Storm Hardening Plan includes the number of third party attachments in Section 2.2 (Joint-Use Pole Attachment Audit), the number of poles to be replaced based on storm hardening projects in Section 6.3 (Upgrading of Joint Use Facilities) and the number of poles to be replaced based on the wood pole inspection program in Section 7.1 (Wood Pole Inspections). The number of third party attachments on the poles to be replaced has not been determined.

(Cutshaw)

11. Does the Company plan to use extreme wind loading (EWL) grade C or EWL grade B as its basic EWL standard?

Response

FPUC will continue to use Grade B construction in the Northeast Florida Division and Grade B or Grade C construction (dependent upon the project) in its Northwest Florida Division. The EWL criteria will only be used for projects identified in the approved Storm Hardening Plan.

(Cutshaw)

12. Does the Company plan to consider the guying effects of power lines, communications lines, and all attached guy wires on poles which are evaluated for strength to withstand wind loading for all applicable grades of construction?

Response

FPUC will investigate each situation and will consider all attachments, including guy wires as possible, in accordance with good engineering practices.

(Cutshaw)

13. Does the Company plan to apply EWL design to distribution lines where trees near the lines shelter the lines from high winds and/or trees are in such close proximity that they may fall on the lines in extreme wind conditions? Please explain your answer.

Response

FPUC will investigate each situation and will consider the effects of trees in close proximity to lines in accordance with good engineering practices where possible. However, consideration will also be given to the location and possibility that trees may be removed due to development of certain areas. The final land use will be will be major factor in the decision.

(Cutshaw)

14. Does the Company anticipate that the average utility pole height will increase as a result of Storm Hardening? If the answer is yes, please indicate by how much.

Response

No.

(Cutshaw)

15. Does the Company anticipate that the average utility pole circumference and/or pole class will change as a result of Storm Hardening? If the answer is yes, please indicate by how much and/or to what class.

Response

The average pole circumference will not change with the exception of those installations that are identified in the storm hardening plan, as approved by the FPSC. The pole class change will be determined based upon the pole loading assessment of each situation and the total attachments. The information can not be determined at this time.

(Cutshaw)

16. Please confirm that in replacing poles or setting new poles as a result of the Storm Hardening that (a) any new pole installed by the Company will be of a class and height that is capable of accommodating the entities attached to adjacent poles; and (b) the Company will automatically license entities attached to adjacent poles, i.e., they will not have to file an application for attachment to the replaced or new pole.

Response

a. Consideration of existing adjacent pole attachments will be accommodated for all pole replacements.

b. Existing attachments on all poles will be automatically licensed and no additional applications will be necessary. Any new attachments to poles, if necessary, will be done in accordance with the joint use contracts.

(Cutshaw)

17. Please confirm that with respect to any poles that are replaced as a result of Section 3.4 of the Company's Plan (i.e., Extreme Wind Loading for Distribution Facilities) that FPUC will not seek direct reimbursement from cable operators other than for any transfer work performed by the Company at the request of cable operators.

Response

FPUC will not seek direct reimbursement associated with Section 3.4 of the Company's plan assuming transfers are completed in a timely manner. Direct reimbursement will be requested should transfers not be completed in accordance with contract requirements and are completed by FPUC.

(Cutshaw)

18. In relocating poles with third party attachments and setting new poles in lines where adjacent poles have third party attachments, please identify and describe the process that the Company will undertake to ensure that such relocation results in reasonable transfer costs for third party attachers.

Response

FPUC will provide all third party attachers preliminary information on the work to be performed. After review by the third party attachers, the Company will work with third party attachers to determine the most efficient locations, as much as practical, of poles that are being replaced.

(Cutshaw)

19. Please identify and describe any change to the Company's requirements for new third party attachments and overlashing, including any additional loading analysis being required, due to Storm Hardening. Will the same requirements be applicable to attachments made by the Company?

Response

The existing contracts do not directly address overlashing. Although this practice has not been used frequently in our service territory, future negotiations will include overlashing procedures. Should overlashing occur, additional loading analysis may be required based on the overall change in attachment size. Based on the scope of the project, this may be conducted on a sample basis to ensure that the additional loading will not compromise the poles in use.

(Cutshaw)

20. Will the Company permit a third party cable operator attacher to perform any required loading analysis (a) itself, or (b) using a third party contractor. If the answer is "no," will the Company perform the analysis using its own work force or hire a contractor? If a contractor will be used to perform any loading analysis of third party attachments required by the Company, which contractor will be used?

Response

a. Yes. The methodology used will be evaluated to ensure compliance and accuracy of the calculations.

b. Yes. The methodology used will be evaluated to ensure compliance and accuracy of the calculations.

The Company will be performing loading analysis in conjunction with the wood pole inspection program but does not plan to perform this during the joint use attachment audit. The contractor has not been selected to perform the wood pole inspection and pole loading analysis.

(Cutshaw)

21. Please identify whether the Company has a contract in place for the performance of any required loading analysis of third party attachments. If the answer is "yes," what amount will the Company pay or has the Company agreed to pay to the contractor for the loading analysis? What amount, if any, will the Company charge the third party attacher for the loading analysis?

Response

No contract is in place to perform the loading analysis on third party attachments. At this time, there are no provisions in the joint use contracts to charge third party attachers any of the costs associated with the pole loading analysis.

(Cutshaw)

22. Please identify and describe the criteria that will be considered in any loading analysis required for third party attachments. Will the same criteria be used to assess the strength and loading impact of Company attachments? Will the same criteria be used to assess the strength and loading impact of all third party attachments?

Response

The standards and criteria of pole loading analysis will apply the same to company and joint use attachments. The type software to be utilized in the loading analysis has not yet been determined.

(Cutshaw)

23. What, if any, pole loading software will be used to perform the loading analysis required by the Company for new third party attachments and overlashing? What factors does such software take into account in performing the loading determination?

Response

The software had not yet been selected.

(Cutshaw)

24. Has the Company ever allowed cable operators to overlash without prior approval from the Company? Has the Company ever allowed cable operators to overlash without prior notice to the Company?

Response

Based upon company knowledge, cable operators have always obtained prior approval from the company prior to overlashing.

(Cutshaw)

25. Please identify and describe any and all actual examples of a Company pole failure that was caused by third party overlashing.

Response

Based on company knowledge, there are no failures that resulted from third party overlashing.

(Cutshaw)

26. Please identify and describe the process by which the Company assesses responsibility for existing violations on poles that are being evaluated for new attachments or overlashing.

Response

The existing contracts define the specifications and procedures for attachments to Company poles. Each situation will be evaluated on a case by case basis but will use the specifications contained in the contract and adherence to the application process for attachments in determining responsibility.

(Cutshaw)

27. Please confirm whether the Company agrees or disagrees that the party that requires additional space or strength on a pole is the party responsible for any necessary make-ready engineering and construction, including the pole owner.

Response

Yes.

(Cutshaw)

28. Please identify and describe whether the Company intends, as a part of its Strength and Loading Assessment described at page 4 of the Company's Plan, to assess whether

third party attachments comply with current FPUC specifications governing separation of facilities? If the answer is yes, please identify and describe any ways in which FPUC's specifications governing separation of facilities differ from the NESC requirements.

Response

The joint use contracts in place will be used as the basis to define the separation requirements. In general, these comply with NESC requirements.

(Cutshaw)

29. Has the Company commenced the Wood Pole Inspection Plan set forth in Section 1.0 of the Company's Plan, including the Strength and Loading Assessment described at page 4 of FPUC's Plan? If so, what percentage of its plant has the Company inspected to date? Please provide the results, to date, of any such inspection.

Response

No.

(Cutshaw)

30. With regard to the Wood Pole Inspection Plan, please explain: (a) whether the Company intends to seek direct reimbursement from third party attachers for the Inspection or any part of the Inspection; (b) how the Company intends to assign responsibility for any non-compliance with loading standards and, if applicable, separation standards, uncovered in the Inspection (i.e., if the attacher is licensed, explain whether it will be held responsible and under what basis); (c) whether the responsible party will be required to pay the full cost of correcting any non-compliance; and (d) if correction requires pole replacement, whether the responsible

party will be required to replace the pole with a pole that exceeds NESC standards – strength and loading and/or separation. If the answer to (d) is yes, please explain what construction standard (Grade C, Grade B or extreme wind) will be applied.

Response

a. No direct reimbursement is requested at this time.

b. Should non-compliance violations be found, each case will be considered based upon the existing joint use contract, approved attachment applications and the type violation or non-compliance found.

c. Should one party be found to have caused the non-compliance, that party will be responsible for the cost of correcting the non-compliance.

d. If pole replacement is required, the type construction will be in accordance with the existing grade of construction used on the pole.

(Cutshaw)

31. Has the Company commenced the Joint Use Pole Attachment Audit described at Section 2.2 of the Company's Plan? If so, what percentage of its plant has the Company audited to date? Please provide the results, to date, of any such audit.

Response

No. All parties will be requested to participate when the audit begins.

(Cutshaw)

32. With regard to such Joint Use Pole Attachment Audit, please state: (a) whether the Company intends to seek direct reimbursement from third party attachers for the audit; (b)

what the Company considers to be a "violation" as that term is used in the list of information being collected set forth at page 7 of the Company's Plan; (c) how the Company intends to assign responsibility for such "violations"; (d) whether the responsible party will be required to pay the full cost of correcting any non-compliance; and (e) if correction requires pole replacement, whether the responsible party will be required to replace the pole with a pole that exceeds NESC standards – strength and loading and/or separation. If the answer to (e) is yes, please explain what construction standard (Grade C, Grade B or extreme wind) will be applied.

Response

a. No. Participation in observing the audit will be requested but no additional costs will be applied.

b. A violation would be those identified in the joint use contracts or the specifications included with the contracts.

c. Same as described in Question #30.

d. Same as described in Question #30.

e. Same as described in Question #30.

(Cutshaw)

33. Please explain the process the Company has developed to allow third party attachers to have input concerning the data being collected in the Joint-Use Pole Attachment Audit as set forth on page 7 of the Company's Plan, the entity performing the audit, the cost of the audit, and the verification of audit results.

Response

The third party attachers will be requested to provide input in the joint use pole attachment audits and will be requested to participate in the audit. Input will be evaluated in the overall procedure and the data collected. However, if data collected is in excess of that needed by FPUC or to comply with the storm hardening requirements, third party attachers will be requested to pay for any additional information collected. The entity performing this audit has not been selected at this time.

(Cutshaw)

34. Please identify and describe what the Company has done prior to the storm hardening initiatives to ensure that its utility pole plant is sound and meets NESC strength and loading standards and NESC separation requirements, or any standards adopted by the Company that exceed NESC.

Response

Poles have been externally inspected for soundness and integrity on a periodic basis. Visual inspections have been performed to ensure there are no issues related to the attachments and associated devices.

(Cutshaw)

35. Please identify any instances in which standards and processes being developed for Storm Hardening, including any analysis for strength and wind loading, will be applied differently to attachments made by the Company, cable operators and other third party attachers.

Response

All standards and processes will be equally applied to all attachments. In certain situations, as approved by the FPSC in the storm hardening plan, extreme wind loading will be applied to certain poles.

(Cutshaw)

36. Please identify and describe the number of Company poles with 69 KV transmission lines on which third party cable operators are attached.

Response

The Company owns 202 - 69 KV transmission structures that are located in areas in which third party attachers may be attached. The number of existing attachments on these poles is not readily available.

(Cutshaw)

37. Please identify and describe any Attachment Standards and Procedures in the contracts described in Section 7.3 of the Company's Plan.

Response

Attachment Standards and Procedures are included in certain joint use contracts and can be reviewed in the current contracts. Future negotiations with all third party attachers will involve the addition of these if not currently included.

(Cutshaw)

38. Please explain whether, as additional specifications governing third party attachments are developed as set forth in Section 7.3 of the Company's Plan, the Company will

impose such specifications upon third party attachers other than by mutually agreed to terms and conditions.

Response

Requirements will be included in the negotiated joint use contracts.

(Cutshaw)

39. Please explain the circumstances in which the Company believes that bracing can be used in lieu of replacing poles.

Response

In certain cases, bracing in lieu of replacing certain poles will be considered. Consideration will be given to the cost associated with replacing the pole, the location of the pole and consideration of the overall safety and appearance after bracing occurs.

(Cutshaw)

Plant-In-Service - 1010 Dr./(Cr.)

			2008 TOTAL
355	Transmission Poles, Towers, & Fixtures		
	Addition - Annual Transmission Pole Replacement Program (2008)		
	[10] Poles	354,600	
	Amortization Per Transmission Pole Replacement Program (2008)	(354,600)	
	Retirement - Associated with above replacements (2008)		
	Retire [10] Poles (detail attached)	(43,270)	(43,270)
364	Distribution Poles, Towers, & Fixtures		
	Addition - Rebuild Hwy 90 E #9992 Feeder - Expected Dec. '08 Completion (2008)		
	[35] 45' Poles	142,000	
	Retirement - Associated with above rebuild (2008)		
	Retire [35] 45' Poles (detail attached)	(11,864)	130,136
391305	Computer Software		
	Addition - Geographic Information System (GIS) - Expected Dec. '07 Completion (2007)	225,000	
	Retirement - None, new system	-	225,000
TOTAL CHANGE TO PLANT-IN-SERVICE [Increase of Plant]			311,866

RESERVE ACCOUNTS - 1080 Dr./(Cr.)

				CHANGE	2008 TOTAL CHANGE
3650 Poles, Towers, & Fixtures					
Annual Transmission Pole Replacement Program					
[10] Various Vintage Poles	10	@	4,327.00	43,270	
Depreciation - See Depreciation Expense				1,644	
TOTAL CHANGE TO ACCOUNT					44,914
3640 Poles, Towers, & Fixtures					
Rebuild Hwy 90 E #9992 Feeder - Expected Dec. '08 Completion					
[11] 1972 Vintage Poles	11	@	156.83	1,725	
[6] 1973 Vintage Poles	6	@	228.27	1,370	
[17] 1990 Vintage Poles	17	@	515.82	8,769	
				11,864	
Depreciation - See Depreciation Expense				(5,466)	
TOTAL CHANGE TO ACCOUNT					6,398
391305 Computer Software					
Depreciation - See Depreciation Expense				(45,000)	
TOTAL CHANGE TO ACCOUNT					(45,000)
TOTAL CHANGE TO RESERVE ACCOUNTS (Reduction of Reserve)					6,312

DEPRECIATION EXPENSE - 4030

		AMOUNT	ANNUAL TR	2008 C GE	
3550	Poles, Towers, & Fixtures				
	Net Change to Plant-In-Service Account	(43,270)	3.8%	(1,644)	
3640	Poles, Towers, & Fixtures				
	Net Change to Plant-In-Service Account	130,136	4.2%	5,466	
391305	Computer Software				
	Net Change to Plant-In-Service Account	225,000	20.0%	45,000	
TOTAL CHANGE TO DEPRECIATION EXPENSE [Increase]					48,821

AVERAGE COST OF TRANSMISSION POLES TO BE REPLACED

			DESCR	CPR BASIS	CPR QTY	EACH	VIN	TO BE REPLACED	VALUE OF TO BE REPLACED	
001.1.5	3550	0010	70'WOOD POLES	17,670	10	1,767	1970	10	17,670	
001.1.5	3550	0010	POLES	15,818	16	989	1975	14	13,841	
001.1.5	3550	0010	POLES	48,683	12	4,057	1976	12	48,683	
001.1.5	3550	0010	POLES	74,358	35	2,125	1978	35	74,358	
001.1.5	3550	0010	POLES	71,637	18	3,980	1980	18	71,637	
001.1.5	3550	0010	POLES	178,597	63	2,835	1982	52	147,413	
001.1.5	3550	0010	POLES	30,496	7	4,357	1984	6	26,139	
001.1.5	3550	0010	POLES	14,590	2	7,295	1988	1	7,295	
001.1.5	3550	0010	POLES-SEE DESCR	123,810	21	5,896	1989	21	123,810	
001.1.5	3550	0010	POLES	142,689	15	9,513	1990	1	9,513	
001.1.5	3550	0010	POLES	156,157	8	19,520	1991	2	39,039	
001.1.5	3550	0010	POLES	156,444	13	12,034	1994	5	60,171	
001.1.5	3550	0010	POLES	83,986	9	9,332	1996	1	9,332	
001.1.5	3550	0010	POLES	106,097	7	15,157	1997	6	90,941	
001.1.5	3550	0010	POLES	53,957	4	13,489	1999	1	13,489	
001.1.5	3550	0010	75' WOOD POLE	15,369	1	15,369	2005	1	15,369	
001.1.5	3550	0010	POLES 75' WOOD	40,759	3	13,586	2005	3	40,759	
001.1.5	3550	0010	75' WOOD POLE	12,582	1	12,582	2006	1	12,582	
								190	822,041	
								Avg. Per Pole	4,327	

Storm Hardening Estimated Accumulated Deferred Tax

5 Year Property	Cost	20.00% 2007	32.00% 2008	19.20% 2009	11.52% 2010	11.52% 2011	5.76% 2012	100.00% Total
Geographic Information System	225,000	45,000	72,000	43,200	25,900	25,900	13,000	225,000

20 Year Property	Cost	2007	3.750% 2008	7.219% 2009	6.677% 2010	6.177% 2011	5.713% 2012	5.285% 2013	4.888% 2014	4.522% 2015	4.462% 2016	4.461% 2017	4.462% 2018	4.461% 2019	4.462% 2020	4.461% 2021	4.462% 2022	4.461% 2023	4.462% 2024	4.461% 2025	4.462% 2026	4.461% 2027	2.231% 2028	100.00% Total
Extreme Wind Loading	142,000		5,325	10,251	9,481	8,771	8,112	7,505	6,941	6,421	6,335	6,335	6,335	6,335	6,336	6,335	6,335	6,335	6,335	6,335	6,336	6,335	3,168	142,000
Total Tax Depreciation		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	21,112	[illegible]	6,941	6,421	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	367,000
Accumulated Tax Depreciation		45,000	122,325	175,776	211,157	245,629	266,941	274,446	281,387	287,808	294,144	300,479	306,815	313,149	319,485	325,820	332,156	338,491	344,827	351,161	357,497	363,832	367,000	
Book Depreciation																								
GIS System RPV		45,000	45,000	45,000	45,000	45,000																		225,000
Extreme Wind Loading				7,100	7,100	7,100	7,100	7,100	7,100	7,100	7,100	7,100	7,100	7,100	7,100	7,100	7,100	7,100	7,100	7,100	7,100	7,100	7,100	142,000
		45,000	45,000	52,100	52,100	52,100	7,100	7,100	7,100	7,100	7,100	7,100	7,100	7,100	7,100	7,100	7,100	7,100	7,100	7,100	7,100	7,100	7,100	367,000
Accumulated Book Depreciation		45,000	90,000	142,100	194,200	246,300	253,400	260,500	267,600	274,700	281,800	288,900	296,000	303,100	310,200	317,300	324,400	331,500	338,600	345,700	352,800	359,900	367,000	
Excess Tax Depn over Book Depn			32,300	33,700	17,000	(500)	13,500	13,900	13,600	13,100	12,300	11,600	10,800	10,000	9,300	8,500	7,800	7,000	6,200	5,500	4,700	3,900	0	
Estimated Accumulated Deferred Taxes	37.63%		12,200	12,700	6,400	(200)	5,100	5,200	5,100	4,900	4,600	4,400	4,100	3,800	3,500	3,200	2,900	2,600	2,300	2,100	1,800	1,500		

11/15/2007 8:02 AM FCTA

Exhibit 7F
FCTA First Set of Interrogatories
Docket No. 070300-EI
Witness: Cutshaw, Khojasteh, Cox

HEARING EXHIBIT - 00001066

Estimated Property Taxes

Witness: Cutshaw, Khojasteh, Cox

Account 408

		2008	2009
Geographic Information System	$ 225,000	$ 4,275	$ 4,275
Extreme Wind Loading	$ 142,000	-	2,698
		$ 4,275	$ 6,973

m) Income Taxes Assumption: use 2007 effective rate of 32.13%

	Nov-07 2008 Proj	Curr Fed Tax
1 Wood Pole Inspections	$ 219,833	$ 70,632
2.1 Vegetation Mgmt	234,840	75,454
2.2 Joint Use Attachment Audit	20,909	6,718
2.3 Transmission Inspection	18,540	5,957
2.4 Geographic Info System	9,064	2,912
2.5 Post Storm Data Collection	27,000	8,675
2.6 Outage Data	-	-
2.7 Collaborative Research	5,170	1,661
2.8 Disaster Preparedness	-	
Depreciation	45,000	14,459
	$ 580,356	$ 186,468

HEARING EXHIBIT - 00001068

Florida Public Utilities Co.
Electric Rate Case

n) Other Taxes (Florida Income)

	Nov-07 2008 Proj	5.5% Curr Fl Tax
1 Wood Pole Inspections	$ 219,833	$ 12,091
2.1 Vegetation Mgmt	234,840	12,916
2.2 Joint Use Attachment Audit	20,909	1,150
2.3 Transmission Inspection	18,540	1,020
2.4 Geographic Info System	9,064	499
2.5 Post Storm Data Collection	27,000	1,485
2.6 Outage Data	-	-
2.7 Collaborative Research	5,170	284
2.8 Disaster Preparedness	-	-
Depreciation	45,000	2,475
	580,356	$ 31,920

HEARING EXHIBIT - 00001069

(o)

DEFERRED TAX LIABILITY

	Tax Deprec	Book Deprec	Def Tx
GIS Depreciation	$ 72,000	$ 45,000	$ 27,000
Extreme Wind Loading	5,325	-	5,325
	$ 77,325	$ 45,000	$ 32,325

HEARING EXHIBIT - 00001070

11

OPC's Response to Staff's First Set of Interrogatories (Nos. 1-3)

HEARING EXHIBIT - 00001071

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for Rate Increase by Florida Public Utilities Company	Docket No. 070304-EI
In Re: Review of 2007 Electric Infrastructure Storm Hardening Plan filed pursuant to Rule 25-6.0342, F.A.C. submitted by Florida Public Utility Company /	Docket No. 070300-EI Filed: February 18, 2008

OFFICE OF PUBLIC COUNSEL'S RESPONSES TO STAFF'S FIRST SET OF INTERROGATORIES (NOS. 1-3)

Office of Public Counsel ("OPC"), by and through its undersigned counsel, hereby serves its response to the Staff of the Florida Public Service Commission ("FPSC") First Set of Interrogatories (Nos. 1-3):

INTERROGATORIES

1. For purpose of this question, please refer to the discussion on pages 34 and 35 of witness Woolridge's testimony. Has witness Woolridge ever relied on forecasted rates for long-term Treasury Bonds in prior cost of equity testimony?

OPC'S RESPONSE:

No.

HEARING EXHIBIT - 00001072

2. How does witness Woolridge's use of 4.75% as a proxy for the long-term risk-free rate com pare to forecasted yields for 10-year and 30-year Treasury Bonds? For purposes of this response, please compare the 4.75% risk-free rate to forecasted rates provided by Blue Chip Financial Forecasts or other readily available sources of forecasted interest rates.

OPC'S RESPONSE:

Dr. Woolridge does not subscribe to services that provide forecasts of interest rates. The table below, which comes from www.bloomberg.com, shows the yields on 10-year and 30-year Treasury bonds, as of February 15, 2008, are 3.76% and 4.58%.

NOTES/BONDS

	COUPON	MATURITY DATE	CURRENT PRICE/YIELD	PRICE/YIELD CHANGE	TIME
2-YEAR	2.125	01/31/2010	100-13+ / 1.91	-0-00¾ / .013	13:23
5-YEAR	2.875	01/31/2013	100-18+ / 2.75	0-02+ / -.016	13:23
10-YEAR	3.500	02/15/2018	97-25+ / 3.76	0-12+ / -.048	13:23
30-YEAR	4.375	02/15/2038	96-22 / 4.58	0-29½ / -.059	13:23

HEARING EXHIBIT - 00001073

3. What is the pre-tax interest coverage ratio resulting from the use of witness Woolridge's recommended return on equity of 9.15% and overall cost of capital of 7.09% for the projected test year? For purposes of this response, use the recommended capital structure shown on Exhibit JRW-1 attached to witness Woolridge's testimony.

OPC'S RESPONSE:

Weighted Average Cost of Capital - Conventional Capital Structure				
Capital Source	Capital	Capitalization Ratio	Cost Rate	Weighted Cost Rate
Short-Term Debt	6,436,923	5.62%	5.81%	0.33%
Long-Term Debt	49,777,370	43.45%	7.96%	3.46%
Preferred Stock	600,000	0.52%	4.75%	0.02%
Common Equity	57,755,879	50.41%	9.15%	4.61%
Total	114,570,172	100.00%		8.42%

Pre-Tax coverage of interest is based on effective tax rate
of 0.3763

Pre-Tax Interest Coverage	3.0
11.22%	
3.78%	
Post-Tax Interest Coverage	2.2
8.42%	
3.78%	

HEARING EXHIBIT - 00001074

Dated this 18th day of February, 2008.

Respectfully submitted,

Patricia A. Christensen
Florida Bar No. 0989789
Associate Public Counsel
Office of Public Counsel
c/o The Florida Legislature
111 West Madison Street, Room 812
Tallahassee, FL 32399-1400
(850) 488-9330

HEARING EXHIBIT - 00001075

DOCKET NOS. 070300-EI & 070304-EI
CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the Office of Public Counsel's Response to Staff's First Set of Interrogatories (Nos. 1-3) has been furnished by U.S. Mail and electronic mail to the following parties on this 18th day of February, 2008.

Mr. John T. English
Florida Public Utilities Company
P.O. Box 3395
West Palm Beach, FL 33402-3395

Norman H. Horton, Jr.
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Gregory R. Follensbee
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Tallahassee, FL 32301-1561

Martha Brown, Keino Young,
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Patricia A. Christensen
Associate Public Counsel

HEARING EXHIBIT - 00001076

AFFIDAVIT

COMMONWEALTH OF Pennsylvania

COUNTY OF Centre

BEFORE ME, the undersigned authority, personally appeared

J Randall Woolridge, who deposed and stated that he

provided the answers to interrogatories - STAFF'S FIRST SET OF I

INTERROGATORIES TO OFFICE OF PUBLIC COUNSEL (NOS. 1 - 3)

in Docket Nos. 070300-EI and 070304-EI served on January 18, 2008

and that the responses are true and correct to the best of his/her information and belief

DATED at State College, PA, this 18th day

of February, 2008 J Randall Woolridge

Sworn to and subscribed before me this 12th day of

February, 2008

NOTARY PUBLIC

COMMONWEALTH OF Pennsylvania at Large

My Commission Expires 11-10-11

COMMONWEALTH OF PENNSYLVANIA
NOTARIAL SEAL
Ronald E. Heboste, Notary Public
State College Borough, Centre County
My commission expires November 10, 2011

HEARING EXHIBIT - 00001077

12

FPUC's Response to Staff's First Request for Production of Documents (Nos. 2-3)

HEARING EXHIBIT - 00001078

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for rate increase by Florida Public Utilities Company	)	Docket No. 070304-EI

FLORIDA PUBLIC UTILITIES COMPANY'S RESPONSES TO FPSC STAFF'S FIRST REQUEST FOR PRODUCTION OF DOCUMENTS (NOS. 1-4)

COMES NOW, Florida Public Utilities Company's ("FPUC") and in response to FPSC Staff's First Request for Production of Documents (No. 1-4) states as follows:

REQUESTS FOR PRODUCTION OF DOCUMENTS

1. Please provide copies of all materials, including analyses, spreadsheets, studies, reports, and workpapers, relied upon by FPUC and their respective witnesses in the determination of the cost of capital, including the cost of debt, the cost of equity, and the capital structure, used in FPUC's filings in this proceeding and/or in the preparation of witnesses Bachman, Camfield, and Cox testimony in this proceeding. This response should include all materials relied upon to determine and support the projected capital structure rations and the cost rates for the individual capital components for 2007 and 2008.

FPUC'S RESPONSE: See attached.

2. From January 1, 2007 forward, provide copies of all analyses, workpapers, memos, minutes of Board of Directors meetings, and e-mail messages where the topic was cost of capital, capital structure, common equity, short-term debt, long-term debt, and the cost rate for any of these capital components.

FPUC'S RESPONSE: See attached.

HEARING EXHIBIT - 00001079

3. From January 1, 2007 forward, provide copies of all reports, analyses, and presentations by or for investment baking firms, commercial banks, stock analysts, and rating agencies regarding FPUC.

FPUC'S RESPONSE: See attached.

4. Provide copies of all spreadsheets, analyses, and workpapers FPUC relied upon in determining that its proposed 2008 overall cost of capital is the least cost option available to fund its regulated operations.

FPUC'S RESPONSE: See attached.

Respectfully submitted this 29th day of October, 2007.

NORMAN H. HORTON, JR.
MESSER, CAPARELLO & SELF, P.A.
P.O. Box 15579
Tallahassee, FL 32317
(850) 222-0720

Attorneys for Florida Public Utilities Company

2. **From January 1, 2007 forward, provide copies of all analyses, workpapers, memos, minutes of Board of Directors meetings, and e-mail messages where the topic was cost of capital, capital structure, common equity, short-term debt, long-term debt, and the cost rate for any of these capital components.**

   Response: Please reference attachments **2.1** through **2.8** for all documents relating to the topic cost of capital. (BACHMAN / COX)

3. **From January 1, 2007 forward, provide copies of all reports, analyses, and presentations by or for investment banking firms, commercial banks, stock analysts, and rating agencies regarding FPUC.**

   Response: Please see document request 2. (BACHMAN / COX)

HEARING EXHIBIT - 00001081

PRESENTATION

FEBRUARY 1, 2007

FLORIDA PUBLIC UTILITIES

EDWARDS | CAPITEMARK

Exhibit 2.1
PSC First Set of Document Requests
Docket No. 070304-EI
Witness: BACHMAN/COX

HEARING EXHIBIT - 00001082

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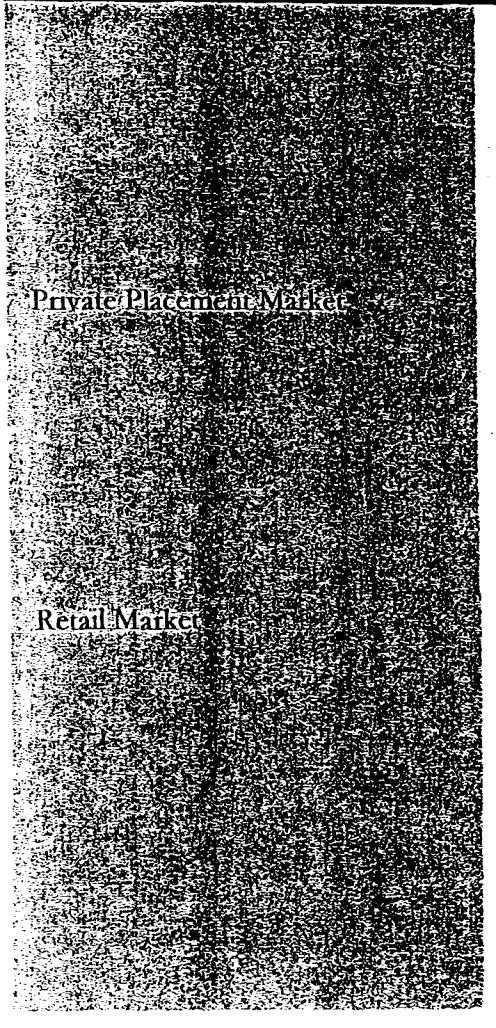
OVERVIEW OF A.G. EDWARDS	II
A.G. EDWARDS' PRESENCE IN THE ENERGY SECTOR	III
DEBT CAPITAL MARKETS	IV
PRIVATE PLACEMENT MARKET	V
RETAIL DEBT MARKET	VI
SUMMARY ANALYSIS OF FIXED INCOME ALTERNATIVES	VII
EQUITY CAPITAL MARKETS	VIII

	Appendices
RECENT DEBT OFFERINGS IN UTILITY SECTOR	A
A.G. EDWARDS MANAGED OFFERING	B
A.G. EDWARDS UTILITY GROUP BIOGRAPHIES	C

EDWARDS | CAPITAL MARKETS

HEARING EXHIBIT - 00001083

EXECUTIVE SUMMARY



- A.G. Edwards is pleased to have the opportunity to discuss Florida Public Utilities Company's ("FPU" or the "Company") plans for refinancing $15 million of existing debt, as well as $15 million of additional debt.
- The two potential markets that FPU could access are:
  - Private Placement Market
  - Retail Debt Market
- The private placement market is a possible source of funding for this offering if FPU wants to issue debt with a maturity of 10 to 20 years. A public rating would not be required for a private placement.
- The private placement market would not require filing a registration statement with the SEC, which would reduce the time required to prepare for the offering.
- The private placement market would allow FPU to divide the offering into tranches at different maturities to balance its debt maturity schedule.
- The insured retail debt market is a possible source for this offering, provided FPU wants to issue debt with a long maturity of 30 years and one of the insurance companies agrees to insure the offering. A.G. Edwards has estimated insurance costs from quotes from various firms but has not received a commitment to insure an offering before further analysis and diligence.

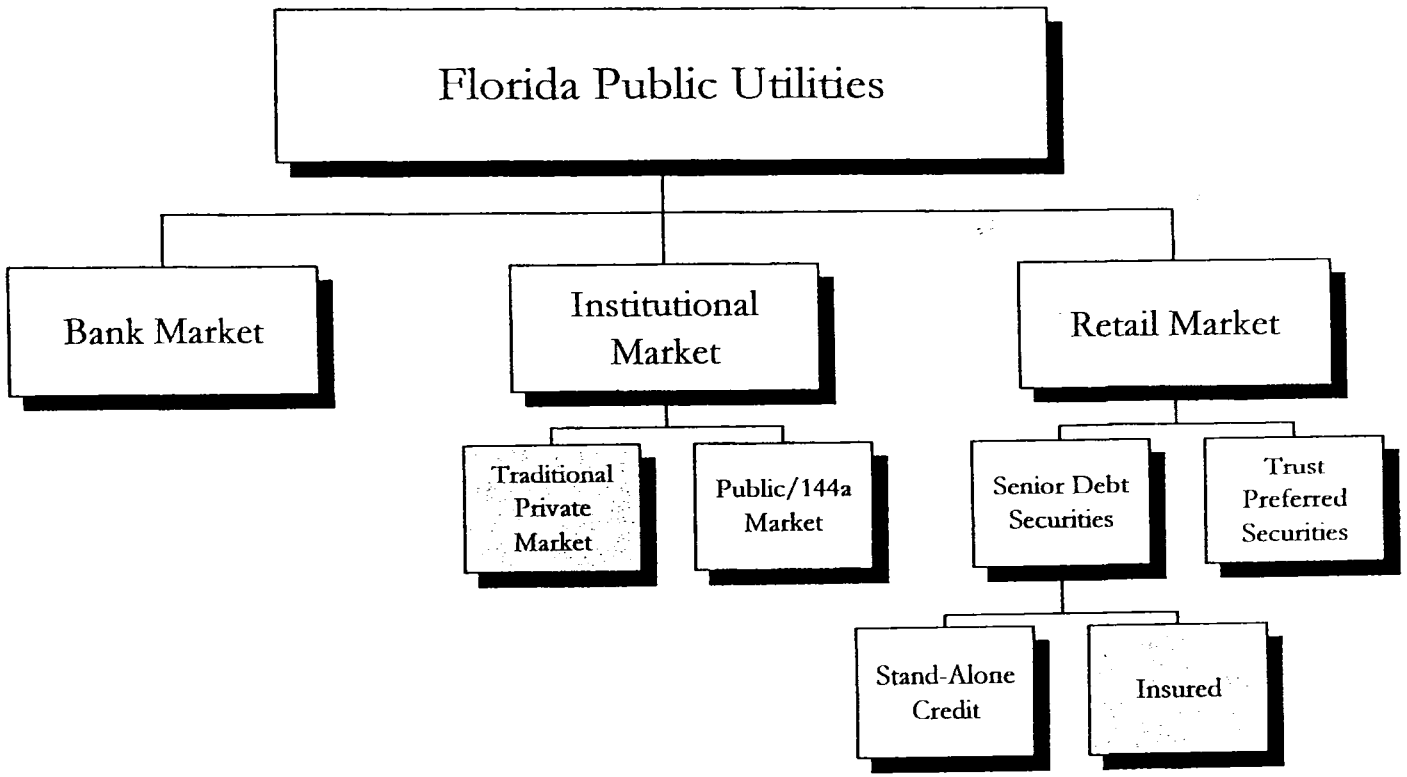
HEARING EXHIBIT - 00001084

EXECUTIVE SUMMARY

SUMMARY OF FIXED INCOME ALTERNATIVES

Depending on market conditions, Florida Public Utilities has two primary financing alternatives for this offering:

Several insurance companies would be willing to consider insuring a retail offering but are unable to provide a commitment prior to due diligence.



EDWARDS | CAPITAL MARKETS

HEARING EXHIBIT - 00001085

OVERVIEW OF A.G. EDWARDS

Philosophy of establishing long-term relationships by emphasizing reliability, responsiveness and professionalism.

- One of the largest securities firms and retail brokerage networks in the U.S.
- Extensive national retail and institutional distribution network:
  - Over 3.1 million active accounts
  - Approximately 6,640 retail investment advisors in over 700 offices
  - Over $373 billion in retail account assets
  - 85 equity and fixed income institutional salespeople
- Staff of over 75 investment banking professionals:
  - Emphasis on the development of long-term relationships
  - Strong commitment to Energy investment banking and underwriting; one of only four industry groups at A.G. Edwards
  - Senior level personnel committed to each transaction

- Comprehensive capital raising and financial advisory services:
  - Underwritten public offerings of equity, debt and convertible securities
  - Private placements of equity, debt and equity-linked securities
  - Merger and acquisition advisory/fairness opinions
- Underwriting and trading activities are significantly enhanced by A.G. Edwards' strong and conservative financial base:
  - Equity market capitalization of over $5.0 billion
  - No debt

EDWARDS. | CAPITAL MARKETS

HEARING EXHIBIT - 00001087

EXECUTIVE SUMMARY

A.G. Edwards is well qualified to lead manage a FPU debt offering.

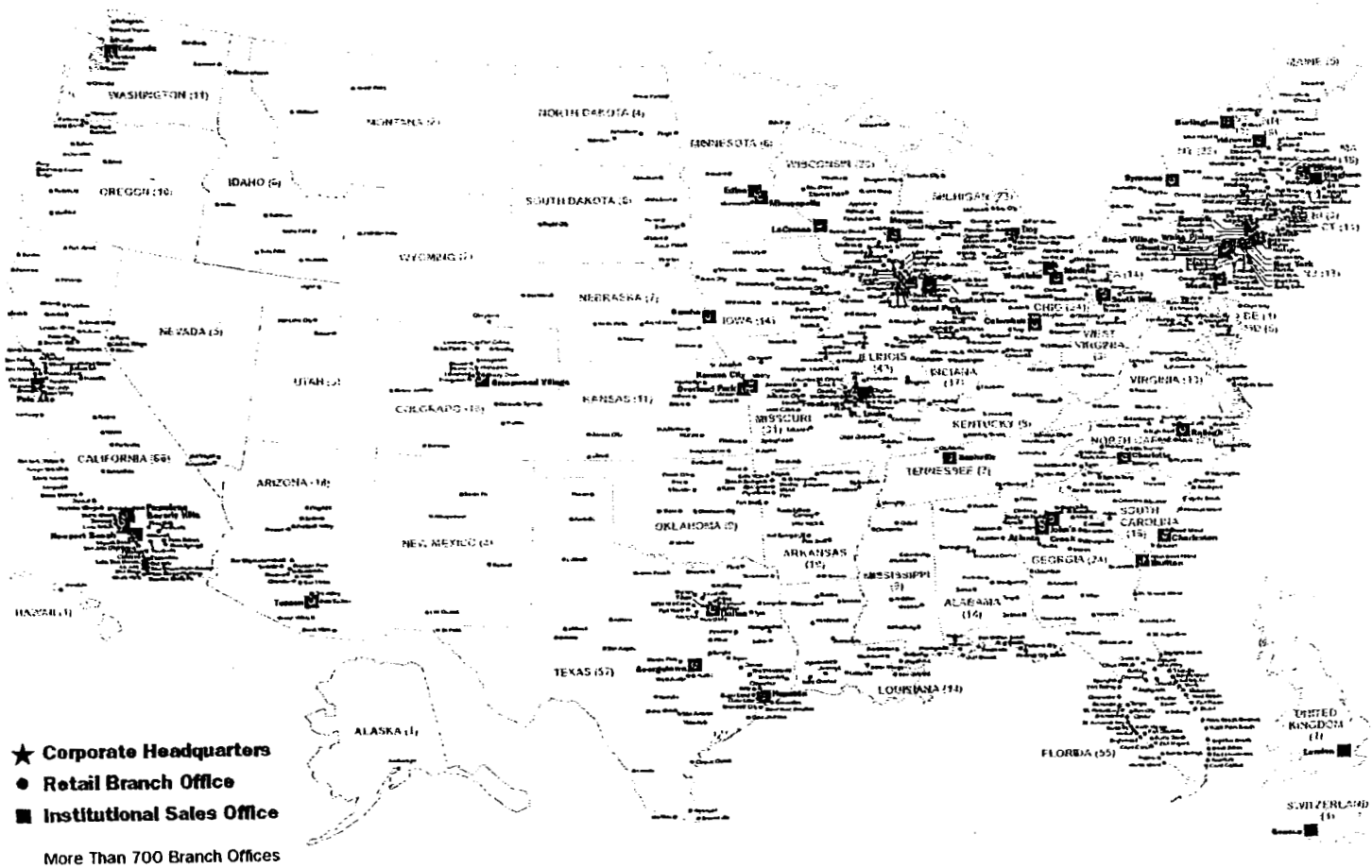
A.G. Edwards industry experience and distribution capability ensures a successful offering.

- A.G. Edwards has a strong track record of providing excellent execution of lead managed offerings for medium-sized utilities, such as Alabama Gas Corp. (Alagasco), Avista (AVA), San Jose Water (SJW), Chesapeake Utilities (CPR), Middlesex Water (MSEX) and California Water Service Group (CWT).
  - A.G. Edwards is confident that it has the industry experience and distribution strength to successfully lead manage an offering for any financing option FPU selects.
- A.G. Edwards has significant experience executing debt offerings for utilities for the options presented (private placement and retail debt).
  - A.G. Edwards focuses on mid-size utilities, ensuring they receive superior service and execution, regardless of the offering size.

EDWARDS | CAPITAL MARKETS

HEARING EXHIBIT - 00001086

OVERVIEW OF A.G. EDWARDS
NATIONAL DISTRIBUTION SYSTEM



EDWARDS | CAPITAL MARKETS

HEARING EXHIBIT - 00001088

HEARING EXHIBIT - 00001089

OVERVIEW OF A.G. EDWARDS

HIGHLY RECOGNIZED SECURITIES RESEARCH

A.G. Edwards Securities Research consistently ranks as one of the best on Wall Street, including ranking in the Top 10 on the *Wall Street Journal's* "Best on the Street" annual survey for the last several years.

- Publish research on over 750 companies
- 56 senior equity research analysts
- 61 associate equity research analysts

Energy research represents over 20% of A.G. Edwards' total research efforts and accounts for a majority of the firm's research accolades.

- Over 180 energy companies under coverage with 14 senior energy analysts and 12 associate energy analysts

THE WALL STREET JOURNAL.
BEST ON THE STREET
ANALYST SURVEY

RANK	2006	2005	2004	2003
1	A.G. Edwards	Merrill Lynch	Merrill Lynch	Morgan Stanley
2	[illegible]	[illegible]	[illegible]	[illegible]
3	Credit Suisse First Boston	J.P. Morgan Chase	Raymond James	Merrill Lynch
4	Standard & Poors	[illegible]	[illegible]	[illegible]
5	J.P. Morgan Chase	Friedman, Billings, Ramsey	A.G. Edwards	Smith Barney
6	[illegible]	[illegible]	[illegible]	[illegible]
7	Wachovia Securities	Raymond James	Needham	Deutsche Bank
8	UBS	A.G. Edwards	[illegible]	A.G. Edwards
9	Bear Stearns	Standard & Poor's	Wachovia Securities	Lehman Brothers
10	Robert W. Baird	[illegible]	[illegible]	[illegible]

A.G. EDWARDS' PRESENCE IN THE ENERGY SECTOR

OVERVIEW

Energy is a primary focus of A.G. Edwards capital markets effort.

- A.G. Edwards is among the leading investment banks in terms of number of offerings managed for companies in the energy sector:
  - Lead or co-manager of over 50 energy capital markets transactions in the last twelve months
  - Ranked #1 in number of utility equity transactions managed since the beginning of 2004
  - Ranked #2 in number of MLP equity offerings managed since the beginning of 2004 and #1 since the beginning of 2001
- A.G. Edwards has made a major commitment to high quality, independent energy research:
  - A.G. Edwards' Energy Research Team is highly respected in the industry
  - Over 140 energy companies under coverage
  - 14 senior energy analysts and 12 junior analysts
- Large, highly regarded retail system with a strong interest in energy equity.
- A.G. Edwards has provided advisory services to numerous energy companies, including:
  - California Water, Crosstex Energy, Enbridge Energy, Evergreen Resources, Inergy, Kinder Morgan, MarkWest Hydrocarbon, Matador Petroleum, Patina Oil & Gas, Suburban Propane, Sunoco Logistics, Tecon Corp., TEPPCO, Valero Energy and Whiting Petroleum

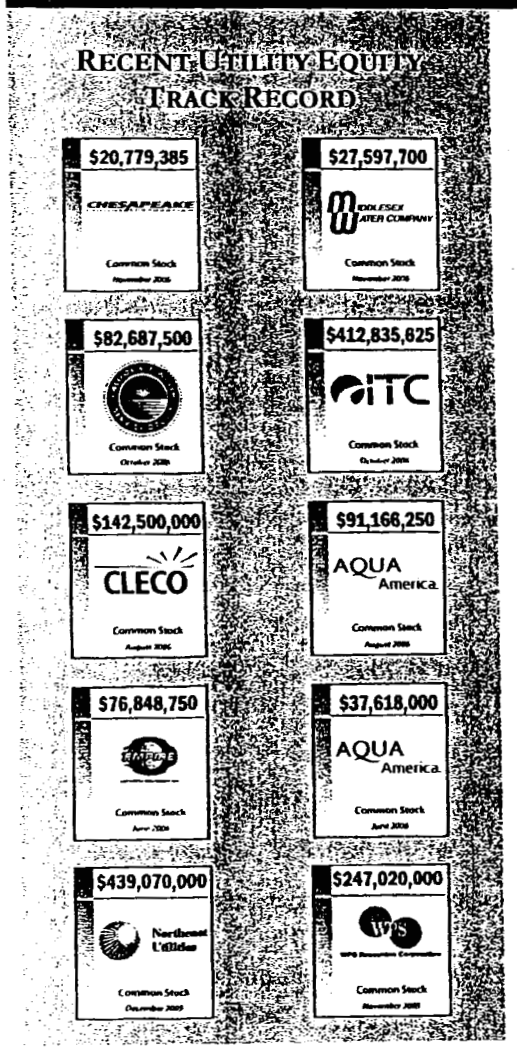
EDWARDS. | CAPITAL MARKETS

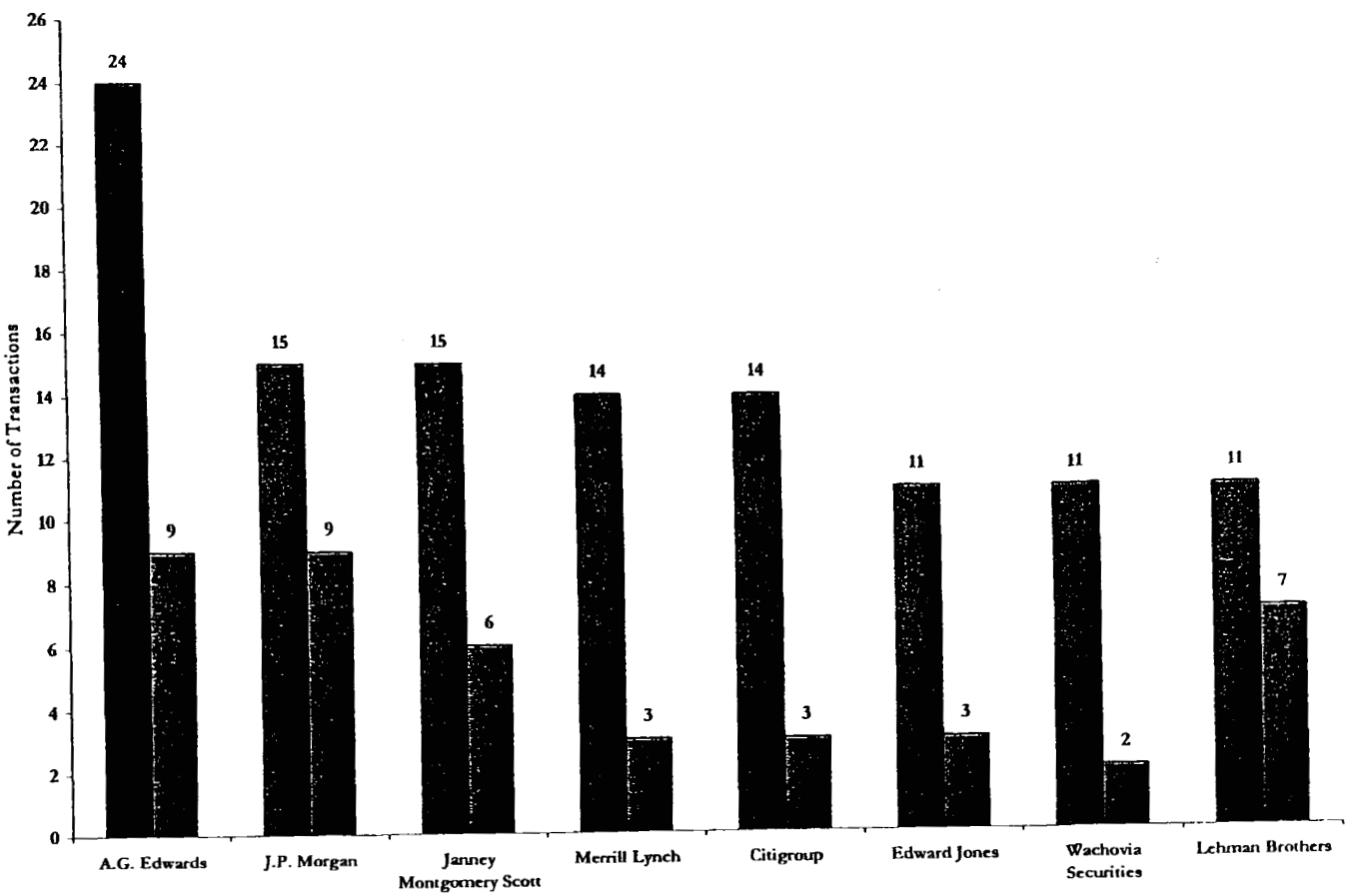
HEARING EXHIBIT - 00001090

A.G. EDWARDS' PRESENCE IN THE ENERGY SECTOR

UTILITY EQUITY RANKINGS

SINCE 1/1/04[a]





(a) Based on number of transactions. Full credit given to each manager. Source: Securities Data Corp. Orange bars indicate number of lead managed transactions.

EDWARDS. | CAPITAL MARKETS

HEARING EXHIBIT - 00001091

A.G. EDWARDS' PRESENCE IN THE ENERGY SECTOR

A.G. Edwards has been one of the most active underwriters in the utility industry over the past twelve months.

FIXED INCOME

- Managed 7 utility debt offerings for utilities in the last 12 months including:
  - Sole manager of $20 million private placement for San Jose Water Company (Jan. 07)
  - Sole manager of $45 million institutional debt offering for Alabama Gas Corporation (Jan. 07)
  - Co-manager of $150 million institutional debt offering for Avista Corp. (Dec. 06)
  - Sole manager of $15 million private placement for Canyon Lake Water Service Company (Nov. 06)
  - Co-manager of $55 million institutional debt offering for Laclede Gas Company (Jun. 06)
- Over $5.0 billion of utility fixed income securities in A.G. Edwards' retail system.

COMMON EQUITY

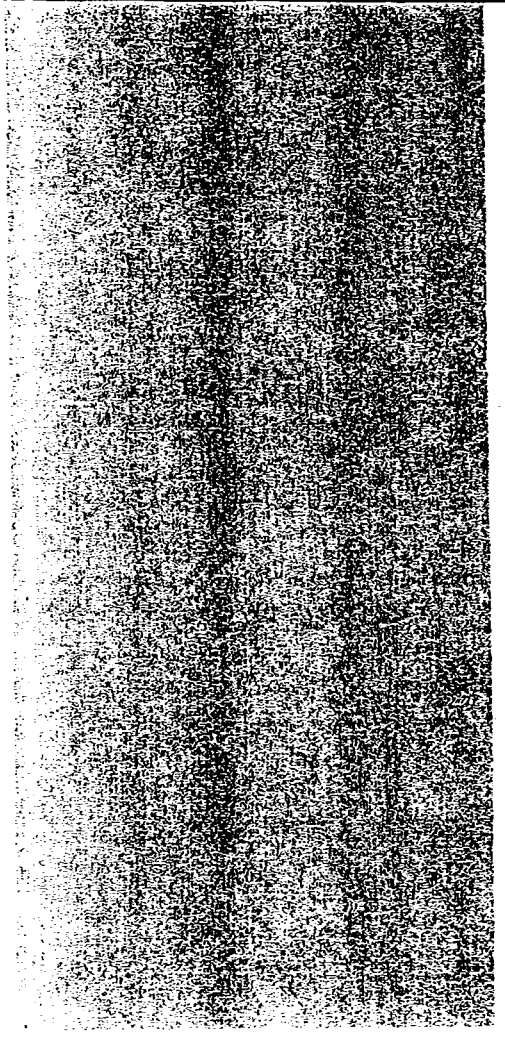
- Managed 8 utility offerings in the last 12 months including:
  - Co-lead manager of $20.8 million Chesapeake Utilities offering (Nov. 06)
  - Co-manager of $27.6 million Middlesex Water Company offering (Nov. 06)
  - Co-manager of $82.7 million California Water offering (Oct. 06)
  - Co-manager of $412.4 million ITC Holdings offering (Oct. 06)
- Over $5.0 billion of utility shares in A.G. Edwards' retail system.

EDWARDS | CAPITAL MARKETS

HEARING EXHIBIT - 00001092

A.G. EDWARDS' PRESENCE IN THE ENERGY SECTOR

(CONTINUED)



MASTER LIMITED PARTNERSHIPS (MLPS)

- #1 manager of common unit offerings for MLPs in the last 12 months[a].
- Managed 24 MLP offerings in the last 12 months including:
  - Co-manager of $147.0 million Teekay Offshore Partners LP IPO (Q4 2006)
  - Co-lead manager of $152.7 million Atlas Energy Resources, LLC IPO (Q4 2006)
  - Co-manager of $305.9 million Williams Partners L.P. offering (Q4 2006)
  - Co-manager of $204.6 million Boardwalk Pipeline Partners, LP offering (Q4 2006)
  - Lead manager of $86.7 million EV Energy Partners, L.P. offering (Q3 2006)
- Approximately $3.5 billion of MLP units in A.G. Edwards' retail system.

(a) Full credit to each manager based on number of offerings.

EDWARDS | CAPITAL MARKETS
HEARING EXHIBIT - 00001093

A.G. EDWARDS' PRESENCE IN THE ENERGY SECTOR

RECENT ENERGY TRANSACTIONS

The A.G. Edwards Energy Group has a broad range of energy transaction experience.

Recent lead managed transactions:

Utility
- Alabama Gas Corporation (1-07)
- SJW Corp. (Canyon Lake) (11-06)
- California Water Service Group (10-06)
- Aqua America, Inc. (6-06)
- Alabama Gas Corporation (11-05)
- Cascade Natural Gas Corporation (8-05)
- Alabama Gas Corporation (1-05)
- Savannah Electric & Power Co. (12-04)
- Aqua America, Inc. (11-04)
- MGE Energy, Inc. (9-04)
- Southwest Water Company (8-04)
- California Water Service Group (6-04)
- The Laclede Group, Inc. (5-04)
- NW Natural Gas Company (3-04)
- Southwest Water Company (3-04)
- MDU Resources Group, Inc. (2-04)

MLP
- Atlas Energy Resources, LLC (12-06)
- EV Energy Partners, L.P. (9-06)
- Hiland Holdings GP, LP (9-06)
- Martin Midstream Partners, L.P. (1-06)
- Genesis Energy, L.P. (12-05)
- Hiland Partners, LP (11-05)
- Crosstex Energy, L.P. (11-05)
- Inergy, L.P. (9-05)
- Inergy Holdings, L.P. (6-05)
- Atlas Pipeline Partners, L.P. (5-05)
- Hiland Partners, LP (2-05)
- Fiduciary/Claymore MLP Opportunity Fund (12-04)
- MarkWest Energy Partners, L.P. (9-04)
- Energy Income & Growth Fund (6-04)
- Crosstex Energy, Inc. (1-04)

Oil & Gas
- GMX Resources Inc. (8-06)
- EXCO Resources, Inc. (2-06)
- Whiting Petroleum Corp. (11-04)
- Meridian Resource Corp. (7-04)

$161,250,000 MV Oil Trust Initial Public Offering January 2007	$45,000,000 Alagasco 5.90% Notes January 2007	$444,290,994 Valero L.P. Initial Public Offering December 2006	$50,111,250 KODIAK OIL & GAS CORP. Common Stock December 2006	$161,000,000 US BioEnergy Initial Public Offering December 2006	$147,000,000 TK Initial Public Offering December 2006
$152,748,750 Atlas Energy Resources, LLC Initial Public Offering December 2006	$150,000,000 AVISTA Corp. 5.70% First Mortgage Bonds December 2006	$117,300,000 SUPERIOR WELL SERVICES Common Stock December 2006	$305,900,000 Williams Partners L.P. Common Units December 2006	$128,565,750 Common Units December 2006	$8,000,000 PANDA ETHANOL Common Stock November 2006
$204,585,000 BOARDWALK PIPELINES Common Units November 2006	$214,429,500 Initial Public Offering November 2006	$20,779,385 CHESAPEAKE Common Stock November 2006	$27,597,700 MIDDLESEX WATER COMPANY Common Stock November 2006	$15,000,000 CLWSC Private Debt November 2006	$265,311,915 Initial Public Offering October 2006
$132,825,000 UNIVERSAL COMPRESSION PARTNERS, L.P. Initial Public Offering October 2006	$73,500,000 Common Stock October 2006	$111,000,000 BREITBURN Initial Public Offering October 2006	$412,835,625 ITC Common Stock October 2006	EXCO Resources, Inc. Contribution of East Texas Cotton Valley assets to EXCO Partners, LP A.G. Edwards & Sons, Inc. acted as financial advisor and rendered an opinion to the Board of Directors of EXCO Resources, Inc September 2006	$86,700,000 EV Energy Partners, L.P. Initial Public Offering September 2006
$250,000,000 Kayne Anderson Energy Development Company Common Stock September 2006	$148,925,000 HILAND HOLDINGS GP, LP Initial Public Offering September 2006	$350,000,000 FPL GROUP CAPITAL 6.60% Series A Enhanced Junior Subordinated Debentures September 2006	$326,370,000 Enterprise Products Partners L.P. Common Units September 2006	$149,313,900 PERMIAN BASIN ROYALTY TRUST Trust Units August 2006	$142,500,000 CLECO Common Stock August 2006

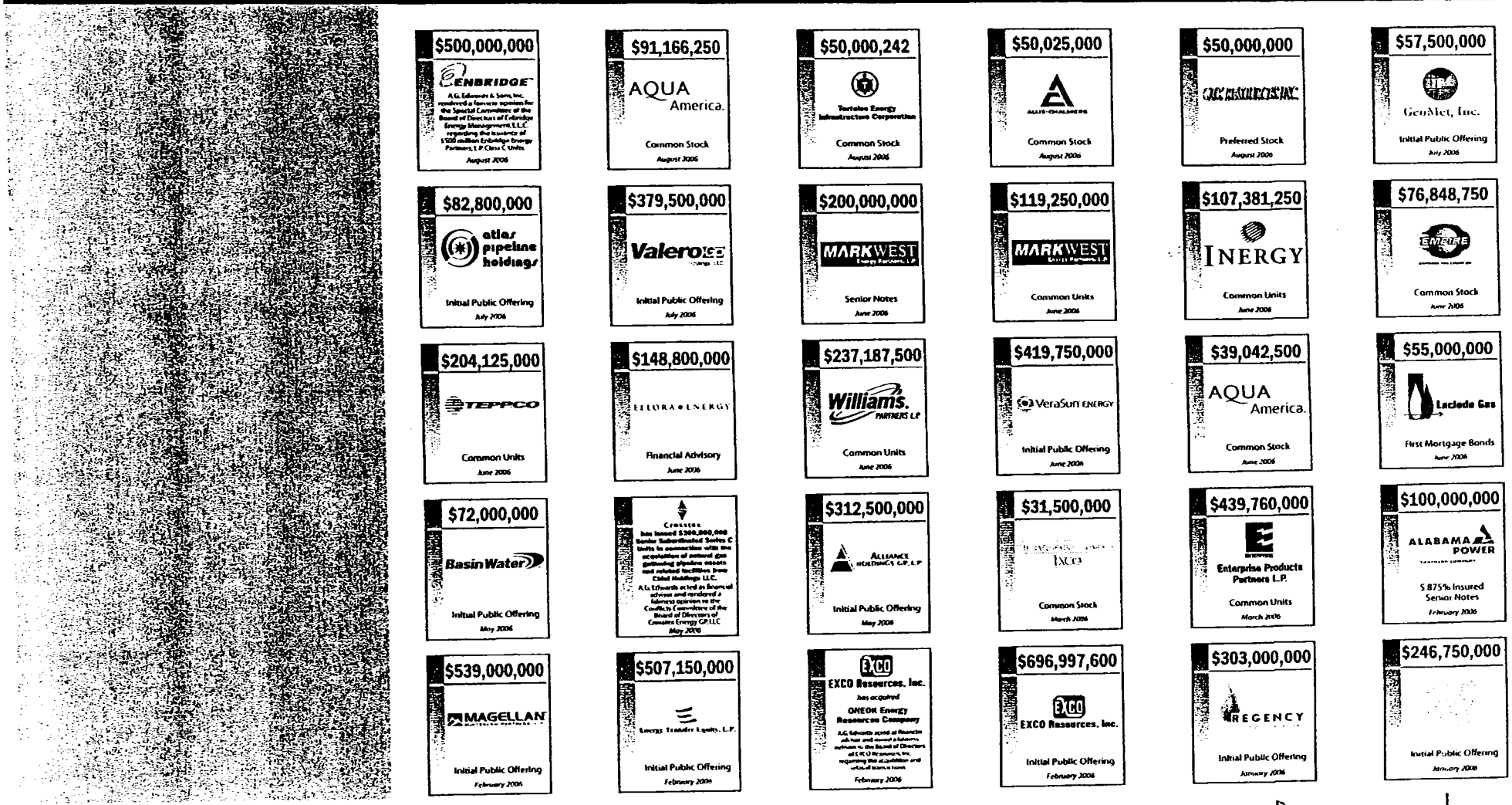
EDWARDS | CAPITAL MARKETS

HEARING EXHIBIT - 00001094

A.G. EDWARDS' PRESENCE IN THE ENERGY SECTOR

RECENT ENERGY TRANSACTIONS

(CONTINUED)



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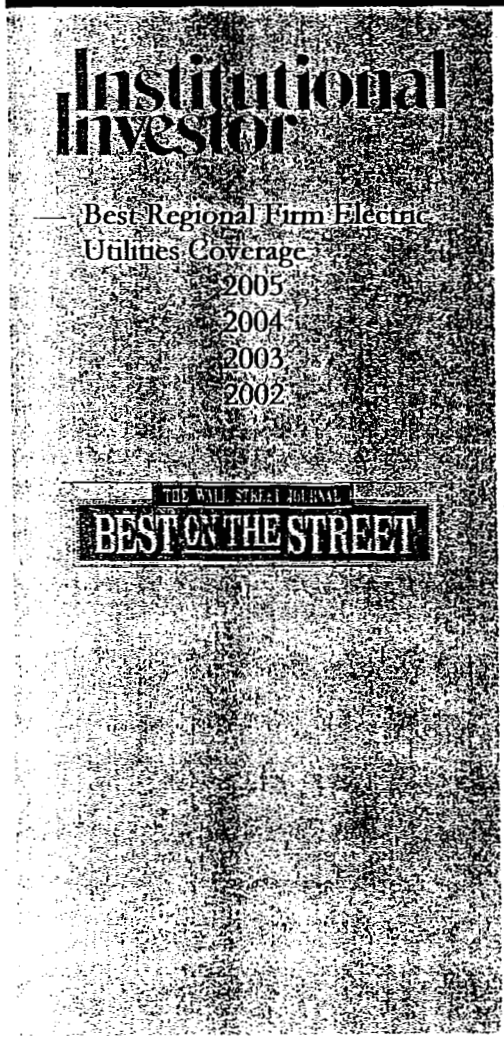
HEARING EXHIBIT - 00001096

A.G. EDWARDS' PRESENCE IN THE ENERGY SECTOR

INDUSTRY RECOGNITION



- Ranked for the fourth year in a row as the Best firm in the *Institutional Investor* All-American Research Team in the Electric Utility Sector for Regional Firms.

- "Best On The Street" Equity Research Support.
  - A.G. Edwards' equity research coverage of investor-owned utilities is comprehensive; eight professionals currently cover over 70 electric, gas and water utilities.
  - The A.G. Edwards Securities Research Utility team has achieved significant institutional presence with a strong focus on medium and large-sized utility companies.
  - Four of the five publishing utility research analysts have been recognized as *Wall Street Journal* "Best on the Street" analysts.

FIRM BY FIRM:
THE 2006 BEST ON THE STREET AWARD TALLY

RANK	BROKERAGE HOUSE	TOTAL ALL-STARS
1.	A.G. Edwards	9
2.	Citigroup	9
3.	Credit Suisse	8
4.	Standard & Poor's	8
5.	J.P. Morgan Chase	8
6.	Piper Jaffray	7
7.	Wachovia Securities	7
8.	UBS	7
9.	Bear Stearns	7
10.	Robert W. Baird	6
11.	Thomas Weisel Partners	6
12.	Stifel Nicolaus	6
13.	Keefe, Bruyette & Woods	5
14.	KeyBanc Capital Markets	5
15.	Jefferies & Co.	5

Best boutiques and regional firms

In polling for our 2005 All-America Research Team, we asked investors to name the best boutique or regional firms by sector. Here are the winners in their respective categories.

Sector	Best firm	Honorable mention
BASIC MATERIALS		
Chemicals/Commodity	Fulcrum Global Partners*	
Metals & Mining	*Longbow Research**	
Paper & Forest Products	Buckingham Research Group*	
CAPITAL GOODS/INDUSTRIALS		
Airfreight & Surface Transportation	Stephens	
Machinery	FTN Midwest Securities Corp.	Robert W. Baird & Co.
CONSUMER		
Apparel, Footwear & Textiles	Susquehanna Financial Group	
Autos & Auto Parts	KeyBanc Capital Markets	
Beverages	Legg Mason	
Food	FTN Midwest Securities Corp.	
Gaming & Lodging	Susquehanna Financial Group	
Leisure	A.G. Edwards & Sons	
Retailing/Broadlines & Department Stores	FTN Midwest Securities Corp.	
Retailing/Food & Drug Chains	FTN Midwest Securities Corp.	
ENERGY		
Electric Utilities	A.G. Edwards & Sons	
Integrated Oil	Simmons & Co. International	Howard Weil
Oil & Gas Exploration & Production	Simmons & Co. International	Hibernia Southcoast Capital Howard Weil
Oil Services & Equipment	Simmons & Co. International	Howard Weil Pickering Energy Partners

EDWARDS. | CAPITAL MARKETS

DEBT CAPITAL MARKETS

EXPECTATIONS FOR THE FINANCIAL MARKETS

A.G. Edwards expects the U.S. economy to continue to grow throughout 2007, with inflationary pressures subsiding.

- We expect the U.S. economy to expand at a below-average rate during the next several quarters. However, if winter weather is warmer than normal, first-quarter economic growth will look stronger than recent quarters. Consumers will have more money to spend on other goods and services if fuel bills are lower this winter than last winter. This could boost economic growth at the start of the year.

- Consumer confidence increased in December to the highest level since last April. The upturn in confidence left this measure just shy of the highest level since early 2002. We expect consumer confidence to remain firm in early 2007. The employment situation is still good and energy prices are low.

- Consumer prices increased 2.0% during the 12 months ended in November, down significantly from the 4.7% inflation rate in the year ended in September 2005. Core inflation, or the increase in prices for goods and services other than food and energy, also dipped in recent months. Core inflation was only 2.57% in the year ended in November, down from 2.93% in the year ended in September. We expect the current economic slowdown will gradually reduce inflationary pressures in the United States with core inflation declining to 2.0% by this summer.

- The Federal Reserve continues to hold short-term interest rates at the highest level in six years. If inflation moderates as we expect, the Fed's next move will probably be a rate cut this spring or summer.

- We believe long-term interest rates could increase slightly in early 2007 if warm weather boosts economic growth. Positive economic reports could temporarily push the 10-year Treasury note yield up to almost 5.0%.

- The long-term outlook remains favorable. The U.S. economy is growing at a slow pace and inflationary pressures are subsiding.

EDWARDS | CAPITAL MARKETS

HEARING EXHIBIT - 00001097

DEBT CAPITAL MARKETS

Florida Public Utilities should consider its options within the context of the current interest rate environment.

- We expect the supply of Treasury bonds to remain healthy in order to continue to finance the federal budget deficit and expenditures for military needs. More supply and changing views on the economy and the Federal Reserve's monetary policy could pressure Treasuries.

- Retail and institutional demand for new issue product remains very high as the lack of corporate issuance continues to put downward pressure on yields of new issues. The forward calendar should strengthen as corporations take advantage of available capital and come out of their post earnings quiet periods.

- Ultimately, where yields move will be a function of the ultimate destination of Fed policy and inflation expectations, but we think a 10-year note near 5% will remain for the first half of 2007. If inflation continues to moderate, yields may decline to the 4.5% area in the second half of 2007.

EDWARDS. | CAPITAL MARKETS

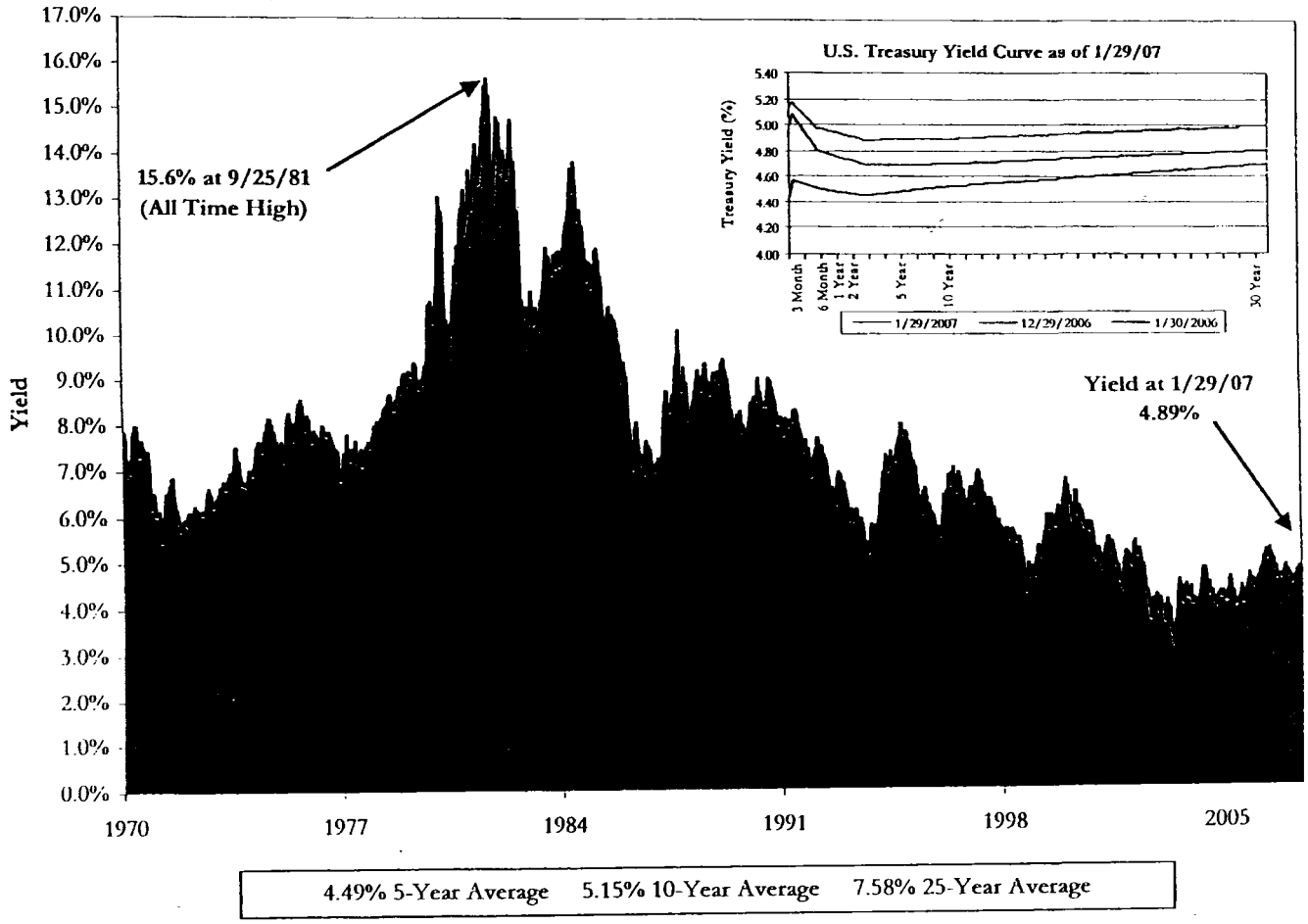
HEARING EXHIBIT - 00001098

DEBT CAPITAL MARKETS

10-YEAR TREASURY BOND YIELD

JANUARY 1970 - PRESENT

The current 10-year Treasury yield is below long-term historic averages.



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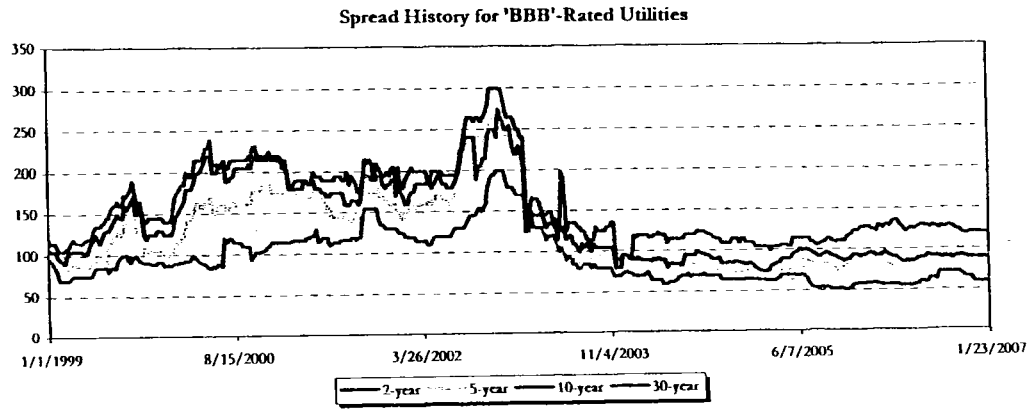
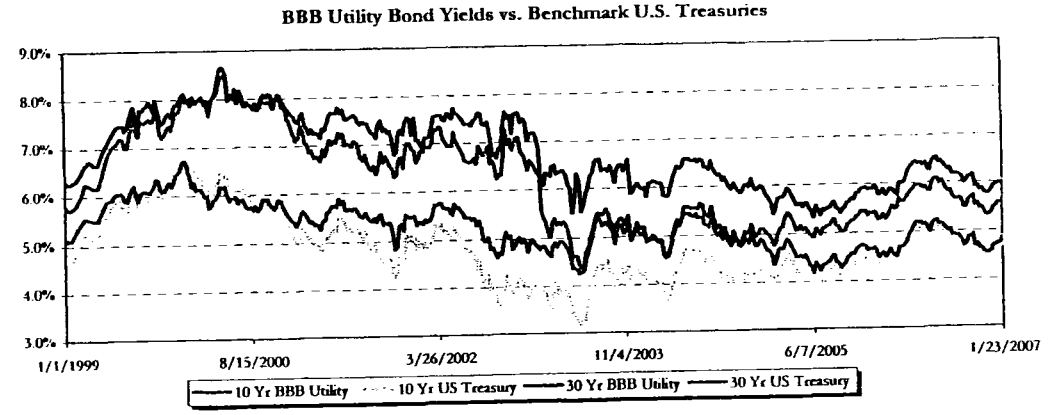
EDWARDS | CAPITAL MARKETS

HEARING EXHIBIT - 00001099

DEBT CAPITAL MARKETS
CREDIT SPREADS AND YIELDS

Spreads and yields for "BBB" rated utilities remain well below 2000-2002 levels.





Source: A.G. Edwards Fixed Income Research.

EDWARDS. | CAPITAL MARKETS

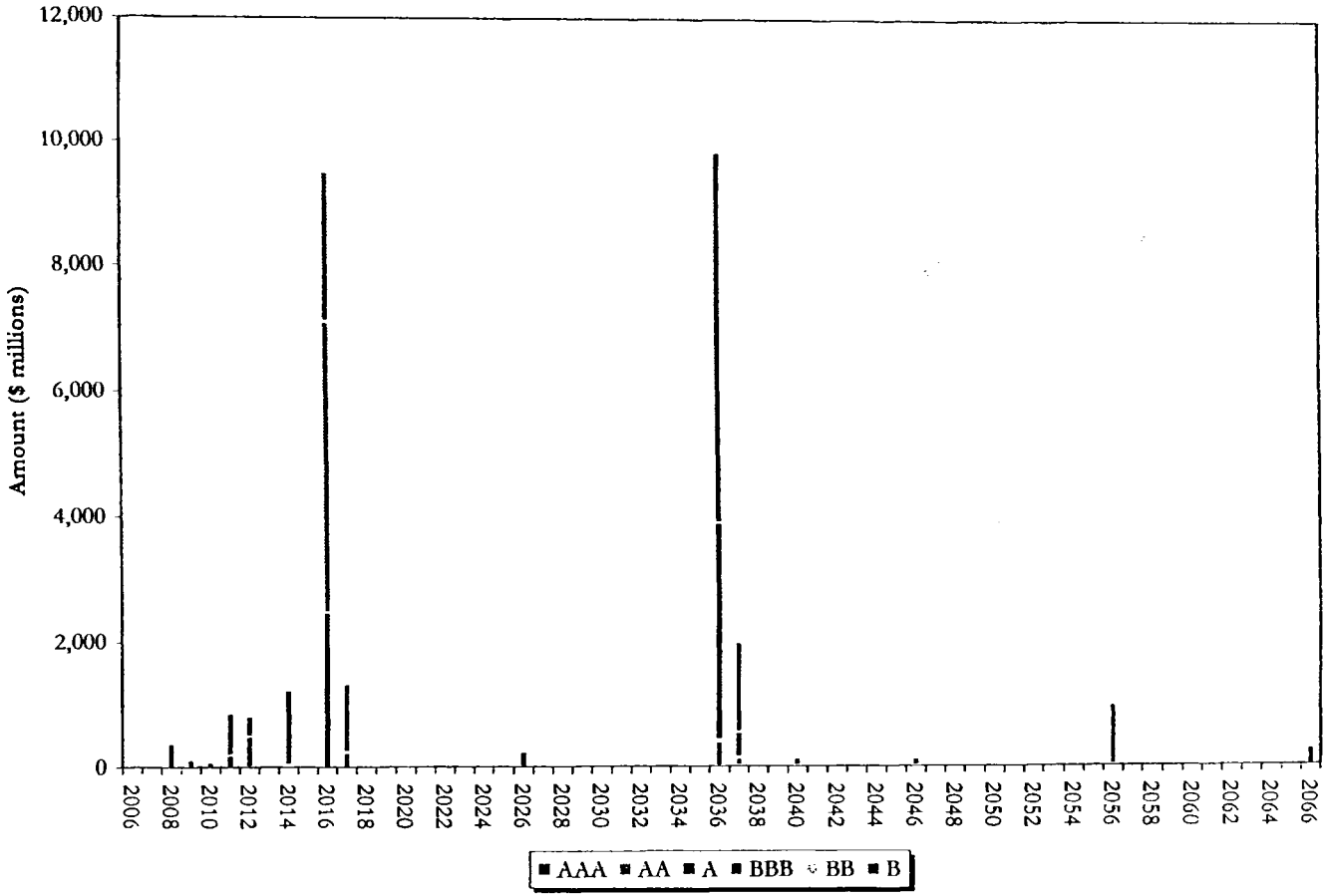
HEARING EXHIBIT - 00001100

DEBT CAPITAL MARKETS

OFFERINGS IN THE UTILITY SECTOR (1/1/06 - PRESENT)

DEAL SIZE > $50 MILLION

Ten and thirty year maturity debt has been the most common issuance in the utility sector since January 2006.



Source: Securities Data Corp.

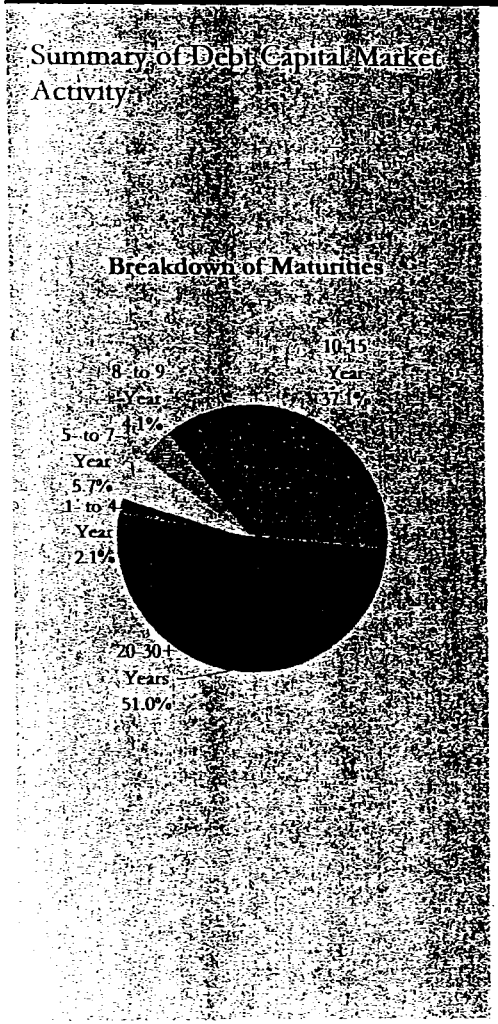
EDWARDS. CAPITAL MARKETS

HEARING EXHIBIT - 00001101

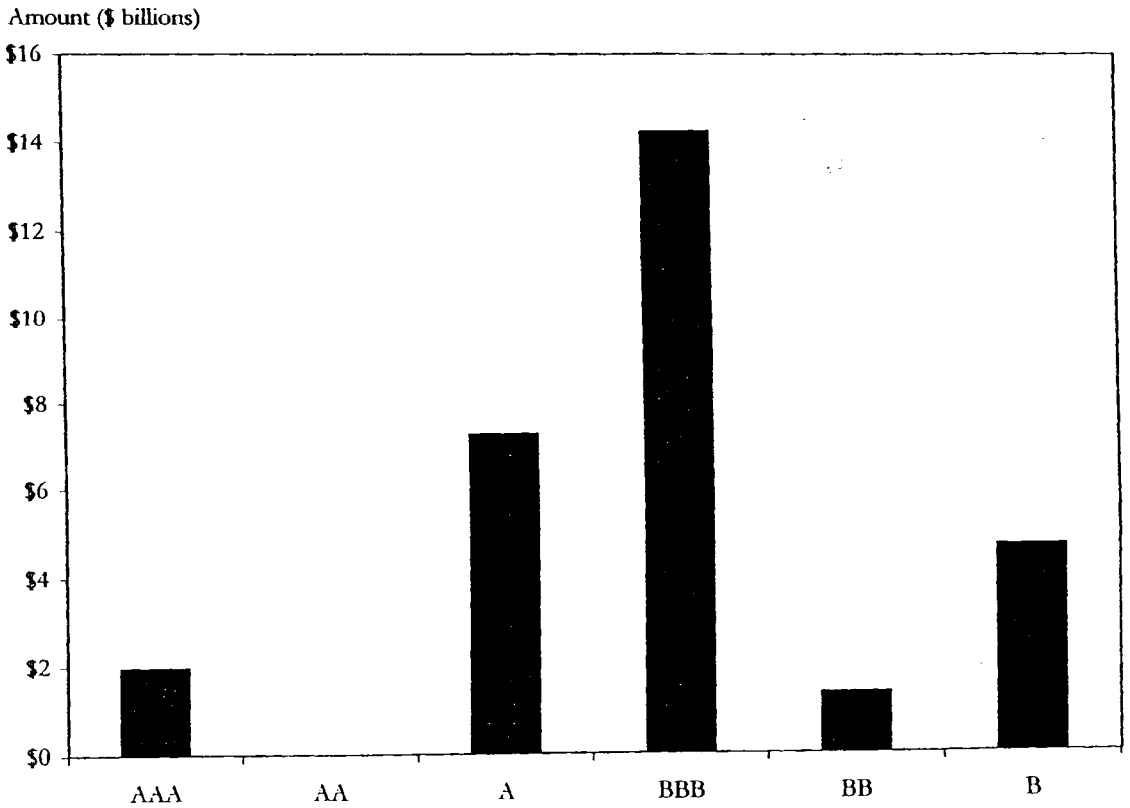
DEBT CAPITAL MARKETS

RECENT OFFERINGS IN THE UTILITY SECTOR (1/1/06 - PRESENT)

DEAL SIZE > $50 MILLION



- Since January 2006, a number of issuers have brought large deals to the market, totaling over $30 billion.

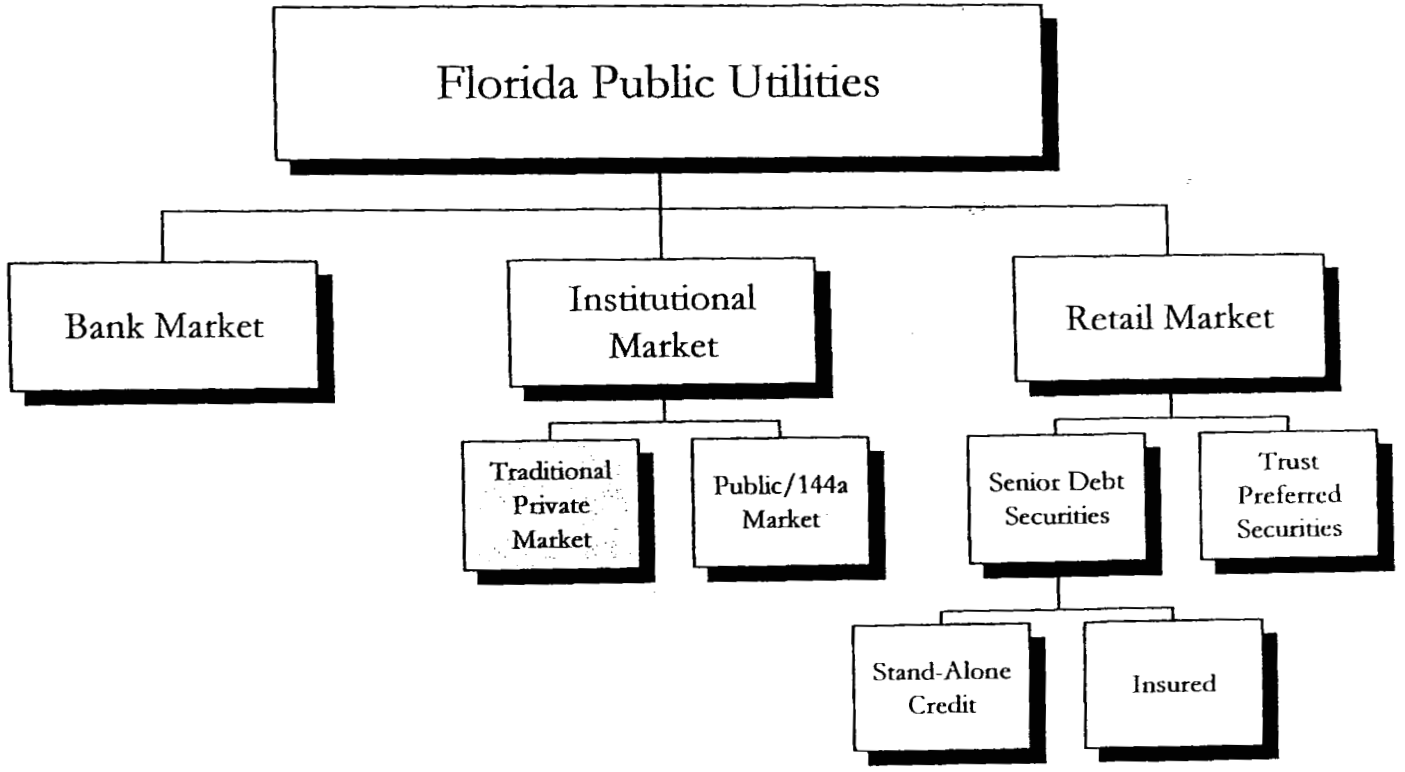


EDWARDS | CAPITAL MARKETS

HEARING EXHIBIT - 00001102

PRIVATE PLACEMENT MARKET

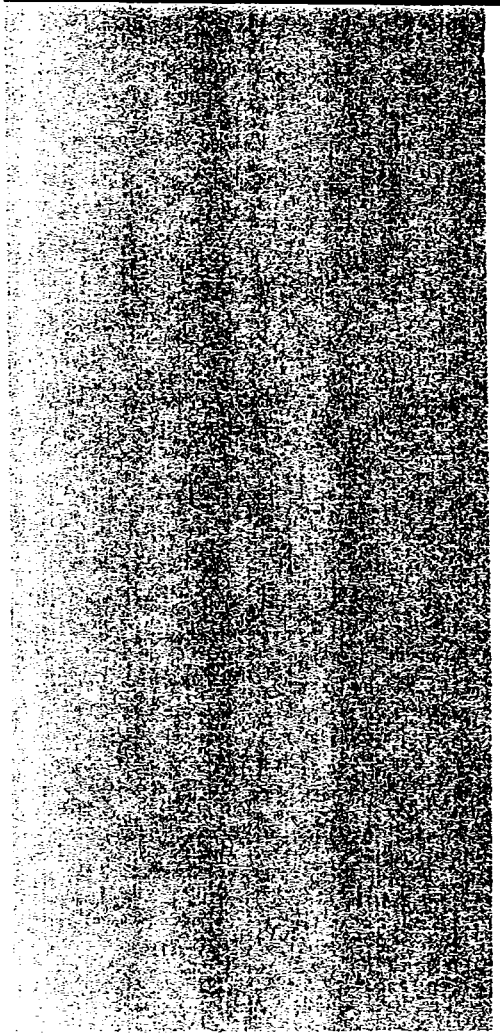
The private placement market is an alternative for a FPU offering of $30 million if FPU wants to issue debt with a maturity of 10 to 20 years.



EDWARDS. CAPITAL MARKETS

HEARING EXHIBIT - 00001103

PRIVATE PLACEMENT MARKET
CURRENT MARKET CONDITIONS



- Insurance companies have significant appetite for investment grade private placements and are not finding enough issues to meet their needs.
- Credit spreads have narrowed slightly since the beginning of 2003. The spread between institutional public offerings and institutional private offerings, adjusted for offering sizes, has also narrowed.
- The market is most receptive to 7 to 10 year maturities, although there is demand for utility paper in excess of 10 years, up to 30 years.
- The institutional private market would be very receptive to a $30 million offering of first mortgage bonds by FPU.
- The private placement market would provide FPU with greater flexibility than the public institutional market and allow for a smoother offering process:
  - Ability to divide offering into tranches at different maturities
  - No need to obtain Moody's debt rating
  - No need to file registration statement with the SEC
  - Acceptance of smaller offering size
  - Lower transaction costs

FPU $30 Million First Mortgage Bonds Rated (BBB+)

Maturity	Treasury	Spread (bp)	Coupon	Gross Spread	All-in-Cost*
10-year	4.89%	+125	6.14%	1.50%	6.35%
20-year	4.94%	+140	6.34%	1.50%	6.48%
30-yr	Interpolated 4.99%	+155	6.54%		

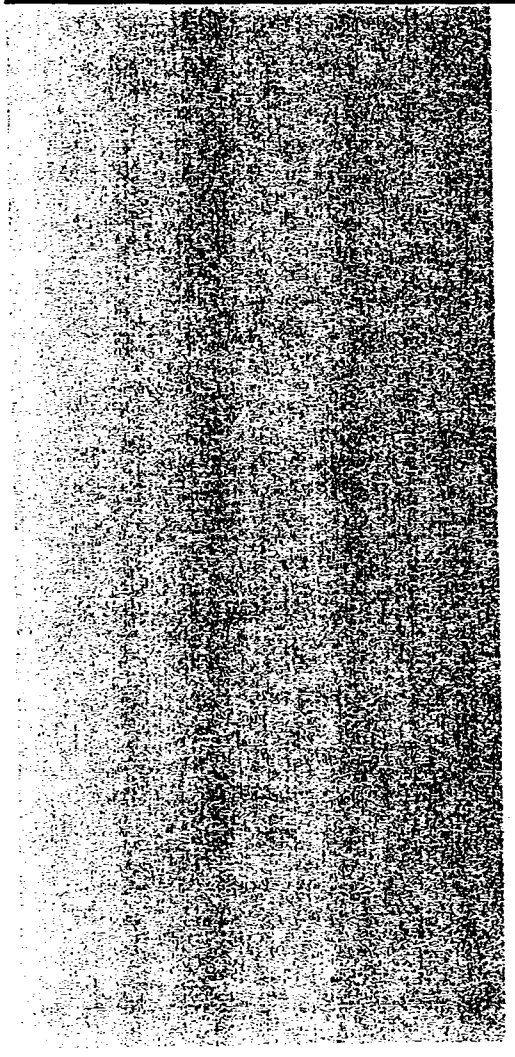
* Does not include printing, legal, etc.

EDWARDS | CAPITAL MARKETS

HEARING EXHIBIT - 00001104

PRIVATE PLACEMENT MARKET

BENEFITS OF THE TRADITIONAL PRIVATE PLACEMENT MARKET



- Flexible as to issue structure and size
- Accommodates new, unusual or complex issues
- Direct relationships with cash rich investors
- Confidentiality
- Quick market access
- Consistent access to financing
- Investor/Lender diversification

HEARING EXHIBIT - 00001105

PRIVATE PLACEMENT MARKET
FINANCING ALTERNATIVE COMPARISON

The private placement market is well suited for Florida Public Utilities' mid-term financing needs. In addition, Florida Public Utilities will benefit from diversifying its funding sources.

	Private Placement	Public Underwriting/ 144a Offering
Size:	$15 - $250 million	$150 million minimum for efficient pricing
Maturity:	Up to 30 years (typically 7 - 10)	Up to 30 years (typically 10)
Agent/Underwriter:	Agent	Underwriter
Interest Rates:	Fixed	Fixed
Call Flexibility:	Callable at make whole	Callable at make whole
Amortization:	Negotiable	No
Covenants:	Would mirror existing maintenance FMB private covenants	Minimal restrictions, incurrence basis
SEC Registration:	No	Yes/delayed in 144a
Disclosure:	Detailed, to selected institutions	Widespread public disclosure
Ratings:	Yes: NAIC	Yes: Moody's and S&P
Timing:	9 - 12 weeks No SEC review	Typically 12 - 16 weeks with SEC review; 8 - 10 weeks for 144a offering
Rate Basis:	Fixed rate priced at spread over comparable government securities	Fixed rate priced at spread over comparable government securities
Investors:	Insurance companies, pension funds, mutual funds	Mutual funds, insurance companies, money managers, bond funds

EDWARDS. | CAPITAL MARKETS

HEARING EXHIBIT - 00001106

PRIVATE PLACEMENT MARKET
FLORIDA PUBLIC UTILITIES SUMMARY

A.G. Edwards is pleased to provide inputs regarding Florida Public Utilities Company's options in the private placement market.

- Florida Public Utilities Company is a known quantity in the traditional private placements market due to its previous issuances of First Mortgage Bonds (FMB).
  - $10,000,000, 9.57% due 2018
  - $5,500,000, 10.03% due 2018
  - $8,000,000, 9.08% due 2022
- FPU currently has an NAIC-2 rating which equates to a BBB/Baa public rating range.
- Due to the structure of the proposed debt and FPU's operations, it is A.G. Edwards' opinion that a $30 million FMB ($15 million new) would also achieve an NAIC-2 rating.
- FPU would have the option of selling the debt as a bullet or serial maturity.
- A.G. Edwards would anticipate issuing the bonds under the existing Indenture of Mortgage and by using the Company's existing Bond Purchase Agreement with appropriate updates to the Model Form.

EDWARDS | CAPITAL MARKETS

HEARING EXHIBIT - 00001107

PRIVATE PLACEMENT MARKET

FLORIDA PUBLIC UTILITIES COMPANY

PRELIMINARY SUMMARY OF PROPOSED TERMS

The following summary of proposed terms represents A.G. Edwards' estimates of current market conditions and is preliminary. The terms are subject to change.

Company:	Florida Public Utilities Company (the "Company")
Form of Securities:	____% First Mortgage Bonds due _____ (the "Bonds")
Amount:	$30,000,000
Use of Proceeds:	For system capital expenditures and for general corporate purposes
Ranking:	The Bonds will rank pari passu with all other long-term secured debt of the Company.
Rating:	The Bonds are not rated; however, previous issuances of the Company's Bonds are rated NAIC-2. New ratings would be subject to NAIC determination.
Purchasers:	To be determined
Final Maturity:	____ year final maturity
Operative Documents:	Indenture of Mortgage and Bond Purchase Agreement
Sinking Fund:	None
Pricing:	+125 basis points to the yield of the ten-year U.S. Treasury (4.89%) = 6.14% +140 basis points to the interpolated yield of the twenty-year U.S. Treasury (4.94%) = 6.34%

HEARING EXHIBIT - 00001108

PRIVATE PLACEMENT MARKET

FLORIDA PUBLIC UTILITIES COMPANY

PRELIMINARY SUMMARY OF PROPOSED TERMS (CONTINUED)

Interest Payments:	Semi-annual
Redemption:	The Bonds are redeemable prior to maturity, in whole or in part at the option of the Company at any time not more than sixty (60) and not less than thirty (30) days prior notice, at par plus accrued and unpaid interest, plus the Make-Whole Amount, if any.
Make-Whole Amount:	The Make-Whole Amount is the excess amount of the discounted value of the remaining scheduled payments for the principal called for redemption over the amount of such called principal. The Make-Whole Amount may in no event be less than zero. For purposes of the discounted value, the rate is equal to the interpolated yield of a U.S. Treasury security with a maturity equal to the remaining life of the called bonds [+ 50] points.
Bond Purchase Agreement:	The form of Bond Purchase Agreement will contain provisions identical to the Bond Purchase Agreement dated as of May 1992 between the Company and the Purchaser named therein for the Company's 9.08% First Mortgage Bonds. The Bond Purchase Agreement will conform to Model Form 2 with appropriate updates.
Financial Information:	The Bond Purchase Agreement will require the delivery of financial information for the Company Bond of quarterly unaudited and annual audited consolidated financial statements of the Company.

HEARING EXHIBIT - 00001109

PRIVATE PLACEMENT MARKET

FLORIDA PUBLIC UTILITIES COMPANY

PRELIMINARY SUMMARY OF PROPOSED TERMS (CONTINUED)

To be determined upon review of existing Indenture of Mortgage and Bond Purchase Agreement. Typical covenants are:

Financial Covenants of the Company:

1. Ratio of debt to total capitalization of not more than 65%
2. Minimum net worth
3. Fixed charges coverage ratio of 2.00 times or greater
4. Debt service coverage ratio of 1.25 times or greater

Other Covenants:

5. Other Covenants of the Company typically include (pending review of the Indenture of Mortgage and Bond Purchase Agreement):
   i. Payment of Taxes;
   ii. Maintenance of Properties;
   iii. Insurance;
   iv. Corporate Existence; Nature of Business;
   v. Delivery of Financial Statements; and
   vi. Guarantees; Investments.

Events of Default under the Indenture:

6. General Events of Default typically include (pending review of the Indenture of Mortgage and Bond Purchase Agreement):
   i. Default in payment of interest on any Bond;
   ii. Default in payment of principal or premium when due;
   iii. Default by the Company in the performance of covenant continuing for X days after such default shall first become known to any Responsible Officer of the Company;
   iv. Bankruptcy Events of Default.

HEARING EXHIBIT - 00001110

PRIVATE PLACEMENT MARKET

PRELIMINARY SUMMARY OF PROPOSED TERMS

ALL-IN-COST OF FINANCING COMPARISON

Maturity	10 Years		20 Years		30 Years
Distribution	**Private**		**Private**		**Retail**
Insured/Uninsured	**Uninsured**		**Uninsured**		**Insured**
Face Amount for Security	**$1,000**		**$1,000**		**$25**
Security	FMB		FMB		Senior Unsecured
Credit Ratings	NAIC-2		NAIC-2		Aaa/AAA
Call Provision	Make-whole		Make-whole		NC5 @ Par
Payment Frequency	Semi-Annual		Semi-Annual		Quarterly
Listing	NA		NA		NYSE or AMEX
Offering Size ($000's)	$30,000		$30,000		$30,000
Yield on Comparable Treasury	4.89%		4.94%		4.99%
Maturity of Comparable Treasury (years)	10		Interpolated 20		30
Estimated Point Spread (basis points) (a)	+125	Area	+140	Area	--
Initial Insurance Premium ($000's) (b)	NA		NA		$672.5
Coupon	6.14%		6.34%		5.750% - 5.875%
Gross Spread Estimate	1.50%		1.50%		3.15%
All-in-Cost of Financing to Maturity (c)	**6.35%**		**6.48%**		**6.20% - 6.33%**

(a) Spreads are shown for a deal size of $30 million.
(b) Insurance for the 30-year retail structure assumes an upfront payment of the present value of an 80 basis point upfront fee on P&I balance, which gives an approximately 16 bp annual cost on principal.
(c) All-in cost does not include offering expenses (i.e. legal, printing, etc.).

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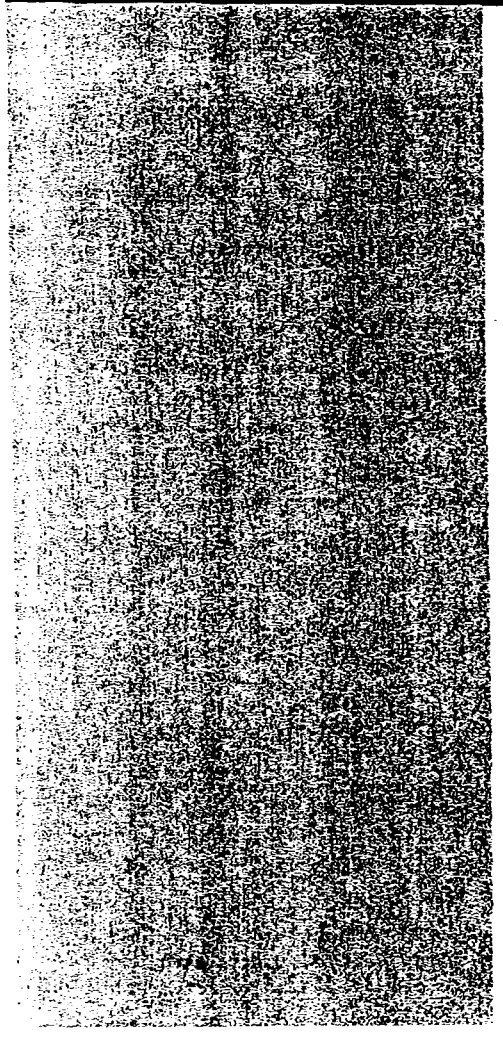
HEARING EXHIBIT - 00001111

PRIVATE PLACEMENT MARKET

PRELIMINARY SUMMARY OF PROPOSAL TERMS

COST OF DELAYED CLOSE



10-Year	
10-Year Treasury Yield	4.89%
Spread (as %)	1.25%
Principal Amount	$30,000,000
Pricing Date	3/15/2007
Settlement Date	7/15/2007
Maturity Date	7/15/2017
Coupon Rate	6.14%
Commercial Paper Rate	5.21%
Difference (as a %)	0.93%
Days Delayed	120
Negative carry	$93,100
Modified Duration	7.4
Cost (bps)	4.2
Adjusted Coupon	**6.18%**

20-Year	
20-Year Treasury Yield (Interpolated)	4.94%
Spread (as %)	1.40%
Principal Amount	$30,000,000
Pricing Date	3/15/2007
Settlement Date	7/15/2007
Maturity Date	7/15/2027
Coupon	6.34%
Commercial Paper Rate	5.21%
Difference (as a %)	1.13%
Days Delayed	120
Negative carry	$113,150
Modified Duration	11.2
Cost (bps)	3.4
Adjusted Coupon	**6.38%**

EDWARDS. | CAPITAL MARKETS

HEARING EXHIBIT - 00001112

PRIVATE PLACEMENT MARKET
A.G. EDWARDS' CAPABILITIES

A.G. Edwards' focus on small and mid-sized companies, and breadth of relationships with private debt investors serve to maximize Florida Public Utilities Company's capital raising objectives.

- **Breadth of Relationships** – A.G. Edwards maintains regular contact with over 50 insurance companies and finance companies.

- **Knowledge of Investor Preferences** – A.G. Edwards has five professionals focused solely on executing private debt and equity transactions. Our focus and high level of activity enable us to be highly familiar with the holdings and preferences of investment groups.

- **Middle Market Company Focus** – A.G. Edwards focuses its investment banking efforts on small and mid-sized companies many of which are closely-held. As such, we are experienced and sensitive to issues relating to operational flexibility, credit perception, control and liquidity.

- **Broad Industry Coverage** – The private placement team works closely with the investment banking sector groups and utilizes the expertise of the firm's 80 Equity Research Analysts.

- **Highly Selective** – A.G. Edwards accepts only those engagements with a high likelihood of closing. Accordingly, we perform a great deal of diligence and screening to ensure that each prospective investment is well aligned with an investment group's objectives.

EDWARDS | CAPITAL MARKETS

HEARING EXHIBIT - 00001113

PRIVATE PLACEMENT MARKET

PRIVATE PLACEMENT BREADTH OF SERVICES

A.G. Edwards provides complete private placement transaction services for issuers, thus ensuring a smooth, well-run transaction.

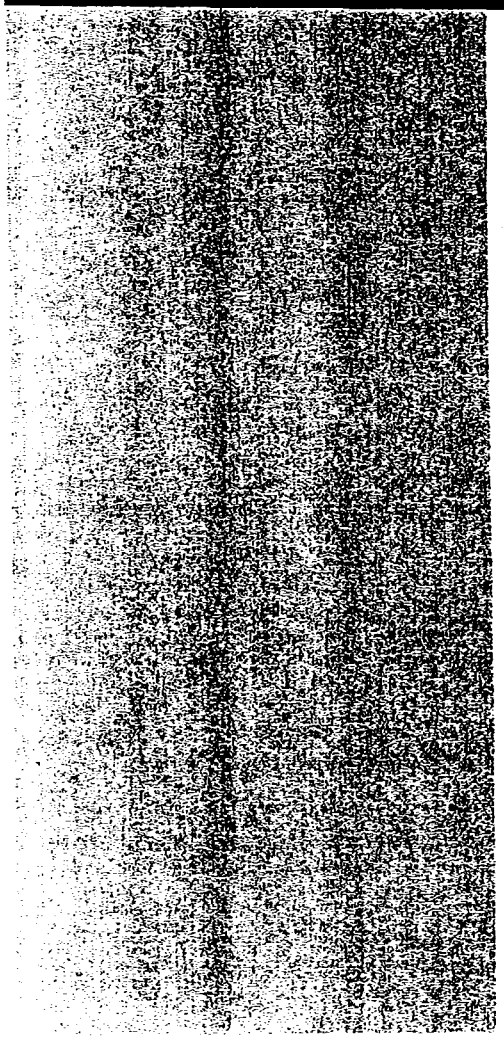
- Conduct in-depth industry and competitive analysis and Company due diligence
- Assist in preparing financial projections
- Assist in determining the optimal issuance amount
- Prepare a concise but comprehensive Private Placement Memorandum
- Advise on optimal security structure (senior secured, unsecured, subordinated debt)
- Prepare roadshow presentation, if appropriate
- Market the transaction to appropriate institutional investors
- Negotiate terms with investors
- Assist in investor due diligence and closing the transaction

EDWARDS. | CAPITAL MARKETS

HEARING EXHIBIT - 00001114

PRIVATE PLACEMENT MARKET

ADVANTAGES TO HIRING A.G. EDWARDS AS PLACEMENT AGENT



MANAGEMENT REMAINS FOCUSED ON OPERATIONS

- While management will participate in the offering process, A.G. Edwards will minimize the Company's time spent on drafting the PPM, creating the Roadshow Presentation, Identifying Investors, Contacting and Monitoring investor interaction and feedback.

REDUCED TRANSACTION CYCLE

- A.G. Edwards' relationships with numerous investors and knowledge of their preferences, along with our knowledge of market conditions and terms serve to minimize the processing time while maximizing the likelihood of success.

VALUATION AND STRUCTURAL EXPERTISE

- A.G. Edwards' extensive experience raising private capital enables our clients to benefit from our expertise and knowledge on how best to achieve the financing objectives of its clients, while structuring a transaction which accommodates the needs of the issuer and investors.

ACCESS TO INFORMATION

- We purchase and maintain sophisticated databases detailing institutional investors and specific transactions. Our data includes current trends and activities in the market, spread data, portfolio information for investors, and other useful information.

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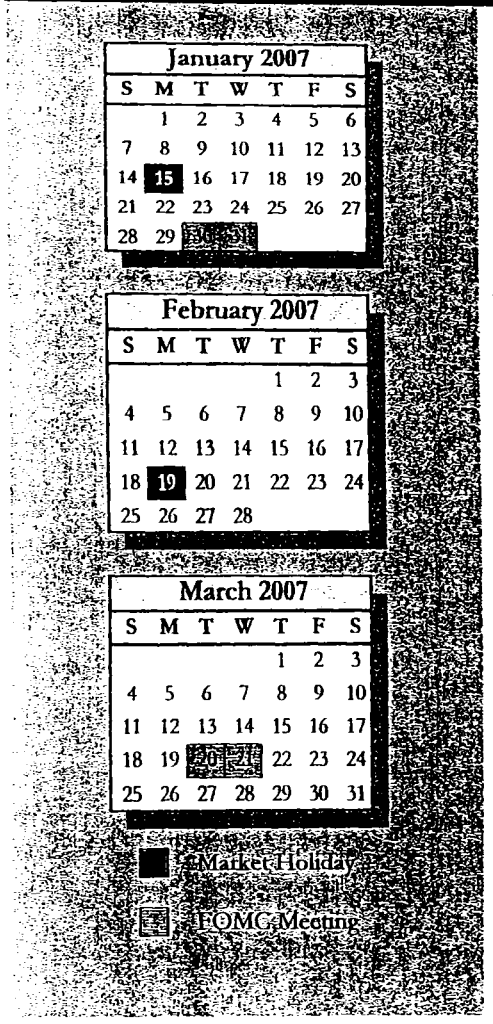
HEARING EXHIBIT - 00001115

PRIVATE PLACEMENT MARKET

FLORIDA PUBLIC UTILITIES COMPANY

OFFERING TIMETABLE



Key Event	Date
Retain A.G. Edwards as Exclusive Financial Advisor/Placement Agent	Week 1
A.G. Edwards Due Diligence	Week 1 - 2
Draft Private Placement Memorandum	Week 2 - 3
Distribute Private Placement Memorandum to Purchasers	Week 3
Purchasers Circle the Placement - Pricing	**Week 4**
Purchasers Due Diligence Visit and Investment Committee Approval	Week 5 - 6
Preparation of Legal Documentation	Weeks 5 - 7
Closing and Funding	Week 8

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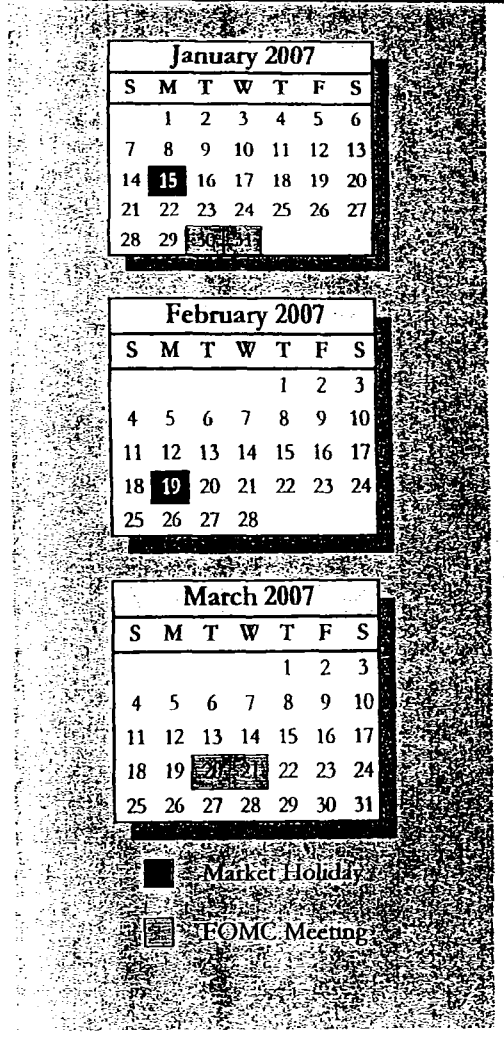
HEARING EXHIBIT - 00001116

PRIVATE PLACEMENT MARKET

FLORIDA PUBLIC UTILITIES COMPANY

OFFERING TIMETABLE (CONTINUED)



Key Event	Date	Responsible Party
(Week 1)	■ Organizational discussion with key management	Edwards/Florida Public Utilities Company
	■ Perform initial due diligence and management interviews	Edwards/Florida Public Utilities Company
	■ Discuss historical financial performance and financial projections	Edwards/Florida Public Utilities Company
(Week 2)	■ Analyze and discuss projections	Edwards/Florida Public Utilities Company
	■ Review Due Diligence documents	Edwards
	■ Discuss, review and finalize target investor list	Edwards/Florida Public Utilities Company
	■ Initiate marketing calls to prospective investors	Edwards
	■ Investors counsel begins drafting documentation	Counsel/Edwards
	■ Begin drafting PPM	Edwards
(Week 3)	■ Finalize and distribute PPM	
	■ Respond to investor questions and due diligence requests	Edwards/Florida Public Utilities Company
(Week 4)	■ Obtain indications of interest	Edwards
	■ Select participating investor(s)	Edwards/Florida Public Utilities Company
	■ Circle pricing	Edwards/Florida Public Utilities Company/Investor
(Week 5)	■ Investor commences legal, financial and business due diligence	Edwards/Florida Public Utilities Company/Investor
(Week 6)	■ Investor continues due diligence	All Hands
	■ Investor Committee Approval	Investor
(Week 7)	■ Review, discuss and revise closing documentation	Edwards/Florida Public Utilities Company/Counsel
	■ Investor continued due diligence	
(Week 8)	■ Review, discuss and revise closing documentation	Edwards/Florida Public Utilities Company/Counsel
	■ Close transaction	

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HEARING EXHIBIT - 00001117

PRIVATE PLACEMENT MARKET

A.G. EDWARDS PRIVATE PLACEMENTS

SELECTED PRIVATE DEBT TRANSACTIONS

$20,000,000 SAN JOSE WATER 5.71% Senior Notes	$15,000,000 CLWSC 6.27% Senior Notes	$125,000,000 VECTREN Vectren Capital Corporation Senior Notes	$12,000,000 New Mexico Utilities, Inc., a subsidiary of Southwest Water Company 6.10% First Mortgage Bonds	$15,000,000 Suburban Water Company, a subsidiary of Southwest Water Company 5.64% First Mortgage Bonds
$90,000,000 OTTER TAIL 6.63% Senior Notes	$20,000,000 CALIFORNIA WATER SERVICE GROUP 7.12% Senior Notes	$40,000,000 3 SYSTEMS Private Debt	$29,500,000 TRI-GAS First Mortgage Bonds	$78,000,000 VECTREN Vectren Capital Corporation Senior Notes
$30,000,000 E'TOWN CORPORATION 7.69% Senior Notes	$50,000,000 Yankeegas Yankee Energy Systems, Inc. 6.20% First Mortgage Bonds	$60,000,000 United Water Resources Senior Notes	$5,000,000 United Waterworks Corporation 6.97% Medium Term Notes Due 2023	$20,000,000 Connecticut Natural Gas CNG Private Debt

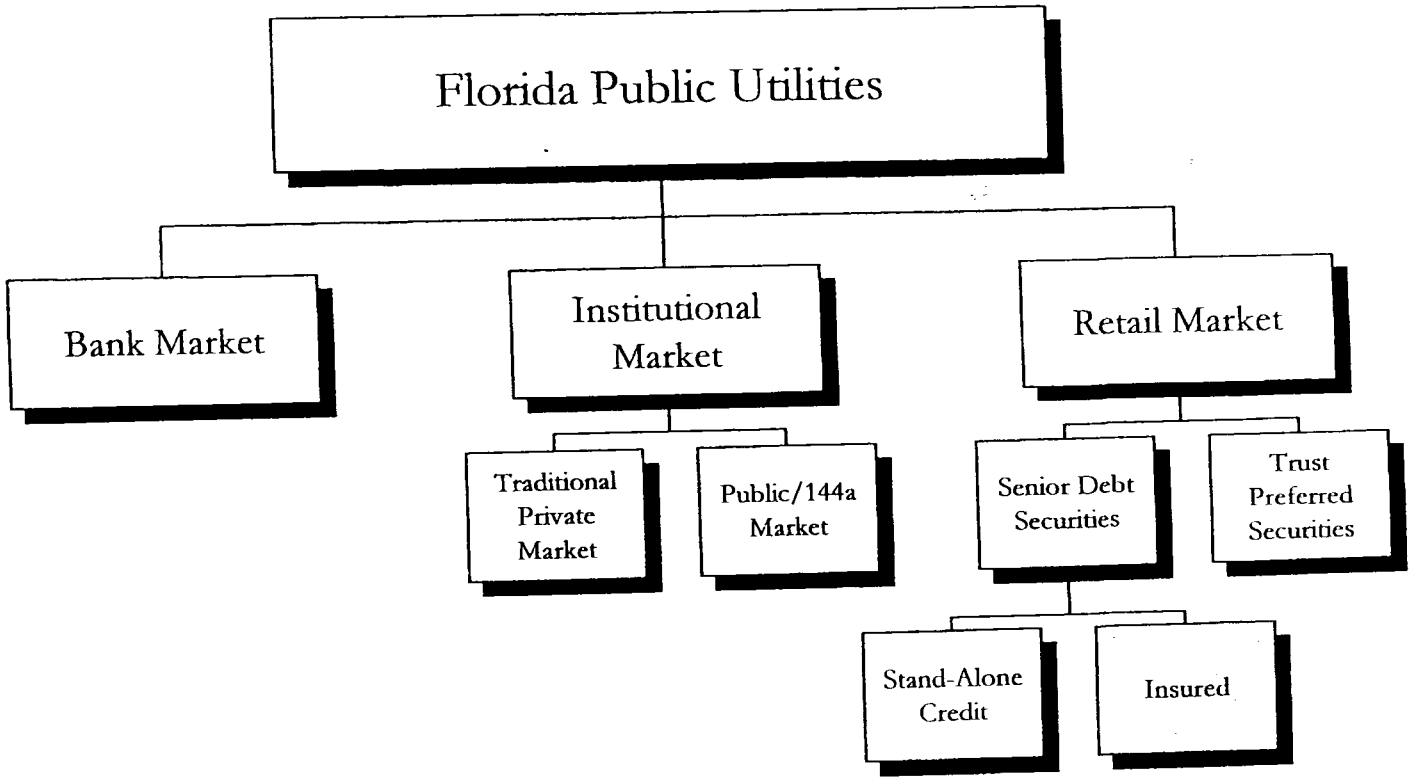
EDWARDS. CAPITAL MARKETS

HEARING EXHIBIT - 00001118

RETAIL DEBT MARKET

The retail market provides favorable conditions for longer maturity debt of 30 years or more, especially for insured debt.

Several insurance providers have expressed interest in insuring a FPU retail offering, but will not commit to insuring an offering before conducting due diligence.

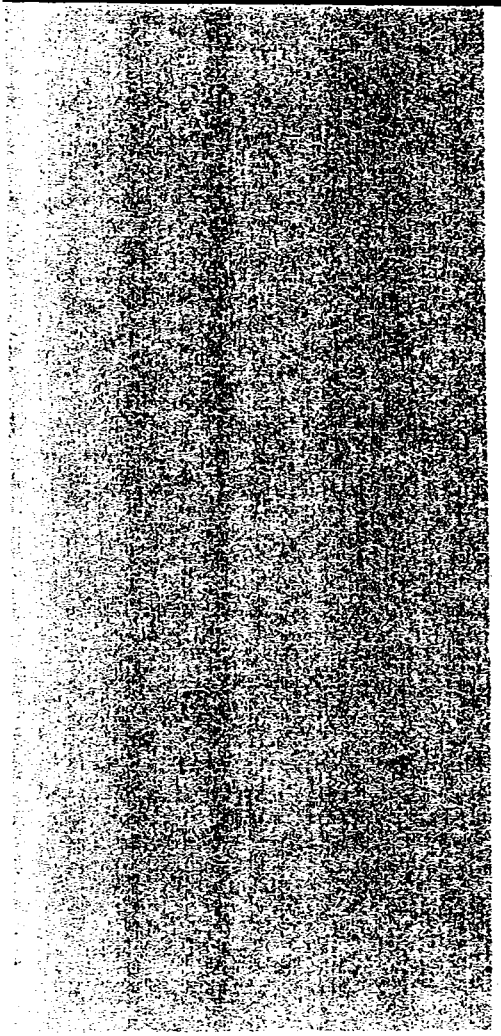


EDWARDS. CAPITAL MARKETS

HEARING EXHIBIT - 00001119

RETAIL DEBT MARKET

RETAIL DEBT OVERVIEW



PRICE

- Coupon threshold level sensitive instead of spread dependant
- All in cost can be lower (including value of par call)
- Low pricing can be volatile

FLEXIBILITY

- Typically 3- to 5-year par call option
- 100% (par) call price further preserves flexibility
- No need to tender

NEW MARKET

- Most efficient means of accessing the middle to long end of the curve
- Retail market able to absorb large transactions for well known issuers
- New pool of investor capital

MARKETING

- Not size dependent
  - $150 million minimum NOT required
  - Ability to access $25 - $150+ million market
- No road shows

EDWARDS | CAPITAL MARKETS

HEARING EXHIBIT - 00001120

RETAIL DEBT MARKET

COMPARISON OF RETAIL, INSTITUTIONAL AND PRIVATE DEBT MARKETS

Retail distribution has many attractive qualities in today's market environment and can provide flexibility to the issuer.

	Retail Distribution	Private Placement	Institutional Distribution
Maturity	❑ Long maturities, 10 to 40 years	❑ Typical maturity of 7 to 10 years, 15 to 30 years also possible	❑ Typical maturity of 5 to 15 years, 30 year also possible
Deal Size	❑ Can be $25 million to $300 million+	❑ Can be $15 million to $250 million	❑ Public offerings: $150 million+
Ticket Size	❑ $5,000 to $100,000 or more	❑ Typically $10 million to $50 million	❑ Typically $5 million to $100 million
Liquidity	❑ Important, but generally not an issue due to smaller ticket sizes and dispersement of buyers	❑ Only marginally important (Buy and Hold)	❑ Very important to investors in public (non 144A) offerings
Available Buyers	❑ Virtually infinite	❑ Limited and highly competitive	❑ Limited and highly competitive
Ratings	❑ Investment grade recommended	❑ Investment grade recommended	❑ Depends on buyer, but "A" or better credits have widest audience
Call/Put Features	❑ Flexible structures are norm; Short calls at par acceptable; Option does not materially affect pricing of issue	❑ Structures influenced by investor; Make-whole calls or bullet structures are most often used	❑ Structures influenced by investor; Make-whole calls or bullet structures are most often used; Put feature may provide 2(a)7 eligibility; Option is reflected in pricing
Pricing	❑ Buyers less price sensitive (on fixed rate issues); pricing influenced by availability of product and market sentiment re economic conditions	❑ Buyers are highly price sensitive, spread-driven; pricing influenced by comparable issues, credit trend, and fit to portfolio niches	❑ Buyers are highly price sensitive, spread-driven; pricing influenced by comparable issues, credit trend, and fit to portfolio niches
Placement Fees	❑ Higher costs, associated with reaching thousands of smaller buy-and-hold investors	❑ Somewhat lower cost to reach fewer, big ticket buyers	❑ Somewhat lower cost to reach fewer, big ticket buyers

EDWARDS | CAPITAL MARKETS

HEARING EXHIBIT - 00001121

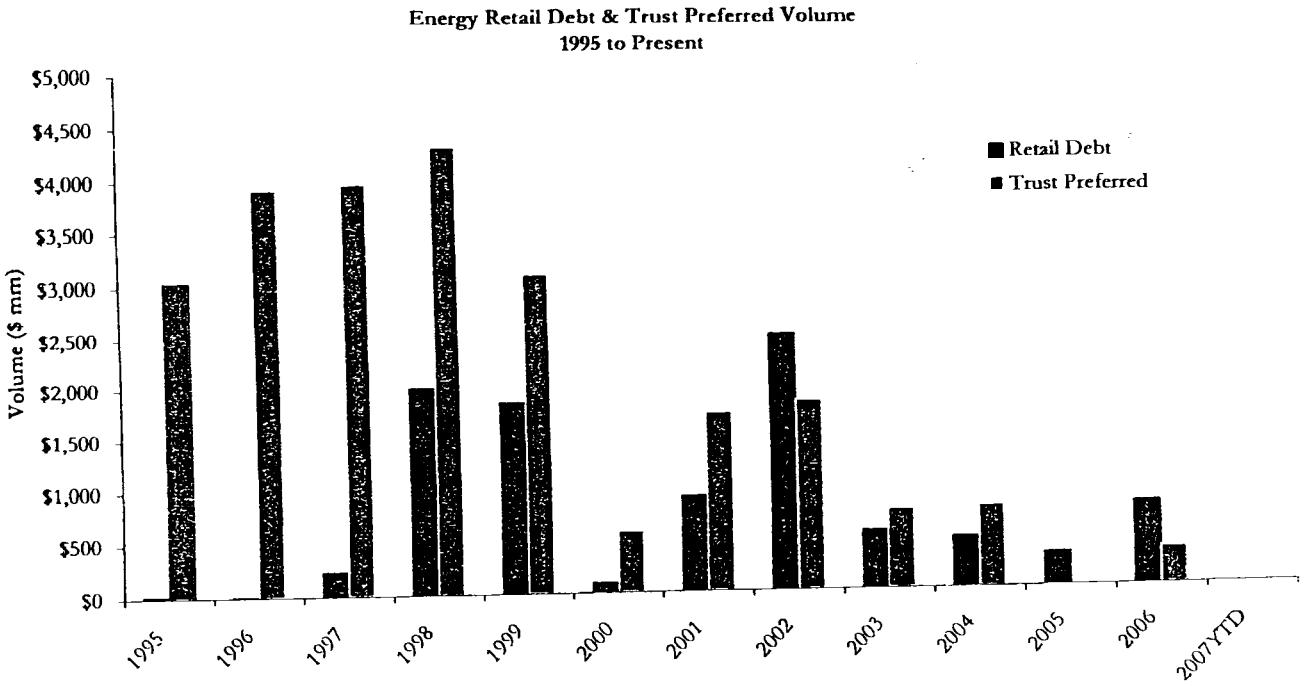
RETAIL DEBT MARKET

TRENDS

Due to the decline in Treasuries and tight institutional spreads, retail coupons have not competitive versus the institutional market since 2002.

There have been limited utility trust preferred issues since 2004 due to the change by Moody's to not provide equity credit.

The recent emergence of enhanced hybrid equity securities since mid-2005 has replaced the trust preferred market.



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HEARING EXHIBIT - 00001122

RETAIL DEBT MARKET

CURRENT RETAIL MARKET ENVIRONMENT

Since 2001, AGE has managed approximately 25% of all retail debt offerings and over 35% of all trust preferred offerings.

- The market saw a drop in retail fixed income offerings in 2005 and 2006 from previous years due to better pricing in the institutional market.
- A.G. Edwards has sold approximately $3.5 billion of retail debt offerings (trust preferred and senior unsecured debt) since the beginning of 2001.
- Unlike institutional fixed income products, which are priced solely at a spread to comparable treasury yields, retail products are based on coupon thresholds and trading levels of comparable issues. Price is also strongly influenced by the recent supply of new retail offerings.

Recent Utility Retail Debt Offerings

Offer Date	Issuer	Amount ($ mil)	Offer Yield (%)	Offer Spread (bp)	Maturity (Years)	Ratings Moody's	Ratings S&P
12/08/06	Georgia Power Co(Southern Co)	150.0	5.650	99	34 NC-5	Aaa	AAA
10/13/06	Vectren Utility Holdings	100.0	5.950	101	30 NC-5	Aaa	AAA
06/15/06	Piedmont Natural Gas Co Inc	200.0	6.250	114	30 NC-5	Aaa	AAA
06/07/06	Alabama Power(Southern Co Inc)	150.0	6.375	127	40 NC-5	Aaa	AAA
02/01/06	Alabama Power(Southern Co Inc)	100.0	5.875	116	40 NC-5	A2	A
01/13/06	Alabama Power(Southern Co Inc)	100.0	5.750	140	30 NC-5	Aaa	AAA
01/20/05	Cascade Natural Gas Corp	30.0	5.600	94	30 NC-5	Aaa	AAA
01/13/05	Georgia Power Co(Southern Co)	250.0	5.700	96	40 NC-5	Aaa	AAA
01/11/05	Alabama Gas Corp(Energen Corp)	40.0	5.700	89	30 NC-5	A1	A-
12/02/04	Savannah Electric and Power Co	35.0	5.750	70	40 NC-5	Aaa	AAA
08/11/04	Georgia Power Co(Southern Co)	125.0	6.000	92	40 NC-5	Aaa	AAA

EDWARDS. | CAPITAL MARKETS

HEARING EXHIBIT - 00001123

RETAIL DEBT MARKET
TERM SHEET

Insured debt would offer EPU a more favorable execution compared to a stand-alone offering in the retail market.

Maturity	30 Years
Distribution	**Retail**
Insured/Uninsured	**Insured**
Face Amount for Security	$25
Security	Senior Unsecured
Credit Ratings	Aaa/AAA
Call Provision	NC5 @ Par
Payment Frequency	Quarterly
Listing	NYSE or AMEX
Offering Size ($000's)	$30,000
Yield on Comparable Treasury	4.99%
Maturity of Comparable Treasury (years)	30
Estimated Point Spread (basis points) (a)	--
Initial Insurance Premium ($000's) (b)	$672.5
Coupon	5.750% - 5.875%
Gross Spread Estimate	3.15%
All-in-Cost of Financing to Maturity (c)	**6.20% - 6.33%**

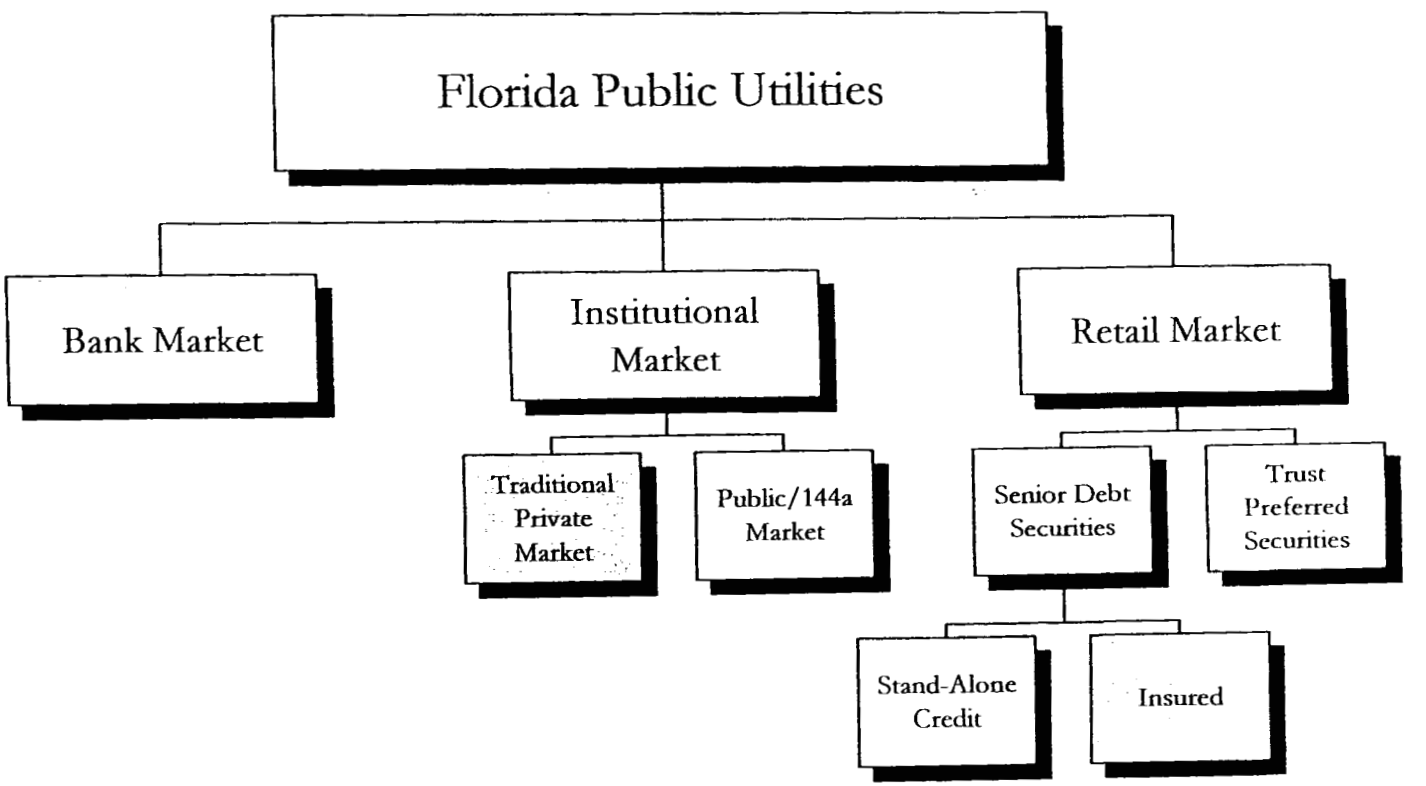
(a) Spreads are shown for a deal size of $30 million.
(b) Insurance for the 30 year retail structure assumes an upfront payment of the present value of an 80 basis point upfront fee on P&I balance, which gives an approximately 16 bp annual cost on principal.
(c) All in cost does not include offering expenses (i.e. legal, printing, etc.).

EDWARDS. CAPITAL MARKETS

HEARING EXHIBIT - 00001124

SUMMARY ANALYSIS OF FIXED INCOME ALTERNATIVES

FPU has several options when selecting how to issue the $30 million of debt



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HEARING EXHIBIT - 00001125

SUMMARY ANALYSIS OF FIXED INCOME ALTERNATIVES

SUMMARY COMPARISON

Summary of Alternatives

	Retail Debt	Private Placement
Size:	$25 million to > $1 billion	$15 - $500 million
Maturity:	30 years	Up to 30 years (typically 10)
Agent/Underwriter:	Underwriter	Agent
Interest Rates:	Fixed	Fixed
Call Flexibility:	Callable	Callable at make-whole +50
Amortization:	No	Negotiable
Covenants:	TBD	Mirror current FMB private covenants
SEC Registration:	Yes	No
Disclosure:	Widespread public disclosure	Detailed, to selected institutions
Ratings:	Yes: Moody's and S&P	Yes: NAIC post-closing
Timing:	12 - 16 weeks including filing shelf registration	9 - 12 weeks
Rate Basis:	Coupon Threshold	Treasury
Investors:	Virtually infinite	Insurance companies, pension funds, mutual funds

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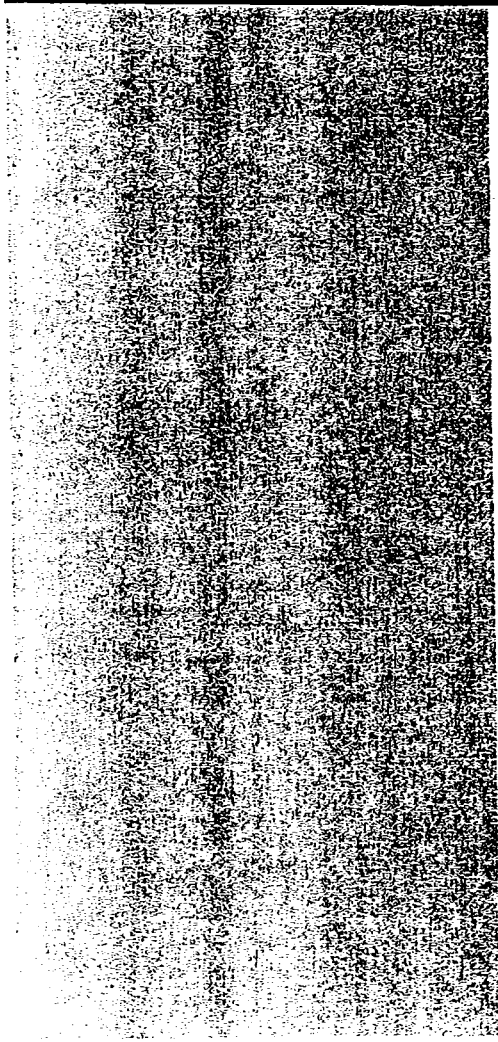
1159

HEARING EXHIBIT - 00001126

SUMMARY ANALYSIS OF FIXED INCOME ALTERNATIVES



Florida Public Utilities Million First Mortgage Bonds

Private Placement (BBB+)

Maturity	Call	Spread (bp)	Coupon	All-in-Cost**
10-year	MW	+125	6.14%	6.35%
20-year	MW	+140	6.34%	6.48%

Retail

Insured (Aaa/AAA)

Maturity	Call*	Spread (bp)	Coupon	All-in-Cost**
30-year	NC 5	NA	5.750% - 5.875%	6.20% - 6.33%

* Par Call.

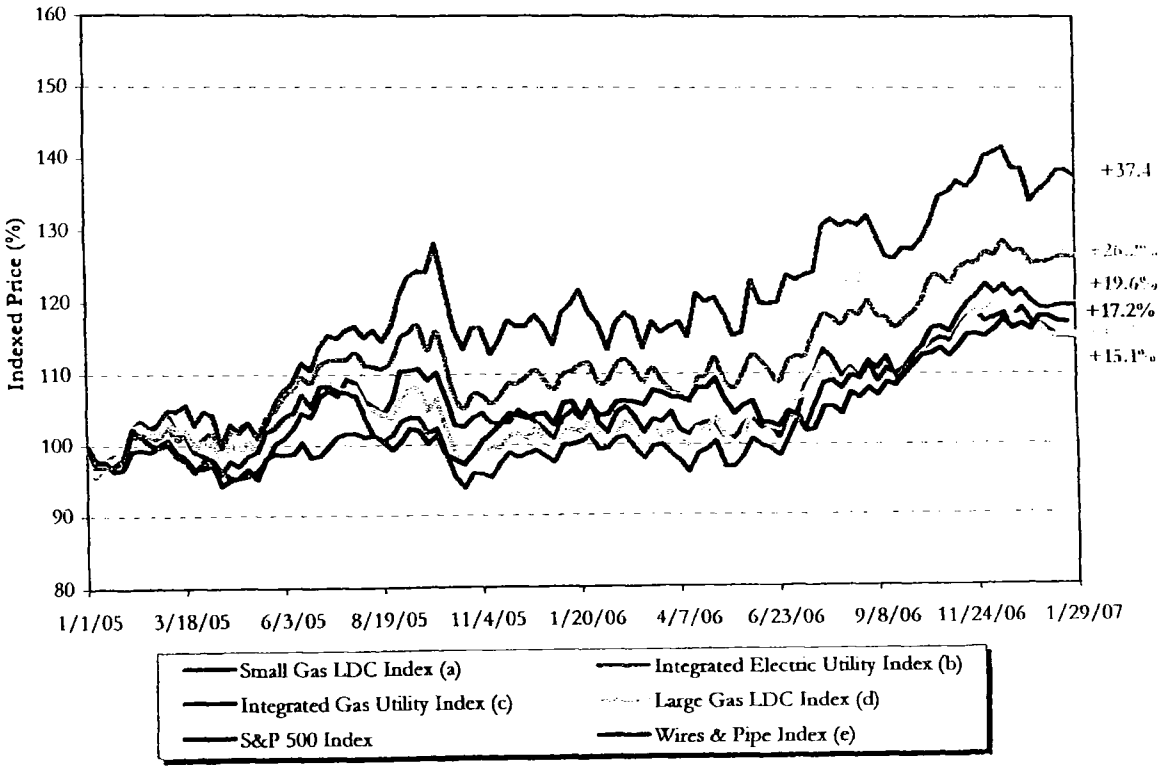
** Does not include value of par call, printing, legal etc.

EDWARDS. | CAPITAL MARKETS

HEARING EXHIBIT - 00001127

EQUITY CAPITAL MARKETS
RELATIVE STOCK PRICE PERFORMANCE

The Utility industry has performed well since the beginning of 2005



Source: FactSet Research Systems.

(a) Small Gas LDC Index includes: CPK, ENSI, LG, MGEE, SEN and SJI.
(b) Integrated Electric Utility Index includes: AYE, LNT, AEE, AEP, AVA, BKH, CIN, CMS, DPL, DTE, EE, EDE, FE, GXP, HE, IDA, NI, SRE, OTTR, PNW, PGN, PNM, PEG, PSD, SCG, SRP, SO, TXU, WR, WEC, WPS and XEL.
(c) Integrated Gas Utility Index includes: EGN, EQT, KSE, KMI, MDU, NFG, NI, OKE and STR.
(d) Large Gas LDC Index includes: ATG, ATO, GAS, NJR, PNY, SUG, SWX, VVC and WGL.
(e) Wire and Pipe Index includes: CHG, ED, EAS, ITC, NST, NU, POM and UIL.

EDWARDS | CAPITAL MARKETS

HEARING EXHIBIT - 00001128

EQUITY CAPITAL MARKETS
UTILITY INDUSTRY OVERVIEW

The utility industry's median institutional holdings percentage is 63.5%

	Number of U.S. Companies	Median Mkt. Cap.	Median Inst. Holdings
Electric			
Traditional	27	$3,490	65.0%
Traditional/Merchant	18	14,186	71.4%
Wires & Pipes	7	3,564	52.4%
Power & Gas Merchants	4	6,620	82.4%
Gas			
Small LDC	6	$304	47.9%
Large LDC	9	1,842	62.9%
Integrated	8	4,953	70.7%
Water			
Combined	11	$675	38.5%

Sources: FactSet Research Systems and BigDough.com

EDWARDS. CAPITAL MARKETS
HEARING EXHIBIT - 00001129

EQUITY CAPITAL MARKETS
TOTAL RETURN PERFORMANCE

Utility stocks have performed well over the last three years. However, energy related companies have been off YTD 2007 due to the uncertainty in oil and gas prices.

	Total Return (a)					
	10-Year	5-Year	Since 2004	Since 2005	Since 2006	YTD 2007
Electric Companies						
"Wires and Pipes" Companies	179.1%	56.7%	41.6%	33.8%	28.4%	(1.5%)
Traditional/Merchant Companies	215.4%	79.9%	98.6%	48.9%	23.2%	(0.2%)
Power & Gas Merchants	(13.8%)	(27.0%)	168.5%	126.3%	41.4%	1.1%
Traditional Power Companies	147.0%	64.8%	52.5%	31.5%	22.1%	(0.9%)
Mean	**131.9%**	**43.6%**	**90.3%**	**60.1%**	**28.8%**	**(0.4%)**
Median	**163.0%**	**60.7%**	**75.6%**	**41.3%**	**25.8%**	**(0.6%)**
Gas Companies						
Small Gas LDCs	152.9%	66.1%	37.9%	25.8%	20.5%	(3.3%)
Large Gas LDCs	165.0%	77.8%	45.7%	24.5%	20.7%	(2.2%)
Integrated Utilities	361.9%	169.1%	88.5%	44.7%	26.4%	(0.4%)
Mean	**226.6%**	**104.3%**	**57.3%**	**31.7%**	**22.5%**	**(2.0%)**
Median	**165.0%**	**77.8%**	**45.7%**	**25.8%**	**20.7%**	**(2.2%)**
Water Companies	320.6%	74.1%	41.2%	25.5%	9.2%	(0.3%)

Source: FactSet.

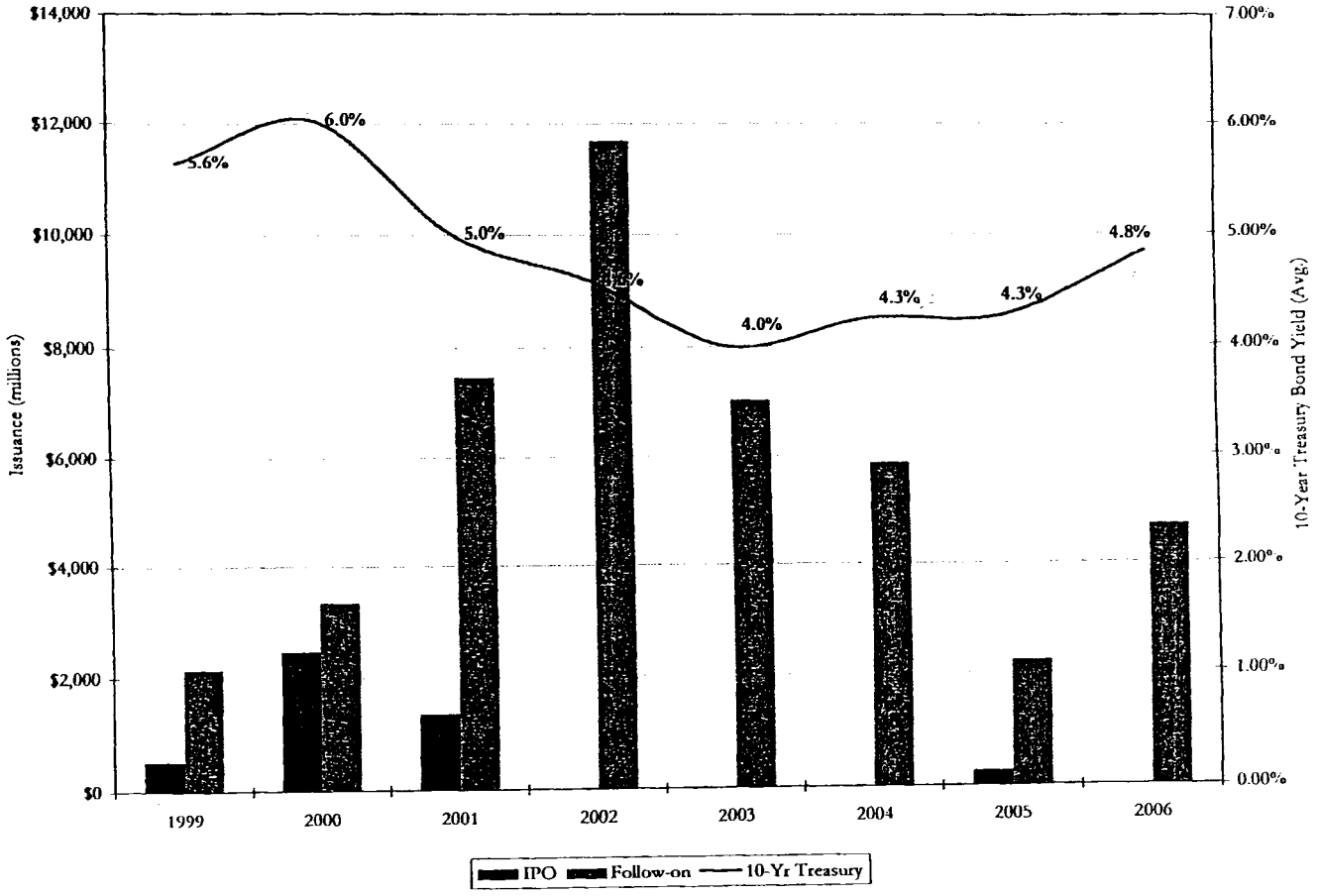
(a) Represents mean total compound return over the period, through January 29, 2007.

EDWARDS | CAPITAL MARKETS

HEARING EXHIBIT - 00001130

EQUITY CAPITAL MARKETS
UTILITY EQUITY OFFERINGS

Heavy common stock issuance in 2001 and 2002 reflects issuers, primarily energy merchants, trying to bolster credit ratings. Issuance dropped off in 2005 and 2006 from the heavy levels seen earlier this decade.



Sources: Securities Data Corp and FactSet.

EDWARDS CAPITAL MARKETS

HEARING EXHIBIT - 00001131

EQUITY CAPITAL MARKETS

UTILITY COMMON STOCK OFFERINGS

PRICING ANALYSIS

Since the beginning of 2004, issuers have experienced less price volatility when issuing common stock compared to previous years.

Issue Date	Issuer	Principal Amount ($ mil)	Price (30 Days Prior)	Launch Price	Last Sale	Offer Price	Current Price 1/29/2007	Change in Pricing From: 30 Days Prior	Change in Pricing From: Launch	Change in Pricing From: Last Sale	Gross Spread
12/12/2006	Avista Corp	$79.2	$26.46	$26.11	$26.12	$25.05	$24.82	-5.3%	-4.1%	-4.1%	1.92%
12/07/2006	Consolidated Water Company	43.0	26.23	26.75	25.25	24.90	25.62	-5.1%	-6.9%	-1.4%	5.00%
12/07/2006	Atmos Energy	173.3	31.27	32.77	32.07	31.50	31.08	0.7%	-3.9%	-1.8%	3.50%
12/06/2006	PNM Resources	154.0	29.28	31.25	30.79	30.79	30.47	5.2%	-1.5%	0.0%	3.50%
11/30/2006	The York Water Company	11.5	19.50	18.65	17.90	17.90	18.06	-8.2%	-4.0%	0.0%	4.00%
11/15/2006	ChesapeakeUtilities Corp.	18.1	30.66	30.31	30.25	30.11	29.31	-1.8%	-0.7%	-0.5%	3.74%
11/9/2006	NRG Energy, Inc.	230.1	46.30	NA	NA	NA	NA	NA	NA	NA	NA (a)
11/2/2006	Middlesex Water Company	24.0	19.43	18.83	18.46	18.46	18.39	-5.0%	-2.0%	0.0%	3.79%
10/6/2006	California Water Service Group	73.5	37.04	38.01	37.57	36.75	39.43	-0.8%	-3.3%	-2.2%	3.75%
10/4/2006	ITC Holdings Corp.	412.8	34.27	31.39	31.91	31.91	42.79	-6.9%	1.7%	0.0%	4.50%
9/20/2006	Consolidated Edison, Inc.	446.5	45.41	NA	NA	NA	NA	NA	NA	NA	NA (a)
8/23/2006	NRG Energy, Inc.	417.3	48.00	NA	NA	NA	NA	NA	NA	NA	NA (a)
8/14/2006	Cleco Corporation	142.5	23.14	24.53	24.30	23.75	25.11	2.6%	-3.2%	-2.3%	3.75%
8/10/2006	Aqua America, Inc.	79.3	22.71	23.31	22.75	22.65	22.39	-0.3%	-2.8%	-0.4%	3.50%
8/9/2006	NRG Energy, Inc.	817.0	47.90	NA	NA	NA	NA	NA	NA	NA	NA (a)
8/9/2006	Sierra Pacific Resources Corp.	280.6	13.64	NA	NA	NA	NA	NA	NA	NA	NA (a)
06/15/2006	Empire District Electric Co.	76.8	22.30	21.50	20.77	20.28	23.75	-9.1%	-5.7%	-2.4%	4.25%
6/7/2006	Aqua America, Inc.	39.0	23.05	22.60	22.31	22.31	22.39	-3.2%	-1.3%	0.0%	3.65%
5/17/2006	Great Plains Energy Incorporated	173.7	28.07	28.49	27.61	27.50	31.21	-2.0%	-3.5%	-0.4%	3.25%
1/25/2006	NRG Energy, Inc.	1,016.7	46.22	47.50	49.25	48.75	58.60	5.5%	2.6%	-1.0%	3.00%
	Average	$235.4						-2.2%	-2.6%	-1.1%	3.67%
	Adjusted Average	$204.5						-2.3%	-2.6%	-0.9%	3.71%
12/06/2005	Northeast Utilities	$439.1	$18.05	$18.88	$19.09	$19.09	$27.43	5.8%	1.1%	0.0%	3.25%
11/15/2005	WPS Resources Corp.	247.0	53.10	56.36	53.70	53.70	53.15	1.1%	-4.7%	0.0%	3.25%
10/26/2005	Puget Energy, Inc.	312.0	22.98	21.31	21.31	20.80	24.66	-9.5%	-2.4%	-2.4%	0.63% (a)
08/09/2005	SEMCO Energy, Inc.	31.3	5.97	6.54	6.55	6.32	6.07	5.9%	-3.4%	-3.5%	4.00%
07/26/2005	ITC Holdings Corp.	287.5	IPO	NA	NA	23.00	42.79	NA	NA	NA	6.30%
06/28/2005	Pennichuck Corporation	16.4	19.57	19.54	19.65	19.50	21.25	-0.3%	-0.2%	-0.8%	4.97%
04/27/2005	Pinnacle West Capital Corp.	222.6	42.12	42.96	42.48	42.00	50.75	-0.3%	-2.2%	-1.1%	3.25%
03/30/2005	CMS Energy Corporation	245.0	12.14	13.00	12.50	12.25	16.73	0.9%	-5.8%	-2.0%	3.50%
03/23/2005	PNM Resources, Inc.	91.0	25.67	27.54	26.76	26.76	30.47	4.2%	-2.8%	0.0%	3.25%
02/07/2005	Southern Union Co.	343.0	21.23	24.15	24.15	23.00	27.07	8.3%	-4.8%	-4.8%	3.04% (a)
	Average	$223.5						1.8%	-2.8%	-1.6%	3.54%
	Adjusted Average	$222.4						2.5%	-2.9%	-1.4%	3.56%

Note: Excludes pure energy merchants, but does include those companies that have an ownership stake in a utility (i.e. Dynegy).
Note: Bolding indicates A.G. Edwards managed offering. Yellow indicates A.G. Edwards lead managed offering.
(a) Overnight.

EDWARDS. | CAPITAL MARKETS

HEARING EXHIBIT - 00001132

EQUITY CAPITAL MARKETS
FPU TRADING HISTORY

Price per Share	2005 Volume	2005 %	2006 Volume	2006 %	2007 (a) Volume	2007 (a) %	2005-2007(a) Volume	2005-2007(a) %
16.00 - 17.00	136,500	100.0%					136,500	100.0%
15.00 - 16.00	196,450	89.3%					196,450	93.7%
14.00 - 15.00	396,950	73.9%	143,900	100.0%			540,850	84.6%
13.00 - 14.00	120,650	42.9%	544,300	82.7%	17,200	100.0%	682,150	59.7%
12.00 - 13.00	236,850	33.4%	127,700	17.2%	40,100	70.0%	404,650	28.2%
11.00 - 12.00	190,050	14.9%	15,400	1.9%			205,450	9.5%
Total Shares for Period	1,277,450		831,300		57,300		2,166,050	
Annualized Total Shares					721,190			
% of Cumulative Total Traded		59.0%		38.4%		2.6%		100.0%
% Traded of Current Shares Out. (b)		21.3%		13.8%		1.0%		
Weighted Average Share Price	$13.96		$13.48		$12.80		$13.74	

$12.06 Closing Price 1/29/2007.

(a) Through January 29, 2007.
(b) 6,006,299 total shares outstanding as of October 26, 2006 as reported on Form 10-Q for the period ending September 30, 2006.

EDWARDS. CAPITAL MARKETS

HEARING EXHIBIT - 00001133

EQUITY CAPITAL MARKET
FPU SHAREHOLDER ANALYSIS

Institutions (a)	Shrs. Held	% of Total
GAMCO Investors	613,562	10.22%
Dimensional Fund Advisors, Inc.	186,447	3.10%
Keeley Asset Management Corp.	173,000	2.88%
Wachovia Securities LLC	154,400	2.57%
First Manhattan Co.	141,437	2.36%
Evergreen Investment Management Co., Inc.	141,142	2.35%
AXA Rosenberg Investment Management LLC	41,790	0.70%
Crow Point Partners LLC	25,000	0.42%
Colorado Public Employees' Retirement Association	23,100	0.39%
Voyageur Asset Management, Inc.	18,000	0.30%
Other Institutions	66,307	1.10%
Total Institutions Holdings	1,584,185	26.38%

Directors and Officers (a) (b)	Title	Shrs. Held	% of Total
Ellen Terry Benoit	Director	220,948	3.68%
Paul Maddock, Jr.	Director	40,103	0.67%
John English	CEO/President/Director	27,234	0.45%
George Bachman	CFO/Principal Accounting Officer/Corporate Secretary/Treasur	9,432	0.16%
Richard Hitchins	Director	6,355	0.11%
Charles Stein	COO/Senior V.P.	1,736	0.03%
Troy Maschmeyer, Jr.	Director	1,000	0.02%
Dennis Hudson, III	Director	598	0.01%
Total Directors & Officers Holdings		307,406	5.12%
5% Beneficial Holders			
Atlee Kohl	Trust	336,334	5.60%

Summary		
Insider Holdings		
5% Beneficial Holders	336,334	5.60%
Directors and Officers as a Group	307,406	5.12%
	643,740	10.72%
Public Holdings		
Institutional	1,584,185	26.38%
Retail	3,778,374	62.91%
	5,362,559	89.28%
Total Shares Outstanding (c)	6,006,299	100.00%

(a) Source: FactSet Research Systems, Company Website and Company Filings
(b) Does not include options.
(c) Based on shares outstanding on October 26, 2006 as reported on form 10-Q for the period ending September 30, 2006.

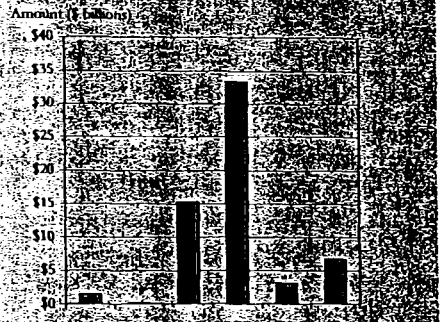
EDWARDS | CAPITAL MARKETS

HEARING EXHIBIT - 00001134

RECENT DEBT OFFERINGS IN THE UTILITY SECTOR

1/1/05 - PRESENT

Since January 2005, a number of issuers have brought large deals to the market, totaling approximately $60 billion.



Issue Date	Issuer	Business Description	Security Type	Principal Amount ($ mil)	Coupon (%)	Treasury Spread	Maturity	Gross Spread (%)	Credit Ratings Moody's	Credit Ratings S&P	144A
AAA											
12/12/06	Avista Corp	Pvd electric,gas svcs	Fst Mtg Bonds	150.0	5.700	110	07/01/37	0.875	Aaa	AAA	
12/08/06	Georgia Power Co(Southern Co)	Electric utility	Sr Unsecurd Nts	150.0	5.650	105	12/15/40	0.315	Aaa	AAA	
10/13/06	Vectren Utility Holdings Inc	Pvd natural gas distn svcs	Insured Notes	100.0	5.950	102	10/01/36	Market	Baa1	AAA	
06/15/06	Piedmont Natural Gas Co Inc	Gas utility	Sr Ins Qrt Nts	200.0	6.250	114	06/01/36	Market	Aaa	AAA	
06/07/06	Alabama Power(Southern Co Inc)	Provide electricity supply	Senior Notes	150.0	6.375	127	06/15/46	3.150	Aaa	AAA	
04/03/06	Delta Natural Gas	Gas utility	Insured Notes	40.0	5.750	88	04/01/21	0.024	NR	AAA	
01/13/06	Alabama Power(Southern Co Inc)	Provide electricity supply	Sr Ins Qrt Nts	100.0	5.750	123	01/15/36	Market	Aaa	AAA	
08/08/05	Washington Gas and Electric	Electric and gas utility	Medium-Term Nts	40.5	5.440	86	08/11/25	na	Aaa	AAA	Yes
06/15/05	Entergy-New Orleans Inc	Electric utility	Fxd/Straight Bd	30.0	4.980	109	07/01/10	0.600	Aaa	AAA	
04/12/05	Georgia Power Co(Southern Co)	Electric utility	Notes	125.0	5.800	110	04/15/35	0.875	A2	AAA	
01/20/05	Cascade Natural Gas Corp	Pvd natural gas distn svcs	Insured Notes	30.0	5.250	60	02/01/35	3.150	Aaa	AAA	
01/13/05	Georgia Power Co(Southern Co)	Electric utility	Senior Notes	250.0	5.700	96	01/15/45	3.150	Aaa	AAA	
AA											
03/16/06	WGL Holdings Inc	Market natural gas	Medium-Term Nts	25.0	5.781	103	03/15/36	0.750	A2	AA-	
01/12/06	WGL Holdings Inc	Market natural gas	Sr Unsecurd Nts	6.0	5.700	108	01/18/36	0.450	A2	AA-	
01/12/06	WGL Holdings Inc	Market natural gas	Medium-Term Nts	19.0	5.700	108	01/18/36	0.750	A2	AA-	
A											
01/11/07	Southern Co Inc	Electric utility holding co	Sr Unsecurd Nts	500.0	5.300	60	01/15/12	na	A3	A-	
12/13/06	Public Service Electric & Gas	Electric and gas utility	Secured MTNs	250.0	5.700	107	12/01/36	0.750	A3	A-	
11/28/06	Gulf Power Company	Electric utility	Senior Notes	110.0	5.300	80	12/01/16	0.650	A2	A	
11/28/06	Consolidated Edison Co of NY	Electric,gas and steam utility	Debentures	250.0	5.700	112	12/01/36	0.875	A1	A	
11/28/06	Consolidated Edison Co of NY	Electric,gas and steam utility	Debentures	250.0	5.300	82	12/01/16	0.650	A1	A	
11/27/06	Wisconsin Public Service Corp	Electric,gas utility	Medium-Term Nts	125.0	5.550	95	12/01/36	0.875	Aa2	A+	
11/02/06	Wisconsin Electric Power Co	Elec,gas utility	Debentures	300.0	5.700	99	12/01/36	0.875	A1	A-	
10/03/06	MidAmerican Energy Co	Pvd natl gas distribution svcs	Medium-Term Nts	350.0	5.800	105	10/15/36	na	A2	A-	
09/25/06	Commonwealth Edison Co	Electric utility, uranium mine	Fst Mtg Bonds	115.0	5.950	113	08/15/16	na	Baa2	A-	
09/20/06	Consolidated Edison Co of NY	Electric,gas and steam utility	Debentures	400.0	5.500	83	09/15/16	0.650	A1	A	
09/18/06	PECO Energy Co	Electric and gas utility	F & Ref Mtg Bds	300.0	5.950	103	10/01/36	0.875	A2	A	
09/12/06	UGI Utilities Inc(UGI Corp)	Electric utility	Notes	100.0	6.206	130	09/30/36	Market	A3	A	Yes
09/12/06	UGI Utilities Inc(UGI Corp)	Electric utility	Notes	175.0	5.763	98	09/30/16	Market	A3	A	Yes
08/21/06	Commonwealth Edison Co	Electric utility, uranium mine	Fst Mtg Bonds	300.0	5.950	115	08/15/16	0.650	Baa2	A-	
07/19/06	National Grid PLC	Electric utility,hldg co	Global Notes	1,000.0	6.300	127	08/01/16	0.450	Baa1	A-	
06/20/06	South Carolina Elec & Gas Co	Electric and gas utility	Fst Mtg Bonds	125.0	6.250	100	07/01/36	0.875	A1	A-	
06/12/06	Consolidated Edison Co of NY	Electric,gas and steam utility	Debentures	400.0	6.200	118	06/15/36	0.875	A1	A	
06/06/06	Laclede Group Inc	Pvd natural gas distn svcs	Fst Mtg Bonds	55.0	6.150	100	06/01/36	0.875	A3	A	
06/05/06	San Diego Gas & Electric Co	Electric and gas utility	Fst Mtg Bonds	250.0	6.000	94	06/01/26	0.875	A1	A+	
05/18/06	Northern States Power Co(New)	Electric, gas utility	Fst Mtg Bonds	400.0	6.250	107	06/01/36	0.875	A2	A-	
05/09/06	Jersey Central Power & Light	Electric services	Fst Mtg Bonds	200.0	6.400	115	05/15/36	na	Baa1	A+	Yes
04/19/06	Florida Power & Light Co(FPL)	Electric utility	Fst Mtg Bonds	300.0	6.200	96	06/01/36	na	Aa3	A	Yes
04/07/06	PPL Electric Utilities Corp	Electric utility	Senior Notes	200.0	7.125	222	04/15/13	na	A3	A-	Yes
03/13/06	Boston Edison Co(NStar)	Electric utility	Debentures	200.0	5.750	95	03/15/36	0.875	A1	A	
03/06/06	Consolidated Edison Co of NY	Electric,gas and steam utility	Debentures	400.0	5.850	102	03/15/36	0.875	A1	A	
02/27/06	Commonwealth Edison Co	Electric utility, uranium mine	Fst Mtg Bonds	325.0	5.900	130	03/15/36	0.875	Baa1	A-	
02/01/06	Alabama Power(Southern Co Inc)	Provide electricity supply	Sr Unsecurd Nts	100.0	5.875	116	02/01/46	3.150	A2	A	
02/01/06	Alabama Power(Southern Co Inc)	Provide electricity supply	Sr Unsecurd Nts	200.0	5.100	60	02/01/11	0.600	A2	A	
01/19/06	Entergy Mississippi Inc	Electric utility	Fst Mtg Bonds	100.0	5.920	148	02/01/16	0.650	Baa2	A-	
01/11/06	Alabama Power(Southern Co Inc)	Provide electricity supply	Sr Unsecurd Nts	200.0	5.200	77	01/15/16	0.650	A2	A	
01/11/06	Florida Power & Light Co(FPL)	Electric utility	Fst Mtg Bonds	400.0	5.650	106	02/01/37	0.875	Aa3	A	
11/30/05	Georgia Power Co(Southern Co)	Electric utility	Senior Notes	250.0	5.250	77	12/15/15	0.650	A2	A	
11/16/05	Vectren Utility Holdings Inc	Pvd natural gas distn svcs	Gtd Sr Unsec Nt	75.0	6.100	145	12/01/35	0.875	Baa1	A-	

EDWARDS. | CAPITAL MARKETS

HEARING EXHIBIT - 00001135

RECENT DEBT OFFERINGS IN THE UTILITY SECTOR

1/1/05 - PRESENT

(CONTINUED)

Issue Date	Issuer	Business Description	Security Type	Principal Amount ($ mil)	Coupon (%)	Treasury Spread	Maturity	Gross Spread (%)	Credit Ratings		144A
									Moody's	S&P	
A *(continued)*											
11/16/05	Vectren Utility Holdings Inc	Pvd natural gas distn svcs	Gtd Sr Unsec Nt	75.0	5.450	100	12/01/15	0.650	Baa1	A-	
11/15/05	Southern CA Gas(Pacific Entp)	Gas utility	Fst Mtg Bonds	250.0	5.750	105	11/15/35	0.875	A1	A+	
11/15/05	Wisconsin Gas Company	Gas utility	Global Notes	90.0	5.900	118	12/01/35	0.875	A1	A-	
11/14/05	San Diego Gas & Electric Co	Electric and gas utility	Fst Mtg Bonds	250.0	5.300	72	11/15/15	0.650	A1	A+	
11/14/05	Consolidated Edison Co of NY	Electric,gas and steam utility	Global Debs	350.0	5.375	80	12/15/15	0.650	A1	A	
11/14/05	Alabama Gas Corp(Energen Corp)	Natural gas distribution svcs	Notes	80.0	5.368	80	12/01/15	0.600	A1	A	
11/08/05	Southern Company Cap Funding	Electric Utility	Senior Notes	250.0	5.750	118	11/15/15	0.650	A3	A-	
10/24/05	MidAmerican Energy Co	Pvd natl gas distribution svcs	Medium-Term Nts	530.0	5.750	110	11/01/35	Market	A3	A-	
10/18/05	Entergy Louisiana Inc	Electric utility	Fst Mtg Bonds	150.0	5.830	150	11/01/10	0.600	Baa1	A-	
09/27/05	Equitable Resources Inc	Pvd gas explor,prod,distr svcs	Fxd/Straight Bd	150.0	5.000	73	10/01/15	na	A2	A	Yes
09/19/05	Florida Power & Light Co(FPL)	Electric utility	Fst Mtg Bonds	300.0	5.400	88	09/01/35	0.875	Aa3	A	
08/23/05	Idaho Power Co(IDACORP Inc)	Electric utility	Fst Mtg Bonds	60.0	5.300	93	08/15/35	0.750	A3	A-	
08/11/05	Gulf Power Company	Electric utility	Senior Notes	60.0	5.650	115	09/01/35	0.875	A2	A	
08/10/05	Entergy Louisiana Inc	Electric utility	Fst Mtg Bonds	100.0	6.300	173	09/01/35	0.875	Baa1	A-	
08/10/05	Entergy Louisiana Inc	Electric utility	Fst Mtg Bonds	100.0	5.560	118	09/01/15	0.650	Baa1	A-	
07/18/05	AmerenUE	Electric and gas utility	Sr Secured Nts	300.0	5.300	90	08/01/37	0.875	A1	A-	
07/14/05	Northern States Power	Electric utility	Fst Mtg Bonds	250.0	5.250	85	07/15/35	0.875	A2	A-	
06/24/05	Mississippi Power	Electric utility	Senior Notes	30.0	5.400	120	07/01/35	0.875	A1	A	
06/22/05	Public Service Electric & Gas	Electric and gas utility	Secured MTNs	250.0	5.250	98	07/01/35	0.750	A3	A-	
06/20/05	Consolidated Edison Co of NY	Electric,gas and steam utility	Debentures	125.0	5.250	90	07/01/35	0.875	A1	A	
06/16/05	Northwest Natural Gas Co	Gas utility	Medium-Term Nts	20.0	4.700	66	06/22/15	Market	A2	A	
06/16/05	Northwest Natural Gas Co	Gas utility	Medium-Term Nts	20.0	4.700	66	06/22/15	Market	A2	A	
06/16/05	Northwest Natural Gas Co	Gas utility	Medium-Term Nts	10.0	5.250	83	06/21/35	0.750	A2	A	
06/08/05	PacifiCorp	Electric utility	Fst Mtg Bonds	300.0	5.250	105	06/15/35	0.875	A3	A-	
06/02/05	Florida Power & Light Co(FPL)	Electric utility	Fst Mtg Bonds	300.0	4.950	75	06/01/35	0.875	Aa3	A	
05/24/05	Potomac Electric Power Co	Electric utility	Fst Mtg Bonds	175.0	5.400	105	06/01/35	0.875	A3	A-	
05/19/05	Entergy Arkansas Inc(Entergy)	Electric utility	Fst Mtg Bonds	100.0	4.500	70	06/01/10	0.600	Baa1	A-	
05/16/05	San Diego Gas & Electric Co	Electric and gas utility	Fst Mtg Bonds	250.0	5.350	88	05/15/35	0.875	A1	A+	
04/11/05	Northern Natural Gas Co	Own,op gas distribution	Notes	100.0	5.125	70	05/15/15	na	A3	A-	Yes
04/04/05	Connecticut Light and Power Co	Electric and gas utility	Fst Mtg Bonds	100.0	5.625	92	04/01/35	0.875	A3	A-	
04/04/05	Connecticut Light and Power Co	Electric and gas utility	Fst Mtg Bonds	100.0	5.000	65	04/01/15	0.650	A3	A-	
03/29/05	KeySpan Corp	Pvd gas,electric svcs	Notes	307.2	5.803	95	04/01/35	na	A3	A	
03/08/05	Alabama Power(Southern Co Inc)	Provide electricity supply	Notes	250.0	5.650	95	03/15/35	0.875	A2	A	
03/07/05	Consolidated Edison Co of NY	Electric,gas and steam utility	Fxd/Straight Bd	350.0	5.300	69	03/01/35	0.875	A1	A	
03/01/05	South Carolina Elec & Gas Co	Electric and gas utility	Fst Mtg Bonds	100.0	5.250	65	03/01/35	0.875	A1	A+	
01/24/05	AmerenUE	Electric and gas utility	Sr Secured Nts	85.0	5.000	63	02/01/20	0.750	A1	A	
01/13/05	Entergy Arkansas Inc(Entergy)	Electric utility	Fst Mtg Bonds	175.0	5.660	93	02/01/25	0.875	Baa1	A-	
01/11/05	Alabama Gas Corp(Energen Corp)	Natural gas distribution svcs	Notes	40.0	5.700	89	01/15/35	3.150	A1	A-	
01/11/05	Alabama Gas Corp(Energen Corp)	Natural gas distribution svcs	Notes	40.0	5.200	39	01/15/20	0.650	A1	A-	
BBB											
01/10/07	Alabama Gas Corp(Energen Corp)	Natural gas distribution svcs	Notes	45.0	5.900	112	01/15/37	0.875	A1	BBB+	
01/08/07	Southwestern Electric Power Co	Electric utility	Senior Notes	250.0	5.550	93	01/15/17	0.650	Baa1	BBB	
12/14/06	New York State Electric & Gas	Electric and gas utility	Senior Notes	100.0	5.650	110	12/15/16	na	Baa1	BBB+	Yes
12/13/06	Commonwealth Edison Co	Electric utility, uranium mine	Fst Mtg Bonds	345.0	5.400	90	12/15/11	0.600	Baa2	BBB	
12/11/06	PPL Energy Supply	Electric utility	Senior Notes	300.0	6.000	145	12/15/36	0.875	Baa2	BBB	
12/04/06	Southern California Edison Co	Electric utility	F & Ref Mtg Bds	400.0	5.550	105	01/15/37	0.875	A2	BBB+	
12/04/06	Cleveland Elec Illuminating	Electric utility	Global Notes	300.0	5.950	145	12/15/36	0.875	Baa3	BBB	
11/28/06	WPS Resources Corp	Electric and gas utility	Jr Subord Notes	300.0	Floats	160	12/01/66	1.000	A2	BBB+	
11/13/06	Southern Power Co	Electric utility	Sr Med Term Nts	200.0	6.375	167	11/15/36	0.875	Baa1	BBB+	
11/13/06	Toledo Edison Co	Electric utility	Senior Notes	300.0	6.150	145	06/15/37	0.875	Baa3	BBB-	

EDWARDS. | CAPITAL MARKETS

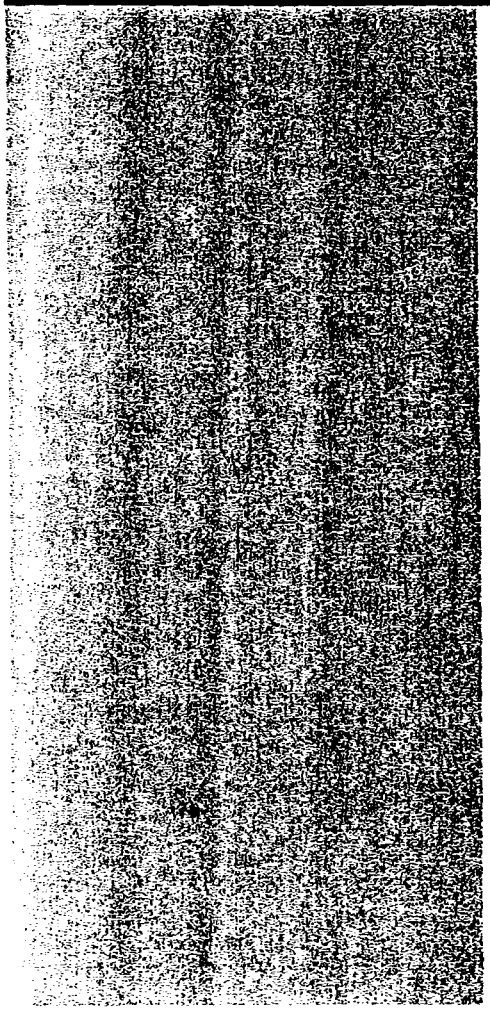
HEARING EXHIBIT - 00001136

HEARING EXHIBIT - 00001137

RECENT DEBT OFFERINGS IN THE UTILITY SECTOR

1/1/05 - PRESENT

(CONTINUED)



Issue Date	Issuer	Business Description	Security Type	Principal Amount ($ mil)	Coupon (%)	Treasury Spread	Maturity	Gross Spread (%)	Credit Ratings Moody's	Credit Ratings S&P	144A
BBB (continued)											
11/09/06	Dominion Resources Inc	Elec,gas utility;hldng co	Senior Notes	250.0	5.600	97	11/15/16	0.650	Baa2	BBB	
11/09/06	Indiana Michigan Power	Electric utility holding co	Global Bonds	400.0	6.050	137	03/15/37	0.875	Baa2	BBB	
11/09/06	Dominion Resources Inc	Elec,gas utility;hldng co	Float Rate Nts	400.0	Floats	na	11/14/08	0.250	Baa2	BBB	
10/16/06	Potomac Edison Co	Electric and gas utility	Notes	100.0	5.800	105	10/15/16	na	Baa2	BBB-	
10/11/06	Baltimore Gas and Electric Co	Electric and gas utility	Notes	400.0	5.900	115	10/01/16	na	Baa2	BBB+	Yes
10/11/06	Baltimore Gas and Electric Co	Electric and gas utility	Notes	300.0	6.325	115	10/01/36	na	Baa2	BBB+	Yes
10/04/06	ITC Holdings Corp	Elec utility	Senior Notes	255.0	6.375	167	09/30/36	na	Baa3	BBB-	Yes
10/04/06	ITC Holdings Corp	Elec utility	Senior Notes	255.0	5.875	132	09/30/16	na	Baa3	BBB-	Yes
10/03/06	Southwestern Public Service Co	Electric and gas utility	Senior Notes	250.0	6.000	124	10/01/36	0.875	Baa1	BBB	
10/03/06	Southwestern Public Service Co	Electric and gas utility	Senior Notes	200.0	5.600	98	10/01/16	0.650	Baa1	BBB	
10/02/06	IPL	Electric utility	Sr Secured Nts	158.8	6.050	135	10/01/36	na	Baa1	BBB-	Yes
09/13/06	Puget Energy Inc	Pvd electric svcs	Fst Mtg Bonds	300.0	6.274	140	03/15/37	0.875	Baa2	BBB	
09/06/06	NorthWestern Corp	Electric,gas utility	Fst Mtg Bonds	150.0	6.040	124	09/01/16	na	Baa3	BBB-	Yes
08/14/06	Energy East Corp	Electric utility	Notes	250.0	6.750	168	07/15/36	0.875	Baa2	BBB	
08/07/06	Public Service Co of Oklahoma	Electric utility	Senior Notes	150.0	6.150	125	08/10/16	0.650	Baa1	BBB	
08/03/06	Hawaiian Electric Industries	Electric utility; holding co	Medium-Term Nts	100.0	6.141	124	08/15/11	0.500	Baa2	BBB	
07/31/06	Arizona Public Service Co	Electric utility	Notes	150.0	6.875	124	08/01/36	0.875	Baa2	BBB-	
07/31/06	Arizona Public Service Co	Electric utility	Notes	250.0	6.250	131	08/01/16	0.650	Baa2	BBB-	
07/18/06	Energy East Corp	Electric utility	Notes	250.0	6.750	160	07/15/36	0.875	Baa2	BBB	
07/13/06	PPL Energy Supply	Electric utility	Sr Unsecurd Nts	150.0	6.200	120	05/15/16	0.650	Baa2	BBB	
07/13/06	PPL Energy Supply	Electric utility	Senior Notes	250.0	na	na	07/15/46	3.150	baa2	BBB	
06/23/06	Puget Energy Inc	Pvd electric svcs	Senior Notes	250.0	6.724	147	06/15/36	0.875	Baa2	BBB	
06/21/06	Ohio Edison	Electric utility	Senior Notes	350.0	6.875	165	07/15/36	0.875	Baa2	BBB-	
06/21/06	Ohio Edison	Electric utility	Senior Notes	250.0	6.400	125	07/15/16	0.650	Baa2	BBB-	
06/07/06	Illinois Power Co	Pvd energy delivery svcs	Notes	75.0	6.250	125	06/15/16	na	Baa2	BBB+	
06/07/06	Ohio Power Company	Electric utility	Senior Notes	350.0	6.000	101	06/01/16	0.650	A3	BBB	
06/06/06	PSI Energy Inc	Own and op elec power plants	Debentures	325.0	6.050	105	06/15/16	0.650	Baa1	BBB	
06/06/06	Xcel Energy Inc	Electric,gas utility	Senior Notes	300.0	6.500	140	07/01/36	0.875	Baa1	BBB-	
06/01/06	Connecticut Light and Power Co	Electric and gas utility	F&R Mtg Notes	250.0	6.350	108	06/01/36	0.875	A3	BBB+	
05/23/06	DTE Energy Co	Elec utility;hldg co	Senior Notes	300.0	6.350	130	06/01/16	0.650	Baa2	BBB-	
05/17/06	Detroit Edison Co(DTE Energy)	Electric and gas utility	Senior Notes	250.0	6.625	138	06/01/36	0.875	A3	BBB+	
05/15/06	CenterPoint Energy Inc	Electric utility	Sr Unsecurd Nts	325.0	6.150	20	05/01/16	0.650	Baa3	BBB	
05/15/06	PPL Energy Supply	Electric utility	Sr Unsecurd Nts	300.0	6.200	108	05/15/16	0.650	Baa2	BBB	
04/05/06	Appalachian Power Co	Electric utility	Senior Notes	250.0	6.375	140	04/01/36	0.875	Baa2	BBB	
04/05/06	Appalachian Power Co	Electric utility	Senior Notes	250.0	5.550	80	04/01/11	0.600	Baa2	BBB	
03/21/06	International Transmission Co	Op electric transmission lines	Fxd/Straight Bd	100.0	6.125	130	03/31/36	na	A3	BBB+	Yes
03/07/06	Union Light Heat & Power Co	Electric and gas utility	Debentures	65.0	6.200	143	03/10/36	na	Baa1	BBB	Yes
03/07/06	Union Light Heat & Power Co	Electric and gas utility	Debentures	50.0	5.750	103	03/10/16	na	Baa1	BBB	Yes
01/24/06	Southern California Edison Co	Electric utility	Fst Mtg Bonds	150.0	Floats	na	02/02/09	0.875	A3	BBB+	
01/24/06	Southern California Edison Co	Electric utility	Fst Mtg Bonds	350.0	5.625	106	02/01/36	0.350	A3	BBB+	
01/10/06	Virginia Electric & Power Co	Electric utility	Senior Notes	550.0	6.000	140	01/15/36	0.875	A3	BBB	
01/10/06	Virginia Electric & Power Co	Electric utility	Senior Notes	450.0	5.400	100	01/15/16	0.650	A3	BBB	
01/10/06	Progress Energy Inc	Pvd elec svcs	Senior Notes	300.0	5.625	123	01/15/16	0.650	Baa2	BBB-	
01/10/06	Progress Energy Inc	Pvd elec svcs	Flt Senior Nts	100.0	Floats	na	01/15/10	0.475	Baa2	BBB-	
01/04/06	Oklahoma Gas & Electric Co	Electric utility	Sr Unsecurd Nts	110.0	5.750	120	01/15/36	0.875	A2	BBB+	
01/04/06	Oklahoma Gas & Electric Co	Electric utility	Sr Unsecurd Nts	110.0	5.150	80	01/15/16	0.650	A2	BBB+	
12/15/05	Southern Connecticut Gas	Gas utility	Mdm-Term Fl Nts	25.0	Floats	na	06/22/07	na	A3	BBB+	Yes
12/15/05	UGI Utilities Inc(UGI Corp)	Electric utility	Senior Notes	50.0	5.640	115	12/01/15	0.625	A3	BBB	
12/07/05	Indiana Michigan Power	Electric utility holding co	Senior Notes	125.0	5.650	115	12/01/15	0.650	Baa2	BBB	
12/07/05	Florida Power Corp	Electric utility	Sr Flt Notes	450.0	Floats	na	11/14/08	0.350	A3	BBB-	

EDWARDS | CAPITAL MARKETS

RECENT DEBT OFFERINGS IN THE UTILITY SECTOR

1/1/05 - PRESENT

(CONTINUED)

Issue Date	Issuer	Business Description	Security Type	Principal Amount ($ mil)	Coupon (%)	Treasury Spread	Maturity	Gross Spread (%)	Credit Ratings		144A
									Moody's	S&P	
BBB (continued)											
12/05/05	AmerenUE	Electric and gas utility	Sr Secured Nts	260.0	5.400	87	02/01/16	0.650	A1	BBB+	
11/30/05	Entergy Gulf States Inc	Electric and gas utility	Fst Mtg Bonds	350.0	Floats	na	12/08/08	na	Baa3	BBB+	Yes
11/30/05	Avista Corp	Pvd electric,gas svcs	Fst Mtg Bonds	50.0	6.250	162	12/01/35	0.875	Baa3	BBB-	
11/28/05	Progress Energy Inc	Pvd elec svcs	Fst Mtg Bonds	400.0	5.250	90	12/15/15	0.650	A3	BBB	
11/22/05	CLECO Power LLC	Pvds electric svc	Notes	150.0	6.500	190	12/01/35	0.875	Baa1	BBB	
11/14/05	Great Plains Energy Inc	Electric utility	Senior Notes	250.0	6.050	130	11/15/35	na	A3	BBB	Yes
11/14/05	Avista Corp	Pvd electric,gas svcs	Fst Mtg Bonds	100.0	6.250	150	12/01/35	0.875	Baa3	BBB-	
11/10/05	Ohio Power Company	Electric utility	Sr Unsecurd Nts	200.0	5.300	80	11/01/10	0.600	A3	BBB	
10/26/05	Southern Connecticut Gas	Gas utility	Medium-Term Nts	25.0	5.778	102	11/01/25	na	A3	BBB+	Yes
10/20/05	PPL Energy Supply	Electric utility	REPS	300.0	5.700	125	10/15/15	0.650	Baa2	BBB	
10/18/05	PSI Energy Inc	Own and op elec power plants	Debentures	350.0	6.120	142	10/15/35	0.875	Baa1	BBB	
10/11/05	Columbus Southern Power Co	Electric utility	Senior Notes	250.0	5.850	133	10/01/35	0.875	A3	BBB	
10/11/05	Monongahela Power Co	Electric utility	Fst Mtg Bonds	70.0	5.375	100	10/15/15	na	Baa3	BBB-	Yes
10/06/05	Puget Energy Inc	Pvd electric svcs	Senior Notes	150.0	5.197	83	10/01/15	0.650	Baa2	BBB	
09/29/05	Detroit Edison Co(DTE Energy)	Electric and gas utility	Senior Notes	250.0	5.700	120	10/01/37	0.875	A3	BBB+	
09/28/05	Public Service Co of NH	Electric utility	Fst Mtg Bonds	50.0	5.600	110	10/05/35	0.875	A3	BBB	
09/26/05	Appalachian Power Co	Electric utility	Senior Notes	250.0	5.800	130	10/01/35	0.875	Baa2	BBB	
09/23/05	Dominion Resources Inc	Elec,gas utility;hldng co	Flt Senior Nts	1,000.0	Floats	na	09/28/07	0.250	Baa1	BBB+	
09/14/05	Public Svc Enterprise Grp Inc	Electric,gas utility	Float Rate Nts	375.0	Floats	na	09/21/08	0.350	Baa2	BBB-	
09/07/05	NiSource Inc	Electric,gas,water utility	Notes	550.0	5.450	135	09/16/20	0.750	Baa3	BBB	
09/07/05	NiSource Inc	Electric,gas,water utility	Notes	450.0	5.250	115	09/15/17	0.675	Baa3	BBB	
08/29/05	Cascade Natural Gas Corp	Pvd natural gas distn svcs	Notes	15.0	5.210	66	09/01/20	0.700	Baa1	BBB+	
08/17/05	Arizona Public Service Co	Electric utility	Notes	250.0	5.500	112	09/01/35	0.875	Baa1	BBB	
08/11/05	Duquesne Light Holdings	Elec utility hldg co	Senior Notes	120.0	6.250	175	08/15/35	0.875	Baa3	BBB-	
08/11/05	Duquesne Light Holdings	Elec utility hldg co	Senior Notes	200.0	5.500	122	08/15/15	0.650	Baa3	BBB-	
08/09/05	Potomac Edison Co	Electric and gas utility	Fst Mtg Bonds	145.0	5.125	82	08/15/15	na	Baa2	BBB-	Yes
08/08/05	Western Massachusetts Electric	Electric utility	Sr Unsecurd Nts	50.0	5.240	84	08/01/15	0.650	Baa2	BBB	
08/08/05	Consumers Energy Co	Electric,gas utility	Fst Mtg Bonds	175.0	5.800	123	09/15/35	0.875	Baa3	BBB-	
07/18/05	Interstate Power & Light Co	Elec utility	Senior Debs	50.0	5.500	114	07/15/25	0.875	Baa1	BBB	
07/13/05	Central Maine Power Co	Electric utility	Medium-Term Nts	25.0	5.430	103	07/18/35	na	A3	BBB+	Yes
07/12/05	Entergy Gulf States Inc	Electric and gas utility	Fst Mtg Bonds	100.0	5.120	120	08/01/10	0.600	Baa3	BBB+	
07/11/05	Dominion Resources Inc	Elec,gas utility;hldng co	Sr Unsecurd Nts	200.0	5.950	146	06/15/35	0.875	Baa1	BBB+	
07/11/05	Dominion Resources Inc	Elec,gas utility;hldng co	Sr Unsecurd Nts	500.0	5.150	105	07/15/15	0.650	Baa1	BBB+	
06/29/05	CLECO Power LLC	Pvds electric svc	Senior Notes	50.0	4.950	100	07/15/15	0.650	Baa1	BBB	
06/27/05	Westar Energy Inc	Electric utility	Fst Mtg Bonds	150.0	5.875	170	07/15/36	0.875	Baa3	BBB-	
06/27/05	Westar Energy Inc	Electric utility	Fst Mtg Bonds	250.0	5.100	123	07/15/20	0.750	Baa3	BBB	
06/23/05	Southwestern Electric Power Co	Electric utility	Senior Notes	150.0	4.900	95	07/01/15	0.650	Baa1	BBB	
06/22/05	Empire District Electric Co	Electric,water utility	Notes	40.0	5.800	156	07/01/35	0.875	Baa2	BBB-	
06/20/05	Southern California Edison Co	Electric utility	Fst Mtg Bonds	350.0	5.350	97	07/15/35	0.875	A3	BBB+	
06/15/05	Dominion Resources Inc	Elec,gas utility;hldng co	Notes	300.0	5.950	150	06/15/35	0.875	Baa1	BBB+	
06/15/05	Dominion Resources Inc	Elec,gas utility;hldng co	Notes	300.0	4.750	87	12/15/10	0.600	Baa1	BBB+	
06/14/05	ONEOK Inc	Pvd gas purchasing svcs	Notes	400.0	6.000	160	06/15/35	0.875	Baa1	BBB+	
06/14/05	ONEOK Inc	Pvd gas purchasing svcs	Notes	400.0	5.200	110	06/15/15	0.650	Baa1	BBB+	
06/07/05	Pepco Holdings Inc	Electric utility	Float Rate Nts	250.0	Floats	na	06/15/10	0.600	Baa2	BBB	
06/06/05	Exelon Corp	Elec,gas utility	Notes	500.0	5.625	140	06/15/35	0.875	Baa2	BBB+	
06/06/05	Exelon Corp	Elec,gas utility	Notes	800.0	4.900	97	06/15/15	0.650	Baa2	BBB+	
06/06/05	Exelon Corp	Elec,gas utility	Notes	400.0	4.450	75	06/15/10	0.600	Baa2	BBB+	
06/02/05	Appalachian Power Co	Electric utility	Senior Notes	250.0	5.000	110	06/01/17	0.675	Baa2	BBB	
06/02/05	Appalachian Power Co	Electric utility	Senior Notes	150.0	4.400	80	06/01/10	0.600	Baa2	BBB	
05/24/05	Delmarva Power & Light	Electric utility	Senior Notes	100.0	5.000	100	06/01/15	0.650	Aa1	BBB	

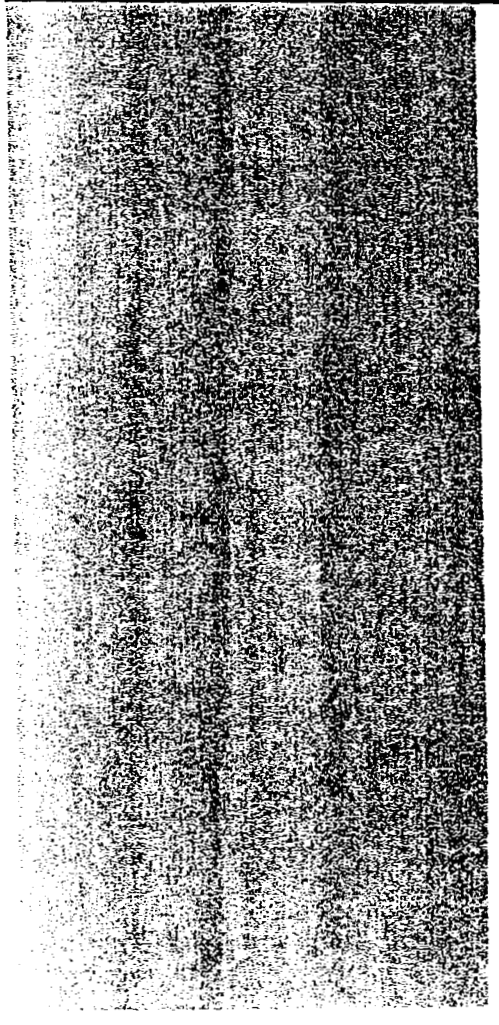
EDWARDS. | CAPITAL MARKETS

HEARING EXHIBIT - 00001138

RECENT DEBT OFFERINGS IN THE UTILITY SECTOR

1/1/05 - PRESENT

(CONTINUED)



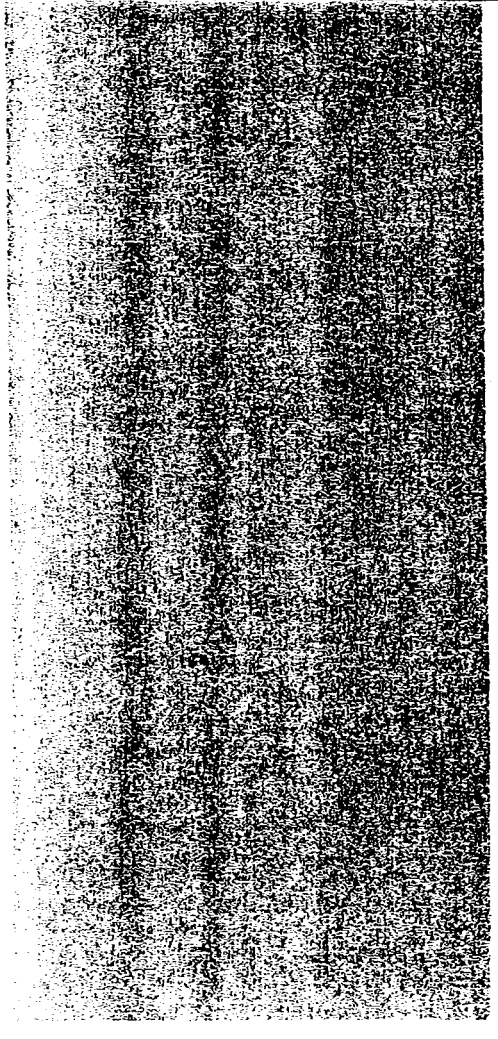
Issue Date	Issuer	Business Description	Security Type	Principal Amount ($ mil)	Coupon (%)	Treasury Spread	Maturity	Gross Spread (%)	Credit Ratings Moody's	Credit Ratings S&P	144A
BBB (continued)											
05/23/05	Puget Energy Inc	Pvd electric svcs	Fst Mtg Bonds	250.0	5.483	110	06/01/35	0.875	Baa2	BBB	
05/17/05	Entergy Gulf States Inc	Electric and gas utility	Notes	200.0	5.700	160	06/01/15	0.650	Baa3	BBB+	
05/17/05	Public Service Co of Oklahoma	Electric utility	Senior Notes	75.0	4.700	93	05/15/11	0.613	Baa1	BBB	
05/11/05	El Paso Electric Co	Electric utility	Senior Notes	400.0	6.000	150	05/15/35	1.125	Baa3	BBB	
05/11/05	Florida Power Corp	Electric utility	Fst Mtg Bonds	300.0	4.500	64	06/01/10	0.600	A2	BBB	
05/09/05	Entergy Louisiana Inc	Electric utility	Fst Mtg Bonds	55.0	4.670	39	06/01/10	0.600	Baa1	BBB	
04/13/05	Consumers Energy Co	Electric,gas utility	Fst Mtg Bonds	150.0	5.650	117	04/13/35	0.750	Baa3	BBB-	
04/06/05	Central Maine Power Co	Electric utility	Medium-Term Nts	25.0	5.780	105	04/11/35	na	A3	BBB+	Yes
04/06/05	Pinnacle West Energy	Electric utility	Float Rate Nts	500.0	Floats	na	04/01/07	na	Baa2	BBB-	Yes
03/21/05	Consumers Energy Co	Electric,gas utility	Fst Mtg Bonds	300.0	5.650	117	04/15/20	0.750	Baa3	BBB-	
03/17/05	Progress Energy Carolinas	Electric utility	Fst Mtg Bonds	200.0	5.700	95	04/01/35	0.875	A3	BBB	
03/17/05	Progress Energy Carolinas	Electric utility	Fst Mtg Bonds	300.0	5.150	70	04/01/15	0.650	A3	BBB	
03/15/05	Scottish Power PLC	Electric utility	Global Notes	350.0	5.810	100	03/15/25	0.875	Baa1	BBB+	
03/15/05	Scottish Power PLC	Electric utility	Global Notes	600.0	5.375	84	03/15/15	0.450	Baa1	BBB+	
03/15/05	Scottish Power PLC	Electric utility	Global Notes	550.0	4.910	70	03/15/10	0.350	Baa1	BBB+	
03/01/05	SCANA Corp	Electric and gas utility	Mdm-Term Fl Nts	100.0	Floats	na	03/01/08	0.350	A3	BBB+	
02/16/05	FPL Energy Inc	Elec utility	Sr Sec Bonds	365.0	5.608	127	03/10/24	na	Baa3	BBB-	Yes
02/03/05	Entergy Gulf States Inc	Electric and gas utility	Fst Mtg Bonds	85.0	6.180	160	03/01/35	0.875	Baa3	BBB	
02/02/05	Detroit Edison Co(DTE Energy)	Electric and gas utility	Fst Mtg Bonds	200.0	4.800	68	02/15/15	na	A3	BBB+	Yes
02/02/05	Detroit Edison Co(DTE Energy)	Electric and gas utility	Fst Mtg Bonds	200.0	5.450	87	02/15/35	na	A3	BBB+	Yes
01/18/05	Appalachian Power Co	Electric utility	Fxd/Straight Bd	200.0	4.950	76	02/01/15	0.650	Baa1	BBB	
01/13/05	Consumers Energy Co	Electric,gas utility	Fst Mtg Bonds	250.0	5.150	100	02/15/17	0.675	Baa3	BBB-	
01/12/05	Westar Energy Inc	Electric utility	Fst Mtg Bonds	125.0	5.950	123	01/01/35	0.875	Ba1	BBB-	
01/12/05	Westar Energy Inc	Electric utility	Fst Mtg Bonds	125.0	5.150	93	01/01/17	0.675	Ba1	BBB-	
01/11/05	Southern California Edison Co	Electric utility	Fst Mtg Bonds	250.0	5.550	79	01/15/36	0.875	A3	BBB	
01/11/05	Southern California Edison Co	Electric utility	Fst Mtg Bonds	400.0	5.000	76	01/15/16	0.663	A3	BBB	
BB											
10/18/06	Southern Union Co	Gas utility	Global Notes	600.0	Floats	231	11/01/66	1.500	Ba1	BB+	
09/26/06	Dominion Resources Inc	Elec,gas utility;hldng co	Jr Subord Notes	500.0	Floats	178	09/30/66	1.500	Baa3	BB+	
06/20/06	Dominion Resources Inc	Elec,gas utility;hldng co	Jr Subord Notes	300.0	Floats	240	06/30/66	1.500	Baa3	BB+	
05/09/06	Nevada Power Co	Electric utility	Notes	250.0	6.500	141	05/15/18	na	Ba1	BB	Yes
03/29/06	Nevada Power Co	Electric utility	Fxd/Straight Bd	250.0	6.650	170	04/01/36	na	Ba1	BB	Yes
03/20/06	Sierra Pacific Power Co	Electric,water and gas utility	Mortgage Notes	300.0	6.000	135	05/15/16	na	Ba1	BB	Yes
06/21/05	Kansas Gas & Electric Co	Electric utility	Secured Notes	320.0	5.647	127	03/29/21	na	Baa3	BB-	Yes
06/02/05	TECO Energy Inc	Elec,gas utility	Sr Flt Notes	100.0	Floats	na	05/01/10	na	Ba2	BB	Yes
05/23/05	TECO Energy Inc	Elec,gas utility	Senior Notes	200.0	6.750	296	05/01/15	na	Ba2	BB	Yes
B											
11/08/06	NRG Energy Inc	Electric,gas utility	Senior Notes	1,100.0	7.375	273	01/15/17	1.500	B1	B	
03/29/06	Dynegy Holdings	produce & sell electric energy	Senior Notes	750.0	8.375	350	05/01/16	na	B2	B-	Yes
01/26/06	NRG Energy Inc	Electric,gas utility	Global Notes	1,200.0	7.250	277	02/01/14	1.875	B1	B-	
01/26/06	NRG Energy Inc	Electric,gas utility	Global Notes	2,400.0	7.375	290	02/01/16	1.875	B1	B-	
12/08/05	CMS Energy Corp	Electric,gas utility	Senior Notes	125.0	6.875	240	12/15/15	1.750	B1	B+	
10/27/05	Colorado Interstate Gas Co	Gas utility holding co	Senior Notes	400.0	6.800	225	11/15/15	na	B1	B	Yes
08/10/05	Sierra Pacific Resources Corp	Electric and gas utility	Senior Notes	225.0	6.750	235	08/15/17	na	B2	B-	Yes
03/02/05	Colorado Interstate Gas Co	Gas utility holding co	Senior Notes	200.0	5.950	158	03/15/15	na	B1	B-	Yes
01/13/05	CMS Energy Corp	Electric,gas utility	Senior Notes	150.0	6.300	238	02/01/12	1.750	B1	B+	

EDWARDS | CAPITAL MARKETS

HEARING EXHIBIT - 00001139

A.G. EDWARDS MANAGED OFFERINGS

UTILITY PRIVATE/RULE 144A OFFERINGS



Date		Client	Business Description	Transaction Description	Transaction Size ($ mil)
Jan	2007	San Jose Water Company	Water utility	Private Placement	$20.0
Nov	2006	Canyon Lake Water Service Company	Water utility	Private Placement	15.0
Dec	2005	Vectren Capital Corporation	Diversified energy company	Private Placement	125.0
Dec	2004	Southwest Water Company	Water utility	Private Placement	12.0
Oct	2004	Southwest Water Company	Water utility	Private Placement	15.0
Jun	2003	Southwest Water Company	Water utility	Private Placement	12.0
Jan	2002	Questar Market Resources, Inc.	Diversified energy company	Notes - 144A	200.0
Nov	2001	Otter Tail Corporation	Diversified energy company	Private Placement	90.0
Sep	2001	California Water Service	Water utility	Private Placement	20.0
Dec	2000	Vectren Capital Corp.	Gas utility	Private Placement	78.0
Aug	2000	Southern Connecticut Gas Co.	Natural gas utility	MTN - 144A	200.0
Feb	2000	E'Town	Water utility	Private Placement	30.0
Dec	1999	Philadelphia Suburban Water Company	Water utility	MTN - 144A	300.0
Jan	1999	Yankee Energy Systems	Gas utility	Private Placement	50.0
Jan	1999	United Water Resources	Water utility	Private Placement	30.0
Oct	1997	United Waterworks Corp.	Water utility	MTN - 144A	75.0
Aug	1997	Connecticut Natural Gas	Natural gas utility	MTN - 144A	75.0
Jun	1997	Philadelphia Suburban Water Company	Water utility	MTN - 144A	150.0

* All listed MTN offerings are based on total program size.

EDWARDS | CAPITAL MARKETS

HEARING EXHIBIT - 00001140

A.G. EDWARDS MANAGED OFFERINGS

UTILITY RETAIL DEBT OFFERINGS

	Aggregate Transaction Data								AGE Retail Distribution		
	Offering Date	Total Bonds Offered	Par Amount (per share)	Amount of Offering (millions)	Maturity	Yield	Standard & Poor's	Moody's	Bonds Distributed	Number of Trans.	Number of States/ Territories Where Trans. Were Made
FPL Group Capital	9/06	14,000,000	25.00	350.00	60 NC5	6.60%	BBB+	A3	NA	NA	NA
Alabama Power Company	2/06	4,000,000	25.00	100.00	40 NC5	5.88%	AAA	Aaa	749,920	1,234	41
Savannah Electric & Power Co.	**12/04**	**1,400,000**	**25.00**	**35.00**	**40 NC5**	**5.75%**	**AAA**	**Aaa**	**NA**	**NA**	**NA**
Alabama Power Company	4/04	6,000,000	25.00	150.00	30 NC5	5.68%	AAA	Aaa	NA	NA	NA
Georgia Power Company	4/03	6,000,000	25.00	150.00	30 NC5	5.90%	A	A2	750,000	1,613	43
Otter Tail Corporation	**9/02**	**40,000**	**1,000.00**	**40.00**	**10 NC3**	**5.63%**	**A**	**A2**	**NA**	**NA**	**NA**
Otter Tail Corporation	**9/02**	**25,000**	**1,000.00**	**25.00**	**30 NC5**	**6.80%**	**AAA**	**Aaa**	**NA**	**NA**	**NA**
CLECO Corporation	5/02	50,000	1,000.00	50.00	10 NC2	6.05%	AAA	Aaa	20,000	NA	NA
Consolidated Edison, Inc.	4/02	13,000,000	25.00	325.00	30 NC5	7.25%	A	A2	1,000,000	2,094	47
Gulf Power Company	**1/02**	**45,000**	**1,000.00**	**45.00**	**10 NC1**	**6.00%**	**AAA**	**Aaa**	**NA**	**NA**	**NA**
Vectren Utility Holdings, Inc.	**10/01**	**4,000,000**	**25.00**	**100.00**	**30 NC5**	**7.25%**	**A-**	**A2**	**1,150,000**	**1,757**	**45**
Gulf Power Company	**10/01**	**75,000**	**1,000.00**	**75.00**	**15 NC3**	**6.10%**	**AAA**	**Aaa**	**25,000**	**NA**	**NA**
Alabama Gas Corporation	**8/01**	**35,000**	**1,000.00**	**35.00**	**30 NC5**	**6.75%**	**AAA**	**Aaa**	**35,000**	**1,728**	**46**
Laclede Gas	**6/01**	**50,000**	**1,000.00**	**50.00**	**15 NC3**	**6.63%**	**AAA**	**Aaa**	**50,000**	**1,897**	**47**
Consolidated Edison Co. of NY	6/01	16,000,000	25.00	400.00	40NC5	7.50%	A+	A1	1,500,000	2,809	47
SEMCO Energy	**6/01**	**60,000**	**1,000.00**	**60.00**	**15NC5**	**8.00%**	**BBB**	**Baa2**	**37,500**	**998**	**NA**
Georgia Power Co.	2/01	100,000	1,000.00	100.00	10 NC3	6.70%	AAA	Aaa	25,000	NA	NA
BellSouth Capital Funding Corp.	7/99	20,000,000	25.00	500.00	40 NC5	7.38%	AAA	Aa1	1,180,000	3,410	47
Michigan Consolidated Gas Co.	6/99	2,200,000	25.00	55.00	40 NC5	6.85%	A	A2	300,000	487	31
Alabama Power	5/99	8,000,000	25.00	200.00	40 NC5	6.75%	AAA	Aaa	500,000	847	45
Tennessee Valley Authority	4/99	14,000,000	25.00	350.00	30NCL	6.50%	AAA	Aaa	1,600,000	2,166	46
Potomac Electric Power Co.	3/99	270,000	1,000.00	270.00	5NC14 mo.	6.00%	A	A1	30,000	NA	NA
Duke Energy Corp.	3/99	8,000,000	25.00	200.00	40NC5	6.60%	AAA	Aaa	750,000	1,227	43
Georgia Power	11/98	8,000,000	25.00	200.00	40NC5	6.60%	AAA	Aaa	1,000,000	NA	NA
Virginia Electric & Power	6/98	6,000,000	25.00	150.00	40NC5	7.15%	A-	A3	600,000	771	44
Tennessee Valley Authority	6/98	20,000,000	25.00	500.00	30NCL	6.75%	AAA	Aaa	1,200,000	1,563	41
Alabama Power	4/98	7,600,000	25.00	190.00	50NC5	7.00%	A	A2	425,000	739	41
Southwestern Bell Telephone Co.	3/98	8,000,000	25.00	200.00	50NC5	6.88%	AA	Aa3	199,393	341	32
Savannah Electric & Power	3/98	30,000	1,000.00	30.00	17NC2	6.63%	A	A2	10,000	NA	NA
Alabama Power	2/98	8,000,000	25.00	200.00	49NC5	7.00%	A	A2	750,000	1,293	35
Georgia Power	1/98	5,800,000	25.00	145.00	49NC5	6.88%	A	A2	400,000	628	34

Bold indicates lead-managed transaction.

EDWARDS. CAPITAL MARKETS

HEARING EXHIBIT - 00001141

A.G. EDWARDS MANAGED OFFERINGS
UTILITY INSTITUTIONAL DEBT OFFERINGS

	Offering Date	Total Amount Offered ($ millions)	Coupon (%)	Term in Years	Spread Over Comparable Treasury (Basis Points)	Ratings	
						Moody's	S&P
Alabama Gas Corporation	**1/07**	**45**	**5.900**	**30**	**122**	**A1**	**BBB+**
Avista Corporation	12/06	150	5.700	30	110	Aaa	AAA
Laclede Gas Co	6/06	55	6.15	30	107	A3	A
Vectren Capital Corporation	**12/05**	**125**	**4.990-5.310**	**5-10**	**52-84**	**Baa1**	**A-**
Alabama Gas Corporation	**11/05**	**80**	**5.368**	**10**	**81**	**A1**	**BBB+**
Avista Corporation	11/05	100	6.250	30	150	Baa3	BBB-
South Jersey Gas Company	**9/05**	**10**	**5.450**	**30**	**103**	**Baa1**	**A-**
Cascade Natural Gas Corporation	**8/05**	**15**	**5.210**	**15**	**105**	**Baa1**	**BBB+**
Alabama Gas Corporation	**1/05**	**40**	**5.200**	**15**	**93**	**A1**	**A-**
South Jersey Gas Company	7/04	40	5.387-6.213	11-30	NA	Baa1	A
Aqua Pennsylvania, Inc.	5/04	87	2.650-6.060	2-24	40-110	NA	AA-
Laclede Gas Co.	4/04	100	6.000	30	80	A3	A
Laclede Gas Co.	4/04	50	5.500	15	110	A3	A
Southern California Gas Co.	12/03	250	4.375	7	60	A1	A+
Wisconsin Public Service	11/03	125	4.800	10	57	Aa2	AA-
Union Electric Company	10/03	200	4.650	10	65	A1	A-
Energen Corporation	9/03	50	5.000	10	110	Baa1	A-
Panhandle Eastern Pipeline Company	8/03	250	6.050	10	155	Baa3	BBB
Panhandle Eastern Pipeline Company	8/03	300	4.800	5	145	Baa3	BBB
South Jersey Gas Company	7/03	86	4.460-4.657	10-30	Variable	Baa1	BBB+
Empire District Electric Co.	6/03	98	4.500	10	138	Baa2	BBB-
Wisconsin Public Service	12/02	150	4.875	10	88	Aa1	AA-
WPS Resources Corp.	**11/02**	**100**	**5.375**	**10**	**152**	**Aa3**	**AA**
Wisconsin Public Service	**8/01**	**150**	**6.125**	**10**	**118**	**Aa1**	**AA**
Energen Corporation	12/00	150	7.625	10	255	Baa1	A-
Oklahoma Gas & Electric	10/00	110	7.125	5	146	A1	A+
Piedmont Natural Gas Co.	9/00	60	7.800	10	196	A2	A
Laclede Gas Co.	**9/00**	**30**	**7.900**	**30**	**185**	**Aa3**	**AA-**
WPS Resources	**11/99**	**150**	**7.000**	**10**	**110**	**Aa3**	**AA**
Alabama Power	8/99	250	7.125	5	120	A2	A
Southern Indiana Gas & Electric	7/99	80	6.720	30-Put 10	66	Aa2	AA
Wisconsin Gas Company	1/99	50	5.500	10	92	Aa2	AA-

Bold indicates lead-managed transaction.

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EDWARDS. CAPITAL MARKETS

HEARING EXHIBIT - 00001142

A.G. EDWARDS MANAGED OFFERINGS

UTILITY INSTITUTIONAL DEBT OFFERINGS

(CONTINUED)

	Offering Date	Total Amount Offered ($ millions)	Coupon (%)	Term in Years	Spread Over Comparable Treasury (Basis Points)	Ratings	
						Moody's	S&P
Wisconsin Public Service	12/98	50	6.080	30	98	Aa2	AA+
Illinois Power	12/98	864	Variable	Variable	Variable	Aaa	AAA
Alabama Power	10/98	225	5.490	7	100	A2	A
Entergy New Orleans	7/98	30	7.000	10	158	Baa2	BBB
Michigan Consolidated Gas	6/98	75	6.200	5	65	A2	A
Energen	1/98	100	7.125	30	120	Baa1	A
Otter Tail Power	11/97	50	6.375	10	73	A1	A+
Wisconsin Gas Company	11/95	65	6.375	10	45	Aa3	AA-
Potomac Electric Power	9/95	100	6.500	10	44	A1	A
Potomac Edison	5/95	65	7.750	30	80	A1	A+
Empire District Electric	10/94	20	8.125	15	40	A1	A-
Potomac Edison	6/94	75	8.000	30	70	Aa3	A+
Public Service Electric & Gas	3/94	175	6.750	12	60	A2	A-
Indianapolis Power & Light	1/94	80	6.050	10	35	Aa2	AA-

Bold indicates lead-managed transaction.

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EDWARDS | CAPITAL MARKETS

HEARING EXHIBIT - 00001143

A.G. EDWARDS MANAGED OFFERINGS
UTILITY CAPITAL SECURITY OFFERINGS

	Aggregate Transaction Data						A.G. Edwards' Retail Distribution Data		
	Offering Date	Total Securities Offered	Amount of Offering (millions)	Dividend Yield	Standard & Poor's	Moody's	Securities Distributed	Number of Trans.	Number of States/ Territories Where Trans. Were Made
DTE Energy Trust II	5/04	4,000,000	$100	7.500%	BBB-	Baa3	850,000	1,599	46
Southern Union Company (b)	10/03	9,200,000	230	7.550%	BB+	Ba2	480,000	532	41
Southwest Gas Capital II	8/03	4,000,000	100	7.700%	BB	Baa3	525,000	463	38
Virginia Power Capital Trust II	8/02	15,400,000	385	7.375%	BBB+	Baa1	1,000,000	1,976	48
Southern Co. Capital Trust VI	7/02	8,000,000	200	7.125%	BBB+	Baa1	1,100,000	1,908	44
DTE Energy Trust I	1/02	7,200,000	180	7.800%	BBB-	Baa3	600,000	982	41
Natl Rural Utilities Coop Fin	10/01	7,000,000	175	7.400	A-	A2	500,000	810	39
Energy East Capital Trust I	7/01	13,800,000	345	8.250	BBB	Baa2	2,000,000	4,126	48
Consumers Energy Co. Financing IV	5/01	5,000,000	125	9.000	BB	Ba1	750,000	1,148	40
Empire District Electric Trust I	**2/01**	**2,000,000**	50	**8.500**	**BBB**	**Baa1**	**998,200**	**1,923**	**47**
Dominion Resources Capital Trust II	1/01	12,000,000	300	8.400	BBB-	Baa1	1,100,000	1,730	47
SEMCO Capital Trust I	**4/00**	**1,600,000**	40	**10.250**	**BB+**	**Baa2**	**400,000**	779	**40**
TXU Europe Capital I	2/00	6,000,000	150	9.750	BBB-	Baa2	825,000	1,240	39
Consumers Energy Co. Financing III	10/99	7,000,000	175	9.250	BB	Ba1	850,000	1,277	38
EIX Trust II	10/99	12,000,000	300	8.600	BBB+	A3	659,960	1,317	45
OGE Energy Capital Trust I	10/99	8,000,000	200	8.375	A-	A3	680,000	1,248	44
EIX Trust I	7/99	20,000,000	500	7.875	BBB+	A3	1,300,000	2,339	47
Met-Ed Capital Trust	5/99	4,000,000	100	7.350	BBB+	Baa1	425,000	870	39
REI Trust I	2/99	15,000,000	375	7.200	BBB	Baa1	1,000,000	1,739	44
Georgia Power Capital Trust IV	2/99	8,000,000	200	6.850	A-	A2	900,000	1,475	40
NorthWestern Capital Financing I	11/98	2,200,000	55	7.200	A	A2	425,000	750	44
Duke Capital Financing Trust II	9/98	14,000,000	350	7.375	A-	Baa1	1,100,000	1,810	45
National Rural Utilities	8/98	8,000,000	200	7.375	A+	A2	650,000	1,101	43
WPSR Capital Trust I	**7/98**	**2,000,000**	50	**7.000**	**AA-**	**A1**	**750,000**	**1,290**	**43**
Enterprise Capital Trust III	6/98	6,000,000	150	7.250	BBB	Baa2	500,000	945	38
BGE Capital Trust I	6/98	10,000,000	250	7.160	A	A2	600,000	1,079	42
Yorkshire Capital Trust I	6/98	11,000,000	275	8.080	BBB	Baa2	500,000	912	41
Duke Capital Financing Trust I	5/98	10,000,000	250	7.375	A-	Baa1	800,000	1,366	42
Potomac Electric Power Co. Trust I	5/98	5,000,000	125	7.375	A-	A1	600,000	1,047	39
PSCO Capital Trust I	5/98	7,760,000	194	7.600	BBB+	Baa1	1,000,000	1,907	45
Detroit Edison Company	4/98	4,004,892	100	7.540	BBB	Baa2	500,000	1,049	41
Gulf Power Capital Trust II	1/98	1,800,000	45	7.000	A	A2	300,000	399	38
Enterprise Capital Trust I	1/98	9,000,000	225	7.440	BBB	Baa2	700,000	1,322	43

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(a) Includes Electric, Gas, and Telephone Utility Issuers. Retail debt transactions are not included.
(b) Non-cumulative preferred stock offering.
Bold indicates lead-managed transaction.

EDWARDS | CAPITAL MARKETS

HEARING EXHIBIT - 00001144

A.G. EDWARDS MANAGED OFFERINGS

UTILITY CAPITAL SECURITY OFFERINGS

(CONTINUED)

	Aggregate Transaction Data						A.G. Edwards' Retail Distribution Data		
	Offering Date	Total Securities Offered	Amount of Offering (millions)	Dividend Yield	Standard & Poor's	Moody's	Securities Distributed	Number of Trans.	Number of States/ Territories Where Trans. Were Made
Consumers Energy Company Fin. II	9/97	4,800,000	120	8.200	BB+	Ba1	750,000	1,204	43
PacifiCorp Capital II	7/97	5,400,000	130	7.700	A-	A3	800,000	1,215	44
PP&L Capital Trust II	6/97	6,000,000	150	8.100	BBB+	Baa1	500,000	766	37
Georgia Power Capital Trust III	6/97	8,000,000	200	7.750	A	A2	500,000	800	38
KCPL Financing I	4/97	6,000,000	150	8.300	A-	A2	600,000	1,361	45
PP&L Capital Trust I	4/97	4,000,000	100	8.200	BBB+	Baa1	550,000	1,374	42
HL&P Capital Trust I	1/97	10,000,000	250	8.125	BBB+	Baa1	640,934	1,282	45
Hawaiian Electric Industries Capital I	1/97	4,000,000	100	8.360	BBB-	Baa3	599,600	1,304	45
NSP Financing I	1/97	8,000,000	200	7.875	A+	A2	411,546	921	44
Gulf Power Capital Trust I	1/97	1,600,000	40	7.625	A	A2	46,763	122	24
Washington Water Power Capital I	1/97	2,400,000	60	7.875	A-	Baa1	250,000	593	41
Enron Capital Trust II	1/97	6,000,000	150	8.125	BBB	Baa3	626,000	1,289	43
Georgia Power Capital Trust II	1/97	7,000,000	175	7.600	A	A2	290,829	666	40
Alabama Power Capital Trust II	1/97	8,000,000	200	7.600	A	A2	192,494	421	33
MidAmerican Energy Financing I	12/96	4,000,000	100	7.980	A	A3	300,000	645	42
Enron Capital Trust I	11/96	8,000,000	200	8.300	BBB	Baa3	1,093,663	2,311	47
U.S. West Financing II	10/96	19,200,000	480	8.250	BBB+	A2	1,450,117	3,085	50
National Rural Utilities	10/96	5,000,000	125	8.000	A+	A2	300,000	567	26
Southwestern Public Service I	10/96	4,000,000	100	7.850	AA-	Aa3	343,768	739	39
Atlantic Capital I	9/96	2,800,000	70	8.250	BBB+	Baa1	350,000	675	37
Georgia Power Capital Trust I	8/96	9,000,000	225	7.750	A	A2	675,000	1,392	35
Entergy Louisiana Capital I	7/96	2,800,000	70	9.000	BBB-	Baa3	400,000	895	37
MCN Financing I	7/96	3,200,000	80	8.625	BBB+	Baa2	550,000	853	45
Sierra Pacific Power Capital I	7/96	1,940,000	49	8.600	BBB+	Baa1	400,000	782	37
PacifiCorp Capital I	6/96	8,680,000	217	8.250	A-	A3	700,000	1,427	44
Tennessee Valley Authority	4/96	20,000,000	500	7.500	NR	NR	1,250,000	2,403	46
Consolidated Edison Co. of NY	2/96	11,000,000	275	7.750	A	A2	700,000	1,536	46
NIPSCO Capital Markets	2/96	3,000,000	75	7.750	BBB+	Baa3	450,000	923	37
Illinois Power Financing	1/96	4,000,000	100	8.000	BBB-	Baa3	600,000	1,235	42
Alabama Power Capital Trust	1/96	3,888,000	97	7.375	A	A2	500,000	1,124	38
Consumers Power Financing	1/96	4,000,000	100	8.360	BB+	Ba1	515,000	1,170	34
IES Utilities	12/95	2,000,000	50	7.875	A-	Baa1	199,700	466	37
PG&E Capital	11/95	12,000,000	300	7.900	A-	A3	1,500,000	3,125	49
Columbus Southern	9/95	3,000,000	75	8.375	BBB+	Baa3	300,000	826	44

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(a) Includes Electric, Gas, and Telephone Utility Issuers. Retail debt transactions are not included.
(b) Non-cumulative preferred stock offering.
Bold indicates lead-managed transaction.

EDWARDS | CAPITAL MARKETS

HEARING EXHIBIT - 00001145

A.G. EDWARDS MANAGED OFFERINGS

UTILITY CAPITAL SECURITY OFFERINGS

(CONTINUED)

	Aggregate Transaction Data						A.G. Edwards' Retail Distribution Data		
	Offering Date	Total Securities Offered	Amount of Offering (millions)	Dividend Yield	Standard & Poor's	Moody's	Securities Distributed	Number of Trans.	Number of States/ Territories Where Trans. Were Made
ComEd Financing I	9/95	8,000,000	200	8.480	BBB-	Baa3	740,000	1,324	38
US West Financing I	9/95	24,000,000	600	7.960	A+	A2	1,714,235	3,946	49
Virginia Power Capital Trust	8/95	5,400,000	135	8.050	A-	A3	539,700	1,378	44
JCP&L Capital, L.P.	5/95	5,000,000	125	8.560	BBB	Baa2	548,600	1,333	42
Southern Union Financing I	5/95	4,000,000	100	9.480	BBB-	Ba1	212,400	449	35
Kentucky Power	4/95	1,600,000	40	8.720	BBB	Baa2	239,800	642	44
Tennessee Valley Authority	3/95	24,000,000	600	8.000	NR	NR	2,484,606	5,938	49
GTE Delaware L.P.	2/95	20,450,000	511	8.750	BBB+	Baa2	1,321,338	3,397	48
MCN Michigan L.P.	10/94	4,000,000	100	9.375	BBB+	Baa2	525,000	1,284	42
GTE Delaware L.P.	10/94	17,000,000	425	9.250	BBB+	Baa2	2,519,933	6,169	48
Illinois Power Capital L.P.	9/94	3,880,000	97	9.450	BBB-	Baa3	290,000	832	40
Met-Ed Capital L.P.	8/94	4,000,000	100	9.000	BBB	Baa2	256,563	634	40
PECO Energy Capital L.P.	7/94	8,850,000	221	9.000	BBB	Baa2	424,916	1,236	43
Penelec Capital, L.P.	6/94	4,200,000	105	8.750	A-	A3	257,298	721	41

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"Quarterly Income Debt Securities" and "QUIDS" are service marks of Goldman Sachs.
(a) Includes Electric, Gas, and Telephone Utility Issuers. Retail debt transactions are not included.
(b) Non-cumulative preferred stock offering.
Bold indicates lead-managed transaction.

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EDWARDS | CAPITAL MARKETS

HEARING EXHIBIT - 00001146

A.G. EDWARDS MANAGED OFFERINGS

UTILITY COMMON STOCK AND EQUITY UNIT OFFERINGS[a]

	Aggregate Distribution Data				A.G. Edwards Retail Distribution Data			
	Offering Date	Total Shares/Units Offered	Offering Price (per share/unit)	Amount of Offering (millions)	Shares/Units Distributed	Number of Transactions	Number of States/ Territories Where Trans. Were Made	AGE Research Rating Prior to Offering
Chesapeake Utilities Corporation	**11/06**	**690,345**	**$30.10**	**$20.8**	**TBD**	**TBD**	**TBD**	**NA**
Middlesex Water Company	11/06	1,495,000	18.46	27.6	TBD	TBD	TBD	NA
California Water Service Group	**8/06**	**2,250,000**	**36.75**	**82.7**	**405,000**	**732**	**37**	**H**
ITC Holdings	10/06	12,937,500	31.91	412.8	TBD	TBD	TBD	B
Cleco Corporation	8/06	6,000,000	23.75	142.5	TBD	TBD	TBD	B
Aqua America, Inc.	8/06	3,500,000	22.65	79.3	TBD	TBD	TBD	B
Empire District Electric	6/06	3,795,000	20.25	76.8	TBD	TBD	TBD	H
Aqua America, Inc.	**6/06**	**1,750,000**	**22.31**	**39.0**	**975,000**	**1,685**	**40**	**H**
Northeast Utilities	12/05	23,000,000	19.09	439.1	400,000	608	36	B
WPS Resources Corp.	11/05	4,600,000	53.70	247.0	322,000	620	33	H
SEMCO Energy, Inc.	8/05	4,945,000	6.32	31.3	75,000	23	4	NA
IDACORP, Inc.	12/04	4,025,000	30.00	120.8	140,000	266	37	NA
Otter Tail Corp.	12/04	3,075,000	25.45	78.3	250,000	500	41	H
Aqua America, Inc.	**11/04**	**1,955,000**	**22.70**	**44.4**	**755,000**	**1,281**	**40**	**H**
MGE Energy, Inc.	**9/04**	**1,265,000**	**31.85**	**40.3**	**570,000**	**993**	**40**	**NA**
Southwest Water Company	**8/04**	**1,825,000**	**11.90**	**21.7**	**777,000**	**666**	**40**	**H**
Southern Union Company	7/04	12,650,000	18.75	237.2	NA	NA	NA	H
Atmos Energy Corporation	7/04	9,939,393	24.75	246.0	350,000	604	42	H
Ameren Corporation	7/04	10,925,000	42.00	458.9	NA	NA	NA	H
California Water Service Group	**6/04**	**1,409,700**	**27.25**	**38.4**	**510,000**	**542**	**46**	**H**
The Laclede Group, Inc.	**5/04**	**1,725,000**	**26.80**	**46.2**	**800,000**	**1,064**	**48**	**H**
Consolidated Edison, Inc.	5/04	14,000,000	37.74	528.4	225,000	569	40	H
Northwest Natural Gas Company	**3/04**	**1,290,000**	**31.00**	**40.0**	**325,000**	**635**	**43**	**H**
Westar Energy, Inc.	3/04	12,075,000	20.65	249.3	400,000	509	36	NA
Southwest Water Company	**3/04**	**1,610,000**	**13.58**	**21.9**	**825,000**	**827**	**43**	**NA [b]**
Hawaiian Electric Industries, Inc.	3/04	2,000,000	51.86	103.7	150,000	323	37	NA
MDU Resources Group, Inc.	**2/04**	**2,300,000**	**23.32**	**53.6**	**1,400,000**	**2,018**	**48**	**B**
Empire District Electric Compay	12/03	2,000,000	21.15	42.3	400,000	1,539	47	H
WPS Resources Corp.	**11/03**	**4,025,000**	**43.00**	**173.1**	**1,100,000**	**2,312**	**42**	**H**

A.G. Edwards Research Ratings were revised in September 2002 to (B) Buy, (H) Hold and (S) Sell.
A.G. Edwards Research Ratings were revised in October 2001 to (SB) Strong Buy, (B) Buy, (H) Hold and (S) Sell.
A.G. Edwards Research Ratings were expanded in 1996 from Buy (B), Hold (H), Sell (S) to include Accumulate (A). Hold was changed to Maintain (M).
(a) Includes regulated electric, gas, and water utilities.
(b) Research coverage was initiated after offering.
(c) Equity unit / mandatory convertible offering.
(d) Selling shareholder offering.
Bold indicates lead-managed transaction.

EDWARDS. | CAPITAL MARKETS

HEARING EXHIBIT - 00001147

A.G. EDWARDS MANAGED OFFERINGS

UTILITY COMMON STOCK AND EQUITY UNIT OFFERINGS[a]

(CONTINUED)

	Aggregate Distribution Data				A.G. Edwards Retail Distribution Data			
	Offering Date	Total Shares/Units Offered	Offering Price (per share/unit)	Amount of Offering (millions)	Shares/Units Distributed	Number of Transactions	Number of States/ Territories Where Trans. Were Made	AGE Research Rating Prior to Offering
OGE Energy Corp.	8/03	5,324,074	21.60	115.0	300,000	461	41	H
Philadelphia Suburban Corp.	**8/03**	**4,000,000**	**23.40**	**93.6**	**1,000,000**	**1,402**	**49**	**B**
Vectren Corporation	8/03	7,441,400	22.81	169.7	500,000	1,245	46	B
California Water Service Group	8/03	1,750,000	26.25	45.9	525,000	889	41	H
Atmos Energy Corp.	6/03	4,000,000	25.31	101.2	600,000	934	42	H
ONEOK, Inc.	1/03	12,000,000	17.19	206.3	100,000	205	40	H
ONEOK, Inc. (c)	1/03	14,000,000	25.00	350.0	NA	NA	NA	H
Philadelphia Suburban Corp. (d)	9/02	9,885,256	18.25	180.4	500,000	1,078	41	H
Ameren Corporation	9/02	8,050,000	42.00	338.1	315,000	738	38	H
American Electric Power	6/02	16,000,000	40.90	654.4	250,000	560	43	H
American Electric Power (c)	6/02	6,000,000	50.00	300.0	NA	NA	NA	H
Empire District Electric Company	**5/02**	**2,500,000**	**20.75**	**51.9**	**550,000**	**871**	**45**	**H**
Sempra Energy (c)	4/02	24,000,000	25.00	600.0	NA	NA	NA	B
NUI Corporation	3/02	1,725,000	22.50	38.8	225,000	276	36	H
Ameren Corporation	2/02	5,750,000	39.50	227.1	185,000	335	26	H
Xcel Energy Inc.	2/02	23,000,000	22.50	517.5	600,000	1,098	41	H
WPS Resources Corp.	**12/01**	**2,300,000**	**34.36**	**79.0**	**665,000**	**780**	**50**	**B**
Empire District Electric Company	**12/01**	**2,012,500**	**20.37**	**41.0**	**1,050,000**	**1,260**	**49**	**B**
Sierra Pacific Resources	8/01	23,575,000	15.00	353.6	900,000	971	47	B
WGL Holdings, Inc.	6/01	2,058,500	26.73	55.0	120,000	392	41	A
Vectren Corporation	2/01	6,325,000	21.27	134.5	725,000	1,088	48	A
Philadelphia Suburban Corp.	**9/00**	**1,322,500**	**23.50**	**31.1**	**562,500**	**801**	**44**	**M**
Laclede Gas Co.	4/99	1,100,000	20.19	22.2	500,000	803	37	M
Washington Gas Light Co.	11/98	2,000,000	25.06	50.1	285,000	956	36	B
NorthWestern Corporation	11/98	5,000,000	24.00	120.0	400,000	717	43	(b)
SEMCO Energy	8/98	1,820,000	15.00	27.3	550,000	861	41	A
Philadelphia Suburban Corporation	**2/98**	**1,250,000**	**21.69**	**27.1**	**500,000**	**569**	**35**	**A**

A.G. Edwards Research Ratings were revised in September 2002 to (B) Buy, (H) Hold and (S) Sell.
A.G. Edwards Research Ratings were revised in October 2001 to (SB) Strong Buy, (B) Buy, (H) Hold and (S) Sell.
A.G. Edwards Research Ratings were expanded in 1996 from Buy (B), Hold (H), Sell (S) to include Accumulate (A). Hold was changed to Maintain (M).
(a) Includes regulated electric, gas, and water utilities.
(b) Research coverage was initiated after offering.
(c) Equity unit / mandatory convertible offering.
(d) Selling shareholder offering.
Bold indicates lead-managed transaction.

EDWARDS. | CAPITAL MARKETS

HEARING EXHIBIT - 00001148

A.G. EDWARDS MANAGED OFFERINGS

UTILITY COMMON STOCK AND EQUITY UNIT OFFERINGS[a]

(CONTINUED)

	Aggregate Distribution Data				A.G. Edwards Retail Distribution Data			
	Offering Date	Total Shares/Units Offered	Offering Price (per share/unit)	Amount of Offering (millions)	Shares/Units Distributed	Number of Transactions	Number of States/ Territories Where Trans. Were Made	AGE Research Rating Prior to Offering
MCN Energy Group Inc.	6/97	9,775,000	29.13	284.7	800,000	1,544	46	A
Energen Corporation	1/97	1,500,000	29.50	44.3	195,445	434	35	B
Southern California Water Co.	12/96	1,000,000	21.50	23.0	465,000	1,010	41	A
Cascade Natural Gas	8/96	1,350,000	15.25	20.6	475,000	904	42	H
Connecticut Natural Gas	**6/96**	**700,000**	**23.25**	**16.3**	**365,000**	**874**	**44**	H
American Water Works Co.	5/96	3,643,100	37.63	137.1	750,000	2,474	51	B
Empire District Electric	4/96	880,000	17.88	15.7	550,000	1,331	43	H
CMS Energy-Class G	7/95	7,525,000	17.75	133.5	1,030,124	1,784	38	(b)
E'town Corporation	6/95	660,000	26.87	17.7	392,500	974	38	B
Laclede Gas Company	5/95	1,575,000	19.00	29.9	450,000	1,188	35	(b)
Empire District Electric	4/95	990,000	17.25	17.1	450,000	1,142	43	H
Piedmont Natural Gas	3/95	1,725,000	20.00	34.5	300,000	1,120	44	B
MCN Energy Group, Inc.	3/95	5,750,000	17.88	102.8	700,000	1,190	42	B
Northwest Natural Gas	2/95	1,150,000	29.75	34.2	275,000	906	40	H

A.G. Edwards Research Ratings were revised in September 2002 to (B) Buy, (H) Hold and (S) Sell.
A.G. Edwards Research Ratings were revised in October 2001 to (SB) Strong Buy, (B) Buy, (H) Hold and (S) Sell.
A.G. Edwards Research Ratings were expanded in 1996 from Buy (B), Hold (H), Sell (S) to include Accumulate (A). Hold was changed to Maintain (M).
(a) Includes regulated electric, gas, and water utilities.
(b) Research coverage was initiated after offering.
(c) Equity unit / mandatory convertible offering.
(d) Selling shareholder offering.
Bold indicates lead-managed transaction.

EDWARDS. | CAPITAL MARKETS

HEARING EXHIBIT - 00001149

A.G. EDWARDS UTILITY GROUP BIOGRAPHIES

LESTER H. KRONE
Managing Director
Head of the Utility Group
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Mr. Krone heads A.G. Edwards Utility Group. He joined A.G. Edwards in 1987 after receiving his MBA from the Harvard Business School. He has focused on advising investor-owned utilities since 1992, during which time Edwards' Utility Group has helped raise over $37 billion of debt and equity capital for electric, gas and water utilities throughout the U.S. In addition, Mr. Krone has advised on several merger and acquisition transactions for water and gas utilities. He has been a conference speaker on mergers and acquisitions for the National Association of Water Companies, the American Gas Association and the American Public Gas Association. Prior to joining the Utility Group, Mr. Krone executed merger and acquisition transactions, and other financial advisory assignments for a variety of corporate clients as a member of Edwards' M&A Group. From 1979 to 1985, Mr. Krone was a project engineer for three consulting engineering firms specializing in structural engineering. In addition, he served as an Adjunct Instructor of Civil Engineering (1983-1985) at Washington University in St. Louis. Mr. Krone is a graduate of Harvard University (1987, MBA), Washington University (1980, MS Civil Engineering) where he was an American Institute of Steel Construction Fellow, and the University of Colorado (1978, BS Architectural Engineering with Honors). He is a licensed securities broker (NASD Series 7) and has been a registered professional engineer (Missouri) since 1983.

WILLIAM R. DONOVAN
Director
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donovanwr@agedwards.com

Since joining A.G. Edwards, Mr. Donovan has focused on advising investor-owned utilities and energy technology companies. He joined A.G. Edwards after receiving his MBA with honors from the Wharton School of the University of Pennsylvania. He was honored as a Palmer Scholar for academic excellence by Wharton. Prior to attending graduate school, Mr. Donovan was a Country manager for Babcock & Wilcox, a division of McDermott International, responsible for the former Soviet Union. Mr. Donovan also worked for several years as a boiler service engineer in both Russia and the U.S. He also participated in the development of several large oil and gas exploration and development projects, including Sakhalin Energy in Russia and the Azerbaijan International Oil Consortium in Azerbaijan. Mr. Donovan received a dual degree (summa cum laude) from the University of Missouri at Columbia (BS Mechanical Engineering, AB International Studies) in 1991.

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HEARING EXHIBIT - 00001150

A.G. EDWARDS UTILITY GROUP BIOGRAPHIES

(CONTINUED)

JEFFREY W. STROBEL
Vice President
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strobeljw@agedwards.com

Mr. Strobel joined A.G. Edwards in July 2000 after receiving his MBA from Columbia Business School where he concentrated in Finance and International Business. Prior to attending Columbia, Mr. Strobel was a banker in the A.G. Edwards Municipal Finance office in Los Angeles, California, specializing in utility finance. Mr. Strobel received his BBA from Kent State University and served 10 years as a US Navy officer flying F-14 Tomcats.

STANLEY J. BELTRAMEA
Associate
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stanbeltramea@agedwards.com

Mr. Beltramea joined A.G. Edwards in July 2004 after working for one year at Banc One Capital Markets. Prior to receiving his MBA from Indiana University in 2003, Mr. Beltramea worked as a credit officer for the Industrial Bank of Japan. Mr. Beltramea also holds an MA degree in International Relations from the Johns Hopkins University School of Advanced International Studies (SAIS) and is a graduate of Illinois State University with a BS in Finance and Political Science.

ILIYA F. FILEV
Associate
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Mr. Filev joined A.G. Edwards in July 2006 after receiving his MBA degree with concentration in Finance from the Yale School of Management. Prior to graduate school, he worked as a management consultant for PA Consulting Group in the company's London headquarters. Mr. Filev earned his BSBA degree with majors in Finance and Computer Science from the Washington University Olin School of Business, graduating Magna Cum Laude and with Honors in Management.

HEARING EXHIBIT - 00001151

Financing Projections & Debt Covenants

Presented to the Board of Directors

March 13, 2007

Exhibit 2.2
PSC First Set of Document Requests
Docket No. 070304-EI
Witness: BACHMAN/COX

HEARING EXHIBIT - 00001152

CASH FLOW PROJECTIONS
Presented to the Board of Directors
March 13, 2007
Dollars in thousands

	2007	2008	2009	2010	2011
Major Cash Inflows					
Net Cash from Operations *	12,700	13,400	14,800	15,000	15,500
Proceeds from Water Sale	400	400	400	5,300	
	13,100	13,800	15,200	20,300	15,500
Major Cash Outflows:					
Dividends net of stock proceeds	2,300	2,700	3,100	3,200	3,300
Normal Construction Expenditure **	14,000	14,400	14,800	15,200	15,700
Purchase of Land & Buildings	4,700	3,500			
Other major Items:					
Fuel over recoveries	3,100				
LT Debt Sinking Fund		1,400	1,400	1,400	1,400
Environmental ***			1,600	3,500	
Pension Contributions			1,900	2,300	
Total Cash Outflows	24,100	22,000	22,800	25,600	20,400
Cash Requirements	**11,000**	**8,200**	**7,600**	**5,300**	**4,900**
Projected Financing:					
Change in Line of Credit	6,900	(5,900)	7,600	5,300	4,900
Refinancing of Mortgage Bond	4,100	-	-	-	
Equity Offering	-	14,100	-	-	
Total Projected Financing	**11,000**	**8,200**	**7,600**	**5,300**	**4,900**
LOC Balance	11,000	5,600	13,100	18,500	24,300

* Electric Rate Case mid 2008 and Gas 2009

** Includes Cost of Removal

*** Net of Environmental Investment Proceeds

HEARING EXHIBIT - 00001153

FINANCING

March 2007

FINANCING PROJECTIONS

	2006	2007	2008	2009	2010	2011
Available LOC	12,000,000	15,000,000	15,000,000	15,000,000	20,000,000	20,000,000
Projected LOC Balance	3,500,000	11,000,000	5,600,000	13,100,000	18,500,000	24,300,000
Unused Portion of LOC	8,500,000	4,000,000	9,400,000	1,900,000	1,500,000	(4,300,000)
Bond Refinancing *		5,000,000	-	-	-	-
Equity Offering *		-	15,000,000	-	-	-

FINANCING ABOVE

Bank of America Line of Credit		
Expiration Date		Jul-2008
Approved Line	$	20,000,000
Current Limit Available	$	12,000,000
Balance Outstanding Jan 2007	$	3,964,000
Current Interest Rate		6.22%

Mortgage Bond:	
Principal	$15,000,000
Current Coupon Rate	6.85%
Maturity Date	Oct-2031
Remaining Life (years)	24.8
Call Premium	101%

PROJECTED FINANCING

Equity Offering		
Projected Equity Issue		Jun-2008
Price per Share	$	12
Projected Number of Shares		1,250,000
Gross Proceeds	$	15,000,000
Projected Issuance Costs	$	(900,000)
Net Proceeds	$	14,100,000

Refinanced Mortgage Bond			
Principal	$15,000,000		$20,000,000
New Coupon Rate	5.50%		5.50%
Underwriting Fee	3.15%		3.15%
Est Up-front Cost incl call prem	$745,000		$910,000
Annual Income / (Expense) Impact	$95,000		$110,000
EPS Impact	$0.02		$0.02
Total Discounted Savings	$805,000	**	$900,000

* Gross Proceeds

** Including savings of LOC interest expense on additional funds ($5M)

HEARING EXHIBIT - 00001154

DEBT COVENANTS

March 2007

	LENDER	REQUIREMENT	2007	2008	2009	2010	2011
CAPITALIZATION RATIO	AMBAC	= > 35%	41%	48%	50%	50%	51%
FIXED CHARGE COVERAGE	BOA	>= 1.25	3.44	2.89	3.12	3.03	3.03
TOTAL LIABILITIES TO TANGIBLE NET WORTH	BOA	<4.00	3.57	2.64	2.61	2.57	2.54
FIXED CHARGE COVERAGE	JEA	>=1.50	3.44	2.89	3.12	3.03	3.03
TOTAL LIABILITIES TO TANGIBLE NET WORTH	JEA	<3.75	3.57	2.64	2.61	2.57	2.54
TOTAL DEBT TO TOTAL CAPITAL	Gulf Power	<.60	0.56	0.51	0.48	0.49	0.50
INTEREST COVERAGE (Annual not 6 Qtr Avg)	Gulf Power	>2.5	3.44	3.72	4.01	3.81	3.77

HEARING EXHIBIT - 00001155

Florida Public Utilities

$15mm 6.850% due 10/01/31

Refunding Savings Analysis

Refunding Comparison

Florida Public Utilities	Current Bonds	Refunding Bonds	Difference
Principle	$15,000,000	$20,000,000	
Maturity	10/1/2031	4/1/2037	5.5 yr
Coupon	6.85%	5.50%	-1.35%
Annual Interest Expense	$1,027,500	$1,100,000	$72,500
U/W Fee		3.15%	
PV Bond Insurance	n/a	0.15%	
All-In Cost	6.85%	5.99%	-0.86%
NPV Savings through Initial Maturity			$899,654

Highlights

- The average coupon is reduced by 1.35% resulting in annual savings of -$72,500 and NPV savings of $0.9 million.
- The all-in cost of debt is reduced by 0.86%.
- This structure retains short-term, par call flexibility (no call 5 yrs)
- The refunding bonds include an estate feature limited annually to $25,000 per holder and to 1.0% of the original principal amount in the aggregate.

FLORIDA PUBLIC UTILITIES

Edward Jones

HEARING EXHIBIT - 00001156

Florida Public Utilities — Detailed Savings Analysis

Series	Florida Public Utilities 6.85% due 10/1/2031
Savings Analysis	
Annual Interest Savings	($72,500)
Annual Financing Cost of Expenses	(97,186)
Annual Savings	(169,686)
Expenses	
Call Premium	150,000
Underwriting fee	630,000
Bond Insurance (PV)	460,128
Other Expenses	100,000
Total	**$1,340,128**
Annual Financing Cost of Expenses	$97,186
Current Bonds	
Principal	$15,000,000
Current Coupon Rate	6.85%
Issue Date	09/27/01
Maturity Date	10/01/31
Original issue maturity (years)	30.0
Remaining Life (years)	25.5
All-in Cost	6.85%
Call Date	4/1/2006
Call Premium	101.00%
Refunding Bonds	
Principal	$20,000,000
New Coupon Rate	5.500%
Underwriting fee upfront	3.15%
PV Bond Insurance per annum	0.15%
Issue Date	4/1/2007
Maturity date	4/1/2037
Maturity (years)	30.0
New Call Date	3/30/2012
All-in Cost (Discount Rate)	**5.99%**

* Other Expenses include legal, rating and auditor fees.

** Expenses are financed at a rate of 5.99% and amortized for 30.0 years

HEARING EXHIBIT - 00001157

Refunding Bond Analysis
FPU's Analysis
Exhibit

$15,000,000																										
ORIGINAL BOND	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Interest tax effected		(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)
		(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)
NPV	(10,983,666)																									
Coupon Rate	6.55%																									
$20,000,000																										
REFUNDING BOND	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Call Premium	(150,000)																									
Underwriting Fee and tax ded	(630,000)	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Bond Insurance tax effected		(18,714)	(18,714)	(18,714)	(18,714)	(18,714)	(18,714)	(18,714)	(18,714)	(18,714)	(18,714)	(18,714)	(18,714)	(18,714)	(18,714)	(18,714)	(18,714)	(18,714)	(18,714)	(18,714)	(18,714)	(18,714)	(18,714)	(18,714)	(18,714)	(18,714)
Other Expenses and tax ded	(180,000)	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254
Interest tax effected		(666,180)	(666,180)	(666,180)	(666,180)	(666,180)	(666,180)	(666,180)	(666,180)	(666,180)	(666,180)	(666,180)	(666,180)	(666,180)	(666,180)	(666,180)	(666,180)	(666,180)	(666,180)	(666,180)	(666,180)	(666,180)	(666,180)	(666,180)	(666,180)	(666,180)
Ltd. Interest Saved		184,002	184,002	184,002	184,002	184,002	184,002	184,002	184,002	184,002	184,002	184,002	184,002	184,002	184,002	184,002	184,002	184,002	184,002	184,002	184,002	184,002	184,002	184,002	184,002	184,002
Total Outflows	(960,000)	(501,738)	(501,738)	(501,738)	(501,738)	(501,738)	(501,738)	(501,738)	(501,738)	(501,738)	(501,738)	(501,738)	(501,738)	(501,738)	(501,738)	(501,738)	(501,738)	(501,738)	(501,738)	(501,738)	(501,738)	(501,738)	(501,738)	(501,738)	(501,738)	(501,738)
NPV	(17,293,986)																									
Coupon Rate	5.50%																									
UF Underwriting Fee	3.15%																									
Bond Insurance	0.15%																									
SAVINGS	(960,000)	138,217	138,217	138,217	138,217	138,217	138,217	138,217	138,217	138,217	138,217	138,217	138,217	138,217	138,217	138,217	138,217	138,217	138,217	138,217	138,217	138,217	138,217	138,217	138,217	138,217
	309,944																									
Discount Rate	6.00%																									

Assumptions:

- Call Premium, Underwriting Fee and Other Expenses eg. Legal Paid Up-front
- All expenses except Call Premium are Tax Deductible
- Discount Rate of 6%

HEARING EXHIBIT - 00001158

Refunding Bond Analysis
FPU's Analysis - Amortized Costs
Dec-06

$15,000,000				
ORIGINAL BOND				2007
Interest tax effected		2		(640,955)
Savings on LOC Interest			6.22%	(194,002)
				(834,956)
Coupon Rate			6.85%	
$20,000,000				
REFUNDING BOND			**UF Fee Pre-tax**	**2007**
Call Premium	1		150000	(5,000)
Underwriting Fee and tax ddn	1	2	630000	(13,090)
Bond Insurance tax effected		2	30000	(18,714)
Other Expenses and tax ddn	1	2	100000	(2,078)
			910,000	
Interest tax effected		2		(686,180)
				(725,062)
Coupon Rate			5.50%	
UF Underwriting Fee			3.15%	
Bond Insurance			0.15%	
GAIN / (LOSS)				109,894
Discount Rate		3		

Assumptions:

1 Call Premium, Underdwriting Fee and Other Expenses eg. Legal Paid Up-front
2 All expenses except Call Premium are Tax Deductible
3 Discount Rate of 6%

CONFIDENTIAL

Unaudited

Land - $4.7M in May 2007 Bldg $1.5M 2008 $20 M BOND REFUNDING

Env - $1.6M prior to 2009 $3.7M in 2009 remainder in 2010 and al $ 15 M EQUITY

FLORIDA PUBLIC UTILITIES
CASH PROJECTIONS
2006 - 2011
IN THOUSANDS

	2006	2007	2008	2009	2010	2011
Operating Revenues	116,981	122,326	128,410	135,614	141,012	146,624
Fuel Revenue & Pass-thrus	(68,718)	(71,453)	(74,297)	(77,254)	(79,823)	(82,544)
Gross Profit	48,263	50,873	54,113	58,360	61,188	64,080
Other Income - Net (excl. taxes & int cap)	839	868	899	930	963	996
Total	49,102	51,741	55,012	59,290	62,151	65,077
DEDUCTIONS:						
Operation & Maintenance (Excl Fuel & Pass thrus)	27,209	28,667	30,210	31,929	33,634	35,307
Non-Cash O&M (Storm Resv)	(100)	(100)	(100)	(100)	(100)	(100)
Income Taxes Paid	1,400	2,448	2,926	3,699	3,749	3,898
Taxes Paid - Other	2,772	3,306	3,628	3,783	4,140	4,444
Interest On Long - Term Debt	4,205	3,921	3,953	3,816	3,678	3,541
Interest on Environmental Expenditure	8	16	97	349	366	382
Interest on LOC net of Interest Income	108	389	417	597	1,209	1,614
Other Interest Payments	378	433	446	459	477	496
Environmental Clean Up Costs	247	0	0	1,570	3,498	253
Dividends Paid	2,551	2,760	3,182	3,597	3,726	3,859
Proceeds from DRIP & ESPP	(451)	(469)	(488)	(507)	(525)	(544)
Pension Contributions	0	250	500	1,656	2,285	598
TOTAL DEDUCTIONS	38,327	41,620	44,770	51,047	56,137	53,750
BALANCE	10,775	10,121	10,243	8,243	6,015	11,327
Increase (Decrease) in Cash Due to Fluctuation in Certain Assets / Liab / Rev / Exp	7,752	(3,100)	0	0	0	0
Less Construction Requirements (including AEP & COR)	13,065	18,335	17,514	14,405	14,807	15,221
Net Const. Cash Refunds/(Contributions)	357	371	386	401	415	430
BALANCE	5,106	(11,685)	(7,658)	(6,563)	(9,208)	(4,324)
Proceeds from Water Sale & LWG	375	375	375	375	5,250	0
(Tax) / Refund on Sale of Water & LWG	0	0	0	0	0	0
Add Proceeds from Financing - BOA LOC	(6,092)	7,534	(5,400)	7,500	5,400	5,800
Less LT Debt Principal Repayments	0	0	(1,409)	(1,409)	(1,409)	(1,409)
Less Loan Expenses (LT Debt)	0	0	0	0	0	0
Add Proceeds from Refunded Bond Issue	0	5,000	0	0	0	0
Less Loan Expenses (Bonds)	0	(894)	(19)	(19)	(19)	(19)
Add Proceeds from Equity Issue	0	0	15,000	0	0	0
Less Expenses (Equity)	0	0	(900)	0	0	0
Less ST Investments	0	0	0	0	0	0
Cash Balance - Beginning of Period	695	84	413	403	287	302
Cash Balance - End of Period	84	413	403	287	302	350
BOA Line of Credit	12,000	15,000	15,000	15,000	20,000	20,000
Interest on LOC	12	13	16	16	20	20
Notes Payable Balance	3,466	11,000	5,600	13,100	18,500	24,300
Interest on Borrowings	183	368	385	586	1,185	1,605
Unused Portion of LOC	8,534	4,000	9,400	1,900	1,500	(4,300)
Interest on Unused Portion of LOC	22	16	24	20	4	(11)
Interest Income	6	4	6	5	4	5

HEARING EXHIBIT - 00001160

FLORIDA PUBLIC UTILITIES COMPANY
CASH PROJECTION
BUDGET 2007

TOTAL CONSOLIDATED

		JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
Operating Revenues		13,336,358	11,356,129	10,781,708	9,660,678	8,923,652	9,089,278	9,039,807	9,194,063	8,681,099	9,051,849	10,316,184	12,913,220	122,328,045
Fuel Revenue & Pass-thrus		(7,647,827)	(6,472,462)	(6,298,915)	(5,587,359)	(5,008,843)	(5,238,667)	(5,259,458)	(5,365,638)	(4,865,770)	(5,337,092)	(6,299,524)	(8,071,397)	(71,453,252)
Gross Profit		5,688,530	4,883,667	4,482,794	4,073,319	3,914,808	3,850,311	3,780,348	3,828,447	3,815,329	3,714,757	4,016,660	4,841,823	50,872,793
Other Income - Net (excl. taxes & int cap)		63,039	111,435	82,509	105,858	29,227	92,871	50,680	93,211	63,203	30,244	70,524	66,563	868,365
Total		5,751,570	4,995,102	4,565,303	4,179,177	3,944,035	3,943,182	3,831,027	3,921,659	3,878,533	3,745,000	4,088,184	4,908,386	51,741,158
DEDUCTIONS:														
Operation & Mince Excl Fuel etc		3,205,507	2,751,954	2,514,800	2,295,330	2,206,009	2,169,664	2,130,239	2,157,344	2,149,952	2,093,279	2,264,530	2,728,385	28,667,002
Non-Cash O&M (Storm Reserv)		(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(100,000)
Income Taxes Paid					612,007		612,007			812,007		0	612,007	2,448,026
Taxes Paid - Other		166,468	9,084	102,957	80,867	42,828	55,440	168,786	62,365	34,343	151,359	2,444,030	7,690	3,306,215
Interest On Long - Term Debt						754,325	363,200					754,325	363,200	2,235,050
Interest on Additional LT Debt	6.85%			174,200			275,100			275,100			275,100	999,500
Interest on Environmental Expenditure		1,335	1,335	1,335	1,335	1,335	1,335	1,335	1,335	1,335	1,335	1,335	1,335	16,017
Interest on Payable Activity Bond	4.90%					343,000						343,000		686,000
Interest on LOC		19,632	17,777	7,731	3,017	19,452	39,582	43,869	42,897	41,955	43,057	51,380	58,584	388,832
Other Interest Payments		0	0	0	216,300	216,300	0	0	0	0	0	0	0	432,600
Payment Of Environmental Clean Up		0	0	0	0	0	0	0	0	0	0	0	0	0
Dividends Paid - Preferred		7,125	0	0	7,125	0	0	7,125	0	0	7,125	0	0	28,500
Dividends Paid - Common		845,677	0	0	694,000	0	0	698,000	0	0	698,000	0	0	2,731,677
Proceeds Form Sale - Common Stock		(152,432)	0	0	(80,892)	0	0	(158,160)	0	0	(77,796)	0	0	(469,280)
Pension Contributions							250,000							250,000
TOTAL DEDUCTIONS		3,884,978	2,771,826	2,792,689	3,800,755	3,574,915	3,757,994	2,880,660	2,255,607	3,106,358	2,906,025	5,850,266	4,037,966	41,620,240
BALANCE		1,866,591	2,223,276	1,752,614	378,422	369,120	185,188	950,367	1,666,052	772,175	838,975	(1,752,082)	870,420	10,120,918
Increase (Decrease) in Cash Due to														
Fluctuation in Certain Assets & Liab.		(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(100,000)	-	-	-	-	-	(3,100,000)
Construction Requirements (including AEP)		723,000	1,068,600	1,488,500	1,281,000	8,111,900	1,038,400	1,028,200	998,300	932,400	972,200	901,800	795,000	17,335,300
Construction Adj Bare Steel Amort & Cost of Removal		41,707	61,528	85,865	73,895	352,570	59,786	59,313	57,588	53,786	56,082	62,021	45,860	1,000,000
0		0	0	0	0	0	0	0	0	0	0	0	0	0
Net Const. Cash Refunds/(Contributions)		30,916	30,916	30,916	30,916	30,916	30,916	30,916	30,916	30,916	30,916	30,916	30,916	370,991
BALANCE		670,968	564,232	(352,668)	(1,507,389)	(6,626,265)	(1,441,913)	(268,261)	579,248	(244,928)	(220,223)	(2,738,819)	(1,356)	(11,685,373)
Add Proceeds From Financing - SunTrust LOC (See Detail Below)														0
Proceeds from Water Sale & LWG				375,000										375,000
Less Tax on Gain of Sale Water & LWG														0
Add Proceeds from Financing - BOA LOC		(200,000)	(600,000)	(2,850,000)		6,600,000	1,500,000	200,000	(600,000)	200,000	300,000	2,800,000		7,534,000
Add Proceeds From Financing (LT Debt)														0
Less Loan Expenses (LT Debt)														0
Refunding $15M Bond	$20,000,000			5,000,000										5,000,000
Less Loan Expenses (Bonds)				(680,000)	(1,560)	(1,560)	(1,560)	(1,560)	(1,560)	(1,560)	(1,560)	(1,560)	(1,560)	(694,036)
Add Proceeds from Equity Issue														0
Less Equity Issue Expenses														0
Less ST Investments														0
Cash Balance - Beginning Of Period		83,838	454,606	418,838	1,895,171	386,222	358,398	414,925	345,104	322,793	278,306	354,523	416,145	83,838
Cash Balance - End of Period		454,606	418,838	1,895,171	386,222	358,398	414,925	345,104	322,793	278,306	354,523	416,145	413,229	413,229
Actual Cash Balance														
Customer Deposit - Annual Payments	432,600													
Line of Credit - Bank of America	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	15,000,000	15,000,000	15,000,000
Interest on LOC	0.10%	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,300	1,300	12,600
Notes Payable Balance - BOA	3,466,000	3,266,000	2,666,000	0	0	6,600,000	8,100,000	8,300,000	7,700,000	7,900,000	8,200,000	11,000,000	11,000,000	11,000,000
Interest on Borrowings	6.22%	17,400	15,400	6,900	0	17,100	38,100	42,500	41,500	40,400	41,700	49,800	57,000	367,800
Unused Portion of LOC	8,534,000	8,734,000	9,334,000	12,000,000	12,000,000	5,400,000	3,900,000	3,700,000	4,300,000	4,100,000	3,800,000	4,000,000	4,000,000	4,000,000
Interest on Unused Portion of LOC	0.25%	1,800	1,900	2,200	2,500	1,800	1,000	800	800	900	800	800	800	16,100
Additional LT Debt Balance	15,000,000	15,000,000	0	0	0	0	0	0	0	0	0	0	0	
Interest On additional LT Debt	6.85%	85,800	42,800	0	0	0	0	0	0	0	0	0	0	128,400
Refunded Bond	$20,000,000	0	0	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	
Interest on Refunded Bond	5.50%		0	45,800	91,700	91,700	91,700	91,700	91,700	91,700	91,700	91,700	91,700	871,100
Private Activity Bond - Used	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	
Interest On Private Activity Bond	4.90%	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	686,400

HEARING EXHIBIT - 00001161

FLORIDA PUBLIC UTILI COMPANY
CASH PROJECTION
BUDGET 2008

TOTAL CONSOLIDATED

		JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
Operating Revenues		14,003,008	11,924,819	11,296,681	10,142,522	9,372,374	9,543,050	9,488,938	9,651,504	9,117,790	9,500,892	10,824,890	13,542,882	128,410,437
Fuel Revenue & Pass-thrus		(7,952,211)	(6,730,056)	(6,549,612)	(5,809,736)	(5,208,195)	(5,447,478)	(5,468,788)	(5,579,188)	(5,059,428)	(5,549,509)	(6,550,245)	(8,392,630)	(74,297,081)
Gross Profit		6,050,865	5,194,752	4,747,070	4,332,788	4,164,178	4,095,572	4,021,152	4,072,316	4,058,362	3,951,384	4,274,645	5,150,243	54,113,346
Other Income - Net (excl. taxes & Int cap)		85,246	115,335	85,397	109,563	30,250	96,121	52,454	98,474	65,415	31,302	82,307	88,893	898,756
Total		6,116,130	5,310,088	4,832,467	4,442,349	4,194,428	4,191,693	4,073,606	4,168,790	4,123,778	3,982,686	4,356,953	5,219,136	55,012,104
DEDUCTIONS:														
Operation & Mince Excl Fuel etc		3,378,035	2,900,081	2,650,153	2,418,870	2,324,741	2,286,440	2,244,894	2,273,457	2,265,667	2,205,944	2,388,412	2,875,233	30,209,927
Non-Cash O&M (Storm Resv)		(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(100,000)
Income Taxes Paid					731,455		731,455			731,455		0	731,455	2,925,820
Taxes Paid - Other		171,462	9,357	106,045	62,693	44,113	57,103	173,848	64,236	35,374	155,899	2,740,114	7,921	3,628,166
Interest On Long - Term Debt						754,325	363,200					685,754	363,200	2,166,479
Interest on Additional LT Debt	6.85%	275,100			275,100			275,100			275,100			1,100,400
Interest on Environmental Expenditure		8,071	8,071	8,071	8,071	8,071	8,071	8,071	8,071	8,071	8,071	8,071	8,071	96,847
Interest on Private Activity Bond	4.90%					343,000						343,000		686,000
Interest on LOC		84,222	59,485	54,306	58,099	66,598	38,028	3,670	3,348	4,363	9,348	23,345	33,997	416,786
Other Interest Payments		0	0	0	222,800	222,800	0	0	0	0	0	0	0	445,600
Payment Of Environmental Clean Up		0	0	0	0	0	0	0	0	0	0	0	0	0
Dividends Paid - Preferred		7,125	0	0	7,125	0	0	7,125	0	0	7,125	0	0	28,500
Dividends Paid - Common		696,000	0	0	719,000	0	0	860,000	0	0	870,000	0	0	3,153,000
Proceeds Form Sale - Common Stock		(158,499)	0	0	(84,111)	0	0	(184,455)	0	0	(80,892)	0	0	(487,957)
Pension Contributions							500,000							500,000
TOTAL DEDUCTIONS		4,433,183	2,968,840	2,810,241	4,408,767	3,755,312	3,975,964	3,407,921	2,340,778	3,038,598	3,442,261	6,178,363	4,011,542	44,769,568
BALANCE		1,682,948	2,341,448	2,022,226	33,582	439,116	215,729	665,685	1,828,012	1,087,181	540,424	(1,821,410)	1,207,594	10,242,536
Construction Requirements (including AEP)		1,093,997	1,095,248	1,524,052	1,295,901	1,333,323	1,195,517	1,004,473	1,449,179	1,494,906	1,974,573	1,511,207	1,541,981	16,514,358
Construction Adj Bare Steel Amort & Cost of Removal		86,245	66,321	92,287	78,471	80,737	72,393	60,824	87,753	90,522	119,667	91,509	93,372	1,000,000
0		0	0	0	0	0	0	0	0	0	0	0	0	0
Net Const Cash Refunds/(Contributions)		32,146	32,146	32,146	32,146	32,146	32,146	32,146	32,146	32,146	32,146	32,146	32,146	385,756
BALANCE		490,559	1,147,733	373,741	(1,372,937)	(1,007,090)	(1,084,327)	(431,758)	258,933	(530,393)	(1,585,862)	(3,456,272)	(459,906)	(7,657,580)
Add Proceeds From Financing - SunTrust LOC (See Detail Below)														0
Proceeds from Water Sale & LWG				375,000										375,000
Less Tax on Gain of Sale Water & LWG														0
Add Proceeds from Financing - BOA LOC		(500,000)	(1,100,000)	(700,000)	1,300,000	12,500,000	(12,400,000)			200,000	1,600,000	1,300,000	500,000	(5,400,000)
Less LT Debt Principal Repayments						(1,409,000)								(1,409,000)
Less Loan Expenses (LT Debt)														0
Add Proceeds from Bond Issue														0
Less Loan Expenses (Bonds)		(1,560)	(1,560)	(1,560)	(1,560)	(1,560)	(1,560)	(1,560)	(1,560)	(1,560)	(1,560)	(1,560)	(1,560)	(18,714)
Add Proceeds from Equity Issue							15,000,000							15,000,000
Less Equity Issue Expenses							(900,000)							(900,000)
Less ST Investments														0
Cash Balance - Beginning Of Period		413,229	302,229	348,402	395,584	321,087	403,437	1,017,551	584,234	841,808	509,655	522,233	364,402	413,229
Cash Balance - End of Period		302,229	348,402	395,584	321,087	403,437	1,017,551	584,234	841,808	509,655	522,233	364,402	402,938	402,938
Actual Cash Balance														
Customer Deposit - Annual Payments	445,578													
Line of Credit - Bank of America	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Interest on LOC	0.10%	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	15,600
Notes Payable Balance - BOA	11,000,000	10,400,000	9,300,000	8,600,000	8,900,000	12,400,000	0	0	0	200,000	1,800,000	5,100,000	5,600,000	5,600,000
Interest on Borrowings	7.00%	62,400	57,500	52,200	54,000	65,000	36,200	0	0	600	5,800	20,100	31,200	385,000
Unused Portion of LOC	4,000,000	4,600,000	5,700,000	6,400,000	5,100,000	2,600,000	15,000,000	15,000,000	15,000,000	14,800,000	13,200,000	9,900,000	9,400,000	9,400,000
Interest on Unused Portion of LOC	0.25%	800	1,100	1,300	1,200	800	1,800	3,100	3,100	3,100	2,900	2,400	2,000	23,700
Additional LT Debt Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	
Interest On additional LT Debt	6.85%	0	0	0	0	0	0	0	0	0	0	0	0	0
Refunded Bond	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	
Interest on Refunded Bond	5.50%	91,700	91,700	91,700	91,700	91,700	91,700	91,700	91,700	91,700	91,700	91,700	91,700	1,100,400
Private Activity Bond - Used	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	
Interest On Private Activity Bond	4.90%	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	686,400

HEARING EXHIBIT - 00001162

FLORIDA PUBLIC UTIL..ES COMPANY
CASH PROJECTION
BUDGET 2009

TOTAL CONSOLIDATED

		JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
Operating Revenues		14,794,475	12,600,367	11,929,912	10,713,792	9,906,470	10,081,286	10,023,181	10,193,157	8,637,661	10,031,873	11,421,070	14,281,107	135,614,352
Fuel Revenue & Pass-thrus		(8,268,709)	(6,997,923)	(6,810,286)	(6,040,963)	(5,415,481)	(5,664,288)	(5,686,443)	(5,801,240)	(5,260,793)	(5,770,378)	(6,810,945)	(8,726,666)	(77,254,116)
Gross Profit		6,525,766	5,602,444	5,119,626	4,672,829	4,490,988	4,416,998	4,336,738	4,391,917	4,376,868	4,261,494	4,610,125	5,554,441	58,360,236
Other Income - Net (excl. taxes & int cap)		67,529	119,372	88,386	113,398	31,309	99,485	54,290	99,850	87,705	32,398	85,188	71,304	930,214
Total		6,593,296	5,721,816	5,208,012	4,786,227	4,522,297	4,516,484	4,391,028	4,491,767	4,464,573	4,293,891	4,695,314	5,625,745	59,290,450
DEDUCTIONS:														
Operation & Mince Excl Fuel etc		3,570,274	3,085,120	2,800,569	2,556,524	2,457,039	2,416,558	2,372,647	2,402,836	2,364,803	2,331,481	2,522,219	3,038,858	31,929,127
Non-Cash O&M (Storm Resv)		(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(100,000)
Income Taxes Paid					924,705		924,705			924,705		0	924,705	3,698,820
Taxes Paid - Other		176,808	9,637	109,227	64,573	45,436	58,818	179,065	66,163	36,435	160,576	2,868,420	8,158	3,783,112
Interest On Long - Term Debt						685,754	363,200					617,184	363,200	2,025,338
Interest on Additional LT Debt	8.85%	275,100			275,100			275,100			275,100			1,100,400
Interest on Environmental Expenditure		29,106	29,106	29,106	29,106	29,106	29,106	29,106	29,106	29,106	29,106	29,106	29,106	349,270
Interest on Private Activity Bond	4.90%					343,000						343,000		686,000
Interest on LOC		37,482	29,774	20,415	20,225	30,396	48,947	61,502	60,149	59,111	63,435	77,444	68,041	596,922
Other Interest Payments		0	0	0	229,500	229,500	0	0	0	0	0	0	0	459,000
Payment Of Environmental Clean Up							1,569,857							1,569,857
Dividends Paid - Preferred		7,125	0	0	7,125	0	0	7,125	0	0	7,125	0	0	28,500
Dividends Paid - Common		870,000	0	0	898,000	0	0	899,000	0	0	901,000	0	0	3,568,000
Proceeds Form Sale - Common Stock		(184,807)	0	0	(87,459)	0	0	(171,000)	0	0	(84,111)	0	0	(507,378)
Pension Contributions							1,858,324							1,858,324
TOTAL DEDUCTIONS		4,792,552	3,125,304	2,951,383	4,909,066	3,811,898	7,259,160	3,844,212	2,549,920	3,435,626	3,675,378	6,449,038	4,443,734	51,047,292
BALANCE		1,800,744	2,596,511	2,256,629	(122,839)	710,400	(2,742,676)	746,816	1,941,847	1,008,947	618,513	(1,753,725)	1,182,011	8,243,158
Increase (Decrease) in Cash Due to Fluctuation in Certain Assets & Liab.		-	-	-	-	-	-	-	-	-	-	-	-	-
Construction Requirements (including AEP)		868,003	869,018	1,237,081	1,051,890	1,082,265	970,407	815,336	1,176,306	1,213,423	1,802,771	1,228,855	1,251,834	13,404,790
Construction Adj Bare Steel Amort & Cost of Removal		66,245	66,321	92,287	78,471	80,737	72,393	60,824	87,753	90,522	119,567	91,509	93,372	1,000,000
0		0	0	0	0	0	0	0	0	0	0	0	0	0
Net Const. Cash Refunds/(Contributions)		33,426	33,426	33,426	33,426	33,426	33,426	33,426	33,426	33,426	33,426	33,426	33,426	401,110
BALANCE		813,070	1,607,746	893,836	(1,286,626)	(486,028)	(3,818,922)	(162,770)	644,363	(328,424)	(1,137,251)	(3,105,314)	(196,421)	(6,562,741)
Add Proceeds From Financing - SunTrust LOC (See Detail Below)														0
Proceeds from Water Sale & LWG				375,000										375,000
Less Tax on Gain of Sale Water & LWG														0
Add Proceeds from Financing - BOA LOC		[illegible]	(1,600,000)	(1,300,000)	1,200,000	2,000,000	3,700,000	200,000	(600,000)	200,000	1,200,000	3,100,000	200,000	7,500,000
Less LT Debt Principal Repayments						(1,409,000)								(1,409,000)
Less Loan Expenses (LT Debt)														0
Add Proceeds from Bond Issue														0
Less Loan Expenses (Bonds)		(1,560)	(1,560)	(1,560)	(1,560)	(1,560)	(1,560)	(1,560)	(1,560)	(1,560)	(1,560)	(1,560)	(1,560)	(18,714)
Add Proceeds from Equity Issue														0
Less Equity Issue Expenses														0
Less ST Investments														0
Cash Balance - Beginning Of Period		402,936	414,448	420,633	387,909	299,724	403,136	282,654	318,325	361,128	231,145	292,334	285,461	402,936
Cash Balance - End of Period		414,448	420,633	387,909	299,724	403,136	282,654	318,325	361,128	231,145	292,334	285,461	287,480	287,480
Actual Cash Balance														
Customer Deposit - Annual Payments	458,945													
Line of Credit - Bank of America	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Interest on LOC	0.10%	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	15,600
Notes Payable Balance - BOA	5,800,000	4,800,000	3,200,000	1,900,000	3,100,000	5,100,000	8,800,000	9,000,000	8,400,000	8,600,000	9,800,000	12,900,000	13,100,000	13,100,000
Interest on Borrowings	6.00%	34,700	26,700	17,000	16,760	27,300	46,300	59,300	58,000	56,700	61,300	75,700	86,700	566,400
Unused Portion of LOC	9,400,000	10,200,000	11,800,000	13,100,000	11,900,000	9,900,000	6,200,000	6,000,000	6,600,000	6,400,000	5,200,000	2,100,000	1,900,000	1,900,000
Interest on Unused Portion of LOC	0.25%	2,000	2,300	2,600	2,600	2,300	1,700	1,300	1,300	1,400	1,200	800	400	19,900
Additional LT Debt Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	
Interest On additional LT Debt	8.85%	0	0	0	0	0	0	0	0	0	0	0	0	0
Refunded Bond	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	
Interest on Refunded Bond	5.50%	91,700	91,700	91,700	91,700	91,700	91,700	91,700	91,700	91,700	91,700	91,700	91,700	1,100,400
Private Activity Bond - Used	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	
Interest On Private Activity Bond	4.90%	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	686,400

HEARING EXHIBIT - 00001163

Projected Equity Issue		Jun-2008					
Price per Share	$	12.00					
Projected Number of Shares		1,250,000					
Gross Proceeds			15,000,000				
Projected Issuance Costs		2140	(900,000)				
Net Proceeds			14,100,000				
Par Value		2010	1,875,000	$	1.50		
Premium on Common Stock		2070	13,125,000				
		2004	2005		2006	2007	
Dividends per share per annum	$	0.59	0.60		0.61	0.62	0.63
Additional Dividends	$	737,500	$ 750,000	$	762,500	$ 775,000	
Additional Dividends per Quarter	$	184,375	$ 187,500	$	190,625	$ 193,750	

HEARING EXHIBIT - 00001164

Florida Public Utilities

$15mm 6.850% due 10/01/31

Refunding Savings Analysis

Refunding Comparison

Florida Public Utilities	Current Bonds	Refunding Bonds	Difference
Principle	$15,000,000	$15,000,000	
Maturity	10/1/2031	4/1/2037	5.5 yr
Coupon	6.85%	5.50%	-1.35%
Annual Interest Expense	$1,027,500	$825,000	-$202,500
U/W Fee		3.15%	
PV Bond Insurance	n/a	0.15%	
All-In Cost	6.85%	6.02%	-0.83%
NPV Savings through Initial Maturity			$804,640

Highlights

- The average coupon is reduced by 1.35% resulting in annual savings of $202,500 and NPV savings of $0.8 million.
- The all-in cost of debt is reduced by 0.83%.
- This structure retains short-term, par call flexibility (no call 5 yrs)
- The refunding bonds include an estate feature limited annually to $25,000 per holder and to 1.0% of the original principal amount in the aggregate.

FLORIDA PUBLIC UTILITIES

Edward Jones

HEARING EXHIBIT - 00001165

Florida Public Utilities — Detailed Savings Analysis

Series	Florida Public Utilities 6.85% due 10/1/2031
Savings Analysis	
Annual Interest Savings	$202,500
Annual Financing Cost of Expenses	(77,688)
Annual Savings	124,812
NPV Savings	~~$1,607,181~~ →
Expenses	
Call Premium	150,000
Underwriting fee	472,500
Bond Insurance	345,096
Other Expenses	100,000
Total	**$1,067,596**
Annual Financing Cost of Expenses	$77,688
Current Bonds	
Principal	$15,000,000
Current Coupon Rate	6.85%
Issue Date	09/27/01
Maturity Date	10/01/31
Original issue maturity (years)	30.0
Remaining Life (years)	25.5
All-in Cost	6.85%
Call Date	4/1/2006
Call Premium	101.00%
Refunding Bonds	
Principal	$15,000,000
New Coupon Rate	5.500%
Underwriting fee upfront	3.15%
PV Bond Insurance per annum	0.15%
Issue Date	4/1/2007
Maturity date	4/1/2037
Maturity (years)	30.0
New Call Date	3/30/2012
All-in Cost (Discount Rate)	**6.02%**

* Other Expenses include legal, rating and auditor fees.

** Expenses are financed at a rate of 6.02% and amortized for 30.0 years

HEARING EXHIBIT - 00001166

HEARING EXHIBIT - 00001167

Refunding Bond Analysis
FPU - Analysis
Dec-06

$16,800,000																									
ORIGINAL BOND		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Interest tax effected			($40,855)	($40,855)	($40,855)	($40,855)	($40,855)	($40,855)	($40,855)	($40,855)	($40,855)	($40,855)	($40,855)	($40,855)	($40,855)	($40,855)	($40,855)	($40,855)	($40,855)	($40,855)	($40,855)	($40,855)	($40,855)	($40,855)	($40,855)	($40,855)	($40,855)	($40,855)
NPV		($8,083,556)																									
Coupon Rate		6.05%																									
$15,000,000																											
REFUNDING BOND		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Call Premium	*	($50,000)																									
Underwriting Fee and tax ded	*	($72,500)	$ 825	$ 825	$ 825	$ 825	$ 825	$ 825	$ 825	$ 825	$ 825	$ 825	$ 825	$ 825	$ 825	$ 825	$ 825	$ 825	$ 825	$ 825	$ 825	$ 825	$ 825	$ 825	$ 825	$ 825	$ 825
Bond Insurance tax effected	*		($4,836)	($4,836)	($4,836)	($4,836)	($4,836)	($4,836)	($4,836)	($4,836)	($4,836)	($4,836)	($4,836)	($4,836)	($4,836)	($4,836)	($4,836)	($4,836)	($4,836)	($4,836)	($4,836)	($4,836)	($4,836)	($4,836)	($4,836)	($4,836)	($4,836)
Other Expenses and tax ded	*	($100,000)	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254
Interest tax effected	*		($14,635)	($14,635)	($14,635)	($14,635)	($14,635)	($14,635)	($14,635)	($14,635)	($14,635)	($14,635)	($14,635)	($14,635)	($14,635)	($14,635)	($14,635)	($14,635)	($14,635)	($14,635)	($14,635)	($14,635)	($14,635)	($14,635)	($14,635)	($14,635)	($14,635)	($14,635)
Total Outflows		($722,500)	($21,481)	($21,481)	($21,481)	($21,481)	($21,481)	($21,481)	($21,481)	($21,481)	($21,481)	($21,481)	($21,481)	($21,481)	($21,481)	($21,481)	($21,481)	($21,481)	($21,481)	($21,481)	($21,481)	($21,481)	($21,481)	($21,481)	($21,481)	($21,481)	($21,481)	($21,481)
NPV		($7,308,810)																									
Coupon Rate		5.50%																									
UF Underwriting Fee		3.15%																									
Bond Insurance		0.15%																									
SAVINGS		($22,500)	$10,463	$10,463	$10,463	$10,463	$10,463	$10,463	$10,463	$10,463	$10,463	$10,463	$10,463	$10,463	$10,463	$10,463	$10,463	$10,463	$10,463	$10,463	$10,463	$10,463	$10,463	$10,463	$10,463	$10,463	$10,463
		$894,648																									
Discount Rate		6.00%																									

Assumptions:

* Call Premium, Underwriting Fee and Other Expenses eg. Legal Paid Up-front
* All expenses except Call Premium are Tax Deductible
* Discount Rate of 6%

Refunding Bond Analysis
FPU's Analysis - Amortized Costs
Dec-06

$15,000,000			
ORIGINAL BOND			2007
Interest tax effected	2		(640,955)
NPV			
Coupon Rate		6.85%	
$15,000,000			
REFUNDING BOND		**UF Fee Pre-tax**	**2007**
Call Premium	1	150000	(5,000)
Underwriting Fee and tax ddn	1 2	472500	(9,818)
Bond Insurance tax effected	2	22500	(14,036)
Other Expenses and tax ddn	1 2	100000	(2,078)
		745,000	
Interest tax effected	2		(514,635)
			(545,566)
NPV			
Coupon Rate		5.50%	
UF Underwriting Fee		3.15%	
Bond Insurance		0.15%	
GAIN / (LOSS)			**95,389**
Discount Rate	3		

Assumptions:

1 Call Premium, Underdwriting Fee and Other Expenses eg. Legal Paid Up-front
2 All expenses except Call Premium are Tax Deductible
3 Discount Rate of 6%

CASH FLOW PROJECTIONS
Presented to the Board of Directors
March 13, 2007
in thousands of dollars

$25M

	2007	2008	2009	2010	2011
Major Cash Inflows					
Net Cash from Operations *	12,600	13,200	14,400	15,000	15,500
Proceeds from Water Sale	400	400	400	5,300	
	13,000	13,600	14,800	20,300	15,500
Major Cash Outflows:					
Dividends	2,300	2,400	2,800	3,200	3,300
Normal Construction Expenditure **	14,000	14,400	14,800	15,200	15,700
Purchase of Land & Buildings	4,700	3,500			
Other major Items:					
Fuel over recoveries	3,100				
LT Debt Sinking Fund		1,400	1,400	1,400	1,400
Environmental ***			1,600	3,500	
Pension Contributions			1,900	2,300	
Total Cash Outflows	24,100	21,700	22,500	25,600	20,400
Cash Requirements	**11,100**	**8,100**	**7,700**	**5,300**	**4,900**
Projected Financing:					
Change in Line of Credit	2,200	8,100	(6,400)	5,300	4,900
Refinancing of Mortgage Bond	8,900	-	-	-	
Equity Offering	-	-	14,100	-	
Total Projected Financing	**11,100**	**8,100**	**7,700**	**5,300**	**4,900**
LOC Balance	6,100	15,000	8,800	14,200	20,000

* Electric Rate Case mid 2008 and Gas 2009

** Includes Cost of Removal

*** Net of Environmental Investment Proceeds

HEARING EXHIBIT - 00001169

FINANCING

March 2007

FINANCING PROJECTIONS

	2006	2007	2008	2009	2010	2011
Available LOC	12,000,000	12,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Projected LOC Balance	3,500,000	6,100,000	15,000,000	8,800,000	14,200,000	20,000,000
Unused Portion of LOC	8,500,000	5,900,000	5,000,000	11,200,000	5,800,000	-
Bond Refinancing *		10,000,000	-	-	-	-
Equity Offering •		-	-	15,000,000	-	-

FINANCING ALREADY IN PLACE

Bank of America Line of Credit		
Expiry Date		Jul-2008
Approved Line	$	20,000,000
Current Limit Available	$	12,000,000
Balance Outstanding Jan 2007	$	3,964,000
Current Interest Rate		6.22%

Mortgage Bond:	
Principal	$15,000,000
Current Coupon Rate	6.85%
Maturity Date	Oct-2031
Remaining Life (years)	24.8
Call Premium	101%

FINANCE PROJECTIONS

Equity Offering		
Projected Equity Issue		Jun-2008
Price per Share	$	12
Projected Number of Shares		1,250,000
Gross Proceeds	$	15,000,000
Projected Issuance Costs	$	(900,000)
Net Proceeds	$	14,100,000

Refinanced Mortgage Bond	
Principal	$25,000,000
New Coupon Rate	5.50%
Underwriting Fee	3.15%
Up-front Cost incl call prem	$1,037,500
Annual Savings	$120,000
Total Discounted Savings	$800,000

• Gross Proceeds

HEARING EXHIBIT - 00001170

DEBT COVENANTS

March 2007

	LENDER	REQUIREMENT	2007	2008	2009	2010	2011
CAPITALIZATION RATIO	AMBAC	= > 35%	40%	39%	47%	48%	49%
FIXED CHARGE COVERAGE	BOA	>= 1.25	3.42	2.72	2.93	3.04	3.04
TOTAL LIABILITIES TO TANGIBLE NET WORTH	BOA	<4.00	3.68	3.64	2.69	2.65	2.61
FIXED CHARGE COVERAGE	JEA	> = 1.50	3.42	2.72	2.93	3.04	3.04
TOTAL LIABILITIES TO TANGIBLE NET WORTH	JEA	< 3.75	3.68	3.64	2.69	2.65	2.61
TOTAL DEBT TO TOTAL CAPITAL	Gulf Power	<.60	0.56	0.58	0.52	0.50	0.51
INTEREST COVERAGE (Annual not 6 Qtr Avg)	Gulf Power	>2.5	3.42	3.43	3.69	3.83	3.79

HEARING EXHIBIT - 00001171

CONFIDENTIAL

Unaudited

Land - $4.7M in May 2007 Bldg $1.5M 2008 $25 M BOND REFUNDING

Env - $1.6M prior to 2009 $3.7M in 2009 remainder in 2010 and at $ 15 M EQUITY

FLORIDA PUBLIC UTILITIES
CASH PROJECTIONS
2006 - 2011
IN THOUSANDS

	2006	2007	2008	2009	2010	2011
Operating Revenues	116,981	122,326	128,410	135,614	141,012	146,624
Fuel Revenue & Pass-thrus	(68,718)	(71,453)	(74,297)	(77,254)	(79,823)	(82,544)
Gross Profit	48,263	50,873	54,113	58,360	61,188	64,080
Other Income - Net (excl. taxes & int cap)	839	868	899	930	963	996
Total	49,102	51,741	55,012	59,290	62,151	65,077
DEDUCTIONS:						
Operation & Maintenance (Excl Fuel & Pass thrus)	27,209	28,667	30,210	31,929	33,634	35,307
Non-Cash O&M (Storm Resv)	(100)	(100)	(100)	(100)	(100)	(100)
Income Taxes Paid	1,400	2,440	2,754	3,512	3,750	3,899
Taxes Paid - Other	2,772	3,306	3,628	3,817	4,173	4,478
Interest On Long - Term Debt	4,205	4,138	4,228	4,091	3,953	3,816
Interest on Environmental Expenditure	8	16	97	349	366	382
Interest on LOC net of Interest Income	108	194	598	785	897	1,303
Other Interest Payments	378	433	446	459	477	496
Environmental Clean Up Costs	247	0	0	1,570	3,498	253
Dividends Paid	2,551	2,760	2,886	3,297	3,726	3,859
Proceeds from DRIP & ESPP	(451)	(469)	(488)	(507)	(525)	(544)
Pension Contributions	0	250	500	1,856	2,285	598
TOTAL DEDUCTIONS	38,327	41,635	44,758	51,057	56,135	53,748
BALANCE	10,775	10,106	10,254	8,233	6,017	11,329
Increase (Decrease) in Cash Due to Fluctuation in Certain Assets / Liab / Rev / Exp	7,752	(3,100)	0	0	0	0
Less Construction Requirements (including AEP & COR)	13,065	18,335	17,514	14,405	14,807	15,221
Net Const. Cash Refunds/(Contributions)	357	371	386	401	415	430
BALANCE	5,106	(11,700)	(7,646)	(6,573)	(9,206)	(4,322)
Proceeds from Water Sale & LWG	375	375	375	375	5,250	0
(Tax) / Refund on Sale of Water & LWG	0	0	0	0	0	0
Add Proceeds from Financing - BOA LOC	(6,092)	2,634	8,900	(6,200)	5,400	5,800
Less LT Debt Principal Repayments	0	0	(1,409)	(1,409)	(1,409)	(1,409)
Less Loan Expenses (LT Debt)	0	0	0	0	0	0
Add Proceeds from Refunded Bond Issue	0	10,000	0	0	0	0
Less Loan Expenses (Bonds)	0	(1,055)	(23)	(23)	(23)	(23)
Add Proceeds from Equity Issue	0	0	0	15,000	0	0
Less Expenses (Equity)	0	0	0	(900)	0	0
Less ST Investments	0	0	0	0	0	0
Cash Balance - Beginning of Period	695	84	338	534	804	816
Cash Balance - End of Period	84	338	534	804	816	862
BOA Line of Credit	12,000	12,000	20,000	20,000	20,000	20,000
Interest on LOC	12	12	14	20	20	20
Notes Payable Balance	3,466	6,100	15,000	8,800	14,200	20,000
Interest on Borrowings	183	178	576	743	863	1,283
Unused Portion of LOC	8,534	5,900	5,000	11,200	5,800	0
Interest on Unused Portion of LOC	22	23	14	27	15	0
Interest Income	6	3	7	10	12	13

HEARING EXHIBIT - 00001172

Refunding Bond Analysis — $25,800,000 — EDWARD JONES PROPOSAL
FPUC Analysis
Series

$15,800,000

ORIGINAL BOND		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Interest tax effected	2		(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)
Interest on LOC Balance tax effected			-	(366,004)	-	(366,004)	(366,004)	(366,004)	(366,004)	(366,004)	(366,004)	(366,004)	(366,004)	(366,004)	(366,004)	(366,004)	(366,004)	(366,004)	(366,004)	(366,004)	(366,004)	(366,004)	(366,004)	(366,004)	(366,004)	(366,004)	(366,004)
Total			(640,955)	(1,026,958)	(640,955)	(1,026,958)	(1,026,958)	(1,026,958)	(1,026,958)	(1,026,958)	(1,026,958)	(1,026,958)	(1,026,958)	(1,026,958)	(1,026,958)	(1,026,958)	(1,026,958)	(1,026,958)	(1,026,958)	(1,026,958)	(1,026,958)	(1,026,958)	(1,026,958)	(1,026,958)	(1,026,958)	(1,026,958)	(1,026,958)
NPV		($12,661,721)																									
Coupon Rate		6.85%																									
LOC Interest Rate		8.22%																									

$25,800,000

REFUNDING BOND		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Call Premium		(150,000)																									
Underwriting Fee add tax ded	1	(787,500)	0.875	0.875	0.875	0.875	0.875	0.875	0.875	0.875	0.875	0.875	0.875	0.875	0.875	0.875	0.875	0.875	0.875	0.875	0.875	0.875	0.875	0.875	0.875	0.875	0.875
Bond insurance tax effected	3		(23,363)	(23,363)	(23,363)	(23,363)	(23,363)	(23,363)	(23,363)	(23,363)	(23,363)	(23,363)	(23,363)	(23,363)	(23,363)	(23,363)	(23,363)	(23,363)	(23,363)	(23,363)	(23,363)	(23,363)	(23,363)	(23,363)	(23,363)	(23,363)	(23,363)
Other Expenses and tax ded	4	(100,000)	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254
Interest tax effected	2		(657,725)	(657,725)	(657,725)	(657,725)	(657,725)	(657,725)	(657,725)	(657,725)	(657,725)	(657,725)	(657,725)	(657,725)	(657,725)	(657,725)	(657,725)	(657,725)	(657,725)	(657,725)	(657,725)	(657,725)	(657,725)	(657,725)	(657,725)	(657,725)	(657,725)
Total Outflows		(1,037,500)	(680,834)	(680,834)	(680,834)	(680,834)	(680,834)	(680,834)	(680,834)	(680,834)	(680,834)	(680,834)	(680,834)	(680,834)	(680,834)	(680,834)	(680,834)	(680,834)	(680,834)	(680,834)	(680,834)	(680,834)	(680,834)	(680,834)	(680,834)	(680,834)	(680,834)
NPV		($12,150,870)																									
Coupon Rate		6.50%																									
UF Underwriting Fee		3.15%																									
Bond Insurance		0.15%																									
SAVINGS / (NON-SAVINGS)		$362,552	(720,834)	150,976	(220,834)	150,976	150,976	150,976	150,976	150,976	150,976	150,976	150,976	150,976	150,976	150,976	150,976	150,976	150,976	150,976	150,976	150,976	150,976	150,976	150,976	150,976	150,976
Discount Rate	3	6.00%																									

Assumptions

1 Call Premium, Underwriting Fee and Other Expenses eg. Legal Paid Up-front
2 All expenses except Call Premium are Tax Deductible
3 Discount Rate of 6%
4 Offering Expenses (eg legal, printing etc) not included in all-in costs.

HEARING EXHIBIT - 00001173

SUMMARY OF 2006 EQUITY FINANCING OPTIONS

FORECASTED IMPACT AS AT 2008

			SCENARIO 1 $10M	SCENARIO 2 $12M	SCENARIO 3 $15M
Available LOC			$ 20,000,000	$ 20,000,000	$ 20,000,000
Projected LOC Borrowings			$ 23,001,000	$ 21,100,000	$ 18,400,000
Unused Portion of LOC			$ (3,001,000)	$ (1,100,000)	$ 1,600,000
Debt Equity Ratio					
Debt %			56%	54%	52%
Equity %			44%	46%	48%
COVENANT COMPLIANCE:	LENDER	REQUIREMENT			
CAPITALIZATION RATIO	AMBAC	= > 35%	45%	46%	48%
FIXED CHARGE COVERAGE	BOA	>= 1.25	3.34	3.42	3.55
TOTAL LIABILITIES TO TANGIBLE NET WORTH	BOA	<4.00	2.95	2.85	2.71
Additional Debt allowable before Covenant violation			$ 40,010,000	$ 43,520,000	$ 48,510,000
Change in EPS (Budgeted Capital Structure - No Over-earnings)			$ (0.03)	$ (0.04)	$ (0.06)
Change in EPS (Based on Actual 2005 with Over-Earnings of $700K)			$ 0.03	$ 0.02	$ 0.00
Number of additional shares issued			833,333	1,000,000	1,250,000

Current LOC expires June 2007.
Projections dependent on timing and costs of land purchase and environmental expenditures.

Assumptions:
1. Equity Offering in July 2006
2. Land purchase $8M in July 2006
3. Environmental Expenditure &2M in 2007 remainder $10M in 2008
4. Electric Rate case filing in 2008 approx 10% Base Revenue Increase
5. Short Term interest rates will be 6% in 2006, 7% in 2007, 8% in 2009 and 7.5% in 2009 and 2010.
6. Stock sells for $12 per share in Equity Offering.

HEARING EXHIBIT - 00001174

FINANCING PROJECTIONS AND COVENANTS

EQUITY OFFERING
$10M
FINANCING PROJECTIONS

	Actual		<<< Projected >>>		
	2005	2006	2007	2008	2009
Available LOC	$ 12,000,000	$ 12,000,000	$ 12,000,000	$20,000,000	$ 20,000,000
Projected LOC Borrowings	$ 9,558,000	$ 3,701,000	$ 6,101,000	$23,001,000	$ 26,001,000
Unused Portion of LOC	$ 2,442,000	$ 8,299,000	$ 5,899,000	$ (3,001,000)	$ (6,001,000)
Projected Financing - Equity Offering	$ -	$ 10,000,000	$ -	$ -	$ -
Debt Equity Ratio					
Debt %	58%	50%	51%	56%	56%
Equity %	42%	50%	49%	44%	44%
Additional Debt allowable before Covenant violation		$ 33,060,000	$ 35,470,000	$40,010,000	

COVENANT COMPLIANCE:

			Actual		<<< Projected >>>		
	LENDER	REQUIREMENT	2005	2006	2007	2008	2009
CAPITALIZATION RATIO	AMBAC	=>35%	42%	47%	47%	45%	45%
FIXED CHARGE COVERAGE	BOA	>= 1.25	3.52	3.34	3.56	3.34	3.12
TOTAL LIABILITIES TO TANGIBLE NET WORTH	BOA	<4.00	3.50	2.87	2.92	2.95	2.99

TOTAL LIABILITIES TO TANGIBLE NET WORTH

Recap Total Liabilities ($M)			Tangible Net Worth ($M)			
2001	$ 110	Change				
2002	$ 119	$ 9				
2003	$ 121	$ 2				
2004	$ 127	$ 6	Actual	$ 37		
2005	$ 138	$ 11	Actual	$ 39		
2006	$ 142	$ 4	Trended	$ 49	Incl Equity & Intan $6.8M	
2007	$ 148	$ 6	Trended	$ 51	Incl Equity & Intan $6.8M	
2008	$ 155	$ 6	Trended	$ 52	Incl Equity & Intan $6.8M	
2009	$ 161	$ 6	Trended	$ 54	Incl Equity & Intan $6.8M	

* 2005 Total Liabilities of $138M and would require an increase of $19M before covenant violation.

Current LOC expires June 2007.

Projections dependent on timing and costs of land purchase and environmental expenditures.

5/5/2006 12:53 PM

HEARING EXHIBIT - 00001175

Florida Public Utilities Company
Financing Option Analysis
5/5/2006 15:02

Prepared by: DC

Scenario Description

EQUITY $10M (Modified Capital Structure)

Financing Assumptions

Bond 1			
Description:	Private Activity Bonds		
Principal Amount	-	Gross Spread %(sales charge)	3.00%
Annual Interest Rate%	5.15%	Insurance %	0.27%
Years	30	Net Proceeds	-

Bond 2			
Description:	Insured Quarterly Notes		
Principal Amount	-	Gross Spread %(sales charge)	3.15%
Annual Interest Rate %	6.85%	Insurance %	0.27%
Years	30	Net Proceeds	-

Equity - Common Stock			
Amount of Common Financing	10,000,000	Gross Spread %(sales charge)	4.85%
Price per Share	12	Other %	0.00%
Annual Dividend $/share	0.43	Cost of Equity	12.00%
Shares Issued	833,333	Net Proceeds	9,515,000

Other Assumptions & Data					
Short Term Debt %	5.50%		For Period analyzed:	Y/E 2005	
NOI (Incl Over-earnings) @ end of period analyzed:		Overearnings Rev	Short term debt remaining after financing		43,000
Gas Budgeted NOI 2006	5,145,556	-	Consolidated Capital Items:	LTD	52,500,000
Electric Budgeted NOI 2006	2,508,737	-		STD	9,558,000
		-		Pref'd Stk	600,000
Fernandina - Water	-	-		Equity	45,503,271
Period's Earnings for common stk	4,024,055			Flo-Gas allocated Equity	2,229,013
Common shares O/S	5,980,478	EPS 0.67		1890/1810 unamort debt	2,107,065

Summary Effect on Income and EPS

Earnings for common stk before Financing	4,024,055		
Income statement change with:			
	Increase (decrease) to NI		
Increased Revenues from allowed ROE	-	(based on year end rate base and COC)	
Amortization of Debt Costs	-		
LTD interest	-		
STD interest reduction (from financing)	523,325	< Includes int income 1/2 of STD% if > STD	
STD interest addition (from Dividend pmt)	(9,854)	< Associated with Dividend payout	0.43
STD interest change (from financing int. pmts)	28,783	on additional shares of	833,333
Income Tax	(204,050)		
Net Income Statement Effect	$ 338,204	Required Return for break even EVA:	
		Required Return on Equity Capital-before financ	6,341,286
		Required Return on Equity Capital- after financ	6,541,286
Change in EPS	(0.03)	Net Income Req'd from Investment- befor	$ 1,317,231
		Net Income Req'd from Investment- afte	$ 2,179,027
Debt/Equity Ratio after Financing	48% 52%		
Debt/Equity Ratio before Financing	57% 43%	Change in EVA (deficiency) or surplus	$ (861,796)

HEARING EXHIBIT - 00001176

Florida Public Utilities Company
Financing Option Analysis
5/5/2006 13:40

Prepared by: DC

Scenario Description

EQUITY $10M

Financing Assumptions

Bond 1			
Description:	Private Activity Bonds		
Principal Amount	-	Gross Spread %(sales charge)	3.00%
Annual Interest Rate%	5.15%	Insurance %	0.27%
Years	30	Net Proceeds	-

Bond 2			
Description:	Insured Quarterly Notes		
Principal Amount	-	Gross Spread %(sales charge)	3.15%
Annual Interest Rate %	6.85%	Insurance %	0.27%
Years	30	Net Proceeds	-

Equity - Common Stock			
Amount of Common Financing	10,000,000	Gross Spread %(sales charge)	4.85%
Price per Share	12	Other %	0.00%
Annual Dividend $/share	0.43	Cost of Equity	12.00%
Shares Issued	833,333	Net Proceeds	9,515,000

Other Assumptions & Data

Short Term Debt %	5.50%		For Period analyzed:	Y/E	2005
NOI (Incl Over-earnings) @ end of period analyzed:		Overearnings Rev	Short term debt remaining after financing:		43,000
Gas	5,497,656	731,709	Consolidated Capital Items:	LTD	52,500,000
Electric	2,835,324	-		STD	9,558,000
		-		Pref'd Stk	600,000
Fernandina - Water	-	-		Equity	45,503,271
Period's Earnings for common stk	4,219,317			Flo-Gas allocated Equity	2,229,013
Common shares O/S	5,952,684	EPS 0.71		1890/1810 unamort debt	2,107,065

Summary Effect on Income and EPS

Earnings for common stk before Financing	4,219,317		
Income statement change with:			
	Increase (decrease) to NI		
Increased Revenues from allowed ROE	731,709	(based on year end rate base and COC)	
Amortization of Debt Costs	-		
LTD interest	-		
STD interest reduction (from financing)	523,325	<Includes int income 1/2 of STD% if > STD	
STD interest addition (from Dividend pmt)	(9,854)	<Associated with Dividend payout	0.43
STD interest change (from financing int. pmts)	28,783	on additional shares of	833,333
Income Tax	(479,392)		
Net Income Statement Effect	$ 794,571		
Change in EPS	0.03		

Required Return for break even EVA:	
Required Return on Equity Capital-before financ	6,344,278
Required Return on Equity Capital- after financ	6,544,278
Net Income Req'd from Investment- befor	$ 1,124,961
Net Income Req'd from Investment- afte	$ 1,530,391
Change in EVA (deficiency) or surplu	$ (405,429)

Debt/Equity Ratio after Financing	48%	52%
Debt/Equity Ratio before Financing	57%	43%

HEARING EXHIBIT - 00001177

CONFIDENTIAL

Unaudited

Land - $ 8M in 2006

Env - $2M in 2007 - remainder in 2008

SCENARIO 1 EQUITY $10M

FLORIDA PUBLIC UTILITIES
CASH PROJECTIONS
2006 - 2010
IN THOUSANDS

	2005	2006	2007	2008	2009	2010
Operating Revenues	113,300	117,942	123,090	129,971	135,144	140,523
Fuel Revenue & Pass-thrus	(66,088)	(68,718)	(71,453)	(74,297)	(76,742)	(79,291)
Gross Profit	47,212	49,224	51,636	55,674	58,402	61,231
Other Income - Net (excl. taxes & int cap)	466	660	683	707	732	757
Total	47,678	49,884	52,320	56,381	59,134	61,989
DEDUCTIONS:						
Operation & Maintenance (Excl Fuel & Pass thr	26,395	27,794	29,308	31,230	33,150	35,238
Non-Cash O&M (Storm Resv)	(100)	(100)	(100)	(100)	(100)	(100)
Income Taxes Paid	2,015	2,191	2,455	2,734	2,607	2,644
Taxes Paid - Other	2,565	3,453	3,704	3,972	4,203	4,436
Interest On Long - Term Debt	3,949	3,949	3,949	3,880	3,674	3,537
Interest on Environmental Expenditure	0	7	61	810	810	810
Interest on LOC net of Interest Income	137	228	218	1,036	1,843	2,060
Other Interest Payments	369	420	433	446	463	482
Environmental Clean Up Costs	63	106	778	10,943	0	0
Dividends Paid	2,445	2,691	3,021	3,089	3,159	3,287
Proceeds from DRIP & ESPP	(434)	(451)	(469)	(488)	(505)	(523)
Pension Contributions	0	250	290	990	0	0
TOTAL DEDUCTIONS	37,404	40,537	43,647	58,542	49,304	51,872
BALANCE	10,274	9,347	8,672	(2,161)	9,829	10,116
Increase (Decrease) in Cash Due to Fluctuation in Certain Assets / Liab / Rev / Exp	(2,437)	7,983	0	0	0	0
Construction Requirements (Including AEP)	11,481	21,286	11,172	13,283	11,396	11,510
Net Const. Cash Refunds/(Contributions)	343	357	371	386	399	413
BALANCE	(3,987)	(4,312)	(2,871)	(15,829)	(1,966)	(1,808)
Proceeds from Water Sale & LWG	254	375	375	375	375	375
(Tax) / Refund on Sale of Water & LWG	0	0	0	0	0	0
Add Proceeds from Financing - BOA LOC	3,733	(5,857)	2,400	16,900	3,000	3,000
Less LT Debt Principal Repayments	0	0	0	(1,409)	(1,409)	(1,409)
Less Loan Expenses (LT Debt)	0	0	0	0	0	0
Add Proceeds from Bond Issue	0	0	0	0	0	0
Less Loan Expenses (Bonds)	0	0	0	0	0	0
Add Proceeds from Equity Issue	0	10,000	0	0	0	0
Less Expenses (Equity)	0	(600)	0	0	0	0
Less ST Investments	0	0	0	0	0	0
Cash Balance - Beginning of Period	695	695	301	205	242	242
Cash Balance - End of Period	695	301	205	242	242	400
BOA Line of Credit	12,000	12,000	12,000	20,000	20,000	20,000
Interest on LOC	12	12	12	17	20	20
Notes Payable Balance	9,558	3,701	6,101	23,001	26,001	29,001
Interest on Borrowings	110	201	187	1,016	1,838	2,063
Unused Portion of LOC	2,442	8,299	5,899	(3,001)	(6,001)	(9,001)
Interest on Unused Portion of LOC	23	22	23	9	(15)	(23)
Interest Income	8	7	4	3	4	5

Assumes Environmental clean-up costs of $10M in 2008

FLORIDA PUBLIC _ .ES COMPANY
CASH PROJECTION
BUDGET 2006

TOTAL CONSOLIDATED

		JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
Operating Revenues		12,859,260	10,950,110	10,375,974	9,314,795	8,605,050	8,783,958	8,715,970	8,864,623	8,371,198	8,727,167	9,946,813	12,447,348	117,942,265
Fuel Revenue & Pass-thrus		(7,355,095)	(6,224,716)	(6,057,814)	(5,373,494)	(4,817,122)	(5,038,437)	(5,058,145)	(5,160,257)	(4,679,525)	(5,132,807)	(8,058,399)	(7,762,452)	(68,718,265)
Gross Profit		5,504,165	4,725,392	4,318,160	3,941,301	3,787,928	3,725,521	3,657,825	3,704,366	3,691,673	3,594,360	3,888,414	4,684,896	49,224,000
Other Income - Net (excl. taxes & int cap)		47,913	84,696	62,711	80,457	22,214	70,588	38,519	70,845	48,038	22,987	60,442	50,591	660,000
Total		5,552,078	4,810,088	4,380,871	4,021,758	3,810,142	3,796,107	3,696,344	3,775,211	3,739,711	3,617,347	3,948,856	4,735,488	49,884,000
DEDUCTIONS:														
Operation & Maint Excl Fuel etc		3,107,800	2,668,181	2,438,220	2,225,429	2,138,828	2,103,590	2,085,368	2,081,645	2,084,478	2,029,631	2,195,567	2,645,295	27,794,000
Non-Cash O&M (Storm Resv)		(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(100,000)
Income Taxes Paid					269,000		622,000			400,000		900,000		2,191,000
Taxes Paid - Other		190,664	10,404	117,921	69,713	49,053	63,498	193,318	71,429	39,335	173,358	2,485,745	8,607	3,453,246
Interest On Long - Term Debt						754,300	363,200					754,300	363,250	2,235,050
Interest on Additional LT Debt	6.85%	256,875			256,875			256,875			256,875			1,027,500
Interest on Environmental Expenditure		605	605	605	605	605	605	605	605	605	605	605	605	7,261
Interest on Private Activity Bond	4.90%					343,000						343,000		686,000
Interest on LOC		50,147	44,650	28,847	14,035	8,463	11,140	11,248	7,634	6,099	8,595	18,053	22,758	227,669
Other Interest Payments		0	0	0	210,000	210,000	0	0	0	0	0	0	0	420,000
Payment Of Environmental Clean Up							106,000							106,000
Dividends Paid - Preferred		7,125	0	0	7,125	0	0	7,125	0	0	7,125	0	0	28,500
Dividends Paid - Common		638,000	0	0	638,000	0	0	649,000	0	0	739,000	0	0	2,662,000
Proceeds Form Sale - Common Stock		(146,598)	0	0	(77,796)	0	0	(152,106)	0	0	(74,818)	0	0	(451,318)
Pension Contributions							250,000							250,000
TOTAL DEDUCTIONS		4,094,375	2,715,487	2,577,259	3,604,653	3,495,915	3,511,700	3,023,098	2,162,980	2,522,184	3,129,634	6,668,935	3,032,383	40,536,908
BALANCE		1,457,703	2,094,601	1,803,612	417,105	314,227	284,407	673,246	1,612,231	1,217,528	487,408	(2,718,080)	1,703,105	9,347,092
Increase (Decrease) in Cash Due to Fluctuation in Certain Assets & Liab		(584,307)	2,164,387	3,064,968	2,578,552	688,805	71,168							7,983,341
Construction Requirements (including AEP)		1,134,281	880,827	1,003,848	1,471,925	1,703,225	1,409,325	9,026,425	1,003,225	997,025	806,225	935,225	822,225	21,285,700
Net Const. Cash Refunds/(Contributions)		29,733	29,733	29,733	29,733	29,733	29,733	29,733	29,733	29,733	29,733	29,733	29,733	356,791
BALANCE		(290,537)	3,348,408	3,834,996	1,494,000	(730,128)	(1,083,492)	(8,382,911)	579,273	190,769	(440,549)	(3,683,037)	851,148	(4,312,058)
Add Proceeds From Financing - SunTrust LOC (See Detail Below)														0
Proceeds from Water Sale & LWG				375,000										375,000
Less Tax on Gain of Sale Water & LWG														0
Add Proceeds from Financing - BOA LOC		(1,104,000)	(1,294,000)	(2,323,000)	(2,342,000)		1,100,000	(1,000,000)	500,000	(200,000)	400,000	2,509,000	(900,000)	(5,857,000)
Add Proceeds From Financing (LT Debt)														0
Less Loan Expenses (LT Debt)														0
Add Proceeds from Bond Issue														0
Less Loan Expenses (Bonds)														0
Add Proceeds from Equity Issue								10,000,000						10,000,000
Less Equity Issue Expenses								(600,000)						(600,000)
Less ST Investments														0
Cash Balance - Beginning Of Period		895,132	1,508,595	1,461,004	1,848,000	1,000,000	269,874	286,382	303,471	382,744	373,513	332,964	249,927	895,132
Cash Balance - End of Period		1,508,595	1,461,004	1,848,000	1,000,000	269,874	286,382	303,471	382,744	373,513	332,964	249,927	301,074	301,074
Actual Cash Balance		1,508,595	1,461,004	1,848,000	1,000,000									
Customer Deposit - Annual Payments	420,000													
Notes Payable Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	
Interest On Notes Payable @ (4310.2)	2.30%	0	0	0	0	0	0	0	0	0	0	0	0	0
Line of Credit - Bank of America	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000
Interest on LOC	0.10%	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Notes Payable Balance - BOA	8,556,000	10,842,000	7,265,000	3,443,000	1,101,000	1,101,000	2,201,000	1,201,000	701,000	501,000	901,000	4,501,000	3,701,000	3,701,000
Interest on Borrowings	0.90%	50,600	44,800	26,800	11,400	5,500	8,300	8,500	4,800	3,000	3,500	13,500	20,500	201,200
Unused Portion of LOC	2,442,000	1,338,000	4,734,000	8,557,000	10,899,000	10,899,000	9,799,000	10,799,000	11,299,000	11,499,000	11,099,000	7,499,000	8,299,000	8,299,000
Interest on Unused Portion of LOC	0.25%	400	600	1,400	2,000	2,300	2,200	2,100	2,300	2,400	2,400	1,900	1,600	21,600
Additional LT Debt Balance	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	
Interest On additional LT Debt	6.85%	85,600	85,600	85,600	85,600	85,600	85,600	85,600	85,600	85,600	85,600	85,600	85,600	1,027,200
Private Activity Bond - Used	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	
Interest On Private Activity Bond	4.90%	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	686,400
Private Activity Bonds - Trust	0													

HEARING EXHIBIT - 00001179

FLORIDA PUBLIC ...IES COMPANY
CASH PROJECTION
BUDGET 2007

TOTAL CONSOLIDATED

		JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
Operating Revenues		13,421,746	11,429,441	10,828,703	9,721,819	8,982,414	9,147,072	9,098,551	9,251,549	8,738,368	9,107,609	10,376,505	12,985,898	123,089,673
Fuel Revenue & Pass-thrus		(7,647,827)	(6,472,462)	(6,298,915)	(5,587,359)	(5,008,843)	(5,236,967)	(5,259,459)	(5,365,636)	(4,865,770)	(5,337,092)	(6,299,524)	(8,071,397)	(71,453,252)
Gross Profit		5,773,919	4,956,979	4,529,789	4,134,460	3,973,570	3,908,105	3,837,091	3,885,913	3,872,598	3,770,516	4,078,981	4,914,499	51,636,421
Other Income - Net (excl taxes & int cap)		49,590	87,660	64,906	83,273	22,991	73,057	39,867	73,325	49,719	23,761	62,558	52,362	683,100
Total I ' '		5,823,509	5,044,639	4,594,695	4,217,734	3,996,562	3,981,162	3,876,959	3,959,238	3,922,317	3,794,308	4,141,539	4,966,860	52,319,521
DEDUCTIONS:														
Operation & Mince Excl Fuel etc		3,277,210	2,813,532	2,571,063	2,346,878	2,255,359	2,218,201	2,177,895	2,205,605	2,198,048	2,140,107	2,315,189	2,789,420	29,308,316
Non-Cash O&M (Storm Resv)		(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(100,000)
Income Taxes Paid					613,757		613,757			613,757		0	613,757	2,455,026
Taxes Paid - Other		181,528	9,906	112,271	66,373	46,702	60,456	184,055	68,007	37,450	185,052	2,764,032	8,385	3,704,217
Interest On Long - Term Debt						754,300	363,200					754,300	363,250	2,235,050
Interest on Additional LT Debt	8.85%	256,875			256,875			256,875			256,875			1,027,500
Interest on Environmental Expenditure		5,049	5,049	5,049	5,049	5,049	5,049	5,049	5,049	5,049	5,049	5,049	5,049	60,586
Interest on Private Activity Bond	4.90%					343,000						343,000		686,000
Interest on LOC		21,710	15,277	8,043	7,198	11,354	16,039	19,482	18,089	18,132	18,349	29,012	37,478	218,164
Other Interest Payments		0	0	0	216,300	216,300	0	0	0	0	0	0	0	432,600
Payment Of Environmental Clean Up		0	0	0	0	0	778,463	0	0	0	0	0	0	778,463
Dividends Paid - Preferred		7,125	0	0	7,125	0	0	7,125	0	0	7,125	0	0	28,500
Dividends Paid - Common		740,000	0	0	742,000	0	0	754,000	0	0	756,000	0	0	2,992,000
Proceeds Form Sale - Common Stock		(152,432)	0	0	(80,892)	0	0	(158,160)	0	0	(77,766)	0	0	(469,250)
Pension Contributions							290,000							290,000
TOTAL DEDUCTIONS		4,328,740	2,835,430	2,668,092	4,172,130	3,623,730	4,336,831	3,237,988	2,288,416	2,882,103	3,262,428	6,202,238	3,809,005	43,647,141
BALANCE		1,494,769	2,209,209	1,926,602	45,604	372,831	(355,669)	638,971	1,670,822	1,060,214	531,880	(2,060,710)	1,157,855	8,672,379
Increase (Decrease) In Cash Due to Fluctuation in Certain Assets & Liab.		-	-	-	-	-	-	-	-	-	-	-	-	-
Construction Requirements (excluding AEP)		740,091	740,938	1,031,025	878,680	901,996	808,770	679,528	980,373	1,011,307	1,335,803	1,022,336	1,043,154	11,172,000
Net Const. Cash Refunds/(Contributions)		30,916	30,916	30,916	30,916	30,916	30,916	30,916	30,916	30,916	30,916	30,916	30,916	370,991
BALANCE		723,762	1,437,356	844,662	(861,992)	(560,080)	(1,195,355)	(71,473)	659,533	17,991	(834,839)	(3,113,960)	83,785	(2,870,612)
Add Proceeds From Financing -SunTrust LOC (See Detail Below)														0
Proceeds from Water Sale & LWG				375,000										375,000
Less Tax on Gain of Sale Water & LWG														0
Add Proceeds from Financing - BOA LOC		[redacted]	(1,400,000)	(1,200,000)	800,000	700,000	1,000,000	200,000	(700,000)		800,000	3,000,000		2,400,000
Add Proceeds From Financing (LT Debt)														0
Less Loan Expenses (LT Debt)														0
Add Proceeds from Bond Issue														0
Less Loan Expenses (Bonds)														0
Add Proceeds from Equity Issue														0
Less Equity Issue Expenses														0
Less ST Investments														0
Cash Balance - Beginning Of Period		301,074	224,837	262,192	281,854	219,862	359,781	164,426	292,953	252,486	270,477	235,638	121,677	301,074
Cash Balance - End of Period		224,837	262,192	281,854	219,862	359,781	164,426	292,953	252,486	270,477	235,638	121,677	205,463	205,463
Actual Cash Balance														
Customer Deposit - Annual Payments	432,600													
Notes Payable Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest On Notes Payable @ (4310 2)	2.30%	0	0	0	0	0	0	0	0	0	0	0	0	0
Line of Credit - Bank of America	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000
Interest on LOC	0.10%	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Notes Payable Balance - BOA	3,701,000	2,901,000	1,501,000	301,000	1,101,000	1,801,000	2,801,000	3,001,000	2,301,000	2,301,000	3,101,000	6,101,000	6,101,000	6,101,000
Interest on Borrowings	7.00%	19,300	12,800	5,300	4,100	8,500	13,400	16,900	15,500	13,400	15,800	26,800	35,600	187,400
Unused Portion of LOC	8,299,000	9,099,000	10,499,000	11,699,000	10,899,000	10,199,000	9,199,000	8,999,000	9,699,000	9,699,000	8,899,000	5,899,000	5,899,000	5,899,000
Interest on Unused Portion of LOC	0.25%	1,800	2,000	2,300	2,400	2,200	2,000	1,900	1,900	2,000	1,900	1,500	1,200	23,100
Additional LT Debt Balance	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	
Interest On additional LT Debt	8.85%	85,600	85,600	85,600	85,600	85,600	85,600	85,600	85,600	85,600	85,600	85,600	85,600	1,027,200
Private Activity Bond - Used	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	
Interest On Private Activity Bond	4.90%	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	686,400

HEARING EXHIBIT - 00001180

FLORIDA PUBLIC ...IES COMPANY
CASH PROJECTION
BUDGET 2008

TOTAL CONSOLIDATED

		JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
Operating Revenues		14,177,600	12,074,637	11,433,590	10,287,475	9,492,464	9,661,163	9,805,904	9,768,946	9,234,829	9,614,848	10,948,166	13,691,408	129,971,029
Fuel Revenue & Pass-thrus		(7,952,211)	(6,730,066)	(6,549,812)	(5,809,736)	(5,208,195)	(5,447,478)	(5,468,786)	(5,579,188)	(5,059,428)	(5,549,509)	(6,550,245)	(8,392,639)	(74,297,091)
Gross Profit		6,225,389	5,344,571	4,883,978	4,457,739	4,284,269	4,213,685	4,137,119	4,189,758	4,175,402	4,065,338	4,397,922	5,298,769	55,673,938
Other Income - Net (excl. taxes & int cap)		51,326	90,729	67,178	86,188	23,796	75,614	41,263	75,891	51,459	24,624	64,747	54,195	707,009
Total		6,276,715	5,435,300	4,951,156	4,543,927	4,308,065	4,289,298	4,178,381	4,265,649	4,226,861	4,089,962	4,462,669	5,352,964	56,380,946
DEDUCTIONS:														
Operation & Mtnce Excl Fuel etc		3,492,137	2,968,042	2,739,672	2,500,572	2,403,284	2,363,670	2,320,720	2,350,248	2,342,195	2,280,455	2,467,018	2,972,349	31,230,342
Non-Cash O&M (Storm Resv)		(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(100,000)
Income Taxes Paid					683,455		683,455			683,455		0	683,455	2,733,820
Taxes Paid - Other		186,974	10,203	115,639	58,364	48,103	62,269	189,577	70,047	38,574	170,003	3,004,069	8,637	3,972,460
Interest On Long - Term Debt						754,325	363,200					685,754	363,200	2,166,479
Interest on Additional LT Debt	0.85%	256,875			256,875			256,875			256,875			1,027,500
Interest on Environmental Expenditure		87,512	87,512	87,512	87,512	87,512	87,512	87,512	87,512	87,512	87,512	87,512	87,512	810,147
Interest on Private Activity Bond	4.90%					343,000						343,000		686,000
Interest on LOC		40,212	33,821	26,271	25,679	35,052	82,926	124,151	123,363	122,307	126,759	141,089	153,707	1,036,238
Other Interest Payments		0	0	0	222,800	222,800	0	0	0	0	0	0	0	445,600
Payment Of Environmental Clean Up		0	0	0	0	0	10,942,500	0	0	0	0	0	0	10,942,500
Dividends Paid - Preferred		7,125	0	0	7,125	0	0	7,125	0	0	7,125	0	0	28,500
Dividends Paid - Common		757,000	0	0	759,000	0	0	771,000	0	0	773,000	0	0	3,060,000
Proceeds Form Sale - Common Stock		(158,499)	0	0	(84,111)	0	0	(164,455)	0	0	(80,892)	0	0	(487,957)
Pension Contributions							990,000							990,000
TOTAL DEDUCTIONS		4,841,003	3,101,245	2,940,761	4,498,938	3,865,723	15,547,199	3,564,172	2,602,837	3,245,710	3,592,504	6,791,010	4,240,527	58,541,629
BALANCE		1,435,712	2,334,055	2,010,395	44,989	442,342	(11,257,901)	614,209	1,662,812	981,150	497,458	(2,238,341)	1,112,437	(2,160,683)
Increase (Decrease) in Cash Due to Fluctuation in Certain Assets & Liab.		-	-	-	-	-	-	-	-	-	-	-	-	-
Construction Requirements (including AEP)		879,935	880,841	1,225,842	1,042,333	1,072,432	961,591	807,928	1,165,819	1,202,399	1,588,209	1,215,510	1,240,262	13,283,000
Net Const. Cash Refunds/(Contributions)		32,146	32,146	32,146	32,146	32,146	32,146	32,146	32,146	32,146	32,146	32,146	32,146	385,756
BALANCE		723,631	1,420,967	752,407	(1,029,490)	(662,237)	(12,251,638)	(225,865)	465,047	(253,395)	(1,122,858)	(3,485,997)	(159,972)	(15,829,439)
Add Proceeds From Financing -SunTrust LOC (See Detail Below)														0
Proceeds from Water Sale & LWG				375,000										375,000
Less Tax on Gain of Sale Water & LWG														0
Add Proceeds from Financing - BOA LOC		(700,000)	(1,300,000)	(1,000,000)	800,000	2,100,000	12,300,000	200,000	(500,000)	200,000	1,200,000	3,500,000	100,000	16,900,000
Less LT Debt Principal Repayments						($1,400,000)								(1,400,000)
Less Loan Expenses (LT Debt)														0
Add Proceeds from Bond Issue														0
Less Loan Expenses (Bonds)														0
Add Proceeds from Equity Issue														0
Less Equity Issue Expenses														0
Less ST Investments														0
Cash Balance - Beginning Of Period		205,483	229,083	350,050	477,468	247,978	276,741	325,103	299,238	264,285	210,890	287,992	301,998	205,483
Cash Balance - End of Period		229,083	350,050	477,468	247,978	276,741	325,103	299,238	264,285	210,890	287,992	301,998	242,023	242,023
Actual Cash Balance														
Customer Deposit - Annual Payments	445,678													
Notes Payable Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	
Interest On Notes Payable @ (4310.2)	2.30%	0	0	0	0	0	0	0	0	0	0	0	0	0
Line of Credit - Bank of America	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Interest on LOC	0.10%	1,000	1,000	1,000	1,000	1,000	1,700	1,700	1,700	1,700	1,700	1,700	1,700	16,800
Notes Payable Balance - BOA	6,101,000	5,401,000	4,101,000	3,101,000	3,901,000	6,001,000	18,301,000	18,501,000	18,001,000	18,201,000	18,401,000	22,901,000	23,001,000	23,001,000
Interest on Borrowings	8.00%	38,300	31,700	24,000	23,300	33,000	81,000	122,700	121,700	120,700	125,300	141,000	153,000	1,015,700
Unused Portion of LOC	5,899,000	6,599,000	7,899,000	8,899,000	8,099,000	5,999,000	1,699,000	1,499,000	1,999,000	1,799,000	599,000	(2,901,000)	(3,001,000)	(3,001,000)
Interest on Unused Portion of LOC	0.25%	1,300	1,500	1,700	1,800	1,500	800	300	400	400	200	(200)	(600)	9,100
Additional LT Debt Balance	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	13,591,000	13,591,000	13,591,000	13,591,000	13,591,000	13,591,000	13,591,000	13,591,000	
Interest On additional LT Debt	0.85%	85,600	85,600	85,600	85,600	81,600	77,600	77,600	77,600	77,600	77,600	77,600	77,600	667,200
Private Activity Bond - Used	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	
Interest On Private Activity Bond	4.90%	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	686,400

HEARING EXHIBIT - 00001181

FLORIDA PUBLIC UTILITIES
AMBAC ASSURANCE CAPITALIZATION RATIO WORKSHEET

PROJECTED 2008

COMPLIANCE TEST

CAPITALIZATION RATIO	$	$
CONSOLIDATED INDEBTEDNESS		
i Indebtedness for Borrowed Money / Deferred Purchase Price of Property (other than trade payables incurred in the ordinary course of business)		
ii Notes, Bonds, Debentures & Other Instruments	74,092,000	
iii Obligations for Conditional Sale or Title Retention Agreements	-	
iv Amounts available to be drawn under all Letters of Credit	-	
v Liabilities secured by any lien on any Property	-	
vi Liabilities in respect of any obligation (contingent or otherwise) to purchase, redeem, retire, acquire or make any other payment in respect of any shares of equity securities, or any option, warrant or other right to acquire any shares of equity securities.	-	
vii Monetary obligations under capital leases	-	
viii Any guarantee obligation in respect of Indebtedness of others.	-	74,092,000
CONSOLIDATED INDEBTEDNESS		
CONSOLIDATED NET WORTH		
i Stockholders' Equity	59,246,476	
ii Preferred Stock	600,000	59,846,476
CONSOLIDATED NET WORTH		
CONSOLIDATED TOTAL CAPITALIZATION		133,938,476
CAPITALIZATION RATIO		
CONSOLIDATED NET WORTH / CONSOLIDATED TOTAL CAPITALIZATION		59,846,476 / 133,938,476
REQUIRED PERCENTAGE OF CONSOLIDATED TOTAL CAPITALIZATION	=> 35%	45%

HEARING EXHIBIT - 00001182

FLORIDA PUBLIC UTILITIES
AMBAC ASSURANCE CAPITALIZATION RATIO WORKSHEET

PROJECTED 2008

COMPLIANCE TEST

CAPITALIZATION RATIO	$	$	
CONSOLIDATED INDEBTEDNESS			
i Indebtedness for Borrowed Money / Deferred Purchase Price of Property (other than trade payables incurred in the ordinary course of business)			ADD LOAN
ii Notes, Bonds, Debentures & Other Instruments	111,096,528	GOAL SEEK	111,096,528
iii Obligations for Conditional Sale or Title Retention Agreements	-		(51,091,000)
iv Amounts available to be drawn under all Letters of Credit	-		(20,000,000)
v Liabilities secured by any lien on any Property	-		40,005,528
vi Liabilities in respect of any obligation (contingent or otherwise) to purchase, redeem, retire, acquire or make any other payment in respect of any shares of equity securities, or any option, warrant or other right to acquire any shares of equity securities.	-		
vii Monetary obligations under capital leases	-		
viii Any guarantee obligation in respect of Indebtedness of others.	-		
CONSOLIDATED INDEBTEDNESS		111,096,528	
CONSOLIDATED NET WORTH			
i Stockholders' Equity	59,246,476		
ii Preferred Stock	600,000		
CONSOLIDATED NET WORTH		59,846,476	
CONSOLIDATED TOTAL CAPITALIZATION		170,943,004	
CAPITALIZATION RATIO			
CONSOLIDATED NET WORTH		59,846,476	
CONSOLIDATED TOTAL CAPITALIZATION		170,943,004	
REQUIRED PERCENTAGE OF CONSOLIDATED TOTAL CAPITALIZATION	>= 35%	35.01%	

HEARING EXHIBIT - 00001183

FINANCING PROJECTIONS AND COVENANTS

EQUITY OFFERING
$12M
FINANCING PROJECTIONS

	Actual	<<< Projected >>>			
	2005	2006	2007	2008	2009
Available LOC	$ 12,000,000	$ 12,000,000	$ 12,000,000	$20,000,000	$ 20,000,000
Projected LOC Borrowings	$ 9,558,000	$ 1,900,000	$ 4,300,000	$21,100,000	$ 24,100,000
Unused Portion of LOC	$ 2,442,000	$ 10,100,000	$ 7,700,000	$ (1,100,000)	$ (4,100,000)
Projected Financing - Equity Offering	$ -	$ 12,000,000	$ -	$ -	$ -
Debt Equity Ratio					
Debt %	58%	49%	49%	54%	54%
Equity %	42%	51%	51%	46%	46%
Additional Debt allowable before Covenant violation		$ 36,520,000	$ 38,940,000	$43,520,000	

COVENANT COMPLIANCE:

			Actual	<<< Projected >>>			
	LENDER	REQUIREMENT	2005	2006	2007	2008	2009
CAPITALIZATION RATIO	AMBAC	=> 35%	42%	48%	48%	46%	46%
FIXED CHARGE COVERAGE	BOA	>= 1.25	3.52	3.34	3.65	3.42	3.18
TOTAL LIABILITIES TO TANGIBLE NET WORTH	BOA	<4.00	3.50	2.77	2.82	2.85	2.89

TOTAL LIABILITIES TO TANGIBLE NET WORTH

	Recap Total Liabilities ($M)		Change			
2001	$ 110					
2002	$ 119	$	9			
2003	$ 121	$	2			
2004	$ 127	$	6	Actual	$ 37	
2005	$ 138	$	11	Actual	$ 39	
2006	$ 142	$	4	Trended	$ 51	Incl Equity & Intan $6.8M
2007	$ 148	$	6	Trended	$ 53	Incl Equity & Intan $6.8M
2008	$ 155	$	6	Trended	$ 54	Incl Equity & Intan $6.8M
2009	$ 161	$	6	Trended	$ 56	Incl Equity & Intan $6.8M

Tangible Net Worth ($M)

- 2005 Total Liabilities of $138M and would require an increase of $19M before covenant violation.

Current LOC expires June 2007.

Projections dependent on timing and costs of land purchase and environmental expenditures.

HEARING EXHIBIT - 00001184

Florida Public Utilities Company
Financing Option Analysis
5/5/2006 15:02

Prepared by: DC

Scenario Description

EQUITY $12M (Modified Capital Structure)

Financing Assumptions

Bond 1			
Description:	Private Activity Bonds		
Principal Amount	-	Gross Spread %(sales charge)	3.00%
Annual Interest Rate%	5.15%	Insurance %	0.27%
Years	30	Net Proceeds	-

Bond 2			
Description:	Insured Quarterly Notes		
Principal Amount	-	Gross Spread %(sales charge)	3.15%
Annual Interest Rate %	6.85%	Insurance %	0.27%
Years	30	Net Proceeds	-

Equity - Common Stock			
Amount of Common Financing	12,000,000	Gross Spread %(sales charge)	4.85%
Price per Share	12	Other %	0.00%
Annual Dividend $/share	0.43	Cost of Equity	12.00%
Shares Issued	1,000,000	Net Proceeds	11,418,000

Other Assumptions & Data					
Short Term Debt %	5.50%		For Period analyzed:	Y/E 2005	
NOI (Incl Over-earnings) @ end of period analyzed:		Overearnings Rev	Short term debt remaining after financing:		-
Gas Budgeted NOI 2006	5,145,556	-	Consolidated Capital Items:	LTD	52,500,000
Electric Budgeted NOI 2006	2,508,737	-		STD	9,558,000
		-		Pref'd Stk	600,000
Fernandina - Water	-	-		Equity	45,503,271
Period's Earnings for common stk	4,024,055			Flo-Gas allocated Equity	2,229,013
Common shares O/S	5,980,478	EPS 0.67		1890/1810 unamort debt	2,107,065

Summary Effect on Income and EPS

Earnings for common stk before Financing	4,024,055		
Income statement change with:			
	Increase (decrease) to NI		
Increased Revenues from allowed ROE	-	(based on year end rate base and COC)	
Amortization of Debt Costs	-		
LTD interest	-		
STD interest reduction (from financing)	576,840	< Includes int income 1/2 of STD% if > STD	
STD interest addition (from Dividend pmt)	(11,825)	< Associated with Dividend payout	0.43
STD interest change (from financing int. pmts)	31,726	on additional shares of	1,000,000
Income Tax	(224,554)		
Net Income Statement Effect	$ 372,187	**Required Return for break even EVA:**	
		Required Return on Equity Capital-before financ	6,341,286
		Required Return on Equity Capital- after financ	6,781,286
Change in EPS	(0.04)	Net Income Req'd from Investment- befor	$ 1,317,231
		Net Income Req'd from Investment- afte	$ 2,385,043
Debt/Equity Ratio after Financing	47% 53%		
Debt/Equity Ratio before Financing	57% 43%	Change in EVA (deficiency) or surplus	$(1,067,813)

HEARING EXHIBIT - 00001185

Florida Public Utilities Company
Financing Option Analysis
5/5/2006 13:39

Prepared by: DC

Scenario Description

EQUITY $12M

Financing Assumptions

Bond 1			
Description:	Private Activity Bonds		
Principal Amount	-	Gross Spread %(sales charge)	3.00%
Annual Interest Rate%	5.15%	Insurance %	0.27%
Years	30	Net Proceeds	-

Bond 2			
Description:	Insured Quarterly Notes		
Principal Amount	-	Gross Spread %(sales charge)	3.15%
Annual Interest Rate %	6.85%	Insurance %	0.27%
Years	30	Net Proceeds	-

Equity - Common Stock			
Amount of Common Financing	12,000,000	Gross Spread %(sales charge)	4.85%
Price per Share	12	Other %	0.00%
Annual Dividend $/share	0.43	Cost of Equity	12.00%
Shares Issued	1,000,000	Net Proceeds	11,418,000

Other Assumptions & Data					
Short Term Debt %	5.50%		For Period analyzed:	Y/E 2005	
NOI (Incl Over-earnings) @ end of period analyzed:		Overearnings Rev	Short term debt remaining after financing:		-
Gas	5,497,656	731,709	Consolidated Capital Items:	LTD	52,500,000
Electric	2,835,324	-		STD	9,558,000
		-		Pref'd Stk	600,000
Fernandina - Water	-	-		Equity	45,503,271
Period's Earnings for common stk	4,219,317			Flo-Gas allocated Equity	2,229,013
Common shares O/S	5,952,684	EPS 0.71		1890/1810 unamort debt	2,107,065

Summary Effect on Income and EPS

Earnings for common stk before Financing	4,219,317		
Income statement change with:			
	Increase (decrease) to NI		
Increased Revenues from allowed ROE	731,709	(based on year end rate base and COC)	
Amortization of Debt Costs	-		
LTD interest	-		
STD interest reduction (from financing)	576,840	< Includes int income 1/2 of STD% if > STD	
STD interest addition (from Dividend pmt)	(11,825)	< Associated with Dividend payout	0.43
STD interest change (from financing int. pmts)	31,726	on additional shares of	1,000,000
Income Tax	(499,896)		
Net Income Statement Effect	$ 828,554		
Change in EPS	0.02		
Debt/Equity Ratio after Financing	47%	53%	
Debt/Equity Ratio before Financing	57%	43%	

Required Return for break even EVA:	
Required Return on Equity Capital-before financ	6,344,278
Required Return on Equity Capital- after financ	6,784,278
Net Income Req'd from Investment- befor	$ 1,124,961
Net Income Req'd from Investment- afte	$ 1,736,407
Change in EVA (deficiency) or surplus	$ (611,446)

HEARING EXHIBIT - 00001186

CONFIDENTIAL

Unaudited

Land - $ 8M in 2006
Env - $2M in 2007 - remainder in 2008

SCENARIO 2 EQUITY $12M

FLORIDA PUBLIC UTILITIES
CASH PROJECTIONS
2006 - 2010
IN THOUSANDS

	2005	2006	2007	2008	2009	2010
Operating Revenues	113,300	117,942	123,090	129,971	135,144	140,523
Fuel Revenue & Pass-thrus	(66,088)	(68,718)	(71,453)	(74,297)	(76,742)	(79,291)
Gross Profit	47,212	49,224	51,636	55,674	58,402	61,231
Other Income - Net (excl. taxes & int cap)	466	660	683	707	732	757
Total	47,678	49,884	52,320	56,381	59,134	61,989
DEDUCTIONS:						
Operation & Maintenance (Excl Fuel & Pass thr	26,395	27,794	29,308	31,230	33,150	35,238
Non-Cash O&M (Storm Resv)	(100)	(100)	(100)	(100)	(100)	(100)
Income Taxes Paid	2,015	2,191	2,501	2,789	2,659	2,696
Taxes Paid - Other	2,565	3,453	3,704	3,972	4,203	4,436
Interest On Long - Term Debt	3,949	3,949	3,949	3,860	3,674	3,537
Interest on Environmental Expenditure	0	7	61	810	810	810
Interest on LOC net of Interest Income	137	198	97	889	1,705	1,922
Other Interest Payments	369	420	433	446	463	482
Environmental Clean Up Costs	63	106	778	10,943	0	0
Dividends Paid	2,445	2,709	3,093	3,163	3,234	3,365
Proceeds from DRIP & ESPP	(434)	(451)	(469)	(488)	(505)	(523)
Pension Contributions	0	250	290	990	0	0
TOTAL DEDUCTIONS	37,404	40,526	43,644	58,524	49,294	51,864
BALANCE	10,274	9,358	8,676	(2,143)	9,840	10,125
Increase (Decrease) in Cash Due to Fluctuation in Certain Assets / Liab / Rev / Exp	(2,437)	7,983	0	0	0	0
Construction Requirements (including AEP)	11,481	21,286	11,172	13,283	11,396	11,510
Net Const. Cash Refunds/(Contributions)	343	357	371	386	399	413
BALANCE	(3,987)	(4,301)	(2,867)	(15,811)	(1,955)	(1,800)
Proceeds from Water Sale & LWG	254	375	375	375	375	375
(Tax) / Refund on Sale of Water & LWG	0	0	0	0	0	0
Add Proceeds from Financing - BOA LOC	3,733	(7,658)	2,400	16,800	3,000	3,000
Less LT Debt Principal Repayments	0	0	0	(1,409)	(1,409)	(1,409)
Less Loan Expenses (LT Debt)	0	0	0	0	0	0
Add Proceeds from Bond Issue	0	0	0	0	0	0
Less Loan Expenses (Bonds)	0	0	0	0	0	0
Add Proceeds from Equity Issue	0	12,000	0	0	0	0
Less Expenses (Equity)	0	(720)	0	0	0	0
Less ST Investments	0	0	0	0	0	0
Cash Balance - Beginning of Period	695	695	391	299	254	264
Cash Balance - End of Period	695	391	299	254	264	430
BOA Line of Credit	12,000	12,000	12,000	20,000	20,000	20,000
Interest on LOC	12	12	12	17	20	20
Notes Payable Balance	9,558	1,900	4,300	21,100	24,100	27,100
Interest on Borrowings	110	171	61	864	1,695	1,920
Unused Portion of LOC	2,442	10,100	7,700	(1,100)	(4,100)	(7,100)
Interest on Unused Portion of LOC	23	23	28	14	(10)	(18)
Interest Income	8	8	5	4	4	5

Assumes Environmental clean-up costs of $10M in 2008

FLORIDA PUBLIC ...IES COMPANY
CASH PROJECTION
BUDGET 2006

TOTAL CONSOLIDATED

		JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
Operating Revenues		12,859,260	10,950,110	10,375,974	9,314,795	8,605,050	8,763,858	8,715,970	8,884,623	8,371,198	8,727,167	8,946,813	12,447,348	117,642,265
Fuel Revenue & Pass-thrus		(7,355,085)	(6,224,718)	(6,057,814)	(5,373,494)	(4,817,122)	(5,036,437)	(5,058,145)	(5,160,257)	(4,879,525)	(5,132,807)	(6,058,399)	(7,762,452)	(68,718,265)
Gross Profit		5,504,165	4,725,392	4,318,160	3,941,301	3,787,928	3,725,521	3,657,825	3,704,366	3,691,673	3,594,360	3,888,414	4,684,896	49,224,000
Other Income - Net (excl Taxes & int cap)		47,813	84,696	62,711	80,457	22,214	70,588	38,519	70,845	48,038	22,987	60,442	50,591	660,000
Total		5,552,078	4,810,088	4,380,871	4,021,758	3,810,142	3,796,107	3,696,344	3,775,211	3,739,711	3,617,347	3,948,856	4,735,488	49,884,000
DEDUCTIONS:														
Operation & Mtnce Excl Fuel etc		3,107,890	2,688,161	2,438,220	2,225,429	2,138,828	2,103,590	2,055,368	2,091,845	2,084,478	2,029,531	2,195,567	2,845,295	27,794,000
Non-Cash O&M (Storm Reserv)		(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(100,000)
Income Taxes Paid					269,000		822,000			400,000		900,000		2,191,000
Taxes Paid - Other		180,664	10,404	117,921	69,713	49,053	63,498	193,318	71,429	39,335	173,358	2,465,745	8,807	3,453,246
Interest On Long - Term Debt						754,300	363,200					754,300	363,250	2,235,050
Interest on Additional LT Debt	6.85%	256,875			256,875			256,875			256,875			1,027,500
Interest on Environmental Expenditure		605	605	605	605	605	605	605	605	605	605	605	605	7,261
Interest on Private Activity Bond	4.90%					343,000						343,000		686,000
Interest on LOC		50,147	44,650	28,847	14,035	8,463	11,140	8,448	3,034	3,199	3,195	9,353	13,958	198,469
Other Interest Payments		0	0	0	210,000	210,000	0	0	0	0	0	0	0	420,000
Payment Of Environmental Clean Up							106,000							106,000
Dividends Paid - Preferred		7,125	0	0	7,125	0	0	7,125	0	0	7,125	0	0	28,500
Dividends Paid - Common		638,000	0	0	638,000	0	0	849,000	0	0	757,000	0	0	2,680,000
Proceeds Form Sale - Common Stock		(148,598)	0	0	(77,786)	0	0	(152,108)	0	0	(74,818)	0	0	(451,318)
Pension Contributions							250,000							250,000
TOTAL DEDUCTIONS		4,084,375	2,715,487	2,577,259	3,604,653	3,485,915	3,511,700	3,020,298	2,156,380	2,519,284	3,144,539	6,660,235	3,023,583	40,525,708
BALANCE		1,457,703	2,094,601	1,803,612	417,105	314,227	284,407	676,046	1,618,831	1,220,426	472,808	(2,711,380)	1,711,905	9,358,292
Increase (Decrease) in Cash Due to Fluctuation in Certain Assets & Liab		(584,307)	2,164,387	3,064,968	2,578,552	686,005	71,158							7,983,341
Construction Requirements (including AEP)		1,134,201	880,827	1,003,849	1,471,925	1,703,225	1,409,325	9,026,425	1,003,225	997,025	898,225	935,225	822,225	21,285,700
Net Const. Cash Refunds/(Contributions)		29,733	29,733	29,733	29,733	29,733	29,733	29,733	29,733	29,733	29,733	29,733	29,733	356,791
BALANCE		(290,537)	3,348,408	3,834,956	1,494,000	(730,126)	(1,083,492)	(8,380,111)	583,873	193,669	(455,149)	(3,676,337)	856,948	(4,300,858)
Add Proceeds From Financing -SunTrust LOC (See Detail Below)														0
Proceeds from Water Sale & LWG				375,000										375,000
Less Tax on Gain of Sale Water & LWG														0
Add Proceeds from Financing - BOA LOC		[illegible]	[illegible]	[illegible]	[illegible]		1,100,000	[illegible]				2,600,000	(700,000)	(7,658,000)
Add Proceeds From Financing (LT Debt)														0
Less Loan Expenses (LT Debt)														0
Add Proceeds from Bond Issue														0
Less Loan Expenses (Bonds)														0
Add Proceeds from Equity Issue								12,000,000						12,000,000
Less Equity Issue Expenses								(720,000)						(720,000)
Less ST Investments														0
Cash Balance - Beginning Of Period		695,132	1,508,595	1,461,004	1,848,000	1,000,000	269,874	286,382	985,271	1,569,144	1,762,813	1,307,664	231,327	695,132
Cash Balance - End of Period		1,508,595	1,461,004	1,848,000	1,000,000	269,874	286,382	985,271	1,569,144	1,762,813	1,307,664	231,327	391,274	391,274
Actual Cash Balance		1,508,595	1,461,004	1,848,000	1,000,000									
Customer Deposit - Annual Payments	420,000													
Notes Payable Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	
Interest On Notes Payable @ (4310 2)	2.30%	0	0	0	0	0	0	0	0	0	0	0	0	0
Line of Credit - Bank of America	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000
Interest on LOC	0 10%	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Notes Payable Balance - BOA	8,658,000	10,642,000	7,266,000	3,443,000	1,101,000	1,101,000	2,201,000	0	0	0	0	2,600,000	1,900,000	1,900,000
Interest on Borrowings	6.00%	50,600	44,800	26,800	11,400	5,500	8,300	6,500	0	0	0	6,500	11,300	170,700
Unused Portion of LOC	2,442,000	1,338,000	4,734,000	8,557,000	10,899,000	10,899,000	9,799,000	12,000,000	12,000,000	12,000,000	12,000,000	9,400,000	10,100,000	10,100,000
Interest on Unused Portion of LOC	0.25%	400	600	1,400	2,600	2,300	2,200	2,300	2,500	2,500	2,500	2,200	2,000	22,900
Additional LT Debt Balance	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	
Interest On additional LT Debt	6 85%	85,600	85,600	85,600	85,600	85,600	85,600	85,600	85,600	85,600	85,600	85,600	85,600	1,027,200
Private Activity Bond - Used	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	
Interest On Private Activity Bond	4.90%	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	686,400
Private Activity Bonds - Trust	0													

HEARING EXHIBIT - 00001188

FLORIDA PUBLIC[illegible] L[illegible] S COMPANY
CASH PROJECTION
BUDGET 2007

TOTAL CONSOLIDATED

		JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
Operating Revenues		13,421,746	11,429,441	10,828,703	9,721,819	8,982,414	9,147,072	9,096,551	9,251,549	8,738,368	9,107,609	10,378,505	12,685,896	123,089,673
Fuel Revenue & Pass-thrus		(7,847,827)	(6,472,462)	(6,298,015)	(5,587,350)	(5,008,843)	(5,236,967)	(5,259,456)	(5,365,636)	(4,865,770)	(5,337,092)	(6,299,524)	(8,071,397)	(71,453,252)
Gross Profit		5,773,919	4,956,979	4,529,789	4,134,469	3,973,570	3,908,105	3,837,091	3,885,913	3,872,598	3,770,516	4,078,981	4,614,499	51,636,421
Other Income - Net (excl. taxes & int cap)		49,590	87,660	64,906	83,273	22,991	73,057	39,867	73,325	49,719	23,791	62,558	52,362	683,100
Total		5,823,509	5,044,639	4,594,695	4,217,734	3,996,562	3,981,162	3,876,959	3,959,238	3,922,317	3,794,308	4,141,539	4,666,860	52,319,521
DEDUCTIONS:														
Operation & Minor Excl Fuel etc		3,277,219	2,813,532	2,571,063	2,346,678	2,255,359	2,218,201	2,177,895	2,205,605	2,198,048	2,140,107	2,315,189	2,789,420	29,308,316
Non Cash O&M (Storm Resv)		(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(100,000)
Income Taxes Paid					625,257		625,257			625,257		0	625,257	2,501,028
Taxes Paid - Other		181,528	9,906	112,271	66,373	46,702	60,456	184,055	68,007	37,450	165,052	2,784,032	8,385	3,704,217
Interest On Long - Term Debt						754,300	363,200					754,300	363,250	2,235,050
Interest on Additional LT Debt	6.85%	256,875			256,875			256,875			256,875			1,027,500
Interest on Environmental Expenditure		5,049	5,049	5,049	5,049	5,049	5,049	5,049	5,049	5,049	5,049	5,049	5,049	60,586
Interest on Private Activity Bond	4.90%					343,000						343,000		686,000
Interest on LOC		11,610	5,177	(2,157)	(3,002)	1,254	5,939	9,382	7,989	6,032	8,249	18,912	27,378	96,764
Other Interest Payments		0	0	0	216,300	216,300	0	0	0	0	0	0	0	432,600
Payment Of Environmental Clean Up		0	0	0	0	0	776,463	0	0	0	0	0	0	776,463
Dividends Paid - Preferred		7,125	0	0	7,125	0	0	7,125	0	0	7,125	0	0	28,500
Dividends Paid - Common		758,000	0	0	760,000	0	0	772,000	0	0	774,000	0	0	3,064,000
Proceeds Form Sale - Common Stock		(152,432)	0	0	(80,892)	0	0	(158,160)	0	0	(77,796)	0	0	(469,280)
Pension Contributions							290,000							290,000
TOTAL DEDUCTIONS		4,336,840	2,825,330	2,677,892	4,191,430	3,613,630	4,338,231	3,245,868	2,278,316	2,863,503	3,270,326	6,192,148	3,810,405	43,643,741
BALANCE		1,486,669	2,219,309	1,916,802	26,304	382,931	(357,069)	631,071	1,680,922	1,058,814	523,980	(2,050,610)	1,156,455	8,675,779
Increase (Decrease) in Cash Due to Fluctuation in Certain Assets & Liab		-	-	-	-	-	-	-	-	-	-	-	-	-
Construction Requirements (including AEP)		740,091	740,938	1,031,025	876,680	901,998	808,770	879,528	980,373	1,011,307	1,335,803	1,022,335	1,043,154	11,372,000
Net Const Cash Refunds/(Contributions)		30,916	30,916	30,916	30,916	30,916	30,916	30,916	30,916	30,916	30,916	30,916	30,916	370,991
BALANCE		715,662	1,447,456	854,662	(881,292)	(549,980)	(1,196,755)	(79,373)	669,633	16,591	(842,739)	(3,103,860)	82,385	(2,867,212)
Add Proceeds From Financing -SunTrust LOC (See Detail Below)														0
Proceeds from Water Sale & LWG				375,000										375,000
Less Tax on Gain of Sale Water & LWG														0
Add Proceeds from Financing - BOA LOC		[illegible]	[illegible]	(1,200,000)	800,000	700,000	1,000,000	200,000	(700,000)		600,000	3,000,000		2,400,000
Add Proceeds From Financing (LT Debt)														0
Less Loan Expenses (LT Debt)														0
Add Proceeds from Bond Issue														0
Less Loan Expenses (Bonds)														0
Add Proceeds from Equity Issue														0
Less Equity Issue Expenses														0
Less ST Investments														0
Cash Balance - Beginning Of Period		391,274	307,137	354,592	384,454	303,162	453,181	256,426	377,053	346,686	363,277	320,538	216,877	391,274
Cash Balance - End of Period		307,137	354,592	384,454	303,162	453,181	256,426	377,053	346,686	363,277	320,538	216,877	299,063	299,063
Actual Cash Balance														
Customer Deposit - Annual Payments	432,600													
Notes Payable Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	
Interest On Notes Payable @ (4310.2)	2.30%	0	0	0	0	0	0	0	0	0	0	0	0	0
Line of Credit - Bank of America	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000
Interest on LOC	0.10%	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Notes Payable Balance - BOA	1,900,000	1,100,000	(300,000)	(1,500,000)	(700,000)	0	1,000,000	1,200,000	500,000	500,000	1,300,000	4,300,000	4,300,000	4,300,000
Interest on Borrowings	7.00%	8,800	2,300	(5,300)	(6,400)	(2,000)	2,900	6,400	5,000	2,900	5,300	16,300	25,100	61,500
Unused Portion of LOC	10,100,000	10,900,000	12,300,000	13,500,000	12,700,000	12,000,000	11,000,000	10,800,000	11,500,000	11,500,000	10,700,000	7,700,000	7,700,000	7,700,000
Interest on Unused Portion of LOC	0.25%	2,200	2,400	2,700	2,700	2,600	2,400	2,300	2,300	2,400	2,300	1,900	1,600	27,800
Additional LT Debt Balance	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	
Interest On additional LT Debt	6.85%	85,600	85,600	85,600	85,600	85,600	85,600	85,600	85,600	85,600	85,600	85,600	85,600	1,027,200
Private Activity Bond - Used	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	
Interest On Private Activity Bond	4.90%	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	686,400

HEARING EXHIBIT - 00001189

FLORIDA PUBLIC [illegible]ES COMPANY
CASH PROJECTION
BUDGET 2008

TOTAL CONSOLIDATED

		JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
Operating Revenues		14,177,600	12,074,637	11,433,590	10,267,475	9,492,484	9,661,163	9,605,904	9,768,946	9,234,829	9,614,846	10,948,166	13,691,408	129,971,029
Fuel Revenue & Pass-thrus		(7,952,211)	(8,730,086)	(6,549,812)	(5,809,736)	(5,208,195)	(5,447,478)	(5,468,786)	(5,570,188)	(5,058,428)	(5,549,509)	(6,550,245)	(8,392,639)	(74,267,091)
Gross Profit		6,225,389	5,344,571	4,883,978	4,457,739	4,284,289	4,213,685	4,137,119	4,189,758	4,176,402	4,065,338	4,397,922	5,298,769	55,673,938
Other Income - Net (excl. taxes & int cap)		51,326	90,729	67,178	86,188	23,796	75,614	41,263	75,891	53,459	24,624	64,747	54,195	707,009
Total		6,276,715	5,435,300	4,951,156	4,543,927	4,308,085	4,289,298	4,178,381	4,265,649	4,229,861	4,089,962	4,462,669	5,352,964	56,380,946
DEDUCTIONS:														
Operation & Misce Excl Fuel etc		3,492,137	2,998,042	2,739,672	2,500,572	2,403,264	2,363,670	2,320,720	2,350,248	2,342,195	2,280,455	2,467,018	2,972,349	31,230,342
Non-Cash O&M (Storm Reserv)		(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(100,000)
Income Taxes Paid					697,205		697,205			697,205		0	697,205	2,788,820
Taxes Paid - Other		186,974	10,203	115,639	68,364	48,103	62,269	189,577	70,047	38,574	170,003	3,004,069	8,637	3,972,460
Interest On Long - Term Debt						754,325	363,200					685,754	363,200	2,166,479
Interest on Additional LT Debt	6.85%	256,875			256,875			256,875			256,875			1,027,500
Interest on Environmental Expenditure		67,512	67,512	67,512	67,512	67,512	67,512	67,512	67,512	67,512	67,512	67,512	67,512	810,147
Interest on Private Activity Bond	4.90%					343,000						343,000		686,000
Interest on LOC		28,312	21,521	13,971	13,479	22,752	70,628	111,851	111,063	110,007	114,559	129,689	141,407	869,238
Other Interest Payments		0	0	0	222,800	222,800	0	0	0	0	0	0	0	445,600
Payment Of Environmental Clean Up		0	0	0	0	0	10,942,500	0	0	0	0	0	0	10,942,500
Dividends Paid - Preferred		7,125	0	0	7,125	0	0	7,125	0	0	7,125	0	0	28,500
Dividends Paid - Common		775,000	0	0	777,000	0	0	790,000	0	0	792,000	0	0	3,134,000
Proceeds Form Sale - Common Stock		(158,499)	0	0	(84,111)	0	0	(164,455)	0	0	(80,892)	0	0	(487,957)
Pension Contributions							990,000							990,000
TOTAL DEDUCTIONS		4,647,103	3,088,845	2,928,461	4,518,488	3,853,423	15,548,649	3,570,872	2,590,537	3,247,160	3,599,304	6,688,710	4,241,977	58,523,629
BALANCE		1,629,612	2,346,355	2,022,695	25,439	454,642	(11,259,351)	607,509	1,675,112	979,700	490,658	(2,226,041)	1,110,987	(2,142,683)
Increase (Decrease) In Cash Due to Fluctuation in Certain Assets & Liab.		-	-	-	-	-	-	-	-	-	-	-	-	-
Construction Requirements (including AEP)		879,935	880,941	1,225,842	1,042,333	1,072,432	961,581	807,928	1,165,819	1,202,399	1,568,209	1,215,510	1,240,262	13,283,000
Net Const. Cash Refunds/(Contributions)		32,148	32,146	32,146	32,146	32,148	32,146	32,148	32,148	32,148	32,148	32,148	32,148	385,756
BALANCE		717,531	1,433,287	764,707	(1,049,040)	(649,937)	(12,253,088)	(232,565)	477,347	(254,845)	(1,129,698)	(3,473,697)	(161,422)	(15,811,439)
Add Proceeds From Financing - SunTrust LOC (See Detail Below)														0
Proceeds from Water Sale & LWG				375,000										375,000
Less Tax on Gain of Sale Water & LWG														0
Add Proceeds from Financing - BOA LOC		(900,000)	(1,300,000)	(1,000,000)	800,000	3,100,000	12,200,000	200,000	(500,000)	200,000	1,200,000	3,500,000	100,000	16,800,000
Less LT Debt Principal Repayments						($1,409,000)								(1,409,000)
Less Loan Expenses (LT Debt)														0
Add Proceeds from Bond Issue														0
Less Loan Expenses (Bonds)														0
Add Proceeds from Equity Issue														0
Less Equity Issue Expenses														0
Less ST Investments														0
Cash Balance - Beginning Of Period		299,083	216,593	349,860	489,568	240,528	281,591	328,503	295,938	273,285	218,440	288,742	315,046	299,083
Cash Balance - End of Period		216,593	349,860	489,568	240,528	281,591	328,503	295,938	273,285	218,440	288,742	316,046	253,623	253,623
Actual Cash Balance														
Customer Deposit - Annual Payments	445,578													
Notes Payable Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	
Interest On Notes Payable @ (4310 2)	2.30%	0	0	0	0	0	0	0	0	0	0	0	0	0
Line of Credit - Bank of America	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Interest on LOC	0.10%	1,000	1,000	1,000	1,000	1,000	1,700	1,700	1,700	1,700	1,700	1,700	1,700	16,900
Notes Payable Balance - BOA	4,300,000	3,500,000	2,200,000	1,200,000	2,000,000	4,100,000	16,400,000	16,600,000	16,100,000	16,300,000	17,500,000	21,000,000	21,100,000	21,100,000
Interest on Borrowings	8.90%	26,000	19,000	11,300	10,700	20,300	68,300	110,000	109,000	108,000	112,700	128,300	140,300	863,900
Unused Portion of LOC	7,700,000	8,500,000	9,800,000	10,800,000	10,000,000	7,900,000	3,600,000	3,400,000	3,900,000	3,700,000	2,500,000	(1,000,000)	(1,100,000)	(1,100,000)
Interest on Unused Portion of LOC	0.25%	1,700	1,900	2,100	2,200	1,900	1,200	700	800	800	600	200	(200)	13,900
Additional LT Debt Balance	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	13,591,000	13,591,000	13,591,000	13,591,000	13,591,000	13,591,000	13,591,000	13,591,000	
Interest On additional LT Debt	6.85%	85,600	85,600	85,600	85,600	81,600	77,600	77,600	77,600	77,600	77,600	77,600	77,600	667,200
Private Activity Bond - Used	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	
Interest On Private Activity Bond	4.90%	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	686,400

HEARING EXHIBIT - 00001190

FLORIDA PUBLIC UTILITIES
AMBAC ASSURANCE CAPITALIZATION RATIO WORKSHEET

PROJECTED 2008

COMPLIANCE TEST

CAPITALIZATION RATIO	$	$
CONSOLIDATED INDEBTEDNESS		
i Indebtedness for Borrowed Money / Deferred Purchase Price of Property (other than trade payables incurred in the ordinary course of business)		
ii Notes, Bonds, Debentures & Other Instruments	72,191,000	
iii Obligations for Conditional Sale or Title Retention Agreements	-	
iv Amounts available to be drawn under all Letters of Credit	-	
v Liabilities secured by any lien on any Property	-	
vi Liabilities in respect of any obligation (contingent or otherwise) to purchase, redeem, retire, acquire or make any other payment in respect of any shares of equity securities, or any option, warrant or other right to acquire any shares of equity securities.	-	
vii Monetary obligations under capital leases	-	
viii Any guarantee obligation in respect of indebtedness of others.	-	72,191,000
CONSOLIDATED INDEBTEDNESS		
CONSOLIDATED NET WORTH		
i Stockholders' Equity	61,129,877	
ii Preferred Stock	600,000	61,729,877
CONSOLIDATED NET WORTH		
CONSOLIDATED TOTAL CAPITALIZATION		133,920,877
CAPITALIZATION RATIO		
CONSOLIDATED NET WORTH / CONSOLIDATED TOTAL CAPITALIZATION		61,729,877 / 133,920,877
REQUIRED PERCENTAGE OF CONSOLIDATED TOTAL CAPITALIZATION	>= 35%	46%

HEARING EXHIBIT - 00001191

FLORIDA PUBLIC UTILITIES
AMBAC ASSURANCE CAPITALIZATION RATIO WORKSHEET

PROJECTED 2008

COMPLIANCE TEST

CAPITALIZATION RATIO	$	$	
CONSOLIDATED INDEBTEDNESS			
i Indebtedness for Borrowed Money / Deferred Purchase Price of Property (other than trade payables incurred in the ordinary course of business)	114,606,558	GOAL SEEK	ADD LOAN 114,606,558
ii Notes, Bonds, Debentures & Other Instruments	-		(51,091,000)
iii Obligations for Conditional Sale or Title Retention Agreements	-		(20,000,000)
iv Amounts available to be drawn under all Letters of Credit	-		43,515,558
v Liabilities secured by any lien on any Property	-		
vi Liabilities in respect of any obligation (contingent or otherwise) to purchase, redeem, retire, acquire or make any other payment in respect of any shares of equity securities, or any option, warrant or other right to acquire any shares of equity securities.	-		
vii Monetary obligations under capital leases	-		
viii Any guarantee obligation in respect of Indebtedness of others.	-		
CONSOLIDATED INDEBTEDNESS		114,606,558	
CONSOLIDATED NET WORTH			
i Stockholders' Equity	61,129,877		
ii Preferred Stock	600,000		
CONSOLIDATED NET WORTH		61,729,877	
CONSOLIDATED TOTAL CAPITALIZATION		176,336,435	
CAPITALIZATION RATIO			
CONSOLIDATED NET WORTH / CONSOLIDATED TOTAL CAPITALIZATION		61,729,877 / 176,336,435	
REQUIRED PERCENTAGE OF CONSOLIDATED TOTAL CAPITALIZATION	>= 35%	35.01%	

HEARING EXHIBIT - 00001192

FINANCING PROJECTIONS AND COVENANTS

EQUITY OFFERING
$15M
FINANCING PROJECTIONS

	Actual	<<< Projected >>>			
	2005	2006	2007	2008	2009
Available LOC	$ 12,000,000	$ 12,000,000	$ 12,000,000	$ 20,000,000	$ 20,000,000
Projected LOC Borrowings	$ 9,558,000	$ -	$ 1,600,000	$ 18,400,000	$ 21,400,000
Unused Portion of LOC	$ 2,442,000	$ 12,000,000	$ 10,400,000	$ 1,600,000	$ (1,400,000)
Projected Financing - Equity Offering	$ -	$ 15,000,000	$ -	$ -	$ -
Debt Equity Ratio					
Debt %	58%	47%	47%	52%	52%
Equity %	42%	53%	53%	48%	48%
Additional Debt allowable before Covenant violation		$ 41,630,000	$ 43,900,000	$ 48,510,000	

COVENANT COMPLIANCE:

			Actual	<<< Projected >>>			
	LENDER	REQUIREMENT	2005	2006	2007	2008	2009
CAPITALIZATION RATIO	AMBAC	=< 35%	42%	49%	49%	48%	48%
FIXED CHARGE COVERAGE	BOA	>= 1.25	3.52	3.34	3.68	3.55	3.28
TOTAL LIABILITIES TO TANGIBLE NET WORTH	BOA	<4.00	3.50	2.62	2.68	2.71	2.75

TOTAL LIABILITIES TO TANGIBLE NET WORTH

Recap Total Liabilities ($M)			Tangible Net Worth ($M)		
2001	$ 110	Change			
2002	$ 119	$ 9			
2003	$ 121	$ 2			
2004	$ 127	$ 6	Actual	$ 37	
2005	$ 138	$ 11	Actual	$ 39	
2006	$ 142	$ 4	Trended	$ 54	Incl Equity & Intan $6.8M
2007	$ 148	$ 6	Trended	$ 55	Incl Equity & Intan $6.8M
2008	$ 155	$ 6	Trended	$ 57	Incl Equity & Intan $6.8M
2009	$ 161	$ 6	Trended	$ 58	Incl Equity & Intan $6.8M

* 2005 Total Liabilities of $138M and would require an increase of $19M before covenant violation.

Current LOC expires June 2007.

Projections dependent on timing and costs of land purchase and environmental expenditures.

HEARING EXHIBIT - 00001193

Florida Public Utilities Company
Financing Option Analysis
5/5/2006 15:03

Prepared by: DC

Scenario Description

EQUITY $15M (Modified Capital Structure)

Financing Assumptions

Bond 1			
Description:	Private Activity Bonds		
Principal Amount	-	Gross Spread % (sales charge)	3.00%
Annual Interest Rate%	5.15%	Insurance %	0.27%
Years	30	Net Proceeds	-

Bond 2			
Description:	Insured Quarterly Notes		
Principal Amount	-	Gross Spread % (sales charge)	3.15%
Annual Interest Rate %	6.85%	Insurance %	0.27%
Years	30	Net Proceeds	-

Equity - Common Stock			
Amount of Common Financing	15,000,000	Gross Spread % (sales charge)	4.85%
Price per Share	12	Other %	0.00%
Annual Dividend $/share	0.43	Cost of Equity	12.00%
Shares Issued	1,250,000	Net Proceeds	14,272,500

Other Assumptions & Data					
Short Term Debt %	5.50%		For Period analyzed:	Y/E 2005	
NOI (Incl Over-earnings) @ end of period analyzed:		Overearnings Rev	Short term debt remaining after financing:		-
Gas Budgeted NOI 2006	5,145,556	-	Consolidated Capital Items:	LTD	52,500,000
Electric Budgeted NOI 2006	2,508,737	-		STD	9,558,000
		-		Pref'd Stk	600,000
Fernandina - Water	-	-		Equity	45,503,271
Period's Earnings for common stk	4,024,055		Flo-Gas allocated Equity		2,229,013
Common shares O/S	5,980,478	EPS 0.67	1890/1810 unamort debt		2,107,065

Summary Effect on Income and EPS

Earnings for common stk before Financing	4,024,055		
Income statement change with:			
	Increase (decrease) to NI		
Increased Revenues from allowed ROE	-	(based on year end rate base and COC)	
Amortization of Debt Costs	-		
LTD interest	-		
STD interest reduction (from financing)	655,339	< Includes int income 1/2 of STD% if > STD	
STD interest addition (from Dividend pmt)	(14,781)	< Associated with Dividend payout	0.43
STD interest change (from financing int. pmts)	36,044	on additional shares of	1,250,000
Income Tax	(254,605)		
Net Income Statement Effect	$ 421,996		
Change in EPS	(0.06)		
Debt/Equity Ratio after Financing	46%	54%	
Debt/Equity Ratio before Financing	57%	43%	

Required Return for break even EVA:	
Required Return on Equity Capital-before finance	6,341,286
Required Return on Equity Capital- after finance	7,141,286
Net Income Req'd from Investment- befor	$ 1,317,231
Net Income Req'd from Investment- afte	$ 2,695,235
Change in EVA (deficiency) or surplu	$(1,378,004)

HEARING EXHIBIT - 00001194

Florida Public Utilities Company
Financing Option Analysis
5/5/2006 13:37

Prepared by: DC

Scenario Description

EQUITY $15M

Financing Assumptions

Bond 1			
Description:	Private Activity Bonds		
Principal Amount	-	Gross Spread %(sales charge)	3.00%
Annual Interest Rate%	5.15%	Insurance %	0.27%
Years	30	Net Proceeds	-

Bond 2			
Description:	Insured Quarterly Notes		
Principal Amount	-	Gross Spread %(sales charge)	3.15%
Annual Interest Rate %	6.85%	Insurance %	0.27%
Years	30	Net Proceeds	-

Equity - Common Stock			
Amount of Common Financing	15,000,000	Gross Spread %(sales charge)	4.85%
Price per Share	12	Other %	0.00%
Annual Dividend $/share	0.43	Cost of Equity	12.00%
Shares Issued	1,250,000	Net Proceeds	14,272,500

Other Assumptions & Data

Short Term Debt %	5.50%		For Period analyzed:	Y/E 2005	
NOI (Incl Over-earnings) @ end of period analyzed:		Overearnings Rev	Short term debt remaining after financing:		-
Gas	5,497,656	731,709	Consolidated Capital Items:	LTD	52,500,000
Electric	2,835,324	-		STD	9,558,000
		-		Pref'd Stk	600,000
Fernandina - Water	-	-		Equity	45,503,271
Period's Earnings for common stk	4,219,317			Flo-Gas allocated Equity	2,229,013
Common shares O/S	5,952,684	EPS 0.71		1890/1810 unamort debt	2,107,065

Summary Effect on Income and EPS

Earnings for common stk before Financing	4,219,317		
Income statement change with:			
	Increase (decrease) to NI		
Increased Revenues from allowed ROE	731,709	(based on year end rate base and COC)	
Amortization of Debt Costs	-		
LTD interest	-		
STD interest reduction (from financing)	655,339	< Includes int income 1/2 of STD% if > STD	
STD interest addition (from Dividend pmt)	(14,781)	< Associated with Dividend payout	0.43
STD interest change (from financing int. pmts)	36,044	on additional shares of	1,250,000
Income Tax	(529,947)		
Net Income Statement Effect	$ 878,363		
Change in EPS	0.00		
Debt/Equity Ratio after Financing	46%	54%	
Debt/Equity Ratio before Financing	57%	43%	

Required Return for break even EVA:

Required Return on Equity Capital-before financ	6,344,278
Required Return on Equity Capital- after financ	7,144,278
Net Income Req'd from Investment- befor	$ 1,124,961
Net Income Req'd from Investment- afte	$ 2,046,598
Change in EVA (deficiency) or surplu	$ (921,637)

HEARING EXHIBIT - 00001195

CONFIDENTIAL

Unaudited

Land - $ 8M in 2006

Env - $2M in 2007 - remainder in 2008

SCENARIO 3 EQUITY $15M

FLORIDA PUBLIC UTILITIES
CASH PROJECTIONS
2006 - 2010
IN THOUSANDS

	2005	2006	2007	2008	2009	2010
Operating Revenues	113,300	117,942	123,090	129,971	135,144	140,523
Fuel Revenue & Pass-thrus	(66,088)	(68,718)	(71,453)	(74,297)	(76,742)	(79,291)
Gross Profit	47,212	49,224	51,636	55,674	58,402	61,231
Other Income - Net (excl. taxes & int cap)	466	660	683	707	732	757
Total	47,678	49,884	52,320	56,381	59,134	61,989
DEDUCTIONS:						
Operation & Maintenance (Excl Fuel & Pass thr	26,395	27,794	29,308	31,230	33,150	35,238
Non-Cash O&M (Storm Resv)	(100)	(100)	(100)	(100)	(100)	(100)
Income Taxes Paid	2,015	2,191	2,518	2,868	2,732	2,770
Taxes Paid - Other	2,565	3,453	3,704	3,972	4,203	4,436
Interest On Long - Term Debt	3,949	3,949	3,949	3,880	3,674	3,537
Interest on Environmental Expenditure	0	7	61	810	810	810
Interest on LOC net of Interest Income	137	181	51	679	1,509	1,727
Other Interest Payments	369	420	433	446	463	482
Environmental Clean Up Costs	63	106	778	10,943	0	0
Dividends Paid	2,445	2,736	3,203	3,275	3,346	3,481
Proceeds from DRIP & ESPP	(434)	(451)	(469)	(488)	(505)	(523)
Pension Contributions	0	250	290	990	0	0
TOTAL DEDUCTIONS	37,404	40,536	43,725	58,505	49,283	51,858
BALANCE	10,274	9,348	8,594	(2,124)	9,850	10,130
Increase (Decrease) in Cash Due to Fluctuation in Certain Assets / Liab / Rev / Exp	(2,437)	7,983	0	0	0	0
Construction Requirements (including AEP)	11,481	21,288	11,172	13,283	11,396	11,510
Net Const. Cash Refunds/(Contributions)	343	357	371	386	399	413
BALANCE	(3,987)	(4,311)	(2,949)	(15,792)	(1,945)	(1,794)
Proceeds from Water Sale & LWG	254	375	375	375	375	375
(Tax) / Refund on Sale of Water & LWG	0	0	0	0	0	0
Add Proceeds from Financing - BOA LOC	3,733	(9,558)	1,600	16,800	3,000	3,000
Less LT Debt Principal Repayments	0	0	0	(1,409)	(1,409)	(1,409)
Less Loan Expenses (LT Debt)	0	0	0	0	0	0
Add Proceeds from Bond Issue	0	0	0	0	0	0
Less Loan Expenses (Bonds)	0	0	0	0	0	0
Add Proceeds from Equity Issue	0	15,000	0	0	0	0
Less Expenses (Equity)	0	(900)	0	0	0	0
Less ST Investments	0	0	0	0	0	0
Cash Balance - Beginning of Period	695	695	1,301	328	301	322
Cash Balance - End of Period	695	1,301	328	301	322	494
BOA Line of Credit	12,000	12,000	12,000	20,000	20,000	20,000
Interest on LOC	12	12	12	17	20	20
Notes Payable Balance	9,558	0	1,600	18,400	21,400	24,400
Interest on Borrowings	110	153	14	647	1,493	1,718
Unused Portion of LOC	2,442	12,000	10,400	1,600	(1,400)	(4,400)
Interest on Unused Portion of LOC	23	24	30	21	(4)	(11)
Interest Income	8	15	12	5	5	6

Assumes Environmental clean-up costs of $10M in 2008

FLORIDA PUBLIC _ ES COMPANY
CASH PROJECTION
BUDGET 2006

TOTAL CONSOLIDATED

		JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
Operating Revenues		12,859,260	10,950,110	10,375,974	9,314,795	8,605,050	8,783,958	8,715,970	8,864,823	8,371,198	8,727,187	9,946,813	12,447,346	117,942,265
Fuel Revenue & Pass-thrus		(7,355,095)	(6,224,718)	(6,057,814)	(5,373,494)	(4,817,122)	(5,038,437)	(5,058,145)	(5,160,257)	(4,879,525)	(5,132,807)	(6,058,399)	(7,782,452)	(68,718,265)
Gross Profit		5,504,165	4,725,392	4,318,160	3,941,301	3,787,928	3,725,521	3,657,825	3,704,366	3,691,673	3,594,380	3,888,414	4,664,896	49,224,000
Other Income - Net (excl. taxes & int cap)		47,913	84,696	62,711	80,457	22,214	70,586	38,519	70,845	48,038	22,987	60,442	50,591	660,000
Total		5,552,078	4,810,088	4,380,871	4,021,758	3,810,142	3,796,107	3,696,344	3,775,211	3,739,711	3,617,367	3,948,856	4,715,488	49,884,000
DEDUCTIONS:														
Operation & Maint Excl Fuel etc		3,107,890	2,668,181	2,438,220	2,225,429	2,138,828	2,103,590	2,065,368	2,091,645	2,084,478	2,029,531	2,195,567	2,645,295	27,794,000
Non-Cash O&M (Storm Resv)		(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(100,000)
Income Taxes Paid					269,000		822,000			400,000		900,000		2,191,000
Taxes Paid - Other		190,664	10,404	117,921	69,713	49,053	63,498	193,318	71,429	39,335	173,358	2,465,745	8,807	3,453,248
Interest On Long - Term Debt						754,300	363,200					754,300	383,250	2,235,050
Interest on Additional LT Debt	6.85%	256,875			256,875			256,875			256,875			1,027,500
Interest on Environmental Expenditure		805	805	805	605	605	605	605	605	605	605	605	605	7,261
Interest on Private Activity Bond	4.90%					343,000						343,000		686,000
Interest on LOC		50,147	44,850	28,847	14,035	8,463	11,140	8,448	3,034	3,199	3,155	3,153	3,158	181,469
Other Interest Payments		0	0	0	210,000	210,000	0	0	0	0	0	0	0	420,000
Payment Of Environmental Clean Up							106,000							106,000
Dividends Paid - Preferred		7,125	0	0	7,125	0	0	7,125	0	0	7,125	0	0	28,500
Dividends Paid - Common		636,000	0	0	636,000	0	0	649,000	0	0	784,000	0	0	2,707,000
Proceeds Form Sale - Common Stock		(146,598)	0	0	(77,796)	0	0	(152,106)	0	0	(74,818)	0	0	(451,318)
Pension Contributions							250,000							250,000
TOTAL DEDUCTIONS		4,064,375	2,715,487	2,577,259	3,604,653	3,495,815	3,511,700	3,020,298	2,158,380	2,619,284	3,171,539	6,654,035	3,012,783	40,535,706
BALANCE		1,457,703	2,094,601	1,803,612	417,105	314,227	284,407	676,046	1,616,831	1,220,426	445,808	(2,705,180)	1,722,705	9,348,292
Increase (Decrease) in Cash Due to Fluctuation in Certain Assets & Liab.		(584,307)	2,184,387	3,084,968	2,578,552	888,805	71,158							7,983,341
Construction Requirements (including AEP)		1,134,201	880,827	1,803,848	1,471,925	1,703,225	1,409,325	9,026,425	1,003,225	997,025	898,225	935,225	822,225	21,285,700
Net Const. Cash Refunds/(Contributions)		29,733	29,733	29,733	29,733	29,733	29,733	29,733	29,733	29,733	29,733	29,733	29,733	356,791
BALANCE		(290,537)	3,348,408	3,834,966	1,494,000	(730,126)	(1,083,492)	(8,380,111)	583,873	193,669	(482,149)	(3,670,137)	870,748	(4,310,858)
Add Proceeds From Financing -SunTrust LOC (See Detail Below)														0
Proceeds from Water Sale & LWG				375,000										375,000
Less Tax on Gain of Sale Water & LWG														0
Add Proceeds from Financing - BOA LOC		1,191,000	(2,390,000)	(5,823,000)	(2,342,000)		1,100,000	(2,291,000)						(9,558,000)
Add Proceeds From Financing (LT Debt)														0
Less Loan Expenses (LT Debt)														0
Add Proceeds from Bond Issue														0
Less Loan Expenses (Bonds)														0
Add Proceeds from Equity Issue								15,000,000						15,000,000
Less Equity Issue Expenses								(900,000)						(900,000)
Less ST Investments														0
Cash Balance - Beginning Of Period		895,132	1,508,595	1,461,004	1,848,000	1,000,000	269,874	286,382	3,805,271	4,389,144	4,582,813	4,100,664	430,527	895,132
Cash Balance - End of Period		1,508,595	1,461,004	1,848,000	1,000,000	269,874	286,382	3,805,271	4,389,144	4,582,813	4,100,664	430,527	1,301,274	1,301,274
Actual Cash Balance		1,508,595	1,461,004	1,848,000	1,000,000									
Customer Deposit - Annual Payments	420,000													
Notes Payable Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	
Interest On Notes Payable @ (4310.2)	2.30%	0	0	0	0	0	0	0	0	0	0	0	0	0
Line of Credit - Bank of America	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000
Interest on LOC	0.10%	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Notes Payable Balance - BOA	9,558,000	10,862,000	7,266,000	3,443,000	1,101,000	1,101,000	2,201,000	0	0	0	0	0	0	0
Interest on Borrowings	5.00%	50,600	44,800	26,800	11,400	5,500	8,300	5,500	0	0	0	0	0	152,900
Unused Portion of LOC	2,442,000	1,338,000	4,734,000	8,557,000	10,899,000	10,899,000	9,799,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000
Interest on Unused Portion of LOC	0.25%	400	800	1,400	2,000	2,300	2,200	2,300	2,500	2,500	2,500	2,500	2,500	23,700
Additional LT Debt Balance	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	
Interest On additional LT Debt	6.85%	85,600	85,600	85,600	85,600	85,600	85,600	85,600	85,600	85,600	85,600	85,600	85,600	1,027,200
Private Activity Bond - Used	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	
Interest On Private Activity Bond	4.90%	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	686,400
Private Activity Bonds - Trust	0													

HEARING EXHIBIT - 00001197

FLORIDA PUBLIC [illegible]ES COMPANY
CASH PROJECTION
BUDGET 2007

TOTAL CONSOLIDATED

		JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
Operating Revenues		13,421,746	11,429,441	10,828,703	9,721,819	8,982,414	9,147,072	9,098,551	9,251,549	8,738,388	9,107,809	10,378,505	12,985,896	123,089,873
Fuel Revenue & Pass-thrus		(7,847,827)	(6,472,462)	(6,298,915)	(5,587,359)	(5,008,843)	(5,238,667)	(5,259,459)	(5,365,636)	(4,865,770)	(5,337,092)	(6,299,524)	(8,071,397)	(71,453,252)
Gross Profit		5,773,919	4,956,979	4,529,789	4,134,460	3,973,570	3,908,105	3,837,091	3,885,913	3,872,568	3,770,516	4,078,981	4,914,499	51,636,421
Other Income - Net (excl taxes & int cap)		49,590	87,660	64,908	83,273	22,981	73,057	39,867	73,325	49,719	23,791	62,558	52,362	683,100
Total		5,823,509	5,044,639	4,594,695	4,217,734	3,996,552	3,981,162	3,876,959	3,959,238	3,922,317	3,794,308	4,141,539	4,966,860	52,319,521
DEDUCTIONS:														
Operation & Mtnce Excl Fuel etc		3,277,219	2,813,532	2,571,063	2,348,878	2,255,359	2,218,201	2,177,895	2,205,605	2,198,048	2,140,107	2,315,189	2,789,420	29,308,316
Non-Cash O&M (Storm Resv)		(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(100,000)
Income Taxes Paid					629,507		629,507			629,507		0	629,507	2,518,026
Taxes Paid - Other		181,528	9,908	112,271	66,373	46,702	60,456	184,055	68,007	37,450	165,052	2,764,032	8,385	3,704,217
Interest On Long - Term Debt						754,300	363,200					754,300	363,250	2,235,050
Interest on Additional LT Debt	6.85%	256,875			256,875			256,875			256,875			1,027,500
Interest on Environmental Expenditure		5,049	5,049	5,049	5,049	5,049	5,049	5,049	5,049	5,049	5,049	5,049	5,049	60,588
Interest on Private Activity Bond	4.90%					343,000						343,000		686,000
Interest on LOC		3,110	2,977	2,943	3,198	3,154	3,139	3,182	3,189	3,232	3,149	7,712	12,178	51,164
Other Interest Payments		0	0	0	216,300	216,300	0	0	0	0	0	0	0	432,600
Payment Of Environmental Clean Up		0	0	0	0	0	778,463	0	0	0	0	0	0	778,463
Dividends Paid - Preferred		7,125	0	0	7,125	0	0	7,125	0	0	7,125	0	0	28,500
Dividends Paid - Common		785,000	0	0	787,000	0	0	800,000	0	0	802,000	0	0	3,174,000
Proceeds Form Sale - Common Stock		(152,432)	0	0	(80,892)	0	0	(158,160)	0	0	(77,796)	0	0	(469,280)
Pension Contributions							290,000							290,000
TOTAL DEDUCTIONS		4,355,140	2,823,130	2,682,992	4,228,880	3,615,530	4,339,681	3,267,688	2,273,516	2,864,953	3,293,228	6,180,948	3,769,455	43,725,141
BALANCE		1,468,369	2,221,508	1,911,702	(11,146)	381,031	(358,519)	609,271	1,685,722	1,057,364	501,080	(2,039,410)	1,197,405	8,594,379
Increase (Decrease) In Cash Due to Fluctuation in Certain Assets & Liab.		-	-	-	-	-	-	-	-	-	-	-	-	-
Construction Requirements (including AEP)		740,091	740,938	1,031,025	876,880	901,996	808,770	679,528	980,373	1,011,307	1,335,803	1,022,335	1,043,154	(11,172,000)
Net Const Cash Refunds/(Contributions)		30,916	30,916	30,916	30,916	30,916	30,916	30,916	30,916	30,916	30,916	30,916	30,916	370,991
BALANCE		697,362	1,449,656	849,762	(918,742)	(551,880)	(1,198,205)	(101,173)	874,433	15,141	(865,639)	(3,092,680)	93,335	(2,948,612)
Add Proceeds From Financing -SunTrust LOC (See Detail Below)														0
Proceeds from Water Sale & LWG				375,000										375,000
Less Tax on Gain of Sale Water & LWG														0
Add Proceeds from Financing - BOA LOC												1,600,000		1,600,000
Add Proceeds From Financing (LT Debt)														0
Less Loan Expenses (LT Debt)														0
Add Proceeds from Bond Issue														0
Less Loan Expenses (Bonds)														0
Add Proceeds from Equity Issue														0
Less Equity Issue Expenses														0
Less ST Investments														0
Cash Balance - Beginning Of Period		1,301,274	1,998,637	3,448,292	4,673,054	3,754,312	3,202,431	2,004,226	1,903,053	2,577,486	2,592,627	1,726,988	234,327	1,301,274
Cash Balance - End of Period		1,998,637	3,448,292	4,673,054	3,754,312	3,202,431	2,004,226	1,903,053	2,577,486	2,592,627	1,726,988	234,327	327,663	327,663
Actual Cash Balance														
Customer Deposit - Annual Payments	432,600													
Notes Payable Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	
Interest On Notes Payable @ (4310.2)	2.30%	0	0	0	0	0	0	0	0	0	0	0	0	0
Line of Credit - Bank of America	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000
Interest on LOC	0.10%	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Notes Payable Balance - BOA	0	0	0	0	0	0	0	0	0	0	0	1,600,000	1,600,000	1,600,000
Interest on Borrowings	7.00%	0	0	0	0	0	0	0	0	0	0	4,700	9,300	14,000
Unused Portion of LOC	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	10,400,000	10,400,000	10,400,000
Interest on Unused Portion of LOC	0.25%	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,300	2,200	29,500
Additional LT Debt Balance	16,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	
Interest On additional LT Debt	6.85%	85,600	85,600	85,600	85,600	85,600	85,600	85,600	85,600	85,600	85,600	85,600	85,600	1,027,200
Private Activity Bond - Used	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	
Interest On Private Activity Bond	4.90%	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	686,400

HEARING EXHIBIT - 00001198

FLORIDA PUBLIC . .IES COMPANY
CASH PROJECTION
BUDGET 2008

TOTAL CONSOLIDATED

		JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
Operating Revenues		14,177,600	12,074,637	11,433,500	10,267,475	9,492,464	9,661,163	9,605,904	9,768,946	9,234,829	9,614,846	10,948,166	13,691,408	129,971,029
Fuel Revenue & Pass-thrus		(7,952,211)	(6,730,066)	(6,549,612)	(5,809,736)	(5,208,195)	(5,447,478)	(5,468,786)	(5,579,188)	(5,059,428)	(5,549,509)	(6,550,245)	(8,352,639)	(74,207,091)
Gross Profit		6,225,389	5,344,571	4,883,978	4,457,739	4,284,269	4,213,685	4,137,119	4,189,758	4,175,402	4,065,338	4,397,922	5,298,769	55,673,938
Other Income - Net (excl. taxes & int cap)		51,326	90,729	67,178	86,188	23,796	75,814	41,263	75,891	51,459	24,624	64,747	54,165	707,009
Total		6,276,715	5,435,300	4,951,156	4,543,927	4,308,065	4,289,298	4,178,381	4,265,649	4,226,861	4,089,962	4,462,669	5,352,964	56,380,946
DEDUCTIONS:														
Operation & Maint Exc Fuel etc		3,492,137	2,998,042	2,739,872	2,500,572	2,403,264	2,363,670	2,320,720	2,350,248	2,342,195	2,280,455	2,467,018	2,972,348	31,230,342
Non-Cash O&M (Storm Resv)		(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(100,000)
Income Taxes Paid					716,955		716,955			716,955		0	716,955	2,867,820
Taxes Paid - Other		186,974	10,203	115,639	68,364	48,103	62,269	189,577	70,047	38,574	170,003	3,004,069	8,637	3,972,460
Interest On Long - Term Debt						754,325	363,200					685,754	363,200	2,166,479
Interest on Additional LT Debt	6.85%	256,875			256,875			256,875			256,875			1,027,500
Interest on Environmental Expenditure		67,512	67,512	67,512	67,512	67,512	67,512	67,512	67,512	67,512	67,512	67,512	67,512	810,147
Interest on Private Activity Bond	4.90%					343,000						343,000		686,000
Interest on LOC		10,912	4,121	(3,729)	(4,421)	5,252	53,226	94,454	93,563	92,607	97,159	112,189	123,907	579,248
Other Interest Payments		0	0	0	222,800	222,800	0	0	0	0	0	0	0	445,600
Payment Of Environmental Clean Up		0	0	0	0	0	10,942,500	0	0	0	0	0	0	10,942,500
Dividends Paid - Preferred		7,125	0	0	7,125	0	0	7,125	0	0	7,125	0	0	28,500
Dividends Paid - Common		803,000	0	0	805,000	0	0	818,000	0	0	820,000	0	0	3,246,000
Proceeds From Sale - Common Stock		(158,489)	0	0	(84,111)	0	0	(184,455)	0	0	(80,892)	0	0	(487,957)
Pension Contributions							990,000							990,000
TOTAL DEDUCTIONS		4,657,703	3,071,545	2,910,761	4,548,338	3,835,923	15,550,999	3,581,472	2,573,037	3,249,510	3,609,904	8,871,210	4,244,227	58,504,629
BALANCE		1,619,012	2,363,755	2,040,395	(4,411)	472,142	(11,261,701)	598,909	1,692,612	977,350	480,058	(2,208,541)	1,108,737	(2,123,683)
Increase (Decrease) In Cash Due to Fluctuation in Certain Assets & Liab.		-	-	-	-	-	-	-	-	-	-	-	-	-
Construction Requirements (including AEP)		879,935	880,941	1,225,842	1,042,333	1,072,432	981,591	807,028	1,165,619	1,202,399	1,588,209	1,215,510	1,240,262	13,283,000
Net Const Cash Refunds/(Contributions)		32,146	32,146	32,146	32,146	32,146	32,146	32,146	32,146	32,146	32,146	32,146	32,146	385,756
BALANCE		708,931	1,450,667	782,407	(1,078,890)	(632,437)	(12,255,438)	(243,165)	494,847	(257,195)	(1,140,298)	(3,456,197)	(163,672)	(15,792,439)
Add Proceeds From Financing -SunTrust LOC (See Detail Below)														0
Proceeds from Water Sale & LWG				375,000										375,000
Less Tax on Gain of Sale Water & LWG														0
Add Proceeds from Financing - BOA LOC		(800,000)	(1,300,000)	(1,100,000)	800,000	2,100,000	12,300,000	200,000	(500,000)	200,000	1,200,000	3,500,000	100,000	16,800,000
Less LT Debt Principal Repayments						($1,409,000)								(1,409,000)
Less Loan Expenses (LT Debt)														0
Add Proceeds from Bond Issue														0
Less Loan Expenses (Bonds)														0
Add Proceeds from Equity Issue														0
Less Equity Issue Expenses														0
Less ST Investments														0
Cash Balance - Beginning Of Period		327,663	234,593	385,260	442,668	263,778	322,341	366,903	323,738	318,585	261,390	321,092	364,896	327,663
Cash Balance - End of Period		234,593	385,260	442,668	263,778	322,341	366,903	323,738	318,585	261,390	321,092	364,896	301,223	301,223
Actual Cash Balance														
Customer Deposit - Annual Payments	445,578													
Notes Payable Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	
Interest On Notes Payable @ (4310.2)	2.30%	0	0	0	0	0	0	0	0	0	0	0	0	0
Line of Credit - Bank of America	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Interest on LOC	0.10%	1,000	1,000	1,000	1,000	1,000	1,700	1,700	1,700	1,700	1,700	1,700	1,700	16,900
Notes Payable Balance - BOA	1,600,000	800,000	(500,000)	(1,600,000)	(700,000)	1,400,000	13,700,000	13,900,000	13,400,000	13,600,000	14,800,000	18,300,000	18,400,000	18,400,000
Interest on Borrowings	6.00%	8,000	1,000	(7,000)	(7,700)	2,300	50,300	92,000	91,000	90,000	94,700	110,300	122,300	647,200
Unused Portion of LOC	10,400,000	11,200,000	12,500,000	13,600,000	12,700,000	10,600,000	6,300,000	6,100,000	6,600,000	6,400,000	5,200,000	1,700,000	1,600,000	1,600,000
Interest on Unused Portion of LOC	0.25%	2,300	2,500	2,700	2,700	2,400	1,800	1,300	1,300	1,400	1,200	700	300	20,600
Additional LT Debt Balance	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	13,591,000	13,591,000	13,591,000	13,591,000	13,591,000	13,591,000	13,591,000	13,591,000	
Interest On additional LT Debt	6.85%	85,600	85,600	85,600	85,600	81,600	77,600	77,600	77,600	77,600	77,600	77,600	77,600	987,200
Private Activity Bond - Used	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	
Interest On Private Activity Bond	4.90%	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	686,400

HEARING EXHIBIT - 00001199

FLORIDA PUBLIC UTILITIES
AMBAC ASSURANCE CAPITALIZATION RATIO WORKSHEET

PROJECTED 2008

COMPLIANCE TEST

CAPITALIZATION RATIO	$	$
CONSOLIDATED INDEBTEDNESS		
i Indebtedness for Borrowed Money / Deferred Purchase Price of Property (other than trade payables incurred in the ordinary course of business)		
ii Notes, Bonds, Debentures & Other Instruments	69,491,000	
iii Obligations for Conditional Sale or Title Retention Agreements	-	
iv Amounts available to be drawn under all Letters of Credit	1,600,000	
v Liabilities secured by any lien on any Property	-	
vi Liabilities in respect of any obligation (contingent or otherwise) to purchase, redeem, retire, acquire or make any other payment in respect of any shares of equity securities, or any option, warrant or other right to acquire any shares of equity securities.	-	
vii Monetary obligations under capital leases	-	
viii Any guarantee obligation in respect of Indebtedness of others.	-	71,091,000
CONSOLIDATED INDEBTEDNESS		
CONSOLIDATED NET WORTH		
i Stockholders' Equity	63,860,295	
ii Preferred Stock	600,000	64,460,295
CONSOLIDATED NET WORTH		
CONSOLIDATED TOTAL CAPITALIZATION		135,551,295
CAPITALIZATION RATIO		
CONSOLIDATED NET WORTH / CONSOLIDATED TOTAL CAPITALIZATION		64,460,295 / 135,551,295
REQUIRED PERCENTAGE OF CONSOLIDATED TOTAL CAPITALIZATION	>= 35%	48%

HEARING EXHIBIT - 00001200

FLORIDA PUBLIC UTILITIES
AMBAC ASSURANCE CAPITALIZATION RATIO WORKSHEET

PROJECTED 2008

COMPLIANCE TEST

CAPITALIZATION RATIO	$	$	
CONSOLIDATED INDEBTEDNESS			
i Indebtedness for Borrowed Money / Deferred Purchase Price of Property (other than trade payables incurred in the ordinary course of business)			ADD LOAN
ii Notes, Bonds, Debentures & Other Instruments	119,602,219	GOAL SEEK	119,602,219
iii Obligations for Conditional Sale or Title Retention Agreements	-		(51,091,000)
iv Amounts available to be drawn under all Letters of Credit	-		(20,000,000)
v Liabilities secured by any lien on any Property	-		48,511,219
vi Liabilities in respect of any obligation (contingent or otherwise) to purchase, redeem, retire, acquire or make any other payment in respect of any shares of equity securities, or any option, warrant or other right to acquire any shares of equity securities.	-		
vii Monetary obligations under capital leases	-		
viii Any guarantee obligation in respect of Indebtedness of others.	-		
CONSOLIDATED INDEBTEDNESS		119,602,219	
CONSOLIDATED NET WORTH			
i Stockholders' Equity	63,860,295		
ii Preferred Stock	600,000		
CONSOLIDATED NET WORTH		64,460,295	
CONSOLIDATED TOTAL CAPITALIZATION		184,062,514	
CAPITALIZATION RATIO			
CONSOLIDATED NET WORTH / CONSOLIDATED TOTAL CAPITALIZATION		64,460,295 / 184,062,514	
REQUIRED PERCENTAGE OF CONSOLIDATED TOTAL CAPITALIZATION	>= 35%	35.02%	

HEARING EXHIBIT - 00001201

FLORIDA PUBLIC UTILITIES
BANK OF AMERICA LOC COVENANT CALCULATION WORKSHEET
IN THOUSANDS

	12 Months Ending Mar-2006
FIXED CHARGE COVERAGE	
Revenue	137,933
Gross Profit	47,742
Net Income after Taxes	4,116
Add: Interest Expense	4,641
Dep'n & Amort Expense	7,405
Lease / Rent Expense	-
Plus / (Minus) the change in the value of any Interest Rate Protection Agreement	-
EBITDAR	16,162
Divide by:	
Current Maturities of LTD	-
Current Maturities of Capital Leases	-
Interest Expense	4,641
Lease / Rent Expense	-
	4,641
FIXED CHARGE COVERAGE RATIO	3.48
BOA REQUIREMENT >= 1.25	
TOTAL LIABILITIES TO TANGIBLE NET WORTH	
Total Liabilities (Goal Seek) Additional 34,772	164,392
Divide by:	
Total Net Worth	47,906
Less: Intangibles	6,808
Equals: Tangible Net Worth (per GAAP)	41,098
TOTAL LIAB / TANGIBLE NET WORTH RATIO	4.00
BOA REQUIREMENT:	
AFTER 12/31/2004 <4.00	

HEARING EXHIBIT - 00001202

FLORIDA PUBLIC UTILITIES
BANK OF AMERICA LOC COVENANT CALCULATION WORKSHEET
IN THOUSANDS

	12 Months Ending Mar-2006
FIXED CHARGE COVERAGE	
Revenue	137,933
Gross Profit	47,742
Net Income after Taxes	4,116
Add: Interest Expense	4,641
Dep'n & Amort Expense	7,405
Lease / Rent Expense	-
Plus / (Minus) the change in the value of any Interest Rate Protection Agreement	-
EBITDAR	16,162
Divide by:	
Current Maturities of LTD	-
Current Maturities of Capital Leases	-
Interest Expense	4,641
Lease / Rent Expense	-
	4,641
FIXED CHARGE COVERAGE RATIO	3.48
BOA REQUIREMENT >= 1.25	
TOTAL LIABILITIES TO TANGIBLE NET WORTH	
Total Liabilities	129,620
Divide by:	
Total Net Worth	47,906
Less: Intangibles	6,808
Equals: Tangible Net Worth (per GAAP)	41,098
TOTAL LIAB / TANGIBLE NET WORTH RATIO	3.15
BOA REQUIREMENT:	
AFTER 12/31/2004 <4.00	

HEARING EXHIBIT - 00001203

Exhibit 2.4
PSC First Set of Document Requests
Docket No. 070304-EI

Witness: BACHMAN/COX

FLORIDA PUBLIC UTILITIES COMPANY
SPECIAL DIRECTORS' MEETING
MARCH 13, 2007

Directors Present: John T. English
Ellen Terry Benoit
Richard C. Hitchins
Dennis S. Hudson III
Paul L. Maddock, Jr.
Troy W. Maschmeyer, Jr.

Being all the members of the Board.

Also present are George M. Bachman CFO and Treasurer, Charles L. Stein, COO, and Bonnie L. Erdek, Assistant Corporate Secretary.

The Board was informed that there had been sent previously to each director, for his or her information, a copy of the minutes of the last meeting of the Board of Directors held on December 5, 2006. The directors thereupon approved the minutes of said meeting as recorded.

There was then submitted to each director for consideration and discussion, a review of the consolidated financial results of the Company for the period ended December 31, 2006, including other information concerning the business and affairs of the Company.

The Chairman next stated that it was in order to receive the report of the Chief Financial Officer relating to the Company's debt covenants and credit position.

The Chairman then suggested consideration be given to refinancing and the feasibility of increasing the IQ Note to $20,000,000.

> RESOLVED, that the Officers of the Company are hereby authorized to evaluate refinancing options and, if in the Officers' judgment refinancing is deemed desirable, the Chairman or any other Officer be empowered to commence negotiations with any underwriter deemed appropriate, to increase the IQ Note to $20,000,000.
>
> RESOLVED, that the proper officers of the Company be and hereby are authorized and empowered to take any and all such actions, appropriate to the foregoing resolution, in their discretion shall deem necessary and advisable, including entering into contracts for the sale of above said First Mortgage Bonds, which actions shall include, but not be limited to, entering into an underwriting agreement with either Edward D. Jones & Co., L.P. or A.G. Edwards for the distribution of the IQ Notes.

HEARING EXHIBIT - 00001204

The Chairman then stated that it was deemed desirable to open an Edward Jones brokerage account for the sole purpose of liquidating stock received from bankruptcy proceedings.

RESOLVED, that Edward Jones be and hereby is designated for the establishment of a brokerage account for the sole purpose of liquidating stock received from bankruptcy proceedings and that the Chairman and Chief Financial Officer be and hereby are authorized to take appropriate action in connection therewith.

RESOLVED, that unless otherwise ordered by the Board of Directors, all withdrawals drawn on funds deposited in the Edward Jones brokerage account shall be authorized or signed by any one of the following individuals set forth below:

John T. English
George M. Bachman
Cheryl Martin

The Chairman then stated that it was in order to receive the report of the Chief Operating Officer updating this body on the current state of the Company's remediation efforts of manufactured gasification plants.

There was next submitted to the meeting a statement of earnings available for dividends on common stock as of January 31, 2006. After due consideration of the financial condition of the Company, upon motion duly made and seconded, the following resolutions were unanimously adopted:

RESOLVED, that there be and there is hereby declared, out of the retained earnings of the Company available for dividends, a dividend of $1.1875 per share on the outstanding 4-3/4% Cumulative Preferred Stock of the Company, payable April 2, 2007, to the holders of said preferred stock of record at the close of business on March 16, 2007.

RESOLVED, that there be and there is hereby declared, out of the retained earnings of the Company available for dividends, a dividend of $0.1075 per share on the outstanding common stock of the Company, payable April 2, 2007, to the holders of said common stock of record at the close of business on March 16, 2007.

The President then stated that the Annual Meeting of Stockholders of the Company is scheduled to be held on May 8, 2007, and that it is in order for the directors to designate two candidates for election at said meeting, authorize the mailing of notices, proxy statements and proxies for said meeting and authorize that proxies be solicited from stockholders.

After discussion, the following resolutions were, on motion duly made and seconded, unanimously adopted:

RESOLVED, that in connection with the holding of the Annual Meeting of Stockholders of the Company on May 8, 2007, the Board of Directors hereby designates Richard C. Hitchins and Troy W. Maschmeyer, Jr. as candidates for the office of director, for terms expiring 2010, of the

HEARING EXHIBIT - 00001205

Company for election at said meeting for the indicated term expiring at the Annual Meeting of Stockholders and until his successor is duly elected and qualified, or until he shall have resigned, or shall have been removed in the manner provided in Article XXII of the By-laws of the Company; provided, however, that if, for any reason, the candidates designated above are unable to serve, a majority of the directors of the Company may, at a meeting, or in writing without a meeting, designate a candidate or candidates in substitution therefor.

RESOLVED, that proxies be solicited from the Company's stockholders for the election of directors and the transaction of such other business as may properly come before the Annual Meeting or any adjournments thereof.

RESOLVED, that the forms of notice, proxy statement and proxy for the Annual Meeting of Stockholders of the Company to be held on May 8, 2007, as submitted to the meeting, be and hereby are approved; provided, however, that the officers of the Company are hereby authorized to make such changes in such Notice, Proxy Statement and Proxy as they may deem necessary or desirable, including changes, if any, as shall be required by the Securities and Exchange Commission; and the Secretary of this Company be and hereby is authorized and empowered to mail or cause to be mailed to each holder of common stock entitled thereto, due notice of the Annual Meeting of the Stockholders of the Company to be held on May 8, 2007, together with a proxy statement and form of proxy for voting at said meeting, in substantially such forms.

FURTHER RESOLVED, that the record holders of Common Stock at the close of business on March 16, 2007 shall be entitled to receive notice of and to vote at the Annual Meeting.

FURTHER RESOLVED, that the Company shall cause to be mailed to each record holder of common stock on the record date and, to the extent appropriate, to such brokerage offices and other custodians, nominees or fiduciaries as are known to the company to be interested in receiving such material, the notice of the Annual Meeting, the Proxy Statement, form of proxy and the Annual Report, and any additional solicitation material deemed advisable by the Authorized Officers.

The Chairman then stated that it would be in order to receive the report of Richard C. Hitchins, Chairman. Mr. Hitchins reported that the Audit Committee appointed BDO Seidman, LLC, as independent auditors to examine the financial statements of the Company for the year ending December 31, 2007.

After consideration and discussion, it was, upon motion duly made and seconded, unanimously

RESOLVED, that proxies be solicited from the Company's stockholders for ratification of the selection of BDO Seidman, LLP as the Company's independent registered public accounting firm.

The Audit Committee Chairman then recommended that the final version of the 10-K be sent to the Committee members who will then review and approve the document for filing with the SEC.

HEARING EXHIBIT - 00001206

The Chairman then stated that it would be in order to receive the report of the Paul L. Maddock, Jr., Chairman of the Compensation Committee.

> RESOLVED, that the recommendations of the Compensation Committee involving 2006 incentive compensation for certain officers of the Company, totaling $93,240, to be effective March 1, 2007 be and hereby are approved.

The Chairman of the Compensation Committee then recommended to the Board that the Compensation Discussion & Analysis, as presented, be published in the Company's Proxy. Following review and discussion, the members agreed unanimously with the Compensation Committee's recommendation that said Analysis be included in the Proxy Statement.

There followed a general discussion of the business and affairs of the Company.

The Chairman then stated that it would be in order for non-management directors to meet in their regularly scheduled session without Company management present after which, management having returned to the meeting, on motion duly made and seconded, it was unanimously

RESOLVED to adjourn.

A true record.

Attest:

Bonnie L. Erdek
Assistant Secretary

BoardMtg\fpucmin-mar07

HEARING EXHIBIT - 00001207

REFUNDING BOND ANALYSIS EDWARD JONES PROPOSAL

$15 M 5.6%

$ 15,000,000

		NPV SAVINGS / (LOSS)	
Principal	**$ 15,000,000**	FPU Methodology	$685,026
Coupon	5.60%		
Underwriter Fee	3.15%		
Bond Insurance	0.15%		
Annual Interest Savings (Excl tax effect))	$ 109,186		

		NPV SAVINGS / (LOSS)	
Principal	**$ 15,000,000**	FPU Methodology	$651,394
Coupon	5.60%		
Underwriter Fee	3.15%		
Bond Insurance	$ 341,541 UF		
Annual Interest Savings (Excl tax effect))	$ 109,186		

		NPV SAVINGS / (LOSS)	
Principal	**$ 15,000,000**	FPU Methodology	$589,975
Coupon	5.60%		
Underwriter Fee	3.15%		
Bond Insurance	$ 440,000 UF (Same $ Est as AG Edwards Private Insured)		
Annual Interest Savings (Excl tax effect))	$ 109,186		

Exhibit 2.5
PSC First Set of Document Requests
Docket No. 070304-EI
Witness: BACHMAN/COX

HEARING EXHIBIT - 00001208

REFUNDING BOND ANALYSIS AG EDWARDS PROPOSAL

	$	15,000,000

PRIVATE INSURED

NPV SAVINGS / (LOSS)

FPU Methodology $466,051

B1	Principal	$ 15,000,000
	Coupon	5.93%
	Underwriter Fee	1.00%
	Bond Insurance	$ 440,000
	Annual Interest Savings (Excl tax effect))	$ 74,657

PRIVATE UNINSURED

NPV SAVINGS / (LOSS)

FPU Methodology ($492,219)

B3	Principal	$ 15,000,000
	Coupon	6.75%
	Underwriter Fee	3.00%
	Bond Insurance	$ -
	Annual Interest Savings (Excl tax effect))	$ (42,155)

REFUNDING BOND ANALYSIS AG EDWARDS PROPOSAL

$ 15,000,000

PRIVATE INSURED

B1	**Principal**	**$ 15,000,000**
	Coupon	5.93%
	Underwriter Fee	1.00%
	Bond Insurance	$ 440,000
	Annual Interest Savings (Excl tax effect))	$ 74,657

NPV SAVINGS / (LOSS)

FPU Methodology $466,051

PRIVATE UNINSURED

B3	**Principal**	**$ 15,000,000**
	Coupon	6.75%
	Underwriter Fee	3.00%
	Bond Insurance	$ -
	Annual Interest Savings (Excl tax effect))	$ (42,155)

NPV SAVINGS / (LOSS)

FPU Methodology ($492,219)

HEARING EXHIBIT - 00001210

PROFORMA

Florida Public Utilities

FPU MODIFIED ANALYSIS OF AG EDWARDS REVISED TERMS FOR PRIVATE INSURED

Refunding Savings Analysis

Refunding Comparison — Bond Refunding? YES

Florida Public Utilities	Current Bonds	Refunding Bonds	Difference
Principal	$15,000,000	$15,000,000	
Maturity	10/1/2031	12/15/2036	5.2 yr
Coupon	**6.85%**	**5.93%**	**-0.92%**
Annual Interest Expense	$1,027,500	$889,500	-$138,000
U/W Fee		1.00%	
PV Bond Insurance	n/a	0.00%	
UP Insurance Fee		$440,000	
All-in Cost	**6.85%**	**6.35%**	**-0.50%**
NPV Savings	FPU's Methodology		**$466,051**

HEARING EXHIBIT - 00001211

Detailed Savings Analysis (AG EDWARDS PRIVATE INSURED PROPOSAL)

Series	Florida Public Utilities 6.85% due 10/1/2031
Savings Analysis	
Annual Interest Savings	$138,000
Annual Financing Cost of Expenses	(63,343)
Annual Savings	74,657
Expenses	
Call Premium	150,000
Underwriting fee	150,000
Bond Insurance	440,000
Other Expenses	100,000
Total	**$840,000**
Annual Financing Cost of Expenses	$63,343
Current Bonds	
Principal	$15,000,000
Current Coupon Rate	6.85%
Issue Date	09/27/01
Maturity Date	10/01/31
Original issue maturity (years)	30.0
Remaining Life (years)	24.8
All-in Cost	6.85%
Call Date	12/18/2006
Call Premium	101.00%
Refunding Bonds	
Principal	$15,000,000
New Coupon Rate	5.930%
Underwriting fee upfront	1.00%
UP Insurance Fee	$ 440,000
PV Bond Insurance per annum	0.00%
Issue Date	4/1/2007
Maturity date	4/1/2037
Maturity (years)	30.0
New Call Date	3/30/2012
All-in Cost (Discount Rate)	**6.35%**

* Other Expenses include legal, rating and auditor fees.

HEARING EXHIBIT - 00001212

HEARING EXHIBIT - 00001213

PROFORMA

Florida Public Utilities

FPU MODIFIED ANALYSIS OF AG EDWARDS REVISED TERMS FOR PRIVATE UNINSURED

Refunding Savings Analysis

Refunding Comparison — Bond Refunding? YES

Florida Public Utilities	Current Bonds	Refunding Bonds	Difference
Principal	$15,000,000	$15,000,000	
Maturity	10/1/2031	12/15/2036	5.2 yr
Coupon	6.85%	6.75%	-0.10%
Annual Interest Expense	$1,027,500	$1,012,500	-$15,000
U/W Fee		3.00%	
PV Bond Insurance	n/a	0.00%	
UP Insurance Fee		$0	
All-In Cost	6.85%	7.13%	0.28%
NPV Savings	FPU's Methodology		($492,219)

HEARING EXHIBIT - 00001214

Detailed Savings Analysis (AG EDWARDS PRIVATE UNINSURED PROPOSAL)

Series	Florida Public Utilities 6.85% due 10/1/2031
Savings Analysis	
Annual Interest Savings	$15,000
Annual Financing Cost of Expenses	(57,155)
Annual Savings	(42,155)
Expenses	
Call Premium	150,000
Underwriting fee	450,000
Bond Insurance	-
Other Expenses	100,000
Total	**$700,000**
Annual Financing Cost of Expenses	$57,155
Current Bonds	
Principal	$15,000,000
Current Coupon Rate	6.85%
Issue Date	09/27/01
Maturity Date	10/01/31
Original issue maturity (years)	30.0
Remaining Life (years)	24.8
All-in Cost	6.85%
Call Date	12/18/2006
Call Premium	101.00%
Refunding Bonds	
Principal	$15,000,000
New Coupon Rate	6.750%
Underwriting fee upfront	3.00%
UP Insurance Fee	$ -
PV Bond Insurance per annum	0.00%
Issue Date	4/1/2007
Maturity date	4/1/2037
Maturity (years)	30.0
New Call Date	3/30/2012
All-in Cost (Discount Rate)	**7.13%**

* Other Expenses include legal, rating and auditor fees.

HEARING EXHIBIT - 00001215

HEARING EXHIBIT - 00001216

ox Doreen

om: Bachman George
Sent: Thursday, April 12, 2007 9:03 AM
To: Cox Doreen
Subject: FW: Updated pricing

Recommend insured & private reduced fee down to 1% 1.5%

Updated info, looks like AG cut their spread for a private placement.

George

From: Strobel, Jeffrey [mailto:strobeljw@AGEDWARDS.com]
Sent: Wednesday, April 11, 2007 9:47 PM
To: Bachman George
Cc: Donovan, William; Gipson, Derek
Subject: Updated pricing

George,

Attached please find updated pricing for the scenarios we provided earlier this spring. We have also included an insured retail note offering as well as a uninsured private placement.

w things to note - while Treasury prices have fallen and so raised yield due to the diminished expectation of a rate cut by the F because of continued strong job growth and the specter of inflation, credit spreads have not shrunk concomitantly as they d do. They have in fact widened slightly, which I think is due to the same expectation of higher rates in the future and the desire for increased yield in a potentially riskier market. So you can see our 30-year spread has widened by a few basis points.

Also as a result of the benchmark Treasury gyrations, insured retail debt has become more competitive with high-quality institutional debt. We think that a registered 30-year insured retail offering would sell with a coupon of 5 7/8 to 5.90%. This is a few basis points lower than the private coupon, however those coupon savings are swallowed up by the increased 3.15% gross spread required to sell the deal. Almost 2% of that 3.15% is paid to the brokers to have them sell the deal to retail clients. I also add that a retail deal is more expensive and time consuming because of the drafting of the registration statement and registering the deal to sell. Unless it's something you really feel strongly about, I recommend a private placement for surest and quickest execution.

The uninsured private is shown for illustrative purposes. It is not competitive but I wanted to show what a story credit would most likely receive in the private markets.

Finally, you will not that we have reduced our gross spread for the private placement. We would very much like to execute this transaction for you and to show our commitment have cut our fee to 1% of the offering from 1.5%.

Please call me if you have any questions. We look forward to working with you on the transaction.

Regards,

Jeff

rey W. Strobel
tor, Investment Banking
A.G. Edwards & Sons, Inc.
One North Jefferson

St. Louis, MO 63103
314-955-6707
955-7387 (fax)
stroeljw@agedwards.com

<<Bond Pricing 4.11.07.pdf>>

A.G. Edwards & Sons' outgoing and incoming e-mails are electronically archived and subject to review and/or disclosure to someone other than the recipient.

All-In Cost of Financing Comparison
Florida Public Utilities Corp.
April 11, 2007

EDWARDS.

	Florida Public Utilities Corp.				
Maturity	10 Years	20 Years	30 Years	30 Years	30 Years
Distribution	**Private**	**Private**	**Private**	**Private**	**Public**
Insured/Uninsured	**Insured**	**Insured**	**Insured**	**Uninsured**	**Insured**
Face Amount for Security	$1,000	$1,000	$1,000	$1,000	$1,000
Security	FMB	FMB	FMB	FMB	Secured
Credit Ratings	NAIC-1	NAIC-1	NAIC-1	NAIC-2	AAA/Aaa
Call Provision	Make-whole	Make-whole	Make-whole	Make-whole	5-Yr No-Call
Payment Frequency	Semi-Annual	Semi-Annual	Semi-Annual	Semi-Annual	Quarterly
Offering Size ($000's)	$20,000	$20,000	$20,000	$20,000	$20,000
Yield on Comparable Treasury	4.73%	4.82%	4.91%	4.91%	4.91%
Maturity of Comparable Treasury (years)	10	Interpolated 20	30	30	30
Estimated Point Spread (basis points)	+80	+100	+102	+184	+97
Initial Insurance Premium ($000's) (a)	$245.4	$341.9	$440.0	$0.0	$440.0
Coupon	5.53%	5.82%	5.93%	6.75%	5.88%
Gross Spread Estimate	1.00%	1.00%	1.00%	3.00%	3.15%
All-in-Cost of Financing to Maturity	**5.83%**	**6.05%**	**6.16%**	**6.99%**	**6.28%**

(a) Insurance assumes an upfront payment of the present value of an approximate 79 basis point upfront fee on P&I balance, which gives an approximately 15-16 bp annual cost on principal (depending on the maturity).

4.91
1.02
5.93
1.00
6.93

HEARING EXHIBIT - 00001219

REFUNDING BOND ANALYSIS EDWARD JONES PROPOSAL

$15 M 5.6%

$ 15,000,000

NPV SAVINGS / (LOSS)

Principal	**$ 15,000,000**	FPU Methodology $685,026
Coupon	5.60%	
Underwriter Fee	3.15%	
Bond Insurance	0.15%	
Annual Interest Savings (Excl tax effect))	$ 109,186	

NPV SAVINGS / (LOSS)

Principal	**$ 15,000,000**	FPU Methodology $651,394
Coupon	5.60%	
Underwriter Fee	3.15%	
Bond Insurance	$ 341,541 UF	
Annual Interest Savings (Excl tax effect))	$ 109,186	

NPV SAVINGS / (LOSS)

Principal	**$ 15,000,000**	FPU Methodology $589,975
Coupon	5.60%	
Underwriter Fee	3.15%	
Bond Insurance	$ 440,000 UF (Same $ Est as AG Edwards Private Insured)	
Annual Interest Savings (Excl tax effect))	$ 109,186	

HEARING EXHIBIT - 00001220

PROFORMA

Florida Public Utilities

FPU MODIFIED ANALYSIS OF EDWARD JONES PROPOSED TERMS USING CURRENT T BILL RATE

Refunding Savings Analysis

Refunding Comparison — Bond Refunding? YES

Florida Public Utilities	Current Bonds	Refunding Bonds	Difference
Principal	$15,000,000	$15,000,000	
Maturity	10/1/2031	12/15/2036	5.2 yr
Coupon	**6.85%**	**5.60%**	**-1.25%**
Annual Interest Expense	$1,027,500	$840,000	-$187,500
U/W Fee		3.15%	
PV Bond Insurance	n/a	0.15%	
UP Insurance Fee		$0	
All-In Cost	**6.85%**	**6.12%**	**-0.73%**
NPV Savings	FPU's Methodology		**$685,026**

HEARING EXHIBIT - 00001221

Florida Public Utilities
Detailed Savings Analysis

Series	Florida Public Utilities 6.85% due 10/1/2031
Savings Analysis	
Annual Interest Savings	$187,500
Annual Financing Cost of Expenses	(78,314)
Annual Savings	109,186
Expenses	
Call Premium	150,000
Underwriting fee	472,500
Bond Insurance	341,541
Other Expenses	100,000
Total	**$1,064,041**
Annual Financing Cost of Expenses	$78,314
Current Bonds	
Principal	$15,000,000
Current Coupon Rate	6.85%
Issue Date	09/27/01
Maturity Date	10/01/31
Original issue maturity (years)	30.0
Remaining Life (years)	24.5
All-in Cost	6.85%
Call Date	4/1/2007
Call Premium	101.00%
Refunding Bonds	
Principal	$15,000,000
New Coupon Rate	5.600%
Underwriting fee upfront	3.15%
UP Insurance Fee	$ -
PV Bond Insurance per annum	0.15%
Issue Date	5/1/2007
Maturity date	5/1/2037
Maturity (years)	30.0
New Call Date	4/29/2012
All-in Cost (Discount Rate)	**6.12%**

* Other Expenses include legal, rating and auditor fees.

Refunding Bond Analysis $13,000,000 EDWARD JONES PROPOSAL
FPU's Analysis
Dec-06

$15,000,000

ORIGINAL BOND	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Interest tax effected		(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)
Interest on LOC Balance tax effected		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total		(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)
NPV	($8,181,558)																									

Coupon Rate 6.15%
LOC Interest Rate 4.22%

$15,000,000

REFUNDING BOND	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Call Premium	(150,000)																									
Underwriting Fee and tax ded	(472,500)	5,625	5,625	5,625	5,625	5,625	5,625	5,625	5,625	5,625	5,625	5,625	5,625	5,625	5,625	5,625	5,625	5,625	5,625	5,625	5,625	5,625	5,625	5,625	5,625	5,625
Bond Insurance tax effected		(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)
Other Expenses and tax ded	(100,000)	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254
Interest tax effected		(523,892)	(523,892)	(523,892)	(523,892)	(523,892)	(523,892)	(523,892)	(523,892)	(523,892)	(523,892)	(523,892)	(523,892)	(523,892)	(523,892)	(523,892)	(523,892)	(523,892)	(523,892)	(523,892)	(523,892)	(523,892)	(523,892)	(523,892)	(523,892)	(523,892)
Total Outflows	(722,500)	(530,048)	(530,048)	(530,048)	(530,048)	(530,048)	(530,048)	(530,048)	(530,048)	(530,048)	(530,048)	(530,048)	(530,048)	(530,048)	(530,048)	(530,048)	(530,048)	(530,048)	(530,048)	(530,048)	(530,048)	(530,048)	(530,048)	(530,048)	(530,048)	(530,048)
NPV	($7,500,524)																									

Coupon Rate 5.60%
UF Underwriting Fee 3.15%
Bond Insurance 0.15%

SAVINGS / (NON-SAVINGS)	(722,500)	110,106	110,106	110,106	110,106	110,106	110,106	110,106	110,106	110,106	110,106	110,106	110,106	110,106	110,106	110,106	110,106	110,106	110,106	110,106	110,106	110,106	110,106	110,106	110,106	110,106
	$665,426																									

Discount Rate 6.00%

Assumptions:

1 Call Premium, Underwriting Fee and Other Expenses eg. Legal Paid Up-front
2 All expenses except Call Premium are Tax Deductible
3 Discount Rate of 6%
4 Offering Expenses (eg legal ,printing etc) not included in all-in cost

P:\Departments & Documents\Accounting Department\Analyses and MISC Finances\various Excel Cost Proposals\REFUNDING - Ed Jones - AO Edward Cash Proj Ed J $1311 save\Bond Issue

HEARING EXHIBIT - 00001223

Insurance Paid UF & Tax Ded.

PROFORMA

Florida Public Utilities

FPU MODIFIED ANALYSIS OF EDWARD JONES PROPOSED TERMS USING CURRENT T BILL RATE

Refunding Savings Analysis

Refunding Comparison	Bond Refunding?	YES	
Florida Public Utilities	**Current Bonds**	**Refunding Bonds**	**Difference**
Principal	$15,000,000	$15,000,000	
Maturity	10/1/2031	12/15/2036	5.2 yr
Coupon	**6.85%**	**5.60%**	**-1.25%**
Annual Interest Expense	$1,027,500	$840,000	-$187,500
U/W Fee		3.15%	
PV Bond Insurance	n/a	0.15%	
UP Insurance Fee		$0	
All-In Cost	**6.85%**	**6.12%**	**-0.73%**
NPV Savings	FPU's Methodology		**$651,394**

HEARING EXHIBIT - 00001224

Florida Public Utilities
Detailed Savings Analysis

Series	Florida Public Utilities 6.85% due 10/1/2031
Savings Analysis	
Annual Interest Savings	$187,500
Annual Financing Cost of Expenses	(78,314)
Annual Savings	109,186
Expenses	
Call Premium	150,000
Underwriting fee	472,500
Bond Insurance	341,541
Other Expenses	100,000
Total	**$1,064,041**
Annual Financing Cost of Expenses	$78,314
Current Bonds	
Principal	$15,000,000
Current Coupon Rate	6.85%
Issue Date	09/27/01
Maturity Date	10/01/31
Original issue maturity (years)	30.0
Remaining Life (years)	24.5
All-in Cost	6.85%
Call Date	4/1/2007
Call Premium	101.00%
Refunding Bonds	
Principal	$15,000,000
New Coupon Rate	5.600%
Underwriting fee upfront	3.15%
UP Insurance Fee	$ -
PV Bond Insurance per annum	0.15%
Issue Date	5/1/2007
Maturity date	5/1/2037
Maturity (years)	30.0
New Call Date	4/29/2012
All-in Cost (Discount Rate)	**6.12%**

* Other Expenses include legal, rating and auditor fees.

HEARING EXHIBIT - 00001225

Refunding Bond Analysis — $13,000,000 — EDWARD JONES PROPOSAL
FPU's Analysis

$15,000,000																									
ORIGINAL BOND		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Interest tax affected	2		($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)
Interest on LOC Balance tax affected			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total			($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)
NPV		($8,183,550)																								
Coupon Rate		5.05%																								
LOC Interest Rate		5.22%																								
$15,000,000																										
REFUNDING BOND		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Call Premium	1	($150,000)																								
Underwriting Fee and tax ddn	1	($72,500)	$5,825	$5,825	$5,825	$5,825	$5,825	$5,825	$5,825	$5,825	$5,825	$5,825	$5,825	$5,825	$5,825	$5,825	$5,825	$5,825	$5,825	$5,825	$5,825	$5,825	$5,825	$5,825	$5,825	$5,825	$5,825
Bond Insurance tax affected	3	($213,053)																								
Other Expenses and tax ddn	1	($108,000)																								
Interest tax affected	2		$1,254	$1,254	$1,254	$1,254	$1,254	$1,254	$1,254	$1,254	$1,254	$1,254	$1,254	$1,254	$1,254	$1,254	$1,254	$1,254	$1,254	$1,254	$1,254	$1,254	$1,254	$1,254	$1,254	$1,254	$1,254
Total Outflows			($523,982)	($523,982)	($523,982)	($523,982)	($523,982)	($523,982)	($523,982)	($523,982)	($523,982)	($523,982)	($523,982)	($523,982)	($523,982)	($523,982)	($523,982)	($523,982)	($523,982)	($523,982)	($523,982)	($523,982)	($523,982)	($523,982)	($523,982)	($523,982)	($523,982)
NPV		($839,653)	($516,813)	($516,813)	($516,813)	($516,813)	($516,813)	($516,813)	($516,813)	($516,813)	($516,813)	($516,813)	($516,813)	($516,813)	($516,813)	($516,813)	($516,813)	($516,813)	($516,813)	($516,813)	($516,813)	($516,813)	($516,813)	($516,813)	($516,813)	($516,813)	($516,813)
		($7,642,156)																								
Coupon Rate		5.60%																								
UF Underwriting Fee		1.15%																								
Bond Insurance		0.15%																								
		($839,653)	$124,142	$124,142	$124,142	$124,142	$124,142	$124,142	$124,142	$124,142	$124,142	$124,142	$124,142	$124,142	$124,142	$124,142	$124,142	$124,142	$124,142	$124,142	$124,142	$124,142	$124,142	$124,142	$124,142	$124,142	$124,142
SAVINGS / (NON-SAVINGS)		$651,394																								
Discount Rate	3	6.00%																								

Assumptions

1 Call Premium, Underwriting Fee and Other Expenses eg. Legal Fee Up-front
2 All expenses except Call Premium are Tax Deductible
3 Discount Rate of 6%
4 Offering Expenses (eg legal, printing etc) are included in all-in costs.

HEARING EXHIBIT - 00001226

PROFORMA

Florida Public Utilities

FPU MODIFIED ANALYSIS OF EDWARD JONES PROPOSED TERMS USING CURRENT T BILL RATE

Refunding Savings Analysis

Refunding Comparison	Bond Refunding?	YES	
Florida Public Utilities	**Current Bonds**	**Refunding Bonds**	**Difference**
Principal	$15,000,000	$15,000,000	
Maturity	10/1/2031	12/15/2036	5.2 yr
Coupon	**6.85%**	**5.60%**	**-1.25%**
Annual Interest Expense	$1,027,500	$840,000	-$187,500
U/W Fee		3.15%	
PV Bond Insurance	n/a	0.00%	
UP Insurance Fee		$440,000	
All-In Cost	**6.85%**	**6.17%**	**-0.68%**
NPV Savings	FPU's Methodology		**$589,975**

Applying AG Edwards est. Ins in Private Interest to Edward Jones.

HEARING EXHIBIT - 00001227

Florida Public Utilities
Detailed Savings Analysis

Series	Florida Public Utilities 6.85% due 10/1/2031
Savings Analysis	
Annual Interest Savings	$187,500
Annual Financing Cost of Expenses	(86,028)
Annual Savings	101,472
Expenses	
Call Premium	150,000
Underwriting fee	472,500
Bond Insurance	440,000
Other Expenses	100,000
Total	**$1,162,500**
Annual Financing Cost of Expenses	$86,028
Current Bonds	
Principal	$15,000,000
Current Coupon Rate	6.85%
Issue Date	09/27/01
Maturity Date	10/01/31
Original issue maturity (years)	30.0
Remaining Life (years)	24.5
All-in Cost	6.85%
Call Date	4/1/2007
Call Premium	101.00%
Refunding Bonds	
Principal	$15,000,000
New Coupon Rate	5.600%
Underwriting fee upfront	3.15%
UP Insurance Fee	$ 440,000
PV Bond Insurance per annum	0.00%
Issue Date	5/1/2007
Maturity date	5/1/2037
Maturity (years)	30.0
New Call Date	4/29/2012
All-in Cost (Discount Rate)	**6.17%**

* Other Expenses include legal, rating and auditor fees.

HEARING EXHIBIT - 00001229

Refunding Bond Analysis $15,000,000 EDWARD JONES PROPOSAL
FPU's Analysis

$15,000,000

ORIGINAL BOND		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Interest tax affected	3		($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)
Interest on LOC Balance tax affected			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total			($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)	($640,955)
NPV		($8,183,556)																									
Coupon Rate		6.65%																									
LOC Interest Rate		8.25%																									

$15,000,000

REFUNDING BOND		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Call Premium	1	(150,000)																									
Underwriting Fee and tax ded	2	(472,500)	5,625	5,625	5,625	5,625	5,625	5,625	5,625	5,625	5,625	5,625	5,625	5,625	5,625	5,625	5,625	5,625	5,625	5,625	5,625	5,625	5,625	5,625	5,625	5,625	5,625
Bond Insurance tax affected	2	(274,472)																									
Other Expenses and tax ded	4	(400,000)	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254
Interest tax affected	3		($23,882)	($23,882)	($23,882)	($23,882)	($23,882)	($23,882)	($23,882)	($23,882)	($23,882)	($23,882)	($23,882)	($23,882)	($23,882)	($23,882)	($23,882)	($23,882)	($23,882)	($23,882)	($23,882)	($23,882)	($23,882)	($23,882)	($23,882)	($23,882)	($23,882)	($23,882)
Total Outflows		(886,972)	($16,813)	($16,813)	($16,813)	($16,813)	($16,813)	($16,813)	($16,813)	($16,813)	($16,813)	($16,813)	($16,813)	($16,813)	($16,813)	($16,813)	($16,813)	($16,813)	($16,813)	($16,813)	($16,813)	($16,813)	($16,813)	($16,813)	($16,813)	($16,813)	($16,813)	($16,813)
NPV		($7,663,575)																									
Coupon Rate		5.60%																									
UF Underwriting Fee		3.15%																									
Bond Insurance		0.60%																									

		(886,972)	124,142	124,142	124,142	124,142	124,142	124,142	124,142	124,142	124,142	124,142	124,142	124,142	124,142	124,142	124,142	124,142	124,142	124,142	124,142	124,142	124,142	124,142	124,142	124,142
SAVINGS / (NON-SAVINGS)		$588,975																									

Discount Rate 3 6.00%

Assumptions:

1 Call Premium, Underwriting Fee and Other Expenses eg. Legal Paid Up-front
2 All expenses except Call Premium are Tax Deductible
3 Discount Rate of 6%
4 Offering Expenses (eg legal, printing etc) not included in all-in costs.

1 16 2007

P:\Departments & Divisions\Accounting Department\Analysts and MISC Financial analysis\Excel\...\REFUNDING - Ed Jones - AG Edwards\New proposals\Ed Jones UF INS Bond Issue

ox Doreen

om: Sprouse,Kevin E [kevin.sprouse@edwardjones.com]
Sent: Monday, April 02, 2007 11:50 AM
To: Cox Doreen
Cc: Bachman George
Subject: FPU Refunding Model 040207.xls

<<FPU Refunding Model 040207.xls>>

Doreen,

I hope you are doing well. As promised, here's the refunding spreadsheet that we discussed and it has been updated for the current indicative pricing. Knowing that interest rates have fallen from when we looked at this back in the December/January time frame... the discount rates have also declined. I've updated the Edward Jones discount rate and I wanted to see what your thoughts are for the FPU tabs discount rate.

Best,

Kevin

Kevin E. Sprouse
General Partner
ard Jones
5 Manchester Road
St. Louis, MO 63131
p: 314-515-3007
f: 314-515-2664
kevin.sprouse@edwardjones.com

Florida Public Utilities

$15mm 6.850% due 10/01/31

Refunding Savings Analysis

Refunding Comparison

Florida Public Utilities	Current Bonds	Refunding Bonds	Difference
Principle	$15,000,000	$15,000,000	
Maturity	10/1/2031	12/15/2036	5.2 yr
Coupon	**6.85%**	**5.60%**	**-1.25%**
Annual Interest Expense	$1,027,500	$840,000	-$187,500
U/W Fee		3.15%	
PV Bond Insurance	n/a	0.15%	
All-In Cost	**6.85%**	**5.97%**	**-0.88%**
NPV Savings through Initial Maturity			$831,464

Highlights

- The average coupon is reduced by 1.25% resulting in annual savings of $187,500 and NPV savings of $0.83 million.
- The all-in cost of debt is reduced by 0.88%.
- This structure retains short-term, par call flexibility (no call 5 yrs)
- The refunding bonds include an estate feature limited annually to $25,000 per holder and to 1.0% of the original principal amount in the aggregate.

Florida Public Utilities — Detailed Savings Analysis

Series	Florida Public Utilities 6.85% due 10/1/2031
Savings Analysis	
Annual Interest Savings	$187,500
Annual Financing Cost of Expenses	(78,300)
Annual Savings	109,200
NPV Savings	**$1,392,143**
Expenses	
Call Premium	150,000
Underwriting fee	472,500
Bond Insurance	341,640
Other Expenses	100,000
Total	**$1,064,140**
Annual Financing Cost of Expenses	$78,300
Current Bonds	
Principal	$15,000,000
Current Coupon Rate	6.85%
Issue Date	09/27/01
Maturity Date	10/01/31
Original issue maturity (years)	30.0
Remaining Life (years)	25.5
All-in Cost	6.85%
Call Date	4/1/2006
Call Premium	101.00%
Refunding Bonds	
Principal	$15,000,000
New Coupon Rate	5.600%
Underwriting fee upfront	3.15%
PV Bond Insurance per annum	0.15%
Issue Date	5/1/2007
Maturity date	5/1/2037
Maturity (years)	30.0
New Call Date	4/29/2012
All-in Cost (Discount Rate)	**6.12%**

* Other Expenses include legal, rating and auditor fees.

** Expenses are financed at a rate of 6.12% and amortized for 30.0 years

Edward Jones - 00001232

Florida Public Utilities — Detailed Savings Analysis

Series	Florida Public Utilities 6.85% due 10/1/2031
Savings Analysis	
Annual Interest Savings	$187,500
Annual Financing Cost of Expenses	(78,300)
Annual Savings	109,200
NPV Savings	$1,392,143
Expenses	
Call Premium	150,000
Underwriting fee	472,500
Bond Insurance	341,640
Other Expenses	100,000
Total	**$1,064,140**
Annual Financing Cost of Expenses	$78,300
Current Bonds	
Principal	$15,000,000
Current Coupon Rate	6.85%
Issue Date	09/27/01
Maturity Date	10/01/31
Original issue maturity (years)	30.0
Remaining Life (years)	25.5
All-in Cost	6.85%
Call Date	4/1/2006
Call Premium	101.00%
Refunding Bonds	
Principal	$15,000,000
New Coupon Rate	5.600%
Underwriting fee upfront	3.15%
PV Bond Insurance per annum	0.15%
Issue Date	5/1/2007
Maturity date	5/1/2037
Maturity (years)	30.0
New Call Date	4/29/2012
All-in Cost (Discount Rate)	**6.12%**

* Other Expenses include legal, rating and auditor fees

** Expenses are financed at a rate of 6.12% and amortized for 30.0 years

HEARING EXHIBIT - 00001233

Refunding Bond Analysis
FPU's Analysis
Dec 06

ORIGINAL BOND	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Interest tax effected		(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)
NPV	($8,432,412)																									
Coupon Rate	6.05%																									
REFUNDING BOND	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Call Premium	(150,000)																									
Underwriting Fee and tax ddn	(472,500)	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925
Bond Insurance tax effected		(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)
Other Expenses and tax ddn	(100,000)	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254
Interest tax effected		(523,992)	(523,992)	(523,992)	(523,992)	(523,992)	(523,992)	(523,992)	(523,992)	(523,992)	(523,992)	(523,992)	(523,992)	(523,992)	(523,992)	(523,992)	(523,992)	(523,992)	(523,992)	(523,992)	(523,992)	(523,992)	(523,992)	(523,992)	(523,992)	(523,992)
Total Outflows	(722,500)	(530,848)	(530,848)	(530,848)	(530,848)	(530,848)	(530,848)	(530,848)	(530,848)	(530,848)	(530,848)	(530,848)	(530,848)	(530,848)	(530,848)	(530,848)	(530,848)	(530,848)	(530,848)	(530,848)	(530,848)	(530,848)	(530,848)	(530,848)	(530,848)	(530,848)
NPV	($7,786,353)																									
Coupon Rate	5.80%																									
UF Underwriting Fee	3.15%																									
Bond Insurance	0.15%																									
SAVINGS	(722,500)	110,106	110,106	110,106	110,106	110,106	110,106	110,106	110,106	110,106	110,106	110,106	110,106	110,106	110,106	110,106	110,106	110,106	110,106	110,106	110,106	110,106	110,106	110,106	110,106	110,106
	$726,050																									
Discount Rate	5.70%																									

Assumptions

1. Call Premium, Underwriting Fee and Other Expenses eg. Legal Paid Up-front
2. All expenses except Call Premium are Tax Deductable
3. Discount Rate of 5.7%

HEARING EXHIBIT - 00001234

Florida Public Utilities

$15mm 6.850% due 10/01/31

Refunding Savings Analysis

Refunding Comparison

Florida Public Utilities	Current Bonds	Refunding Bonds	Difference
Principle	$15,000,000	$15,000,000	
Maturity	10/1/2031	12/15/2036	5.2 yr
Coupon	6.85%	5.60%	-1.25%
Annual Interest Expense	$1,027,500	$840,000	-$187,500
U/W Fee		3.15%	
PV Bond Insurance	n/a	0.15%	
All-In Cost	6.85%	5.97%	-0.88%
NPV Savings through Initial Maturity			$685,026

Highlights

- The average coupon is reduced by 1.25% resulting in annual savings of $187,500 and NPV savings of $0.69 million.
- The all-in cost of debt is reduced by 0.88%.
- This structure retains short-term, par call flexibility (no call 5 yrs)
- The refunding bonds include an estate feature limited annually to $25,000 per holder and to 1.0% of the original principal amount in the aggregate.

FLORIDA PUBLIC UTILITIES

Edward Jones

HEARING EXHIBIT - 00001235

Florida Public Utilities — Detailed Savings Analysis

Series	Florida Public Utilities 6.85% due 10/1/2031
Savings Analysis	
Annual Interest Savings	$187,500
Annual Financing Cost of Expenses	(78,300)
Annual Savings	109,200
NPV Savings	$1,392,143
Expenses	
Call Premium	150,000
Underwriting fee	472,500
Bond Insurance	341,640
Other Expenses	100,000
Total	**$1,064,140**
Annual Financing Cost of Expenses	$78,300
Current Bonds	
Principal	$15,000,000
Current Coupon Rate	6.85%
Issue Date	09/27/01
Maturity Date	10/01/31
Original issue maturity (years)	30.0
Remaining Life (years)	25.5
All-in Cost	6.85%
Call Date	4/1/2006
Call Premium	101.00%
Refunding Bonds	
Principal	$15,000,000
New Coupon Rate	5.600%
Underwriting fee upfront	3.15%
PV Bond Insurance per annum	0.15%
Issue Date	5/1/2007
Maturity date	5/1/2037
Maturity (years)	30.0
New Call Date	4/29/2012
All-in Cost (Discount Rate)	6.12%

* Other Expenses include legal, rating and auditor fees.

** Expenses are financed at a rate of 6.12% and amortized for 30.0 years

Edward Jones - CONFIDENTIAL - 0000236

Refunding Bond Analysis
FPU's Analysis
Dec-06

ORIGINAL BOND		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Interest tax effected			(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)
NPV		($8,193,536)																									
Coupon Rate		6.85%																									
REFUNDING BOND		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Call Premium		(150,000)																									
Underwriting Fee and tax ddn		(472,500)	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925
Bond Insurance tax effected			(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)
Other Expenses and tax ddn		(100,000)	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254
Interest tax effected			($23,992)	($23,992)	($23,992)	($23,992)	($23,992)	($23,992)	($23,992)	($23,992)	($23,992)	($23,992)	($23,992)	($23,992)	($23,992)	($23,992)	($23,992)	($23,992)	($23,992)	($23,992)	($23,992)	($23,992)	($23,992)	($23,992)	($23,992)	($23,992)	($23,992)	($23,992)
Total Outflows		(722,500)	($30,848)	($30,848)	($30,848)	($30,848)	($30,848)	($30,848)	($30,848)	($30,848)	($30,848)	($30,848)	($30,848)	($30,848)	($30,848)	($30,848)	($30,848)	($30,848)	($30,848)	($30,848)	($30,848)	($30,848)	($30,848)	($30,848)	($30,848)	($30,848)	($30,848)
NPV		($7,508,524)																									
Coupon Rate		5.60%																									
UF Underwriting Fee		3.15%																									
Bond Insurance		0.15%																									
SAVINGS		(722,500)	110,106	110,106	110,106	110,106	110,106	110,106	110,106	110,106	110,106	110,106	110,106	110,106	110,106	110,106	110,106	110,106	110,106	110,106	110,106	110,106	110,106	110,106	110,106	110,106	110,106
		$885,926																									
Discount Rate		6.00%																									

Assumptions

- Call Premium, Underwriting Fee and Other Expenses eg. Legal Paid Up-front
- All expenses except Call Premium are Tax Deductible
- Discount Rate of 6.%

FPU Refunding Model 040207 4/3/2007 2:13 PM

HEARING EXHIBIT - 00001237

PROFORMA

Florida Public Utilities

FPU MODIFIED ANALYSIS OF EDWARD JONES PROPOSED TERMS USING CURRENT T BILL RATE

Refunding Savings Analysis

Refunding Comparison — Bond Refunding? YES

Florida Public Utilities	Current Bonds	Refunding Bonds	Difference
Principal	$15,000,000	$15,000,000	
Maturity	10/1/2031	12/15/2036	5.2 yr
Coupon	**6.85%**	**5.73%**	**-1.12%**
Annual Interest Expense	$1,027,500	$859,500	-$168,000
U/W Fee		3.15%	
PV Bond Insurance	n/a	0.15%	
UP Insurance Fee		$0	
All-In Cost	**6.85%**	**6.29%**	**-0.56%**
NPV Savings	FPU's Methodology		**$529,528**

Coupon rate updated to reflect current T/Bill rate (as provided by AG Edwards 2/27/2007) of 4.73% plus 100 basis points. All other assumptions remain as per Edwards Jone's original proposal.

FLORIDA PUBLIC UTILITIES

Edward**Jones**

HEARING EXHIBIT - 00001238

Florida Public Utilities
Detailed Savings Analysis

Series	Florida Public Utilities 6.85% due 10/1/2031
Savings Analysis	
Annual Interest Savings	$168,000
Annual Financing Cost of Expenses	(83,368)
Annual Savings	84,632
Expenses	
Call Premium	150,000
Underwriting fee	472,500
Bond Insurance	310,705
Other Expenses	100,000
Total	$1,033,205
Annual Financing Cost of Expenses	$83,368
Current Bonds	
Principal	$15,000,000
Current Coupon Rate	6.85%
Issue Date	09/27/01
Maturity Date	10/01/31
Original issue maturity (years)	30.0
Remaining Life (years)	24.8
All-in Cost	6.85%
Call Date	12/18/2006
Call Premium	101.00%
Refunding Bonds	
Principal	$15,000,000
New Coupon Rate	5.730%
Underwriting fee upfront	3.15%
UP Insurance Fee	$ -
PV Bond Insurance per annum	0.15%
Issue Date	1/1/2007
Maturity date	10/1/2031
Maturity (years)	24.8
New Call Date	12/31/2011
All-in Cost (Discount Rate)	**6.29%**

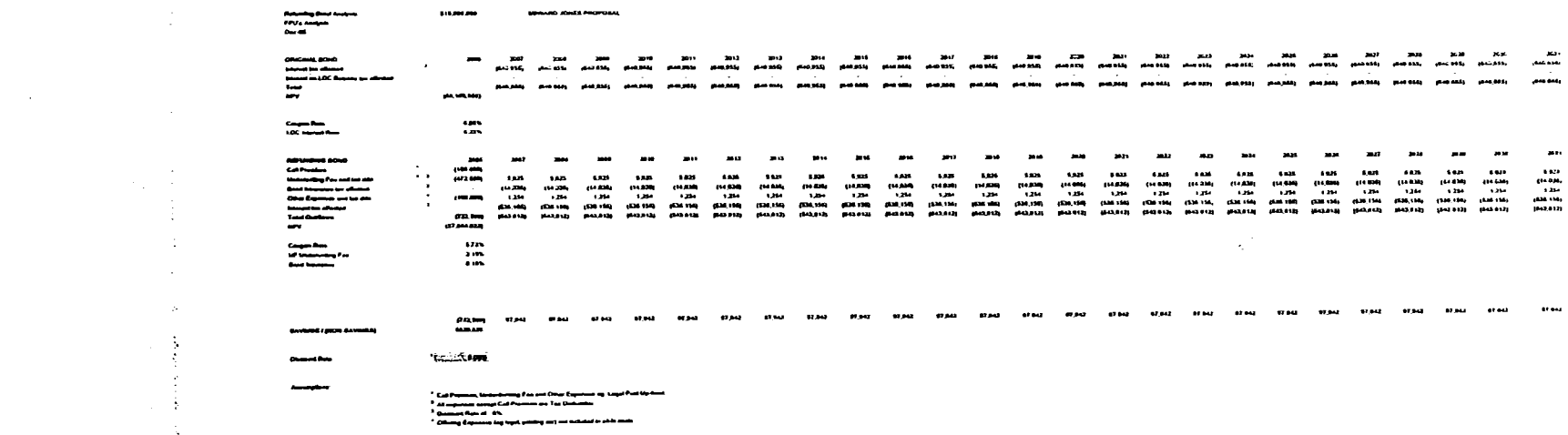
* Other Expenses include legal, rating and auditor fees.

** Expenses are financed at a rate of 6.29% and amortized for 24.8 years

FLORIDA PUBLIC UTILITIES

Edward Jones

HEARING EXHIBIT - 00001239



HEARING EXHIBIT - 00001240

PROFORMA

Florida Public Utilities

FPU MODIFIED ANALYSIS OF EDWARD ~~JONES~~ AG PROPOSED TERMS

Refunding Savings Analysis

Refunding Comparison — Bond Refunding? YES

Florida Public Utilities	Current Bonds	Refunding Bonds	Difference
Principal	$15,000,000	$20,000,000	
Maturity	10/1/2031	12/15/2036	5.2 yr
Coupon	6.85%	5.73%	-1.12%
Annual Interest Expense	$1,027,500	$1,146,000	$118,500
U/W Fee		1.50%	
PV Bond Insurance	n/a	0.00%	
UF Insurance Fee		$652,600	
All-In Cost	6.85%	6.23%	-0.62%
NPV Savings	FPU's Methodology		$600,089

FLORIDA PUBLIC UTILITIES

Edward Jones

HEARING EXHIBIT - 00001241

Florida Public Utilities
Detailed Savings Analysis

Series	Florida Public Utilities 6.85% due 10/1/2031
Savings Analysis	
Annual Interest Savings	($118,500)
Annual Financing Cost of Expenses	(100,574)
Annual Savings	(219,074)
Expenses	
Call Premium	150,000
Underwriting fee	300,000
Bond Insurance	652,600
Other Expenses	150,000
Total	**$1,252,600**
Annual Financing Cost of Expenses	$100,574
Current Bonds	
Principal	$15,000,000
Current Coupon Rate	6.85%
Issue Date	09/27/01
Maturity Date	10/01/31
Original issue maturity (years)	30.0
Remaining Life (years)	24.8
All-in Cost	6.85%
Call Date	12/18/2006
Call Premium	101.00%
Refunding Bonds	
Principal	$20,000,000
New Coupon Rate	5.730%
Underwriting fee upfront	1.50%
UF Insurance Fee	$ 652,600
PV Bond Insurance per annum	0.00%
Issue Date	1/1/2007
Maturity date	10/1/2031
Maturity (years)	24.8
New Call Date	12/31/2011
All-in Cost (Discount Rate)	**6.23%**

* Other Expenses include legal, rating and auditor fees.

** Expenses are financed at a rate of 6.23% and amortized for 24.8 years

FLORIDA PUBLIC UTILITIES

Edward **Jones**

HEARING EXHIBIT - 00001242

HEARING EXHIBIT - 00001243

UNDERWRITING

Subject to the terms and conditions of an underwriting agreement (the "Underwriting Agreement"), the Company has agreed to sell to each of the underwriters named below (the "Underwriters") and each of the Underwriters severally has agreed to purchase from the Company the principal amount of the Series 2007C Senior Notes set forth opposite its name below:

Underwriters	Principal Amount of Series 2007C Senior Notes
Edward D. Jones & Co., L.P.	$192,500,000
Synovus Securities, Inc.	5,000,000
Protective Securities, a division of ProEquities, Inc.	2,500,000
Total	$200,000,000

In the Underwriting Agreement, the Underwriters have agreed, subject to the terms and conditions set forth therein, to purchase all of the Series 2007C Senior Notes offered hereby, if any of the Series 2007C Senior Notes are purchased.

The Underwriters propose to offer the Series 2007C Senior Notes from time to time for sale in one or more negotiated transactions, or otherwise, at varying prices to be determined at the time of each sale. In connection with the sale of the Series 2007C Senior Notes, the Underwriters may be deemed to have received compensation from the Company in the form of underwriting discounts.

The Series 2007C Senior Notes are a new issue of securities with no established trading market. The Series 2007C Senior Notes will not be listed on any securities exchange or on any automated dealer quotation system. The Underwriters may make a market in the Series 2007C Senior Notes after completion of the offering, but will not be obligated to do so and may discontinue any market-making activities at any time without notice. No assurance can be given as to the liquidity of the trading market for the Series 2007C Senior Notes or that an active public market for the Series 2007C Senior Notes will develop. If an active public trading market for the Series 2007C Senior Notes does not develop, the market price and liquidity of the Series 2007C Senior Notes may be adversely affected.

The Company has agreed to indemnify the Underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended.

The Company's expenses associated with the offer and sale of the Series 2007C Senior Notes are estimated to be $1,220,000, which includes the initial premium for the Policy.

The Company has agreed with the Underwriters, that during the period 15 days from the date of the Underwriting Agreement, it will not sell, offer to sell, grant any option for the sale of, or otherwise dispose of any Series 2007C Senior Notes, any security convertible into, exchangeable into or exercisable for the Series 2007C Senior Notes or any debt securities substantially similar to the Series 2007C Senior Notes (except for the Series 2007C Senior Notes issued pursuant to the Underwriting Agreement), without the prior written consent of Edward D. Jones & Co., L.P. This agreement does not apply to issuances of commercial paper or other debt securities with scheduled maturities of less than one year.

In order to facilitate the offering of the Series 2007C Senior Notes, the Underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the Series 2007C Senior Notes. Specifically, the Underwriters may over-allot in connection with the offering, creating short positions in the Series 2007C Senior Notes for their own accounts. In addition, to cover over-allotments or to stabilize the price of the Series 2007C Senior Notes, the Underwriters may bid for, and purchase, Series 2007C Senior Notes in the open market. The Underwriters may reclaim selling concessions allowed to the Underwriters or dealers for distributing Series 2007C Senior Notes in the offering, if the Underwriters repurchase previously distributed Series 2007C Senior Notes in transactions to cover short positions, in stabilization transactions or

HEARING EXHIBIT - 00001244

otherwise. Any of these activities may stabilize or maintain the market price of the Series 2007C Senior Notes above independent market levels. The Underwriters are not required to engage in these activities, and may end any of these activities at any time without notice.

In general, purchases of a security for the purpose of stabilization or to reduce a short position could cause the price of the security to be higher than it might be in the absence of such purchases. The imposition of a penalty bid might also have an effect on the price of a security to the extent that it were to discourage resales of the security.

Neither the Company nor any Underwriter makes any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the Series 2007C Senior Notes. In addition, neither the Company nor any Underwriter makes any representation that the Underwriters will engage in such transactions or that such transactions once commenced will not be discontinued without notice.

It is expected that delivery of the Series 2007C Senior Notes will be made, against payment for the Series 2007C Senior Notes, on or about October 18, 2007, which will be the fifth business day following the pricing of the Series 2007C Senior Notes. Under Rule 15c6-1 under the 1934 Act, purchases or sales of securities in the secondary market generally are required to settle within three business days (T+3), unless the parties to any such transactions expressly agree otherwise. Accordingly, purchasers of the Series 2007C Senior Notes who wish to trade the Series 2007C Senior Notes on the date of this Prospectus Supplement or the next succeeding business day will be required, because the Series 2007C Senior Notes initially will settle within five business days (T+5), to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of the Series 2007C Senior Notes who wish to trade on the date of this Prospectus Supplement or the next succeeding business day should consult their own legal advisors.

The Underwriters and their affiliates have engaged and may in the future engage in transactions with, and, from time to time, have performed services for, the Company and its affiliates in the ordinary course of business, for which they have received and will receive customary compensation.

LEGAL MATTERS

The validity of the Series 2007C Senior Notes and certain matters relating to such securities will be passed upon on behalf of the Company by Balch & Bingham LLP, Birmingham, Alabama, and Troutman Sanders LLP, Atlanta, Georgia. Certain legal matters will be passed upon for the Underwriters by Dewey & LeBoeuf LLP, New York, New York. From time to time, Dewey & LeBoeuf LLP acts as counsel to affiliates of the Company for some matters.

HEARING EXHIBIT - 00001245

EXPERTS

The financial statements and related financial statement schedule incorporated in this Prospectus Supplement and the accompanying Prospectus by reference from the Company's Annual Report on Form 10-K for the year ended December 31, 2006 have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their reports, which are incorporated herein by reference (which report on the financial statements expresses an unqualified opinion and includes an explanatory paragraph referring to the Company's change in its method of accounting for the funded status of defined benefit pension and other postretirement plans), and have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

The consolidated financial statements of Ambac Assurance Corporation and subsidiaries as of December 31, 2006 and 2005, and for each of the years in the three-year period ended December 31, 2006, are incorporated by reference in this Prospectus Supplement and in the registration statement in reliance upon the report of KPMG LLP, independent registered public accounting firm, incorporated by reference in this Prospectus Supplement, and the registration statement upon the authority of that firm as experts in accounting and auditing. The report of KPMG LLP refers to changes, in 2006, in Ambac Assurance Corporation's methods of accounting for variable interest entities and stock-based compensation.

HEARING EXHIBIT - 00001246

APPENDIX A

FORM OF POLICY

HEARING EXHIBIT - 00001247

Ambac

Financial Guaranty Insurance Policy

Ambac Assurance Corporation
One State Street Plaza, 15th Floor
New York, New York 10004
Telephone: (212) 668-0340

Obligor:

Policy Number:

Obligations:

Premium:

Ambac Assurance Corporation (Ambac), a Wisconsin stock insurance corporation, in consideration of the payment of the premium and subject to the terms of this Policy, hereby agrees to pay to The Bank of New York, as trustee, or its successor (the "Insurance Trustee"), for the benefit of the Holders, that portion of the principal of and interest on the above-described obligations (the "Obligations") which shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Obligor.

Ambac will make such payments to the Insurance Trustee within one (1) business day following written notification to Ambac of Nonpayment. Upon a Holder's presentation and surrender to the Insurance Trustee of such unpaid Obligations or related coupons, uncanceled and in bearer form and free of any adverse claim, the Insurance Trustee will disburse to the Holder the amount of principal and interest which is then Due for Payment but is unpaid. Upon such disbursement, Ambac shall become the owner of the surrendered Obligations and/or coupons and shall be fully subrogated to all of the Holder's rights to payment thereon.

In cases where the Obligations are issued in registered form, the Insurance Trustee shall disburse principal to a Holder only upon presentation and surrender to the Insurance Trustee of the unpaid Obligation, uncanceled and free of any adverse claim, together with an instrument of assignment, in form satisfactory to Ambac and the Insurance Trustee duly executed by the Holder or such Holder's duly authorized representative, so as to permit ownership of such Obligation to be registered in the name of Ambac or its nominee. The Insurance Trustee shall disburse interest to a Holder of a registered Obligation only upon presentation to the Insurance Trustee of proof that the claimant is the person entitled to the payment of interest on the Obligation and delivery to the Insurance Trustee of an instrument of assignment, in form satisfactory to Ambac and the Insurance Trustee, duly executed by the Holder or such Holder's duly authorized representative, transferring to Ambac all rights under such Obligation to receive the interest in respect of which the insurance disbursement was made. Ambac shall be subrogated to all of the Holders' rights to payment on registered Obligations to the extent of any insurance disbursements so made.

In the event that a trustee or paying agent for the Obligations has notice that any payment of principal of or interest on an Obligation which has become Due for Payment and which is made to a Holder by or on behalf of the Obligor has been deemed a preferential transfer and theretofore recovered from the Holder pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court of competent jurisdiction, such Holder will be entitled to payment from Ambac to the extent of such recovery if sufficient funds are not otherwise available.

As used herein, the term "Holder" means any person other than (i) the Obligor or (ii) any person whose obligations constitute the underlying security or source of payment for the Obligations who, at the time of Nonpayment, is the owner of an Obligation or of a coupon relating to an Obligation. As used herein, "Due for Payment", when referring to the principal of Obligations, is when the scheduled maturity date or mandatory redemption date for the application of a required sinking fund installment has been reached and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by application of required sinking fund installments), acceleration or other advancement of maturity; and, when referring to interest on the Obligations, is when the scheduled date for payment of interest has been reached. As used herein, "Nonpayment" means the failure of the Obligor to have provided sufficient funds to the trustee or paying agent for payment in full of all principal of and interest on the Obligations which are Due for Payment.

This Policy is noncancelable. The premium on this Policy is not refundable for any reason, including payment of the Obligations prior to maturity. This Policy does not insure against loss of any prepayment or other acceleration payment which at any time may become due in respect of any Obligation, other than at the sole option of Ambac, nor against any risk other than Nonpayment.

In witness whereof, Ambac has caused this Policy to be affixed with a facsimile of its corporate seal and to be signed by its duly authorized officers in facsimile to become effective as its original seal and signatures and binding upon Ambac by virtue of the countersignature of its duly authorized representative.

President

SEAL

Secretary

Effective Date:

THE BANK OF NEW YORK acknowledges that it has agreed to perform the duties of Insurance Trustee under this Policy.

Form No.: 2B-0012 (1/01)

Authorized Representative

Authorized Officer of Insurance Trustee

SPECIMEN

HEARING EXHIBIT - 00001248

PROSPECTUS

$2,300,000,000

Alabama Power Company

First Mortgage Bonds
Class A Preferred Stock
Cumulative, Par Value $1 Per Share
Preference Stock
Depositary Preference Shares,
each representing a fraction of a share of Preference Stock
Senior Notes
Junior Subordinated Notes

Alabama Power Capital Trust VI
Alabama Power Capital Trust VII
Alabama Power Capital Trust VIII

Trust Preferred Securities
Fully and unconditionally guaranteed, as set forth herein, by

Alabama Power Company

a subsidiary of The Southern Company

We will provide the specific terms of these securities in supplements to this Prospectus. You should read this Prospectus and the applicable Prospectus Supplement carefully before you invest.

See "Risk Factors" on page 2 for information on certain risks related to the purchase of these securities.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this Prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

This Prospectus is dated July 19, 2005

HEARING EXHIBIT - 00001249

ABOUT THIS PROSPECTUS

This Prospectus is part of a registration statement filed with the Securities and Exchange Commission (the "Commission") using a "shelf" registration process under the Securities Act of 1933, as amended (the "1933 Act"). Under the shelf process, Alabama Power Company (the "Company") may sell, in one or more transactions,

- first mortgage bonds (the "new Bonds")
- class A preferred stock (the "new Stock")
- preference stock (the "Preference Stock")
- depositary preference shares, each representing a fraction of a share of Preference Stock (the "Depositary Shares")
- senior notes (the "Senior Notes")
- junior subordinated notes (the "Junior Subordinated Notes")

and Alabama Power Capital Trust VI, Alabama Power Capital Trust VII and Alabama Power Capital Trust VIII (individually, a "Trust" and collectively, the "Trusts") may sell,

- trust preferred securities (the "Preferred Securities")

in one or more offerings up to a total dollar amount of $2,300,000,000. This Prospectus provides a general description of those securities. Each time the Company sells securities, the Company will provide a prospectus supplement that will contain specific information about the terms of that offering ("Prospectus Supplement"). The Prospectus Supplement may also add, update or change information contained in this Prospectus. You should read this Prospectus and the applicable Prospectus Supplement together with additional information under the heading "Available Information."

RISK FACTORS

Investing in the Company's securities involves risk. Please see the risk factors described in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2004, along with the disclosure related to risk factors contained in the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2005, which are incorporated by reference in this Prospectus. Before making an investment decision, you should carefully consider these risks as well as other information contained or incorporated by reference in this Prospectus. The risks and uncertainties described are not the only ones facing the Company. Additional risks and uncertainties not presently known to the Company or that the Company deems immaterial may also impair its business operations, its financial results and the value of its securities.

AVAILABLE INFORMATION

The Company and the Trusts have filed with the Commission a combined registration statement on Form S-3 (the "Registration Statement," which term encompasses any amendments of and exhibits to the Registration Statement) under the 1933 Act. As permitted by the rules and regulations of the Commission, this Prospectus does not contain all of the information set forth in the Registration Statement and the exhibits and schedules to the Registration Statement, to which reference is made.

The Company is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "1934 Act"), and in accordance with the 1934 Act files reports and other information with the Commission. Such reports and other information can be inspected and copied at the Public Reference Room of the Commission at 100 F. Street, N.E., Room 1580, Washington, D.C. 20549, and at the Commission's Regional Offices at 175 W. Jackson Boulevard, Suite 900, Chicago, Illinois 60604, 801 Brickell Avenue, Suite 1800, Miami, Florida 33131 and 233 Broadway, New York, New York 10279. Information on the operation of the Public Reference Room may be obtained by calling the Commission at 1-800-SEC-0330. Copies of such material can also be obtained at prescribed

rates by writing to the Public Reference Section of the Commission at 100 F. Street, N.E., Room 1580, Washington, D.C. 20549. The Commission maintains a Web site that contains reports, proxy and information statements and other information regarding registrants including the Company that file electronically at http://www.sec.gov. In addition, reports and other material concerning the Company can be inspected at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005, on which Exchange certain of the Company's securities are listed.

No separate financial statements of any Trust are included in this Prospectus. The Company considers that such statements would not be material to holders of the Preferred Securities because each Trust has no independent operations and exists for the sole purpose of investing the proceeds of the sale of its Trust Securities (as defined below) in Junior Subordinated Notes.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The following documents have been filed with the Commission pursuant to the 1934 Act and are incorporated by reference in this Prospectus and made a part of this Prospectus:

(a) the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2004;

(b) the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2005; and

(c) the Company's Current Reports on Form 8-K dated February 21, 2005, March 8, 2005, May 5, 2005 and June 10, 2005.

All documents filed by the Company with the Commission pursuant to Section 13(a), 13(c), 14 or 15(d) of the 1934 Act subsequent to the date of the initial filing of the Registration Statement and prior to the effectiveness of the Registration Statement and subsequent to the date of this Prospectus and prior to the termination of this offering shall be deemed to be incorporated in this Prospectus by reference and made a part of this Prospectus from the date of filing of such documents; provided, however, the Company is not incorporating any information furnished under Items 2.02 or 7.01 of any Current Report on Form 8-K unless specifically stated otherwise. Any statement contained in a document incorporated or deemed to be incorporated by reference in this Prospectus shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained in this Prospectus or in any other subsequently filed document which also is or is deemed to be incorporated by reference in this Prospectus modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

The Company will provide without charge to each person to whom this Prospectus is delivered, on the written or oral request of any such person, a copy of any or all documents incorporated in this Prospectus by reference (other than the exhibits to such documents unless such exhibits are specifically incorporated by reference). Such requests should be directed to William E. Zales, Jr., Vice President and Corporate Secretary, Alabama Power Company, 600 North 18th Street, Birmingham, Alabama 35291, telephone: (205) 257-2714.

HEARING EXHIBIT - 00001251

ALABAMA POWER COMPANY

The Company is a corporation organized under the laws of the State of Alabama on November 10, 1927, by the consolidation of the predecessor Alabama Power Company, Gulf Electric Company and Houston Power Company. The predecessor Alabama Power Company had a continuous existence since its incorporation in 1906. The principal executive offices of the Company are located at 600 North 18th Street, Birmingham, Alabama 35291, and the telephone number is (205) 257-1000.

The Company is a wholly owned subsidiary of The Southern Company, a holding company registered under the Public Utility Holding Company Act of 1935, as amended (the "1935 Act"). The Company is engaged, within the State of Alabama, in the generation and purchase of electricity and the distribution and sale of such electricity at retail in over 1,000 communities (including Anniston, Birmingham, Gadsden, Mobile, Montgomery and Tuscaloosa), and at wholesale to 15 municipally owned electric distribution systems, 11 of which are served indirectly through sales to the Alabama Municipal Electric Authority, and two rural distributing cooperative associations. The Company also supplies steam service in downtown Birmingham. The Company owns coal reserves near its Gorgas Steam Electric Generating Plant and uses the output of coal from the reserves in its generating plants. It also sells, and cooperates with dealers in promoting the sale of, electric appliances.

The Company and one of its affiliates, Georgia Power Company ("GEORGIA"), each own 50% of the common stock of Southern Electric Generating Company ("SEGCO"). SEGCO owns generating units with an aggregate capacity of 1,019,680 kilowatts at the Ernest C. Gaston Steam Plant ("Plant Gaston") on the Coosa River near Wilsonville, Alabama. The Company and GEORGIA are each entitled to one-half of the capacity and energy of these units. The Company acts as SEGCO's agent in the operation of SEGCO's units and furnishes coal to SEGCO as fuel for its units. SEGCO also owns three 230,000 volt transmission lines extending from Plant Gaston to the Georgia state line.

SELECTED INFORMATION

The following material, which is presented in this Prospectus solely to furnish limited introductory information regarding the Company, has been selected from, or is based upon, the detailed information and financial statements appearing in the documents incorporated in this Prospectus by reference or elsewhere in this Prospectus, is qualified in its entirety by reference to such documents and, therefore, should be read together with those documents.

Alabama Power Company

Business	Generation, transmission, distribution and sale of electric energy
Service Area	Approximately 45,000 square miles comprising most of the State of Alabama
Customers at December 31, 2004	1,385,374
Generating Capacity at December 31, 2004 (kilowatts)	12,215,743
Sources of Generation during 2004 (kilowatt-hours)	Coal (65%), Nuclear (19%), Gas (10%), Hydro (6%)

HEARING EXHIBIT - 00001252

Certain Ratios

The following table sets forth the Ratios of Earnings to Fixed Charges and Earnings to Fixed Charges Plus Preferred Dividend Requirements (Pre-Income Tax Basis) for the periods indicated.

	Year Ended December 31,					Three Months Ended March 31,
	2000	2001	2002	2003	2004	2005(1)
Ratio of Earnings to Fixed Charges(2)	3.46	3.31	3.98	4.29	4.76	3.15
Ratio of Earnings to Fixed Charges Plus Preferred Dividend Requirements (Pre-Income Tax Basis)(3)	3.18	3.05	3.66	3.83	4.06	2.78

(1) Due to seasonal variations in the demand for energy, operating results for the three months ended March 31, 2005 do not necessarily indicate operating results for the entire year.

(2) This ratio is computed as follows: (i) "Earnings" have been calculated by adding to "Earnings Before Income Taxes" "Interest expense, net of amounts capitalized," "Interest expense to affiliate trusts," "Distributions on mandatorily redeemable preferred securities" and the debt portion of allowance for funds used during construction; and (ii) "Fixed Charges" consist of "Interest expense, net of amounts capitalized," "Interest expense to affiliate trusts," "Distributions on mandatorily redeemable preferred securities" and the debt portion of allowance for funds used during construction.

(3) In computing this ratio, "Preferred Dividend Requirements" represent the before-tax earnings necessary to pay such dividends, computed at the effective tax rates for the applicable periods.

THE TRUSTS

Each Trust is a statutory trust created under Delaware law pursuant to the filing of a certificate of trust with the Delaware Secretary of State on October 21, 2002. Each Trust's business is defined in a trust agreement, executed by the Company, as Depositor, and the Delaware Trustee of each Trust. This trust agreement of each Trust will be amended and restated in its entirety substantially in the form filed as an exhibit to the Registration Statement of which this Prospectus forms a part (the "Trust Agreement"). Each Trust Agreement will be qualified as an indenture under the Trust Indenture Act of 1939, as amended (the "1939 Act"). The Company will own all the common securities (the "Common Securities" and, together with the Preferred Securities, the "Trust Securities"). The Trust Securities represent undivided beneficial interests in the assets of the respective Trusts. Each Trust exists for the exclusive purposes of (i) issuing its Trust Securities representing undivided beneficial interests in the assets of such Trust, (ii) investing the gross proceeds of its Trust Securities in a related series of Junior Subordinated Notes, and (iii) engaging in only those other activities necessary, appropriate, convenient or incidental to these purposes. The payment of periodic cash distributions on the Preferred Securities of each Trust and payments on liquidation and redemption with respect to the Preferred Securities of each Trust, in each case to the extent each Trust has funds legally and immediately available for these purposes, will be guaranteed by the Company (individually, a "Guarantee" and collectively, the "Guarantees"). See "Description of the Guarantees."

Each Trust's business and affairs will be conducted by its trustees, which shall be appointed by the Company as the holder of the Common Securities: two employees of the Company as Administrative Trustees; JPMorgan Chase Bank, N.A. (formerly known as The Chase Manhattan Bank) as Property Trustee; and Chase Bank USA, National Association as Delaware Trustee (collectively, the "Securities Trustees"). The Property Trustee of each Trust will act as the indenture trustee with respect to such Trust for purposes of compliance with the provisions of the 1939 Act.

The principal place of business of each Trust shall be c/o the Company, 600 North 18th Street, Birmingham, Alabama 35291, telephone (205) 257-2714, Attn: Corporate Secretary.

Reference is made to the Prospectus Supplement relating to the Preferred Securities of each Trust for further information concerning such Trust.

HEARING EXHIBIT - 00001253

ACCOUNTING TREATMENT OF THE TRUSTS

For financial reporting purposes, each Trust is a variable interest entity. The Company does not meet the definition of primary beneficiary and, therefore, accounts for its investment in each Trust under the equity method in accordance with Financial Accounting Standards Board Interpretation No. 46R, "Consolidation of Variable Interest Entities." The Junior Subordinated Notes payable to each Trust will be presented as a separate line item in the Company's balance sheet. Interest related to the Junior Subordinated Notes will be reflected as a separate line item on the Company's income statement and appropriate disclosures concerning the Preferred Securities, the Guarantees and the Junior Subordinated Notes will be included in the notes to the Company's financial statements.

USE OF PROCEEDS

Each Trust will invest the proceeds received from the sale of its Preferred Securities in Junior Subordinated Notes. Except as may be otherwise described in an applicable Prospectus Supplement, the net proceeds received by the Company from such investment and any proceeds received from the sale of its new Bonds, new Stock, Preference Stock, Depositary Shares or Senior Notes or other sales of its Junior Subordinated Notes will be used in connection with its ongoing construction program, to pay scheduled maturities and/or refundings of its securities, to repay short-term indebtedness to the extent outstanding and for other general corporate purposes.

DESCRIPTION OF THE NEW BONDS

Set forth below is a description of the general terms of the Company's new Bonds. The following description does not purport to be complete and is subject to, and is qualified by reference to, the Indenture, dated as of January 1, 1942, between the Company and JPMorgan Chase Bank, N.A. (formerly known as The Chase Manhattan Bank (as successor to Chemical Bank and Trust Company)), as trustee (the "First Mortgage Bond Trustee"), as to be supplemented by a supplemental indenture (the "Supplemental Indenture") establishing the new Bonds of each series (the Indenture, as so supplemented, is referred to as the "First Mortgage Bond Indenture"), the forms of which are filed as exhibits to the Registration Statement of which this Prospectus forms a part. The terms of such new Bonds will include those stated in the First Mortgage Bond Indenture and those made a part of the First Mortgage Bond Indenture by reference to the 1939 Act. Certain capitalized terms used in this Prospectus are defined in the First Mortgage Bond Indenture.

The new Bonds will mature on the date shown in their title as set forth in the Prospectus Supplement.

The new Bonds in definitive form will be issued only as registered bonds without coupons in denominations of $1,000 or authorized multiples of $1,000 or in such other denominations as set forth in the Prospectus Supplement. New Bonds will be exchangeable for a like aggregate principal amount of new Bonds of other authorized denominations, and are transferable, at the principal corporate trust office of the First Mortgage Bond Trustee in New York City, or at such other office or agency of the Company as the Company may from time to time designate, without payment of any charge other than for any tax or taxes or other governmental charge.

Any proposed listing of the new Bonds on a securities exchange will be described in the Prospectus Supplement.

Except as otherwise may be indicated in the Prospectus Supplement, there are no provisions of the First Mortgage Bond Indenture which are specifically intended to afford holders of the new Bonds protection in the event of a highly leveraged transaction involving the Company.

Interest Rate Provisions: The Prospectus Supplement will set forth the interest rate provisions of the new Bonds, including payment dates, the record dates and the rate or rates, or the method of determining the rate or rates (which may involve periodic interest rate settings through remarketing or auction procedures or pursuant to one or more formulae, as described in the Prospectus Supplement).

Redemption Provisions: The redemption provisions applicable to the new Bonds will be described in the Prospectus Supplement.

HEARING EXHIBIT - 00001254

Priority and Security: The new Bonds will rank equally as to security with the bonds of other series presently outstanding under the First Mortgage Bond Indenture, which is a direct first lien on substantially all of the Company's fixed property and franchises, used or useful in its public utility business, subject only to excepted encumbrances, as defined in the First Mortgage Bond Indenture (Section 1.02).

The First Mortgage Bond Indenture permits, within certain limitations specified in Section 7.05, the acquisition of property subject to prior liens. Under certain conditions specified in Section 7.14, additional indebtedness secured by such prior liens may be issued to the extent of 60% of the cost to the Company or the fair value at date of acquisition, whichever is less, of the net property additions made by the Company to the property subject to such prior lien.

Replacement Requirement: By Section 4 of the Supplemental Indenture dated as of October 1, 1981, the Company is required to certify to the First Mortgage Bond Trustee unfunded net property additions or to deposit with the First Mortgage Bond Trustee cash or bonds in an amount equal to the amount by which annual expenditures for renewals and replacements are less than 2.25% of the average annual amount of depreciable mortgaged property or such revised percentage as shall be authorized or approved by the Commission, or any successor commission, under the 1935 Act. Any available replacement credit may be carried forward and deposited cash or bonds may be withdrawn, used or applied in accordance with the provisions of such Section 4.

Any limitation on the right of the Company to redeem new Bonds through the operation of the replacement provisions of the First Mortgage Bond Indenture will be described in the Prospectus Supplement.

The First Mortgage Bond Indenture (Section 7.16) provides for an examination of the mortgaged property by an independent engineer at least once every five years. The Company covenants to make good any maintenance deficiency shown by the certificate of such engineer and to record retirements as called for by the First Mortgage Bond Indenture.

Issuance of Additional Bonds: Additional bonds may be issued under the First Mortgage Bond Indenture (a) under Article IV to the extent of 60% of the cost or fair value at date of acquisition, whichever is less, of unfunded net property additions, as defined in the First Mortgage Bond Indenture (Sections 1.08 through 1.11, as amended), or (b) under Article V against the retirement of other bonds outstanding under the First Mortgage Bond Indenture, or (c) under Article VI against the deposit of cash equal to the principal amount of bonds to be issued. Such additional bonds, however, may be issued, except in certain cases when issued under Article V, only if, for a period of twelve consecutive calendar months within the fifteen preceding calendar months, the net earnings of the Company, as defined in the First Mortgage Bond Indenture (Section 1.03, as amended), shall have been at least twice the interest requirements for one year on all bonds outstanding, including the additional bonds applied for and all outstanding prior lien bonds and other indebtedness of the character described in the First Mortgage Bond Indenture. Such net earnings are computed, in effect, after making certain deductions including (i) all operating expenses other than income and excess profits taxes and (ii) the amount, if any, by which the aggregate charges to expense or income to provide for depreciation are less than 2.25% of the average amount of depreciable mortgaged property. Under this provision, no amount is included in interest requirements on account of $18,700,000 principal amount of first mortgage bonds (out of a total of $132,900,000 principal amount) issued and outstanding as of March 31, 2005, as collateral for certain obligations for which such bonds are pledged as security. No interest is payable on any such bonds unless and until default occurs on such obligations.

Cash deposited as the basis for the issuance of bonds may be applied to the retirement of bonds or be withdrawn against the deposit of bonds or be withdrawn to the extent of 60% of the cost or fair value, whichever is less, of unfunded net property additions (Article VI).

Release and Substitution of Property: The First Mortgage Bond Indenture (Article X) provides that, subject to various limitations, property may be released from the lien of the First Mortgage Bond Indenture when sold or exchanged, upon the basis of cash deposited with the First Mortgage Bond Trustee, bonds or purchase money obligations delivered to the First Mortgage Bond Trustee, prior lien bonds delivered to the First Mortgage Bond Trustee or reduced or assumed, property additions acquired in exchange for the property released or unfunded net property additions certified to the First Mortgage Bond Trustee.

HEARING EXHIBIT - 00001255

The First Mortgage Bond Indenture (Section 10.05) permits the cash proceeds of released property and other funds to be withdrawn either upon a showing that unfunded net property additions exist or against the deposit of bonds and also permits such proceeds and other funds to be applied to the retirement of bonds.

Restrictions on Common Stock Dividends: There are various restrictions on Common Stock dividends in the First Mortgage Bond Indenture (which are to remain in effect so long as certain series of bonds are outstanding). Any restrictions on dividends and distributions on Common Stock in the Supplemental Indenture will be set forth in the Prospectus Supplement.

Amendments to the First Mortgage Bond Indenture: By Section 6(g) of the Supplemental Indenture dated as of October 1, 1981, the First Mortgage Bond Indenture may be modified with the consent of the holders of not less than a majority in principal amount of the bonds at the time outstanding which would be affected by the action proposed to be taken. However, the bondholders shall have no power (i) to extend the fixed maturity of any bonds, or reduce the rate or extend the time of payment of interest on any bonds, or reduce the principal amount of any bonds, without the express consent of the holder of each bond which would be so affected, or (ii) to reduce the percentage of bonds as mentioned above, the holders of which are required to consent to any such modification, without the consent of the holders of all bonds outstanding, or (iii) to permit the creation by the Company of any mortgage or pledge or lien in the nature of any bonds, not otherwise permitted under the First Mortgage Bond Indenture, ranking prior to or equal with the lien of the First Mortgage Bond Indenture on any of the mortgaged and pledged property, or (iv) to deprive the holder of any bond outstanding under the First Mortgage Bond Indenture of the lien of the First Mortgage Bond Indenture on any of the mortgaged and pledged property. The First Mortgage Bond Trustee shall not be obligated to enter into a supplemental indenture which would affect its own rights, duties or immunities under the First Mortgage Bond Indenture or otherwise.

Regarding the First Mortgage Bond Trustee: JPMorgan Chase Bank, N.A., the First Mortgage Bond Trustee, also serves as Senior Note Indenture Trustee, as Subordinated Note Indenture Trustee, as Property Trustee and as Guarantee Trustee. The Company and certain of its affiliates maintain deposit accounts and banking relationships with JPMorgan Chase Bank, N.A. JPMorgan Chase Bank, N.A. also serves as trustee under other indentures pursuant to which securities of the Company and affiliates of the Company are outstanding.

Enforcement Provisions: The First Mortgage Bond Indenture (Section 11.05) provides that, upon the occurrence of certain events of default, the First Mortgage Bond Trustee or the holders of not less than 20% in principal amount of outstanding bonds may declare the principal of all outstanding bonds immediately due and payable, but that, upon the curing of any such default, the holders of a majority in principal amount of outstanding bonds may waive such default and its consequences.

The holders of a majority in principal amount of outstanding bonds may direct the time, method and place of conducting any proceeding for the enforcement of the First Mortgage Bond Indenture (Sections 11.01 and 11.12). No holder of any bond has any right to institute any proceedings to enforce the First Mortgage Bond Indenture or any remedy under the First Mortgage Bond Indenture, unless such holder shall previously have given to the First Mortgage Bond Trustee written notice of a default, and unless such holder or holders shall have tendered to the First Mortgage Bond Trustee indemnity against costs, expenses and liabilities, and unless the holders of not less than 20% in principal amount of outstanding bonds shall have tendered such indemnity and requested the First Mortgage Bond Trustee to take action and the First Mortgage Bond Trustee shall have failed to take action within 60 days (Section 11.14).

Defaults: By Section 11.01 of the First Mortgage Bond Indenture, the following events are defined as "defaults": failure to pay principal; failure for 60 days to pay interest; failure for 90 days to pay any sinking or other purchase fund installment; certain events in bankruptcy, insolvency or reorganization; and failure for 90 days after notice to perform other covenants. By Section 9.03 of the First Mortgage Bond Indenture, a failure by the Company to deposit or direct the application of money for the redemption of bonds called for redemption also constitutes a default.

Evidence as to Compliance with Conditions and Covenants: The First Mortgage Bond Indenture requires the Company to furnish to the First Mortgage Bond Trustee, among other things, a certificate of officers and an opinion of counsel as evidence of compliance with conditions precedent provided for in the First Mortgage Bond Indenture;

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a certificate of an engineer (who, in certain instances, must be an independent engineer) with respect to the fair value of property certified or released; and a certificate of an accountant (who, in certain instances, must be an independent public accountant) as to compliance with the earnings and replacement requirements. Various certificates and other documents are required to be filed periodically or upon the happening of certain events; however, no general periodic evidence is required by the First Mortgage Bond Indenture to be furnished as to the absence of default or as to compliance with the terms of the First Mortgage Bond Indenture in general.

DESCRIPTION OF THE NEW STOCK

Set forth below is a description of the general terms of the new Stock. The statements in this Prospectus concerning the new Stock are an outline and do not purport to be complete. Such statements make use of defined terms and are qualified in their entirety by express reference to the cited provisions of the charter of the Company, as amended (the "charter"), a copy of which is filed as an exhibit to the Registration Statement of which this Prospectus forms a part. The general provisions which apply to the preferred stock of the Company of all classes, which are now or may at a later time be authorized or created, are set forth in the charter.

General: The new Stock is to be established by resolutions of the Board of Directors of the Company (the "Resolutions"), a copy of which is an exhibit to the Registration Statement (or incorporated by reference). The Resolutions shall include a provision fixing the stated capital of the new Stock.

At March 31, 2005, there were outstanding 12,000,000 shares of Class A Preferred Stock with a stated capital of $25 per share and 1,250 shares of Flexible Money Market Class A Preferred Stock with a stated capital of $100,000 per share. Additionally, at March 31, 2005, the Company had outstanding 475,115 shares of Preferred Stock which have a par value of $100 per share. The Class A Preferred Stock ranks on a parity as to dividends and assets with the outstanding Preferred Stock and has the same general rights and preferences as the outstanding Preferred Stock. On all matters submitted to a vote of the holders of the Preferred Stock and the Class A Preferred Stock (other than a change in the rights and preferences of only one, but not the other, such kind of stock), both kinds of stock vote together as a single class, and each share of Preferred Stock and Class A Preferred Stock shall have the relative voting rights described in "Voting Rights" in this Prospectus.

The new Stock will not be subject to further calls or to assessment by the Company.

Any proposed listing of the new Stock on a securities exchange will be described in the Prospectus Supplement.

Transfer Agent and Registrar: Unless otherwise indicated in the applicable Prospectus Supplement, the new Stock will be transferable at the office of Southern Company Services, Inc., 270 Peachtree Street, N.W., Atlanta, Georgia 30303, which will also serve as the Registrar.

Dividend Rights: The holders of the Preferred Stock and Class A Preferred Stock of each class are entitled to receive cumulative dividends, payable when and as declared by the Board of Directors, at the rates determined for the respective classes, before any dividends may be declared or paid on the Preference Stock or the Common Stock. Dividends on the Preferred Stock and Class A Preferred Stock must have been or be contemporaneously declared and set apart for payment, or paid, on the Preferred Stock and Class A Preferred Stock of all classes for all dividend periods terminating on the same or an earlier date (Charter — A. Preferred Stock — 2. General Provisions — a and b).

The Prospectus Supplement will set forth the dividend rate provisions of the new Stock, including the payment dates and the rate or rates, or the method of determining the rate or rates (which may involve periodic dividend rate settings through remarketing or auction procedures or pursuant to one or more formulae, as described in the Prospectus Supplement). Dividends payable on the new Stock will be cumulative from the date of original issue.

Redemption Provisions: The redemption provisions applicable to the new Stock will be described in the Prospectus Supplement.

The charter provides that the Company shall not redeem, purchase or otherwise acquire any shares of Preferred Stock or Class A Preferred Stock if, at the time of such redemption, purchase or other acquisition, dividends payable

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on the Preferred Stock or Class A Preferred Stock of any class shall be in default in whole or in part unless, prior to or concurrently with such redemption, purchase or other acquisition, all such defaults shall be cured or unless such action has been ordered, approved or permitted under the 1935 Act by the Commission or any successor commission or regulatory authority of the United States of America (Charter — A. Preferred Stock — 2. General Provisions — d).

Voting Rights: The voting rights applicable to the Preferred Stock and Class A Preferred Stock will be described in the Prospectus Supplement.

Liquidation Rights: Upon voluntary or involuntary liquidation, the holders of the Preferred Stock and Class A Preferred Stock of each class, without preference between classes, will be entitled to receive the amounts specified to be payable on the shares of such class (which, in the case of the new Stock, is an amount equal to the stated capital per share on involuntary liquidation, or an amount equal to the then current regular redemption price per share on voluntary liquidation, plus accrued dividends in each case) before any distribution of assets may be made to the holders of the Preference Stock or the Common Stock. Available assets, if insufficient to pay such amounts to the holders of the Preferred Stock and Class A Preferred Stock, are to be distributed pro rata to the payment, first, of the amount per share payable in the event of involuntary liquidation, second, of accrued dividends, and third, of any premium (Charter — A. Preferred Stock — 2. General Provisions — c.).

Sinking Fund: The terms and conditions of a sinking fund or purchase fund, if any, for the benefit of the holders of the new Stock will be set forth in the Prospectus Supplement.

Other Rights: The holders of the new Stock do not have any preemptive or conversion rights unless otherwise indicated in the Prospectus Supplement.

DESCRIPTION OF THE PREFERENCE STOCK

Preference Stock is a proposed new class of capital stock of the Company that will rank junior to the Preferred Stock and Class A Preferred Stock and senior to the Common Stock. An amendment to the Company's charter establishing the Preference Stock is required to be submitted for adoption by the shareholders of the Company, and, if adopted, the Company will be authorized to issue Preference Stock. The Board of Directors will determine the specific terms, rights, preferences, limitations and restrictions of each series of Preference Stock and such provisions will be included in a subsequent amendment to the Company's charter for each series. The Prospectus Supplement for a series of Preference Stock will describe the terms, rights, preferences, limitations and restrictions of the Preference Stock offered by that Prospectus Supplement. A copy of such amendments to the Company's charter will be filed as exhibits to the Registration Statement of which this Prospectus forms a part.

The terms, rights, preferences, limitations and restrictions of the Preference Stock to be determined and set forth in the applicable Prospectus Supplement include the following: (i) the total number of shares of Preference Stock authorized to be issued, (ii) the designation of the series; (iii) the total number of shares of a series being offered; (iv) the general or special voting rights of such shares, if any; (v) the price or prices at which shares will be offered and sold; (vi) the dividend rate, period and payment date or method of calculation applicable to the Preference Stock; (vii) the date from which dividends on the Preference Stock accumulate, if applicable; (viii) the mandatory or optional sinking fund, purchase fund or similar provisions, if any; (ix) the dates, prices and other terms of any optional or mandatory redemption; (x) the relative ranking and preferences of the Preference Stock as to dividend rights and rights upon liquidation (whether voluntary or involuntary), dissolution or winding up of the Company's affairs; (xi) the procedures for auction and remarketing, if any, of the shares; (xi) any listing of the shares on a securities exchange; and (xii) any other specific terms, preferences, rights, limitations or restrictions.

DESCRIPTION OF THE DEPOSITARY SHARES

Set forth below is a description of the general terms of the Depositary Shares. The statements in this Prospectus concerning the Depositary Shares and the Deposit Agreement (as defined below) are an outline and do not purport to be complete. Such statements make use of defined terms and are qualified in their entirety by express reference to the Deposit Agreement (which contains the form of Depositary Receipt (as defined below)), a form of which is an

exhibit to the Registration Statement of which this Prospectus forms a part or incorporated by reference to the Registration Statement.

General: The Company may, at its option, elect to offer Depositary Shares. Each Depositary Share will represent a fraction of a share of Preference Stock as described in the Prospectus Supplement. The shares of Preference Stock represented by the Depositary Shares will be deposited under a Deposit Agreement (the "Deposit Agreement"), among the Company, the Depositary named in the Deposit Agreement (the "Depositary") and all holders from time to time of the depositary receipts (the "Depositary Receipts") issued under the Deposit Agreement. Subject to the terms of the Deposit Agreement, each owner of a Depositary Share is entitled, proportionately, to all the rights, preferences and privileges of the Preference Stock (including dividend, voting and liquidation rights) and subject, proportionately, to all of the limitations of the Preference Stock contained in the charter summarized under "Description of the Preference Stock" in this Prospectus. The Depositary Shares are evidenced by Depositary Receipts issued pursuant to the Deposit Agreement.

Any proposed listing of the Depositary Shares on a securities exchange will be described in the Prospectus Supplement.

Issuance of Depositary Receipts: Immediately following the issuance of the Preference Stock, the Company will deposit the Preference Stock with the Depositary, which will then execute and deliver the Depositary Receipts to the Company. The Company will, in turn, deliver the Depositary Receipts to the underwriters or purchasers. Depositary Receipts will be issued evidencing only whole Depositary Shares.

Withdrawal of Preference Stock: Upon surrender of Depositary Receipts at the corporate trust office of the Depositary, the owner of the Depositary Shares evidenced by such Depositary Receipts is entitled to delivery at such office of certificates evidencing the number of shares of Preference Stock (but only in whole shares of Preference Stock) represented by such Depositary Shares. If the Depositary Receipts delivered by the holder evidence a number of Depositary Shares in excess of the number of whole shares of Preference Stock to be withdrawn, the Depositary will deliver to such holder at the same time a new Depositary Receipt evidencing such excess number of Depositary Shares. The Company does not expect that there will be any public trading market for the Preference Stock, except as represented by the Depositary Shares.

Redemption of Depositary Shares: The Depositary Shares will be redeemed, upon not less than 15 nor more than 60 days' notice, using the cash proceeds received by the Depositary resulting from the redemption, in whole or in part, at the Company's option, but subject to the applicable terms and conditions, of shares of Preference Stock held by the Depositary. The redemption price per Depositary Share will be equal to the fraction of the redemption price per share applicable to the Preference Stock. Whenever the Company redeems shares of the Preference Stock held by the Depositary, the Depositary will redeem as of the same redemption date the number of Depositary Shares representing the shares of Preference Stock so redeemed. If less than all the outstanding Depositary Shares are to be redeemed, the Depositary Shares to be redeemed will be selected pro rata (as nearly as may be) or by lot or by such other equitable method as the Depositary may determine.

Dividends and Other Distributions: The Depositary will distribute all cash dividends or other cash distributions received in respect of Preference Stock to the record holders of Depositary Receipts in proportion, insofar as practicable, to the number of Depositary Shares owned by such holders. In the event of a distribution other than in cash, the Depositary will distribute property received by it to the record holders of Depositary Receipts entitled to such property, unless the Depositary determines that it is not feasible to make such distribution, in which case the Depositary may, with the approval of the Company, adopt such method as it deems equitable and practicable for the purpose of effecting such distribution, including the sale (at public or private sale) of such property and distribution of the net proceeds from such sale to such holders. The amount distributed in any of the foregoing cases will be reduced by any amounts required to be withheld by the Company or the Depositary on account of taxes or otherwise required pursuant to law, regulation or court process.

Record Date: Whenever (i) any cash dividend or other cash distribution shall become payable, any distribution other than cash shall be made, or any rights, preferences or privileges shall be offered with respect to the Preference Stock or (ii) the Depositary shall receive notice of any meeting at which holders of Preference Stock are entitled to vote or of which holders of Preference Stock are entitled to notice, the Depositary shall in each

such instance fix a record date (which shall be the record date fixed by the Company with respect to the Preference Stock) for the determination of the holders of Depositary Receipts who shall be entitled to (y) receive such dividend, distribution, rights, preferences or privileges or the net proceeds of such sale or (z) give instructions for the exercise of voting rights at such meeting or receive notice of such meeting.

Voting Preference Stock: Upon receipt of notice of any meeting at which the holders of Preference Stock are entitled to vote, the Depositary will mail the information contained in such notice of meeting to the record holders of Depositary Receipts. The record holders of Depositary Receipts on the record date (which will be the same date as the record date for the Preference Stock) will be entitled to instruct the Depositary as to the exercise of the voting rights pertaining to the amount of Preference Stock represented by their respective Depositary Receipts. The Depositary will endeavor insofar as practicable to vote or cause to be voted the amount of Preference Stock represented by such Depositary Receipts in accordance with such instructions, and the Company has agreed to take all action which may be deemed necessary by the Depositary in order to enable the Depositary to do so. The Depositary will abstain from voting the Preference Stock to the extent it does not receive specific instructions from the holders of the Depositary Receipts.

Amendment and Termination of Deposit Agreement: The form of the Depositary Receipts and any provisions of the Deposit Agreement may at any time and from time to time be amended or modified in any respect by agreement between the Company and the Depositary. Any amendment which imposes any fees or charges (other than taxes, fees and charges provided for in the Deposit Agreement) on the holders of Depositary Receipts, or which otherwise prejudices any substantial existing right of holders of Depositary Receipts, will not become effective as to outstanding Depositary Receipts until the expiration of 90 days after notice of such amendment shall have been given to the record holders of outstanding Depositary Receipts. Every holder of an outstanding Depositary Receipt at the time any such amendment so becomes effective shall be deemed, by continuing to hold such Depositary Receipt, to consent and agree to such amendment and to be bound by the Deposit Agreement as amended. In no event may any amendment impair the right of the holder of any Depositary Receipt, subject to the conditions of the Deposit Agreement, to surrender such Depositary Receipt and receive the Preference Stock represented by such Depositary Receipt, except in order to comply with mandatory provisions of applicable law.

Whenever so directed by the Company, the Depositary will terminate the Deposit Agreement by mailing notice of such termination to the record holders of all Depositary Receipts then outstanding at least 30 days prior to the date fixed in such notice for such termination. The Depositary may likewise terminate the Deposit Agreement if at any time 60 days shall have expired after the Depositary shall have delivered to the Company a written notice of its election to resign and a successor depositary shall not have been appointed and accepted its appointment. If any Depositary Receipts remain outstanding after the date of termination, the Depositary will discontinue the transfer of Depositary Receipts, will suspend the distribution of dividends to the holders of Depositary Receipts and will not give any further notices (other than notice of such termination) or perform any further acts under the Deposit Agreement except that the Depositary will continue to collect dividends and other distributions pertaining to the Preference Stock and deliver Preference Stock together with such dividends and distributions and the net proceeds of any sale of any rights, preferences, privileges or other property in exchange for Depositary Receipts surrendered. At any time after the expiration of two years from the date of termination, the Depositary may sell the Preference Stock then held by it at public or private sale at such place or places and upon such terms as its deems proper and may thereafter hold the net proceeds of any such sale, together with any other cash then held by it, without liability for interest, for the pro rata benefit of the holders of Depositary Receipts which have not been surrendered. Any such moneys unclaimed by the holders of Depositary Receipts more than two years from the date of termination of the Deposit Agreement will, upon request of the Company, be paid to it, and after such payment, the holders of Depositary Receipts entitled to the funds so paid to the Company shall look only to the Company for payment without interest. The Company does not intend to terminate the Deposit Agreement or to permit the resignation of the Depositary without appointing a successor depositary.

Charges of Depositary: The Company will pay all charges of the Depositary including charges for the initial deposit of the Preference Stock and delivery of Depositary Receipts and withdrawals of Preference Stock by the holders of Depositary Receipts, except for taxes (including transfer taxes, if any) and such charges as are expressly provided in the Deposit Agreement to be at the expense of the persons depositing Preference Stock or holders of Depositary Receipts.

Miscellaneous: The Depositary will make available for inspection by holders of Depositary Receipts at its corporate trust office any reports and communications received from the Company which are made generally available to the holders of Preference Stock by the Company.

Neither the Depositary nor the Company will be liable if it is prevented or delayed by law or any circumstance beyond its control in performing its obligations under the Deposit Agreement. The obligations of the Depositary and the Company under the Deposit Agreement are limited to performance in good faith of their duties under the Deposit Agreement, and they are not obligated to prosecute or defend any legal proceeding in respect of the Preference Stock, the Depositary Receipts or the Depositary Shares unless satisfactory indemnity is furnished. The Depositary and the Company may rely upon advice of or information from counsel, accountants or other persons believed to be competent and on documents believed to be genuine.

The Depositary may at any time resign or be removed by the Company, effective upon the acceptance by its successor of its appointment.

DESCRIPTION OF THE SENIOR NOTES

Set forth below is a description of the general terms of the Senior Notes. The following description does not purport to be complete and is subject to, and is qualified in its entirety by reference to, the Senior Note Indenture, dated as of December 1, 1997, between the Company and JPMorgan Chase Bank, N.A. (formerly known as The Chase Manhattan Bank), as trustee (the "Senior Note Indenture Trustee"), as to be supplemented by a supplemental indenture establishing the Senior Notes of each series (the Senior Note Indenture, as supplemented, is referred to as the "Senior Note Indenture"), the forms of which are filed as exhibits to the Registration Statement of which this Prospectus forms a part. The terms of the Senior Notes will include those stated in the Senior Note Indenture and those made a part of the Senior Note Indenture by reference to the 1939 Act. Certain capitalized terms used in this Prospectus are defined in the Senior Note Indenture.

General

The Senior Notes will be issued as unsecured senior debt securities under the Senior Note Indenture and will rank equally with all other unsecured and unsubordinated debt of the Company. The Senior Notes will be effectively subordinated to all secured debt of the Company, including its first mortgage bonds, aggregating approximately $286,000,000 outstanding at March 31, 2005. The Senior Note Indenture does not limit the aggregate principal amount of Senior Notes that may be issued under the Senior Note Indenture and provides that Senior Notes may be issued from time to time in one or more series pursuant to an indenture supplemental to the Senior Note Indenture. The Senior Note Indenture gives the Company the ability to reopen a previous issue of Senior Notes and issue additional Senior Notes of such series, unless otherwise provided.

Reference is made to the Prospectus Supplement that will accompany this Prospectus for the following terms of the series of Senior Notes being offered by such Prospectus Supplement: (i) the title of such Senior Notes; (ii) any limit on the aggregate principal amount of such Senior Notes; (iii) the date or dates on which the principal of such Senior Notes is payable; (iv) the rate or rates at which such Senior Notes shall bear interest, if any, or any method by which such rate or rates will be determined, the date or dates from which such interest will accrue, the interest payment dates on which such interest shall be payable, and the regular record date for the interest payable on any interest payment date; (v) the place or places where the principal of (and premium, if any) and interest, if any, on such Senior Notes shall be payable; (vi) the period or periods within which, the price or prices at which and the terms and conditions on which such Senior Notes may be redeemed, in whole or in part, at the option of the Company or at the option of the holder prior to their maturity; (vii) the obligation, if any, of the Company to redeem or purchase such Senior Notes; (viii) the denominations in which such Senior Notes shall be issuable; (ix) if other than the principal amount of such Senior Notes, the portion of the principal amount of such Senior Notes which shall be payable upon declaration of acceleration of the maturity of such Senior Notes; (x) any deletions from, modifications of or additions to the Events of Default or covenants of the Company as provided in the Senior Note Indenture pertaining to such Senior Notes; (xi) whether such Senior Notes shall be issued in whole or in part in the form of a Global Security; and (xii) any other terms of such Senior Notes.

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The Senior Note Indenture does not contain provisions that afford holders of Senior Notes protection in the event of a highly leveraged transaction involving the Company.

Events of Default

The Senior Note Indenture provides that any one or more of the following described events with respect to the Senior Notes of any series, which has occurred and is continuing, constitutes an "Event of Default" with respect to the Senior Notes of such series:

(a) failure for 10 days to pay interest on the Senior Notes of such series, when due on an interest payment date other than at maturity or upon earlier redemption; or

(b) failure to pay principal or premium, if any, or interest on the Senior Notes of such series when due at maturity or upon earlier redemption; or

(c) failure for three Business Days to deposit any sinking fund payment when due by the terms of a Senior Note of such series; or

(d) failure to observe or perform any other covenant or warranty of the Company in the Senior Note Indenture (other than a covenant or warranty which has expressly been included in the Senior Note Indenture solely for the benefit of one or more series of Senior Notes other than such series) for 90 days after written notice to the Company from the Senior Note Indenture Trustee or the holders of at least 25% in principal amount of the outstanding Senior Notes of such series; or

(e) certain events of bankruptcy, insolvency or reorganization of the Company.

The holders of not less than a majority in aggregate outstanding principal amount of the Senior Notes of any series have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Senior Note Indenture Trustee with respect to the Senior Notes of such series. If a Senior Note Indenture Event of Default occurs and is continuing with respect to the Senior Notes of any series, then the Senior Note Indenture Trustee or the holders of not less than 25% in aggregate outstanding principal amount of the Senior Notes of such series may declare the principal amount of the Senior Notes due and payable immediately by notice in writing to the Company (and to the Senior Note Indenture Trustee if given by the holders), and upon any such declaration such principal amount shall become immediately due and payable. At any time after such a declaration of acceleration with respect to the Senior Notes of any series has been made and before a judgment or decree for payment of the money due has been obtained as provided in Article Five of the Senior Note Indenture, the holders of not less than a majority in aggregate outstanding principal amount of the Senior Notes of such series may rescind and annul such declaration and its consequences if the default has been cured or waived and the Company has paid or deposited with the Senior Note Indenture Trustee a sum sufficient to pay all matured installments of interest and principal due otherwise than by acceleration and all sums paid or advanced by the Senior Note Indenture Trustee, including reasonable compensation and expenses of the Senior Note Indenture Trustee.

The holders of not less than a majority in aggregate outstanding principal amount of the Senior Notes of any series may, on behalf of the holders of all the Senior Notes of such series, waive any past default with respect to such series, except (i) a default in the payment of principal or interest or (ii) a default in respect of a covenant or provision which under Article Nine of the Senior Note Indenture cannot be modified or amended without the consent of the holder of each outstanding Senior Note of such series affected.

Registration and Transfer

The Company shall not be required to (i) issue, register the transfer of or exchange Senior Notes of any series during a period of 15 days immediately preceding the date notice is given identifying the Senior Notes of such series called for redemption, or (ii) issue, register the transfer of or exchange any Senior Notes so selected for redemption, in whole or in part, except the unredeemed portion of any Senior Note being redeemed in part.

Payment and Paying Agent

Unless otherwise indicated in an applicable Prospectus Supplement, payment of principal of any Senior Notes will be made only against surrender to the Paying Agent of such Senior Notes. Principal of and interest on Senior

Notes will be payable, subject to any applicable laws and regulations, at the office of such Paying Agent or Paying Agents as the Company may designate from time to time, except that, at the option of the Company, payment of any interest may be made by wire transfer or by check mailed to the address of the person entitled to an interest payment as such address shall appear in the Security Register with respect to the Senior Notes. Payment of interest on Senior Notes on any interest payment date will be made to the person in whose name the Senior Notes (or predecessor security) are registered at the close of business on the record date for such interest payment.

Unless otherwise indicated in an applicable Prospectus Supplement, the Senior Note Indenture Trustee will act as Paying Agent with respect to the Senior Notes. The Company may at any time designate additional Paying Agents or rescind the designation of any Paying Agents or approve a change in the office through which any Paying Agent acts.

All moneys paid by the Company to a Paying Agent for the payment of the principal of or interest on the Senior Notes of any series which remain unclaimed at the end of two years after such principal or interest shall have become due and payable will be repaid to the Company, and the holder of such Senior Notes from that time forward will look only to the Company for payment of such principal and interest.

Modification

The Senior Note Indenture contains provisions permitting the Company and the Senior Note Indenture Trustee, with the consent of the holders of not less than a majority in principal amount of the outstanding Senior Notes of each series that is affected, to modify the Senior Note Indenture or the rights of the holders of the Senior Notes of such series; provided, that no such modification may, without the consent of the holder of each outstanding Senior Note that is affected, (i) change the stated maturity of the principal of, or any installment of principal of or interest on, any Senior Note, or reduce the principal amount of any Senior Note or the rate of interest on any Senior Note or any premium payable upon the redemption of any Senior Note, or change the method of calculating the rate of interest on any Senior Note, or impair the right to institute suit for the enforcement of any such payment on or after the stated maturity of any Senior Note (or, in the case of redemption, on or after the redemption date), or (ii) reduce the percentage of principal amount of the outstanding Senior Notes of any series, the consent of whose holders is required for any such supplemental indenture, or the consent of whose holders is required for any waiver (of compliance with certain provisions of the Senior Note Indenture or certain defaults under the Senior Note Indenture and their consequences) provided for in the Senior Note Indenture, or (iii) modify any of the provisions of the Senior Note Indenture relating to supplemental indentures, waiver of past defaults, or waiver of certain covenants, except to increase any such percentage or to provide that certain other provisions of the Senior Note Indenture cannot be modified or waived without the consent of the holder of each outstanding Senior Note that is affected.

In addition, the Company and the Senior Note Indenture Trustee may execute, without the consent of any holders of Senior Notes, any supplemental indenture for certain other usual purposes, including the creation of any new series of senior notes.

Consolidation, Merger and Sale

The Company shall not consolidate with or merge into any other corporation or convey, transfer or lease its properties and assets substantially as an entirety to any person, unless (1) such other corporation or person is a corporation organized and existing under the laws of the United States, any state in the United States or the District of Columbia and such other corporation or person expressly assumes, by supplemental indenture executed and delivered to the Senior Note Indenture Trustee, the payment of the principal of (and premium, if any) and interest on all the Senior Notes and the performance of every covenant of the Senior Note Indenture on the part of the Company to be performed or observed; (2) immediately after giving effect to such transactions, no Event of Default, and no event which, after notice or lapse of time or both, would become an Event of Default, shall have happened and be continuing; and (3) the Company has delivered to the Senior Note Indenture Trustee an officers' certificate and an opinion of counsel, each stating that such transaction complies with the provisions of the Senior Note Indenture governing consolidation, merger, conveyance, transfer or lease and that all conditions precedent to the transaction have been complied with.

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Information Concerning the Senior Note Indenture Trustee

The Senior Note Indenture Trustee, prior to an Event of Default with respect to Senior Notes of any series, undertakes to perform, with respect to Senior Notes of such series, only such duties as are specifically set forth in the Senior Note Indenture and, in case an Event of Default with respect to Senior Notes of any series has occurred and is continuing, shall exercise, with respect to Senior Notes of such series, the same degree of care as a prudent individual would exercise in the conduct of his or her own affairs. Subject to such provision, the Senior Note Indenture Trustee is under no obligation to exercise any of the powers vested in it by the Senior Note Indenture at the request of any holder of Senior Notes of any series, unless offered reasonable indemnity by such holder against the costs, expenses and liabilities which might be incurred by the Senior Note Indenture Trustee. The Senior Note Indenture Trustee is not required to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties if the Senior Note Indenture Trustee reasonably believes that repayment or adequate indemnity is not reasonably assured to it.

JPMorgan Chase Bank, N.A. (formerly known as The Chase Manhattan Bank), the Senior Note Indenture Trustee, also serves as First Mortgage Bond Trustee, as Subordinated Note Indenture Trustee, as Property Trustee and as Guarantee Trustee. The Company and certain of its affiliates maintain deposit accounts and banking relationships with JPMorgan Chase Bank, N.A. JPMorgan Chase Bank, N.A. also serves as trustee under other indentures pursuant to which securities of the Company and affiliates of the Company are outstanding.

Governing Law

The Senior Note Indenture and the Senior Notes will be governed by, and construed in accordance with, the internal laws of the State of New York.

Miscellaneous

The Company will have the right at all times to assign any of its rights or obligations under the Senior Note Indenture to a direct or indirect wholly owned subsidiary of the Company; provided, that, in the event of any such assignment, the Company will remain primarily liable for all such obligations. Subject to the foregoing, the Senior Note Indenture will be binding upon and inure to the benefit of the parties to the Senior Note Indenture and their respective successors and assigns.

DESCRIPTION OF THE JUNIOR SUBORDINATED NOTES

Set forth below is a description of the general terms of the Junior Subordinated Notes. The following description does not purport to be complete and is subject to, and is qualified in its entirety by reference to, the Subordinated Note Indenture, dated as of January 1, 1997, between the Company and JPMorgan Chase Bank, N.A. (formerly known as The Chase Manhattan Bank), as trustee (the "Subordinated Note Indenture Trustee"), as to be supplemented by a supplemental indenture to the Subordinated Note Indenture establishing the Junior Subordinated Notes of each series (the Subordinated Note Indenture, as so supplemented, is referred to as the "Subordinated Note Indenture"), the forms of which are filed as exhibits to the Registration Statement of which this Prospectus forms a part. The terms of the Junior Subordinated Notes will include those stated in the Subordinated Note Indenture and those made a part of the Subordinated Note Indenture by reference to the 1939 Act. Certain capitalized terms used in this Prospectus are defined in the Subordinated Note Indenture.

General

The Junior Subordinated Notes will be issued as unsecured junior subordinated debt securities under the Subordinated Note Indenture. The Subordinated Note Indenture does not limit the aggregate principal amount of Junior Subordinated Notes that may be issued under the Subordinated Note Indenture and provides that Junior Subordinated Notes may be issued from time to time in one or more series pursuant to an indenture supplemental to the Subordinated Note Indenture. The Subordinated Note Indenture gives the Company the ability to reopen a previous issue of Junior Subordinated Notes and issue additional Junior Subordinated Notes of such series, unless otherwise provided.

Reference is made to the Prospectus Supplement that will accompany this Prospectus for the following terms of the series of Junior Subordinated Notes being offered by such Prospectus Supplement: (i) the title of such Junior Subordinated Notes; (ii) any limit on the aggregate principal amount of such Junior Subordinated Notes; (iii) the date or dates on which the principal of such Junior Subordinated Notes is payable; (iv) the rate or rates at which such Junior Subordinated Notes shall bear interest, if any, or any method by which such rate or rates will be determined, the date or dates from which such interest will accrue, the interest payment dates on which such interest shall be payable, and the regular record date for the interest payable on any interest payment date; (v) the place or places where the principal of (and premium, if any) and interest, if any, on such Junior Subordinated Notes shall be payable; (vi) the period or periods within which, the price or prices at which and the terms and conditions on which such Junior Subordinated Notes may be redeemed, in whole or in part, at the option of the Company or at the option of the holder prior to their maturity; (vii) the obligation, if any, of the Company to redeem or purchase such Junior Subordinated Notes; (viii) the denominations in which such Junior Subordinated Notes shall be issuable; (ix) if other than the principal amount of the Junior Subordinated Notes, the portion of the principal amount of such Junior Subordinated Notes which shall be payable upon declaration of acceleration of the maturity of the Junior Subordinated Notes; (x) any deletions from, modifications of or additions to the Events of Default or covenants of the Company as provided in the Subordinated Note Indenture pertaining to such Junior Subordinated Notes; (xi) whether such Junior Subordinated Notes shall be issued in whole or in part in the form of a Global Security; (xii) the right, if any, of the Company to extend the interest payment periods of such Junior Subordinated Notes; and (xiii) any other terms of such Junior Subordinated Notes. The terms of each series of Junior Subordinated Notes issued to a Trust will correspond to those of the related Preferred Securities of such Trust as described in the Prospectus Supplement relating to such Preferred Securities.

The Subordinated Note Indenture does not contain provisions that afford holders of Junior Subordinated Notes protection in the event of a highly leveraged transaction involving the Company.

Subordination

The Junior Subordinated Notes are subordinated and junior in right of payment to all Senior Indebtedness (as defined below) of the Company. No payment of principal of (including redemption payments, if any), or premium, if any, or interest on (including Additional Interest (as defined below)) the Junior Subordinated Notes may be made if (a) any Senior Indebtedness is not paid when due and any applicable grace period with respect to such default has ended with such default not being cured or waived or otherwise ceasing to exist, or (b) the maturity of any Senior Indebtedness has been accelerated because of a default, or (c) notice has been given of the exercise of an option to require repayment, mandatory payment or prepayment or otherwise. Upon any payment or distribution of assets of the Company to creditors upon any liquidation, dissolution, winding-up, reorganization, assignment for the benefit of creditors, marshalling of assets or liabilities, or any bankruptcy, insolvency or similar proceedings of the Company, the holders of Senior Indebtedness shall be entitled to receive payment in full of all amounts due or to become due on or in respect of all Senior Indebtedness before the holders of the Junior Subordinated Notes are entitled to receive or retain any payment or distribution. Subject to the prior payment of all Senior Indebtedness, the rights of the holders of the Junior Subordinated Notes will be subrogated to the rights of the holders of Senior Indebtedness to receive payments and distributions applicable to such Senior Indebtedness until all amounts owing on the Junior Subordinated Notes are paid in full.

The term "Senior Indebtedness" means, with respect to the Company, (i) any payment due in respect of indebtedness of the Company, whether outstanding at the date of execution of the Subordinated Note Indenture or incurred, created or assumed after such date, (a) in respect of money borrowed (including any financial derivative, hedging or futures contract or similar instrument) and (b) evidenced by securities, debentures, bonds, notes or other similar instruments issued by the Company that, by their terms, are senior or senior subordinated debt securities including, without limitation, all obligations under its indentures with various trustees; (ii) all capital lease obligations; (iii) all obligations issued or assumed as the deferred purchase price of property, all conditional sale obligations and all obligations of the Company under any title retention agreement (but excluding trade accounts payable arising in the ordinary course of business and long-term purchase obligations); (iv) all obligations for the reimbursement of any letter of credit, banker's acceptance, security purchase facility or similar credit transaction; (v) all obligations of the type referred to in clauses (i) through (iv) above of other persons the payment of which the

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Company is responsible or liable as obligor, guarantor or otherwise; and (vi) all obligations of the type referred to in clauses (i) through (v) above of other persons secured by any lien on any property or asset of the Company (whether or not such obligation is assumed by the Company), except for (1) any such indebtedness that is by its terms subordinated to or that ranks equally with the Junior Subordinated Notes and (2) any unsecured indebtedness between or among the Company or its affiliates. Such Senior Indebtedness shall continue to be Senior Indebtedness and be entitled to the benefits of the subordination provisions contained in the Subordinated Note Indenture irrespective of any amendment, modification or waiver of any term of such Senior Indebtedness.

The Subordinated Note Indenture does not limit the aggregate amount of Senior Indebtedness that may be issued by the Company. As of March 31, 2005, Senior Indebtedness of the Company aggregated approximately $4.335,000,000.

Additional Interest

"Additional Interest" is defined in the Subordinated Note Indenture as (i) such additional amounts as may be required so that the net amounts received and retained by a holder of Junior Subordinated Notes (if the holder is a Trust) after paying taxes, duties, assessments or governmental charges of whatever nature (other than withholding taxes) imposed by the United States or any other taxing authority will not be less than the amounts the holder would have received had no such taxes, duties, assessments, or other governmental charges been imposed; and (ii) any interest due and not paid on an interest payment date, together with interest from such interest payment date to the date of payment, compounded quarterly, on each interest payment date.

Certain Covenants

The Company covenants in the Subordinated Note Indenture, for the benefit of the holders of each series of Junior Subordinated Notes, that, (i) if at such time the Company shall have given notice of its election to extend an interest payment period for such series of Junior Subordinated Notes and such extension shall be continuing, (ii) if at such time the Company shall be in default with respect to its payment or other obligations under the Guarantee with respect to the Trust Securities, if any, related to such series of Junior Subordinated Notes, or (iii) if at such time an Event of Default under the Subordinated Note Indenture with respect to such series of Junior Subordinated Notes shall have occurred and be continuing, (a) the Company shall not declare or pay any dividend or make any distributions with respect to, or redeem, purchase, acquire or make a liquidation payment with respect to, any of its capital stock, and (b) the Company shall not make any payment of interest, principal or premium, if any, on or repay, repurchase or redeem any debt securities (including guarantees other than the Guarantees) issued by the Company which rank equally with or junior to the Junior Subordinated Notes. None of the foregoing, however, shall restrict (i) any of the actions described in the preceding sentence resulting from any reclassification of the Company's capital stock or the exchange or conversion of one class or series of the Company's capital stock for another class or series of the Company's capital stock, or (ii) the purchase of fractional interests in shares of the Company's capital stock pursuant to the conversion or exchange provisions of such capital stock or the security being converted or exchanged.

The Subordinated Note Indenture further provides that, for so long as the Trust Securities of any Trust remain outstanding, the Company covenants (i) to directly or indirectly maintain 100% ownership of the Common Securities of such Trust; provided, however, that any permitted successor of the Company under the Subordinated Note Indenture may succeed to the Company's ownership of such Common Securities, and (ii) to use its reasonable efforts to cause such Trust (a) to remain a statutory trust, except in connection with the distribution of Junior Subordinated Notes to the holders of Trust Securities in liquidation of such Trust, the redemption of all of the Trust Securities of such Trust, or certain mergers, consolidations or amalgamations, each as permitted by the related Trust Agreement, and (b) to otherwise continue to be classified as a grantor trust for United States federal income tax purposes.

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Events of Default

The Subordinated Note Indenture provides that any one or more of the following described events with respect to the Junior Subordinated Notes of any series, which has occurred and is continuing, constitutes an "Event of Default" with respect to the Junior Subordinated Notes of such series:

(a) failure for 10 days to pay interest on the Junior Subordinated Notes of such series, including any Additional Interest (as defined in clause (ii) of the definition of Additional Interest in the Subordinated Note Indenture) on such unpaid interest, when due on an interest payment date other than at maturity or upon earlier redemption; provided, however, that a valid extension of the interest payment period by the Company shall not constitute a default in the payment of interest for this purpose; or

(b) failure for 10 days to pay Additional Interest (as defined in clause (i) of the definition of Additional Interest in the Subordinated Note Indenture); or

(c) failure to pay principal or premium, if any, or interest, including Additional Interest (as defined in clause (ii) of the definition of Additional Interest in the Subordinated Note Indenture), on the Junior Subordinated Notes of such series when due at maturity or upon earlier redemption; or

(d) failure for three Business Days to deposit any sinking fund payment when due by the terms of a Junior Subordinated Note of such series; or

(e) failure to observe or perform any other covenant or warranty of the Company in the Subordinated Note Indenture (other than a covenant or warranty which has expressly been included in the Subordinated Note Indenture solely for the benefit of one or more series of Junior Subordinated Notes other than such series) for 90 days after written notice to the Company from the Subordinated Note Indenture Trustee or the holders of at least 25% in principal amount of the outstanding Junior Subordinated Notes of such series; or

(f) certain events of bankruptcy, insolvency or reorganization of the Company.

The holders of not less than a majority in aggregate outstanding principal amount of the Junior Subordinated Notes of any series have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Subordinated Note Indenture Trustee with respect to the Junior Subordinated Notes of such series. If a Subordinated Note Indenture Event of Default occurs and is continuing with respect to the Junior Subordinated Notes of any series, then the Subordinated Note Indenture Trustee or the holders of not less than 25% in aggregate outstanding principal amount of the Junior Subordinated Notes of such series may declare the principal amount of the Junior Subordinated Notes due and payable immediately by notice in writing to the Company (and to the Subordinated Note Indenture Trustee if given by the holders), and upon any such declaration such principal amount shall become immediately due and payable. At any time after such a declaration of acceleration with respect to the Junior Subordinated Notes of any series has been made and before a judgment or decree for payment of the money due has been obtained as provided in Article Five of the Subordinated Note Indenture, the holders of not less than a majority in aggregate outstanding principal amount of the Junior Subordinated Notes of such series may rescind and annul such declaration and its consequences if the default has been cured or waived and the Company has paid or deposited with the Subordinated Note Indenture Trustee a sum sufficient to pay all matured installments of interest (including any Additional Interest) and principal due otherwise than by acceleration and all sums paid or advanced by the Subordinated Note Indenture Trustee, including reasonable compensation and expenses of the Subordinated Note Indenture Trustee.

A holder of Preferred Securities may institute a legal proceeding directly against the Company, without first instituting a legal proceeding against the Property Trustee or any other person or entity, for enforcement of payment to such holder of principal of or interest on the Junior Subordinated Notes of the related series having a principal amount equal to the aggregate stated liquidation amount of the Preferred Securities of such holder on or after the due dates specified in the Junior Subordinated Notes of such series.

The holders of not less than a majority in aggregate outstanding principal amount of the Junior Subordinated Notes of any series may, on behalf of the holders of all the Junior Subordinated Notes of such series, waive any past default with respect to such series, except (i) a default in the payment of principal or interest or (ii) a default in

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respect of a covenant or provision which under Article Nine of the Subordinated Note Indenture cannot be modified or amended without the consent of the holder of each outstanding Junior Subordinated Note of such series affected.

Registration and Transfer

The Company shall not be required to (i) issue, register the transfer of or exchange Junior Subordinated Notes of any series during a period of 15 days immediately preceding the date notice is given identifying the Junior Subordinated Notes of such series called for redemption, or (ii) issue, register the transfer of or exchange any Junior Subordinated Notes so selected for redemption, in whole or in part, except the unredeemed portion of any Junior Subordinated Note being redeemed in part.

Payment and Paying Agent

Unless otherwise indicated in an applicable Prospectus Supplement, payment of principal of any Junior Subordinated Notes will be made only against surrender to the Paying Agent of such Junior Subordinated Notes. Principal of and interest on Junior Subordinated Notes will be payable, subject to any applicable laws and regulations, at the office of such Paying Agent or Paying Agents as the Company may designate from time to time, except that, at the option of the Company, payment of any interest may be made by wire transfer or by check mailed to the address of the person entitled to an interest payment as such address shall appear in the Security Register with respect to the Junior Subordinated Notes. Payment of interest on Junior Subordinated Notes on any interest payment date will be made to the person in whose name the Junior Subordinated Notes (or predecessor security) are registered at the close of business on the record date for such interest payment.

Unless otherwise indicated in an applicable Prospectus Supplement, the Subordinated Note Indenture Trustee will act as Paying Agent with respect to the Junior Subordinated Notes. The Company may at any time designate additional Paying Agents or rescind the designation of any Paying Agents or approve a change in the office through which any Paying Agent acts.

All moneys paid by the Company to a Paying Agent for the payment of the principal of or interest on the Junior Subordinated Notes of any series which remain unclaimed at the end of two years after such principal or interest shall have become due and payable will be repaid to the Company, and the holder of such Junior Subordinated Notes will from that time forward look only to the Company for payment of such principal and interest.

Modification

The Subordinated Note Indenture contains provisions permitting the Company and the Subordinated Note Indenture Trustee, with the consent of the holders of not less than a majority in principal amount of the outstanding Junior Subordinated Notes of each series affected, to modify the Subordinated Note Indenture or the rights of the holders of the Junior Subordinated Notes of such series; provided, that no such modification may, without the consent of the holder of each outstanding Junior Subordinated Note affected, (i) change the stated maturity of the principal of, or any installment of principal of or interest on, any Junior Subordinated Note, or reduce the principal amount of any Junior Subordinated Note or the rate of interest (including Additional Interest) on any Junior Subordinated Note or any premium payable upon the redemption of any Junior Subordinated Note, or change the method of calculating the rate of interest on any Junior Subordinated Note, or impair the right to institute suit for the enforcement of any such payment on or after the stated maturity of any Junior Subordinated Note (or, in the case of redemption, on or after the redemption date), or (ii) reduce the percentage of principal amount of the outstanding Junior Subordinated Notes of any series, the consent of whose holders is required for any such supplemental indenture, or the consent of whose holders is required for any waiver (of compliance with certain provisions of the Subordinated Note Indenture or certain defaults under the Subordinated Note Indenture and their consequences) provided for in the Subordinated Note Indenture, or (iii) modify any of the provisions of the Subordinated Note Indenture relating to supplemental indentures, waiver of past defaults, or waiver of certain covenants, except to increase any such percentage or to provide that certain other provisions of the Subordinated Note Indenture cannot be modified or waived without the consent of the holder of each outstanding Junior Subordinated Note affected thereby, or (iv) modify the provisions of the Subordinated Note Indenture with respect to the subordination of the Junior Subordinated Notes in a manner adverse to such holder.

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In addition, the Company and the Subordinated Note Indenture Trustee may execute, without the consent of any holders of Junior Subordinated Notes, any supplemental indenture for certain other usual purposes, including the creation of any new series of junior subordinated notes.

Consolidation, Merger and Sale

The Company shall not consolidate with or merge into any other corporation or convey, transfer or lease its properties and assets substantially as an entirety to any person, unless (1) such other corporation or person is a corporation organized and existing under the laws of the United States, any state in the United States or the District of Columbia and such other corporation or person expressly assumes, by supplemental indenture executed and delivered to the Subordinated Note Indenture Trustee, the payment of the principal of (and premium, if any) and interest (including Additional Interest) on all the Junior Subordinated Notes and the performance of every covenant of the Subordinated Note Indenture on the part of the Company to be performed or observed; (2) immediately after giving effect to such transactions, no Event of Default, and no event which, after notice or lapse of time or both, would become an Event of Default, shall have happened and be continuing; and (3) the Company has delivered to the Subordinated Note Indenture Trustee an officers' certificate and an opinion of counsel, each stating that such transaction complies with the provisions of the Subordinated Note Indenture governing consolidation, merger, conveyance, transfer or lease and that all conditions precedent to the transaction have been complied with.

Information Concerning the Subordinated Note Indenture Trustee

The Subordinated Note Indenture Trustee, prior to an Event of Default with respect to Junior Subordinated Notes of any series, undertakes to perform, with respect to Junior Subordinated Notes of such series, only such duties as are specifically set forth in the Subordinated Note Indenture and, in case an Event of Default with respect to Junior Subordinated Notes of any series has occurred and is continuing, shall exercise, with respect to Junior Subordinated Notes of such series, the same degree of care as a prudent individual would exercise in the conduct of his or her own affairs. Subject to such provision, the Subordinated Note Indenture Trustee is under no obligation to exercise any of the powers vested in it by the Subordinated Note Indenture at the request of any holder of Junior Subordinated Notes of any series, unless offered reasonable indemnity by such holder against the costs, expenses and liabilities which might be incurred by the Subordinated Note Indenture Trustee. The Subordinated Note Indenture Trustee is not required to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties if the Subordinated Note Indenture Trustee reasonably believes that repayment or adequate indemnity is not reasonably assured to it.

JPMorgan Chase Bank, N.A. (formerly known as The Chase Manhattan Bank), the Subordinated Note Indenture Trustee, also serves as First Mortgage Bond Trustee, as Senior Note Indenture Trustee, as Property Trustee and as Guarantee Trustee. The Company and certain of its affiliates maintain deposit accounts and banking relationships with JPMorgan Chase Bank, N.A. JPMorgan Chase Bank, N.A. also serves as trustee under other indentures pursuant to which securities of the Company and affiliates of the Company are outstanding.

Governing Law

The Subordinated Note Indenture and the Junior Subordinated Notes will be governed by, and construed in accordance with, the internal laws of the State of New York.

Miscellaneous

The Company will have the right at all times to assign any of its rights or obligations under the Subordinated Note Indenture to a direct or indirect wholly owned subsidiary of the Company; provided, that, in the event of any such assignment, the Company will remain primarily liable for all such obligations. Subject to the foregoing, the Subordinated Note Indenture will be binding upon and inure to the benefit of the parties to the Subordinated Note Indenture and their respective successors and assigns.

DESCRIPTION OF THE PREFERRED SECURITIES

Each Trust may issue only one series of Preferred Securities having terms described in the Prospectus Supplement relating to such Trust. The Trust Agreement of each Trust will authorize the Administrative Trustees,

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on behalf of the Trust, to issue the Preferred Securities of such Trust. The Preferred Securities of each Trust will have such terms, including distributions, redemption, voting, liquidation rights and such other preferred, deferral or other special rights or such restrictions as shall be set forth in the Trust Agreement of such Trust. Reference is made to the Prospectus Supplement relating to the Preferred Securities of a Trust for specific terms, including (i) the distinctive designation of such Preferred Securities; (ii) the number of Preferred Securities issued by such Trust; (iii) the distribution rate (or method of determining such rate) for Preferred Securities of such Trust and the date or dates on which such distributions shall be payable; (iv) whether distributions on such Preferred Securities shall be cumulative and, in the case of Preferred Securities having cumulative distribution rights, the date or dates, or method of determining the date or dates, from which distributions on such Preferred Securities shall be cumulative; (v) the amount or amounts that shall be paid out of the assets of such Trust to the holders of the Preferred Securities of such Trust upon voluntary or involuntary dissolution, winding-up or termination of such Trust; (vi) the obligation, if any, of such Trust to purchase or redeem such Preferred Securities and the price or prices at which, the period or periods within which, and the terms and conditions upon which such Preferred Securities shall be purchased or redeemed, in whole or in part, pursuant to such obligation; (vii) the voting rights, if any, of such Preferred Securities in addition to those required by law, including the number of votes per Preferred Security and any requirement for the approval by the holders of Preferred Securities as a condition to specified action or amendments to the Trust Agreement of such Trust; (viii) the rights, if any, to defer distributions on the Preferred Securities by extending the interest payment period on the related Junior Subordinated Notes; and (ix) any other relative rights, preferences, privileges, limitations or restrictions of such Preferred Securities not inconsistent with the Trust Agreement of such Trust or applicable law. All Preferred Securities offered by this Prospectus will be guaranteed by the Company to the extent set forth under "Description of the Guarantees." Any material United States federal income tax considerations applicable to an offering of Preferred Securities will be described in the Prospectus Supplement relating to the Preferred Securities.

DESCRIPTION OF THE GUARANTEES

Set forth below is a summary of information concerning the Guarantees that will be executed and delivered by the Company for the benefit of the holders of Preferred Securities of the respective Trusts from time to time. Each Guarantee will be qualified as an indenture under the 1939 Act. JPMorgan Chase Bank, N.A. will act as indenture trustee under each Guarantee (the "Guarantee Trustee") for purposes of the 1939 Act. The terms of the respective Guarantees will be those set forth in such Guarantee and those made part of such Guarantee by the 1939 Act. The following summary does not purport to be complete and is subject in all respects to the provisions of, and is qualified in its entirety by reference to, the Guarantees, the form of which is filed as an exhibit to the Registration Statement of which this Prospectus forms a part, and the 1939 Act. Each Guarantee will be held by the Guarantee Trustee for the benefit of holders of the Preferred Securities to which it relates.

General

Pursuant to each Guarantee, the Company will irrevocably and unconditionally agree, to the extent set forth in the Guarantee, to pay in full, to the holders of the related Preferred Securities, the Guarantee Payments (as defined below), to the extent not paid by, or on behalf of, the related Trust, regardless of any defense, right of set-off or counterclaim that the Company may have or assert against any person. The following payments or distributions with respect to the Preferred Securities of any Trust to the extent not paid or made by, or on behalf of, such Trust will be subject to the Guarantee related to the Preferred Securities (without duplication): (i) any accrued and unpaid distributions required to be paid on the Preferred Securities of such Trust but if and only if and to the extent that such Trust has funds legally and immediately available for these distributions, (ii) the redemption price, including all accrued and unpaid distributions to the date of redemption (the "Redemption Price"), with respect to any Preferred Securities called for redemption by such Trust, but if and only to the extent such Trust has funds legally and immediately available to pay such Redemption Price, and (iii) upon a dissolution, winding-up or termination of such Trust (other than in connection with the distribution of Junior Subordinated Notes to the holders of Trust Securities of such Trust or the redemption of all of the Preferred Securities of such Trust), the lesser of (a) the aggregate of the liquidation amount and all accrued and unpaid distributions on the Preferred Securities of such Trust to the date of payment, to the extent such Trust has funds legally and immediately available for such purpose, and (b) the amount of assets of such Trust remaining available for distribution to holders of Preferred Securities of

such Trust in liquidation of such Trust (the "Guarantee Payments"). The Company's obligation to make a Guarantee Payment may be satisfied by direct payment of the required amounts by the Company to the holders of the related Preferred Securities or by causing the related Trust to pay such amounts to such holders.

Each Guarantee will be a guarantee of the Guarantee Payments with respect to the related Preferred Securities from the time of issuance of such Preferred Securities, but will not apply to the payment of distributions and other payments on such Preferred Securities when the related Trust does not have sufficient funds legally and immediately available to make such distributions or other payments. **If the Company does not make interest payments on the Junior Subordinated Notes held by the Property Trustee under any Trust, such Trust will not make distributions on its Preferred Securities.**

Subordination

The Company's obligations under each Guarantee to make the Guarantee Payments will constitute an unsecured obligation of the Company and will rank (i) subordinate and junior in right of payment to all other liabilities of the Company, including the Junior Subordinated Notes, except those obligations or liabilities made equal to or subordinate by their terms, (ii) equal to the most senior preferred or preference stock now issued by the Company or issued at a later date by the Company and with any guarantee now entered into by the Company or entered into at a later date by the Company in respect of any preferred or preference securities of any affiliate of the Company, and (iii) senior to all common stock of the Company. The terms of the Preferred Securities will provide that each holder of Preferred Securities by acceptance of Preferred Securities agrees to the subordination provisions and other terms of the Guarantee related to the Preferred Securities. The Company has outstanding preferred stock that ranks equal to the Guarantees and common stock that ranks junior to the Guarantees.

Each Guarantee will constitute a guarantee of payment and not of collection (that is, the guaranteed party may institute a legal proceeding directly against the guarantor to enforce its rights under the guarantee without first instituting a legal proceeding against any other person or entity).

Amendments and Assignment

Except with respect to any changes that do not materially and adversely affect the rights of holders of the related Preferred Securities (in which case no consent will be required), each Guarantee may be amended only with the prior approval of the holders of not less than 66⅔% in liquidation amount of such outstanding Preferred Securities. The manner of obtaining any such approval of holders of the Preferred Securities will be as set forth in an accompanying Prospectus Supplement. All guarantees and agreements contained in each Guarantee shall bind the successors, assigns, receivers, trustees and representatives of the Company and shall inure to the benefit of the holders of the related Preferred Securities then outstanding.

Termination

Each Guarantee will terminate and be of no further force and effect as to the related Preferred Securities upon full payment of the Redemption Price of all such Preferred Securities, upon distribution of Junior Subordinated Notes to the holders of such Preferred Securities, or upon full payment of the amounts payable upon liquidation of the related Trust. Each Guarantee will continue to be effective or will be reinstated, as the case may be, if at any time any holder of the related Preferred Securities must restore payment of any sums paid with respect to such Preferred Securities or under such Guarantee.

Events of Default

An event of default under each Guarantee will occur upon the failure by the Company to perform any of its payment obligations under such Guarantee. The holders of a majority in liquidation amount of the Preferred Securities to which any Guarantee relates have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Guarantee Trustee in respect of such Guarantee or to direct the exercise of any trust or power conferred upon the Guarantee Trustee under such Guarantee. Any holder of the related Preferred Securities may institute a legal proceeding directly against the Company to enforce its rights under such Guarantee without first instituting a legal proceeding against the Guarantee Trustee or any other person or entity.

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The holders of a majority in liquidation amount of Preferred Securities of any series may, by vote, on behalf of the holders of all the Preferred Securities of such series, waive any past event of default and its consequences.

Information Concerning the Guarantee Trustee

The Guarantee Trustee, prior to the occurrence of any event of default with respect to any Guarantee and after the curing or waiving of all events of default with respect to such Guarantee, undertakes to perform only such duties as are specifically set forth in such Guarantee and, in case an event of default has occurred, shall exercise the same degree of care as a prudent individual would exercise in the conduct of his or her own affairs. Subject to such provisions, the Guarantee Trustee is under no obligation to exercise any of the powers vested in it by any Guarantee at the request of any holder of the related Preferred Securities, unless offered reasonable indemnity against the costs, expenses and liabilities which might be incurred by the Guarantee Trustee.

JPMorgan Chase Bank, N.A., the Guarantee Trustee, also serves as Property Trustee, as First Mortgage Bond Trustee, as Senior Note Indenture Trustee and as Subordinated Note Indenture Trustee. The Company and certain of its affiliates maintain deposit accounts and banking relationships with JPMorgan Chase Bank, N.A. JPMorgan Chase Bank, N.A. serves as trustee under other indentures pursuant to which securities of the Company and affiliates of the Company are outstanding.

Governing Law

Each Guarantee will be governed by, and construed in accordance with, the internal laws of the State of New York.

The Agreements as to Expenses and Liabilities

Pursuant to an Agreement as to Expenses and Liabilities to be entered into by the Company under each Trust Agreement, the Company will irrevocably and unconditionally guarantee to each person or entity to whom each Trust becomes indebted or liable the full payment of any indebtedness, expenses or liabilities of such Trust, other than obligations of such Trust to pay to the holders of the related Preferred Securities or other similar interests in such Trust the amounts due such holders pursuant to the terms of such Preferred Securities or such other similar interests, as the case may be.

RELATIONSHIP AMONG THE PREFERRED SECURITIES, THE JUNIOR SUBORDINATED NOTES AND THE GUARANTEES

As long as payments of interest and other payments are made when due on each series of Junior Subordinated Notes issued to a Trust, such payments will be sufficient to cover distributions and payments due on the related Trust Securities of such Trust primarily because (i) the aggregate principal amount of each series of Junior Subordinated Notes will be equal to the sum of the aggregate stated liquidation amount of the related Trust Securities; (ii) the interest rate and interest and other payment dates on each series of Junior Subordinated Notes will match the distribution rate and distribution and other payment dates for the related Preferred Securities; (iii) the Company shall pay for all costs and expenses of each Trust pursuant to the Agreements as to Expenses and Liabilities; and (iv) each Trust Agreement provides that the Securities Trustees under each Trust Agreement shall not cause or permit the Trust to, among other things, engage in any activity that is not consistent with the purposes of the Trust.

Payments of distributions (to the extent funds for such purpose are legally and immediately available) and other payments due on the Preferred Securities (to the extent funds for such purpose are legally and immediately available) will be guaranteed by the Company as and to the extent set forth under "Description of the Guarantees." If the Company does not make interest payments on any series of Junior Subordinated Notes, it is not expected that the related Trust will have sufficient funds to pay distributions on its Preferred Securities. Each Guarantee is a guarantee from the time of its issuance, but does not apply to any payment of distributions unless and until the related Trust has sufficient funds legally and immediately available for the payment of such distributions.

If the Company fails to make interest or other payments on any series of Junior Subordinated Notes when due (taking into account any extension period as described in the applicable Prospectus Supplement), the Trust

HEARING EXHIBIT - 00001272

Agreement provides a mechanism whereby the holders of the related Preferred Securities may appoint a substitute Property Trustee. Such holders may also direct the Property Trustee to enforce its rights under the Junior Subordinated Notes of such series, including proceeding directly against the Company to enforce such Junior Subordinated Notes. If the Property Trustee fails to enforce its rights under any series of Junior Subordinated Notes, to the fullest extent permitted by applicable law, any holder of related Preferred Securities may institute a legal proceeding directly against the Company to enforce the Property Trustee's rights under such series of Junior Subordinated Notes without first instituting any legal proceeding against the Property Trustee or any other person or entity. Notwithstanding the foregoing, a holder of Preferred Securities may institute a legal proceeding directly against the Company, without first instituting a legal proceeding against the Property Trustee or any other person or entity, for enforcement of payment to such holder of principal of or interest on Junior Subordinated Notes of the related series having a principal amount equal to the aggregate stated liquidation amount of the Preferred Securities of such holder on or after the due dates specified in the Junior Subordinated Notes of such series.

If the Company fails to make payments under any Guarantee, such Guarantee provides a mechanism that allows the holders of the Preferred Securities to which such Guarantee relates to direct the Guarantee Trustee to enforce its rights under such Guarantee. In addition, any holder of Preferred Securities may institute a legal proceeding directly against the Company to enforce the Guarantee Trustee's rights under the related Guarantee without first instituting a legal proceeding against the Guarantee Trustee or any other person or entity.

Each Guarantee, the Subordinated Note Indenture, the Junior Subordinated Notes of the related series, the related Trust Agreement and the related Agreement as to Expenses and Liabilities, as described above, constitute a full and unconditional guarantee by the Company of the payments due on the related series of Preferred Securities.

Upon any voluntary or involuntary dissolution, winding-up or termination of any Trust, unless Junior Subordinated Notes of the related series are distributed in connection with such action, the holders of Preferred Securities of such Trust will be entitled to receive, out of assets legally available for distribution to holders, a liquidation distribution in cash as described in the applicable Prospectus Supplement. Upon any voluntary or involuntary liquidation or bankruptcy of the Company, the Property Trustee, as holder of the related series of Junior Subordinated Notes, would be a subordinated creditor of the Company, subordinated in right of payment to all Senior Indebtedness, but entitled to receive payment in full of principal and interest, before any shareholders of the Company receive payments or distributions. Because the Company is guarantor under each Guarantee and has agreed to pay for all costs, expenses and liabilities of each Trust (other than the Trust's obligations to holders of the Preferred Securities) pursuant to the related Agreement as to Expenses and Liabilities, the positions of a holder of Preferred Securities and a holder of Junior Subordinated Notes of the related series relative to other creditors and to shareholders of the Company in the event of liquidation or bankruptcy of the Company would be substantially the same.

A default or event of default under any Senior Indebtedness would not constitute a default or Event of Default under the Subordinated Note Indenture. However, in the event of payment defaults under, or acceleration of, Senior Indebtedness, the subordination provisions of the Junior Subordinated Notes provide that no payments may be made in respect of the Junior Subordinated Notes until such Senior Indebtedness has been paid in full or any payment default of Senior Indebtedness has been cured or waived. Failure to make required payments on the Junior Subordinated Notes of any series would constitute an Event of Default under the Subordinated Note Indenture with respect to the Junior Subordinated Notes of such series except that failure to make interest payments on the Junior Subordinated Notes of such series will not be an Event of Default during an extension period as described in the applicable Prospectus Supplement.

PLAN OF DISTRIBUTION

The Company may sell the new Bonds, new Stock, Preference Stock, Depositary Shares, Senior Notes and the Junior Subordinated Notes and the Trusts may sell the Preferred Securities in one or more of the following ways from time to time: (i) to underwriters for resale to the public or to institutional investors; (ii) directly to institutional investors; or (iii) through agents to the public or to institutional investors. The Prospectus Supplement with respect to each series of new Bonds, new Stock, Preference Stock, Depositary Shares, Senior Notes, Junior Subordinated Notes or Preferred Securities will set forth the terms of the offering of such new Bonds, new Stock, Preference

HEARING EXHIBIT - 00001273

Stock, Depositary Shares, Senior Notes, Junior Subordinated Notes or Preferred Securities, including the name or names of any underwriters or agents, the purchase price of such new Bonds, new Stock, Preference Stock, Depositary Shares, Senior Notes, Junior Subordinated Notes or Preferred Securities and the proceeds to the Company or the applicable Trust from such sale, any underwriting discounts or agency fees and other items constituting underwriters' or agents' compensation, any initial public offering price, any discounts or concessions allowed or reallowed or paid to dealers and any securities exchange on which such new Bonds, new Stock, Preference Stock, Depositary Shares, Senior Notes, Junior Subordinated Notes or Preferred Securities may be listed.

If underwriters participate in the sale, such new Bonds, new Stock, Preference Stock, Depositary Shares, Senior Notes, Junior Subordinated Notes or Preferred Securities will be acquired by the underwriters for their own account and may be resold from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale.

Unless otherwise set forth in the Prospectus Supplement, the obligations of the underwriters to purchase any series of new Bonds, new Stock, Preference Stock, Depositary Shares, Senior Notes, Junior Subordinated Notes or Preferred Securities will be subject to certain conditions precedent and the underwriters will be obligated to purchase all of such series of new Bonds, new Stock, Preference Stock, Depositary Shares, Senior Notes, Junior Subordinated Notes or Preferred Securities, if any are purchased.

Underwriters and agents may be entitled under agreements entered into with the Company and/or the applicable Trust to indemnification against certain civil liabilities, including liabilities under the 1933 Act. Underwriters and agents may engage in transactions with, or perform services for, the Company in the ordinary course of business.

Each series of new Bonds, new Stock, Preference Stock, Depositary Shares, Senior Notes, Junior Subordinated Notes or Preferred Securities will be a new issue of securities and will have no established trading market. Any underwriters to whom new Bonds, new Stock, Preference Stock, Depositary Shares, Senior Notes, Junior Subordinated Notes or Preferred Securities are sold for public offering and sale may make a market in such new Bonds, new Stock, Preference Stock, Depositary Shares, Senior Notes, Junior Subordinated Notes or Preferred Securities, but such underwriters will not be obligated to do so and may discontinue any market making at any time without notice. The new Bonds, new Stock, Preference Stock, Depositary Shares, Senior Notes, Junior Subordinated Notes or Preferred Securities may or may not be listed on a national securities exchange.

LEGAL MATTERS

Certain matters of Delaware law relating to the validity of the Preferred Securities will be passed upon on behalf of the Company and the Trusts by Richards, Layton & Finger, P.A., Wilmington, Delaware, special Delaware counsel to the Company and the Trusts. The validity of the new Bonds, new Stock, Preference Stock, Depositary Shares, Senior Notes, Junior Subordinated Notes, Guarantees and certain matters relating to such securities will be passed upon on behalf of the Company by Balch & Bingham LLP, Birmingham, Alabama, and by Troutman Sanders LLP, Atlanta, Georgia. Certain legal matters will be passed upon for the underwriters by Dewey Ballantine LLP, New York, New York. From time to time Dewey Ballantine LLP acts as counsel to affiliates of the Company for some matters.

EXPERTS

The financial statements and the related financial statement schedule incorporated by reference in this Prospectus by reference from the Company's Annual Report on Form 10-K for the year ended December 31, 2004 have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their reports, which are incorporated by reference and have been so incorporated in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

HEARING EXHIBIT - 00001274

$200,000,000

ALABAMA POWER

A SOUTHERN COMPANY

Series 2007C 6.00% Senior Insured Monthly Notes due October 15, 2037

Prospectus Supplement

Edward Jones

October 11, 2007

HEARING EXHIBIT - 00001275

Exhibit 2.7
PSC First Set of Document Requests
Docket No. 070304-EI

Witness: BACHMAN/COX

Cox Doreen

From: Bachman George
Sent: Tuesday, September 11, 2007 12:44 PM
o: Cox Doreen
Subject: FW: IDB/Refinancing
Attachments: FloridaPublicUtilitiestsshort.doc

And it starts...

From: CSands4@aol.com [mailto:CSands4@aol.com]
Sent: Tuesday, September 11, 2007 12:22 PM
To: Bachman George
Subject: IDB/Refinancing

George,

Hope everything is going well at FPU

I recall your first bond refinancing date is in October...I am attaching a summary of both refinancing rates/costs and IDB rates/costs for new infrastructure that I can offer, let me know if you are interested in discussing. Also according to the underwriter I have in mind, his placement fees are considerably less than what you have traditionally paid.

Charlie Sands
President
Kosan Associates
Industrial Development Bond Specialists
`2 Sandcastle Drive
Ormond Beach, Florida 32176

Tel.: (386) 441-4145
Fax: (386) 441-0161
E-Mail: CSands4@aol.com
www.IDBfinancing.com

See what's new at AOL.com and Make AOL Your Homepage.

HEARING EXHIBIT - 00001276

Charles A. Sands
Kosan Associates
Corporate and Industrial Bond Specialists
32 Sandcastle Drive, Ormond Beach, Florida 32176
Tel. (386) 441-4145 - Fax (386) 441-0161
E-Mail: CSands4@aol.com
www.IDBfinancing.com

Term Sheet

Industrial Development Bond Financing
Florida Public Utilities
April 23, 2007

Option 1

Refinance Current Bonds Only

Interest Rate	5.25% 30-year Average Coupon Rate
Closing Costs	1% Underwriter Discount, 1% Kosan F.A. fee, Legal & Insurance

Option 2

Refinance Current Bonds and Add $5M Tax-Exempt Bonds

Interest Rate	5.25% 30-year Average Coupon Rate for Refinancing 4.45% 30-year Average Coupon Rate for Tax-Exempt
Closing Costs	1% Underwriter Discount, .75% Kosan F.A. fee, Legal & Insurance

Option 3

$5M Tax-Exempt Bonds Only

Interest Rate	4.45% 30-year Average Coupon Rate
Closing Costs	4% +/- (includes underwriter, F.A., Legal)

HEARING EXHIBIT - 00001277

Cox Doreen

From: Sprouse,Kevin E [kevin.sprouse@edwardjones.com]
Sent: Thursday, September 13, 2007 4:17 PM
To: Bachman George
Cc: Cox Doreen
Subject: RE: Edward Jones $250 million Southern Company retail offering

Hi George,

Yes, I will follow up with new indicative information. You are correct that the call drops to par... since it can be call prior to the actual par call effective date with the lower call premium you are effectively able to do the bond refinancing now with the par call. As things would have it... the timing of waiting paid off.

Best,

Kevin

From: Bachman George [mailto:gbachman@fpuc.com]
Sent: Wednesday, September 12, 2007 3:52 PM
To: Sprouse,Kevin E
Cc: Cox Doreen
Subject: RE: Edward Jones $250 million Southern Company retail offering

Hi Kevin!

It's been a hectic summer and we just filed our rate case. I hope you've been well.

Doreen and I will soon be analyzing the benefit of a possible refinancing and review any refinancing information you have, in determining what course of action, if any, will be desirable. I believe that effective in October the premium ends or decreases for a refinancing of the insured quarterly note.

If you have any updated analysis please feel free to forward it to us. Otherwise we will use the most recent information you provided. Thanks and we'll talk with you soon!

George Bachman
Chief Financial Officer, Secretary and Treasurer
Florida Public Utilities Company
561.838.1731

From: Sprouse,Kevin E [mailto:kevin.sprouse@edwardjones.com]
Sent: Monday, August 27, 2007 12:01 PM
To: Bachman George; Cox Doreen
Subject: Edward Jones $250 million Southern Company retail offering

George & Doreen,

I hope you are having a great summer. As promised, I'm letting you know when Edward Jones retail market is looking better than the institutional market. Edward Jones retail market has remained fairly steady while the institutional spreads have recently widened. Given the pricing benefit of Edward Jones current retail market we've just underwritten the attached long term $250 million bond offering for the Southern Company.

HEARING EXHIBIT - 00001278

We have plenty of demand for an offering for you as well. How are things looking for when you may have a breather? We can easily do strategic smaller size offerings of $15 million and above as well... with even better pricing.

Let me know your thoughts and we are more than happy to work with your other Treasury Relationship banks as well. I look forward to catching up.

Best,

Kevin

Kevin E. Sprouse
General Partner
Edward Jones
12555 Manchester Road
St. Louis, MO 63131
p: 314-515-3007
f: 314-515-2664
kevin.sprouse@edwardjones.com

<<2007E SO Term Sheet.doc>> <<GA Series E Final Prospectus Supplement.pdf>>

If you are not the intended recipient of this message (including attachments), or if you have received this message in error, immediately notify us and delete it and any attachments. If you no longer wish to receive e-mail from Edward Jones, please send this request to messages@edwardjones.com. You must include the e-mail address that you wish not to receive e-mail communications.

HEARING EXHIBIT - 00001279

CONFIDENTIAL

Unaudited

Land - $4.7M in May 2007 Bldg $1.5M 2008 $20 M BOND REFUNDING

Env - $1.6M prior to 2009 $3.7M in 2009 remainder in 2010 and af $0 M EQUITY

FLORIDA PUBLIC UTILITIES
CASH PROJECTIONS
2006 - 2011
IN THOUSANDS

	2006	2007	2008	2009	2010	2011
Operating Revenues	117,135	122,242	129,088	134,710	140,072	145,647
Fuel Revenue & Pass-thrus	(68,718)	(71,453)	(74,297)	(77,254)	(79,830)	(82,555)
Gross Profit	48,417	50,788	54,791	57,456	60,241	63,092
Other Income - Net (excl. taxes & int cap)	839	868	899	930	963	996
Total	49,256	51,657	55,690	58,386	61,204	64,089
DEDUCTIONS:						
Operation & Maintenance (Excl Fuel & Pass thrus)	27,251	28,879	30,559	32,137	33,852	35,531
Non-Cash O&M (Storm Resv)	(100)	(100)	(100)	(100)	(100)	(100)
Income Taxes Paid	1,400	2,332	2,962	3,009	3,149	3,431
Taxes Paid - Other	2,772	3,266	3,568	3,703	4,040	4,279
Interest On Long - Term Debt	4,205	3,957	3,998	3,861	3,724	3,587
Interest on Environmental Expenditure	8	16	97	349	366	382
Interest on LOC net of Interest Income	108	248	606	1,292	1,629	1,698
Other Interest Payments	378	433	446	459	477	496
Environmental Clean Up Costs	234	0	1,180	3,685	250	225
Dividends Paid	2,552	2,783	2,886	2,991	3,102	3,217
Proceeds from DRIP & ESPP	(451)	(469)	(488)	(507)	(525)	(544)
Pension Contributions	0	250	500	1,858	2,285	598
TOTAL DEDUCTIONS	38,356	41,593	46,213	52,735	52,250	52,802
BALANCE	10,900	10,064	9,477	5,651	8,954	11,287
Increase (Decrease) in Cash Due to Fluctuation in Certain Assets / Liab / Rev / Exp	6,628	0	0	0	0	0
Less Construction Requirements (including AEP)	12,065	17,335	15,095	11,711	11,828	11,947
Net Const. Cash Refunds/(Contributions)	357	371	386	401	415	430
BALANCE	5,106	(7,643)	(6,005)	(6,461)	(3,289)	(1,089)
Proceeds from Water Sale & LWG	375	375	375	375	5,250	0
(Tax) / Refund on Sale of Water & LWG	0	0	0	0	0	0
Add Proceeds from Financing - BOA LOC	(5,092)	3,834	7,000	7,600	(400)	2,400
Less LT Debt Principal Repayments	0	0	(1,409)	(1,409)	(1,409)	(1,409)
Less Loan Expenses (LT Debt)	0	0	0	0	0	0
Add Proceeds from Refunded Bond Issue	0	5,000	0	0	0	0
Less Loan Expenses (Bonds)	0	(1,007)	0	0	0	0
Add Proceeds from Equity Issue	0	0	0	0	0	0
Less Expenses (Equity)	0	0	0	0	0	0
Less ST Investments	0	0	0	0	0	0
Cash Balance - Beginning of Period	695	84	443	404	509	661
Cash Balance - End of Period	84	443	404	509	661	562
BOA Line of Credit	12,000	12,000	20,000	20,000	20,000	20,000
Interest on LOC	12	12	13	20	20	20
Notes Payable Balance	**3,466**	**7,100**	**14,100**	**21,700**	**21,300**	**23,700**
Interest on Borrowings	183	227	586	1,267	1,613	1,688
Unused Portion of LOC	8,534	4,900	5,900	(1,700)	(1,300)	(3,700)
Interest on Unused Portion of LOC	22	21	12	10	(3)	(9)
Interest Income	6	4	6	7	9	9

P:\Departments & Divisions\Accounting Departments\Analysis and MISC\Financial analysis\Excel\Cash Projections\REFUNDING - Ed Jones v AG Edwards\Cash Projections\ 2/27/2007 3:15 PM

HEARING EXHIBIT - 00001280

FINANCING PROJECTIONS AND COVENANTS

February 2007

FINANCING PROJECTIONS

	Current Bond	Refunding Bond	<<< Projected >>> 2005	2006	2007	2008	2009	2010	2011
Available LOC			12,000,000	12,000,000	12,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Projected LOC Borrowings			9,558,000	3,466,000	7,100,000	14,100,000	21,700,000	21,300,000	23,700,000
Unused Portion of LOC			2,442,000	8,534,000	4,900,000	5,900,000	(1,700,000)	(1,300,000)	(3,700,000)
Projected Financing - Bond Issue / Refunding	$15,000,000	$20,000,000	-	-	5,000,000	-	-	-	-
Projected Equity Offering			-	-	-	-	-	-	-

Current LOC expires June 2007

Projections dependent on timing and costs of land purchase and environmental expenditures.

COVENANT COMPLIANCE:

	LENDER	REQUIREMENT	Actual 2005	2006	<<< Projected >>> 2007	2008	2009	2010	2011
CAPITALIZATION RATIO	AMBAC	= > 35%	42%	41%	40%	39%	40%	42%	43%
FIXED CHARGE COVERAGE	BOA	>= 1.25	3.52	3.57	3.62	2.84	2.69	2.71	2.82
TOTAL LIABILITIES TO TANGIBLE NET WORTH	BOA	<4.00	3.45	3.55	3.71	3.63	3.56	3.49	3.41
FIXED CHARGE COVERAGE	JEA	> = 1.50	3.52	3.57	3.62	2.84	2.69	2.71	2.82
TOTAL LIABILITIES TO TANGIBLE NET WORTH	JEA	< 3.75	3.45	3.55	3.71	3.63	3.56	3.49	3.41
TOTAL DEBT TO TOTAL CAPITAL	Gulf Power	<.60		0.54	0.55	0.57	0.58	0.59	0.57
INTEREST COVERAGE (Annual and 6 Qtr Avg)	Gulf Power	>2.5		3.62	3.38	3.51	3.28	3.23	3.33

HEARING EXHIBIT - 00001281

PROFORMA

Florida Public Utilities

FPU MODIFIED ANALYSIS OF EDWARD JONES PROPOSED TERMS

Refunding Savings Analysis

Refunding Comparison — Bond Refunding? YES

Florida Public Utilities	Current Bonds	Refunding Bonds	Difference
Principal	$15,000,000	$15,000,000	
Maturity	10/1/2031	12/15/2036	5.2 yr
Coupon	6.85%	5.73%	-1.12%
Annual Interest Expense	$1,027,500	$859,500	-$168,000
U/W Fee		1.50%	
PV Bond Insurance	n/a	0.00%	
UF Insurance Fee		$652,600	
All-In Cost	6.85%	6.37%	-0.48%
NPV Savings	FPU's Methodology		$467,697

FLORIDA PUBLIC UTILITIES

Edward Jones

HEARING EXHIBIT - 00001282

Florida Public Utilities
Detailed Savings Analysis

Series	Florida Public Utilities 6.85% due 10/1/2031
Savings Analysis	
Annual Interest Savings	$168,000
Annual Financing Cost of Expenses	(95,750)
Annual Savings	72,250
Expenses	
Call Premium	150,000
Underwriting fee	225,000
Bond Insurance	652,600
Other Expenses	150,000
Total	**$1,177,600**
Annual Financing Cost of Expenses	$95,750
Current Bonds	
Principal	$15,000,000
Current Coupon Rate	6.85%
Issue Date	09/27/01
Maturity Date	10/01/31
Original issue maturity (years)	30.0
Remaining Life (years)	24.8
All-in Cost	6.85%
Call Date	12/18/2006
Call Premium	101.00%
Refunding Bonds	
Principal	$15,000,000
New Coupon Rate	5.730%
Underwriting fee upfront	1.50%
UF Insurance Fee	$ 652,600
PV Bond Insurance per annum	0.00%
Issue Date	1/1/2007
Maturity date	10/1/2031
Maturity (years)	24.8
New Call Date	12/31/2011
All-in Cost (Discount Rate)	**6.37%**

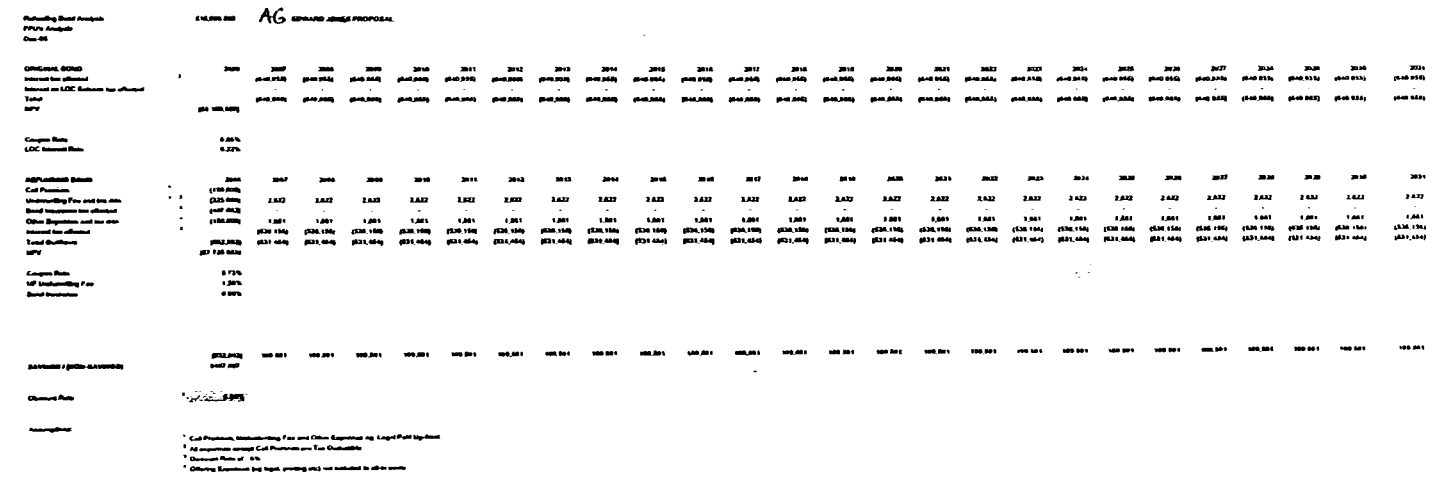
* Other Expenses include legal, rating and auditor fees.

** Expenses are financed at a rate of 6.37% and amortized for 24.8 years

FLORIDA PUBLIC UTILITIES

Edward Jones

HEARING EXHIBIT - 00001283



HEARING EXHIBIT - 00001284

CONFIDENTIAL

Unaudited

Land - $4.7M in May 2007 Bldg $1.5M 2008 $15 M BOND REFUNDING

Env - $1.6M prior to 2009 $3.7M in 2009 remainder in 2010 and af $0 M EQUITY

FLORIDA PUBLIC UTILITIES
CASH PROJECTIONS
2006 - 2011
IN THOUSANDS

	2006	2007	2008	2009	2010	2011
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Gross Profit	48,417	50,788	54,791	57,456	60,241	63,092
Other Income - Net (excl. taxes & int cap)	839	868	899	930	963	996
Total	49,256	51,657	55,690	58,386	61,204	64,089
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Operation & Maintenance (Excl Fuel & Pass thrus)	27,251	28,879	30,559	32,137	33,852	35,531
Non-Cash O&M (Storm Resv)	(100)	(100)	(100)	(100)	(100)	(100)
Income Taxes Paid	1,400	2,325	2,940	2,973	3,122	3,403
Taxes Paid - Other	2,772	3,266	3,568	3,703	4,040	4,279
Interest On Long - Term Debt	4,205	3,730	3,712	3,575	3,438	3,301
Interest on Environmental Expenditure	8	16	97	349	366	382
Interest on LOC net of Interest Income	108	494	952	1,675	1,989	2,058
Other Interest Payments	378	433	446	459	477	496
Environmental Clean Up Costs	234	0	1,180	3,685	250	225
Dividends Paid	2,552	2,783	2,886	2,991	3,102	3,217
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Pension Contributions	0	250	500	1,656	2,285	598
TOTAL DEDUCTIONS	38,356	41,605	46,251	52,795	52,296	52,847
BALANCE	10,900	10,051	9,439	5,591	8,908	11,241
Increase (Decrease) in Cash Due to Fluctuation in Certain Assets / Liab / Rev / Exp	6,628	0	0	0	0	0
Less Construction Requirements (including AEP)	12,065	17,335	15,095	11,711	11,828	11,947
Net Const. Cash Refunds/(Contributions)	357	371	386	401	415	430
BALANCE	5,106	(7,655)	(6,042)	(6,521)	(3,336)	(1,135)
Proceeds from Water Sale & LWG	375	375	375	375	5,250	0
(Tax) / Refund on Sale of Water & LWG	0	0	0	0	0	0
Add Proceeds from Financing - BOA LOC	(6,092)	8,500	7,000	7,700	(400)	2,400
Less LT Debt Principal Repayments	0	0	(1,409)	(1,409)	(1,409)	(1,409)
Less Loan Expenses (LT Debt)	0	0	0	0	0	0
Add Proceeds from Refunded Bond Issue	0	0	0	0	0	0
Less Loan Expenses (Bonds)	0	(932)	0	0	0	0
Add Proceeds from Equity Issue	0	0	0	0	0	0
Less Expenses (Equity)	0	0	0	0	0	0
Less ST Investments	0	0	0	0	0	0
Cash Balance - Beginning of Period	695	84	372	298	440	546
Cash Balance - End of Period	84	372	298	440	546	402
BOA Line of Credit	12,000	15,000	20,000	20,000	20,000	20,000
Interest on LOC	12	13	19	20	20	20
Notes Payable Balance	3,466	11,966	18,966	26,666	26,266	28,666
Interest on Borrowings	183	487	926	1,662	1,985	2,060
Unused Portion of LOC	8,534	3,034	1,034	(6,666)	(6,266)	(8,666)
Interest on Unused Portion of LOC	22	11	12	(2)	(16)	(22)
Interest Income	6	3	5	6	7	7

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HEARING EXHIBIT - 00001285

FINANCING PROJECTIONS AND COVENANTS

February 2007

FINANCING PROJECTIONS

	Current Bond	Refunding Bond	<<< Projected >>> 2005	2006	2007	2008	2009	2010	2011
Available LOC			12,000,000	12,000,000	15,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Projected LOC Borrowings			9,558,000	3,466,000	11,966,000	18,966,000	26,666,000	26,266,000	28,666,000
Unused Portion of LOC			2,442,000	8,534,000	3,034,000	1,034,000	(6,666,000)	(6,266,000)	(8,666,000)
Projected Financing - Bond Issue / Refunding	$15,000,000	$15,000,000	-	-	-	-	-	-	-
Projected Equity Offering			-	-	-	-	-	-	-

Current LOC expires June 2007

Projections dependent on timing and costs of land purchase and environmental expenditures.

COVENANT COMPLIANCE:

	LENDER	REQUIREMENT	Actual 2005	2006	<<< Projected >>> 2007	2008	2009	2010	2011
CAPITALIZATION RATIO	AMBAC	=> 35%	42%	41%	41%	40%	42%	43%	45%
FIXED CHARGE COVERAGE	BOA	>= 1.25	3.52	3.57	3.61	2.82	2.66	2.69	2.80
TOTAL LIABILITIES TO TANGIBLE NET WORTH	BOA	<4.00	3.45	3.55	3.59	3.52	3.46	3.40	3.32
FIXED CHARGE COVERAGE	JEA	> =1.50	3.52	3.57	3.61	2.82	2.66	2.69	2.80
TOTAL LIABILITIES TO TANGIBLE NET WORTH	JEA	<3.75	3.45	3.55	3.59	3.52	3.46	3.40	3.32
TOTAL DEBT TO TOTAL CAPITAL	Gulf Power	<.60		0.54	0.55	0.57	0.58	0.59	0.58
INTEREST COVERAGE (Annual not 6 Qtr Avg)	Gulf Power	>2.5		3.62	3.36	3.48	3.23	3.20	3.30

HEARING EXHIBIT - 00001286

PROFORMA

Florida Public Utilities

AG EDWARDS PROPOSED TERMS 2/27/2007

Refunding Savings Analysis

Refunding Comparison

Original pls

Florida Public Utilities	Current Bonds	Refunding Bonds	Difference
Principal	$15,000,000	$20,000,000	
Maturity	10/1/2031	12/15/2036	5.2 yr
Coupon	6.85%	5.73%	-1.12%
Annual Interest Expense	$1,027,500	$1,146,000	$118,500
U/W Fee		1.50%	
PV Bond Insurance	n/a	See Below	
All-In Cost	6.85%	6.23%	-0.62%
NPV Savings	FPU's Methodology		$600,089

Bond Insurance

Assumes an up-front payment of the present value of an 120 basis point upfront fee on P&I balance, which gives an approx 20 - 25 bp annual cost on principal (depending on the maturity)

FLORIDA PUBLIC

Edward**Jones**

HEARING EXHIBIT - 00001287

Florida Public Utilities
Detailed Savings Analysis

Series	Florida Public Utilities 6.85% due 10/1/2031
Savings Analysis	
Annual Interest Savings	($118,500)
Annual Financing Cost of Expenses	(100,574)
Annual Savings	(219,074)
Expenses	
Call Premium	150,000
Underwriting / Agent's fee	300,000
Bond Insurance	652,600
Other Expenses	150,000
Total	**$1,252,600**
Annual Financing Cost of Expenses	$100,574
Current Bonds	
Principal	$15,000,000
Current Coupon Rate	6.85%
Issue Date	09/27/01
Maturity Date	10/01/31
Original issue maturity (years)	30.0
Remaining Life (years)	24.8
All-in Cost	6.85%
Call Date	12/18/2006
Call Premium	101.00%
Refunding Bonds	
Principal	$20,000,000
New Coupon Rate	5.730%
Underwriting fee upfront	1.50%
UF Insurance Fee	$ 652,600
PV Bond Insurance per annum	0.00%
Issue Date	1/1/2007
Maturity date	10/1/2031
Maturity (years)	24.8
New Call Date	12/31/2011
All-in Cost (Discount Rate)	**6.23%**

* Other Expenses include legal, rating and auditor fees.

** Expenses are financed at a rate of 6.23% and amortized for 24.8 years

FLORIDA PUBLIC UTILITIES

Edward Jones

HEARING EXHIBIT - 00001288

HEARING EXHIBIT - 00001289

FINANCING PROJECTIONS AND COVENANTS

February 2007

FINANCING PROJECTIONS

	Current Bond	Refunding Bond	<<< Projected >>> 2005	2006	2007	2008	2009	2010	2011
Available LOC			12,000,000	12,000,000	12,000,000	15,000,000	20,000,000	20,000,000	20,000,000
Projected LOC Borrowings			9,558,000	3,466,000	6,700,000	13,300,000	20,300,000	19,300,000	21,700,000
Unused Portion of LOC			2,442,000	8,534,000	5,300,000	1,700,000	(300,000)	700,000	(1,700,000)
Projected Financing - Bond Issue / Refunding	$15,000,000	$20,000,000	-	-	5,000,000	-	-	-	-
Projected Equity Offering			-	-	-	-	-	-	-

Current LOC expires June 2007

Projections dependent on timing and costs of land purchase and environmental expenditures.

COVENANT COMPLIANCE:

	LENDER	REQUIREMENT	Actual 2005	<<< Projected >>> 2006	2007	2008	2009	2010	2011
CAPITALIZATION RATIO	AMBAC	= > 35%	42%	41%	40%	40%	40%	42%	43%
FIXED CHARGE COVERAGE	BOA	>= 1.25	3.52	3.64	3.58	2.86	2.71	2.75	2.87
TOTAL LIABILITIES TO TANGIBLE NET WORTH	BOA	<4.00	3.45	3.55	3.71	3.63	3.56	3.48	3.39
FIXED CHARGE COVERAGE	JEA	> =1.50	3.52	3.64	3.58	2.86	2.71	2.75	2.87
TOTAL LIABILITIES TO TANGIBLE NET WORTH	JEA	<3.75	3.45	3.55	3.71	3.63	3.56	3.48	3.39
TOTAL DEBT TO TOTAL CAPITAL	Gulf Power	<.60		0.54	0.55	0.57	0.58	0.58	0.57
INTEREST COVERAGE (Annual not 6 Qtr Avg)	Gulf Power	>2.5		3.62	3.34	3.54	3.32	3.30	3.41

HEARING EXHIBIT - 00001290

CONFIDENTIAL

Unaudited

Land - $4.7M in May 2007 Bldg $1.5M 2008 $20 M BOND REFUNDING

Env - $1.6M prior to 2009 $3.7M in 2009 remainder in 2010 and af $0 M EQUITY

FLORIDA PUBLIC UTILITIES
CASH PROJECTIONS
2006 - 2011
IN THOUSANDS

Not the latest updated w/s

	2006	2007	2008	2009	2010	2011
Operating Revenues	117,135	122,242	129,088	134,710	140,072	145,647
Fuel Revenue & Pass-thrus	(68,718)	(71,453)	(74,297)	(77,254)	(79,830)	(82,555)
Gross Profit	48,417	50,788	54,791	57,456	60,241	63,092
Other Income - Net (excl. taxes & int cap)	839	868	899	930	963	996
Total	49,256	51,657	55,690	58,386	61,204	64,089
DEDUCTIONS:						
Operation & Maintenance (Excl Fuel & Pass thrus)	27,251	28,879	30,559	32,137	33,852	35,531
Non-Cash O&M (Storm Resv)	(100)	(100)	(100)	(100)	(100)	(100)
Income Taxes Paid	1,400	2,309	2,980	3,041	3,202	3,495
Taxes Paid - Other	2,772	3,266	3,562	3,691	4,021	4,254
Interest On Long - Term Debt	3,949	4,032	3,998	3,861	3,724	3,587
Interest on Environmental Expenditure	18	18	97	349	366	382
Interest on LOC net of Interest Income	203	234	585	1,219	1,507	1,553
Other Interest Payments	420	433	446	459	477	498
Environmental Clean Up Costs	234	0	1,180	3,685	250	225
Dividends Paid	2,552	2,783	2,886	2,991	3,102	3,217
Proceeds from DRIP & ESPP	(451)	(469)	(488)	(507)	(525)	(544)
Pension Contributions	0	250	500	1,856	2,285	598
TOTAL DEDUCTIONS	38,244	41,632	46,185	52,681	52,161	52,695
BALANCE	11,012	10,024	9,505	5,706	9,043	11,393
Increase (Decrease) in Cash Due to						
Fluctuation in Certain Assets / Liab / Rev / Exp	6,504	0	0	0	0	0
Less Construction Requirements (including AEP)	12,054	17,335	14,783	11,396	11,510	11,625
Net Const. Cash Refunds/(Contributions)	357	371	386	401	415	430
BALANCE	5,106	(7,682)	(5,664)	(6,092)	(2,882)	(662)
Proceeds from Water Sale & LWG	375	375	375	375	5,250	0
(Tax) / Refund on Sale of Water & LWG	0	0	0	0	0	0
Add Proceeds from Financing - BOA LOC	(6,092)	3,234	6,600	7,000	(1,000)	2,400
Less LT Debt Principal Repayments	0	0	(1,409)	(1,409)	(1,409)	(1,409)
Less Loan Expenses (LT Debt)	0	0	0	0	0	0
Add Proceeds from Refunded Bond Issue	0	5,000	0	0	0	0
Less Loan Expenses (Bonds)	0	(600)	0	0	0	0
Add Proceeds from Equity Issue	0	0	0	0	0	0
Less Expenses (Equity)	0	0	0	0	0	0
Less ST Investments	0	0	0	0	0	0
Cash Balance - Beginning of Period	695	84	411	313	188	146
Cash Balance - End of Period	84	411	313	186	146	476
BOA Line of Credit	12,000	12,000	15,000	20,000	20,000	20,000
Interest on LOC	12	12	13	18	20	20
Notes Payable Balance	3,466	6,700	13,300	20,300	19,300	21,700
Interest on Borrowings	183	220	546	1,199	1,485	1,538
Unused Portion of LOC	8,534	5,300	1,700	(300)	700	(1,700)
Interest on Unused Portion of LOC	22	21	12	7	2	(4)
Interest Income	6	4	5	4	3	5

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HEARING EXHIBIT - 00001291

Cox Doreen

From: Strobel, Jeffrey [strobeljw@AGEDWARDS.com]
Sent: Tuesday, February 27, 2007 12:49 PM
To: Bachman George
Cc: Cox Doreen
Subject: RE: FPU Bond Pricing

Hi George,

good questions all. Answers are attached to the questions below.

From: Bachman George [mailto:gbachman@fpuc.com]
Sent: Tue 2/27/2007 9:33 AM
To: Strobel, Jeffrey
Cc: Cox Doreen
Subject: RE: FPU Bond Pricing

Jeff,

To make sure we understand this correctly:

1. The 30 year coupon rate would be estimated at the treasury rate + 100 basis points - yes, based on current markets we estimate that a 30-year insured private FMB bullet maturity would price in the +100 basis point area
   Insurance fee would be an initial 120 basis points on the amount financed, then 20 basis points/year annual fee - no, the insurance premium would be 120 basis points on the entire principal and interest over the life of the debt. It's paid upfront with no on-going annual fee. That 120 bps translates to about a 20 bp cost per annum - I think when we spoke a few weeks ago we had mentioned a 125 bp insurance cost and you let me know that you thought you could get it for less. I am ball-parking 120 bp - it could be a little less depending on to whom you have talked and what they are telling you.
3. The gross spread is 150 basis points paid at issuance and includes Edwards' underwriting fee - yes, that 150 bp includes agents fee. It is important to note that we will be acting as agent and not underwriter on the issue. The fee is a little higher than usual based on the fact that even with insurance this will be a story credit, and because of insurance the audience will actually be a bit more limited to those who can buy highly rated paper.
4. Your other issuance costs would be estimated at 75 basis points - that is a reasonable assumption. Maybe a little on the high side. Other issuance costs include company counsel, purchasers counsel and incidental travel for diligence etc.
5. Our costs (legal, etc) is in addition to this - the 75 bps should cover this.

Please let us know if you need anything else.

Best Regards,

Jeff

Please let us know if any of these assumptions need to be updated. Thanks!

George Bachman
Chief Financial Officer, Secretary and Treasurer

2/27/2007

HEARING EXHIBIT - 00001292

Florida Public Utilities Company
561.838.1731

From: Strobel, Jeffrey [mailto:strobeljw@AGEDWARDS.com]
Sent: Monday, February 26, 2007 4:06 PM
To: Bachman George
Cc: Donovan, William; Gipson, Derek
Subject: FPU Bond Pricing

George,

Good afternoon. Attached is an update of pricing for Florida Public Utilities' proposed financing. We have updated spreads for an insured private offering. As you know, Treasuries have rallied significantly since we met earlier this month, and spreads have not moved much at all, resulting in nicely lowered coupons. We estimate that in today's market a 30 year insured private first mortgage bond can be priced in the 5.75% area.

If you have any questions regarding this or any uninsured pricing please feel free to give us a call. Hope all is well with you and Jack.

Best regards,

Jeff

Jeffrey W. Strobel
Vice President, Investment Banking
A. G. Edwards & Sons, Inc.
One North Jefferson
St. Louis, MO 63103
314-955-6707
314-955-7387 (fax)
strobeljw@agedwards.com

<<Bond Pricing 2.26.07.pdf>>

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2/27/2007

Cox Doreen

From: Bachman George
Sent: Monday, February 26, 2007 4:14 PM
To: Cox Doreen
Subject: FW: FPU Bond Pricing

Another analysis for us to consider.

George

From: Strobel, Jeffrey [mailto:strobeljw@AGEDWARDS.com]
Sent: Monday, February 26, 2007 4:06 PM
To: Bachman George
Cc: Donovan, William; Gipson, Derek
Subject: FPU Bond Pricing

George,

Good afternoon. Attached is an update of pricing for Florida Public Utilities' proposed financing. We have updated spreads for an insured private offering. As you know, Treasuries have rallied significantly since we met earlier this month, and spreads have not moved much at all, resulting in nicely lowered coupons. We estimate that in today's market a 30 year insured private first mortgage bond can be priced in the 5.75% area.

If you have any questions regarding this or any uninsured pricing please feel free to give us a call. Hope all is well with you and Jack.

Best regards,

Jeff

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A.G. Edwards & Sons, Inc.
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<<Bond Pricing 2.26.07.pdf>>

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2/26/2007

HEARING EXHIBIT - 00001295

All-In Cost of Financing Comparison
Florida Public Utilities Corp.
February 26, 2007

EDWARDS.

	Florida Public Utilities Corp.		
Maturity	10 Years	20 Years	30 Years
Distribution	**Private**	**Private**	**Private**
Insured/Uninsured	**Insured**	**Insured**	**Insured**
Face Amount for Security	$1,000	$1,000	$1,000
Security	FMB	FMB	FMB
Credit Ratings	NAIC-1	NAIC-1	NAIC-1
Call Provision	Make-whole	Make-whole	Make-whole
Payment Frequency	Semi-Annual	Semi-Annual	Semi-Annual
Offering Size ($000's)	$20,000	$20,000	$20,000
Yield on Comparable Treasury	4.63%	4.68%	4.73%
Maturity of Comparable Treasury (years)	10	Interpolated 20	30
Estimated Point Spread (basis points)	+70	+95	+100
* Initial Insurance Premium ($000's) (a)	$367.9	$510.2	$652.6
Coupon	5.33%	5.63%	5.73%

(a) Insurance assumes an upfront payment of the present value of an 120 basis point upfront fee on P&I balance, which gives an approximately 20-25 bp annual cost on principal (depending on the maturity).

HEARING EXHIBIT - 00001296

REFUNDING BOND ANALYSIS — EDWARD JONES PROPOSAL

$15M 6.00%

		$	15,000,000							
A3	Refunding Bond									
	Principal	$	15,000,000							
	Coupon		5.00%							
	Bond Insurance		0.15%							
	Underwriter Fee		3.15%							
	Annual Interest Savings (Excl tax effect)	$	142,500							
	Refunding Principal Repaid			2007	2008	2009	2010	2011		
	Bond Expense and Fee	$	5,000,000	$ -	$ -	$ -	$ -	$ -		
	Projected Equity Clearing	$	(807,500)	$ (30,000)	$ (30,000)	$ (30,000)	$ (30,000)	$ (30,000)		
	LOC LIMIT		12,000,000	15,000,000	24,800,000	20,000,000	20,000,000			
	LOC BALANCE		7,100,000	13,700,000	24,800,000	20,000,000	22,308,000			
	NPV SAVINGS									
	Present Value	$	20,000,000							
	Coupon		5.00%							
	Underwriter Fee		3.15%							
	Bond Insurance		0.15%							
	Annual Interest Savings (Excl tax effect)	$	(157,500)							
	Refunding Principal Repaid			2007	2008	2009	2010	2011		
	Bond Expense and Fee	$	-	$ -	$ -	$ -	$ -	$ -		
	Projected Equity Clearing	$	(743,125)	$ (22,500)	$ (22,500)	$ (22,500)	$ (22,500)	$ (22,500)		
	LOC LIMIT		12,000,000	20,000,000	20,000,000	20,000,000	20,000,000			
	LOC BALANCE		11,816,000	18,416,000	25,716,000	24,816,000	27,216,000			
	NPV SAVINGS									
	Present Value	$	20,000,000							
	Coupon		5.00%							
	Underwriter Fee		3.15%							
	Bond Insurance		0.15%							
	Annual Interest Savings (Excl tax effect)	$	(157,500)							

$261,713

$324,145

COVENANTS

CAPITALIZATION RATIO							
FIXED CHARGE COVERAGE							
TOTAL LIABILITIES TO TANGIBLE NET WORTH							
FIXED CHARGE COVERAGE							
TOTAL LIABILITIES TO TANGIBLE NET WORTH							
TOTAL DEBT TO TOTAL CAPITAL							
INTEREST COVERAGE							
	LENDER	REQUIREMENT	2007	2008	2009	2010	2011
CAPITALIZATION RATIO	AHBAC	-> 35%	42%	40%	42%	43%	45%
FIXED CHARGE COVERAGE	BOA	>= 1.35	3.55	2.82	2.67	2.71	2.83
TOTAL LIABILITIES TO TANGIBLE NET WORTH	BOA	<4.00	3.59	3.53	3.47	3.40	3.32
FIXED CHARGE COVERAGE	JEA	>= 1.50	3.55	2.82	2.67	2.71	2.83
TOTAL DEBT TO TOTAL CAPITAL	JEA	<0.75	0.59	0.53	0.47	0.40	0.32
INTEREST COVERAGE	Gulf Power	>1.5	3.32	3.48	3.24	3.23	3.34

COVENANTS

CAPITALIZATION RATIO							
FIXED CHARGE COVERAGE							
TOTAL LIABILITIES TO TANGIBLE NET WORTH							
FIXED CHARGE COVERAGE							
TOTAL LIABILITIES TO TANGIBLE NET WORTH							
TOTAL DEBT TO TOTAL CAPITAL							
INTEREST COVERAGE							
	LENDER	REQUIREMENT	2007	2008	2009	2010	2011
CAPITALIZATION RATIO	AHBAC	-> 35%	42%	40%	40%	42%	43%
FIXED CHARGE COVERAGE	BOA	>= 1.35	3.72	3.64	3.57	3.49	3.40
TOTAL LIABILITIES TO TANGIBLE NET WORTH	BOA	<4.00	3.72	3.64	3.57	3.49	3.40
FIXED CHARGE COVERAGE	JEA	>= 1.50	3.56	2.83	2.70	2.73	2.85
TOTAL DEBT TO TOTAL CAPITAL	JEA	<0.75	0.55	0.57	0.58	0.58	0.57
INTEREST COVERAGE	Gulf Power	>1.5	3.32	3.50	3.29	3.26	3.37

HEARING EXHIBIT - 00001297

REFUNDING BOND ANALYSIS — AG EDWARDS PROPOSAL

$15 M 6.85%

$										15,000,000
	Refunding Bond									
B1	Principal									$ 15,000,000
	Coupon									6.34%
	Underwriter Fee									1.50%
	Bond Insurance									0.00%
	Annual Interest Savings (Excl us effect)									$ 76,500

NPV SAVINGS — NPV Investment $181,329

	2007	2008	2009	2010	2011
Refunding Principal Impact	$ -	$ -	$ -	$ -	$ -
Bond Expense and Int	$ (475,000)	$ -	$ -	$ -	$ -
Proposed Equity Offering	-	-	-	-	-
LOC LIMIT	12,000,000	20,000,000	20,000,000	20,000,000	20,000,000
LOC BALANCE	11,616,000	10,276,000	25,516,000	24,716,000	22,018,000

	2007	2008	2009	2010	2011
Refunding Principal Impact	$ -	$ -	$ -	$ -	$ -
Bond Expense and Int	$ 5,000,000	$ -	$ -	$ -	$ -
Bond Expense and Int	$ (550,000)	$ -	$ -	$ -	$ -
Proposed Equity Offering	-	-	-	-	-
LOC LIMIT	12,000,000	15,000,000	20,000,000	20,000,000	20,000,000
LOC BALANCE	6,700,000	13,300,000	20,600,000	19,600,000	22,000,000

Refunding Bond

B1	Principal	$ 28,000,000
	Coupon	6.34%
	Underwriter Fee	1.50%
	Bond Insurance	0.00%
	Annual Interest Savings (Excl us effect)	$ (240,500)

NPV SAVINGS — NPV Investment $76,306

	2007	2008	2009	2010	2011
Refunding Principal Impact	$ -	$ -	$ -	$ -	$ -
Bond Expense and Int	$ (475,000)	$ -	$ -	$ -	$ -
Proposed Equity Offering	-	-	-	-	-
LOC LIMIT	12,000,000	20,000,000	20,000,000	20,000,000	20,000,000
LOC BALANCE	11,616,000	10,276,000	25,516,000	24,716,000	27,018,000

COVENANTS

CAPITALIZATION RATIO						
FIXED CHARGE COVERAGE						
TOTAL LIABILITIES TO TANGIBLE NET WORTH	BOA	<4.00	3.60	3.53	3.47	3.41
FIXED CHARGE COVERAGE	JEA	>= 1.50	3.52	2.80	2.65	2.69
TOTAL LIABILITIES TO TANGIBLE NET WORTH	JEA	<3.75	3.60	3.53	3.47	3.41
TOTAL DEBT TO TOTAL CAPITAL		<.60	0.35	0.57	0.58	0.56
DEBT/EBIT COVERAGE		>2.5	3.30	3.45	3.22	3.20

LENDER	REQUIREMENT	2007	2008	2009	2010	2011
AMBAC	=> 135%	42%	40%	42%	43%	45%
BOA	>= 1.35	3.52	2.80	2.65	2.69	2.61
BOA	<4.00	3.60	3.53	3.47	3.41	3.33
JEA	>= 1.50	3.52	2.80	2.65	2.69	2.61
JEA	<3.75	3.60	3.53	3.47	3.41	3.33
(Gulf Power	<.60	0.35	0.57	0.58	0.56	0.57
(Gulf Power	>2.5	3.30	3.45	3.22	3.20	3.31

COVENANTS

CAPITALIZATION RATIO						
FIXED CHARGE COVERAGE						
TOTAL LIABILITIES TO TANGIBLE NET WORTH	BOA	<4.00	3.52	2.81	2.67	2.73
FIXED CHARGE COVERAGE	JEA	>= 1.50	3.52	2.81	2.67	2.73
TOTAL LIABILITIES TO TANGIBLE NET WORTH	JEA	<3.75	3.72	3.64	3.58	3.51
TOTAL DEBT TO TOTAL CAPITAL	(Gulf Power	<.60	0.55	0.57	0.58	0.58
INTEREST COVERAGE (Excl Deferred Taxes)	(Gulf Power	>1.5	3.28	3.46	3.25	3.23

LENDER	REQUIREMENT	2007	2008	2009	2010	2011
AMBAC	=> 135%	40%	40%	40%	42%	43%

HEARING EXHIBIT - 00001298

PRIVATE PLACEMENT MARKET

PRELIMINARY SUMMARY OF PROPOSED TERMS

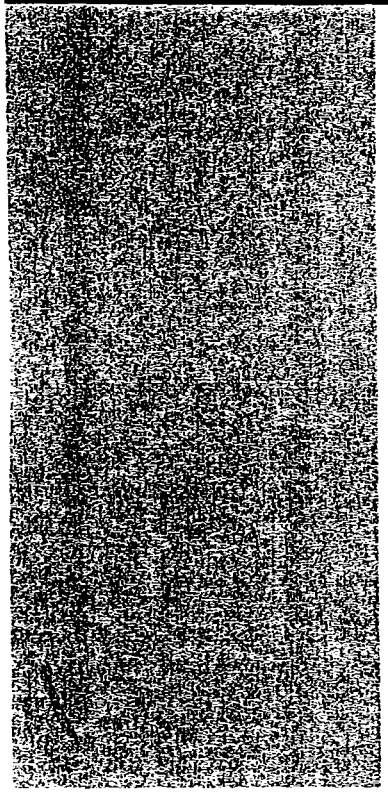
ALL-IN-COST OF FINANCING COMPARISON

Maturity	10 Years			20 Years			30 Years	
Distribution	Private			Private			Retail	
Insured/Uninsured	Uninsured			Uninsured			Insured	
Face Amount for Security	$1,000			$1,000			$25	
Security	FMB			FMB			Senior Unsecured	
Credit Ratings	NAIC-2			NAIC-2			Aaa/AAA	
Call Provision	Make-whole			Make-whole			NC5 @ Par	
Payment Frequency	Semi-Annual			Semi-Annual			Quarterly	
Listing	NA			NA			NYSE or AMEX	
Offering Size ($000's)	$30,000			$30,000			$30,000	
Yield on Comparable Treasury	4.89%			4.94%			4.99%	
Maturity of Comparable Treasury (years)	10			Interpolated 20			30	
Estimated Point Spread (basis points) (a)	+125	Area		+140	Area		--	
Initial Insurance Premium ($000's) (b)	NA			NA			$672.5	
Coupon	6.14%			4.94 + 1.4 = 6.34%			5.750%	5.875%
Gross Spread Estimate	1.50%			1.50%			3.15%	
All-in-Cost of Financing to Maturity (c)	6.35%			6.48%			6.20%	6.33%

(a) Spreads are shown for a deal size of $30 million.
(b) Insurance for the 30-year retail structure assumes an upfront payment of the present value of an 80 basis point upfront fee on P&I balance, which gives an approximately 16 bp annual cost on principal.
(c) All-in cost does not include offering expenses (i.e. legal, printing, etc.).

EDWARDS. CAPITAL MARKETS

PRIVATE PLAC .MENT MARKET
CURRENT MARKET CONDITIONS



- Insurance companies have significant appetite for investment grade private placements and are not finding enough issues to meet their needs.
- Credit spreads have narrowed slightly since the beginning of 2003. The spread between institutional public offerings and institutional private offerings, adjusted for offering sizes, has also narrowed.
- The market is most receptive to 7 to 10 year maturities, although there is demand for utility paper in excess of 10 years, up to 30 years.
- The institutional private market would be very receptive to a $30 million offering of first mortgage bonds by FPU.
- The private placement market would provide FPU with greater flexibility than the public institutional market and allow for a smoother offering process:
  - Ability to divide offering into tranches at different maturities
  - No need to obtain Moody's debt rating
  - No need to file registration statement with the SEC
  - Acceptance of smaller offering size
  - Lower transaction costs

FPU $30 Million First Mortgage Bonds Rated (BBB+)

Maturity	Treasury	Spread (bp)	Coupon	Gross Spread	All-in-Cost*
10-year	4.89%	+125	6.14%	1.50%	6.35%
20-year	4.94%	+140	6.34%	1.50%	6.48%
30-yr	Interpolated 4.99%	+155	6.54%		

* Does not include printing, legal, etc.

EDWARDS | CAPITAL MARKETS

PROFORMA

Florida Public Utilities

FPU MODIFIED ANALYSIS OF EDWARD JONES PROPOSED TERMS

Refunding Savings Analysis

Refunding Comparison

Florida Public Utilities	Current Bonds	Refunding Bonds	Difference
Principal	$15,000,000	$15,000,000	
Maturity	10/1/2031	12/15/2036	5.2 yr
Coupon	6.85%	5.90%	-0.95%
Annual Interest Expense	$1,027,500	$885,000	-$142,500
U/W Fee		3.15%	
PV Bond Insurance	n/a	0.15%	
All-In Cost	6.85%	6.46%	-0.39%
NPV Savings	Edward Jones Methodology		$709,154
NPV Savings	FPU's Methodology		$326,185

Highlights

- The average coupon is reduced by .95% resulting in annual savings of $142,500 and NPV savings of $0.71 million.
- The all-in cost of debt is reduced by 0.39%.
- This structure retains short-term, par call flexibility (no call 5 yrs)
- The refunding bonds include an estate feature limited annually to $25,000 per holder and to 1.0% of the original principal amount in the aggregate.

FLORIDA PUBLIC UTILITIES

Edward Jones

HEARING EXHIBIT - 00001301

Florida Public Utilities
Detailed Savings Analysis

Series	Florida Public Utilities 6.85% due 10/1/2031
Savings Analysis	
Annual Interest Savings	$142,500
Annual Financing Cost of Expenses	(84,373)
Annual Savings	58,127
NPV Savings	**$709,154**
Expenses	
Call Premium	150,000
Underwriting fee	472,500
Bond Insurance	306,201
Other Expenses	100,000
Total	**$1,028,701**
Annual Financing Cost of Expenses	$84,373
Current Bonds	
Principal	$15,000,000
Current Coupon Rate	6.85%
Issue Date	09/27/01
Maturity Date	10/01/31
Original issue maturity (years)	30.0
Remaining Life (years)	24.8
All-in Cost	6.85%
Call Date	12/18/2006
Call Premium	101.00%
Refunding Bonds	
Principal	$15,000,000
New Coupon Rate	5.900%
Underwriting fee upfront	3.15%
PV Bond Insurance per annum	0.15%
Issue Date	1/1/2007
Maturity date	10/1/2031
Maturity (years)	24.8
New Call Date	12/31/2011
All-in Cost (Discount Rate)	**6.46%**

* Other Expenses include legal, rating and auditor fees.

** Expenses are financed at a rate of 6.46% and amortized for 24.8 years

FLORIDA PUBLIC UTILITIES

Edward Jones

HEARING EXHIBIT - 00001302

HEARING EXHIBIT - 00001303

CONFIDENTIAL

Unaudited

Land - $4.7M in May 2007 Bldg $1.5M 2008 $15 M BOND REFUNDING

Env - $1.6M prior to 2009 $3.7M in 2009 remainder in 2010 and af $0 M EQUITY

FLORIDA PUBLIC UTILITIES
CASH PROJECTIONS
2006 - 2011
IN THOUSANDS

	2006	2007	2008	2009	2010	2011
Operating Revenues	117,135	122,242	129,088	134,710	140,072	145,647
Fuel Revenue & Pass-thrus	(68,718)	(71,453)	(74,297)	(77,254)	(79,830)	(82,555)
Gross Profit	48,417	50,788	54,791	57,456	60,241	63,092
Other Income - Net (excl. taxes & int cap)	839	868	899	930	963	996
Total	49,256	51,657	55,690	58,386	61,204	64,089
DEDUCTIONS:						
Operation & Maintenance (Excl Fuel & Pass thrus)	27,251	28,879	30,559	32,137	33,852	35,531
Non-Cash O&M (Storm Resv)	(100)	(100)	(100)	(100)	(100)	(100)
Income Taxes Paid	1,400	2,294	2,943	2,985	3,150	3,441
Taxes Paid - Other	2,772	3,266	3,562	3,691	4,021	4,254
Interest On Long - Term Debt	3,949	3,848	3,738	3,601	3,463	3,326
Interest on Environmental Expenditure	16	16	97	349	366	382
Interest on LOC net of Interest Income	203	460	922	1,628	1,906	1,957
Other Interest Payments	420	433	446	459	477	496
Environmental Clean Up Costs	234	0	1,180	3,685	250	225
Dividends Paid	2,552	2,783	2,886	2,991	3,102	3,217
Proceeds from DRIP & ESPP	(451)	(469)	(488)	(507)	(525)	(544)
Pension Contributions	0	250	500	1,856	2,285	598
TOTAL DEDUCTIONS	38,244	41,658	46,243	52,774	52,248	52,784
ALANCE	11,012	9,998	9,447	5,613	8,956	11,305
Increase (Decrease) in Cash Due to Fluctuation in Certain Assets / Liab / Rev / Exp	6,504	0	0	0	0	0
Less Construction Requirements (including AEP)	12,054	17,335	14,783	11,396	11,510	11,625
Net Const. Cash Refunds/(Contributions)	357	371	386	401	415	430
BALANCE	5,108	(7,708)	(5,722)	(6,184)	(2,969)	(750)
Proceeds from Water Sale & LWG	375	375	375	375	5,250	0
(Tax) / Refund on Sale of Water & LWG	0	0	0	0	0	0
Add Proceeds from Financing - BOA LOC	(6,092)	8,350	6,600	7,300	(800)	2,300
Less LT Debt Principal Repayments	0	0	(1,409)	(1,409)	(1,409)	(1,409)
Less Loan Expenses (LT Debt)	0	0	0	0	0	0
Add Proceeds from Refunded Bond Issue	0	0	0	0	0	0
Less Loan Expenses (Bonds)	0	(743)	(23)	(23)	(23)	(23)
Add Proceeds from Equity Issue	0	0	0	0	0	0
Less Expenses (Equity)	0	0	0	0	0	0
Less ST Investments	0	0	0	0	0	0
Cash Balance - Beginning of Period	695	84	358	179	238	288
Cash Balance - End of Period	84	358	179	238	288	406
BOA Line of Credit	12,000	12,000	20,000	20,000	20,000	20,000
Interest on LOC	12	12	16	20	20	20
Notes Payable Balance	**3,466**	**11,816**	**18,416**	**25,716**	**24,916**	**27,216**
Interest on Borrowings	183	440	904	1,613	1,899	1,955
Unused Portion of LOC	8,534	184	1,584	(5,716)	(4,916)	(7,216)
Interest on Unused Portion of LOC	22	12	6	(0)	(12)	(18)
Interest Income	6	3	4	3	4	5

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HEARING EXHIBIT - 00001304

FLORIDA PUBLIC [illegible]LITIES COMPANY
CASH P[illegible]JECTION
BUDGET 2007

TOTAL CONSOLIDATED

		JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
Operating Revenues		13,328,818	11,348,025	10,754,303	9,863,918	8,917,156	9,082,880	9,033,533	9,187,730	8,874,788	9,045,885	10,311,515	12,906,186	122,249,825
Fuel Revenue & Pass-throu		(7,847,827)	(6,472,462)	(6,298,915)	(5,587,358)	(5,008,843)	(5,238,967)	(5,256,458)	(5,385,636)	(4,865,770)	(5,337,087)	(6,299,524)	(8,071,397)	(71,453,252)
Gross Profit		5,678,080	4,875,563	4,455,388	4,068,560	3,908,312	3,843,921	3,774,074	3,822,094	3,808,998	3,708,582	4,011,991	4,833,788	50,796,573
Other Income - Net (excl taxes & int cap)		63,039	111,435	82,509	105,858	29,227	82,871	60,680	63,211	63,203	30,244	78,524	68,583	868,365
Total		5,742,120	4,986,998	4,537,897	4,172,418	3,937,538	3,926,792	3,834,754	3,885,306	3,872,201	3,738,826	4,090,516	4,902,371	51,664,738
DEDUCTIONS:														
Operation & Minca Exd Fuel etc		3,229,164	2,772,273	2,533,359	2,312,269	2,222,268	2,185,878	2,145,981	2,173,265	2,185,818	2,108,727	2,281,242	2,746,520	28,676,564
Non-Cash O&M (Storm Rsrv)		(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(100,000)
Income Taxes Paid					573,507		573,507			573,507		0	573,507	2,264,026
Taxes Paid - Other		168,468	8,084	102,957	80,867	42,826	55,448	188,788	82,365	34,343	151,358	2,403,958	7,680	3,268,144
Interest On Long - Term Debt						754,325	363,200					754,325	363,200	2,235,050
Interest on Additional LT Debt	8.85%	258,800			227,300			221,400			221,400			926,900
Interest on Environmental Expenditure		1,335	1,335	1,335	1,335	1,335	1,335	1,335	1,335	1,335	1,335	1,335	1,335	16,017
Interest on Private Activity Bond	4.80%					343,000						343,000		686,000
Interest on LOC		18,844	18,378	13,680	14,688	32,149	48,363	50,109	48,501	47,888	48,899	56,493	82,338	459,776
Other Interest Payments		0	0	0	216,300	216,300	0	0	0	0	0	0	0	432,600
Payment Of Environmental Clean Up		0	0	0	0	0	0	0	0	0	0	0	0	0
Dividends Paid - Preferred		7,125	0	0	7,125	0	0	7,125	0	0	7,125	0	0	28,500
Dividends Paid - Common		868,000	0	0	694,000	0	0	695,000	0	0	868,000	0	0	2,754,000
Proceeds From Sale - Common Stock		(152,432)	0	0	(80,882)	0	0	(158,100)	0	0	(77,766)	0	0	(469,180)
Pension Contributions							250,000							250,000
TOTAL DEDUCTIONS		4,188,970	2,790,735	2,643,007	4,018,463	3,603,882	3,489,127	3,124,221	2,278,232	2,844,557	3,148,816	5,837,020	3,748,257	41,656,298
BALANCE		1,553,150	2,196,263	1,894,890	153,955	333,656	487,665	700,533	1,837,073	1,057,644	590,020	(1,746,504)	1,152,094	9,008,440
Construction Requirements (excluding AEP)		723,000	1,068,600	1,448,500	1,781,000	8,111,900	1,036,400	1,028,200	698,300	932,400	972,200	801,800	785,000	17,335,300
Net Const. Cash Refunds/(Contributions)		30,916	30,916	30,916	30,916	30,916	30,916	30,916	30,916	30,916	30,916	33,916	30,916	370,661
BALANCE		801,244	1,068,747	375,474	(1,157,961)	(5,809,180)	(569,651)	(358,583)	807,857	94,328	(413,088)	(2,673,220)	326,178	(7,707,851)
Add Proceeds From Financing - SunTrust LOC (See Detail Below)														0
Proceeds from Water Sale & LWG				375,000										375,000
Less Tax on Gain of Sale Water & LWG														0
Add Proceeds from Financing - BOA LOC		(600,000)	(400,000)	(600,000)	1,000,000	7,600,000	400,000	350,000	(800,000)		400,000	2,000,000	(200,000)	8,350,000
Add Proceeds From Financing (LT Debt)														0
Less Loan Expenses (LT Debt)														0
Refunding $15M Bond	$15,000,000			0										0
Less Loan Expenses (Bonds)				(724,375)	(1,875)	(1,875)	(1,875)	(1,875)	(1,875)	(1,875)	(1,875)	(1,875)	(1,875)	(743,125)
Add Proceeds from Equity Issue														0
Less Equity Issue Expenses														0
Less ST Investments														0
Cash Balance - Beginning Of Period		83,638	284,882	259,254	407,853	248,017	438,973	235,447	224,988	230,971	323,424	308,454	233,359	83,638
Cash Balance - End of Period		284,882	259,254	407,853	248,017	438,973	235,447	224,988	230,971	323,424	308,454	233,359	357,662	357,662
Actual Cash Balance														
Customer Deposit - Annual Payments	432,800													
Line of Credit - Bank of America	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000
Interest on LOC	0.10%	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Notes Payable Balance - BOA	3,466,000	2,866,000	2,466,000	1,866,000	2,866,000	8,466,000	8,266,000	8,616,000	8,016,000	9,016,000	8,416,000	12,816,000	11,816,000	11,816,000
Interest on Borrowings	6.27%	16,400	13,800	11,200	12,300	30,400	47,000	48,600	48,300	48,700	47,800	55,500	81,800	440,100
Unused Portion of LOC	8,534,000	9,134,000	9,534,000	10,134,000	9,134,000	3,134,000	2,734,000	2,384,000	2,984,000	2,984,000	2,584,000	(816,000)	184,000	184,000
Interest on Unused Portion of LOC	0.25%	1,800	1,900	2,000	2,000	1,300	860	500	600	600	600	300	0	12,200
Additional LT Debt Balance	15,000,000	15,000,000	0	0	0	0	0	0	0	0	0	0	0	120,000
Interest On additional LT Debt	0.85%	85,800	42,800	0	0	0	0	0	0	0	0	0	0	
Refunded Bond	$15,000,000	0	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Interest on Refunded Bond	5.60%		36,800	73,800	73,800	73,800	73,800	73,800	73,800	73,800	73,800	73,800	73,800	774,600
Private Activity Bond - Used	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000
Interest On Private Activity Bond	4.80%	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	686,400

HEARING EXHIBIT - 00001306

FLORIDA PUBLIC [illegible]LITIES COMPANY
CASH P[illegible]ECTION
BUDGET 2008

TOTAL CONSOLIDATED

		JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
Operating Revenues		14,078,886	11,989,866	11,356,141	10,195,793	9,424,532	9,594,350	9,540,306	9,702,512	9,168,823	9,550,386	10,878,433	13,807,391	129,068,238
Fuel Revenue & Pass-thrus		(7,952,211)	(6,730,056)	(6,549,612)	(5,609,736)	(5,208,195)	(5,447,478)	(5,464,786)	(5,570,188)	(5,059,428)	(5,549,508)	(6,550,245)	(6,392,838)	(74,267,041)
Gross Profit		6,126,675	5,259,820	4,806,529	4,387,057	4,216,337	4,146,872	4,071,520	4,123,324	4,109,395	4,000,877	4,328,188	5,214,753	54,781,146
Other Income - Net (excl. taxes & int cap)		65,246	115,335	85,397	108,583	30,250	96,121	52,454	98,474	65,415	31,302	82,357	68,893	896,750
Total		6,191,921	5,375,155	4,891,927	4,495,620	4,246,587	4,242,993	4,123,973	4,238,798	4,174,811	4,032,178	4,410,495	5,283,645	55,699,904
DEDUCTIONS:														
Operation & Mtnce Excl Fuel etc		3,417,082	2,033,588	2,640,770	2,446,818	2,351,589	2,312,858	2,270,830	2,296,723	2,291,843	2,231,430	2,413,882	2,908,461	30,558,946
Non-Cash O&M (Storm Reev)		(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(100,000)
Income Taxes Paid					795,705		735,705			735,705		0	735,705	2,942,820
Taxes Paid - Other		171,462	9,357	108,045	62,693	44,313	57,103	173,849	64,238	35,374	155,868	2,673,868	7,821	3,561,840
Interest On Long - Term Debt						754,375	383,200					885,754	383,200	2,184,478
Interest on Additional LT Debt	6.85%	221,400			221,400			221,400			221,400			885,600
Interest on Environment Expenditure		8,071	8,071	8,071	8,071	8,071	8,071	8,071	8,071	8,071	8,071	8,071	8,071	96,847
Interest on Private Activity Bond	4.90%					343,000						343,000		686,000
Interest on LOC		67,287	81,481	55,182	54,983	64,370	78,455	82,874	81,720	82,478	88,985	89,150	108,848	921,816
Other Interest Payments		0	0	0	222,800	222,800	0	0	0	0	0	0	0	445,600
Payment Of Environmental Clean Up		0	0	0	0	0	1,180,000	0	0	0	0	0	0	1,180,000
Dividends Paid - Preferred		7,125	0	0	7,125	0	0	7,125	0	0	7,125	0	0	28,500
Dividends Paid - Common		698,000	0	0	719,000	0	0	720,000	0	0	722,000	0	0	2,857,000
Proceeds From Sale - Common Stock		(158,689)	0	0	(84,111)	0	0	(164,455)	0	0	(80,882)	0	0	(487,957)
Pension Contributions							500,000							500,000
TOTAL DEDUCTIONS		4,421,574	3,004,171	2,841,735	4,386,147	3,779,944	5,225,057	3,311,160	2,445,415	3,145,135	3,343,685	6,215,613	4,123,860	46,243,356
BALANCE		1,770,347	2,370,984	2,050,191	110,473	466,643	(982,064)	812,813	1,774,382	1,029,676	688,494	(1,805,018)	1,159,786	9,448,548
Increase (Decrease) in Cash Due to Fluctuation in Certain Assets & Liab		-	-	-	-	-	-	-	-	-	-	-	-	-
Construction Requirements (excluding AFP)		979,302	980,423	1,384,271	1,160,040	1,183,538	1,070,180	899,164	1,297,248	1,338,181	1,787,560	1,352,773	1,380,321	14,783,800
Net Const. Cash Refunds/(Contributions)		32,146	32,146	32,146	32,146	32,146	32,146	32,146	32,146	32,146	32,146	32,146	32,146	385,756
BALANCE		758,899	1,358,415	853,774	(1,081,713)	(750,041)	(2,084,390)	(118,497)	444,988	(340,651)	(1,111,212)	(3,189,937)	(252,681)	(5,722,248)
Add Proceeds From Financing - SunTrust LOC (See Detail Below)														0
Proceeds from Water Sale & LWG				375,000										375,000
Less Tax on Gain of Sale Water & LWG														0
Add Proceeds from Financing - BOA LOC		(800,000)	(1,200,000)	(1,100,000)	(1,800,000)	2,100,000	2,100,000	100,000	1400,000	300,000	3,100,000	3,300,000	100,000	6,800,000
Less LT Debt Principal Repayments						(1,409,000)								(1,409,000)
Less Loan Expenses (LT Debt)														0
Add Proceeds from Bond Issue														0
Less Loan Expenses (Bonds)		(1,875)	(1,875)	(1,875)	(1,875)	(1,875)	(1,875)	(1,875)	(1,875)	(1,875)	(1,875)	(1,875)	(1,875)	(22,500)
Add Proceeds from Equity Issue														0
Less Equity Issue Expenses														0
Less ST Investments														0
Cash Balance - Beginning Of Period		357,662	314,685	471,225	398,123	314,536	244,819	258,354	237,982	281,066	238,369	225,282	333,470	357,662
Cash Balance - End of Period		314,685	471,225	398,123	314,536	244,819	258,354	237,982	281,065	238,369	225,282	333,470	178,914	178,914
Actual Cash Balance														
Customer Deposit - Annual Payments	445,578													
Line of Credit - Bank of America	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	15,000,000	15,000,000	15,000,000	15,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Interest on LOC	0.10%	1,000	1,000	1,000	1,000	1,300	1,300	1,300	1,300	1,700	1,700	1,700	1,700	16,600
Notes Payable Balance - BOA	11,818,800	11,018,800	9,818,800	8,718,800	8,718,800	10,818,800	12,918,800	14,818,800	13,618,800	13,918,800	15,618,800	18,318,800	18,418,800	18,418,800
Interest on Borrowings	7.00%	66,800	60,600	54,100	53,800	62,800	75,100	82,500	80,800	80,300	84,400	97,200	107,100	804,300
Unused Portion of LOC		184,000	984,000	2,184,000	3,284,000	2,284,000	3,184,000	1,084,000	584,000	1,384,000	6,084,000	4,984,000	1,884,000	1,584,000
Interest on Unused Portion of LOC	0.25%	100	300	600	800	800	400	200	200	800	1,200	700	300	6,000
Additional LT Debt Balance		0	0	0	0	0	0	0	0	0	0	0	0	0
Interest On additional LT Debt	6.85%	0	0	0	0	0	0	0	0	0	0	0	0	0
Refunded Bond	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	
Interest on Refunded Bond	5.90%	73,800	73,800	73,800	73,800	73,800	73,800	73,800	73,800	73,800	73,800	73,800	73,800	885,600
Private Activity Bond - Used	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	
Interest On Private Activity Bond	4.90%	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	686,400

FLORIDA PUBLIC UTILITIES COMPANY
CASH FLOW PROJECTION
BUDGET 2009

TOTAL CONSOLIDATED

		JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
Operating Revenues		14,803,388	12,513,563	11,850,807	10,841,408	9,838,803	10,812,885	9,858,004	10,125,124	9,569,882	9,665,881	11,346,857	14,195,088	134,710,329
Fuel Revenue & Pass-thrus		(8,268,708)	(6,997,923)	(6,810,285)	(6,040,983)	(5,415,481)	(5,664,298)	(5,486,443)	(5,901,240)	(5,260,793)	(5,770,379)	(6,810,945)	(8,726,668)	(77,254,116)
Gross Profit		6,424,680	5,515,640	5,040,321	4,800,645	4,421,422	4,348,577	4,269,560	4,323,885	4,309,089	4,195,481	4,535,913	5,468,401	57,456,213
Other Income - Net (excl. taxes & int cap)		87,529	118,372	86,386	113,398	31,308	99,485	54,280	90,850	67,705	32,398	85,188	71,304	830,214
Taxes		6,462,209	5,635,032	5,126,707	4,713,843	4,452,730	4,448,063	4,323,850	4,423,735	4,376,774	4,227,879	4,623,801	5,539,705	58,286,427
DEDUCTIONS:														
Operation & Maint Exct Fuel etc		3,563,479	3,085,042	2,819,173	2,573,140	2,473,008	2,432,264	2,388,088	2,418,453	2,416,166	2,348,834	2,538,812	3,058,809	32,136,648
Non-Cash O&M (Storm Reserve)		(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(100,000)
Income Taxes Paid					746,205		746,205			746,205			746,205	2,984,820
Taxes Paid - Other		178,608	8,637	108,227	84,573	45,436	58,848	179,065	66,163	36,435	160,578	2,775,881	8,158	3,660,674
Interest On Long - Term Debt						885,754	363,200					817,184	363,200	2,029,338
Interest on Additional LT Debt	6.85%	221,400			221,400			221,400			221,400			885,600
Interest on Environmental Expenditure		29,108	29,108	29,108	29,108	29,108	29,108	29,108	29,108	29,108	29,108	29,108	29,108	349,270
Interest on Private Activity Bond	4.80%					343,000						343,000		686,000
Interest on LOC		121,885	113,956	104,137	101,881	110,308	135,146	154,477	151,813	148,381	150,809	183,081	172,255	1,827,839
Other Interest Payments		0	0	0	229,500	229,500	0	0	0	0	0	0	0	459,000
Payment Of Environmental Clean Up							3,685,000							3,685,000
Dividends Paid - Preferred		7,125	0	0	7,125	0	0	7,125	0	0	7,125	0	0	28,500
Dividends Paid - Common		722,000	0	0	746,000	0	0	748,000	0	0	748,000	0	0	2,962,000
Proceeds From Sale - Common Stock		(184,897)	0	0	(87,459)	0	0	(171,000)	0	0	(84,111)	0	0	(507,378)
Pension Contributions							1,656,324							1,656,324
TOTAL DEDUCTIONS		4,648,256	3,229,418	3,063,310	4,823,138	3,907,776	9,297,726	3,545,907	2,857,001	3,361,958	3,571,297	8,458,840	4,369,199	52,773,835
BALANCE		1,793,950	2,405,614	2,075,398	60,705	544,954	(4,849,665)	777,942	1,766,734	1,014,816	656,582	(1,834,739)	1,170,505	5,512,593
Increase (Decrease) in Cash Due to Fluctuation in Certain Assets & Liab		-	-	-	-	-	-	-	-	-	-	-	-	-
Construction Requirements (including AEP)		754,830	755,794	1,051,697	884,258	920,081	824,998	863,153	1,000,030	1,031,564	1,362,586	1,042,833	1,064,059	11,396,099
Net Const. Cash Refunds/(Contributions)		33,428	33,428	33,428	33,428	33,428	33,428	33,428	33,428	33,428	33,428	33,428	33,428	401,110
BALANCE		1,005,584	1,616,394	990,275	(856,979)	(408,553)	(5,708,077)	51,364	733,276	(50,176)	(739,430)	(2,910,998)	73,018	(6,184,316)
Add Proceeds From Financing - SunTrust LOC (See Detail Below)														0
Proceeds from Water Sale & LWG				375,000										375,000
Less Tax on Gain of Sale Water & LWG														0
Add Proceeds from Financing - BOA LOC		(600,000)	(1,000,000)	(1,500,000)	(500,000)	1,600,000	6,000,000		(1,000,000)		800,000	3,000,000	(200,000)	7,300,000
Less LT Debt Principal Repayments						(1,400,000)								(1,400,000)
Less Loan Expenses (LT Debt)														0
Add Proceeds from Bond Issue														0
Less Loan Expenses (Bonds)		(1,875)	(1,875)	(1,875)	(1,875)	(1,875)	(1,875)	(1,875)	(1,875)	(1,875)	(1,875)	(1,875)	(1,875)	(22,500)
Add Proceeds from Equity Issue														0
Less Equity Issue Expenses														0
Less ST Investments														0
Cash Balance - Beginning Of Period		178,914	382,633	397,152	260,552	221,868	202,270	482,318	541,807	273,210	221,140	279,835	366,962	178,914
Cash Balance - End of Period		382,633	397,152	260,552	221,698	202,270	482,318	541,807	273,210	221,140	279,835	366,962	238,087	238,087
Actual Cash Balance														
Customer Deposit - Annual Payments	458,945													
Line of Credit - Bank of America		20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Interest on LOC	0.10%	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	20,400
Notes Payable Balance - BOA		18,416,000	17,416,000	16,916,000	16,316,000	17,116,000	23,116,000	23,116,000	22,116,000	22,116,000	22,916,000	25,916,000	25,716,000	25,716,000
Interest on Borrowings	8.00%	120,100	112,100	101,800	99,400	108,100	134,900	154,900	150,600	147,400	150,100	182,800	172,100	1,612,900
Unused Portion of LOC		1,584,000	2,384,000	3,584,000	5,484,000	4,884,000	2,884,000	(3,116,000)	(3,116,000)	(2,116,000)	(2,116,000)	(5,916,000)	(5,716,000)	(5,716,000)
Interest on Unused Portion of LOC	0.25%	400	700	1,000	1,100	800	0	(600)	(500)	(400)	(500)	(900)	(1,200)	(100)
Additional LT Debt Balance		0	0	0	0	0	0	0	0	0	0	0	0	0
Interest On additional LT Debt	6.85%	0	0	0	0	0	0	0	0	0	0	0	0	0
Refunded Bond		15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Interest on Refunded Bond	5.90%	73,800	73,800	73,800	73,800	73,800	73,800	73,800	73,800	73,800	73,800	73,800	73,800	885,600
Private Activity Bond - Used		14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000
Interest On Private Activity Bond	4.90%	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	[illegible]

HEARING EXHIBIT - 00001307

FINANCING PROJECTIONS AND COVENANTS

February 2007

FINANCING PROJECTIONS

	Current Bond	Refunding Bond	<<< Projected >>> 2005	2006	2007	2008	2009	2010	2011
Available LOC			12,000,000	12,000,000	12,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Projected LOC Borrowings			9,558,000	3,466,000	11,816,000	18,416,000	25,716,000	24,916,000	27,216,000
Unused Portion of LOC			2,442,000	8,534,000	184,000	1,584,000	(5,716,000)	(4,916,000)	(7,216,000)
Projected Financing - Bond Issue / Refunding	$15,000,000	$15,000,000	-	-	-	-	-	-	-
Projected Equity Offering			-	-	-	-	-	-	-

Current LOC expires June 2007

Projections dependent on timing and costs of land purchase and environmental expenditures.

COVENANT COMPLIANCE:

	LENDER	REQUIREMENT	Actual 2005	2006	<<< Projected >>> 2007	2008	2009	2010	2011
CAPITALIZATION RATIO	AMBAC	<= > 35%	42%	41%	42%	40%	42%	43%	45%
FIXED CHARGE COVERAGE	BOA	>= 1.25	3.52	3.64	3.55	2.82	2.67	2.71	2.83
TOTAL LIABILITIES TO TANGIBLE NET WORTH	BOA	<4.00	3.45	3.55	3.59	3.53	3.47	3.40	3.32
FIXED CHARGE COVERAGE	JEA	> = 1.50	3.52	3.64	3.55	2.82	2.67	2.71	2.83
TOTAL LIABILITIES TO TANGIBLE NET WORTH	JEA	<3.75	3.45	3.55	3.59	3.53	3.47	3.40	3.32
TOTAL DEBT TO TOTAL CAPITAL	Gulf Power	<.60		0.54	0.55	0.57	0.58	0.58	0.57
INTEREST COVERAGE (Annual not 6 Qtr Avg)	Gulf Power	>2.5		3.62	3.32	3.48	3.24	3.23	3.34

HEARING EXHIBIT - 00001308

PROFORMA

Florida Public Utilities

FPU MODIFIED ANALYSIS OF EDWARD JONES PROPOSED TERMS

Refunding Savings Analysis

Refunding Comparison

Florida Public Utilities	Current Bonds	Refunding Bonds	Difference
Principal	$15,000,000	$20,000,000	
Maturity	10/1/2031	12/15/2036	5.2 yr
Coupon	6.85%	5.90%	-0.95%
Annual Interest Expense	$1,027,500	$1,180,000	$152,500
U/W Fee		3.15%	
PV Bond Insurance	n/a	0.15%	
All-In Cost	6.85%	6.43%	-0.42%
NPV Savings	Edward Jones Methodology		($3,155,805)
NPV Savings	FPU Methodology		$261,713

Highlights

- The average coupon is reduced by .95% resulting in annual savings of -$152,500 and NPV savings of -$3.16 million.
- The all-in cost of debt is reduced by 0.42%.
- This structure retains short-term, par call flexibility (no call 5 yrs)
- The refunding bonds include an estate feature limited annually to $25,000 per holder and to 1.0% of the original principal amount in the aggregate.

FLORIDA PUBLIC UTILITIES

Edward Jones

HEARING EXHIBIT - 00001309

Florida Public Utilities
Detailed Savings Analysis

Series	Florida Public Utilities 6.85% due 10/1/2031
Savings Analysis	
Annual Interest Savings	($152,500)
Annual Financing Cost of Expenses	(105,313)
Annual Savings	(257,813)
NPV Savings	**($3,155,805)**
Expenses	
Call Premium	150,000
Underwriting fee	630,000
Bond Insurance	408,268
Other Expenses	100,000
Total	**$1,288,268**
Annual Financing Cost of Expenses	$105,313
Current Bonds	
Principal	$15,000,000
Current Coupon Rate	6.85%
Issue Date	09/27/01
Maturity Date	10/01/31
Original issue maturity (years)	30.0
Remaining Life (years)	24.8
All-in Cost	6.85%
Call Date	12/18/2006
Call Premium	101.00%
Refunding Bonds	
Principal	$20,000,000
New Coupon Rate	5.900%
Underwriting fee upfront	3.15%
PV Bond Insurance per annum	0.15%
Issue Date	1/1/2007
Maturity date	10/1/2031
Maturity (years)	24.8
New Call Date	12/31/2011
All-in Cost (Discount Rate)	**6.43%**

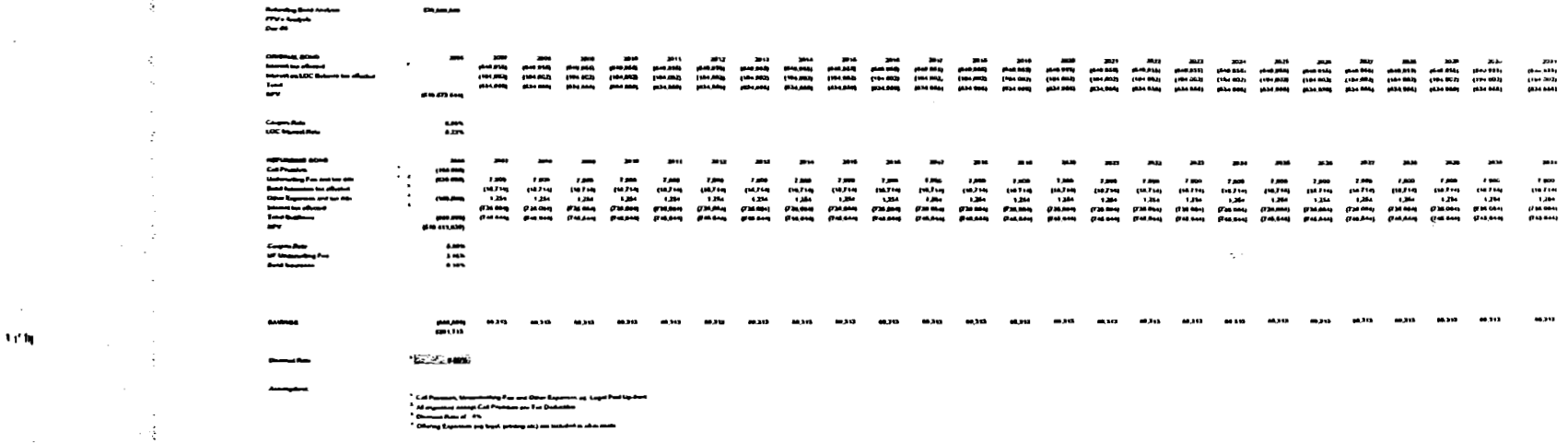
* Other Expenses include legal, rating and auditor fees.

** Expenses are financed at a rate of 6.43% and amortized for 24.8 years

FLORIDA PUBLIC UTILITIES

Edward Jones

HEARING EXHIBIT - 00001310



HEARING EXHIBIT - 00001311

CONFIDENTIAL

Unaudited

Land - $4.7M in May 2007 Bldg $1.5M 2008 $20 M BOND REFUNDING

Env - $1.6M prior to 2009 $3.7M in 2009 remainder in 2010 and af $0 M EQUITY

FLORIDA PUBLIC UTILITIES
CASH PROJECTIONS
2006 - 2011
IN THOUSANDS

	2006	2007	2008	2009	2010	2011
Operating Revenues	117,135	122,242	129,088	134,710	140,072	145,647
Fuel Revenue & Pass-thrus	(68,718)	(71,453)	(74,297)	(77,254)	(79,830)	(82,555)
Gross Profit	48,417	50,788	54,791	57,456	60,241	63,092
Other Income - Net (excl. taxes & int cap)	839	868	899	930	963	996
Total	49,256	51,657	55,690	58,386	61,204	64,089
DEDUCTIONS:						
Operation & Maintenance (Excl Fuel & Pass thrus)	27,251	28,879	30,559	32,137	33,852	35,531
Non-Cash O&M (Storm Resv)	(100)	(100)	(100)	(100)	(100)	(100)
Income Taxes Paid	1,400	2,299	2,957	3,020	3,173	3,464
Taxes Paid - Other	2,772	3,266	3,562	3,691	4,021	4,254
Interest On Long - Term Debt	3,949	4,056	4,032	3,895	3,758	3,621
Interest on Environmental Expenditure	16	16	97	349	366	382
Interest on LOC net of Interest Income	203	236	591	1,243	1,550	1,601
Other Interest Payments	420	433	446	459	477	496
Environmental Clean Up Costs	234	0	1,180	3,685	250	225
Dividends Paid	2,552	2,783	2,886	2,991	3,102	3,217
Proceeds from DRIP & ESPP	(451)	(469)	(488)	(507)	(525)	(544)
Pension Contributions	0	250	500	1,356	2,285	598
TOTAL DEDUCTIONS	38,244	41,648	46,221	52,718	52,209	52,745
BALANCE	11,012	10,009	9,469	5,668	8,995	11,343
Increase (Decrease) in Cash Due to Fluctuation in Certain Assets / Liab / Rev / Exp	6,504	0	0	0	0	0
Less Construction Requirements (including AEP)	12,054	17,335	14,783	11,396	11,510	11,625
Net Const. Cash Refunds/(Contributions)	357	371	386	401	415	430
BALANCE	5,106	(7,697)	(5,699)	(6,129)	(2,931)	(712)
Proceeds from Water Sale & LWG	375	375	375	375	5,250	0
(Tax) / Refund on Sale of Water & LWG	0	0	0	0	0	0
Add Proceeds from Financing - BOA LOC	(8,092)	3,634	6,600	7,100	(800)	2,300
Less LT Debt Principal Repayments	0	0	(1,409)	(1,409)	(1,409)	(1,409)
Less Loan Expenses (LT Debt)	0	0	0	0	0	0
Add Proceeds from Refunded Bond Issue	0	5,000	0	0	0	0
Less Loan Expenses (Bonds)	0	(908)	(30)	(30)	(30)	(30)
Add Proceeds from Equity Issue	0	0	0	0	0	0
Less Expenses (Equity)	0	0	0	0	0	0
Less ST Investments	0	0	0	0	0	0
Cash Balance - Beginning of Period	695	84	488	325	232	312
Cash Balance - End of Period	84	488	325	232	312	461
BOA Line of Credit	12,000	12,000	15,000	20,000	20,000	20,000
Interest on LOC	12	12	13	18	20	20
Notes Payable Balance	3,466	7,100	13,700	20,800	20,000	22,300
Interest on Borrowings	183	217	574	1,224	1,530	1,586
Unused Portion of LOC	8,534	4,900	1,300	(800)	0	(2,300)
Interest on Unused Portion of LOC	22	21	11	6	0	(6)
Interest Income	6	4	6	4	4	6

P:\Departments & Divisions\Accounting Departments\Analysis and MISC\Financial analysis\Excel\Cash Projections\REFUNDING - Ed Jones v AG Edwards\Cash Proj Ed J $ 20M\ 2/1/2007 2:40 PM

HEARING EXHIBIT - 00001312

FLORIDA PUBLIC [illegible]LITIES COMPANY
CASH P[illegible]JECTION
BUDGET 2007

TOTAL CONSOLIDATED

		JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
Operating Revenues		13,328,818	11,348,025	10,754,303	8,853,916	8,017,155	9,082,880	9,033,533	9,197,730	8,874,768	9,045,865	10,711,615	12,905,185	122,241,825
Fuel Revenue & Pass-thru		(7,647,827)	(6,472,482)	(6,296,915)	(5,567,356)	(5,009,843)	(5,236,057)	(5,259,458)	(5,365,836)	(4,865,770)	(5,337,082)	(6,299,524)	(8,071,397)	(71,453,252)
Gross Profit		5,679,000	4,875,543	4,456,388	4,086,560	3,008,312	3,843,921	3,774,074	3,822,094	3,808,998	3,708,582	4,011,991	4,833,788	50,788,573
Other Income - Net (excl. taxes & int exp)		63,039	111,435	82,509	105,858	29,227	92,871	50,680	83,211	83,203	30,244	78,524	66,563	866,365
Total		5,742,130	4,986,978	4,537,897	4,172,418	3,037,539	3,936,792	3,824,754	3,905,305	3,892,201	3,738,826	4,090,516	4,900,351	51,654,938
DEDUCTIONS:														
Operation & Maint Exp Fuel exc		3,220,164	2,772,273	2,533,350	2,312,280	2,222,280	2,185,676	2,145,681	2,173,285	2,185,818	2,108,727	2,281,242	2,748,526	28,878,564
Non-Cash Oblig (Storm Reev)		(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(100,000)
Income Taxes Paid					574,757		574,757			574,757		0	574,757	2,299,028
Taxes Paid - Other		168,468	9,084	102,857	60,867	42,828	55,440	168,786	62,385	34,343	151,358	2,403,958	7,690	3,266,144
Interest On Long - Term Debt						754,325	363,200					754,325	363,200	2,235,050
Interest on Additional LT Debt	8.85%	258,800			288,800			294,900			294,900			1,137,200
Interest on Environmental Expenditure		1,335	1,335	1,335	1,335	1,335	1,335	1,335	1,335	1,335	1,335	1,335	1,335	16,017
Interest on Private Activity Bond	4.90%					343,000						343,000		686,000
Interest on LOC		18,844	7,298	(750)	758	12,868	24,124	26,028	25,766	24,325	25,323	32,548	38,482	235,744
Other Interest Payments		0	0	0	216,300	216,300	0	0	0	0	0	0	0	432,600
Payment Of Environmental Clean Up		0	0	0	0	0	0	0	0	0	0	0	0	0
Dividends Paid - Preferred		7,125	0	0	7,125	0	0	7,125	0	0	7,125	0	0	28,500
Dividends Paid - Common		688,000	0	0	894,000	0	0	686,000	0	0	686,000	0	0	2,754,000
Proceeds From Sale - Common Stock		(152,432)	0	0	(80,882)	0	0	(158,180)	0	0	(77,798)	0	0	(468,260)
Pension Contributions							256,000							256,000
TOTAL DEDUCTIONS		4,186,970	2,781,857	2,628,568	4,056,785	3,584,742	3,436,198	3,173,640	2,254,387	2,762,245	3,156,830	5,808,114	3,725,648	41,647,806
BALANCE		1,555,160	2,205,340	1,908,330	105,633	352,787	490,594	651,114	1,650,908	1,079,956	540,187	(1,718,609)	1,174,702	10,009,132
Construction Requirements (excluding AEP)		723,000	1,066,600	1,468,500	1,281,000	8,131,800	1,038,400	1,026,200	998,300	932,400	672,200	901,800	765,000	17,335,300
Net Const. Cash Returned/(Contributions)		30,816	30,816	30,816	30,816	30,816	30,816	30,816	30,816	30,816	30,816	30,816	30,816	370,961
BALANCE		801,244	1,107,824	386,914	(1,208,263)	(5,780,818)	(578,722)	(408,002)	831,892	116,640	(462,819)	(2,649,315)	348,786	(7,697,158)
Add Proceeds From Financing - SunTrust LOC (See Detail Below)														0
Proceeds from Water Sale & LWG				375,000										375,000
Less Tax on Gain of Sale Water & LWG														0
Add Proceeds from Financing - BOA LOC		(800,000)	(2,800,000)			4,000,000	400,000	400,000	(500,000)		300,000	2,800,000	(100,000)	3,634,000
Add Proceeds From Financing (LT Debt)														0
Less Loan Expenses (LT Debt)														0
Refunding $15M Bond	$20,000,000		5,000,000											5,000,000
Less Loan Expenses (Bonds)			(482,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(507,500)
Add Proceeds from Equity Issue														0
Less Equity Issue Expenses														0
Less ST Investments														0
Cash Balance - Beginning Of Period		83,838	284,882	2,844,207	3,408,620	2,197,837	405,318	226,097	215,565	344,787	458,027	293,508	241,893	83,838
Cash Balance - End of Period		284,882	2,844,207	3,408,620	2,197,837	405,318	226,097	215,565	344,787	458,027	293,508	241,893	487,979	487,979
Actual Cash Balance														
Customer Deposit - Annual Payments	432,800													
Line of Credit - Bank of America	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,056,000
Interest on LOC	0.10%	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Notes Payable Balance - BOA	3,466,000	2,866,000	0	0	0	4,000,000	4,400,000	4,800,000	4,300,000	4,300,000	4,800,000	7,200,000	7,100,000	7,100,000
Interest on Borrowings	6.22%	16,600	7,400	0	0	10,400	21,800	23,800	23,600	22,300	23,100	30,800	37,100	216,500
Unused Portion of LOC	8,534,000	9,134,000	12,000,000	12,000,000	12,000,000	8,000,000	7,600,000	7,200,000	7,700,000	7,700,000	7,400,000	4,800,000	4,900,000	4,900,000
Interest on Unused Portion of LOC	0.25%	1,800	2,200	2,500	2,500	2,100	1,600	1,500	1,600	1,600	1,800	1,300	1,500	21,300
Additional LT Debt Balance	15,000,000	15,000,000	0	0	0	0	0	0	0	0	0	0	0	
Interest On additional LT Debt	8.85%	85,800	42,800	0	0	0	0	0	0	0	0	0	0	128,600
Refunded Bond	$20,000,000	0	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	
Interest on Refunded Bond	5.60%		48,200	98,300	98,300	98,300	98,300	98,300	98,300	98,300	98,300	98,300	98,300	1,032,200
Private Activity Bond - Uses	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	
Interest On Private Activity Bond	4.90%	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	858,000

HEARING EXHIBIT - 00001313

HEARING EXHIBIT - 00001314

FLORIDA PUBLIC [illegible]LITIES COMPANY
CASH [illegible]ECTION
BUDGET 2008

TOTAL CONSOLIDATED

		JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
Operating Revenues		14,078,886	11,889,898	11,358,141	10,198,783	9,424,532	8,584,350	8,540,305	9,702,512	9,188,623	8,550,388	10,878,433	13,807,391	129,088,236
Fuel Revenue & Pass-thrus		(7,952,211)	(8,730,068)	(9,548,812)	(5,809,736)	(5,208,166)	(5,447,478)	(5,468,788)	(5,570,188)	(5,058,428)	(5,549,508)	(8,560,245)	(8,392,639)	(74,297,521)
Gross Profit		6,126,675	5,258,830	4,808,529	4,387,057	4,216,337	4,136,872	4,071,520	4,123,324	4,106,168	4,000,877	4,328,188	5,214,753	54,781,144
Other Income - Net (excl. taxes & int cap)		85,246	115,336	85,387	108,563	30,250	86,121	52,454	88,474	85,415	31,302	82,307	84,693	868,758
Total		6,191,921	5,375,166	4,893,927	4,495,620	4,246,587	4,242,993	4,123,973	4,210,798	4,174,611	4,032,179	4,410,495	5,283,845	55,649,904
DEDUCTIONS:														
Operation & Maint Exp Fuel etc		3,417,082	2,933,586	2,680,770	2,446,816	2,351,588	2,312,856	2,270,830	2,299,723	2,291,843	2,231,430	2,413,682	2,908,451	30,558,848
Non-Cash O&M (Storm Rsrv)		(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(100,000)
Income Taxes Paid					738,205		738,205			738,205		0	738,205	2,956,820
Taxes Paid - Other		171,462	9,357	108,045	82,893	44,113	57,163	173,848	64,238	35,374	155,888	2,873,848	7,821	3,561,940
Interest On Long - Term Debt						754,325	383,200					645,754	383,200	2,166,478
Interest on Additional LT Debt	6.85%	294,900			294,900			294,900			294,900			1,179,600
Interest on Environmental Expenditure		8,071	8,071	8,071	8,071	8,071	8,071	8,071	8,071	8,071	8,071	8,071	8,071	96,847
Interest on Private Activity Bond	4.80%					343,000						343,000		686,000
Interest on LOC		40,877	34,849	28,408	28,371	37,925	48,782	55,156	54,188	53,895	57,958	70,688	80,758	580,737
Other Interest Payments		0	0	0	222,800	222,800	0	0	0	0	0	0	0	445,600
Payment Of Encumbrances Clean Up		0	0	0	0	0	1,180,808	0	0	0	0	0	0	1,180,808
Dividends Paid - Preferred		7,125	0	0	7,125	0	0	7,125	0	0	7,125	0	0	28,500
Dividends Paid - Common		680,000	0	0	718,800	0	0	720,000	0	0	722,008	0	0	2,857,008
Proceeds From Sale - Common Stock		(158,499)	0	0	(84,111)	0	0	(184,455)	0	0	(80,982)	0	0	(447,957)
Pension Contribution							500,000							500,000
TOTAL DEDUCTIONS		4,468,685	2,977,529	2,814,961	4,438,535	3,752,588	5,200,983	3,357,143	2,417,885	3,120,054	3,368,158	6,157,052	4,090,270	46,220,513
BALANCE		1,723,456	2,397,825	2,078,888	58,085	493,998	(957,991)	766,831	1,801,833	1,054,567	644,021	(1,776,557)	1,194,376	9,464,390
Increase (Decrease) in Cash Due to Fluctuation in Certain Assets & Liab														
Construction Requirements (including AFP)		978,302	980,423	1,364,271	1,180,040	1,183,538	1,070,180	890,164	1,297,248	1,338,121	1,787,580	1,352,773	1,380,321	14,783,800
Net Const. Cash Refunds (Contributions)		32,146	32,146	32,146	32,146	32,146	32,146	32,146	32,146	32,146	32,146	32,146	32,148	385,756
BALANCE		712,008	1,385,056	680,548	(1,132,101)	(731,686)	(2,060,317)	(164,480)	472,538	(315,771)	(1,755,886)	(3,161,476)	(228,081)	(5,690,368)
Add Proceeds From Financing - SunTrust LOC (See Detail Below)														0
Proceeds from Water Sale & LWG				375,000										375,000
Less Tax on Gain of Sale Water & LWG														0
Add Proceeds from Financing - BOA LOC		(800,000)	(1,200,000)	(1,100,000)	1,000,000	2,100,000	2,100,000	100,000	2,400,000	300,000	3,100,000	3,300,000	100,000	9,600,000
Less LT Debt Principal Repayments						(1,400,000)								(1,400,000)
Less Loan Expenses (LT Debt)														0
Add Proceeds from Bond Issue														0
Less Loan Expenses (Bonds)		(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(30,000)
Add Proceeds from Equity Issue														0
Less Equity Issue Expenses														0
Less ST Investments														0
Cash Balance - Beginning Of Period		487,979	397,487	580,043	533,091	398,490	355,294	302,577	325,597	365,838	377,368	319,180	456,204	487,979
Cash Balance - End of Period		397,487	580,043	533,091	398,490	355,294	302,577	325,597	365,838	377,368	319,180	456,204	324,813	324,813
Actual Cash Balance														
Customer Deposit - Annual Payments	445,578													
Line of Credit - Bank of America	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	15,000,000	15,000,000	15,000,000
Interest on LOC	0.10%	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,300	1,300	12,600
Notes Payable Balance - BOA	7,100,000	6,300,000	5,100,000	6,000,000	8,000,000	7,100,000	9,200,000	9,300,000	8,000,000	9,200,000	10,300,000	13,600,000	13,700,000	13,700,000
Interest on Borrowings	7.00%	39,100	33,300	26,500	26,300	35,300	47,500	54,800	53,100	52,800	56,800	69,700	78,600	574,100
Unused Portion of LOC	4,900,000	5,700,000	6,900,000	6,000,000	7,900,000	4,900,000	2,800,000	2,700,000	3,100,000	2,800,000	1,700,000	1,400,000	1,300,000	1,300,000
Interest on Unused Portion of LOC	0.25%	1,100	1,300	1,500	1,800	1,200	800	600	800	600	500	300	300	10,500
Additional LT Debt Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	
Interest On additional LT Debt	6.85%	0	0	0	0	0	0	0	0	0	0	0	0	0
Refunded Bond	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	
Interest on Refunded Bond	5.9%	98,300	98,300	98,300	98,300	98,300	98,300	98,300	98,300	98,300	98,300	98,300	98,300	1,179,600
Private Activity Bond - Used	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	
Interest On Private Activity Bond	4.80%	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	686,400

FLORIDA PUBLIC [illegible]ITIES COMPANY
CASH F[illegible]ECTION
BUDGET 2009

TOTAL CONSOLIDATED

		JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
Operating Revenues		14,803,388	12,513,503	11,850,807	10,841,408	8,836,803	10,012,885	9,956,004	10,125,124	9,569,862	9,665,801	11,349,857	14,165,066	134,710,329
Fuel Revenue & Pass-thrus		(6,268,708)	(6,997,823)	(6,810,786)	(6,040,983)	(5,415,481)	(5,664,288)	(5,686,443)	(5,801,740)	(5,260,763)	(5,770,378)	(6,810,845)	(6,726,886)	(77,254,116)
Gross Profit		8,424,680	5,515,680	5,040,021	4,800,445	4,421,422	4,348,577	4,269,560	4,323,385	4,309,099	4,105,481	4,539,012	5,468,401	57,456,213
Other Income - Net (excl. taxes & ex cap)		87,529	119,372	88,386	113,368	31,309	88,485	54,280	99,850	67,705	32,398	85,186	73,304	820,214
Total		8,442,209	5,635,052	5,128,707	4,713,843	4,452,730	4,448,063	4,323,850	4,423,735	4,376,774	4,227,879	4,623,931	5,539,705	58,386,427
DEDUCTIONS:														
Operation & Maint Excl Fuel etc		2,563,479	3,085,042	2,819,173	2,573,140	2,473,008	2,432,284	2,388,088	2,418,453	2,410,166	2,346,634	2,638,812	3,058,606	32,138,948
Non-Cash O&M (Storm Resv)		(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(100,000)
Income Taxes Paid					754,955		754,955			754,955		0	754,955	3,019,820
Taxes Paid - Other		178,808	8,837	188,227	84,573	45,436	58,818	179,085	68,163	36,435	180,576	2,775,861	8,158	3,690,674
Interest On Long - Term Debt						885,754	383,200					817,184	383,200	2,029,338
Interest on Additional LT Debt	6.85%	294,900			294,900			294,900			294,900			1,179,600
Interest on Environmental Expenditure		29,108	29,108	29,108	29,108	29,108	29,108	29,108	29,108	29,108	29,108	29,108	29,108	349,270
Interest on Private Activity Bond	4.90%					343,000						343,000		686,000
Interest on LOC		89,744	81,887	71,818	68,825	78,210	103,122	121,702	118,148	116,888	118,158	131,311	140,447	1,243,161
Other Interest Payments		0	0	0	229,500	229,500	0	0	0	0	0	0	0	458,000
Payment Of Environmental Clean Up							3,885,000							3,885,000
Dividends Paid - Preferred		7,125	0	0	7,125	0	0	7,125	0	0	7,125	0	0	28,500
Dividends Paid - Common		722,000	0	0	746,000	0	0	748,000	0	0	748,000	0	0	2,962,000
Proceeds From Sale - Common Stock		(184,907)	0	0	(87,458)	0	0	(171,000)	0	0	(84,111)	0	0	(507,376)
Pension Contributions							1,858,324							1,858,324
TOTAL DEDUCTIONS		4,730,819	3,197,336	3,021,001	4,673,331	3,875,881	9,274,454	3,588,832	2,824,538	3,336,017	3,813,055	6,426,660	4,346,142	52,717,957
BALANCE		1,752,390	2,437,683	2,107,817	40,512	577,050	(4,826,391)	737,217	1,799,198	1,037,757	414,824	(1,802,959)	1,193,563	5,668,471
Increase (Decrease) in Cash Due to Fluctuation in Certain Assets & Liab		-	-	-	-	-	-	-	-	-	-	-	-	-
Construction Requirements (including AEP)		754,930	756,784	1,051,697	884,256	820,081	824,986	693,153	1,000,030	1,031,584	1,362,566	1,042,833	1,064,088	11,286,988
Net Const Cash Refunds/(Contributions)		33,426	33,426	33,426	33,426	33,426	33,426	33,426	33,426	33,426	33,426	33,426	33,426	401,110
BALANCE		664,034	1,648,474	1,022,494	(867,172)	(378,457)	(5,684,803)	10,639	765,743	(27,254)	(781,188)	(2,879,218)	96,048	(6,128,830)
Add Proceeds From Financing - SunTrust LOC (See Detail Below)														0
Proceeds from Water Sale & LWG				376,000										376,000
Less Tax on Gain of Sale Water & LWG														0
Add Proceeds from Financing - BOA LOC		(800,000)	(800,000)	(1,600,000)	(1,600,000)	(1,600,000)	(1,600,000)	(800,000)	(800,000)	(800,000)	(800,000)	(3,000,000)	(200,000)	7,100,000
Less LT Debt Principal Repayments						(1,400,000)								(1,400,000)
Less Loan Expenses (LT Debt)														0
Add Proceeds from Bond Issue														0
Less Loan Expenses (Bonds)		(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(30,000)
Add Proceeds from Equity Issue														0
Less Equity Issue Expenses														0
Less ST Investments														0
Cash Balance - Beginning Of Period		324,813	486,148	532,122	427,115	337,443	348,486	262,183	270,322	233,566	203,812	220,124	338,406	324,813
Cash Balance - End of Period		488,148	532,122	427,115	337,443	348,486	262,183	270,322	233,566	203,812	220,124	338,406	231,974	231,974
Actual Cash Balance														
Customer Deposit - Annual Payments	458,945													
Line of Credit - Bank of America	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Interest on LOC	0.10%	1,300	1,300	1,300	1,300	1,300	1,700	1,700	1,700	1,700	1,700	1,700	1,700	18,400
Notes Payable Balance - BOA	13,700,000	12,900,000	11,300,000	9,800,000	10,600,000	12,400,000	18,800,000	18,000,000	17,200,000	17,200,000	16,400,000	21,000,000	20,800,000	20,800,000
Interest on Borrowings	6.50%	88,700	80,700	70,300	68,900	76,700	101,300	129,000	117,300	114,700	117,300	130,000	138,300	1,224,300
Unused Portion of LOC	1,300,000	2,100,000	3,700,000	5,200,000	4,400,000	2,600,000	2,000,000	2,000,000	2,800,000	2,800,000	2,000,000	(1,000,000)	(800,000)	(830,000)
Interest on Unused Portion of LOC	0.25%	400	800	900	1,000	700	500	400	500	800	500	100	(200)	6,000
Additional LT Debt Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	
Interest On additional LT Debt	6.85%	0	0	0	0	0	0	0	0	0	0	0	0	0
Refunded Bond	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Interest on Refunded Bond	5.90%	98,300	98,300	98,300	98,300	98,300	98,300	98,300	98,300	98,300	98,300	98,300	98,300	1,179,600
Private Activity Bond - Used	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	
Interest On Private Activity Bond	4.90%	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	686,400

HEARING EXHIBIT - 00001315

FLORIDA PUBLIC UTILITIES
PROJECTED 5 YEAR SUMMARY
2007-2011

	2001	2002	2003	2004	2005	2006	BUDGET 2007	2008	2009	2010
	<<<<<<<<<<< ACTUAL >>>>>>>>>>>							<<<<<<<	PROJECTED	>>>>>
GROSS PROFIT										
NATURAL GAS	15,854	19,058	21,147	21,730	26,279	27,252	28,108	29,441	30,838	32,300
ELECTRIC	10,980	11,279	11,532	13,178	14,098	14,236	14,815	16,861	17,446	18,050
PROPANE	3,106	4,592	5,054	5,781	6,842	6,929	7,865	8,489	9,173	9,891
	29,940	34,929	37,733	40,689	47,219	48,417	50,788	54,791	57,456	60,241
O&M EXPENSES	16,639	19,822	21,896	23,050	26,446	27,251	28,879	30,546	32,111	33,682
DEPRECIATION & AMORT	4,525	5,026	5,492	5,900	7,267	7,787	8,030	8,326	8,634	8,953
TOTI	2,157	2,312	2,652	2,753	2,869	2,985	3,288	3,562	3,691	4,021
OPERATING EXPENSE	23,321	27,160	30,040	31,703	36,582	38,023	40,196	42,433	44,436	46,656
NET OPERATING INCOME EXCL INC TAX	**6,619**	**7,769**	**7,693**	**8,986**	**10,637**	**10,394**	**10,592**	**12,358**	**13,020**	**13,585**
PROVISION FOR INCOME TAXES	(1,239)	(1,402)	(1,167)	(1,615)	(2,287)	(2,319)	(2,247)	(2,943)	(3,005)	(3,159)
OTHER INCOME	667	907	484	685	466	839	868	899	930	963
INTEREST	(3,591)	(4,513)	(4,488)	(4,462)	(4,568)	(4,609)	(5,113)	(5,169)	(5,698)	(5,886)
NET INCOME - CONTINUING OPER	2,456	2,761	2,522	3,594	4,248	4,305	4,100	5,144	5,247	5,502
DISCONTINUED OPERATIONS (Net of Tax)	596	602	9,901							
NET INCOME	3,052	3,363	12,423	3,594	4,248	4,305	4,100	5,144	5,247	5,502
PREFERRED STOCK	29	29	29	29	29	29	29	29	29	29
EARNINGS FOR COMMON STOCK	3,023	3,334	12,394	3,565	4,219	4,276	4,071	5,115	5,218	5,473
AVERAGE SHARES OUTSTANDING	5,702,437	5,806,356	5,858,548	5,908,221	5,952,684	5,993,602	6,037,038	6,080,774	6,124,510	6,168,246
EPS										
Continuing Operations	0.43	0.47	0.43	0.60	0.71	0.71	0.67	0.84	0.85	0.89
Discontinued Operations	0.10	0.10	1.69	-	-	-	-	-	-	-
TOTAL EPS	0.53	0.57	2.12	0.60	0.71	0.71	0.67	0.84	0.85	0.89

Notes:

1 Proj Avg increase in Gross Profit 4.43% based on 6 year annual average (1995 - 2001). Excludes acq'n years.
2 Proj increase in Operating Exp 3.50% except for large expense items, projected individ Propane 4.64%
3 Projected Equity Offering June 20($ - M at $ 12 per share
4 Electric Rate case filing in 2008 ap 10.00% Base Revenue Increase
5 Income Taxes calculated using the effective rate of 37.63%
6 Interest Expense - Net Interest Expense from Projected Cash Flow
7 Interest Expense on Environmental paid by Fund
8 Short Term Debt Interest Rate projected at 4% 2005, 6% 2006, 7% 2007,8% 2008, 7.5% 2009 - 2010
9 Re-stated for 3 : 2 stock split 7/15/2005

HEARING EXHIBIT - 00001316

FINANCING PROJECTIONS AND COVENANTS

February 2007

FINANCING PROJECTIONS

	Current Bond	Refunding Bond	<<< Projected >>> 2005	2006	2007	2008	2009	2010	2011
Available LOC			12,000,000	12,000,000	12,000,000	15,000,000	20,000,000	20,000,000	20,000,000
Projected LOC Borrowings			9,558,000	3,466,000	7,100,000	13,700,000	20,800,000	20,000,000	22,300,000
Unused Portion of LOC			2,442,000	8,534,000	4,900,000	1,300,000	(800,000)	-	(2,300,000)
Projected Financing - Bond Issue / Refunding	$15,000,000	$20,000,000	-	-	5,000,000	-	-	-	-
Projected Equity Offering			-	-	-	-	-	-	-

Current LOC expires June 2007

Projections dependent on timing and costs of land purchase and environmental expenditures.

COVENANT COMPLIANCE:

	LENDER	REQUIREMENT	Actual 2005	2006	<<< Projected >>> 2007	2008	2009	2010	2011
CAPITALIZATION RATIO	AMBAC	= > 35%	42%	41%	40%	40%	40%	42%	43%
FIXED CHARGE COVERAGE	BOA	>= 1.25	3.52	3.64	3.56	2.83	2.70	2.73	2.85
TOTAL LIABILITIES TO TANGIBLE NET WORTH	BOA	<4.00	3.45	3.55	3.72	3.64	3.57	3.49	3.40
FIXED CHARGE COVERAGE	JEA	> = 1.50	3.52	3.64	3.56	2.83	2.70	2.73	2.85
TOTAL LIABILITIES TO TANGIBLE NET WORTH	JEA	< 3.75	3.45	3.55	3.72	3.64	3.57	3.49	3.40
TOTAL DEBT TO TOTAL CAPITAL	Gulf Power	<.60		0.54	0.55	0.57	0.58	0.58	0.57
INTEREST COVERAGE (Annual not 6 Qtr Avg)	Gulf Power	>2.5		3.62	3.32	3.30	3.29	3.26	3.37

1350

HEARING EXHIBIT - 00001317

PROFORMA

Florida Public Utilities

AG EDWARDS PROPOSED TERMS

Refunding Savings Analysis

Refunding Comparison

Florida Public Utilities	Current Bonds	Refunding Bonds	Difference
Principal	$15,000,000	$15,000,000	
Maturity	10/1/2031	12/15/2036	5.2 yr
Coupon	6.85%	6.34%	-0.51%
Annual Interest Expense	$1,027,500	$951,000	-$76,500
U/W Fee		1.50%	
PV Bond Insurance	n/a	0.00%	
All-In Cost	6.85%	6.60%	-0.25%
NPV Savings	Edward Jones Methodology		$446,029
NPV Savings	FPU's Methodology		$187,129

Highlights

- The average coupon is reduced by .51% resulting in annual savings of $76,500 and NPV savings of $0.45 million.
- The all-in cost of debt is reduced by 0.25%.
- This structure retains short-term, par call flexibility (no call 5 yrs)
- The refunding bonds include an estate feature limited annually to $25,000 per holder and to 1.0% of the original principal amount in the aggregate.

FLORIDA PUBLIC UTILITIES

Edward Jones

HEARING EXHIBIT - 00001318

Florida Public Utilities
Detailed Savings Analysis

Series	Florida Public Utilities 6.85% due 10/1/2031
Savings Analysis	
Annual Interest Savings	$76,500
Annual Financing Cost of Expenses	(39,465)
Annual Savings	37,035
NPV Savings	**$446,029**
Expenses	
Call Premium	150,000
Underwriting fee	225,000
Bond Insurance	-
Other Expenses	100,000
Total	**$475,000**
Annual Financing Cost of Expenses	$39,465
Current Bonds	
Principal	$15,000,000
Current Coupon Rate	6.85%
Issue Date	09/27/01
Maturity Date	10/01/31
Original issue maturity (years)	30.0
Remaining Life (years)	24.8
All-in Cost	6.85%
Call Date	12/18/2006
Call Premium	101.00%
Refunding Bonds	
Principal	$15,000,000
New Coupon Rate	6.340%
Underwriting fee upfront	1.50%
PV Bond Insurance per annum	0.00%
Issue Date	1/1/2007
Maturity date	10/1/2031
Maturity (years)	24.8
New Call Date	12/31/2011
All-in Cost (Discount Rate)	**6.60%**

* Other Expenses include legal, rating and auditor fees.

** Expenses are financed at a rate of 6.6% and amortized for 24.8 years

FLORIDA PUBLIC UTILITIES

Edward Jones

HEARING EXHIBIT - 00001319

HEARING EXHIBIT - 00001320

CONFIDENTIAL

Land - $4.7M in May 2007 Bldg $1.5M 2008 $15 M BOND REFUNDING

Unaudited

Env - $1.6M prior to 2009 $3.7M in 2009 remainder in 2010 and af $0 M EQUITY

FLORIDA PUBLIC UTILITIES
CASH PROJECTIONS
2006 - 2011
IN THOUSANDS

	2006	2007	2008	2009	2010	2011
Operating Revenues	117,135	122,242	129,088	134,710	140,072	145,647
Fuel Revenue & Pass-thrus	(68,718)	(71,453)	(74,297)	(77,254)	(79,830)	(82,555)
Gross Profit	48,417	50,788	54,791	57,456	60,241	63,092
Other Income - Net (excl. taxes & int cap)	839	868	899	930	963	996
Total	49,256	51,657	55,690	58,386	61,204	64,089
DEDUCTIONS:						
Operation & Maintenance (Excl Fuel & Pass thrus)	27,251	28,879	30,559	32,137	33,852	35,531
Non-Cash O&M (Storm Resv)	(100)	(100)	(100)	(100)	(100)	(100)
Income Taxes Paid	1,400	2,280	2,922	2,966	3,131	3,422
Taxes Paid - Other	2,772	3,266	3,562	3,691	4,021	4,254
Interest On Long - Term Debt	3,949	3,895	3,804	3,667	3,529	3,392
Interest on Environmental Expenditure	16	16	97	349	366	382
Interest on LOC net of Interest Income	203	449	913	1,612	1,892	1,942
Other Interest Payments	420	433	446	459	477	496
Environmental Clean Up Costs	234	0	1,180	3,685	250	225
Dividends Paid	2,552	2,783	2,886	2,991	3,102	3,217
Proceeds from DRIP & ESPP	(451)	(469)	(488)	(507)	(525)	(544)
Pension Contributions	0	250	500	1,856	2,285	598
TOTAL DEDUCTIONS	38,244	41,680	46,280	52,805	52,280	52,816
BALANCE	11,012	9,977	9,410	5,581	8,924	11,272
Increase (Decrease) in Cash Due to Fluctuation in Certain Assets / Liab / Rev / Exp	6,504	0	0	0	0	0
Less Construction Requirements (including AEP)	12,054	17,335	14,783	11,396	11,510	11,625
Net Const. Cash Refunds/(Contributions)	357	371	386	401	415	430
BALANCE	5,106	(7,730)	(5,759)	(6,216)	(3,002)	(783)
Proceeds from Water Sale & LWG	375	375	375	375	5,250	0
(Tax) / Refund on Sale of Water & LWG	0	0	0	0	0	0
Add Proceeds from Financing - BOA LOC	(6,092)	8,150	6,600	7,300	(800)	2,300
Less LT Debt Principal Repayments	0	0	(1,409)	(1,409)	(1,409)	(1,409)
Less Loan Expenses (LT Debt)	0	0	0	0	0	0
Add Proceeds from Refunded Bond Issue	0	0	0	0	0	0
Less Loan Expenses (Bonds)	0	(475)	0	0	0	0
Add Proceeds from Equity Issue	0	0	0	0	0	0
Less Expenses (Equity)	0	0	0	0	0	0
Less ST Investments	0	0	0	0	0	0
Cash Balance - Beginning of Period	695	84	404	211	261	301
Cash Balance - End of Period	84	404	211	261	301	409
BOA Line of Credit	12,000	12,000	20,000	20,000	20,000	20,000
Interest on LOC	12	12	18	20	20	20
Notes Payable Balance	**3,466**	**11,616**	**18,216**	**25,516**	**24,716**	**27,016**
Interest on Borrowings	183	429	890	1,597	1,884	1,940
Unused Portion of LOC	8,534	384	1,784	(5,516)	(4,716)	(7,016)
Interest on Unused Portion of LOC	22	13	11	0	(12)	(18)
Interest Income	6	4	5	4	4	5

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HEARING EXHIBIT - 00001321

FLORIDA PUBLIC [illegible]LITIES COMPANY
CASH F[illegible]JECTION
BUDGET 2007

TOTAL CONSOLIDATED

		JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
Operating Revenues		13,326,818	11,348,025	10,754,303	9,653,918	8,817,156	9,082,888	9,033,533	9,187,730	8,674,768	9,045,685	10,311,515	12,805,185	122,241,525
Fuel Revenue & Pass-thru		(7,647,827)	(6,472,462)	(6,288,815)	(5,587,358)	(5,008,843)	(5,238,067)	(5,250,458)	(5,365,836)	(4,865,770)	(5,337,092)	(6,299,524)	(8,071,367)	(71,453,252)
Gross Profit		5,679,080	4,875,563	4,455,388	4,066,560	3,808,312	3,843,021	3,774,074	3,822,064	3,808,998	3,708,592	4,011,991	4,633,788	50,788,373
Other Income - Net (excl Taxes & Int Cap)		63,039	111,435	82,509	105,858	29,227	92,871	50,680	83,211	83,203	30,244	78,524	86,563	868,365
Total		5,742,120	4,986,998	4,537,897	4,172,418	3,837,539	3,935,792	3,824,754	3,905,308	3,872,201	3,738,836	4,091,516	4,720,351	51,656,738
DEDUCTIONS:														
Operation & Mtnce Excl Fuel etc		3,229,164	2,772,271	2,533,350	2,312,269	2,222,289	2,185,678	2,145,061	2,173,385	2,165,818	2,108,727	2,281,242	2,748,520	28,678,564
Non-Cash O&M (Storm Reev)		(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(100,000)
Income Taxes Paid					570,007		570,007			570,007		0	570,007	2,280,028
Taxes Paid - Other		188,468	9,084	182,957	60,467	42,628	55,440	188,788	62,365	34,343	151,358	2,403,959	7,690	3,286,144
Interest On Long - Term Debt						754,325	383,200					754,325	383,200	2,235,050
Interest on Additional LT Debt	6.65%	256,800			241,900			237,800			237,800			973,800
Interest on Environmental Expenditure		1,335	1,335	1,335	1,335	1,335	1,335	1,335	1,335	1,335	1,335	1,335	1,335	16,017
Interest on Private Activity Bond	4.80%					343,000						343,000		686,000
Interest on LOC		16,844	15,805	12,711	13,617	31,077	47,323	48,151	48,548	48,918	47,852	55,443	61,291	448,862
Other Interest Payments		0	0	0	216,300	216,300	0	0	0	0	0	0	0	432,600
Payment Of Environmental Clean Up		0	0	0	0	0	0	0	0	0	0	0	0	0
Dividends Paid - Preferred		7,125	0	0	7,125	0	0	7,125	0	0	7,125	0	0	28,500
Dividends Paid - Common		668,000	0	0	894,000	0	0	698,808	0	0	698,000	0	0	2,754,000
Proceeds From Sale - Common Stock		(152,432)	0	0	(80,882)	0	0	(158,169)	0	0	(77,788)	0	0	(469,280)
Pension Contributions							250,000							250,000
TOTAL DEDUCTIONS		4,188,970	2,790,284	2,642,028	4,027,484	3,802,820	3,484,847	3,139,764	2,277,171	2,810,088	3,164,168	5,830,869	3,743,880	41,660,083
BALANCE		1,565,160	2,196,734	1,895,869	144,924	334,719	472,145	684,990	1,638,134	1,062,113	574,667	(1,738,454)	1,156,852	9,978,654
Construction Requirements (including AEP)		723,000	1,068,800	1,488,500	1,281,000	8,111,900	1,038,600	1,028,200	998,300	632,400	972,200	601,600	795,000	17,335,300
Net Const. Cash Refunds/(Contributions)		30,916	30,916	30,916	30,916	30,916	30,916	30,916	30,916	30,916	30,916	30,916	30,916	370,991
BALANCE		831,244	1,099,218	376,453	(1,168,992)	(5,808,097)	(596,171)	(374,126)	608,918	68,797	(428,448)	(2,872,170)	330,737	(7,726,637)
Add Proceeds From Financing - SunTrust LOC (See Detail Below)														0
Proceeds from Water Sale & LWG				375,000										375,000
Less Tax on Gain of Sale Water & LWG														0
Add Proceeds from Financing - BOA LOC		72,400,000	(600,000)	(600,000)	2,500,000	6,000,000	400,000	(350,000)	(800,000)		400,000	2,600,000	(200,000)	8,150,000
Add Proceeds From Financing (LT Debt)														0
Less Loan Expenses (LT Debt)														0
Refunding $15M Bond	$15,000,000		0											0
Less Loan Expenses (Bonds)			(475,000)	0	0	0	0	0	0	0	0	0	0	(475,000)
Add Proceeds from Equity Issue														0
Less Equity Issue Expenses														0
Less ST Investments														0
Cash Balance - Beginning Of Period		83,838	284,882	309,100	460,553	293,562	465,465	298,294	268,168	275,087	373,884	345,435	273,265	83,838
Cash Balance - End of Period		284,882	309,100	460,553	293,562	465,465	298,294	268,168	275,087	373,884	345,435	273,265	404,002	404,002
Actual Cash Balance														
Customer Deposit - Annual Payments	432,800													
Line of Credit - Bank of America	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000
Interest on LOC	0.10%	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Notes Payable Balance - BOA	3,466,000	2,866,000	2,266,000	1,666,000	2,666,000	8,666,000	9,066,000	8,716,000	8,716,000	8,716,000	9,316,000	11,916,000	11,916,000	11,916,000
Interest on Borrowings	6.22%	16,400	13,300	10,200	11,200	29,400	48,000	47,500	47,300	43,700	48,700	54,500	60,700	429,300
Unused Portion of LOC	8,534,000	9,134,000	9,734,000	10,334,000	9,334,000	3,334,000	2,934,000	2,584,000	3,184,000	3,184,000	2,784,000	184,000	384,000	384,000
Interest on Unused Portion of LOC	0.25%	1,800	2,000	2,100	2,000	1,300	700	600	600	700	600	300	100	12,800
Additional LT Debt Balance	15,000,000	15,000,000	0	0	0	0	0	0	0	0	0	0	0	128,400
Interest On additional LT Debt	6.65%	85,600	42,800	0	0	0	0	0	0	0	0	0	0	
Refunded Bond	$15,000,000	0	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	632,800
Interest on Refunded Bond	6.34%		38,600	79,300	79,300	79,300	79,300	79,300	79,300	79,300	79,300	79,300	79,300	
Private Activity Bond - Used	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	686,400
Interest On Private Activity Bond	4.80%	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	

HEARING EXHIBIT - 00001322

HEARING EXHIBIT - 00001323

FLORIDA PUBLI[illegible]LITIES COMPANY
CASH [illegible]JECTION
BUDGET 2008

TOTAL CONSOLIDATED

		JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
Operating Revenue		14,078,886	13,889,866	11,358,141	10,188,793	8,424,532	8,584,350	8,540,305	8,702,612	8,168,623	9,550,388	10,878,433	13,807,381	126,068,238
Fuel Revenue & Pass-thrus		(7,952,211)	(8,730,058)	(6,548,812)	(5,808,736)	(5,208,105)	(5,447,478)	(5,468,788)	(5,576,188)	(5,650,428)	(5,549,508)	(6,550,245)	(8,392,830)	(74,287,061)
Gross Profit		6,126,675	5,258,620	4,809,329	4,387,057	4,216,337	4,146,872	4,071,520	4,123,324	4,108,195	4,000,877	4,328,188	5,714,753	54,781,144
Other Income - Net (excl. taxes & eq cap)		85,246	115,335	85,397	109,563	30,250	88,121	52,454	68,474	65,415	31,302	82,307	88,883	898,756
Total		6,191,921	5,375,156	4,894,927	4,496,620	4,246,587	4,234,993	4,123,973	4,219,798	4,174,611	4,032,179	4,410,495	5,803,645	55,689,900
DEDUCTIONS														
Operation & Maint Excl Fuel etc		3,417,052	2,833,588	2,680,770	2,446,818	2,351,598	2,312,856	2,270,830	2,299,723	2,291,843	2,231,430	2,413,982	2,956,451	30,556,948
Non-Cash O&M (Storm Res.)		(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(100,000)
Income Taxes Paid					730,455		730,455			730,455			730,455	2,921,820
Taxes Paid - Other		171,462	8,357	108,045	62,693	44,113	57,103	173,848	84,236	35,374	155,899	2,873,888	7,921	3,583,940
Interest On Long - Term Debt						754,325	383,200					685,754	383,200	2,156,479
Interest on Additional LT Debt	6.85%	237,900			237,900			237,900			237,900			951,600
Interest on Environmental Expenditure		8,071	8,071	8,071	8,071	8,071	8,071	8,071	8,071	8,071	8,071	8,071	8,071	96,847
Interest on Private Activity Bond	4.90%					343,000						343,008		686,008
Interest on LOC		88,181	80,382	53,848	53,783	84,847	78,722	82,865	82,808	81,753	85,784	98,045	107,828	813,360
Other Interest Payments		0	0	0	222,800	222,800	0	0	0	0	0	0	0	445,600
Payment Of Environmental Clean Up		0	0	0	0	0	1,180,000	0	0	0	0	0	0	1,180,000
Dividends Paid - Preferred		7,125	0	0	7,125	0	0	7,125	0	0	7,125	0	0	28,500
Dividends Paid - Common		688,800	0	0	719,000	0	0	728,000	0	0	722,000	0	0	2,857,800
Proceeds Form Sale - Common Stock		(158,499)	0	0	(84,111)	0	0	(984,455)	0	0	(83,882)	0	0	(487,957)
Pension Contributions							500,000							500,000
TOTAL DEDUCTIONS		4,436,849	3,003,042	2,840,502	4,398,177	3,778,822	5,220,074	3,327,951	2,445,704	3,139,161	3,356,864	6,214,408	4,317,542	46,280,186
BALANCE		1,754,872	2,372,113	2,054,425	100,443	469,965	(977,081)	796,022	1,774,093	1,035,450	673,185	(1,803,913)	1,186,053	9,409,738
Increase (Decrease) in Cash Due to Fluctuation in Certain Assets & Liab														
Construction Requirements (including AEP)		878,392	980,423	1,384,271	1,180,040	1,183,638	1,070,180	809,164	1,287,246	1,338,181	1,767,580	1,352,773	1,340,321	14,783,880
Net Const. Cash Refunds/(Contributions)		32,148	32,148	32,148	32,148	32,148	32,148	32,148	32,148	32,148	32,148	32,148	32,148	385,758
BALANCE		743,524	1,358,544	656,007	(1,081,743)	(758,719)	(2,079,407)	(135,288)	444,699	(334,878)	(1,126,811)	(3,188,832)	(246,416)	(5,760,016)
Add Proceeds From Financing - SunTrust LOC (See Detail Below)														0
Proceeds from Water Sale & LWG				375,000										375,000
Less Tax on Gain of Sale Water & LWG														0
Add Proceeds from Financing - BOA LOC		(800,000)	(1,200,000)	(1,100,000)	(1,000,000)	(2,700,000)	(2,900,000)	300,000	(400,000)	300,000	(1,100,000)	3,300,000	100,000	8,800,000
Less LT Debt Principal Repayments						(1,409,800)								(1,409,800)
Less Loan Expenses (LT Debt)														0
Add Proceeds from Bond Issue														0
Less Loan Expenses (Bonds)		0	0	0	0	0	0	0	0	0	0	0	0	0
Add Proceeds from Equity Issue														0
Less Equity Issue Expenses														0
Less ST Investments														0
Cash Balance - Beginning Of Period		404,002	347,525	507,069	437,076	345,333	277,614	298,207	282,919	307,618	272,740	246,229	357,397	404,002
Cash Balance - End of Period		347,525	507,069	437,076	345,333	277,614	298,207	282,919	307,618	272,740	246,229	357,397	210,983	210,983
Actual Cash Balance														
Customer Deposit - Annual Payments	445,578													
Line of Credit - Bank of America		12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Interest on LOC	0.10%	1,800	1,800	1,800	1,800	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	17,900
Notes Payable Balance - BOA		11,816,000	10,616,000	9,516,000	8,516,000	9,516,000	11,816,000	13,716,000	13,816,000	13,416,000	13,716,000	14,816,000	16,116,000	16,216,000
Interest on Borrowings	7.00%	85,400	58,600	52,900	52,600	61,600	73,600	80,300	78,400	79,100	83,200	98,100	106,000	890,100
Unused Portion of LOC		384,000	1,184,000	2,384,000	3,484,000	2,484,000	0,284,000	0,184,000	0,584,000	0,284,000	5,184,000	1,884,000	1,784,000	1,784,000
Interest on Unused Portion of LOC	0.25%	200	400	600	800	1,100	1,500	1,300	1,300	1,300	1,200	700	400	10,800
Additional LT Debt Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	
Interest On additional LT Debt	6.85%	0	0	0	0	0	0	0	0	0	0	0	0	0
Refunded Bond		15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	
Interest on Refunded Bond	6.34%	79,300	79,300	79,300	79,300	79,300	79,300	79,300	79,300	79,300	79,300	79,300	79,300	951,600
Private Activity Bond - Used		14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	
Interest On Private Activity Bond	4.90%	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	686,400

FLORIDA PUBLIC [illegible]LITIES COMPANY
CASH [illegible]ECTION
BUDGET 2009

TOTAL CONSOLIDATED

		JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
Operating Revenues		14,883,388	12,513,583	11,850,807	10,641,608	9,836,903	10,012,865	9,958,004	10,125,124	8,569,862	9,665,881	11,349,857	14,195,084	133,730,329
Fuel Revenue & Pass-thrus		(8,258,706)	(6,057,823)	(6,810,280)	(6,040,983)	(5,415,481)	(5,864,288)	(5,688,443)	(5,801,240)	(5,260,793)	(5,770,370)	(6,810,945)	(8,728,666)	(77,254,116)
Gross Profit		6,424,680	5,515,860	5,040,321	4,600,445	4,421,422	4,348,577	4,269,560	4,323,885	4,309,068	4,195,481	4,538,713	5,468,401	57,476,213
Other Income - Net (excl. taxes & int cap)		67,529	119,372	88,386	113,368	31,308	99,485	54,290	99,850	67,765	32,198	85,188	71,304	830,244
Total		6,492,209	5,635,032	5,128,707	4,713,843	4,452,730	4,448,063	4,323,850	4,423,735	4,376,774	4,227,679	4,623,901	5,539,705	58,306,457
DEDUCTIONS:														
Operation & Maint Excl Fuel etc		3,563,479	3,085,042	2,818,173	2,573,140	2,473,008	2,432,284	2,388,068	2,418,451	2,410,166	2,348,834	2,538,812	3,058,839	32,138,618
Non-Cash O&M (Storm Reg.)		(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(100,000)
Income Taxes Paid					741,455		741,455			741,455		0	741,455	2,965,820
Taxes Paid - Other		176,608	8,837	108,227	84,573	45,438	58,616	178,065	68,163	30,435	160,578	2,775,981	8,158	3,690,674
Interest On Long - Term Debt						685,754	383,200					817,184	383,200	2,269,338
Interest on Additional LT Debt	6.85%	237,800			237,800			237,800			237,800			951,600
Interest on Environmental Expenditure		29,108	29,108	29,108	29,108	29,108	29,108	29,108	29,108	29,108	29,108	29,108	29,108	348,270
Interest on Private Activity Bond	4.90%					343,000						343,000		686,000
Interest on LOC		120,490	112,668	102,735	100,593	109,814	133,842	153,185	150,227	147,082	148,824	181,711	170,863	1,612,144
Other Interest Payments		0	0	0	229,500	229,500	0	0	0	0	0	0	0	459,000
Payment Of Environmental Clean Up							3,685,000							3,685,000
Dividends Paid - Preferred		7,125	0	0	7,125	0	0	7,125	0	0	7,125	0	0	28,500
Dividends Paid - Common		722,000	0	0	748,000	0	0	748,000	0	0	748,000	0	0	2,966,000
Proceeds From Sale - Common Stock		(184,807)	0	0	(87,458)	0	0	(171,000)	0	0	(84,111)	0	0	(507,378)
Pension Contributions							1,958,324							1,958,324
TOTAL DEDUCTIONS		4,713,565	3,228,120	3,051,807	4,833,800	3,908,484	9,701,674	3,561,125	2,655,815	3,355,911	3,586,521	6,457,200	4,363,157	52,804,940
BALANCE		1,778,644	2,408,912	2,078,900	80,243	546,246	(4,843,611)	762,725	1,768,120	1,020,863	641,358	(1,833,359)	1,176,548	5,501,488
Increase (Decrease) in Cash Due to Fluctuation in Certain Assets & Liab		-	-	-	-	-	-	-	-	-	-	-	-	-
Construction Requirements (including AFI*)		754,930	756,794	1,051,667	894,258	920,081	824,986	803,153	1,000,030	1,031,564	1,302,586	1,042,833	1,084,080	11,466,966
Net Const. Cash Refunds/(Contributions)		33,428	33,428	33,428	33,428	33,428	33,428	33,428	33,428	33,428	33,428	33,428	33,428	401,110
BALANCE		990,288	1,617,692	991,877	(847,441)	(407,261)	(5,702,023)	36,144	734,665	(44,147)	(754,654)	(2,909,618)	79,053	(6,215,622)
Add Proceeds From Financing - SunTrust LOC (See Detail Below)														0
Proceeds from Water Sale & LWG				375,000										375,000
Less Tax on Gain of Sale Water & LWG														0
Add Proceeds from Financing - BOA LOC		(800,000)	(1,600,000)	(1,100,000)	(600,000)	1,800,000	6,000,000	(1,000,000)		600,000	1,000,000	(200,000)		7,300,000
Less LT Debt Principal Repayments						(1,400,000)								(1,400,000)
Less Loan Expenses (LT Debt)														0
Add Proceeds from Bond Issue														0
Less Loan Expenses (Bonds)		0	0	0	0	0	0	0	0	0	0	0	0	0
Add Proceeds from Equity Issue														0
Less Equity Issue Expenses														0
Less ST Investments														0
Cash Balance - Beginning Of Period		210,983	401,271	418,983	285,641	238,200	221,939	519,916	656,082	290,727	246,580	291,926	382,306	210,983
Cash Balance - End of Period		401,271	418,983	285,641	238,200	221,939	519,916	656,082	290,727	246,580	291,926	382,306	291,361	291,361
Actual Cash Balance														
Customer Deposit - Annual Payments	458,945													
Line of Credit - Bank of America	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Interest on LOC	0.10%	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	20,400
Notes Payable Balance - BOA	18,218,808	17,418,808	15,818,808	14,318,808	13,118,808	16,918,808	22,918,808	21,918,808	21,918,808	21,918,808	22,718,808	25,718,808	25,518,808	25,518,808
Interest on Borrowings	8.00%	118,800	110,800	100,400	96,100	108,800	132,800	152,800	149,420	146,100	148,808	161,453	170,820	1,597,030
Unused Portion of LOC	1,784,000	2,584,000	4,184,000	5,684,000	4,884,000	3,084,000	(2,918,000)	(2,918,000)	(1,918,000)	(1,918,000)	(2,718,000)	(5,718,000)	(5,518,000)	(5,518,000)
Interest on Unused Portion of LOC	0.25%	508	700	1,000	1,100	800	8	(500)	(500)	(400)	(500)	(900)	(1,700)	0
Additional LT Debt Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest On additional LT Debt	6.85%	0	0	0	0	0	0	0	0	0	0	0	0	0
Refunded Bond	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	661,800
Interest on Refunded Bond	5.34%	78,300	78,300	78,300	78,300	78,300	78,300	78,300	78,300	78,300	78,300	78,300	78,300	
Private Activity Bond - Used	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	886,450
Interest On Private Activity Bond	4.90%	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	

HEARING EXHIBIT - 00001324

FLORIDA PUBLIC UTILITIES
PROJECTED 5 YEAR SUMMARY
2007-2011

	2001	2002	2003	2004	2005	2006	BUDGET 2007	2008	2009	2010
		<<<<<<<<<<< ACTUAL >>>>>>>>>>>						<<<<<<<	PROJECTED	>>>>>
GROSS PROFIT										
NATURAL GAS	15,854	19,058	21,147	21,730	26,279	27,252	28,108	29,441	30,838	32,300
ELECTRIC	10,980	11,279	11,532	13,178	14,098	14,236	14,815	16,861	17,446	18,050
PROPANE	3,106	4,592	5,054	5,781	6,842	6,929	7,865	8,489	9,173	9,891
	29,940	34,929	37,733	40,689	47,219	48,417	50,788	54,791	57,456	60,241
O&M EXPENSES	16,639	19,822	21,896	23,050	26,446	27,251	28,879	30,546	32,111	33,682
DEPRECIATION & AMORT	4,525	5,026	5,492	5,900	7,267	7,787	8,030	8,326	8,634	8,953
TOTI	2,157	2,312	2,652	2,753	2,869	2,985	3,288	3,562	3,691	4,021
OPERATING EXPENSE	23,321	27,160	30,040	31,703	36,582	38,023	40,196	42,433	44,436	46,656
NET OPERATING INCOME EXCL INC TAX	6,619	7,769	7,693	8,986	10,637	10,394	10,592	12,358	13,020	13,585
PROVISION FOR INCOME TAXES	(1,239)	(1,402)	(1,167)	(1,615)	(2,287)	(2,319)	(2,228)	(2,908)	(2,952)	(3,117)
OTHER INCOME	667	907	484	685	466	839	868	899	930	963
INTEREST	(3,591)	(4,513)	(4,488)	(4,462)	(4,568)	(4,609)	(5,165)	(5,264)	(5,839)	(5,999)
NET INCOME - CONTINUING OPER	2,456	2,761	2,522	3,594	4,248	4,305	4,068	5,085	5,159	5,432
DISCONTINUED OPERATIONS (Net of Tax)	596	602	9,901							
NET INCOME	3,052	3,363	12,423	3,594	4,248	4,305	4,068	5,085	5,159	5,432
PREFERRED STOCK	29	29	29	29	29	29	29	29	29	29
EARNINGS FOR COMMON STOCK	3,023	3,334	12,394	3,565	4,219	4,276	4,039	5,056	5,130	5,403
AVERAGE SHARES OUTSTANDING	5,702,437	5,806,356	5,858,548	5,908,221	5,952,684	5,993,602	6,037,038	6,080,774	6,124,510	6,168,246
EPS										
Continuing Operations	0.43	0.47	0.43	0.60	0.71	0.71	0.67	0.83	0.84	0.88
Discontinued Operations	0.10	0.10	1.69	-	-	-	-	-	-	-
TOTAL EPS	0.53	0.57	2.12	0.60	0.71	0.71	0.67	0.83	0.84	0.88

Notes:

1 Proj Avg increase in Gross Profit 4.43% based on 6 year annual average (1995 - 2001). Excludes acq'n years.
2 Proj increase in Operating Exp 3.50% except for large expense items, projected indivi Propane 4.64%
3 Projected Equity Offering June 20($ - M at $ 12 per share
4 Electric Rate case filing in 2008 ap 10.00% Base Revenue Increase
5 Income Taxes calculated using the effective rate of 37.63%
6 Interest Expense - Net Interest Expense from Projected Cash Flow
7 Interest Expense on Environmental paid by Fund
8 Short Term Debt Interest Rate projected at 4% 2005, 6% 2006, 7% 2007,8% 2008, 7.5% 2009 - 2010
9 Re-stated for 3 : 2 stock split 7/15/2005

HEARING EXHIBIT - 00001325

FINANCING PROJECTIONS AND COVENANTS

February 2007

FINANCING PROJECTIONS

	Current Bond	Refunding Bond	<<< Projected >>> 2005	2006	2007	2008	2009	2010	2011
Available LOC			12,000,000	12,000,000	12,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Projected LOC Borrowings			9,558,000	3,466,000	11,616,000	18,216,000	25,516,000	24,716,000	27,016,000
Unused Portion of LOC			2,442,000	8,534,000	384,000	1,784,000	(5,516,000)	(4,716,000)	(7,016,000)
Projected Financing - Bond Issue / Refunding	$15,000,000	$15,000,000	-	-	-	-	-	-	-
Projected Equity Offering			-	-	-	-	-	-	-

Current LOC expires June 2007

Projections dependent on timing and costs of land purchase and environmental expenditures.

COVENANT COMPLIANCE:

	LENDER	REQUIREMENT	Actual 2005	2006	<<< Projected >>> 2007	2008	2009	2010	2011
CAPITALIZATION RATIO	AMBAC	= > 35%	42%	41%	42%	40%	42%	43%	45%
FIXED CHARGE COVERAGE	BOA	>= 1.25	3.52	3.64	3.52	2.80	2.65	2.69	2.81
TOTAL LIABILITIES TO TANGIBLE NET WORTH	BOA	<4.00	3.45	3.55	3.60	3.53	3.47	3.41	3.33
FIXED CHARGE COVERAGE	JEA	> = 1.50	3.52	3.64	3.52	2.80	2.65	2.69	2.81
TOTAL LIABILITIES TO TANGIBLE NET WORTH	JEA	<3.75	3.45	3.55	3.60	3.53	3.47	3.41	3.33
TOTAL DEBT TO TOTAL CAPITAL	Gulf Power	<.60		0.54	0.55	0.57	0.58	0.58	0.57
INTEREST COVERAGE (Annual not 6 Qtr Avg)	Gulf Power	>2.5		3.62	3.30	3.45	3.22	3.20	3.31

HEARING EXHIBIT - 00001326

PROFORMA

Florida Public Utilities

AG EDWARDS PROPOSED TERMS

Refunding Savings Analysis

Refunding Comparison

Florida Public Utilities	Current Bonds	Refunding Bonds	Difference
Principal	$15,000,000	$20,000,000	
Maturity	10/1/2031	12/15/2036	5.2 yr
Coupon	6.85%	6.34%	-0.51%
Annual Interest Expense	$1,027,500	$1,268,000	$240,500
U/W Fee		1.50%	
PV Bond Insurance	n/a	0.00%	
All-In Cost	6.85%	6.57%	-0.28%
NPV Savings	Edward Jones Methodology		($3,456,216)
NPV Savings	FPU's Methodology		$76,306

Highlights

- The average coupon is reduced by .51% resulting in annual savings of -$240,500 and NPV savings of -$3.46 million.
- The all-in cost of debt is reduced by 0.28%.
- This structure retains short-term, par call flexibility (no call 5 yrs)
- The refunding bonds include an estate feature limited annually to $25,000 per holder and to 1.0% of the original principal amount in the aggregate.

FLORIDA PUBLIC UTILITIES

Edward Jones

HEARING EXHIBIT - 00001327

Florida Public Utilities
Detailed Savings Analysis

Series	Florida Public Utilities 6.85% due 10/1/2031
Savings Analysis	
Annual Interest Savings	($240,500)
Annual Financing Cost of Expenses	(45,549)
Annual Savings	(286,049)
NPV Savings	**($3,456,216)**
Expenses	
Call Premium	150,000
Underwriting fee	300,000
Bond Insurance	-
Other Expenses	100,000
Total	**$550,000**
Annual Financing Cost of Expenses	$45,549
Current Bonds	
Principal	$15,000,000
Current Coupon Rate	6.85%
Issue Date	09/27/01
Maturity Date	10/01/31
Original issue maturity (years)	30.0
Remaining Life (years)	24.8
All-in Cost	6.85%
Call Date	12/18/2006
Call Premium	101.00%
Refunding Bonds	
Principal	$20,000,000
New Coupon Rate	6.340%
Underwriting fee upfront	1.50%
PV Bond Insurance per annum	0.00%
Issue Date	1/1/2007
Maturity date	10/1/2031
Maturity (years)	24.8
New Call Date	12/31/2011
All-in Cost (Discount Rate)	**6.57%**

* Other Expenses include legal, rating and auditor fees.

** Expenses are financed at a rate of 6.57% and amortized for 24.8 years

FLORIDA PUBLIC UTILITIES

Edward Jones

HEARING EXHIBIT - 00001328

HEARING EXHIBIT - 00001329

CONFIDENTIAL

Unaudited

Land - $4.7M in May 2007 Bldg $1.5M 2008 $20 M BOND REFUNDING

Env - $1.6M prior to 2009 $3.7M in 2009 remainder in 2010 and af $0 M EQUITY

FLORIDA PUBLIC UTILITIES
CASH PROJECTIONS
2006 - 2011
IN THOUSANDS

	2006	2007	2008	2009	2010	2011
Operating Revenues	117,135	122,242	129,088	134,710	140,072	145,647
Fuel Revenue & Pass-thrus	(68,718)	(71,453)	(74,297)	(77,254)	(79,830)	(82,555)
Gross Profit	48,417	50,788	54,791	57,456	60,241	63,092
Other Income - Net (excl. taxes & int cap)	839	868	899	930	963	996
Total	49,256	51,657	55,690	58,386	61,204	64,089
DEDUCTIONS:						
Operation & Maintenance (Excl Fuel & Pass thrus)	27,251	28,879	30,559	32,137	33,852	35,531
Non-Cash O&M (Storm Resv)	(100)	(100)	(100)	(100)	(100)	(100)
Income Taxes Paid	1,400	2,276	2,933	2,994	3,148	3,441
Taxes Paid - Other	2,772	3,266	3,562	3,691	4,021	4,254
Interest On Long - Term Debt	3,949	4,119	4,121	3,984	3,846	3,709
Interest on Environmental Expenditure	16	16	97	349	366	382
Interest on LOC net of Interest Income	203	234	565	1,223	1,529	1,575
Other Interest Payments	420	433	446	459	477	496
Environmental Clean Up Costs	234	0	1,180	3,685	250	225
Dividends Paid	2,552	2,783	2,886	2,991	3,102	3,217
Proceeds from DRIP & ESPP	(451)	(469)	(488)	(507)	(525)	(544)
Pension Contributions	0	250	500	1,656	2,285	598
TOTAL DEDUCTIONS	38,244	41,686	46,260	52,761	52,251	52,785
BALANCE	11,012	9,971	9,430	5,626	8,953	11,304
Increase (Decrease) in Cash Due to Fluctuation in Certain Assets / Liab / Rev / Exp	8,504	0	0	0	0	0
Less Construction Requirements (including AEP)	12,054	17,335	14,783	11,396	11,510	11,625
Net Const. Cash Refunds/(Contributions)	357	371	386	401	415	430
BALANCE	5,106	(7,736)	(5,739)	(6,171)	(2,972)	(751)
Proceeds from Water Sale & LWG	375	375	375	375	5,250	0
(Tax) / Refund on Sale of Water & LWG	0	0	0	0	0	0
Add Proceeds from Financing - BOA LOC	(6,092)	3,234	6,600	7,300	(1,000)	2,400
Less LT Debt Principal Repayments	0	0	(1,409)	(1,409)	(1,409)	(1,409)
Less Loan Expenses (LT Debt)	0	0	0	0	0	0
Add Proceeds from Refunded Bond Issue	0	5,000	0	0	0	0
Less Loan Expenses (Bonds)	0	(550)	0	0	0	0
Add Proceeds from Equity Issue	0	0	0	0	0	0
Less Expenses (Equity)	0	0	0	0	0	0
Less ST Investments	0	0	0	0	0	0
Cash Balance - Beginning of Period	695	84	407	234	329	198
Cash Balance - End of Period	84	407	234	329	198	437
BOA Line of Credit	12,000	12,000	15,000	20,000	20,000	20,000
Interest on LOC	12	12	13	18	20	20
Notes Payable Balance	**3,466**	**6,700**	**13,300**	**20,600**	**19,600**	**22,000**
Interest on Borrowings	183	220	546	1,204	1,508	1,560
Unused Portion of LOC	8,534	5,300	1,700	(600)	400	(2,000)
Interest on Unused Portion of LOC	22	21	12	7	1	(5)
Interest Income	6	4	5	4	4	5

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HEARING EXHIBIT - 00001330

HEARING EXHIBIT - 00001331

FLORIDA PUBLIC UTILITIES COMPANY
CASH PROJECTION
BUDGET 2007

TOTAL CONSOLIDATED

		JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
Operating Revenues		13,328,918	11,348,025	10,754,303	9,053,918	8,917,155	8,082,889	9,033,533	8,987,730	8,674,788	9,046,885	10,311,616	12,905,185	122,241,825
Fuel Revenue & Pass-thru		(7,647,827)	(6,472,482)	(6,298,915)	(5,567,359)	(5,008,843)	(5,230,987)	(5,259,459)	(5,365,836)	(4,865,770)	(6,337,082)	(6,298,524)	(8,071,397)	(71,453,252)
Gross Profit		5,679,090	4,875,583	4,455,388	4,086,560	3,908,312	3,843,921	3,774,074	3,822,094	3,808,988	3,708,592	4,011,891	4,833,788	50,788,573
Other Income - Net (excl. taxes & int cap)		63,030	111,425	82,500	105,858	29,227	92,871	60,880	83,211	63,203	38,244	79,524	66,563	866,365
Total		5,742,120	4,986,998	4,537,887	4,172,418	3,937,538	3,936,792	3,834,954	3,905,305	3,872,201	3,736,836	4,091,516	4,900,351	51,656,738
DEDUCTIONS:														
Operation & Mtnce Excl Fuel etc		3,228,164	2,772,273	2,533,358	2,312,298	2,222,788	2,185,676	2,145,881	2,173,265	2,195,818	2,108,727	2,281,242	2,748,620	28,878,564
Non-Cash O&M (Storm Reev)		(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(100,000)
Income Taxes Paid					568,007		689,867			569,007		0	569,867	2,276,028
Taxes Paid - Other		168,468	8,084	102,857	60,867	42,828	55,440	168,788	62,365	34,343	151,358	2,403,950	7,680	3,266,144
Interest On Long - Term Debt						754,325	383,200					754,326	383,200	2,235,050
Interest on Additional LT Debt	8.85%	256,800			307,000			317,300			317,100			1,198,000
Interest on Environmental Expenditure		1,335	1,335	1,335	1,335	1,335	1,335	1,335	1,335	1,335	1,335	1,335	1,335	16,017
Interest on Private Activity Bond	4.80%					343,000						343,000		686,000
Interest on LOC		18,844	10,508	5,848	373	12,009	22,470	25,004	24,483	22,732	23,808	31,378	37,869	234,430
Other Interest Payments		0	0	0	216,300	216,300	0	0	0	0	0	0	0	432,600
Payment Of Environmental Clean Up		0	0	0	0	0	0	0	0	0	0	0	0	0
Dividends Paid - Preferred		7,125	0	0	7,125	0	0	7,125	0	0	7,125	0	0	28,500
Dividends Paid - Common		688,000	0	0	684,008	0	0	686,009	0	0	686,000	0	0	2,754,000
Proceeds Form Equity - Common Stock		(152,432)	0	0	(68,892)	0	0	(156,168)	0	0	(77,786)	0	0	(460,283)
Pension Contributions							250,000							250,000
TOTAL DEDUCTIONS		4,186,970	2,784,868	2,635,266	4,079,660	3,583,752	3,438,784	3,164,817	2,253,084	2,784,802	3,219,126	5,808,856	3,718,518	41,666,051
BALANCE		1,555,150	2,202,130	1,902,621	93,368	353,787	497,908	629,837	1,652,211	1,087,399	518,710	(1,715,341)	1,181,835	9,976,687
Construction Requirements (including AEP)		723,000	1,098,800	1,488,500	1,281,800	6,111,900	1,838,400	1,028,200	998,300	832,400	972,200	801,800	785,000	17,335,300
Net Const. Cash Refunds/(Contributions)		30,916	30,916	30,916	30,916	30,916	30,916	30,916	30,916	30,916	30,916	30,916	30,916	370,991
BALANCE		801,244	1,104,814	383,215	(1,218,548)	(5,789,029)	(568,318)	(429,179)	632,995	123,984	(483,406)	(2,548,057)	355,919	(7,735,604)
Add Proceeds From Financing - SunTrust LOC (See Detail Below)														0
Proceeds from Water Sale & LWG				375,000										375,000
Less Tax on Gain of Sale Water & LWG														0
Add Proceeds from Financing - BOA LOC		[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	(100,000)	500,000	2,800,000	(300,000)	3,334,000
Add Proceeds From Financing (LT Debt)														0
Less Loan Expenses (LT Debt)														0
Refunding $15M Bond	$20,000,000		5,000,000											5,000,000
Less Loan Expenses (Bonds)			(560,000)	0	0	0	0	0	0	0	0	0	0	(560,000)
Add Proceeds from Equity Issue														0
Less Equity Issue Expenses														0
Less ST Investments														0
Cash Balance - Beginning Of Period		83,838	284,882	5,839,496	3,731,712	2,513,164	324,135	354,817	325,638	358,634	382,617	398,211	351,115	83,838
Cash Balance - End of Period		284,882	5,839,496	3,731,712	2,513,164	324,135	354,817	325,638	358,634	382,617	398,211	351,115	407,034	407,034
Actual Cash Balance														
Customer Deposit - Annual Payments	432,600													
Line of Credit - Bank of America		12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000
Interest on LOC	0.10%	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Notes Payable Balance - BOA		3,466,000	2,866,000	2,866,000	0	0	3,800,000	4,200,000	4,800,000	4,800,000	3,900,000	4,400,000	7,000,000	6,700,000
Interest on Borrowings	4.22%	16,400	14,800	7,400	0	0	0,300	20,200	22,600	22,300	20,500	21,500	29,500	35,500
Unused Portion of LOC		8,534,000	9,134,000	9,134,000	12,000,000	12,000,000	8,400,000	7,800,000	7,400,000	8,000,000	8,100,000	7,600,000	5,000,000	5,300,000
Interest on Unused Portion of LOC	0.25%	1,800	1,800	2,200	2,500	2,100	1,700	1,600	1,600	1,700	1,800	1,300	1,100	21,100
Additional LT Debt Balance		15,000,000	15,000,000	0	0	0	0	0	0	0	0	0	0	
Interest On additional LT Debt	8.85%	85,800	42,800	0	0	0	0	0	0	0	0	0	0	128,400
Refunded Bond		$20,000,000	0	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	
Interest on Refunded Bond	5.34%			52,800	106,700	106,700	106,700	106,700	106,700	106,700	106,700	106,700	106,700	1,109,800
Private Activity Bond - Used		14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	
Interest On Private Activity Bond	4.80%	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	686,400

FLORIDA PUBLIC [illegible]LITIES COMPANY
CASH PR[illegible]JECTION
BUDGET 2008

TOTAL CONSOLIDATED

		JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
Operating Revenues		14,078,686	11,988,809	11,358,141	10,198,793	9,424,832	9,584,350	9,540,305	9,702,512	9,168,623	9,550,389	10,876,433	13,607,361	129,080,236
Fuel Revenue & Pass-thru		(7,952,211)	(6,730,006)	(6,549,612)	(5,809,738)	(5,208,195)	(5,447,478)	(5,468,788)	(5,579,186)	(5,056,428)	(5,549,509)	(6,550,245)	(8,392,639)	(74,267,631)
Gross Profit		6,126,675	5,258,820	4,808,529	4,387,057	4,216,337	4,136,872	4,071,520	4,123,326	4,109,196	4,000,877	4,326,188	5,214,753	54,781,148
Other Income - Net (excl taxes & int exp)		65,246	115,335	85,397	108,563	30,250	98,121	52,454	56,474	85,415	31,302	82,307	88,893	898,756
Total		6,191,921	5,375,155	4,891,927	4,495,620	4,246,587	4,242,993	4,123,973	4,210,798	4,174,611	4,032,178	4,410,495	5,283,645	55,680,904
DEDUCTIONS:														
Operation & Maint Excl Fuel etc		3,417,082	2,633,586	2,680,770	2,446,816	2,351,569	2,312,858	2,270,830	2,299,723	2,201,843	2,231,430	2,413,982	2,608,451	30,558,938
Non-Cash O&M (Stores Resv)		(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(100,000)
Income Taxes Paid					733,205		733,205			733,205		0	733,205	2,932,820
Taxes Paid - Other		171,482	8,357	108,045	62,693	44,113	57,103	173,849	84,238	35,374	155,698	2,673,849	7,821	3,561,649
Interest On Long - Term Debt						754,323	383,200					685,754	383,200	2,186,478
Interest on Additional LT Debt	6.85%	317,100			317,100			317,100			317,100			1,268,400
Interest on Environmental Expenditure		8,071	8,071	8,071	8,071	8,071	8,071	8,071	8,071	8,071	8,071	8,071	8,071	96,847
Interest on Private Activity Bond	4.90%					343,000						343,000		686,000
Interest on LOC		30,522	32,848	28,241	26,122	34,971	48,712	53,015	52,122	51,832	55,825	68,649	78,700	565,497
Other Interest Payments		0	0	0	222,808	222,808	0	0	0	0	0	0	0	445,616
Payment Of Environmental Clean Up		0	0	0	0	0	1,180,000	0	0	0	0	0	0	1,180,000
Dividends Paid - Preferred		7,125	0	0	7,125	0	0	7,125	0	0	7,125	0	0	28,500
Dividends Paid - Common		686,808	0	0	719,008	0	0	720,000	0	0	722,000	0	0	2,857,936
Proceeds From Sale - Common Stock		(156,489)	0	0	(84,111)	0	0	(184,455)	0	0	(80,982)	0	0	(487,957)
Pension Contributions							500,000							500,000
TOTAL DEDUCTIONS		4,466,809	2,975,368	2,812,794	4,450,488	3,750,645	5,182,813	3,377,202	2,415,817	3,111,991	3,408,224	6,185,012	4,081,214	48,260,874
BALANCE		1,703,312	2,399,787	2,079,133	46,134	495,942	(949,820)	746,772	1,803,981	1,062,620	623,955	(1,774,517)	1,102,432	9,420,030
Increase (Decrease) in Cash Due to Fluctuation in Certain Assets & Liab		-	-	-	-	-	-	-	-	-	-	-	-	-
Construction Requirements (excluding AEP)		670,302	980,423	1,364,271	1,160,040	1,103,536	1,070,180	899,164	1,207,248	1,338,181	1,767,580	1,352,773	1,389,321	14,783,000
Net Const. Cash Refunds/(Contributions)		32,146	32,148	32,146	32,148	32,146	32,146	32,148	32,148	32,148	32,148	32,146	32,148	385,728
BALANCE		801,883	1,387,216	682,715	(1,146,052)	(729,842)	(2,052,146)	(184,539)	474,587	(307,707)	(1,175,751)	(3,158,436)	(320,035)	(5,738,927)
Add Proceeds From Financing - SunTrust LOC (See Detail Below)														0
Proceeds from Water Sale & LWG				375,000										375,000
Less Tax on Gain of Sale Water & LWG														0
Add Proceeds from Financing - BOA LOC		(1,200,000)	(1,200,000)	(1,100,000)	(1,000,000)	2,300,000	2,300,000	100,000	400,000	300,000	1,100,000	1,300,000	100,000	6,600,000
Less LT Debt Principal Repayments						(1,409,000)								(1,409,000)
Less Loan Expenses (LT Debt)														0
Add Proceeds from Bond Issue														0
Less Loan Expenses (Bonds)		0	0	0	0	0	0	0	0	0	0	0	0	0
Add Proceeds from Equity Issue														0
Less Equity Issue Expenses														0
Less ST Investments														0
Cash Balance - Beginning Of Period		407,034	288,887	488,115	443,830	287,778	259,136	308,988	222,450	297,037	289,330	213,578	354,142	407,034
Cash Balance - End of Period		288,887	488,115	443,830	287,778	259,136	308,988	222,450	297,037	289,330	213,578	354,142	234,107	234,107
Actual Cash Balance														
Customer Deposit - Annual Payments	446,578													
Line of Credit - Bank of America		12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	15,000,000	15,000,000	15,000,000
Interest on LOC	0.10%	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,300	1,300	12,600
Notes Payable Balance - BOA		6,700,000	5,500,000	4,700,000	3,600,000	4,600,000	6,700,000	6,800,000	6,900,000	6,500,000	6,600,000	9,900,000	13,200,000	13,300,000
Interest on Borrowings	7.80%	38,800	30,800	24,200	23,900	33,600	45,200	51,600	50,800	50,500	54,500	67,400	77,300	548,100
Unused Portion of LOC		5,300,000	6,100,000	7,300,000	8,400,000	7,400,000	5,300,000	5,200,000	5,100,000	5,500,000	5,400,000	2,100,000	1,800,000	1,700,000
Interest on Unused Portion of LOC	0.25%	1,200	1,400	1,600	1,600	1,300	800	700	700	700	600	400	400	11,500
Additional LT Debt Balance		0	0	0	0	0	0	0	0	0	0	0	0	0
Interest On additional LT Debt	6.85%	0	0	0	0	0	0	0	0	0	0	0	0	0
Refunded Bond		20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	
Interest on Refunded Bond	6.34%	105,700	105,700	105,700	105,700	105,700	105,700	105,700	105,700	105,700	105,700	105,700	105,700	1,268,400
Private Activity Bond - Used		14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	
Interest On Private Activity Bond	4.90%	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	686,400

HEARING EXHIBIT - 00001332

FLORIDA PUBLIC [illegible]LITIES COMPANY
CASH PR[illegible]JECTION
BUDGET 2009

TOTAL CONSOLIDATED

		JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
Operating Revenues		14,883,389	12,513,583	11,850,807	10,841,408	9,836,903	10,012,865	9,958,004	10,125,124	9,569,862	9,885,881	11,349,857	14,185,068	134,710,328
Fuel Revenue & Pass-thrus		(8,268,709)	(6,997,923)	(6,810,286)	(6,040,883)	(5,415,481)	(5,664,286)	(5,688,443)	(5,801,240)	(5,260,783)	(5,770,378)	(6,810,945)	(8,726,646)	(77,254,116)
Gross Profit		6,424,680	5,515,660	5,040,521	4,800,445	4,421,422	4,348,577	4,269,560	4,323,885	4,309,080	4,115,481	4,538,713	5,458,401	57,456,213
Other Income - Net (excl. taxes & Int cap)		67,529	119,372	48,386	713,308	31,309	66,465	54,290	98,850	67,705	32,398	85,188	71,304	930,714
Total		6,492,209	5,635,032	5,128,707	4,713,843	4,452,730	4,448,083	4,323,850	4,423,735	4,376,774	4,227,879	4,623,901	5,529,705	58,386,427
DEDUCTIONS:														
Operations & Maint Excl Fuel etc		3,563,479	3,085,042	2,818,173	2,673,148	2,473,008	2,432,284	2,388,088	2,418,463	2,410,166	2,348,634	2,538,612	3,068,808	32,138,848
Non-Cash O&M (Storm Reserve)		(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(100,000)
Income Taxes Paid				748,455			748,455			748,455		0	748,455	2,993,820
Taxes Paid - Other		178,608	8,837	109,227	84,573	45,438	58,818	179,065	68,483	36,435	180,578	2,775,081	8,158	3,690,874
Interest On Long - Term Debt						885,754	383,200					817,184	363,200	2,029,338
Interest on Additional LT Debt	6.85%	317,100			317,100			317,100			317,100			1,268,400
Interest on Environmental Expenditure		29,108	29,108	29,108	29,108	29,108	29,108	29,108	29,108	29,108	29,108	29,108	29,108	345,270
Interest on Private Activity Bond	4.80%					343,000						343,000		686,000
Interest on LOC		87,218	78,455	89,580	87,484	75,782	101,478	121,391	118,482	115,207	117,807	129,954	138,174	1,222,934
Other Interest Payments		0	0	0	229,500	229,500	0	0	0	0	0	0	0	458,000
Payment Of Environmental Clean Up							3,885,000							3,885,000
Dividends Paid - Preferred		7,125	0	0	7,125	0	0	7,125	0	0	7,125	0	0	28,500
Dividends Paid - Common		722,000	0	0	748,000	0	0	748,000	0	0	748,000	0	0	2,982,000
Proceeds From Sale - Common Stock		(184,807)	0	0	(87,458)	0	0	(171,000)	0	0	(84,111)	0	0	(507,378)
Pension Contributions							1,858,324							1,858,324
TOTAL DEDUCTIONS		4,750,493	3,194,908	3,018,753	4,686,611	3,873,253	9,268,311	3,608,521	2,823,871	3,331,036	3,833,603	8,425,503	4,338,369	62,760,529
BALANCE		1,732,716	2,440,125	2,109,955	27,232	578,477	(4,818,248)	715,329	1,599,864	1,045,738	583,676	(1,801,602)	1,201,336	6,625,898
Increase (Decrease) in Cash Due to Fluctuation in Certain Assets & Liab.		-	-	-	-	-	-	-	-	-	-	-	-	-
Construction Requirements (including AFP)		754,930	755,794	1,051,697	894,258	920,081	824,985	693,153	1,000,000	1,031,584	1,362,586	1,042,833	1,064,069	11,396,000
Net Const. Cash Refunds/(Contributions)		33,426	33,426	33,426	33,426	33,426	33,426	33,426	33,426	33,426	33,426	33,426	33,426	401,110
BALANCE		844,360	1,650,906	1,024,832	(900,451)	(374,030)	(5,676,660)	(11,250)	766,406	(19,272)	(802,036)	(2,877,860)	103,841	(5,171,211)
Add Proceeds From Financing - SunTrust LOC (See DetAil Below)														0
Proceeds from Water Sale & LWG				375,000										376,000
Less Tax on Gain of Sale Water & LWG														0
Add Proceeds from Financing - BOA LOC		(900,000)	(1,800,000)	(1,500,000)	800,000	1,800,000	6,000,000		(1,000,000)		800,000	3,000,000	(200,000)	7,300,000
Less LT Debt Principal Repayments						(1,406,000)								(1,406,000)
Less Loan Expenses (LT Debt)														0
Add Proceeds from Bond Issue														0
Less Loan Expenses (Bonds)		0	0	0	0	0	0	0	0	0	0	0	0	0
Add Proceeds from Equity Issue														0
Less Equity Issue Expenses														0
Less ST Investments														0
Cash Balance - Beginning Of Period		234,107	378,467	429,373	329,205	228,754	245,724	568,084	557,814	324,223	304,951	302,915	425,055	234,107
Cash Balance - End of Period		378,467	429,373	329,205	228,754	245,724	569,084	557,814	324,223	304,951	302,915	425,055	328,896	328,896
Actual Cash Balance														
Customer Deposit - Annual Payments	458,945													
Line of Credit - Bank of America	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Interest on LOC	0.10%	1,300	1,300	1,300	1,300	1,300	1,700	1,700	1,700	1,700	1,700	1,700	1,700	18,400
Notes Payable Balance - BOA	13,380,000	12,580,000	10,880,000	9,480,000	10,380,000	12,980,000	18,980,000	18,000,000	17,000,000	17,000,000	17,000,000	20,000,000	20,000,000	20,000,000
Interest on Borrowings	8.00%	85,000	78,000	87,780	65,300	74,000	100,000	128,000	118,700	113,300	118,000	128,700	138,000	1,203,700
Unused Portion of LOC	1,700,000	2,500,000	4,100,000	5,600,000	4,800,000	3,000,000	2,000,000	2,000,000	3,000,000	3,000,000	2,200,000	(800,000)	(800,000)	(600,000)
Interest on Unused Portion of LOC	0.25%	400	700	1,000	1,100	800	500	400	500	600	500	100	(100)	8,500
Additional LT Debt Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest On additional LT Debt	6.85%	0	0	0	0	0	0	0	0	0	0	0	0	0
Refunded Bond	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	
Interest on Refunded Bond	6.34%	105,700	105,700	105,700	105,700	105,700	105,700	105,700	105,700	105,700	105,700	105,700	105,700	1,268,400
Private Activity Bond - Used	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	
Interest On Private Activity Bond	4.80%	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	686,400

HEARING EXHIBIT - 00001333

FLORIDA PUBLIC UTILITIES
PROJECTED 5 YEAR SUMMARY
2007-2011

	2001	2002	2003	2004	2005	2006	BUDGET 2007	2008	2009	2010
		<<<<<<<<<<< ACTUAL >>>>>>>>>>>						<<<<<<<	PROJECTED	>>>>>
GROSS PROFIT										
NATURAL GAS	15,854	19,058	21,147	21,730	26,279	27,252	28,108	29,441	30,838	32,300
ELECTRIC	10,980	11,279	11,532	13,178	14,098	14,236	14,815	16,861	17,446	18,050
PROPANE	3,106	4,592	5,054	5,781	6,842	6,929	7,865	8,489	9,173	9,891
	29,940	34,929	37,733	40,689	47,219	48,417	50,788	54,791	57,456	60,241
O&M EXPENSES	16,639	19,822	21,896	23,050	26,446	27,251	28,879	30,546	32,111	33,682
DEPRECIATION & AMORT	4,525	5,026	5,492	5,900	7,267	7,787	8,030	8,326	8,634	8,953
TOTI	2,157	2,312	2,652	2,753	2,869	2,985	3,288	3,562	3,691	4,021
OPERATING EXPENSE	23,321	27,160	30,040	31,703	36,582	38,023	40,196	42,433	44,436	46,656
NET OPERATING INCOME EXCL INC TAX	**6,619**	**7,769**	**7,693**	**8,986**	**10,637**	**10,394**	**10,592**	**12,358**	**13,020**	**13,585**
PROVISION FOR INCOME TAXES	(1,239)	(1,402)	(1,167)	(1,615)	(2,287)	(2,319)	(2,224)	(2,919)	(2,980)	(3,134)
OTHER INCOME	667	907	484	685	466	839	868	899	930	963
INTEREST	(3,591)	(4,513)	(4,488)	(4,462)	(4,568)	(4,609)	(5,175)	(5,233)	(5,766)	(5,953)
NET INCOME - CONTINUING OPER	2,456	2,761	2,522	3,594	4,248	4,305	4,061	5,105	5,205	5,461
DISCONTINUED OPERATIONS (Net of Tax)	596	602	9,901							
NET INCOME	3,052	3,363	12,423	3,594	4,248	4,305	4,061	5,105	5,205	5,461
PREFERRED STOCK	29	29	29	29	29	29	29	29	29	29
EARNINGS FOR COMMON STOCK	3,023	3,334	12,394	3,565	4,219	4,276	4,032	5,076	5,176	5,432
AVERAGE SHARES OUTSTANDING	5,702,437	5,806,356	5,858,548	5,908,221	5,952,684	5,993,602	6,037,038	6,080,774	6,124,510	6,168,246
EPS										
Continuing Operations	0.43	0.47	0.43	0.60	0.71	0.71	0.67	0.83	0.85	0.88
Discontinued Operations	0.10	0.10	1.69	-	-	-	-	-	-	-
TOTAL EPS	0.53	0.57	2.12	0.60	0.71	0.71	0.67	0.83	0.85	0.88

Notes:

1 Proj Avg increase in Gross Profit **4.43%** based on 6 year annual average (1995 - 2001). Excludes acq'n years.
2 Proj increase in Operating Exp **3.50%** except for large expense items, projected indivi Propane **4.64%**
3 Projected Equity Offering June 20($ - M at $ 12 per share
4 Electric Rate case filing in 2008 ap **10.00%** Base Revenue Increase
5 Income Taxes calculated using the effective rate of 37.63%
6 Interest Expense - Net Interest Expense from Projected Cash Flow
7 Interest Expense on Environmental paid by Fund
8 Short Term Debt Interest Rate projected at 4% 2005, 6% 2006, 7% 2007,8% 2008, 7.5% 2009 - 2010
9 Re-stated for 3 : 2 stock split 7/15/2005

HEARING EXHIBIT - 00001334

FINANCING PROJECTIONS AND COVENANTS

February 2007

FINANCING PROJECTIONS

	Current Bond	Refunding Bond	<<< Projected >>> 2005	2006	2007	2008	2009	2010	2011
Available LOC			12,000,000	12,000,000	12,000,000	15,000,000	20,000,000	20,000,000	20,000,000
Projected LOC Borrowings			9,558,000	3,466,000	6,700,000	13,300,000	20,600,000	19,600,000	22,000,000
Unused Portion of LOC			2,442,000	8,534,000	5,300,000	1,700,000	(600,000)	400,000	(2,000,000)
Projected Financing - Bond Issue / Refunding	$15,000,000	$20,000,000	-	-	5,000,000	-	-	-	-
Projected Equity Offering			-	-	-	-	-	-	-

Current LOC expires June 2007

Projections dependent on timing and costs of land purchase and environmental expenditures.

COVENANT COMPLIANCE:

	LENDER	REQUIREMENT	Actual 2005	2006	<<< Projected >>> 2007	2008	2009	2010	2011
CAPITALIZATION RATIO	AMBAC	= > 35%	42%	41%	40%	40%	40%	42%	43%
FIXED CHARGE COVERAGE	BOA	>= 1.25	3.52	3.64	3.52	2.81	2.67	2.71	2.83
TOTAL LIABILITIES TO TANGIBLE NET WORTH	BOA	<4.00	3.45	3.55	3.72	3.64	3.58	3.51	3.42
FIXED CHARGE COVERAGE	JEA	> = 1.50	3.52	3.64	3.52	2.81	2.67	2.71	2.83
TOTAL LIABILITIES TO TANGIBLE NET WORTH	JEA	< 3.75	3.45	3.55	3.72	3.64	3.58	3.51	3.42
TOTAL DEBT TO TOTAL CAPITAL	Gulf Power	<.60		0.54	0.55	0.57	0.58	0.58	0.57
INTEREST COVERAGE (Annual not 6 Qtr Avg)	Gulf Power	>2.5		3.62	3.29	3.46	3.25	3.23	3.34

1368

HEARING EXHIBIT - 00001335

Cox Doreen

From: Khojasteh Mehrdad
Sent: Monday, January 15, 2007 5:41 PM
To: Bachman George; Cox Doreen
Cc: Martin Cheryl
Subject: Tax Treatment - Bond Expense

According to the following, any expenses related to issuing the bond (that is, printing, advertising, legal fees) are amortized over the life of the bond and deducted as business expenses.

A bond is issued at a *discount* when the issue price is less than the face value of the bond. A bond is issued at a *premium* when the issue price is more than the amount payable at maturity. The amount received as a premium must generally be amortized by the issuer and used as an offset against its allowable interest deduction (Reg. §1.163-13(a)). Any expenses related to issuing the bond (that is, printing, advertising, legal fees) are amortized over the life of the bond and deducted as business expenses. [2007FED ¶5804.01, 2007FED¶5804.22].

Thanks,

Mehrdad Khojasteh
Assistant Controller
Florida Public Utilities Company
(561) 838-1724

1/16/2007

HEARING EXHIBIT - 00001336

Cox Doreen

From: Cox Doreen
Sent: Wednesday, January 17, 2007 1:54 PM
To: 'Sprouse,Kevin E'
Cc: Bachman George
Subject: Updated NPV Analysis

Kevin
Attached is the updated worksheet using the Coupon Rate of 5.9% and Bond Insurance of 0.15%.
Regards
Doreen

1/17/2007

Florida Public Utilities

$15mm 6.850% due 10/01/31

Refunding Savings Analysis

Refunding Comparison

Florida Public Utilities	Current Bonds	Refunding Bonds	Difference
Principal	$15,000,000	$15,000,000	
Maturity	10/1/2031	12/15/2036	5.2 yr
Coupon	6.85%	5.90%	-0.95%
Annual Interest Expense	$1,027,500	$885,000	-$142,500
U/W Fee		3.15%	
PV Bond Insurance	n/a	0.15%	
All-In Cost	6.85%	6.43%	-0.42%
NPV Savings through Initial Maturity			$762,252

Highlights

- The average coupon is reduced by .95% resulting in annual savings of $142,500 and NPV savings of $0.76 million.
- The all-in cost of debt is reduced by 0.42%.
- This structure retains short-term, par call flexibility (no call 5 yrs)
- The refunding bonds include an estate feature limited annually to $25,000 per holder and to 1.0% of the original principal amount in the aggregate.

FLORIDA PUBLIC UTILITIES

Edward Jones

HEARING EXHIBIT - 00001338

Florida Public Utilities Detailed Savings Analysis

Series	Florida Public Utilities 6.85% due 10/1/2031
Savings Analysis	
Annual Interest Savings	$142,500
Annual Financing Cost of Expenses	(80,182)
Annual Savings	62,318
NPV Savings	**$762,252**
Expenses	
Call Premium	150,000
Underwriting fee	472,500
Bond Insurance	331,419
Other Expenses	100,000
Total	**$1,053,919**
Annual Financing Cost of Expenses	$80,182
Current Bonds	
Principal	$15,000,000
Current Coupon Rate	6.85%
Issue Date	09/27/01
Maturity Date	10/01/31
Original issue maturity (years)	30.0
Remaining Life (years)	24.8
All-in Cost	6.85%
Call Date	12/18/2006
Call Premium	101.00%
Refunding Bonds	
Principal	$15,000,000
New Coupon Rate	5.900%
Underwriting fee upfront	3.15%
PV Bond Insurance per annum	0.15%
Issue Date	1/1/2007
Maturity date	12/15/2036
Maturity (years)	30.0
New Call Date	12/31/2011
All-in Cost (Discount Rate)	**6.43%**

* Other Expenses include legal, rating and auditor fees.

** Expenses are financed at a rate of 6.43% and amortized for 30.0 years

FLORIDA PUBLIC

Edward**Jones**

HEARING EXHIBIT - 00001339

Refunding Bond Analysis
FPU's Analysis
Dec-06

		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
ORIGINAL BOND																											
Interest			(1,927,500)	(1,927,500)	(1,927,500)	(1,927,500)	(1,927,500)	(1,927,500)	(1,927,500)	(1,927,500)	(1,927,500)	(1,927,500)	(1,927,500)	(1,927,500)	(1,927,500)	(1,927,500)	(1,927,500)	(1,927,500)	(1,927,500)	(1,927,500)	(1,927,500)	(1,927,500)	(1,927,500)	(1,927,500)	(1,927,500)	(1,927,500)	(1,927,500)
NPV		(13,434,129)																									
Coupon Rate		6.88%																									
REFUNDING BOND																											
Call Premium		(144,000)																									
Underwriting Fee		(472,500)																									
Bond Insurance			(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)
Other Expenses		(106,000)																									
Interest			(865,000)	(865,000)	(865,000)	(865,000)	(865,000)	(865,000)	(865,000)	(865,000)	(865,000)	(865,000)	(865,000)	(865,000)	(865,000)	(865,000)	(865,000)	(865,000)	(865,000)	(865,000)	(865,000)	(865,000)	(865,000)	(865,000)	(865,000)	(865,000)	(865,000)
Total Outflows		(722,500)	(887,500)	(887,500)	(887,500)	(887,500)	(887,500)	(887,500)	(887,500)	(887,500)	(887,500)	(887,500)	(887,500)	(887,500)	(887,500)	(887,500)	(887,500)	(887,500)	(887,500)	(887,500)	(887,500)	(887,500)	(887,500)	(887,500)	(887,500)	(887,500)	(887,500)
NPV		(11,895,330)																									
Coupon Rate		6.88%																									
UF Underwriting Fee		3.15%																									
Bond Insurance		0.15%																									
SAVINGS		(722,500)	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000
		754,667																									
Discount Rate		[redacted] 6.40%																									

Assumptions:

- Call Premium, Underwriting Fee and Other Expenses eg. Legal Paid Up-front
- No tax effect
- Discount Rate of 6.4%

Edward Jones 5.9 Coupon 1/17/2007 1:40 PM

HEARING EXHIBIT - 00001340

Refunding Bond Analysis
FPUC Analysis
Dec-06

		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
ORIGINAL BOND																											
Interest tax effected			($40,955)	($40,955)	($40,955)	($40,955)	($40,955)	($40,955)	($40,955)	($40,955)	($40,955)	($40,955)	($40,955)	($40,955)	($40,955)	($40,955)	($40,955)	($40,955)	($40,955)	($40,955)	($40,955)	($40,955)	($40,955)	($40,955)	($40,955)	($40,955)	($40,955)	($40,958)
NPV		($8,193,556)																									
Coupon Rate		6.85%																									
REFUNDING BOND		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Call Premium		($50,000)																									
Underwriting Fee and tax ded		($72,500)	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925
Bond Insurance tax effected			(14,038)	(14,038)	(14,038)	(14,038)	(14,038)	(14,038)	(14,038)	(14,038)	(14,038)	(14,038)	(14,038)	(14,038)	(14,038)	(14,038)	(14,038)	(14,038)	(14,038)	(14,038)	(14,038)	(14,038)	(14,038)	(14,038)	(14,038)	(14,038)	(14,036)
Other Expenses and tax ded		($50,000)	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254
Interest tax effected			($52,083)	($52,083)	($52,083)	($52,083)	($52,083)	($52,083)	($52,083)	($52,083)	($52,083)	($52,083)	($52,083)	($52,083)	($52,083)	($52,083)	($52,083)	($52,083)	($52,083)	($52,083)	($52,083)	($52,083)	($52,083)	($52,083)	($52,083)	($52,083)	($52,083)	($52,083)
Total Outflows		($722,500)	($558,919)	($558,919)	($558,919)	($558,919)	($558,919)	($558,919)	($558,919)	($558,919)	($558,919)	($558,919)	($558,919)	($558,919)	($558,919)	($558,919)	($558,919)	($558,919)	($558,919)	($558,919)	($558,919)	($558,919)	($558,919)	($558,919)	($558,919)	($558,919)	($558,919)	($558,919)	($558,919)
NPV		($7,967,369)																									
Coupon Rate		6.90%																									
UF Underwriting Fee		3.15%																									
Bond Insurance		0.15%																									
SAVINGS		($722,500)	$2,835	$2,835	$2,835	$2,835	$2,835	$2,835	$2,835	$2,835	$2,835	$2,835	$2,835	$2,835	$2,835	$2,835	$2,835	$2,835	$2,835	$2,835	$2,835	$2,835	$2,835	$2,835	$2,835	$2,835	$2,835
		$326,188																									
Discount Rate		[redacted]																									

Assumptions:

- Call Premium, Underwriting Fee and Other Expenses eg. Legal Paid Up-front
- All expenses except Call Premium are Tax Deductible
- Discount Rate of 6%

Edward Jones 5.9 Coupon 1/17/2007 1:40 PM

HEARING EXHIBIT - 00001341

Refunding Bond Analysis
Edward Jones Assumptions
Dec-06

		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
ORIGINAL BOND																											
Interest			(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)
NPV		(512,656,129)																									
Coupon Rate		6.85%																									
REFUNDING BOND		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Other Expenses	1		(80,162)	(80,162)	(80,162)	(80,162)	(80,162)	(80,162)	(80,162)	(80,162)	(80,162)	(80,162)	(80,162)	(80,162)	(80,162)	(80,162)	(80,162)	(80,162)	(80,162)	(80,162)	(80,162)	(80,162)	(80,162)	(80,162)	(80,162)	(80,162)	(80,162)
Interest	2		(968,000)	(968,000)	(968,000)	(968,000)	(968,000)	(968,000)	(968,000)	(968,000)	(968,000)	(968,000)	(964,000)	(964,000)	(964,000)	(964,000)	(964,000)	(964,000)	(964,000)	(964,000)	(965,000)	(965,000)	(965,000)	(965,000)	(965,000)	(964,000)	(964,000)
Total Outflows		-	(968,162)	(968,162)	(968,162)	(968,162)	(968,162)	(968,162)	(968,162)	(968,162)	(968,162)	(968,162)	(964,162)	(964,162)	(964,162)	(964,162)	(964,162)	(964,162)	(964,162)	(964,162)	(965,162)	(965,162)	(965,162)	(965,162)	(965,162)	(964,162)	(964,162)
NPV		(511,682,964)																									
Coupon Rate		6.90%																									
UF Underwriting Fee		3.13%																									
Bond Insurance		0.15%																									
SAVINGS		-	62,338	62,338	62,338	62,338	62,338	62,338	62,338	62,338	62,338	62,338	62,338	62,338	62,338	62,338	62,338	62,338	62,338	62,338	62,338	62,338	62,338	62,338	62,338	62,338	62,338
		787,233																									
Discount Rate	3	[redacted]																									

Assumptions:

1 Call Premium, Bond Insurance, Underwriting Fee and Other Expenses financed over 30 years
2 Expenses not tax-sheltered
3 Discount Rate of 6.4%

Edward Jones 5.9 Coupon 1/17/2007 1:42 PM

HEARING EXHIBIT - 00001342

PROFORMA

Florida Public Utilities

FPU MODIFIED ANALYSIS OF EDWARD JONES PROPOSED TERMS USING CURRENT T BILL RATE

Refunding Savings Analysis

Refunding Comparison Bond Refunding? YES

Florida Public Utilities	Current Bonds	Refunding Bonds	Difference
Principal	$15,000,000	$15,000,000	
Maturity	10/1/2031	12/15/2036	5.2 yr
Coupon	6.85%	5.60%	-1.25%
Annual Interest Expense	$1,027,500	$840,000	-$187,500
U/W Fee		3.15%	
PV Bond Insurance	n/a	0.15%	
UP Insurance Fee		$0	
All-In Cost	6.85%	6.12%	-0.73%
NPV Savings	FPU's Methodology		$685,026

HEARING EXHIBIT - 00001343

Florida Public Utilities
Detailed Savings Analysis

Series	Florida Public Utilities 6.85% due 10/1/2031
Savings Analysis	
Annual Interest Savings	$187,500
Annual Financing Cost of Expenses	(78,314)
Annual Savings	109,186
Expenses	
Call Premium	150,000
Underwriting fee	472,500
Bond Insurance	341,541
Other Expenses	100,000
Total	**$1,064,041**
Annual Financing Cost of Expenses	$78,314
Current Bonds	
Principal	$15,000,000
Current Coupon Rate	6.85%
Issue Date	09/27/01
Maturity Date	10/01/31
Original issue maturity (years)	30.0
Remaining Life (years)	24.5
All-in Cost	6.85%
Call Date	4/1/2007
Call Premium	101.00%
Refunding Bonds	
Principal	$15,000,000
New Coupon Rate	5.600%
Underwriting fee upfront	3.15%
UP Insurance Fee	$ -
PV Bond Insurance per annum	0.15%
Issue Date	5/1/2007
Maturity date	5/1/2037
Maturity (years)	30.0
New Call Date	4/29/2012
All-in Cost (Discount Rate)	6.12%

* Other Expenses include legal, rating and auditor fees.

HEARING EXHIBIT - 00001344

Refunding Bond Analysis — $16,000,000 — EDWARD JONES PROPOSAL
FPL's Analysis

$15,000,000

ORIGINAL BOND		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Interest tax effected	2		(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)
Interest on LOC Balance tax effected			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total			(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)
NPV		($8,183,880)																									

Coupon Rate 6.85%
LOC Interest Rate 6.22%

$15,000,000

REFUNDING BOND		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Call Premium	1	(150,000)																									
Underwriting Fee and tax ded.	1 2	(472,500)	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925
Bond Insurance tax effected	3		(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)
Other Expenses and tax ded.	4	(100,000)	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254
Interest tax effected	2		(523,992)	(523,992)	(523,992)	(523,992)	(523,992)	(523,992)	(523,992)	(523,992)	(523,992)	(523,992)	(523,992)	(523,992)	(523,992)	(523,992)	(523,992)	(523,992)	(523,992)	(523,992)	(523,992)	(523,992)	(523,992)	(523,992)	(523,992)	(523,992)	(523,992)
Total Outflows		($722,500)	($630,848)	($630,848)	($630,848)	($630,848)	($630,848)	($630,848)	($630,848)	($630,848)	($630,848)	($630,848)	($630,848)	($630,848)	($630,848)	($630,848)	($630,848)	($630,848)	($630,848)	($630,848)	($630,848)	($630,848)	($630,848)	($630,848)	($630,848)	($630,848)	($630,848)
NPV		($7,688,634)																									

Coupon Rate 5.60%
UF Underwriting Fee 3.15%
Bond Insurance 0.15%

		($722,500)	110,106	110,106	110,106	110,106	110,106	110,106	110,106	110,106	110,106	110,106	110,106	110,106	110,106	110,106	110,106	110,106	110,106	110,106	110,106	110,106	110,106	110,106	110,106	110,106	110,106
SAVINGS / (NON-SAVINGS)		$685,026																									

Discount Rate 6.00%

Assumptions:

1 Call Premium, Underwriting Fee and Other Expenses eg. Legal Paid Up-front
2 All expenses except Call Premium are Tax Deductible
3 Discount Rate of 6%
4 Offering Expenses (eg legal, printing etc) not included in all-in costs.

HEARING EXHIBIT - 00001345

Florida Public Utilities

$15mm 6.850% due 10/01/31

Refunding Savings Analysis

Refunding Comparison

Florida Public Utilities	Current Bonds	Refunding Bonds	Difference
Principal	$15,000,000	$15,000,000	
Maturity	10/1/2031	12/15/2036	5.2 yr
Coupon	6.85%	5.90%	-0.95%
Annual Interest Expense	$1,027,500	$885,000	-$142,500
U/W Fee		3.15%	
PV Bond Insurance	n/a	0.15%	
All-in Cost	6.85%	6.43%	-0.42%
NPV Savings through Initial Maturity			$762,252

Highlights

- The average coupon is reduced by .95% resulting in annual savings of $142,500 and NPV savings of $0.76 million.
- The all-in cost of debt is reduced by 0.42%.
- This structure retains short-term, par call flexibility (no call 5 yrs)
- The refunding bonds include an estate feature limited annually to $25,000 per holder and to 1.0% of the original principal amount in the aggregate.

FLORIDA PUBLIC UTILITIES

Edward Jones

Florida Public Utilities Detailed Savings Analysis

Series	Florida Public Utilities 6.85% due 10/1/2031
Savings Analysis	
Annual Interest Savings	$142,500
Annual Financing Cost of Expenses	(80,182)
Annual Savings	62,318
NPV Savings	$762,252
Expenses	
Call Premium	150,000
Underwriting fee	472,500
Bond Insurance	331,419
Other Expenses	100,000
Total	**$1,053,919**
Annual Financing Cost of Expenses	$80,182
Current Bonds	
Principal	$15,000,000
Current Coupon Rate	6.85%
Issue Date	09/27/01
Maturity Date	10/01/31
Original issue maturity (years)	30.0
Remaining Life (years)	24.8
All-in Cost	6.85%
Call Date	12/18/2006
Call Premium	101.00%
Refunding Bonds	
Principal	$15,000,000
New Coupon Rate	5.900%
Underwriting fee upfront	3.15%
PV Bond Insurance per annum	0.15%
Issue Date	1/1/2007
Maturity date	12/15/2036
Maturity (years)	30.0
New Call Date	12/31/2011
All-in Cost (Discount Rate)	6.43%

* Other Expenses include legal, rating and auditor fees.

** Expenses are financed at a rate of 6.43% and amortized for 30.0 years

Edward Jones - 00001347

Refunding Bond Analysis
Edward Jones Assumptions
Dec 06

		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
ORIGINAL BOND																											
Interest			(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)
NPV		(12,650,126)																									
Coupon Rate		6.85%																									
REFUNDING BOND		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Other Expenses			(80,182)	(80,182)	(80,182)	(80,182)	(80,182)	(80,182)	(80,182)	(80,182)	(80,182)	(80,182)	(80,182)	(80,182)	(80,182)	(80,182)	(80,182)	(80,182)	(80,182)	(80,182)	(80,182)	(80,182)	(80,182)	(80,182)	(80,182)	(80,182)	(80,182)
Interest			(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)
Total Outflows		-	(965,182)	(965,182)	(965,182)	(965,182)	(965,182)	(965,182)	(965,182)	(965,182)	(965,182)	(965,182)	(965,182)	(965,182)	(965,182)	(965,182)	(965,182)	(965,182)	(965,182)	(965,182)	(965,182)	(965,182)	(965,182)	(965,182)	(965,182)	(965,182)	(965,182)
NPV		(11,882,864)																									
Coupon Rate		5.00%																									
UF Underwriting Fee		3.15%																									
Bond Insurance		0.15%																									
SAVINGS		-	82,318	82,318	82,318	82,318	82,318	82,318	82,318	82,318	82,318	82,318	82,318	82,318	82,318	82,318	82,318	82,318	82,318	82,318	82,318	82,318	82,318	82,318	82,318	82,318	82,318
		787,233																									
Discount Rate		[redacted]																									

Assumptions

- Call Premium, Bond Insurance, Underwriting Fee and Other Expenses financed over 30 years
- Expenses net tax effected
- Discount Rate of 6.4%

Edward Jones 5.9 Coupon 10/15/2007 4:07 PM

HEARING EXHIBIT - 00001348

Refunding Bond Analysis
FPU's Analysis
Dec-06

ORIGINAL BOND	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Interest tax effected		(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)
NPV	($8,183,856)																									
Coupon Rate	6.85%																									
REFUNDING BOND	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Call Premium	(150,000)																									
Underwriting Fee and tax ddn	(472,500)	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925
Bond Insurance tax affected		(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)
Other Expenses and tax ddn	(100,000)	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254
Interest tax effected		(552,063)	(552,063)	(552,063)	(552,063)	(552,063)	(552,063)	(552,063)	(552,063)	(552,063)	(552,063)	(552,063)	(552,063)	(552,063)	(552,063)	(552,063)	(552,063)	(552,063)	(552,063)	(552,063)	(552,063)	(552,063)	(552,063)	(552,063)	(552,063)	(552,063)
Total Outflows	(722,500)	(558,819)	(558,819)	(558,819)	(558,819)	(558,819)	(558,819)	(558,819)	(558,819)	(558,819)	(558,819)	(558,819)	(558,819)	(558,819)	(558,819)	(558,819)	(558,819)	(558,819)	(558,819)	(558,819)	(558,819)	(558,819)	(558,819)	(558,819)	(558,819)	(558,819)
NPV	($7,857,356)																									
Coupon Rate	5.90%																									
UF Underwriting Fee	3.15%																									
Bond Insurance	0.15%																									
SAVINGS	(722,500)	82,036	82,036	82,036	82,036	82,036	82,036	82,035	82,035	82,036	82,036	82,035	82,035	82,036	82,036	82,035	82,036	82,036	82,035	82,036	82,036	82,036	82,036	82,036	82,035	82,035
	$326,188																									

Discount Rate 5.00% - 6.00%

Assumptions

Call Premium, Underwriting Fee and Other Expenses eg. Legal Paid Up-front
All expenses except Call Premium are Tax Deductible
Discount Rate of 6%

Edward Jones 5 9 Coupon 10/15/2007 4 07 PM

HEARING EXHIBIT - 00001349

Refunding Bond Analysis
FPUI's Analysis
Dec-08

ORIGINAL BOND	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Interest		(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,566)
NPV	($12,650,126)																									
Coupon Rate	8.85%																									

REFUNDING BOND	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Call Premium	(150,000)																									
Underwriting Fee	(472,500)																									
Bond Insurance		(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)
Other Expenses	(100,000)																									
Interest		(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)
Total Outflows	(722,500)	(907,500)	(907,500)	(907,500)	(907,500)	(907,500)	(907,500)	(907,500)	(907,500)	(907,500)	(937,500)	(907,500)	(907,500)	(907,500)	(907,500)	(907,500)	(907,500)	(907,500)								

HEARING EXHIBIT - 00001350

Refunding Bond Analysis
FPU's Analysis
Dec-08

ORIGINAL BOND	2008	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Interest		(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)
NPV	($12,650,129)																								
Coupon Rate	8.85%																								
REFUNDING BOND	2008	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Call Premium	(150,000)																								
Underwriting Fee	(472,500)																								
Bond Insurance		(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,563)
Other Expenses	(100,000)																								
Interest		(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)
Total OutFlows	(722,500)	(907,500)	(907,500)	(907,500)	(907,500)	(907,500)	(907,500)	(907,500)	(907,500)	(907,500)	(907,500)	(907,500)	(907,500)	(907,500)	(907,500)	(907,500)	(907,500)	(907,500)	(907,500)	(907,500)	(907,500)	(907,500)	(907,500)	(907,500)	(907,500)	(907,563)
NPV	($11,895,238)																								
Coupon Rate	5.80%																								
UF Underwriting Fee	3.15%																								
Bond Insurance	0.15%																								
SAVINGS	(722,500)	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000
	$754,887																								
Discount Rate	[redacted]																								

Assumptions

- Call Premium, Underwriting Fee and Other Expenses eg. Legal Paid Up-front
- No tax effect
- Discount Rate of 6.4%

Edward Jones 5.9 Coupon 10/15/2007 4:07 PM

HEARING EXHIBIT - 00001351

Refunding Bond Analysis
Edward Jones Assumptions
Dec-08

ORIGINAL BOND	2008	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Interest		(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)
NPV	(12,830,128)																									
Coupon Rate	6.85%																									

REFUNDING BOND	2008	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Other Expenses		(80,182)	(80,182)	(80,182)	(80,182)	(80,182)	(80,182)	(80,182)	(80,182)	(80,182)	(80,182)	(80,182)	(80,182)	(80,182)	(80,182)	(80,182)	(80,182)	(80,182)	(80,182)	(80,182)	(80,182)	(80,182)	(80,182)	(80,182)	(80,182)	(80,182)
Interest		(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,800)	(885,800)	(885,000)	(885,800)	(885,000)	(885,000)
Total Outflows	-	(965,182)	(965,182)	(965,182)	(965,182)	(965,182)	(965,182)	(965,182)	(965,182)	(965,182)	(965,182)	(965,182)	(965,182)	(965,182)	(965,182)	(965,182)	(965,182)	(965,182)	(965,182)	(965,182)	(965,982)	(965,182)	(965,182)	(965,182)	(965,182)	(965,063)
NPV	(11,562,864)																									
Coupon Rate	6.80%																									
UF Underwriting Fee	3.15%																									
Bond Insurance	0.15%																									

SAVINGS	-	82,318	82,318	82,318	82,318	82,318	82,318	82,318	82,318	82,318	82,318	82,318	82,318	82,318	82,318	82,318	82,318	82,318	82,318	82,318	82,318	82,318	82,318	82,318	82,318	82,318
	787,233																									
Discount Rate	[redacted]																									

Assumptions

- Call Premium, Bond Insurance, Underwriting Fee and Other Expenses financed over 30 years
- Expenses not tax effected
- Discount Rate of 6.4%

Edward Jones 5 9 Coupon 10/15/2007 4:08 PM

HEARING EXHIBIT - 00001352

Refunding Bond Analysis
FPUC Analysis
Dec-06

ORIGINAL BOND	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Interest tax effected [2]		(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)
NPV	($8,193,558)																									
Coupon Rate	6.85%																									
REFUNDING BOND	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Call Premium [1]	(150,000)																									
Underwriting Fee and tax ded [1] [2]	(472,500)	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925
Bond insurance tax effected [2]		(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)
Other Expenses and tax ded [1] [2]	(100,000)	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254
Interest tax effected [2]		(552,063)	(552,063)	(552,063)	(552,063)	(552,063)	(552,063)	(552,063)	(552,063)	(552,063)	(552,063)	(552,063)	(552,063)	(552,063)	(552,063)	(552,063)	(552,063)	(552,063)	(552,063)	(552,063)	(552,063)	(552,063)	(552,063)	(552,063)	(552,063)	(552,063)
Total Outflows	(722,500)	(558,819)	(558,819)	(558,819)	(558,819)	(558,819)	(558,819)	(558,819)	(558,819)	(558,819)	(558,819)	(558,819)	(558,819)	(558,819)	(558,819)	(558,819)	(558,819)	(558,819)	(558,819)	(558,819)	(558,819)	(558,819)	(558,819)	(558,819)	(558,819)	(558,819)
NPV	($7,867,368)																									
Coupon Rate	5.90%																									
UF Underwriting Fee	3.15%																									
Bond Insurance	0.15%																									
SAVINGS	(722,500)	82,836	82,836	82,836	82,836	82,836	82,836	82,836	82,836	82,836	82,836	82,836	82,836	82,836	82,836	82,836	82,836	82,836	82,836	82,836	82,836	82,836	82,836	82,836	82,836	82,836
	$326,165																									
Discount Rate	[redacted]/6.00%																									

Assumptions:

[1] Call Premium, Underwriting Fee and Other Expenses eg. Legal Paid Up-front
[2] All expenses except Call Premium are Tax Deductible
[3] Discount Rate of 6%

Edward Jones 5 9 Coupon 10/15/2007 4:08 PM

HEARING EXHIBIT - 00001353

Refunding Bond Analysis
FPUs Analysis
Dec-06

ORIGINAL BOND	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Interest		(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)
NPV	($12,650,126)																								
Coupon Rate	6.85%																								
REFUNDING BOND	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Call Premium	(150,000)																								
Underwriting Fee	(472,500)																								
Bond Insurance		(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)
Other Expenses	(100,000)																								
Interest		(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)	(885,000)
Total Outflows	(722,500)	(907,500)	(907,500)	(907,500)	(907,500)	(907,500)	(907,500)	(907,500)	(907,500)	(907,500)	(907,500)	(907,500)	(907,500)	(907,500)	(907,500)	(907,500)	(907,500)	(907,500)	(907,500)	(907,500)	(907,500)	(907,500)	(907,500)	(907,500)	(907,500)
NPV	($11,895,238)																								
Coupon Rate	5.80%																								
UF Underwriting Fee	3.15%																								
Bond Insurance	0.15%																								
SAVINGS	(722,500)	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000
	$754,887																								
Discount Rate	[redacted]																								

Assumptions

1. Call Premium, Underwriting Fee and Other Expenses eg. Legal Paid Up-front
2. No tax effect
3. Discount Rate at 6.4%

Edward Jones 5 5 Coupon 10/15/2007 4:08 PM

HEARING EXHIBIT - 00001354

Exhibit 2.6
PSC First Set of Document Requests
Docket No. 070304-EI

Witness: BACHMAN/COX

Cox Doreen

From: Sprouse,Kevin E [kevin.sprouse@edwardjones.com]
Sent: Wednesday, September 05, 2007 12:48 PM
To: Bachman George; Cox Doreen
Subject: IQ Note Comparison 090507
Attachments: IQ Note Comparison 090507.doc

<<IQ Note Comparison 090507.doc>>
As a courtesy, with all of the recent utility offerings (14 in the past 4 weeks), here's a comparison chart that demonstrates the economic savings that can be provided by an Edward Jones IQ Notes offering (i.e., most recently our $250 million Georgia Power underwriting).

Best,

Kevin

Kevin E. Sprouse
General Partner
Edward Jones
12555 Manchester Road
St. Louis, MO 63131
p: 314-515-3007
f: 314-515-2664
kevin.sprouse@edwardjones.com

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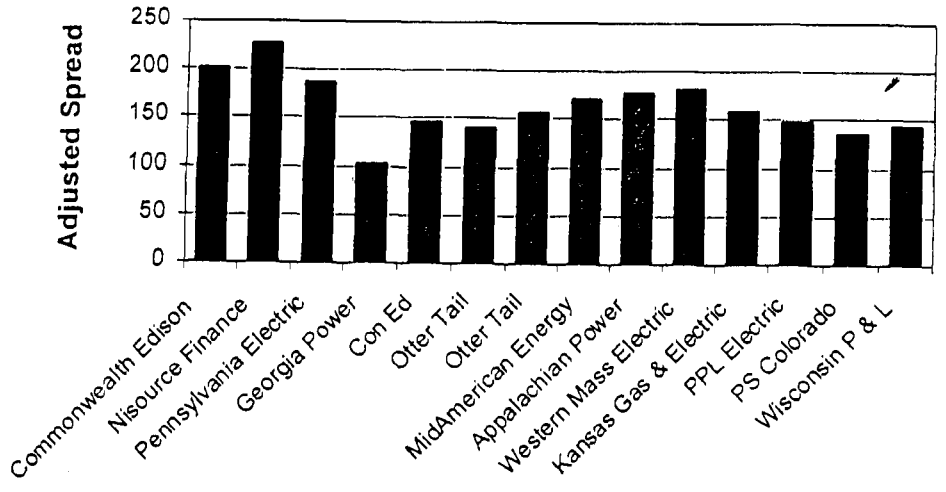
Edward Jones
IQ Note Pricing Comparison

Utility Debt – Last 4 weeks

- There have been 14 offerings of 10-30 years totaling $4.7 billion
- Market conditions continue to be unattractive in the institutional market
- Pent-up offerings will continue upward pressure on spreads
- The total cost of Georgia Power's $250 million offering was 50 bps below the institutional market.

Pricing Comparison



HEARING EXHIBIT 356

Cox Doreen

From: Sprouse,Kevin E [kevin.sprouse@edwardjones.com]
Sent: Monday, October 15, 2007 11:54 AM
To: Bachman George; Cox Doreen
Subject: New Edward Jones $200mm offering
Attachments: Final Prospectus.pdf; 2007C Ala Pwr Term Sheet.doc

George & Doreen,

I wanted to share with you some information about a $200 million offering of AAA-insured 30-year notes we priced last week for Alabama Power. The coupon was set on October 11th at 6.00%, which was a +108 bp spread over the 30-year Treasury. Demand for the bonds was huge, and would have easily supported a $300-400 million offering. Additional details on the bonds are included in the attached term sheet and Prospectus.

Of course, we'd like to look at providing similar value for FPU. We can easily buy any offering less than $50 million.

<<Final Prospectus.pdf>> <<2007C Ala Pwr Term Sheet.doc>>

Best,

Kevin

Kevin E. Sprouse
General Partner
dward Jones
12555 Manchester Road
St. Louis, MO 63131
p: 314-515-3007
f: 314-515-2664
kevin.sprouse@edwardjones.com

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HEARING EXHIBIT - 00001357

Alabama Power Company
$200 million Senior Insured Monthly Notes
due October 15, 2037

Summary Terms

Size:	$200,000,000
Coupon:	6.00% (+108 bp spread vs. T30 – 4 ¾ due 2/2037)
Denomination:	$1,000
Security Type:	Senior Notes
Rating / Bond Insurer:	Aaa:AAA / Ambac
Maturity:	October 15, 2037
Estate Feature:	None
Interest Payment Dates:	Monthly
First Payment:	November 15, 2007
Call Option:	In full or in part anytime at par (100%) on or after October 15, 2012
Launch Date:	October 9, 2007
Pricing Date:	October 11, 2007
Settlement Date:	October 18, 2007
Offering Price:	100.00%
Price to Company:	96.85%
Underwriting Fee:	3.15%
Selling Concession:	3.00%
Lead Manager:	Edward Jones

SOUTHERN COMPANY

Edward Jones

HEARING EXHIBIT - 00001358

Cox Doreen

From: Sprouse,Kevin E [kevin.sprouse@edwardjones.com]
Sent: Thursday, September 27, 2007 10:30 AM
To: Bachman George; Cox Doreen
Subject: Combination stock & bond offering example

George & Doreen,

I'm making a copy of a previous example of a combination stock & bond offering prospectus that Edward Jones has underwritten and I'm going to send you the Delta Gas example... it appears that my memory gave way and the 1992 FPU offering was just a stock offering when I pulled it from the file.

Also, I spoke with Jennifer Carns who worked with us previously to help with the account set up process. She should be contacting you in the next few days.

Best,

Kevin

Kevin E. Sprouse
x5-3007

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Cox Doreen

From: Sprouse,Kevin E [kevin.sprouse@edwardjones.com]
Sent: Wednesday, September 26, 2007 1:37 PM
To: Cox Doreen
Cc: Bachman George
Subject: FPU Refunding Model 092607.xls
Attachments: FPU Refunding Model 092607.xls

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Florida Public Utilities

$15mm 6.850% due 10/01/31

Refunding Savings Analysis

Refunding Comparison

Florida Public Utilities	Current Bonds	Refunding Bonds	Difference
Principle	$15,000,000	$15,000,000	
Maturity	10/1/2031	10/1/2037	6.0 yr
Coupon	6.85%	6.00%	-0.85%
Annual Interest Expense	$1,027,500	$900,000	-$127,500
U/W Fee		3.15%	
PV Bond Insurance	n/a	0.15%	
All-In Cost	6.85%	6.23%	-0.62%
NPV Savings through Initial Maturity			$831,464

Highlights

- The average coupon is reduced by .85% resulting in annual savings of $127,500 and NPV savings of $0.83 million.
- The all-in cost of debt is reduced by 0.62%.
- This structure retains short-term, par call flexibility (no call 5 yrs).
- Note: this proposal is without an estate feature.

FLORIDA PUBLIC

Edward **Jones**

HEARING EXHIBIT - 00001361

Florida Public Utilities Detailed Savings Analysis

Series	Florida Public Utilities 6.85% due 10/1/2031
Savings Analysis	
Annual Interest Savings	$127,500
Annual Financing Cost of Expenses	(68,668)
Annual Savings	58,832
NPV Savings	$708,333
Expenses	
Call Premium	-
Underwriting fee	472,500
Bond Insurance	328,380
Other Expenses	100,000
Total	**$900,880**
Annual Financing Cost of Expenses	$68,668
Current Bonds	
Principal	$15,000,000
Current Coupon Rate	6.85%
Issue Date	09/27/01
Maturity Date	10/01/31
Original issue maturity (years)	30.0
Remaining Life (years)	24.0
All-in Cost	6.85%
Call Date	10/1/2007
Call Premium	100.00%
Refunding Bonds	
Principal	$15,000,000
New Coupon Rate	6.000%
Underwriting fee upfront	3.15%
PV Bond Insurance per annum	0.15%
Issue Date	10/1/2007
Maturity date	10/1/2037
Maturity (years)	30.0
New Call Date	9/29/2012
All-in Cost (Discount Rate)	6.46%

* Other Expenses include legal, rating and auditor fees.

** Expenses are financed at a rate of 6.46% and amortized for 30.0 years

Edward Jones
HEARING EXHIBIT - 00001362

	B	C	D	E
1		**Florida Public Utilities Savings Analysis**	**Detailed**	
2				
3			Florida Public Utilities	
4		Series	6.85% due	
5			Edward Jones 1	
48				

HEARING EXHIBIT - 00001363

Refunding Bond Analysis
Edward Jones Assumptions
Dec-06

ORIGINAL BOND		2006	2007	2008	2009	2010	2011	2012	2013	2014
Interest	2		(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)
NPV		**($12,582,416)**								
Coupon Rate		6.85%								

REFUNDING BOND		2006	2007	2008	2009	2010	2011	2012	2013	2014
Other Expenses	1 2		(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)
Interest	2		(900,000)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)
Total Outflows		-	(997,251)	(997,251)	(997,251)	(997,251)	(997,251)	(997,251)	(997,251)	(997,251)
NPV		**($12,211,997)**								
Coupon Rate		6.00%								
UF Underwriting Fee		3.15%								
Bond Insurance		0.15%								

SAVINGS		-	30,249	30,249	30,249	30,249	30,249	30,249	30,249	30,249
		$370,419								
Discount Rate	3	6.46%								

Assumptions:

1 Call Premium, Bond Insurance, Underdwriting Fee and Other Expenses financed over 30 years
2 Expenses not tax effected
3 Discount Rate of 6.46%

Refunding Bond Analysis
FPU's Analysis
Dec-06

ORIGINAL BOND		2006	2007	2008	2009	2010	2011	2012	2013
Interest tax effected	2		(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)
NPV		**($8,391,855)**							
Coupon Rate		6.85%							

REFUNDING BOND		**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
Call Premium	1	-							
Underwriting Fee and tax ddn	1 2	(472,500)	5,925	5,925	5,925	5,925	5,925	5,925	5,925
Bond Insurance tax effected	2		(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)	(14,036)
Other Expenses and tax ddn	1 2	(100,000)	1,254	1,254	1,254	1,254	1,254	1,254	1,254
Interest tax effected	2		(561,420)	(561,420)	(561,420)	(561,420)	(561,420)	(561,420)	(561,420)
Total Outflows		(572,500)	(568,276)	(568,276)	(568,276)	(568,276)	(568,276)	(568,276)	(568,276)
NPV		**($8,012,798)**							
Coupon Rate		6.00%							
UF Underwriting Fee		3.15%							
Bond Insurance		0.15%							

SAVINGS	**(572,500)**	**72,678**	**72,678**	**72,678**	**72,678**	**72,678**	**72,678**	**72,678**
	$379,057							

Discount Rate [3] 5.75%

Assumptions:

[1] Call Premium, Underdwriting Fee and Other Expenses eg. Legal Paid Up-front
[2] All expenses except Call Premium are Tax Deductible
[3] Discount Rate of 5.75%

Refunding Bond Analysis
FPU's Analysis
Dec-06

ORIGINAL BOND		2006	2007	2008	2009	2010	2011	2012	2013	2014
Interest	2		(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)
NPV		**($12,582,416)**								
Coupon Rate		6.85%								

REFUNDING BOND		**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**
Call Premium	1	-								
Underwriting Fee	1 2	(472,500)								
Bond Insurance	2		(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)
Other Expenses	1 2	(100,000)								
Interest	2		(900,000)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)
Total Outflows		(572,500)	(922,500)	(922,500)	(922,500)	(922,500)	(922,500)	(922,500)	(922,500)	(922,500)
NPV		**($11,869,121)**								
Coupon Rate		6.00%								
UF Underwriting Fee		3.15%								
Bond Insurance		0.15%								

SAVINGS		**(572,500)**	**105,000**	**105,000**	**105,000**	**105,000**	**105,000**	**105,000**	**105,000**	**105,000**
		$713,294								
Discount Rate	3	6.46%								

Assumptions:

1 Call Premium, Underdwriting Fee and Other Expenses eg. Legal Paid Up-front
2 No tax effect
3 Discount Rate of 6.46%

PROSPECTUS SUPPLEMENT
(To Prospectus dated July 19, 2005)

Ratings:
Standard & Poor's: AAA
Moody's: Aaa
Fitch: AAA
(See "Ratings" herein)

$200,000,000

ALABAMA POWER
A SOUTHERN COMPANY

Series 2007C 6.00% Senior Insured Monthly Notes due October 15, 2037

The Series 2007C Senior Notes bear interest at the rate of 6.00% per year. Interest on the Series 2007C Senior Notes is payable monthly on the fifteenth day of each month, beginning November 15, 2007. The Series 2007C Senior Notes will mature on October 15, 2037. The Series 2007C Senior Notes are redeemable by Alabama Power Company on or after October 15, 2012. In addition, the Series 2007C Senior Notes are subject to mandatory redemption under the limited circumstances described in this Prospectus Supplement at the redemption prices described herein.

The Series 2007C Senior Notes are unsecured and rank equally with all of Alabama Power Company's other unsecured indebtedness from time to time outstanding and will be effectively subordinated to all secured debt of Alabama Power Company, to the extent of the assets securing such debt. The Series 2007C Senior Notes will be issued only in registered form in denominations of $1,000 and any integral multiple thereof.

Payments of principal and interest on the Series 2007C Senior Notes when due will be insured by a financial guaranty insurance policy to be issued by Ambac Assurance Corporation.

Ambac

The underwriters propose to offer the Series 2007C Senior Notes from time to time for sale in negotiated transactions, or otherwise, at varying prices to be determined at the time of each sale. The underwriters have agreed to purchase the Series 2007C Senior Notes from Alabama Power Company at 96.85% of their principal amount ($193,700,000 aggregate proceeds to Alabama Power Company before expenses), subject to the terms and conditions of the Underwriting Agreement.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this Prospectus Supplement or the accompanying Prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

See "Risk Factors" on page S-3 for a description of certain risks associated with investing in the Series 2007C Senior Notes.

It is expected that the Series 2007C Senior Notes will be ready for delivery in book-entry form only through The Depository Trust Company, on or about October 18, 2007.

Edward Jones

The date of this Prospectus Supplement is October 11, 2007

HEARING EXHIBIT - 00001367

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained or incorporated by reference in this Prospectus Supplement, the accompanying Prospectus or any written communication from Alabama Power Company or the underwriters specifying the final terms of the offering. You must not rely on any unauthorized information or representations. This Prospectus Supplement, the accompanying Prospectus and any written communication from Alabama Power Company or the underwriters specifying the final terms of the offering is an offer to sell only the Series 2007C Senior Notes offered hereby, and only under circumstances and in jurisdictions where it is lawful to do so. The information incorporated by reference or contained in this Prospectus Supplement, the accompanying Prospectus and any written communication from Alabama Power Company or the underwriters specifying the final terms of the offering is current only as of its date.

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HEARING EXHIBIT - 00001368

RISK FACTORS

Investing in the Series 2007C Senior Notes involves risk. Please see the risk factors in Alabama Power Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2006, along with the disclosure related to the risk factors contained in Alabama Power Company's Quarterly Reports on Form 10-Q for the quarters ended March 31, 2007 and June 30, 2007, which are all incorporated by reference in this Prospectus Supplement and the accompanying Prospectus. Before making an investment decision, you should carefully consider these risks as well as other information contained or incorporated by reference in this Prospectus Supplement and the accompanying Prospectus. The risks and uncertainties not presently known to Alabama Power Company or that Alabama Power Company currently deems immaterial may also impair its business operations, its financial results and the value of the Series 2007C Senior Notes.

THE COMPANY

Alabama Power Company (the "Company") is a corporation organized under the laws of the State of Alabama on November 10, 1927, by the consolidation of a predecessor Alabama Power Company, Gulf Electric Company and Houston Power Company. The Company has its principal office at 600 North 18th Street, Birmingham, Alabama 35291, telephone (205) 257-1000. The Company is a wholly owned subsidiary of The Southern Company.

The Company is a regulated public utility engaged in the generation, transmission, distribution and sale of electric energy within an approximately 44,500 square mile service area comprising most of the State of Alabama.

SELECTED FINANCIAL INFORMATION

The following selected financial data for the years ended December 31, 2002 through December 31, 2006 has been derived from the Company's audited financial statements and related notes and the unaudited selected financial data, incorporated by reference in this Prospectus Supplement and the accompanying Prospectus. The following selected financial data for the six months ended June 30, 2007 has been derived from the Company's unaudited financial statements and related notes, incorporated by reference in this Prospectus Supplement and the accompanying Prospectus. The information set forth below is qualified in its entirety by reference to and, therefore, should be read together with management's discussion and analysis of results of operations and financial condition, the financial statements and related notes and other financial information incorporated by reference in this Prospectus Supplement and the accompanying Prospectus. The information set forth below in the "As Adjusted" column under "Capitalization" does not reflect the issuance of the Series 2007C Senior Notes offered hereby or the use of proceeds therefrom. See "Use of Proceeds."

	Year Ended December 31,					Six Months Ended June 30,
	2002	2003	2004	2005	2006	2007(1)
	(Millions, except ratios)					
Operating Revenues	$3,711	$3,960	$4,236	$4,648	$5,015	$2,533
Earnings Before Income Taxes	768	781	818	817	873	445
Net Income After Dividends on Preferred and Preference Stock	461	473	481	508	518	262
Ratio of Earnings to Fixed Charges(2)	3.98	4.29	4.76	4.67	4.34	4.07

HEARING EXHIBIT - 00001369

	Capitalization As of June 30, 2007		
	Actual	As Adjusted(3)	
	(Millions, except percentages)		
Common Stockholder's Equity	$4,211	$4,211	44.5%
Cumulative Preferred Stock	465	465	4.9
Non-Cumulative Preference Stock	147	297	3.1
Senior Notes	3,485	3,485	36.8
Long-term Debt Payable to Affiliated Trusts	309	206	2.2
Other Long-term Debt	800	800	8.5
Total, excluding amounts due within one year	$9,417	$9,464	100.0%

(1) Due to seasonal variations in the demand for energy, operating results for the six months ended June 30, 2007 do not necessarily indicate operating results for the entire year.

(2) This ratio is computed as follows: (i) "Earnings" have been calculated by adding to "Earnings Before Income Taxes" "Interest expense, net of amounts capitalized," "Interest expense to affiliate trusts," "Distributions on mandatorily redeemable preferred securities" and the debt portion of allowance for funds used during construction; and (ii) "Fixed Charges" consist of "Interest expense, net of amounts capitalized," "Interest expense to affiliate trusts," "Distributions on mandatorily redeemable preferred securities" and the debt portion of allowance for funds used during construction. For the six months ended June 30, 2007, this ratio includes interest relating to Financial Accounting Standards Board Interpretation No. 48, *Accounting for Uncertainty in Income Taxes.*

(3) Reflects: (i) the issuance in September 2007 of 6,000,000 shares ($150,000,000 aggregate stated capital) of 6.45% Series Preference Stock, Non-Cumulative, Par Value $1 Per Share (Stated Capital $25 Per Share); and (ii) the redemption in October 2007 of $103,093,000 aggregate principal amount of Series D Junior Subordinated Notes due October 1, 2042 and the related Flexible Trust Preferred Securities and Common Securities of Alabama Power Capital Trust IV. Does not reflect the issuance of the Series 2007C Senior Notes offered hereby or the use of proceeds therefrom. See "Use of Proceeds."

USE OF PROCEEDS

The proceeds from the sale of the Series 2007C Senior Notes will be used by the Company for general corporate purposes, including the Company's continuous construction program.

DESCRIPTION OF THE SERIES 2007C SENIOR NOTES

Set forth below is a description of the specific terms of the Series 2007C 6.00% Senior Insured Monthly Notes due October 15, 2037 (the "Series 2007C Senior Notes"). This description supplements, and should be read together with, the description of the general terms and provisions of the senior notes set forth in the accompanying Prospectus under the caption "Description of the Senior Notes." The following description does not purport to be complete and is subject to, and is qualified in its entirety by reference to, the description in the accompanying Prospectus and the Senior Note Indenture (the "Senior Note Indenture") dated as of December 1, 1997, as supplemented, between the Company and The Bank of New York (as successor to JPMorgan Chase Bank, N.A. (formerly known as The Chase Manhattan Bank)), as trustee (the "Senior Note Indenture Trustee").

General

The Series 2007C Senior Notes will be issued as a series of senior notes under the Senior Note Indenture. The Series 2007C Senior Notes will be initially issued in the aggregate principal amount of $200,000,000. The Company may, without the consent of the holders of the Series 2007C Senior Notes, issue additional notes having the same ranking and interest rate, maturity and other terms, including the benefit of the Policy (as defined below) (appropriately increased to cover the principal amount of and interest due on the additional Series 2007C Senior Notes), as the Series 2007C Senior Notes (except for the issue price and issue date and

HEARING EXHIBIT - 00001370

the initial interest accrual date and initial Interest Payment Date (as defined below), if applicable). Any additional notes having such similar terms, together with the Series 2007C Senior Notes, will constitute a single series of senior notes under the Senior Note Indenture.

The entire principal amount of the Series 2007C Senior Notes will mature and become due and payable, together with any accrued and unpaid interest thereon, on October 15, 2037. The Series 2007C Senior Notes are not subject to any sinking fund provision. The Series 2007C Senior Notes are available for purchase in denominations of $1,000 and any integral multiple thereof.

Interest

Each Series 2007C Senior Note will bear interest at the rate of 6.00% per year (the "Securities Rate") from the date of original issuance, payable monthly in arrears on the fifteenth day of each month (each, an "Interest Payment Date") to the person in whose name such Series 2007C Senior Note is registered at the close of business on the fifteenth calendar day prior to such payment date (whether or not a Business Day). The initial Interest Payment Date is November 15, 2007. The amount of interest payable will be computed on the basis of a 360-day year of twelve 30-day months. In the event that any date on which interest is payable on the Series 2007C Senior Notes is not a Business Day, then payment of the interest payable on such date will be made on the next succeeding day which is a Business Day (and without any interest or other payment in respect of any such delay), with the same force and effect as if made on such date. "Business Day" means a day other than (i) a Saturday or Sunday, (ii) a day on which banks in New York, New York are authorized or obligated by law or executive order to remain closed or (iii) a day on which the Senior Note Indenture Trustee's corporate trust office is closed for business.

Special Insurance Provisions of the Senior Note Indenture

Subject to the provisions of the Senior Note Indenture, so long as the Insurer (as defined below) is not in default under the Policy, the Insurer shall be entitled to control and direct the enforcement of all rights and remedies with respect to the Series 2007C Senior Notes upon the occurrence and continuation of an Event of Default (as defined in the Senior Note Indenture).

Ranking

The Series 2007C Senior Notes will be direct, unsecured and unsubordinated obligations of the Company and will rank equally with all other unsecured and unsubordinated obligations of the Company. The Series 2007C Senior Notes will be effectively subordinated to all secured debt of the Company, aggregating approximately $153,000,000 outstanding at June 30, 2007. The Senior Note Indenture contains no restrictions on the amount of additional indebtedness that may be incurred by the Company.

Optional Redemption

The Company shall have the right to redeem the Series 2007C Senior Notes, in whole or in part, without premium or penalty, at any time and from time to time, on or after October 15, 2012, upon not less than 30 nor more than 60 days' notice, at a redemption price (the "Redemption Price") equal to 100% of the principal amount to be redeemed plus any accrued and unpaid interest thereon to the date of redemption (the "Redemption Date").

If notice of redemption is given as aforesaid, the Series 2007C Senior Notes so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price together with any accrued interest thereon, and from and after such date (unless the Company shall default in the payment of the Redemption Price and accrued interest) such Series 2007C Senior Notes shall cease to bear interest. If any Series 2007C Senior Note called for redemption shall not be paid upon surrender thereof for redemption, the principal shall, until paid, bear interest from the Redemption Date at the Securities Rate. See "Description of the Senior Notes — Events of Default" in the accompanying Prospectus.

HEARING EXHIBIT - 00001371

Subject to the foregoing and to applicable law (including, without limitation, United States federal securities laws), the Company or its affiliates may, at any time and from time to time, purchase outstanding Series 2007C Senior Notes by tender, in the open market or by private agreement.

Mandatory Redemption

In the event that (a) the Company issues, assumes, permits to exist or guarantees any indebtedness secured by any mortgage, security interest, pledge or lien of or upon any Principal Property of the Company, whether owned at the date of the Insurance Agreement between the Company and the Insurer pursuant to which the Insurer will issue the Policy (the "Insurance Agreement") or thereafter acquired, in an aggregate amount at any one time outstanding during the term of the Insurance Agreement in excess of $500,000,000 without in any such case effectively securing the obligations of the Company under the Insurance Agreement equally and ratably with such indebtedness, (b) the Company reorganizes or transfers a substantial portion of the Company's assets, as a result of which the Company ceases to be a regulated utility company, and the Company's obligations under the Series 2007C Senior Notes, the Senior Note Indenture and the Insurance Agreement are not assumed by, and do not become direct and primary obligations of, a regulated utility company, or (c) the Company fails to make, when due, any premium payment required under the Insurance Agreement and such failure continues beyond the applicable cure period, then, unless the Insurer consents to such issuance, assumption, existence or guarantee, transaction or nonpayment, the Company must redeem the Series 2007C Senior Notes prior to the stated maturity date, in whole, upon not less than 30 days' nor more than 60 days' notice at a redemption price equal to (i) 102% of the principal amount to be redeemed plus accrued and unpaid interest to the Redemption Date if the Redemption Date is prior to October 15, 2012 or (ii) the Redemption Price if the Redemption Date is on or after October 15, 2012. "Principal Property" means tangible property, plant and equipment required or utilized primarily and directly for the generation, transmission or distribution of electricity, such as generation plants and transmission and distribution lines.

Book-Entry Only Issuance — The Depository Trust Company

The Depository Trust Company ("DTC") will act as the initial securities depository for the Series 2007C Senior Notes. The Series 2007C Senior Notes will be issued only as fully registered securities registered in the name of Cede & Co., DTC's partnership nominee, or such other name as may be requested by an authorized representative of DTC. One or more fully registered global Series 2007C Senior Notes certificates will be issued, representing in the aggregate the total principal amount of the Series 2007C Senior Notes, and will be deposited with the Senior Note Indenture Trustee on behalf of DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended (the "1934 Act"). DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation and Emerging Markets Clearing Corporation (NSCC, FICC and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has

HEARING EXHIBIT - 00001372

Standard & Poor's (as defined below), highest rating: AAA. The DTC rules applicable to its Direct and Indirect Participants are on file with the Securities and Exchange Commission (the "Commission"). More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Series 2007C Senior Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2007C Senior Notes on DTC's records. The ownership interest of each actual purchaser of Series 2007C Senior Notes ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchases. Beneficial Owners are, however, expected to receive written confirmations providing details of the transactions, as well as periodic statements of their holdings, from the Direct or Indirect Participants through which the Beneficial Owners purchased Series 2007C Senior Notes. Transfers of ownership interests in the Series 2007C Senior Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2007C Senior Notes, except in the event that use of the book-entry system for the Series 2007C Senior Notes is discontinued.

To facilitate subsequent transfers, all Series 2007C Senior Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2007C Senior Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any changes in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2007C Senior Notes. DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2007C Senior Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Series 2007C Senior Notes are being redeemed, DTC's practice is to determine by lot the amount of interest of each Direct Participant in such Series 2007C Senior Notes to be redeemed.

Although voting with respect to the Series 2007C Senior Notes is limited, in those cases where a vote is required, neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2007C Senior Notes unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Company as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2007C Senior Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments on the Series 2007C Senior Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Company or the Senior Note Indenture Trustee on the relevant payment date in accordance with their respective holdings shown on DTC's records. Payments by Direct or Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the account of customers registered in "street name," and will be the responsibility of such Direct or Indirect Participant and not of DTC or the Company, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Company, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants.

HEARING EXHIBIT - 00001373

Except as provided herein, a Beneficial Owner of a global Series 2007C Senior Note will not be entitled to receive physical delivery of Series 2007C Senior Notes. Accordingly, each Beneficial Owner must rely on the procedures of DTC to exercise any rights under the Series 2007C Senior Notes. The laws of some jurisdictions require that certain purchasers of securities take physical delivery of securities in definitive form. Such laws may impair the ability to transfer beneficial interests in a global Series 2007C Senior Note.

DTC may discontinue providing its services as securities depository with respect to the Series 2007C Senior Notes at any time by giving reasonable notice to the Company. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2007C Senior Notes certificates will be required to be printed and delivered to the holders of record. Additionally, the Company may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository) with respect to the Series 2007C Senior Notes. The Company understands, however, that under current industry practices, DTC would notify its Direct and Indirect Participants of the Company's decision, but will only withdraw beneficial interests from a global Series 2007C Senior Note at the request of each Direct or Indirect Participant. In that event, certificates for the Series 2007C Senior Notes will be printed and delivered to the applicable Direct or Indirect Participant.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Company believes to be reliable, but the Company takes no responsibility for the accuracy thereof. The Company has no responsibility for the performance by DTC or its Direct or Indirect Participants of their respective obligations as described herein or under the rules and procedures governing their respective operations.

THE POLICY AND THE INSURER

The following information has been furnished by Ambac Assurance Corporation (the "Insurer") for use in this Prospectus Supplement. Reference is made to Appendix A for a specimen of the Policy to be issued by the Insurer. No representation is made by the Company or the Underwriters as to the accuracy or completeness of any such information.

The Policy

The Insurer and the Company will enter into the Insurance Agreement pursuant to which the Insurer will issue a financial guaranty insurance policy relating to the Series 2007C Senior Notes (the "Policy"), the form of which is attached to this Prospectus Supplement as Appendix A. The following summary of the terms of the Policy does not purport to be complete and is qualified in its entirety by reference to the Policy.

The Insurer has made a commitment to issue the Policy effective as of the date of issuance of the Series 2007C Senior Notes. Under the terms of the Policy, the Insurer will pay to The Bank of New York in New York, New York, or any successor thereto (the "Insurance Trustee") that portion of the principal of and interest on the Series 2007C Senior Notes which shall become Due for Payment but shall be unpaid by reason of Nonpayment (as such terms are defined in the Policy) by the Company. The Insurer will make such payments to the Insurance Trustee on the later of the date on which such principal and interest becomes Due for Payment or within one business day following the date on which the Insurer shall have received notice of Nonpayment from the Senior Note Indenture Trustee. The insurance will extend for the term of the Series 2007C Senior Notes and, once issued, cannot be canceled by the Insurer.

The Policy will insure payment only on the stated maturity date, in the case of principal, and on interest payment dates, in the case of interest. If the Series 2007C Senior Notes become subject to mandatory redemption and insufficient funds are available for redemption of all outstanding Series 2007C Senior Notes, the Insurer will remain obligated to pay principal of and interest on outstanding Series 2007C Senior Notes on the originally scheduled interest and principal payment dates. In the event of any acceleration of the principal of the Series 2007C Senior Notes, the insured payments will be made at such times and in such amounts as would have been made had there not been an acceleration, except to the extent that the Insurer elects, in its sole discretion, to pay all or a portion of the accelerated principal and interest accrued thereon to the date of

HEARING EXHIBIT - 00001374

acceleration (to the extent unpaid by the Company). Upon payment of all such accelerated principal and interest accrued to the acceleration date, the Insurer's obligations under the Policy shall be fully discharged.

In the event the Senior Note Indenture Trustee has notice that any payment of principal of or interest on a Series 2007C Senior Note which has become Due for Payment and which is made to a holder by or on behalf of the Company has been deemed a preferential transfer and theretofore recovered from its registered owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court of competent jurisdiction, such registered owner will be entitled to payment from the Insurer to the extent of such recovery if sufficient funds are not otherwise available.

The Policy does not insure any risk other than Nonpayment, as defined in the Policy. Specifically, the Policy does not cover:

1. Payment on acceleration, as a result of a call for redemption or as a result of any other advancement of maturity.

2. Payment of any redemption, prepayment or acceleration premium.

3. Nonpayment of principal or interest caused by the insolvency or negligence of the Senior Note Indenture Trustee.

If it becomes necessary to call upon the Policy, payment of principal requires surrender of Series 2007C Senior Notes to the Insurance Trustee together with an appropriate instrument of assignment so as to permit ownership of such Series 2007C Senior Notes to be registered in the name of the Insurer to the extent of the payment under the Policy. Payment of interest pursuant to the Policy requires proof of holder entitlement to interest payments and an appropriate assignment of the holder's right to payment to the Insurer.

Upon payment of the insurance benefits and to the extent the Insurer makes payments of principal of or interest on the Series 2007C Senior Notes, the Insurer will become the owner of such Series 2007C Senior Note or the right to payment of principal or interest on such Series 2007C Senior Note and will be fully subrogated to the surrendering holder's right to payment.

The Insurer

The Insurer is a leading financial guarantee insurance company that is primarily engaged in guaranteeing public finance and structured finance obligations. The Insurer is the successor to the founding financial guarantee insurance company, which wrote the first bond insurance policy in 1971. The Insurer is licensed to transact financial guarantee and surety business in all 50 states, the District of Columbia, the Commonwealth of Puerto Rico, the Territory of Guam and the U.S. Virgin Islands. The Insurer is subject to the insurance laws and regulations of the State of Wisconsin, its state of incorporation, and the insurance laws and regulations of other states in which it is licensed to transact business. The Insurer is a wholly-owned subsidiary of Ambac Financial Group, Inc. ("Ambac Financial Group"), a publicly-held company. The Insurer has earned triple-A financial strength ratings from Moody's Investors Service, Inc. ("Moody's"), Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. ("Standard & Poor's") and Fitch Ratings ("Fitch").

HEARING EXHIBIT - 00001375

Capitalization

The following table sets forth the capitalization of the Insurer and subsidiaries as of June 30, 2007, December 31, 2006 and December 31, 2005 in conformity with U.S. generally accepted accounting principles.

Ambac Assurance Corporation and Subsidiaries

CONSOLIDATED CAPITALIZATION TABLE
(Dollars in Millions)

	June 30, 2007 (unaudited)	December 31, 2006	December 31, 2005
Long-term debt(1)	$ 275	$ 0	$ 0
Stockholder's equity			
Common stock	82	82	82
Additional paid-in capital	1,545	1,509	1,453
Accumulated other comprehensive income	29	142	137
Retained earnings	5,576	5,259	4,510
Total stockholder's equity	$7,232	$6,992	$6,182

(1) Long-term debt relates entirely to variable interest entity notes consolidated under the provisions of Financial Accounting Standards Board Interpretation No. 46R, *Consolidation of Variable Interest Entities.*

There has been no material adverse change in the capitalization of the Insurer and subsidiaries from June 30, 2007 to the date of this Prospectus Supplement.

For additional financial information concerning the Insurer, see the audited consolidated financial statements of the Insurer incorporated by reference herein.

Incorporation of Certain Documents by Reference

The portions of the following documents relating to the Insurer, which have been filed with the Commission by Ambac Financial Group (1934 Act registration file No. 1-10777), are incorporated by reference into this Prospectus Supplement. Any information referenced in this way is considered part of this Prospectus Supplement.

- Ambac Financial Group's Annual Report on Form 10-K for the fiscal year ended December 31,2006 and filed on March 1, 2007;
- Ambac Financial Group's Current Report on Form 8-K dated and filed on April 25, 2007;
- Ambac Financial Group's Quarterly Report on Form 10-Q for the three-month period ended March 31, 2007 and filed on May 10, 2007;
- Ambac Financial Group's Current Report on Form 8-K dated and filed on July 25, 2007;
- Ambac Financial Group's Current Report on Form 8-K dated and filed on August 3, 2007;
- Ambac Financial Group's Quarterly Report on Form 10-Q for the three- and six-month periods ended June 30, 2007 and filed on August 9, 2007; and
- Ambac Financial Group's Current Report on Form 8-K dated October 10, 2007 and filed on October 11, 2007.

The Insurer's consolidated financial statements and all other information relating to the Insurer and subsidiaries included in Ambac Financial Group's periodic reports filed with the Commission subsequent to the date of this Prospectus Supplement and prior to the termination of the offering of the Series 2007C Senior

HEARING EXHIBIT - 00001376

Notes shall, to the extent filed (rather than furnished pursuant to Item 9 of Form 8-K), be deemed to be incorporated by reference into this Prospectus Supplement and to be a part hereof from the respective dates of filing of such reports.

Any statement contained in a document incorporated in this Prospectus Supplement by reference shall be modified or superseded for the purposes of this Prospectus Supplement to the extent that a statement contained in a subsequently filed document incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus Supplement.

Copies of all information regarding the Insurer that is incorporated by reference in this Prospectus Supplement can be read and copied at the Commission's website at http://www.sec.gov, the Commission's public reference room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549, and the offices of the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005. Copies of the Insurer's annual statement for the year ended December 31, 2006, prepared on the basis of accounting practices prescribed or permitted by the State of Wisconsin Office of the Commissioner of Insurance, are available without charge from the Insurer. The address of the Insurer's administrative offices and its telephone number are One State Street Plaza, 19th Floor, New York, New York 10004 and (212) 668-0340.

Other Information

The Insurer makes no representation regarding the Series 2007C Senior Notes or the advisability of investing in the Series 2007C Senior Notes. The Insurer has not independently verified, is not responsible for and makes no representation regarding, the accuracy or completeness of this Prospectus Supplement, other than the information supplied by the Insurer and presented, included or incorporated by reference in this Prospectus Supplement under the heading "The Policy and the Insurer."

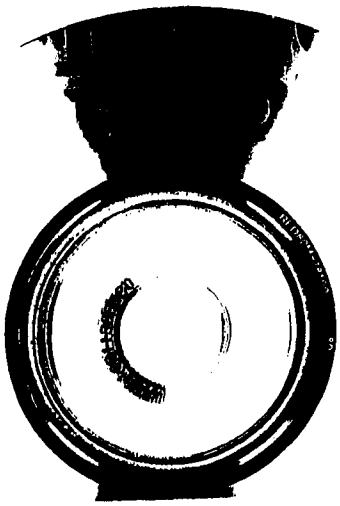
THE POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

RATINGS

It is anticipated that Standard & Poor's, Moody's and Fitch will assign the Series 2007C Senior Notes the ratings of "AAA", "Aaa" and "AAA", respectively, conditioned upon the issuance and delivery by the Insurer at the time of delivery of the Series 2007C Senior Notes of the Policy, insuring the timely payment of the principal of and interest on the Series 2007C Senior Notes. Such ratings reflect only the views of such ratings agencies, and an explanation of the significance of such ratings may be obtained only from such rating agencies at the following addresses: Moody's Investors Service, Inc., 99 Church Street, New York, New York 10007; Standard & Poor's, 55 Water Street, New York, New York 10041; and Fitch, One State Street Plaza, New York, New York 10004. There is no assurance that such ratings will remain in effect for any period of time or that they will not be revised downward or withdrawn entirely by said rating agencies if, in their judgment, circumstances warrant. Neither the Company nor any Underwriter has undertaken any responsibility to oppose any proposed downward revision or withdrawal of a rating on the Series 2007C Senior Notes. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Series 2007C Senior Notes.

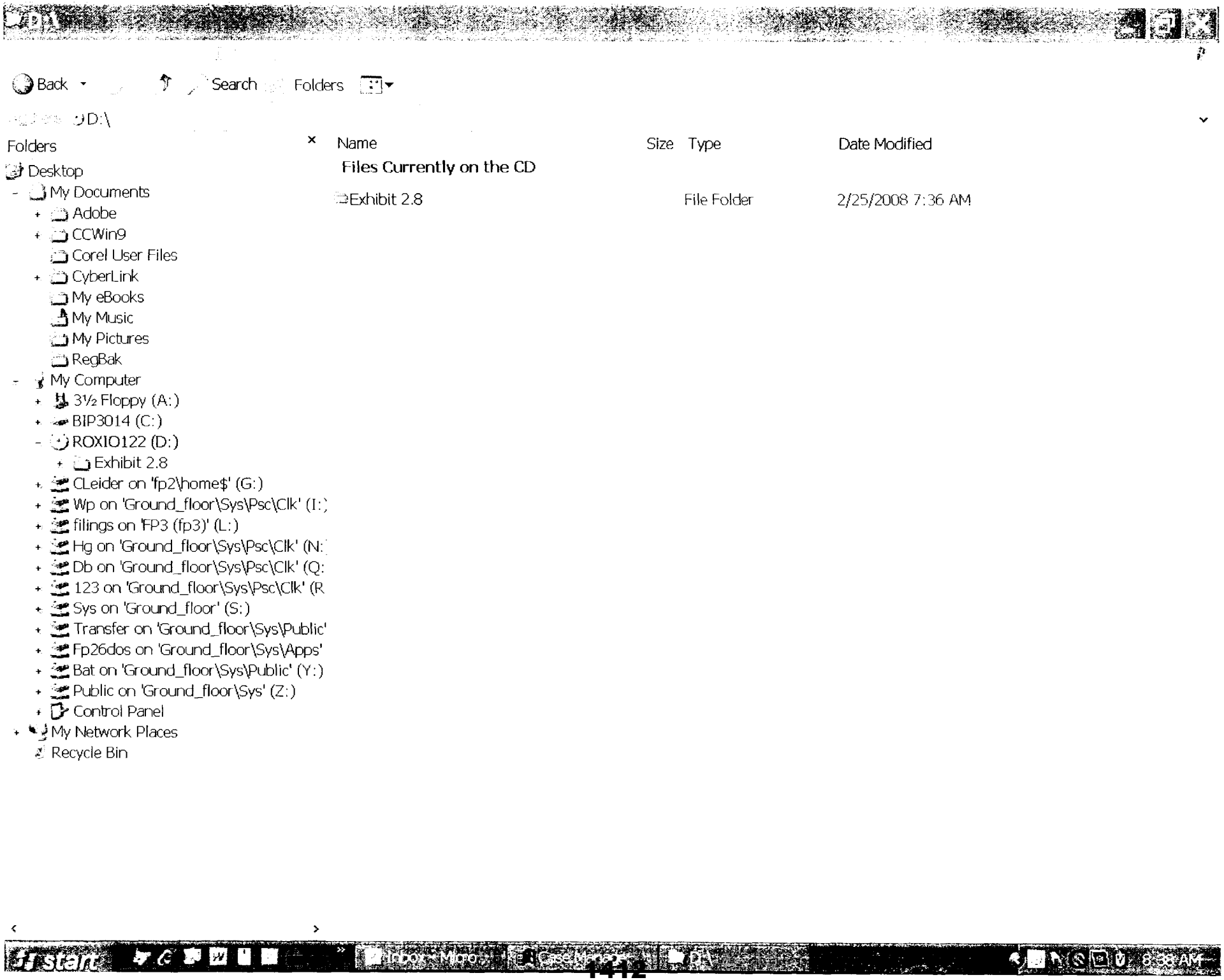
At the date of this Prospectus Supplement, each of such rating agencies maintains four categories of investment grade ratings. They are for Standard & Poor's — AAA, AA, A and BBB and for Moody's — Aaa, Aa, A and Baa. Standard & Poor's defines "AAA" as the highest rating assigned to a debt obligation. Moody's defines "Aaa" as representing the best quality debt obligation carrying the smallest degree of investment risk. Fitch defines "AAA" as representing the highest credit quality and denoting the lowest expectation of credit risk.

HEARING EXHIBIT - 00001377



Exhibits: 2.8
PSC First Set of Document Request
Docket No.: 070304-EI
Witnesses: BACHMAN/CAMFIELD/COX/
KHOJASTEH/MARTIN/MESITE

HEARING EXHIBIT - 00001378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Size
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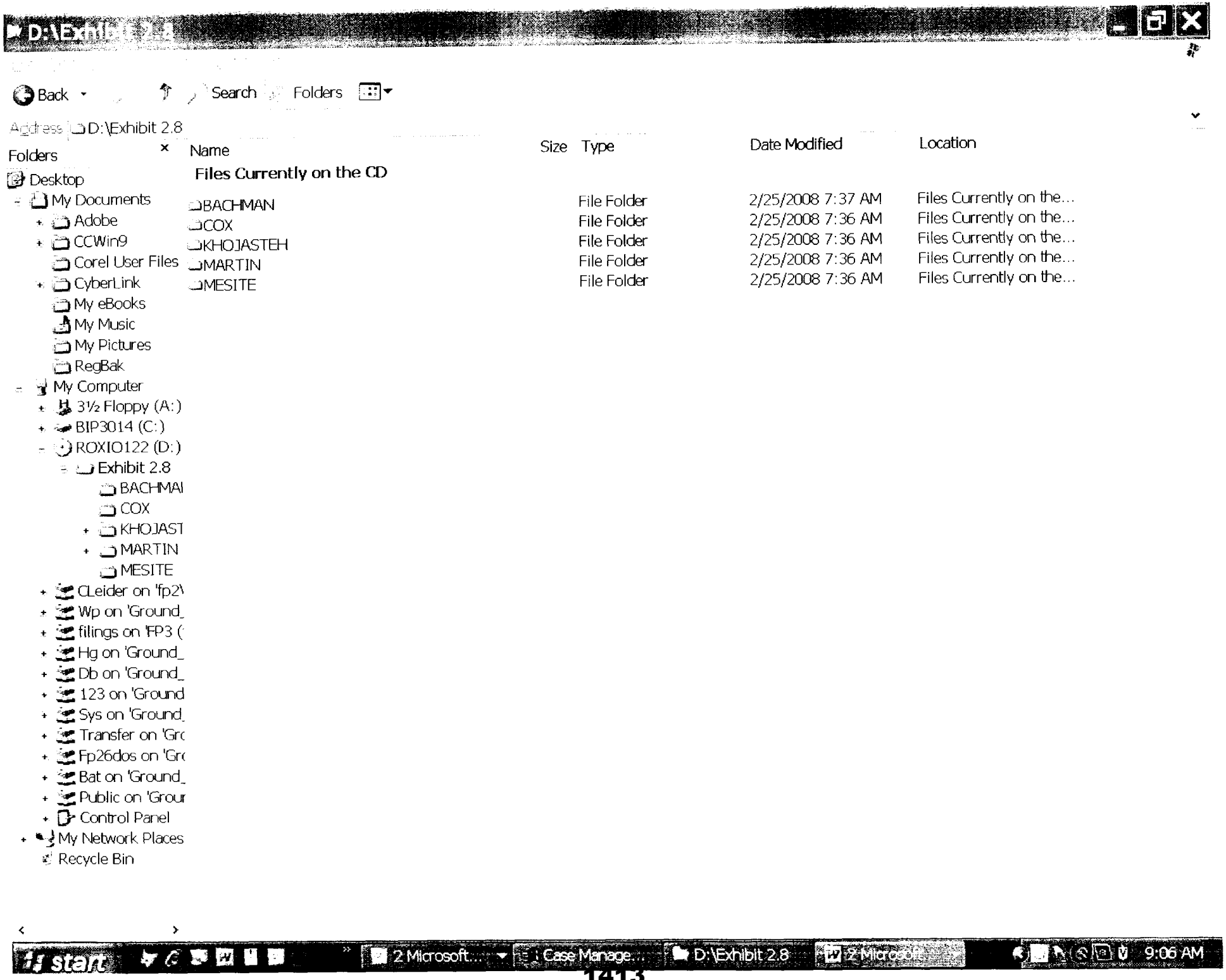

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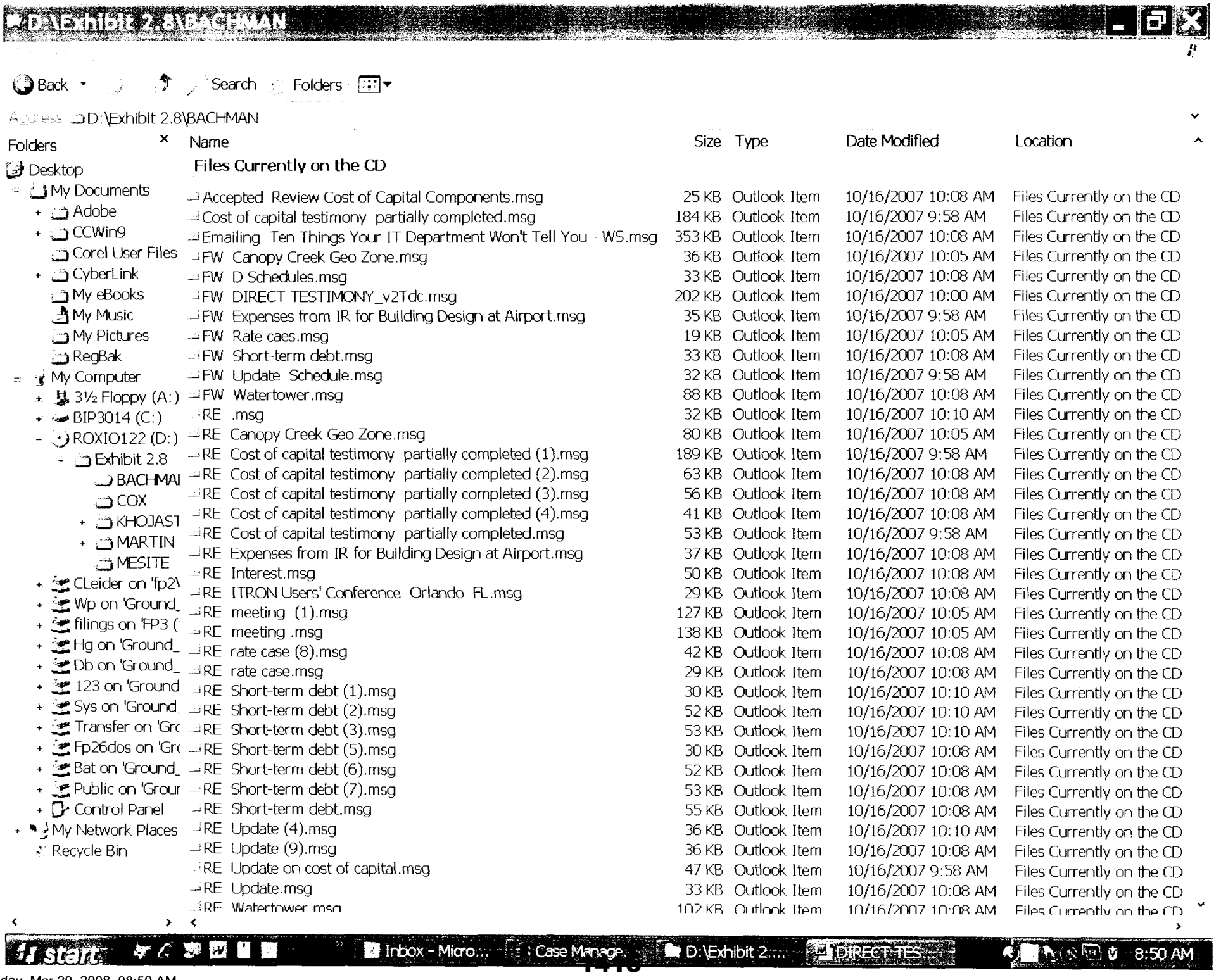
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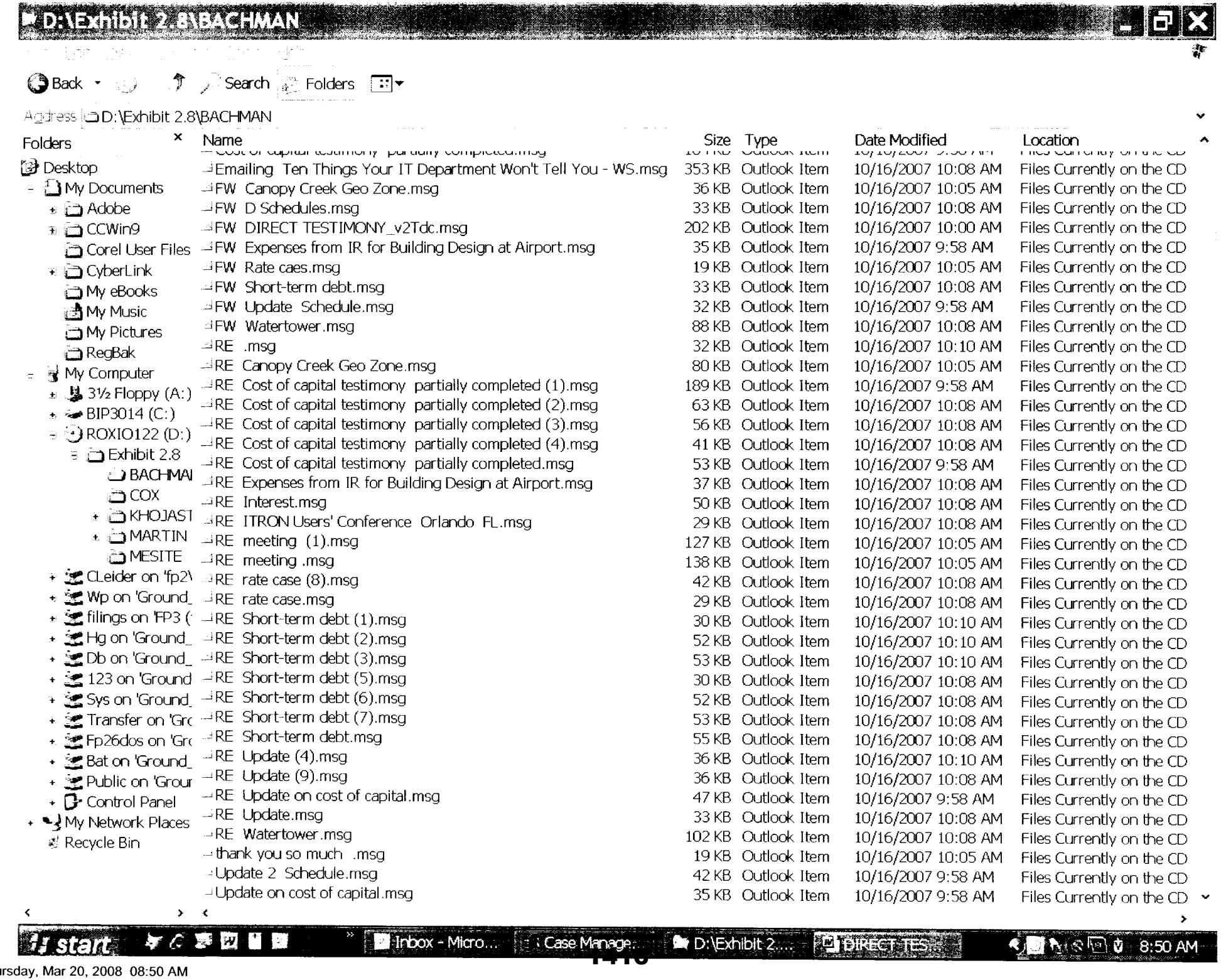
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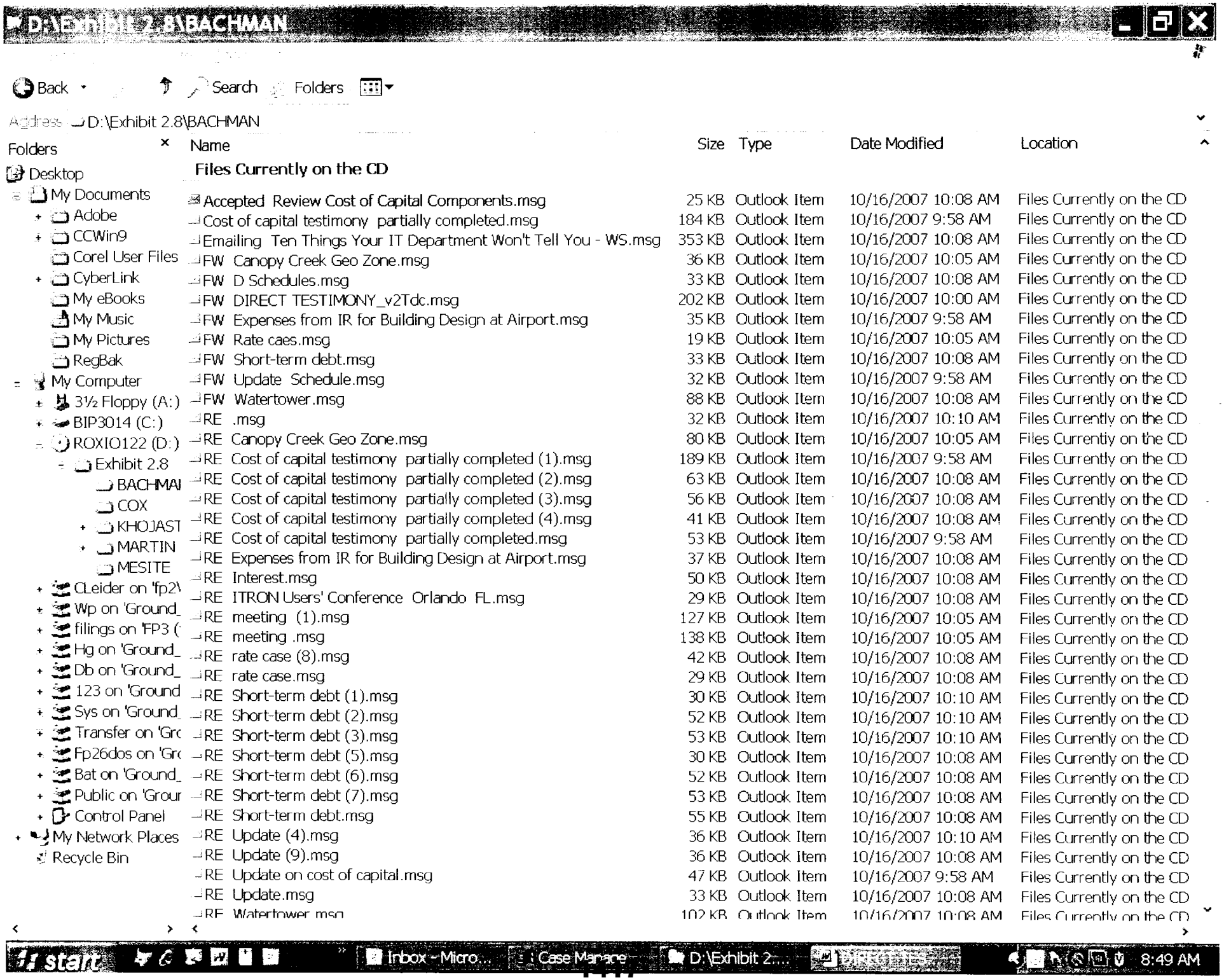
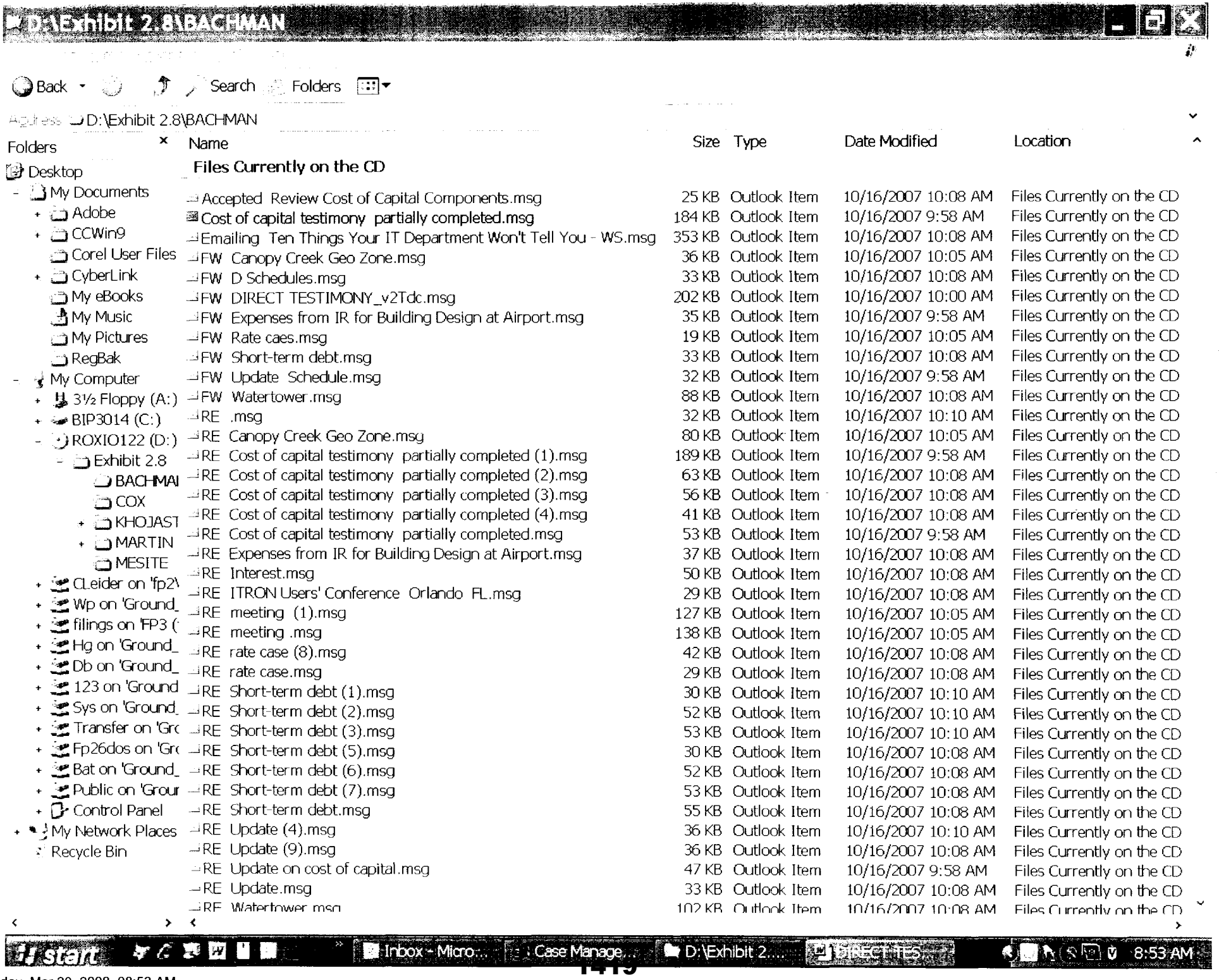


Thursday, Mar 20, 2008 08:49 AM

Clara Leider

From: Bachman George
Sent: Thursday, May 31, 2007 4:58 PM
To: Cox Doreen
Subject: Accepted: Review Cost of Capital Components



Thursday, Mar 20, 2008 08:53 AM

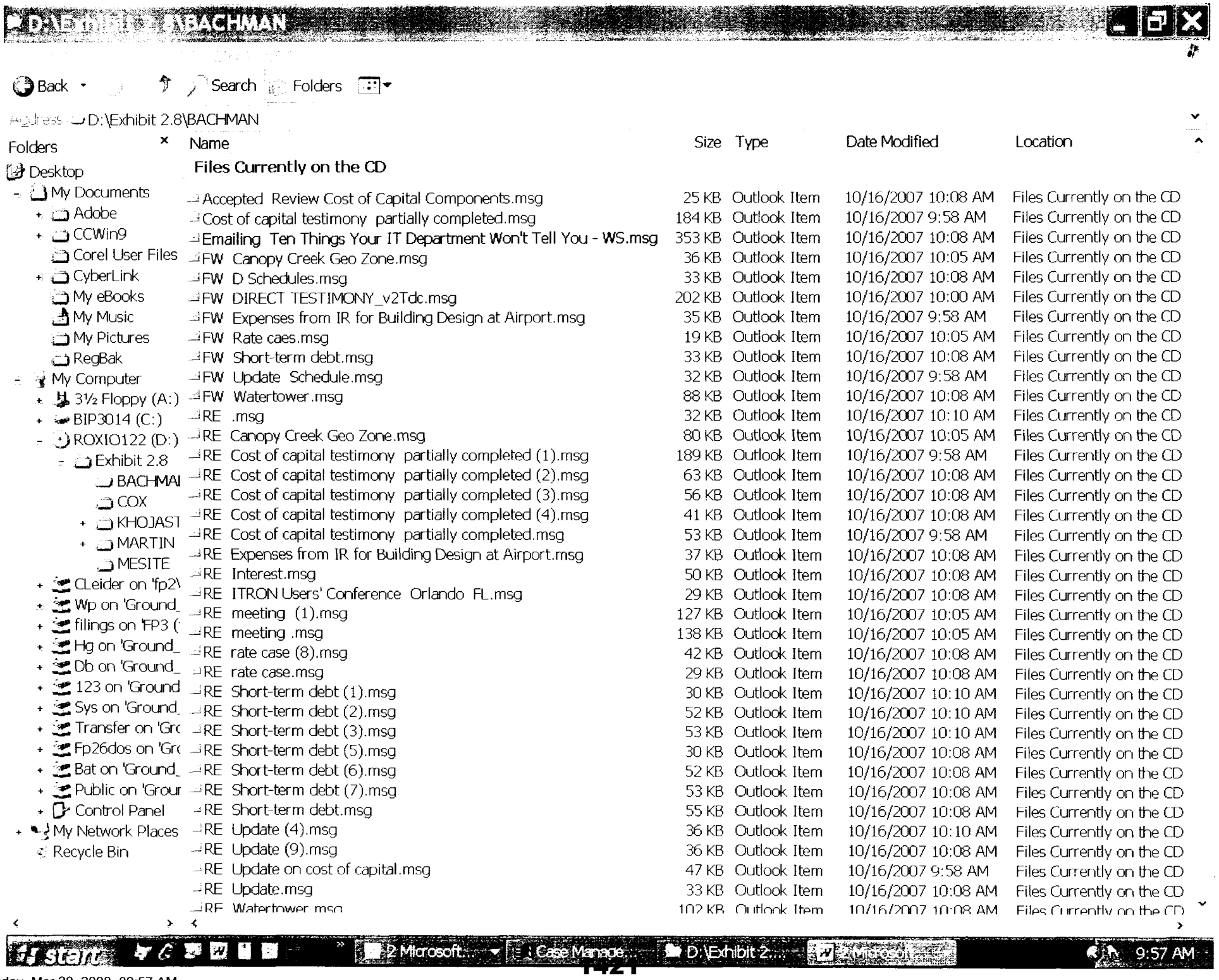
Clara Leider

From: Robert Camfield [rjcamfield@CAEnergy.com]
Sent: Monday, July 30, 2007 10:02 AM
To: Cox Doreen; Martin Cheryl
Cc: Bachman George; Mike Welsh; Dan Hansen
Subject: Update on cost of capital

Doreen,
Cheryl,

I have made substantial progress toward completion of the cost of capital analysis this weekend, and intend to have, pretty much, a complete case in your hands late this week. In the last couple of years, there appears to be divergence from historical relationships, for key data series - inflation expectations, risks/cost of capital, yields. Capital market data is always noisy. Nonetheless, my models and conceptual approach don't appear to fit as well as earlier, DCF in particular. However, it is likely that 11.50% will hold.

Robert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CCWin9
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CyberLink
My eBooks
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My Pictures
RegBak
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BIP3014 (C:)
ROXIO122 (D:)
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FW Short-term debt.msg 33 KB Outlook Item 10/16/2007 10:08 AM Files Currently on the CD
FW Update Schedule.msg 32 KB Outlook Item 10/16/2007 9:58 AM Files Currently on the CD
FW Watertower.msg 88 KB Outlook Item 10/16/2007 10:08 AM Files Currently on the CD
RE .msg 32 KB Outlook Item 10/16/2007 10:10 AM Files Currently on the CD
RE Canopy Creek Geo Zone.msg 80 KB Outlook Item 10/16/2007 10:05 AM Files Currently on the CD
RE Cost of capital testimony partially completed (1).msg 189 KB Outlook Item 10/16/2007 9:58 AM Files Currently on the CD
RE Cost of capital testimony partially completed (2).msg 63 KB Outlook Item 10/16/2007 10:08 AM Files Currently on the CD
RE Cost of capital testimony partially completed (3).msg 56 KB Outlook Item 10/16/2007 10:08 AM Files Currently on the CD
RE Cost of capital testimony partially completed (4).msg 41 KB Outlook Item 10/16/2007 10:08 AM Files Currently on the CD
RE Cost of capital testimony partially completed.msg 53 KB Outlook Item 10/16/2007 9:58 AM Files Currently on the CD
RE Expenses from IR for Building Design at Airport.msg 37 KB Outlook Item 10/16/2007 10:08 AM Files Currently on the CD
RE Interest.msg 50 KB Outlook Item 10/16/2007 10:08 AM Files Currently on the CD
RE ITRON Users' Conference Orlando FL.msg 29 KB Outlook Item 10/16/2007 10:08 AM Files Currently on the CD
RE meeting (1).msg 127 KB Outlook Item 10/16/2007 10:05 AM Files Currently on the CD
RE meeting .msg 138 KB Outlook Item 10/16/2007 10:05 AM Files Currently on the CD
RE rate case (8).msg 42 KB Outlook Item 10/16/2007 10:08 AM Files Currently on the CD
RE rate case.msg 29 KB Outlook Item 10/16/2007 10:08 AM Files Currently on the CD
RE Short-term debt (1).msg 30 KB Outlook Item 10/16/2007 10:10 AM Files Currently on the CD
RE Short-term debt (2).msg 52 KB Outlook Item 10/16/2007 10:10 AM Files Currently on the CD
RE Short-term debt (3).msg 53 KB Outlook Item 10/16/2007 10:10 AM Files Currently on the CD
RE Short-term debt (5).msg 30 KB Outlook Item 10/16/2007 10:08 AM Files Currently on the CD
RE Short-term debt (6).msg 52 KB Outlook Item 10/16/2007 10:08 AM Files Currently on the CD
RE Short-term debt (7).msg 53 KB Outlook Item 10/16/2007 10:08 AM Files Currently on the CD
RE Short-term debt.msg 55 KB Outlook Item 10/16/2007 10:08 AM Files Currently on the CD
RE Update (4).msg 36 KB Outlook Item 10/16/2007 10:10 AM Files Currently on the CD
RE Update (9).msg 36 KB Outlook Item 10/16/2007 10:08 AM Files Currently on the CD
RE Update on cost of capital.msg 47 KB Outlook Item 10/16/2007 9:58 AM Files Currently on the CD
RE Update.msg 33 KB Outlook Item 10/16/2007 10:08 AM Files Currently on the CD
RE Watertower.msg 102 KB Outlook Item 10/16/2007 10:08 AM Files Currently on the CD
start
2 Microsoft...
Case Manage...
D:\Exhibit 2...
2 Microsoft...
9:57 AM

Clara Leider

From: Bachman George
Sent: Wednesday, August 01, 2007 12:46 PM
To: bbachman@IH-corp.com
Subject: Emailing: Ten Things Your IT Department Won't Tell You - WSJ.com.htm

Bs,

Thought you might find some of these useful! :)

Hope you day is going well, see you tonight!

love,
just me

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THE JOURNAL REPORT: TECHNOLOGY

Office Technology

Ten Things Your IT Department Won't Tell You

E-MAIL PRINT ★ MOST POPULAR

By VAUHINI VARA
July 30, 2007; Page R1

Admit it: For many of us, our work computer is a home away from home.

It seems only fair, since our home computer is typically an office away from the office. So in between typing up reports and poring over spreadsheets, we use our office PCs to keep up with our lives. We do birthday shopping, check out funny clips on YouTube and catch up with friends by email or instant message.

And often it's just easier to accomplish certain tasks using consumer technology than using the sometimes clunky office technology our company gives us -- compare Gmail with a corporate email account.

There's only one problem with what we're doing: Our employers sometimes don't like it. Partly, they want us to work while we're at work. And partly, they're afraid that what we're doing compromises the company's computer network -- putting the company at risk in a host of ways. So they've asked their information-technology departments to block us from bringing our home to work.

End of story? Not so fast. To find out whether it's possible to get around the IT departments, we asked Web experts for some advice. Specifically, we asked them to find the top 10 secrets our IT departments don't want us to know. How to surf to blocked sites without leaving any traces, for instance, or carry on instant-message chats without having to download software.

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But, to keep everybody honest, we also turned to security pros to learn just what chances we take by doing an end run around the IT department.

For hacking advice, we asked Gina Trapani, editor of Lifehacker.com, an online guide to being more productive on the Web; Leon Ho, editor of Lifehack.org, a blog with a similar mission; and Mark Frauenfelder, founder of the wide-ranging blog BoingBoing.net and editor of the do-it-yourself technology magazine Make.

To find out the risks, we talked to three experts who make a living helping IT departments make the rules and track down the rogue employees who break them. They are: John Pironti, chief information risk strategist at Amsterdam-based IT-consulting firm Getronics NV; Mark Lobel, a security expert in PricewaterhouseCoopers's advisory practice; and Craig Schmugar, a threat researcher at security-software maker McAfee Inc.

Here, then, are the 10 secrets your IT department doesn't want you to know, the risks you'll face if you use them -- and tips about how to keep yourself (and your job) safe while you're at it.

McAfee Inc. (MFE)
PRICE 36.27
CHANGE -0.59
12:24a.m.

VeriSign Inc. (VRSN)
PRICE 28.55
CHANGE -1.14
12:29a.m.

Time Warner Inc. (TWX)
PRICE 18.85
CHANGE -0.41
12:24a.m.

Google Inc. Cl A (GOOG)
PRICE 514.39
CHANGE 4.39
12:20a.m.

IAC/InterActiveCorp. (IACI)
PRICE 28.51
CHANGE -0.23
12:29a.m.

THE JOURNAL REPORT

• Are tech departments withering away? We asked three experts from Accenture, American Express and Aetna to weigh in. Plus, join a discussion forum: How careful are you about your company's security? And what are your biggest frustrations with your company's IT department?
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Personalized Home Page Setup
Put headlines on your homepage about the companies, industries and topics that interest you most.

* * *

1. HOW TO SEND GIANT FILES

The Problem: Everybody needs to email big files from time to time, everything from big marketing presentations to vacation photos. But if you send anything larger than a few megabytes, chances are you'll get an email saying you've hit the company's limit.

Companies cap the amount of data employees can send and store in email for a very simple reason: They want to avoid filling up their servers, and thus slowing them down, says messaging-research firm Osterman Research Inc., of Black Diamond, Wash. And getting your company to increase your email limit can be a convoluted process.

The Trick: Use online services such as YouSendIt Inc., SendThisFile Inc. and Carson Systems Ltd.'s DropSend, which let you send large files -- sometimes up to a few gigabytes in size -- free of charge. To use the services, you typically have to register, supplying personal information such as name and email address. You can then enter the recipient's email address and a message to him or her, and the site will give you instructions for uploading the file. In most cases, the site will send the recipient a link that he or she can click to download the file.

JOURNAL REPORT PODCAST

WSJ's Vauhini Vara interviews John Pironti, chief information risk strategist at Getronics NV, about just how damaging security screwups can be. Mr. Pironti will talk about the goofs he's seen -- and what they have cost companies.

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The Risk: Because these services send your files over the Web, they're outside of your company's control. That makes it easier for a wily hacker to intercept files during their travels.

How to Stay Safe: Some of the services are more reputable than others. YouSendIt, for instance, is a start-up run by a former Adobe Systems Inc. executive and funded by well-known venture-capital firms. Others offer little information on their sites about themselves and could be more susceptible to security holes that could let a hacker steal your information.

If the site's backers aren't immediately apparent, there are other clues that can help. Look for a "secure" icon -- in Internet Explorer, it's a little lock on the bottom of the screen -- which signifies that the site is using encryption to protect its visitors' confidential information. A logo from a security company such as VeriSign Inc., meanwhile, means VeriSign has confirmed the identity of the site's owner.

* * *

2. HOW TO USE SOFTWARE THAT YOUR COMPANY WON'T LET YOU DOWNLOAD

The Problem: Many companies require that employees get permission from the IT department to download software. But that can be problematic if you're trying to download software that your IT department has blacklisted.

The Trick: There are two easy ways around this: finding Web-based alternatives or bringing in the software on an outside device.

The first is easier. Say your company won't let you download the popular AOL Instant Messenger program, from Time Warner Inc.'s AOL unit. You can still instant-message with colleagues and friends using a Web-based version of the service called AIM Express (AIM.com/aimexpress.adp). There's also Google Inc.'s instant-messaging service, Google Talk, accessible at Google.com/talk. There are Web-based equivalents of software such as music players and videogames, too -- typically, skimpier versions with fewer features than the regular programs.

The other approach to this problem is more involved but gives you access to actual software programs on your computer. All three of our experts pointed to a company called Rare Ideas LLC (RareIdeas.com), which offers free versions of popular programs such as Firefox and OpenOffice. You can download the software onto a portable device like an iPod or a USB stick, through a service called Portable Apps (PortableApps.com). Then hook the device up to your work computer, and you're ready to go. (But if your company blocks you from using external devices, you're out of luck.)

The Risk: Using Web-based services can be a strain on your company's resources. And bringing in software on outside devices can present a security problem. IT departments like to keep track of all the software used by employees, so that if a bug or other security problem arises, they can easily put fixes in place. That's not the case if you've brought the program in on your own.

Another thing to keep in mind: Some less reputable software programs, especially underground file-sharing programs, could come loaded with spyware and make it possible for your own files to leak onto the Web.

How to Stay Safe: If you bring in software on an outside device, says Mr. Lobel, make sure you at least tweak the security settings on your computer's antivirus software so that it scans the device for potential threats. That's easy to do, usually through an Options or Settings menu. Likewise, if you use a file-sharing service, set it up so that others can't access your own files, also through an Options or Settings area.

* * *

3. HOW TO VISIT THE WEB SITES YOUR COMPANY BLOCKS

The Problem: Companies often block employees from visiting certain sites -- ranging from the really nefarious (porn) to probably bad (gambling) to mostly innocuous (Web-based email services).

The Trick: Even if your company won't let you visit those sites by typing their Web addresses into your browser, you can still sometimes sneak your way onto them. You travel to a third-

party site, called a proxy, and type the Web address you want into a search box. Then the proxy site travels to the site you want and displays it for you -- so you can see the site without actually visiting it. Proxy.org, for one, features a list of more than 4,000 proxies.

Another way to accomplish the same thing, from Mr. Frauenfelder and Ms. Trapani: Use Google's translation service, asking it to do an English-to-English translation. Just enter this -- Google.com/translate?langpair=en|en&u=www.blockedsite.com -- replacing "blockedsite.com" with the Web address of the site you want to visit. Google effectively acts as a proxy, calling up the site for you.

The Risk: If you use a proxy to, say, catch up on email or watch a YouTube video, the main risk is getting caught by your boss. But there are scarier security risks: Online bad guys sometimes buy Web addresses that are misspellings of popular sites, then use them to infect visitors' computers, warns Mr. Lobel. Companies often block those sites, too -- but you won't be protected from them if you use a proxy.

How to Stay Safe: Don't make a habit of using proxies for all your Web surfing. Use them only to visit specific sites that your company blocks for productivity-related reasons -- say, YouTube. And watch your spelling.

* * *

4. HOW TO CLEAR YOUR TRACKS ON YOUR WORK LAPTOP

The Problem: If you use a company-owned laptop at home, chances are you use it for personal tasks: planning family vacations, shopping for beach books, organizing online photo albums and so on. Many companies reserve the right to monitor all that activity, because the laptops are technically their property. So what happens if your -- ahem -- friend accidentally surfs onto a porn site or does a Web search for some embarrassing ailment?

The Trick: The latest versions of the Internet Explorer and Firefox browsers both make it easy to clear your tracks. In IE7, click on Tools, then Delete Browsing History. From there, you can either delete all your history by clicking Delete All or choose one or a few kinds of data to delete. In Firefox, just hit Ctrl-Shift-Del -- or click Clear Private Data under the Tools menu.

The Risk: Even if you clear your tracks, you still face risks from roaming all over the Web. You could unintentionally install spyware on your computer from visiting a sketchy site or get your boss involved in legal problems for your behavior. If you're caught, it could mean (at best) embarrassment or (at worst) joblessness.

How to Stay Safe: Clear your private data as often as possible. Better yet, don't use your work computer to do anything you wouldn't want your boss to know about.

* * *

5. HOW TO SEARCH FOR YOUR WORK DOCUMENTS FROM HOME

The Problem: You're catching up on work late at night or over the weekend -- but the documents you need to search through are stuck on your office PC.

The Trick: Google, Microsoft, Yahoo and IAC/InterActiveCorp's Ask unit have all released software that lets you quickly search your desktop documents. On top of that, some will let you search through documents saved on one computer from another one. How does it work? The search company keeps a copy of your documents on its own server. So it can scan those copies when you do a search remotely.

To use Google's software -- among the most popular -- follow these steps on both your work and home PC. First, you'll need to set up a Google account on both machines by visiting Google.com/accounts. (Be sure to use the same account on both computers.) Then go to

Desktop.Google.com to download the search software. When it's up and running -- again, do this on both machines -- click on Desktop Preferences, then Google Account Features. From there, check the box next to Search Across Computers. After that point, any document you open on either machine will be copied to Google's servers -- and will be searchable from either machine.

The Risk: Corporate technology managers offer this nightmare scenario: You've saved top-secret financial information on your work PC. You set up desktop-search software so that you can access those files when working from home on your laptop. Then you lose your laptop. Uh-oh.

Getting hold of your company's internal documents could give others insight into your plans, and losing certain information could have legal repercussions. In particular, myriad state laws regulate how a company has to react when it loses private information about customers or employees; most require notifying those people about the breach in writing. Sending those notifications can be costly for your company -- not to mention damaging to its reputation.

On top of that threat, researchers have found vulnerabilities in Google's desktop-search software that could let a hacker trick a user into giving up access to files, says Mr. Schmugar of McAfee. (Those vulnerabilities have since been fixed, but more could crop up, he says.)

Matt Glotzbach, product management director for Google Enterprise, says there are bound to be vulnerabilities in any software and that, to the best of his knowledge, none of the Google Desktop vulnerabilities were exploited by hackers. He adds that when Google finds out about a vulnerability, it quickly fixes it and notifies users.

How to Stay Safe: If you have any files on your work PC that shouldn't be made public, ask your IT administrator to help you set up Google Desktop to avoid accidental leaks.

* * *

6. HOW TO STORE WORK FILES ONLINE

The Problem: Desktop search aside, most people who often work away from the office have come up with their own solution to getting access to work files. They save them on a disk or a portable device and then plug it into a home computer. Or they store the files on the company network, then access the network remotely. But portable devices can be cumbersome, and company-network connections can be slow and unreliable.

The Trick: Use an online-storage service from the likes of Box.net Inc., Streamload Inc. or AOL-owned Xdrive. (Box.net also offers its service inside the social-networking site Facebook.) Most offer some free storage, from one to five gigabytes, and charge a few dollars a month for premium packages with extra space. Another guerrilla storage solution is to email files to your private, Web-based email account, such as Gmail or Hotmail.

The Risk: A bad guy could steal your password for one of these sites and quickly grab copies of your company's sensitive files.

How to Stay Safe: When you're thinking about storing a file online, ask yourself if it would be OK for that file to be splashed all over the Internet or sent to the CEO of your company's top rival. If so, go for it. If not, don't.

* * *

7. HOW TO KEEP YOUR PRIVACY WHEN USING WEB EMAIL

The Problem: Many companies now have the ability to track employees' emails, both on work email accounts and personal Web-based accounts, as well as IM conversations.

The Trick: When you send emails -- using either your work or personal email address -- you can encrypt them, so that only you and the recipient can read them. In Microsoft Outlook, click on Tools, then Options and choose the Security tab. There, you can enter a password -- and nobody can open a note from you without supplying it. (Of course, you'll have to tell people the code beforehand.)

For Web-based personal email, try this trick from Mr. Frauenfelder: When checking email, add an "s" to the end of the "http" in front of your email provider's Web address -- for instance, https://www.Gmail.com. This throws you into a secure session, so that nobody can track your email. Not all Web services may support this, however.

To encrypt IM conversations, meanwhile, try the IM service Trillian from Cerulean Studios LLC, which lets you connect to AOL Instant Messenger, Yahoo Messenger and others -- and lets you encrypt your IM conversations so that they can't be read.

The Risk: The main reason companies monitor email is to catch employees who are leaking confidential information. By using these tricks, you may set off false alarms and make it harder for the IT crew to manage real threats.

How to Stay Safe: Use these tricks only occasionally, instead of as a default.

* * *

8. HOW TO ACCESS YOUR WORK EMAIL REMOTELY WHEN YOUR COMPANY WON'T SPRING FOR A BLACKBERRY

The Problem: Anyone without a BlackBerry knows the feeling: There's a lull in the conversation when you're out to dinner or an after-work beer, and everyone reaches for their pocket to grab their BlackBerry, leaving you alone to stir your drink.

The Trick: You, too, can stay up to date on work email, using any number of consumer-oriented hand-held devices. Just set up your work email so that all your emails get forwarded to your personal email account.

In Microsoft Outlook, you can do this by right-clicking on any email, choosing Create Rule, and asking that all your email be forwarded to another address. Then, set up your hand-held to receive your personal email, by following instructions from the service provider for your hand-held. (That's the company that sends you your bill.)

The Risk: Now, not only can hackers break into your personal account by going online on a computer, they can also break into it by exploiting security vulnerabilities on your mobile device.

How to Stay Safe: There's a kosher way to access work email on some devices, by getting passwords and other information from your IT department.

* * *

9. HOW TO ACCESS YOUR PERSONAL EMAIL ON YOUR BLACKBERRY

The Problem: If you do have a BlackBerry, you've probably got a different problem: You want to get your personal email just as easily as work email.

The Trick: Look at the Settings area of your personal email account, and make sure you've enabled POP -- Post Office Protocol -- a method used to retrieve email from elsewhere. Then log in to the Web site for your BlackBerry service provider. Click on the Profile button, look for the Email Accounts section and click on Other Email Accounts. Then click Add Account and enter the information for your Web-based email account. Now your personal emails will pop up on the same screen as your company email.

The Risk: Your company probably uses a whole bunch of security technology to keep viruses and spies out of your files. When you receive personal email on your BlackBerry, it's coming to you without passing through your company's firewall. That means viruses or spyware could sneak onto your BlackBerry via a personal email, says Mr. Schmugar of McAfee. Worse yet, he says, when you plug your BlackBerry into your work computer, there's a chance that the malicious software could jump onto your hard drive.

How to Stay Safe: Cross your fingers and hope that your personal email provider is doing a decent job weeding out viruses, spyware and other intruders. (Chances are, it is.)

* * *

10. HOW TO LOOK LIKE YOU'RE WORKING

The Problem: You're doing some vital Web surfing and your boss turns the corner. What do you do?

The Trick: Hit Alt-Tab to quickly minimize one window (say, the one where you're browsing ESPN.com) and maximize another (like that presentation that's due today).

The Risk: The good news is that there are no known security risks.

How to Stay Safe: Get back to work.

--Ms. Vara is a staff reporter in The Wall Street Journal's San Francisco bureau.

Write to Vauhini Vara at vauhini.vara@wsj.com

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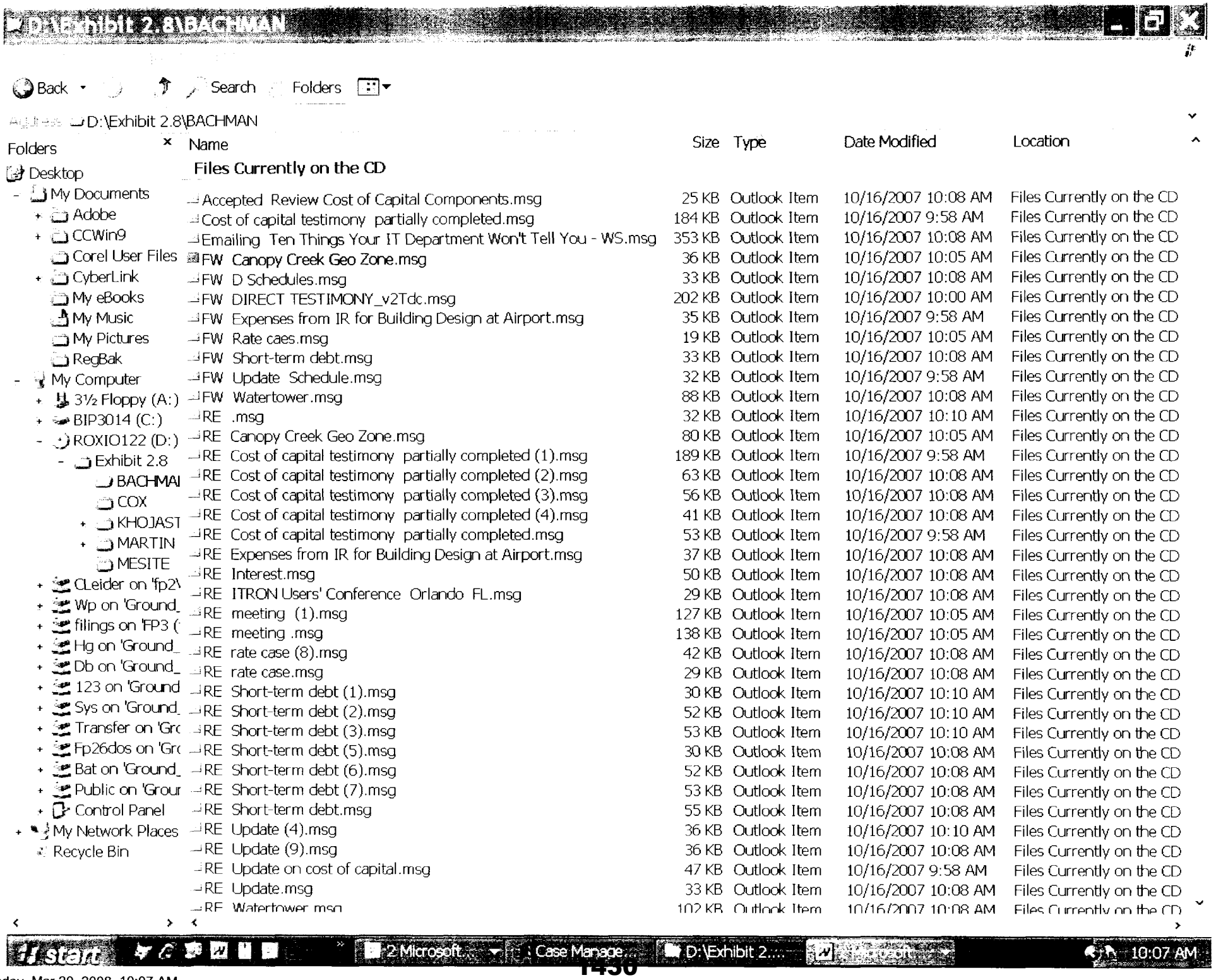


Thursday, Mar 20, 2008 10:07 AM

Clara Leider

From: Bachman George
Sent: Wednesday, September 26, 2007 3:51 PM
To: Martin Cheryl; Napier Michelle
Subject: FW: Canopy Creek Geo Zone

Fyi-

Just as an FYI, a little birdie at lunch told me that pipe was supposed to be 2 inch and 4 inch was installed. You may wish to review those charges versus estimates. The project was gassed was either yesterday or will be today.

Subject: RE: Canopy Creek Geo Zone

George,
That is correct. I understand that we have some capital expense that has impacted SF propane blankets that will need to be transferred to the natural gas IR. The project is as you say natural gas with the exception of the fuel which will be expensed to the natural PGA. We're looking into propane-air units that could save future conversion costs when natural gas becomes available. (This would have been a huge help for Summerglen) This project was discussed at length with Chuck and Jack before we got started. This project is also a catalyst to further expand into Martin County with natural gas, beyond what we've done in Indiantown thus far.
Thanks!
Sent with Wireless Sync from Verizon Wireless

---- Original Message ----
From: "Bachman George" <gbachman@fpuc.com>
Date: 9/26/07 1:07 pm
To: "Seagrave Marc" <mseagrave@fpuc.com>
Cc: "Petty Julie" <jpetty@fpuc.com> ; "Santaella Mary" <msantaella@fpuc.com> ; "Rippey Lori Sue" <lrippey@fpuc.com> ; "Oakes Kathi" <koakes@fpuc.com> ; "Costlow John" <jcostlow@fpuc.com> ; "Schneidermann Marc" <mschneidermann@fpuc.com> ; "Stein Chuck" <cstein@fpuc.com> ; "Kennedy Barry" <bkennedy@fpuc.com>
Subj: RE: Canopy Creek Geo Zone
Marc,

So the capital project is a natural gas IR with all costs of the capital expenses, including blanket IR items, going to natural gas? Everything is natural gas except for the fuel?

Thanks.

George

From: Seagrave Marc
Sent: Tuesday, September 25, 2007 10:50 AM
To: Bachman George
Cc: Petty Julie; Santaella Mary; Rippey Lori Sue; Oakes Kathi; Costlow John; Schneidermann Marc; Stein Chuck; Kennedy Barry
Subject: RE: Canopy Creek Geo Zone

George,

This project was approved to be constructed under natural gas although we will be using propane for the gas supply. The propane will need to be expensed to our natural gas PGA (how that works I leave to gas supply and accounting)

All revenues and expenses will go to natural gas.

The new geo zone is needed because this is the first project of its kind in Martin County. We are hopeful to add more and potentially supply them through a propane-air unit so we will not have future conversion issues with natural gas. I spoke to GRU last week and they are using scalable propane-air units to supply community gas systems that are presently beyond the reach of their natural gas system.

Marc S. Seagrave

Marc Seagrave, CSP

Director of Marketing & Sales

Florida Public Utilities Company

401 S. Dixie Hwy

West Palm Beach, FL 33401

(561) 838-1714 Office

(561) 723-3439 Cell

(561) 833-8562 Fax

mseagrave@fpuc.com

From: Bachman George
Sent: Tuesday, September 25, 2007 10:25 AM
To: Seagrave Marc
Cc: Petty Julie; Santaella Mary; Rippey Lori Sue; Oakes Kathi; Costlow John; Schneidermann Marc
Subject: RE: Canopy Creek Geo Zone

Marc,

I guess we needed the Geo Zone to bill propane under natural gas or am I missing something? Is this a propane project (revenues and expenses going to propane)? If so why was the new Zone needed?

George

From: Petty Julie
Sent: Friday, September 21, 2007 4:45 PM
To: Seagrave Marc; McMahon Julie; Costlow John
Cc: Santaella Mary; Rippey Lori Sue; Bachman George; Oakes Kathi
Subject: Canopy Creek Geo Zone

Hello,

We had to add a new geo zone (multiplying factor) for this project. It would be entered when updating (closing the S/O). The geo zone code is CCLP; which will use the metered LP multiplying factor to properly bill the customer.

Please share this with those that require this information.

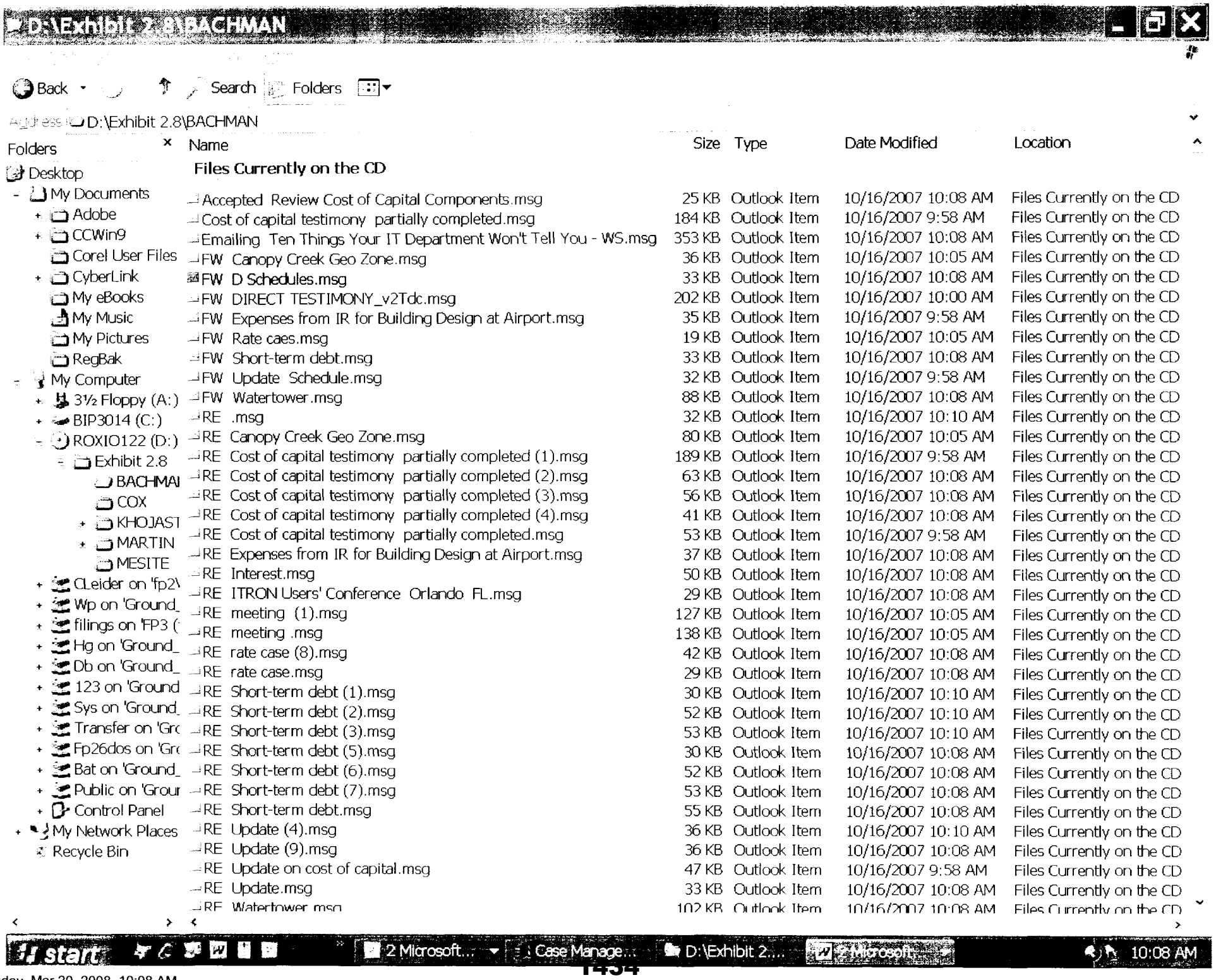
Julie Petty

Director, Customer Relations

Florida Public Utilities

561-838-1779

jpetty@fpuc.com



Thursday, Mar 20, 2008 10:08 AM

Clara Leider

From: Bachman George
Sent: Monday, June 18, 2007 10:58 AM
To: Cox Doreen
Subject: FW: D Schedules

You are thorough! Nice work, I know Robert loves your review too and you impress him.

-----Original Message-----
From: Robert Camfield [mailto:rjcamfield@CAEnergy.com]
Sent: Monday, June 18, 2007 10:13 AM
To: Cox Doreen
Cc: Martin Cheryl; Mike Welsh; Dan Hansen; Bachman George
Subject: RE: D Schedules

Doreen,

Thanks for the comments. I will incorporate the appropriate changes that you suggest.

Robert

From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Mon 6/18/2007 9:07 AM
To: Robert Camfield
Cc: Martin Cheryl; Mike Welsh; Dan Hansen; Bachman George
Subject: RE: D Schedules

Robert:
Please see my comments regarding the 1st Draft of the D Schedules submitted. Some of the items we already discussed over the telephone.

Sch D-1a 2006
- All Cost Rates should reflect rates filed on our Dec 2006 Surveillance Report average mid-point rate. (Interim MFRs would reflect the Low-Point Rate).
- Total Col D System Adjusted.

Sch D-1a 2007
- Customer Deposits - should the cost rate be 6.842% as per the Customer Deposit tab in the CAPITAL file?
- Tax Credit - not sure how we computed 9.42% for cost rate.
- Total Col D System Adjusted.
- LT Debt 8.00% - should this be 8.01% (4049160/50543842)?

Sch D-1b - okay

Sch D-2 - not yet completed. Would you like me to do this one?

Sch D-3 - for the historical Interest Expense we need to show the actual 13 mth avg of $108,590 and actual interest rate and Weighted Average Cost of ST Debt.

Sch D-4a 2006 & 2007 - update columns 8, 10 & 14 based on the Unamortized Schedule sent last Friday. We should show the 13 month average issuance expense for each of the loans and then show the Loss on Reacquired Debt below as one amount as that balance does not relate to any of the loans detailed.

Sch D-4b - Seems ok to me, but Cheryl &/ George can confirm.

Sch D-5 - looks good

I know you may have already updated some of the above. Also please note that the short term debt balances may change due to the removal of the FB Building and the final projected capital expenditures projections for 2008.

Please call me at (561) 838-1797 if you have any questions.
Thanks
Doreen

-----Original Message-----
From: Robert Camfield [mailto:rjcamfield@CAEnergy.com]
Sent: Friday, June 15, 2007 5:37 AM
To: Cox Doreen
Cc: Martin Cheryl; Mike Welsh; Dan Hansen; Bachman George
Subject: D Schedules

Doreen,

Attached please find the D Schedules for '06, '07 though the historical financial information is not yet completed. Please review and check this over at your convenience. Rate base amounts are needed in order to obtain accurate jurisdictional factors. Also, you, Cheryl, and perhaps George should review the policy statement regarding gains/losses shown on 4-b.

Let's talk later.

Robert

From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Thu 6/14/2007 10:36 AM
To: Robert Camfield
Subject: FW: Schedule H(D-3)

From: Martin Cheryl
Sent: Thursday, June 14, 2007 11:33 AM
To: Cox Doreen
Subject: RE: Schedule H(D-3)

Whatever makes sense. There are some schedules that do not make sense to keep projected separate from historic as they are comparisons to historic. IF that is the case, remove the projection schedule with the same name and complete as necessary in the historic. Cheryl

From: Cox Doreen
Sent: Thursday, June 14, 2007 10:41 AM
To: Martin Cheryl
Cc: Robert Camfield
Subject: Schedule H(D-3)

Cheryl:

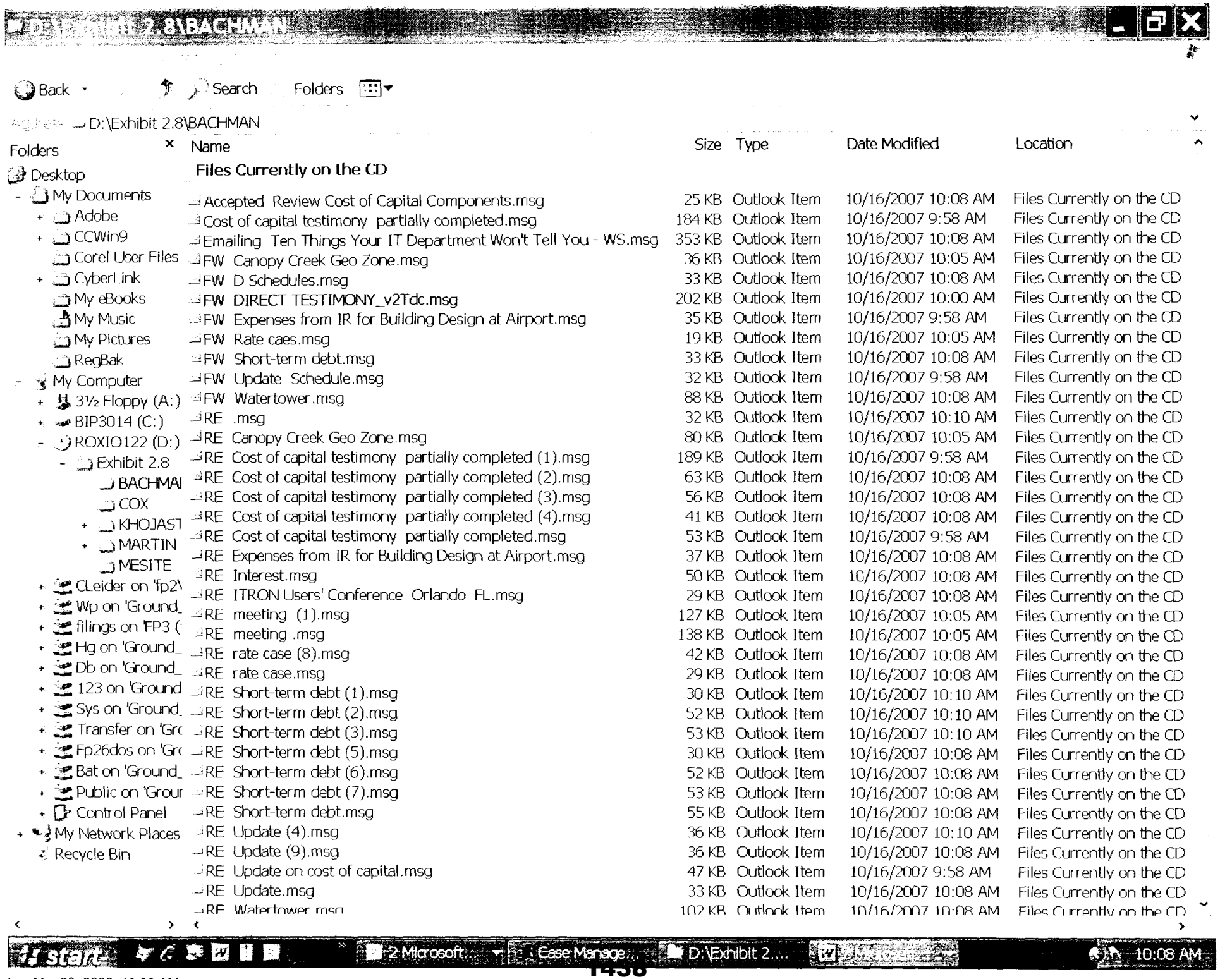
In the prior electric rate case there were certain schedules such as Sch D-3a where data for the Historical, Projected Prior Year and Projected Test Year were all presented on one Schedule.

In this filing should we show the historical (2006) only on Sch D-3 and the Projected Prior Year (2007) and Projected Test Year (2008) together on the H(D-3)?

This is what I suggested to Robert, but please confirm.

Thanks

Doreen



Thursday, Mar 20, 2008 10:08 AM

Clara Leider

From: Cox Doreen
Sent: Friday, August 03, 2007 6:14 PM
To: Robert Camfield
Cc: Bachman George; Martin Cheryl; 'Mike Welsh'
Subject: RE: Cost of capital testimony, partially completed
Attachments: DIRECT TESTIMONY_v1UT_Incomplete.doc

Robert
I did a quick read of the draft testimony and made some suggestions for minor changes. It looks good and I particularly like the discussion on page 28 regarding equity participation and the importance of remaining competitive and maintaining adequate interest coverage.

I will however re-read in more depth and from the perspective of any additional points that we may want to include, not yet covered.

Doreen Cox
Financial Analyst
(561) 838-1797

From: Robert Camfield [mailto:rjcamfield@CAEnergy.com]
Sent: Friday, August 03, 2007 12:41 PM
To: Cox Doreen; Martin Cheryl
Cc: Bachman George; English Jack; Mike Welsh
Subject: Cost of capital testimony, partially completed

Doreen,
Cheryl,

Please check this over and see how it reads to you. More material coming shortly.

Robert

Clara Leider

From: Martin Cheryl
Sent: Monday, August 20, 2007 10:51 AM
To: Bachman George
Subject: FW: DIRECT TESTIMONY_v2Tdc
Attachments: COC Testimony.doc

From: Cox Doreen
Sent: Monday, August 20, 2007 10:50 AM
To: Robert Camfield
Cc: Mike Welsh; Martin Cheryl; Teresa Sholts
Subject: RE: DIRECT TESTIMONY_v2Tdc

Robert
Just a few minor edits (see attached suggested changes). Your Small Cap Risk Premium discussion for the COE sounds good. Also on page 7 Line 19 should there be a reference to an Exhibit for the year-end capital structure being "offered"?
Thanks
Doreen

-----Original Message-----
From: Robert Camfield [mailto:rjcamfield@CAEnergy.com]
Sent: Sunday, August 19, 2007 9:48 PM
To: Cox Doreen; Martin Cheryl; Teresa Sholts
Cc: Mike Welsh
Subject: RE: DIRECT TESTIMONY_v2Tdc

Doreen,
Cheryl,

Attached please find our testimony, in draft form.

Robert

From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Thu 8/16/2007 12:08 PM
To: Robert Camfield
Subject: DIRECT TESTIMONY_v2Tdc

Robert

Please see Pages 31 and 34.

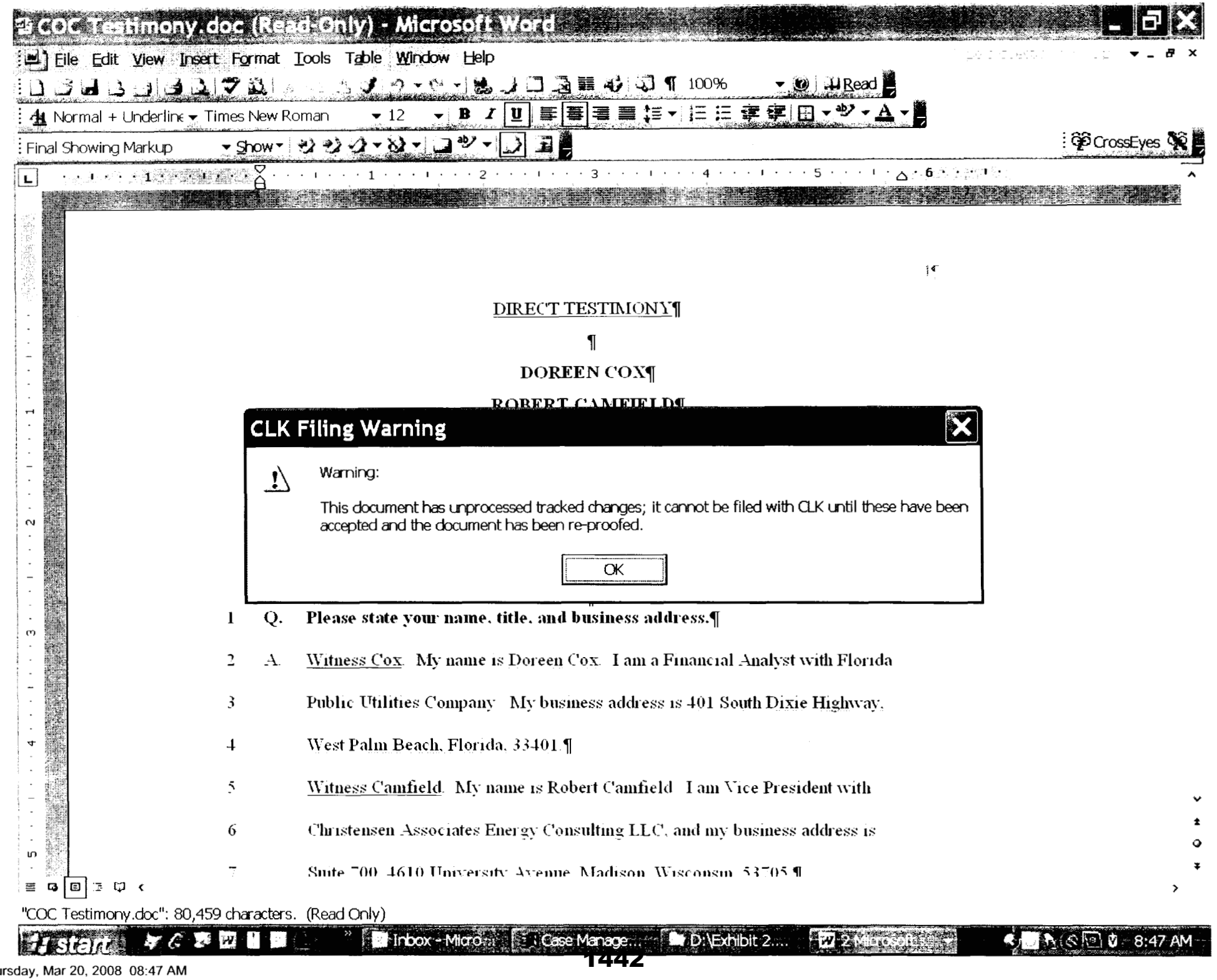
Clara Leider

From: Robert Camfield [rjcamfield@CAEnergy.com]
Sent: Friday, August 03, 2007 12:41 PM
To: Cox Doreen; Martin Cheryl
Cc: Bachman George; English Jack; Mike Welsh
Subject: Cost of capital testimony, partially completed
Attachments: DIRECT TESTIMONY_v1UT_Incomplete.doc

Doreen,
Cheryl,

Please check this over and see how it reads to you. More material coming shortly.

Robert



Thursday, Mar 20, 2008 08:47 AM

DIRECT TESTIMONY

DOREEN COX
ROBERT CAMFIELD

COST OF EQUITY AND RATE OF RETURN REQUIREMENTS
of
FLORIDA PUBLIC UTILITIES COMPANY

Q. Please state your name, title, and business address.

A. Witness Cox. My name is Doreen Cox. I am a Financial Analyst with Florida Public Utilities Company. My business address is 401 South Dixie Highway, West Palm Beach, Florida, 33401.

Witness Camfield. My name is Robert Camfield. I am Vice President with Christensen Associates Energy Consulting LLC, and my business address is Suite 700, 4610 University Avenue, Madison, Wisconsin, 53705.

Q. What is the scope of your testimony?

A. The scope of our testimony is twofold. First, we address the issue of the cost of common equity to Florida Public Utilities Company. Estimates of the equity cost rate underlie our common equity rate of return recommendation. Second, we integrate the equity rate of return with the other financial components of Florida Public Utilities Company's capital structure to determine the weighted average cost of capital and accompanying overall rate of return recommendation. Our rate of return recommendation should be used by the

Commission to set retail electricity prices of Florida Public Utilities Company in the current docket.

Q. Please review your professional background and experience that qualifies you to provide such recommendations.

A. Witness Cox. I received a Bachelor of Science Degree in Management from the University of West Indies in 1979, with a concentration in Accounting. In 1990 I earned a Master of Science Degree in Accounting, also from the University of West Indies. I am a member of the Jamaican Institute of Chartered Accountants.

I joined Florida Public Utilities Company in 1999, and I hold the position of Financial Analyst, which reports to the Chief Financial Officer. In this position, I support the CFO, the Accounting and Finance Division of Florida Public Utilities. My position covers a variety of operating and planning responsibilities including project assessment, budget and financial projections, and cash flow analysis. I assist in the preparation of quarterly reports to our Board of Directors, and the compliance monitoring with respect to the Financial Covenants of Florida Public Utilities Company's long- and short-term sources of external funds. I was a witness in the Natural Gas rate relief proceedings before the FPSC: Docket Number 040216-GU.

Witness Camfield. Yes. I joined the Michigan Public Service Commission in 1976 as a staff economist. During my tenure with the Michigan Commission, I was involved in several retail electricity and natural gas pricing issues, and I testified in rate case proceedings regarding cost of capital and retail gas tariff

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design. I joined the New Hampshire Public Service Commission in 1979 as the senior economist, and held the position of chief economist beginning in 1981. As Chief Economist, I was responsible for the administration of the economics department of the Commission Staff. I oversaw the analysis of regulatory issues, the coordination and guidance of staff participation in regulatory proceedings, the preparation and development of testimony, and I provided policy advice to the Commission on a variety of issues such as construction work in progress, financial planning, and the determination of PURPA Section 133 rates. I joined Southern Company in 1983, and held positions in several departments including Pricing and Economic Analysis at Georgia Power Company, Costing Analysis of Southern Company Services, and Southern Company's Strategic Planning Group. In 1994, I joined Laurits R. Christensen Associates, Inc. ("Christensen Associates") as a senior economist, and currently hold the position of Vice President with Christensen Associates Energy Consulting LLC., a subsidiary consulting group of Christensen Associates.

My experience covers a gamut of issues facing regulated industries. I have been involved in the negotiation of power supply contracts and the terms of franchise licenses. My overseas assignments are several, and I have managed a large market restructuring project in Central Europe. I have served on national and regional advisory panels, and I have advised integrated electric utilities, independent power producers, transmission and distribution companies, utility associations, offices of consumer advocate, and regulatory agencies on numerous policy and technical issues. Innovations include two-part tariffs for transmission services, web-based self-designing retail electric products,

marginal cost-based cost-of-service methods, and principles for efficient pricing of distribution services. I have published chapters in technical books, reports, and articles in noted journals such as *The Electricity Journal, IEEE Transactions on Power Systems*, and *CIGRE*. Currently, I serve as Program Director of the Edison Electric Institute's Market Design and Transmission Pricing School.

Q. Can you please review the statutory mandates that guide the determination of rate of return for public utilities?

A. Yes, the statutory principles of rate of return for public utilities substantially rest with two decisions of the Supreme Court of the United States. In the Bluefield Water Works and Improvement Co. v. Public Service Commission of West Virginia case (262 U.S. 679, 1923), the U.S. Supreme Court set forth its view on fair rate of return, as follows:

> "...A public utility is entitled to such rates as will permit it to earn a return on the value of the property which it employs for the convenience of the public equal to that generally being made at the same time and in the same general part of the country on investments in other business undertakings which are attended by corresponding risks and uncertainties; but it has no constitutional right to profits such as are realized or anticipated in highly profitable enterprises or speculative ventures. The return should be reasonably sufficient to assure confidence in the financial soundness of the utility and should be adequate, under efficient and economical management, to maintain and support its credit and enable it to raise the money necessary for the

proper discharge of its public duties. A rate of return may be reasonable at one time and become too high or too low by changes affecting opportunities for investment, the money market and business conditions generally."

A second landmark decision of U.S. Supreme Court echoed, fortified, and expanded upon the fair return standard established by the "Bluefield" decision cited above for capital committed to public utilities. This second decision is the Federal Power Commission v. Hope Natural Gas Company case (320 U.S. 391, 1944). A most relevant passage of this latter decision is as follows:

"From the investor or company point of view it is important that there be enough revenue not only for operating expenses but also for the capital costs of the business. These include service on the debt and dividends on the stock... By that standard the return to the equity owner should be commensurate with return on investments in other enterprises having corresponding risks. That return, moreover, should be sufficient to assure confidence in the financial integrity of the enterprise, so as to maintain its credit and attract capital."

These longstanding decisions provide the recognized framework for the fair rate of return on capital committed by investors to public service. In these decisions, the U.S. Supreme Court codified, in clear and readily understandable terms, a statutory benchmark that serves as the basis to set fair and equitable prices for retail public services such as natural gas, while also providing a fair rate of return on the capital provided by investors. Though they reach back

many years, these decisions remain to this day the cornerstone for the determination of rate of return requirements. The challenge for regulators, regulated utilities, and interested parties to regulatory proceedings is to operationalize these principles in contemporary regulatory processes.

Q. Please provide an overview of your approach to the determination of the rate of return requirements for Florida Public Utilities Company.

A. Our approach follows the prescribed methodology of the Florida Public Service Commission to determine the overall weighted average cost of capital ("WACC") and the overall rate of return, for regulatory purposes. Specifically, we develop a forward-looking consolidated capital structure for the year 2008 with the exclusion of capital structure balances associated with the Company's propane subsidiary, Flo-Gas. For determining retail prices in the instant docket, the recommended capital structure is determined on the basis of the 13-month average balances of the components that comprise the capital structure of the Company. We develop a traditional capital structure including the key elements of long-term debt, short-term debt, preferred stock, and common shareholder equity. Similarly, we develop a regulatory capital structure that contains, in addition to these components, balances for customer deposits, accumulated deferred taxes and accumulated investment tax credits of the Company dedicated to providing retail electricity services. Traditional elements of the capital structure are scaled pro rata, such that the regulatory capital structure, in total, matches the rate base attributable to the provision for electricity services.

It is good regulatory policy to accurately capture the means by which Florida Public Utilities Company underwrites its assets and rate within the regulatory capital structure, providing that such structure contains an appropriate balance of equity and debt, given the regulatory and operational business risks facing the Company. Contemporary business, regulatory, and financial risks confronting energy utilities are higher than in past years. Consequently, and consistent with the business objectives of providing low-cost and reliability service, Florida Public Utilities will fund its assets with larger equity participation in total capital than in years past and, to this end, the year-end 2008 capital structure is a better representation of the expected capital structure of the Company. This is because the year-end balances capture the prospective weight, on average, that common equity will assume within the Company's capital structure. Furthermore, the year-end balances of the components of capital provide a better balance of debt and equity for the purpose of minimizing the weighted average cost of capital. Accordingly, the adoption of the projected year-end capital structure to determine retail prices, which would constitute a departure of the Florida PSC from its general policy of using the 13-month average capital structure, would be in the long-term interests of retail consumers and the Company as well. Accordingly, we offer the year-end capital structure as an alternative to the 13-month average approach.

The cost rates applied to the 13-month 2008 balances of long-term debt and preferred stock include the interest rate on the face amount and issuance costs unique to each individual issue, and related debt expenses where appropriate. The cost rate applied to customer deposits balances is based upon market

segment-specific interest rates, as determined by the Commission. The balances for accumulated deferred taxes and investment tax credits are included in the regulatory capital structure at cost rates of zero and the overall cost of capital stated on a traditional basis, respectively.

The rate of return for common equity is determined by applying four capital cost assessment methodologies including Discounted Cash Flow, Capital Asset Pricing Model, and an assessment of Realized Historical Returns. The latter approach constitutes a benchmark by which investors gauge the prospects attending financial assets and, along with other information, form expectations of future returns. By assumption and empirical assessment, efficient markets value (price) financial assets accordingly. These three methods are well founded by modern finance theory and are often used to determine the cost rate for common equity capital. A fourth methodology, referred to as *ex post* Risk Premium, infers the underlying opportunity cost of capital on a basis of the relative risks of debt and equity capital.

Q. Can you please summarize your findings and recommendations?

A. Yes. Our studies give rise to an overall rate of return recommendation of 8.07%. The determination of the 8.07% rate of return is shown on Exhibit 1, which reveals the balance amounts for each financial component of the capital structure, the share that each component represents, the attending cost rate, and the overall rate of return. As mentioned above, the overall rate of return recommendation is based upon a 13-month 2008 regulatory capital structure that, consistent with utility regulatory policy in the State of Florida incorporates

customer deposits, accumulated deferred income taxes, and investment tax credit balances.

The recommended 8.07% overall return level incorporates a common equity return of 11.50%. As mentioned, the opportunity cost of shareholders of Florida Public Utilities Company is assessed with four analysis methods. The results of studies employing these valuation methods are shown on Exhibit 2, along with the equity return recommendation.

This recommendation, if adopted by the Florida Public Service Commission, will enable Florida Public Utilities Company to continue to provide highly reliable electricity service to its customers at favorable prices. At the same time, the recommendation provides an adequate level of compensation to the shareholders of Florida Public Utilities Company on the capital that they have committed to the Company. Satisfactory returns to equity also enable the Company to continue to attract long- and short-term debt at favorable terms and interest rates that, in both the near-term future and the long-run, are in the best interest of retail electricity consumers.

Fair and adequate allowed returns to capital are vital, and we cannot over-emphasize to the Commission the importance of setting the overall rate of return at a sufficient level, particularly in the current environment of considerable levels of risk and uncertainty. The determination of an adequate return level by the Florida Public Service Commission signals to the investment community including mutual funds, long-term private investors, speculators, mortgage

bankers, and commercial banks that the business and regulatory environment in which Florida Public Utilities Company operates has continuity and stability over the long term. Importantly, it also signals that the Commission is supportive of the Company and the job that we do on an on-going basis for retail consumers.

Q. Electricity is intermingled with and highly dependent upon energy markets, particularly markets for primary fuels. Can you please provide a profile of contemporary electricity markets and the implications for electricity distributors and the cost of equity capital?

A. Infrastructure industries, including the electricity services industry in particular, is undergoing significant restructuring with no immediate end in sight. The dimensions of restructuring assume a number of dimensions including service unbundling in both retail and wholesale markets including competitive entry, new mechanisms to determine the prices for services. At the wholesale level, utilities face and are part of the expansion of wholesale services and contract mechanisms to hedge varying degrees of risks; divestiture of generation; and the appearance of wide scale participation in wholesale electricity commodity markets by power traders and speculators, who are deeply involved in commodity markets generally. Wholesale markets are being organized through the auspices of regional transmission organizations referred to as RTOs. RTOs serve as the agent for markets as a whole, where regional markets are unbundled according to time (hourly markets), space (locational pricing of energy), and services including energy, reserves (including regulation, spin, non-spin, and supplemental categories), as well as financial transmission rights (FTRs) of

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various types. While wide scale change has been in the works for years and is arguably most pronounced at the wholesale level, as precipitated in a major way by the Energy Act of 1992, significant change has been and is currently underway within retail markets as well. At the retail level, regulated utilities face a gamut of changes regarding new regulatory governance arrangements including pre-approval, decoupling, and various performance assessment mechanisms; auctions for provider of last resort ("POLR") services; renewable resource portfolio standards, and new rules and requirements regarding reliability requirements, aside from the new reliability (and implied cost) commitments imposed on service providers by the North American Electric Reliability Council ("NERC"), which has been recently appointed by the Federal Energy Regulatory Commission ("FERC") as the national reliability organization ("ERO").

Driven to improve earnings performance and exploit growth opportunities, many integrated electric utilities have since the late-1980s pursued non-regulated business ventures including activities fairly far afield from electricity services such as real estate and insurance, and diversified energy services including distribution operations, nuclear generation, and renewable resources, and power trading. In a number of cases, generation (and to a lesser extent transmission) assets have been sold off to independent generation companies or unregulated generation entities have been formed from the generation business units of the integrated utilities. At this point a much larger range of business activities and business organizations and entity structure is present within the electricity services sector of the economy, obtained through competitive entry

and consolidation of functionality across entities. The financial performance of entities within the electricity services industry, included the expected returns to capital and the risks attending those returns, and is much more closely linked to energy markets, generally.

The net result is generally positive, as competitive entry arguably obtains reduced costs to the benefit of consumers, at least in the long run. Nonetheless, these changes in structure, much of which have been accompanied by and ushered in through regulatory changes, have also raised capital risks associated with electricity services, as perceived by investors. This backdrop of higher capital risks occur at a time when electricity service providers including Florida Public Utilities Company face steadily expanding electricity service demands and an array of new requirements covering, among other things, capital renewal at a time of fast rising costs for electrical equipment.

Q. Your testimony mentions capital risks and capital renewal. Perhaps you can elaborate on the meaning of capital, and how it comes about.

A. Capital refers to economic resources. Capital is accumulated savings over time, where savings refers to the proportion of the output of an economy that is not consumed as current goods and services. Essentially, savings is the share of output held back and invested in—i.e., put into—capital resources. In the broadest interpretation, capital is output-producing goods (and services). The cumulative level of investment over time, covering many years and centuries, constitutes the capital stock of an economy and a society. It is useful to mention

that capital can assume various investment forms aside from financial assets in private and public companies and other entities. The stock of capital includes real estate, household goods, education, public property and infrastructure such as libraries, museums, parks, roads, and transit systems. Individuals, firms, and government entities invest funds in capital resources if the expected flows of benefits realized by the investments in the future are equal to or greater than the value of current consumption given up or foregone.

Q. Please review the notions of cost of capital, opportunity cost of capital, and discuss how risk affects the opportunity cost of capital.

A. The cost of capital is the compensation required by investors for postponing consumption, for expected inflation, and for exposure to capital risks of various dimensions. *Cost of capital* refers to the underlying interest rate used to discount expected benefit flows of capital resources including returns to financial assets, and is sometimes referred to as the rate of discount, or simply the discount rate.

Financial assets include a multitude of debt vehicles, equity, and derivatives, and are tailored to participants of capital markets including household, small business, corporate, and government segments. Participants across these segments can supply capital—i.e., investors including lenders and holders of common and preferred stock—and also demand capital (borrowers and common stock issuing companies). Commercial banks, credit unions, finance companies, capital exchanges, and investment banks serve as intermediaries that

provide the institutional means that facilitates the interaction and linkage of the supply and demand sides of financial markets. These functions essentially include lending, borrowing, and the issuance of equity vehicles. Banks and credit unions borrow (and store) financial assets that in turn are invested in the form of debt and to a lesser extent equity.

Household debt vehicles include, for example, personal loans covering appliances, household services, and credit card mechanisms through finance companies and banks, and real estate and so-called home equity loans. Business loads include short-term loans and lines of credit with banks, inventory financing through business wholesalers, and commercial paper of various terms. Corporate debt can be in the form of lines of credit with banks, and mortgage and debenture bonds, while government debt can be in the form of revenue bonds of cities, and short- and long-term debt of various terms.

Equity refers to common and preferred stock, where the investor assumes a share in the ownership of a corporate entity. In some cases, debt instruments can participate in equity returns and have rights of conversion to common stock. Derivatives refers to options and forward contracts that are specifically designed for speculation and risk hedging, where the market worth of the derivative is determined by investor expectations in the underlying price of a financial asset or commodity.

The underlying cost of capital is determined by investors and, in the large, individuals and entities (including government entities) that provide savings and

thus the accumulation of capital within the macro economy. In the case of financial assets, expected benefits are in the form of future cash flows including interest payments, dividend payments, market appreciation, and return of principal. When investors supply funds to entities such as utilities and government entities and municipalities, not only are they postponing consumption—giving up the value of alternative expenditures in some other way, they are also exposing funds to the devaluation of ongoing inflation and various uncertainties and risk attending future cash flows. Investors are willing to incur these risk factors only if they are adequately compensated. While the market prices of other inputs including labor, materials, energy can be easily verifiable, the cost of capital—essentially, the price of capital—is not easily discerned and, all too often, requires estimation through the cautious application of analytical methods.

The cost of capital, however, remains positive absent inflation and risks, as savers require compensation for foregoing the right to use the funds saved for consumption of goods and services—essentially, the time value of money.

The cost of capital is determined by the demand for capital, supply of savings, expectations of inflation, and perceptions of risks harbored by participants in capital markets. The demand for and supply of capital are determined by expectations of future levels of economic activity, while expected inflation is driven largely by monetary policy over the relevant timeframe. Perceptions of risk, in turn, cover many dimensions including uncertain government policy and the effects of natural phenomena such as weather. The cost of capital—the

discount rate stated in nominal terms—increases with rising demand for capital, with expectations of higher rates of inflation, and with heightened perceptions of risk.

Dimensions of risk also cover idiosyncratic risks associated with specific capital resources, such as that of individual entities or companies. Accordingly, financial markets will re-price downward the bonds of a private company, should the *current* financial condition of the company suddenly decline. Essentially, the decrease in the company's current condition, reflected as reduced interest coverage—causes the expectation of the future condition of the company to also decline. Expectations of future financial conditions (possible states) of the specific company are idiosyncratic risks. Because cost of capital rises with increased risks, the price of the bonds decline. Bond prices and discount rates, in the form of the net interest rates or bond yields (and yield to maturity), move in opposite directions; bond yields increase as bond prices decline, and decrease as bond prices rise.

Resources migrate to the highest valued use and worth, given perceived risks, such that the returns to capital are equivalent to opportunity costs. The various forms of capital compete among themselves for savings and with other non-capital resource inputs and opportunities. Similarly, the vehicles of investment of individual entities, such as the specific bonds of a municipality or the common stock of a company, must compete for savings through a process of capital attraction. That is, if the outlook for earnings of a company rises, participants in capital markets—investors—allocate more capital to the

company by bidding up the price of the stock thus increasing the company's market capitalization. Conversely, perceptions of heightened risks associated with the debt of a company or municipality precipitates a decline in the market value of the outstanding bonds, as capital migrates from the company/municipality to other resource opportunities. Thus, the prices of financial assets of entities including debt and equity securities are highly sensitive to perceptions of risk. Capital markets trade off risks and expected returns, given the overall menu of available choices, as alternative opportunities.

At an undefined point in time such that levels of supply and demand for capital and expectations of inflation are roughly equivalent (as a matter of consensus), the cost of capital is a matter of risk. Essentially, then, the cost of a specific source of capital is basically determined by the underlying riskiness of that investment in view of alternative opportunities that, together, represent the investors' current opportunity set. Hence, cost of capital associated with specific investment opportunities, are only differentiated by risks, as the other factors that impact cost of capital—i.e., supply-demand, inflation expectations—are common to all investments, and capital more generally. Competitive capital markets, through the process of assessing, buying, and selling, ensure that the expected payoff in the form of market rate of return is approximately equal to that of other investments of equivalent risk. In short, debt and equity investment vehicles of comparable risk are priced the same. If not, investors as participants in capital markets will bid up securities with comparatively low risks and bid down others with comparatively high risks. If

investor perceptions of capital risks attending a utility increase—or the expectations for returns decline—markets bid down the securities of the utility. This implies that a utility will be unable to attract capital on equivalent terms, a result that is manifested in either of two ways: the quantity of capital acquired, in the form of new securities offerings, is reduced for a given level of return (stated in dollars), or a higher prospective rate of return attends the new offerings—it costs more to obtain an equivalent quantity of capital.

As mentioned above, investor rate of return is the discount rate that causes the present value of the expected cash flows, as receipts realized by investors, to equal the market value of the financial asset. From the utility side, the cost of funds raised to the utility through the sale of securities is equal to the discounted present value of the cash outflows to be paid by the utility, as expected by investors. But since the (positive) cash flows stream to the investor is identical to the cash outflows of the utility, the two discount rates must be identical, abstracting from the effects of flotation costs, which causes the costs to the issuer to exceed the return required by investors to the extent that flotation costs decrease the net amount of funds actually available to the issue. In other words, the cost of capital to the utility is synonymous with the investors' expected rate of return. Hence, the cost of capital is the discounted expected cash flows necessary for the security to "pay the price"—i.e., in order to satisfy investors' required rate of return.

When capital markets are sufficiently competitive, they ensure that the market value and worth of financial vehicles of the outstanding debt and equity—as

held by the investment community, which can include households, financial institutions, government entities, and non-financial companies, is set (i.e., priced) at a level such that the returns to capital approximate the cost of capital. Because investors are averse to risks, competitive financial markets price financial assets inversely according to perceptions of risks, all other factors held constant.

Q. Why is this construct relevant and how does it relate to Florida Public Utilities Company and its capital needs?

A. As discussed, capital resources are the result of cumulative investment, and are obtained or funded directly or indirectly from savings of households and firms over time. Savings is the share of income of the economy as a whole that is not expended as consumption within a current period, and is typically measured as dollars or percentage shares in either quarterly or annual periods. This means that the capital resources employed by Florida Public Utilities Company including power delivery systems such as transformers and lines, meters, trucks and vehicles, computer systems, software, office facilities and buildings, inventory and stores, and land are costly, where cost is reflected as the annual carrying charges on capital, measured in the form of the net utility rate base.

Whereas the cost of skilled labor, materials and supplies, purchases of generation and transmission services, or other inputs used into the production process of utilities are expressed in money terms – *e.g.,* purchased power stated as dollars per megawatt hour – the cost of capital is expressed as an interest rate,

typically shown as an annual percentage of the principal amount committed by investors. The cost of capital – or perhaps more accurately, the *cost rate of capital* – to the firm can be referred to as the *required rate of return* (%) on the capital resources committed by investors. In the case of public utilities, invested capital is referred to as the rate base, valued at either original cost or fair market value. For the determination of setting retail prices in the U.S., the regulatory convention is to value the capital of public utilities at original cost.

To facilitate the commitment of capital (investment) by savers and their agents to the firm, the firm offers property rights, including bonds or promissory notes to debt holders and shares of stock to equity investors. These property rights define the commercial terms and conditions under which savers and their agents, as investors, commit capital. Property rights are capital (financial) assets, and are generally tradable. Financial assets are claims on the income of the firm as compensation for the commitment of capital, and are the financial obligations of the firm. Shares of stock constitute ownership in the firm.

In the case of long-term debt – *i.e.,* mortgage bonds, debentures, and long-term notes – the interest on the principal (face) amount of a bond (debt) or the coupon rate on the share of preferred stock defines the level of compensation. Often, the interest rate is a predefined annual rate that remains fixed over the term of the debt. However, long-term debt instruments can have a number of other provisions that, in essence, provide for more complete contracting by managing risks through risk sharing between the debt holders and the borrower (the firm). These provisions can include 1) adjustments to the rate of interest to

reflect contemporary market conditions *and* rates of inflation, 2) participation in earnings of the firm, 3) conversion rights, and 4) voting rights in the management of the firm.

In the case of short-term promissory notes, agreements with commercial banks define the mechanism by which interest, stated in dollars, is determined. Often, the commercial terms of promissory notes define interest to be paid monthly on the outstanding daily balance (principal) outstanding. The rate of interest applied to the outstanding balance is typically tied (indexed) to the interest rate on obligations of some widely known financial market – say, the London Inter Bank Offer Rate (LIBOR) or Fed Funds – which also varies daily or monthly.

Common stock property rights are somewhat different from other financial obligations because, as owners of the firm, the returns to shareholders are residual amounts following the compensation of other resources employed by the firm including debt obligations. Common equity is essentially compensated last, and bears the burden of much of the business, regulatory, and financial risks of the firm. For this reason, common equity is, in virtually all cases, more costly than other forms of financial instruments.

As with other markets, capital markets have primary and secondary dimensions. Primary markets are the institutions and processes that facilitate the initial sale of the financial obligations of the firm to initial investors, whereas secondary markets are structured market processes that provide the means by which investors can purchase and sell existing rights, including shares of stock and

debt obligations. Financial instruments can assume many forms, and debt securities (bonds) and equity shares are actively traded in financial markets, which are generally considered to be highly liquid and competitive. However, to the degree that the financial obligations 1) carry specialized and non-common commercial terms, and 2) for firms that are of small scale, the secondary – and to a lesser extent, primary market – is less liquid. In short, the pool of buyers and sellers is limited; thus, the volume of transactions is comparatively small and sometimes intermittent. Relatively low levels of liquidity imply higher transaction costs and risks to investors, which translates directly into higher costs of capital to the firm.

Competition is a term that describes some markets, and markets are said to be competitive if certain conditions exist. Markets can be characterized as competitive if they involve: 1) a very large number of buyers and sellers, 2) information relevant to the determination of prices is readily available, complete and not costly, and 3) transactions costs are low. Because of the workably competitive nature of financial markets, arbitrage opportunities are more or less exhausted. This means that, for both primary and secondary markets, financial property rights trade at levels (prices) such that perceived risks and opportunity for prospective returns to capital are appropriately balanced and approximate that of other investment opportunities. Thus, above-normal returns, which implicitly include compensation for risks, cannot be seemingly realized by investors over prospective periods in systematic fashion.

Competition inherent to U.S. and worldwide financial markets ensures that the prices of common shares (share prices) and bonds are at a level that reflects the opportunity cost of capital. As an example, assume that the perceived risks attending the returns to common shareholders of firm A are equivalent to that of firm B and other firms. If the share prices of firm A suggest a market return 10%, while the prices of firm B and other firms of comparable risks suggest (allow) market returns of 13%, the market price of firm A will fall to a level that provides a basis for market returns of just 13%, prospectively. A price that allowed for a 10% prospective market return is insufficient in the presence of opportunities for market return of 13% on alternate investments of comparable risk. Essentially, the 13% market rate of return on investment alternatives constitutes the opportunity cost of capital. Most remarkable is the expedience – literally, in minutes – with which share prices adjust to levels that appropriately balance prospective returns to equilibrium levels *based upon perceptions of risks*. In short, equivalent and comparable risks translate directly into comparable rates of return, which is the cost of capital of common shareholders in – and thus of – the firm.

As mentioned early on, the cost of capital is a function of the demand for and supply of capital, investor expectations of inflation, and investor perceptions of risks. Because the conditions of demand and supply as well as expectations of inflation are more-or-less common to financial markets at any point in time, financial vehicles are differentiated by risks. Hence, the expected returns and prices of bonds and common shares (normalized for denomination and size) at

any point in time are largely if not exclusively differentiated by perceptions of risk.

Q. Would you please review the capital structure, interest coverage requirements, and the implications for sufficient coverage?

A. Interest coverage refers to the times that debt interest is covered by income, and is the most important measure of investment risk of corporate debt. Interest coverage is a major concern of Florida Public Utilities Company as it is the basis upon which the Company maintains its favorable credit standing with markets and continues to obtain long- and short-term debt at favorable rates of interest. Pre- and After-Tax Interest coverage under the recommended capital structure and rate return is **XXX** and **XXX** times, respectively.

For purposes of comparison, we also show interest coverage over the historical timeframe on Exhibit 12, page 2. As can be seen the coverage implied by the recommended rate of return is adequate though not at a robust level. Two conclusions are reached:

1) While the implied coverage level is acceptable, the Company must sustain a flow of earnings at consistent levels in order to maintain adequate coverage and also satisfy debt covenants.

2) Contingency events and business conditions that give rise to sudden and unexpected changes in revenue or cost flows can imply immediate shortfall in coverage. In short, the coverage level obtained from earnings at the recommended rate of return is only adequate in today's environment of higher capital risks.

The importance of coverage cannot be overstated. Indeed, in discussions with investment banks, commercial banks, and stock analysts regarding the financial conditions and soundness of the Company, a salient point of concern continues to be coverage of debt. Lending entities, private investors, and investment banks continue to emphasize the importance of consistently-realized adequate interest coverage as the essential measure of the Company's capability to service long- and short-term corporate debt.

As can be seen, the recommended rate of return requirement, 8.07%, provides satisfactory interest coverage. And although the overall return recommendation provides adequate coverage, it is certainly not abundant. Hence, it is absolutely necessary that Florida Public Utilities Company realize adequate and sustained flows of income to ensure that the Company satisfies credit risk requirements. Coverage is our window of access to capital at favorable rates of interest and under reasonable terms, enables the Company to provide electricity services. Setting the overall rate of return at a satisfactory level of 8.07% is necessary and in the best interest of retail electricity consumers.

Q. What is the appropriate capital structure for determining retail prices in this docket?

A. In the absence of large-scale subsidiary operations, the Florida Commission should generally utilize a consolidated capital structure where such approach provides a reasonable balance between debt and equity. Under such conditions, the Commission is assured that the service provider is, in the best interest of retail consumers, underwriting its assets dedicated to providing utility services at least cost.

This can be viewed as a principle that defines criteria useful to the Commission in regulatory decisions regarding the issue of the appropriate capital structure for the determination of retail prices. Specifically, and as a general rule, the Commission should only deviate from a consolidated capital structure when this condition – i.e., an appropriate balance between debt and equity – is not satisfied. The corollary to this principle is that the Commission and its staff should never remove or add accounting-based line items from a consolidated capital structure that is appropriately balanced. Two facts of financial accounting underlie this corollary, as follows:

1) A firm cannot ever trace and identify, as a matter of dollar flows, specific sources of funds to specific uses of funds. The Treasury of a firm essentially constitutes a pool or inventory of current funds, cash, that continually experiences fund inflows and outflows. One cannot say that a specific source of funds is earmarked for a specific use. As an example, one cannot say that cash flow returns and operating income that arise from the Company's electricity operations are used solely to underwrite resources for the electricity business. Electricity-sourced cash flows are, in fact, used across the combined operations of the natural gas, electricity, and propane businesses of the Company – and similarly for the natural gas and propane operations.
2) The Company's balances of long-term debt, short-term debt, preferred stock, and common equity stated on a consolidated basis represent the accrual over years of the net flows of funds of the Company including external and internal sources. The balances for these financing vehicles

can and should be used as the basis by which the Company underwrites any and all of its assets, stated on either a consolidated or an individual basis. This is simply a business, accounting, and financial fact. There is no reasonable basis, thus, to exclude Flo-Gas balances from the Company's capital structure for purposes of setting retail electricity prices in the current docket. Indeed, exclusion of Flo-Gas balances may harm retail electricity consumers in various ways, aside from the inherent contradiction to the realities and facts of financial accounting identified above.

Second, exclusion of Flo-Gas balances from the capital structures used to set prices for the regulated operations, including electricity and natural gas, implicitly assigns common equity, which is comparatively high cost, to the Company's unregulated propane operations, placing the propane operations at a competitive disadvantage with other propane companies. One can expect that other companies will leverage assets in a manner similar to that of the Company, in order to finance propane and competitive, non-regulated energy services. As a consequence, the Company needs to follow a similar policy. If the Company is required to assign only equity to non-regulated operations, it is implicitly forced to charge correspondingly higher prices in order to generate adequate returns.

Third, the consolidated capital structure of Florida Public Utilities Company stated on 13-month average basis for 2008 represents a sound balance of debt and equity financing that fully satisfies the financial needs of the Company, particularly in view of the comparatively small size of Florida Public Utilities.

This is evidenced by the comparative sample of electric utilities used to determine the cost of capital. Specifically, equity participation within the Company's 2008 capital structure resides within one standard deviation of the average participation of the sample. Hence, the Company's financing policy and strategy conforms to a reasonableness standard, in addition to fully satisfying the financial prudence and flow of funds criteria outlined above.

Nonetheless, the recommended weighted average cost of capital presented within our testimony follows the Commission's prescription. Namely, the Flo-Gas balances are excluded from common shareholder equity for purposes of determining the overall rate of return to set retail electricity prices within the immediate docket.

Q. Can you please review your recommendation for the cost rate of long-term debt?

A. Yes. Florida Public Utilities Company has raised long-term debt from time to time based upon the need for capital and our Company's financial policy of maintaining a balanced capital structure. Because of our conservative management philosophy, we have consistently raised new debt issues at favorable rates of interest at the time of issue. Contributing to favorable interest rates are the conservative sinking fund provisions of the earlier higher cost debt issues of the late-1980s – early-1990s.

The cost rate of 7.96% for long-term debt, shown in the column entitled "Annual Cost Based Rate" of Exhibit 3, reflects the weighted average cost of the five issues of long-term mortgage bonds of the Company, currently. These

debt issues have face interest rates of 4.90% to 10.03%, and were issued by the Company over the period 1988 – 2001. The balances shown reflect the amounts that the Company expects to carry on its balance sheet on average over the year 2008 and beyond. The Company does not plan to issue long-term debt during the interim two years.

The 7.96% overall cost of long-term debt reflects issuance costs and losses on reacquired debt, which causes the effective cost rate to be somewhat greater than that of the weighted cost of the face interest rates alone. The 7.96% overall cost rate for long term debt is calculated using the amortization schedule for debt expenses. This costing procedure follows the conventional accounting approach to determining the cost rate for long-term debt, and is consistent with the policy endorsed by the Florida Public Service Commission.

Q. Please review the cost rate of short-term debt and related issues?

A. Florida Public Utilities Company maintains, and expects to maintain over the foreseeable future, a short-term debt facility that makes available short-term debt at a cost rate determined by London Inter Bank Offer Rate (LIBOR). The short-term debt cost rate is equal to the 30-day LIBOR plus 90 basis points, plus other charges related to unused facility balances as well as fees charged for the facility itself. The Company currently has a $12 million line of credit with Bank of America, which upon 30 days notice can be increased to a maximum of $20 million. Based on current cash flow projections we anticipate increasing the line to $15 million by November 2007. We anticipate lowering the line of credit to $12 million after the issuance of additional shares of common equity, which is scheduled for the middle of 2008.

The interest rate margin above LIBOR (90 basis points) for the Company's current short-term debt facility is somewhat above that of the Company's previous short-term debt facility, which reached the end of its contract in March 2003. The higher margin requirements, as imposed by financial lending institutions internationally, reflect higher perceived risks, both generally and within energy markets, than in previous years.

The expected effective short-term debt cost rate incurred by the Company for short-term debt, for use to determine prices in the current docket, is determined by first projecting the Federal Funds rates in the U.S. for the timeframe over which the retail electricity prices will apply. Then, given the historical relationship between LIBOR and the rate for U.S. Fed Funds, the LIBOR rate is estimated. Once determined, the short-term debt cost to Florida Public Utilities is obtained by recognition of the 90 basis points margin above LIBOR plus other charges covering the unused balances and the fee for the availability of the credit facility.

The key short-term interest rate is the Fed Funds rate. Historically, Fed Funds have traded 18 Basis Points below LIBOR over the 1990 – 2006 timeframe. The interest rate on Fed Funds is determined by the monetary policy of the Board of Governors of the Federal Reserve Bank, and closely follows that of short-term U.S. Treasury Bills. Historically, Federal Funds "trade" at interest rates slightly above that of 90-day T-Bills. At this point, we anticipate with the apparent consensus view that monetary policy and thus the short term interest

rates will hold firm at current levels over the foreseeable future, which implies a fed funds rate of 5.25%, which implies a LIBOR interest rate of 5.43%. In turn, this result translates into a cost rate of 6.33% for the outstanding balances on short-term debt balances, once the margin above LIBOR is recognized. The fees associated with the unused credit line and direct charges when coupled to charges for the outstanding balances obtains an overall effective short-term debt interest rate of 6.81%, which is applied to the 13-month average balances of short-term debt.

It is useful to briefly describe the longer history, as it relates to the determination of short-term interest rates. Specifically, the Federal Reserve followed a policy interest rate targeting for a number of years prior to late-1979, when money supply targeting was abruptly adopted. The result was high and volatile short-term interest rates though money supply targeting arguably reduced substantially the high levels of inflation and inflation expectations of the early 1980s. From the mid-1980s forward, monetary policy has been more accommodative of economic conditions and needs, with the long-term objective of containing overall inflation at moderate levels. As observed during the 1990s, the Federal Reserve has employed an array of indicators and metrics to determine monetary policy including reserve targeting. As a general rule, reserve targeting gives rise to greater variation in short-term interest rates, while interest rate targeting, which suggests greater variation in the supply of reserves, suggests less variation but, depending upon the stage of the economy, substantially higher or lower interest rates. At this writing, short-term interest rates, with fed funds residing at 5.25%, are expected to hold over the

foreseeable future barring changes in the expected level of economic activity or current escalation of core inflation.

The use of the current 5.25% fed funds interest rate as the basis for the Company's effective short-term debt cost rate is in keeping with the Commission's decisions regarding the Company's rate change filings of 2003 and 2004. Also and as mentioned above, this interest rate level appears at this time to be likely to hold over the foreseeable future.

Finally, we wish to discuss the methodology used to determine the effective interest rate for 2006. The interest rate charges on the Company's short-term debt facility are based on daily balances. If the daily balances closely approximate month-end balances, month-end balances provide a useful basis to determine the average short-term debt cost rate. Where the daily balances deviate significantly from the month end balances, however, this approach will not provide an accurate reflection of the Company's true cost of short-term debt. This was the case for the Company during 2006. Accordingly, the short-term debt cost rate for the historical year 2006 has been developed using the average daily balances which accurately reflects the true cost rate incurred by the Company on short-term debt during that year.

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Q. Please review the cost rate of preferred stock?

A. Florida Public Utilities preferred stock consists of a single issue of 6000 shares that dates to December 28, 1945 at a coupon rate of 4.75%, as shown on Exhibit 5.

Q. You briefly discussed methods for the determination of the cost of common equity capital in the summary of your approach to rate of return. Can you elaborate on the methods?

A. Yes. We begin by reiterating three essential points. First, the cost of equity of the firm – and of investors in the firm – is a function of perceptions of risk, the demand for and supply of capital, and expectations of inflation. Second, the cost of common equity of the firm is equal to the opportunity cost of capital incurred by common shareholders of the firm contemporaneously, though the experience of long-term history guides the assessment of opportunity costs. Third, the cost of equity of the firm is equal to the expected market rate of return on alternative investments of comparable risks available to shareholders – *i.e.*, the opportunity cost of capital.

The determination of the opportunity cost rate for equity capital is challenging for two reasons. In the case of debt, both the market price and future expected cash flow returns to capital are observable by inspection. Thus, the net expected yield to maturity, which reflects the opportunity cost of capital to holders of debt, can be determined directly. This *is* the market rate of return, *ex ante*. For purposes of determining the overall utility rate of return, however, the cost rate of long-term debt is that which is set at the time of issuance in primary financial markets.

In contrast, expectations of investors about the prospective cash flows and market returns on common equity cannot be observed directly, and must be

inferred with estimation procedures. Also, allowed equity rate of return is typically set according to the current and expected cost of capital, though much of the equity investment was committed in many years past.

In the determination of cost rate for debt obligations, investors' perceptions of risks are implicit in the primary and secondary market prices of the debt obligations themselves, and need not be known or even estimated. In contrast, the determination of the cost of common equity involves the perceptions of future risks harbored by investors, as a matter of the consensus view. Perceptions of risk are also not observable directly, and thus must be inferred. In short, the cost of common equity can only be discerned through the proper and careful application of well established methods that provide the cornerstone for modern finance theory. While the methods employed herein are well-established, the procedures to determine the cost of equity capital require estimation of key parameters.

As mentioned, the recommendation for the rate of return on equity for Florida Public Utilities Company is developed by applying four estimation methods. These procedures include variations of the constant growth Discounted Cash Flow model (DCF), and the Capital Asset Pricing Model (CAPM). These classical approaches are commonly recognized within modern finance theory and are readily utilized by the investment community. The results of these two formal models of the cost of capital are augmented by historical returns realized by utility and non-utility companies of comparable risks, and results inferred from the so-called risk-premium methodology.

The constant growth Discounted Cash Flow (DCF) model was originally developed by Myron Gordon in 1957, and was advanced actively during the early 1960s. In its classical form, the derived DCF model defines the cost of capital as the sum of the adjusted dividend yield, and expectations of future growth in cash flows to investors including dividends and future appreciation in share prices. The classical (one-stage) DCF model is as follows:

$$k_{e,j} = D_{0,j}(1+E(g_j))/P_{0,j} + E(g_j)$$

with,

$k_{e,j}$ = cost of equity capital, asset j

$D_{0,j}$ = current dividends per common share, asset j

$E(g_j)$ = expected growth in future cash flow returns to investors in asset j

$P_{0,j}$ = current price per common share, asset j

The one-stage form of DCF model is an elegant and intuitively tractable model with two terms, a mathematical result derived from the constant growth present value model. A cursory review of historical returns of equities suggests substantial variation in growth in the internal returns to capital and market appreciation is both the typical and dominant pattern. It is plausible that the *expected path* of future returns harbored by investors may assume a pattern of non-constant growth. This means that, at least under some market conditions, the constant growth form of discounted cash flow may not represent investor expectations of growth with sufficient accuracy. Arguably, other forms of DCF may serve as better approximations of investor expectations.

A plausible means to better model expectations of varying growth might be with stochastic models, where the path of returns and growth is a function of time, with a random component. However, stochastic models introduce considerable complexity. As a first order approximation to stochastic processes, multiple step constant growth models known as multi-stage DCF can serve nicely. Essentially, multi-stage DCF is a variation of present value theory which postulates that future returns assume a pattern of several growth steps or stages. While any number of stages of constant growth is possible, two- or three- stages are typically applied. In stylized fashion, the Three-Stage DCF model is shown below:

$$P_{0,j} = (1+g_j)/(k_{e,j}-g_j)\{D_{0,j}(1 - F^5{}_j) + D_{5,j}(F^5{}_j - F^{10}{}_j) + D_{10,j}(F^{10}{}_j)$$

with,

$k_{e,j}$ = cost of equity capital, asset j

$D_{t,j}$ = current and future dividends per common share, asset j

$E(g_j)$ = expected growth in future cash flow returns to investors in asset j

$P_{0,j}$ = current price per common share, asset j

$F = (1+E(g_j))/(1+k_{e,j})$

Appendix I provides a step-by-step derivation of the classical and multi-stage discounted cash flow models shown above.

The Capital Asset Price Model (CAPM) was developed by William Sharpe (1961) and John Lintner (1964). CAPM was derived from mean-variation analysis and, in particular, portfolio selection developed by H. Markowitz

(1952). The derived CAPM shows how the valuation of a financial asset (price) is based upon two components: risk free returns and an *adjusted risk-based return.* Surrogates for risk free returns can be observed directly in capital markets, and include market returns on short- and intermediate-term debt. As a general rule, the cost rates and market returns on government debt obligations serve as appropriate surrogates.

The adjusted risk-based return is based upon three factors: 1) the covariation of the returns to the asset and that of markets for risky assets, 2) the statistical variance of returns of the market for risky assets, and 3) the *difference* between expected overall returns on risky assets, and risk free returns. The third parameter is referred to as the excess return, and is equal to the difference between the overall returns to risky assets for the market as a whole, and the risk free return rate. The CAPM is shown below:

$$k_{e,j} = r_f + B_{jm}*(r_m - r_f) \qquad \text{with, } B_{jm} = \sigma_{jm}/\sigma_m^2$$

where,

$k_{e,j}$ = cost of capital for risky asset j, stated in percentage terms

r_f = risk free rate of return

B_{jm} = ratio of the covariation between risky asset j and the market as a whole, σ_{jm}, and the variance of market returns, σ_m^2

r_m = rate of return on the market as a whole

Appendix II derives the Capital Asset Pricing Model, as shown above.

The efficient market hypothesis plays an essential role in the determination of the cost of capital. Specifically, the working assumption, which is largely

though not completely borne out by empirical analysis, is that capital markets are fairly efficient. This means that the supply and demand for risky financial assets, as reflected in bid and ask prices to buy and sell shares, result in financial assets being traded at price levels where *rates of return above the cost of capital cannot be systematically realized.* Above-normal returns – returns above the cost of capital – are realized only randomly. Essentially, the opportunities to systematically realize returns above the underlying cost of capital are exhausted by the competitive market process.

Estimating the cost of capital though not trivial can be fairly straightforward, and both the DCF and CAPM approaches provide a useful framework. The risks to investors in various sectors of the energy services industry cannot ever be known directly; risks – and hence the implied cost of capital – can only be inferred. Specifically, the determination of useful estimates of the cost of common equity capital within either framework requires a discerning application of theory through careful analysis such as that presented herein. In particular, the determination of the cost of equity capital faces two overarching challenges, as follows:

- both approaches are forward looking and thus the results are highly dependent upon useful estimates of investor expectations about future market performance.
- The underlying assumptions for DCF and CAPM include, among other things, an efficient market and rational behavior of investors such that all opportunities for above- and below-normal returns to capital are exhausted on an expected value basis. In short, capital markets value

financial assets at the implied opportunity costs of capital, given investor perceptions of risk.

It is useful to mention that the notion of *risky assets* can apply to any real or financial asset wherein the prospective returns from holding the asset are uncertain. Risky assets include commodity contracts, financial property rights, financial derivatives, and real assets such as transmission facilities. Risk assessment and option theory, moreover, can be applied to the analysis of unbundled services, such as electricity transmission development plans. Within the context of this discussion, however, risky assets refers to financial obligations of firms – common stock – and asset values refers to prices of common stock as observed on major stock exchanges.

Measurement of historical returns and risk metrics are increasingly used as a basis to assess plausible returns in the future. As discussed, efficient markets suggest that *all* financial assets are priced at levels such that the *expected* future returns of individual assets are equivalent to the underlying opportunity cost. Thus, if historical returns guide expectations of future returns, historical returns provide a useful benchmark and, within reasonable bounds, reflect the opportunity cost of capital. In this respect, the Historical Returns methodology can be viewed as a market-based approach of Comparable Earnings, and thus fully satisfies *Bluefield* and *Hope* criteria. The key to successfully applying this approach is to identify and measure historical returns in a manner that reasonable reflects expectations of investors about the future outlook.

Historically realized returns and future expected returns of financial assets are ordered according to risks. This ordering according to risks is a natural and inevitable result of competitive financial markets: because risk is costly, higher costs must be offset by higher returns. While it is not based upon an explicit model, the analysis of the risk premia among classes of risky assets provides a means to infer the underlying opportunity cost of capital. The underlying concept of the risk premium approach is that *differences* in perceptions of risks among financial assets such as equities and debt are revealed in differences between the historical market returns. The historical differences between equity and debt returns – *i.e.*, the Risk Premium – can thus serve as a surrogate for the compensation for risk in the future. Risk premia, when combined with the expected cost of debt prospectively, provides a useful benchmark to gauge the underlying cost of equity capital.

Application of the Risk Premium approach contains two potential pitfalls, as follows:

- the opportunity cost of common equity capital, stated in nominal terms, is sensitivity to the demand for and supply of capital;
- risk premia between debt and equity are quite sensitive to expected inflation, and Risk Premium analysis must account for expected inflation in the future. That is, the underlying rate of inflation and conditions of the historical period over which risk premiums are estimated must match that of the expected conditions of the relevant period over which the common equity recommendation is being applied, and over which retail electricity prices are being set.

Q. You discuss the importance of comparability and measures of risk as the basis to determine the cost of common equity. Please elaborate.

A. As defined by the "Bluefield" and "Hope" decisions of the U.S. Supreme Court, a public utility (to paraphrase), is entitled to a rate of return on shareholder capital committed for the convenience and necessity of the public equivalent to that realized by companies in other businesses of comparable risk. Thus, the immediate task at hand is comparability: to identify and select companies of comparable business, regulatory, and financial risks to that of Florida Public Utilities Company. Once selected, we estimate the cost of common equity for the sample(s) of comparable companies that, by definition, is the opportunity cost of capital and thus Florida Public Utilities Company. As mentioned, the key distinction regarding comparability is market size, as recent empirical evidence convincingly demonstrates that, predominantly because of information inefficiencies and uncertainty, the cost of capital rises with progressively smaller companies, all other factors held constant.

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The starting point is the market portfolio; that is, we begin with virtually all common shares traded on U.S. equity markets. Specifically, we have drawn heavily—though not exclusively—from a set of data sources and information including the Value Line data banks which cover, as mentioned, some 7000 companies with equity shares listed on capital market exchanges in the U.S. With few exceptions, the shares of interest are traded on the New York Stock Exchange and the exchange operated by the National Association of Securities Dealers referred to as NASDAQ. For these equity listings, ValueLine reports a

wide range of financial data, business descriptions and classification, historical price experience, and various diagnostic statistics of interest.

From the market portfolio we proceed to develop two samples. One sample, referred to as the Mid-Sized Electric Utility sample, is limited to retail electricity service providers that have modest levels yet significant market participation and, with the exception of size, are of comparable risk to Florida Public Utilities Company. The second sample is referred to as the Gas Utility sample, and is composed of retail natural gas service providers. Our studies demonstrate that, as a practical matter, the level of capital risks and thus the opportunity cost of capital for the two samples, electric utilities and natural gas utilities, is comparable. It is useful to mention that for purposes of determining the equity rate of return requirements, Christensen Associates Energy Consulting has often drawn a third sample referred to as *comparable risk non-utility companies*, as our methods tend to demonstrate that, particularly within contemporary capital markets with high levels of international capital flows, comparable risk is the predominant selection criteria; line of business appears to have only a modest level of relevance to cost of capital, once comparable risk criteria are satisfied. Thus, samples can be drawn from a broad range of business fields, generally speaking.

The determination of the first sample, the mid-sized electric utilities, involves two steps. The first step is to conduct an initial screen according to the predefined selection criteria. As mentioned, these criteria are as follows:

- *Liquidity*: companies that are of modest size but yet have sufficient market presence and participation to ensure sufficient market activity and transaction volume;
- *Business Line*: companies whose primary business line is retail electricity services; and,
- *Reasonably consistent financial experience.*

This first screen produced the 17 electric utility companies shown on Exhibit 10, page 1, including Florida Public Utilities Company. As can be seen, the market capitalization of these companies, measures by common shares outstanding and market prices during 2005, range from $77 million for Florida Public Utilities Company to slightly greater than $4.6 billion for SCANA (South Carolina Electric and Gas). The non-weighted average size of Sample 1, the electric utilities, is $1.6 billion, as shown. Also shown on page 1 of Exhibit 10 is operating revenues, assets, operating margins, and CAPM Betas. CAPM Betas, which are arguably the most significant measure of capital risk, are shown in the adjusted form for 2005 and for 2001-2004 on average. In particular, note that CAPM Betas have risen, suggesting significantly higher capital associated energy markets including electric service providers.

Some of these 17 electric companies have substantial involvement in non-electric retail business lines including natural gas. It is virtually impossible these days to assemble a sample of companies that are exclusively in the retail electric business – sometimes referred to as a *pure play*. This should not matter, at least on the surface, if the sample is determined on a basis of comparable risks. Indeed, endeavors to diversify risk over alternative business lines tends to reduce

variation in earnings, variation in internal cash flow, and variation in market returns thus reducing overall investment risk and the cost of capital.

The second selection step of determining the utility sample applies risk criteria. These criteria include five dimensions, or metrics:

1. *Equity Participation in Total Capital*;
2. *Coefficient of Variation in Internal Cash Flow* per share over five and ten years;
3. *CAPM Beta* which, as discussed above, is the ratio of the covariation of the market returns of a specific stock of a company and the market as a whole, and the statistical variance of the returns of the market; and,
4. *Variation in Market Returns*, which is measured as the coefficient of variation of monthly market prices—essentially, an index of volatility in market value (market capitalization).

The mean-variation theory on which Capital Asset Pricing Model is based suggests that risk metrics other than CAPM Beta do not matter, for the determination of portfolios that efficiently trade-off risks and potential future return levels. However, empirical evidence suggests that a) internal financial metrics such as items 1-3 above are also utilized by investors to value equities, and b) CAPM theory (as with other capital market theories) does not necessarily explain historical market returns particularly well. Thus, it appears that to a substantial degree information other than CAPM Beta is also relevant to investors in the valuation of equities.

Nonetheless, the risk metrics for each of the 17 initial members of the Mid-Sized Electric Utility sample, as arrayed on Exhibit 10, page 2, are determined. Those electric utility companies with risk metrics that generally fall within one standard deviation of that of the average for the sample of electric utilities as first drawn or are reasonably close to the metrics for Florida Public Utilities Company are retained in sample one, the electric utility sample. It is these utility companies that, by this arguably objective approach, satisfy the criteria of comparable risk and thus that of Supreme Court guidelines regarding fair rate of return and contained within the Bluefield Waterworks and Hope decisions. The companies utilized for the determination of the cost of capital are denoted in the far right column of page 2, Exhibit 10.

Turning to sample 2, the natural gas utilities, the selection process proceeds in similar fashion using equivalent criteria to that employed to determine the electric utility sample. That is, a sample is first drawn on a basis of market liquidity and business line. The selected natural gas utilities are shown on Exhibit 10, page 3, where market capitalization, CAPM Betas are presented along with revenues, assets, and operating margins. As observed, the selected natural gas companies range in size, measured by market capitalization, from $219 million to 2.8 billion in 2005. Page 4 of Exhibit 10 contains equity participation, CAPM Betas, variation in market returns as well as the statistical variation in cash flows. As observed, these companies though of comparatively modest scale are all significantly larger than Florida Public Utilities Company.

It should be mentioned that, with respect to the selection of both samples, the study will take occasional exception to the stated selection criteria where historical experience contains anomalies of various types, and when good sense suggests the exclusion or inclusion of specific companies. As an example, the 10-year coefficient of variation in cash flow for some companies resides slightly outside one standard deviation of the statistical distribution of the sample, or where low equity participation does not appear to result in particularly high variation in market variation or Beta; an example is Southwest Gas. Regarding the CAPM Betas, the values are shown in increments of 0.05, and Betas for several members of the sample are somewhat below one standard deviation and, for others, somewhat above.

Once determined, the two samples including the Mid-sized Electric Utilities (Sample 1) and Gas Utilities (Sample 2) are then used as the basis to estimate the cost of equity capital to Florida Public Utilities Company within the immediate proceeding. The estimate of the cost of capital, and thus the recommended return on common equity, is reflected as an interest rate that, by objective criteria of comparable risks, is the opportunity cost of capital incurred by the common shareholders of Florida Public Utilities Company.

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Q. The outlook for the U.S. economy plays heavily in the formation by investors of the future expectations of financial markets. Because future economic performance is used to estimate the cost of common equity, please elaborate.

A. As mentioned above, future returns to capital and thus estimation of cost of capital is inherently expectational in nature. The assessment of equity costs involves implicit and explicit estimates of investor expectations about inflation, interest rates, and future market performance. This is particularly important, as near-term interest rates and market experience and conditions do not necessarily reflect long-term expectations of and about capital markets as a whole. The basis of selection of historical timeframes is overall macroeconomic performance. That is, the analyses incorporate observed market returns from timeframes where the overall economic performance, measured in terms of growth in productivity and real output, are equivalent to the outlook today.

The relationships between factor inputs and the real output of goods and services of the economy are crucial to U.S. citizens, and to capital markets and investors. This is because resource productivity, to a large extent, determines the future level of real output of the economy as a whole. Productivity growth when coupled with the growth in the aggregate pool of capital and labor resources translates directly into real output, employment, savings, earnings, and market performance. Furthermore, real output is significant element within overall economic and social well being.

The current outlook for macro economic growth calls for prospective long-term productivity to range between 2.00 – 2.60%. This is a more-or-less consensus view held by well-known macro economists and economic forecasters, although expected productivity has declining recently from the exceptionally high levels beginning in the early to mid-1990s. Three years, previous, productivity

appears to be capable of upwards of 2.75% over an extended future period. And while this range of productivity is fairly high by overall long-term historical standards, it is consistent with selected periods of the post-War period including the 1950's, 1960's, and 1990's. Specifically, productivity rose at annual rates of 2.4%, 3.0%, and 2.1% during the 1950s, much of the 1960s, and the latter 1990s, respectively. Of particular interest and crucial to the immediate analyses, productivity increased very sharply beginning about 1994, departing substantially from the low productivity of the previous two decades.

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Productivity slowed significantly during 2000 and 2001, as overall economic activity attenuated amid the stress attributable to a number of factors and events of a transient nature that, in total, ultimately precipitated the modest recession of early 2001. Since then, the economy has resumed a recovery path and productivity appears to have accelerated to pre-recession levels. Indeed, overall productivity of 2003-2005 observed a return of high productivity, which has and continues to contribute significantly to on-going earnings performance and significant market returns realized by investors within equity markets internationally.

In short, the U.S. economy is well positioned to realize and sustain substantial if not high rates of growth in productivity and real output along with full employment and modest inflation over the foreseeable long-term future. Investors generally share this consensus view and, accordingly, the analyses herein draws upon realized overall market rates of return and interest rates as representative surrogates for the period of time that the retail prices for Florida

Public Utilities Company are likely to be in place. The average percentage market return over the historical timeframes mentioned above, as gauged by the S&P 500 index, was slightly above 13.0%, reaching back to the 1970s, and higher within recent years except for the years of major market corrections, 2000 and 2002.

Overall economic performance and long-term growth can, however, be attenuated by events of a transitory nature and various long-term processes that can contribute to capital risks such as the costs to maintain environmental quality, world-wide cultural friction. An immediate example is the decline in credit market liquidity observed in recent weeks. Finally, it is important to mention the impact of government fiscal policy and global demand for capital on interest rates. As mentioned, the cost of capital is a function of the demand and supply of funds, and we expect that U.S. and world demand for capital to remain at high levels thus placing steady pressure on interest rates which are likely to remain at current levels, which approach long-term trend in interest rate levels, although short-term interest rates in the short run may decline somewhat from current levels.

Q. What are the results of the analyses obtained from the application of the cost of common equity methodologies?

A. The task before us is to estimate the cost of capital over the relevant and foreseeable timeframe for which retail electricity rates are effective. This means that the analyses should, to the degree possible, recognize future events and market conditions that might be reasonably expected by investors.

As mentioned, the analyses include Discounted Cash Flow, Capital Asset Pricing Model, Risk Premium methods, and Historical Market Returns, with the first two approaches representing formal models of capital valuation. The Discounted Cash Flow analysis is applied to the sample of natural gas companies only. All analyses are shown as a range of plausible values, as the analysis of the cost of common equity is confronted with the problem of observability that inherently results in unknown levels of model estimation error.

The assessment of the opportunity cost of capital involves obtaining and processing a considerable amount of data, and using these data within structured analysis procedures that begins with selection, as discussed above. Data are obtained from several sources including Ibbotson Associates, MarketVector, UBS PaineWebber, ValueLine Investment Survey, and Zacks Security Market Research.

The single stage *Discounted Cash Flow Analyses* for the Mid-Sized Electric Utilities (sample 1) and Gas Utilities (sample 2) are presented on pages 1 and 2 of Exhibit 7. As shown, the DCF results suggest that the underlying cost of common equity capital for the sample of electric utilities resides within the range of 9.0 – 9.9% with a corresponding weighted average of 9.6%. Similar results for the sample of gas utilities are 9.0 – 10.4%, with a weighted average of 9.5%. A key point is that these analyses are for a sample of companies which, as mentioned, which are significantly larger than Florida Public Utilities

Company and, absent further adjustment for size premia associated with very small capitalization companies such as the Company, will systematically understate the cost of equity to for purposes of determining retail prices within the current docket.

While nettlesome details are always present within capital market analyses, the classical DCF model consists of the two essential components of prospective dividend yield, and expected growth. For the sample of Mid-Sized Electric utilities, the analyses and the resulting estimates of the opportunity cost of capital reveal that the adjusted one year prospective yield lies within the range of 4.5% - 5.4%, while the corresponding estimates of expected growth of future cash flows are within the range of 3.3% - 4.7%. Analysis results are shown on a simple- and weighted-average basis, with the weights based upon the market capitalization of the sample utilities. The multi-stage DCF estimates of the cost of equity capital obtain similar results and are not shown.

The essential element for both single- and multi-stage DCF analysis is to appropriately assess investor expectations of growth of capitalization value and dividends. The analyses rely upon the historical experience of the sample companies to develop reasonable estimates of growth of internal cash and earnings. My studies generally rely on a combination of historical experience and analyst projections of cash flow and earnings growth, as implicitly contained within the valuation of investors, including larger institutions and individual investors. Timeframe is important and, for the immediate study, analyst views appear to highly similar to that of historical experience. The

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study relies on long-term historical experience as the basis for expected growth in the future. The immediate study utilized historical cash flow and earnings per share growth are measured in two ways for single-stage DCF. Historical growth experience is assessed over successive five-year periods, as well as by logarithmic trend-based analysis.

As mentioned above, the DCF analyses incorporate an adjustment for issuance costs. However, we incorporate no allowance for market pressure or quarterly dividends. Empirical evidence suggests that market pressure is very small to non-existent, at least for larger capitalization companies. Had the analyses incorporated an adjustment for quarterly payment of dividends, the result would be—depending on perspective (frequency of payment or frequency of discounting)—to alter the estimated cost of capital by about 20 – 30 basis points.

As with Discounted Cash Flow, the *Capital Asset Pricing Model* is applied to both the Mid-Sized Electric Utility and the Gas Utility samples. The CAPM analyses are shown on Exhibit 6, pages 1 (sample 1) and 2 (sample 2). The application of CAPM requires estimates of the risk free rate, investor expectations of overall market returns, and market Betas which account for and embody systematic risk with reference to equity markets as a whole. Incorporating estimates of market rates of return and short-term interest rates into the CAPM formulation along with the market Betas results in estimates of the cost of common equity for Florida Public Utilities Company.

Expected market returns for equity markets in the large is captured by the S&P500 Index, measured with the inclusion of dividend payments. The expected value of future returns of course is a key element to the application of the Capital Asset Pricing Model. Plausible measures of expected market returns used in CAPM can be gleaned from timeframes of similar economic performance to that of the period for which the cost of capital is estimated – mid-year 2006 and prior to the run-up in equity markets of the second half of that year. For this timeframe, the CAPM analysis utilizes the experience of U.S. equity markets for the period 1970-forward, which is equal to 13.0% through 2005. Realized market returns, for monthly and annual periods as well as for decades, vary greatly as shown within the table referred to "Market Inputs: Dividend Yields and Overall Returns". Here, we observe significant differences in return levels experienced by investors across decades. This is also shown within the table entitled "Variation in Yields and Returns" where, as can be seen toward the right, the standard deviation in monthly returns vary greatly—by over 20% during the 1970s and since 1999—the years 2000 and 2002 in particular. This level of variation for equity market returns are not unusual, and demonstrates the order of magnitude greater risk assumed by investors in equities in comparison to the inherent risks within debt markets, which are much lower. In short, equity markets returns of well above 10% are absolutely necessary in order to compensate investors for the level of risks that they inherently assume. Though drawn from a sufficiently long interval, this level of expected market return is not unusually high; indeed, it is significantly diminished from previous eras including the 1950s, the 1960s, and the 1994 – 1999 period in particular. Stated without reinvested dividends, these decade-

long eras reveal overall equity market returns of close to 15%. These timeframes represent periods of overall productivity that approximates but is arguably somewhat above expectations of mid-year 2006, when the cost of capital was estimated within the immediate docket, or currently. Not surprising, productivity expectations are somewhat diminished from that of the 1950s, 1960s and the surge of the 1990s continuing into 2003-2004. Nonetheless, should expectations of future market returns be somewhat greater, the CAPM analyses understate the cost of capital to Florida Public Utilities Company; conversely, lower expectations imply that the cost of capital is somewhat overstated.

Market Betas for the companies of the two samples are drawn from the 2005-ending experience, as we observe a substantial increase in market Betas for the sample vis-à-vis the average Beta over the previous four years. Notably, the variation of CAPM Beta for the electric utilities of sample 1 is significantly higher than that for the gas utility sample, as demonstrated by the differences between the standard deviation of the sample (referred to "S.D.") for 2005 with respect to the average Beta for 2001-2004. Nevertheless, the CAPM Betas for 2005 for the two samples are closely comparable, overall; hence, the CAPM analyses produce similar cost of capital estimates. Specifically, CAPM analyses for the Mid-Sized Electric Utility sample suggest a cost of common equity to Florida Public Utilities Company of 9.6% - 13.3% with a weighted average mid point of 11.3%, while the corresponding analyses for the Gas Utilities sample obtain 9.4% - 13.2% with a mid point value also of 11.3%, shown with the inclusion of issuance costs.

As discussed earlier, the *Risk Premia* methodology infers the cost of common equity capital from the premia of realized equity returns with reference to rates of return on debt. The immediate studies rely upon historically observed risk premia for common stocks over that of intermediate term government debt for timeframes that reflect the current outlook for the U.S. economy as regards to advances of productivity and real output. This analysis suggests that the overall market returns, prospectively are somewhat less (12.25%) on average across scenarios.

Of particular interest, these timeframes experienced modest rates of inflation, which is important to the determination of risk premia over forward timeframes. Specifically, *ex post* risk premia tends to decline as inflation rises. This is because inflation risk – *i.e.,* uncertainty regarding the future level of expected inflation – rises with higher inflation. Unlike equity returns which are somewhat hedged against inflation (higher nominal revenues, operating income, and net income), high inflation implies losses for debt holders. Hence, capital markets capitalize the uncertainty attending higher inflation in higher market costs of debt. Second, high inflation appears to be commensurate with lower returns to equity holders, a result of less favorable economic conditions. Together, risk premia tends to be significantly reduced during periods of relatively high inflation and less favorable economic and business conditions.

The manifestation of inflation risk and business conditions within risk premia between equity and debt is shown on Exhibit 8. The 1950s, 1960s, and 1990s

reveal risk premia of 10.6 – 11.7%, with correspondingly inflation of 2.4%. This is sharp contrast to the experience during the 1970s and 1980s, with risk premia of 3.0% - 4.3% with corresponding inflation of 5.7% over the period. The main point for purposes of assessing capital costs prospectively is that risk premia must be developed from historical timeframes where underlying inflation that matches that of the current and prospective period for which rate of return is being determined – 2008 forward. Thus, the analyses thus draws risk premia from the 1950s, 1960s and, where corresponding rates of change in overall prices were experienced. And as discussed above, these historical timeframes match the current outlook fairly well from the perspective of productivity and market returns.

The essential elements of the risk premium analysis including the risk-free holding period return, the risk premia between equity and debt, and adjustments for industry and size differences with respect to U.S. equity markets overall. Specifically, the approach adds risk premia to the risk-free holding period return. Consistent with the CAPM analyses, the risk premium analyses uses the cost rate for 1-year treasury securities, as expected over the prospective timeframe, as the baseline cost rate. Essentially, 1-year Treasuries serve as the risk-free holding period return.

Debt cost rates are differentiated by term. Thus, the analyses incorporate an upward adjustment for the historical spread between 1-year and 4-year treasuries, as the historical risk premia are based upon realized market returns between equities and intermediate term government debt. Together, the cost

rate 1-year Treasuries, the spread between 1- and 4-year Treasury securities, and the historical debt-equity risk premia provides an estimate of the cost of common equity for equity markets as a whole. As shown in the table entitled "Equity Market Return" of pages 1 and 2 of Exhibit 8, the analysis obtains a cost of equity for equity markets of 11.5 – 13.0%, which confirms the historical analysis utilized in the CAPM analyses discussed above.

Further adjustments are necessary in order to fairly assess the cost of equity capital for investors in Florida Public Utilities Company, including 1) a differential for lower market risks of utilities generally, referred to as "diversifiable risks" and 2) the small firm effect referred to as "small cap equities" (adjustments are shown for small and very small-sized companies. The effects of these adjustments are shown in the section entitled "Cost Rate Adjustments" of Exhibit 10, pages 1 and 2. The CAPM analysis reviewed earlier is the basis to determine how diversifiable risks associated with samples 1 and 2 including the Mid-Sized Electric Utilities and Gas Utilities, respectively are below that of the composite market. This is reflected as CAPM Betas of 0.75. As shown, this adjustment lowers the common equity cost rate by -2.2% and -2.5% respectively, for the electric and gas utility samples.

The differential for the Small Firm Effect recognizes that the cost of equity is higher for small firms, other factors held constant. Empirically, the Small Firm Effect is the difference between realized market returns and the cost of equity capital, as estimated by CAPM over many years. As shown on page 2 of Exhibit 2, the Small Firm Effect can be well over four percentage points for

very small-sized companies such as Florida Public Utilities Company. The Risk Premium analysis takes a conservative approach and uses the Low Capitalization Risk Premium, with a plausible range 1.5 – 2.8%. Incorporating these two adjustments into the analysis across the two samples suggests that the cost of equity capital lies within the range of 12.0 – 12.2%. Recognition of issuance expenses associated with incremental shares of common equity provides a Risk Premium cost of capital range of 12.3 – 12.5% for the two samples, with corresponding ranges..

The fourth analysis approach relies upon *Historical Returns* to determine estimates of expectations of future returns harbored by investors. The estimates are drawn from the historical market returns over the late 1996 – 2005 timeframe. This timeframe includes years of exceptionally low and exceptionally high rates of return that, overall, are fairly well balanced. The historical realized returns for the Mid-Sized Electric Utilities are presented on pages 1-3 of Exhibit 9, while realized returns for the Gas Utilities are shown on pages 4-6. For each of the two samples—Mid-Sized Electric Utilities and Gas Utilities—historical returns are shown in three ways including "Average Returns Per Annum" (1996-2001 – 1996-2005); "Five year Returns" for consecutive 5 year periods (1996-2001 – 2000-2005); and "Cumulative Returns" (1996-2001 – 1996-2005). As shown, the results, which are determined on a simple and weighted average basis, suggest that investors can expect to realize future rates of return of between 10.1 – 12.5%. Realized historical returns realized by investors conform to the cost of capital estimates

obtained by the formal models, Discounted Cash Flow and CAPM, as well as the Risk Premium analysis.

Q. What conclusions are reached by your analysis and what is your rate of return recommendation?

A. The analysis of the opportunity cost of capital incurred by common shareholders of Florida Public Utilities Company is summarized on Exhibit 2. The analyses suggest that, for common shareholders of Florida Public Utilities Company to be adequately compensated on the capital committed to public service, and to fully satisfy the statutory requirements defined by the U.S. Supreme Court, the rate of return on common equity must be set at a level equal to 11.5%, or higher.

Q. Does this conclude your testimony?

A. It does.

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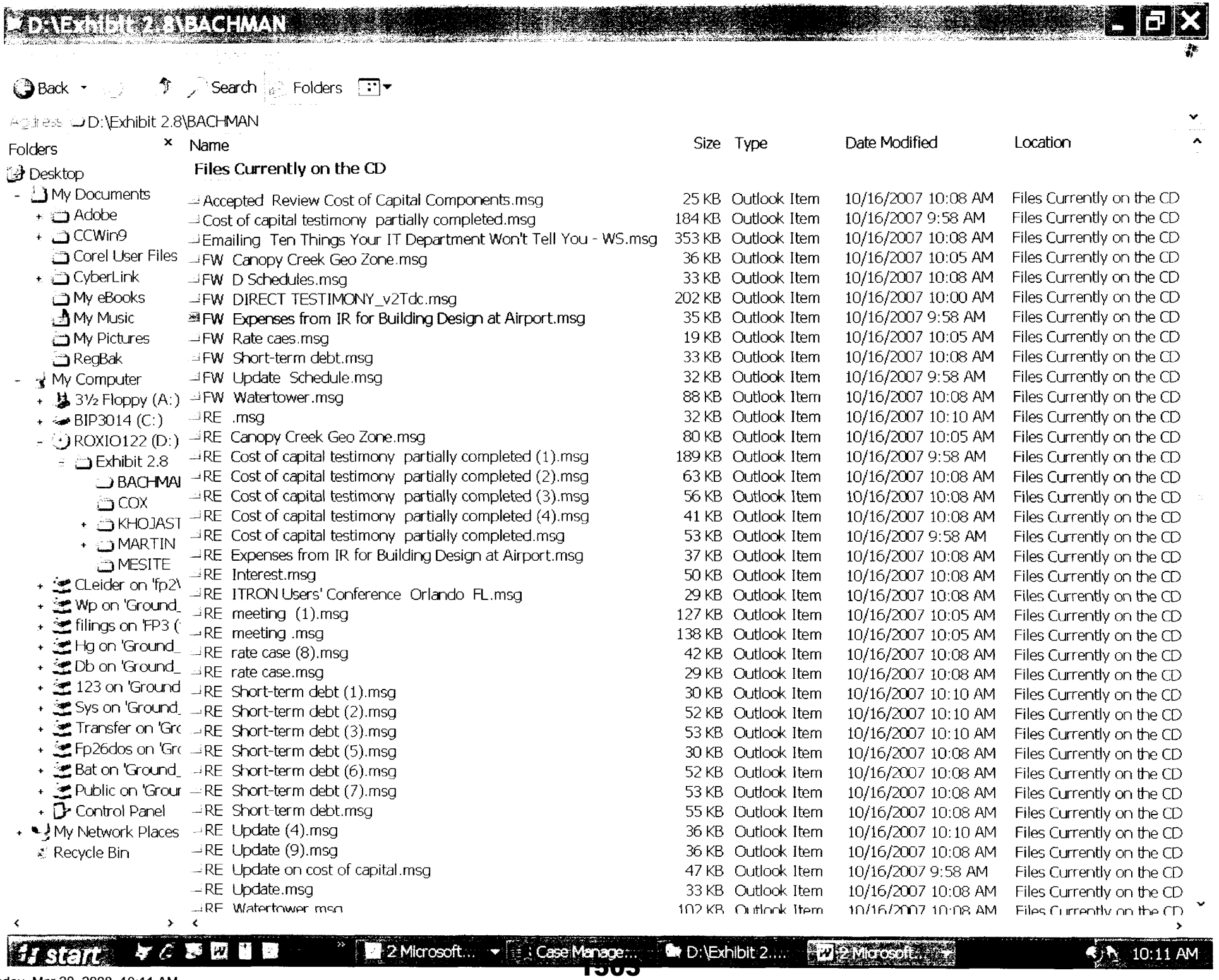


Thursday, Mar 20, 2008 10:11 AM

Clara Leider

From: Martin Cheryl
Sent: Monday, July 16, 2007 8:07 AM
To: Bachman George
Subject: FW: Expenses from IR for Building Design at Airport

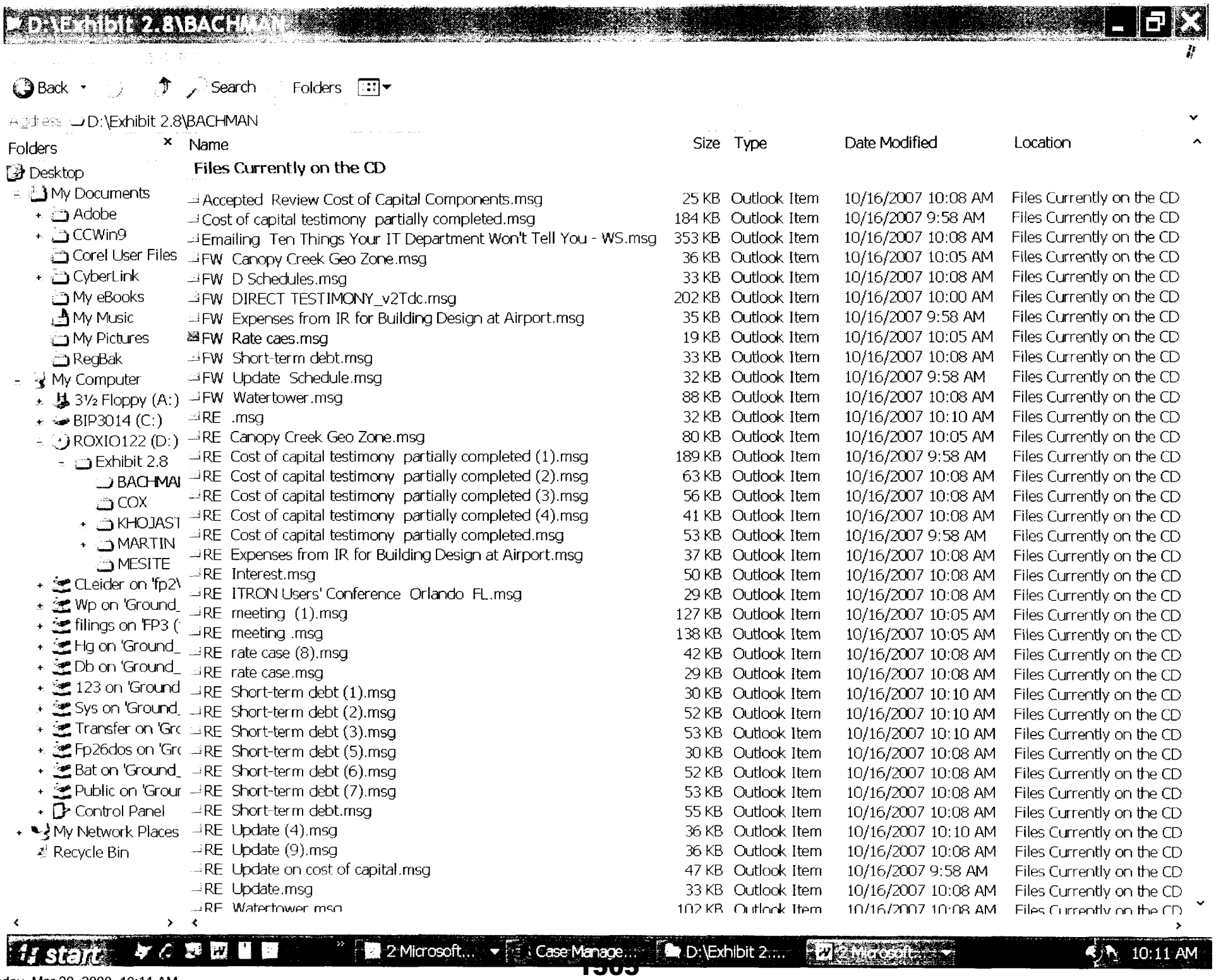
George, before I respond just making sure you agree. I do not think so unless they received actual plans that are going to be used. I would suspect that when we do get ready to build, the plans will change etc etc. We have no current plans to build. Thanks Cheryl

From: Cutshaw Mark
Sent: Monday, July 16, 2007 8:02 AM
To: Martin Cheryl; Mesite Jim
Subject: Expenses from IR for Building Design at Airport

Chuck asked me to review the amounts (approximately $21K) that we transferred from the IR on the building design on the Airport Property. The issue is can any of this be capitalized based on what work was done that can be re-used for some future building design. Any thoughts on this?

A possibility would be that some of the information may be used to assist with the design and avoid future cost of the new design.

Mark Cutshaw, General Manager
Florida Public Utilities Company
911 South 8th Street
Fernandina Beach, Florida 32034
(904)277-1957 office
(904)753-1272 cell



Thursday, Mar 20, 2008 10:11 AM

Clara Leider

From: Bachman George
Sent: Monday, October 01, 2007 12:45 PM
To: Bellechases Dina
Cc: 'cmmartin'
Subject: FW: Rate caes

Please let me review them b4 we sent them out. Cost of capital discussions do not include financing emails.

Thanks.

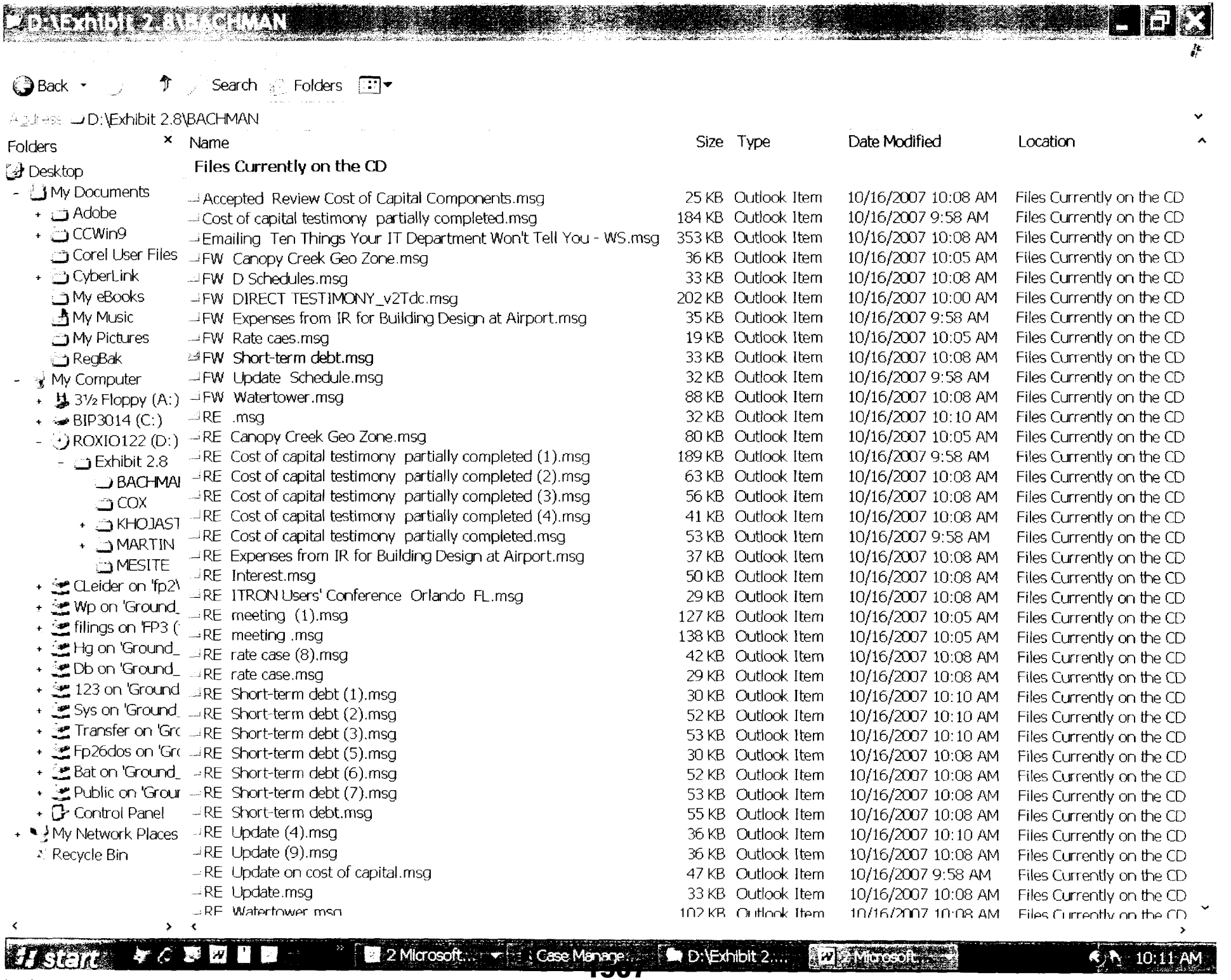
---- Original Message ----
From: "Martin Cheryl" <cherylmartin@fpuc.com>
Date: 10/1/07 10:23 am
To: "Knowles Terry" <tknowles@fpuc.com>
Cc: "Bachman George" <gbachman@fpuc.com> ; "Bellechases Dina" <dbellechases@fpuc.com> ; "Cox Doreen" <dorcox@fpuc.com> ; "Khojasteh Mehrdad" <mkhojasteh@fpuc.com> ; "Mesite Jim" <jmesite@fpuc.com>
Subj: Rate caes
I sent in a help ticket for Dina. She needs access to the emails of George, Doreen, Mehrdad, Jim, myself to copy rate case related emails for the PSC on any cost of capital issue. Please grant her access so she can do this sometime this week. Thanks

Cheryl Martin

Controller

Florida Public Utilities Company

(561) 838-1725



Thursday, Mar 20, 2008 10:11 AM

Clara Leider

From: Bachman George
Sent: Thursday, July 05, 2007 10:29 AM
To: Cox Doreen
Subject: FW: Short-term debt

There must be a calculation error. We did the calc and it was in the appropriate range.

From: Robert Camfield [mailto:rjcamfield@CAEnergy.com]
Sent: Tuesday, July 03, 2007 12:34 PM
To: Cox Doreen; Bachman George
Cc: Martin Cheryl; Mike Welsh
Subject: Short-term debt

Doreen,
George,

The observed short-term debt cost rate for FPU, based on month-end balances, is 3.28% for 2006. This interest rate level is remarkably low in view of the contractual rate, which I estimate to be 6.03%, also for '06. I have reasoned that the actual contractual rate is applicable to daily balances, and so if the daily balances are substantially below month-end balances, then 3.28% is conceivable. However, the differences between the daily average and month-end balances would need to be very large in order to ever obtain 3.28%. The result is a substantial understatement of true interest costs for ST Debt, and what I suggest is this:

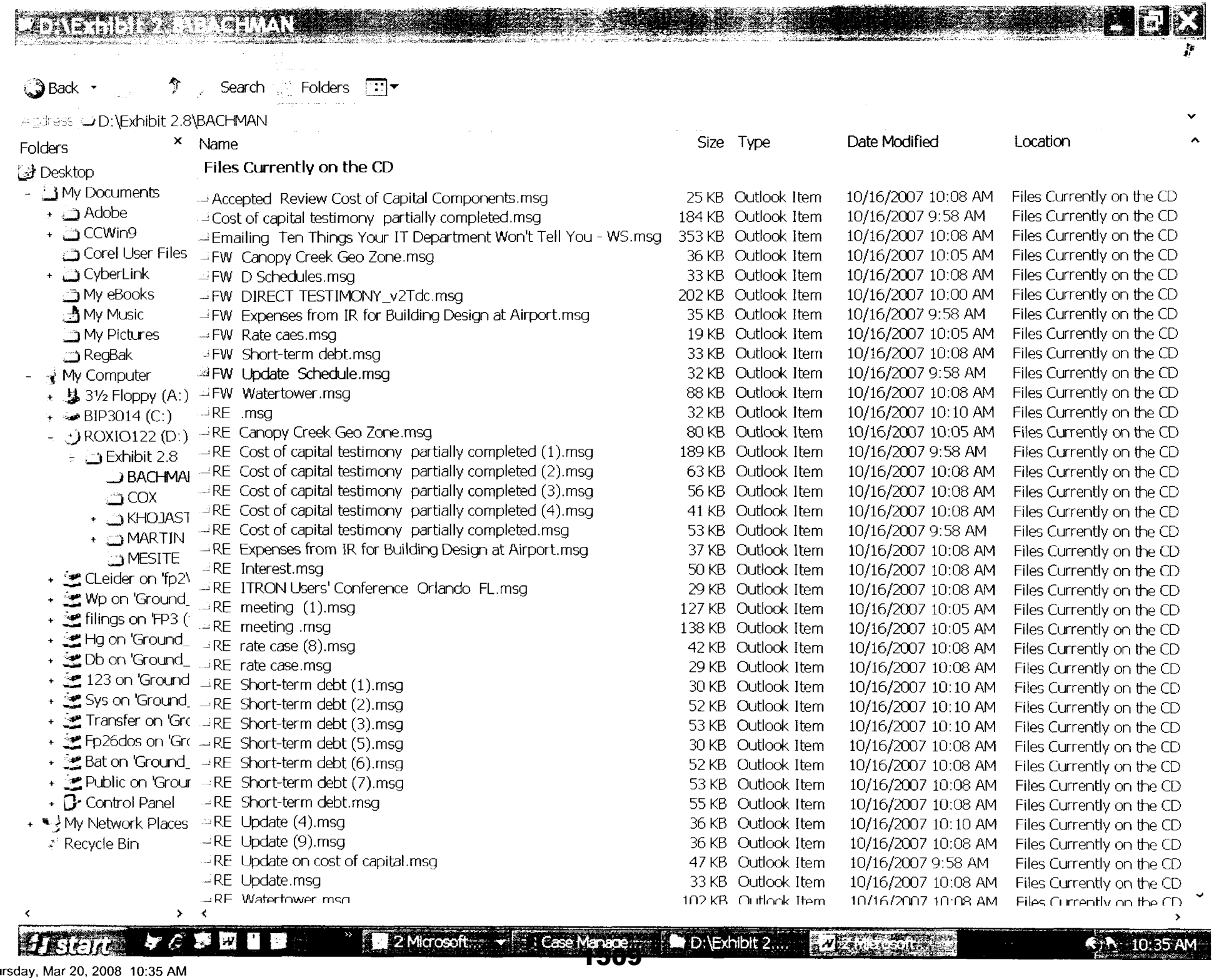
1) calculate the daily balances, by month, and use the average daily balance in lieu of month-end balances. Essentially, short-term debt is a special case because of the variation in balances over the course of the month, and year.

2) use this daily balance approach for the determination of cost of capital for all years. The result is a more accurate reflection of the weighted average cost of capital, which is inherently higher than that suggested by month balances.

This is an important issue, and we should turn to it immediately.

I should mention that, if I don't have the story right - daily vs. month-end balances, then something else is wrong, and we need to understand why such large differences in the calculated vs. actual cost rates.

Thanks, Robert



Thursday, Mar 20, 2008 10:35 AM

Clara Leider

From: Robert Camfield [rjcamfield@CAEnergy.com]
Sent: Tuesday, July 17, 2007 11:44 AM
To: Martin Cheryl; Bachman George; Stein Chuck; Cutshaw Mark
Subject: FW: Update, Schedule

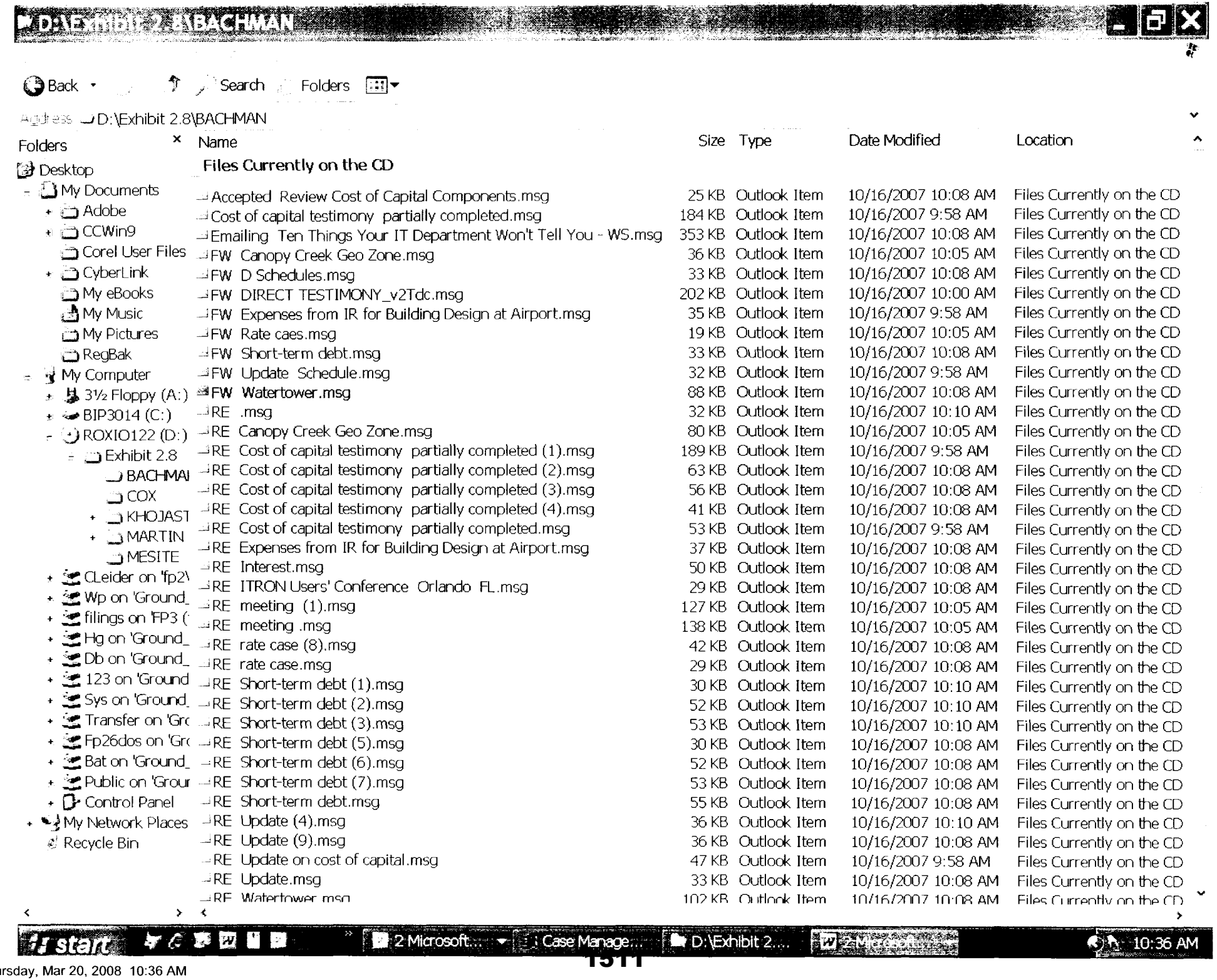
Colleagues,

Unexpected changes in schedule have opened a window this week and I will be working from Kalamazoo through the remainder of the week. I can be reached at 269-373-8887. Also, I monitor my office v-mail frequently (608-231-2266); don't hesitate to leave a message if something comes up.

At this point, I am working on the redline of the service agreement with Southern, the cost of capital and testimony, and the NERC reliability issue.

Cheryl: I will talk with you early this afternoon.

Robert



Thursday, Mar 20, 2008 10:36 AM

Clara Leider

From: Bachman George
Sent: Friday, June 15, 2007 11:54 AM
To: Martin Cheryl
Subject: FW: Watertower

I knew it wasn't straightforward like presented! Marc originally sounded like the town was offering us a great financing deal, but as soon as it looks like I'm pursuing it the 'details' come out!

From: Schneidermann Marc
Sent: Friday, June 15, 2007 8:29 AM
To: Bachman George
Cc: Martin Cheryl; 'Pence, William'; Cox Doreen; 'Graham, George'; Stein Chuck; Cox Doreen
Subject: RE: Watertower

George,
Skip the lease concept. There isn't time to effectively do it and besides the Town had a list of renovations of parks, etc. as well as annual sponsorship of activities that they wanted us to support.

Sincerely,
Marc L. Schneidermann

From: Bachman George
Sent: Thursday, June 14, 2007 6:34 PM
To: Schneidermann Marc
Cc: Martin Cheryl; 'Pence, William'; Cox Doreen; 'Graham, George'; Stein Chuck; Cox Doreen
Subject: RE: Watertower

If we could have issued the bond to purchase the land is would have been nice. But we will have to investigate the return from a regulatory viewpoint on capitalizing land from a capital lease arrangement. If it looks feasible we'll call the town manager. Do you know the terms of the lease (i.e. rate, timing, buy-out) proposed?

George

From: Schneidermann Marc
Sent: Wednesday, June 13, 2007 3:39 PM
To: Bachman George
Cc: Martin Cheryl; 'Pence, William'; Cox Doreen; 'Graham, George'; Stein Chuck
Subject: RE: Watertower

I believe the muni bond is a dead deal. They would finance using a bond only if they were to buy the property and lease it back to us under a capital lease arrangement.

George (Bachman), Do you want me to still try or do you want to have someone in Accounting call Maria Davis

(Town Manager) @ 881-3304?

From: Bachman George
Sent: Wednesday, June 13, 2007 1:49 PM
To: Graham, George; Schneidermann Marc
Cc: Martin Cheryl; Pence, William; Cox Doreen
Subject: RE: Watertower

George & Marc,

If Lake Park is offering good terms on a loan I'd recommend we pursue it. A low cost municipal bond is worth acquiring and I can request approval from our lender. Do we have the details (amount, terms, etc) so we can decide if it's worth pursuing?

George Bachman
Chief Financial Officer, Secretary and Treasurer
Florida Public Utilities Company
561.838.1731

From: Graham, George [mailto:george.graham@akerman.com]
Sent: Wednesday, June 13, 2007 1:12 PM
To: Schneidermann Marc; Bachman George
Cc: Martin Cheryl; Pence, William; Cox Doreen
Subject: RE: Watertower

Marc/George,

Assuming we move forward, do we need to worry about this? Do you plan on financing this property?

Regards,

George

--
George P. Graham, Esq.
Akerman Senterfitt
420 South Orange Avenue, Suite 1200
Orlando, FL 32801-4904
P.O. Box 231 (32802-0231)
407-419-8441 direct
407-254-4196 direct fax
407-843-7860 main
407-843-6610 main fax

From: Bachman George [mailto:gbachman@fpuc.com]
Sent: Tuesday, February 13, 2007 11:20 AM
To: Schneidermann Marc
Cc: Martin Cheryl; Graham, George; Pence, William; Cox Doreen

Subject: RE: Watertower

Marc,

This property will be required to be pledged under the Indenture of Mortgage of which SunTrust is the Trustee.

It is important that IF we want to consider any financing offered we must clear this with our bank first. We will be in violation of our covenants if take the financing without approval.

Thanks.

George Bachman
Chief Financial Officer, Secretary and Treasurer
Florida Public Utilities Company
561.838.1731

From: Schneidermann Marc
Sent: Tuesday, February 13, 2007 10:19 AM
To: Pence, William; Bachman George
Cc: Martin Cheryl; Graham, George
Subject: RE: Watertower

George, Please reply to Bill question.
Thanks

From: Pence, William [mailto:bill.pence@akerman.com]
Sent: Tuesday, February 13, 2007 10:10 AM
To: Schneidermann Marc; Graham, George
Cc: Bachman George; Martin Cheryl
Subject: RE: Watertower

Marc, do we need to talk to Peter Reinert to see if there is an "after acquired property" component of the Company's current financing?

William L. Pence
Akerman Senterfitt
420 South Orange Avenue, Suite 1200
Orlando, FL 32801
407-419-8548 (office)
407-421-4660 (cell)
407-254-4255 (fax)
william.pence@akerman.com

From: Schneidermann Marc [mailto:mschneidermann@fpuc.com]
Sent: Tuesday, February 13, 2007 10:06 AM
To: Graham, George
Cc: Pence, William; Bachman George; Martin Cheryl

Subject: RE: Watertower

The Town of Lake Park may be offering us low cost financing incentive (via a muni bond), but the funds for closing will be from our Bank of America line of credit.
Sincerely,
Marc L. Schneidermann

From: Graham, George [mailto:george.graham@akerman.com]
Sent: Monday, February 12, 2007 5:54 PM
To: Schneidermann Marc
Cc: Pence, William
Subject: Watertower

Marc,

Will FPUC be financing this deal with a lender, using bond proceeds or paying cash? I assume this property will be encumbered by the Indenture in favor of SunTrust Bank? Just a couple of items that I wanted to mention to you now so I would not forget in the morning.

Regards,

George

--

George P. Graham, Esq.
Akerman Senterfitt
420 South Orange Avenue, Suite 1200
Orlando, FL 32801-4904
P.O. Box 231 (32802-0231)
407-419-8441 direct
407-254-4196 direct fax
407-843-7860 main
407-843-6610 main fax

www.akerman.com | Bio | V Card

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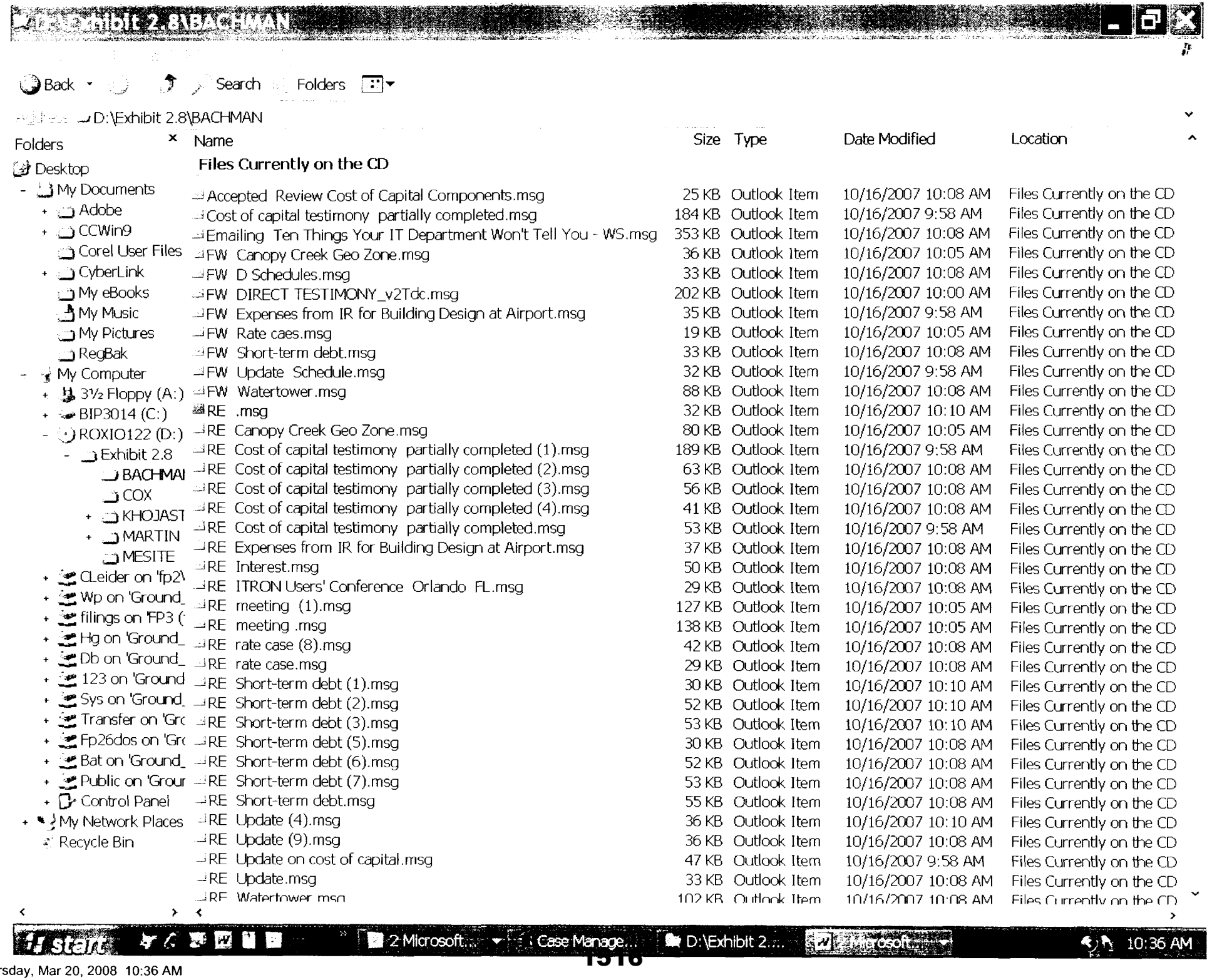


Thursday, Mar 20, 2008 10:36 AM

Clara Leider

From: Bachman George
Sent: Tuesday, September 18, 2007 9:18 AM
To: Whittingslow, Steven
Subject: RE:

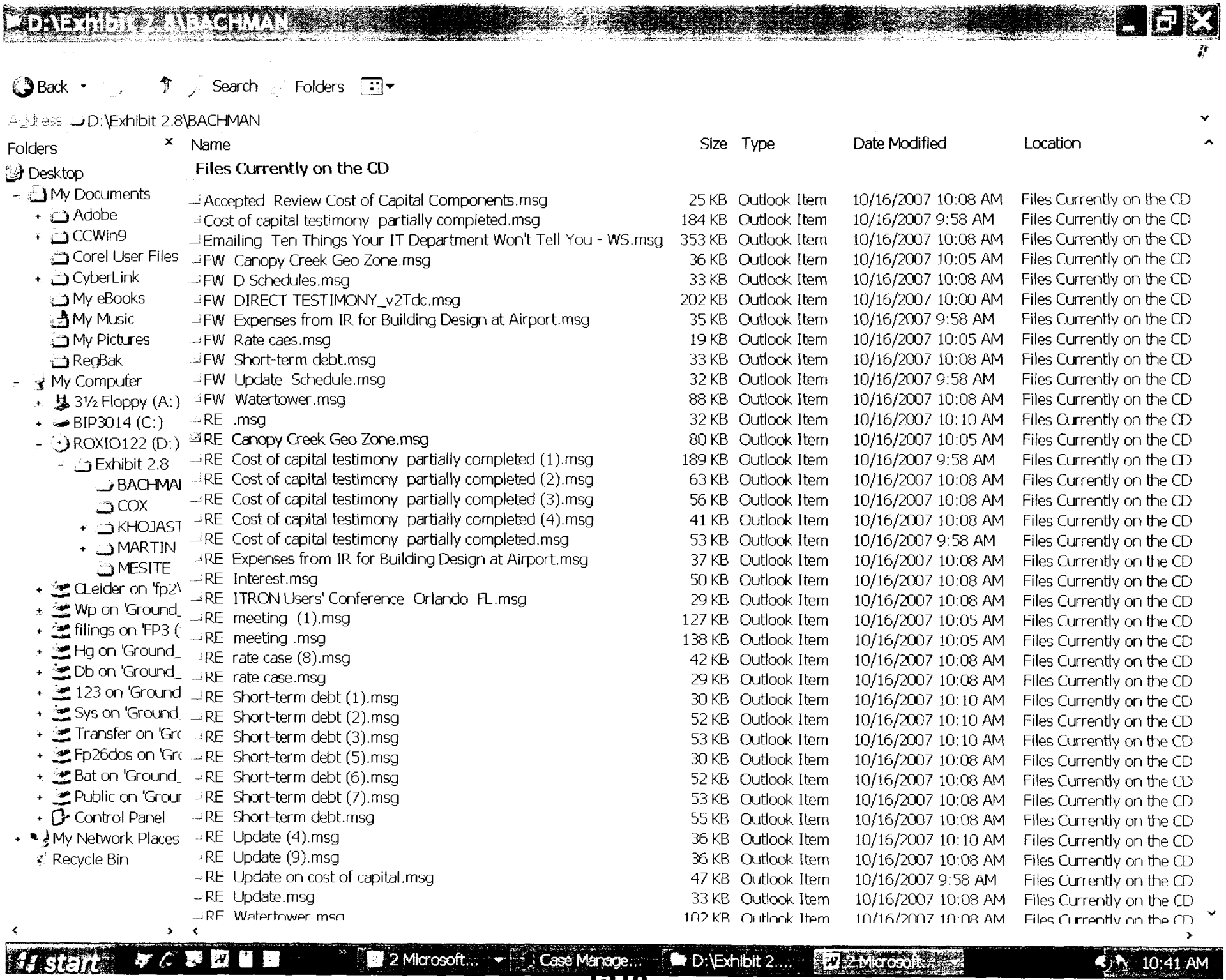
I'm glad you have a fun trip planned for Friday. It sounds like you need it, if you were actually reading our Q over the weekend!

From: Whittingslow, Steven [mailto:steven.whittingslow@bankofamerica.com]
Sent: Monday, September 17, 2007 5:07 PM
To: Bachman George
Subject:

I was actually reading your 10-Q over the weekend. So, we can lend you some money in 2008? Can't wait!

Hey, I will be in California from Friday thru Thursday. We may make a little side trip over the state line, or just head back to that place outside San Diego that had the card flipper....will let you know how it goes.

Due to delayed environmental clean-up costs, FPU currently does not anticipate that any equity or debt financing will be required in 2007. Management believes that cash from operations, coupled with short-term borrowings on the LOC, will be sufficient to satisfy operating expenses, normal capex requirements and dividend payments through spring of 2008. **However, cash requirements are forecasted to increase significantly in the future due to the aforementioned environmental clean up costs, a land purchase, sinking fund payments on long-term debt and pension contributions. If cash needs relating to the land purchase and related construction and the timing of environmental expenditures change, it is possible FPU may consider equity or debt financing. The need and timing will depend upon the overall company cash flow requirements.**



Thursday, Mar 20, 2008 10:41 AM

Clara Leider

From: Bachman George
Sent: Wednesday, September 26, 2007 12:56 PM
To: Seagrave Marc
Cc: Petty Julie; Santaella Mary; Rippey Lori Sue; Oakes Kathi; Costlow John; Schneidermann Marc; Stein Chuck; Kennedy Barry
Subject: RE: Canopy Creek Geo Zone

Marc,

So the capital project is a natural gas IR with all costs of the capital expenses, including blanket IR items, going to natural gas? Everything is natural gas except for the fuel?

Thanks.

George

From: Seagrave Marc
Sent: Tuesday, September 25, 2007 10:50 AM
To: Bachman George
Cc: Petty Julie; Santaella Mary; Rippey Lori Sue; Oakes Kathi; Costlow John; Schneidermann Marc; Stein Chuck; Kennedy Barry
Subject: RE: Canopy Creek Geo Zone

George,

This project was approved to be constructed under natural gas although we will be using propane for the gas supply. The propane will need to be expensed to our natural gas PGA (how that works I leave to gas supply and accounting)

All revenues and expenses will go to natural gas.

The new geo zone is needed because this is the first project of its kind in Martin County. We are hopeful to add more and potentially supply them through a propane-air unit so we will not have future conversion issues with natural gas. I spoke to GRU last week and they are using scalable propane-air units to supply community gas systems that are presently beyond the reach of their natural gas system.

Marc S. Seagrave

Marc Seagrave, *CSP*
Director of Marketing & Sales
Florida Public Utilities Company
401 S. Dixie Hwy
West Palm Beach, FL 33401
(561) 838-1714 Office
(561) 723-3439 Cell
(561) 833-8562 Fax
mseagrave@fpuc.com

From: Bachman George

Sent: Tuesday, September 25, 2007 10:25 AM
To: Seagrave Marc
Cc: Petty Julie; Santaella Mary; Rippey Lori Sue; Oakes Kathi; Costlow John; Schneidermann Marc
Subject: RE: Canopy Creek Geo Zone

Marc,

I guess we needed the Geo Zone to bill propane under natural gas or am I missing something? Is this a propane project (revenues and expenses going to propane)? If so why was the new Zone needed?

George

From: Petty Julie
Sent: Friday, September 21, 2007 4:45 PM
To: Seagrave Marc; McMahon Julie; Costlow John
Cc: Santaella Mary; Rippey Lori Sue; Bachman George; Oakes Kathi
Subject: Canopy Creek Geo Zone

Hello,

We had to add a new geo zone (multiplying factor) for this project. It would be entered when updating (closing the S/O). **The geo zone code is CCLP**; which will use the metered LP multiplying factor to properly bill the customer.

Please share this with those that require this information.

Julie Petty
Director, Customer Relations
Florida Public Utilities
561-838-1779
jpetty@fpuc.com

Clara Leider

From: Bachman George
Sent: Wednesday, September 26, 2007 3:51 PM
To: Martin Cheryl; Napier Michelle
Subject: FW: Canopy Creek Geo Zone

Fyi-

Just as an FYI, a little birdie at lunch told me that pipe was supposed to be 2 inch and 4 inch was installed. You may wish to review those charges versus estimates. The project was gassed was either yesterday or will be today.

Subject: RE: Canopy Creek Geo Zone

George,
That is correct. I understand that we have some capital expense that has impacted SF propane blankets that will need to be transferred to the natural gas IR. The project is as you say natural gas with the exception of the fuel which will be expensed to the natural PGA. We're looking into propane-air units that could save future conversion costs when natural gas becomes available. (This would have been a huge help for Summerglen) This project was discussed at length with Chuck and Jack before we got started. This project is also a catalyst to further expand into Martin County with natural gas, beyond what we've done in Indiantown thus far.
Thanks!
Sent with Wireless Sync from Verizon Wireless

---- Original Message ----
From: "Bachman George" <gbachman@fpuc.com>
Date: 9/26/07 1:07 pm
To: "Seagrave Marc" <mseagrave@fpuc.com>
Cc: "Petty Julie" <jpetty@fpuc.com> ; "Santaella Mary" <msantaella@fpuc.com> ; "Rippey Lori Sue" <lrippey@fpuc.com> ; "Oakes Kathi" <koakes@fpuc.com> ; "Costlow John" <jcostlow@fpuc.com> ; "Schneidermann Marc" <mschneidermann@fpuc.com> ; "Stein Chuck" <cstein@fpuc.com> ; "Kennedy Barry" <bkennedy@fpuc.com>
Subj: RE: Canopy Creek Geo Zone
Marc,

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Thanks.

George

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Sent: Tuesday, September 25, 2007 10:50 AM
To: Bachman George
Cc: Petty Julie; Santaella Mary; Rippey Lori Sue; Oakes Kathi; Costlow John; Schneidermann Marc; Stein Chuck; Kennedy Barry
Subject: RE: Canopy Creek Geo Zone

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Marc S. Seagrave

Marc Seagrave, CSP

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Cc: Petty Julie; Santaella Mary; Rippey Lori Sue; Oakes Kathi; Costlow John; Schneidermann Marc
Subject: RE: Canopy Creek Geo Zone

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Sent: Friday, September 21, 2007 4:45 PM
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Cc: Santaella Mary; Rippey Lori Sue; Bachman George; Oakes Kathi
Subject: Canopy Creek Geo Zone

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Please share this with those that require this information.

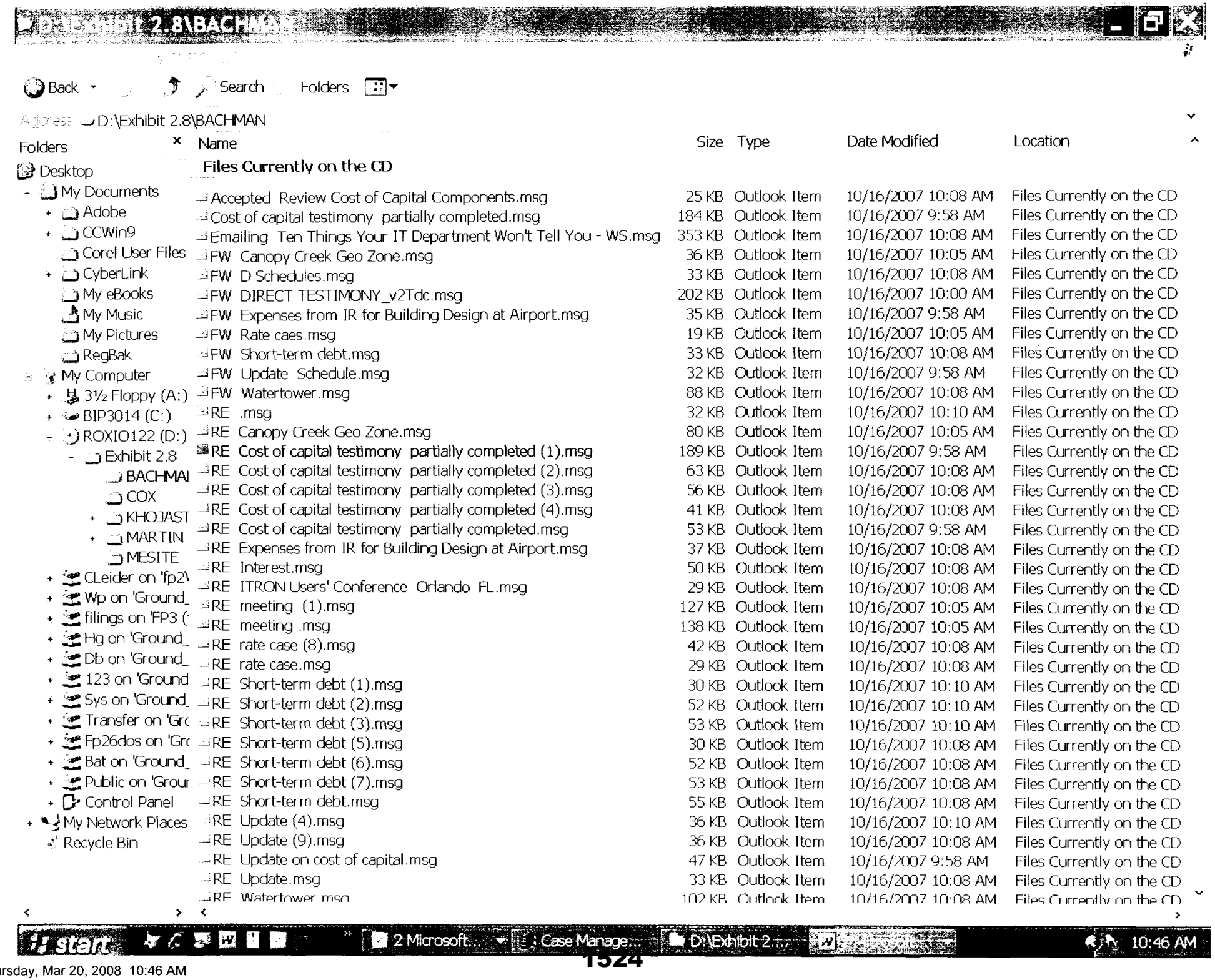
Julie Petty

Director, Customer Relations

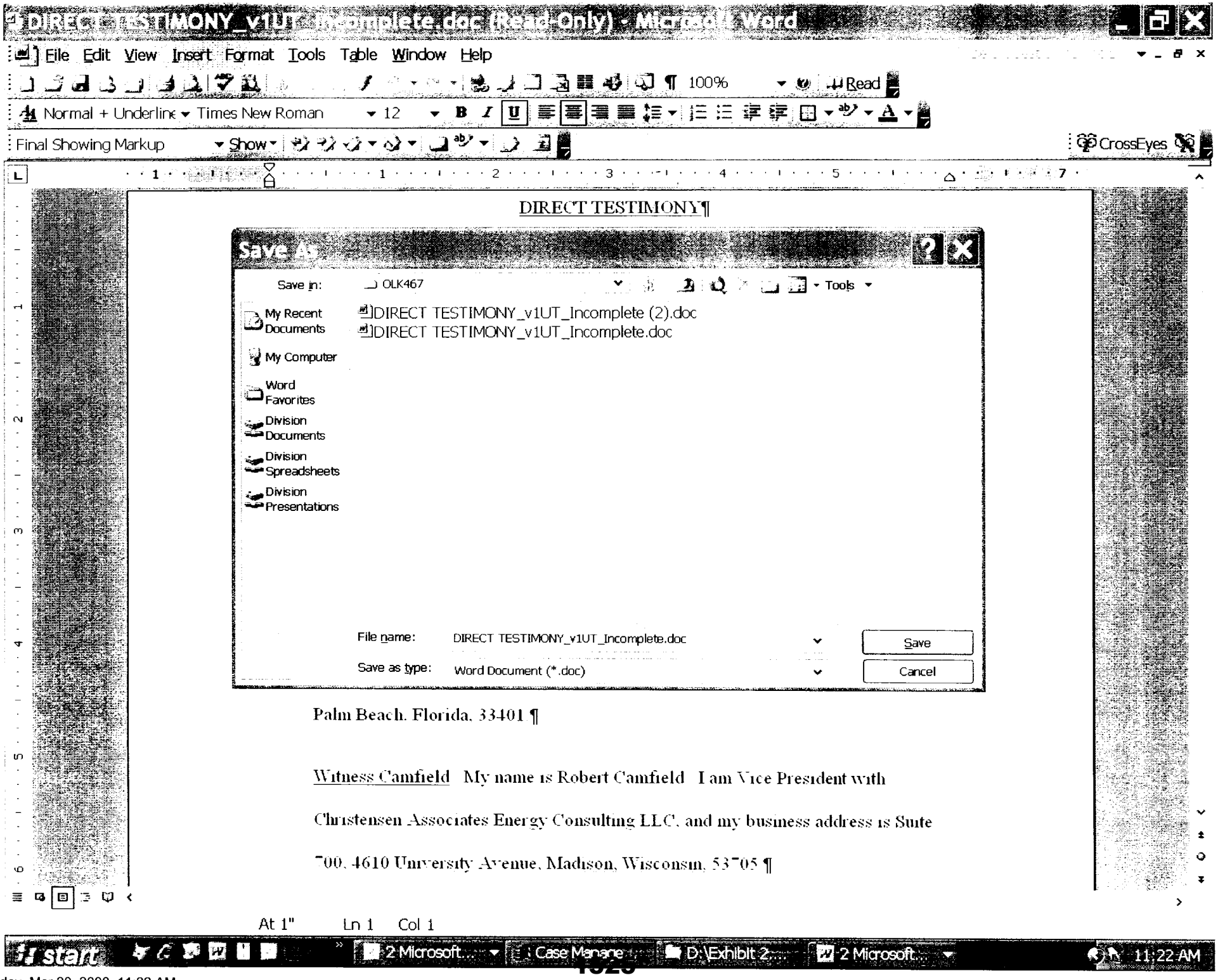
Florida Public Utilities

561-838-1779

jpetty@fpuc.com



Thursday, Mar 20, 2008 10:46 AM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Division Spreadsheets
Division Presentations
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File name: DIRECT TESTIMONY_v1UT_Incomplete.doc
Save as type: Word Document (*.doc)
Save
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Palm Beach, Florida, 33401 ¶
Witness Camfield My name is Robert Camfield I am Vice President with
Christensen Associates Energy Consulting LLC, and my business address is Suite
700, 4610 University Avenue, Madison, Wisconsin, 53705 ¶
At 1" Ln 1 Col 1
start
2 Microsoft...
Case Manage...
D:\Exhibit 2...
2 Microsoft...
11:22 AM

Clara Leider

From: Cox Doreen
Sent: Friday, August 03, 2007 6:14 PM
To: Robert Camfield
Cc: Bachman George; Martin Cheryl; 'Mike Welsh'
Subject: RE: Cost of capital testimony, partially completed
Attachments: DIRECT TESTIMONY_v1UT_Incomplete.doc

Robert
I did a quick read of the draft testimony and made some suggestions for minor changes. It looks good and I particularly like the discussion on page 28 regarding equity participation and the importance of remaining competitive and maintaining adequate interest coverage.

I will however re-read in more depth and from the perspective of any additional points that we may want to include, not yet covered.

Doreen Cox
Financial Analyst
(561) 838-1797

From: Robert Camfield [mailto:rjcamfield@CAEnergy.com]
Sent: Friday, August 03, 2007 12:41 PM
To: Cox Doreen; Martin Cheryl
Cc: Bachman George; English Jack; Mike Welsh
Subject: Cost of capital testimony, partially completed

Doreen,
Cheryl,

Please check this over and see how it reads to you. More material coming shortly.

Robert

DIRECT TESTIMONY

DOREEN COX
ROBERT CAMFIELD

COST OF EQUITY AND RATE OF RETURN REQUIREMENTS
of
FLORIDA PUBLIC UTILITIES COMPANY

Q. Please state your name, title, and business address.

A. Witness Cox. My name is Doreen Cox. I am a Financial Analyst with Florida Public Utilities Company. My business address is 401 South Dixie Highway, West Palm Beach, Florida, 33401.

Witness Camfield. My name is Robert Camfield. I am Vice President with Christensen Associates Energy Consulting LLC, and my business address is Suite 700, 4610 University Avenue, Madison, Wisconsin, 53705.

Q. What is the scope of your testimony?

A. The scope of our testimony is twofold. First, we address the issue of the cost of common equity to Florida Public Utilities Company. Estimates of the equity cost rate underlie our common equity rate of return recommendation. Second, we integrate the equity rate of return with the other financial components of Florida

Public Utilities Company's capital structure to determine the weighted average cost of capital and accompanying overall rate of return recommendation. Our rate of return recommendation should be used by the Commission to set retail, electric prices of Florida Public Utilities Company in the current docket.

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Q. Please review your professional background and experience that qualifies you to provide such recommendations.

A. Witness Cox. I received a Bachelor of Science Degree in Management from the University of West Indies in 1979, with a concentration in Accounting. I subsequently earned a Master of Science Degree in Accounting, also from the University of West Indies. I am a member of the Jamaican Institute of Chartered Accountants.

I joined Florida Public Utilities Company in 1999, and I hold the position of Financial Analyst, which reports to the Chief Financial Officer. In this position, I support the CFO, the Accounting and Finance, Divisions of Florida Public Utilities. My position covers a variety of operating and planning responsibilities including project assessment, budget and financial projections, and cash flow analysis, I assist in the preparation of quarterly reports to our Board of Directors, and the compliance monitoring with respect to the Financial Covenants of Florida Public Utilities Company's long- and short-term sources of external funds.

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Witness Camfield. Yes. I joined the Michigan Public Service Commission in 1976 as a staff economist. During my tenure with the Michigan Commission, I was involved in several retail electricity and natural gas pricing issues, and I testified in rate case proceedings regarding cost of capital and retail gas tariff design. I joined the New Hampshire Public Service Commission in 1979 as the senior economist, and held the position of chief economist beginning in 1981. As Chief Economist, I was responsible for the administration of the economics department of the Commission Staff. I oversaw the analysis of regulatory issues, the coordination and guidance of staff participation in regulatory proceedings, the preparation and development of testimony, and I provided policy advice to the Commission on a variety of issues such as construction work in progress, financial planning, and the determination of PURPA Section 133 rates. I joined Southern Company in 1983, and held positions in several departments including Pricing and Economic Analysis at Georgia Power Company, Costing Analysis of Southern Company Services, and Southern Company's Strategic Planning Group. In 1994, I joined Laurits R. Christensen Associates, Inc. ("Christensen Associates") as a senior economist, and currently hold the position of Vice President with Christensen Associates Energy Consulting LLC., a subsidiary consulting group of Christensen Associates.

My experience covers a gamut of issues facing regulated industries. I have been involved in the negotiation of power supply contracts and the terms of franchise licenses. My overseas assignments are several, and I have managed a large market restructuring project in Central Europe. I have served on national and regional advisory panels, and I have advised integrated electric utilities, independent power

producers, transmission and distribution companies, utility associations, offices of consumer advocate, and regulatory agencies on numerous policy and technical issues. Innovations include two-part tariffs for transmission services, web-based self-designing retail electric products, marginal cost-based cost-of-service methods, and principles for efficient pricing of distribution services. I have published chapters in technical books, reports, and articles in noted journals such as *The Electricity Journal, IEEE Transactions on Power Systems*, and *CIGRE*. Currently, I serve as Program Director of the Edison Electric Institute's Market Design and Transmission Pricing School.

Q. Can you please review the statutory mandates that guide the determination of rate of return for public utilities?

A. Yes, the statutory principles of rate of return for public utilities substantially rest with two decisions of the Supreme Court of the United States. In the Bluefield Water Works and Improvement Co. v. Public Service Commission of West Virginia case (262 U.S. 679, 1923), the U.S. Supreme Court set forth its view on fair rate of return, as follows:

> "...A public utility is entitled to such rates as will permit it to earn a return on the value of the property which it employs for the convenience of the public equal to that generally being made at the same time and in the same general part of the country on investments in other business undertakings which are attended by corresponding risks and uncertainties; but it has no

constitutional right to profits such as are realized or anticipated in highly profitable enterprises or speculative ventures. The return should be reasonably sufficient to assure confidence in the financial soundness of the utility and should be adequate, under efficient and economical management, to maintain and support its credit and enable it to raise the money necessary for the proper discharge of its public duties. A rate of return may be reasonable at one time and become too high or too low by changes affecting opportunities for investment, the money market and business conditions generally."

A second landmark decision of U.S. Supreme Court echoed, fortified, and expanded upon the fair return standard established by the "Bluefield" decision cited above for capital committed to public utilities. This second decision is the Federal Power Commission v. Hope Natural Gas Company case (320 U.S. 391, 1944). A most relevant passage of this latter decision is as follows:

"From the investor or company point of view it is important that there be enough revenue not only for operating expenses but also for the capital costs of the business. These include service on the debt and dividends on the stock... By that standard the return to the equity owner should be commensurate with return on investments in other enterprises having corresponding risks. That return, moreover, should be sufficient to assure confidence in the financial integrity of the enterprise, so as to maintain its credit and attract capital."

These longstanding decisions provide the recognized framework for the fair rate of return on capital committed by investors to public service. In these decisions, the U.S. Supreme Court codified, in clear and readily understandable terms, a statutory benchmark that serves as the basis to set fair and equitable prices for retail public services such as natural gas, while also providing a fair rate of return on the capital provided by investors. Though they reach back many years, these decisions remain to this day the cornerstone for the determination of rate of return requirements. The challenge for regulators, regulated utilities, and interested parties to regulatory proceedings is to operationalize these principles in contemporary regulatory processes.

Q. Please provide an overview of your approach to the determination of the rate of return requirements for Florida Public Utilities Company.

A. Our approach follows the prescribed methodology of the Florida Public Service Commission to determine the overall weighted average cost of capital ("WACC") and the overall rate of return, for regulatory purposes. Specifically, we develop a forward-looking consolidated capital structure for the year 2008 with the exclusion of capital structure balances associated with the Company's propane subsidiary, Flo-Gas. For determining retail prices in the instant docket, the recommended capital structure is determined on the basis of the 13-month average balances of the components that comprise the capital structure of the Company. We develop a traditional capital structure including the key elements of long-term debt, short-term

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debt, preferred stock, and common shareholder equity. Similarly, we develop a regulatory capital structure that contains, in addition to these components, balances for customer deposits, accumulated deferred taxes and accumulated investment tax credits of the Company dedicated to providing retail electricity services. Traditional elements of the capital structure are scaled pro rata, such that the regulatory capital structure, in total, matches the rate base attributable to the provision for electricity services.

It is appropriate to balance equity and debt, and to represent the means by which Florida Public Utilities Company plans to underwrite its assets and rate base. Contemporary business, regulatory, and financial risks confronting energy utilities are higher than in past years. Consequently, and consistent with the business objectives of providing low-cost and reliability service, Florida Public Utilities will fund its assets with larger equity participation in total capital than in years past and, to this end, the year-end 2008 capital structure is a better representation of the expected capital structure of the Company. This is because the year-end balances capture the prospective weight that common equity will assume within the Company's capital structure. Furthermore, the year-end balances of the components of capital provide a better balance of debt and equity for the purpose of minimizing the weighted average cost of capital. Accordingly, the adoption of the projected year-end capital structure to determine retail prices, which would constitute a departure of the Florida PSC from its policy of using the 13-month average capital structure, would be in the long-term interests of retail consumers and the Company as well.

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The cost rates applied to the 13-month 2008 balances of long-term debt and preferred stock include the interest rate on the face amount and issuance costs unique to each individual issue, and related debt expenses where appropriate. The cost rate applied to customer deposits balances is based upon market segment-specific interest rates, as determined by the Commission. The balances for accumulated deferred taxes and investment Tax Credits- Zero Cost are included in the regulatory capital structure at cost rates of zero and the overall cost of capital stated on a traditional basis, respectively. What about the Non-Zero Cost Tax Credits???

The rate of return for common equity is determined by applying four capital cost assessment methodologies including Discounted Cash Flow, Capital Asset Pricing Model, and an assessment of Realized Historical Returns. The latter approach constitutes a benchmark by which investors gauge the prospects attending financial assets and, along with other information, such as expectations of future returns. By assumption and empirical assessment, efficient markets value (price) financial assets accordingly. These three methods are well founded by modern finance theory and are often used to determine the cost rate for common equity capital. A fourth methodology, referred to as *ex post* Risk Premium, infers the underlying opportunity cost of capital on a basis of the relative risks of debt and equity capital.

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Q. Can you please summarize your findings and recommendations?

A. Yes. Our studies give rise to an overall rate of return recommendation of 8.07%. The determination of the 8.07% rate of return is shown on Exhibit 1, which reveals the balance amounts for each financial component of the capital structure, the share that each component represents, the attending cost rate, and the overall rate of return. As mentioned above, the overall rate of return recommendation is based upon a 13-month 2008 regulatory capital structure that, consistent with utility regulatory policy in the State of Florida incorporates customer deposits, accumulated deferred income taxes, and investment tax credit balances.

The recommended 8.07% overall return level incorporates a common equity return of 11.50%. As mentioned, the opportunity cost of shareholders of Florida Public Utilities Company is assessed with four analytical methods. The results of studies employing these valuation methods are shown on Exhibit 2, along with the equity return recommendation.

This recommendation, if adopted by the Florida Public Service Commission, will enable Florida Public Utilities Company to continue to provide highly reliable electricity service to its customers at favorable prices. At the same time, the recommendation provides an adequate level of compensation to the shareholders of Florida Public Utilities Company on the capital that they have committed to the Company. Satisfactory returns to equity also enable the Company to continue to attract long- and short-term debt at favorable terms and interest rates that, in both the near-term future and the long-run, are in the best interest of retail electricity consumers.

Fair and adequate allowed returns to capital are vital, and we cannot over-emphasize to the Commission the importance of setting the overall rate of return at a sufficient level, particularly in the current environment of considerable risk and uncertainty. The determination of an adequate return level by the Florida Public Service Commission signals to the investment community including mutual funds, long-term private investors, speculators, mortgage bankers, and commercial banks that the business and regulatory environment in which Florida Public Utilities Company operates has continuity and stability over the long term. Importantly, it also signals that the Commission is supportive of the Company and the job that we do on an on-going basis for retail consumers.

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Q. Electricity is intermingled with and highly dependent upon energy markets, particularly the markets for primary fuels. Can you please provide a profile of *contemporary electricity markets and the implications for electricity* distributors and the cost of equity capital?

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A. Infrastructure industries, including the electricity services industry in particular, is undergoing significant restructuring with no immediate end in sight. The dimensions of restructuring assume a number of dimensions including service unbundling in both retail and wholesale markets including competitive entry, new mechanisms to determine the prices for services. At the wholesale level, utilities face and are part of the expansion of wholesale services and contract mechanisms

to hedge varying degrees of risks; divestiture of generation; and the appearance of wide scale participation in wholesale electricity commodity markets by power traders, and speculators, who are deeply involved in commodity markets generally. Wholesale markets are being organized through the auspices of regional transmission organizations referred to as RTOs. RTOs serve as the agent for markets as a whole, where regional markets are unbundled according to time (hourly markets), space (locational pricing of energy), and services including energy, reserves (including regulation, spin, non-spin, and supplemental categories), as well as financial transmission rights (FTRs) of various types. While wide scale change has been in the works for years and is arguably most pronounced at the wholesale level, as precipitated in a major way by the Energy Act of 1992, significant change has been and is currently underway within retail markets as well. At the retail level, regulated utilities face a gamut of changes regarding new regulatory governance arrangements including pre-approval, decoupling, and various performance assessment mechanisms; auctions for provider of last resort ("POLR") services; renewable resource portfolio standards, and new rules and requirements regarding reliability requirements, aside from the new reliability (and implied cost) commitments imposed on service providers by the North American Electric Reliability Council ("NERC"), which has been recently appointed by the Federal Energy Regulatory Commission ("FERC") as the national reliability organization ("ERO").

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Driven to improve earnings performance and exploit growth opportunities, many integrated electric utilities have since the late-1980s pursued non-regulated business ventures including activities fairly far afield from electricity services such as real estate and insurance, and diversified energy services including distribution operations, nuclear generation, and renewable resources, and power trading. In a number of cases, generation (and to a lesser extent transmission) assets have been sold off to independent generation companies or unregulated generation entities have been formed from the generation business units of the integrated utilities. At this point a much larger range of business activities and business organizations and entity structure is present within the electricity services sector of the economy, obtained through competitive entry and consolidation of functionality across entities. The financial performance of entities within the electricity services industry, included the expected returns to capital and the risks attending those returns, and is much more closely linked to energy markets, generally.

The net result is generally positive, as competitive entry arguably obtains reduced costs to the benefit of consumers, at least in the long run. Nonetheless, these changes in structure, much of which have been accompanied by and ushered in through regulatory changes, have also raised capital risks associated with electricity services, as perceived by investors. This backdrop of higher capital risks occur at a time when electricity service providers including Florida Public Utilities Company face steadily expanding electricity service demands and an array of new

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requirements covering, among other things, capital renewal at a time of fast rising costs for electrical equipment.

(further discussion forthcoming)

Q. Your testimony mentions capital risks and capital renewal. Perhaps you can elaborate on the meaning of capital, and how it comes about.

A. Capital refers to economic resources. Capital is accumulated savings over time, where savings refers to the proportion of the output of an economy that is not consumed as current goods and services. Essentially, savings is the share of output held back and invested in—i.e., put into—capital resources. In the broadest interpretation, capital is output-producing goods (and services). The cumulative level of investment over time, covering many years and centuries, constitutes the capital stock of an economy and a society. It is useful to mention that capital can assume various investment forms aside from financial assets in private and public companies and other entities. The stock of capital includes real estate, household goods, education, public property and infrastructure such as libraries, museums, parks, roads, and transit systems. Individuals, firms, and government entities invest funds in capital resources if the expected flows of benefits realized by the investments in the future are equal to or greater than the value of current consumption given up or foregone.

Q. Please review the notions of cost of capital, opportunity cost of capital, and discuss how risk affects the opportunity cost of capital.

A. The cost of capital is the compensation required by investors for postponing consumption, for expected inflation, and for exposure to capital risks of various dimensions. *Cost of capital* refers to the underlying interest rate used to discount expected benefit flows of capital resources including returns to financial assets, and is sometimes referred to as the rate of discount, or simply the discount rate.

Financial assets include a multitude of debt vehicles, equity, and derivatives, and are tailored to participants of capital markets including household, small business, corporate, and government segments. Participants across these segments can supply capital—i.e., investors including lenders and holders of common and preferred stock—and also demand capital (borrowers and common stock issuing companies). Commercial banks, credit unions, finance companies, capital exchanges, and investment banks serve as intermediaries that provide the institutional means that facilitates the interaction and linkage of the supply and demand sides of financial markets. These functions essentially include lending, borrowing, and the issuance of equity vehicles. Banks and credit unions borrow (and store) financial assets that in turn are invested in the form of debt and to a lesser extent equity.

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Household debt vehicles include, for example, personal loans covering appliances, household services, and credit card mechanisms through finance companies and banks, and real estate and so-called home equity mortgages. Business loads include

short-term loans and lines of credit with banks, inventory financing through business wholesalers, and commercial paper of various terms. Corporate debt can be in the form of lines of credit with banks, and mortgage and debenture bonds, while government debt can be in the form of revenue bonds of cities, and short- and long-term debt of various terms.

Equity refers to common and preferred stock, where the investor assumes a share in the ownership of a corporate entity. In some cases, debt instruments can participate in equity returns and have rights of conversion to common stock.

Derivatives refers to options and forward contracts that are specifically designed for speculation and risk hedging, where the market worth of the derivative is determined by investor expectations in the underlying price of a financial asset or commodity

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The cost of capital is relevant to investors and, in the case of financial assets, the expected benefits are in the form of future cash flows including interest payments, dividend payments, market appreciation, and return of principal. When investors supply funds to entities such as utilities and government entities and municipalities, not only are they postponing consumption—giving up the value of alternative expenditures in some other way, they are also exposing funds to the devaluation of ongoing inflation and various uncertainties and risk attending future cash flows. Investors are willing to incur these factors only if they are adequately compensated.

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While the market prices of other inputs including labor, materials, energy can be easily verifiable, the cost of capital—essentially, the price of capital—is not easily

discerned and, all too often, requires estimation through the cautious application of analytical methods.

The cost of capital is determined by the demand for capital, supply of savings, expectations of inflation, and perceptions of risks harbored by participants in capital markets. The demand for and supply of capital are determined by expectations of future levels of economic activity, while expected inflation is driven largely by monetary policy over the relevant timeframe. Perceptions of risk, in turn, cover many dimensions including uncertain government policy and the effects of natural phenomena such as weather. The cost of capital—the discount rate stated in nominal terms—increases with rising demand for capital, with expectations of higher rates of inflation, and with heightened perceptions of risk.

The cost of capital, however, remains positive (>0) absent inflation and risks, as savers require compensation for foregoing the right to use the funds saved for consumption of goods and services—essentially, the time value of money.

Dimensions of risk also cover idiosyncratic risks associated with specific capital resources, such as that of individual entities or companies. Accordingly, financial markets will re-price downward the bonds of a private company, should the *current* financial condition of the company suddenly decline. Essentially, the decrease in the company's current condition, reflected as reduced interest coverage—causes the expectation of the future condition of the company to also decline. Expectations of future financial conditions (possible states) of the specific company are idiosyncratic risks. Because cost of capital rises with increased risks, the price of

the bonds decline. Bond prices and discount rates, in the form of the net interest rates or bond yields (and yield to maturity), move in opposite directions; bond yields increase as bond prices decline, and decrease as bond prices rise.

Resources migrate to the highest valued use and worth, given perceived risks, such that the returns to capital are equivalent to opportunity costs. The various forms of capital compete among themselves for savings and with other non-capital resource inputs and opportunities. Similarly, the vehicles of investment of individual entities, such as the specific bonds of a municipality or the common stock of a company, must compete for savings through a process of capital attraction. That is, if the outlook for earnings of a company rises, participants in capital markets—investors—allocate more capital to the company by bidding up the price of the stock thus increasing the company's market capitalization. Conversely, perceptions of heightened risks associated with the debt of a company or municipality precipitates a decline in the market value of the outstanding bonds, as capital migrates from the company/municipality to other resource opportunities. Thus, the prices of financial assets of entities including debt and equity securities are highly sensitive to perceptions of risk. Capital markets trade off risks and expected returns, given the overall menu of available choices, as alternative opportunities.

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At an undefined point in time such that levels of supply and demand for capital and expectations of inflation are roughly equivalent (as a matter of consensus), the cost of capital is a matter of risk. Essentially, then, the cost of a specific source of capital is basically determined by the underlying riskiness of that investment in view of alternative opportunities that together represent the investors' current

opportunity set. Hence, cost of capital associated with specific investment opportunities, are only differentiated by risks, as the other factors that impact cost of capital—i.e., supply-demand, inflation expectations—are common to all investments. Competitive capital markets, through the process of assessing, buying, and selling, ensure that the expected payoff in the form of market rate of return is approximately equal to that of other investments of equivalent risk. In short, debt and equity investment vehicles of comparable risk are priced the same. If not, investors as participants in capital markets will bid up securities with comparatively low risks and bid down others with comparatively high risks. If investor perceptions of capital risks attending a utility increase—or the expectations for returns decline—markets bid down the securities of the utility. This implies that a utility will be unable to attract capital on equivalent terms, a result that is manifested in either of two ways: the quantity of capital acquired, in the form of new securities offerings, is reduced for a given level of return (stated in dollars), or a higher prospective rate of return attends the new offerings—it costs more to obtain an equivalent quantity of capital.

As mentioned above, investor rate of return is the discount rate that causes the present value of the expected cash flows, as receipts realized by investors, to equal the market value of the financial asset. From the utility side, the cost of funds raised to the utility through the sale of securities is equal to the discounted present value of the cash outflows to be paid by the utility, as expected by investors. But since the (positive) cash flows stream to the investor is identical to the cash outflows of the utility, the two discount rates must be identical, abstracting from the

effects of flotation costs, which causes the costs to the issuer to exceed the return required by investors to the extent that flotation costs decrease the net amount of funds actually available to the issue. In other words, the cost of capital to the utility is synonymous with the investors' expected rate of return. Hence, the cost of capital is the discounted expected cash flows necessary for the security to "pay the price"—i.e., in order to satisfy investors' required rate of return.

When capital markets are sufficiently competitive, they ensure that the market value and worth of financial vehicles of the outstanding debt and equity—as held by the investment community, which can include households, financial institutions, government entities, and non-financial companies, is set (i.e., priced) at a level such that the returns to capital approximate the cost of capital. Because investors are averse to risks, competitive financial markets price financial assets inversely according to perceptions of risks, all other factors held constant.

Q. Why is this conceptual construct relevant and how does it relate to Florida Public Utilities and its capital needs?

A. As discussed, capital resources are the result of cumulative investment, and are obtained or funded directly or indirectly from savings of households and firms over time. Savings is the share of income of the economy as a whole that is not expended as consumption within a current period, and is typically measured as dollars or percentage shares in either quarterly or annual periods. This means that the capital resources employed by Florida Public Utilities Company including

power delivery systems such as transformers and lines, meters, trucks and vehicles, computer systems, software, office facilities and buildings, inventory and stores, and land are costly, where cost is reflected as the annual carrying charges on capital, measured in the form of the net utility rate base.

Whereas the cost of skilled labor, materials and supplies, purchases of generation and transmission services, or other inputs used into the production process of utilities are expressed in money terms – *e.g.*, purchased power stated as dollars per megawatt hour – the cost of capital is expressed as an interest rate, typically shown as an annual percentage of the principal amount committed by investors. The cost of capital – or perhaps more accurately, the *cost rate of capital* – to the firm can be referred to as the *required rate of return* (%) on the capital resources committed by investors. In the case of public utilities, invested capital is referred to as the rate base, valued at either original cost or fair market value. For the determination of setting retail prices in the U.S., the regulatory convention is to value the capital of public utilities at original cost.

To facilitate the commitment of capital (investment) by savers and their agents to the firm, the firm offers property rights, including bonds or promissory notes to debt holders and shares of stock to equity investors. These property rights define the commercial terms and conditions under which savers and their agents, as investors, commit capital. Property rights are capital (financial) assets, and are generally tradable. Financial assets are claims on the income of the firm as compensation for the commitment of capital, and are the financial obligations of the firm. Shares of stock constitute ownership in the firm.

In the case of long-term debt – *i.e.,* mortgage bonds, debentures, and long-term notes – the interest on the principal (face) amount of a bond (debt) or the coupon rate on the share of preferred stock defines the level of compensation. Often, the interest rate is a predefined annual rate that remains fixed over the term of the debt. However, long-term debt instruments can have a number of other provisions that, in essence, provide for more complete contracting by managing risks through risk sharing between the debt holders and the borrower (the firm). These provisions can include 1) adjustments to the rate of interest to reflect contemporary market conditions *and* rates of inflation, 2) participation in earnings of the firm, 3) conversion rights, and 4) voting rights in the management of the firm.

In the case of short-term promissory notes, agreements with commercial banks define the mechanism by which interest, stated in dollars, is determined. Often, the commercial terms of promissory notes define interest to be paid monthly on the outstanding daily balance (principal) outstanding. The rate of interest applied to the outstanding balance is typically tied (indexed) to the interest rate on obligations of some widely known financial market – say, the London Inter Bank Offer Rate (LIBOR) or Fed Funds – which also varies daily or monthly.

Common stock property rights are somewhat different from other financial obligations because, as owners of the firm, the returns to shareholders are residual amounts following the compensation of other resources employed by the firm including debt obligations. Common equity is essentially compensated last, and bears the burden of much of the business, regulatory, and financial risks of the firm.

For this reason, common equity is, in virtually all cases, more costly than other forms of financial instruments.

As with other markets, capital markets have primary and secondary dimensions. Primary markets are the institutions and processes that facilitate the initial sale of the financial obligations of the firm to initial investors, whereas secondary markets are structured market processes that provide the means by which investors can purchase and sell existing rights, including shares of stock and debt obligations. Financial instruments can assume many forms, and debt securities (bonds) and equity shares are actively traded in financial markets, which are generally considered to be highly liquid and competitive. However, to the degree that the financial obligations 1) carry specialized and non-common commercial terms, and 2) for firms that are of small scale, the secondary – and to a lesser extent, primary market – is less liquid. In short, the pool of buyers and sellers is limited; thus, the volume of transactions is comparatively small and sometimes intermittent. Relatively low levels of liquidity imply higher transaction costs and risks to investors, which translates directly into higher costs of capital to the firm.

Competition is a term that describes some markets, and markets are said to be competitive if certain conditions exist. Markets can be characterized as competitive if they involve: 1) a very large number of buyers and sellers, 2) information relevant to the determination of prices is readily available and complete, and 3) transactions costs are low. Because of the workably competitive nature of financial markets, arbitrage opportunities are more or less exhausted. This means that, for both primary and secondary markets, financial property rights trade at levels (prices)

such that perceived risks and opportunity for prospective returns to capital are appropriately balanced and approximate that of other investment opportunities. Thus, above-normal returns, which implicitly include compensation for risks, cannot be realized by investors systematically over prospective periods.

Competition inherent to U.S. and worldwide financial markets ensures that the prices of common shares (share prices) and bonds are at a level that reflects the opportunity cost of capital. As an example, assume that the perceived risks attending the returns to common shareholders of firm A are equivalent to that of firm B and other firms. If the share prices of firm A suggest a market return 10%, while the prices of firm B and other firms of comparable risks suggest (allow) market returns of 13%, the market price of firm A will fall to a level that provides a basis for market returns of just 13%, prospectively. A price that allowed for a 10% prospective market return is insufficient in the presence of opportunities for market return of 13% on alternate investments of comparable risk. Essentially, the 13% market rate of return on investment alternatives constitutes the opportunity cost of capital. Most remarkable is the expedience – literally, in minutes – with which share prices adjust to levels that appropriately balance prospective returns to equilibrium levels *based upon perceptions of risks*. In short, equivalent and comparable risks translate directly into comparable rates of return, which is the cost of capital of common shareholders in – and thus of – the firm.

As mentioned, the cost of capital is a function of the demand for and supply of capital, investor expectations of inflation, and investor perceptions of risks. Because the conditions of demand and supply as well as expectations of inflation are more-or-less common to financial markets at any point in time, financial vehicles are differentiated by risks. Hence, the expected returns and prices of bonds and common shares (normalized for denomination and size) at any point in time are largely if not exclusively differentiated by perceptions of risk.

Q. Would you please review the capital structure, interest coverage requirements, and the implications for sufficient coverage?

A. Interest coverage refers to the times that debt interest is covered by income, and is the most important measure of investment risk of corporate debt. Interest coverage is a major concern of Florida Public Utilities Company as it is the basis upon which the Company maintains its favorable credit standing with markets and continues to obtain long- and short-term debt at favorable rates of interest. Pre- and After-Tax Interest coverage under the recommended capital structure and rate return is **XXX** and **XXX** times, respectively.

For purposes of comparison, we also show interest coverage over the historical timeframe on Exhibit 13. As can be seen the coverage implied by the recommended rate of return is adequate though not at a robust level. Two conclusions are reached:

1) While the implied coverage level is acceptable, the Company must sustain a flow of earnings at consistent levels in order to maintain adequate coverage and also satisfy debt covenants.

2) Contingency events and business conditions that give rise to sudden and unexpected changes in revenue or cost flows can imply immediate shortfall in coverage. In short, the coverage level obtained from earnings at the recommended rate of return is only adequate in today's environment of higher capital risks.

The importance of coverage cannot be overstated. Indeed, in discussions with investment banks, commercial banks, and stock analysts about the financial conditions and soundness of the Company, a salient point of concern continues to be coverage of debt. Lending entities, private investors, and investment banks continue to emphasize the importance of consistently-realized adequate interest coverage as the essential measure of the Company's capability to service long- and short-term corporate debt.

As can be seen, the recommended rate of return requirement, 8.07%, provides satisfactory interest coverage. And although the overall return recommendation provides adequate coverage, it is certainly not abundant. Hence, it is absolutely necessary that Florida Public Utilities Company realize adequate and sustained flows of income to ensure that the Company satisfies credit risk requirements. Coverage is our window of access to capital at favorable rates of interest and under reasonable terms, enables the Company to provide high-quality electric service.

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Setting the overall rate of return at a satisfactory level of 8.07% is necessary and in the best interest of retail electricity consumers.

Q. What is the appropriate capital structure for determining retail prices in this docket?

A. In the absence of large-scale subsidiary operations, the Florida Commission should generally utilize a consolidated capital structure where such approach provides a reasonable balance between debt and equity. Under such conditions, the Commission can be well assured that the service provider is, in the best interest of retail consumers, underwriting its assets dedicated to providing utility services at least cost.

This statement is essentially a principle – a principle of financial prudence – that sets forth criteria for the Commission to apply in its regulatory decisions on the issue of the appropriate capital structure for ratemaking purposes. That is, the Commission should only deviate from a consolidated capital structure when this condition – i.e., an appropriate balance between debt and equity – is not satisfied.

The corollary to this principle is that the Commission and its staff should never remove or add accounting-based line items from a consolidated capital structure that is appropriately balanced. Two facts of financial accounting underlie this corollary, as follows:

1) A firm cannot ever trace and identify, as a matter of dollar flows, specific sources of funds to specific uses of funds. The Treasury of a firm essentially constitutes a pool or inventory of current funds, cash, that continually experiences fund inflows and outflows. One cannot say that a specific source of funds, dollars, is earmarked for a specific use. As an example, one cannot say that cash flow returns and operating income that arise from the Company's electricity operations are used solely to underwrite resources for the electricity business. Electricity-sourced cash flows are, in fact, used across the combined operations of the natural gas, electricity, and propane businesses of the Company – and similarly for the natural gas and propane operations.

2) The Company's balances of long-term debt, short-term debt, preferred stock, and common equity stated on a consolidated basis represent the accrual over years of the net flows of funds of the Company including external and internal sources. The balances of these financing vehicles can and should be used as the basis by which the Company underwrites any and all of its assets, stated on a consolidated or individual basis. This is simply a business, accounting, and financial fact.

There is no reasonable basis, thus, to exclude Flo-Gas balances from the Company's capital structure for purposes of setting retail electricity prices in the current docket. Indeed, exclusion of Flo-Gas balances may harm retail electricity consumers in various ways. First, a policy of exclusion is a direct contradiction to the realities and facts of financial accounting identified above.

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Second, arbitrarily assigning 100% of comparatively high cost equity to the Company's unregulated propane operations places us at a competitive disadvantage with other propane companies. Other companies use leveraging similar to our debt-equity ratio to finance their propane operations, and the Company needs to follow a similar policy. If the Company is required to assign only equity to our propane operations, we are then required to charge correspondingly higher prices in order to generate adequate returns. If we cannot stay competitive and earn satisfactory returns in the future on our propane operation we will have to consider selling the operation, which would result in the loss of cost synergies that electricity and natural gas customers currently enjoy.

Third, the consolidated capital structure of Florida Public Utilities Company stated on 13-month average basis for 2008 represents a sound balance of debt and equity financing that fully satisfies the financial needs of the Company, particularly in view of the comparatively small size of Florida Public Utilities. This is evidenced by the comparative sample of gas distribution utilities used to determine the cost of capital. Specifically, equity participation within the Company's 2008 capital structure resides within one standard deviation of the average participation of the sample. Hence, the Company's financing policy and strategy easily conforms to a reasonableness standard, in addition to fully satisfying the financial prudence and fungibility criteria outlined above.

Nonetheless, the recommended weighted average cost of capital presented within our testimony follows the Commission's prescription. Namely, the Flo-Gas balances are excluded from common shareholder equity, for purposes of

determining the overall rate of return to determine retail electricity prices within the immediate docket.

Q. Can you please review your recommendation for the cost rate of long-term debt?

A. Yes. Florida Public Utilities Company has raised long-term debt from time to time based upon the need for capital and our Company's financial policy of maintaining a balanced capital structure. Because of our conservative management philosophy, we have consistently raised new debt issues at favorable rates of interest at the time of issue. Contributing to favorable interest rates are the conservative sinking fund provisions of the earlier higher cost debt issues of the late-1980s – early-1990s.

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The cost rate of 7.96% for long-term debt, shown in the column entitled "Annual Cost Based Rate" of Exhibit 3, reflects the weighted average cost of the five issues of long-term mortgage bonds of the Company, currently. These debt issues have face interest rates of 4.90% to 10.03%, and were issued by the Company over the period 1988 – 2001. The balances shown reflect the amounts that the Company expects to carry on its balance sheet on average over the year 2008 which are slightly different from that shown on the balance sheet currently. The Company does not plan to issue long-term debt during the interim two years.

The 7.96% overall cost of long-term debt reflects issuance costs and losses on reacquired debt, which causes the effective cost rate to be somewhat greater than that of the weighted cost of the face interest rates alone. The 7.964% overall cost

rate for long term debt is calculated using the amortization schedule for debt expenses. This costing procedure follows the conventional accounting approach to determining the cost of debt, and is consistent with the policy endorsed by the Florida Public Service Commission.

Q. Please review the cost rate of short-term debt and related issues?

A. Florida Public Utilities Company maintains, and expects to main over the foreseable future, a short-term debt facility that provided short-term debt at a rate of the 30-day London Inter Bank Offer Rate (LIBOR) plus 90 basis points, plus other charges related to unused facility balances and fees on the facility itself. The amount of short-term debt facility is $12 million currently.

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The level of margin above LIBOR (90 basis points) for the Company's current short-term debt facility is somewhat above that of the Company's previous short-term debt facility, which reached the end of its contract in March 2003. The higher margin requirements, as imposed by financial lending institutions internationally, reflect higher perceived risks, both generally and within energy markets, than in previous years.

The expected effective short-term debt cost rate incurred by the Company for short-term debt , for use to determine prices in the current docket, is determined by first projecting the Federal Funds rates in the U.S. for the timeframe over which the retail electricity prices will apply. Then, given the historical relationship between

LIBOR and the rate for U.S. Fed Funds, the LIBOR rate is estimated. Once determined, the short-term debt cost to Florida Public Utilities is obtained by simply adding 90 basis points to LIBOR, as estimated, plus the other charges.

The key short-term interest rate is the Fed Funds rate. Historically, Fed Funds have traded 18 Basis Points below LIBOR over the 1990 – 2006 timeframe. The interest rate on Fed Funds is determined by the monetary policy of the Board of Governors of the Federal Reserve Bank, and closely follows that of short-term U.S. Treasury Bills. Historically, Federal Funds "trade" at interest rates slightly above that of 90-day T-Bills. At this point, we anticipate with the apparent consensus view that monetary policy and thus the short term interest rates will hold firm at current levels over the foreseeable future, which implies a fed funds rate of 5.25%, which implies a LIBOR interest rate of 5.43%. This result in turn translates into a cost rate of 6.33% for the outstanding balances, only, on the Company's short-term debt. The fees associated with unused credit line and direct charges when coupled to the cost rate on outstanding balances obtains an effective short-term debt interest rate of 6.81%, which is applied to the 13-month average balances of short-term debt.

It is useful to briefly describe the longer history, as it relates to the determination of short-term interest rates. Specifically, the Federal Reserve followed a policy interest rate targeting for a number of years prior to late-1979, when money supply targeting was rather abruptly adopted. The result was high and volatile short-term interest rates. During the 1980s, monetary policy was more accommodative and geared toward interest rate targeting, as it is currently. As observed during the 1990s, the Federal Reserve has increasingly used an array of indicators and metrics

to determine monetary policy. As a general rule, reserve targeting gives rise to greater variation in short-term interest rates, while interest rate targeting, which suggests greater variation in the supply of reserves, suggests less variation but, depending upon the stage of the economy, substantially higher interest rates than currently observed.

Q. Please review the cost rate of preferred stock?

A. Florida Public Utilities preferred stock consists of a single issue of 6000 shares that dates to December 28, 1945 at a coupon rate of 4.75%, as shown on Exhibit 5.

Q. You briefly discussed methods for the determination of the cost of equity capital in the summary of your approach to rate of return. Can you elaborate on the methods?

A. Yes. We begin by reiterating three essential points. First, the cost of equity of the firm – and of investors in the firm – is a function of perceptions of risk, the demand for and supply of capital, and expectations of inflation. Second, the cost of common equity of the firm is equal to the opportunity cost of capital incurred by common shareholders of the firm contemporaneously, though the experience of long-term history guides the assessment of opportunity costs. Third, the cost of equity of the firm is equal to the expected market rate of return on alternative

investments of comparable risks available to shareholders – *i.e.*, the opportunity cost of capital.

The determination of the opportunity cost rate for equity capital is challenging for two reasons. In the case of debt, both the market price and future expected cash flow returns to capital are observable by inspection. Thus, the net expected yield to maturity, which reflects the opportunity cost of capital to holders of debt, can be determined directly. This *is* the market rate of return, *ex ante*. For purposes of determining the overall utility rate of return, however, the cost rate of long-term debt is that which is set at the time of issuance in primary financial markets.

In contrast, expectations of investors about the prospective cash flows and market returns on common equity cannot be observed directly, and must be inferred with estimation procedures. Also, allowed equity rate of return is typically set according to the current and expected cost of capital, though much of the equity investment was committed in many years past.

In the determination of cost rate for debt obligations, investors' perceptions of risks are implicit in the primary and secondary market prices of the debt obligations themselves, and need not be known or even estimated. In contrast, the determination of the cost of common equity involves the perceptions of future risks harbored by investors, as a matter of the consensus view. Perceptions of risk are also not observable directly, and thus must be inferred.

In short, the cost of common equity can only be discerned through the proper and careful application of well established methods that provide the cornerstone for

modern finance theory. While the methods employed herein are well-established, the procedures to determine the cost of equity capital require estimation of key parameters.

As mentioned, the recommendation for the rate of return on equity for Florida Public Utilities Company is developed by applying four estimation methods. These procedures include variations of the constant growth Discounted Cash Flow model (DCF), and the Capital Asset Pricing Model (CAPM). These classical approaches are commonly recognized within modern finance theory and are readily utilized by the investment community. The results of these two formal models of the cost of capital are augmented by historical returns realized by utility and non-utility companies of comparable risks, and results inferred from the so-called risk-premium methodology.

The constant growth Discounted Cash Flow (DCF) model was originally developed by Myron Gordon in 1957, and was advanced actively during the early 1960s. In its classical form, the derived DCF model defines the cost of capital as the sum of the adjusted dividend yield, and expectations of future growth in cash flows to investors including dividends and future appreciation in share prices. The classical (one-stage) DCF model is as follows:

$$k_{e,j} = D_{0,j}(1+E(g_j))/P_{0,j} + E(g_j)$$

with,

$k_{e,j}$ = cost of equity capital, asset j

$D_{0,j}$ = current dividends per common share, asset j

$E(g_j)$ = expected growth in future cash flow returns to investors in asset j

$P_{0,j}$ = current price per common share, asset *j*

The one-stage form of DCF model is an elegant and intuitively tractable model with two terms, a mathematical result derived from the constant growth present value model. A cursory review of historical returns of equities suggests substantial variation in growth in the internal returns to capital and market appreciation is both the typical and dominant pattern. It is palpable that the *expected path of future returns* harbored by investors may assume a pattern of non-constant growth. This means that, at least under some market conditions, the constant growth form of discounted cash flow may not represent investor expectations of growth with sufficient accuracy. Arguably, other forms of DCF may serve as better approximations of investor expectations.

A plausible means to better model expectations of varying growth might be with stochastic models, where the path of returns and growth is a function of time, with a random component. However, stochastic models introduce considerable complexity. As a first order approximation to stochastic processes, multiple step constant growth models known as multi-stage DCF can serve nicely. Essentially, multi-stage DCF is a variation of present value theory which postulates that future returns assume a pattern of several growth steps or stages. While any number of stages of constant growth is possible, two- or three- stages are typically applied. In stylized fashion, the Three-Stage DCF model is shown below:

$$P_{0,j} = (1+g_j)/(k_{e,j}-g_j)\{D_{0,j}(1 - F^5{}_j) + D_{5,j}(F^5{}_j - F^{10}{}_j) + D_{10,j}(F^{10}{}_j)$$

with,

$k_{e,j}$ = cost of equity capital, asset *j*

$D_{t,j}$ = current and future dividends per common share, asset j

$E(g_j)$ = expected growth in future cash flow returns to investors in asset j

$P_{0,j}$ = current price per common share, asset j

$F = (1+E(g_j))/(1+k_{e,j})$

Appendix I provides a step-by-step derivation of the classical and multi-stage discounted cash flow models shown above.

The Capital Asset Price Model (CAPM) was developed by William Sharpe (1961) and John Lintner (1964). CAPM was derived from mean-variation analysis and, in particular, portfolio selection developed by H. Markowitz (1952). The derived CAPM shows how the valuation of a financial asset (price) is based upon two components: risk free returns and an *adjusted risk-based return.* Surrogates for risk free returns can be observed directly in capital markets, and include market returns on short- and intermediate-term debt. As a general rule, the cost rates and market returns on government debt obligations serve as appropriate surrogates.

The adjusted risk-based return is based upon three factors: 1) the covariation of the returns to the asset and that of markets for risky assets, 2) the statistical variance of returns of the market for risky assets, and 3) the *difference* between expected overall returns on risky assets, and risk free returns. The third parameter is referred to as the excess return, and is equal to the difference between the overall returns to risky assets for the market as a whole, and the risk free return rate. The CAPM is shown below:

$$k_{e,j} = r_f + B_{jm}*(r_m - r_f) \qquad \text{with, } B_{jm} = \sigma_{jm}/\sigma_m^2$$

where,

$k_{e,j}$ = cost of capital for risky asset j, stated in percentage terms

r_f = risk free rate of return

B_{jm} = ratio of the covariation between risky asset j and the market as a whole, σ_{jm}, and the variance of market returns, σ_m^2

r_m = rate of return on the market as a whole

Appendix II derives the Capital Asset Pricing Model, as shown above.

The efficient market hypothesis plays an essential role in the determination of the cost of capital. Specifically, the working assumption, which is largely though not completely borne out by empirical analysis, is that capital markets are fairly efficient. This means that the supply and demand for risky financial assets, as reflected in bid and ask prices to buy and sell shares, result in financial assets being traded at price levels where *rates of return above the cost of capital cannot be systematically realized.* Above-normal returns – returns above the cost of capital – are realized only randomly. Essentially, the opportunities to systematically realize returns above the underlying cost of capital are exhausted by the competitive market process.

Estimating the cost of capital though not trivial can be fairly straightforward, and both the DCF and CAPM approaches provide a useful framework. The risks to investors in various sectors of the energy services industry cannot ever be known directly; risks – and hence the implied cost of capital – can only be inferred. Specifically, the determination of useful estimates of the cost of common equity

capital within either framework requires a discerning application of theory through careful analysis such as that presented herein. In particular, the determination of the cost of equity capital faces two overarching challenges, as follows:

- both approaches are forward looking and thus the results are highly dependent upon useful estimates of investor expectations about future market performance.

- The underlying assumptions for DCF and CAPM include, among other things, an efficient market and rational behavior of investors such that all opportunities for above- and below-normal returns to capital are exhausted on an expected value basis. In short, capital markets value financial assets at the implied opportunity costs of capital, given investor perceptions of risk.

It is useful to mention that the notion of *risky assets* can apply to any real or financial asset wherein the prospective returns from holding the asset are uncertain. Risky assets include commodity contracts, financial property rights, financial derivatives, and real assets such as transmission facilities. Risk assessment and option theory, moreover, can be applied to the analysis of unbundled services, such as electricity transmission development plans. Within the context of this discussion, however, risky assets refers to financial obligations of firms – common stock – and asset values refers to prices of common stock as observed on major stock exchanges.

Measurement of historical returns and risk metrics are increasingly used as a basis to assess plausible returns in the future. As discussed, efficient markets suggest that *all* financial assets are priced at levels such that the *expected* future returns of individual assets are equivalent to the underlying opportunity cost. Thus, if historical returns guide expectations of future returns, historical returns provide a useful benchmark and, within reasonable bounds, reflect the opportunity cost of capital. In this respect, the Historical Returns methodology can be viewed as a market-based approach of Comparable Earnings, and thus fully satisfies *Bluefield* and *Hope* criteria. The key to successfully applying this approach is to identify and measure historical returns in a manner that reasonable reflects expectations of investors about the future outlook.

Historically realized returns and future expected returns of financial assets are ordered according to risks. This ordering according to risks is a natural and inevitable result of competitive financial markets: because risk is costly, higher costs must be offset by higher returns. While it is not based upon an explicit model, the analysis of the risk premia among classes of risky assets provides a means to infer the underlying opportunity cost of capital. The underlying concept of the risk premium approach is that *differences* in perceptions of risks among financial assets such as equities and debt are revealed in differences between the historical market returns. The historical differences between equity and debt returns – *i.e.*, the Risk Premium – can thus serve as a surrogate for the compensation for risk in the future. Risk premia, when combined with the expected cost of debt prospectively, provides a useful benchmark to gauge the underlying cost of equity capital.

Deleted: s

Application of the Risk Premium approach contains two potential pitfalls, as follows:

- the opportunity cost of common equity capital, stated in nominal terms, is sensitivity to the demand for and supply of capital;

- the observed risk premia between debt and equity is quite sensitivity to expected inflation, and Risk Premium analysis must account for expected inflation in the future. That is, the underlying rate of inflation and conditions of the historical period over which risk premiums are estimated must match that of the expected conditions of the relevant period over which the common equity recommendation is being applied, and over which retail electricity prices are being set.

Q. You discuss the importance of comparability and measures of risk as the basis to determine the cost of common equity. Please elaborate.

A. As defined by the "Bluefield" and "Hope" decisions of the U.S. Supreme Court, a public utility is (to paraphrase) entitled to a rate of return on shareholder capital committed for the convenience and necessity of the public equivalent to that realized by companies in other businesses of comparable risk. Thus, the immediate task at hand is comparability: to identify and select companies of comparable business, regulatory, and financial risks to that of Florida Public Utilities Company.

Once selected, we determine the cost of common equity for the sample(s) of comparable companies that, by definition, is the opportunity cost of capital.

The starting point is the market portfolio; that is, we begin with virtually all common shares traded on U.S. equity exchange markets. Specifically, we have drawn heavily though not exclusively from a set of data sources including the Value Line data banks, to which we have full access. The Value Line data banks cover some 8700 listings. For these listings, Value Line reports a wide range of financial data, business descriptions and classification, historical price experience, and various diagnostic statistics of interest.

From the market portfolio we proceed to develop two samples. One sample known as the *Electric Utilities* sample is limited to electricity service providers that have modest yet significant market participation, and are of comparable risk to Florida Public Utilities Company. The second sample relaxes the "line of business" restriction, and covers natural gas distribution companies. This sample is referred to as the *Comparable Risk Gas Distribution Utilities* sample. The second sample closely matches the market participation of Florida Public Utilities Company, while also satisfying comparable risk criteria.

The determination of the first sample involves two steps. The first step is to conduct an initial screen according to the defined selection criteria. As mentioned, these criteria are as follows:

- Liquidity: companies that are of modest size but yet have sufficient market presence and participation to ensure sufficient market activity and transaction volume; and,

- Business Line: companies whose primary business line is retail electricity services.

This first screen produced the twenty two gas utility companies shown on Exhibit 6-A, including Florida Public Utilities Company. As can be seen, the revenues of these companies range from $XX for Y1, to over $XX for Y2.

Some of these twenty two companies have substantial involvement in non-gas retail business lines. On the surface, we might expect that such endeavors to diversify the overall business would tend to reduce variation in earnings, variation in internal cash flow, and variation in market returns thus reducing overall investment risk. Hence, members of the utility sample are gas distribution utility companies that are largely if not exclusively in the retail gas business – sometimes referred to as a *pure play*. Not sure if this should be referring to gas or electric??

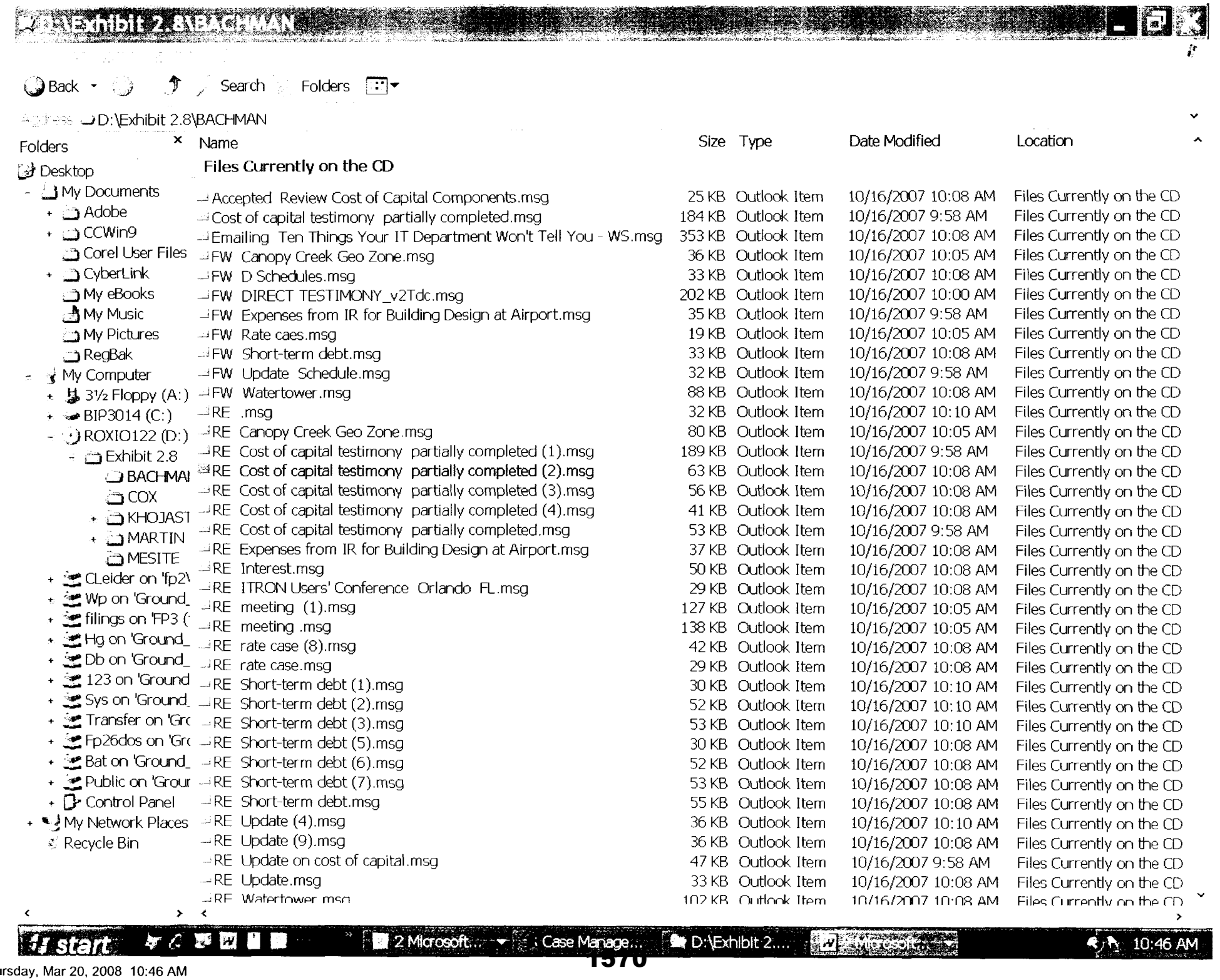
The second selection step of determining the utility sample applies risk criteria. These criteria include three dimensions or metrics:

- the coefficient of variation in earnings per share over five and ten years;

- the coefficient of variation in internal cash flow per share over five and ten years; and,

- market Beta, which as discussed above is the ratio of the covariation of the market returns of the individual companies and the market as a whole; and the statistical variance of the returns of the market.

(Completed Testimony Forthcoming)



Thursday, Mar 20, 2008 10:46 AM

Clara Leider

From: Bachman George
Sent: Monday, August 06, 2007 9:18 AM
To: Cox Doreen
Cc: Martin Cheryl
Subject: RE: Cost of capital testimony, partially completed

Now you're playing dirty!

From: Cox Doreen
Sent: Monday, August 06, 2007 9:13 AM
To: Bachman George
Cc: Martin Cheryl
Subject: RE: Cost of capital testimony, partially completed

Actually, one of those points that we want to include is – shouldn't George be added to the Testimony as he will be a witness on some of the schedules?

Doreen Cox
Financial Analyst
(561) 838-1797

From: Bachman George
Sent: Monday, August 06, 2007 8:55 AM
To: Cox Doreen
Cc: Martin Cheryl
Subject: RE: Cost of capital testimony, partially completed

Yes, I don't know about Cheryl, but the family wants to go and set by the pool next week on our cruise. I just may log into the computer and re-read this in more depth and from the perspective of those additional points we may want to include! ☺

From: Cox Doreen
Sent: Monday, August 06, 2007 8:51 AM
To: Martin Cheryl; Bachman George
Subject: RE: Cost of capital testimony, partially completed

Robert will be so impressed with how much we appreciate his analysis of the capital markets, especially those classical models and their various stages.

Doreen Cox
Financial Analyst
(561) 838-1797

From: Martin Cheryl
Sent: Monday, August 06, 2007 8:49 AM
To: Bachman George
Cc: Cox Doreen
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Cheryl,

I don't know about you, but I particularly enjoyed the testimony on page 34 regarding the classical (one-stage) DCF model definition of ke, j = D0, j(1+E(gj))/P0, j + E(gj). Any discussions you enjoyed while relaxing at the beach this weekend?

☺

From: Cox Doreen
Sent: Friday, August 03, 2007 6:14 PM
To: Robert Camfield
Cc: Bachman George; Martin Cheryl; 'Mike Welsh'
Subject: RE: Cost of capital testimony, partially completed

Robert
I did a quick read of the draft testimony and made some suggestions for minor changes. It looks good and I particularly like the discussion on page 28 regarding equity participation and the importance of remaining competitive and maintaining adequate interest coverage.

I will however re-read in more depth and from the perspective of any additional points that we may want to include, not yet covered.

Doreen Cox
Financial Analyst
(561) 838-1797

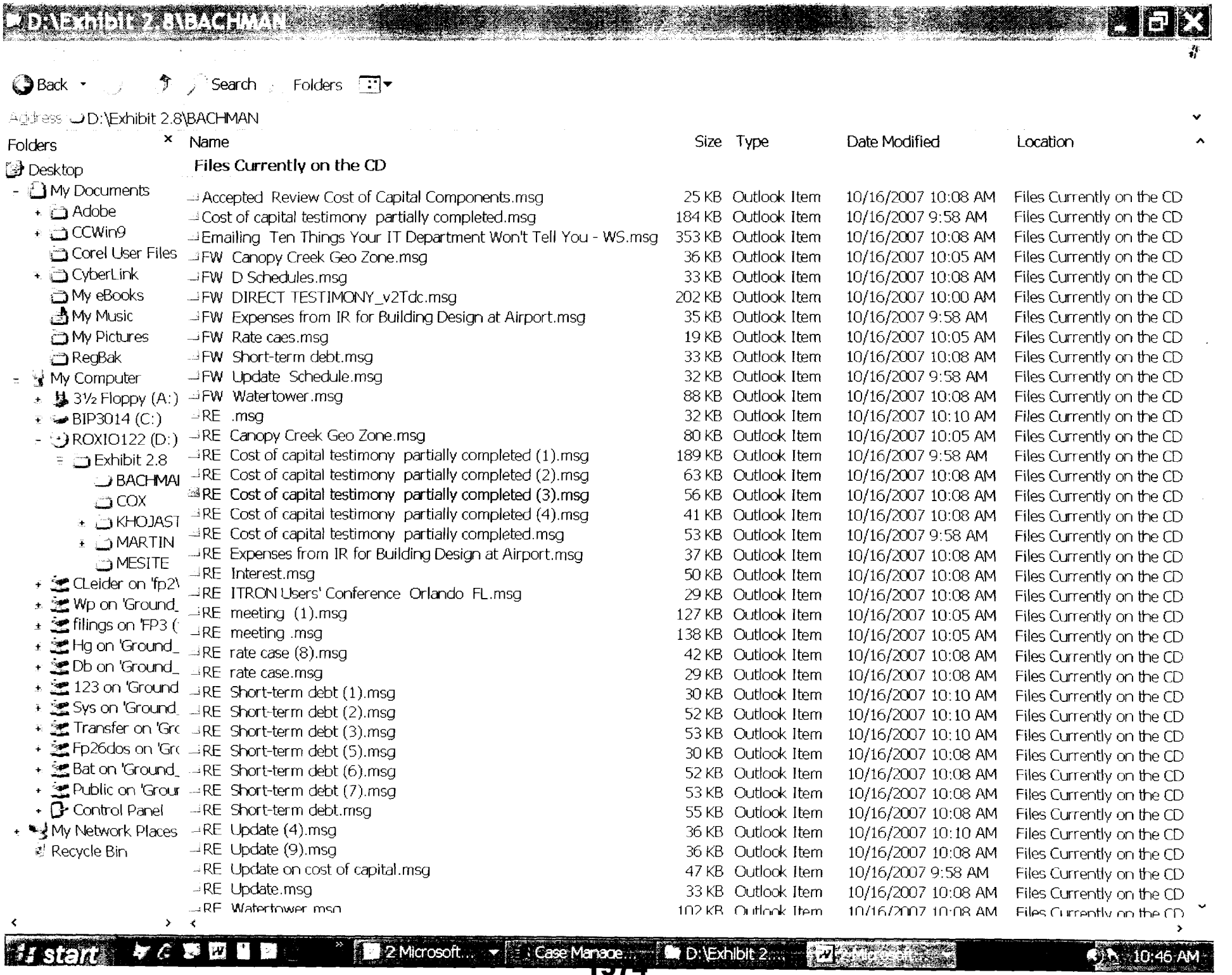
From: Robert Camfield [mailto:rjcamfield@CAEnergy.com]
Sent: Friday, August 03, 2007 12:41 PM
To: Cox Doreen; Martin Cheryl
Cc: Bachman George; English Jack; Mike Welsh

Subject: Cost of capital testimony, partially completed

Doreen,
Cheryl,

Please check this over and see how it reads to you. More material coming shortly.

Robert



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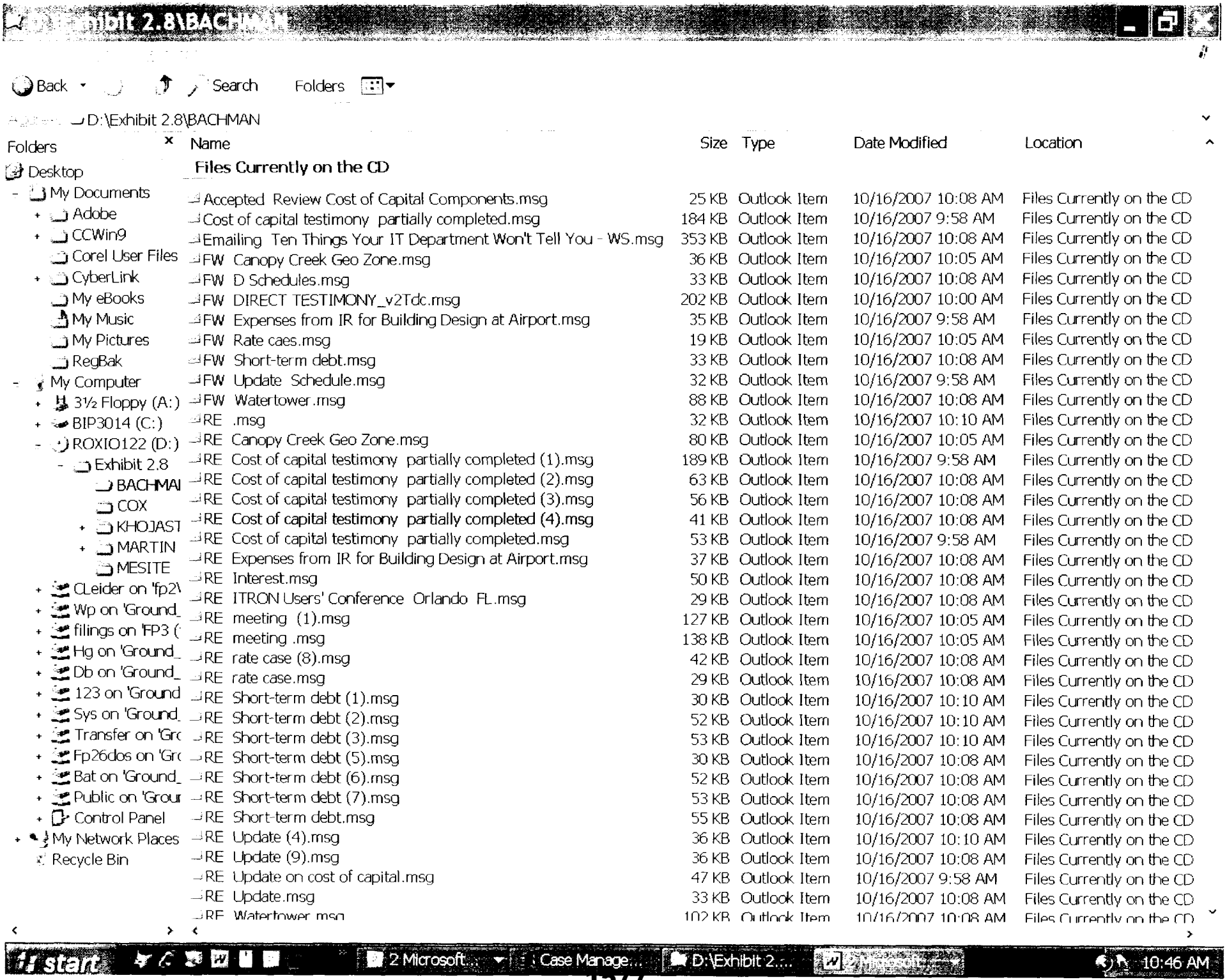

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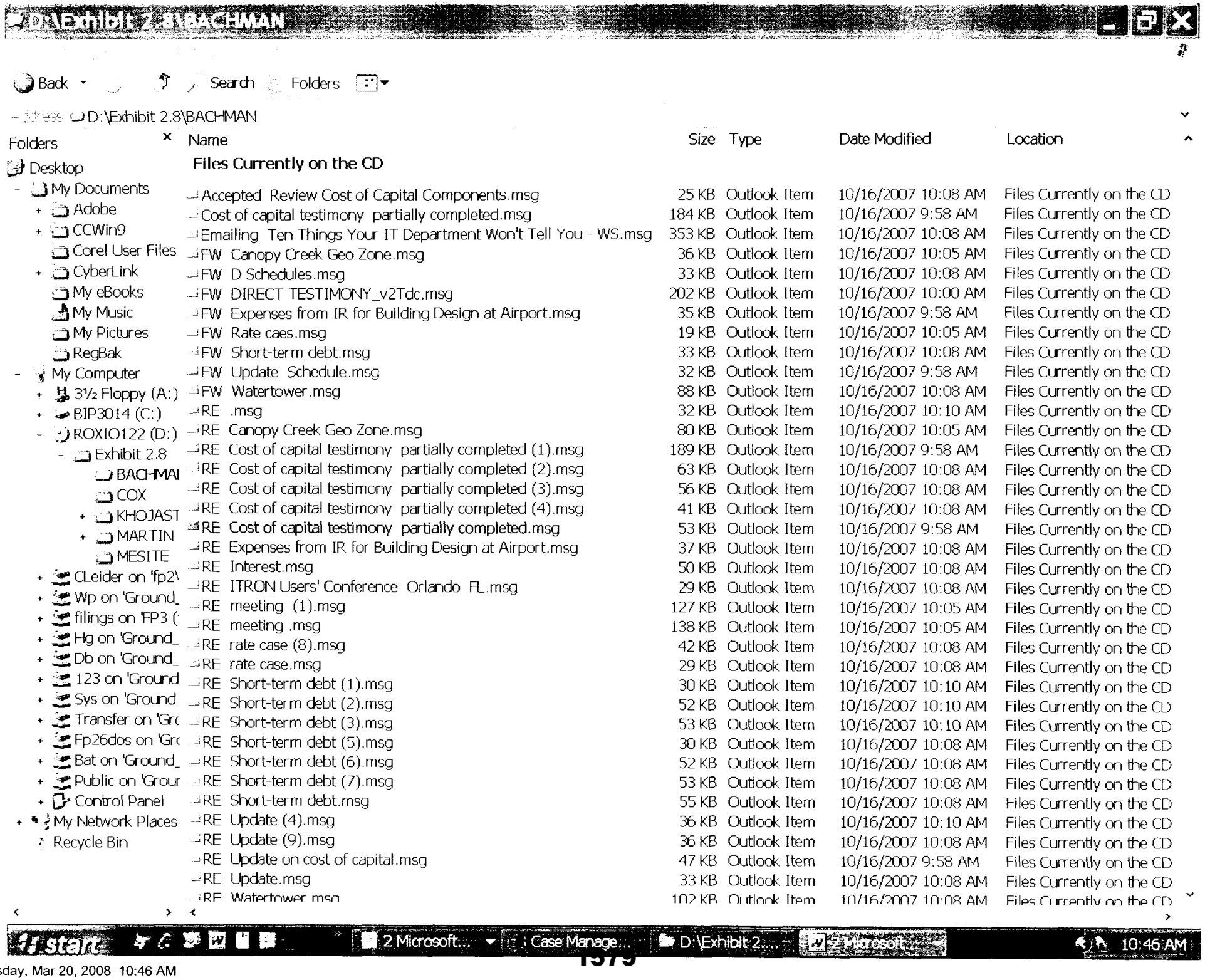

Thursday, Mar 20, 2008 10:46 AM

Clara Leider

From: Cox Doreen
Sent: Monday, August 06, 2007 1:45 PM
To: Robert Camfield
Cc: Bachman George; Martin Cheryl; Mike Welsh
Subject: RE: Cost of capital testimony, partially completed

Robert:
Please remember to include some discussion surrounding the calculation of the ST Interest rate based on the average daily balance versus the month-end balances.

Also on page 28 should the references be to electric and not gas?

Doreen Cox
Financial Analyst
(561) 838-1797

From: Robert Camfield [mailto:rjcamfield@CAEnergy.com]
Sent: Friday, August 03, 2007 6:56 PM
To: Cox Doreen
Cc: Bachman George; Martin Cheryl; Mike Welsh
Subject: RE: Cost of capital testimony, partially completed

Got it...Thanks, Doreen. Robert

From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Friday, August 03, 2007 5:14 PM
To: Robert Camfield
Cc: Bachman George; Martin Cheryl; Mike Welsh
Subject: RE: Cost of capital testimony, partially completed

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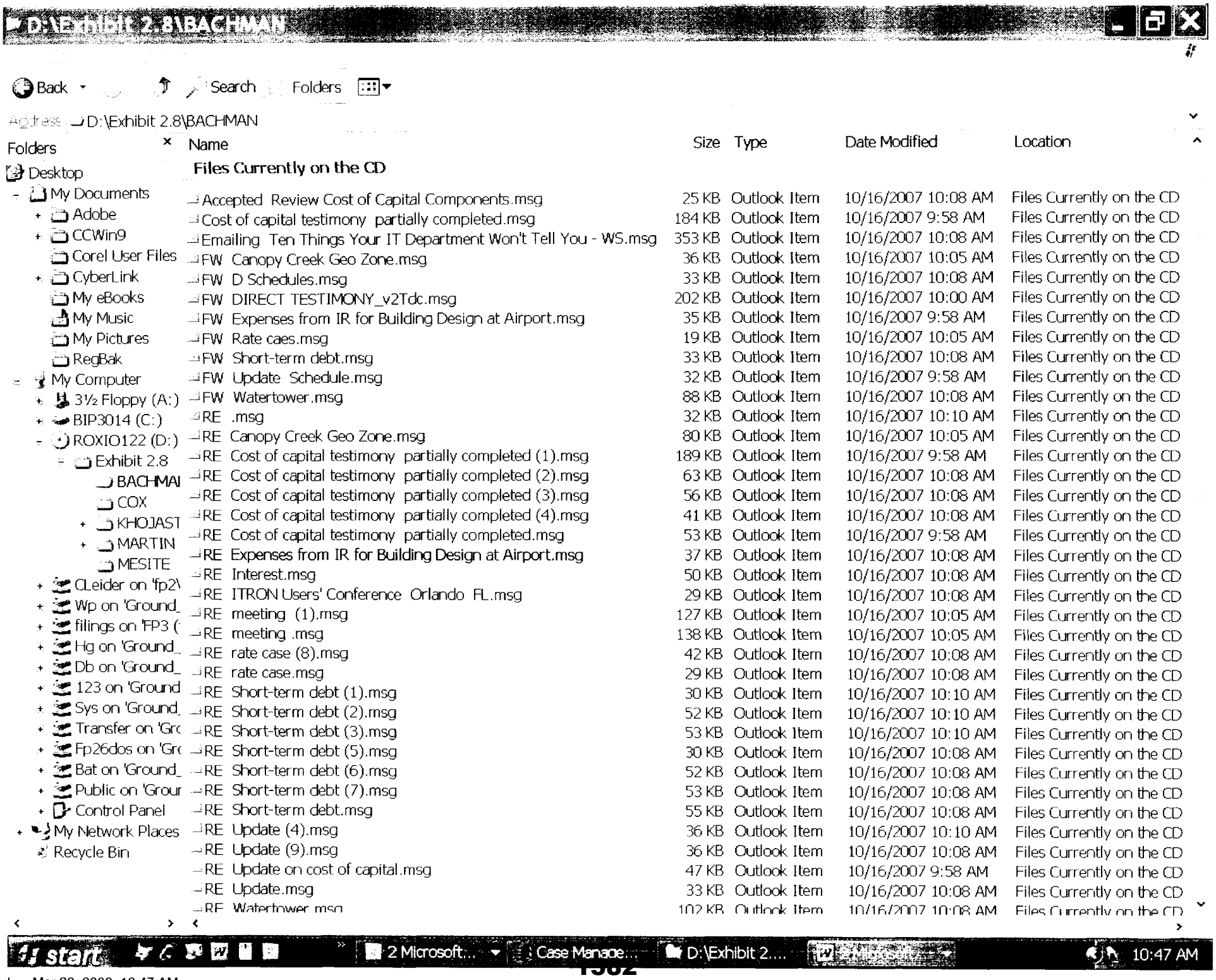


Thursday, Mar 20, 2008 10:47 AM

Clara Leider

From: Bachman George
Sent: Monday, July 16, 2007 9:12 AM
To: Martin Cheryl
Subject: RE: Expenses from iR for Building Design at Airport

I agree, without it being definitely part of a capital project or specifically identifying what is for the building you can't hold it and capitalize anything.

George

From: Martin Cheryl
Sent: Monday, July 16, 2007 8:07 AM
To: Bachman George
Subject: FW: Expenses from IR for Building Design at Airport

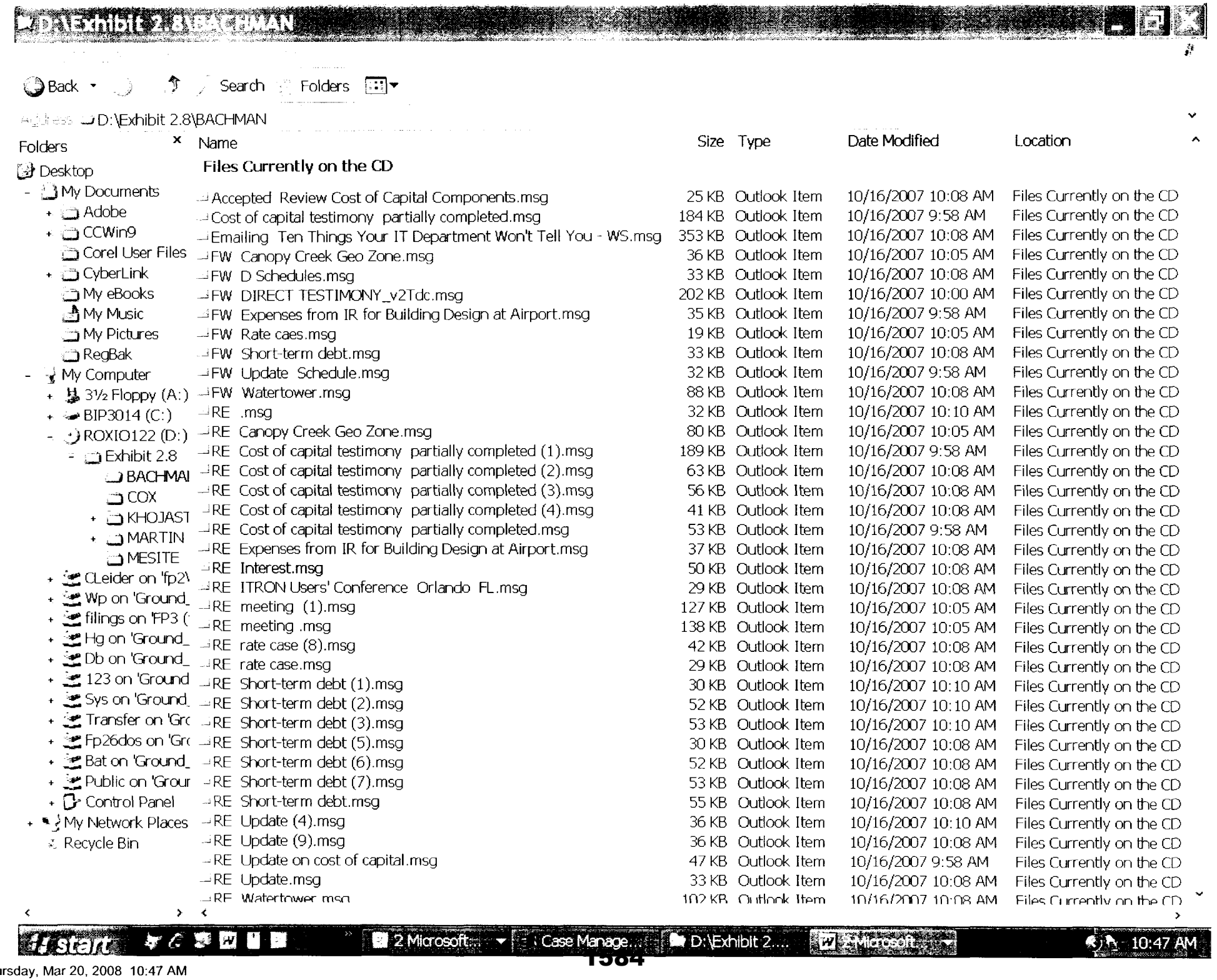
George, before I respond just making sure you agree. I do not think so unless they received actual plans that are going to be used. I would suspect that when we do get ready to build, the plans will change etc etc. We have no current plans to build. Thanks Cheryl

From: Cutshaw Mark
Sent: Monday, July 16, 2007 8:02 AM
To: Martin Cheryl; Mesite Jim
Subject: Expenses from IR for Building Design at Airport

Chuck asked me to review the amounts (approximately $21K) that we transferred from the IR on the building design on the Airport Property. The issue is can any of this be capitalized based on what work was done that can be re-used for some future building design. Any thoughts on this?

A possibility would be that some of the information may be used to assist with the design and avoid future cost of the new design.

Mark Cutshaw, General Manager
Florida Public Utilities Company
911 South 8th Street
Fernandina Beach, Florida 32034
(904)277-1957 office
(904)753-1272 cell



Thursday, Mar 20, 2008 10:47 AM

Clara Leider

From: Bachman George
Sent: Friday, June 15, 2007 12:01 PM
To: Martin Cheryl
Subject: RE: Interest

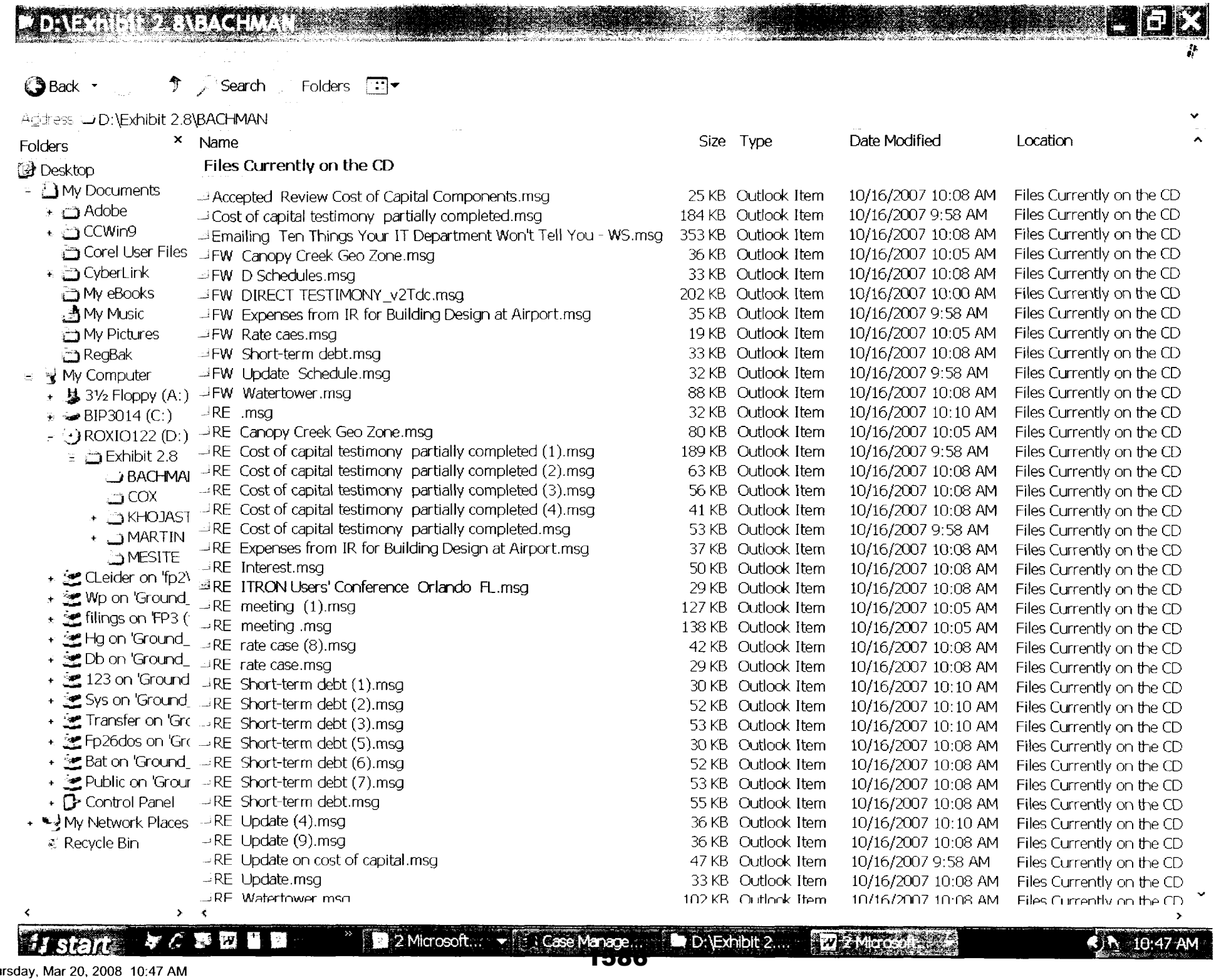
We aren't really sharing it other than through normal allocations. I'll put my suggestion below, but this can probably be worded better too.

From: Martin Cheryl
Sent: Friday, June 15, 2007 7:18 AM
To: Bachman George
Subject: Interest

> In the interest of its retail customers and shareholders, the policy of Florida issue is
> to profitably reacquire outstanding debt when feasible, including when econ afford such opportunities.
> History suggests, however, that conditions vary substantially from one time
> to reacquire debt will occur infrequently and randomly. The Company share with reacquired debt on an allocated basis with its retail customers.

This is what Robert wanted us to review. I do not think the last sentence is really correct, is it? The profit and losses will be incorporated into the overall cost of long term debt. You can stretch and say we share it by the allocation I guess. What are your thoughts?

Cheryl Martin
Controller
Florida Public Utilities Company
(561) 838-1725



Thursday, Mar 20, 2008 10:47 AM

Clara Leider

From: Bachman George
Sent: Tuesday, June 12, 2007 4:50 PM
To: Martin Cheryl
Subject: RE: ITRON Users' Conference, Orlando, FL

I would agree, it's too much of a 'stretch' to say attending a conference is due diligence (vs calling references).

-----Original Message-----
From: Martin Cheryl
Sent: Tuesday, June 12, 2007 4:42 PM
To: Bachman George
Subject: FW: ITRON Users' Conference, Orlando, FL

FYI

-----Original Message-----
From: Martin Cheryl
Sent: Tuesday, June 12, 2007 4:42 PM
To: Schneidermann Marc
Subject: RE: ITRON Users' Conference, Orlando, FL

I really do not see how it is capital. Sorry. Cheryl

-----Original Message-----
From: Schneidermann Marc
Sent: Tuesday, June 12, 2007 4:40 PM
To: Martin Cheryl
Subject: RE: ITRON Users' Conference, Orlando, FL

I see this as due diligence just like the land purchase. If we get another non Itron system then I can clearly see it being expensed. Should we chat about this?

-----Original Message-----
From: "Martin Cheryl" <cherylmartin@fpuc.com>
To: "Schneidermann Marc" <mschneidermann@fpuc.com>
Sent: 6/11/07 4:17 PM
Subject: RE: ITRON Users' Conference, Orlando, FL

Jim doubled check and we do not see how it can be capital. Unless we are missing key information, it seems expense to both of us. Thanks Cheryl

---

From: Schneidermann Marc
Sent: Monday, June 11, 2007 2:53 PM
To: Martin Cheryl
Subject: RE: ITRON Users' Conference, Orlando, FL

U sure?

Sincerely,
Marc L. Schneidermann

From: Martin Cheryl
Sent: Monday, June 11, 2007 1:28 PM
To: Schneidermann Marc
Subject: RE: ITRON Users' Conference, Orlando, FL

No

From: Schneidermann Marc
Sent: Monday, June 11, 2007 12:43 PM
To: Martin Cheryl
Subject: FW: ITRON Users' Conference, Orlando, FL

I am confident that we will be going over to Itron for AMR. Would the cost of due diligence (attending a user's conference) be something that we can capitalize?

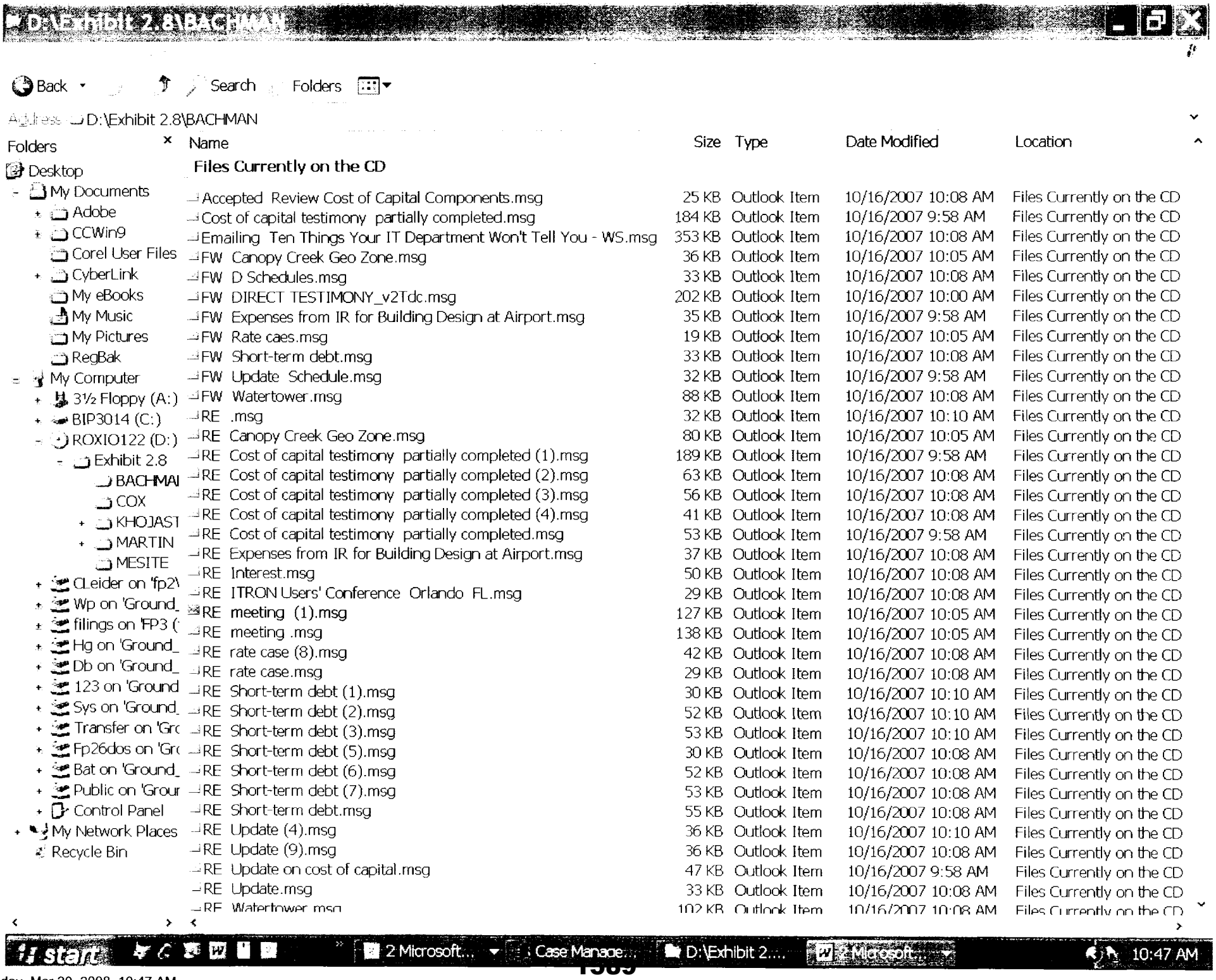
Sincerely,
Marc L. Schneidermann

From: Saylor Chaundra
Sent: Monday, June 11, 2007 12:31 PM
To: Schneidermann Marc
Subject: FW: ITRON Users' Conference, Orlando, FL

FYI…

-----Original Appointment-----
From: Knowles Terry
Sent: Monday, June 11, 2007 11:55 AM
To: Saylor Chaundra
Subject: Tentative: ITRON Users' Conference, Orlando, FL
When: Sunday, October 21, 2007 8:00 AM to Tuesday, October 23, 2007 5:00 PM (GMT-05:00) Eastern Time (US & Canada).
Where: Omni Orlando Resort at ChampionsGate, Orlando

Hi Chaundra, I will have to see the cost and have it approved.



Thursday, Mar 20, 2008 10:47 AM

Clara Leider

From: Bachman George
Sent: Monday, September 17, 2007 4:17 PM
To: Erdek Bonnie
Subject: RE: meeting?

I told Chuck I was available until 2. He said they'd be here by 10, so two hour meeting and another two for us all to talk. If they're late guess I'll have to catch up later!

George

From: Erdek Bonnie
Sent: Monday, September 17, 2007 3:46 PM
To: Bachman George
Subject: FW: meeting?

Are you going to be OK with the time projected? I know you said you had another PM commitment.

Bonnie

From: Pence, William [mailto:bill.pence@akerman.com]
Sent: Monday, September 17, 2007 3:41 PM
To: Stein Chuck; English Jack; Bachman George; Schneidermann Marc; Saylor Chaundra; Erdek Bonnie
Subject: RE: meeting?

Yes.

William L. Pence
Akerman Senterfitt
420 South Orange Avenue, Suite 1200
Orlando, FL 32801
407-419-8548 (office)
407-421-4660 (cell)
407-254-4255 (fax)
william.pence@akerman.com

From: Stein Chuck [mailto:cstein@fpuc.com]
Sent: Monday, September 17, 2007 3:37 PM
To: English Jack; Bachman George; Schneidermann Marc; Saylor Chaundra; Erdek Bonnie
Cc: Pence, William
Subject: FW: meeting?

I assume we will need the time from 9am until 2pm to discuss the property with Junction Street and followup meeting with Bill.

From: Pence, William [mailto:bill.pence@akerman.com]
Sent: Monday, September 17, 2007 10:52 AM
To: Stein Chuck; Schneidermann Marc

Cc: Saylor Chaundra
Subject: FW: meeting?

Chuck and Marc, Bob Graziano can be in WPB for a meeting on October 9 at 10 am. Please put this on your calendar.

William L. Pence
Akerman Senterfitt
420 South Orange Avenue, Suite 1200
Orlando, FL 32801
407-419-8548 (office)
407-421-4660 (cell)
407-254-4255 (fax)
william.pence@akerman.com

From: Bob Graziano [mailto:bgraziano@junctionsc.com]
Sent: Sunday, October 14, 2007 4:52 PM
To: Pence, William
Subject: RE: meeting?

Bill,

10:00pm on October 9th works for perfect us. I will try calling you next week so we can talk through an agenda. Have a great weekend and good luck to your Cardinals this weekend against the Wildcats. It could be a Heisman show down.

Bob Graziano
Junction Street Capital
200 Centreport Drive
Suite 350
Greensboro, NC 27409
336-790-4898 (office)
336-402-4122 (cell)
www.junctionstreetcapital.com

From: Pence, William [mailto:bill.pence@akerman.com]
Sent: Wednesday, September 12, 2007 10:29 AM
To: Bob Graziano
Subject: RE: meeting?

Bob, would you be available to meet with FPUC officers in West Palm on October 9? If so, please let me know what time of day would be best for you. I have been told that this is the first day available for FPUC and I need to meet with them after our combined meeting. We'll set the time based on what is most convenient for you.

William L. Pence
Akerman Senterfitt
420 South Orange Avenue, Suite 1200
Orlando, FL 32801
407-419-8548 (office)
407-421-4660 (cell)

407-254-4255 (fax)
william.pence@akerman.com

From: Bob Graziano [mailto:bgraziano@junctionsc.com]
Sent: Tuesday, September 11, 2007 5:24 PM
To: Pence, William
Subject: RE: meeting?

Thanks Bill,

We remain highly interested in the deal and look forward to getting face to face with you and the FPUC executive team. Good luck with your meetings. If something is learned through your meetings on Friday with FDEP that is substantive, I would be interested in hearing it. . With the fiscal year within sight, we can be creative to benefit FPUC on a deal closing date.

Best Regards!

PS: FYI. We are looking at putting another deal together in West Palm. Still in the early stages of developing a cost effective, real estate friendly, remedy that addresses long term risk.

Bob Graziano
Junction Street Capital
200 Centreport Drive
Suite 350
Greensboro, NC 27409
336-790-4898 (office)
336-402-4122 (cell)
www.junctionstreetcapital.com

From: Pence, William [mailto:bill.pence@akerman.com]
Sent: Tuesday, September 11, 2007 4:26 PM
To: Bob Graziano
Subject: RE: meeting?

Our meeting is scheduled with FDEP on Friday. I have a meeting scheduled with the FPUC officers to discuss your proposal in early October. Unfortunately, September is a training month in the various divisions and Chuck and Jack are on the road almost the entire month.

William L. Pence
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407-419-8548 (office)
407-421-4660 (cell)
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william.pence@akerman.com

From: Bob Graziano [mailto:bgraziano@junctionsc.com]
Sent: Tuesday, September 11, 2007 2:22 PM
To: Pence, William

Subject: RE: meeting?

Hi Bill,

Any update on FPUC?

Bob Graziano
Junction Street Capital
200 Centreport Drive
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336-790-4898 (office)
336-402-4122 (cell)
www.junctionstreetcapital.com

From: Pence, William [mailto:bill.pence@akerman.com]
Sent: Thursday, August 02, 2007 3:47 PM
To: Bob Graziano
Cc: Stein Chuck; Schneidermann Marc
Subject: RE: meeting?

Bob, we are attempting to reschedule the meeting with FDEP to early September. At this time, FPUC would prefer to meet with FDEP first. We have the appraisal in on the property. I will be meeting with FPUC officers after the FDEP meeting to discuss the draft PSA and your offer. Realistically, I don't anticipate that they will be prepared to meet with you until later in September. I will keep you posted.

William L. Pence
Akerman Senterfitt
420 South Orange Avenue, Suite 1200
Orlando, FL 32801
407-419-8548 (office)
407-421-4660 (cell)
407-254-4255 (fax)
william.pence@akerman.com

From: Bob Graziano [mailto:bgraziano@junctionsc.com]
Sent: Thursday, August 02, 2007 3:13 PM
To: Pence, William
Subject: RE: meeting?

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Hope the draft PSA is a good starting point. In an ideal world, if FPUC is interested, we would like to be part of the meeting on the 29th.

Thanks

Bob Graziano

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336-402-4122 (cell)
www.junctionstreetcapital.com

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Sent: Thursday, August 02, 2007 2:22 PM
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From: Bob Graziano [mailto:bgraziano@junctionsc.com]
Sent: Thursday, August 02, 2007 1:51 PM
To: Pence, William
Subject: meeting?

Hi Bill,

Welcome back! Any feedback on a face to face meeting with FUPC? Need to lock down the schedule this month?

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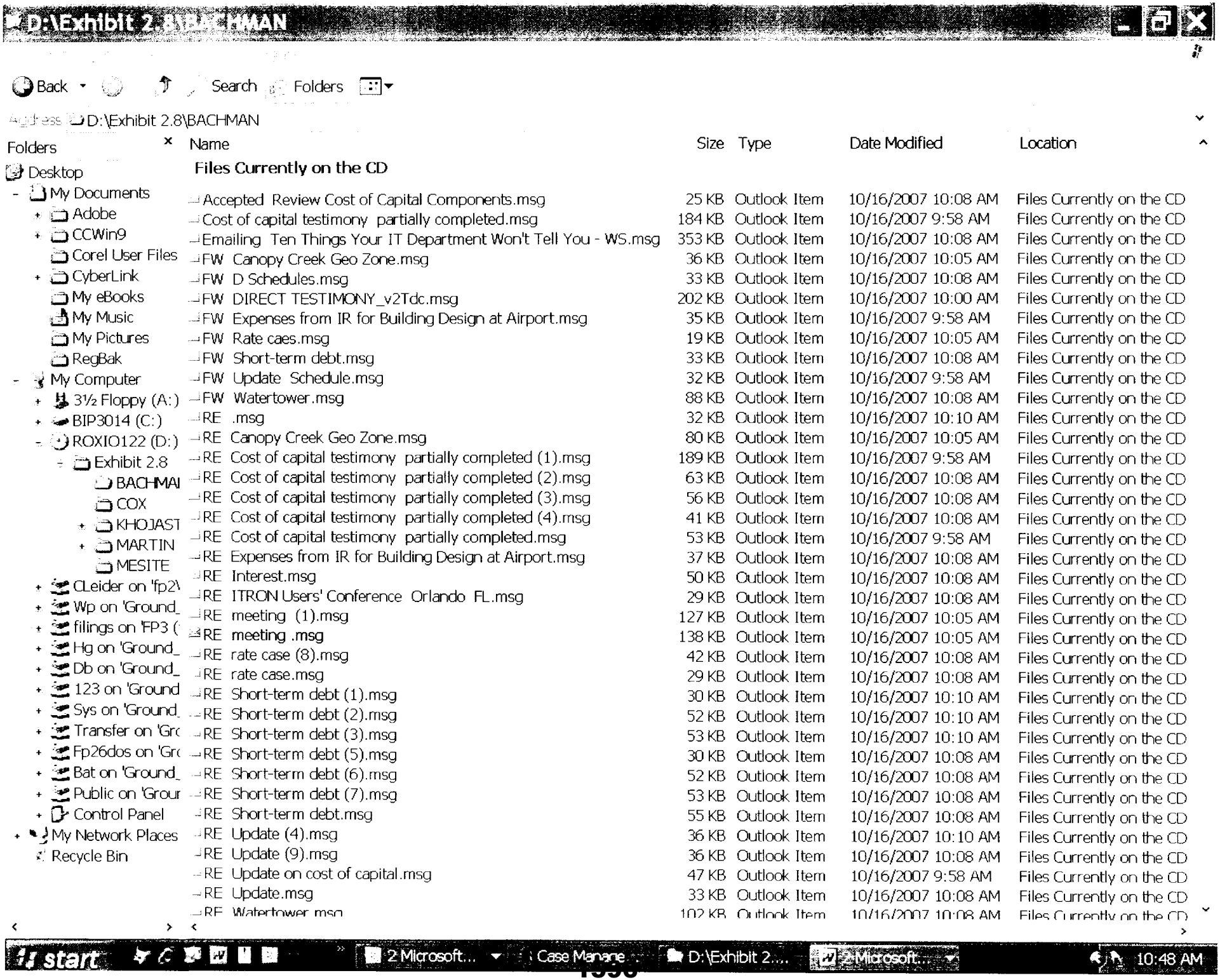

Thursday, Mar 20, 2008 10:48 AM

Clara Leider

From: Bachman George
Sent: Monday, September 17, 2007 4:20 PM
To: Stein Chuck; English Jack; Schneidermann Marc; Saylor Chaundra; Erdek Bonnie
Cc: 'Pence, William'
Subject: RE: meeting?

So we will meet at 9:00 and the meeting with Junction Street will be from 10 - noon-ish? And we follow up noon to 2?

George

From: Stein Chuck
Sent: Monday, September 17, 2007 3:37 PM
To: English Jack; Bachman George; Schneidermann Marc; Saylor Chaundra; Erdek Bonnie
Cc: Pence, William
Subject: FW: meeting?

I assume we will need the time from 9am until 2pm to discuss the property with Junction Street and followup meeting with Bill.

From: Pence, William [mailto:bill.pence@akerman.com]
Sent: Monday, September 17, 2007 10:52 AM
To: Stein Chuck; Schneidermann Marc
Cc: Saylor Chaundra
Subject: FW: meeting?

Chuck and Marc, Bob Graziano can be in WPB for a meeting on October 9 at 10 am. Please put this on your calendar.

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From: Bob Graziano [mailto:bgraziano@junctionsc.com]
Sent: Sunday, October 14, 2007 4:52 PM
To: Pence, William
Subject: RE: meeting?

Bill,

10:00pm on October 9th works for perfect us. I will try calling you next week so we can talk through an agenda. Have a great weekend and good luck to your Cardinals this weekend against the Wildcats. It could be a Heisman

show down.

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From: Pence, William [mailto:bill.pence@akerman.com]
Sent: Wednesday, September 12, 2007 10:29 AM
To: Bob Graziano
Subject: RE: meeting?

Bob, would you be available to meet with FPUC officers in West Palm on October 9? If so, please let me know what time of day would be best for you. I have been told that this is the first day available for FPUC and I need to meet with them after our combined meeting. We'll set the time based on what is most convenient for you.

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From: Bob Graziano [mailto:bgraziano@junctionsc.com]
Sent: Tuesday, September 11, 2007 5:24 PM
To: Pence, William
Subject: RE: meeting?

Thanks Bill,

We remain highly interested in the deal and look forward to getting face to face with you and the FPUC executive team. Good luck with your meetings. If something is learned through your meetings on Friday with FDEP that is substantive, I would be interested in hearing it. . With the fiscal year within sight, we can be creative to benefit FPUC on a deal closing date.

Best Regards!

PS: FYI. We are looking at putting another deal together in West Palm. Still in the early stages of developing a cost effective, real estate friendly, remedy that addresses long term risk.

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From: Pence, William [mailto:bill.pence@akerman.com]
Sent: Tuesday, September 11, 2007 4:26 PM
To: Bob Graziano
Subject: RE: meeting?

Our meeting is scheduled with FDEP on Friday. I have a meeting scheduled with the FPUC officers to discuss your proposal in early October. Unfortunately, September is a training month in the various divisions and Chuck and Jack are on the road almost the entire month.

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From: Bob Graziano [mailto:bgraziano@junctionsc.com]
Sent: Tuesday, September 11, 2007 2:22 PM
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Subject: RE: meeting?

Hi Bill,

Any update on FPUC?

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From: Pence, William [mailto:bill.pence@akerman.com]
Sent: Thursday, August 02, 2007 3:47 PM
To: Bob Graziano
Cc: Stein Chuck; Schneidermann Marc
Subject: RE: meeting?

Bob, we are attempting to reschedule the meeting with FDEP to early September. At this time, FPUC would prefer to meet with FDEP first. We have the appraisal in on the property. I will be meeting with FPUC officers

after the FDEP meeting to discuss the draft PSA and your offer. Realistically, I don't anticipate that they will be prepared to meet with you until later in September. I will keep you posted.

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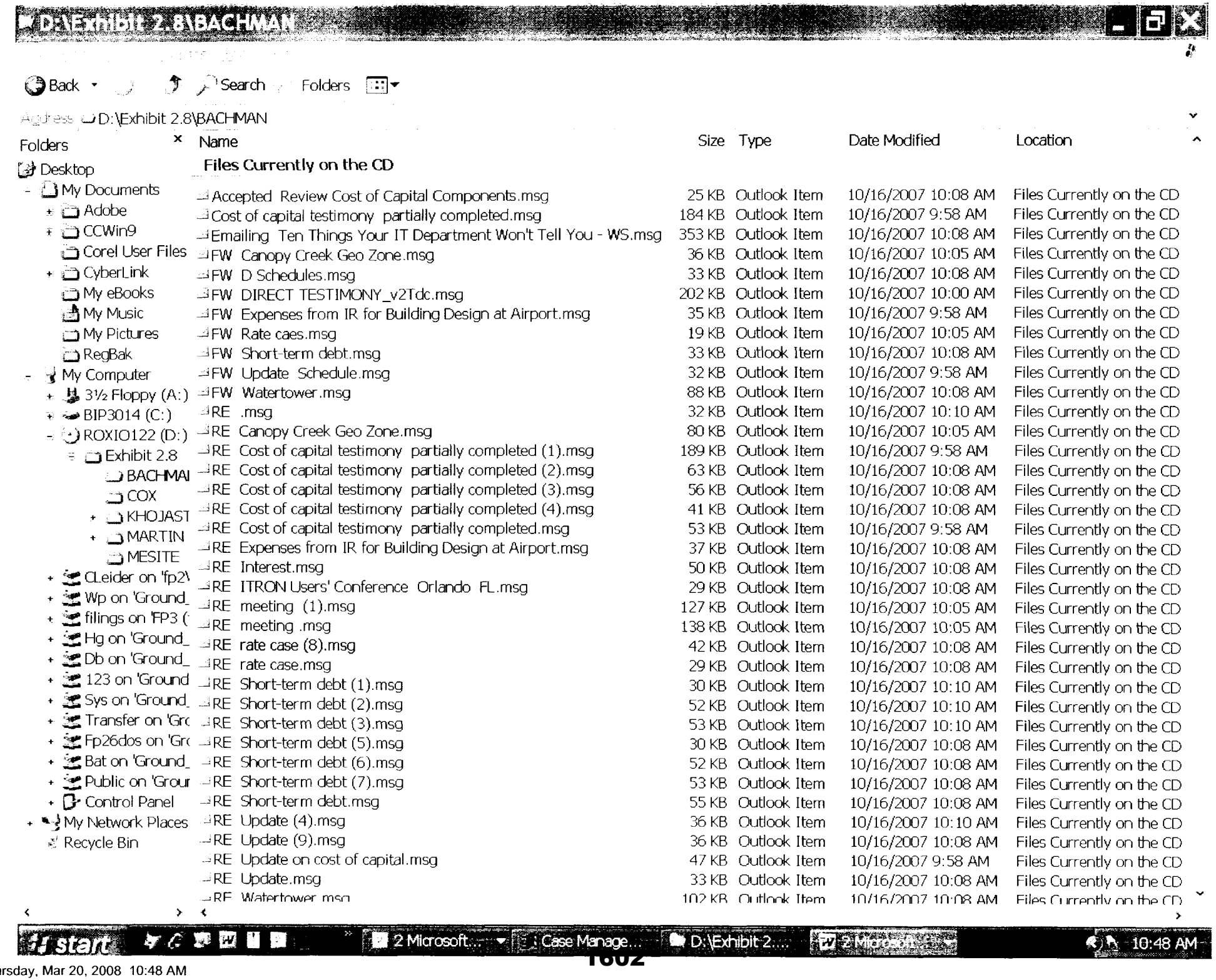


Thursday, Mar 20, 2008 10:48 AM

Clara Leider

From: Bachman George
Sent: Wednesday, June 27, 2007 7:15 PM
To: Robert Camfield
Cc: Mike Welsh; Cox Doreen; Martin Cheryl; Mesite Jim
Subject: RE: rate case

Robert,

I agree with your reasoning that it would be better to use the 2008 year-end capital structure, since it better represents our 'theoretical' capital structure and post 2008 structure. Maybe we should include a table along with this point in your testimony? (Cheryl is correct, we agreed to use the 13 month average but we should mention our argument in the testimony).

Just thought I'd chime in, since I knew you'd appreciate input by me after all of the time that has past! Hope you are well.

George Bachman
Chief Financial Officer, Secretary and Treasurer Florida Public Utilities Company
561.838.1731

-----Original Message-----
From: Robert Camfield [mailto:rjcamfield@CAEnergy.com]
Sent: Wednesday, June 27, 2007 6:22 PM
To: Cox Doreen; Martin Cheryl; Mesite Jim
Cc: Mike Welsh; Bachman George
Subject: RE: rate case

Doreen,
Cheryl,

Got it...I will exclude Flo-Gas equity balances from the total balance of common shareholder equity of FPU. As you know, I am currently using a 13-month average capital structure, and will continue to do so.

I should mention that, for 2008, the year-end equity balance makes more sense to me insofar as it better represents the capital structure of FPU over the timeframe in which the new electric rates will be in place, than 13-month average capital structure balances. I believe that the 13-month average is likely to understate equity participation over the prospective period beyond 2008.

Robert

From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Wed 6/27/2007 2:50 PM
To: Martin Cheryl; Mesite Jim
Cc: Robert Camfield
Subject: RE: rate case

As discussed in the last Electric Rate Case we filed the Schedule D's including Flo-Gas Equity and using Year-end balances (the way FPU deems to be correct). The staff however, adjusted the capital structure to exclude Flo-Gas and use the 13 Mth Average.

As agreed we will use the Commission's methodology of excluding Flo-Gas and using the 13 month average. We will however state what we believe to be the correct approach in our

testimony.

Robert

Please note.

From: Martin Cheryl
Sent: Wednesday, June 27, 2007 3:22 PM
To: Cox Doreen
Cc: Mesite Jim
Subject: rate case

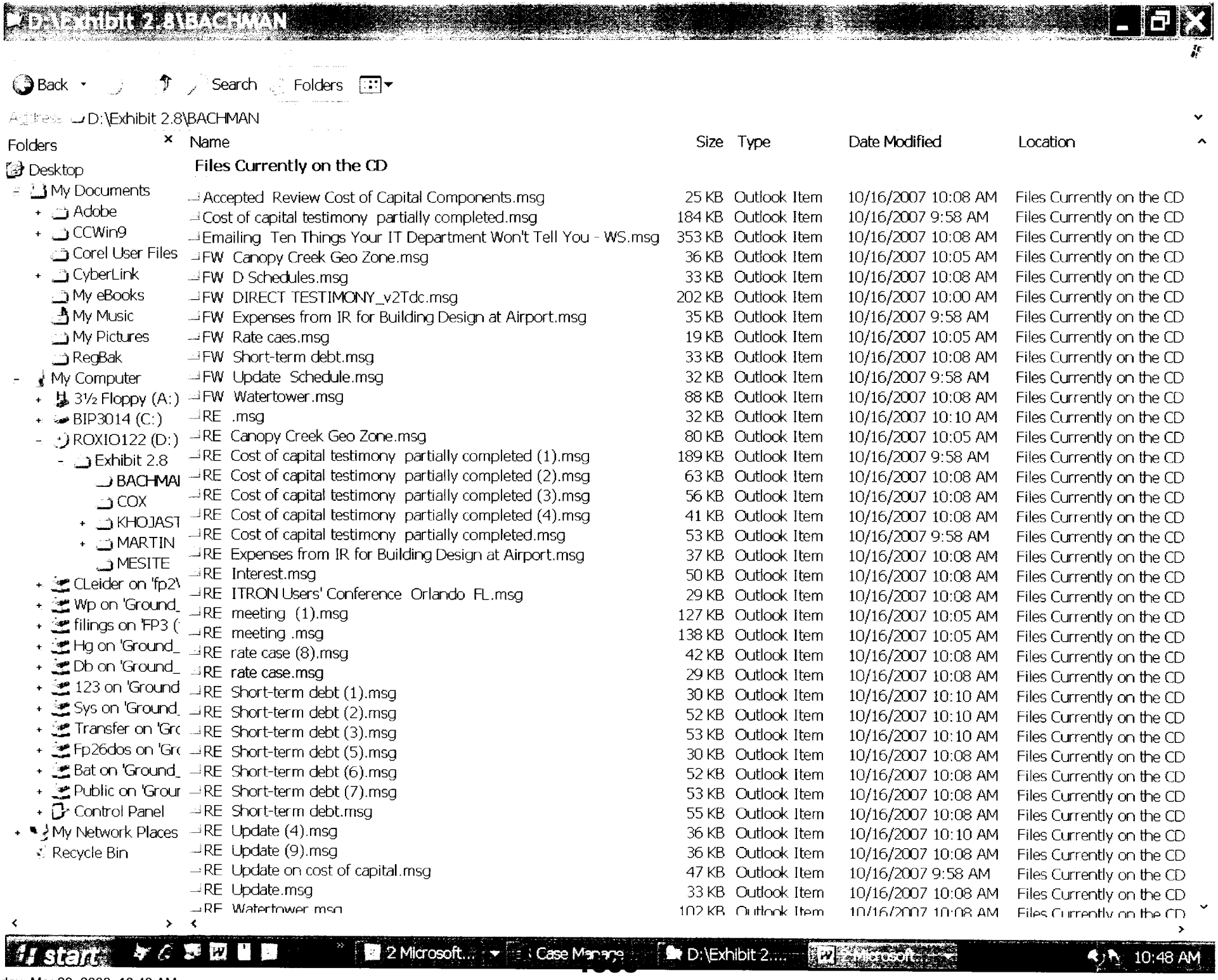
We are showing cost of capital after the FLogas equity is removed, correct?

Cheryl Martin

Controller

Florida Public Utilities Company

(561) 838-1725



Thursday, Mar 20, 2008 10:48 AM

Clara Leider

From: Bachman George
Sent: Thursday, June 28, 2007 9:50 AM
To: Martin Cheryl
Subject: RE: rate case

Ha, maybe we'll even chat soon!

-----Original Message-----
From: Martin Cheryl
Sent: Thursday, June 28, 2007 7:12 AM
To: Bachman George
Subject: RE: rate case

You made his day :)

-----Original Message-----
From: Bachman George
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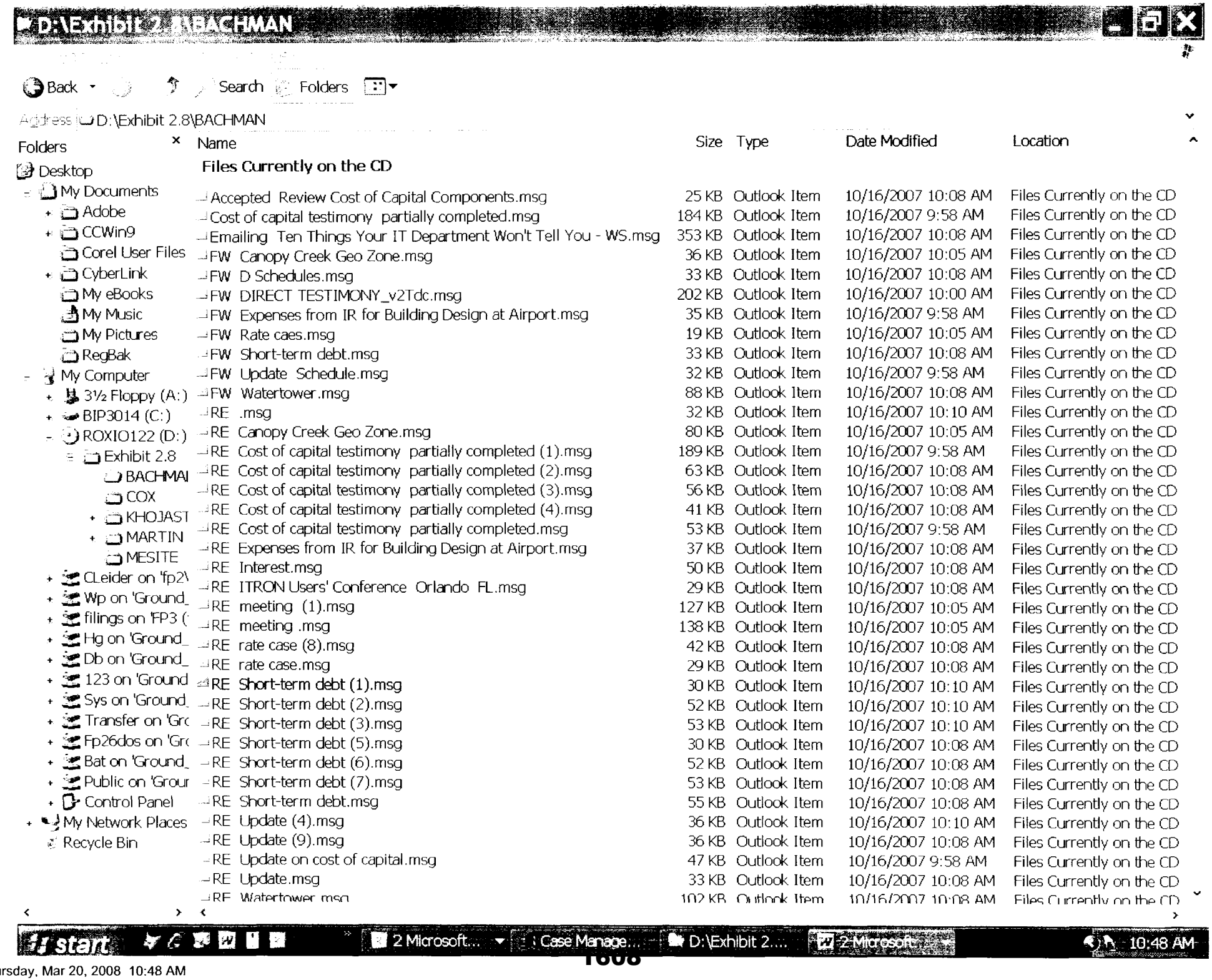


Thursday, Mar 20, 2008 10:48 AM

Clara Leider

From: Bachman George
Sent: Friday, July 06, 2007 11:10 AM
To: Robert Camfield
Subject: RE: Short-term debt

So you ARE working today!

-----Original Message-----
From: Robert Camfield [mailto:rjcamfield@CAEnergy.com]
Sent: Friday, July 06, 2007 10:25 AM
To: Cox Doreen; Bachman George
Cc: Martin Cheryl; Mike Welsh
Subject: RE: Short-term debt

This is more like it. We have achieve two things:

1) higher interest rate for ST Debt
2) lower balances of ST Debt for inclusion within the capital structure.

Great job. Thanks, Robert

From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Fri 7/6/2007 6:54 AM
To: Robert Camfield; Bachman George
Cc: Martin Cheryl; Mike Welsh
Subject: RE: Short-term debt

Robert

Attached is a worksheet showing two methodologies for calculating ST cost - end of month balance and average monthly balance. Details per month of the balances are also included.

Please call at your convenience to discuss.

Thanks

Doreen

(561) 838-1797

From: Robert Camfield [mailto:rjcamfield@CAEnergy.com]
Sent: Tuesday, July 03, 2007 12:52 PM
To: Cox Doreen; Bachman George
Cc: Martin Cheryl; Mike Welsh
Subject: RE: Short-term debt

Yes, let's dig into this a little. Robert

From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Tuesday, July 03, 2007 11:54 AM
To: Robert Camfield; Bachman George
Cc: Martin Cheryl; Mike Welsh
Subject: RE: Short-term debt

Robert

Let me take a closer look at how the 3.28% was calculated for the Surveillance Report.

From: Robert Camfield [mailto:rjcamfield@CAEnergy.com]
Sent: Tuesday, July 03, 2007 12:34 PM
To: Cox Doreen; Bachman George
Cc: Martin Cheryl; Mike Welsh
Subject: Short-term debt

Doreen,

George,

The observed short-term debt cost rate for FPU, based on month-end balances, is 3.28% for 2006. This interest rate level is remarkably low in view of the contractual rate, which I estimate to be 6.03%, also for '06. I have reasoned that the actual contractual rate is applicable to daily balances, and so if the daily balances are substantially below month-end balances, then 3.28% is conceivable. However, the differences between the daily average and month-end balances would need to be very large in order to ever obtain 3.28%. The result is a substantial understatement of true interest costs for ST Debt, and what I suggest is this:

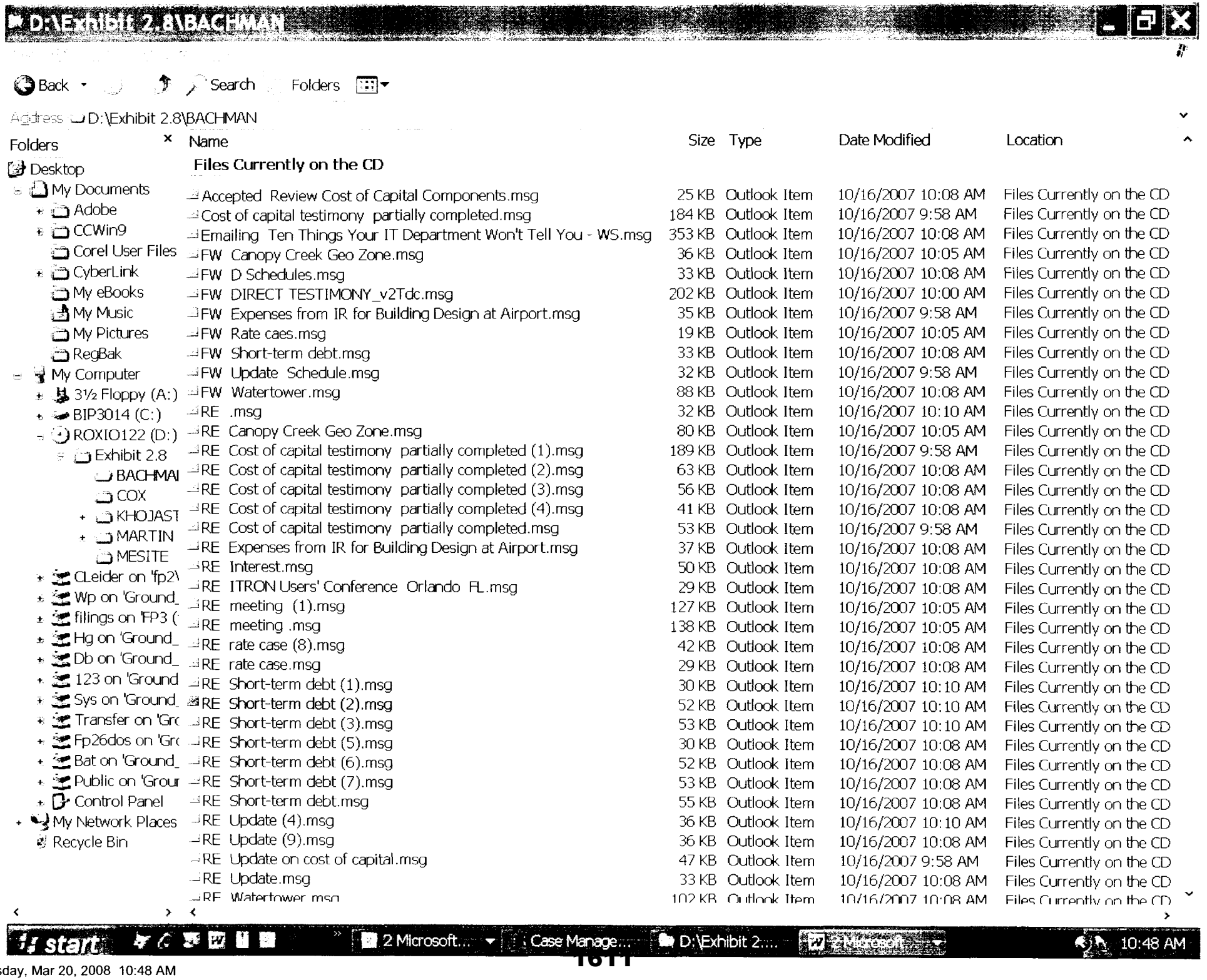
1) calculate the daily balances, by month, and use the average daily balance in lieu of month-end balances. Essentially, short-term debt is a special case because of the variation in balances over the course of the month, and year.

2) use this daily balance approach for the determination of cost of capital for all years. The result is a more accurate reflection of the weighted average cost of capital, which is inherently higher than that suggested by month balances.

This is an important issue, and we should turn to it immediately.

I should mention that, if I don't have the story right - daily vs. month-end balances, then something else is wrong, and we need to understand why such large differences in the calculated vs. actual cost rates.

Thanks, Robert



Thursday, Mar 20, 2008 10:48 AM

Clara Leider

From: Bachman George
Sent: Friday, July 06, 2007 8:21 AM
To: Cox Doreen
Subject: RE: Short-term debt

But what a great theory discussion you two can have, should the payments on the line be included. I say yes. ☺

From: Cox Doreen
Sent: Friday, July 06, 2007 8:17 AM
To: Bachman George
Subject: RE: Short-term debt

My guess is that he is going to calculate the effective cost based on the daily balances.

From: Bachman George
Sent: Friday, July 06, 2007 8:15 AM
To: Cox Doreen
Cc: Martin Cheryl; 'Robert Camfield'
Subject: RE: Short-term debt

Now let's see if Robert picks the right one! ☺

From: Cox Doreen
Sent: Friday, July 06, 2007 7:55 AM
To: Robert Camfield; Bachman George
Cc: Martin Cheryl; Mike Welsh
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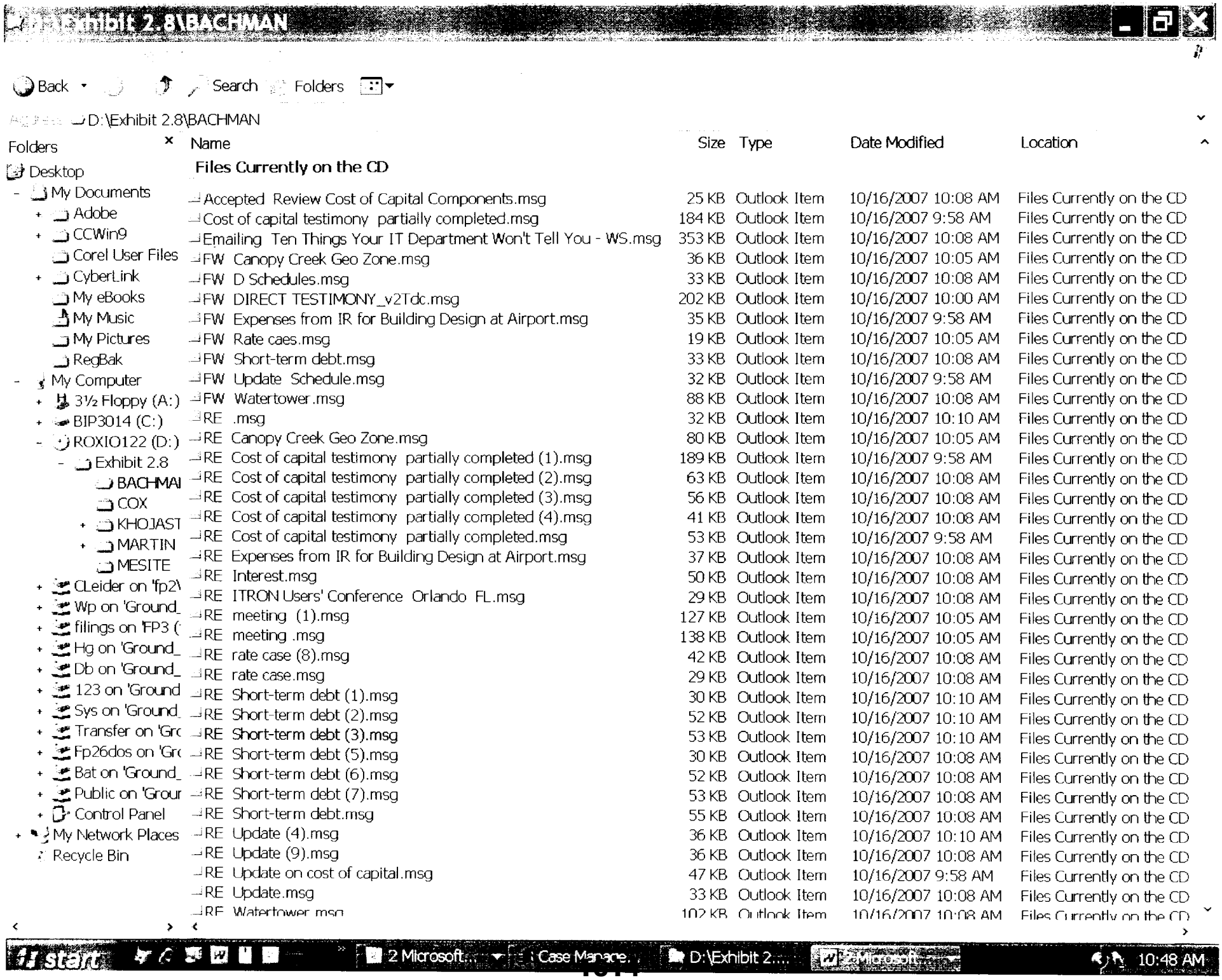

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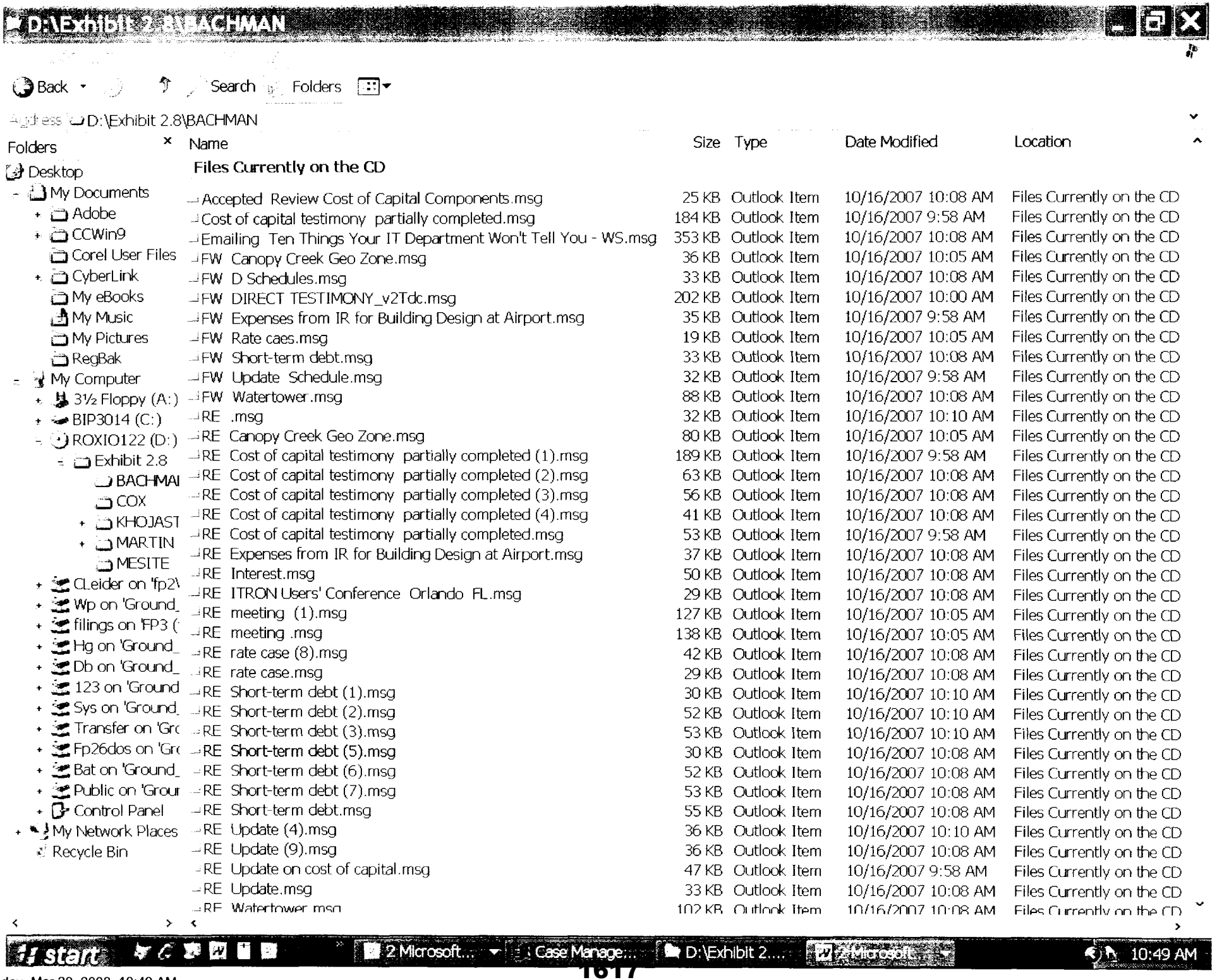

Thursday, Mar 20, 2008 10:49 AM

Clara Leider

From: Bachman George
Sent: Friday, July 06, 2007 11:10 AM
To: Robert Camfield
Subject: RE: Short-term debt

So you ARE working today!

-----Original Message-----
From: Robert Camfield [mailto:rjcamfield@CAEnergy.com]
Sent: Friday, July 06, 2007 10:25 AM
To: Cox Doreen; Bachman George
Cc: Martin Cheryl; Mike Welsh
Subject: RE: Short-term debt

This is more like it. We have achieve two things:

1) higher interest rate for ST Debt
2) lower balances of ST Debt for inclusion within the capital structure.

Great job. Thanks, Robert

From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Fri 7/6/2007 6:54 AM
To: Robert Camfield; Bachman George
Cc: Martin Cheryl; Mike Welsh
Subject: RE: Short-term debt

Robert

Attached is a worksheet showing two methodologies for calculating ST cost - end of month balance and average monthly balance. Details per month of the balances are also included.

Please call at your convenience to discuss.

Thanks

Doreen

(561) 838-1797

From: Robert Camfield [mailto:rjcamfield@CAEnergy.com]
Sent: Tuesday, July 03, 2007 12:52 PM
To: Cox Doreen; Bachman George
Cc: Martin Cheryl; Mike Welsh
Subject: RE: Short-term debt

Yes, let's dig into this a little. Robert

From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Tuesday, July 03, 2007 11:54 AM
To: Robert Camfield; Bachman George
Cc: Martin Cheryl; Mike Welsh
Subject: RE: Short-term debt

Robert

Let me take a closer look at how the 3.28% was calculated for the Surveillance Report.

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Sent: Tuesday, July 03, 2007 12:34 PM
To: Cox Doreen; Bachman George
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Subject: Short-term debt

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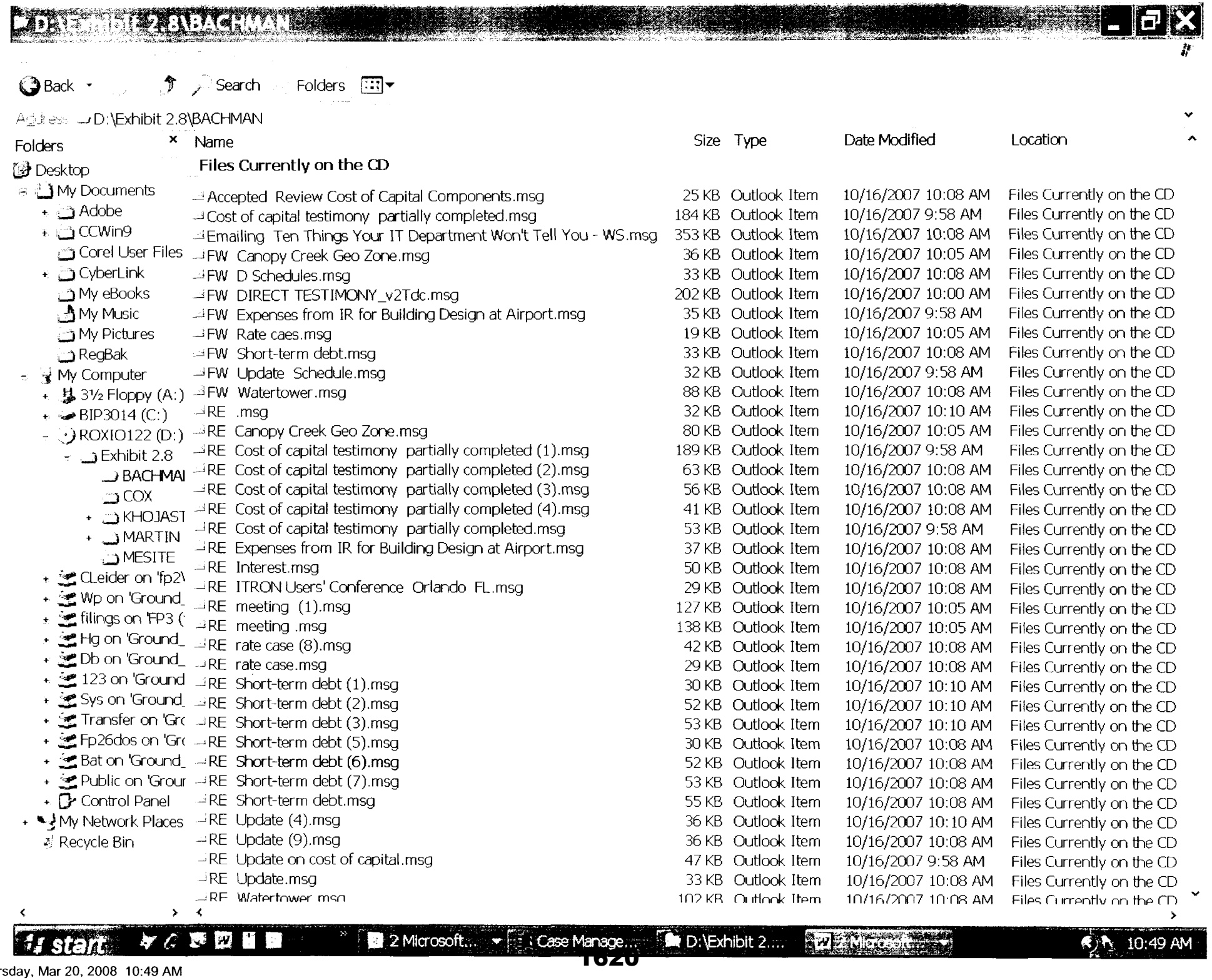

Thursday, Mar 20, 2008 10:49 AM

Clara Leider

From: Bachman George
Sent: Friday, July 06, 2007 8:21 AM
To: Cox Doreen
Subject: RE: Short-term debt

But what a great theory discussion you two can have, should the payments on the line be included. I say yes. ☺

From: Cox Doreen
Sent: Friday, July 06, 2007 8:17 AM
To: Bachman George
Subject: RE: Short-term debt

My guess is that he is going to calculate the effective cost based on the daily balances.

From: Bachman George
Sent: Friday, July 06, 2007 8:15 AM
To: Cox Doreen
Cc: Martin Cheryl; 'Robert Camfield'
Subject: RE: Short-term debt

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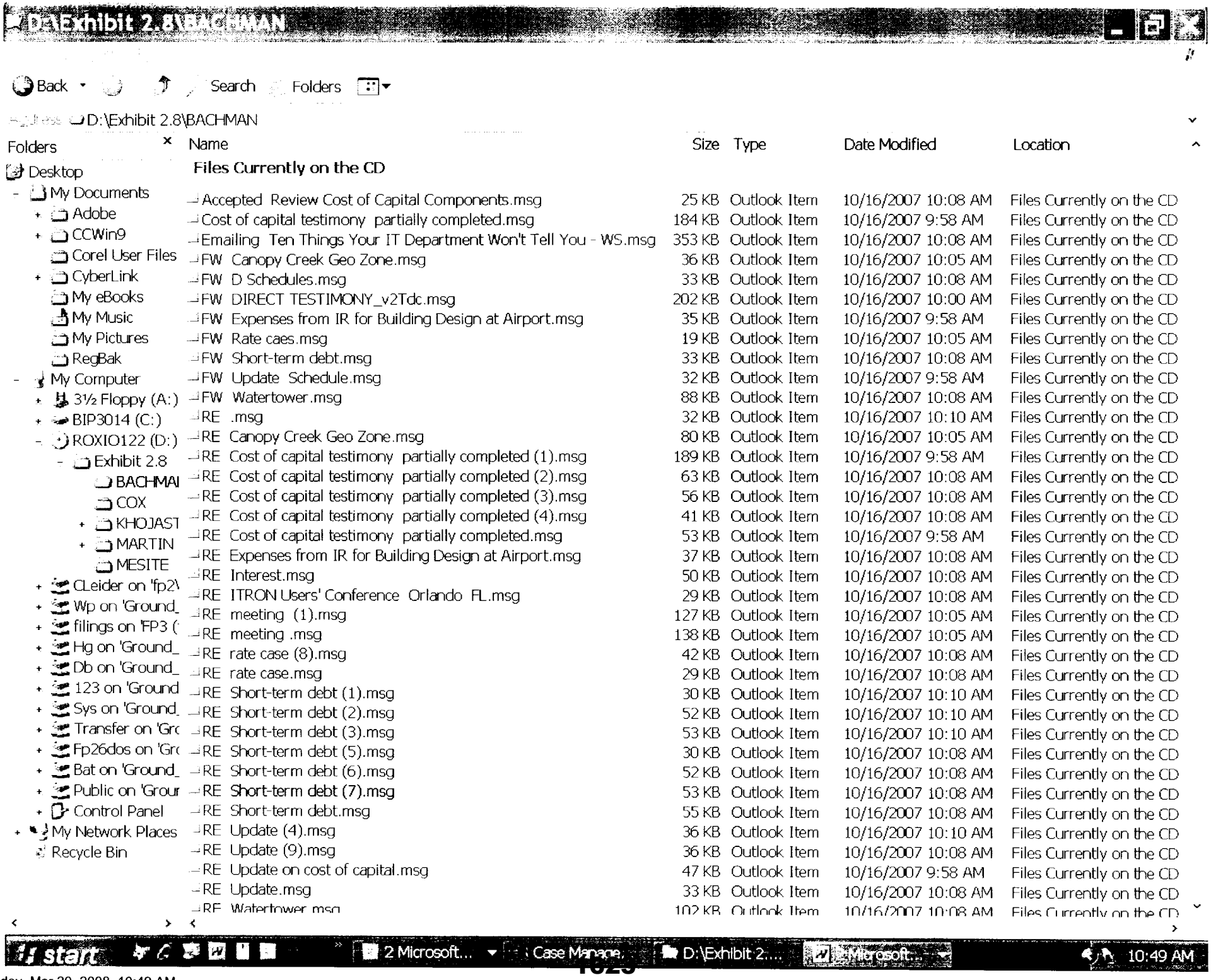

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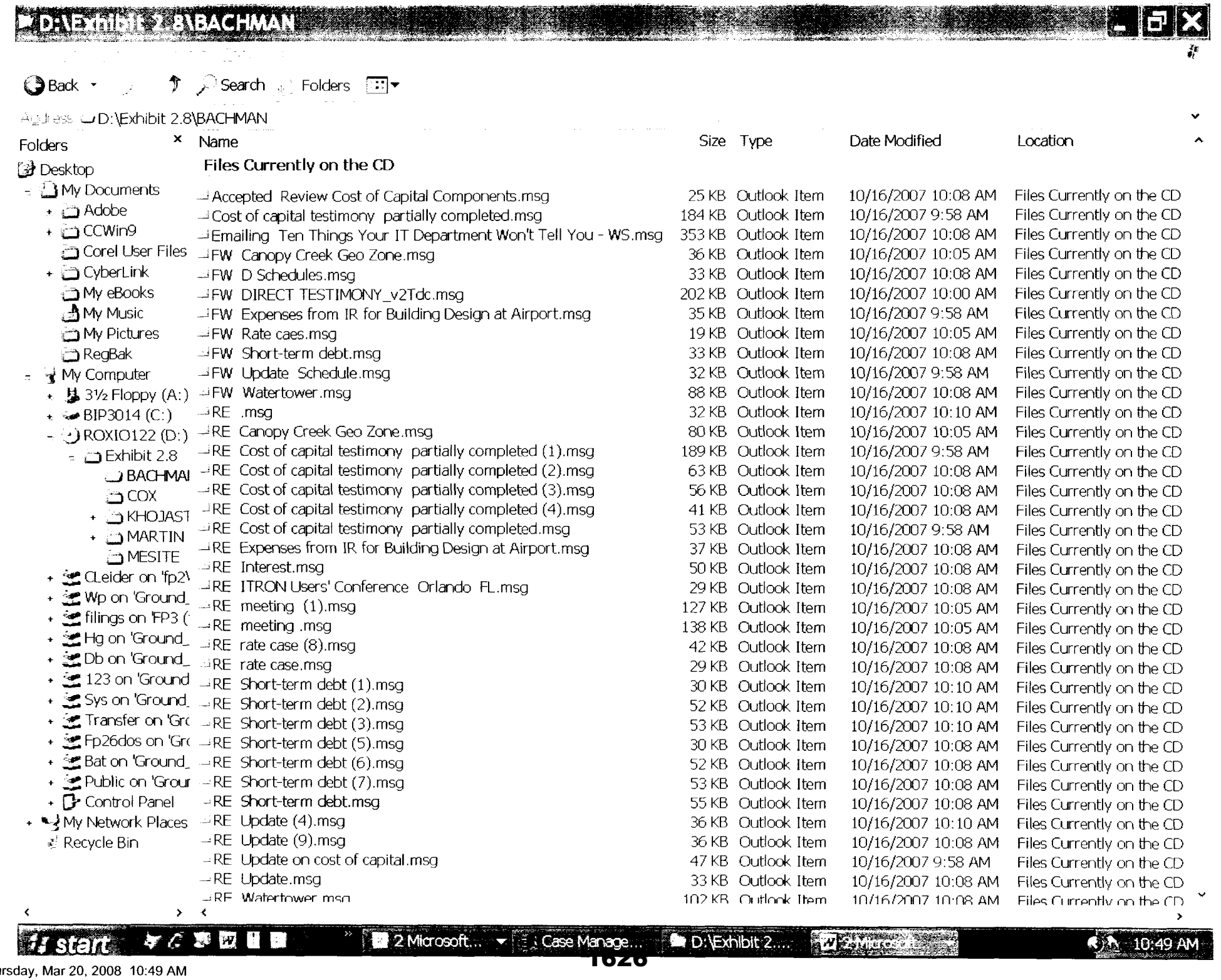

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They really belong as part of the cost of debt. You, Doreen, and I need to discuss the theory. Thanks.

From: Robert Camfield [mailto:rjcamfield@CAEnergy.com]
Sent: Friday, July 06, 2007 11:09 AM
To: Bachman George; Cox Doreen
Cc: Martin Cheryl
Subject: RE: Short-term debt

George,

Can we incorporate the fees for unused balances of the ST Debt Facility, within the cost of rate for ST Debt? I recall from previous conversations that such fees are accounted for elsewhere within the operating expenses.
Robert

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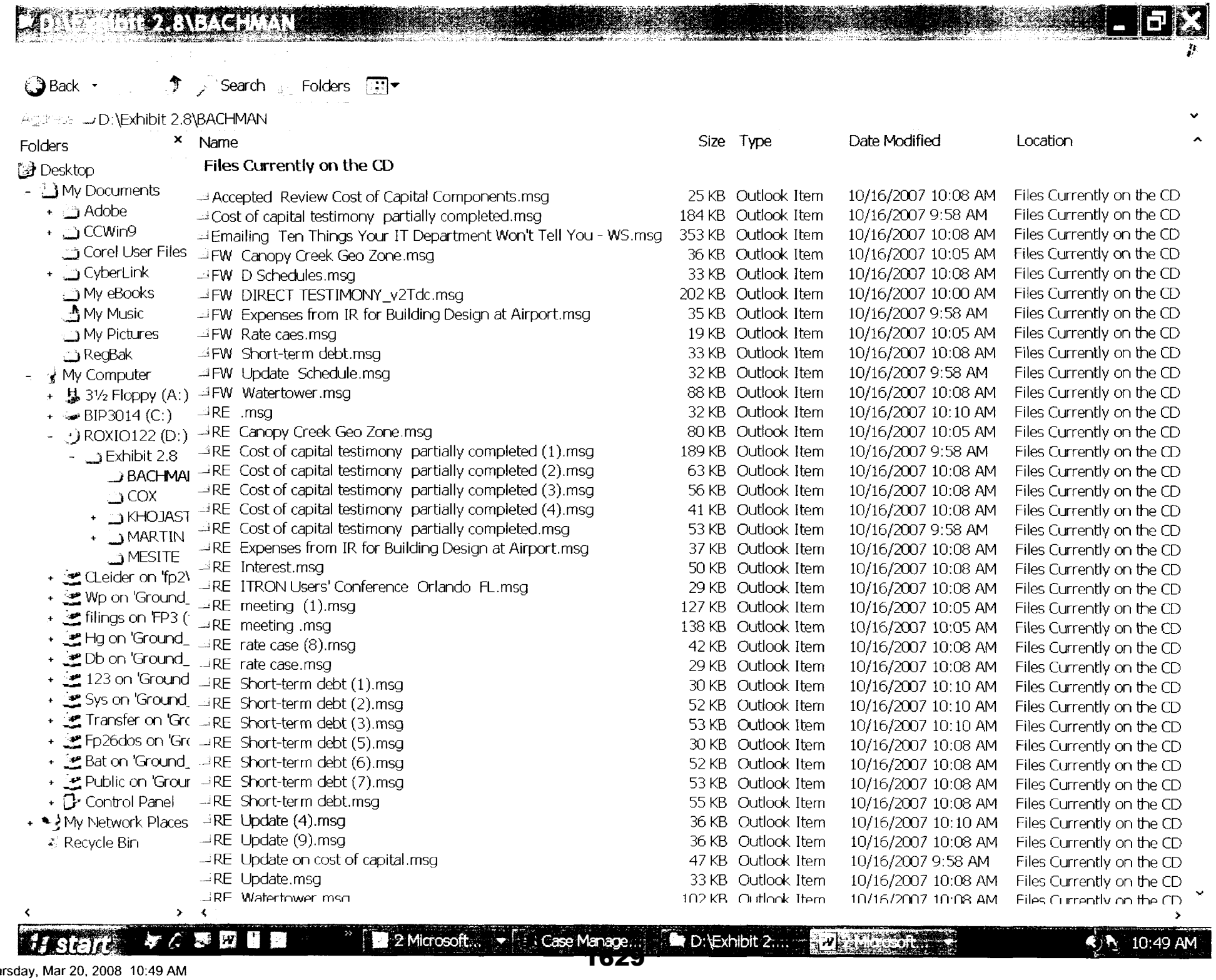

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Sent: Thu 6/14/2007 4:49 PM
To: Cox Doreen; Cheryl Martin
Cc: Mike Welsh; Dan Hansen
Subject: Update

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Sent: Thu 6/14/2007 11:07 AM
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Please see tab ROR-DEBT for the interest expense for 2006. In November there is a credit balance due to an adjustment for an over-accrual for $4,067.86. The interest expense for that month was $1,586.98.

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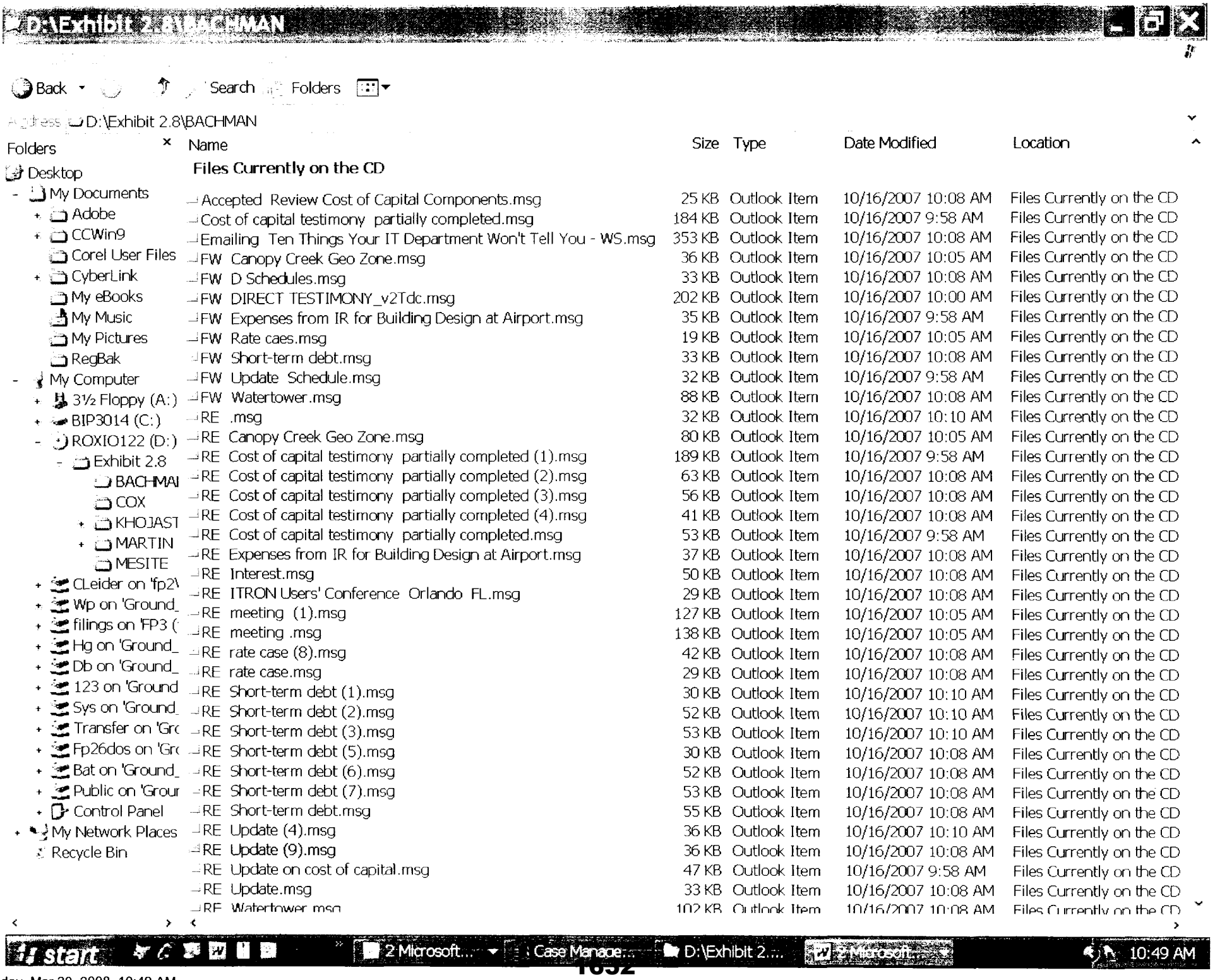

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Thanks

Doreen

(561) 838-1797

Clara Leider

From: Cox Doreen
Sent: Monday, July 30, 2007 10:09 AM
To: Robert Camfield; Martin Cheryl
Cc: Bachman George; Mike Welsh; Dan Hansen
Subject: RE: Update on cost of capital

Robert thanks for the update - that certainly is good news that we are able to justify 11.50%. I'm looking forward to receiving the draft testimony.
Doreen

From: Robert Camfield [mailto:rjcamfield@CAEnergy.com]
Sent: Monday, July 30, 2007 10:02 AM
To: Cox Doreen; Martin Cheryl
Cc: Bachman George; Mike Welsh; Dan Hansen
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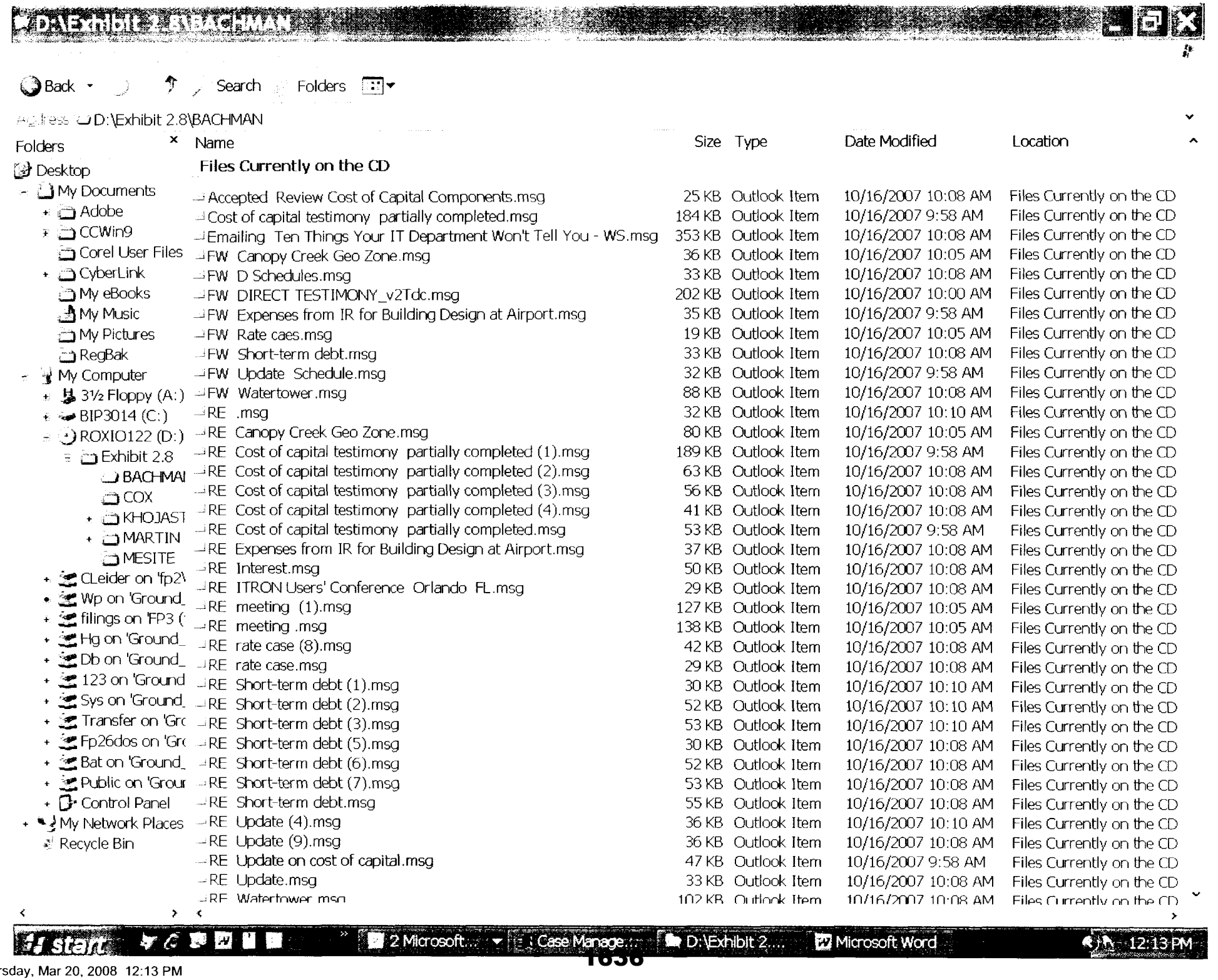
Doreen,
Cheryl,

I have made substantial progress toward completion of the cost of capital analysis this weekend, and intend to have, pretty much, a complete case in your hands late this week. In the last couple of years, there appears to be divergence from historical relationships, for key data series - inflation expectations, risks/cost of capital, yields. Capital market data is always noisy. Nonetheless, my models and conceptual approach don't appear to fit as well as earlier, DCF in particular. However, it is likely that 11.50% will hold.

Robert



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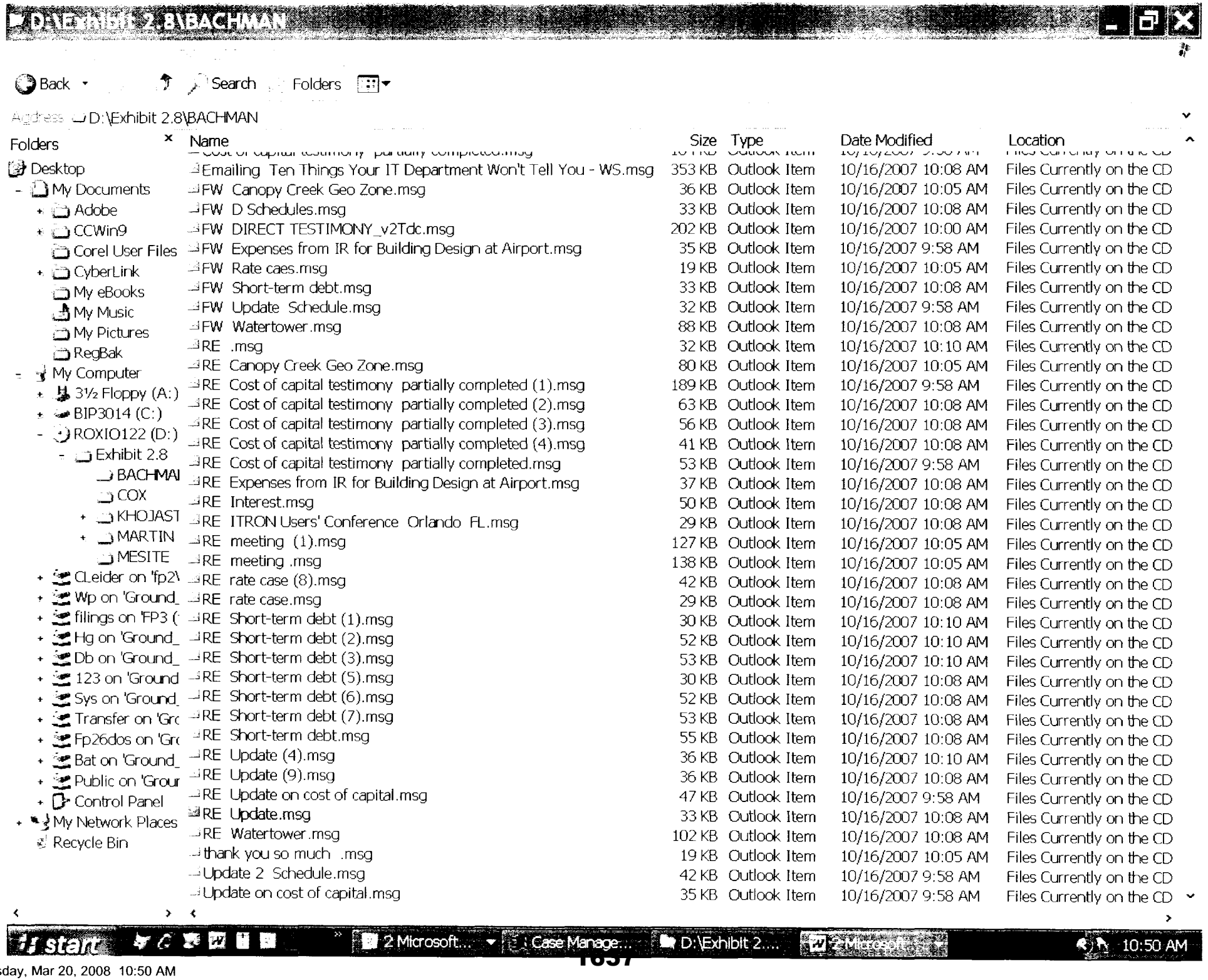

Thursday, Mar 20, 2008 10:50 AM

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Subject: RE: Update

:)

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To: Bachman George
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Sure you do

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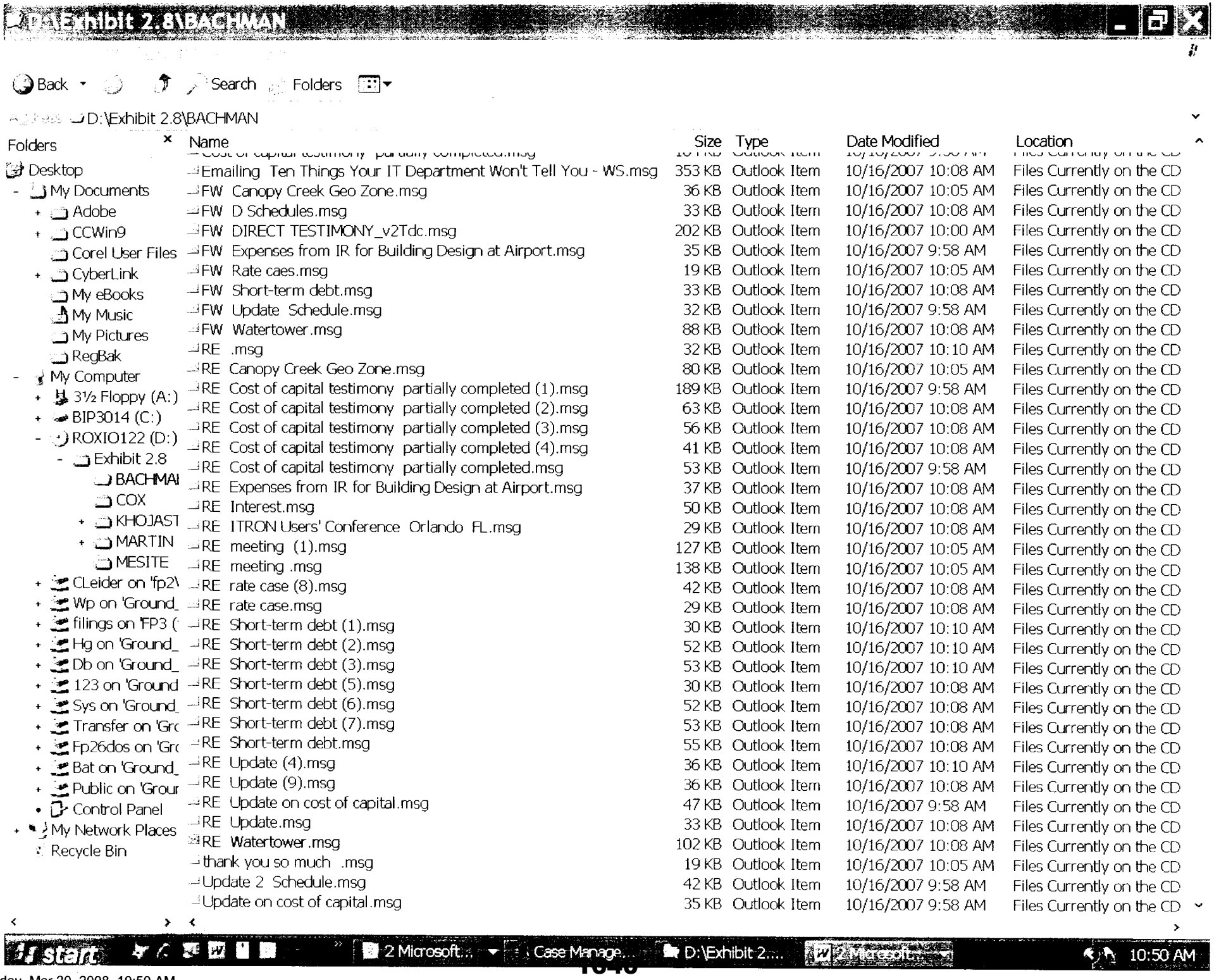
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CLeider on 'fp2\
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Microsoft...
10:50 AM

Clara Leider

From: Bachman George
Sent: Thursday, June 14, 2007 6:34 PM
To: Schneidermann Marc
Cc: Martin Cheryl; 'Pence, William'; Cox Doreen; 'Graham, George'; Stein Chuck; Cox Doreen
Subject: RE: Watertower

If we could have issued the bond to purchase the land is would have been nice. But we will have to investigate the return from a regulatory viewpoint on capitalizing land from a capital lease arrangement. If it looks feasible we'll call the town manager. Do you know the terms of the lease (i.e. rate, timing, buy-out) proposed?

George

From: Schneidermann Marc
Sent: Wednesday, June 13, 2007 3:39 PM
To: Bachman George
Cc: Martin Cheryl; 'Pence, William'; Cox Doreen; 'Graham, George'; Stein Chuck
Subject: RE: Watertower

I believe the muni bond is a dead deal. They would finance using a bond only if they were to buy the property and lease it back to us under a capital lease arrangement.

George (Bachman), Do you want me to still try or do you want to have someone in Accounting call Maria Davis (Town Manager) @ 881-3304?

From: Bachman George
Sent: Wednesday, June 13, 2007 1:49 PM
To: Graham, George; Schneidermann Marc
Cc: Martin Cheryl; Pence, William; Cox Doreen
Subject: RE: Watertower

George & Marc,

If Lake Park is offering good terms on a loan I'd recommend we pursue it. A low cost municipal bond is worth acquiring and I can request approval from our lender. Do we have the details (amount, terms, etc) so we can decide if it's worth pursuing?

George Bachman
Chief Financial Officer, Secretary and Treasurer
Florida Public Utilities Company
561.838.1731

From: Graham, George [mailto:george.graham@akerman.com]
Sent: Wednesday, June 13, 2007 1:12 PM
To: Schneidermann Marc; Bachman George
Cc: Martin Cheryl; Pence, William; Cox Doreen

Subject: RE: Watertower

Marc/George,

Assuming we move forward, do we need to worry about this? Do you plan on financing this property?

Regards,

George

--
George P. Graham, Esq.
Akerman Senterfitt
420 South Orange Avenue, Suite 1200
Orlando, FL 32801-4904
P.O. Box 231 (32802-0231)
407-419-8441 direct
407-254-4196 direct fax
407-843-7860 main
407-843-6610 main fax

From: Bachman George [mailto:gbachman@fpuc.com]
Sent: Tuesday, February 13, 2007 11:20 AM
To: Schneidermann Marc
Cc: Martin Cheryl; Graham, George; Pence, William; Cox Doreen
Subject: RE: Watertower

Marc,

This property will be required to be pledged under the Indenture of Mortgage of which SunTrust is the Trustee.

It is important that IF we want to consider any financing offered we must clear this with our bank first. We will be in violation of our covenants if take the financing without approval.

Thanks.

George Bachman
Chief Financial Officer, Secretary and Treasurer
Florida Public Utilities Company
561.838.1731

From: Schneidermann Marc
Sent: Tuesday, February 13, 2007 10:19 AM
To: Pence, William; Bachman George
Cc: Martin Cheryl; Graham, George
Subject: RE: Watertower

George, Please reply to Bill question.
Thanks

From: Pence, William [mailto:bill.pence@akerman.com]
Sent: Tuesday, February 13, 2007 10:10 AM
To: Schneidermann Marc; Graham, George
Cc: Bachman George; Martin Cheryl
Subject: RE: Watertower

Marc, do we need to talk to Peter Reinert to see if there is an "after acquired property" component of the Company's current financing?

William L. Pence
Akerman Senterfitt
420 South Orange Avenue, Suite 1200
Orlando, FL 32801
407-419-8548 (office)
407-421-4660 (cell)
407-254-4255 (fax)
william.pence@akerman.com

From: Schneidermann Marc [mailto:mschneidermann@fpuc.com]
Sent: Tuesday, February 13, 2007 10:06 AM
To: Graham, George
Cc: Pence, William; Bachman George; Martin Cheryl
Subject: RE: Watertower

The Town of Lake Park may be offering us low cost financing incentive (via a muni bond), but the funds for closing will be from our Bank of America line of credit.
Sincerely,
Marc L. Schneidermann

From: Graham, George [mailto:george.graham@akerman.com]
Sent: Monday, February 12, 2007 5:54 PM
To: Schneidermann Marc
Cc: Pence, William
Subject: Watertower

Marc,

Will FPUC be financing this deal with a lender, using bond proceeds or paying cash? I assume this property will be encumbered by the Indenture in favor of SunTrust Bank? Just a couple of items that I wanted to mention to you now so I would not forget in the morning.

Regards,

George

--

George P. Graham, Esq.
Akerman Senterfitt
420 South Orange Avenue, Suite 1200
Orlando, FL 32801-4904
P.O. Box 231 (32802-0231)
407-419-8441 direct
407-254-4196 direct fax
407-843-7860 main
407-843-6610 main fax

www.akerman.com | Bio | V Card

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CIRCULAR 230 NOTICE: To comply with U.S. Treasury Department and IRS regulations, we are required to advise you that, unless expressly stated otherwise, any U.S. federal tax advice contained in this e-mail, including attachments to this e-mail, is not intended or written to be used, and cannot be used, by any person for the purpose of (i) avoiding penalties under the U.S. Internal Revenue Code, or (ii) promoting, marketing or recommending to another party any transaction or matter addressed in this e-mail or attachment.

Clara Leider

From: Bachman George
Sent: Monday, August 20, 2007 9:25 AM
To: Cox Doreen
Subject: thank you so much..

For forwarding Robert's cost of capital message. Now I'll be able to sleep. ☺

Clara Leider

From: Cox Doreen
Sent: Monday, July 30, 2007 10:09 AM
To: Robert Camfield; Martin Cheryl
Cc: Bachman George; Mike Welsh; Dan Hansen
Subject: RE: Update on cost of capital

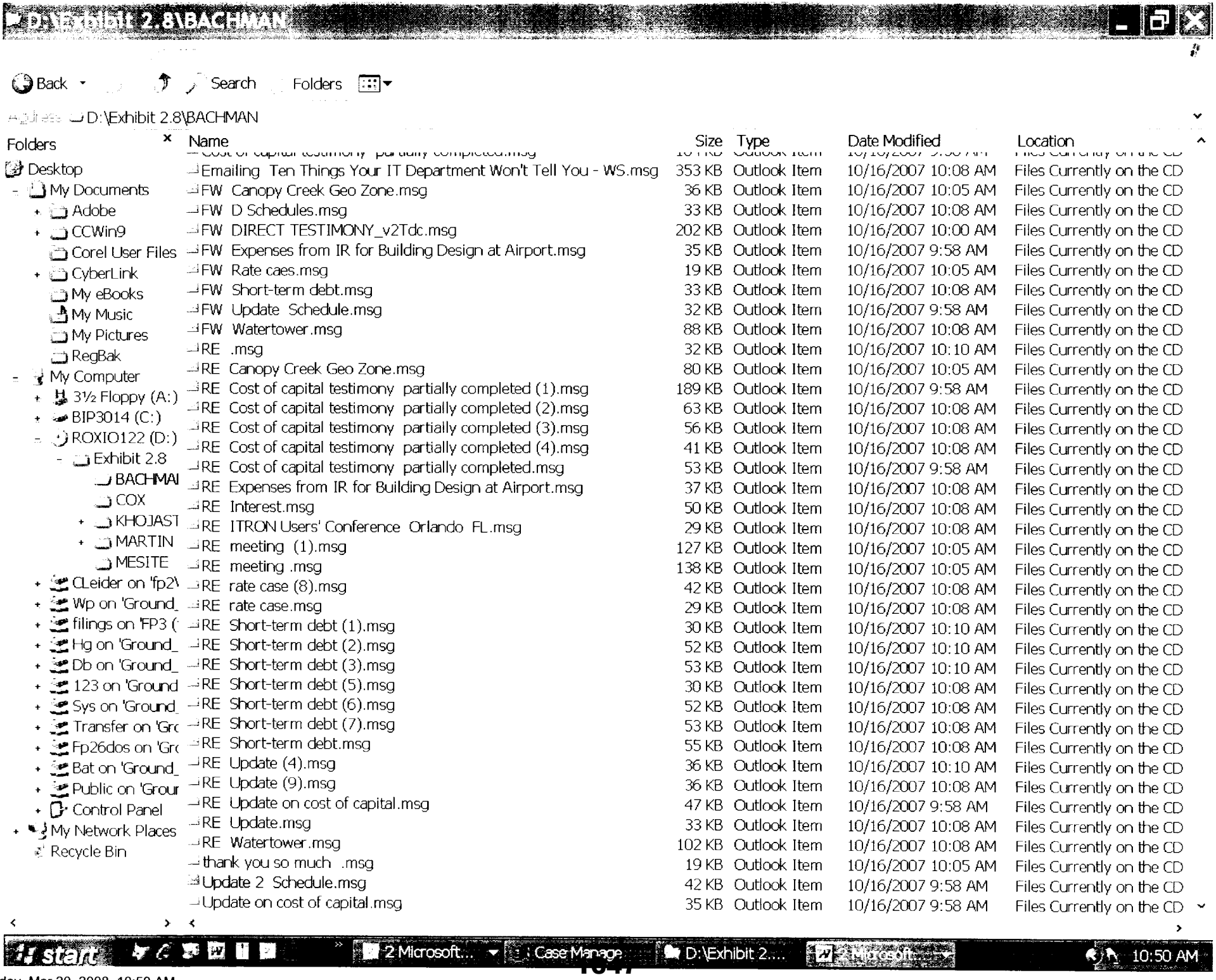
Robert thanks for the update - that certainly is good news that we are able to justify 11.50%. I'm looking forward to receiving the draft testimony.
Doreen

From: Robert Camfield [mailto:rjcamfield@CAEnergy.com]
Sent: Monday, July 30, 2007 10:02 AM
To: Cox Doreen; Martin Cheryl
Cc: Bachman George; Mike Welsh; Dan Hansen
Subject: Update on cost of capital

Doreen,
Cheryl,

I have made substantial progress toward completion of the cost of capital analysis this weekend, and intend to have, pretty much, a complete case in your hands late this week. In the last couple of years, there appears to be divergence from historical relationships, for key data series - inflation expectations, risks/cost of capital, yields. Capital market data is always noisy. Nonetheless, my models and conceptual approach don't appear to fit as well as earlier, DCF in particular. However, it is likely that 11.50% will hold.

Robert



Thursday, Mar 20, 2008 10:50 AM

Clara Leider

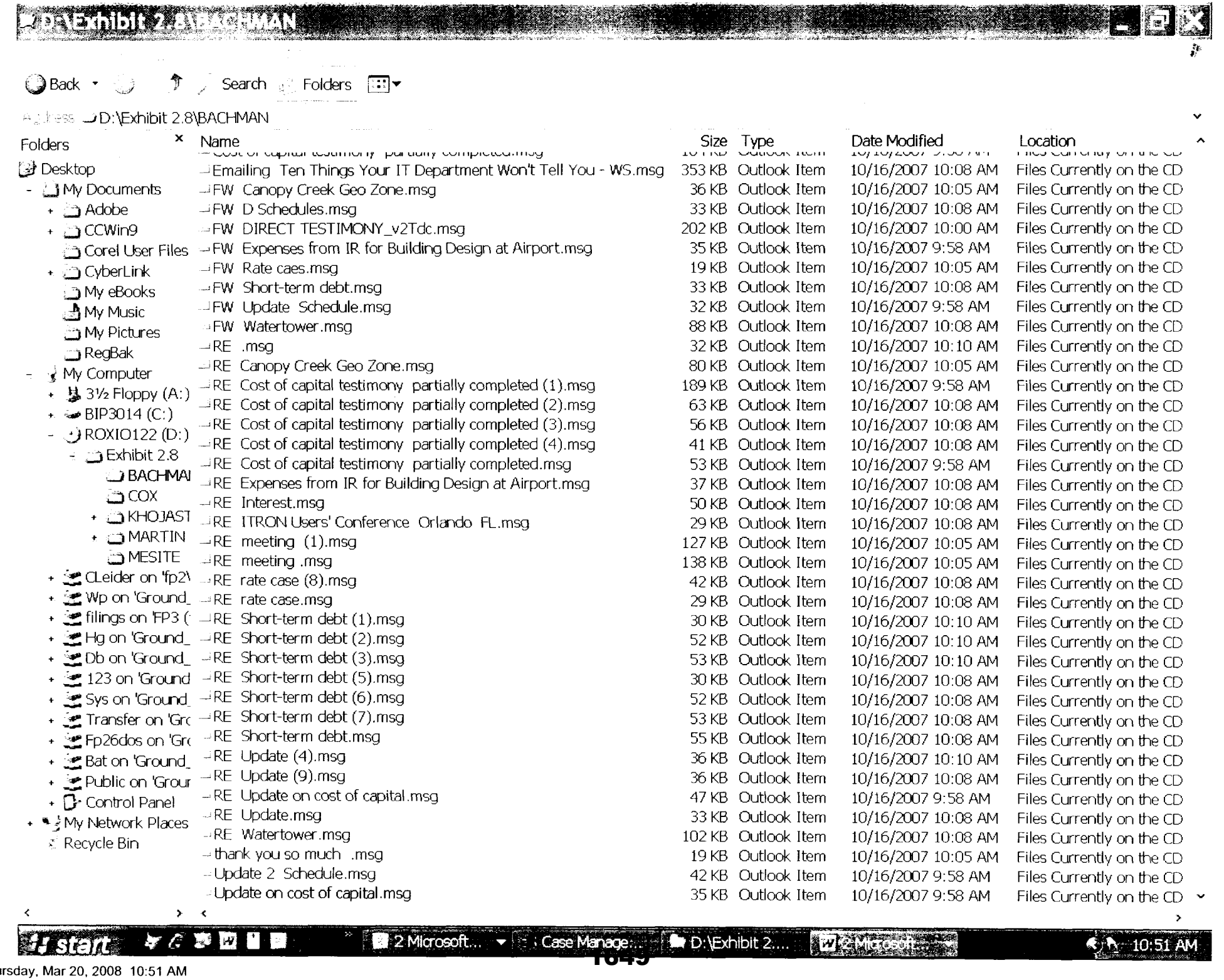
From: Robert Camfield [rjcamfield@CAEnergy.com]
Sent: Sunday, August 05, 2007 2:24 PM
To: Cox Doreen; Martin Cheryl; Cutshaw Mark
Cc: Bachman George; Mike Welsh; Stein Chuck; Dan Hansen; Teresa Sholts
Subject: Update 2, Schedule

Colleagues,

At this point, I intend to delivery a second interim draft of the testimony and to finalize the cost of capital testimony either late Thursday or early Friday. I will be out of the office tomorrow, leaving tonight, but can be reached on my cell phone (608-469-1157) if something comes up. Advise if the schedule needs to be advanced.

Doreen, Mike: I will check in with you at some poin tomorrow. However, don't hesitate to leave a v-mail in Madison or call me directly if something comes up.

Robert



Thursday, Mar 20, 2008 10:51 AM

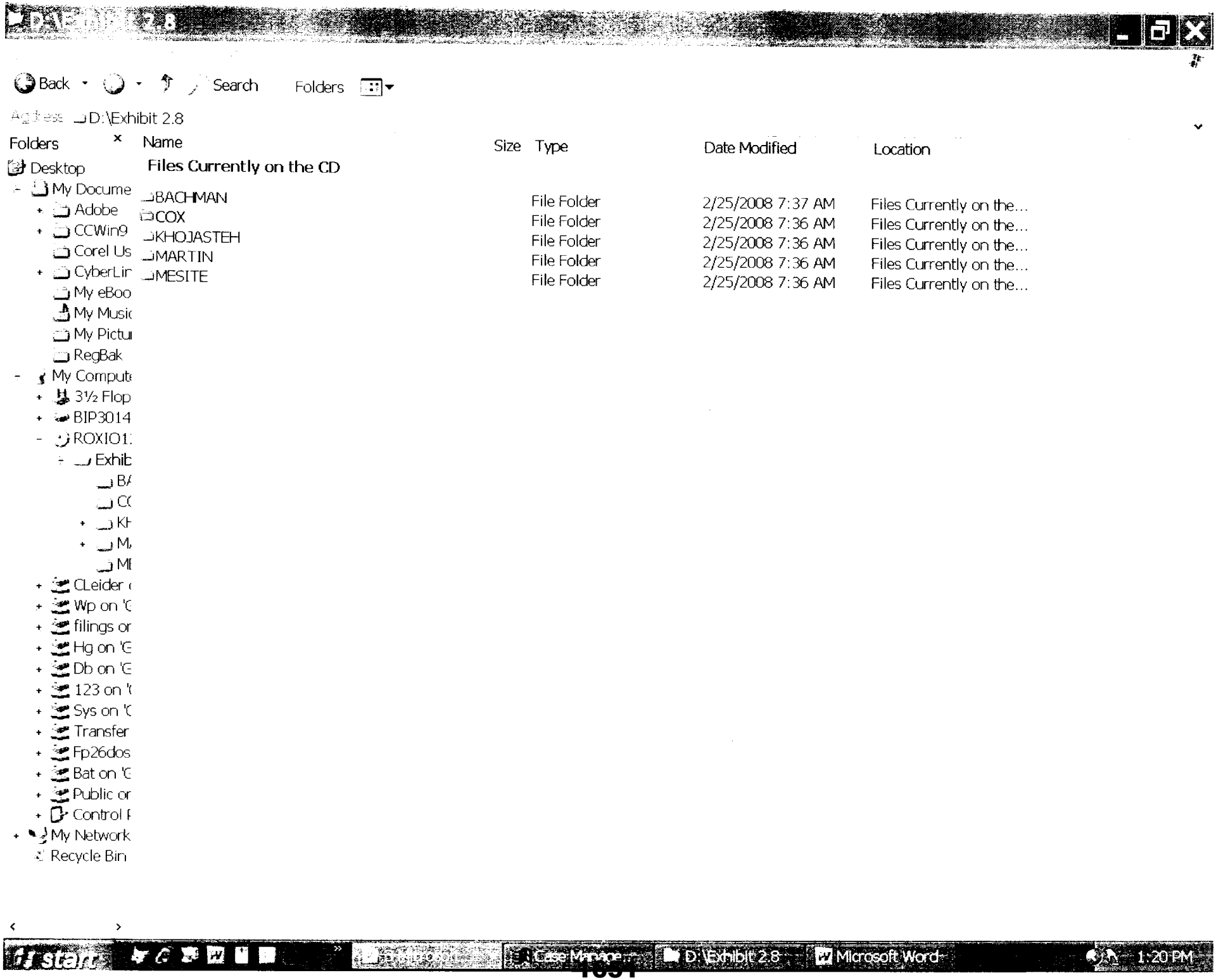
Clara Leider

From: Robert Camfield [rjcamfield@CAEnergy.com]
Sent: Monday, July 30, 2007 10:02 AM
To: Cox Doreen; Martin Cheryl
Cc: Bachman George; Mike Welsh; Dan Hansen
Subject: Update on cost of capital

Doreen,
Cheryl,

I have made substantial progress toward completion of the cost of capital analysis this weekend, and intend to have, pretty much, a complete case in your hands late this week. In the last couple of years, there appears to be divergence from historical relationships, for key data series - inflation expectations, risks/cost of capital, yields. Capital market data is always noisy. Nonetheless, my models and conceptual approach don't appear to fit as well as earlier, DCF in particular. However, it is likely that 11.50% will hold.

Robert



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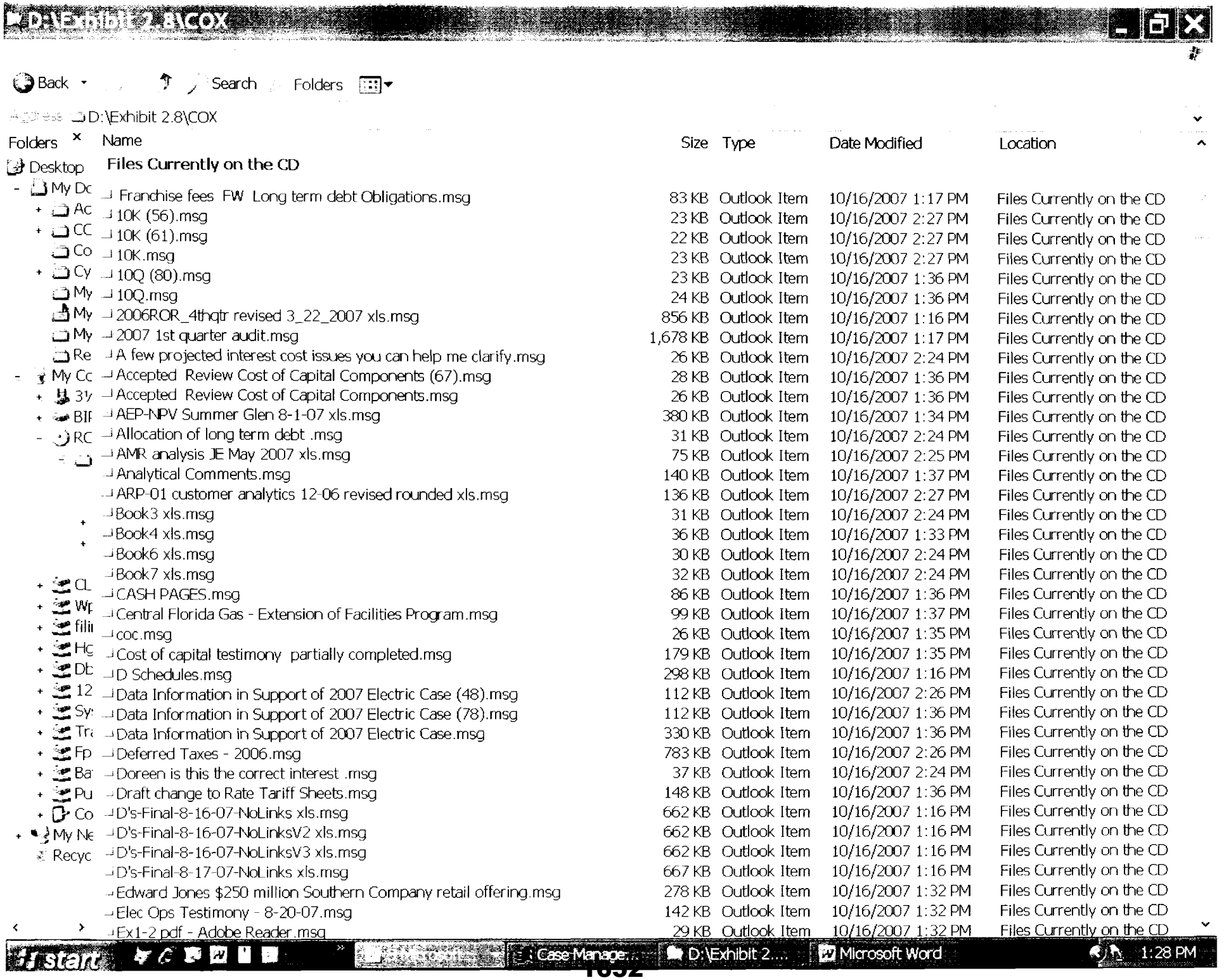

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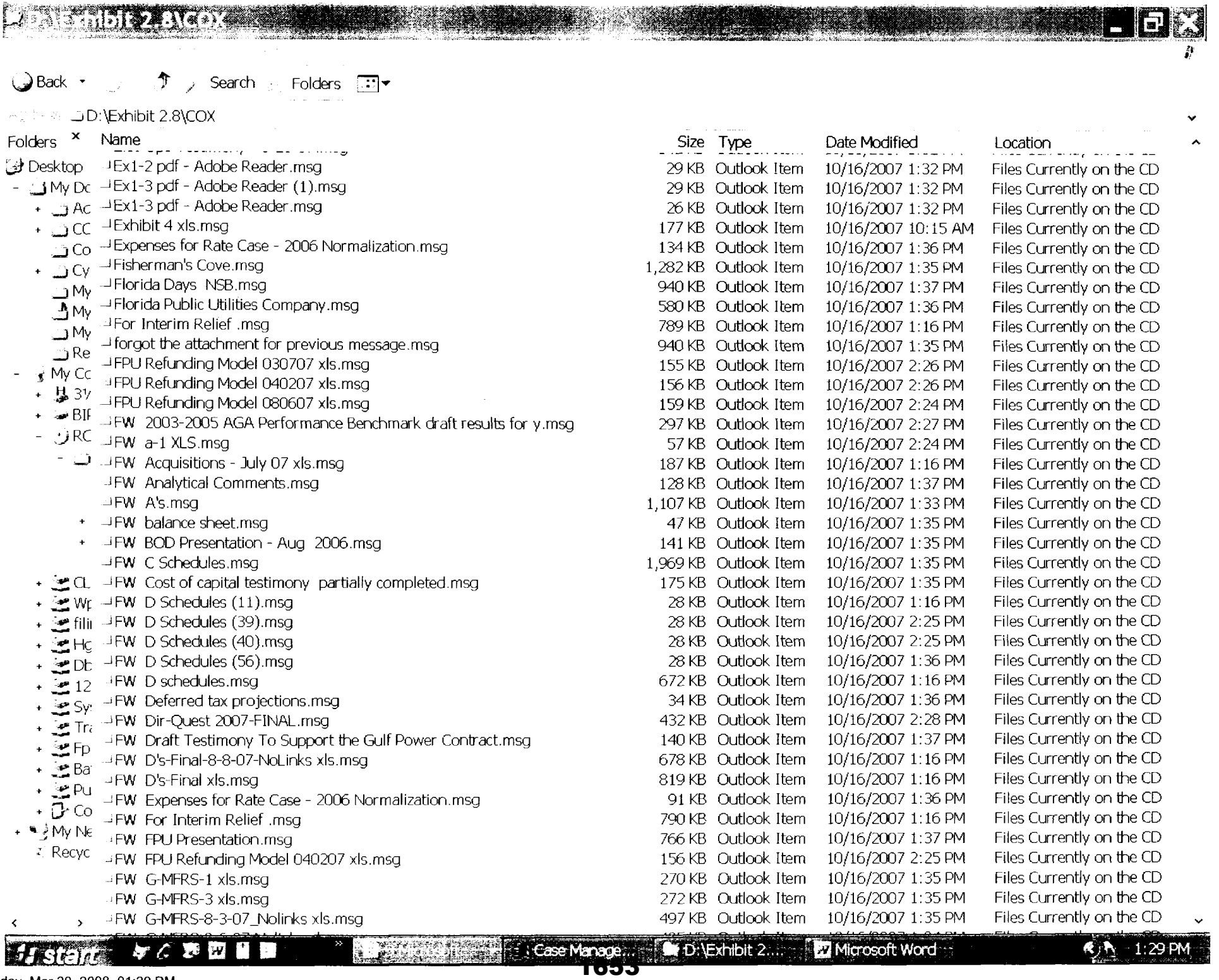

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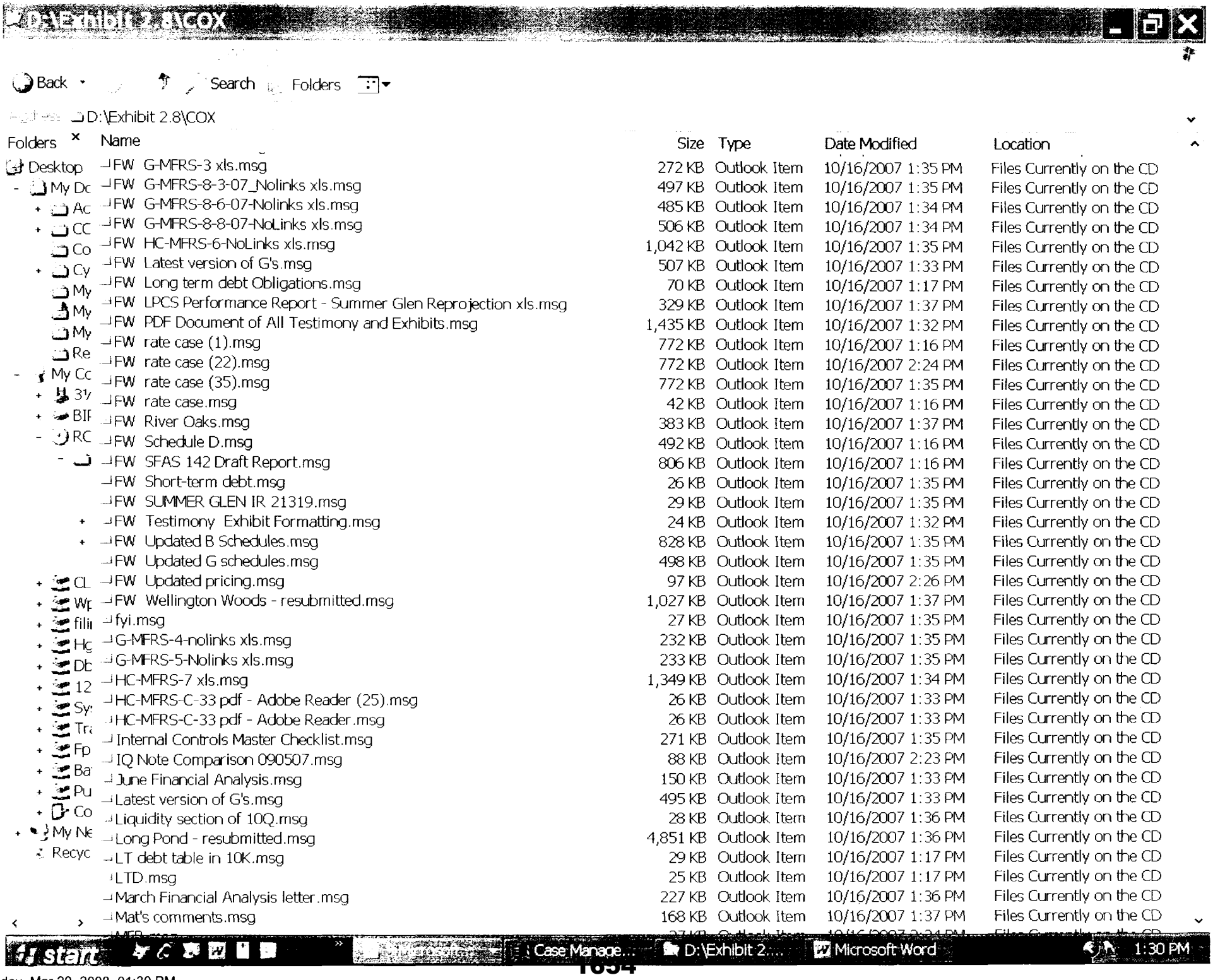

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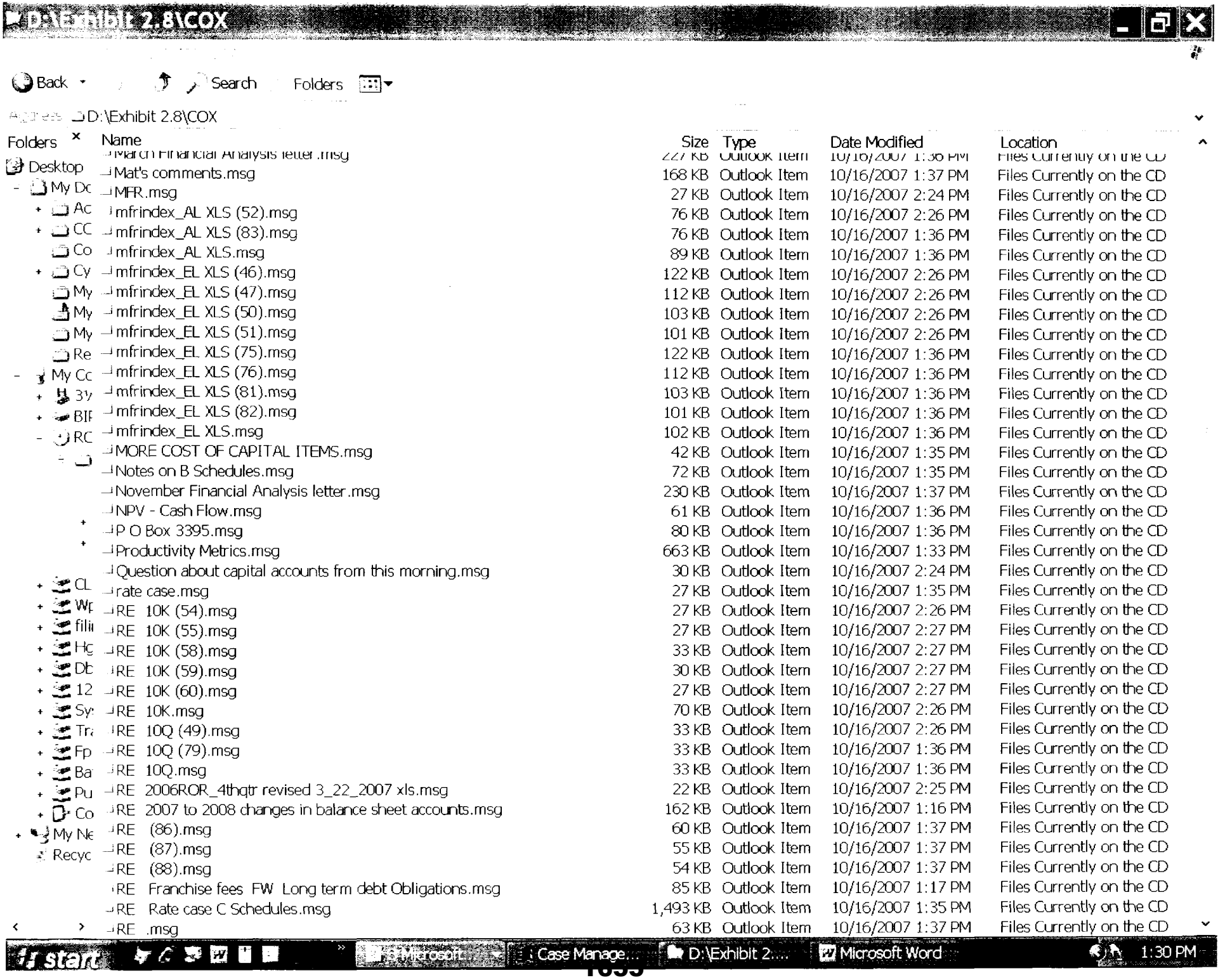

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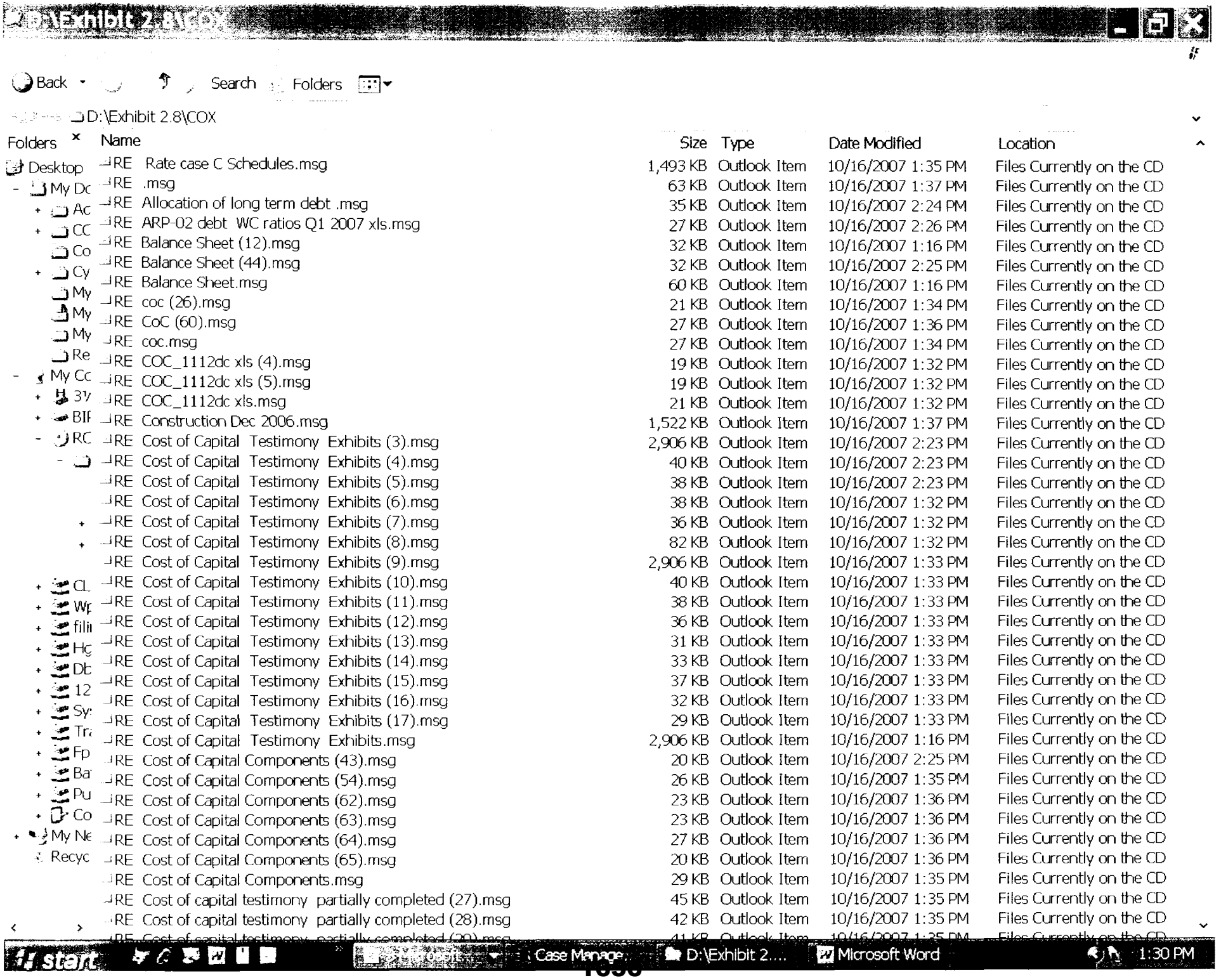
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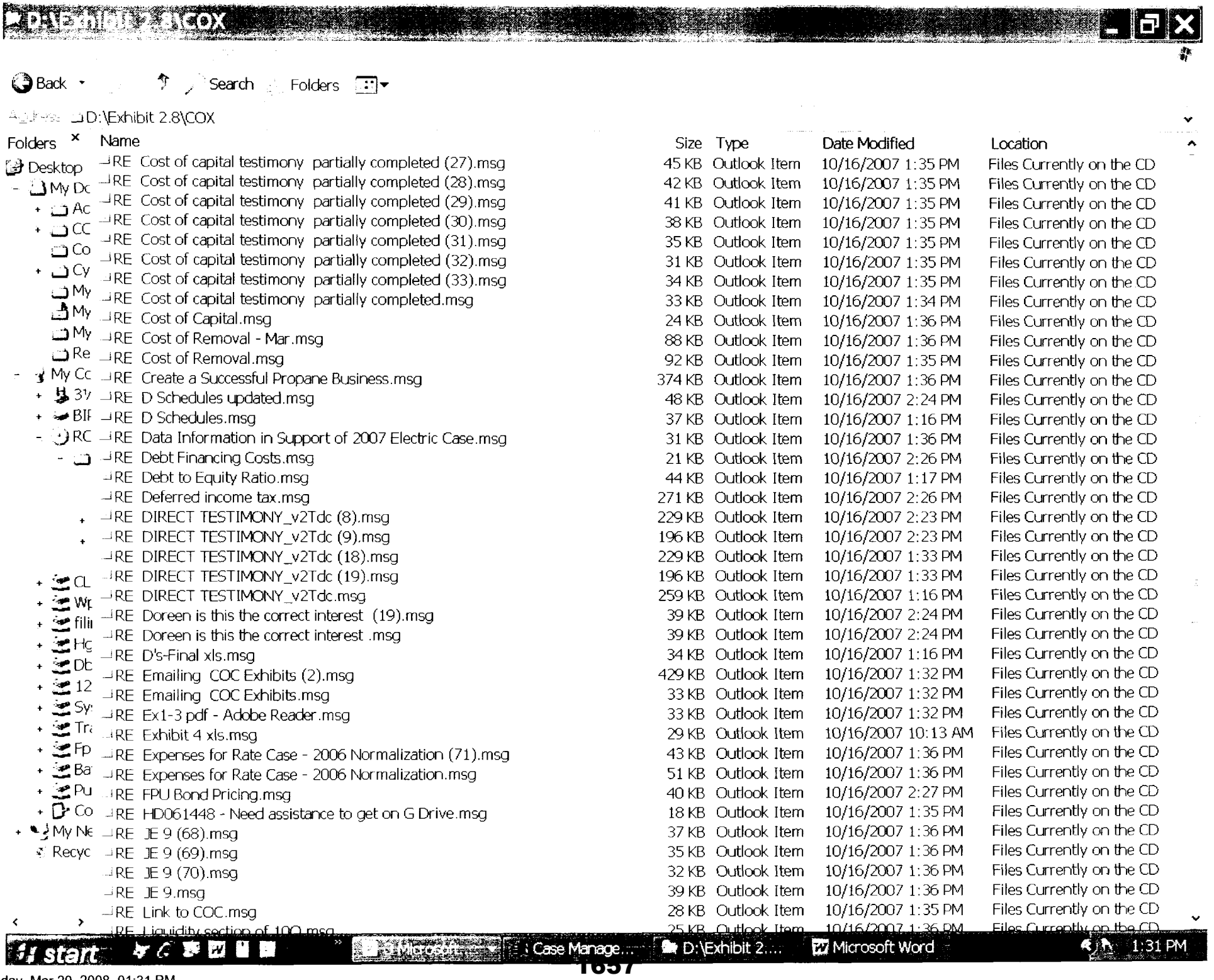

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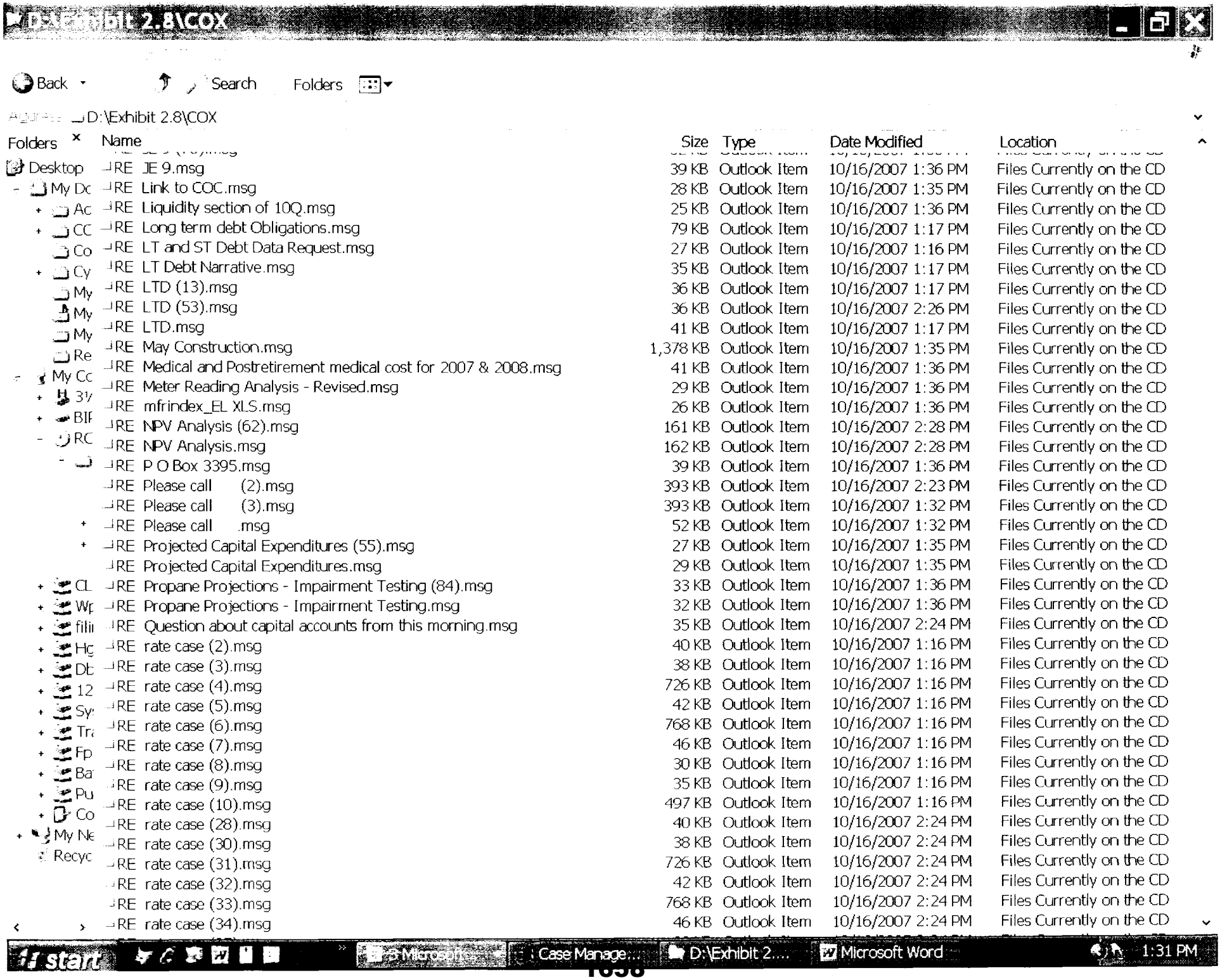

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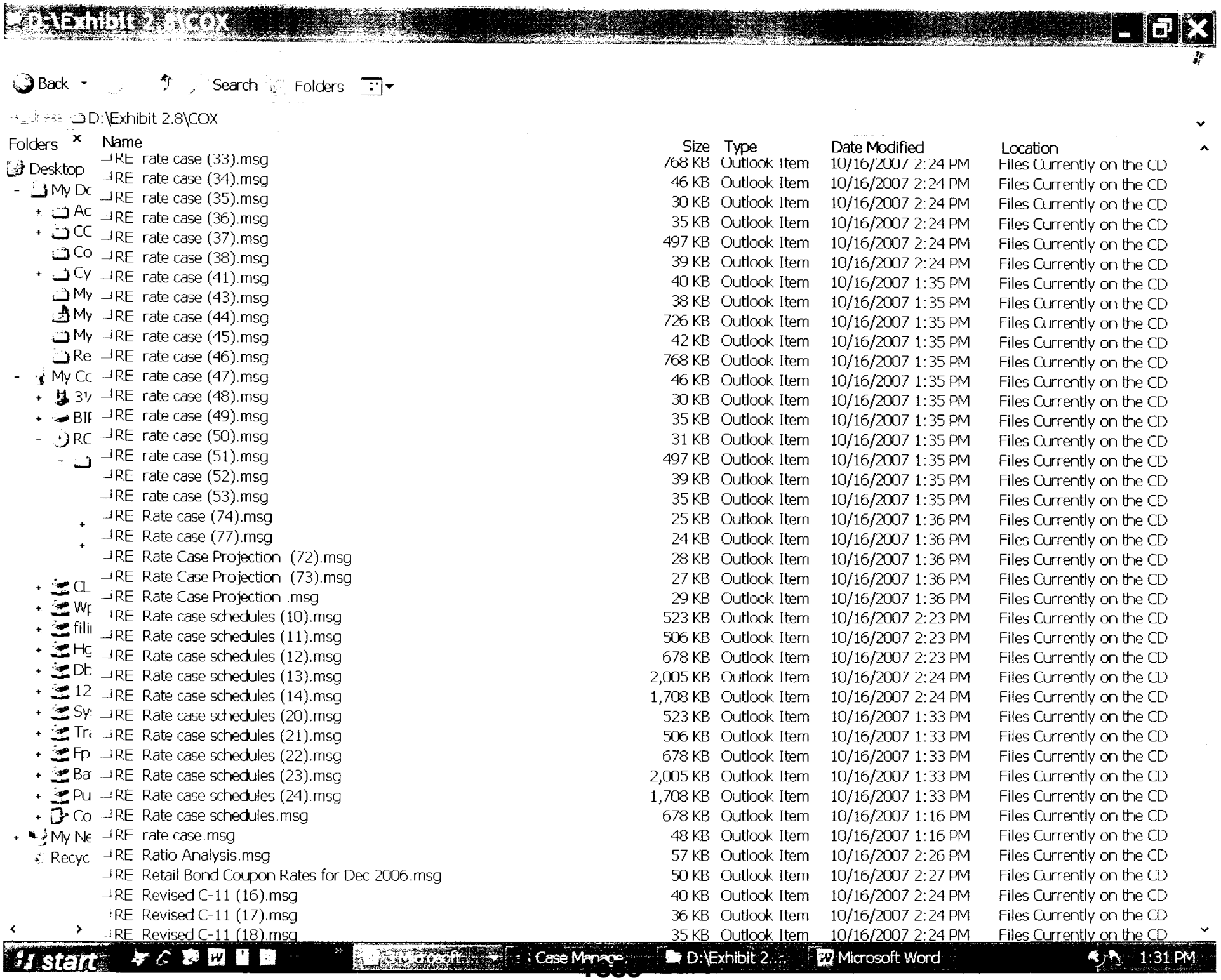

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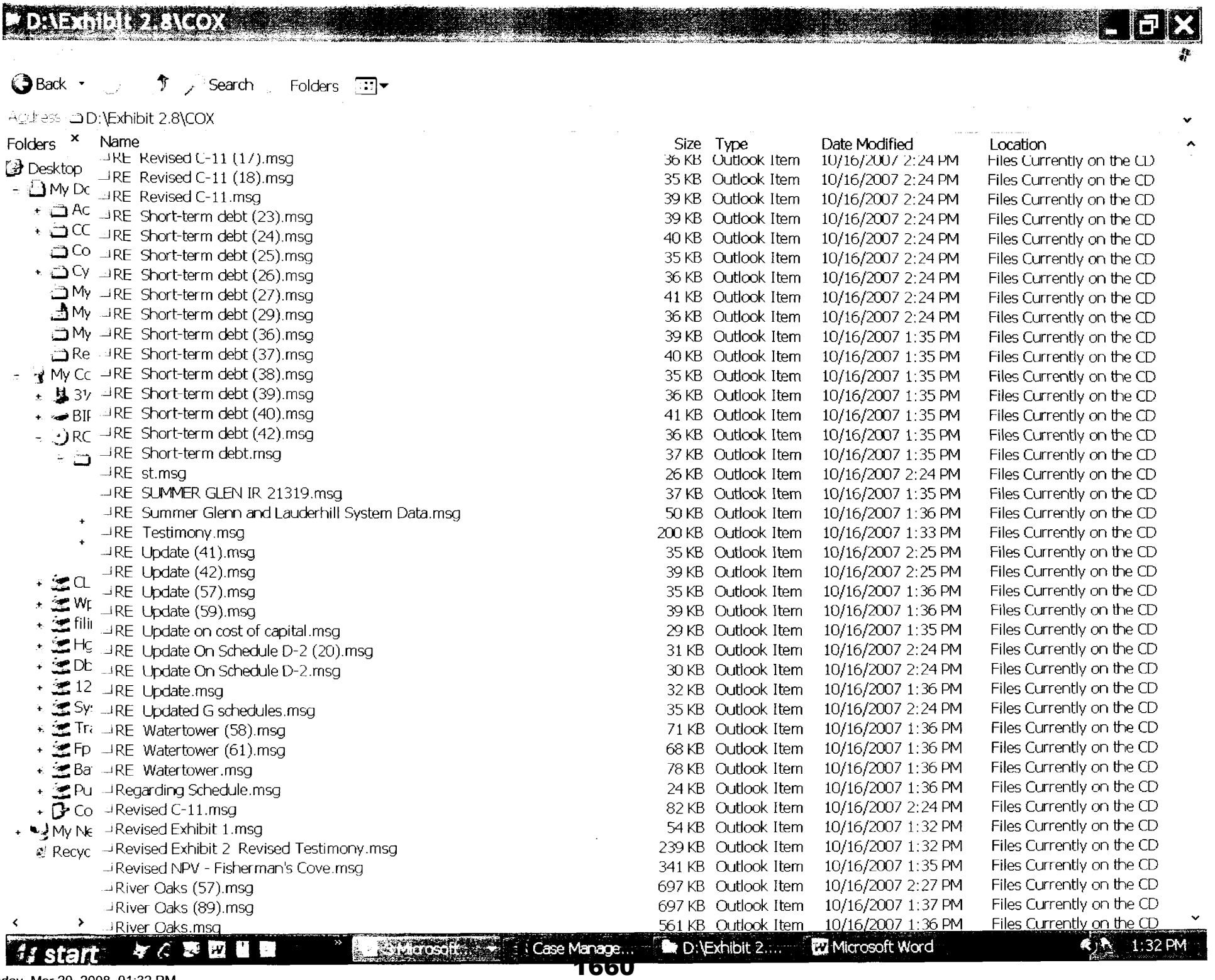

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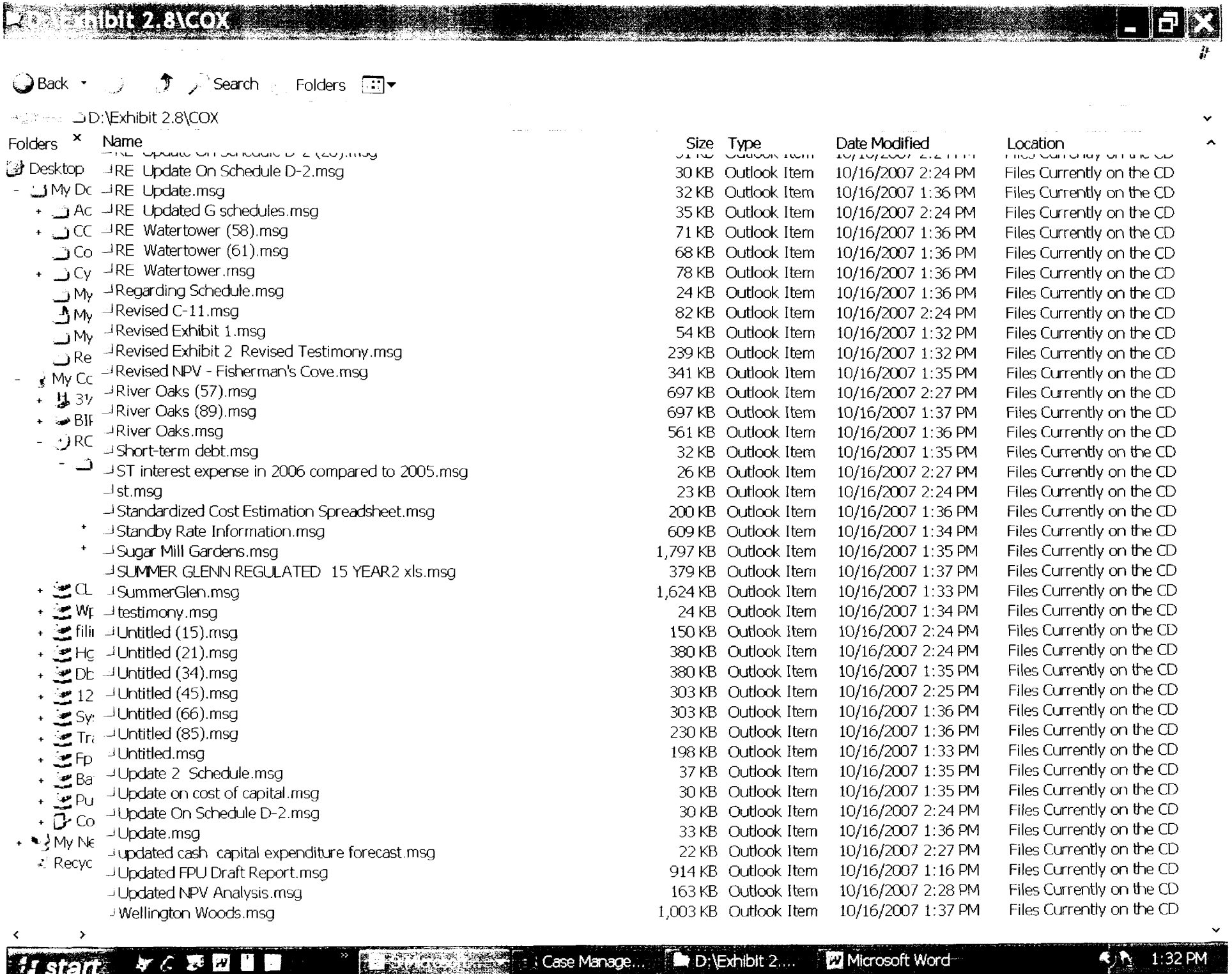

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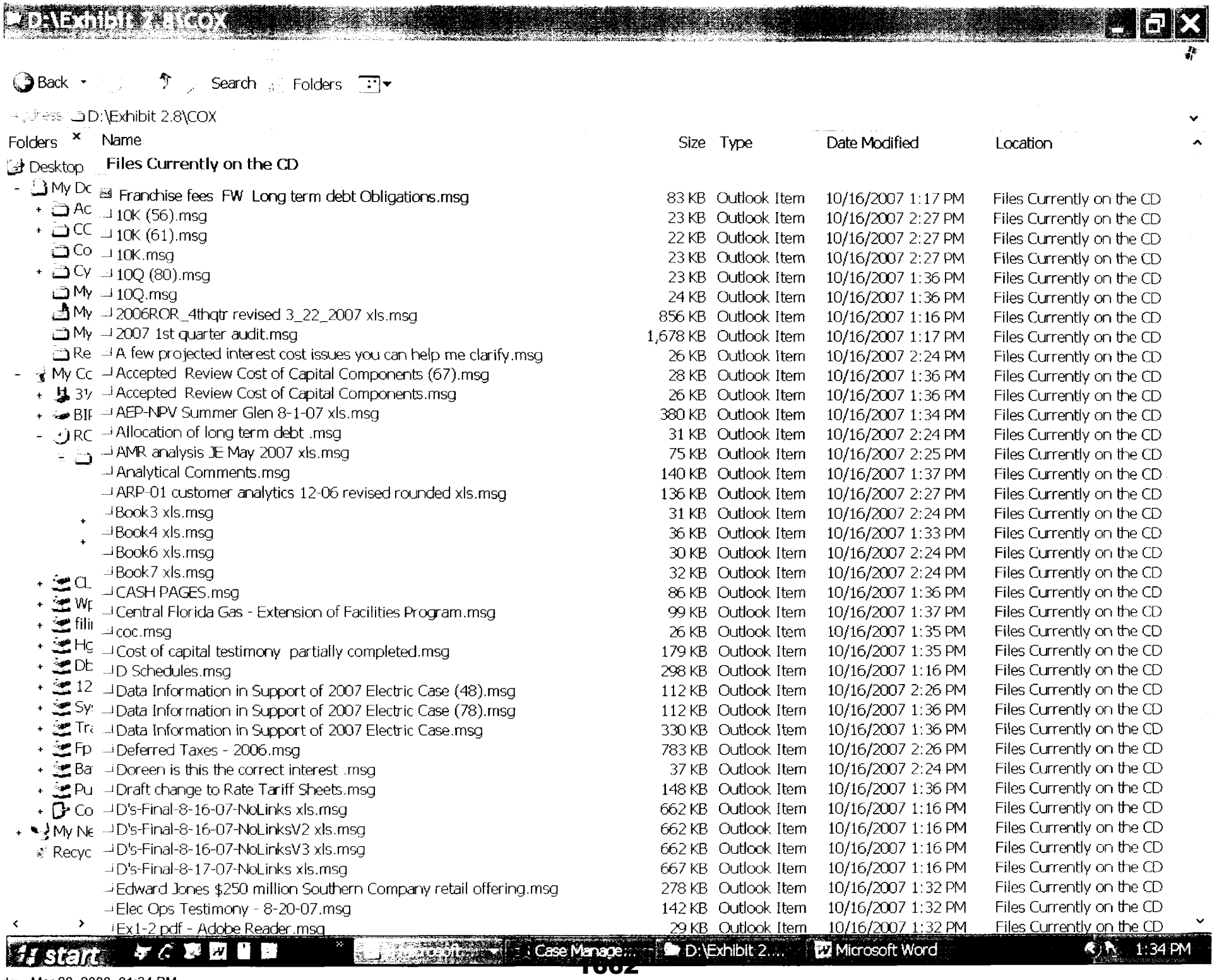

Thursday, Mar 20, 2008 01:34 PM

Clara Leider

From: Bhatia Nadira
Sent: Thursday, March 15, 2007 5:24 PM
To: Martin Cheryl
Cc: Khojasteh Mehrdad; Cox Doreen
Subject: Franchise fees FW: Long term debt Obligations

Cheryl, this is my last addition to the 10K for today – please approve since there was no tracking on. Doreen, please see the auditor's question below and verify that this information is true.

Thanks,
Nadira

Natural Gas
Natural gas revenues increased $2.0 million, or 3% in 2006 over 2005 primarily due to increased revenue collected for taxes passed directly through to customers. A change in legislature regarding the calculation of Gross Receipts tax became effective January 1, 2006, and along with an increase to overall revenues, increased these taxes paid by our customers by approximately $500,000. Franchise fee revenues also increased by approximately $500,000 due to increased rates and area expansion.

Natural gas gross profit increased by $951,000, or 4% in 2006 over 2005. We had higher revenue and gross profit in 2006 compared to 2005 primarily due to billed revenue not exceeding the FPSC allowable earnings as much as in the prior year. In 2006 we reduced billed revenues and gross profit by our estimate of over-earnings of $72,000 for the year. Our estimate for 2005 was recorded at $700,000 in 2005 and we reduced that estimate in 2006 by $50,000 to $650,000. The combined effect of this was to increase our revenues and gross profit over the prior year by approximately $678,000. Other factors contributing to the increase in revenues and gross profit were 2% customer growth and storm surcharge revenues, which became effective November 2005. The revenues and gross profit increases were slightly offset by the loss of approximately $100,000 of revenue from two customers who went off-line for several months to do maintenance work.

Nadira Bhatia
Sr. Financial Accountant
Florida Public Utilities Company
nbhatia@fpuc.com
561.838.1776

-----Original Message-----
From: Bhatia Nadira
Sent: Thursday, March 15, 2007 5:17 PM
To: 'Joanah Ayroso'
Cc: Khojasteh Mehrdad; Martin Cheryl; Cox Doreen; Lundgren April
Subject: RE: Long term debt Obligations

Joanah,

Doreen is not here to answer your question. Her support shows R34 as $509,604 … and in the 10K, it is referred to as **approximately** $500,000. Please let me know if you need further information on this and we can provide them tomorrow when Doreen returns.

Thanks,
Nadira

Nadira Bhatia
Sr. Financial Accountant
Florida Public Utilities Company
nbhatia@fpuc.com
561.838.1776

-----Original Message-----
From: Bhatia Nadira
Sent: Thursday, March 15, 2007 5:05 PM
To: Cox Doreen
Cc: Khojasteh Mehrdad; Martin Cheryl
Subject: FW: Long term debt Obligations

Doreen,

What is the correct amount that should be in the 10K?

$500,000
Approximately $500,000?

Nadira Bhatia
Sr. Financial Accountant
Florida Public Utilities Company
nbhatia@fpuc.com
561.838.1776

-----Original Message-----
From: Joanah Ayroso [mailto:jayroso@bdo.com]
Sent: Thursday, March 15, 2007 4:41 PM
To: Bhatia Nadira
Subject: RE: Long term debt Obligations

Hi Nadira,

In the referenced copy dated 2/26/07 page 21 referenced to R34 – 500,000 franchise fee revenues. The support is 509,604. Rounded as 510,000?

Thanks,

JOWI
Joanah Marie Ayroso
Senior Associate
BDO Seidman, LLP
1601 Forum Place #904
West Palm Beach, FL 33401
Direct Line: (561) 207-3208

Office: (561) 688-1600
Fax: (561) 688-1848
Cell: (561) 340 9877

From: Bhatia Nadira [mailto:nbhatia@fpuc.com]
Sent: Thursday, March 15, 2007 4:26 PM
To: Joanah Ayroso
Cc: Lundgren April; Khojasteh Mehrdad; Martin Cheryl
Subject: RE: Long term debt Obligations

Hi Joanah,

Attached is a copy of the most recent 4thQ.xls worksheet per your request.

Thanks,
Nadira

Nadira Bhatia
Sr. Financial Accountant
Florida Public Utilities Company
nbhatia@fpuc.com
561.838.1776

-----Original Message-----
From: Joanah Ayroso [mailto:jayroso@bdo.com]
Sent: Thursday, March 15, 2007 4:14 PM
To: Bhatia Nadira
Subject: RE: Long term debt Obligations

Hi Nadira,

Can I have a copy of the new 4thQ.xls worksheet.

Thanks

JOWI
Joanah Marie Ayroso
Senior Associate
BDO Seidman, LLP
1601 Forum Place #904
West Palm Beach, FL 33401
Direct Line: (561) 207-3208
Office: (561) 688-1600
Fax: (561) 688-1848
Cell: (561) 340 9877

From: Bhatia Nadira [mailto:nbhatia@fpuc.com]
Sent: Tuesday, March 13, 2007 5:47 PM
To: Joanah Ayroso
Subject: FW: Long term debt Obligations

Look at the 4th tab on this attachment for:

Hi Nadira,

Thank you.

I cant find the support for the $63,904 Long-term Debt Interest

Thanks

JOWI
Joanah Marie Ayroso

Nadira Bhatia
Sr. Financial Accountant
Florida Public Utilities Company
nbhatia@fpuc.com
561.838.1776

-----Original Message-----
From: Bhatia Nadira
Sent: Tuesday, March 13, 2007 3:24 PM
To: 'Joanah Ayroso'
Cc: Khojasteh Mehrdad
Subject: Long term debt Obligations

Here are the support for LT debt Obligations you requested - see the 4th tab.

Thanks
Nadira

Nadira Bhatia
Sr. Financial Accountant
Florida Public Utilities Company
nbhatia@fpuc.com
561.838.1776

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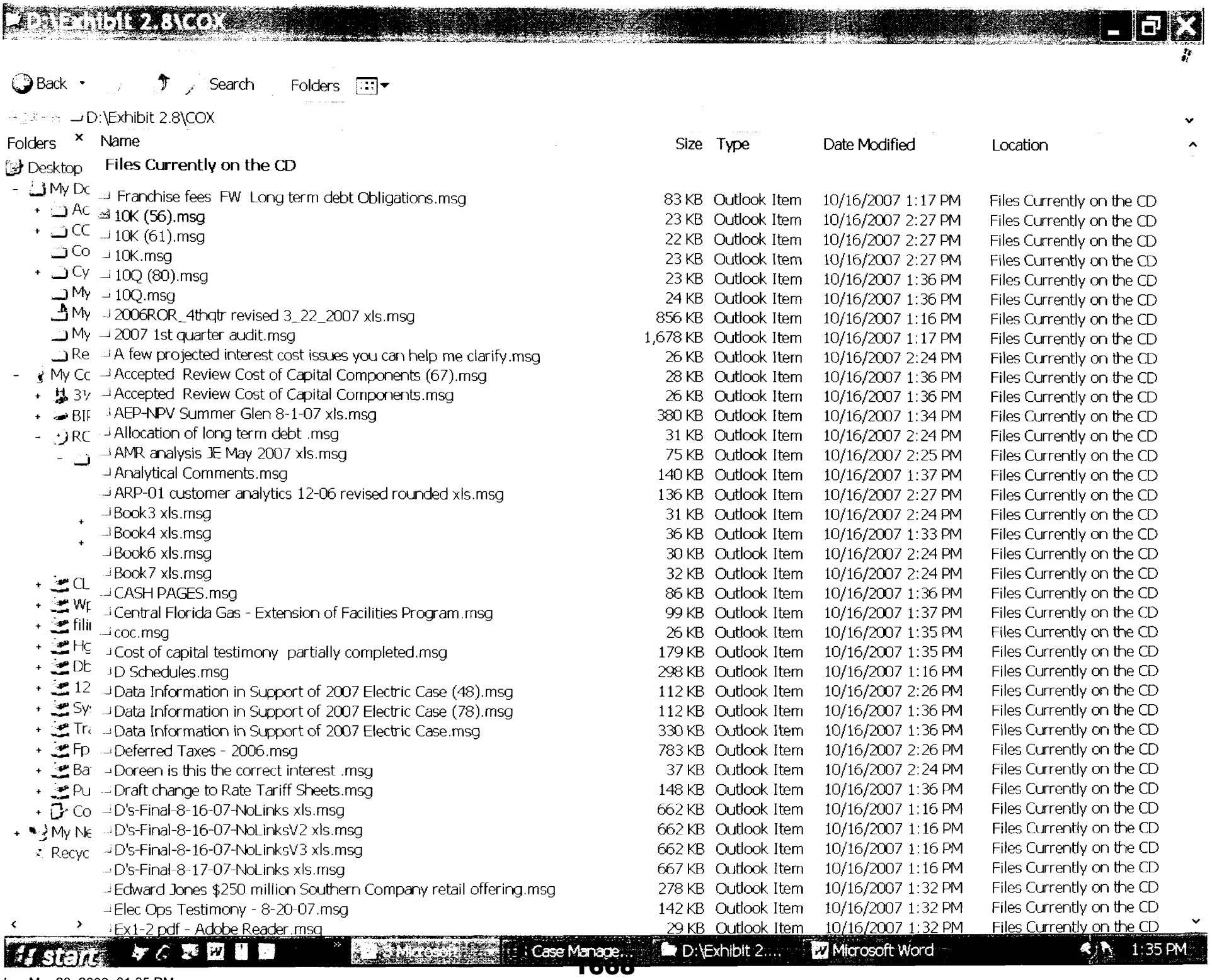


Thursday, Mar 20, 2008 01:35 PM

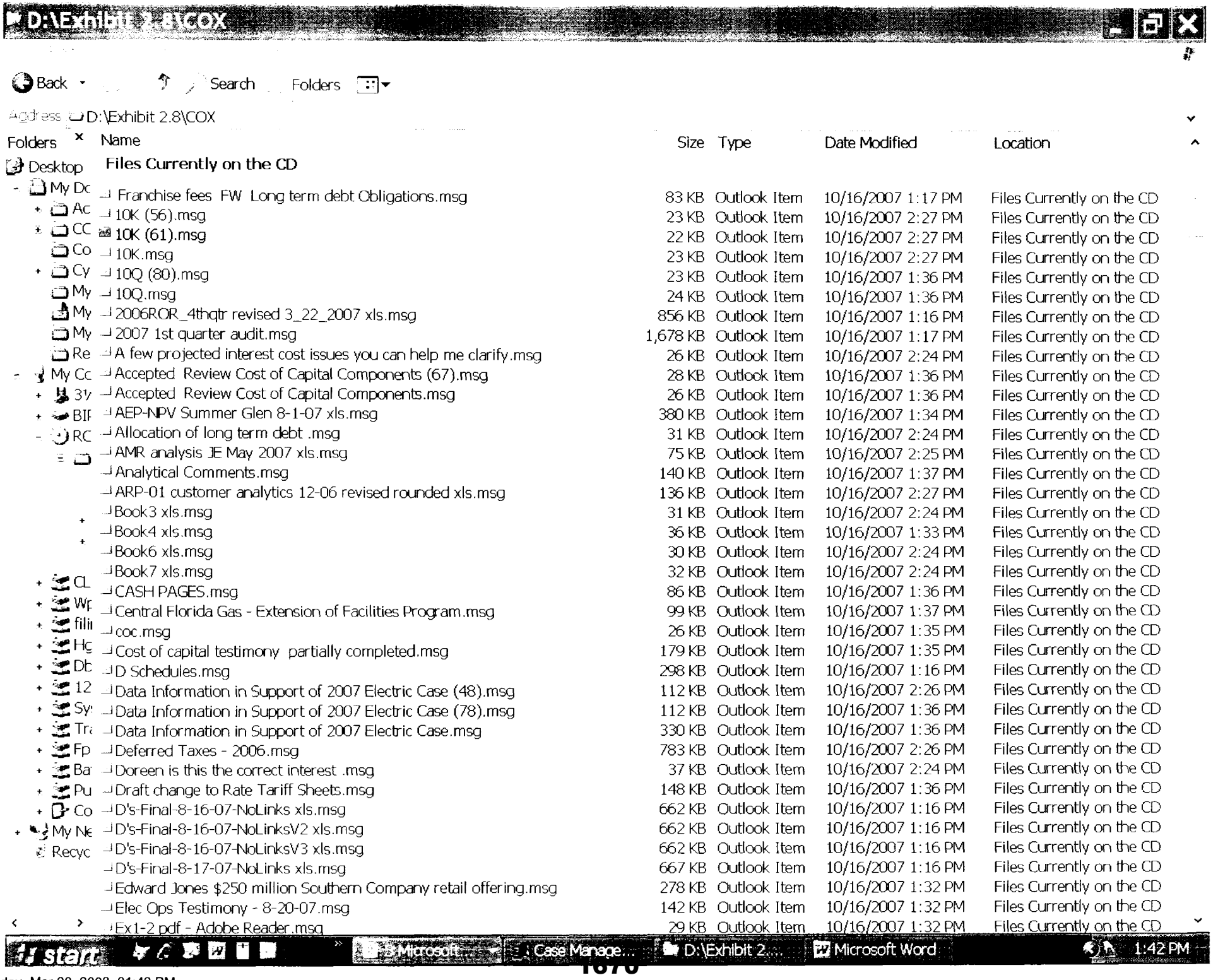
Clara Leider

From: Martin Cheryl
Sent: Friday, February 23, 2007 3:37 PM
To: Cox Doreen
Cc: Khojasteh Mehrdad
Subject: 10K

Do we have a % of equity to debt or something along those lines in the 10K that may change as a result of FASB 158 JE. CE changed. I will be reading it again this weekend, just thought you may remember off hand.

Thanks,

Cheryl Martin
Controller, FPUC
561-838-1725



Thursday, Mar 20, 2008 01:42 PM

Clara Leider

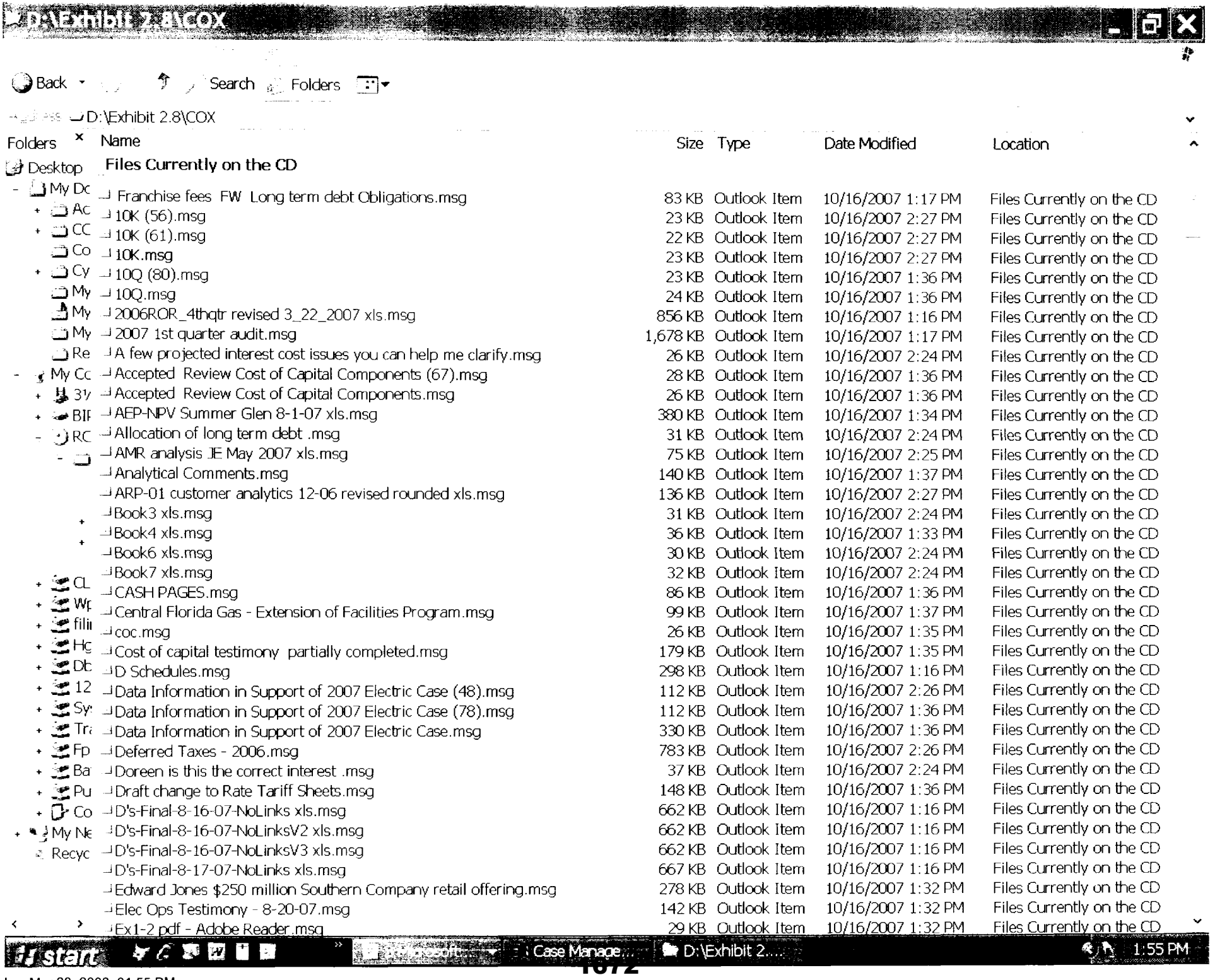
From: Martin Cheryl
Sent: Monday, February 12, 2007 1:52 PM
To: Cox Doreen
Subject: 10K

Was this suppose to be 2007?

> Based on our current expectations for cash needs, including the possible land purchase and related construction, we may choose to consider an equity or debt financing in 2008 of $12 million to $15 million to address those cash needs. The need and timing will depend upon operational requirements, environmental expenditures, pension contributions and construction expenditures and cannot be precisely predicted at this time. In addition, if we experience significant environmental expenditures in the next two or three years it is possible we may need to raise additional funds earlier. If interest rates remain favorable we may consider re-financing of one of our mortgage bonds if this allows us to defer a possible equity offering. There can be no assurance, however, that equity or debt financing will be available on favorable terms when the company is seeking such financings.

Thanks,

Cheryl Martin
Controller, FPUC
561-838-1725



Thursday, Mar 20, 2008 01:55 PM

Clara Leider

From: Martin Cheryl
Sent: Thursday, March 01, 2007 8:37 AM
To: Cox Doreen
Subject: 10K

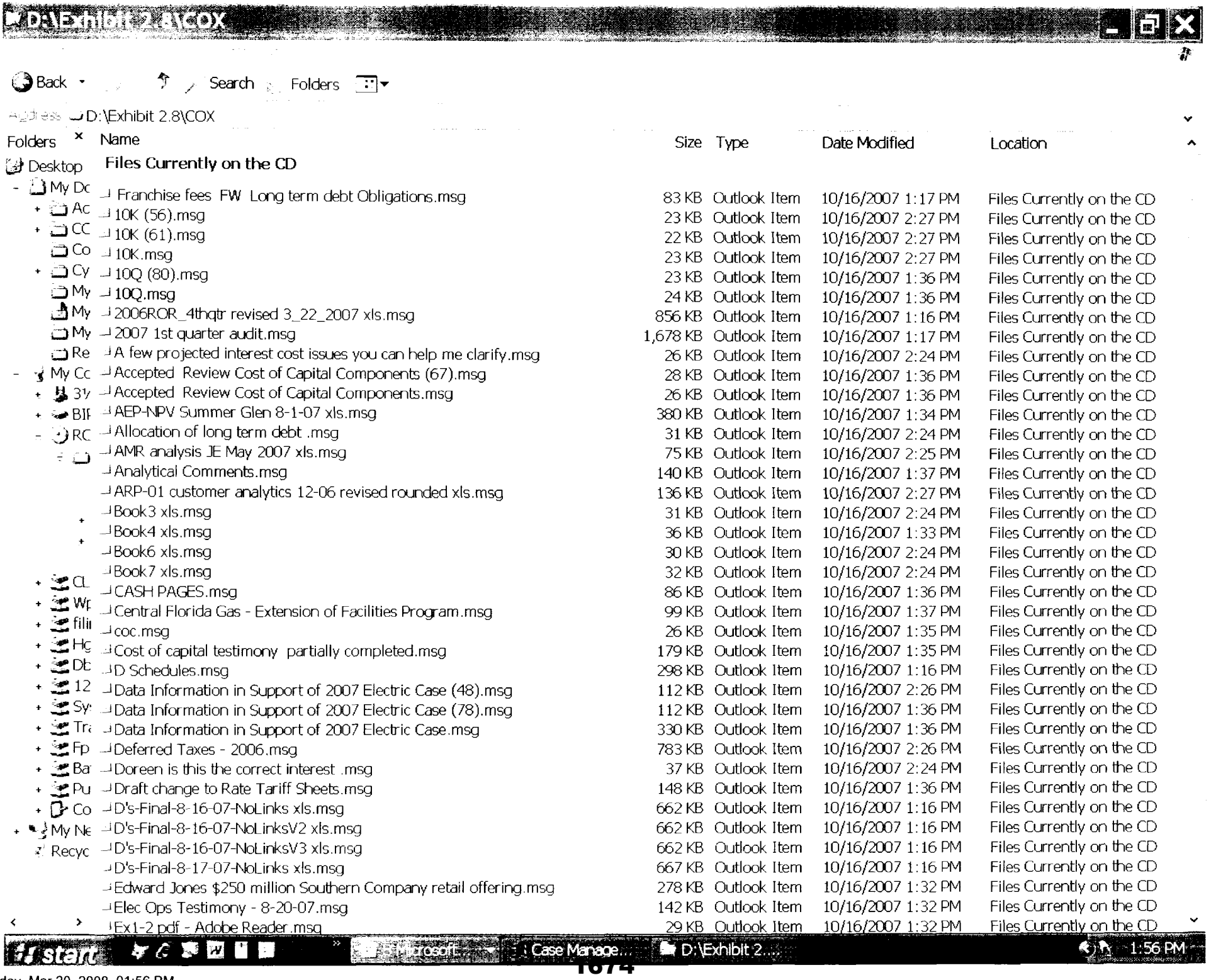
Please update if necessary this number in the 10K and turn to black once complete. Thanks

Capital Resources

We currently have a $12 million line of credit (LOC), which expires on July 1, 2008. Upon 30 days notice by us we can increase the LOC to a maximum of $20 million. The LOC contains affirmative and negative covenants that, if violated, would give the bank the right to accelerate the due date of the loan to be immediately payable. The covenants include certain financial ratios. All ratios are currently met and management believes we are in full compliance with all covenants and anticipates continued compliance. We reserve $1 million of the LOC to cover expenses for any major storm repairs in our electric segment and an additional $250,000 for a letter of credit insuring propane gas facilities. As of December 31, 2006, the amount borrowed from the LOC was $3.5 million. The LOC, long-term debt and preferred stock as of December 31, 2006 comprised 53% of total capitalization and debt.

Thanks,

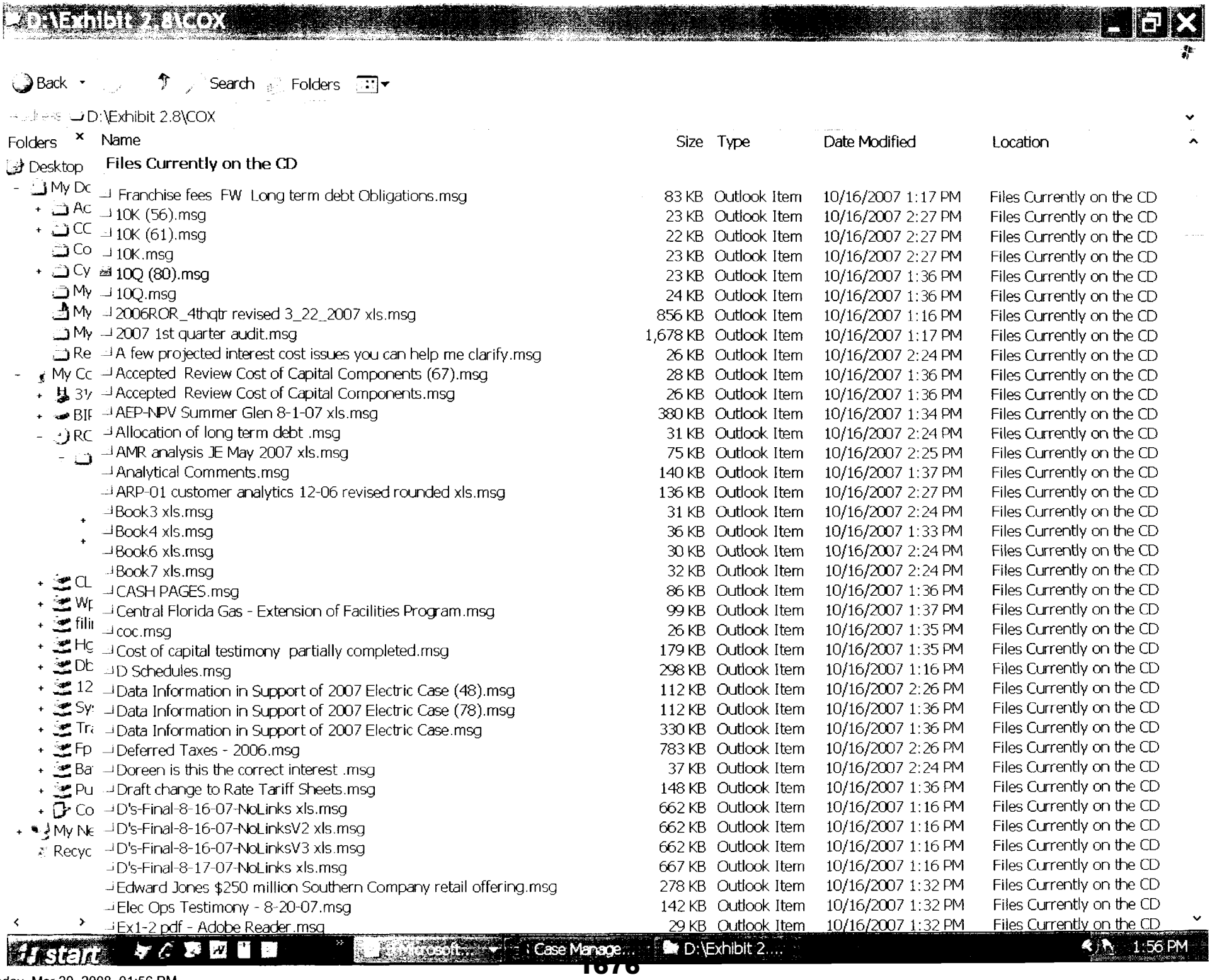
Cheryl Martin
Controller, FPUC
561-838-1725



Thursday, Mar 20, 2008 01:56 PM

Clara Leider

From: Martin Cheryl
Sent: Thursday, June 28, 2007 1:35 PM
To: Cox Doreen
Subject: 2006ROR_4thqtr revised 3_22_2007.xls
Categories: Elec Rate Case
Attachments: 2006ROR_4thqtr revised 3_22_2007.xls



Thursday, Mar 20, 2008 01:56 PM

Clara Leider

From: Martin Cheryl
Sent: Wednesday, May 09, 2007 6:09 PM
To: Cox Doreen
Cc: Lundgren April
Subject: 10Q

Is there a period of time we can add to this in our 10Q, capital requirements section?

We have $3.4 million in invested funds for payment of future environmental costs. We expect to incur between $5.8 million and $19.1 million for expenses related to environmental clean up.

Thanks,

Cheryl Martin
Controller, FPUC
561-838-1725

Exhibit 2.8\COX
Back
Search
Folders
D:\Exhibit 2.8\COX
Folders
Name
Size
Type
Date Modified
Location
Desktop
Files Currently on the CD
Franchise fees FW Long term debt Obligations.msg 83 KB Outlook Item 10/16/2007 1:17 PM Files Currently on the CD
10K (56).msg 23 KB Outlook Item 10/16/2007 2:27 PM Files Currently on the CD
10K (61).msg 22 KB Outlook Item 10/16/2007 2:27 PM Files Currently on the CD
10K.msg 23 KB Outlook Item 10/16/2007 2:27 PM Files Currently on the CD
10Q (80).msg 23 KB Outlook Item 10/16/2007 1:36 PM Files Currently on the CD
10Q.msg 24 KB Outlook Item 10/16/2007 1:36 PM Files Currently on the CD
2006ROR_4thqtr revised 3_22_2007 xls.msg 856 KB Outlook Item 10/16/2007 1:16 PM Files Currently on the CD
2007 1st quarter audit.msg 1,678 KB Outlook Item 10/16/2007 1:17 PM Files Currently on the CD
A few projected interest cost issues you can help me clarify.msg 26 KB Outlook Item 10/16/2007 2:24 PM Files Currently on the CD
Accepted Review Cost of Capital Components (67).msg 28 KB Outlook Item 10/16/2007 1:36 PM Files Currently on the CD
Accepted Review Cost of Capital Components.msg 26 KB Outlook Item 10/16/2007 1:36 PM Files Currently on the CD
AEP-NPV Summer Glen 8-1-07 xls.msg 380 KB Outlook Item 10/16/2007 1:34 PM Files Currently on the CD
Allocation of long term debt .msg 31 KB Outlook Item 10/16/2007 2:24 PM Files Currently on the CD
AMR analysis JE May 2007 xls.msg 75 KB Outlook Item 10/16/2007 2:25 PM Files Currently on the CD
Analytical Comments.msg 140 KB Outlook Item 10/16/2007 1:37 PM Files Currently on the CD
ARP-01 customer analytics 12-06 revised rounded xls.msg 136 KB Outlook Item 10/16/2007 2:27 PM Files Currently on the CD
Book3 xls.msg 31 KB Outlook Item 10/16/2007 2:24 PM Files Currently on the CD
Book4 xls.msg 36 KB Outlook Item 10/16/2007 1:33 PM Files Currently on the CD
Book6 xls.msg 30 KB Outlook Item 10/16/2007 2:24 PM Files Currently on the CD
Book7 xls.msg 32 KB Outlook Item 10/16/2007 2:24 PM Files Currently on the CD
CASH PAGES.msg 86 KB Outlook Item 10/16/2007 1:36 PM Files Currently on the CD
Central Florida Gas - Extension of Facilities Program.msg 99 KB Outlook Item 10/16/2007 1:37 PM Files Currently on the CD
coc.msg 26 KB Outlook Item 10/16/2007 1:35 PM Files Currently on the CD
Cost of capital testimony partially completed.msg 179 KB Outlook Item 10/16/2007 1:35 PM Files Currently on the CD
D Schedules.msg 298 KB Outlook Item 10/16/2007 1:16 PM Files Currently on the CD
Data Information in Support of 2007 Electric Case (48).msg 112 KB Outlook Item 10/16/2007 2:26 PM Files Currently on the CD
Data Information in Support of 2007 Electric Case (78).msg 112 KB Outlook Item 10/16/2007 1:36 PM Files Currently on the CD
Data Information in Support of 2007 Electric Case.msg 330 KB Outlook Item 10/16/2007 1:36 PM Files Currently on the CD
Deferred Taxes - 2006.msg 783 KB Outlook Item 10/16/2007 2:26 PM Files Currently on the CD
Doreen is this the correct interest .msg 37 KB Outlook Item 10/16/2007 2:24 PM Files Currently on the CD
Draft change to Rate Tariff Sheets.msg 148 KB Outlook Item 10/16/2007 1:36 PM Files Currently on the CD
D's-Final-8-16-07-NoLinks xls.msg 662 KB Outlook Item 10/16/2007 1:16 PM Files Currently on the CD
D's-Final-8-16-07-NoLinksV2 xls.msg 662 KB Outlook Item 10/16/2007 1:16 PM Files Currently on the CD
D's-Final-8-16-07-NoLinksV3 xls.msg 662 KB Outlook Item 10/16/2007 1:16 PM Files Currently on the CD
D's-Final-8-17-07-NoLinks xls.msg 667 KB Outlook Item 10/16/2007 1:16 PM Files Currently on the CD
Edward Jones $250 million Southern Company retail offering.msg 278 KB Outlook Item 10/16/2007 1:32 PM Files Currently on the CD
Elec Ops Testimony - 8-20-07.msg 142 KB Outlook Item 10/16/2007 1:32 PM Files Currently on the CD
Ex1-2 pdf - Adobe Reader.msg 29 KB Outlook Item 10/16/2007 1:32 PM Files Currently on the CD
start
Case Manage
D:\Exhibit 2....
1:57 PM

FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED ELECTRIC DIVISION
INTEREST SYNCHRONIZATION CALCULATION
DECEMBER 2006

AVERAGE	DOLLARS	RATIO %	COST RATE %	WEIGHTED COST %
COMMON EQUITY	14,178,780	36.91	11.50	4.2442
PREFERRED EQUITY	187,965	0.49	4.75	0.0232
LONG-TERM DEBT	15,917,452	41.43	8.02	3.3228
SHORT-TERM DEBT	1,043,202	2.72	3.28	0.0891
CUSTOMER DEPOSITS	2,136,661	5.56	6.61	0.3676
INVESTMENT TAX CREDIT				
3%	1,461	0.00	0.00	0.0000
WEIGHTED COST	139,658	0.36	9.42	0.0342
DEFERRED INCOME TAXES	4,813,710	12.53	0.00	0.0000
	38,418,889	100.00		8.0811
			ROUNDED	8.08
COST RATE FOR WEIGHTED COST ITC:				
COMMON EQUITY	14,178,780	45.26	11.50	5.2049
PREFERRED EQUITY	187,965	0.60	4.75	0.0285
LONG-TERM DEBT	15,917,452	50.81	8.02	4.0750
SHORT-TERM DEBT	1,043,202	3.33	3.28	0.1092
	31,327,399	100.00		9.4176
		Interest for ITC:		**4.1842**

INTEREST PER BOOKS	1,505,287	INTEREST 12/30/06	1,505,287
INTEREST CALCULATED	1,457,874	+ INTEREST 12/05	1,585,612
		- INTEREST 12/05	1,585,612
DIFFERENCE	47,413		
EFFECTIVE TAX RAT	0.3763	TOTAL INTEREST PER BOOKS	1,505,287
CURR TAX INC/(DEC	17,842		

INTEREST EXPENSE
1,276,580
34,217
141,233
5,844
1,457,874

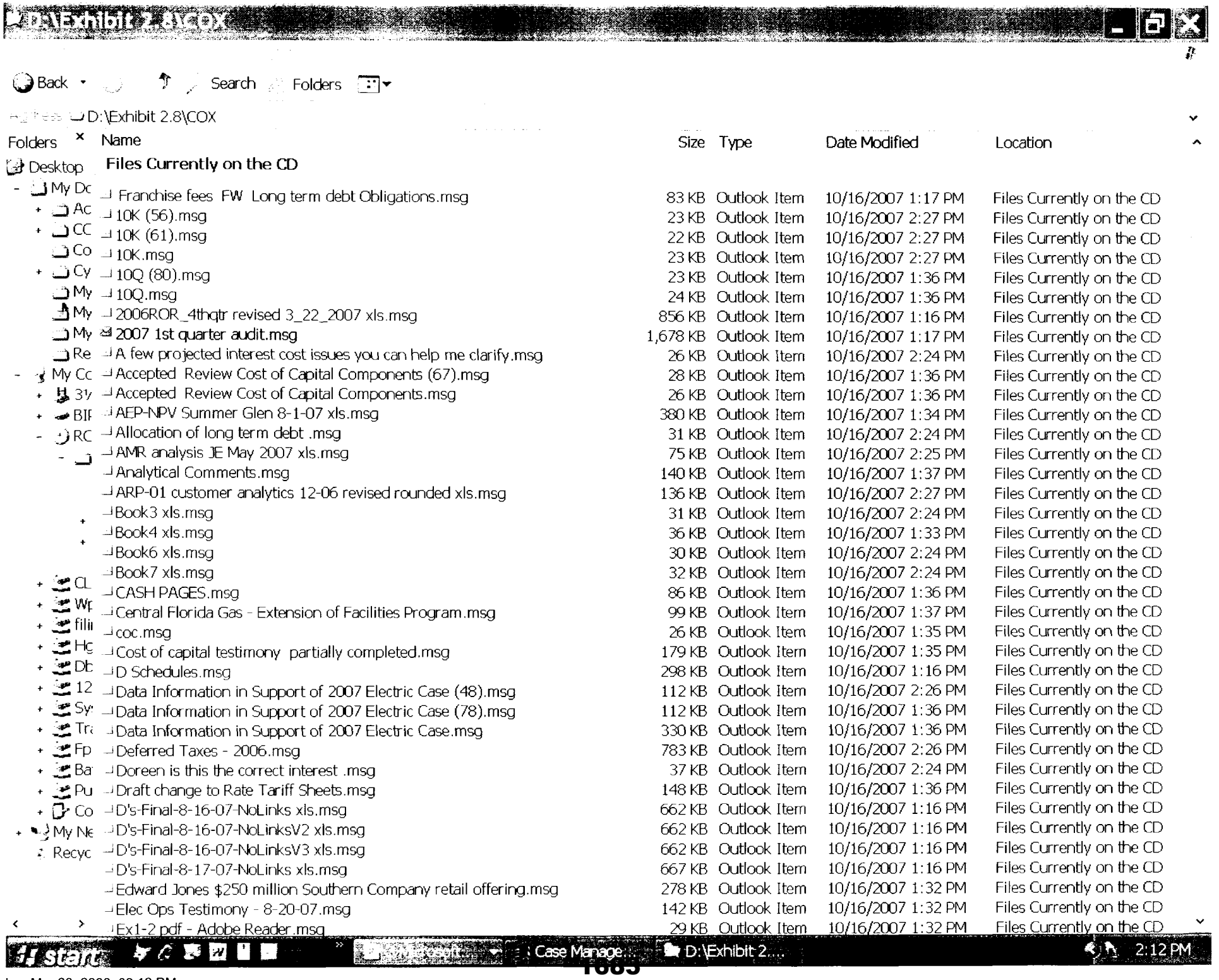
|::

FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED GAS DIVISIONS
INTEREST SYNCHRONIZATION CALCULATION
DECEMBER 2006

AVERAGE	DOLLARS	RATIO %	COST RATE %	WEIGHTED COST %
COMMON EQUITY	20,652,725	35.59	11.25	4.0039
PREFERRED EQUITY	273,788	0.47	4.75	0.0224
LONG-TERM DEBT	23,185,262	39.95	8.02	3.2043
SHORT-TERM DEBT	1,519,522	2.62	3.28	0.0859
CUSTOMER DEPOSITS	5,277,158	9.09	6.61	0.6011
INVESTMENT TAX CREDIT				
3%	0	0.00	0.00	0.0000
WEIGHTED COST	231,503	0.40	9.30	0.0371
DEFERRED INCOME TAXES	6,889,503	11.87	0.00	0.0000
	58,029,461	100.00		7.9547
			ROUNDED	7.95
COST RATE FOR WEIGHTED COST ITC:				
COMMON EQUITY	20,652,725	45.26	11.25	5.0917
PREFERRED EQUITY	273,788	0.60	4.75	0.0285
LONG-TERM DEBT	23,185,262	50.81	8.02	4.0750
SHORT-TERM DEBT	1,519,522	3.33	3.28	0.1092
	45,631,297	100.00		9.3044
		Interest for ITC		**4.1842**

INTEREST PER BOOKS	2,354,423	INTEREST 12/30/06	2,354,423
INTEREST CALCULATED	2,267,805	+ INTEREST 12/05	2,480,059
		- INTEREST 12/05	2,480,059
DIFFERENCE	86,618		
EFFECTIVE TAX RAT	0.3763	TOTAL INTEREST PER BOOKS	2,354,423
CURR TAX INC/(DEC	32,594		

INTEREST EXPENSE
1,859,458
49,840
348,820
9,687
2,267,805



Thursday, Mar 20, 2008 02:12 PM

Clara Leider

From: Lundgren April
Sent: Thursday, April 19, 2007 7:48 AM
To: ACCOUNTING - All
Subject: 2007 1st quarter audit
Attachments: image001.jpg; 10Q checklist.xls; AUDIT_10k.xls; image001.jpg

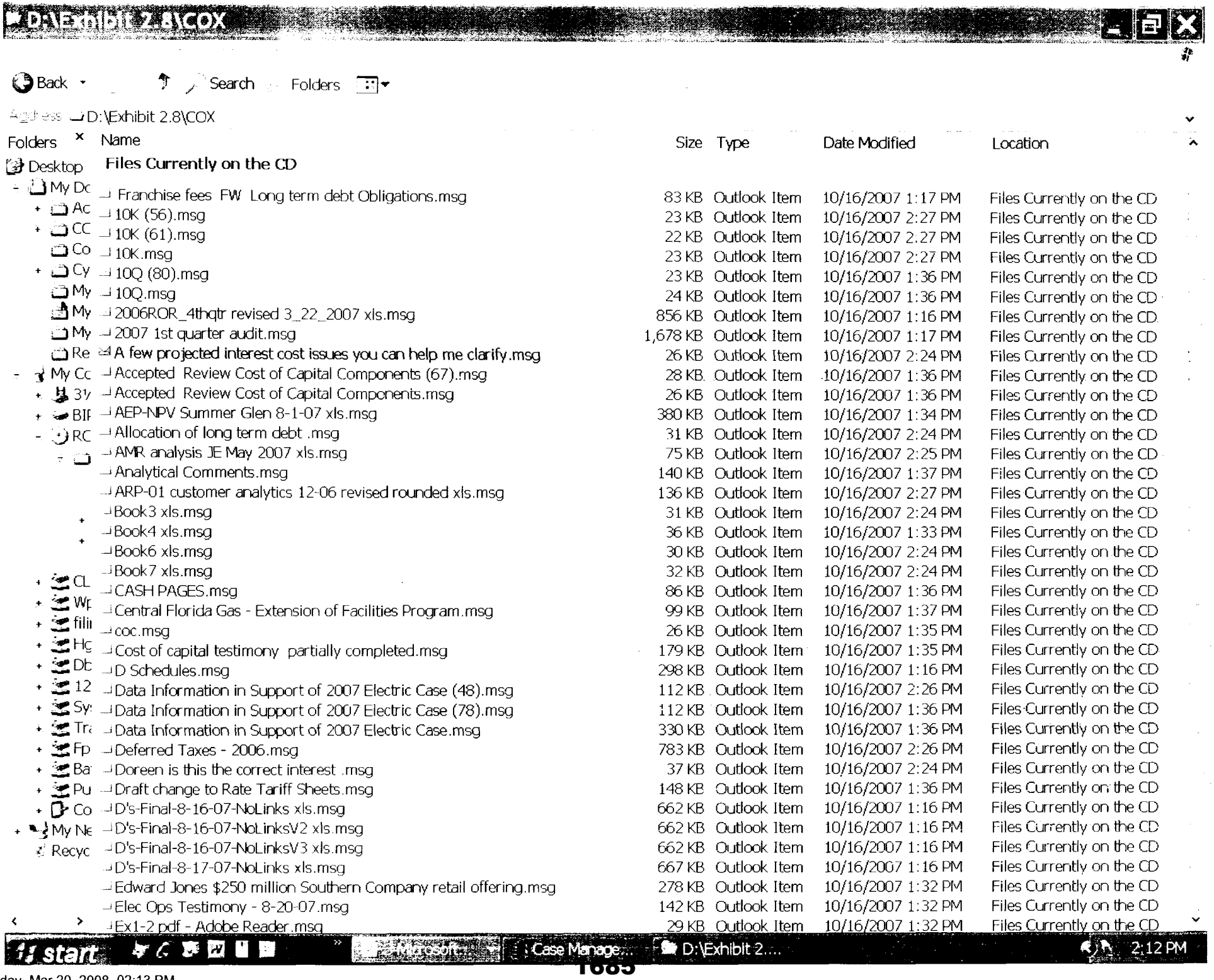
Good morning, everyone!

Please find attached the 1st quarter 2007 checklist. Please review all three tabs and let me know if there are any items that need to be reassigned. As the audit progresses, and as you have time available, we may reassign...

Also, please familiarize yourself with the Audit_10k file. Each accountant will be responsible to enter variance analysis for their accounts. The attached file is an example from last quarter. I will let you know after the quarter has been closed when the working file is ready for your input.

If you have any questions, please give me a call!

Thank you,
April Lundgren
Sr. SEC Accountant
Florida Public Utilities Company
561.838.1788



Thursday, Mar 20, 2008 02:13 PM

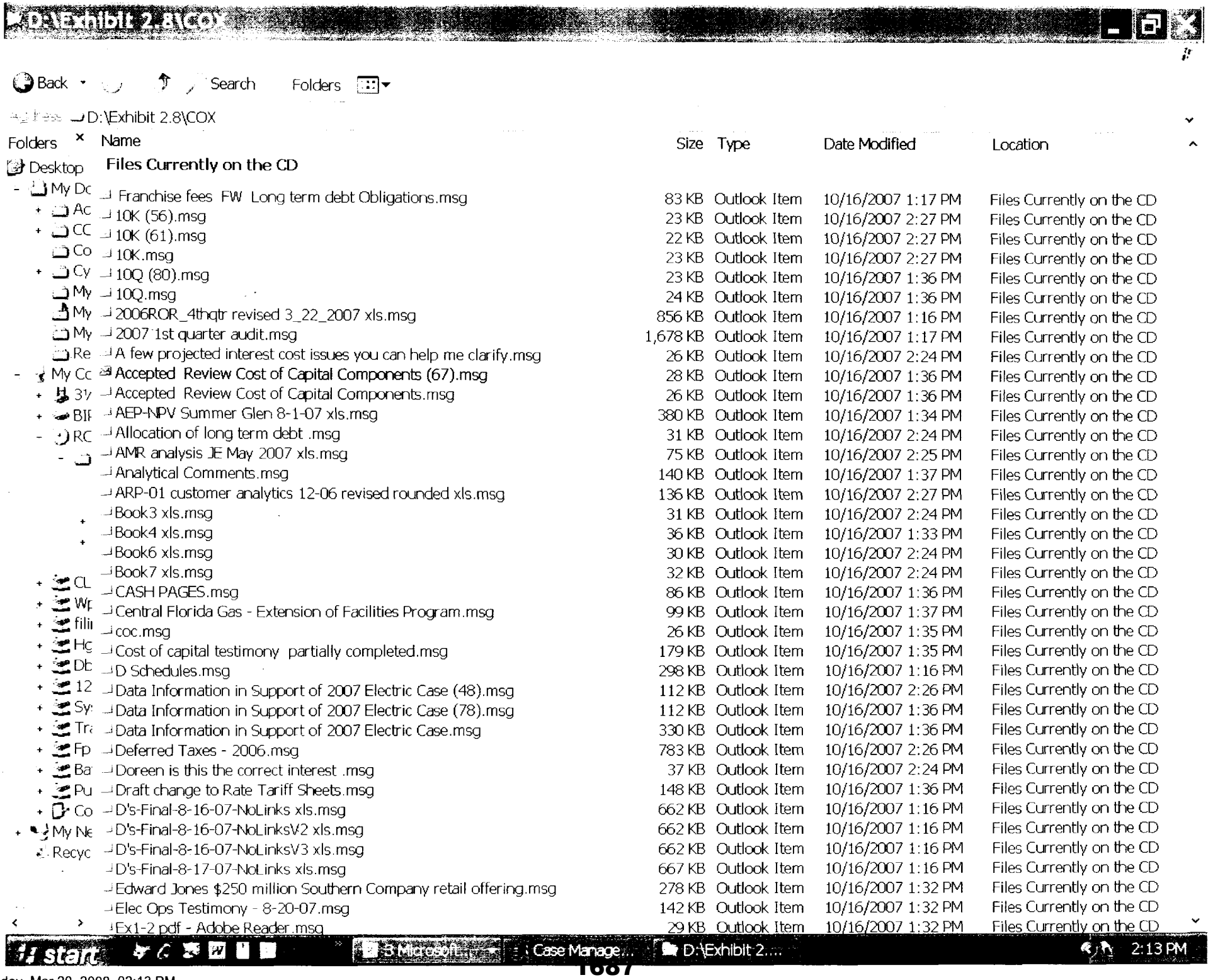
Clara Leider

From: Mike Welsh [mpwelsh@CAEnergy.com]
Sent: Monday, July 09, 2007 9:34 AM
To: Cox Doreen
Subject: A few projected interest cost issues you can help me clarify
Categories: Elec Rate Case

Doreen: Is there a convenient time I where we could have a short phone call to help me understand where I should look for two projected interest cost items in the draft D schedules? For "Amortization of Debt etc " and the "Other interest expense" I see related numbers in the trial balance but I am concerned these might be whole company as opposed to electric only numbers.

Mike Welsh
Christensen Associates Energy Consulting
4610 University Avenue
Suite 700
Madison, WI 53705
Phone: 608-231-2266
Fax: 608-231-1365

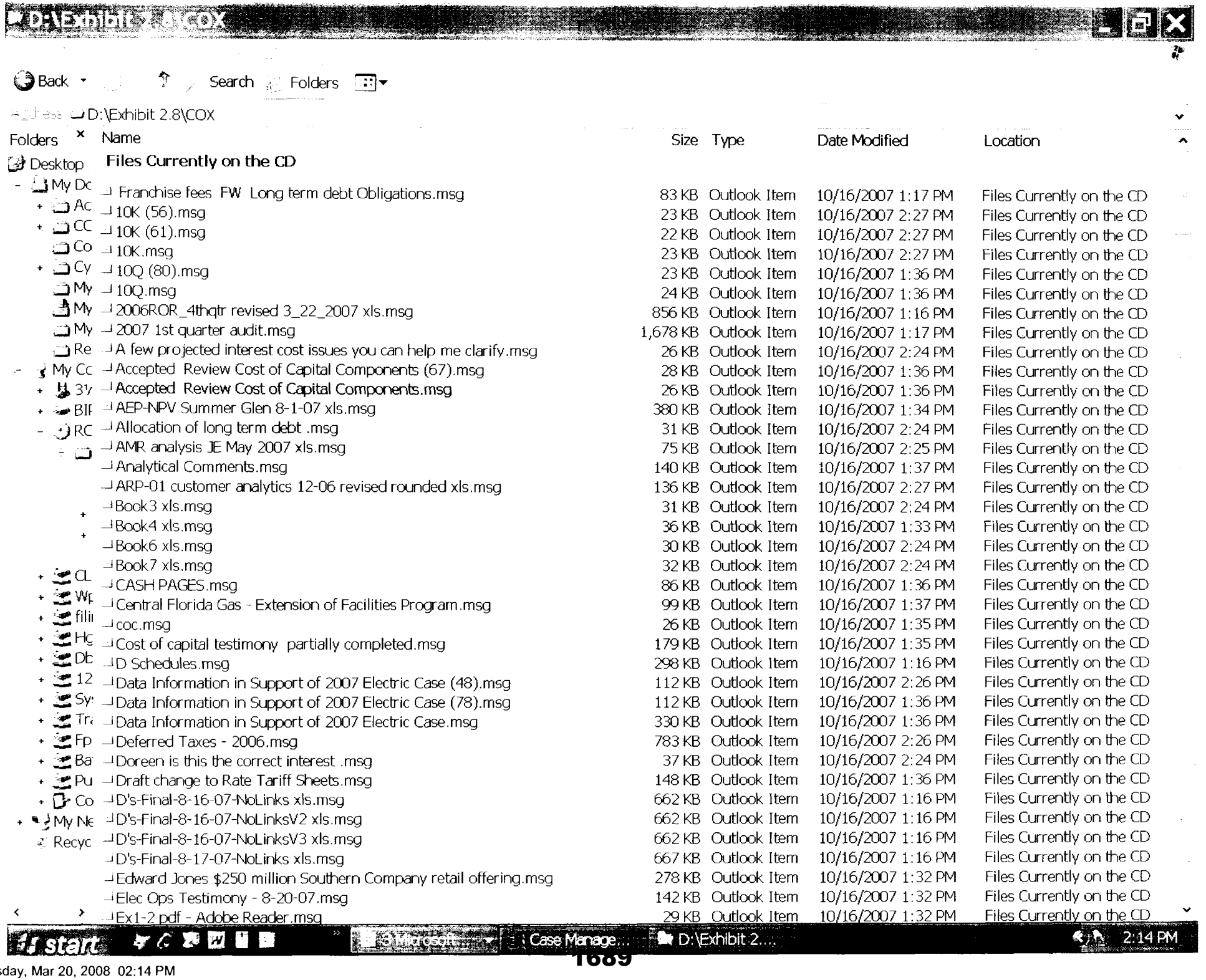
We can be found on the web at: http://www.CAEnergy.com



Thursday, Mar 20, 2008 02:13 PM

Clara Leider

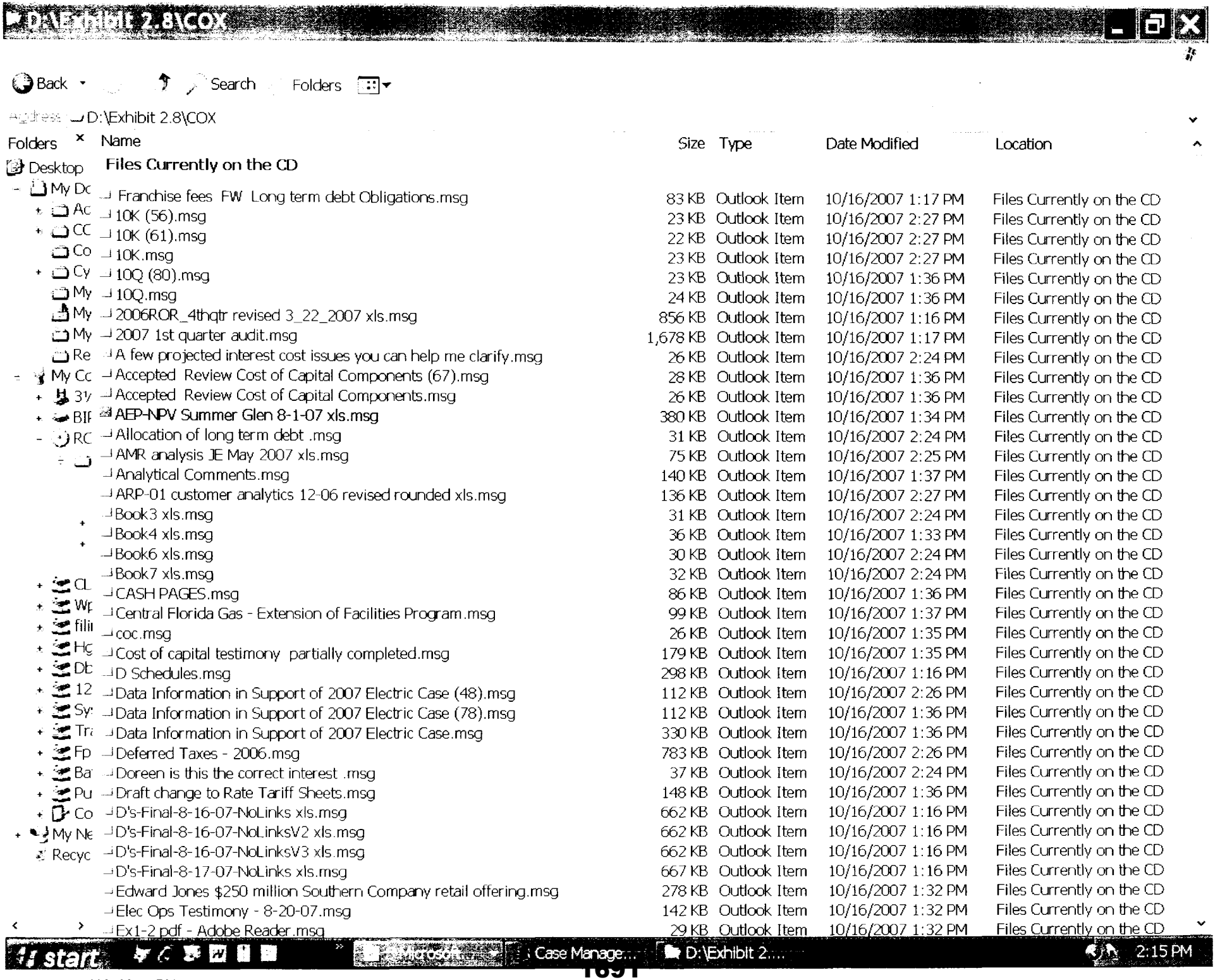
From: Martin Cheryl
Sent: Thursday, May 31, 2007 4:52 PM
To: Cox Doreen
Subject: Accepted: Review Cost of Capital Components



Thursday, Mar 20, 2008 02:14 PM

Clara Leider

From: Bachman George
Sent: Thursday, May 31, 2007 4:58 PM
To: Cox Doreen
Subject: Accepted: Review Cost of Capital Components



Thursday, Mar 20, 2008 02:15 PM

Clara Leider

From: Kitner Don
Sent: Monday, August 06, 2007 5:13 PM
To: Cox Doreen
Subject: AEP-NPV Summer Glen 8-1-07.xls
Attachments: AEP-NPV Summer Glen 8-1-07.xls

Doreen,
Attached is the AEP/NPV for SummerGlen with current numbers. What should I provide as additional back-up for the analysis? Most dollars have been spent and will be transferred (these are included on the AEP/NPV). In addition, we estimated an average cost per service, average usage based on actual, and Dan Scribben estimated the cost to install the final phase.

Additional items to transfer will be the actual meters and regulators - these were not included on the Journal Entry Form.

Let me know or give me a call.
Thanks,
Don

Instructions for using the AEP & Net Present Value (NPV) Templates

Revised 5/18/2005

OBJECTIVE

The AEP & Net Present Value (NPV) Templates are to be used as an analytical tool for evaluating potential revenue generating investments and to determine the AEP surcharge rate for the recovery of the Excess Construction Costs.

INPUT

The general input areas are shaded in light blue - all relevant cells should be updated for all projects. Enter data as follows:

1 **Project Name**	Short description of investment.
2 **Beginning in Year**	Projected year that the project will commence.
3 **Piping Allowance**	Estimated Piping Allowance per class of customer if not capitalized (see note 24).
4 **Occupancy Rate**	Anticipated occupancy level.
5 **Cost of Service per Customer**	Estimated cost of providing service to each class of customer.
6 **Mains**	Cost of installing main per year.
7 **New Residential Customers**	Estimated residential customer added each month for each year.
8 **Therms per Customer each Month**	Average monthly therms per residential customer.
9 **New General Service Customers**	Estimated General Service customers added each month for each year.
10 **Therms per Customer each Month**	Average monthly therms per General Service customer.
11 **New Large Volume Customers**	Estimated Large Volume customer added each month for each year.
12 **Therms per Customer each Month**	Average monthly therms per Large Volume customer.
13 **Gas Lighting Service**	Estimated other customer added each month for each year.
14 **Therms per Customer each Month**	Average monthly therms per other customer.
15 **Customer Charge**	Estimated Customer Charge for Other Customers added.
16 **Other Income**	Other "non base revenue" estimated positive cash flows to be generated by the project for each year.
	Note - pass-through revenues, such as fuel and gross receipts tax are not to be included.
17 **Other Expenses**	Other expenses estimated to be incurred from the project for each year eg Sales Rep Commissions.
	Note - pass-through expenses, such as fuel and gross receipts tax are not to be included.
18 **AEP Worksheet**	Enter AEP surcharge rate that provides cost recovery within 8-10 years.

Instructions for using the AEP & Net Present Value (NPV) Templates

Revised 5/18/2005

OBJECTIVE

The AEP & Net Present Value (NPV) Templates are to be used as an analytical tool for evaluating potential revenue generating investments and to determine the AEP surcharge rate for the recovery of the Excess Construction Costs.

INPUT

The general input areas are shaded in light blue - all relevant cells should be updated for all projects. Enter data as follows:

1	**Project Name**	Short description of investment.
2	**Beginning In Year**	Projected year that the project will commence.
3	**Piping Allowance**	Estimated Piping Allowance per class of customer if not capitalized (see note 24).
4	**Occupancy Rate**	Anticipated occupancy level.
5	**Cost of Service per Customer**	Estimated cost of providing service to each class of customer.
6	**Mains**	Cost of installing main per year.
7	**New Residential Customers**	Estimated residential customer added each month for each year.
8	**Therms per Customer each Month**	Average monthly therms per residential customer.
9	**New General Service Customers**	Estimated General Service customers added each month for each year.
10	**Therms per Customer each Month**	Average monthly therms per General Service customer.
11	**New Large Volume Customers**	Estimated Large Volume customer added each month for each year.
12	**Therms per Customer each Month**	Average monthly therms per Large Volume customer.
13	**Gas Lighting Service**	Estimated other customer added each month for each year.
14	**Therms per Customer each Month**	Average monthly therms per other customer.
15	**Customer Charge**	Estimated Customer Charge for Other Customers added.
16	**Other Income**	Other "non base revenue" estimated positive cash flows to be generated by the project for each year. Note - pass-through revenues, such as fuel and gross receipts tax are not to be included.
17	**Other Expenses**	Other expenses estimated to be incurred from the project for each year eg Sales Rep Commissions. Note - pass-through expenses, such as fuel and gross receipts tax are not to be included.
18	**AEP Worksheet**	Enter AEP surcharge rate that provides cost recovery within 8-10 years.

GENERAL INFORMATION

19 Contracts with Access Fees (up-front payments to Developers) should be carefully worded to ensure that there is a corresponding clause for a penalty for units not connected. The payments to the Developer should be entered on the cash flow analysis as a capital expenditure in the year that it is anticipated that the payment will be made. The access fee should be treated as an up-front capital expenditure.

20 On the Income Statement Section of the NPV analysis it is assumed that the up-front access fee, including piping allowance (capitalized) will be depreciated at the same rate as the other capital expenditure items. The actual contract, however, should be worded such that it allows us to depreciate the piping allowance over the life of the contract.

Instructions for using the AEP & Net Present Value (NPV) Templates

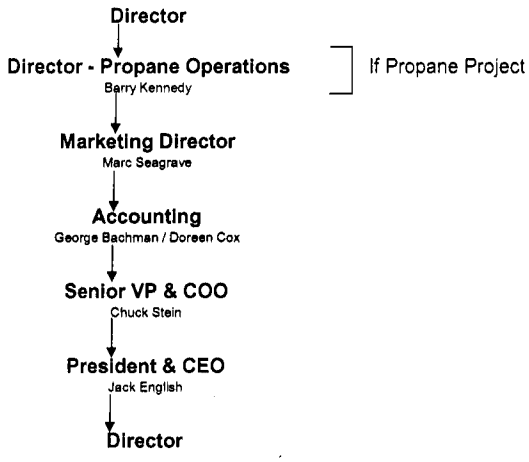
NPV MODEL ASSUMPTIONS

25 Inflation is not included in either revenues or expenses - null effect, in addition to which the discount rate includes the inflation risk.
26 Asset Remaining Value - represents the value of the investment at the end of the analysis. Can also be seen as representative of the future income streams beyond the time frame of the template. For regulated companies it is calculated as the average of the last three years Net Income Before Interest, Taxes and Depreciation times a multiplier of 8. A multiplier of 6 is used for non-regulated projects.
27 Required Return - WACC as per Year End Surveillance Report using Cost of Equity Rate as per last Rate Case.
28 Ratio of Debt Financing - assumes that future projects will be financed by debt and equity equally.
29 O&M Expenses - "R" = 31% Base Revenue "NR" = 35% Base Revenue (Budgeted Expenses). For acquisitions this percentage can be replaced by a $ amount by entering the estimated O&M expenses in cell B94.
30 Interest Rate - Weighted Average Cost of Debt.
31 Depreciation Book % - Book Depreciation Rate.
32 Income Tax % - Income Tax Rate.

PROCESS

33 **Ensure that the variables, such as rates, are correct and review to ensure that the results, such as revenues and expenses seem reasonable.**
34 Submit NPV (& AEP) worksheets for approval as per steps below.
35 Prepare IR after approval has been granted.
36 Submit approved IR , AEP worksheet and NPV to General Accounting.
37 A copy of all approved NPVs and AEPs must also be forwarded to the Accounting Department for the attention of the Executive Assistant.

APPROVAL STEPS



INPUT SHEET

Project Name **Summer Glen**
Beginning in Year **2007**

Prepared By: L
Date: 3/20/
I.R. $:
AEP $:

	Residential	Commercial	Industrial	Gas Lights
Piping Allowance	$ 15			
Occupancy Rate	100%			

Construction:

SERVICES-cost per customer:

Residential	General Serv	Large Volume	Gas Lights
$ 520	$ 600	$ 900	$ 300

Year:	1st	2nd	3rd	4th
MAINS:	473,320	35,650		

Total M
50

Enter Customers ADDED each Month by Tariff Rate Schedule below:

Total Service 442,340 | Total $ 9

RESIDENTIAL CUSTOMERS ADDED EACH MONTH

Year	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Total New Customers added	Year End Customers	Total Added Therms	Therm Sales for the Year	Energy Charge	Cust cha
1	500	4	4	4	4	4	4	4	4	4	4	4	544	544	122148	122148	59046.34	
2	4	4	4	4	4	4	4	4	4	4	4	4	48	592	6084	133380	64475.89	5
3	4	4	4	4	4	4	4	4	4	4	4	4	48	640	6084	144612	69905.44	5
4	4	4	4	4	4	4	4	4	4	4	4	4	48	688	6084	155844	75334.99	6
5	4	4	4	4	4	4	4	4	4	4	4	4	48	736	6084	167076	80764.54	6
6	4	4	4	4	4	4	4	4	4	4	4	4	48	784	6084	178308	86194.09	
7	4	4	4	4	4	4	4	4	4	4	4	3	43	827	5967	189423	91567.08	
8													0	827	0	193518	93546.60	7
9													0	827	0	193518	93546.60	7
10													0	827	0	193518	93546.60	7

Therms per Customer each month: 19.50 << Enter average therms used per customer in a month

Base Rate per Therm — Residential: 0.48340 <<Enter as $. For example: 33.51¢ = .3351)

Customer Charge: $8.00 << Per Tariff

GENERAL SERVICE CUSTOMERS ADDED EACH MONTH

Year	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Total New Customers added	Year End Customers	Total Added Therms	Therm Sales for the Year	Energy Charge	Cust cha
1	1												1	1	4200	4200	1348.49	
2													0	1	0	4200	1348.49	
3													0	1	0	4200	1348.49	
4													0	1	0	4200	1348.49	
5													0	1	0	4200	1348.49	
6													0	1	0	4200	1348.49	
7													0	1	0	4200	1348.49	
8													0	1	0	4200	1348.49	
9													0	1	0	4200	1348.49	

INPUT SHEET

Project Name: **Summer Glen**
Beginning in Year: **2007**

Prepared By: D Kibler
Date: 3/20/2008
I.R. #:
AEP #:

	Residential	Commercial	R Industrial	Gas Lights
Piping Allowance	$ 15			

Occupancy Rate: **100%**

Construction:

SERVICES-cost per customer:

	Residential	General Serv.	Large Volume	Gas Lights
	$ 520	$ 600	$ 900	$ 300

Year	1st	2nd	3rd	4th	Total Main $
MAINS:	473,320	35,650			508,970

Total Service $	Total Const
442,340	$ 951,310

Enter Customers ADDED each Month by Tariff Rate Schedule below:

RESIDENTIAL CUSTOMERS ADDED EACH MONTH

Year	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Total New Customers added	Year End Customers	Total Added Therms	Therm Sales for the Year	Energy Charge	Customer charge
1	500	4	4	4	4	4	4	4	4	4	4	4	544	544	122148	122148	59046.34	50,112
2	4	4	4	4	4	4	4	4	4	4	4	4	48	592	6084	133380	64475.89	54,720
3	4	4	4	4	4	4	4	4	4	4	4	4	48	640	6084	144612	69905.44	59,328
4	4	4	4	4	4	4	4	4	4	4	4	4	48	688	6084	155844	75334.99	63,936
5	4	4	4	4	4	4	4	4	4	4	4	4	48	736	6084	167076	80764.54	68,544
6	4	4	4	4	4	4	4	4	4	4	4	4	48	784	6084	178308	86194.09	73,152
7	4	4	4	4	4	4	4	4	4	4	4	3	43	827	5967	189423	91567.08	77,712
8													0	827	0	193518	93546.60	79,392
9													0	827	0	193518	93546.60	79,392
10													0	827	0	193518	93546.60	79,392

Therms per Customer each month: **19.50** << Enter average therms used per customer in a month

Base Rate per Therm: Residential **0.48340** <<Enter as $. For example 33.51¢ = .3351)

Customer Charge: **$8.00** << Per Tariff

GENERAL SERVICE CUSTOMERS ADDED EACH MONTH

Year	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Total New Customers added	Year End Customers	Total Added Therms	Therm Sales for the Year	Energy Charge	Customer charge
1	1												1	1	4200	4200	1348.49	180
2													0	1	0	4200	1348.49	180
3													0	1	0	4200	1348.49	180
4													0	1	0	4200	1348.49	180
5													0	1	0	4200	1348.49	180
6													0	1	0	4200	1348.49	180
7													0	1	0	4200	1348.49	180
8													0	1	0	4200	1348.49	180
9													0	1	0	4200	1348.49	180
10													0	1	0	4200	1348.49	180

Therms per Customer each month: **350** << Enter average therms used per customer in a month

Base Rate per Therm: General Serv **$ 0.32107** <<Enter as $. For example 33.51¢ = .3351)

Customer Charge: **$15.00** << Per Tariff

LARGE VOLUME CUSTOMERS ADDED EACH MONTH

Year	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Total New Customers added	Year End Customers	Total Added Therms	Therm Sales for the Year	Energy Charge	Customer charge
1	1												1	1	30000	30000	7142.70	540
2													0	1	0	30000	7142.70	540
3													0	1	0	30000	7142.70	540
4													0	1	0	30000	7142.70	540
5													0	1	0	30000	7142.70	540
6													0	1	0	30000	7142.70	540
7													0	1	0	30000	7142.70	540
8													0	1	0	30000	7142.70	540
9													0	1	0	30000	7142.70	540
10													0	1	0	30000	7142.70	540

Therms per Customer each month: **2500.00** << Enter average therms used per customer in a month

Base Rate per Therm: Large Volume **$ 0.23809** <<Enter as $. For example 33.51¢ = .3351)

Customer Charge: **$45.00** << Per Tariff

GAS LIGHTING SERVICE

Year	January	February	March	April	May	June	July	August	September	October	November	December	Total New Gas Lights added	Year End Gas Lights	Total Added Therms	Therm Sales for the Year	Energy Charge	Customer charge
1		36											36	36	8640	8640	1528.33	-
2													0	36	0	8640	1528.33	-
3													0	36	0	8640	1528.33	-
4													0	36	0	8640	1528.33	-
5													0	36	0	8640	1528.33	-
6													0	36	0	8640	1528.33	-
7													0	36	0	8640	1528.33	-
8													0	36	0	8640	1528.33	-
9													0	36	0	8640	1528.33	-
10													0	36	0	8640	1528.33	-

Therms per Light each month: **20** << Enter average therms used per customer in a month

Base Rate per Therm: Gas Lights **$ 0.17689** <<Enter as $. For example 33.51¢ = .3351)

Customer Charge: << Per Tariff - applicable for customers with only Gas Lights

Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Other Income															
Other Expenses															

Microsoft Excel - AEP-NPV Summer Glen 8-1-07.xls [Read-Only]

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Area Expansion Program

Project Name: Summer Glen
I.R. #: 0
AEP #: 0
Prepared By: D. Kitner

Procedure No. MKT 1.1
Effective Date: 8/28/2006
Revision # 12.4

Calculation of AEP Surcharge:

AEPS= (ECC+(ROR*T1*.5*ECC))/T2*TH)

ECC	278,988	As computed on Wkst
ROR	7.950%	Company's Authorized Rate
T1	10	Years for collection
T2	1	(1 if total therms used for T1)
TH	1,878,617	Total 10 year therms
AEPS	$ 0.208	Original calculation

Manual Input: Override Computed AEPS $ 0.300

and Rate breakdown

	Initial	Date
Prepared By:	D. Kitner	8/6/2007
Approved By:	Dir of Mktg	
	Fin Analyst	
	CFO	
	COO	
	CEO	

Construction and Revenue Summary:

Estimated Construction Cost (CC): $ 879,030 Four year Construction Costs
Four Years Revenue (MACC)*: 600,042 Four years revenue

Net Excess Construction Cost (ECC): $ 278,988

Summary of projected Therms:

Year	Total Annual Residential Usage	Total Annual General Serv Usage	Total Annual Large Volume	Total Annual Gas Light Usage	Total Therm Load Added
1	122148	4200	30000	8640	164988
2	133380	4200	30000	8640	176220
3	144612	4200	30000	8640	187452
4	155844	4200	30000	8640	198684
5	167076	4200	30000	8640	209916
6	178308	4200	30000	8640	221148
7	189423	4200	30000	8640	232263
8	193518	4200	30000	8640	236358
9	193518	4200	30000	8640	236358
10	193518	4200	30000	8640	236358
Total	1,671,345	42,000	300,000	86,400	2,099,745

** Rate Breakdown: AEPS / therm

			Ratio: This % of therms per class are counted in 10 year therm total
RS	Residential	0.300	100.0000%
GS	General Service	0.199	66.4191%
LVS	Large Volume Service	0.148	49.2532%
Gas Lights		0.110	36.5929%

Projected Cash Flow of:

Revenue

AEP collection:

Year	Residential Non-fuel Revenue	Residential Customer Charge	General Serv. Non-fuel Revenue	General Serv. Customer Charge	Large Volume Non-fuel	Large Volume Customer	Lights Non-fuel Revenue	Lights Customer Charge	Total Base Revenue	Excess Construction Cost	AEPS Surcharge	Balance before Interest	Interest charge (cost of	Total Cost To be recovered
1	59,046	50,112	1,348	180	7,143	540	1,528	-	$ 119,898	$ 278,988	$ 42,863	$ 236,125	$ 9,386	$ 245,511
2	64,476	54,720	1,348	180	7,143	540	1,528	-	129,935	-	46,232	199,279	17,680	216,960
3	69,905	59,328	1,348	180	7,143	540	1,528	-	139,973	-	49,602	167,358	15,277	182,635
4	75,335	63,936	1,348	180	7,143	540	1,528	-	150,011	-	52,971	129,663	12,414	142,077
5	80,765	68,544	1,348	180	7,143	540	1,528	-	160,048	-	56,341	85,736	9,056	94,792
6	86,194	73,152	1,348	180	7,143	540	1,528	-	170,086	-	59,711	35,081	5,162	40,243
7	91,567	77,712	1,348	180	7,143	540	1,528	-	180,019	-	63,045	(22,802)	693	(22,108)
8	93,547	79,392	1,348	180	7,143	540	1,528	-	183,678	-	64,274	(86,382)	(4,312)	(90,694)
9	93,547	79,392	1,348	180	7,143	540	1,528	-	183,678	-	64,274	(154,968)	(9,765)	(164,733)
10	93,547	79,392	1,348	180	7,143	540	1,528	-	183,678	-	64,274	(229,006)	(15,651)	(244,658)

Instructions / INPUT / AEP / NPV Template / Rates /

Ready Calculate NUM

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Thursday, Mar 20, 2008 03:09 PM

Area Expansion Program

Project Name: Summer Glen
I.R. #: 0
AEP #: 0
Prepared By: D. Kitner

Procedure No. MKT 1.1
Effective Date: 8/28/2006
Revision # 12.4

	Initial	Date
Prepared By:	D. Kitner	8/6/2007
Approved By: Dir of Mktg		
Fin Analyst		
CFO		
COO		
CEO		

Construction and Revenue Summary:

Estimated Construction Cost (CC):	$ 879,030	Four year Construction Costs
Four Years Revenue (MACC)*:	600,042	Four years revenue
Net Excess Construction Cost (ECC):	$ 278,988	

Calculation of AEP Surcharge:

AEPS= (ECC+(ROR*T1*.5*ECC))/T2*TH)

ECC	278,988	As computed on Wkst
ROR	7.950%	Company's Authorized Rate
T1	10	Years for collection
T2	1	(1 if total therms used forT1)
TH	1,878,617	Total 10 year therms
AEPS	$ 0.208	Original calculation

Manual Input: Override Computed AEPS $ 0.300

and Rate breakdown

Summary of projected Therms:

Year	Total Annual Residential Usage	Total Annual General Serv Usage	Total Annual Large Volume Usage	Total Annual Gas Light Usage	Total Therm Load Added
1	122148	4200	30000	8640	164988
2	133380	4200	30000	8640	176220
3	144612	4200	30000	8640	187452
4	155844	4200	30000	8640	198684
5	167076	4200	30000	8640	209916
6	178308	4200	30000	8640	221148
7	189423	4200	30000	8640	232263
8	193518	4200	30000	8640	236358
9	193518	4200	30000	8640	236358
10	193518	4200	30000	8640	236358
Total	1,671,345	42,000	300,000	86,400	2,099,745

** Rate Breakdown: AEPS / therm

			Ratio - this % of therms per class are counted in 10 year therm total
RS	Residential	0.300	100.0000%
GS	General Service	0.199	66.4191%
LVS	Large Volume Service	0.148	49.2532%
Gas Lights		0.110	36.5929%

Projected Cash Flow of:

Revenue — **AEP collection:**

Year	Residential Non-fuel Revenue	Residential Customer Charge	General Serv. Non-fuel Revenue	General Serv. Customer Charge	Large Volume Non-fuel Revenue	Large Volume Customer Charge	Lights Non-fuel Revenue	Lights Customer Charge	Total Base Revenue	Excess Construction Cost	AEPS Surcharge	Balance before Interest	Interest charge (cost of money)	Total Cost To be recovered
1	59,046	50,112	1,348	180	7,143	540	1,528	-	$ 119,898	$ 278,988	$ 42,863	$ 236,125	$ 9,386	$ 245,511
2	64,476	54,720	1,348	180	7,143	540	1,528	-	129,935	-	46,232	199,279	17,680	216,960
3	69,905	59,328	1,348	180	7,143	540	1,528	-	139,973	-	49,602	167,358	15,277	182,635
4	75,335	63,936	1,348	180	7,143	540	1,528	-	150,011	-	52,971	129,663	12,414	142,077
5	80,765	68,544	1,348	180	7,143	540	1,528	-	160,048	-	56,341	85,736	9,056	94,792
6	86,194	73,152	1,348	180	7,143	540	1,528	-	170,086	-	59,711	35,081	5,162	40,243
7	91,567	77,712	1,348	180	7,143	540	1,528	-	180,019	-	63,045	(22,802)	693	(22,108)
8	93,547	79,392	1,348	180	7,143	540	1,528	-	183,678	-	64,274	(86,382)	(4,312)	(90,694)
9	93,547	79,392	1,348	180	7,143	540	1,528	-	183,678	-	64,274	(154,968)	(9,765)	(164,733)
10	93,547	79,392	1,348	180	7,143	540	1,528	-	183,678	-	64,274	(229,006)	(15,651)	(244,658)
Total	$ 807,928	$ 685,680	$ 13,485	$ 1,800	$ 71,427	$ 5,400	$ 15,283	$ -	$ 1,601,003	$ 278,988	$ 563,585		$ 39,939	

Microsoft Excel - AEP-NPV Summer Glen 8-1-07.xls [Read-Only]

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H4 =INPUT!B3

Cash Flow Investment Analysis

Instructions: (1) Enter information in areas (green for acquisitions). (2) Put complete title in H3 of the project title area; and enter beginning date. (3) Choose "R" or "NR" for regulated and non-regulated respectively - if rates need updating use sheet "Rates" to input updated rates. (4) Go to cell A85 to input ACQUISITION data - click on the + sign to open the input

REGULATED / NON-REGULATED: R

Project Title: **Summer Glen**

Beginning in Year: **2007**

Input Area:

	Residential	Commercial	Industrial	Gas Lights
Annual Therms per Customer / Light	234	4,200	30,000	240
Piping Allowance	$ 15	$ -	$ -	$ -
Cost of SERVICE per Customer	$ 520	$ 600	$ 900	$ 300
Customer Charge (mth)	$8.00	$15.00	$45.00	$0.00
Non-Fuel Charge (therm)	$0.48340	$0.32107	$0.23809	$0.17689

Overall Result: Project meets or exceeds minimum 15 year required return!

Occupancy Rate: 100%

Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	20
New Residential Customers	544	48	48	48	48	48	43	-	-	-	
New Commercial Customers	1	-	-	-	-	-	-	-	-	-	
New Industrial Customers	1	-	-	-	-	-	-	-	-	-	
New Gas Lights	36	-	-	-	-	-	-	-	-	-	
Total Customers added for year	546	48	48	48	48	48	43	0	0	0	
Cumulative Customers	546	594	642	690	738	786	829	829	829	829	
Total Gas Lights added for year	36	0	0	0	0	0	0	0	0	0	
Cumulative Gas Lights	36	36	36	36	36	36	36	36	36	36	
Other Income	0	0	0	0	0	0	0	0	0	0	
Other Expenses	0	0	0	0	0	0	0	0	0	0	
Capital expenditures on Services	295,180	24,960	24,960	24,960	24,960	24,960	22,360	-	-	-	
Capital Expenditures (Exc. Services)	473,320	35,650	-	-	-	-	-	-	-	-	
Upfront Capital Exp (Contributions)[1]	(278,988)										
Total Capital Expenditures by Year	$ 489,512	$ 60,610	$ 24,960	$ 24,960	$ 24,960	$ 24,960	$ 22,360	$ -	$ -	$ -	$

[1] List AEP ECC as contribution (credit)

Output Area: Cash Flow by Year

Total Base Revenue	$119,898	$129,935	$139,973	$150,011	$160,048	$170,086	$180,019	$183,678	$183,678	$183,678	$18
Other Income	0	0	0	0	0	0	0	0	0	0	
	$119,898	$129,935	$139,973	$150,011	$160,048	$170,086	$180,019	$183,678	$183,678	$183,678	$18
O&M Expense (Incl TOTI)	37,168	40,280	43,392	46,503	49,615	52,727	55,806	56,940	56,940	56,940	5
Other Expenses	0	0	0	0	0	0	0	0	0	0	
Amortized Piping Cost	1,166	1,269	1,371	1,474	1,577	1,680	1,772	606	504	401	
Depreciation, Book	32,634	36,675	38,339	40,003	41,667	43,331	44,821	44,821	44,821	44,821	
	70,968	78,223	83,102	87,980	92,859	97,737	102,399	102,368	102,265	102,162	10
Operating Income before Income Tax	48,930	51,712	56,871	62,030	67,189	72,348	77,619	81,310	81,413	81,516	
Adjust to cash flow:											
Add: Depreciation, Book	32,634	36,675	38,339	40,003	41,667	43,331	44,821	44,821	44,821	44,821	
Add: Amortized Piping	1,166	1,269	1,371	1,474	1,577	1,680	1,772	606	504	401	
Less: Actual Income Tax	12,731	8,985	12,677	17,041	21,362	25,653	29,451	31,908	32,218	32,475	
After Tax Cash Flow (before capital investments)	69,998	80,670	83,904	86,466	89,071	91,706	94,762	94,830	94,520	94,263	
Less: Piping Costs	8,160	720	720	720	720	720	645	0	0	0	

Instructions / INPUT / AEP / NPV Template / Rates /

Ready Calculate NUM

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Cash Flow Investment Analysis

Date: 3/20/2008 Revision # 12.5
Procedure No. ACT-5.11
Effective Date: 4/10/2007

REGULATED / NON-REGULATED: R

Project Title: **Summer Glen**
Beginning in Year: **2007**

Initial Date
Prepared By:
Approved By: Dir of Mktg
Fin Analyst
CFO
COO
CEO

Input Area:

	Residential	Commercial	Industrial	Gas Lights
Annual Therms per Customer / Light	234	4,200	30,000	240
Piping Allowance	$ 15	$ -	$ -	$ -
Cost of SERVICE per Customer	$ 520	$ 600	$ 900	$ 300
Customer Charge (mth)	$8.00	$15.00	$45.00	$0.00
Non-Fuel Charge (therm)	$0.48340	$0.32107	$0.23809	$0.17689

Overall Result: **Project meets or exceeds minimum 15 year required return!**

Occupancy Rate : 100%

Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
New Residential Customers	544	48	48	48	48	48	43	-	-	-					
New Commercial Customers	1	-	-	-	-	-	-	-	-	-					
New Industrial Customers	1	-	-	-	-	-	-	-	-	-					
New Gas Lights	36	-	-	-	-	-	-	-	-	-					
Total Customers added for year	546	48	48	48	48	48	43	0	0	0	0	0	0	0	0
Cumulative Customers	546	594	642	690	738	786	829	829	829	829	829	829	829	829	829
Total Gas Lights added for year	36	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cumulative Gas Lights	36	36	36	36	36	36	36	36	36	36	36	36	36	36	36
Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Capital expenditures on Services	295,180	24,960	24,960	24,960	24,960	24,960	22,360	-	-	-					
Capital Expenditures (Exc. Services)	473,320	35,650	-	-	-	-	-	-	-	-					
Upfront Capital Exp (Contributions)[1]	(278,988)														
Total Capital Expenditures by Year	$ 489,512	$ 60,610	$ 24,960	$ 24,960	$ 24,960	$ 24,960	$ 22,360	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
List AEP ECC as contribution (credit)															

Output Area: Cash Flow by Year

Total Base Revenue	$119,898	$129,935	$139,973	$150,011	$160,048	$170,086	$180,019	$183,678	$183,678	$183,678	$183,678	$183,678	$183,678	$183,678	$183,678
Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	$119,898	$129,935	$139,973	$150,011	$160,048	$170,086	$180,019	$183,678	$183,678	$183,678	$183,678	$183,678	$183,678	$183,678	$183,678
O&M Expense (Incl TOTI)	37,168	40,280	43,392	46,503	49,615	52,727	55,806	56,940	56,940	56,940	56,940	56,940	56,940	56,940	56,940
Other Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Amortized Piping Cost	1,166	1,269	1,371	1,474	1,577	1,680	1,772	606	504	401	298	195	92	0	0
Depreciation, Book	32,634	36,675	38,339	40,003	41,667	43,331	44,821	44,821	44,821	44,821	44,821	44,821	44,821	44,821	44,821
	70,968	78,223	83,102	87,980	92,859	97,737	102,399	102,368	102,265	102,162	102,060	101,957	101,854	101,762	101,762
Operating Income before Income Tax	48,930	51,712	56,871	62,030	67,189	72,348	77,619	81,310	81,413	81,516	81,619	81,721	81,824	81,916	81,916
Adjust to cash flow:															
Add: Depreciation, Book	32,634	36,675	38,339	40,003	41,667	43,331	44,821	44,821	44,821	44,821	44,821	44,821	44,821	44,821	44,821
Add: Amortized Piping	1,166	1,269	1,371	1,474	1,577	1,680	1,772	606	504	401	298	195	92	0	0
Less: Actual Income Tax	12,731	8,985	12,677	17,041	21,362	25,653	29,451	31,908	32,218	32,475	32,619	32,725	32,736	32,752	32,735
After Tax Cash Flow (before capital investments)	69,998	80,670	83,904	86,466	89,071	91,706	94,762	94,830	94,520	94,263	94,119	94,013	94,002	93,986	94,003
Less: Piping Costs	8,160	720	720	720	720	720	645	0	0	0	0	0	0	0	0
Less: Capital Expenditure - Cash Outlay	489,512	60,610	24,960	24,960	24,960	24,960	22,360	-	-	-	-	-	-	-	-
Memo: Cumulative Capital Expenditure	489,512	550,122	575,082	600,042	625,002	649,962	672,322	672,322	672,322	672,322	672,322	672,322	672,322	672,322	672,322
Asset remaining value															1,013,658
Net Cash Flow (w/ 15 yr ending book value)	(427,674)	19,340	58,224	60,786	63,391	66,026	71,757	94,830	94,520	94,263	94,119	94,013	94,002	93,986	1,107,661

Net Present Value (fifteen years) $ 516,000 *Zero = Meets Required Return*

Operating Income before Income Tax	48,930	51,712	56,871	62,030	67,189	72,348	77,619	81,310	81,413	81,516	81,619	81,721	81,824	81,916	81,916
Less:Interest Costs*	16,252	15,517	13,305	10,995	8,586	6,077	3,350	0	0	0	0	0	0	0	0
Net Income before Taxes	32,677	36,195	43,566	51,035	58,603	66,272	74,269	81,310	81,413	81,516	81,619	81,721	81,824	81,916	81,916
Less: Book Income Tax (37.63%)	12,293	13,616	16,390	19,199	22,047	24,931	27,940	30,589	30,628	30,666	30,705	30,744	30,782	30,817	30,817
Net Income after Book I/T	20,384	22,578	27,177	31,836	36,557	41,340	46,329	50,721	50,785	50,850	50,914	50,978	51,042	51,099	51,099
Earnings Per Share - Investment															
Corporate EPS after Investment	0.71	0.71	0.71	0.71	0.71	0.72	0.72	0.72	0.72	0.72	0.72	0.72	0.72	0.72	0.72
Cumulative Net Cash Flow	(427,674)	(408,333)	(350,109)	(289,323)	(225,932)	(159,906)	(88,149)	6,681	101,201	195,464	289,583	383,596	477,598	571,584	1,679,244
Cumulative Depr. Reserve	32,634	69,309	107,648	147,651	189,317	232,648	277,470	322,291	367,113	411,934	456,756	501,577	546,398	591,220	636,041
Cumulative Piping Allowance	6,994	6,446	5,794	5,040	4,183	3,223	2,096	1,489	986	585	287	92	(0)	(0)	(0)
Book Rate of Return	**7.90%**	**7.82%**	**8.55%**	**9.36%**	**10.26%**	**11.28%**	**12.52%**	**14.43%**	**16.59%**	**19.48%**	**23.59%**	**29.84%**	**40.53%**	**63.01%**	**140.84%**
Economic Value Added (EVA)	**315**	**(129)**	**3,320**	**6,866**	**10,506**	**14,240**	**18,288**	**22,894**	**26,521**	**30,149**	**33,776**	**37,404**	**41,031**	**44,652**	**1,061,873**
NPV (EVA) $	**509,000**														

Net Present Value of Cap. Exp.	636,456
Net Present Value of Pip. Exp.	11,446

Average Rate of Return on Investment:

15 Years (IRR) **18%**

Revenue Comparison:

Four Year Revenue $600,042

Customer Totals: **15 Yr Total**

Added Residential Customers	827
Added Commercial Customers	1
Added Industrial Customers	1
Cumulative Customers	829
Capital Expenditure per Customer	$ 811

Summary of Rates used

Depreciation Book %	6.67%	Required Return	7.95%
Income Tax %	37.62%	Ratio of Debt Financing	50.00%
Base Earnings per Share	$ 0.71	O&M Expense %	31.00%
		Interest Rate	7.60%

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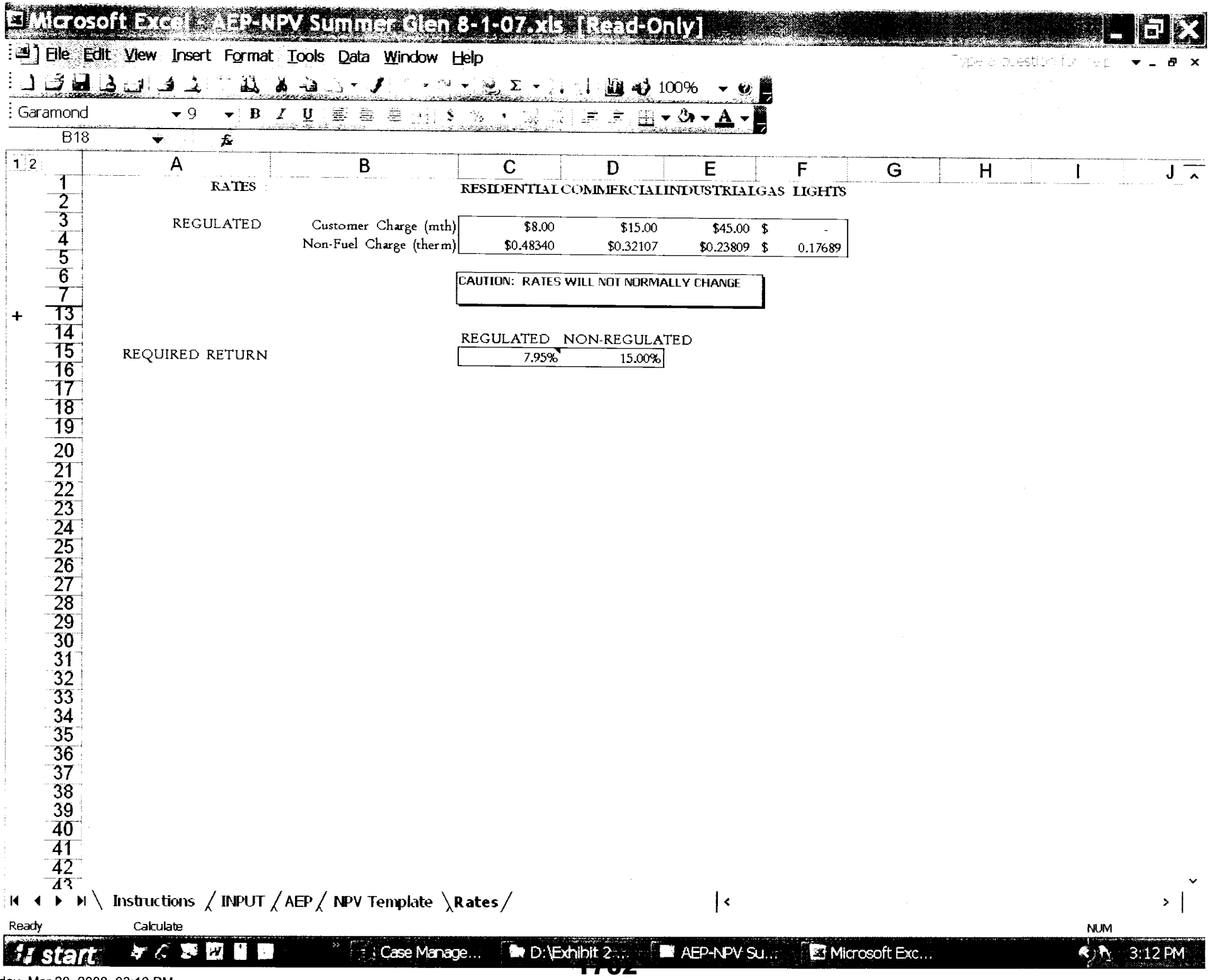
1701



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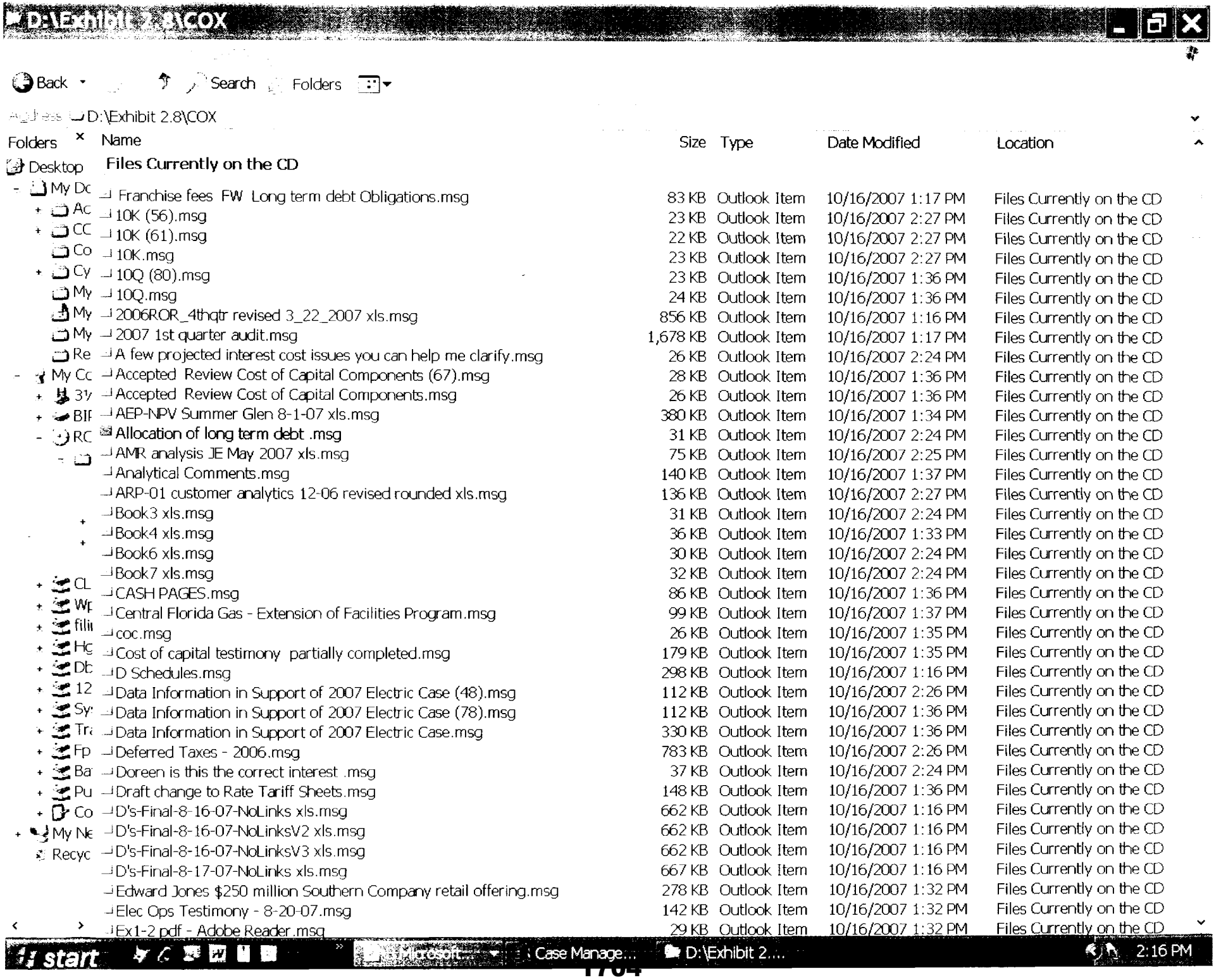
RATES :		RESIDENTIAL	COMMERCIAL	INDUSTRIAL	GAS LIGHTS	
REGULATED	Customer Charge (mth)	$8.00	$15.00	$45.00	$	-
	Non-Fuel Charge (therm)	$0.48340	$0.32107	$0.23809	$	0.17689

	REGULATED	NON-REGULATED
REQUIRED RETURN	7.95%	15.00%



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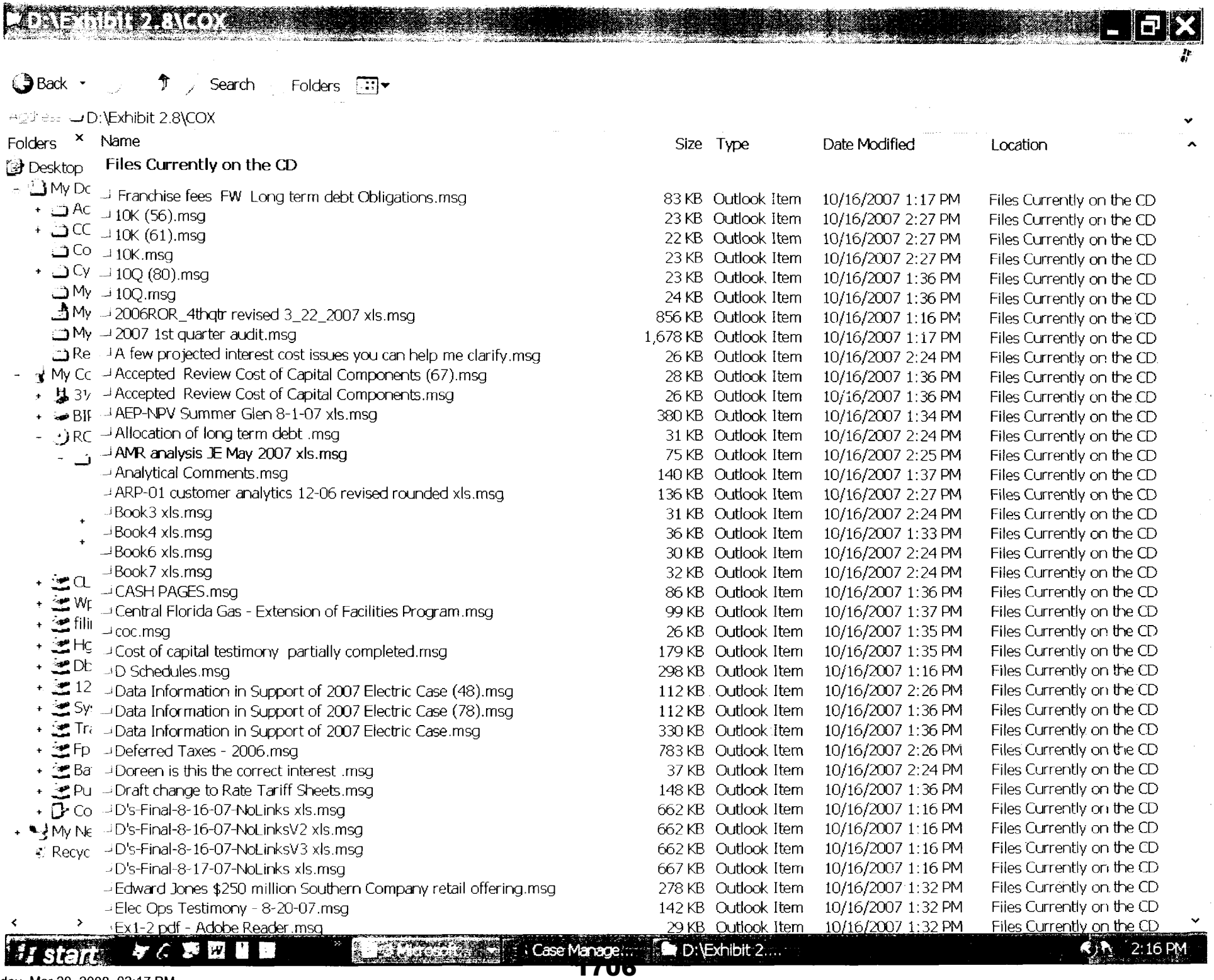
Clara Leider

From: Mike Welsh [mpwelsh@CAEnergy.com]
Sent: Thursday, July 12, 2007 9:10 AM
To: Cox Doreen
Subject: Allocation of long term debt

Good morning Doreen.

I was wondering if I could call you later this morning to discuss the allocation of various capital items to the electric division. For example I note that in the balance sheet provided by Jim the long term debt is about 50,500,000. I find that this corresponds to the amount you have listed for FPU long term debt in the D schedules, but then as we discussed earlier this week in the context of long term debt expenses) only a portion of the long term debt is attributable to the electric division. I am thinking a very short call will clear this up for me. I need to get this resolved as this will have a noticeable impact on the rate base if as I expect a significant portion of long term debt (and some other capital items) is not attributable to electric.

I am tied up for about the next 35 to 45 minutes but would be available to call you any time after that.



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Files Currently on the CD

Name	Size	Type	Date Modified	Location
Franchise fees FW Long term debt Obligations.msg	83 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
10K (56).msg	23 KB	Outlook Item	10/16/2007 2:27 PM	Files Currently on the CD
10K (61).msg	22 KB	Outlook Item	10/16/2007 2:27 PM	Files Currently on the CD
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2006ROR_4thqtr revised 3_22_2007 xls.msg	856 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
2007 1st quarter audit.msg	1,678 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
A few projected interest cost issues you can help me clarify.msg	26 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
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Accepted Review Cost of Capital Components.msg	26 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
AEP-NPV Summer Glen 8-1-07 xls.msg	380 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
Allocation of long term debt .msg	31 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
AMR analysis JE May 2007 xls.msg	75 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the CD
Analytical Comments.msg	140 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
ARP-01 customer analytics 12-06 revised rounded xls.msg	136 KB	Outlook Item	10/16/2007 2:27 PM	Files Currently on the CD
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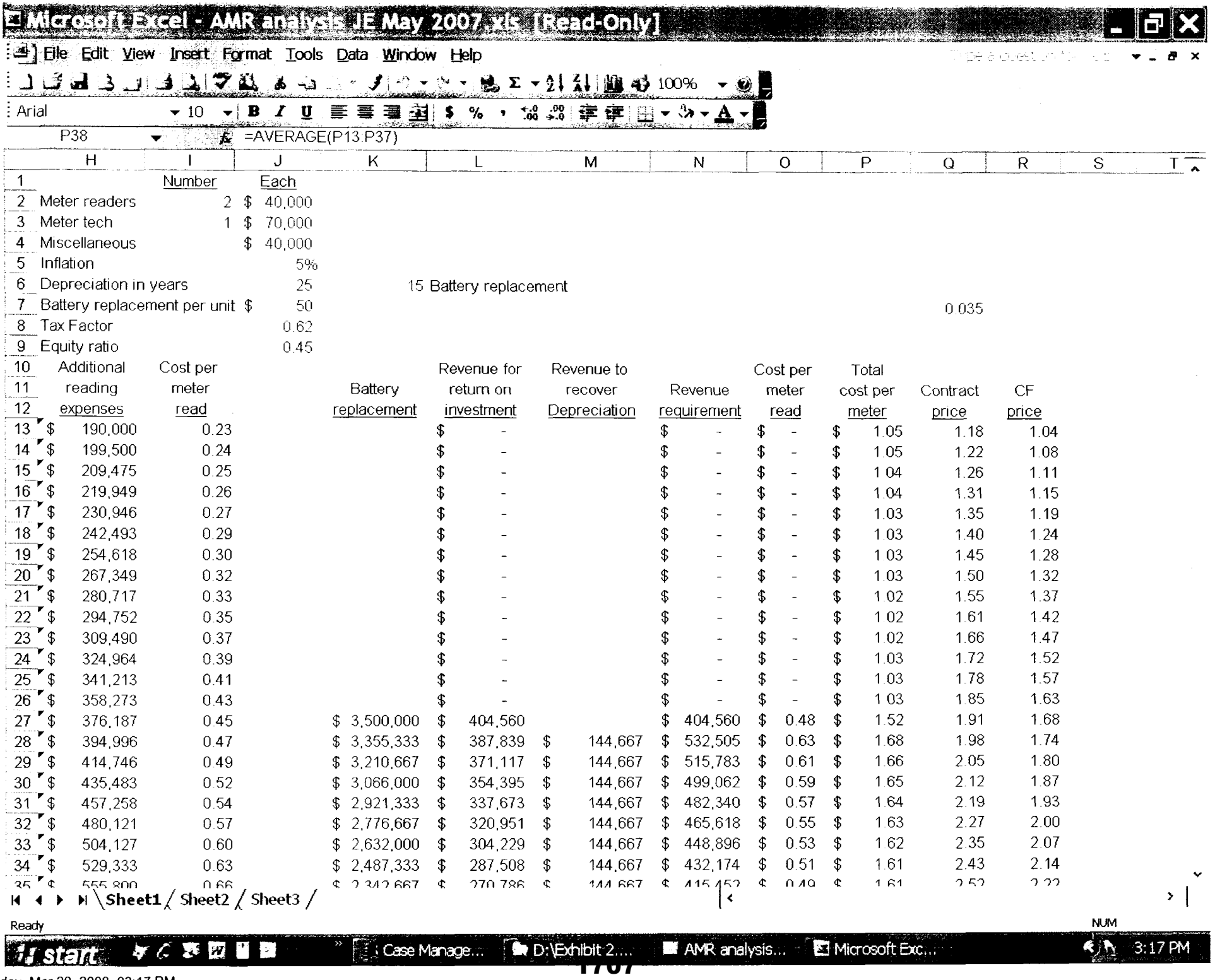

	H	I	J	K	L	M	N	O	P	Q	R	S	T
1		Number	Each										
2	Meter readers	2	$ 40,000										
3	Meter tech	1	$ 70,000										
4	Miscellaneous		$ 40,000										
5	Inflation		5%										
6	Depreciation in years		25		15 Battery replacement								
7	Battery replacement per unit	$	50							0.035			
8	Tax Factor		0.62										
9	Equity ratio		0.45										

10	Additional	Cost per		Revenue for	Revenue to		Cost per	Total		
11	reading	meter	Battery	return on	recover	Revenue	meter	cost per	Contract	CF
12	expenses	read	replacement	investment	Depreciation	requirement	read	meter	price	price
13	$ 190,000	0.23		$ -		$ -	$ -	$ 1.05	1.18	1.04
14	$ 199,500	0.24		$ -		$ -	$ -	$ 1.05	1.22	1.08
15	$ 209,475	0.25		$ -		$ -	$ -	$ 1.04	1.26	1.11
16	$ 219,949	0.26		$ -		$ -	$ -	$ 1.04	1.31	1.15
17	$ 230,946	0.27		$ -		$ -	$ -	$ 1.03	1.35	1.19
18	$ 242,493	0.29		$ -		$ -	$ -	$ 1.03	1.40	1.24
19	$ 254,618	0.30		$ -		$ -	$ -	$ 1.03	1.45	1.28
20	$ 267,349	0.32		$ -		$ -	$ -	$ 1.03	1.50	1.32
21	$ 280,717	0.33		$ -		$ -	$ -	$ 1.02	1.55	1.37
22	$ 294,752	0.35		$ -		$ -	$ -	$ 1.02	1.61	1.42
23	$ 309,490	0.37		$ -		$ -	$ -	$ 1.02	1.66	1.47
24	$ 324,964	0.39		$ -		$ -	$ -	$ 1.03	1.72	1.52
25	$ 341,213	0.41		$ -		$ -	$ -	$ 1.03	1.78	1.57
26	$ 358,273	0.43		$ -		$ -	$ -	$ 1.03	1.85	1.63
27	$ 376,187	0.45	$ 3,500,000	$ 404,560		$ 404,560	$ 0.48	$ 1.52	1.91	1.68
28	$ 394,996	0.47	$ 3,355,333	$ 387,839	$ 144,667	$ 532,505	$ 0.63	$ 1.68	1.98	1.74
29	$ 414,746	0.49	$ 3,210,667	$ 371,117	$ 144,667	$ 515,783	$ 0.61	$ 1.66	2.05	1.80
30	$ 435,483	0.52	$ 3,066,000	$ 354,395	$ 144,667	$ 499,062	$ 0.59	$ 1.65	2.12	1.87
31	$ 457,258	0.54	$ 2,921,333	$ 337,673	$ 144,667	$ 482,340	$ 0.57	$ 1.64	2.19	1.93
32	$ 480,121	0.57	$ 2,776,667	$ 320,951	$ 144,667	$ 465,618	$ 0.55	$ 1.63	2.27	2.00
33	$ 504,127	0.60	$ 2,632,000	$ 304,229	$ 144,667	$ 448,896	$ 0.53	$ 1.62	2.35	2.07
34	$ 529,333	0.63	$ 2,487,333	$ 287,508	$ 144,667	$ 432,174	$ 0.51	$ 1.61	2.43	2.14
35	$ 555,800	0.66	$ 2,342,667	$ 270,786	$ 144,667	$ 415,452	$ 0.49	$ 1.61	2.52	2.22

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AMR System for Natural Gas and Propane

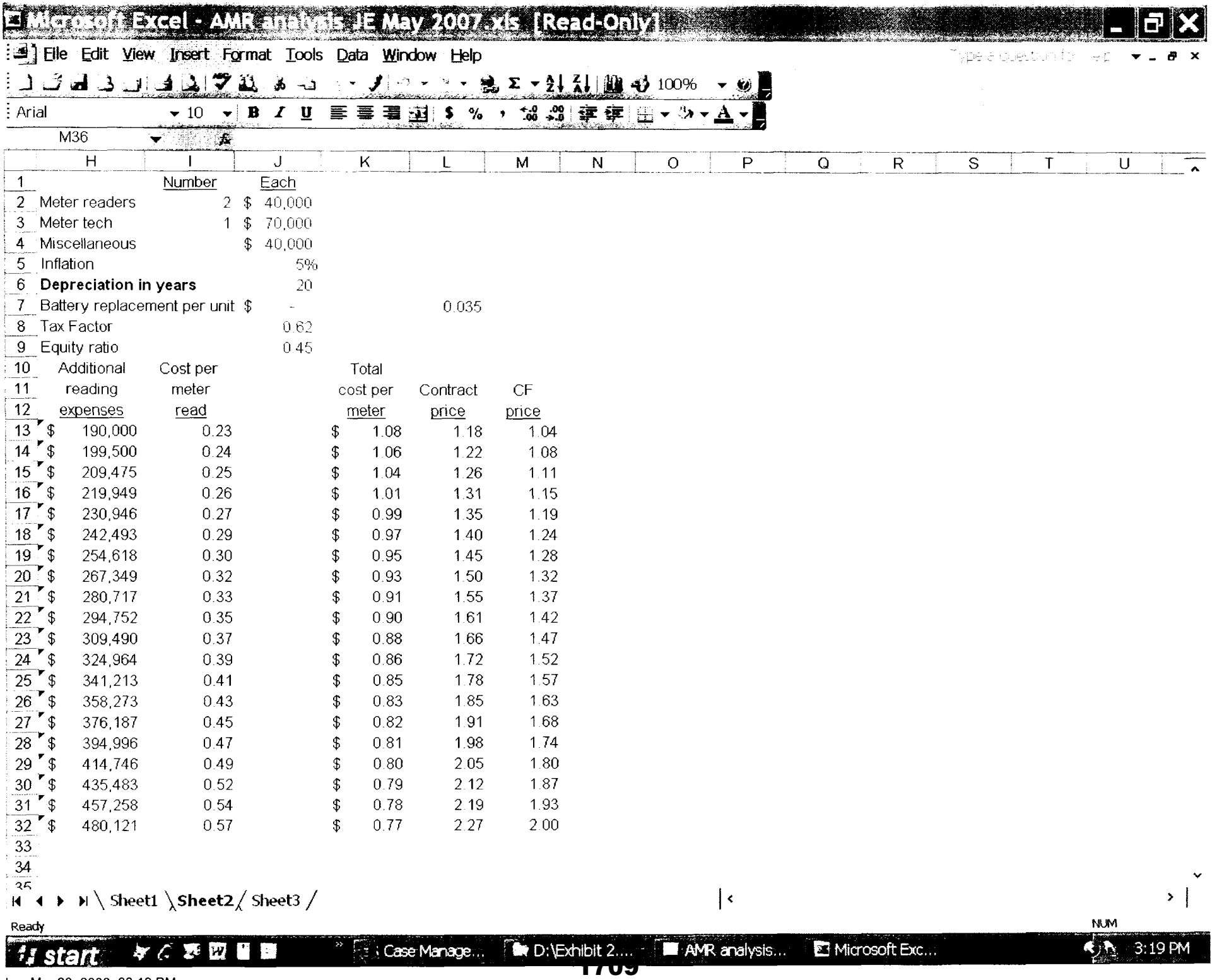
Installed price for 70,000 meters	$ 5,000,000
Return on investment	8.5%
Number of meters	70,000
Return on equity	11.0%
Interest on debt	6.5%

	Number	Each
Meter readers	2	$ 40,000
Meter tech	1	$ 70,000
Miscellaneous		$ 40,000
Inflation		5%
Depreciation in years		25
Battery replacement per unit		$ 50
Tax Factor		0.62
Equity ratio		0.45

15 Battery replacement

0.035

Year	average rate base	Revenue for return on investment	Revenue to recover Depreciation	Total revenue requirement	Cost per meter read	Additional reading expenses	Cost per meter read	Battery replacement	Revenue for return on investment	Revenue to recover Depreciation	Revenue requirement	Cost per meter read	Total cost per meter	Contract price	CF price
1	$ 4,938,000	$ 570,777	$ 124,000	$ 694,777	$ 0.83	$ 190,000	0.23		$ -		$ -	$ -	$ 1.05	1.18	1.04
2	$ 4,814,000	$ 556,444	$ 124,000	$ 680,444	$ 0.81	$ 199,500	0.24		$ -		$ -	$ -	$ 1.05	1.22	1.08
3	$ 4,690,000	$ 542,111	$ 124,000	$ 666,111	$ 0.79	$ 209,475	0.25		$ -		$ -	$ -	$ 1.04	1.26	1.11
4	$ 4,566,000	$ 527,778	$ 124,000	$ 651,778	$ 0.78	$ 219,949	0.26		$ -		$ -	$ -	$ 1.04	1.31	1.15
5	$ 4,442,000	$ 513,445	$ 124,000	$ 637,445	$ 0.76	$ 230,946	0.27		$ -		$ -	$ -	$ 1.03	1.35	1.19
6	$ 4,318,000	$ 499,112	$ 124,000	$ 623,112	$ 0.74	$ 242,493	0.29		$ -		$ -	$ -	$ 1.03	1.40	1.24
7	$ 4,194,000	$ 484,779	$ 124,000	$ 608,779	$ 0.72	$ 254,618	0.30		$ -		$ -	$ -	$ 1.03	1.45	1.28
8	$ 4,070,000	$ 470,446	$ 124,000	$ 594,446	$ 0.71	$ 267,349	0.32		$ -		$ -	$ -	$ 1.03	1.50	1.32
9	$ 3,946,000	$ 456,113	$ 124,000	$ 580,113	$ 0.69	$ 280,717	0.33		$ -		$ -	$ -	$ 1.02	1.55	1.37
10	$ 3,822,000	$ 441,780	$ 124,000	$ 565,780	$ 0.67	$ 294,752	0.35		$ -		$ -	$ -	$ 1.02	1.61	1.42
11	$ 3,698,000	$ 427,447	$ 124,000	$ 551,447	$ 0.66	$ 309,490	0.37		$ -		$ -	$ -	$ 1.02	1.66	1.47
12	$ 3,574,000	$ 413,114	$ 124,000	$ 537,114	$ 0.64	$ 324,964	0.39		$ -		$ -	$ -	$ 1.03	1.72	1.52
13	$ 3,450,000	$ 398,781	$ 124,000	$ 522,781	$ 0.62	$ 341,213	0.41		$ -		$ -	$ -	$ 1.03	1.78	1.57
14	$ 3,326,000	$ 384,448	$ 124,000	$ 508,448	$ 0.61	$ 358,273	0.43		$ -		$ -	$ -	$ 1.03	1.85	1.63
15	$ 3,202,000	$ 370,115	$ 124,000	$ 494,115	$ 0.59	$ 376,187	0.45	$ 3,500,000	$ 404,560		$ 404,560	$ 0.48	$ 1.52	1.91	1.68
16	$ 3,078,000	$ 355,782	$ 124,000	$ 479,782	$ 0.57	$ 394,996	0.47	$ 3,355,333	$ 387,839	$ 144,667	$ 532,505	$ 0.63	$ 1.68	1.98	1.74
17	$ 2,954,000	$ 341,449	$ 124,000	$ 465,449	$ 0.55	$ 414,746	0.49	$ 3,210,667	$ 371,117	$ 144,667	$ 515,783	$ 0.61	$ 1.66	2.05	1.80
18	$ 2,830,000	$ 327,116	$ 124,000	$ 451,116	$ 0.54	$ 435,483	0.52	$ 3,066,000	$ 354,395	$ 144,667	$ 499,062	$ 0.59	$ 1.65	2.12	1.87
19	$ 2,706,000	$ 312,783	$ 124,000	$ 436,783	$ 0.52	$ 457,258	0.54	$ 2,921,333	$ 337,673	$ 144,667	$ 482,340	$ 0.57	$ 1.64	2.19	1.93
20	$ 2,582,000	$ 298,450	$ 124,000	$ 422,450	$ 0.50	$ 480,121	0.57	$ 2,776,667	$ 320,951	$ 144,667	$ 465,618	$ 0.55	$ 1.63	2.27	2.00
21	$ 2,458,000	$ 284,117	$ 124,000	$ 408,117	$ 0.49	$ 504,127	0.60	$ 2,632,000	$ 304,229	$ 144,667	$ 448,896	$ 0.53	$ 1.62	2.35	2.07
22	$ 2,334,000	$ 269,784	$ 124,000	$ 393,784	$ 0.47	$ 529,333	0.63	$ 2,487,333	$ 287,508	$ 144,667	$ 432,174	$ 0.51	$ 1.61	2.43	2.14
23	$ 2,210,000	$ 255,451	$ 124,000	$ 379,451	$ 0.45	$ 555,800	0.66	$ 2,342,667	$ 270,786	$ 144,667	$ 415,452	$ 0.49	$ 1.61	2.52	2.22
24	$ 2,086,000	$ 241,118	$ 124,000	$ 365,118	$ 0.43	$ 583,590	0.69	$ 2,198,000	$ 254,064	$ 144,667	$ 398,731	$ 0.47	$ 1.60	2.60	2.29
25	$ 1,962,000	$ 226,785	$ 124,000	$ 350,785	$ 0.42	$ 612,769	0.73	$ 2,053,333	$ 237,342	$ 144,667	$ 382,009	$ 0.45	$ 1.60	2.69	2.37
											Average cost per meter reading		$ 1.29	$ 1.84	$ 1.62



	H	I	J	K	L	M	N	O	P	Q	R	S	T	U
1		Number	Each											
2	Meter readers	2	$ 40,000											
3	Meter tech	1	$ 70,000											
4	Miscellaneous		$ 40,000											
5	Inflation		5%											
6	**Depreciation in years**		20											
7	Battery replacement per unit	$	-		0.035									
8	Tax Factor		0.62											
9	Equity ratio		0.45											
10	Additional	Cost per		Total										
11	reading	meter		cost per	Contract	CF								
12	expenses	read		meter	price	price								
13	$ 190,000	0.23		$ 1.08	1.18	1.04								
14	$ 199,500	0.24		$ 1.06	1.22	1.08								
15	$ 209,475	0.25		$ 1.04	1.26	1.11								
16	$ 219,949	0.26		$ 1.01	1.31	1.15								
17	$ 230,946	0.27		$ 0.99	1.35	1.19								
18	$ 242,493	0.29		$ 0.97	1.40	1.24								
19	$ 254,618	0.30		$ 0.95	1.45	1.28								
20	$ 267,349	0.32		$ 0.93	1.50	1.32								
21	$ 280,717	0.33		$ 0.91	1.55	1.37								
22	$ 294,752	0.35		$ 0.90	1.61	1.42								
23	$ 309,490	0.37		$ 0.88	1.66	1.47								
24	$ 324,964	0.39		$ 0.86	1.72	1.52								
25	$ 341,213	0.41		$ 0.85	1.78	1.57								
26	$ 358,273	0.43		$ 0.83	1.85	1.63								
27	$ 376,187	0.45		$ 0.82	1.91	1.68								
28	$ 394,996	0.47		$ 0.81	1.98	1.74								
29	$ 414,746	0.49		$ 0.80	2.05	1.80								
30	$ 435,483	0.52		$ 0.79	2.12	1.87								
31	$ 457,258	0.54		$ 0.78	2.19	1.93								
32	$ 480,121	0.57		$ 0.77	2.27	2.00								
33														
34														
35														

Thursday, Mar 20, 2008 03:19 PM

AMR System for Natural Gas and Propane

Installed price for 70,000 meters	$ 5,000,000
Return on investment	8.5%
Number of meters	70,000
Return on equity	11.0%
Interest on debt	6.5%

	Number	Each
Meter readers	2	$ 40,000
Meter tech	1	$ 70,000
Miscellaneous		$ 40,000
Inflation		5%
Depreciation in years		20
Battery replacement per unit		$ -
Tax Factor		0.62
Equity ratio		0.45

0.035

Year	average rate base	Revenue for return on investment	Revenue to recover Depreciation	Total revenue requirement	Cost per meter read	Additional reading expenses	Cost per meter read	Total cost per meter	Contract price	CF price
1	$ 4,875,000	$ 563,495	$ 155,000	$ 718,495	$ 0.86	$ 190,000	0.23	$ 1.08	1.18	1.04
2	$ 4,625,000	$ 534,598	$ 155,000	$ 689,598	$ 0.82	$ 199,500	0.24	$ 1.06	1.22	1.08
3	$ 4,375,000	$ 505,701	$ 155,000	$ 660,701	$ 0.79	$ 209,475	0.25	$ 1.04	1.26	1.11
4	$ 4,125,000	$ 476,803	$ 155,000	$ 631,803	$ 0.75	$ 219,949	0.26	$ 1.01	1.31	1.15
5	$ 3,875,000	$ 447,906	$ 155,000	$ 602,906	$ 0.72	$ 230,946	0.27	$ 0.99	1.35	1.19
6	$ 3,625,000	$ 419,009	$ 155,000	$ 574,009	$ 0.68	$ 242,493	0.29	$ 0.97	1.40	1.24
7	$ 3,375,000	$ 390,112	$ 155,000	$ 545,112	$ 0.65	$ 254,618	0.30	$ 0.95	1.45	1.28
8	$ 3,125,000	$ 361,215	$ 155,000	$ 516,215	$ 0.61	$ 267,349	0.32	$ 0.93	1.50	1.32
9	$ 2,875,000	$ 332,318	$ 155,000	$ 487,318	$ 0.58	$ 280,717	0.33	$ 0.91	1.55	1.37
10	$ 2,625,000	$ 303,420	$ 155,000	$ 458,420	$ 0.55	$ 294,752	0.35	$ 0.90	1.61	1.42
11	$ 2,375,000	$ 274,523	$ 155,000	$ 429,523	$ 0.51	$ 309,490	0.37	$ 0.88	1.66	1.47
12	$ 2,125,000	$ 245,626	$ 155,000	$ 400,626	$ 0.48	$ 324,964	0.39	$ 0.86	1.72	1.52
13	$ 1,875,000	$ 216,729	$ 155,000	$ 371,729	$ 0.44	$ 341,213	0.41	$ 0.85	1.78	1.57
14	$ 1,625,000	$ 187,832	$ 155,000	$ 342,832	$ 0.41	$ 358,273	0.43	$ 0.83	1.85	1.63
15	$ 1,375,000	$ 158,934	$ 155,000	$ 313,934	$ 0.37	$ 376,187	0.45	$ 0.82	1.91	1.68
16	$ 1,125,000	$ 130,037	$ 155,000	$ 285,037	$ 0.34	$ 394,996	0.47	$ 0.81	1.98	1.74
17	$ 875,000	$ 101,140	$ 155,000	$ 256,140	$ 0.30	$ 414,746	0.49	$ 0.80	2.05	1.80
18	$ 625,000	$ 72,243	$ 155,000	$ 227,243	$ 0.27	$ 435,483	0.52	$ 0.79	2.12	1.87
19	$ 375,000	$ 43,346	$ 155,000	$ 198,346	$ 0.24	$ 457,258	0.54	$ 0.78	2.19	1.93
20	$ 125,000	$ 14,449	$ 155,000	$ 169,449	$ 0.20	$ 480,121	0.57	$ 0.77	2.27	2.00
								$ 0.90	$ 1.67	$ 1.47

Microsoft Excel - AMR analysis JE May 2007.xls [Read-Only]
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AMR System for Natural Gas and Propane

Installed price for 70,000 meters	$ 5,000,000
Return on investment	8.5%
Number of meters	70,000
Return on equity	11.0%
Interest on debt	6.5%

	Number	Each
Meter readers	2	$ 40,000
Meter tech	1	$ 70,000
Miscellaneous		$ 40,000
Inflation		5%
Depreciation in years		15
Battery replacement per unit		$ -
Tax Factor		0.62
Equity ratio		0.45

Year	average rate base	Revenue for return on investment	Revenue to recover Depreciation	Total revenue requirement	Cost per meter read	Additional reading expenses	Cost per meter read	Total cost per meter	Co p
1	$ 4,833,333	$ 558,679	$ 206,667	$ 765,345	$ 0.91	$ 190,000	0.23	$ 1.14	
2	$ 4,500,000	$ 520,149	$ 206,667	$ 726,816	$ 0.87	$ 199,500	0.24	$ 1.10	
3	$ 4,166,667	$ 481,620	$ 206,667	$ 688,286	$ 0.82	$ 209,475	0.25	$ 1.07	
4	$ 3,833,333	$ 443,090	$ 206,667	$ 649,757	$ 0.77	$ 219,949	0.26	$ 1.04	
5	$ 3,500,000	$ 404,560	$ 206,667	$ 611,227	$ 0.73	$ 230,946	0.27	$ 1.00	
6	$ 3,166,667	$ 366,031	$ 206,667	$ 572,698	$ 0.68	$ 242,493	0.29	$ 0.97	
7	$ 2,833,333	$ 327,501	$ 206,667	$ 534,168	$ 0.64	$ 254,618	0.30	$ 0.94	
8	$ 2,500,000	$ 288,972	$ 206,667	$ 495,638	$ 0.59	$ 267,349	0.32	$ 0.91	
9	$ 2,166,667	$ 250,442	$ 206,667	$ 457,109	$ 0.54	$ 280,717	0.33	$ 0.88	
10	$ 1,833,333	$ 211,913	$ 206,667	$ 418,579	$ 0.50	$ 294,752	0.35	$ 0.85	
11	$ 1,500,000	$ 173,383	$ 206,667	$ 380,050	$ 0.45	$ 309,490	0.37	$ 0.82	
12	$ 1,166,667	$ 134,853	$ 206,667	$ 341,520	$ 0.41	$ 324,964	0.39	$ 0.79	
13	$ 833,333	$ 96,324	$ 206,667	$ 302,991	$ 0.36	$ 341,213	0.41	$ 0.77	
14	$ 500,000	$ 57,794	$ 206,667	$ 264,461	$ 0.31	$ 358,273	0.43	$ 0.74	
15	$ 166,667	$ 19,265	$ 206,667	$ 225,931	$ 0.27	$ 376,187	0.45	$ 0.72	
								$ 0.92	$

Sheet1 Sheet2 Sheet3
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start Case Manage... D:\Exhibit 2... AMR analysis... Microsoft Exc... 3:22 PM
Thursday, Mar 20, 2008 03:22 PM

AMR System for Natural Gas and Propane

Installed price for 70,000 meters	$ 5,000,000
Return on investment	8.5%
Number of meters	70,000
Return on equity	11.0%
Interest on debt	6.5%

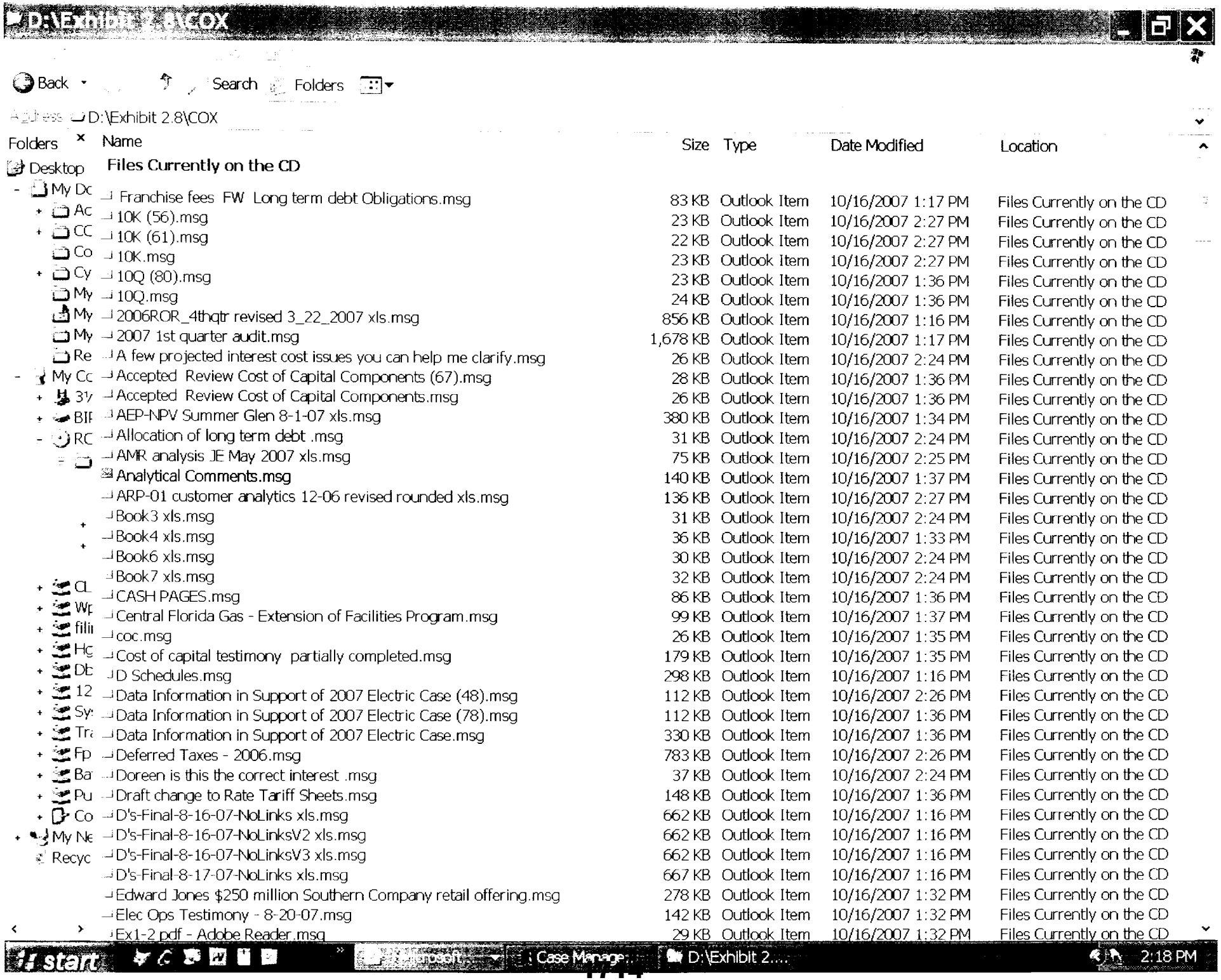
	Number	Each
Meter readers	2	$ 40,000
Meter tech	1	$ 70,000
Miscellaneous		$ 40,000
Inflation		5%
Depreciation in years		15
Battery replacement per unit		$ -
Tax Factor		0.62
Equity ratio		0.45

0.035

Year	average rate base	Revenue for return on investment	Revenue to recover Depreciation	Total revenue requirement	Cost per meter read	Additional reading expenses	Cost per meter read	Total cost per meter	Contract price	CF price
1	$ 4,833,333	$ 558,679	$ 206,667	$ 765,345	$ 0.91	$ 190,000	0.23	$ 1.14	1.18	1.04
2	$ 4,500,000	$ 520,149	$ 206,667	$ 726,816	$ 0.87	$ 199,500	0.24	$ 1.10	1.22	1.08
3	$ 4,166,667	$ 481,620	$ 206,667	$ 688,286	$ 0.82	$ 209,475	0.25	$ 1.07	1.26	1.11
4	$ 3,833,333	$ 443,090	$ 206,667	$ 649,757	$ 0.77	$ 219,949	0.26	$ 1.04	1.31	1.15
5	$ 3,500,000	$ 404,560	$ 206,667	$ 611,227	$ 0.73	$ 230,946	0.27	$ 1.00	1.35	1.19
6	$ 3,166,667	$ 366,031	$ 206,667	$ 572,698	$ 0.68	$ 242,493	0.29	$ 0.97	1.40	1.24
7	$ 2,833,333	$ 327,501	$ 206,667	$ 534,168	$ 0.64	$ 254,618	0.30	$ 0.94	1.45	1.28
8	$ 2,500,000	$ 288,972	$ 206,667	$ 495,638	$ 0.59	$ 267,349	0.32	$ 0.91	1.50	1.32
9	$ 2,166,667	$ 250,442	$ 206,667	$ 457,109	$ 0.54	$ 280,717	0.33	$ 0.88	1.55	1.37
10	$ 1,833,333	$ 211,913	$ 206,667	$ 418,579	$ 0.50	$ 294,752	0.35	$ 0.85	1.61	1.42
11	$ 1,500,000	$ 173,383	$ 206,667	$ 380,050	$ 0.45	$ 309,490	0.37	$ 0.82	1.66	1.47
12	$ 1,166,667	$ 134,853	$ 206,667	$ 341,520	$ 0.41	$ 324,964	0.39	$ 0.79	1.72	1.52
13	$ 833,333	$ 96,324	$ 206,667	$ 302,991	$ 0.36	$ 341,213	0.41	$ 0.77	1.78	1.57
14	$ 500,000	$ 57,794	$ 206,667	$ 264,461	$ 0.31	$ 358,273	0.43	$ 0.74	1.85	1.63
15	$ 166,667	$ 19,265	$ 206,667	$ 225,931	$ 0.27	$ 376,187	0.45	$ 0.72	1.91	1.68
								$ 0.92	$ 1.52	$ 1.34

Clara Leider

From: English Jack
Sent: Monday, June 04, 2007 11:39 AM
To: Cox Doreen
Subject: AMR analysis JE May 2007.xls
Attachments: AMR analysis JE May 2007.xls



Thursday, Mar 20, 2008 02:18 PM

Clara Leider

From: Khojasteh Mehrdad
Sent: Tuesday, January 23, 2007 4:51 PM
To: Bhatia Nadira; Cox Doreen; Grimeson Bill; Jaeger Melanie; Jones Tanzanika; Mahan Claudette; Mesite Jim; Morizio Beth; Palacios Cindy; Wilson Audra; Young Curtis
Cc: 'Jacqueline Gibbons'; 'Dale Buschmann'; Martin Cheryl; Napier Michelle
Subject: Analytical Comments

Attachments: ANALYTICAL 12.31.06.xls

ANALYTICAL
12.31.06.xls

Please provide your explanations for the accounts assigned to you on the attached file and e-mail it back to Dale - dbuschmann@bdo.com and Jackie - jgibbons@bdo.com

Pleas make sure to CC me on your e-mails.

Thanks,

Mehrdad

-----Original Message-----
From: Jacqueline Gibbons [mailto:JGibbons@bdo.com]
Sent: Tuesday, January 23, 2007 12:33 PM
To: Martin Cheryl
Cc: Dale Buschmann
Subject: Analytical comments

Cheryl attached please find spreadsheet of variances between 12.31.05 & 12.31.06. Please type comments on the same spreadsheet and email back to us. I will be here until Friday afternoon, so you can choose to email me the responses up to that date or just send them directly to Dale.

Thanks

<font size=2>Please read the following disclaimer if the above communication includes tax advice. If it does not include tax advice, please disregard the following paragraph in bold.

To ensure compliance with Treasury Department regulations, we wish to inform you that any tax advice that may be contained in this communication (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding tax-related penalties under the Internal Revenue Code or applicable state or local tax law provisions or (ii) promoting, marketing or recommending to another party any tax-related matters addressed herein.
_____<font>

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If you have received this e-mail in error, please notify BDO Seidman, LLP by e-mail immediately.

Florida Public Utilities
Balance Sheet and Profit & Loss
Analytical Comments
Y/e 12.31.2006

Variances $77,250 & 10%

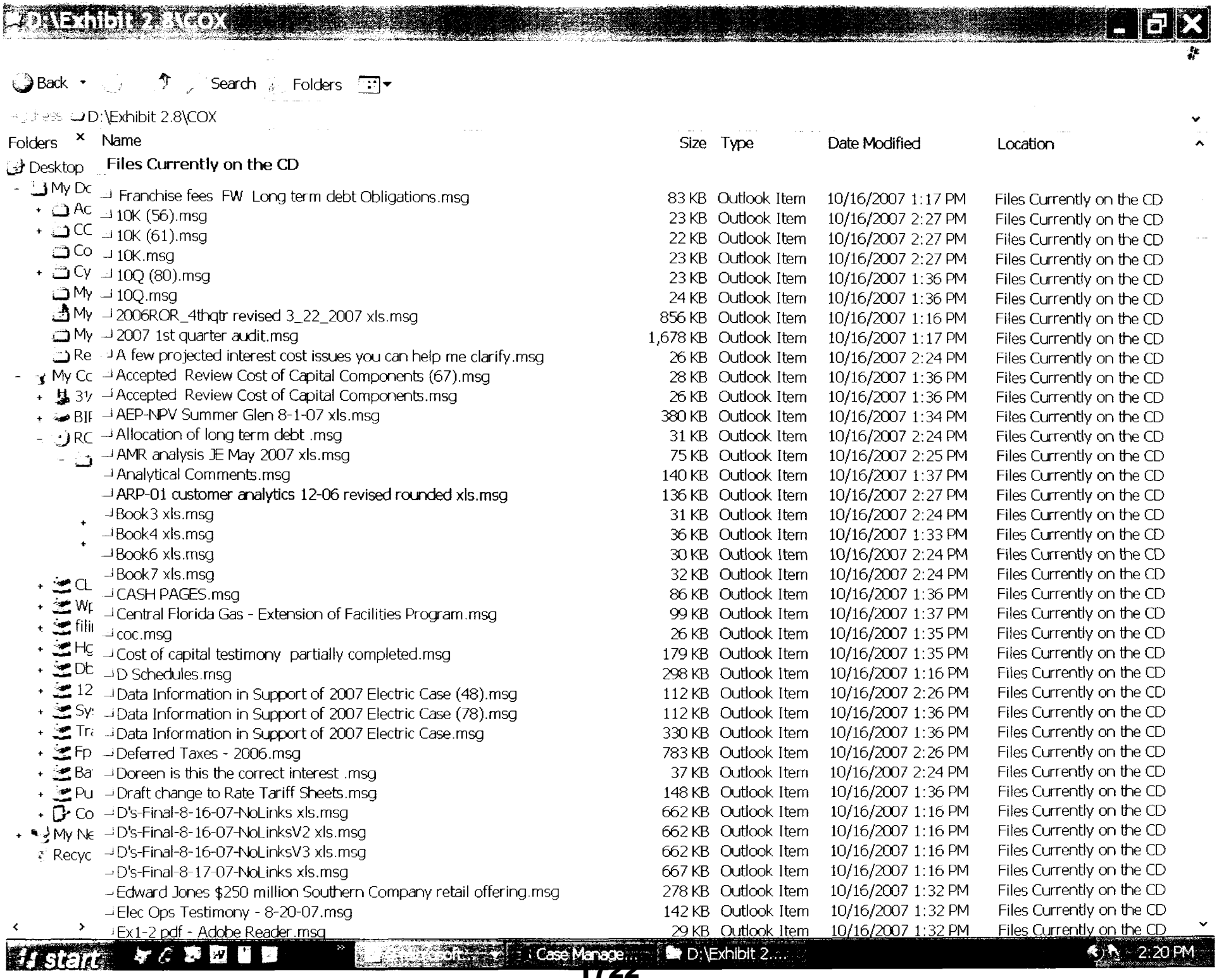
	Account	2006	2005	Amount Changed	%
Melanie	100-1310.13 CASH -BANK OF AMERIC	38,779.00	645,566.37	(606,787.37)	-94%
	A Cash	38,779.00	645,566.37	(606,787.37)	-94%
Caludette	114-1430.2 OTHER A/R - MISCELLA	20,607.00	169,620.00	(149,013.00)	-88%
Melanie	121-1420.1 CUSTOMER A/R - UTILI	4,114,637.00	6,361,756.00	(2,247,119.00)	-35%
Melanie	123-1420.1 CUSTOMER A/R - UTILI	1,458,945.00	2,075,854.00	(616,909.00)	-30%
Melanie	991-1420.1 CUSTOMER A/R - UTILI	978,098.00	1,167,954.00	(189,856.00)	-16%
Melanie	115-1420.21 CUSTOMER A/R--BILLED	29,224.00	110,433.00	(81,209.00)	-74%
	C Sales, shipping and trade rec.	6,601,511.00	9,885,617.00	(3,284,106.00)	-33%
Melanie	121-1440.2 PROV FOR UNCOL ACC-M	(92,462.00)	(10,901.00)	(81,561.00)	748%
	C1 Allowance for Uncollectables	(92,462.00)	(10,901.00)	(81,561.00)	748%
Nadira	121-1730.1 UNBILLED REVENUES	796,384.00	706,499.00	89,885.00	13%
	C2 Unbilled Receivables	796,384.00	706,499.00	89,885.00	13%
Cindy	115-1540.1 PLANT MAT & OPERATIN	713,646.00	562,556.00	151,090.00	27%
Cindy	123-1540.1 PLANT MAT & OPERATIN	185,578.00	282,047.00	(96,469.00)	-34%
Cindy	900-1540.5 PROPANE - CUSTOMER P	1,518,472.00	1,317,027.00	201,445.00	15%
	F Inventories and production	2,417,696.00	2,161,630.00	256,066.00	12%
Beth	100-2360.8 FEDERAL INCOME TAX	(1,136,663.00)	(89,947.00)	(1,046,716.00)	1164%
Beth	100-2360.9 STATE INCOME TAX	(231,331.00)	(37,844.00)	(193,487.00)	511%
Beth	900-2360.8 FEDERAL INCOME TAX	1,259,024.00	1,100,587.00	158,437.00	14%
	G Ppd. exp., nontrade notes rec., deferred charg	(108,970.00)	972,796.00	(1,081,766.00)	-111%
Nadira	121-1820.32 REGULATORY ASSETS-ST	270,039.00	452,327.00	(182,288.00)	-40%
	J Regulatory asset - environmental	270,039.00	452,327.00	(182,288.00)	-40%
Cindy	123-1040.1 MERCH PLANT-LEASED T	878,033.00	564,865.00	313,168.00	55%
Bill	100-1070.376 ACCRUAL - CAPITAL IT	(85,071.00)	21,145.00	(106,216.00)	-502%
Bill	115-1010.362 STATION EQUIPMENT	4,895,950.00	4,226,471.00	669,479.00	16%
Bill	115-1010.396 POWER OPERATED EQUIP	190,403.00	107,686.00	82,717.00	77%
Bill	115-1070.362 STATION EQUIPMENT	8,995.00	629,480.00	(620,485.00)	-99%
Bill	121-1010.381 METERS	4,024,935.00	3,509,376.00	515,559.00	15%
Bill	121-1010.382 METER INSTALLATIONS	1,431,162.00	1,221,991.00	209,171.00	17%
Bill	121-1010.383 HOUSE REGULATORS	1,337,431.00	1,184,908.00	152,523.00	13%
Bill	991-1010.311 PROPANE STORAGE FACI	330,223.00	233,560.00	96,663.00	41%
Bill	991-1010.386 CONSUMERS' SYSTEM IN	2,812,989.00	2,494,749.00	318,240.00	13%
Bill	991-1010.392 TRANSPORTATION EQUIP	990,642.00	692,815.00	297,827.00	43%
Bill	991-1070.311 PROPANE STORAGE FACI	-	82,143.00	(82,143.00)	-100%
Bill	991-1070.392 TRANSPORTATION EQUIP	11,812.00	215,272.00	(203,460.00)	-95%
Bill	993-1010.386 CONSUMERS' SYSTEM IN	547,442.00	458,451.00	88,991.00	19%
Bill	993-1070.376 MAINS	-	95,060.00	(95,060.00)	-100%
Bill	996-1070.392 TRANSPORTATION EQUIP	173,665.00	94,881.00	78,784.00	83%
Bill	100-1180.3913 EDP EQUIPMENT	492,102.00	753,806.00	(261,704.00)	-35%
Bill	114-1010.3693 UNDERGRD SERVICES- B	1,173,846.00	1,062,572.00	111,274.00	10%
Bill	115-1010.3672 UNDERGRD CONDUCT/DEV	4,053,517.00	3,683,923.00	369,594.00	10%
Bill	115-1010.3713 INSTAL ON CUST PREMI	601,350.00	447,692.00	153,658.00	34%
Bill	115-1010.3923 TRANS - HEAVY TRUCKS	755,791.00	862,552.00	(106,761.00)	-12%
Bill	115-1070.3657 O/H CONDUCTR-LINE EX	-	107,269.00	(107,269.00)	-100%
Bill	115-1070.3662 UNDERGROUND CONDUIT-	118,244.00	40,951.00	77,293.00	189%
Bill	115-1070.3713 INSTAL ON CUST PREMI	1,470.00	101,664.00	(100,194.00)	-99%
Bill	115-1070.3923 TRANS - HEAVY TRUCKS	199,277.00	-	199,277.00	100%
Bill	121-1010.3761 MAINS- PLASTIC	15,357,567.00	13,568,592.00	1,788,975.00	13%
Bill	121-1010.3922 TRANS-LIGHT TRUCK,VA	2,257,770.00	1,945,704.00	312,066.00	16%
Bill	123-1010.3761 MAINS- PLASTIC	6,526,969.00	5,769,851.00	757,118.00	13%
Bill	123-1010.3922 TRANS-LIGHT TRUCK,VA	949,575.00	860,608.00	88,967.00	10%
Bill	114-1070.391305 CWIP-SOFTWARE	70,376.00	445,776.00	(375,400.00)	-84%
Bill	121-1070.376112 MAINS- PLASTIC - 1 1	156,324.00	58,442.00	97,882.00	167%
Bill	121-1070.376120 MAINS- PLASTIC - 2 "	141,052.00	363,945.00	(222,893.00)	-61%
Bill	121-1070.376140 MAINS- PLASTIC - 4 "	213,625.00	327,394.00	(113,769.00)	-35%
Bill	121-1070.376160 MAINS- PLASTIC - 6 "	193,660.00	(3,036.00)	196,696.00	-6479%
Bill	121-1070.376260 MAINS -OTHER- 6 "	(23,246.00)	455,612.00	(478,858.00)	-105%
Bill	121-1070.391305 CWIP-SOFTWARE	250,448.00	151,468.00	98,980.00	65%
Bill	123-1070.391305 CWIP-SOFTWARE	128,410.00	10,806.00	117,604.00	1088%
	M Property, plant and equipment	51,166,738.00	46,848,444.00	4,318,294.00	9%

Jim	100-1080-1 Cost of removal reclass	-	8,256,355.00	(8,256,355.00)	-100%
Bill	115-1080.355 POLES AND FIXTURES	(835,078.00)	(739,611.00)	(95,467.00)	13%
Bill	115-1080.362 STATION EQUIPMENT	(773,755.00)	(641,561.00)	(132,194.00)	21%
Bill	115-1080.396 POWER OPERATED EQUIP	(175,709.00)	(85,777.00)	(89,932.00)	105%
Bill	121-1080.390 STRUCTURES AND IMPRO	(15,823.00)	(203,124.00)	187,301.00	-92%
Bill	123-1080.390 STRUCTURES AND IMPRO	(290,050.00)	(75,714.00)	(214,336.00)	283%
Bill	991-1080.386 CONSUMERS' SYSTEM IN	(860,751.00)	(755,184.00)	(105,567.00)	14%
Bill	100-1190.3913 ACC.DEP/EDP EQUIPMEN	(146,783.00)	(429,486.00)	282,703.00	-66%
Bill	121-1080.3761 MAINS-	(2,758,327.00)	(2,392,618.00)	(365,709.00)	15%
Bill	123-1080.3761 MAINS- PLASTIC	(1,213,740.00)	(1,062,296.00)	(151,444.00)	14%
	N Accumulated depreciation	(7,070,016.00)	1,870,984.00	(8,941,000.00)	-478%
Jim	114-1010.391305 SOFTWARE	360,744.00	-	360,744.00	10000%
	S Other intangible assets	360,744.00	-	360,744.00	10000%
Claudette	100-1860.1 OTHER W I P -DEF'D D	475,117.00	688,676.00	(213,559.00)	-31%
	V Other deferred charges	475,117.00	688,676.00	(213,559.00)	-31%
Curtis	114-2530.61 OTHER DF CR-OVERRECO	99,522.00	13,344.00	86,178.00	646%
Curtis	121-1860.61 MISC DEF DEBIT-UNDER	-	(298,804.00)	298,804.00	-100%
Curtis	121-2530.61 OTHER DEF CREDIT-OVE	(844,063.00)	-	(844,063.00)	10000%
Curtis	123-1860.61 MISC DEF DEBIT-UNDER	-	381,735.00	(381,735.00)	-100%
Curtis	123-2530.61 OTHER DEF CREDIT-OVE	533,505.00	-	533,505.00	10000%
	W Under recovery of conservation & unbundling	(211,036.00)	96,275.00	(307,311.00)	-319%
Audra	100-2310.1 NOTES PAYABLE	(3,466,000.00)	(9,558,000.00)	6,092,000.00	-64%
	BB Notes payable	(3,466,000.00)	(9,558,000.00)	6,092,000.00	-64%
Tan	100-2320.1 A/P - GENERAL	(5,808,219.00)	(9,317,985.00)	3,509,766.00	-38%
Tan	100-2320.8 A/P - PAYROLL	(823,254.00)	(558,482.00)	(264,772.00)	47%
	CC Purchases, receiving and accounts payable	(6,631,473.00)	(9,876,467.00)	3,244,994.00	-33%
Nadira	100-2280.201 ACCR'D LIABILITY INS	(181,443.00)	(296,132.00)	114,689.00	-39%
	EE Accrued Insurance	(181,443.00)	(296,132.00)	114,689.00	-39%
Beth	100-2820.1 L/T LIBERALIZED DEPR	(829,500.00)	(2,657,517.00)	1,828,017.00	-69%
Beth	100-2820.2 L/T LIBERALIZED DEPR	(141,994.00)	(454,913.00)	312,919.00	-69%
Beth	115-2820.1 LONG-TERM LIBERALIZE	(2,828,340.00)	(2,407,322.00)	(421,018.00)	17%
Beth	123-2820.1 LONG-TERM LIBERALIZE	(2,916,800.00)	(2,647,081.00)	(269,719.00)	10%
Beth	991-2820.1 LONG-TERM LIBERALIZE	(1,403,653.00)	(1,229,985.00)	(173,668.00)	14%
Beth	993-2820.1 LONG-TERM LIBERALIZE	(1,040,298.00)	(873,556.00)	(166,742.00)	19%
Beth	995-2820.1 LONG-TERM LIBERALIZE	(406,365.00)	(299,106.00)	(107,259.00)	36%
Beth	115-2830.111 ACC FED DEF EL-UNDER	(350,249.00)	(193,945.00)	(156,304.00)	81%
Beth	121-2830.111 ACC FED DEF-GAS-UNDE	-	(423,929.00)	423,929.00	-100%
Beth	121-2830.113 ACCUM DEF TAX-CONSV	271,197.00	96,006.00	175,191.00	182%
Beth	121-2830.114 ACCUM DEF TAXES-PENS	269,751.00	141,617.00	128,134.00	90%
Beth	123-2830.111 ACC FED DEF-GAS-UNDE	-	(512,949.00)	512,949.00	-100%
Beth	123-2830.221 ACC DEF UNDERREC PUR	-	(87,806.00)	87,806.00	-100%
	JJ Deferred Income taxes	(9,376,251.00)	(11,550,486.00)	2,174,235.00	-19%
Claudette	100-2530.31 ENVIRON COSTS NET OF	(149,051.00)	60,218.00	(209,269.00)	-348%
	KK Environmental liabilities and other	(149,051.00)	60,218.00	(209,269.00)	-348%
Melanie	114-2350.1 CUSTOMER DEPOSITS	(1,123,687.00)	(915,320.00)	(208,367.00)	23%
Melanie	123-2350.1 CUSTOMER DEPOSITS	(1,706,854.00)	(1,458,188.00)	(248,666.00)	17%
	LL Customer Deposits	(2,830,541.00)	(2,373,508.00)	(457,033.00)	19%
Curtis	114-2530.21 OVER RECOVERY-FUEL A	(556,017.00)	(266,046.00)	(289,971.00)	109%
Curtis	115-1860.21 MISC DEF-DR.-UNDERRE	1,090,101.00	603,627.00	486,474.00	81%
Curtis	115-2530.21 OVER RECOVERY-FUEL A	(289,447.00)	(886,848.00)	597,401.00	-67%
Jim	121-1860.21 MISC DEF-DR.-UNDERRE	-	1,319,418.00	(1,319,418.00)	-100%
Jim	121-2530.21 OVER REC-FUEL ADJ-PU	(4,009,675.00)	-	(4,009,675.00)	100%
Jim	123-1860.21 MISC DEF-DR.-UNDERRE	-	1,596,481.00	(1,596,481.00)	-100%
Jim	123-2530.21 OVER REC-FUEL ADJ-PU	353,654.00	-	353,654.00	100%
	MM Overrecovery of fuel costs	(3,411,384.00)	2,366,632.00	(5,778,016.00)	-244%

Cindy	115-2520.1 CUSTOMER ADVANCES FO	(757,417.00)	(592,204.00)	(165,213.00)	28%
Cindy	121-2520.1 CUSTOMER ADVANCES FO	(1,292,802.00)	(1,017,792.00)	(275,010.00)	27%
Cindy	996-2520.1 CUSTOMER ADVANCES FO	(258,750.00)	(350,700.00)	91,950.00	-26%
	NN Over recovery of conservation and unbundling	(2,308,969.00)	(1,960,696.00)	(348,273.00)	18%
Beth	100-2420.1 VACATION PAY-MISC CU	(1,198,162.00)	(1,075,748.00)	(122,414.00)	11%
Bill	121-2530.4 OTHER DEFERRED CREDI	(22,194.00)	(110,970.00)	88,776.00	-80%
Claudette	100-2410.401 WEST PALM BE-FRANCHI	21,521.00	(74,427.00)	95,948.00	-129%
	OO Other accruals and payables	(1,198,835.00)	(1,261,145.00)	62,310.00	-5%
Jim	100-2800-1 Deferred Credit Cost of Removal	-	(8,256,355.00)	8,256,355.00	-100%
	QQ Cost of Removal Deferred Cridt	-	(8,256,355.00)	8,256,355.00	-100%
Nadira	100-2280.31 PENSIONS RESERVE	(1,760,783.00)	(721,331.00)	(1,039,452.00)	144%
	SS Storm Reserve	(1,760,783.00)	(721,331.00)	(1,039,452.00)	144%
Audra	100-2110.1 MISCELLANEOUS PAID I	(938,906.00)	(1,052,760.87)	113,854.87	-11%
Audra	100-2170.1 COMMON STOCK REACQUI	2,841,531.00	3,349,120.87	(507,589.87)	-15%
Audra	900-2160.1 UNAPPROPRIATED RETD	(2,229,013.00)	(1,831,084.00)	(397,929.00)	22%
	WW Stockholders' equity	(326,388.00)	465,276.00	(791,664.00)	-170%
Curtis	121-4000.496 RATE REFUND PENDING	-	722,649.00	(722,649.00)	-100%
Jim	121-4000.4951 OVER REC;FUEL ADJ- P	4,009,675.00	(411,003.00)	4,420,678.00	-1076%
Nadira	121-4000.4953 UNBILLED REVENUES	(89,885.00)	248,994.00	(338,879.00)	-136%
Curtis	121-4000.4957 OVERRECOVERY:GAS CON	844,063.00	-	844,063.00	100%
Jim	123-4000.4951 OVER REC;FUEL ADJ- P	(353,654.00)	(697,128.00)	343,474.00	-49%
Curtis	123-4000.4957 OVERRECOVERY:GAS CON	(533,505.00)	-	(533,505.00)	100%
Jim	121-4000.48002 FUEL REVENUE-RESIDEN	(8,281,260.00)	(7,302,886.00)	(978,374.00)	13%
Melanie	121-4000.48004 FRANCHISE TAX REV-RE	(479,923.00)	(326,994.00)	(152,929.00)	47%
Jim	121-4000.48102 C/S FUEL REVENUES-CO	(9,211,422.00)	(7,998,557.00)	(1,212,865.00)	15%
Melanie	121-4000.48104 FRANCHISE TAX REV-CO	(352,857.00)	(211,694.00)	(141,163.00)	67%
Melanie	121-4000.48114 FRANCHISE TAX REV-CO	(340,886.00)	(191,035.00)	(149,851.00)	78%
Jim	121-4000.48122 FUEL REV.-INTERRUPTI	-	(287,378.00)	287,378.00	-100%
Melanie	121-4000.48913 GR REC- COMM LRG TRA	(251,148.00)	(11,856.00)	(239,292.00)	2018%
Melanie	121-4000.48923 GR REC- INTRDPT TRAN	(128,221.00)	(12,658.00)	(115,563.00)	913%
Jim	121-4000.48982 POOLMANAGER SVC FUEL	737,020.00	369,312.00	367,708.00	100%
Curtis	121-4000.49561 OTHER GAS REV-STORM	(142,140.00)	(16,833.00)	(125,307.00)	744%
Jim	123-4000.48002 FUEL REVENUE-RESIDEN	(3,997,083.00)	(3,469,698.00)	(527,385.00)	15%
Jim	123-4000.48102 C/S FUEL REVENUE-COM	(2,526,351.00)	(2,078,142.00)	(448,209.00)	22%
Melanie	123-4000.48111 C/L BASE REVENUE-COM	(1,830,699.00)	(1,536,700.00)	(293,999.00)	19%
Jim	123-4000.48112 C/L FUEL REVENUE-COM	(6,698,501.00)	(5,154,636.00)	(1,543,865.00)	30%
Melanie	123-4000.48911 BASE REVENUE-CL TRAN	(1,024,474.00)	(1,325,069.00)	300,595.00	-23%
Melanie	123-4000.48913 GR REC- COMM LG TRAN	(105,365.00)	(6,575.00)	(98,790.00)	1503%
	10 Natural gas revenue	(30,756,616.00)	(29,697,887.00)	(1,058,729.00)	4%
Curtis	115-4000.4561 OVER-RECOVRY:FUEL AD	(597,401.00)	585,741.00	(1,183,142.00)	-202%
Nadira	115-4000.4563 UNBILLED REVENUES	(11,649.00)	86,435.00	(98,084.00)	-113%
Curtis	114-4000.44222 FUEL REV- LARGE COMM	(2,689,872.00)	(2,281,893.00)	(407,979.00)	18%
Curtis	115-4000.44002 FUEL REVENUE-RESIDEN	(6,535,958.00)	(7,338,169.00)	802,211.00	-11%
Curtis	115-4000.44202 C/S FUEL REVENUE-COM	(955,585.00)	(1,069,049.00)	113,464.00	-11%
Curtis	115-4000.44212 C/L FUEL REV.-COMM L	(2,661,169.00)	(2,977,644.00)	316,475.00	-11%
Curtis	115-4000.44222 FUEL REVENUE- LARGE	(812,949.00)	(911,192.00)	98,243.00	-11%
	11 Electric revenue	(14,264,583.00)	(13,905,771.00)	(358,812.00)	3%
Doreen	991-4000.4802 RESIDENTIAL BULK SAL	(1,278,314.00)	(927,821.00)	(350,493.00)	38%
Doreen	991-4000.4812 COMM.& INDUS. SALES	(2,390,010.00)	(2,172,193.00)	(217,817.00)	10%
Doreen	993-4000.4802 RESIDENTIAL SALES -	(663,348.00)	(564,514.00)	(98,834.00)	18%
Doreen	993-4000.4812 COMM & INDUS. SALES	(366,915.00)	(281,415.00)	(85,500.00)	30%
Doreen	995-4000.4812 COMM.& INDUS. SALES	(1,222,412.00)	(1,053,109.00)	(169,303.00)	16%
	12 Propane revenue	(5,920,999.00)	(4,999,052.00)	(921,947.00)	18%
Cindy	141-4150.2 GROSS SALES-MERCHAND	(264,046.00)	(360,503.00)	96,457.00	-27%
Cindy	143-4150.1 GROSS SALES - MERCHA	(500,422.00)	(600,600.00)	100,178.00	-17%
Cindy	945-4150.1 GROSS SALES - MERCHA	(249,594.00)	(399,254.00)	149,660.00	-37%
Cindy	141-4150.391 FUEL LINE REVENUE	(214,584.00)	(315,174.00)	100,590.00	-32%
	14 Sales M & J	(1,228,646.00)	(1,675,531.00)	446,885.00	-27%

Curtis	123-4010.908 CUSTOMER ASSISTANCE	557,192.00	718,147.00	(160,955.00)	-22%
Curtis	121-4010.9061 UNDERRECOVERY:CONSER	(298,804.00)	323,815.00	(622,619.00)	-192%
Curtis	123-4010.9061 UNDERRECOVERY:CONSER	381,735.00	(369,328.00)	751,063.00	-203%
	13 Conservation	640,123.00	672,634.00	(32,511.00)	-5%
Jim	121-4010.8011 COMMODITY OTHER-SYST	20,211,180.00	24,627,795.00	(4,416,615.00)	-18%
Jim	121-4010.8042 COMMODITY PIPELINE-S	299,309.00	406,242.00	(106,933.00)	-26%
Jim	121-4010.8051 UNDER RECOVERY PURCH	1,319,418.00	(1,319,418.00)	2,638,836.00	-200%
Jim	123-4010.8045 DEMAND - SYSTEM SUPP	1,294,113.00	1,144,557.00	149,556.00	13%
Jim	123-4010.8051 UNDER RECOVERY PURCH	1,596,481.00	(1,596,481.00)	3,192,962.00	-200%
	20 Cost of fuel & taxes based on revnue -natural	24,720,501.00	23,262,695.00	1,457,806.00	6%
Curtis	114-4010.557 OTHER EXPENSES	276,458.00	113,618.00	162,840.00	143%
Curtis	115-4010.557 OTHER EXPENSES	373,567.00	123,199.00	250,368.00	203%
Curtis	114-4010.5551 UNDER REC:FUEL ADJ,	86,191.00	(41,268.00)	127,459.00	-309%
Curtis	115-4010.5551 UNDER REC:FUEL ADJ,	(486,474.00)	112,543.00	(599,017.00)	-532%
	22 Cost of fuel & taxes based on revenue - elect	249,742.00	308,092.00	(58,350.00)	-19%
Cindy	991-4010.800 COST OF GAS SOLD	4,337,568.00	3,660,680.00	676,888.00	18%
Cindy	993-4010.800 COST OF GAS SOLD	977,084.00	840,480.00	136,604.00	16%
Cindy	995-4010.800 COST OF GAS SOLD	1,452,274.00	1,276,861.00	175,413.00	14%
Cindy	996-4010.800 COST OF GAS SOLD	651,543.00	521,852.00	129,691.00	25%
	23 Cost of fuel & taxes based on revenue - propa	7,418,469.00	6,299,873.00	1,118,596.00	18%
Claudette	114-4010.903 CUSTOMER RECORDS/COL	244,907.00	351,847.00	(106,940.00)	-30%
Claudette	114-4010.904 UNCOLLECTIBLE ACCOUN	84,740.00	1,182.00	83,558.00	7069%
Claudette	115-4010.903 CUSTOMER RECORDS/COL	252,392.00	393,914.00	(141,522.00)	-36%
Melanie	121-4010.878 METER & HOUSE REGULA	1,050,627.00	954,534.00	96,093.00	10%
Melanie	121-4010.903 CUSTOMER RECORDS & C	519,083.00	718,413.00	(199,330.00)	-28%
Melanie	123-4010.903 CUSTOMER RECORDS & C	342,642.00	461,930.00	(119,288.00)	-26%
Melanie	114-4010.9031 CUSTOMER RECORDS/COL	121,958.00	-	121,958.00	100%
Melanie	115-4010.9031 CUST RECORDS/COLLCTN	138,192.00	-	138,192.00	100%
Melanie	121-4010.9031 CUST RECORDS/CLLCTN	284,546.00	-	284,546.00	100%
Melanie	121-4010.9121 SELLING EXPENSES	855,831.00	625,253.00	230,578.00	37%
Melanie	121-4010.9162 MISC SALES EXP-PROMO	60,503.00	154,717.00	(94,214.00)	-61%
Melanie	123-4010.9031 CUST RECORDS/CLLCTN	154,464.00	-	154,464.00	100%
	24 Operating expenses	4,109,885.00	3,661,790.00	448,095.00	12%
Audra	121-4080.2 STATE GROSS RECEIPTS	1,488,116.00	1,080,694.00	407,422.00	38%
Audra	123-4080.2 STATE GROSS RECEIPTS	559,800.00	465,383.00	94,417.00	20%
Melanie	121-4080.11 FRANCHISE TAX	1,184,008.00	735,044.00	448,964.00	61%
	26 Gross Receipts and Franchise Taxes	3,231,924.00	2,281,121.00	950,803.00	42%
Beth	115-4090.2 I/T -STATE - UTIL O	11,405.00	155,644.00	(144,239.00)	-93%
Beth	121-4090.2 I/T-STATE-UTIL OPERA	332,536.00	161,229.00	171,307.00	106%
Beth	123-4090.2 I/T-STATE-UTIL OPERA	159,768.00	(91,651.00)	251,419.00	-274%
	86 I/T State Taxes	503,709.00	225,222.00	278,487.00	124%
Beth	114-4100.1 DEFERRED I/T-FEDERAL	(157,073.00)	(301,205.00)	144,132.00	-48%
Beth	115-4100.1 DEFERRED I/T-FEDERAL	134,532.00	(575,723.00)	710,255.00	-123%
Beth	115-4100.2 DEFERRED I/T-STATE	23,030.00	(98,553.00)	121,583.00	-123%
Beth	121-4100.1 DEFERRED I/T-FEDERAL	(1,114,004.00)	(174,223.00)	(939,781.00)	539%
Beth	121-4100.2 DEFERRED I/T-STATE-U	(190,698.00)	(29,836.00)	(160,862.00)	539%
Beth	123-4100.1 DEFERRED I/T-FEDERAL	(507,304.00)	929,665.00	(1,436,969.00)	-155%
Beth	123-4100.2 DEFERRED I/T-STATE-U	(86,837.00)	159,138.00	(245,975.00)	-155%
Beth	100-4269.4101 DEFERRED TAX FED-OTH	5,746.00	(96,245.00)	101,991.00	-106%
	82 Deferred income taxes	(1,892,608.00)	(186,982.00)	(1,705,626.00)	912%
Cindy	945-4160.1 COST OF MERCHANDISE	175,529.00	255,254.00	(79,725.00)	-31%
Cindy	141-4160.29 DIRECT COST INSTALL	346,422.00	667,504.00	(321,082.00)	-48%
Cindy	141-4160.42 UNCOLLECTIBLE ACCOUN	100,121.00	13,595.00	86,526.00	636%
Cindy	141-4160.391 FUEL LINE EXPENSE	166,939.00	441,403.00	(274,464.00)	-62%
	28 Cost and expenses - M & J	789,011.00	1,377,756.00	(588,745.00)	-43%

Nadira	115-4010.920 ADM & GENERAL SALARI	557,490.00	477,814.00	79,676.00	17%
Nadira	121-4010.920 ADMINISTRATIVE & GEN	896,832.00	747,881.00	148,951.00	20%
Nadira	121-4010.924 PROPERTY INSURANCE	173,990.00	47,726.00	126,264.00	265%
	50 General and administrative expenses	1,628,312.00	1,273,421.00	354,891.00	28%
Claudette	115-4020.592 MAINT OF DIST STATIO	70,208.00	164,428.00	(94,220.00)	-57%
Melanie	121-4020.892 MAINTENANCE OF SERVI	(4,982.00)	85,353.00	(90,335.00)	-106%
Melanie	121-4020.935 MAINTENANCE OF GENER	192,164.00	100,115.00	92,049.00	92%
Claudette	114-4020.5932 MAINT OF OVERHEAD CO	605,618.00	709,158.00	(103,540.00)	-15%
Claudette	115-4020.5932 MAINT OF OVERHEAD CO	337,951.00	255,720.00	82,231.00	32%
	52 Maintenance distribution expense	1,200,959.00	1,314,774.00	(113,815.00)	-9%
Beth	121-4080.1 AD VALOREM TAXES	752,322.00	668,416.00	83,906.00	13%
	55 Taxes other than income taxes	752,322.00	668,416.00	83,906.00	13%
Jim	115-4030.1 DEPRECIATION EXPENSE	1,504,419.00	1,318,759.00	185,660.00	14%
	60 Depreciation expense	1,504,419.00	1,318,759.00	185,660.00	14%
Audra	100-4300.1 INTEREST ON DEBT TO	(746,566.00)	(499,438.00)	(247,128.00)	49%
Audra	900-4300.1 INTEREST ON DEBT TO	746,566.00	499,438.00	247,128.00	49%
	72 Interest expenses	-	-		
Beth	114-4090.1 I/T -FEDERAL- UTIL O	478,743.00	602,209.00	(123,466.00)	-21%
Beth	115-4090.1 I/T -FEDERAL- UTIL O	68,329.00	909,347.00	(841,018.00)	-92%
Beth	121-4090.1 I/T-FEDERAL-UTIL OPE	1,945,476.00	941,868.00	1,003,608.00	107%
Beth	123-4090.1 I/T-FEDERAL-UTIL OPE	933,743.00	(534,936.00)	1,468,679.00	-275%
Beth	991-4090.1 I/T-FEDERAL-UTIL OPE	132,166.00	278,089.00	(145,923.00)	-52%
	80 Income tax expense (benefit)	3,558,457.00	2,196,577.00	1,361,880.00	62%
Audra	100-2370.1 INTEREST ACCRUED-LON	(426,308.00)	(683,183.00)	256,875.00	-38%
	II Accrued interest expense	(426,308.00)	(683,183.00)	256,875.00	-38%
		18,821,479.00	15,068,643.37	3,752,835.63	25%



Thursday, Mar 20, 2008 02:20 PM

Clara Leider

To: Dale Buschmann
Cc: Bachman George; Khojasteh Mehrdad; Martin Cheryl
Subject: ARP-01 customer analytics 12-06 revised rounded.xls

Attachments: ARP-01 customer analytics 12-06 revised rounded.xls

ARP-01
ner analytics :

Florida Public Utilities Company
10Q stat information
Qtr ended12/31/2006
Financials d/d 2/2/2007

PBC

In thousands except for customers and per unit data

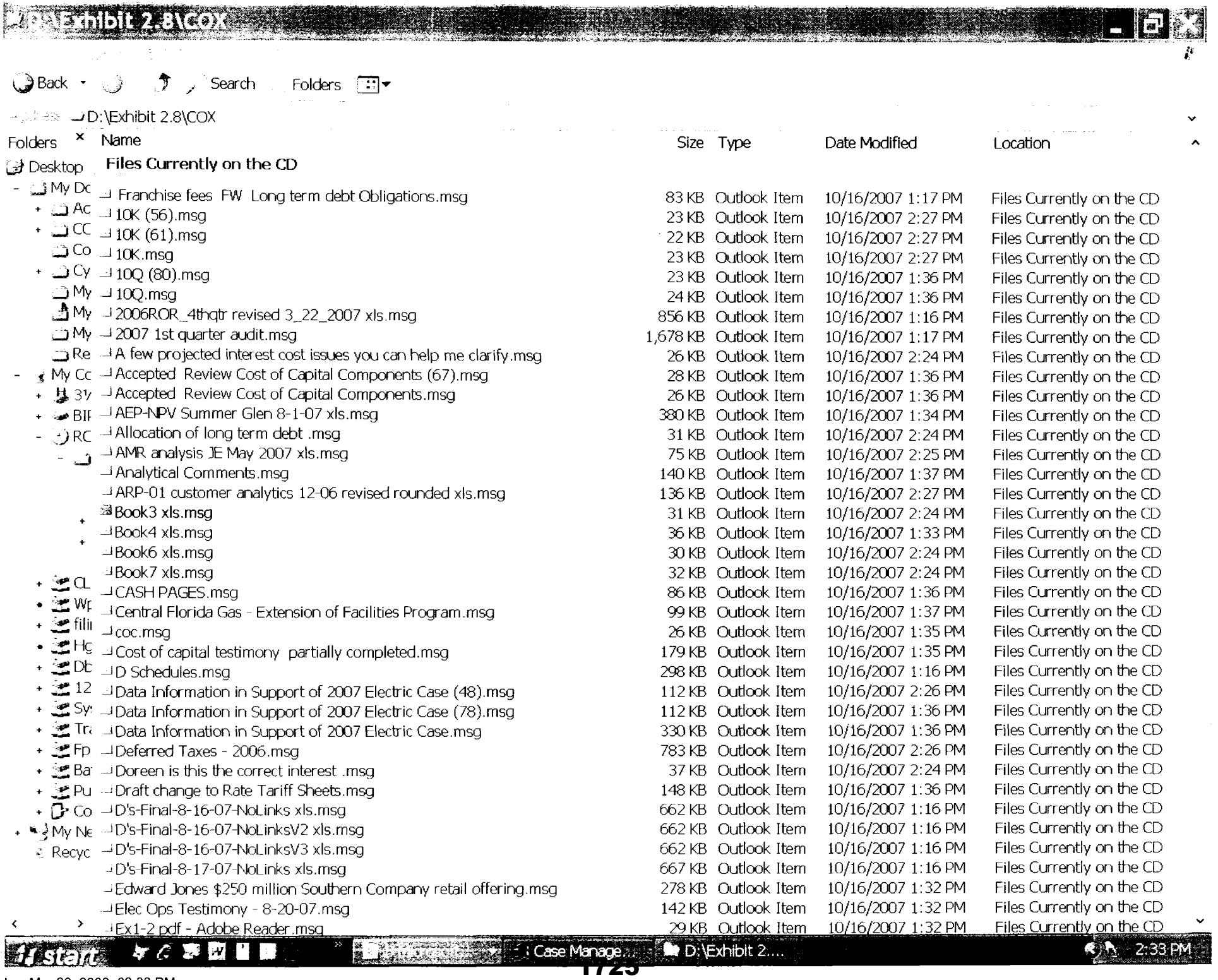
	Three Months Ended Dec 31		Three Months Ended Dec 31,				Twelve Months ended Dec 31,		Twelve Months ended Dec 31,				Three months ended Dec 31,	Three months ended Sept 30,		
	2006 [3]	%	2005	%	Inc (Dec) [1]	% Inc (Dec)	2006 [3]	%	2005 [2]	%	Inc (Dec) [2]	% Inc (Dec)	2006	2006	Inc (Dec)	% Inc (Dec)
Gross Profit																
Natural Gas	**6,890**	58%	**6,922**	57%	(32)	0%	**27,072**	56%	**26,279**	56%	793	3%	**6,890**	**5,552**	1,338	24%
Electric	**3,300**	28%	**3,372**	28%	(72)	-2%	**14,268**	30%	**14,098**	30%	170	1%	**3,300**	**3,973**	(673)	-17%
Propane	**1,670**	14%	**1,963**	16%	(293)	-15%	**6,924**	14%	**6,842**	15%	82	1%	**1,670**	**1,341**	329	25%
Total Gross Profit *	**11,860**	100%	**12,257**	100%	(397)	-3%	**48,264**	100%	**47,219**	100%	1,045	2%	**11,860**	**10,866**	994	9%
					-						-				-	
Revenues																
Natural Gas	**16,873**	53%	**21,854**	59%	(4,981)	-23%	**70,981**	53%	**69,094**	53%	1,887	3%	**16,873**	**12,522**	4,351	35%
Electric	**11,120**	35%	**11,311**	31%	(191)	-2%	**48,527**	36%	**47,450**	37%	1,077	2%	**11,120**	**13,896**	(2,776)	-20%
Propane	**3,601**	11%	**3,901**	11%	(300)	-8%	**14,726**	11%	**13,479**	10%	1,247	9%	**3,601**	**2,997**	604	20%
Total Revenues	**31,594**	100%	**37,066**	101%	(5,472)	-15%	**134,234**	100%	**130,023**	100%	4,211	3%	**31,594**	**29,415**	2,179	7%
					-						-				-	
Op Income before Taxes																
Natural Gas	**1,699**	77%	**1,042**	48%	657	63%	**6,118**	60%	**6,049**	57%	69	1%	**1,699**	**379**	1,320	348%
Electric	**374**	17%	**732**	34%	(358)	-49%	**3,091**	30%	**3,502**	33%	(411)	-12%	**374**	**1,206**	(832)	-69%
Propane	**128**	6%	**385**	18%	(257)	-67%	**1,074**	10%	**1,086**	10%	(12)	-1%	**128**	**(97)**	225	232%
Total Op Inc. bef. Taxes	**2,201**	100%	**2,159**	100%	42	2%	**10,283**	100%	**10,637**	100%	(354)	-3%	**2,201**	**1,488**	713	48%
					-						-				-	

* gross profit for 2005 is not restated for unbundling costs since it is immaterial.

Gross Profit Percentage :	**Sep-06**	**Sep-05**	**% change**	**Comments**	**Sep-06**	**Sep-05**	**% change**	**Comments**	**Sep-06**	**Jun-06**	**% change**	**Comments**
Natural gas	41%	32%	9%	Significant reduction in Fuel Costs (36%). See GP % Analysis	38%	38%	0%		41%	44%	-3%	Although GP increased 24% over prior quarter, the Fuel component of revenues increased at a higher rate (44%), thus resulting in a lower GP %. See GP % Analysis
Electric	30%	30%	0%		29%	30%	-1%	Higher Fuel Costs	30%	29%		
Propane gas	46%	50%	-4%	Decrease in Units Sold (7%) due to weather December 2006 significantly warmer than Dec 2005 - 66% less heating degree days for SF & CF	47%	51%	-4%	Decrease (3%) in Units Sold due to warmer weather and change in methodology for billing bulk wholesale customer in NE this year (starting July 2006) unused gas in tank at time of delivery credited to customers account.	46%	45%	1%	Increase in units sold due to seasonality.
Total Gross Profit	38%	33%	5%		36%	36%	0%		38%	37%	1%	
Propane												
Cost of Fuel - Propane	1,931	1,939	0%		7,802	6,637	18%		1,931	1,656	17%	
Units sold - Propane	150	162	-7%	See note above	621	640	-3%	See note above	150	124	21%	Seasonality
Cost per unit	12.87	11.97	8%		12.56	10.37	21%		12.87	13.35	-4%	
Revenue - Propane	3,601	3,901	-8%	See note above	14,726	13,479	9%		3,601	2,997	20%	Seasonality
Revenue per Unit	24.01	24.08	0%		23.71	21.06	13%	Increased margins	24.01	24.17	-1%	
Average Customers	13,229	12,552	5%		13,048	12,376	5%		13,229	13,033	2%	

Comments

[1] Provision for rate refund of $182,000 included in prior period
[2] Provision for rate refund of $731,309 included in prior year
[3] Provision for rate refund of $179,500 included in current period



Thursday, Mar 20, 2008 02:33 PM

Clara Leider

From: Mike Welsh [mpwelsh@CAEnergy.com]
Sent: Monday, August 06, 2007 11:38 AM
To: Cox Doreen
Subject: Book3.xls
Attachments: Book3.xls

The updated C44

Schedule C-44 REVENUE EXPANSION FACTOR

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

EXPLANATION Provide the calculation of the revenue expansion factor for the test year.

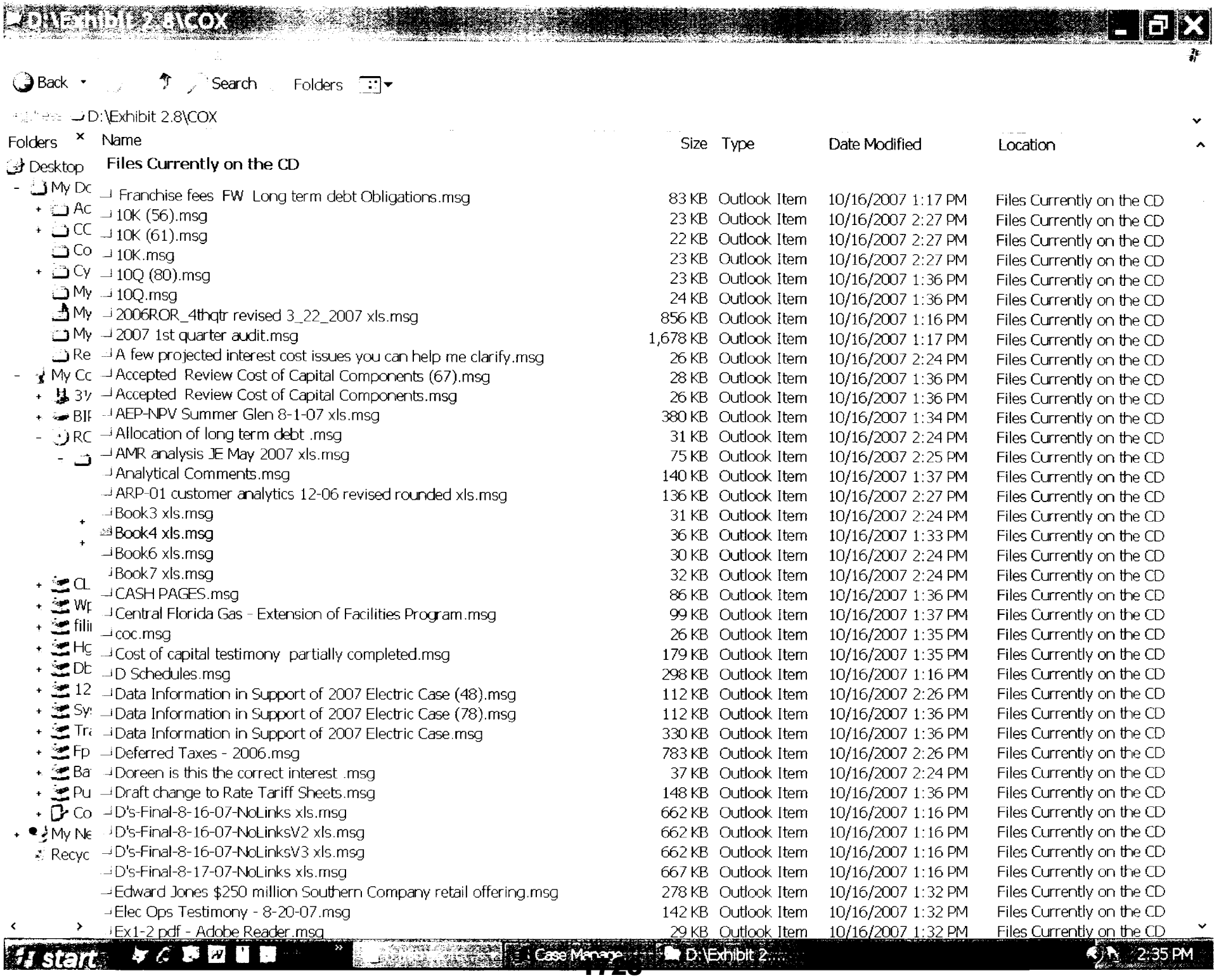
Line No.	Description	Percent
1	Revenue Requirement	100.0000%
2		
3	Gross Receipts Tax Rate	0.0000%
4		
5	Regulatory Assessment Rate	0.0720%
6		
7	Bad Debt Rate	0.2000%
8		
9	Net Before Income Taxes	
10	(1) - (2) - (3) - (4)	99.7280%
11		
12	State Income Tax Rate	5.5000%
13		
14	State Income Tax (5) x (6)	5.4850%
15		
16	Net Before Federal Income Tax (5) - (7)	94.2430%
17		
18	Federal Income Tax Rate	34.0000%
19		
20	Federal Income Tax (8) x (9)	32.0426%
21		
22	Revenue Expansion Factor (8) - (10)	62.2004%
23		
24	Net Operating Income Multiplier	1.6077
25	(100% / Line 11)	

Type of Data Shown:
Projected Test Year Ended 12/31/2008
Witness: Doreen Cox

Supporting Schedules:

Recap Schedul

les:



Thursday, Mar 20, 2008 02:35 PM

Clara Leider

From: Mike Welsh [mpwelsh@CAEnergy.com]
Sent: Thursday, August 09, 2007 11:21 AM
To: Cox Doreen
Subject: Book4.xls
Attachments: Book4.xls

Doreen: Here is a snapshot of how the C-33 looks after the last revisions you sent.

Schedule C-33 PERFORMANCE INDICES

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

EXPLANATION: Provide a schedule for the last four prior years and the test year of other operation and maintenance expense summary by average customer, selected growth indices, selected growth rates and average number of customers.

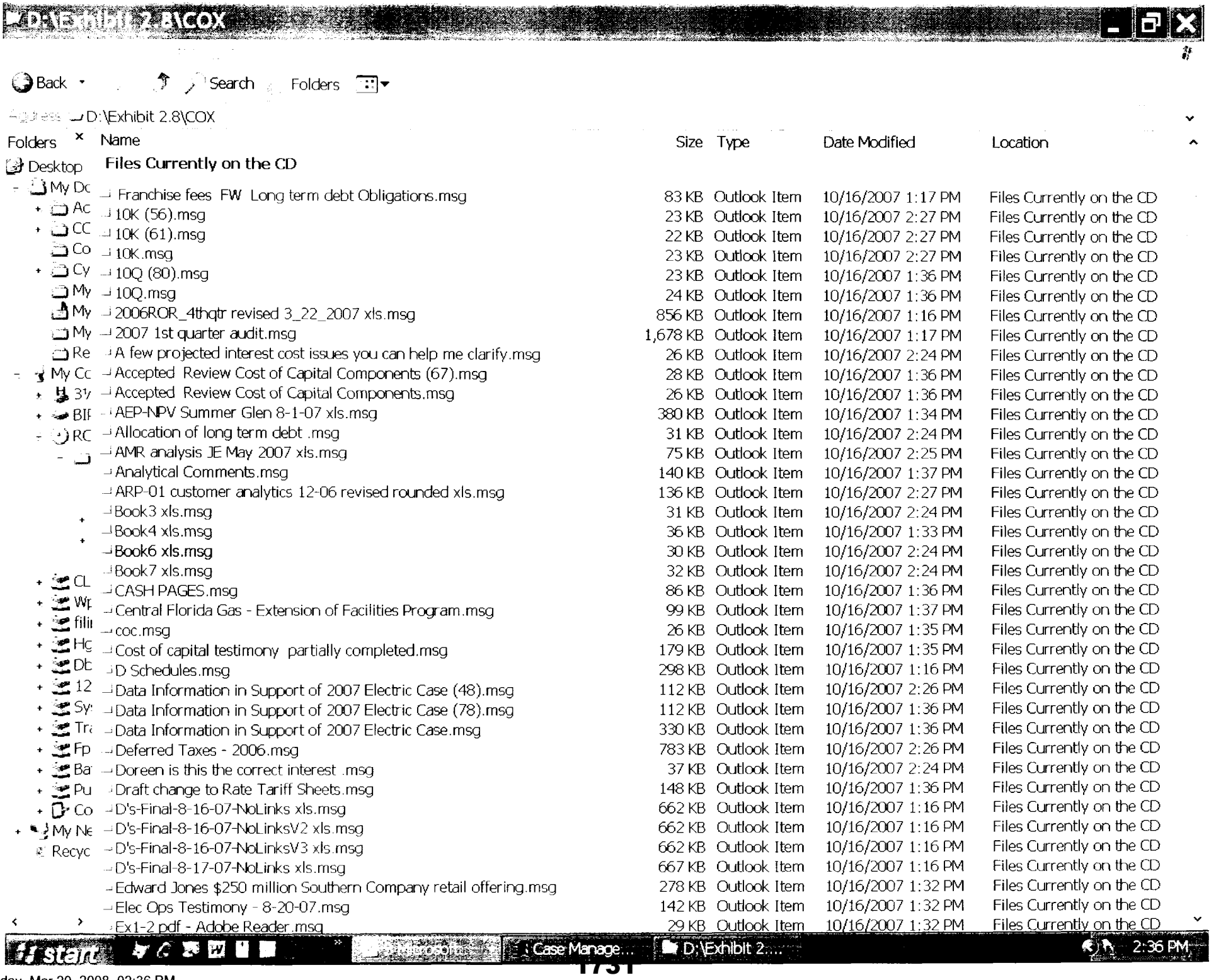
Type of Data Shown:
Projected Test Year Ended 12/31/2008
Prior Year Ended 12/31/2007
Historical Prior Years 2004 - 2006
Witness: Doreen Cox

	2004 Year	2005 Year	2006 Year	2007 Year	2008 Year
SUMMARY OF OTHER O&M EXPENSES (DOLLARS PER CUSTOMER)					
Power Production Expense					
Transmission Expenses	1.09	4.25	6.36	7.68	8.43
Distribution Expenses	85.09	96.82	92.32	102.73	128.14
Customer Account Expenses	42.85	40.53	43.46	45.31	52.15
Customer Service Expenses	12.80	15.66	14.89	13.00	13.30
Sales Expenses	0.72	0.79	4.71	5.74	5.87
Administration & General Expenses	91.87	98.20	104.74	116.53	126.77
Total Other O & M Expenses	234.42	256.24	266.47	290.99	334.67
GROWTH INDICES					
Consumer Price Index	188.90	195.30	201.60	205.97	210.64
Average Customer	29,891	30,243	30,636	30,999	31,370
CPI Percent Increase	2.66%	3.39%	3.23%	2.17%	2.27%
Average Customer Percent Increase	1.77%	1.18%	1.30%	1.18%	1.20%
Index Percent CPI x Customer Growth	4.48%	4.61%	4.57%	3.38%	3.49%
Average Customer Increase	520	352	393	363	371
DOLLAR AMOUNTS, IN CURRENT DOLLARS AND ANNUAL GROWTH RATES FOR:					
O & M Expense Less Fuel per KWH Sold	0.00914	0.00952	0.00961	0.01086	0.01346
Capital Cost per Installed Kilowatt of Capacity	n/a	n/a	n/a	n/a	n/a
Revenue per KWH Sold	0.01721	0.01725	0.01674	0.01705	0.01760
AVERAGE NUMBER OF CUSTOMERS					
Residential	22,878	23,119	23,464	23,756	24,058
Commercial	4,036	4,097	4,131	4,178	4,226
Industrial	2	2	2	2	2
Outdoor Lights	2,947	2,995	3,007	3,044	3,065
Street Lighting	22	19	19	19	19
Interdepartmental	6	11	13	0	0
Total	29,891	30,243	30,636	30,999	31,370
KWh Sales	########	########	########	########	########

1 Lights incorporated with different rate classes prior to 2004 rate case.

Supporting Schedules:

Recap Schedules: C-34



Thursday, Mar 20, 2008 02:36 PM

Clara Leider

From: Mike Welsh [mpwelsh@CAEnergy.com]
Sent: Friday, July 27, 2007 3:19 PM
To: Cox Doreen
Subject: Book6.xls
Attachments: Book6.xls

Here is the current version of the c23 for 2006.

Schedule C-23

INTEREST IN TAX EXPENSE CALCULATION

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

EXPLANATION: Provide the amount of interest expense used to calculate net operating income taxes on Schedule _____
If the basis for allocating interest used in the tax calculation differs from the basis used in allocating current income tax expense, the differing bases should be clearly identified.

Type of Data Shown:
Projected Test Year Ended 12/31/2008
Prior Year Ended 12/31/2007
Historical Year Ended 12/31/2006
Witness: Doreen Cox

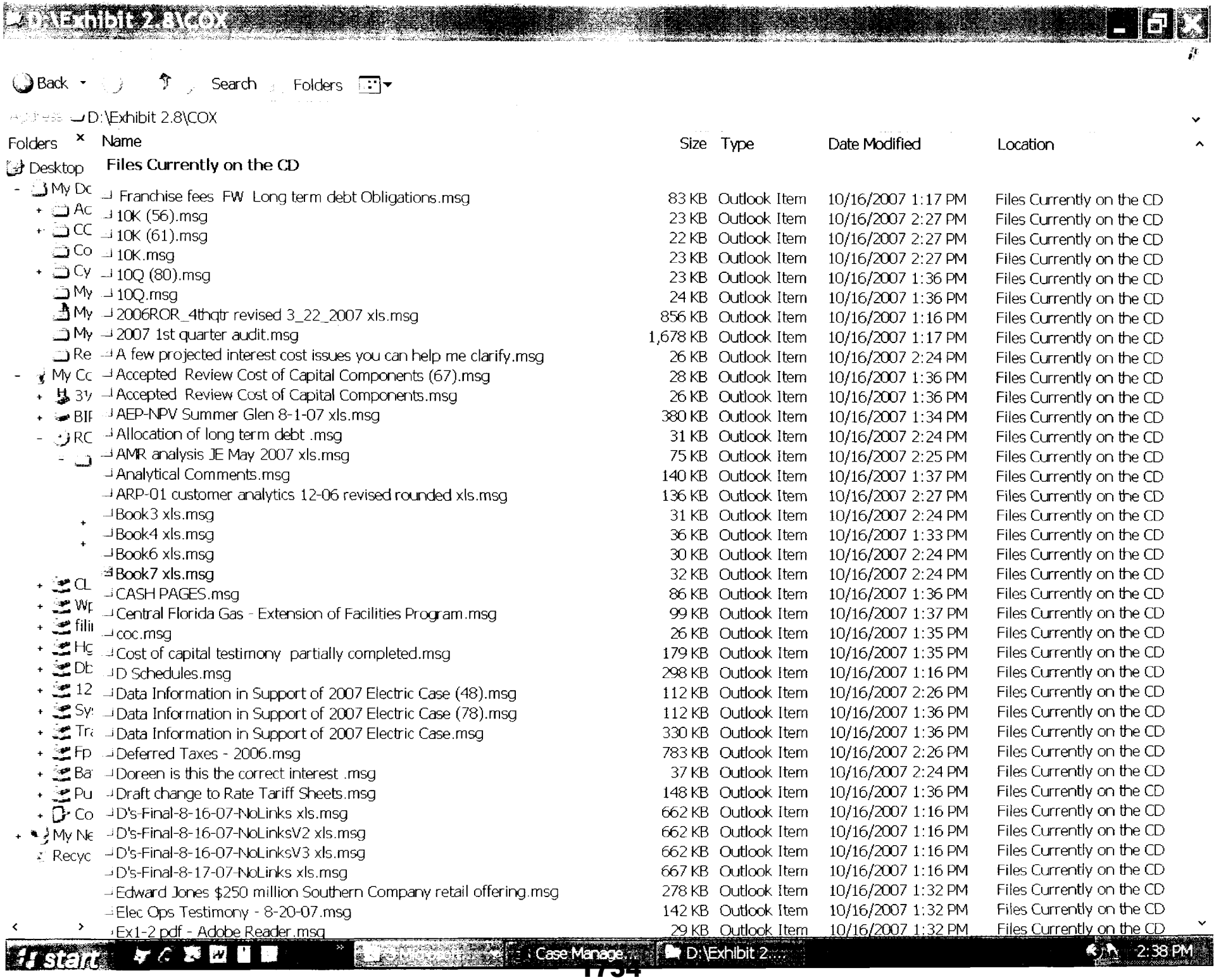
Line No.	Description	Account	(1) Historical Base Year Ended 2006	(2) Test Year Ended
1.	Interest on Long Term Debt (1)	4270.1	1,288,418	
2.	Amortization of Debt Discount, Premium, Issuing			
3.	Expense & Loss on Reacquired Debt (1)	4280.1, 4280.2	-	
4.	Interest on Short Term Debt	4300.1	75,536	
5.	Interest on Customer Deposits	4310.1	129,626	
6.	Other Interest Expense	4310.2, 4310.3	-	
7.	Less Allowance for Funds Used During Construction		-	
8.	Total Interest Expense		1,473,580	

(1) Amortization of Debt Discount, Premium, Issuing Expense and Loss on Reacquired Debt have been included as part of the Interest on Long Term Debt

Supporting Schedules:

Recap Schedul

les:



Thursday, Mar 20, 2008 02:38 PM

Clara Leider

From: Mike Welsh [mpwelsh@CAEnergy.com]
Sent: Friday, July 27, 2007 3:32 PM
To: Cox Doreen
Subject: Book7.xls
Attachments: Book7.xls

Here you go.

Schedule C-23 INTEREST IN TAX EXPENSE CALCULATION

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

EXPLANATION: Provide the amount of interest expense used to calculate net operating income taxes on Schedule _____. If the basis for allocating interest used in the tax calculation differs from the basis used in allocating current income tax expense, the differing bases should be clearly identified.

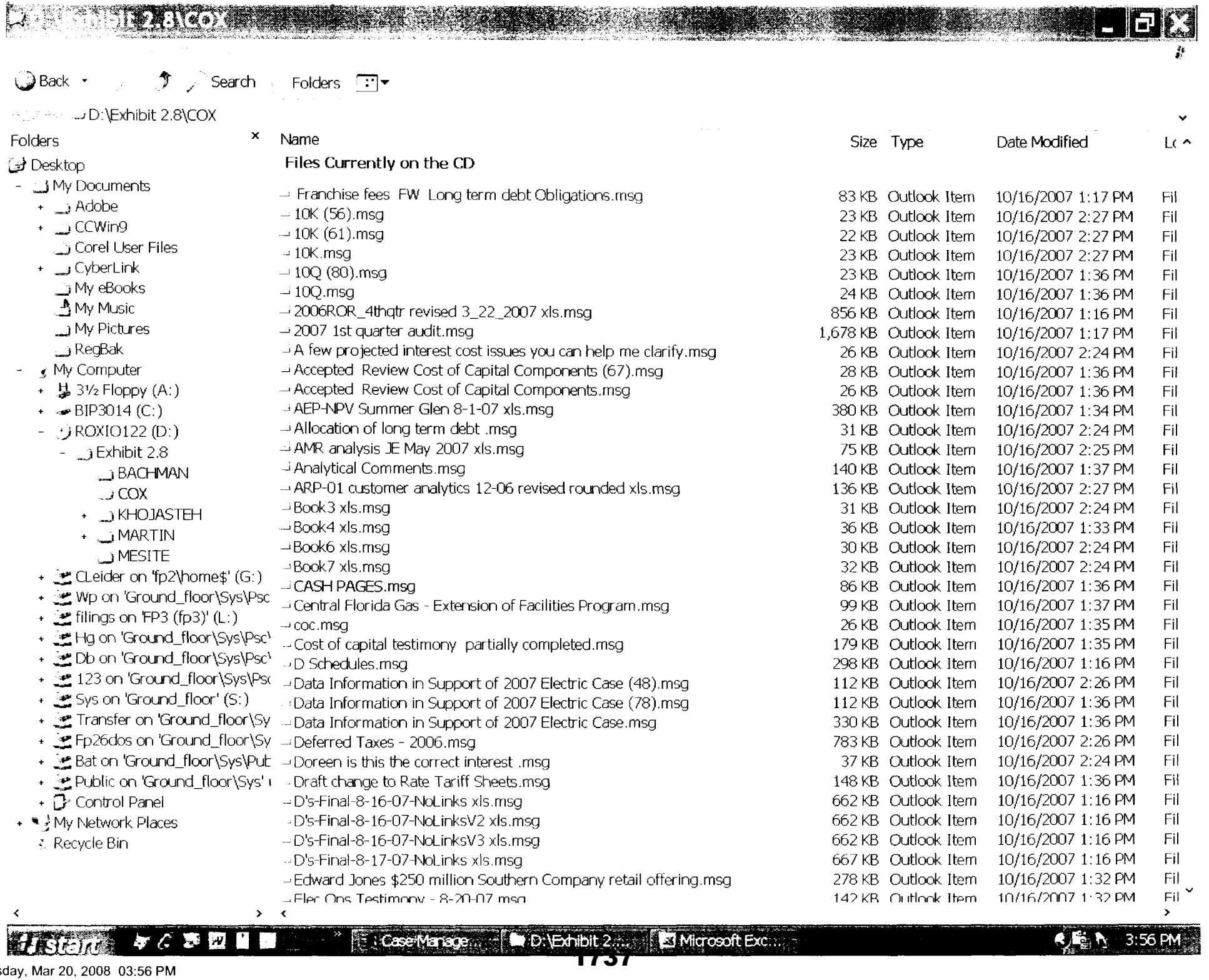
Type of Data Shown:
Projected Test Year Ended 12/31/2008
Prior Year Ended 12/31/2007
Historical Year Ended 12/31/2006
Witness: Doreen Cox

Line No.	Description	Account	(1) Prior Year Ended 2007	(2) Test Year Ended 2008
1.	Interest on Long Term Debt (1)	4270.1	1,277,132	1,173,525
2. 3.	Amortization of Debt Discount, Premium, Issuing Expense & Loss on Reacquired Debt (1)	4280.1, 4280.2	-	-
4.	Interest on Short Term Debt	4300.1	123,947	129,657
5.	Interest on Customer Deposits	4310.1	166,567	186,223
6.	Other Interest Expense	4310.2, 4310.3	-	
7.	Less Allowance for Funds Used During Construction		0	0
8.	Total Interest Expense		1,567,647	1,489,405

(1) Amortization of Debt Discount, Premium, Issuing Expense and Loss on Reacquired Debt have been included as part of the Interest on Long Term Debt

Supporting Schedules:

Recap Schedules:



Thursday, Mar 20, 2008 03:56 PM

Clara Leider

From: Grimeson Bill
Sent: Wednesday, March 21, 2007 9:02 AM
To: Cox Doreen
Subject: CASH PAGES
Attachments: NGPLTCTL.xls; FLOPLCTL.xls

Doreen,

Please find attached cash pages.

Bill

FLORIDA PUBLIC UTILITIES COMPANY
SUMMARY OF UTILITY PLANT
FEBRUARY 2007

	NET ADDITIONS		
	TOTALS		FISCAL YEAR
UTILITY PLANT	TO DATE	MONTH	TO DATE
In Service	191,731,599	796,313	1,352,955
Water Sale Journal (1010) In Service	(17,745,160)		
In Process of Reclassification			
Water Sale Journal (1070) CWIP	(322,349)		
Non-Utility Plant (acct. 1210.1)	8,435		
Completed Construction Not Classified			
Construction Work in Progress	2,453,471	(47,457)	179,237
Acquisition Adjustments (ACCT 1140.)	1,820,269		
Other Adjustments			
Gas Stored Underground-Noncurrent			
TOTAL UTILITY PLANT	177,946,265	748,856	1,532,192

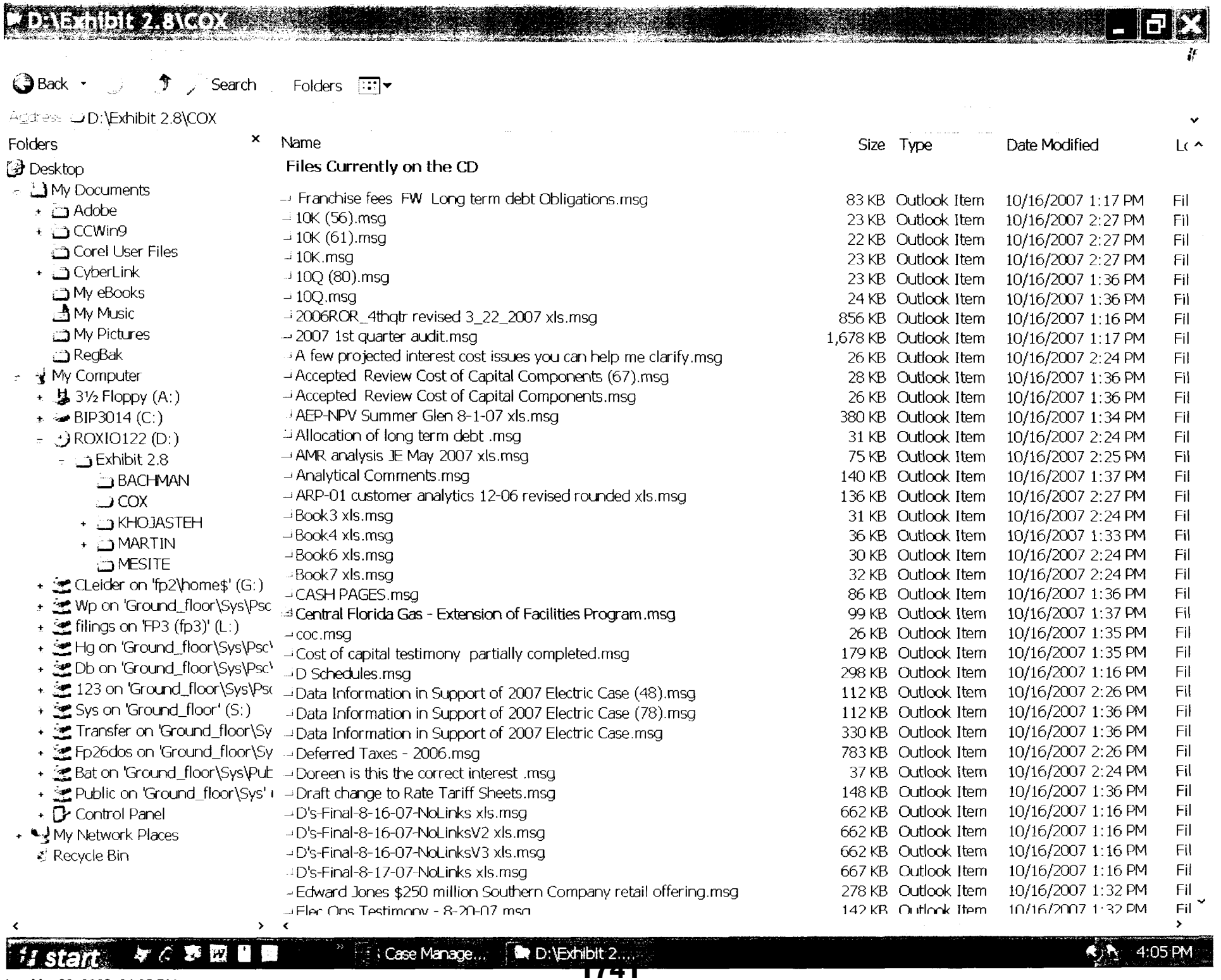
		FISCAL YEAR
NET CHANGE IN TOTAL UTILITY PLANT	MONTH	TO DATE
Total Improvement Requisitions	748,856	1,532,192
Total Retirement Requisitions		
Transfers-(Debit) Meters Transferred from Flo-Gas Corporation		
Transfers-(Credit) Meters Transferred to Flo-Gas Corporation		
Transfers-(Credit) Regulators Transferred to Flo-Gas Corp.		
Transfers-(Debit) Regulators Transferred from Flo-Gas Corp.		
Transp. Equip. to Flo-Gas		
Transp. Equip. from Flo-Gas		
Computer Equip. to Flo-Gas		
NET INCREASE (DECREASE) IN UTILITY PLANT	748,856	1,532,192
Total Improvement Requisitions	748,856	1,532,192
Retirement Requisitions-Cost of Removal	26,317	64,033
TOTAL	775,173	1,596,225
Retirement Requisitions-Salvage	331	4,728
Less-Interest Capitalized		
Net Proceeds/Sale of Deland Office Property		
CASH EXPENDED ON UTILITY CONSTRUCTION	774,842	1,591,497

COSTS TRANSFERRED FROM CONST. TO AEP (1860.4) 2007 Y-T-D (54,030)

FLO-GAS CORPORATION
SUMMARY OF UTILITY PLANT
FEBRUARY 2007

		NET ADDITIONS	
	TOTALS		FISCAL YEAR
UTILITY PLANT	TO DATE	MONTH	TO DATE
In Service	17,462,332	135,315	349,115
Purchased (Sold)			
In Process of Reclassification			
Leased to Others			
Held For Future Use			
Completed Construction Not Classified			
Construction Work in Progress	983,025	(52,544)	(64,004)
Acquisition Adjustments (acct 1140)	1,852,435		
Other Adjustments			
Gas Stored Underground-Noncurrent			
TOTAL UTILITY PLANT	20,297,792	82,771	285,111

		FISCAL YEAR
NET CHANGE IN TOTAL UTILITY PLANT	MONTH	TO DATE
Total Improvement Requisitions	82,771	285,111
Total Retirement Requisitions		
Transfers-(CREDIT) Meters Transferred To Florida Public Utilities Company		
Transfers-(DEBIT) Meters Transferred From Florida Public Utilities Company		
Transfers-(DEBIT) Regulators Transferred From Florida Public Utilities Company		
Transfers-(CREDIT) Regulators Transferred To Florida Public Utilities Company		
Transp. Equip. from FPUC		
Transp. Equip. to FPUC		
Computer Equip. from FPUC		
NET INCREASE (DECREASE) IN UTILITY PLANT	82,771	285,111
CASH EXPENDED ON UTILITY CONSTRUCTION		
Total Improvement Requisitions	82,771	285,111
Retirement Requisitions-Cost of Removal	4,011	8,416
TOTAL	86,782	293,527
Less-Interest Capitalized		
-Retirement Requisitions-Salvage		2,000
CASH EXPENDED ON UTILITY CONSTRUCTION	86,782	291,527



Thursday, Mar 20, 2008 04:05 PM

Clara Leider

From: Seagrave Marc

Sent: Thursday, January 25, 2007 6:29 PM

To: Kitner Don; Kennedy Barry; Martin Cheryl; Cox Doreen; Stein Chuck; Dysard Heidi; Bachman George

Subject: Central Florida Gas - Extension of Facilities Program

Attachments: CFG Extension Policy.doc

Please review the attached program filed last October by CFG. Included in the policy is their new A.E.P component.

Please provide your comments and or advise if there are any elements that are contained in the CFG filing that we may incorporate in our AEP program.

- Fixed charge versus a per therm surcharge as we have now.
- True up opportunity with the ability to adjust the AEP charge based on actuals.
- Your thoughts?

Thanks,

Marc S. Seagrave

Marc Seagrave, *CSP*
Director of Marketing & Sales
Florida Public Utilities Company
401 S. Dixie Hwy
West Palm Beach, FL 33401
(561) 838-1714 Office
(561) 723-3439 Cell
(561) 833-8562 Fax
mseagrave@fpuc.com

O. DISTRIBUTION FACILITIES EXTENSION POLICY

1. Feasibility Assessment
   Prior to any extension of distribution facilities for the purpose of providing Transportation Service to one or more Consumer premises, the Company shall assess the economic feasibility of its investment in the extension. The Company shall compute an Internal Rate of Return (IRR) utilizing a Discounted Cash Flow model (the "IRR Model") for each proposed extension of facilities. The IRR Model shall compare the Company's investment and operating costs for the extension of facilities to the projected transportation revenues derived from the premises served by the extension over its projected life. The Company shall use its best efforts to reasonably estimate revenues resulting from an extension of facilities. Each feasibility assessment using the IRR Model shall incorporate, at a minimum, the following factors as approved by the Commission in the Company's most recent base rate or other applicable proceeding: Return on Equity, cost of capital, capital structure, transportation rates and charges, depreciation rates and incremental growth-related expenses. For the purposes of this Policy, distribution facilities shall mean: mains, services, land rights, city gate stations, district regulator stations, meters, regulators, other materials and appurtenances, including the installation of such facilities. The Company's IRR Model is on file with the Commission and available for inspection at Company's office during normal business hours.

2. Maximum Allowable Construction Cost
   The maximum capital cost to be incurred by the company for an extension of facilities shall be defined as the Maximum Allowable Construction Cost (MACC). The MACC shall be the Company's capital investment amount for an extension of facilities that, when included in the IRR Model, produces an IRR equal to the mid-point of the Company's approved Return on Equity range in its most recent rate proceeding.

3. Distribution Facilities Extension Options

   a. Free Extensions
      The Company shall extend its distribution facilities to serve prospective Consumer premises at no cost where the capital investment for such extension does not exceed the MACC.

   b. Advance in Aid of Construction
      Where the estimated capital investment for an extension of facilities exceeds the MACC, the Company may require that a

prospective Consumer(s) or other person, such as a real estate developer, governmental entity, Shipper, or other authority ("Depositor") deposit an Advance in Aid of Construction (Advance). The amount of the Advance required from the Depositor shall equal the difference between the estimated capital investment and the MACC. The Advance made by the Depositor shall be non-interest bearing. The Company may refund a portion, or all, of the Advance to the Depositor in accordance the following provisions:

i. At the end of the first year following the in-service date of an extension of facilities, the Company shall recalculate the MACC using its actual capital investment costs and the actual transportation revenues derived from the extension. If the recalculated MACC using actual costs and revenues exceeds the original estimated MACC, the Company shall refund to the Depositor the difference between the Original Advance and the Advance required, if any, resulting from the recalculation of the MACC.

ii. For each additional Consumer taking service at any point on a main installed as part of a distribution facilities extension within a period of five (5) years from the in-service date of the extension, the Company shall refund to the Depositor an amount by which the MACC of each additional Consumer exceeds the capital investment costs of connecting such Consumer, provided that an additional main extension shall not have been necessary to serve such additional Consumer.

iii. The aggregate refund to any Depositor made through the above provisions shall not exceed the original Advance of such Depositor.

iv. The distribution facilities extension shall at all times be the property of the Company and any unrefunded portion of the Advance at the end of five (5) years shall be credited to the Company's distribution main plant account.

c. Area Extension Program

Where the estimated capital investment for an extension of distribution facilities exceeds the MACC, the Company may, at its reasonable discretion, proceed with the extension and establish an Area Extension Program (AEP) charge to recover the capital investment costs in excess of the MACC, as provided below.

i. Initial AEP Charge

The Company shall calculate the cost difference between the MACC and the estimated capital investment costs (such cost difference to include the Company's allowed cost of capital) required to extend the distribution facilities to serve the prospective Consumer(s) (the "AEP Recovery Amount"). The AEP Recovery Amount shall be divided by the number of Consumer premises projected to be served at the end of year five (5) following the in-service date of the extension. The Company shall determine a reasonable Amortization Period over which the AEP Recovery Amount shall be collected from each premise. The Amortization Period shall apply individually to each premise and shall not exceed 120 Billing Months. For the purposes of AEP cost recovery, a Billing Month shall mean a month in which Company renders a billing statement to an active Consumer account for a premise served by an AEP extension of facilities. In the event a premise becomes inactive, the Amortization Period shall be suspended until the premise is reactivated. The AEP Recovery Amount shall be divided by the number of months in the Amortization Period to establish a monthly AEP Charge. The AEP Charge shall be billed to each Consumer premise activating service within the initial five (5) year period following the in-service date of the extension.

ii. Recalculated AEP Charge and True-Up

At the end of year five (5) following the in-service date of an extension of facilities for which an AEP Charge has been established, the Company shall calculate the cost difference between the original MACC, based on estimated costs and revenues, and a recalculated MACC using the Company's actual capital investment costs (such costs to include the Company's allowed cost of capital) and the actual transportation revenues derived from the extension through the end of year five (5), (the "Recalculated AEP Recovery Amount"). In recalculating the MACC, the Company shall include any actual revenue received from Consumers or other entities, other than AEP Charge revenues, for the specific purpose of contributing to the recovery of the Company's capital investment cost for the extension. In recalculating the MACC, the Company shall assume that any additional capital investment required for the extension subsequent to year five (5) will be supported by the Company's base rates and charges. The actual transportation revenues derived from the extension in year

five (5) shall be assumed to be the annual revenues for the remaining life of the extension, for the purpose of recalculating the MACC. A Recalculated AEP Charge for the remaining Amortization Period shall be determined as follows:

(1) The Recalculated AEP Recovery Amount shall be divided by the actual number of Consumer premises for which gas service has been activated at the end of year five (5) following the in-service date of the extension. The Recalculated AEP Recovery Amount shall be divided by the number of months in the original Amortization Period for the AEP extension to establish a monthly Recalculated AEP Charge for each Consumer premise. The Recalculated AEP Charge shall be billed to each Consumer premise that received gas service during the five (5) year period following the in-service date of an AEP extension of facilities over the remaining months of the Amortization Period applicable to the premise.

(2) For each Consumer premise that received gas service during the five (5) year period following the in-service date of an AEP extension of facilities, the Company shall determine the total AEP Recovery Amount collected from the initial AEP Charge during the Billing Months. Such amount shall be compared to the AEP Recovery Amount that would have been recovered for each premise if the Recalculated AEP Charge had been in effect over the respective Billing Months for each premise (the "True-up Amount".) A charge or credit for the True-up Amount shall be rendered by the Company to each premise within sixty (60) days of the end of the five (5) year period following the in-service date of an AEP extension of facilities, Where a True-up Amount results in a charge to Consumers, the Company may extend the payment period to recover the True-up Amount.

(3) Neither the initial AEP Charge or the Recalculated AEP Charge shall be billed to any Consumer premise that activates gas service from an AEP extension of facilities subsequent to the end of the five (5) year period following the in-service date of an AEP extension of facilities,

(4) Revenues from the AEP Charge shall be credited against the Company's distribution main plant account, except that the Company shall retain, as a return on its capital

investment, a portion of such revenues equal to its allowed cost of capital.

4. Service Extensions From Existing Mains
   The Company shall extend service facilities connecting a Consumer premise to an existing main, where the Company's capital investment to install the service does not exceed the MACC. Where the service extension capital investment exceeds the MACC, the Consumer shall pay to the Company a non-refundable amount equal to the difference between the MACC and the estimated capital cost of the service extension.

5. Temporary Service
   In the case of temporary service for short-term use, Company may require Consumer to pay all costs of making the service connection and removing the material after service has been discontinued, or to pay a fixed amount in advance to cover such expense; provided, however, that Consumer shall be credited with reasonable salvage realized by Company when service is terminated.

6. Relocation of Distribution Facilities
   When alterations or additions to structures or improvements on premises to which Company provides transportation service necessitate the relocation of Company's distribution facilities, or when such relocation is requested by Consumer for any reason, Consumer may be required to reimburse Company for all or any part of the costs incurred by Company in the performance of such relocation.

AREA EXPANSION PROGRAM RIDER
Rate Schedule AEP-Rider

Availability:

Throughout the service areas of the Company.

Applicability:

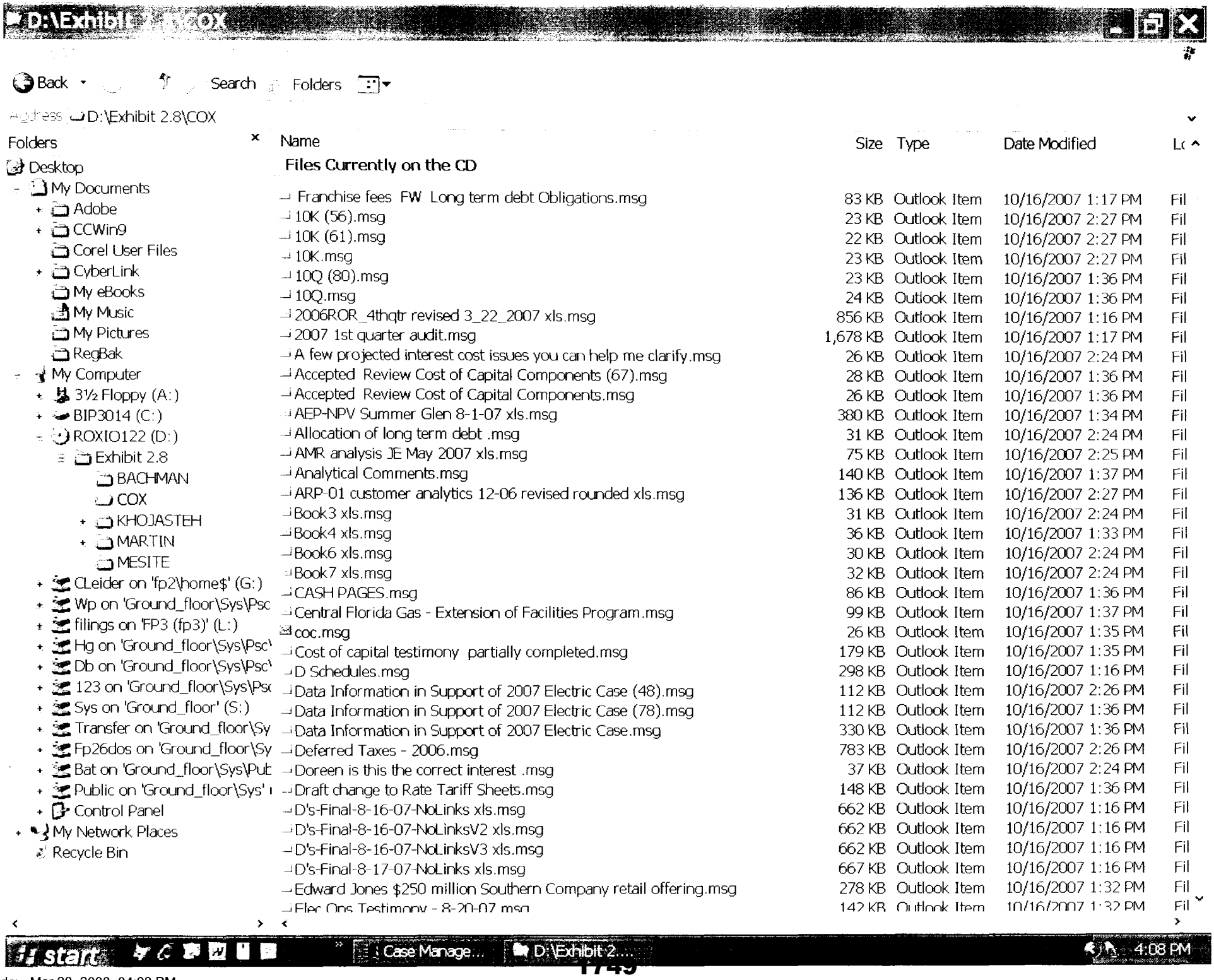
Consumers receiving Transportation Service at a premise that has been activated prior to the end of year 5 of a designated AEP project in accordance with Section M.4.

Monthly Rate:

The Firm Transportation Charge of the Monthly Rate for each applicable Consumer premise shall be adjusted for the monthly AEP Charge or the Recalculated AEP Charge, as determined in Section II.M.4.b. and Section II.M.4.c., respectively for the duration of the determined amortization period.

All applicable Consumers shall be charged or credited with the True-Up Amount as calculated in accordance with Section II.M.4.d.

Projects Subject to AEP Charge Premise	Monthly AEP Charge/Consumer
None	



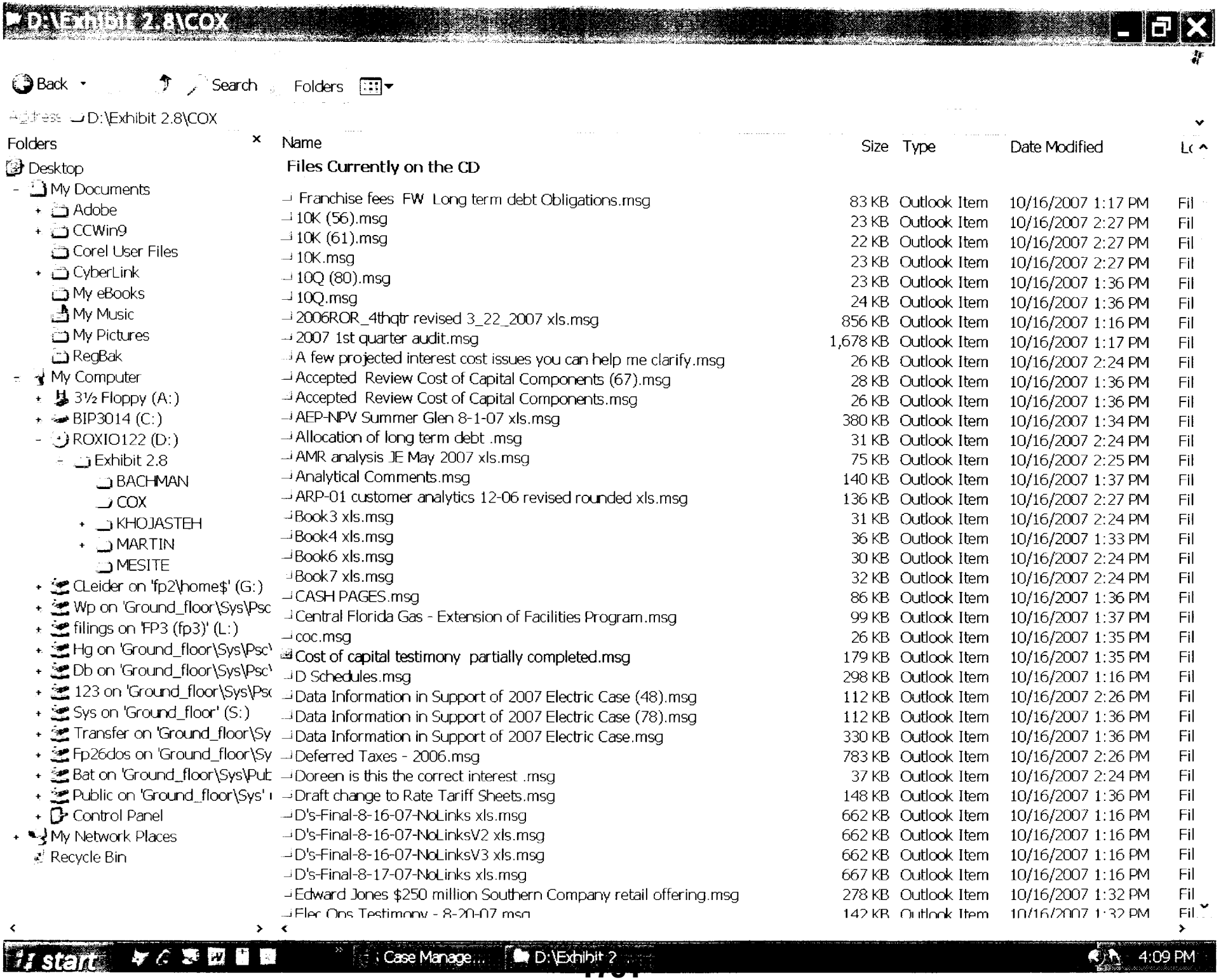
Thursday, Mar 20, 2008 04:08 PM

Clara Leider

From: Martin Cheryl
Sent: Monday, August 06, 2007 2:18 PM
To: rjcamfield@lrca.com
Cc: Cox Doreen
Subject: coc

Robert, we are done correct with cost of capital rates? At this point that should be final.

Cheryl Martin
Controller
Florida Public Utilities Company
(561) 838-1725


D:\Exhibit 2.8\COX
Back
Search
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Folders
Desktop
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Adobe
CCWin9
Corel User Files
CyberLink
My eBooks
My Music
My Pictures
RegBak
My Computer
3½ Floppy (A:)
BIP3014 (C:)
ROXIO122 (D:)
Exhibit 2.8
BACHMAN
COX
KHOJASTEH
MARTIN
MESITE
CLeider on 'fp2\home$' (G:)
Wp on 'Ground_floor\Sys\Psc
filings on 'FP3 (fp3)' (L:)
Hg on 'Ground_floor\Sys\Psc'
Db on 'Ground_floor\Sys\Psc'
123 on 'Ground_floor\Sys\Psc
Sys on 'Ground_floor' (S:)
Transfer on 'Ground_floor\Sy
Fp26dos on 'Ground_floor\Sy
Bat on 'Ground_floor\Sys\Pub
Public on 'Ground_floor\Sys'
Control Panel
My Network Places
Recycle Bin
Name
Size
Type
Date Modified
Files Currently on the CD
Franchise fees FW Long term debt Obligations.msg 83 KB Outlook Item 10/16/2007 1:17 PM
10K (56).msg 23 KB Outlook Item 10/16/2007 2:27 PM
10K (61).msg 22 KB Outlook Item 10/16/2007 2:27 PM
10K.msg 23 KB Outlook Item 10/16/2007 2:27 PM
10Q (80).msg 23 KB Outlook Item 10/16/2007 1:36 PM
10Q.msg 24 KB Outlook Item 10/16/2007 1:36 PM
2006ROR_4thqtr revised 3_22_2007 xls.msg 856 KB Outlook Item 10/16/2007 1:16 PM
2007 1st quarter audit.msg 1,678 KB Outlook Item 10/16/2007 1:17 PM
A few projected interest cost issues you can help me clarify.msg 26 KB Outlook Item 10/16/2007 2:24 PM
Accepted Review Cost of Capital Components (67).msg 28 KB Outlook Item 10/16/2007 1:36 PM
Accepted Review Cost of Capital Components.msg 26 KB Outlook Item 10/16/2007 1:36 PM
AEP-NPV Summer Glen 8-1-07 xls.msg 380 KB Outlook Item 10/16/2007 1:34 PM
Allocation of long term debt .msg 31 KB Outlook Item 10/16/2007 2:24 PM
AMR analysis JE May 2007 xls.msg 75 KB Outlook Item 10/16/2007 2:25 PM
Analytical Comments.msg 140 KB Outlook Item 10/16/2007 1:37 PM
ARP-01 customer analytics 12-06 revised rounded xls.msg 136 KB Outlook Item 10/16/2007 2:27 PM
Book3 xls.msg 31 KB Outlook Item 10/16/2007 2:24 PM
Book4 xls.msg 36 KB Outlook Item 10/16/2007 1:33 PM
Book6 xls.msg 30 KB Outlook Item 10/16/2007 2:24 PM
Book7 xls.msg 32 KB Outlook Item 10/16/2007 2:24 PM
CASH PAGES.msg 86 KB Outlook Item 10/16/2007 1:36 PM
Central Florida Gas - Extension of Facilities Program.msg 99 KB Outlook Item 10/16/2007 1:37 PM
coc.msg 26 KB Outlook Item 10/16/2007 1:35 PM
Cost of capital testimony partially completed.msg 179 KB Outlook Item 10/16/2007 1:35 PM
D Schedules.msg 298 KB Outlook Item 10/16/2007 1:16 PM
Data Information in Support of 2007 Electric Case (48).msg 112 KB Outlook Item 10/16/2007 2:26 PM
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Deferred Taxes - 2006.msg 783 KB Outlook Item 10/16/2007 2:26 PM
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Draft change to Rate Tariff Sheets.msg 148 KB Outlook Item 10/16/2007 1:36 PM
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Edward Jones $250 million Southern Company retail offering.msg 278 KB Outlook Item 10/16/2007 1:32 PM
Elec Ops Testimony - 8-20-07.msg 142 KB Outlook Item 10/16/2007 1:32 PM
start
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Clara Leider

From: Robert Camfield [rjcamfield@CAEnergy.com]
Sent: Friday, August 03, 2007 12:41 PM
To: Cox Doreen; Martin Cheryl
Cc: Bachman George; English Jack; Mike Welsh
Subject: Cost of capital testimony, partially completed
Attachments: DIRECT TESTIMONY_v1UT_Incomplete.doc

Doreen,
Cheryl,

Please check this over and see how it reads to you. More material coming shortly.

Robert

DIRECT TESTIMONY

DOREEN COX

ROBERT CAMFIELD

COST OF EQUITY AND RATE OF RETURN REQUIREMENTS

of

FLORIDA PUBLIC UTILITIES COMPANY

Q. Please state your name, title, and business address.

A. Witness Cox. My name is Doreen Cox. I am a Financial Analyst with Florida Public Utilities Company. My business address is 401 South Dixie Highway, West Palm Beach, Florida, 33401.

Witness Camfield. My name is Robert Camfield. I am Vice President with Christensen Associates Energy Consulting LLC, and my business address is Suite 700, 4610 University Avenue, Madison, Wisconsin, 53705.

Q. What is the scope of your testimony?

A. The scope of our testimony is twofold. First, we address the issue of the cost of common equity to Florida Public Utilities Company. Estimates of the equity cost rate underlie our common equity rate of return recommendation. Second, we integrate the equity rate of return with the other financial components of Florida

Public Utilities Company's capital structure to determine the weighted average cost of capital and accompanying overall rate of return recommendation. Our rate of return recommendation should be used by the Commission to set retail gas prices of Florida Public Utilities Company in the current docket.

Q. Please review your professional background and experience that qualifies you to provide such recommendations.

A. Witness Cox. I received a Bachelor of Science Degree in Management from the University of West Indies in 1979, with a concentration in Accounting. I subsequently earned a Master of Science Degree in Accounting, also from the University of West Indies. I am a member of the Jamaican Institute of Chartered Accountants.

I joined Florida Public Utilities Company in 1999, and I hold the position of Financial Analyst, which reports to the Chief Financial Officer. In this position, I support the CFO, the Accounting and Finance Department, and the Marketing Divisions of Florida Public Utilities. My position covers a variety of operating and planning responsibilities including project assessment, budget and financial projections, and cash flow analysis and support. I assist in the preparation of quarterly reports to our Board of Directors, and the compliance monitoring with respect to the Financial Covenants of Florida Public Utilities Company's long- and short-term sources of external funds.

Witness Camfield. Yes. I joined the Michigan Public Service Commission in 1976 as a staff economist. During my tenure with the Michigan Commission, I was involved in several retail electricity and natural gas pricing issues, and I testified in rate case proceedings regarding cost of capital and retail gas tariff design. I joined the New Hampshire Public Service Commission in 1979 as the senior economist, and held the position of chief economist beginning in 1981. As Chief Economist, I was responsible for the administration of the economics department of the Commission Staff. I oversaw the analysis of regulatory issues, the coordination and guidance of staff participation in regulatory proceedings, the preparation and development of testimony, and I provided policy advice to the Commission on a variety of issues such as construction work in progress, financial planning, and the determination of PURPA Section 133 rates. I joined Southern Company in 1983, and held positions in several departments including Pricing and Economic Analysis at Georgia Power Company, Costing Analysis of Southern Company Services, and Southern Company's Strategic Planning Group. In 1994, I joined Laurits R. Christensen Associates, Inc. ("Christensen Associates") as a senior economist, and currently hold the position of Vice President with Christensen Associates Energy Consulting LLC., a subsidiary consulting group of Christensen Associates.

My experience covers a gamut of issues facing regulated industries. I have been involved in the negotiation of power supply contracts and the terms of franchise licenses. My overseas assignments are several, and I have managed a large market restructuring project in Central Europe. I have served on national and regional advisory panels, and I have advised integrated electric utilities, independent power

producers, transmission and distribution companies, utility associations, offices of consumer advocate, and regulatory agencies on numerous policy and technical issues. Innovations include two-part tariffs for transmission services, web-based self-designing retail electric products, marginal cost-based cost-of-service methods, and principles for efficient pricing of distribution services. I have published chapters in technical books, reports, and articles in noted journals such as *The Electricity Journal, IEEE Transactions on Power Systems*, and *CIGRE*. Currently, I serve as Program Director of the Edison Electric Institute's Market Design and Transmission Pricing School.

Q. Can you please review the statutory mandates that guide the determination of rate of return for public utilities?

A. Yes, the statutory principles of rate of return for public utilities substantially rest with two decisions of the Supreme Court of the United States. In the Bluefield Water Works and Improvement Co. v. Public Service Commission of West Virginia case (262 U.S. 679, 1923), the U.S. Supreme Court set forth its view on fair rate of return, as follows:

> "...A public utility is entitled to such rates as will permit it to earn a return on the value of the property which it employs for the convenience of the public equal to that generally being made at the same time and in the same general part of the country on investments in other business undertakings which are attended by corresponding risks and uncertainties; but it has no

constitutional right to profits such as are realized or anticipated in highly profitable enterprises or speculative ventures. The return should be reasonably sufficient to assure confidence in the financial soundness of the utility and should be adequate, under efficient and economical management, to maintain and support its credit and enable it to raise the money necessary for the proper discharge of its public duties. A rate of return may be reasonable at one time and become too high or too low by changes affecting opportunities for investment, the money market and business conditions generally."

A second landmark decision of U.S. Supreme Court echoed, fortified, and expanded upon the fair return standard established by the "Bluefield" decision cited above for capital committed to public utilities. This second decision is the Federal Power Commission v. Hope Natural Gas Company case (320 U.S. 391, 1944). A most relevant passage of this latter decision is as follows:

"From the investor or company point of view it is important that there be enough revenue not only for operating expenses but also for the capital costs of the business. These include service on the debt and dividends on the stock... By that standard the return to the equity owner should be commensurate with return on investments in other enterprises having corresponding risks. That return, moreover, should be sufficient to assure confidence in the financial integrity of the enterprise, so as to maintain its credit and attract capital."

These longstanding decisions provide the recognized framework for the fair rate of return on capital committed by investors to public service. In these decisions, the U.S. Supreme Court codified, in clear and readily understandable terms, a statutory benchmark that serves as the basis to set fair and equitable prices for retail public services such as natural gas, while also providing a fair rate of return on the capital provided by investors. Though they reach back many years, these decisions remain to this day the cornerstone for the determination of rate of return requirements. The challenge for regulators, regulated utilities, and interested parties to regulatory proceedings is to operationalize these principles in contemporary regulatory processes.

Q. Please provide an overview of your approach to the determination of the rate of return requirements for Florida Public Utilities Company.

A. Our approach follows the prescribed methodology of the Florida Public Service Commission to determine the overall weighted average cost of capital ("WACC") and the overall rate of return, for regulatory purpsoses. Specifically, we develop a forward-looking consolidated capital structure for the year 2008 with the exclusion of capital structure balances associated with the Company's FloGas subsidiary. For determining retail prices in the instant docket, the recommended capital structure is determined on the basis of the 13-month average balances of the components that comprise the capital structure of the Company. We develop a traditional capital structure including the key elements of long-term debt, short-term debt, preferred

stock, and common shareholder equity. Similarly, we develop a regulatory capital structure that contains, in addition to these components, balances for customer deposits, accumulated deferred taxes and accumulated investment tax credits of the Company dedicated to providing retail electricity services. Traditional elements of the capital structure are scaled pro rata, such that the regulatory capital structure, in total, matches the rate base attributable to the provision for electricity services.

It is appropriate to appropriately balance of equity and debt, and to represents the means by which Florida Public Utilities Company's plans to underwrite its assets and rate base. Specifically, contemporary business, regulatory, and financial risks confronting energy utilities are higher than in past years. Consequently, and consistent with the business objectives of providing low-cost and reliability service, Florida Public Utilities will fund its assets with larger equity participation in total capital than in years past and, to this end, the year-end 2008 capital structure is a better representation of the expected capital structure of the Company. This is because the year-end balances capture the prospective weight that common equity will assume within the Company's capital structure. Furthermore, the year-end balances of the components of capital provide a better balance of debt and equity for the purpose of minimizing the weighted average cost of capital. Accordingly, the adoption of the projected year-end capital structure to determine retail prices, which would constitute a departure of the Florida PSC from its policy of using the 13-month average capital structure, would be in the long-term interests of retail consumers and the Company as well.

The cost rates applied to the 13-month 2008 balances of long-term debt and preferred stock include the interest rate on the face amount and issuance costs unique to each individual issue, and related debt expenses where appropriate. The cost rate applied to customer deposits balances is based upon market segment-specific interest rates, as determined by the Commission. The balances for accumulated deferred taxes and investment Tax Credits are included in the regulatory capital structure at cost rates of zero and the overall cost of capital stated on a traditional basis, respectively.

The rate of return for common equity is determined by applying four capital cost assessment methodologies including Discounted Cash Flow, Capital Asset Pricing Model, and an assessment of Realized Historical Returns. The latter approach constitutes a benchmark by which investors gauge the prospects attending financial assets and, along with other information, form expectations of future returns. By assumption and empirical assessment, efficient markets value (priced) financial assets accordingly. These three methods are well founded by modern finance theory and are often used to determine the cost rate for common equity capital. A fourth methodology, referred to as *ex post* Risk Premium, infers the underlying opportunity cost of capital on a basis of the relative risks of debt and equity capital.

Q. Can you please summarize your findings and recommendations?

A. Yes. Our studies give rise to an overall rate of return recommendation of 8.66%. The determination of the 8.07% rate of return is shown on Exhibit 1, which reveals

the balance amounts for each financial component of the capital structure, the share that each component represents, the attending cost rate, and the overall rate of return. As mentioned above, the overall rate of return recommendation is based upon a 13-month 2008 regulatory capital structure that, consistent with utility regulatory policy in the State of Florida incorporates customer deposits, accumulated deferred income taxes, and investment tax credit balances.

The recommended 8.07% overall return level incorporates a common equity return of 11.50%. As mentioned, the opportunity cost of shareholders of Florida Public Utilities Company is assessed with four analysis methods. The results of studies employing these valuation methods are shown on Exhibit 2, along with the equity return recommendation.

This recommendation, if adopted by the Florida Public Service Commission, will enable Florida Public Utilities Company to continue to provide highly reliable electricity service to its customers at favorable prices. At the same time, the recommendation provides an adequate level of compensation to shareholders of Florida Public Utilities Company on the capital that they have committed to the Company. Satisfactory returns to equity also enable the Company to continue to attract long- and short-term debt at favorable terms and interest rates that, in both the near-term future and the long-run, are in the best interest of retail electricity consumers.

Fair and adequate allowed returns to capital are vital, and we cannot over-emphasize to the Commission the importance of setting the overall rate of return at

a sufficient level, particularly in the current environment of considerable uncertainty. The determination of an adequate return level by the Florida Public Service Commission signals to the investment community including mutual funds, long-term private investors, speculators, mortgage bankers, and commercial banks that the business and regulatory environment in which Florida Public Utilities Company operates has continuity and stability over the long term. Importantly, it also signals that the Commission is supportive of the Company and the job that we do on an on-going basis for retail consumers.

Q. Electtricity is intermingled with and highly dependent upon energy markets, particularly the markets for primary fuels. Can you please provide a profile of contemporary electricity markets and the implications for electricity distributors and the cost of equity capital?

A. Infrastructure industries, including the electricity services industry in particular, has undergoing significant restructuring with no immediate end in sight. The dimensions of restructuring assume a number of dimensions including service unbundling in both retail and wholesale markets including competitive entry, new mechanisms to determine the prices for services. At the wholesale level, utilities face and are part of expansion of wholesale services and contract mechanisms to hedge varying degrees of risks; divestiture of generation; and the appearance of wide scale participation in wholesale electricity commodity markets by power

traders including traders and speculators that are deeply involved in commodity markets generally. Wholesale markets are being organized through the auspices of regional transmission organizations referred to as RTOs. RTOs serve as the agent for markets as a whole, where regional markets are unbundled according to time (hourly markets), space (locational pricing of energy), and services including energy, reserves (including regulation, spin, non-spin, and supplemental categories), as well as financial transmission rights (FTRs) of various types. While wide scale change has been in the works for years and is arguably most pronounced at the wholesale level, as precipitated in a major way by the Energy Act of 1992, significant change has been and is currently underway within retail markets as well. At the retail level, regulated utilities face a gamut of changes regarding new regulatory governance arrangements including pre-approval, decoupling, and various performance assessment mechanisms; auctions for provider of last resort ("POLR") services; renewable resource portfolio standards, and new rules and requirements regarding reliability requirements, aside from the new reliability (and implied cost) commitments imposed on service providers by the North American Electric Reliability Council ("NERC"), which has been recently appointed by the Federal Energy Regulatory Commission ("FERC") as the national reliability organization ("ERO").

Driven to improve earnings performance and exploit growth opportunities, many integrated electric utilities have since the late-1980s pursued non-regulated business ventures including activities fairly far afield from electricity services such as real

estate and insurance, and diversified energy services including distribution operations, nuclear generation, and renewable resources, and power trading. In a number of cases, generation (and to a lesser extent transmission) assets have been sold off to independent generation companies or unregulated generation entities have been formed from the generation business units of the integrated utilities. At this point a much larger range of business activities and business organizations and entity structure is present within the electricity services sector of the economy, obtained through competitive entry and consolidation of functionality across entities. The financial performance of entities within the electricity services industry, included the expected returns to capital and the risks attending those returns, and is much more closely linked to energy markets, generally.

The net result is generally positive, as competitive entry arguably obtains reduced costs to the benefit of all, at least in the long run. Nonetheless, these changes in structure, much of which has been accompanied by and ushered in through regulatory changes, have also raised capital risks associated with electricity services, as perceived by investors. This backdrop of higher capital risks occur a time when electricity service provides including Florida Public Utilities Company face steadily expanding electricity service demands and an array of new requirements covering, among other things, capital renewal at a time of fast rising costs for electrical equipment.

(further discussion forthcoming)

Q. Your testimony mentions capital risks and capital renewal. Perhaps you can elaborate on the meaning of capital, and how it comes about.

A. Capital refers to economic resources. Capital is accumulated savings over time, where savings refers to the proportion of the output of an economy that is not consumed as current goods and services. Essentially, savings is the share of output held back and invested in—i.e., put into—capital resources. In the broadest interpretation, capital is output-producing goods (and services). The cumulative level of investment over time, covering many years and centuries, constitutes the capital stock of an economy and a society. It is useful to mention that capital can assume various investment forms aside from financial assets in private and public companies and other entities. The stock of capital includes real estate, household goods, education, public property and infrastructure such as libraries, museums, parks, roads, and transit systems. Individuals, firms, and government entities invest funds in capital resources if the expected flows of benefits realized by the investments in the future are equal to or greater than the value of current consumption given up or foregone.

Q. Please review the notions of cost of capital, opportunity cost of capital, and discuss how risk affects the opportunity cost of capital.

A. The cost of capital is the compensation required by investors for postponing consumption, for expected inflation, and for exposure to capital risks of various dimensions. *Cost of capital* refers to the underlying interest rate used to discount

expected benefit flows of capital resources including returns to financial assets, and is sometimes referred to as the rate of discount, or simply the discount rate.

Financial assets include a multitude of debt vehicles, equity, and derivatives, and are tailored to participants of capital markets including household, small business, corporate, and government segments. Participants across these segments can supply capital—i.e., investors including lenders and holders of common and preferred stock—and also demand capital (borrowers and common stock issuing companies). Commercial banks, credit unions, finance companies, capital exchanges, and investment banks serve as intermediates that provide the institutional means that facilitates the interaction and linkage of the supply and demand sides of financial markets. These functions essentially include lending, borrowing, and the issuance of equity vehicles. Banks and credit unions borrow (and store) financial assets that in turn are invested in the form of debt and to a lesser extent equity.

Household debt vehicles include, for example, personal loans covering appliances, household services, and credit card mechanisms through finance companies and banks, and real estate and so-called home equity mortgages. Business loads include short-term loans and lines of credit with banks, inventory financing through business wholesalers, and commercial paper of various terms. Corporate debt can be in the form of lines of credit with banks, and mortgage and debenture bonds, while government debt can be in the form of revenue bonds of cities, and short- and long-term debt of various terms.

Equity refers to common and preferred stock, where the investor assumes a share in the ownership of a corporate entity. In some cases, debt instruments can participate in equity returns and have rights of conversion to common stock.

Derivatives refers to options and forward contracts that are specifically designed for speculation and risk hedging, where the market worth of the derivative is determined by investor expectations in the underlying price of an financial asset or commodity

The cost of capital is relevant to investors and, in the case of financial assets, the expected benefits are in the form of future cash flows including interest payments, dividend payments, market appreciation, and return of principle. When investors supply funds to entities such as utilities and government entities and municipalities, not only are they postponing consumption—giving up the value of alternative expenditures in some other way, they are also exposing funds to the devaluation of ongoing inflation and various uncertainties and risk attending future cash flows. Investors are willing to incur these factors only if they are adequately compensated.

While the market prices of other inputs including labor, materials, energy can be easily verifiable, the cost of capital—essentially, the price of capital—is not easily discerned and, all too often, requires estimation through the cautious application of analytical methods.

The cost of capital is determined by the demand for capital, supply of savings, expectations of inflation, and perceptions of risks harbored by participants in capital markets. The demand for and supply of capital are determined by expectations of

future levels of economic activity, while expected inflation is driven largely by monetary policy over the relevant timeframe. Perceptions of risk, in turn, cover many dimensions including uncertain government policy and the effects of natural phenomena such as weather. The cost of capital—the discount rate stated in nominal terms—increases with rising demand for capital, with expectations of higher rates of inflation, and with heightened perceptions of risk.

The cost of capital, however, remains positive (>0) absent inflation and risks, as savers require compensation for foregoing the right to use the funds saved for consumption of goods and services—essentially, the time value of money.

Dimensions of risk also cover idiosyncratic risks associated with specific capital resources, such as that of individual entities or companies. Accordingly, financial markets will re-price downward the bonds of a private company, should the *current* financial condition of the company suddenly decline. Essentially, the decrease in the company's current condition, reflected as reduced interest coverage—causes the expectation of the future condition of the company to also decline. Expectations of future financial conditions (possible states) of the specific company are idiosyncratic risks. Because cost of capital rises with increased risks, the price of the bonds decline. Bond prices and discount rates, in the form of the net interest rates or bond yields (and yield to maturity), move in opposite directions; bond yields increase as bond prices decline, and decrease as bond prices rise.

Resources migrate to the highest valued use and worth, given perceived risks, such that the returns to capital are equivalent to opportunity costs. The various forms of

capital compete among themselves for savings and with other non-capital resource inputs and opportunities. Similarly, the vehicles of investment of individual entities, such as the specific bonds of a municipality or the common stock of a company, must compete for savings through a process of capital attraction. That is, if the outlook for earnings of a company rises, participants in capital markets—investors—allocate more capital to the company by bidding up the price of the stock thus increasing the company's market capitalization. Conversely, perceptions of heightened risks associated with the debt of a company or municipality precipitates a decline in the market value of the outstanding bonds, as capital migrates from the company/municipality to other resource opportunities. Thus, the prices of financial assets of entities including debt and equity securities are highly sensitive to perceptions of risk. Capital markets trade off risks and expected returns, given the overall menu of available choices, as alternative opportunities.

At an undefined pointing time such that levels of supply and demand for capital and expectations of inflation are roughly equivalent (as a matter of consensus), the cost of capital is a matter of risk. Essentially, then, the cost of a specific source of capital is basically determined by the underlying riskiness of that investment in view of alternative opportunities that together represent the investors' current opportunity set. Hence, cost of capital associated with specific investment opportunities, are only differentiated by risks, as the other factors that impact cost of capital—i.e., supply-demand, inflation expectations—are common to all investments. Competitive capital markets, through the process of assessing, buying, and selling, ensure that the expected payoff in the form of market rate of return is

approximately equal to that of other investments of equivalent risk. In short, debt and equity investment vehicles of comparable risk are priced the same. If not, investors as participants in capital markets will bid up securities with comparatively low risks and bid down others with comparatively high risks. If investor perceptions of capital risks attending a utility increase—or the expectations for returns decline—markets bid down the securities of the utility. This implies that a utility will be unable to attract capital on equivalent terms, a result that is manifested in either of two ways: the quantity of capital acquired, in the form of new securities offerings, is reduced for a given level of return (stated in dollars), or a higher prospective rate of return attends the new offerings—it costs more to obtain an equivalent quantity of capital.

As mentioned above, investor rate of return is the discount rate that causes the present value of the expected cash flows, as receipts realized by investors, to equal the market value of the financial asset. From the utility side, the cost of funds raised to the utility through the sale of securities is equal to the discounted present value of the cash outflows to be paid by the utility, as expected by investors. But since the (positive) cash flows stream to the investor is identical to the cash outflows of the utility, the two discount rates must be identical, abstracting from the effects of flotation costs, which causes the costs to the issuer to exceed the return required by investors to the extent that flotation costs decrease the net amount of funds actually available to the issue. In other words, the cost of capital to the utility is synonymous with the investors' expected rate of return. Hence, the cost of

capital is the discounted expected cash flows necessary for the security to "pay the price"—i.e., in order to satisfy investors' required rate of return.

When capital markets are sufficiently competitive, they ensure that the market value and worth of financial vehicles of the outstanding debt and equity—as held by the investment community, which can include households, financial institutions, government entities, and non-financial companies, is set (i.e., priced) at a level such that the returns to capital approximate the cost of capital. Because investors are averse to risks, competitive financial markets price financial assets inversely according to perceptions of risks, all other factors held constant.

Q. Why is this conceptual construct relevant and how does it relate to Florida Public Utilities and its capital needs?

A. As discussed, capital resources are the result of cumulative investment, and are obtained or funded directly or indirectly from savings of households and firms over time. Savings is the share of income of the economy as a whole that is not expended as consumption within a current period, and is typically measured as dollars or percentage shares in either quarterly or annual periods. This means that the capital resources employed by Florida Public Utilities Company including power delivery systems such as transformers and lines, meters, trucks and vehicles, computer systems, software, office facilities and buildings, inventory and stores, and land are costly, where cost is reflected as the annual carrying charges on capital, measured in the form of the net utility rate base.

Whereas the cost of skilled labor, materials and supplies, purchases of generation and transmission services, or other inputs used into the production process of utilities are expressed in money terms – *e.g.,* purchased power stated as dollars per megawatt hour – the cost of capital is expressed as an interest rate, typically shown as an annual percentage of the principal amount committed by investors. The cost of capital – or perhaps more accurately, the *cost rate of capital* – to the firm can be referred to as the *required rate of return* (%) on the capital resources committed by investors. In the case of public utilities, invested capital is referred to as the rate base, valued at either original cost or fair market value. For the determination of setting retail prices in the U.S., the regulatory convention is to value the capital of public utilities at original cost.

To facilitate the commitment of capital (investment) by savers and their agents to the firm, the firm offers property rights, including bonds or promissory notes to debt holders and shares of stock to equity investors. These property rights define the commercial terms and conditions under which savers and their agents, as investors, commit capital. Property rights are capital (financial) assets, and are generally tradable. Financial assets are claims on the income of the firm as compensation for the commitment of capital, and are the financial obligations of the firm. Shares of stock constitute ownership in the firm.

In the case of long-term debt – *i.e.,* mortgage bonds, debentures, and long-term notes – the interest on the principal (face) amount of a bond (debt) or the coupon rate on the share of preferred stock defines the level of compensation. Often, the interest rate is a predefined annual rate that remains fixed over the term of the debt.

However, long-term debt instruments can have a number of other provisions that, in essence, provide for more complete contracting by managing risks through risk sharing between the debt holders and the borrower (the firm). These provisions can include 1) adjustments to the rate of interest to reflect contemporary market conditions *and* rates of inflation, 2) participation in earnings of the firm, 3) conversion rights, and 4) voting rights in the management of the firm.

In the case of short-term promissory notes, agreements with commercial banks define the mechanism by which interest, stated in dollars, is determined. Often, the commercial terms of promissory notes define interest to be paid monthly on the outstanding daily balance (principal) outstanding. The rate of interest applied to the outstanding balance is typically tied (indexed) to the interest rate on obligations of some widely known financial market – say, the London Inter Bank Offer Rate (LIBOR) or Fed Funds – which also varies daily or monthly.

Common stock property rights are somewhat different from other financial obligations because, as owners of the firm, the returns to shareholders are residual amounts following the compensation of other resources employed by the firm including debt obligations. Common equity is essentially compensated last, and bears the burden of much of the business, regulatory, and financial risks of the firm. For this reason, common equity is, in virtually all cases, more costly than other forms of financial instruments.

As with other markets, capital markets have primary and secondary dimensions. Primary markets are the institutions and processes that facilitate the initial sale of

the financial obligations of the firm to initial investors, whereas secondary markets are structured market processes that provide the means by which investors can purchase and sell existing rights, including shares of stock and debt obligations. Financial instruments can assume many forms, and debt securities (bonds) and equity shares are actively traded in financial markets, which are generally considered to be highly liquid and competitive. However, to the degree that the financial obligations 1) carry specialized and non-common commercial terms, and 2) for firms that are of small scale, the secondary – and to a lesser extent, primary market – is less liquid. In short, the pool of buyers and sellers is limited; thus, the volume of transactions is comparatively small and sometimes intermittent. Relatively low levels of liquidity imply higher transaction costs and risks to investors, which translates directly into higher costs of capital to the firm.

Competition is a term that describes some markets, and markets are said to be competitive if certain conditions exist. Markets can be characterized as competitive if they involve: 1) a very large number of buyers and sellers, 2) information relevant to the determination of prices is readily available and complete, and 3) transactions costs are low. Because of the workably competitive nature of financial markets, arbitrage opportunities are more or less exhausted. This means that, for both primary and secondary markets, financial property rights trade at levels (prices) such that perceived risks and opportunity for prospective returns to capital are appropriately balanced and approximate that of other investment opportunities. Thus, above-normal returns, which implicitly include compensation for risks, cannot be realized by investors systematically over prospective periods.

Competition inherent to U.S. and worldwide financial markets ensures that the prices of common shares (share prices) and bonds are at a level that reflects the opportunity cost of capital. As an example, assume that the perceived risks attending the returns to common shareholders of firm A are equivalent to that of firm B and other firms. If the share prices of firm A suggest a market return 10%, while the prices of firm B and other firms of comparable risks suggest (allow) market returns of 13%, the market price of firm A will fall to a level that provides a basis for market returns of just 13%, prospectively. A price that allowed for a 10% prospective market return is insufficient in the presence of opportunities for market return of 13% on alternate investments of comparable risk. Essentially, the 13% market rate of return on investment alternatives constitutes the opportunity cost of capital. Most remarkable is the expedience – literally, in minutes – with which share prices adjust to levels that appropriately balance prospective returns to equilibrium levels *based upon perceptions of risks*. In short, equivalent and comparable risks translate directly into comparable rates of return, which is the cost of capital of common shareholders in – and thus of – the firm.

As mentioned, the cost of capital is a function of the demand for and supply of capital, investor expectations of inflation, and investor perceptions of risks. Because the conditions of demand and supply as well as expectations of inflation are more-or-less common to financial markets at any point in time, financial

vehicles are differentiated by risks. Hence, the expected returns and prices of bonds and common shares (normalized for denomination and size) at any point in time are largely if not exclusively differentiated by perceptions of risk.

Q. Would you please review the capital structure, interest coverage requirements, and the implications for sufficient coverage?

A. Interest coverage refers to the times that debt interest is covered by income, and is the most important measure of investment risk of corporate debt. Interest coverage is a major concern of Florida Public Utilities Company as it is the basis upon which the Company maintains its favorable credit standing with markets and continues to obtain long- and short-term debt at favorable rates of interest. Pre- and After-Tax Interest coverage under the recommended capital structure and rate return is **XXX** and **XXX** times, respectively.

For purposes of comparison, we also show interest coverage over the historical timeframe on Exhibit 13. As can be seen the coverage implied by the recommended rate of return is adequate though not at a robust level. Two conclusions are reached:

1) While the implied coverage level is acceptable, the Company must sustain a flow of earnings at consistent levels in order to maintain adequate coverage and also satisfy debt covenants.

2) Contingency events and business conditions that give rise to sudden and unexpected changes in revenue or cost flows can imply immediate shortfall in coverage. In short, the coverage level obtained from earnings at the recommended rate of return is only adequate in today's environment of higher capital risks.

The importance of coverage cannot be overstated. Indeed, in discussions with investment banks, commercial banks, and stock analysts about the financial conditions and soundness of the Company, a salient point of concern continues to be coverage of debt. Lending entities, private investors, and investment banks continue to emphasize the importance of consistently-realized adequate interest coverage as the essential measure of the Company's capability to service long- and short-term corporate debt.

As can be seen, the recommended rate of return requirement, 8.66%, provides satisfactory interest coverage. And although the overall return recommendation provides adequate coverage, it is certainly not abundant. Hence, it is absolutely necessary that Florida Public Utilities Company realize adequate and sustained flows of income to ensure that the Company satisfies credit risk requirements. Coverage is our window of access to capital at favorable rates of interest and under reasonable terms, enables the Company to provide high-quality gas service. Setting the overall rate of return at a satisfactory level of 8.07% is necessary and in the best interest of retail electricity consumers.

Q. What is the appropriate capital structure for determining retail prices in this docket?

A. In the absence of large-scale subsidiary operations, the Florida Commission should generally utilize a consolidated capital structure where such approach provides a reasonable balance between debt and equity. Under such conditions, the Commission can be well assured that the service provider is, in the best interest of retail consumers, underwriting its assets dedicated to providing utility services at least cost.

This statement is essentially a principle – a principle of financial prudence – that sets forth criteria for the Commission to apply in its regulatory decisions on the issue of the appropriate capital structure for ratemaking purposes. That is, the Commission should only deviate from a consolidated capital structure when this condition – i.e., an appropriate balance between debt and equity – is not satisfied.

The corollary to this principle is that the Commission and its staff should never remove or add accounting-based line items from a consolidated capital structure that is appropriately balanced. Two facts of financial accounting underlie this corollary, as follows:

1) A firm cannot ever trace and identify, as a matter of dollar flows, specific sources of funds to specific uses of funds. The Treasury of a firm essentially constitutes a pool or inventory of current funds, cash, that continually experiences fund inflows and outflows. One cannot say that a specific source of funds, dollars, is earmarked for a specific use. As an example, one cannot

say that cash flow returns and operating income that arise from the Company's electricity operations are used solely to underwrite resources for the electricity business. Electricity-sourced cash flows are, in fact, used across the combined operations of the natural gas, electricity, and propane businesses of the Company – and similarly for the natural gas and propane operations.

2) The Company's balances of long-term debt, short-term debt, preferred stock, and common equity stated on a consolidated basis represent the accrual over years of the net flows of funds of the Company including external and internal sources. The balances of these financing vehicles can and should be used as the basis by which the Company underwrites any and all of its assets, stated on a consolidated or individual basis. This is simply a business, accounting, and financial fact.

There is no reasonable basis, thus, to exclude Flo-Gas balances from the Company's capital structure for purposes of setting retail electricity prices in the current docket. Indeed, exclusion of Flo-Gas balances may harm retail electricity consumers in various, subtle ways. First, a policy of exclusion is a direct contradiction to the realities and facts of financial accounting identified above.

Second, arbitrarily assigning 100% of comparatively high cost equity to the Company's unregulated propane operations places us at a competitive disadvantage with other propane companies. Other companies use leveraging similar to our debt-equity ratio to finance their propane operations, and

the Company needs to follow a similar policy. If the Company is required to assign only equity to our propane operations, we are then required to charge correspondingly higher prices in order to generate adequate returns. If we cannot stay competitive and earn satisfactory returns in the future on our propane operation we will have to consider selling the operation, which would result in the loss of cost synergies that electricity and natural gas customers currently enjoy.

Third, the consolidated capital structure of Florida Public Utilities Company stated on 13-month average basis for 2008 represents a sound balance of debt and equity financing that fully satisfies the financial needs of the Company, particularly in view of the comparatively small size of Florida Public Utilities. This is evidenced by the comparative sample of gas distribution utilities used to determine the cost of capital. Specifically, equity participation within the Company's 2008 capital structure resides within one standard deviation of the average participation of the sample. Hence, the Company's financing policy and strategy easily conforms to a reasonableness standard, in addition to fully satisfying the financial prudence and fungibility criteria outlined above.

Nonetheless, the recommended weighted average cost of capital presented within our testimony follows the Commission's prescription. Namely, the Flo-Gas balances are excluded from common shareholder equity, for purposes of determining the overall rate of return to determine retail electricity prices within the immediate docket.

Q. Can you please review your recommendation for the cost rate of long-term debt?

A. Yes. Florida Public Utilities Company has raised long-term debt from time to time based upon the need for capital and our Company's financial policy of maintaining a balanced capital structure. Because of our conservative management philosophy, we have consistently raised new debt issues at favorable rates of interest at the time of issue. Contributing to favorable interest rates are the conservative sinking fund provisions of the earlier higher cost debt issues of the late-1980s – early-1990s.

The cost rate of 7.964% for long-term debt, shown in the column entitled "Annual Cost Based Rate" of Exhibit 3, reflects the weighted average cost of the five issues of long-term mortgage bonds of the Company, currently. These debt issues have face interest rates of 4.90% to 10.03%, and were issued by the Company over the period 1988 – 2001. The balances shown reflect the amounts that the Company expects to carry on its balance sheet on average over the year 2008 which are slightly different from that shown on the balance sheet currently. The Company does not plan to issue long-term debt during the interim two years.

The 7.96% overall cost of long-term debt reflects issuance costs and losses on reacquired debt, which causes the effective cost rate to be somewhat greater than that of the weighted cost of the face interest rates alone. The 7.964% overall cost rate for long term debt is calculated using the amortization schedule for debt expenses. This costing procedure follows the conventional accounting approach to

determining the cost of debt, and is consistent with the policy endorsed by the Florida Public Service Commission.

Q. Please review the cost rate of short-term debt and related issues?

A. Florida Public Utilities Company maintains, and expects to main over the foresseable future, a short-term debt facility that provided short-term debt at a rate of the 30-day London Inter Bank Offer Rate (LIBOR) plus 90 basis points, plus other charges related to unused facility balances and fees on the facility itself. The amount of short-term debt facility is $15 million currently. In view of the 2008 equity issuance, the Company expects to reduce its debt facility to $12 million beginning in July 2008.

The level of margin above LIBOR (90 basis points) for the Company's current short-term debt facility is somewhat above that of the Company's previous short-term debt facility, which reached the end of its contract in March 2003. The higher margin requirements, as imposed by financial lending institutions internationally, reflect higher perceived risks, both generally and within energy markets, than in previous years.

The expected effective short-term debt cost rate incurred by the Company for short-term debt , for use to determine prices in the current docket, is determined by first projecting the Federal Funds rates in the U.S. for the timeframe over which the retail electricity prices will apply. Then, given the historical relationship between

LIBOR and the rate for U.S. Fed Funds, the LIBOR rate is estimated. Once determined, the short-term debt cost to Florida Public Utilities is obtained by simply adding 90 basis points to LIBOR, as estimated, plus the other charges.

The key short-term interest rate is the Fed Funds rate. Historically, Fed Funds have traded 18 Basis Points below LIBOR over the 1990 – 2006 timeframe. The interest rate on Fed Funds is determined by the monetary policy of the Board of Governors of the Federal Reserve Bank, and closely follows that of short-term U.S. Treasury Bills. Historically, Federal Funds "trade" at interest rates slightly above that of 90-day T-Bills. At this point, we anticipate with the apparent consensus view that monetary policy and thus the short term interest rates will hold firm at current levels over the foreseeable future, which implies a fed funds rate of 5.25%, which implies a LIBOR interest rate of 5.43%. This result in turn translates into a cost rate of 6.33% for the outstanding balances, only, on the Company's short-term debt. The fees associated with unused credit line and direct charges when coupled to the cost rate on outstanding balances obtains an effective short-term debt interest rate of 6.81%, which is applied to the 13-month average balances of short-term debt.

It is useful to briefly describe the longer history, as it relates to the determination of short-term interest rates. Specifically, the Federal Reserve followed a policy interest rate targeting for a number of years prior to late-1979, when money supply targeting was rather abruptly adopted. The result was high and volatile short-term interest rates. During the 1980s, monetary policy was more accommodative and geared toward interest rate targeting, as it is currently. As observed during the 1990s, the Federal Reserve has increasingly used an array of indicators and metrics

to determine monetary policy. As a general rule, reserve targeting gives rise to greater variation in short-term interest rates, while interest rate targeting, which suggests greater variation in the supply of reserves, suggests less variation but, depending upon the stage of the economy, substantially higher interest rates than currently observed.

Q. Please review the cost rate of preferred stock?

A. Florida Public Utilities preferred stock consists of a single issue of 6000 shares that dates to December 28, 1945 at a coupon rate of 4.75%, as shown on Exhibit 5.

Q. You briefly discussed methods for the determination of the cost of equity capital in the summary of your approach to rate of return. Can you elaborate on the methods?

A. Yes. We begin by reiterating three essential points. First, the cost of equity of the firm – and of investors in the firm – is a function of perceptions of risk, the demand for and supply of capital, and expectations of inflation. Second, the cost of common equity of the firm is equal to the opportunity cost of capital incurred by common shareholders of the firm contemporaneously, though the experience of long-term history guides the assessment of opportunity costs. Third, the cost of equity of the firm is equal to the expected market rate of return on alternative

investments of comparable risks available to shareholders – *i.e.*, the opportunity cost of capital.

The determination of the opportunity cost rate for equity capital is challenging for two reasons. In the case of debt, both the market price and future expected cash flow returns to capital are observable by inspection. Thus, the net expected yield to maturity, which reflects the opportunity cost of capital to holders of debt, can be determined directly. This *is* the market rate of return, *ex ante*. For purposes of determining the overall utility rate of return, however, the cost rate of long-term debt is that which is set at the time of issuance in primary financial markets.

In contrast, expectations of investors about the prospective cash flows and market returns on common equity cannot be observed directly, and must be inferred with estimation procedures. Also, allowed equity rate of return is typically set according to the current and expected cost of capital, though much of the equity investment was committed in many years past.

In the determination of cost rate for debt obligations, investors' perceptions of risks are implicit in the primary and secondary market prices of the debt obligations themselves, and need not be known or even estimated. In contrast, the determination of the cost of common equity involves the perceptions of future risks harbored by investors, as a matter of the consensus view. Perceptions of risk are also not observable directly, and thus must be inferred.

In short, the cost of common equity can only be discerned through the proper and careful application of well established methods that provide the cornerstone for

modern finance theory. While the methods employed herein are well-established, the procedures to determine the cost of equity capital require estimation of key parameters.

As mentioned, the recommendation for the rate of return on equity for Florida Public Utilities Company is developed by applying four estimation methods. These procedures include variations of the constant growth Discounted Cash Flow model (DCF), and the Capital Asset Pricing Model (CAPM). These classical approaches are commonly recognized within modern finance theory and are readily utilized by the investment community. The results of these two formal models of the cost of capital are augmented by historical returns realized by utility and non-utility companies of comparable risks, and results inferred from the so-called risk-premium methodology.

The constant growth Discounted Cash Flow (DCF) model was originally developed by Myron Gordon in 1957, and was advanced actively during the early 1960s. In its classical form, the derived DCF model defines the cost of capital as the sum of the adjusted dividend yield, and expectations of future growth in cash flows to investors including dividends and future appreciation in share prices. The classical (one-stage) DCF model is as follows:

$$k_{e,j} = D_{0,j}(1+E(g_j))/P_{0,j} + E(g_j)$$

with,

$k_{e,j}$ = cost of equity capital, asset j

$D_{0,j}$ = current dividends per common share, asset j

$E(g_j)$ = expected growth in future cash flow returns to investors in asset j

$P_{0,j}$ = current price per common share, asset *j*

The one-stage form of DCF model is an elegant and intuitively tractable model with two terms, a mathematical result derived from the constant growth present value model. A cursory review of historical returns of equities suggests substantial variation in growth in the internal returns to capital and market appreciation is both the typical and dominant pattern. It is palpable that the *expected path of future returns* harbored by investors may assume a pattern of non-constant growth. This means that, at least under some market conditions, the constant growth form of discounted cash flow may not represent investor expectations of growth with sufficient accuracy. Arguably, other forms of DCF may serve as better approximations of investor expectations.

A plausible means to better model expectations of varying growth might be with stochastic models, where the path of returns and growth is a function of time, with a random component. However, stochastic models introduce considerable complexity. As a first order approximation to stochastic processes, multiple step constant growth models known as multi-stage DCF can serve nicely. Essentially, multi-stage DCF is a variation of present value theory which postulates that future returns assume a pattern of several growth steps or stages. While any number of stages of constant growth is possible, two- or three- stages are typically applied. In stylized fashion, the Three-Stage DCF model is shown below:

$$P_{0,j} = (1+g_j)/(k_{e,j}-g_j)\{D_{0,j}(1 - F^5_j) + D_{5,j}(F^5_j - F^{10}_j) + D_{10,j}(F^{10}_j)$$

with,

$k_{e,j}$ = cost of equity capital, asset *j*

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$D_{t,j}$ = current and future dividends per common share, asset j

$E(g_j)$ = expected growth in future cash flow returns to investors in asset j

$P_{0,j}$ = current price per common share, asset j

$F = (1+E(g_j))/(1+k_{e,j})$

Appendix I provides a step-by-step derivation of the classical and multi-stage discounted cash flow models shown above.

The Capital Asset Price Model (CAPM) was developed by William Sharpe (1961) and John Lintner (1964). CAPM was derived from mean-variation analysis and, in particular, portfolio selection developed by H. Markowitz (1952). The derived CAPM shows how the valuation of a financial asset (price) is based upon two components: risk free returns and an *adjusted risk-based return.* Surrogates for risk free returns can be observed directly in capital markets, and include market returns on short- and intermediate-term debt. As a general rule, the cost rates and market returns on government debt obligations serve as appropriate surrogates.

The adjusted risk-based return is based upon three factors: 1) the covariation of the returns to the asset and that of markets for risky assets, 2) the statistical variance of returns of the market for risky assets, and 3) the *difference* between expected overall returns on risky assets, and risk free returns. The third parameter is referred to as the excess return, and is equal to the difference between the overall returns to risky assets for the market as a whole, and the risk free return rate. The CAPM is shown below:

$$k_{e,j} = r_f + B_{jm}*(r_m - r_f) \qquad \text{with, } B_{jm} = \sigma_{jm}/\sigma_m^2$$

where,

$k_{e,j}$ = cost of capital for risky asset j, stated in percentage terms

r_f = risk free rate of return

B_{jm} = ratio of the covariation between risky asset j and the market as a whole, σ_{jm}, and the variance of market returns, σ_m^2

r_m = rate of return on the market as a whole

Appendix II derives the Capital Asset Pricing Model, as shown above.

The efficient market hypothesis plays an essential role in the determination of the cost of capital. Specifically, the working assumption, which is largely though not completely borne out by empirical analysis, is that capital markets are fairly efficient. This means that the supply and demand for risky financial assets, as reflected in bid and ask prices to buy and sell shares, result in financial assets being traded at price levels where *rates of return above the cost of capital cannot be systematically realized*. Above-normal returns – returns above the cost of capital – are realized only randomly. Essentially, the opportunities to systematically realize returns above the underlying cost of capital are exhausted by the competitive market process.

Estimating the cost of capital though not trivial can be fairly straightforward, and both the DCF and CAPM approaches provide a useful framework. The risks to investors in various sectors of the energy services industry cannot ever be known directly; risks – and hence the implied cost of capital – can only be inferred. Specifically, the determination of useful estimates of the cost of common equity

capital within either framework requires a discerning application of theory through careful analysis such as that presented herein. In particular, the determination of the cost of equity capital faces two overarching challenges, as follows:

- both approaches are forward looking and thus the results are highly dependent upon useful estimates of investor expectations about future market performance.

- The underlying assumptions for DCF and CAPM include, among other things, an efficient market and rational behavior of investors such that all opportunities for above- and below-normal returns to capital are exhausted on an expected value basis. In short, capital markets value financial assets at the implied opportunity costs of capital, given investor perceptions of risk.

It is useful to mention that the notion of *risky assets* can apply to any real or financial asset wherein the prospective returns from holding the asset are uncertain. Risky assets include commodity contracts, financial property rights, financial derivatives, and real assets such as transmission facilities. Risk assessment and option theory, moreover, can be applied to the analysis of unbundled services, such as electricity transmission development plans. Within the context of this discussion, however, risky assets refers to financial obligations of firms – common stock – and asset values refers to prices of common stock as observed on major stock exchanges.

Measurement of historical returns and risk metrics are increasingly used as a basis to assess plausible returns in the future. As discussed, efficient markets suggest that *all* financial assets are priced at levels such that the *expected* future returns of individual assets are equivalent to the underlying opportunity cost. Thus, if historical returns guide expectations of future returns, historical returns provide a useful benchmark and, within reasonable bounds, reflect the opportunity cost of capital. In this respect, the Historical Returns methodology can be viewed as a market-based approach of Comparable Earnings, and thus fully satisfies *Bluefield* and *Hope* criteria. The key to successfully applying this approach is to identify and measure historical returns in a manner that reasonable reflects expectations of investors about the future outlook.

Historically realized returns and future expected returns of financial assets are ordered according to risks. This ordering according to risks is a natural and inevitable result of competitive financial markets: because risk is costly, higher costs must be offset by higher returns. While it is not based upon an explicit model, the analysis of the risk premia among classes of risky assets provides a means to infer the underlying opportunity cost of capital. The underlying concept of the risk premium approach is that *differences* in perceptions of risks among financial assets such as equities and debt are revealed in differences between the historical market returns. The historical differences between equity and debt returns – *i.e.,* the Risk Premium – can thus serves as a surrogate for the compensation for risk in the future. Risk premia, when combined with the expected cost of debt prospectively, provides a useful benchmark to gauge the underlying cost of equity capital.

Application of the Risk Premium approach contains two potential pitfalls, as follows:

- the opportunity cost of common equity capital, stated in nominal terms, is sensitivity to the demand for and supply of capital;

- the observed risk premia between debt and equity is quite sensitivity to expected inflation, and Risk Premium analysis must account for expected inflation in the future. That is, the underlying rate of inflation and conditions of the historical period over which risk premiums are estimated must match that of the expected conditions of the relevant period over which the common equity recommendation is being applied, and over which retail electricity prices are being set.

Q. You discuss the importance of comparability and measures of risk as the basis to determine the cost of common equity. Please elaborate.

A. As defined by the "Bluefield" and "Hope" decisions of the U.S. Supreme Court, a public utility is (to paraphrase) entitled to a rate of return on shareholder capital committed for the convenience and necessity of the public equivalent to that realized by companies in other businesses of comparable risk. Thus, the immediate task at hand is comparability: to identify and select companies of comparable business, regulatory, and financial risks to that of Florida Public Utilities Company.

Once selected, we determine the cost of common equity for the sample(s) of comparable companies that, by definition, is the opportunity cost of capital.

The starting point is the market portfolio; that is, we begin with virtually all common shares traded on U.S. equity exchange markets. Specifically, we have drawn heavily though not exclusively from a set of data sources including the Value Line data banks, to which we have full access. The Value Line data banks cover some 8700 listings. For these listings, Value Line reports a wide range of financial data, business descriptions and classification, historical price experience, and various diagnostic statistics of interest.

From the market portfolio we proceed to develop two samples. One sample known as the *Electric Utilities* sample is limited to electricity service providers that have modest yet significant market participation, and are of comparable risk to Florida Public Utilities Company. The second sample relaxes the "line of business" restriction, and covers natural gas distribution companies. This sample is referred to as the *Comparable Risk Gas Distribution Utilities* sample. The second sample closely matches the market participation of Florida Public Utilities Company, while also satisfying comparable risk criteria.

The determination of the first sample involves two steps. The first step is to conduct an initial screen according to the defined selection criteria. As mentioned, these criteria are as follows:

- Liquidity: companies that are of modest size but yet have sufficient market presence and participation to ensure sufficient market activity and transaction volume; and,

- Business Line: companies whose primary business line is retail electricity services.

This first screen produced the twenty two gas utility companies shown on Exhibit 6-A, including Florida Public Utilities Company. As can be seen, the revenues of these companies range from $XX for Y1, to over $XX for Y2.

Some of these twenty two companies have substantial involvement in non-gas retail business lines. On the surface, we might expect that such endeavors to diversify the overall business would tend to reduce variation in earnings, variation in internal cash flow, and variation in market returns thus reducing overall investment risk. Hence, members of the utility sample are gas distribution utility companies that are largely if not exclusively in the retail gas business – sometimes referred to as a *pure play*.

The second selection step of determining the utility sample applies risk criteria. These criteria include three dimensions or metrics:

- the coefficient of variation in earnings per share over five and ten years;

- the coefficient of variation in internal cash flow per share over five and ten years; and,

- market Beta, which as discussed above is the ratio of the covariation of the market returns of the individual companies and the market as a whole; and the statistical variance of the returns of the market.

(Completed Testimony Forthcoming)

Friday, Mar 21, 2008 09:50 AM

Clara Leider

From: Seagrave Marc
Sent: Thursday, January 25, 2007 6:29 PM
To: Kitner Don; Kennedy Barry; Martin Cheryl; Cox Doreen; Stein Chuck; Dysard Heidi; Bachman George
Subject: Central Florida Gas - Extension of Facilities Program
Attachments: CFG Extension Policy.doc

Please review the attached program filed last October by CFG. Included in the policy is their new A.E.P component.

Please provide your comments and or advise if there are any elements that are contained in the CFG filing that we may incorporate in our AEP program.

- Fixed charge versus a per therm surcharge as we have now.
- True up opportunity with the ability to adjust the AEP charge based on actuals.
- Your thoughts?

Thanks,

Marc S. Seagrave

Marc Seagrave, *CSP*
Director of Marketing & Sales
Florida Public Utilities Company
401 S. Dixie Hwy
West Palm Beach, FL 33401
(561) 838-1714 Office
(561) 723-3439 Cell
(561) 833-8562 Fax
mseagrave@fpuc.com

O. DISTRIBUTION FACILITIES EXTENSION POLICY

1. Feasibility Assessment

Prior to any extension of distribution facilities for the purpose of providing Transportation Service to one or more Consumer premises, the Company shall assess the economic feasibility of its investment in the extension. The Company shall compute an Internal Rate of Return (IRR) utilizing a Discounted Cash Flow model (the "IRR Model") for each proposed extension of facilities. The IRR Model shall compare the Company's investment and operating costs for the extension of facilities to the projected transportation revenues derived from the premises served by the extension over its projected life. The Company shall use its best efforts to reasonably estimate revenues resulting from an extension of facilities. Each feasibility assessment using the IRR Model shall incorporate, at a minimum, the following factors as approved by the Commission in the Company's most recent base rate or other applicable proceeding: Return on Equity, cost of capital, capital structure, transportation rates and charges, depreciation rates and incremental growth-related expenses. For the purposes of this Policy, distribution facilities shall mean: mains, services, land rights, city gate stations, district regulator stations, meters, regulators, other materials and appurtenances, including the installation of such facilities. The Company's IRR Model is on file with the Commission and available for inspection at Company's office during normal business hours.

2. Maximum Allowable Construction Cost

The maximum capital cost to be incurred by the company for an extension of facilities shall be defined as the Maximum Allowable Construction Cost (MACC). The MACC shall be the Company's capital investment amount for an extension of facilities that, when included in the IRR Model, produces an IRR equal to the mid-point of the Company's approved Return on Equity range in its most recent rate proceeding.

3. Distribution Facilities Extension Options

a. Free Extensions

The Company shall extend its distribution facilities to serve prospective Consumer premises at no cost where the capital investment for such extension does not exceed the MACC.

b. Advance in Aid of Construction

Where the estimated capital investment for an extension of facilities exceeds the MACC, the Company may require that a

prospective Consumer(s) or other person, such as a real estate developer, governmental entity, Shipper, or other authority ("Depositor") deposit an Advance in Aid of Construction (Advance). The amount of the Advance required from the Depositor shall equal the difference between the estimated capital investment and the MACC. The Advance made by the Depositor shall be non-interest bearing. The Company may refund a portion, or all, of the Advance to the Depositor in accordance the following provisions:

i. At the end of the first year following the in-service date of an extension of facilities, the Company shall recalculate the MACC using its actual capital investment costs and the actual transportation revenues derived from the extension. If the recalculated MACC using actual costs and revenues exceeds the original estimated MACC, the Company shall refund to the Depositor the difference between the Original Advance and the Advance required, if any, resulting from the recalculation of the MACC.

ii. For each additional Consumer taking service at any point on a main installed as part of a distribution facilities extension within a period of five (5) years from the in-service date of the extension, the Company shall refund to the Depositor an amount by which the MACC of each additional Consumer exceeds the capital investment costs of connecting such Consumer, provided that an additional main extension shall not have been necessary to serve such additional Consumer.

iii. The aggregate refund to any Depositor made through the above provisions shall not exceed the original Advance of such Depositor.

iv. The distribution facilities extension shall at all times be the property of the Company and any unrefunded portion of the Advance at the end of five (5) years shall be credited to the Company's distribution main plant account.

c. Area Extension Program

Where the estimated capital investment for an extension of distribution facilities exceeds the MACC, the Company may, at its reasonable discretion, proceed with the extension and establish an Area Extension Program (AEP) charge to recover the capital investment costs in excess of the MACC, as provided below.

i. Initial AEP Charge

The Company shall calculate the cost difference between the MACC and the estimated capital investment costs (such cost difference to include the Company's allowed cost of capital) required to extend the distribution facilities to serve the prospective Consumer(s) (the "AEP Recovery Amount"). The AEP Recovery Amount shall be divided by the number of Consumer premises projected to be served at the end of year five (5) following the in-service date of the extension. The Company shall determine a reasonable Amortization Period over which the AEP Recovery Amount shall be collected from each premise. The Amortization Period shall apply individually to each premise and shall not exceed 120 Billing Months. For the purposes of AEP cost recovery, a Billing Month shall mean a month in which Company renders a billing statement to an active Consumer account for a premise served by an AEP extension of facilities. In the event a premise becomes inactive, the Amortization Period shall be suspended until the premise is reactivated. The AEP Recovery Amount shall be divided by the number of months in the Amortization Period to establish a monthly AEP Charge. The AEP Charge shall be billed to each Consumer premise activating service within the initial five (5) year period following the in-service date of the extension.

ii. Recalculated AEP Charge and True-Up

At the end of year five (5) following the in-service date of an extension of facilities for which an AEP Charge has been established, the Company shall calculate the cost difference between the original MACC, based on estimated costs and revenues, and a recalculated MACC using the Company's actual capital investment costs (such costs to include the Company's allowed cost of capital) and the actual transportation revenues derived from the extension through the end of year five (5), (the "Recalculated AEP Recovery Amount"). In recalculating the MACC, the Company shall include any actual revenue received from Consumers or other entities, other than AEP Charge revenues, for the specific purpose of contributing to the recovery of the Company's capital investment cost for the extension. In recalculating the MACC, the Company shall assume that any additional capital investment required for the extension subsequent to year five (5) will be supported by the Company's base rates and charges. The actual transportation revenues derived from the extension in year

five (5) shall be assumed to be the annual revenues for the remaining life of the extension, for the purpose of recalculating the MACC. A Recalculated AEP Charge for the remaining Amortization Period shall be determined as follows:

(1) The Recalculated AEP Recovery Amount shall be divided by the actual number of Consumer premises for which gas service has been activated at the end of year five (5) following the in-service date of the extension. The Recalculated AEP Recovery Amount shall be divided by the number of months in the original Amortization Period for the AEP extension to establish a monthly Recalculated AEP Charge for each Consumer premise. The Recalculated AEP Charge shall be billed to each Consumer premise that received gas service during the five (5) year period following the in-service date of an AEP extension of facilities over the remaining months of the Amortization Period applicable to the premise.

(2) For each Consumer premise that received gas service during the five (5) year period following the in-service date of an AEP extension of facilities, the Company shall determine the total AEP Recovery Amount collected from the initial AEP Charge during the Billing Months. Such amount shall be compared to the AEP Recovery Amount that would have been recovered for each premise if the Recalculated AEP Charge had been in effect over the respective Billing Months for each premise (the "True-up Amount".) A charge or credit for the True-up Amount shall be rendered by the Company to each premise within sixty (60) days of the end of the five (5) year period following the in-service date of an AEP extension of facilities, Where a True-up Amount results in a charge to Consumers, the Company may extend the payment period to recover the True-up Amount.

(3) Neither the initial AEP Charge or the Recalculated AEP Charge shall be billed to any Consumer premise that activates gas service from an AEP extension of facilities subsequent to the end of the five (5) year period following the in-service date of an AEP extension of facilities,

(4) Revenues from the AEP Charge shall be credited against the Company's distribution main plant account, except that the Company shall retain, as a return on its capital

investment, a portion of such revenues equal to its allowed cost of capital.

4. Service Extensions From Existing Mains
   The Company shall extend service facilities connecting a Consumer premise to an existing main, where the Company's capital investment to install the service does not exceed the MACC. Where the service extension capital investment exceeds the MACC, the Consumer shall pay to the Company a non-refundable amount equal to the difference between the MACC and the estimated capital cost of the service extension.

5. Temporary Service
   In the case of temporary service for short-term use, Company may require Consumer to pay all costs of making the service connection and removing the material after service has been discontinued, or to pay a fixed amount in advance to cover such expense; provided, however, that Consumer shall be credited with reasonable salvage realized by Company when service is terminated.

6. Relocation of Distribution Facilities
   When alterations or additions to structures or improvements on premises to which Company provides transportation service necessitate the relocation of Company's distribution facilities, or when such relocation is requested by Consumer for any reason, Consumer may be required to reimburse Company for all or any part of the costs incurred by Company in the performance of such relocation.

AREA EXPANSION PROGRAM RIDER
Rate Schedule AEP-Rider

Availability:

Throughout the service areas of the Company.

Applicability:

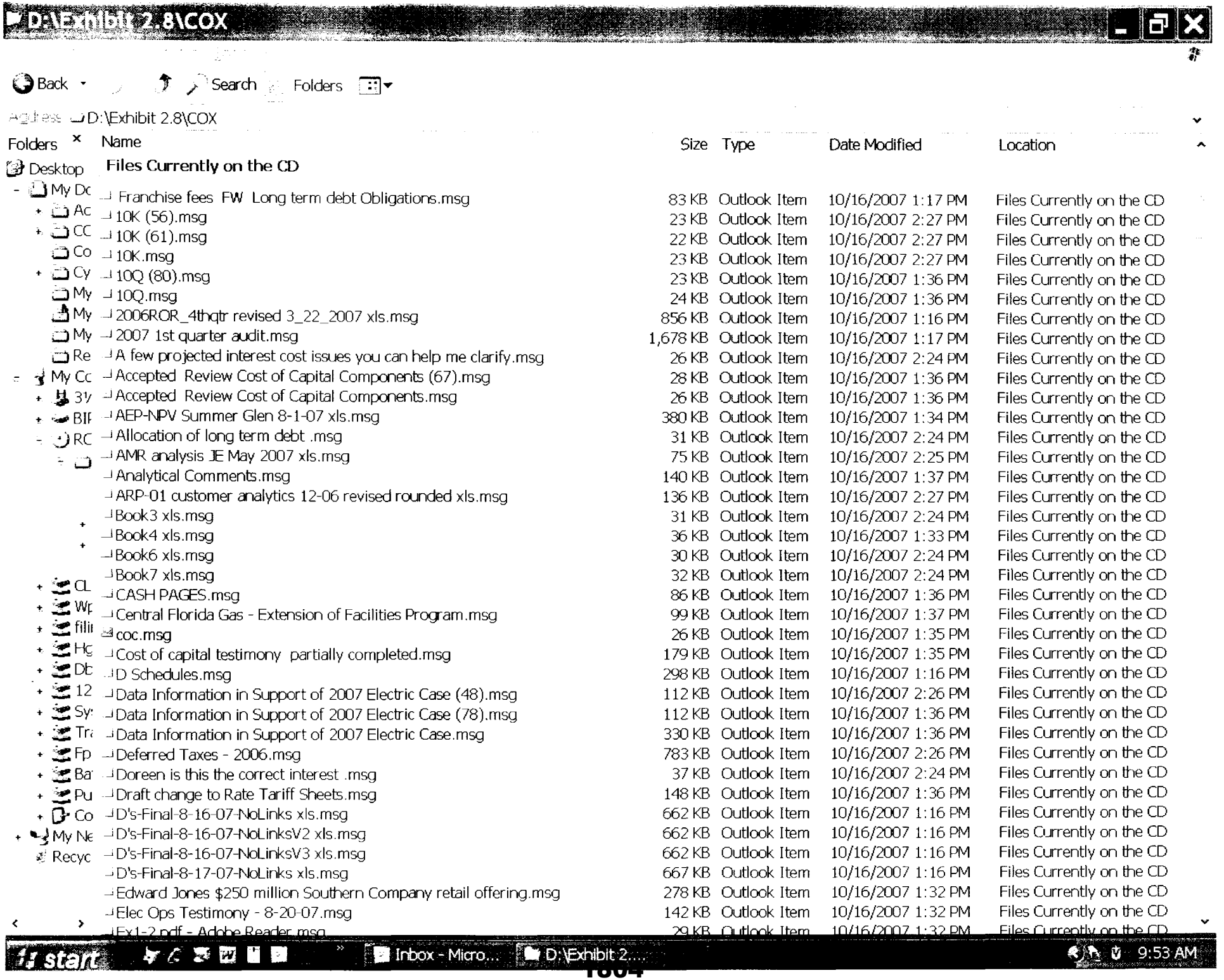
Consumers receiving Transportation Service at a premise that has been activated prior to the end of year 5 of a designated AEP project in accordance with Section M.4.

Monthly Rate:

The Firm Transportation Charge of the Monthly Rate for each applicable Consumer premise shall be adjusted for the monthly AEP Charge or the Recalculated AEP Charge, as determined in Section II.M.4.b. and Section II.M.4.c., respectively for the duration of the determined amortization period.

All applicable Consumers shall be charged or credited with the True-Up Amount as calculated in accordance with Section II.M.4.d.

Projects Subject to AEP Charge Premise	Monthly AEP Charge/Consumer
None	



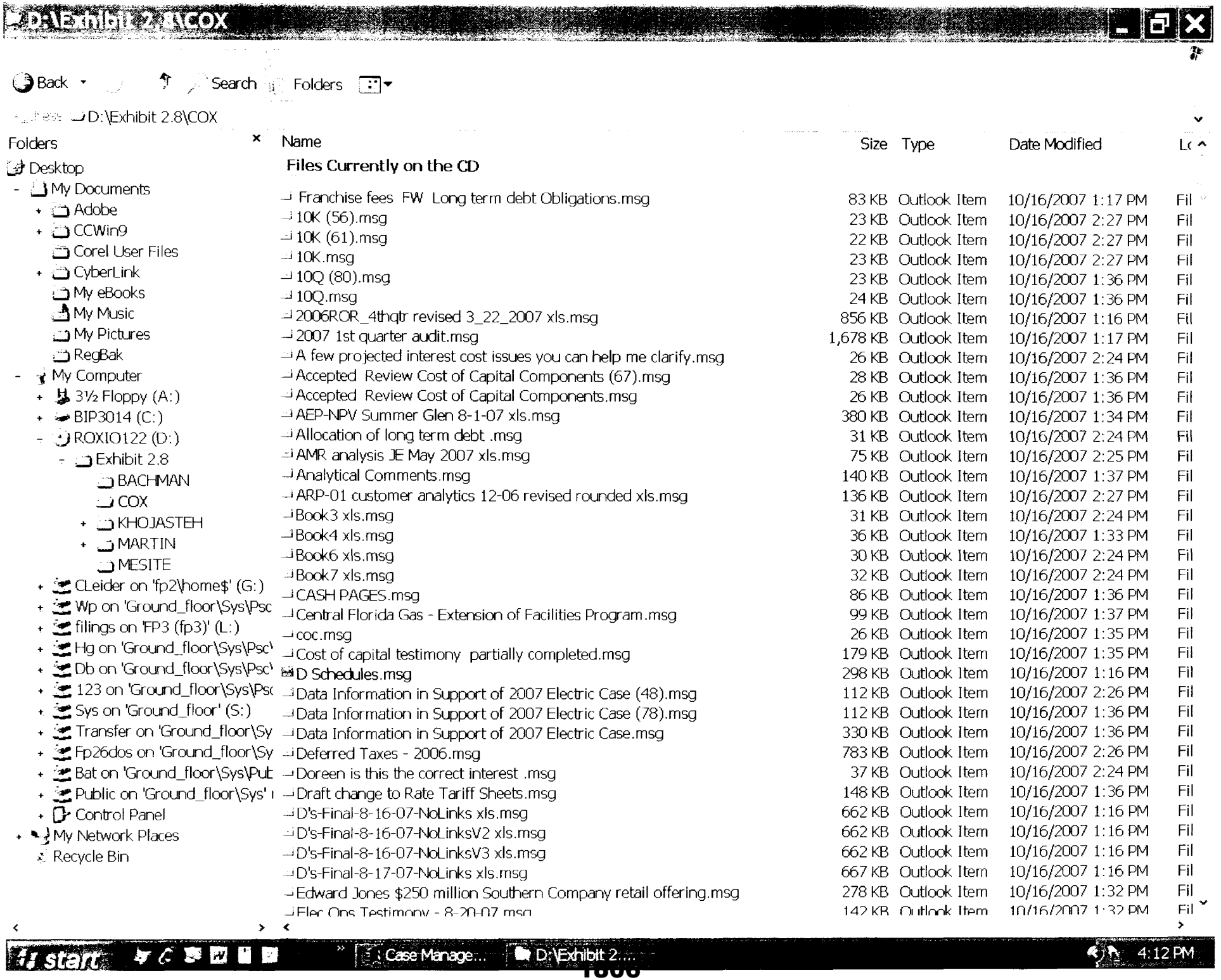
Friday, Mar 21, 2008 09:53 AM

Clara Leider

From: Martin Cheryl
Sent: Monday, August 06, 2007 2:18 PM
To: rjcamfield@lrca.com
Cc: Cox Doreen
Subject: coc

Robert, we are done correct with cost of capital rates? At this point that should be final.

Cheryl Martin
Controller
Florida Public Utilities Company
(561) 838-1725



Thursday, Mar 20, 2008 04:12 PM

Clara Leider

From: Robert Camfield [rjcamfield@CAEnergy.com]
Sent: Friday, June 15, 2007 5:37 AM
To: Cox Doreen
Cc: Martin Cheryl; Mike Welsh; Dan Hansen; Bachman George
Subject: D Schedules

Attachments: D's, 06-07.xls

D's,
06-07.xls

Doreen,

Attached please find the D Schedules for '06, '07 though the historical financial information is not yet completed. Please review and check this over at your convenience. Rate base amounts are needed in order to obtain accurate jurisdictional factors. Also, you, Cheryl, and perhaps George should review the policy statement regarding gains/losses shown on 4-b.

Let's talk later.

Robert

From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Thu 6/14/2007 10:36 AM
To: Robert Camfield
Subject: FW: Schedule H(D-3)

From: Martin Cheryl
Sent: Thursday, June 14, 2007 11:33 AM
To: Cox Doreen
Subject: RE: Schedule H(D-3)

Whatever makes sense. There are some schedules that do not make sense to keep projected separate from historic as they are comparisons to historic. IF that is the case, remove the projection schedule with the same name and complete as necessary in the historic.
Cheryl

From: Cox Doreen
Sent: Thursday, June 14, 2007 10:41 AM
To: Martin Cheryl
Cc: Robert Camfield
Subject: Schedule H(D-3)

Cheryl:

In the prior electric rate case there were certain schedules such as Sch D-3a where data for the Historical, Projected Prior Year and Projected Test Year were all presented on one Schedule.

In this filing should we show the historical (2006) only on Sch D-3 and the Projected Prior Year (2007) and Projected Test Year (2008) together on the H(D-3)?

This is what I suggested to Robert, but please confirm.

Thanks

Doreen

Schedule D-5 PREFERRED STOCK OUTSTANDING Page __ of __

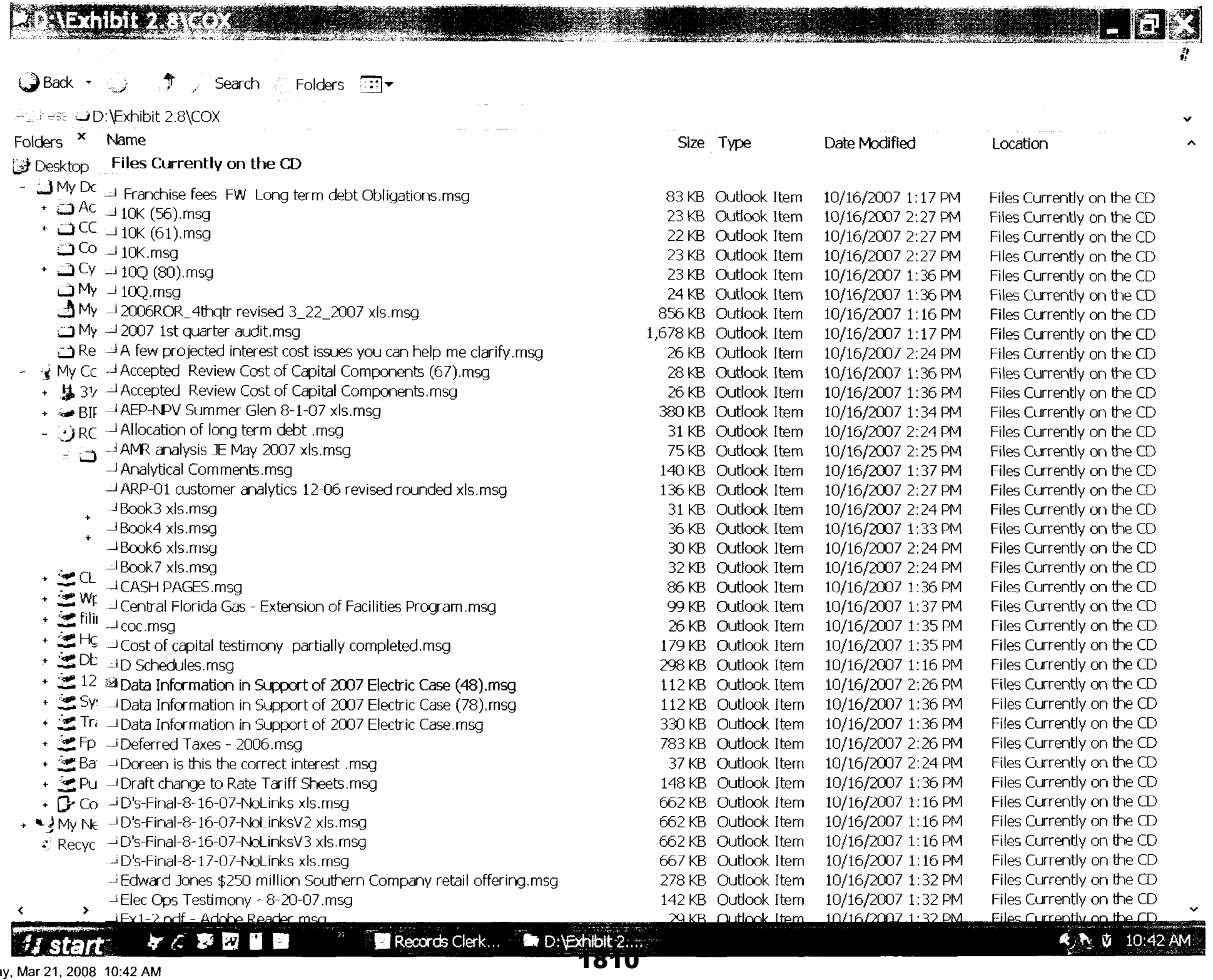
FLORIDA PUBLIC SERVICE COMMISSION
COMPANY:
DOCKET NO.:

EXPLANATION: Provide the data as specified for preferred stock on a 13-month average basis for the test year, prior year, and historical base year.

Type of Data Shown:
____ Projected Test Year Ended ___/___/___
____ Prior Year Ended ___/___/___
____ Historical Test Year Ended ___/___/___
Witness: Doreen Cox, Consultant

(1) Line No.	(2) Description, Coupon Rate	(3) Issue Date	(4) Call Provisions or Special Restrictions	(5) Principal Amount Sold	(6) 13-month Average Principal Amt. Outstanding	(7) (Discount) Premium on Principal Amount Sold	(8) (Discount) Premium Associated with (6)	(9) Issuing Expense on Principal Amount Sold	(10) Issuing Expense Associated with (6)	(11) Net Proceeds (6)+(8)-(10)	(12) Dollar Dividend on Face Value (2) X (6)	(13) Effective Cost Rate (12)/(11)
					For Historical Test Year 2006							
1.	4.75% Cumulati	12/28/1945		$600,000	$600,000	N/A	N/A	N/A	N/A	$600,000	$28,500	4.75%
2.	Preferred Stock											
3.												
4.					**For Prior Year 2007**							
5.	4.75% Cumulati	12/28/1945		$600,000	$600,000	N/A	N/A	N/A	N/A	$600,000	$28,500	4.75%
6.												
7.												
8.												
9.												
10.												
11.												
12.												
13.												
14.												
15.												
16.												
17.												
18.												
19.												
20.												
21.	Total			$600,000	$600,000	N/A	N/A	N/A	N/A	$600,000	$28,500	4.75%
22.	Weighted Average Cost of Preferred Stock											4.75%

Supporting Schedules: Recap Schedules:



Friday, Mar 21, 2008 10:42 AM

Clara Leider

From: Robert Camfield [rjcamfield@CAEnergy.com]
Sent: Thursday, May 10, 2007 2:27 PM
To: Mesite Jim; Martin Cheryl; Khojasteh Mehrdad; Cox Doreen
Cc: Bachman George; Mike Welsh; Dan Hansen
Subject: Data/Information in Support of 2007 Electric Case
Attachments: Determinants 1993 to 2002.xls; FPU_DI Request.doc

Colleagues,

Attached please find our data and information request in support of FPU's 2007 rate case. Accompanying the Data/Information List is a excel file containing billing determinants. We would like to obtain, if possible, updated billing determinants beyond 2002 in this format.

We believe that this information list identifies much of the core information that is needed at the outset. Undoubtedly, additional information will be needed as we get further into the development of the filing. Jim Mesite may have provided some of these data to Mike last week.

Do not hesitate to call Mike, Dan, or me at anytime. Doreen: I will check in with you a little later.

Regards,
Robert Camfield
CA Energy Consulting
Madison, Wisconsin 53705
Ph: 608-231-2266
Fx: 608-231-1365

Number of Customers: Fernandina Beach

Year	RS	GS	GSD	GSLD	
1993	9,390	968	191	2	
1994	9,663	967	208	2	
1995	9,886	1,012	218	2	
1996	10,189	1,039	218	2	
1997	10,600	1,073	215	2	
1998	10,967	1,139	224	2	
1999	11,314	1,222	227	2	
2000	11,702	1,264	230	1	
2001	12,008	1,286	234	2	
2002	12,307	1,311	237	2	
	RS	GS	GSD	GSLD	GSLD1
2002 chg	12,307	1,311	234	3	2

Number of Customers: Marianna

Year	RS	GS	GSD	GSLD
1993	9,080	1,691	325	0
1994	9,251	1,699	333	7
1995	9,404	1,689	344	8
1996	9,533	1,736	349	8
1997	9,619	1,763	351	8
1998	9,589	1,769	366	8
1999	9,635	1,816	359	9
2000	9,695	1,789	376	10
2001	9,644	1,688	395	10
2002	9,756	1,711	390	11

Total Usage: Fernandina Beach

Year	RS	GS	GSD	GSLD	
1993	126,992,861	16,795,533	76,423,409	94,864,000	
1994	127,154,036	16,833,329	77,865,727	66,996,000	
1995	141,307,226	19,344,754	82,192,284	81,342,000	
1996	147,587,588	20,665,475	83,247,553	93,784,000	
1997	145,055,460	21,697,558	85,040,908	*108,646,000*	
1998	162,642,881	25,486,082	97,778,509	*134,382,000*	
1999	161,757,745	25,842,156	97,494,752	151,120,000	
2000	170,509,568	28,164,825	98,500,134	*156,210,000*	
2001	177,413,763	31,312,856	104,620,391	117,670,000	
2002	187,599,399	34,073,738	105,011,095	99,750,000	
	RS	GS	GSD	GSLD	GSLD1
2002 chg	187,599,399	34,073,738	88,308,995	16,702,100	99,750,000

Total Usage: Marianna

Year	RS	GS	GSD	GSLD
1993	110,645,482	19,842,357	119,784,844	0
1994	109,734,985	19,990,768	82,782,982	39,367,620
1995	119,094,256	21,393,175	82,762,568	45,111,701
1996	124,725,949	22,837,644	84,225,231	45,116,436
1997	120,295,936	22,662,801	84,863,399	42,896,004
1998	130,755,007	25,149,014	91,263,337	38,730,984
1999	127,221,696	25,121,182	85,407,920	37,204,240
2000	133,191,572	26,170,145	88,105,375	40,212,810
2001	131,543,160	25,757,233	90,403,235	39,931,580
2002	143,758,003	29,175,030	92,675,518	45,440,704

Billed Demand: Fernandina Beach

Year	GSD	GSLD
1993	218,418	
1994	224,812	
1995	233,987	
1996	233,933	
1997	239,768	

Billed Demand: Marianna

Year	GSD	GSLD
1993	389,453	
1994	284,758	103,289
1995	280,477	116,430
1996	292,036	120,753
1997	295,046	109,011

1998			253,055	474,857		1998	307,351	89,067
1999			260,937	492,322		1999	304,502	94,638
2000			292,959	527,523		2000	304,216	92,746
2001			308,269	454,161		2001	308,691	89,594
2002			279,700	385,290		2002	321,002	101,866
	RS	GS	GSD	GSLD	GSLD1			
2002 chg			244,570	35,130	385,290			

Annual kVar: Fernandina Beach

Year				GSLD	
1998				16,912	
1999				12,307	
2000				4,097	
2001				1,800	
2002				6,899	
	RS	GS	GSD	GSLD	GSLD1
2002 chg					6,899

(Confidential; Not for General Circulation)

DATA AND INFORMATION LISTING

IN SUPPORT OF RATE CASE
of
FLORIDA PUBLIC UTILITIES COMPANY

prepared by:

CHRISTENSEN ASSOCIATES ENERGY CONSULTING

Madison, Wisconsin

May 10, 2007

The requested information is as follows:

1. Official financial statements (Annual Reports) including balance sheets, income statements, and internal cash flow, for 2004 - 2006. The reports should show:
   - Detailed statement of shareholder equity including preferred stock; and common stock shown for shares outstanding at par value, treasury shares, retained earnings, other paid in capital, and number of shares outstanding.
   - Detailed statement of cash flow and changes in financial position including dividend payments, retirement of and issuance of long-term debt, short-term borrowing, depreciation expenses, deferred taxes, and investment expenditures.
   - List of long- and short-term debt outstanding, shown by long-term debt issue and by short-term debt facility.
     - for individual long-term debt issues: term/duration; risk rating (if rated); coupon interest rate; issuance costs including legal, financial, underwriting expenses; and statement of net proceeds obtained. (Note: we have this information from the previous case, and we anticipate that only outstanding balances of L-T debt have changed.)
     - for short-term debt facilities: date that the facility was initiated; and the commercial terms to determine the interest rate for the facility.

2. Month-end balances of long- and short-term debt, preferred stock, common equity, accumulated deferred income taxes, investment tax credits, customer deposits, for December 2005 – December 2006. Projected month end balances will need to be developed for January 2007 – December 2007, and January 2008 – December 2008. (Note: we recognize that these data may not be available until the projected revenues and costs for 2007 – 2007 are determined.)

3. Year-end balances of plant accounts (including general plant) and operations and maintenance expenses (including A&G) for uniform system of accounts' plant accounts 350 -399 and expense accounts 501 – 598 and 901 - 935, for years 2002

- 2006. For plant accounts, please show additions, retirements, and account transfers. If available, it would be useful to obtain these data separately for the Northeast and Northwest Divisions. (The account numbers cited are for the Uniform System of Accounts consistent with Form 1 Reporting of the FERC.)

4. Estimates of average energy losses within power delivery, stated as a percentage of high-side power level, by low-side voltage level.
   - energy losses by load level for voltage levels, if available.

5. Planned capital expenditures for calendar years 2007 – 2008, shown for general category of expenditure such as facility construction, equipment item – e.g., transformers, new conductors, power delivery trucks and other vehicles, software, and computer equipment.

6. Annual billing determinants by customer class and service territory for 2003 through 2006. We have data for 1993 through 2002, which are attached in 'Determinants 1993 to 2002.xls'. Recall that the Fernandina Beach class definitions were altered, as reflected in the differences between the "2002" rows and the "2002 chg" rows. The old GSLD became GSLD1, and the old GSD was split between GSD and GSLD. In the previous rate case, this summary-level data was constructed by CA Energy Consulting from more detailed data, which FPU may provide in this case as well.

Number of Customers: Fernandina Beach

Year	RS	GS	GSD	GSLD	
1993	9,390	968	191	2	
1994	9,663	967	208	2	
1995	9,886	1,012	218	2	
1996	10,189	1,039	218	2	
1997	10,600	1,073	215	2	
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2002 chg	12,307	1,311	234	3	2

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Total Usage: Fernandina Beach

Year	RS	GS	GSD	GSLD	
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1995	141,307,226	19,344,754	82,192,284	81,342,000	
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1997	145,055,460	21,697,558	85,040,908	*108,646,000*	
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1999	161,757,745	25,842,156	97,494,752	151,120,000	
2000	170,509,568	28,164,825	98,500,134	*156,210,000*	
2001	177,413,763	31,312,856	104,620,391	117,670,000	
2002	187,599,399	34,073,738	105,011,095	99,750,000	
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2002 chg	187,599,399	34,073,738	88,308,995	16,702,100	99,750,000

Total Usage: Marianna

Year	RS	GS	GSD	GSLD
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1995	119,094,256	21,393,175	82,762,568	45,111,701
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1997	120,295,936	22,662,801	84,863,399	42,896,004
1998	130,755,007	25,149,014	91,263,337	38,730,984
1999	127,221,696	25,121,182	85,407,920	37,204,240
2000	133,191,572	26,170,145	88,105,375	40,212,810
2001	131,543,160	25,757,233	90,403,235	39,931,580
2002	143,758,003	29,175,030	92,675,518	45,440,704

Billed Demand: Fernandina Beach

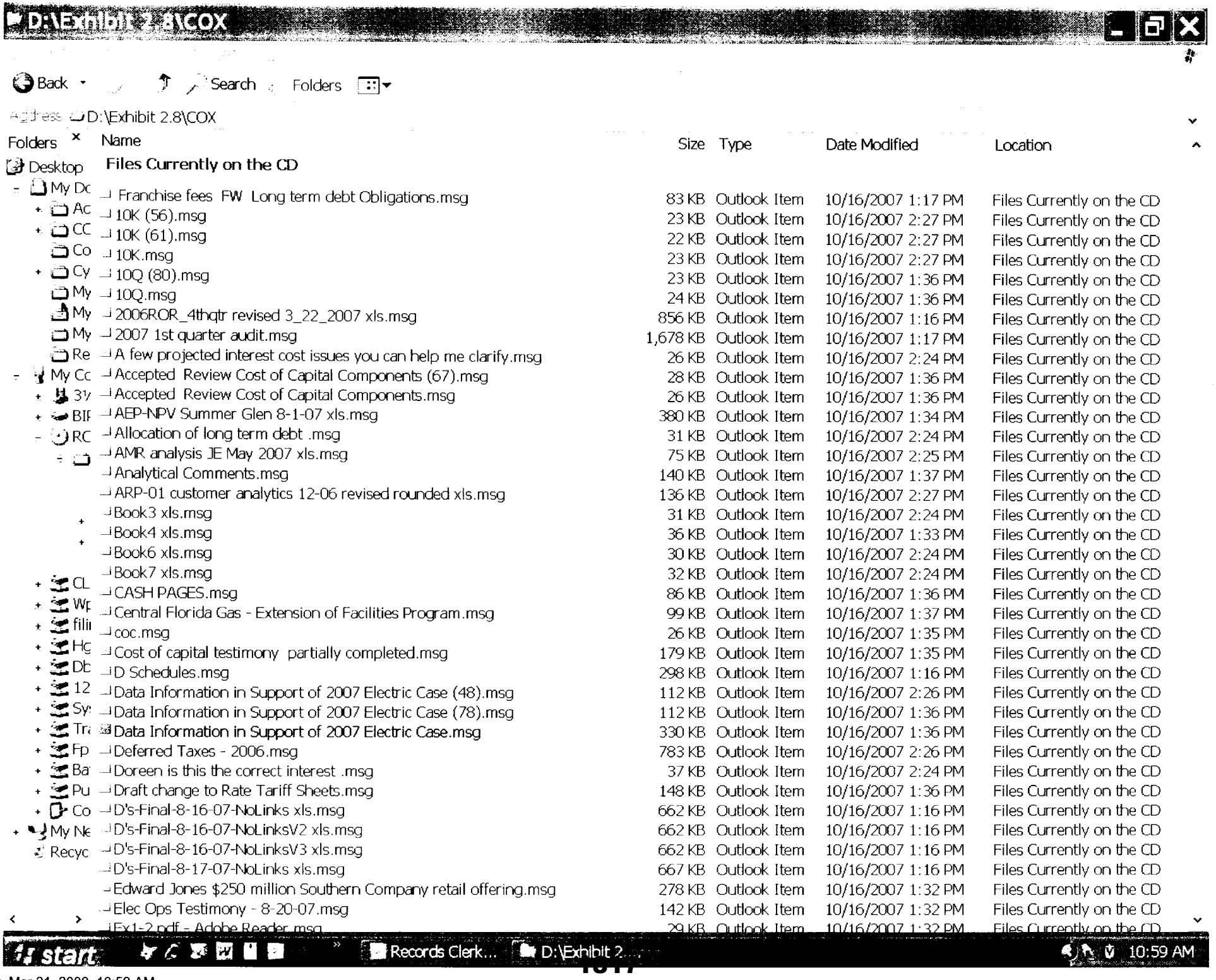
Year			GSD	GSLD	
1993			218,418		
1994			224,812		
1995			233,987		
1996			233,933		
1997			239,768		
1998			253,055	474,857	
1999			260,937	492,322	
2000			292,959	527,523	
2001			308,269	454,161	
2002			279,700	385,290	
	RS	GS	GSD	GSLD	GSLD1
2002 chg			244,570	35,130	385,290

Billed Demand: Marianna

Year	GSD	GSLD
1993	389,453	
1994	284,758	103,289
1995	280,477	116,430
1996	292,036	120,753
1997	295,046	109,011
1998	307,351	89,067
1999	304,502	94,638
2000	304,216	92,746
2001	308,691	89,594
2002	321,002	101,866

Annual kVar: Fernandina Beach

Year				GSLD	
1998				16,912	
1999				12,307	
2000				4,097	
2001				1,800	
2002				6,899	
	RS	GS	GSD	GSLD	GSLD1
2002 chg					6,899



Friday, Mar 21, 2008 10:59 AM

Clara Leider

From: Mesite Jim
Sent: Tuesday, May 15, 2007 3:44 PM
To: Robert Camfield
Cc: Mike Welsh; Dan Hansen; Martin Cheryl; Khojasteh Mehrdad; Cox Doreen
Subject: Data/Information in Support of 2007 Electric Case
Attachments: FPU_DI Request.doc; ELECT PLANT FERC 2003.xls; ELECT PLANT FERC 2004.xls; ELECT PLANT FERC 2005.xls; ELECT PLANT FERC 2006.xls

Good Afternoon Robert:

Here are the plant related items available at this time. Referring to you attached request:

- #3,
  - I have attached the 2003, 2004, 2005, 2006 Plant-Reserve Schedules from our annual filing – the beginning balances from the 2003 schedule will serve as the y/e 2002 balances.
    - Electric's data is shown separately by division.
  - I am inferring that by "including general plant" you also wanted the COMMON (Corporate) plant.
    - Common plant account data is located below the electric data in each years' schedules.
      - FYI , for 2007, except for computers and software, we are allocating Common plant to electric at 28% (10%Northwest/18% Northeast). For computers and software it is 34% to Electric (15% Northwest/19% Northeast).
- #5,
  - We have 2007 budgets but no formal information for 2008 at this time. 2007 is wide open at this point since the rate case was not under consideration when the budgets were prepared last fall.
    - If acceptable to you, I will hold off on sending you data for both of these years. I have received information for 2007 and 2008 but have not reviewed or assembled it yet into any useable form. I should have 2007 plant data by the end of this week, and 2008 sometime next week.

If you would like this information in a different format, please let me know.

Thank You,
Jim Mesite

Senior Project Accountant, Corporate Accounting
jmesite@fpuc.com
tel.561.838.1733
fax.561.366.1533

(Confidential; Not for General Circulation)

DATA AND INFORMATION LISTING

IN SUPPORT OF RATE CASE
of
FLORIDA PUBLIC UTILITIES COMPANY

prepared by:
CHRISTENSEN ASSOCIATES ENERGY CONSULTING
Madison, Wisconsin
May 10, 2007

The requested information is as follows:

1. ~~Official financial statements (Annual Reports) including balance sheets, income statements, and internal cash flow, for 2004 – 2006. The reports should show:~~

   - ~~Detailed statement of shareholder equity including preferred stock, and common stock shown for shares outstanding at par value, treasury shares, retained earnings, other paid in capital, and number of shares outstanding.~~
   - ~~Detailed statement of cash flow and changes in financial position including dividend payments, retirement of and issuance of long-term debt, short-term borrowing, depreciation expenses, deferred taxes, and investment expenditures.~~
   - ~~List of long- and short-term debt outstanding, shown by long-term debt issue and by short-term debt facility.~~
     - ~~for individual long-term debt issues: term/duration, risk rating (if rated); coupon interest rate; issuance costs including legal, financial, underwriting expenses; and statement of net proceeds obtained. (Note: we have this information from the previous case, and we anticipate that only outstanding balances of L-T debt have changed.)~~
     - ~~for short-term debt facilities: date that the facility was initiated; and the commercial terms to determine the interest rate for the facility.~~

2. ~~Month-end balances of long- and short-term debt, preferred stock, common equity, accumulated deferred income taxes, investment tax credits, customer deposits, for December 2005 – December 2006. Projected month-end balances will need to be developed for January 2007 – December 2007, and January 2008 – December 2008. (Note: we recognize that these data may not be available until the projected revenues and costs for 2007 – 2007 are determined.)~~

3. Year-end balances of plant accounts (including general plant) ~~and operations and maintenance expenses (including A&G) for uniform system of accounts' plant accounts 350 – 399 and expense accounts 501 – 598 and 901 – 935.~~ for years 2002 - 2006. For plant accounts, please show additions, retirements, and account transfers. If available, it would be useful to obtain these data separately for the Northeast and Northwest Divisions. (The account numbers cited are for the Uniform System of Accounts consistent with Form 1 Reporting of the FERC.)

4. ~~Estimates of average energy losses within power delivery, stated as a percentage of high-side power level, by low-side voltage level.~~

   - ~~energy losses by load level for voltage levels, if available.~~

5. Planned capital expenditures for calendar years 2007 – 2008, shown for general category of expenditure such as facility construction, equipment item – e.g., transformers, new conductors, power delivery trucks and other vehicles, software, and computer equipment.

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- ~~Annual billing determinants by customer class and service territory for 2003 through 2006. We have data for 1993 through 2002, which are attached in 'Determinants 1993 to 2002.xls'. Recall that the Fernandina Beach class definitions were altered, as reflected in the differences between the "2002" rows and the "2002 chg" rows. The old GSLD became GSLD1, and the old GSD was split between GSD and GSLD. In the previous rate case, this summary level data was constructed by CA Energy Consulting from more detailed data, which FPU may provide in this case as well.~~

FLORIDA PUBLIC UTILITIES COMPANY
NORTHWEST ELECTRIC DIVISION
REPORT OF DEPRECIATION DATA UNDER RULE 25-6.0436(8)
2003

	PLANT IN SERVICE ($)							RESERVE ($) (CREDIT BALANCES)								
Plant	Beginning Balance	Additions	Purchases & Adjustments	Transfers	Retirements	Ending Balance		Plant Acct.	Beginning Balance	Retirements	Accruals	Salvage	Cost of Removal	Purchases & Adjustments	Transfers	Reclassifications	Ending Balance
350	-					-		350	-	-							-
3501	-					-		3501	-	-							-
352	-					-		352	-	-							-
353	-					-		353	-	-							-
354	-					-		354	-	-							-
355	-					-		355	-	-							-
356	-					-		356	-	-							-
359	-					-		359	-	-							-
360	1,100					1,100		360	(4,645)	-	(3,381)						(8,026)
3601	16,000					16,000		3601	1,185	-	3,681						4,866
361	-					-		361	-	-							-
362	909,900	20,484			(293)	930,091		362	446,170	(293)	26,437		(823)				471,491
364	5,481,210	206,377			(66,212)	5,621,375		364	2,302,784	(66,212)	216,780	2,999	(31,888)				2,424,463
365	5,480,180	147,467			(25,103)	5,602,544		365	2,776,035	(25,103)	237,876	7,338	(16,885)				2,979,261
366	117,613	2,693				120,306		366	28,439	-	2,374	30					30,843
367	554,339	39,202			(572)	592,969		367	139,538	(572)	16,680	364	(59)				155,951
368	5,264,628	211,162			(29,667)	5,446,123		368	2,805,998	(29,667)	214,319	549	(2,755)				2,988,444
369	2,774,866	152,733			(29,007)	2,898,592		369	1,233,424	(29,007)	124,489	2,266	(2,967)				1,328,205
370	1,057,450	103,304			(12,497)	1,148,257		370	663,429	(12,497)	40,863	1,011	(37)				692,769
371	943,878	84,205			(32,813)	995,270		371	254,978	(32,813)	63,065	2,504	(2,545)				285,189
373	339,203	11,264			(6,045)	344,422		373	70,991	(6,045)	18,777	128	(436)				83,415
389	3,766					3,766		389	-	-							-
390	912,235	6,420				918,655		390	159,368	-	19,164						178,532
3911	2,657					2,657		3911	2,655	-							2,655
3912	13,755					13,755		3912	5,804	-	2,408						8,212
3913	83,066	3,014		4,959		91,039		3913	40,883	-	15,399				3,387		59,669
3921	41,517					41,517		3921	19,115	-	7,056						26,171
3922	217,029	35,647		(14,057)	(13,191)	225,428		3922	122,591	(13,191)	27,306	501			(8,696)		128,511
3923	929,016	438,357			(139,602)	1,227,771		3923	509,272	(139,602)	87,217	10,500					467,387
3924	72,546	30			(4,200)	68,376		3924	10,676	(4,200)	2,747	800					10,023
3931	86,430					86,430		3931	45,352	-	9,631						54,983
3932	761					761		3932	459	-	111						570
3941	4,952					4,952		3941	2,575	-	588						3,163
3942	20,022					20,022		3942	16,863	-	1,044						17,907
3951	33,572				(582)	32,990		3951	4,981	(582)	4,572						8,971
3952	21,322					21,322		3952	10,591	-	2,126						12,717
396	5,103					5,103		396	1,482	-	348						1,830
397	21,225					21,225		397	12,696	-	4,593						17,289
398	8,857	3,332			(2,677)	9,512		398	3,271	(2,677)	2,375	201					3,170
390	-	5,000				5,000		390	0	-							-
#REF!																(1,694,347)	(1,694,347)
	25,418,198	1,470,691	-	(9,098)	(362,461)	26,517,330			11,686,960	(362,461)	1,148,645	29,191	(58,395)	-	(5,309)	(1,694,347)	10,744,284

FLORIDA PUBLIC UTILITIES COMPANY
NORTHEAST FLORIDA ELECTRIC DIVISION
REPORT OF DEPRECIATION DATA UNDER RULE 25-6.0436(8)
2003

Plant	Beginning Balance	Additions	Purchases & Adjustments	Transfers	Retirements	Ending Balance
	PLANT IN SERVICE ($)					
350	17,629					17,629
3501	56,519					56,519
352	26,401					26,401
353	1,962,230					1,962,230
354	244,665					244,665
355	2,457,138	14,539			(121,162)	2,350,515
356	2,001,539	9,141		(447)	(201,446)	1,808,787
359	6,788					6,788
360	9,972					9,972
3601	188					188
361	96,042					96,042
362	2,407,122	28,075			(48,748)	2,386,449
364	1,790,638	159,826			(4,876)	1,945,588
365	2,851,608	128,275		446	(5,242)	2,975,087
366	1,618,058	156,685				1,774,743
367	2,985,369	130,283			(21,066)	3,094,586
368	5,929,807	328,129			(83,736)	6,174,200
369	3,811,582	282,407			(7,115)	4,086,874
370	1,836,002	85,517			(27,560)	1,893,959
371	519,649	96,981			(15,272)	601,358
373	730,811	36,206			(11,434)	755,583
389	68,696					68,696
390	447,128	2,619				449,747
3911	4,713					4,713
3912	23,961				(1,660)	22,301
3913	429,054	13,566		(11,001)		431,619
3921	54,504					54,504
3922	319,918				(18,969)	300,949
3923	726,038					726,038
3924	33,879	8,070			(7,423)	34,526
3931	20,488					20,488
3932	-					-
3941	32,821					32,821
3942	65,662	4,304			(1,155)	68,811
3951	30,675					30,675
3952	17,236					17,236
396	111,539					111,539
397	107,469					107,469
398	11,180					11,180
399	-	5,000				5,000
#REF!						
	33,864,718	1,489,623	-	(11,002)	(576,864)	34,766,475

Plant Acct.	Beginning Balance	Retirements	Accruals	Salvage	Cost of Removal	Purchases & Adjustments	Transfers	Reclassifications	Ending Balance
	RESERVE ($) (CREDIT BALANCES)								
350	28,856	-	(28,856)						-
3501	-	-	30,044						30,044
352	12,395	-	552						12,947
353	811,761	-	49,056						860,817
354	161,763	-	4,404						166,167
355	664,409	(121,162)	90,972		(1,466)				632,753
356	394,847	(201,446)	58,398		(201)		(93)		251,505
359	2,861	-	264						3,125
360	121	-	(121)						-
3601	-	-	133						133
361	22,171	-	2,112						24,283
362	997,690	(48,748)	92,933		(8,029)				1,033,846
364	829,472	(4,876)	91,534		(11,938)				904,192
365	1,356,082	(5,242)	130,995	1,209	(4,382)		93		1,478,755
366	350,454	-	34,086			-			384,540
367	1,046,816	(21,066)	85,410		(2,287)	-			1,108,873
368	2,571,669	(83,736)	264,571		(13,033)				2,739,471
369	1,497,046	(7,115)	149,593		(5,621)				1,633,903
370	941,981	(27,560)	65,221		(1,320)				978,322
371	164,221	(15,272)	33,886		(2,031)				180,804
373	213,368	(11,434)	31,826		(1,073)				232,687
389	6,704	-							6,704
390	193,896	-	8,970						202,866
3911	2,924	-	460						3,384
3912	18,104	(1,660)	1,992						18,436
3913	233,676	-	74,429				(3,387)		304,718
3921	24,383	-	3,324						27,707
3922	183,154	(18,969)	40,356	1,102					205,643
3923	394,447	-	60,984						455,431
3924	9,364	(7,423)	885	301					3,127
3931	16,632	-	960						17,592
3932	-	-							-
3941	14,329	-	4,641						18,970
3942	39,673	(1,155)	6,886	100	(50)				45,454
3951	15,896	-	3,695						19,591
3952	15,530	-	432						15,962
396	72,462	-	4,680						77,142
397	78,033	-	14,023						92,056
398	7,991	-	966						8,957
390	0	-	-						-
								(1,600,965)	(1,600,965)
	13,395,181	(576,864)	1,414,696	2,712	(51,431)	-	(3,387)	(1,600,965)	12,579,942

FLORIDA PUBLIC UTILITIES COMPANY
NORTHWEST ELECTRIC DIVISION
REPORT OF DEPRECIATION DATA UNDER RULE 25-6.0436(8)
2004

Plant	Beginning Balance	Additions	Purchases & Adjustments	Transfers	Retirements	Ending Balance
350	-	-			-	-
3501	-	-			-	-
352	-	-			-	-
353	-	-			-	-
354	-	-			-	-
355	-	-			-	-
356	-	-			-	-
359	-	-			-	-
360	1,100	-			-	1,100
3601	16,000	5,200			-	21,200
361	-	-			-	-
362	930,091	29,554			-	959,645
364	5,621,375	532,848			(49,025)	6,105,198
365	5,602,544	294,480			(24,432)	5,872,592
366	120,306	7,154			(21)	127,439
367	592,969	112,027			(4,678)	700,318
368	5,446,123	218,469			(31,348)	5,633,244
369	2,898,592	166,142			(2,541)	3,062,193
370	1,148,257	82,872			(16,313)	1,214,816
371	995,270	74,785			(35,838)	1,034,217
373	344,422	17,738			(9,217)	352,943
389	3,766	-			-	3,766
390	918,656	5,343			-	923,999
3911	2,656	-			-	2,656
3912	13,755	-			-	13,755
3913	91,040	12,942			-	103,982
3921	41,517	-			-	41,517
3922	225,427	-			(29,361)	196,066
3923	1,227,771	28,290			(126,311)	1,129,750
3924	68,376	-			-	68,376
3931	86,430	-			-	86,430
3932	761	-			-	761
3941	4,952	-			-	4,952
3942	20,022	3,542			(1,628)	21,936
3951	32,991	-			-	32,991
3952	21,322	-			-	21,322
396	5,103	-			-	5,103
397	21,224	37,657			-	58,881
398	9,512	-			-	9,512
399	5,000	-			-	5,000
	26,517,330	1,629,043	-	-	(330,713)	27,815,660

Plant Acct.	Beginning Balance	Retirements	Accruals	Salvage	Cost of Removal	Purchases & Adjustments	Transfers	Reclassifications	Ending Balance
350	-	-	-						-
3501	-	-	-						-
352	-	-	-						-
353	-	-	-						-
354	-	-	-						-
355	-	-	-						-
356	-	-	-						-
359	-	-	-						-
360	-	-	-						-
3601	3,681	-	318						3,999
361	-	-	-						-
362	471,491	-	28,201		(103)				499,589
364	2,417,620	(49,025)	246,838	7,841	(36,588)	4,320			2,590,906
365	2,979,261	(24,432)	217,315	5,318	(16,841)	2,571		(245,699)	2,917,493
366	30,843	(21)	2,395	388		21			33,626
367	155,952	(4,678)	17,723	223	(443)	1,800			170,577
368	2,988,449	(31,348)	232,873	22	(4,907)	7,109		177,659	3,369,857
369	1,328,205	(2,541)	113,085	1,483	(3,700)				1,436,532
370	692,766	(16,313)	42,333		(129)				718,657
371	285,187	(35,838)	61,867	3,241	(3,073)				311,384
373	83,412	(9,217)	19,527	88	(1,246)				92,564
389	-	-	-						-
390	178,534	-	18,408						196,942
3911	2,656	-	-						2,656
3912	8,211	-	1,149						9,360
3913	59,671	-	14,766						74,437
3921	26,171	-	3,816						29,987
3922	128,511	(29,361)	25,199	3,353				(40,606)	87,096
3923	467,387	(126,311)	113,084	27,000				40,606	521,766
3924	10,023	-	2,736						12,759
3931	54,974	-	9,342						64,316
3932	570	-	108						678
3941	3,172	-	593						3,765
3942	17,907	(1,628)	1,116						17,395
3951	8,974	-	4,574						13,548
3952	12,715	-	1,937						14,652
396	1,830	-	324						2,154
397	17,288	-	3,622						21,110
398	3,170	-	1,260						4,430
399	-	-	1,000						1,000
	12,438,631	(330,713)	1,185,709	48,957	(67,130)	15,821	-	(68,040)	13,223,235

FLORIDA PUBLIC UTILITIES COMPANY
NORTHEAST FLORIDA ELECTRIC DIVISION
REPORT OF DEPRECIATION DATA UNDER RULE 25-6.0436(8)
2004

Plant	Beginning Balance	Additions	Purchases & Adjustments	Transfers	Retirements	Ending Balance
350	17,629	-			-	17,629
3501	56,519	-			-	56,519
352	26,401	-			-	26,401
353	1,962,229	-			-	1,962,229
354	244,665	-			-	244,665
355	2,350,515	-			-	2,350,515
356	1,808,787	1,856			(4,236)	1,806,407
359	6,788	-			-	6,788
360	9,972	-			-	9,972
3601	188	-			-	188
361	96,042	-			-	96,042
362	2,386,449	(13,108)			-	2,373,341
364	1,945,588	145,309			(3,330)	2,087,567
365	2,975,088	116,624			(3,993)	3,087,719
366	1,774,743	165,571			(72)	1,940,242
367	3,094,586	198,481			(26,744)	3,266,323
368	6,174,199	439,979			(33,025)	6,581,153
369	4,086,874	245,350			(6,676)	4,325,548
370	1,893,960	85,841			(22,720)	1,957,081
371	601,356	114,910			(13,324)	702,942
373	755,584	11,990			(7,127)	760,447
389	68,696	-			-	68,696
390	449,747	2,402			-	452,149
3911	4,713	-			-	4,713
3912	22,301	-			-	22,301
3913	431,619	4,558			(14,042)	422,135
3921	54,503	-			-	54,503
3922	300,948	-			-	300,948
3923	726,039	136,513			-	862,552
3924	34,527	-			-	34,527
3931	20,488	-			-	20,488
3932	-	-			-	-
3941	32,821	-			-	32,821
3942	68,811	5,895			-	74,706
3951	30,675	-			-	30,675
3952	17,237	-			(5,523)	11,714
396	111,539	-			-	111,539
397	107,469	-			-	107,469
398	11,180	-			-	11,180
399	5,000	-			-	5,000
	34,766,475	1,662,171	-	-	(140,812)	36,287,834

Plant Acct.	Beginning Balance	Retirements	Accruals	Salvage	Cost of Removal	Purchases & Adjustments	Transfers	Reclassifications	Ending Balance
350	-	-	-						-
3501	30,044	-	1,248						31,292
352	12,947	-	528		(46)				13,429
353	860,817	-	45,132		(117,852)			(163,432)	624,665
354	166,167	-	5,388						171,555
355	632,753	-	89,316		(660)				721,409
356	251,505	(4,236)	57,865		(183)			163,432	468,383
359	3,125	-	264						3,389
360	-	-	-						-
3601	133	-	-						133
361	24,283	-	2,112						26,395
362	1,033,846	-	71,570		2,593				1,108,009
364	904,192	(3,330)	84,197		(34,097)	653			951,615
365	1,478,754	(3,993)	115,096	899	(18,273)	1,513		(132,299)	1,441,697
366	384,540	(72)	37,203	25	(638)				421,058
367	1,108,873	(26,744)	92,727	92	(2,804)				1,172,144
368	2,739,468	(33,025)	266,363	588	(21,082)			200,339	3,152,651
369	1,633,906	(6,676)	159,633	1,017	(6,999)				1,780,881
370	978,320	(22,720)	69,636	156	(1,496)				1,023,896
371	180,803	(13,324)	39,287	128	(2,831)				204,063
373	232,689	(7,127)	42,556	2	(1,056)				267,064
389	6,704	-	-						6,704
390	202,865	-	9,036						211,901
3911	3,394	-	329						3,723
3912	18,439	-	1,950						20,389
3913	304,711	(14,042)	53,648						344,317
3921	27,706	-	5,016						32,722
3922	205,642	-	34,008					(53,826)	185,824
3923	455,431	-	76,543					53,826	585,800
3924	3,127	-	1,380						4,507
3931	17,600	-	963						18,563
3932	-	-	-						-
3941	18,960	-	4,575						23,535
3942	45,474	-	5,498						50,972
3951	19,590	-	3,695						23,285
3952	15,948	(5,523)	430						10,855
396	77,142	-	7,032						84,174
397	92,054	-	13,895						105,949
398	8,955	-	607						9,562
399	-	-	1,000						1,000
	14,160,907	(140,812)	1,399,726	2,907	(205,424)	2,166	-	68,040	15,307,510

FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED ELECTRIC DIVISIONS
REPORT OF DEPRECIATION DATA UNDER RULE 25-6.0436(8)
2004

	PLANT IN SERVICE ($)						RESERVE ($) (CREDIT BALANCES)								
Plant	Beginning Balance	Additions	Purchases & Adjustments	Transfers	Retirements	Ending Balance	Plant Acct	Beginning Balance	Retirements	Accruals	Salvage	Cost of Removal	Purchases & Adjustments	Transfers	Reclass/ Incations	Ending Balance
350	17,629	-	-	-	-	17,629	350	-	-	-	-	-	-	-	-	-
3501	56,519	-	-	-	-	56,519	3501	30,044	-	1,248	-	-	-	-	-	31,292
352	26,401	-	-	-	-	26,401	352	12,947	-	528	-	(46)	-	-	-	13,429
353	1,962,229	-	-	-	-	1,962,229	353	860,817	-	45,132	-	(11,752)	-	-	(163,432)	730,765
354	244,665	-	-	-	-	244,665	354	166,167	-	5,388	-	-	-	-	-	171,555
355	2,350,515	-	-	-	-	2,350,515	355	632,753	-	89,316	-	(660)	-	-	-	721,409
356	1,808,787	1,856	-	-	(4,236)	1,806,407	356	251,505	(4,236)	57,865	-	(183)	-	-	163,432	468,383
359	6,788	-	-	-	-	6,788	359	3,125	-	264	-	-	-	-	-	3,389
360	11,072	-	-	-	-	11,072	360	-	-	-	-	-	-	-	-	-
3601	16,188	5,200	-	-	-	21,388	3601	3,814	-	318	-	-	-	-	-	4,132
361	96,042	-	-	-	-	96,042	361	24,283	-	2,112	-	-	-	-	-	26,395
362	3,316,540	16,446	-	-	-	3,332,986	362	1,505,337	-	99,771	-	2,490	-	-	-	1,607,598
364	7,566,963	678,157	-	-	(52,355)	8,192,765	364	3,321,812	(52,355)	331,035	7,841	(70,785)	4,973	-	-	3,542,521
365	8,577,632	411,104	-	-	(28,425)	8,960,311	365	4,458,015	(28,425)	332,411	6,217	(35,114)	4,084	-	(377,998)	4,359,190
366	1,895,049	172,725	-	-	(93)	2,067,681	366	415,383	(93)	39,598	413	(638)	21	-	-	454,684
367	3,687,555	310,508	-	-	(31,422)	3,966,641	367	1,264,825	(31,422)	110,450	315	(3,247)	1,800	-	-	1,342,721
368	11,620,322	658,448	-	-	(64,373)	12,214,397	368	5,727,917	(64,373)	499,236	610	(25,989)	7,109	-	377,998	6,522,508
369	6,985,466	411,492	-	-	(9,217)	7,387,741	369	2,962,111	(9,217)	272,718	2,500	(10,699)	-	-	-	3,217,413
370	3,042,217	168,713	-	-	(39,033)	3,171,897	370	1,671,086	(39,033)	111,969	156	(1,625)	-	-	-	1,742,553
371	1,596,626	189,695	-	-	(49,162)	1,737,159	371	465,990	(49,162)	101,154	3,369	(5,904)	-	-	-	515,447
373	1,100,006	29,728	-	-	(16,344)	1,113,390	373	316,101	(16,344)	62,083	90	(2,302)	-	-	-	359,628
389	72,462	-	-	-	-	72,462	389	6,704	-	-	-	-	-	-	-	6,704
390	1,368,403	7,745	-	-	-	1,376,148	390	381,399	-	27,444	-	-	-	-	-	408,843
3911	7,369	-	-	-	-	7,369	3911	6,050	-	329	-	-	-	-	-	6,379
3912	36,056	-	-	-	-	36,056	3912	26,650	-	3,099	-	-	-	-	-	29,749
3913	522,659	17,500	-	-	(14,042)	526,117	3913	364,382	(14,042)	68,414	-	-	-	-	-	418,754
3921	96,020	-	-	-	-	96,020	3921	53,877	-	8,832	-	-	-	-	-	62,709
3922	526,375	-	-	-	(29,361)	497,014	3922	334,153	(29,361)	59,207	3,353	-	-	-	(94,432)	272,920
3923	1,953,810	164,803	-	-	(126,311)	1,992,302	3923	922,818	(126,311)	189,627	27,000	-	-	-	94,432	1,107,566
3924	102,903	-	-	-	-	102,903	3924	13,150	-	4,116	-	-	-	-	-	17,266
3931	106,918	-	-	-	-	106,918	3931	72,574	-	10,305	-	-	-	-	-	82,879
3932	761	-	-	-	-	761	3932	570	-	108	-	-	-	-	-	678
3941	37,773	-	-	-	-	37,773	3941	22,132	-	5,168	-	-	-	-	-	27,300
3942	88,833	9,437	-	-	(1,628)	96,642	3942	63,381	(1,628)	6,614	-	-	-	-	-	68,367
3951	63,666	-	-	-	-	63,666	3951	28,564	-	8,269	-	-	-	-	-	36,833
3952	38,559	-	-	-	(5,523)	33,036	3952	28,663	(5,523)	2,367	-	-	-	-	-	25,507
396	116,642	-	-	-	-	116,642	396	78,972	-	7,356	-	-	-	-	-	86,328
397	128,693	37,657	-	-	-	166,350	397	109,342	-	17,717	-	-	-	-	-	127,059
398	20,692	-	-	-	-	20,692	398	12,125	-	1,867	-	-	-	-	-	13,992
399	10,000	-	-	-	-	10,000	399	-	-	2,000	-	-	-	-	-	2,000
Reclassification for SFAS no. 143 COR															(4,458,070)	(4,458,070)
	61,283,805	3,291,214	-	-	(471,525)	64,103,494		26,619,538	(471,525)	2,585,435	51,864	(166,454)	17,987	-	(4,458,070)	24,178,775

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FLORIDA PUBLIC UTILITIES COMPANY
NORTHWEST ELECTRIC DIVISION
REPORT OF DEPRECIATION DATA UNDER RULE 25-6.0436(8)
2005

PLANT IN SERVICE ($)

Plant	Beginning Balance	Additions	Purchases & Adjustments	Transfers	Retirements	Ending Balance
350	-	-	-	-	-	-
3501	-	-	-	-	-	-
352	-	-	-	-	-	-
353	-	-	-	-	-	-
354	-	-	-	-	-	-
355	-	-	-	-	-	-
356	-	-	-	-	-	-
359	-	-	-	-	-	-
360	1,100	-	-	-	-	1,100
3601	21,200	-	-	-	-	21,200
361	-	-	-	-	-	-
362	959,645	19,708	-	-	(65,369)	913,984
364	6,105,198	239,495	-	-	(42,905)	6,301,788
365	5,872,592	144,776	-	-	(21,859)	5,995,509
366	127,439	5,461	-	-	-	132,900
367	700,318	31,290	-	-	(4,599)	727,009
368	5,633,244	225,542	-	-	(60,768)	5,798,018
369	3,062,193	182,652	-	-	(12,163)	3,232,682
370	1,214,816	81,868	-	-	(41,513)	1,255,171
371	1,034,217	67,960	-	-	(29,140)	1,073,037
373	352,943	11,352	-	-	(5,036)	359,259
389	3,766	-	-	-	-	3,766
390	923,999	-	-	-	(827)	923,172
3911	2,656	-	-	-	-	2,656
3912	13,755	-	-	-	(2,085)	11,670
3913	103,982	-	-	2,014	(17,674)	88,322
391305	-	-	-	-	-	-
3921	41,517	-	-	-	-	41,517
3922	196,066	40,744	-	-	-	236,810
3923	1,129,750	-	-	-	(79,516)	1,050,234
3924	68,376	-	-	-	-	68,376
3931	86,430	-	-	-	-	86,430
3932	761	-	-	-	-	761
3941	4,952	-	-	-	(588)	4,364
3942	21,936	-	-	-	(3,990)	17,946
3951	32,991	-	-	-	-	32,991
3952	21,322	-	-	-	(605)	20,717
396	5,103	-	-	-	(1,172)	3,931
397	58,881	-	-	-	-	58,881
398	9,512	-	-	-	-	9,512
399	5,000	-	-	-	-	5,000
	27,615,660	1,050,848	-	2,014	(389,809)	28,478,713

RESERVE ($) (CREDIT BALANCES)

Plant Acct	Beginning Balance	Retirements	Accruals	Salvage	Cost of Removal	Purchases & Adjustments	Transfers	Revised Reserves	Ending Balance
350	-	-	-	-	-	-	-	-	-
3501	-	-	-	-	-	-	-	-	-
352	-	-	-	-	-	-	-	-	-
353	-	-	-	-	-	-	-	-	-
354	-	-	-	-	-	-	-	-	-
355	-	-	-	-	-	-	-	-	-
356	-	-	-	-	-	-	-	-	-
359	-	-	-	-	-	-	-	-	-
360	-	-	-	-	-	-	-	-	-
3601	3,999	-	408	-	-	-	-	-	4,407
361	-	-	-	-	-	-	-	-	-
362	499,589	(65,369)	27,946	-	-	-	-	-	462,168
364	2,590,906	(42,905)	280,831	1,518	(29,276)	1,439	-	-	2,782,313
365	2,917,493	(21,859)	225,352	7,453	(20,449)	1,695	-	-	3,109,685
366	33,626	-	2,609	174	-	-	-	-	36,409
367	170,577	(4,599)	20,579	2,854	-	-	-	-	189,411
368	3,369,857	(60,768)	240,471	756	(7,804)	299	-	-	3,542,811
369	1,436,532	(12,163)	119,208	3,394	(6,373)	423	-	-	1,541,021
370	718,657	(41,513)	44,801	-	(2,643)	-	-	-	719,302
371	311,384	(29,140)	64,029	2,252	(3,992)	-	-	-	344,533
373	92,564	(5,036)	19,954	68	(470)	-	-	-	107,080
389	-	-	-	-	-	-	-	-	-
390	196,942	(827)	18,480	-	-	-	-	-	214,595
3911	2,656	-	-	-	-	-	-	-	2,656
3912	9,360	(2,085)	1,149	-	-	-	-	-	8,424
3913	74,437	(17,674)	10,768	-	-	-	-	-	67,531
391305	-	-	-	-	-	-	-	-	-
3921	29,987	-	3,816	-	-	-	-	-	33,803
3922	87,096	-	24,456	-	-	-	-	-	111,552
3923	521,766	(79,516)	102,288	-	-	-	-	-	544,538
3924	12,759	-	2,736	-	-	-	-	-	15,495
3931	64,316	-	9,342	-	-	-	-	-	73,658
3932	678	-	84	-	-	-	-	-	762
3941	3,765	(588)	593	-	-	-	-	-	3,770
3942	17,395	(3,990)	1,362	-	-	-	-	-	14,767
3951	13,548	-	4,574	-	-	-	-	-	18,122
3952	14,652	(605)	1,720	-	-	-	-	-	15,767
396	2,154	(1,172)	294	-	-	-	-	-	1,276
397	21,110	-	8,496	-	-	-	-	-	29,606
398	4,430	-	1,272	-	-	-	-	-	5,702
399	1,000	-	1,000	-	-	-	-	-	2,000
	13,223,235	(389,809)	1,218,420	18,469	(71,007)	3,856	-	-	14,003,164

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FLORIDA PUBLIC UTILITIES COMPANY
NORTHEAST FLORIDA ELECTRIC DIVISION
REPORT OF DEPRECIATION DATA UNDER RULE 25-6.0436(8)
2005

PLANT IN SERVICE ($)

Plant	Beginning Balance	Additions	Purchases & Adjustments	Transfers	Retirements	Ending Balance
350	17,629	-	-	-	-	17,629
3501	56,519	-	-	-	-	56,519
352	26,401	-	-	-	(4,395)	22,006
353	1,962,229	629,426	-	-	(177,023)	2,414,632
354	244,685	-	-	(20,000)	-	224,685
355	2,350,515	40,759	-	34,870	(91,871)	2,334,273
356	1,806,407	24,155	-	-	(4,936)	1,825,626
359	6,788	-	-	-	-	6,788
360	9,972	-	-	-	-	9,972
3601	188	-	-	-	-	188
361	96,042	-	-	-	-	96,042
362	2,373,341	2,372,401	-	-	(519,269)	4,226,473
364	2,087,567	168,041	-	(38,849)	(5,474)	2,211,285
365	3,087,719	125,410	-	18,482	(5,216)	3,226,395
366	1,940,242	297,545	-	2,235	-	2,240,022
367	3,266,323	420,278	-	1,905	(4,583)	3,683,923
368	6,581,153	322,779	-	-	(25,704)	6,878,228
369	4,325,548	264,624	-	-	(905)	4,589,267
370	1,957,081	97,659	-	-	(27,071)	2,027,669
371	702,942	57,947	-	-	(1,594)	759,295
373	760,447	34,624	-	1,357	(3,033)	793,395
389	68,696	-	-	-	-	68,696
390	452,149	40,815	-	-	-	492,964
3911	4,713	-	-	-	-	4,713
3912	22,301	-	-	-	(5,919)	16,382
3913	422,135	9,101	(321,670)	12,379	(12,877)	109,068
391305	-	-	321,670	-	-	321,670
3921	54,503	-	-	-	-	54,503
3922	300,948	-	-	(21,789)	-	279,159
3923	862,552	-	-	-	-	862,552
3924	34,527	-	-	-	-	34,527
3931	20,488	-	-	-	-	20,488
3932	-	-	-	-	-	-
3941	32,821	-	-	-	(1,257)	31,564
3942	74,706	9,557	-	-	(5,029)	79,234
3951	30,675	-	-	-	-	30,675
3952	11,714	1,260	-	-	(1,601)	11,373
396	111,539	1,498	-	-	(5,350)	107,687
397	107,469	-	-	-	(10,999)	96,470
398	11,180	-	-	-	(3,705)	7,475
399	5,000	-	-	-	-	5,000
	36,287,834	4,917,879	-	(9,410)	(917,811)	40,278,492

RESERVE ($) (CREDIT BALANCES)

Plant Acct	Beginning Balance	Retirements	Accruals	Salvage	Cost of Removal	Purchases & Adjustments	Transfers	Revised Reserves	Ending Balance
350	-	-	-	-	-	-	-	-	-
3501	31,292	-	1,248	-	-	-	-	-	32,540
352	13,429	(4,395)	479	301	-	-	-	-	9,814
353	730,765	(177,023)	45,416	-	(45,331)	-	-	-	553,827
354	171,555	-	5,186	-	(12)	-	(14,208)	-	162,501
355	721,409	(91,871)	87,895	-	-	-	22,178	-	739,611
356	468,383	(4,936)	57,858	-	(5,796)	-	-	-	515,509
359	3,389	-	264	-	-	-	-	-	3,653
360	-	-	-	-	-	-	-	-	-
3601	133	-	-	-	-	-	-	-	133
361	26,395	-	2,112	-	-	-	-	-	28,507
362	1,108,009	(519,270)	72,954	-	(20,133)	-	-	-	641,560
364	951,615	(5,474)	90,014	1,199	(36,197)	-	(17,934)	-	983,223
365	1,441,697	(5,216)	119,885	4,715	(30,183)	-	8,527	-	1,539,425
366	421,058	-	42,405	1,022	(218)	-	455	-	464,722
367	1,172,144	(4,583)	101,762	211	(3,506)	-	656	-	1,266,684
368	3,152,651	(25,704)	279,683	1,569	(13,897)	-	-	-	3,394,322
369	1,780,881	(905)	169,005	5,490	(13,805)	-	-	-	1,940,666
370	1,023,896	(27,071)	71,446	159	(4,435)	-	-	-	1,063,995
371	204,063	(1,594)	44,569	1,209	(1,096)	-	-	-	247,151
373	267,064	(3,033)	43,381	15	(1,647)	-	327	-	306,107
389	6,704	-	-	-	-	-	-	-	6,704
390	211,901	-	9,240	-	(528)	-	-	-	220,613
3911	3,723	-	329	-	-	-	-	-	4,052
3912	20,389	(5,919)	1,950	-	-	-	-	-	16,420
3913	344,317	(12,877)	40,203	-	-	-	-	(279,906)	91,737
391305	-	-	5,361	-	-	-	-	279,906	285,267
3921	32,722	-	5,016	-	-	-	-	-	37,738
3922	185,824	-	34,008	1,150	-	-	(18,458)	-	202,524
3923	585,800	-	81,948	-	-	-	-	-	667,748
3924	4,507	-	1,380	-	-	-	-	-	5,887
3931	18,563	-	963	-	-	-	-	-	19,526
3932	-	-	-	-	-	-	-	-	-
3941	23,535	(1,257)	4,575	-	-	-	-	-	26,853
3942	50,972	(5,029)	6,390	-	-	-	-	-	52,333
3951	23,285	-	3,695	-	-	-	-	-	26,980
3952	10,855	(1,601)	430	-	-	-	-	-	9,684
396	84,174	(5,350)	6,953	-	-	-	-	-	85,777
397	105,949	(10,999)	1,521	-	-	-	-	-	96,471
398	9,562	(3,705)	607	-	-	-	-	-	6,464
399	1,000	-	1,000	-	-	-	-	-	2,000
	15,413,610	(917,812)	1,441,111	17,060	(176,784)	-	(18,457)	-	15,758,728

ELECT PLANT FERC 2005.xls 3/21/2006 12:10:42 PM

FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED ELECTRIC DIVISIONS
REPORT OF DEPRECIATION DATA UNDER RULE 25-6.0436(6)
2005

PLANT IN SERVICE (1)

Plant	Beginning Balance	Additions	Purchases & Adjustments	Transfers	Retirements	Ending Balance
350	17,629	-	-	-	-	17,629
3501	56,519	-	-	-	-	56,519
352	26,401	-	-	-	(4,395)	22,006
353	1,962,229	629,426	-	-	(177,023)	2,414,632
354	244,665	-	-	(20,000)	-	224,665
355	2,350,515	40,759	-	34,870	(91,871)	2,334,273
356	1,808,407	24,155	-	-	(4,936)	1,825,626
359	6,788	-	-	-	-	6,788
360	11,072	-	-	-	-	11,072
3601	21,388	-	-	-	-	21,388
361	96,042	-	-	-	-	96,042
362	3,332,986	2,392,109	-	-	(584,638)	5,140,457
364	8,192,765	407,536	-	(38,849)	(48,379)	8,513,073
365	8,960,311	270,186	-	18,482	(27,075)	9,221,904
366	2,067,681	303,006	-	2,235	-	2,372,922
367	3,966,641	451,568	-	1,905	(9,182)	4,410,932
368	12,214,397	548,321	-	-	(86,472)	12,676,246
369	7,387,741	447,276	-	-	(13,068)	7,821,949
370	3,171,897	179,527	-	-	(68,584)	3,282,840
371	1,737,159	125,907	-	-	(30,734)	1,832,332
373	1,113,390	45,976	-	1,357	(8,069)	1,152,654
389	72,462	-	-	-	-	72,462
390	1,376,148	40,815	-	-	(827)	1,416,136
3911	7,369	-	-	-	-	7,369
3912	36,056	-	-	-	(8,004)	28,052
3913	526,117	9,101	(321,670)	14,393	(30,551)	197,390
391305	-	-	321,670	-	-	321,670
3921	96,020	-	-	-	-	96,020
3922	497,014	40,744	-	(21,789)	-	515,969
3923	1,992,302	-	-	-	(79,516)	1,912,786
3924	102,903	-	-	-	-	102,903
3931	106,918	-	-	-	-	106,918
3932	761	-	-	-	-	761
3941	37,773	-	-	-	(1,845)	35,928
3942	96,642	9,557	-	-	(9,019)	97,180
3951	63,666	-	-	-	-	63,666
3952	33,036	1,260	-	-	(2,206)	32,090
396	116,642	1,498	-	-	(6,522)	111,618
397	166,350	-	-	-	(10,999)	155,351
398	20,692	-	-	-	(3,705)	16,987
399	10,000	-	-	-	-	10,000
	64,103,494	5,988,727	-	(7,396)	(1,307,620)	68,757,205

RESERVE (1) (CREDIT BALANCES)

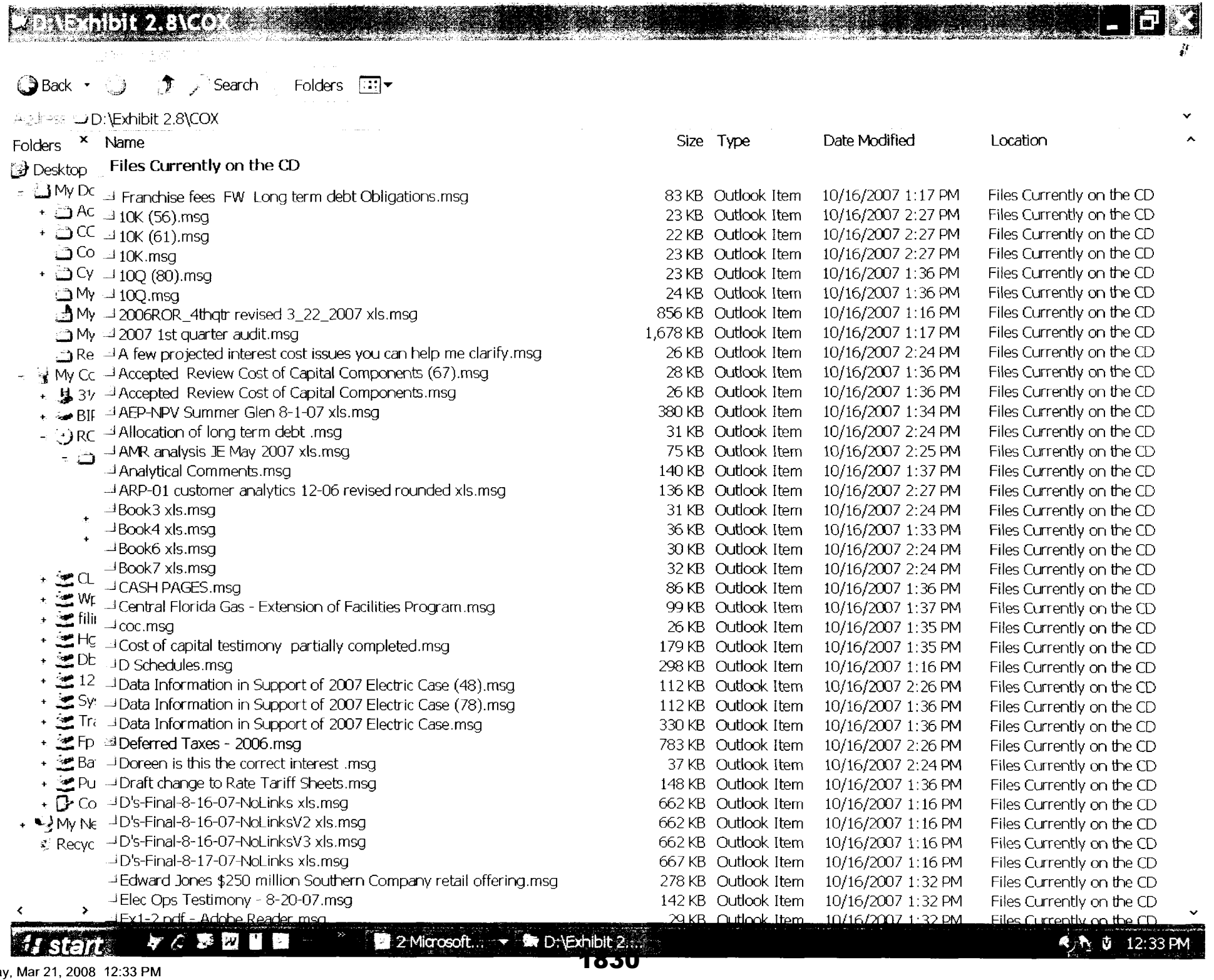
Plant Acct	Beginning Balance	Retirements	Accruals	Salvage	Cost of Removal	Purchases & Adjustments	Transfers	Reclass Reserves	Ending Balance
350	-	-	-	-	-	-	-	-	-
3501	31,292	-	1,248	-	-	-	-	-	32,540
352	13,429	(4,395)	479	301	-	-	-	-	9,814
353	730,785	(177,023)	45,416	-	(45,331)	-	-	-	553,827
354	171,555	-	5,166	-	(12)	-	(14,208)	-	162,501
355	721,409	(91,871)	87,695	-	-	-	22,178	-	739,611
356	468,383	(4,936)	57,858	-	(5,796)	-	-	-	515,509
359	3,389	-	264	-	-	-	-	-	3,653
360	-	-	-	-	-	-	-	-	-
3601	4,132	-	408	-	-	-	-	-	4,540
361	26,395	-	2,112	-	-	-	-	-	28,507
362	1,607,598	(584,638)	100,902	-	(20,133)	-	-	-	1,103,728
364	3,542,521	(48,379)	350,645	2,717	(65,473)	1,439	(17,934)	-	3,765,536
365	4,359,190	(27,075)	345,237	12,188	(50,632)	1,695	8,527	-	4,649,110
366	454,684	-	45,014	1,196	(218)	-	455	-	501,131
367	1,342,721	(9,182)	122,341	3,065	(3,506)	-	856	-	1,456,095
368	6,522,508	(86,472)	520,154	2,345	(21,701)	299	-	-	6,937,133
369	3,217,413	(13,068)	288,213	8,884	(20,178)	423	-	-	3,481,687
370	1,742,553	(68,584)	116,247	159	(7,078)	-	-	-	1,783,297
371	515,447	(30,734)	108,598	3,461	(5,088)	-	-	-	591,684
373	359,628	(8,069)	83,335	83	(2,117)	-	327	-	413,187
389	6,704	-	-	-	-	-	-	-	6,704
390	408,843	(827)	27,720	-	(528)	-	-	-	435,208
3911	6,379	-	329	-	-	-	-	-	6,708
3912	29,749	(8,004)	3,099	-	-	-	-	-	24,844
3913	418,754	(30,551)	50,971	-	-	-	-	(279,908)	159,266
391305	-	-	5,361	-	-	-	-	279,906	285,267
3921	62,709	-	8,832	-	-	-	-	-	71,541
3922	272,920	-	58,464	1,150	-	-	(18,458)	-	314,076
3923	1,107,566	(79,516)	184,236	-	-	-	-	-	1,212,286
3924	17,266	-	4,116	-	-	-	-	-	21,382
3931	82,879	-	10,305	-	-	-	-	-	93,184
3932	678	-	84	-	-	-	-	-	762
3941	27,300	(1,845)	5,168	-	-	-	-	-	30,623
3942	68,367	(9,019)	7,752	-	-	-	-	-	67,100
3951	36,833	-	8,269	-	-	-	-	-	45,102
3952	25,507	(2,206)	2,150	-	-	-	-	-	25,451
396	86,328	(6,522)	7,247	-	-	-	-	-	87,053
397	127,059	(10,999)	10,017	-	-	-	-	-	126,077
398	13,992	(3,705)	1,879	-	-	-	-	-	12,166
399	2,000	-	2,000	-	-	-	-	-	4,000
	28,636,845	(1,307,621)	2,659,531	35,529	(247,791)	3,856	(18,457)	-	29,761,892

FLORIDA PUBLIC UTILITIES COMPANY
NORTHWEST ELECTRIC DIVISION
REPORT OF DEPRECIATION DATA UNDER RULE 25-6.0436(8)
2006

PLANT IN SERVICE ($)							RESERVE ($) (CREDIT BALANCES)								
Plant	Beginning Balance	Additions	Purchases & Adjustments	Transfers	Retirements	Ending Balance	Plant Acct.	Beginning Balance	Retirements	Accruals	Salvage	Cost of Removal	Purchases & Adjustments	Transfers	Reclassifications	Ending Balance
350	-	-	-	-	-	-	350	-	-	-	-	-	-	-	-	-
3501	-	-	-	-	-	-	3501	-	-	-	-	-	-	-	-	-
352	-	-	-	-	-	-	352	-	-	-	-	-	-	-	-	-
353	-	-	-	-	-	-	353	-	-	-	-	-	-	-	-	-
354	-	-	-	-	-	-	354	-	-	-	-	-	-	-	-	-
355	-	-	-	-	-	-	355	-	-	-	-	-	-	-	-	-
356	-	-	-	-	-	-	356	-	-	-	-	-	-	-	-	-
359	-	-	-	-	-	-	359	-	-	-	-	-	-	-	-	-
360	1,100	-	-	-	-	1,100	360	-	-	-	-	-	-	-	-	-
3601	21,200	-	-	-	-	21,200	3601	4,407	-	408	-	-	-	-	-	4,815
361	-	-	-	-	-	-	361	-	-	-	-	-	-	-	-	-
362	913,984	-	-	-	-	913,984	362	462,168	-	27,420	-	-	-	-	-	489,588
364	6,301,788	330,335	-	-	(29,661)	6,602,462	364	2,782,313	(29,661)	269,918	3,982	(27,018)	-	-	-	2,999,534
365	5,995,509	248,043	-	-	(12,897)	6,230,655	365	3,109,685	(12,897)	231,292	10,978	(30,267)	-	-	-	3,308,791
366	132,900	5,739	-	-	-	138,639	366	36,409	-	2,716	142	-	-	-	-	39,267
367	727,009	77,005	-	-	(2,067)	801,947	367	189,411	(2,067)	22,249	348	(602)	-	-	-	209,339
368	5,798,018	258,745	-	-	(13,349)	6,043,414	368	3,542,811	(13,349)	248,147	1,944	(3,919)	-	-	-	3,775,634
369	3,232,682	202,318	-	-	(7,527)	3,427,473	369	1,541,021	(7,527)	126,077	4,156	(7,735)	-	-	-	1,655,992
370	1,255,171	83,791	-	-	(79,924)	1,259,038	370	719,302	(79,924)	46,435	1,050	(3,964)	-	-	-	682,899
371	1,073,037	107,942	-	-	(40,315)	1,140,664	371	344,533	(40,315)	66,949	9,219	(4,255)	-	-	-	376,131
373	359,259	20,630	-	-	(8,084)	371,805	373	107,080	(8,084)	20,468	-	(1,666)	-	-	-	117,798
389	3,766	-	-	-	-	3,766	389	-	-	-	-	-	-	-	-	-
390	923,172	2,400	-	-	-	925,572	390	214,595	-	18,504	-	-	-	-	-	233,099
3911	2,656	-	-	-	-	2,656	3911	2,656	-	-	-	-	-	-	-	2,656
3912	11,670	-	-	-	(944)	10,726	3912	8,424	(944)	1,149	-	-	-	-	-	8,629
3913	88,322	19,558	-	20,019	(23,339)	104,560	3913	67,531	(23,339)	7,900	-	-	-	(1,917)	-	50,175
391305	-	360,744	-	-	-	360,744	391305	-	-	57,680	-	-	-	-	-	57,680
3921	41,517	-	-	(2,742)	-	38,775	3921	33,803	-	3,627	-	-	-	(4,836)	-	32,594
3922	236,810	21,020	-	-	(17,454)	240,376	3922	111,552	(17,454)	26,138	877	-	-	-	-	121,113
3923	1,050,234	155,148	-	-	(113,309)	1,092,073	3923	544,538	(113,309)	93,821	-	-	-	-	-	525,050
3924	68,376	8,108	-	-	-	76,484	3924	15,495	-	2,736	-	-	-	-	-	18,231
3931	86,430	-	-	-	-	86,430	3931	73,658	-	9,342	-	-	-	-	-	83,000
3932	761	-	-	-	-	761	3932	762	-	(1)	-	-	-	-	-	761
3941	4,364	-	-	-	-	4,364	3941	3,770	-	593	-	-	-	-	-	4,363
3942	17,946	-	-	-	-	17,946	3942	14,767	-	648	-	-	-	-	-	15,415
3951	32,991	-	-	-	-	32,991	3951	18,122	-	4,574	-	-	-	-	-	22,696
3952	20,717	-	-	-	-	20,717	3952	15,767	-	1,720	-	-	-	-	-	17,487
396	3,931	-	-	-	-	3,931	396	1,276	-	252	-	-	-	-	-	1,528
397	58,881	-	-	-	(6,926)	51,955	397	29,606	(6,926)	7,104	150	-	-	-	-	29,934
398	9,512	-	-	-	-	9,512	398	5,702	-	1,272	-	-	-	-	-	6,974
399	5,000	-	-	-	-	5,000	399	2,000	-	1,000	-	-	-	-	-	3,000
																-
	28,478,713	1,901,526	-	17,277	(355,796)	30,041,720		14,003,164	(355,796)	1,300,138	32,846	(79,426)	-	(6,753)	-	14,894,173

FLORIDA PUBLIC UTILITIES COMPANY
NORTHEAST FLORIDA ELECTRIC DIVISION
REPORT OF DEPRECIATION DATA UNDER RULE 25-6.0436(8)
2006

	PLANT IN SERVICE ($)							RESERVE ($) (CREDIT BALANCES)								
Plant	Beginning Balance	Additions	Purchases & Adjustments	Transfers	Retirements	Ending Balance	Plant Acct.	Beginning Balance	Retirements	Accruals	Salvage	Cost of Removal	Purchases & Adjustments	Transfers	Reclassifications	Ending Balance
350	17,629	-	-	-	-	17,629	350	-	-	-	-	-	-	-	-	-
3501	56,519	-	-	-	-	56,519	3501	32,540	-	1,248	-	-	-	-	-	33,788
352	22,006	-	-	-	-	22,006	352	9,814	-	444	-	-	-	-	-	10,258
353	2,414,632	-	-	-	-	2,414,632	353	553,827	-	55,536	-	-	-	-	-	609,363
354	224,665	-	-	-	-	224,665	354	162,501	-	4,944	-	-	-	-	-	167,445
355	2,334,273	12,582	-	15,369	-	2,362,224	355	739,611	-	89,115	-	(470)	-	6,822	-	835,078
356	1,825,626	51,100	-	-	-	1,876,726	356	515,509	-	59,428	-	-	-	-	-	574,937
359	6,788	-	-	-	-	6,788	359	3,653	-	264	-	-	-	-	-	3,917
360	9,972	5,431	-	-	-	15,403	360	-	-	-	-	-	-	-	-	-
3601	188	-	-	-	-	188	3601	133	-	-	-	-	-	-	-	133
361	96,042	-	-	-	-	96,042	361	28,507	-	2,112	-	-	-	-	-	30,619
362	4,226,473	669,480	-	-	-	4,895,953	362	641,560	-	142,442	1,898	(12,145)	-	-	-	773,755
364	2,211,285	149,094	-	(18,800)	(14,572)	2,327,007	364	983,223	(14,572)	95,492	-	(25,515)	-	(8,345)	-	1,030,283
365	3,226,395	191,422	-	-	(4,366)	3,413,451	365	1,539,425	(4,366)	126,193	22,569	(11,757)	-	-	-	1,672,064
366	2,240,022	201,108	-	-	(4,474)	2,436,656	366	464,722	(4,474)	46,014	-	(572)	-	-	-	505,690
367	3,683,923	391,535	-	-	(21,942)	4,053,516	367	1,266,684	(21,942)	111,760	-	(980)	-	-	-	1,355,522
368	6,878,228	168,424	-	-	(64,487)	6,982,165	368	3,394,322	(64,487)	290,035	5,404	(10,074)	-	-	-	3,615,200
369	4,589,267	192,995	-	-	(802)	4,781,460	369	1,940,666	(802)	177,488	214	(8,730)	-	-	-	2,108,836
370	2,027,669	118,769	-	-	(70,889)	2,075,549	370	1,063,995	(70,889)	73,660	868	(5,284)	-	-	-	1,062,350
371	759,295	178,947	-	3,431	(4,543)	937,130	371	247,151	(4,543)	50,462	-	(698)	-	1,523	-	293,895
373	793,395	47,487	-	-	(12,458)	828,424	373	306,107	(12,458)	45,371	-	(1,520)	-	-	-	337,500
389	68,696	-	-	-	-	68,696	389	6,704	-	-	-	-	-	-	-	6,704
390	492,964	22,670	-	-	-	515,634	390	220,613	-	10,172	-	-	-	-	-	230,785
3911	4,713	-	-	-	-	4,713	3911	4,052	-	329	-	-	-	-	-	4,381
3912	16,382	-	-	-	(1,274)	15,108	3912	16,420	(1,274)	(39)	-	-	-	-	-	15,107
3913	109,068	9,200	-	16,525	(18,729)	116,064	3913	91,737	(18,729)	21,259	-	-	-	1,917	-	96,184
391305	321,670	-	-	-	-	321,670	391305	285,267	-	7,280	-	-	-	-	-	292,547
3921	54,503	-	-	2,742	-	57,245	3921	37,738	-	5,205	-	-	-	4,836	-	47,779
3922	279,159	22,731	39,487	-	(21,888)	319,489	3922	202,524	(21,888)	31,278	2,752	-	-	-	30,080	244,746
3923	862,552	199,277	-	-	(106,761)	955,068	3923	667,748	(106,761)	75,180	5,000	-	-	-	-	641,167
3924	34,527	-	-	-	-	34,527	3924	5,887	-	1,380	-	-	-	-	-	7,267
3931	20,488	-	-	-	-	20,488	3931	19,526	-	963	-	-	-	-	-	20,489
3932	-	-	-	-	-	-	3932	-	-	-	-	-	-	-	-	-
3941	31,564	-	-	-	-	31,564	3941	26,853	-	4,575	-	-	-	-	-	31,428
3942	79,234	4,897	-	3,234	(3,330)	84,035	3942	52,333	(3,330)	6,857	-	-	-	-	-	55,860
3951	30,675	-	-	-	-	30,675	3951	26,980	-	3,695	-	-	-	2,105	-	32,780
3952	11,373	-	-	-	-	11,373	3952	9,684	-	609	-	-	-	-	-	10,293
396	107,687	-	82,717	-	-	190,404	396	85,777	-	7,215	-	-	-	-	82,717	175,709
397	96,470	-	-	-	(4,394)	92,076	397	96,471	(4,394)	1	-	-	-	-	-	92,078
398	7,475	3,235	-	(3,234)	-	7,476	398	6,464	-	606	-	-	-	(2,105)	-	4,965
399	5,000	-	-	-	-	5,000	399	2,000	-	1,000	-	-	-	-	-	3,000
																-
	40,278,492	2,640,384	122,204	19,267	(354,909)	42,705,438		15,758,728	(354,909)	1,549,573	38,705	(77,745)	-	6,753	112,797	17,033,902



Friday, Mar 21, 2008 12:33 PM

Clara Leider

From: Vijayakumar Vijaya
Sent: Monday, May 07, 2007 11:39 AM
To: Cox Doreen
Cc: Young Curtis
Subject: Deferred Taxes - 2006
Attachments: 1900 accum dfrd taxes 2006.xls

Hi Doreen,

Please find attached spreadsheet for Deferred Taxes for 2006.
Please let me know if you needed anything added/changed on the spreadsheet.

Thanks,
Vijaya

Storm Liability - 150 / 250	567,040	570,472	574,287
Hurricane Misc.			-
Deferred Gain			-
Total	**997,076**	**977,628**	**990,452**
2820			
Property	(5,521,877)	(5,500,308)	(5,480,724)
2821			
Regulatory Liability	(167,691)	(167,691)	(167,691)
2830			
Underrecovered Purchase - 111 / 221	(606,537)	(561,927)	(636,513)
Conservation Cost 113 / 223	40,227	35,695	38,531
Pension 114 / 224	101,388	114,836	132,178
Rate Case 117 / 227	(103,654)	(100,998)	(98,340)
Loss on Reacquired Debt 118/ 228	(38,442)	(37,337)	(37,085)
Tax Consulting Fees 158 / 258	-	-	-
Sub Total	(607,018)	(549,731)	(601,229)
Total	**(6,296,586)**	**(6,217,730)**	**(6,249,644)**
Grand Total	**(5,299,510)**	**(5,240,102)**	**(5,259,192)**

Storm Liability - 150 / 250	567,040	570,472	574,287
Hurricane Misc.			-
Deferred Gain			-
Total	**997,076**	**977,628**	**990,452**
2820			
Property	(5,521,877)	(5,500,308)	(5,480,724)
2821			
Regulatory Liability	(167,691)	(167,691)	(167,691)
2830			
Underrecovered Purchase - 111 / 221	(606,537)	(561,927)	(636,513)
Conservation Cost 113 / 223	40,227	35,695	38,531
Pension 114 / 224	101,388	114,836	132,178
Rate Case 117 / 227	(103,654)	(100,998)	(98,340)
Loss on Reacquired Debt 118/ 228	(38,442)	(37,337)	(37,085)
Tax Consulting Fees 158 / 258	-	-	-
Sub Total	(607,018)	(549,731)	(601,229)
Total	**(6,296,586)**	**(6,217,730)**	**(6,249,644)**
Grand Total	**(5,299,510)**	**(5,240,102)**	**(5,259,192)**

Florida Public Utilities Company
Schedule of Accumulated Deferred Income Tax
July 31, 2006

ELECTRIC

CAUID	Acct #	Sub-Acct#	Amount	(112, 222) Self Insurance	(**3) Conservation Program	(133, 243) Audit Fees	(131, 241) Uncollectible	(116, 226) Vacation Pay	(115, 225) General Liability	(135, 245) Miscellaneous Accrual	(140, 240) Rate Refund
114	1900	112	112,718.00	112,718.00							
114	1900	115	15,643.00						15,643.00		
114	1900	116	35,572.00					35,572.00			
114	1900	131	8,637.00				8,637.00				
114	1900	133	12,871.00			12,871.00					
114	1900	135	0.00							0.00	
114	1900	150	227,423.00								
114	1900	222	19,295.00	19,295.00							
114	1900	225	2,678.00						2,678.00		
114	1900	226	6,089.00					6,089.00			
114	1900	240	0.00								0.00
114	1900	241	1,478.00				1,478.00				
114	1900	243	2,203.00			2,203.00					
114	1900	245	0.00							0.00	
114	1900	250	38,930.00								
115	1900	112	119,348.00	119,348.00							
115	1900	115	20,583.00						20,583.00		
115	1900	116	35,572.00					35,572.00			
115	1900	131	4,217.00				4,217.00				
115	1900	133	16,936.00			16,936.00					
115	1900	135	0.00							0.00	
115	1900	150	277,961.00								
115	1900	222	20,430.00	20,430.00							
115	1900	225	3,523.00						3,523.00		
115	1900	226	6,089.00					6,089.00			
115	1900	240	0.00								0.00
115	1900	241	722.00				722.00				
115	1900	243	2,899.00			2,899.00					
115	1900	245	0.00							0.00	
115	1900	250	47,581.00								
			1,039,398.00	271,791.00	0.00	34,909.00	15,054.00	83,322.00	42,427.00	0.00	0.00

Florida Public Utilities Company
Schedule of Accumulated Deferred Incon
July 31, 2006

CAUID	Acct #	Sub-Acct#	Amount	(150, 250) Storm Reserve Liability
114	1900	112	112,718.00	
114	1900	115	15,643.00	
114	1900	116	35,572.00	
114	1900	131	8,637.00	
114	1900	133	12,871.00	
114	1900	135	0.00	
114	1900	150	227,423.00	227,423.00
114	1900	222	19,295.00	
114	1900	225	2,678.00	
114	1900	226	6,089.00	
114	1900	240	0.00	
114	1900	241	1,478.00	
114	1900	243	2,203.00	
114	1900	245	0.00	
114	1900	250	38,930.00	38,930.00
115	1900	112	119,348.00	
115	1900	115	20,583.00	
115	1900	116	35,572.00	
115	1900	131	4,217.00	
115	1900	133	16,936.00	
115	1900	135	0.00	
115	1900	150	277,961.00	277,961.00
115	1900	222	20,430.00	
115	1900	225	3,523.00	
115	1900	226	6,089.00	
115	1900	240	0.00	
115	1900	241	722.00	
115	1900	243	2,899.00	
115	1900	245	0.00	
115	1900	250	47,581.00	47,581.00
			1,039,398.00	591,895.00

Florida Public Utilities Company
Schedule of Accumulated Deferred Incon
July 31, 2006

CAUID	Acct #	Sub-Acct#	Amount
114	1900	112	112,718.00
114	1900	115	15,643.00
114	1900	116	35,572.00
114	1900	131	8,637.00
114	1900	133	12,871.00
114	1900	135	0.00
114	1900	150	227,423.00
114	1900	222	19,295.00
114	1900	225	2,678.00
114	1900	226	6,089.00
114	1900	240	0.00
114	1900	241	1,478.00
114	1900	243	2,203.00
114	1900	245	0.00
114	1900	250	38,930.00
115	1900	112	119,348.00
115	1900	115	20,583.00
115	1900	116	35,572.00
115	1900	131	4,217.00
115	1900	133	16,936.00
115	1900	135	0.00
115	1900	150	277,961.00
115	1900	222	20,430.00
115	1900	225	3,523.00
115	1900	226	6,089.00
115	1900	240	0.00
115	1900	241	722.00
115	1900	243	2,899.00
115	1900	245	0.00
115	1900	250	47,581.00
			1,039,398.00

Florida Public Utilities Company
Schedule of Accumulated Deferred Income Tax
July 31, 2006

							ELECTRIC		
C/U/D	Acct.#	Sub-Acct#	Amount	(112, 222) Self Insurance	(**3) Conservation Program	(133, 243) Audit Fees	(131, 241) Uncollectible	(116, 226) Vacation Pay	(115, 225) General Liability
114	1900	112	112,718.00	112,718.00					
114	1900	115	15,643.00						15,643.00
114	1900	116	35,572.00					35,572.00	
114	1900	131	8,637.00				8,637.00		
114	1900	133	12,871.00			12,871.00			
114	1900	135	0.00						
114	1900	150	227,423.00						
114	1900	222	19,295.00	19,295.00					
114	1900	225	2,678.00						2,678.00
114	1900	226	6,089.00					6,089.00	
114	1900	240	0.00						
114	1900	241	1,478.00				1,478.00		
114	1900	243	2,203.00			2,203.00			
114	1900	245	0.00						
114	1900	250	38,930.00						
115	1900	112	119,348.00	119,348.00					
115	1900	115	20,583.00						20,583.00
115	1900	116	35,572.00					35,572.00	
115	1900	131	4,217.00				4,217.00		
115	1900	133	16,936.00			16,936.00			
115	1900	135	0.00						
115	1900	150	277,961.00						
115	1900	222	20,430.00	20,430.00					
115	1900	225	3,523.00						3,523.00
115	1900	226	6,089.00					6,089.00	
115	1900	240	0.00						
115	1900	241	722.00				722.00		
115	1900	243	2,899.00			2,899.00			
115	1900	245	0.00						
115	1900	250	47,581.00						
			1,039,398.00	**271,791.00**	**0.00**	**34,909.00**	**15,054.00**	**83,322.00**	**42,427.00**

Florida Public Utilities Company
Schedule of Accumulated Deferred Incon
July 31, 2006

C/U/D	Acct.#	Sub-Acct#	Amount	(150, 250) Storm Reserve Liability
114	1900	112	112,718.00	
114	1900	115	15,643.00	
114	1900	116	35,572.00	
114	1900	131	8,637.00	
114	1900	133	12,871.00	
114	1900	135	0.00	
114	1900	150	227,423.00	227,423.00
114	1900	222	19,295.00	
114	1900	225	2,678.00	
114	1900	226	6,089.00	
114	1900	240	0.00	
114	1900	241	1,478.00	
114	1900	243	2,203.00	
114	1900	245	0.00	
114	1900	250	38,930.00	38,930.00
115	1900	112	119,348.00	
115	1900	115	20,583.00	
115	1900	116	35,572.00	
115	1900	131	4,217.00	
115	1900	133	16,936.00	
115	1900	135	0.00	
115	1900	150	277,961.00	277,961.00
115	1900	222	20,430.00	
115	1900	225	3,523.00	
115	1900	226	6,089.00	
115	1900	240	0.00	
115	1900	241	722.00	
115	1900	243	2,899.00	
115	1900	245	0.00	
115	1900	250	47,581.00	47,581.00
			1,039,398.00	**591,895.00**

Florida Public Utilities Company
Schedule of Accumulated Deferred Incon
July 31, 2006

C/U/D	Acct.#	Sub-Acct#	Amount	(135, 245) Miscellaneous Accrual	(140, 240) Rate Refund
114	1900	112	112,718.00		
114	1900	115	15,643.00		
114	1900	116	35,572.00		
114	1900	131	8,637.00		
114	1900	133	12,871.00		
114	1900	135	0.00	0.00	
114	1900	150	227,423.00		
114	1900	222	19,295.00		
114	1900	225	2,678.00		
114	1900	226	6,089.00		
114	1900	240	0.00		0.00
114	1900	241	1,478.00		
114	1900	243	2,203.00		
114	1900	245	0.00	0.00	
114	1900	250	38,930.00		
115	1900	112	119,348.00		
115	1900	115	20,583.00		
115	1900	116	35,572.00		
115	1900	131	4,217.00		
115	1900	133	16,936.00		
115	1900	135	0.00	0.00	
115	1900	150	277,961.00		
115	1900	222	20,430.00		
115	1900	225	3,523.00		
115	1900	226	6,089.00		
115	1900	240	0.00		0.00
115	1900	241	722.00		
115	1900	243	2,899.00		
115	1900	245	0.00	0.00	
115	1900	250	47,581.00		
			1,039,398.00	**0.00**	**0.00**

Florida Public Utilities Company
Schedule of Accumulated Deferred Incon
July 31, 2006

C/U/D	Acct.#	Sub-Acct#	Amount
114	1900	112	112,718.00
114	1900	115	15,643.00
114	1900	116	35,572.00
114	1900	131	8,637.00
114	1900	133	12,871.00
114	1900	135	0.00
114	1900	150	227,423.00
114	1900	222	19,295.00
114	1900	225	2,678.00
114	1900	226	6,089.00
114	1900	240	0.00
114	1900	241	1,478.00
114	1900	243	2,203.00
114	1900	245	0.00
114	1900	250	38,930.00
115	1900	112	119,348.00
115	1900	115	20,583.00
115	1900	116	35,572.00
115	1900	131	4,217.00
115	1900	133	16,936.00
115	1900	135	0.00
115	1900	150	277,961.00
115	1900	222	20,430.00
115	1900	225	3,523.00
115	1900	226	6,089.00
115	1900	240	0.00
115	1900	241	722.00
115	1900	243	2,899.00
115	1900	245	0.00
115	1900	250	47,581.00
			1,039,398.00

Florida Public Utilities Company
Schedule of Accumulated Deferred Income Tax
August 31, 2006

ELECTRIC

C/U/D	Acct #	Sub-Acct#	Amount	(112, 222) Self Insurance	(**3) Conservation Program	(133, 243) Audit Fees	(131, 241) Uncollectible	(116, 226) Vacation Pay	(115, 225) General Liability
114	1900	112	113,663.00	113,663.00					
114	1900	115	14,064.00						14,064.00
114	1900	116	35,572.00					35,572.00	
114	1900	131	8,481.00				8,481.00		
114	1900	133	13,028.00			13,028.00			
114	1900	135	0.00						
114	1900	150	228,888.00						
114	1900	222	19,457.00	19,457.00					
114	1900	225	2,408.00						2,408.00
114	1900	226	6,089.00					6,089.00	
114	1900	240	0.00						
114	1900	241	1,452.00				1,452.00		
114	1900	243	2,230.00			2,230.00			
114	1900	245	0.00						
114	1900	250	39,181.00						
115	1900	112	120,349.00	120,349.00					
115	1900	115	18,506.00						18,506.00
115	1900	116	35,572.00					35,572.00	
115	1900	131	662.00				662.00		
115	1900	133	17,142.00			17,142.00			
115	1900	135	0.00						
115	1900	150	279,752.00						
115	1900	222	20,601.00	20,601.00					
115	1900	225	3,168.00						3,168.00
115	1900	226	6,089.00					6,089.00	
115	1900	240	0.00						
115	1900	241	113.00				113.00		
115	1900	243	2,934.00			2,934.00			
115	1900	245	0.00						
115	1900	250	47,888.00						
			1,037,289.00	274,070.00	0.00	35,334.00	10,708.00	83,322.00	38,146.00

Florida Public Utilities Company
Schedule of Accumulated Deferred Incon
August 31, 2006

C/U/D	Acct #	Sub-Acct#	Amount	(135, 245) Miscellaneous Accrual	(140, 240) Rate Refund
114	1900	112	113,663.00		
114	1900	115	14,064.00		
114	1900	116	35,572.00		
114	1900	131	8,481.00		
114	1900	133	13,028.00		
114	1900	135	0.00	0.00	
114	1900	150	228,888.00		
114	1900	222	19,457.00		
114	1900	225	2,408.00		
114	1900	226	6,089.00		
114	1900	240	0.00		0.00
114	1900	241	1,452.00		
114	1900	243	2,230.00		
114	1900	245	0.00	0.00	
114	1900	250	39,181.00		
115	1900	112	120,349.00		
115	1900	115	18,506.00		
115	1900	116	35,572.00		
115	1900	131	662.00		
115	1900	133	17,142.00		
115	1900	135	0.00	0.00	
115	1900	150	279,752.00		
115	1900	222	20,601.00		
115	1900	225	3,168.00		
115	1900	226	6,089.00		
115	1900	240	0.00		0.00
115	1900	241	113.00		
115	1900	243	2,934.00		
115	1900	245	0.00	0.00	
115	1900	250	47,888.00		
			1,037,289.00	0.00	0.00

Florida Public Utilities Company
Schedule of Accumulated Deferred Incon
August 31, 2006

C/U/D	Acct #	Sub-Acct#	Amount	(150, 250) Storm Reserve Liability
114	1900	112	113,663.00	
114	1900	115	14,064.00	
114	1900	116	35,572.00	
114	1900	131	8,481.00	
114	1900	133	13,028.00	
114	1900	135	0.00	
114	1900	150	228,888.00	228,888.00
114	1900	222	19,457.00	
114	1900	225	2,408.00	
114	1900	226	6,089.00	
114	1900	240	0.00	
114	1900	241	1,452.00	
114	1900	243	2,230.00	
114	1900	245	0.00	
114	1900	250	39,181.00	39,181.00
115	1900	112	120,349.00	
115	1900	115	18,506.00	
115	1900	116	35,572.00	
115	1900	131	662.00	
115	1900	133	17,142.00	
115	1900	135	0.00	
115	1900	150	279,752.00	279,752.00
115	1900	222	20,601.00	
115	1900	225	3,168.00	
115	1900	226	6,089.00	
115	1900	240	0.00	
115	1900	241	113.00	
115	1900	243	2,934.00	
115	1900	245	0.00	
115	1900	250	47,888.00	47,888.00
			1,037,289.00	595,709.00

Florida Public Utilities Company
Schedule of Accumulated Deferred Incon
August 31, 2006

C/U/D	Acct #	Sub-Acct#	Amount
114	1900	112	113,663.00
114	1900	115	14,064.00
114	1900	116	35,572.00
114	1900	131	8,481.00
114	1900	133	13,028.00
114	1900	135	0.00
114	1900	150	228,888.00
114	1900	222	19,457.00
114	1900	225	2,408.00
114	1900	226	6,089.00
114	1900	240	0.00
114	1900	241	1,452.00
114	1900	243	2,230.00
114	1900	245	0.00
114	1900	250	39,181.00
115	1900	112	120,349.00
115	1900	115	18,506.00
115	1900	116	35,572.00
115	1900	131	662.00
115	1900	133	17,142.00
115	1900	135	0.00
115	1900	150	279,752.00
115	1900	222	20,601.00
115	1900	225	3,168.00
115	1900	226	6,089.00
115	1900	240	0.00
115	1900	241	113.00
115	1900	243	2,934.00
115	1900	245	0.00
115	1900	250	47,888.00
			1,037,289.00

Florida Public Utilities Company
Schedule of Accumulated Deferred Income Tax
September 30, 2006

ELECTRIC

C/U/D	Acct #	Sub-Acct#	Amount	(112, 222) Self Insurance	(**3) Conservation Program	(133, 243) Audit Fees	(131, 241) Uncollectible	(116, 228) Vacation Pay	(115, 225) General Liability
114	1900	112	110,951.00	110,951.00					
114	1900	115	13,391.00						13,391.00
114	1900	116	35,572.00					35,572.00	
114	1900	131	9,132.00				9,132.00		
114	1900	133	12,504.00			12,504.00			
114	1900	135	0.00						
114	1900	150	229,739.00						
114	1900	222	18,992.00	18,992.00					
114	1900	225	2,292.00						2,292.00
114	1900	226	6,089.00					6,089.00	
114	1900	240	0.00						
114	1900	241	1,563.00				1,563.00		
114	1900	243	2,140.00			2,140.00			
114	1900	245	0.00						
114	1900	250	39,327.00						
115	1900	112	117,477.00	117,477.00					
115	1900	115	17,620.00						17,620.00
115	1900	116	35,572.00					35,572.00	
115	1900	131	1,067.00				1,067.00		
115	1900	133	16,453.00			16,453.00			
115	1900	135	0.00						
115	1900	150	280,792.00						
115	1900	222	20,109.00	20,109.00					
115	1900	225	3,016.00						3,016.00
115	1900	226	6,089.00					6,089.00	
115	1900	240	0.00						
115	1900	241	183.00				183.00		
115	1900	243	2,816.00			2,816.00			
115	1900	245	0.00						
115	1900	250	48,066.00						
			1,030,952.00	267,529.00	0.00	33,913.00	11,945.00	83,322.00	36,319.00

Florida Public Utilities Company
Schedule of Accumulated Deferred Incon
September 30, 2006

C/U/D	Acct #	Sub-Acct#	Amount	(135, 245) Miscellaneous Accrual	(140, 240) Rate Refund
114	1900	112	110,951.00		
114	1900	115	13,391.00		
114	1900	116	35,572.00		
114	1900	131	9,132.00		
114	1900	133	12,504.00		
114	1900	135	0.00	0.00	
114	1900	150	229,739.00		
114	1900	222	18,992.00		
114	1900	225	2,292.00		
114	1900	226	6,089.00		
114	1900	240	0.00		0.00
114	1900	241	1,563.00		
114	1900	243	2,140.00		
114	1900	245	0.00	0.00	
114	1900	250	39,327.00		
115	1900	112	117,477.00		
115	1900	115	17,620.00		
115	1900	116	35,572.00		
115	1900	131	1,067.00		
115	1900	133	16,453.00		
115	1900	135	0.00	0.00	
115	1900	150	280,792.00		
115	1900	222	20,109.00		
115	1900	225	3,016.00		
115	1900	226	6,089.00		
115	1900	240	0.00		0.00
115	1900	241	183.00		
115	1900	243	2,816.00		
115	1900	245	0.00	0.00	
115	1900	250	48,066.00		
			1,030,952.00	0.00	0.00

Florida Public Utilities Company
Schedule of Accumulated Deferred Incon
September 30, 2006

C/U/D	Acct #	Sub-Acct#	Amount	(150, 250) Storm Reserve Liability
114	1900	112	110,951.00	
114	1900	115	13,391.00	
114	1900	116	35,572.00	
114	1900	131	9,132.00	
114	1900	133	12,504.00	
114	1900	135	0.00	
114	1900	150	229,739.00	229,739.00
114	1900	222	18,992.00	
114	1900	225	2,292.00	
114	1900	226	6,089.00	
114	1900	240	0.00	
114	1900	241	1,563.00	
114	1900	243	2,140.00	
114	1900	245	0.00	
114	1900	250	39,327.00	39,327.00
115	1900	112	117,477.00	
115	1900	115	17,620.00	
115	1900	116	35,572.00	
115	1900	131	1,067.00	
115	1900	133	16,453.00	
115	1900	135	0.00	
115	1900	150	280,792.00	280,792.00
115	1900	222	20,109.00	
115	1900	225	3,016.00	
115	1900	226	6,089.00	
115	1900	240	0.00	
115	1900	241	183.00	
115	1900	243	2,816.00	
115	1900	245	0.00	
115	1900	250	48,066.00	48,066.00
			1,030,952.00	597,924.00

Florida Public Utilities Company
Schedule of Accumulated Deferred Incon
September 30, 2006

C/U/D	Acct #	Sub-Acct#	Amount
114	1900	112	110,951.00
114	1900	115	13,391.00
114	1900	116	35,572.00
114	1900	131	9,132.00
114	1900	133	12,504.00
114	1900	135	0.00
114	1900	150	229,739.00
114	1900	222	18,992.00
114	1900	225	2,292.00
114	1900	226	6,089.00
114	1900	240	0.00
114	1900	241	1,563.00
114	1900	243	2,140.00
114	1900	245	0.00
114	1900	250	39,327.00
115	1900	112	117,477.00
115	1900	115	17,620.00
115	1900	116	35,572.00
115	1900	131	1,067.00
115	1900	133	16,453.00
115	1900	135	0.00
115	1900	150	280,792.00
115	1900	222	20,109.00
115	1900	225	3,016.00
115	1900	226	6,089.00
115	1900	240	0.00
115	1900	241	183.00
115	1900	243	2,816.00
115	1900	245	0.00
115	1900	250	48,066.00
			1,030,952.00

Florida Public Utilities Company
Schedule of Accumulated Deferred Income Tax
October 31, 2006

C/U/D	Acct #	Sub-Acct#	Amount	(112, 222) Self Insurance	(**3) Conservation Program	(133, 243) Audit Fees	(131, 241) Uncollectible	(116, 226) Vacation Pay	(115, 225) General Liability
					E L E C T R I C				
114	1900	112	111,500.00	111,500.00					
114	1900	115	12,577.00						12,577.00
114	1900	116	35,572.00					35,572.00	
114	1900	131	10,414.00				10,414.00		
114	1900	133	11,144.00			11,144.00			
114	1900	135	0.00						
114	1900	150	231,204.00						
114	1900	222	19,087.00	19,087.00					
114	1900	225	2,153.00						2,153.00
114	1900	226	6,089.00					6,089.00	
114	1900	240	0.00						
114	1900	241	1,783.00				1,783.00		
114	1900	243	1,908.00			1,908.00			
114	1900	245	0.00						
114	1900	250	39,577.00						
115	1900	112	118,059.00	118,059.00					
115	1900	115	16,549.00						16,549.00
115	1900	116	35,572.00					35,572.00	
115	1900	131	913.00				913.00		
115	1900	133	14,663.00			14,663.00			
115	1900	135	0.00						
115	1900	150	282,583.00						
115	1900	222	20,209.00	20,209.00					
115	1900	225	2,833.00						2,833.00
115	1900	226	6,089.00					6,089.00	
115	1900	240	0.00						
115	1900	241	156.00				156.00		
115	1900	243	2,510.00			2,510.00			
115	1900	245	0.00						
115	1900	250	48,372.00						
			1,031,516.00	268,855.00	0.00	30,225.00	13,266.00	83,322.00	34,112.00

Florida Public Utilities Company
Schedule of Accumulated Deferred Incon
October 31, 2006

C/U/D	Acct #	Sub-Acct#	Amount	(135, 245) Miscellaneous Accrual	(140, 240) Rate Refund
114	1900	112	111,500.00		
114	1900	115	12,577.00		
114	1900	116	35,572.00		
114	1900	131	10,414.00		
114	1900	133	11,144.00		
114	1900	135	0.00	0.00	
114	1900	150	231,204.00		
114	1900	222	19,087.00		
114	1900	225	2,153.00		
114	1900	226	6,089.00		
114	1900	240	0.00		0.00
114	1900	241	1,783.00		
114	1900	243	1,908.00		
114	1900	245	0.00	0.00	
114	1900	250	39,577.00		
115	1900	112	118,059.00		
115	1900	115	16,549.00		
115	1900	116	35,572.00		
115	1900	131	913.00		
115	1900	133	14,663.00		
115	1900	135	0.00	0.00	
115	1900	150	282,583.00		
115	1900	222	20,209.00		
115	1900	225	2,833.00		
115	1900	226	6,089.00		
115	1900	240	0.00		0.00
115	1900	241	156.00		
115	1900	243	2,510.00		
115	1900	245	0.00	0.00	
115	1900	250	48,372.00		
			1,031,516.00	0.00	0.00

Florida Public Utilities Company
Schedule of Accumulated Deferred Incon
October 31, 2006

C/U/D	Acct #	Sub-Acct#	Amount	(150, 250) Storm Reserve Liability
114	1900	112	111,500.00	
114	1900	115	12,577.00	
114	1900	116	35,572.00	
114	1900	131	10,414.00	
114	1900	133	11,144.00	
114	1900	135	0.00	
114	1900	150	231,204.00	231,204.00
114	1900	222	19,087.00	
114	1900	225	2,153.00	
114	1900	226	6,089.00	
114	1900	240	0.00	
114	1900	241	1,783.00	
114	1900	243	1,908.00	
114	1900	245	0.00	
114	1900	250	39,577.00	39,577.00
115	1900	112	118,059.00	
115	1900	115	16,549.00	
115	1900	116	35,572.00	
115	1900	131	913.00	
115	1900	133	14,663.00	
115	1900	135	0.00	
115	1900	150	282,583.00	282,583.00
115	1900	222	20,209.00	
115	1900	225	2,833.00	
115	1900	226	6,089.00	
115	1900	240	0.00	
115	1900	241	156.00	
115	1900	243	2,510.00	
115	1900	245	0.00	
115	1900	250	48,372.00	48,372.00
			1,031,516.00	601,736.00

Florida Public Utilities Company
Schedule of Accumulated Deferred Incon
October 31, 2006

C/U/D	Acct #	Sub-Acct#	Amount
114	1900	112	111,500.00
114	1900	115	12,577.00
114	1900	116	35,572.00
114	1900	131	10,414.00
114	1900	133	11,144.00
114	1900	135	0.00
114	1900	150	231,204.00
114	1900	222	19,087.00
114	1900	225	2,153.00
114	1900	226	6,089.00
114	1900	240	0.00
114	1900	241	1,783.00
114	1900	243	1,908.00
114	1900	245	0.00
114	1900	250	39,577.00
115	1900	112	118,059.00
115	1900	115	16,549.00
115	1900	116	35,572.00
115	1900	131	913.00
115	1900	133	14,663.00
115	1900	135	0.00
115	1900	150	282,583.00
115	1900	222	20,209.00
115	1900	225	2,833.00
115	1900	226	6,089.00
115	1900	240	0.00
115	1900	241	156.00
115	1900	243	2,510.00
115	1900	245	0.00
115	1900	250	48,372.00
			1,031,516.00

Florida Public Utilities Company
Schedule of Accumulated Deferred Income Tax
November 30, 2006

ELECTRIC

C/U/D	Acct #	Sub-Acct#	Amount	(112, 222) Self Insurance	(**3) Conservation Program	(133, 243) Audit Fees	(131, 241) Uncollectible	(116, 226) Vacation Pay	(115, 225) General Liability
114	1900	112	111,947.00	111,947.00					
114	1900	115	11,295.00						11,295.00
114	1900	116	35,572.00					35,572.00	
114	1900	131	9,010.00				9,010.00		
114	1900	133	8,584.00			8,584.00			
114	1900	135	0.00						
114	1900	150	232,670.00						
114	1900	222	19,163.00	19,163.00					
114	1900	225	1,933.00						1,933.00
114	1900	226	6,089.00					6,089.00	
114	1900	240	0.00						
114	1900	241	1,542.00				1,542.00		
114	1900	243	1,469.00			1,469.00			
114	1900	245	0.00						
114	1900	250	39,828.00						
115	1900	112	118,532.00	118,532.00					
115	1900	115	14,862.00						14,862.00
115	1900	116	35,572.00					35,572.00	
115	1900	131	695.00				695.00		
115	1900	133	11,294.00			11,294.00			
115	1900	135	0.00						
115	1900	150	284,374.00						
115	1900	222	20,290.00	20,290.00					
115	1900	225	2,544.00						2,544.00
115	1900	226	6,089.00					6,089.00	
115	1900	240	0.00						
115	1900	241	119.00				119.00		
115	1900	243	1,933.00			1,933.00			
115	1900	245	0.00						
115	1900	250	48,679.00						
			1,024,085.00	269,932.00	0.00	23,280.00	11,366.00	83,322.00	30,634.00

Florida Public Utilities Company
Schedule of Accumulated Deferred Incon
November 30, 2006

C/U/D	Acct #	Sub-Acct#	Amount	(135, 245) Miscellaneous Accrual	(140, 240) Rate Refund
114	1900	112	111,947.00		
114	1900	115	11,295.00		
114	1900	116	35,572.00		
114	1900	131	9,010.00		
114	1900	133	8,584.00		
114	1900	135	0.00	0.00	
114	1900	150	232,670.00		
114	1900	222	19,163.00		
114	1900	225	1,933.00		
114	1900	226	6,089.00		
114	1900	240	0.00		0.00
114	1900	241	1,542.00		
114	1900	243	1,469.00		
114	1900	245	0.00	0.00	
114	1900	250	39,828.00		
115	1900	112	118,532.00		
115	1900	115	14,862.00		
115	1900	116	35,572.00		
115	1900	131	695.00		
115	1900	133	11,294.00		
115	1900	135	0.00	0.00	
115	1900	150	284,374.00		
115	1900	222	20,290.00		
115	1900	225	2,544.00		
115	1900	226	6,089.00		
115	1900	240	0.00		0.00
115	1900	241	119.00		
115	1900	243	1,933.00		
115	1900	245	0.00	0.00	
115	1900	250	48,679.00		
			1,024,085.00	0.00	0.00

Florida Public Utilities Company
Schedule of Accumulated Deferred Incon
November 30, 2006

C/U/D	Acct #	Sub-Acct#	Amount	(150, 250) Storm Reserve Liability
114	1900	112	111,947.00	
114	1900	115	11,295.00	
114	1900	116	35,572.00	
114	1900	131	9,010.00	
114	1900	133	8,584.00	
114	1900	135	0.00	
114	1900	150	232,670.00	232,670.00
114	1900	222	19,163.00	
114	1900	225	1,933.00	
114	1900	226	6,089.00	
114	1900	240	0.00	
114	1900	241	1,542.00	
114	1900	243	1,469.00	
114	1900	245	0.00	
114	1900	250	39,828.00	39,828.00
115	1900	112	118,532.00	
115	1900	115	14,862.00	
115	1900	116	35,572.00	
115	1900	131	695.00	
115	1900	133	11,294.00	
115	1900	135	0.00	
115	1900	150	284,374.00	284,374.00
115	1900	222	20,290.00	
115	1900	225	2,544.00	
115	1900	226	6,089.00	
115	1900	240	0.00	
115	1900	241	119.00	
115	1900	243	1,933.00	
115	1900	245	0.00	
115	1900	250	48,679.00	48,679.00
			1,024,085.00	605,551.00

Florida Public Utilities Company
Schedule of Accumulated Deferred Incon
November 30, 2006

C/U/D	Acct #	Sub-Acct#	Amount
114	1900	112	111,947.00
114	1900	115	11,295.00
114	1900	116	35,572.00
114	1900	131	9,010.00
114	1900	133	8,584.00
114	1900	135	0.00
114	1900	150	232,670.00
114	1900	222	19,163.00
114	1900	225	1,933.00
114	1900	226	6,089.00
114	1900	240	0.00
114	1900	241	1,542.00
114	1900	243	1,469.00
114	1900	245	0.00
114	1900	250	39,828.00
115	1900	112	118,532.00
115	1900	115	14,862.00
115	1900	116	35,572.00
115	1900	131	695.00
115	1900	133	11,294.00
115	1900	135	0.00
115	1900	150	284,374.00
115	1900	222	20,290.00
115	1900	225	2,544.00
115	1900	226	6,089.00
115	1900	240	0.00
115	1900	241	119.00
115	1900	243	1,933.00
115	1900	245	0.00
115	1900	250	48,679.00
			1,024,085.00

Florida Public Utilities Company
Schedule of Accumulated Deferred Income Tax
December 31, 2006

				ELECTRIC					
				(112, 222)	(**3)	(133, 243)	(131, 241)	(116, 226)	(115, 225)
		Sub-		Self	Conservation	Audit		Vacation	General
C/U/D	Acct #	Acct#	Amount	Insurance	Program	Fees	Uncollectible	Pay	Liability
114	1900	112	112,401.00	112,401.00					
114	1900	115	11,076.00						11,076.00
114	1900	116	36,572.00					36,572.00	
114	1900	131	20,318.00				20,318.00		
114	1900	133	5,995.00			5,995.00			
114	1900	135	0.00						
114	1900	150	236,558.00						
114	1900	222	19,241.00	19,241.00					
114	1900	225	1,896.00						1,896.00
114	1900	226	6,260.00					6,260.00	
114	1900	240	0.00						
114	1900	241	3,478.00				3,478.00		
114	1900	243	1,026.00			1,026.00			
114	1900	245	0.00						
114	1900	250	40,494.00						
115	1900	112	119,013.00	119,013.00					
115	1900	115	14,574.00						14,574.00
115	1900	116	39,620.00					39,620.00	
115	1900	131	2,069.00				2,069.00		
115	1900	133	7,888.00			7,888.00			
115	1900	135	0.00						
115	1900	150	289,127.00						
115	1900	222	20,373.00	20,373.00					
115	1900	225	2,495.00						2,495.00
115	1900	226	6,782.00					6,782.00	
115	1900	240	0.00						
115	1900	241	354.00				354.00		
115	1900	243	1,350.00			1,350.00			
115	1900	245	0.00						
115	1900	250	49,493.00						
			1,048,453.00	271,028.00	0.00	16,259.00	26,219.00	89,234.00	30,041.00

Florida Public Utilities Company
Schedule of Accumulated Deferred Incon
December 31, 2006

				(135, 245)	(140, 240)
		Sub-		Miscellaneous	Rate
C/U/D	Acct #	Acct#	Amount	Accrual	Refund
114	1900	112	112,401.00		
114	1900	115	11,076.00		
114	1900	116	36,572.00		
114	1900	131	20,318.00		
114	1900	133	5,995.00		
114	1900	135	0.00	0.00	
114	1900	150	236,558.00		
114	1900	222	19,241.00		
114	1900	225	1,896.00		
114	1900	226	6,260.00		
114	1900	240	0.00		0.00
114	1900	241	3,478.00		
114	1900	243	1,026.00		
114	1900	245	0.00	0.00	
114	1900	250	40,494.00		
115	1900	112	119,013.00		
115	1900	115	14,574.00		
115	1900	116	39,620.00		
115	1900	131	2,069.00		
115	1900	133	7,888.00		
115	1900	135	0.00	0.00	
115	1900	150	289,127.00		
115	1900	222	20,373.00		
115	1900	225	2,495.00		
115	1900	226	6,782.00		
115	1900	240	0.00		0.00
115	1900	241	354.00		
115	1900	243	1,350.00		
115	1900	245	0.00	0.00	
115	1900	250	49,493.00		
			1,048,453.00	0.00	0.00

Florida Public Utilities Company
Schedule of Accumulated Deferred Incon
December 31, 2006

				(150, 250)
		Sub-		Storm Reserve
C/U/D	Acct #	Acct#	Amount	Liability
114	1900	112	112,401.00	
114	1900	115	11,076.00	
114	1900	116	36,572.00	
114	1900	131	20,318.00	
114	1900	133	5,995.00	
114	1900	135	0.00	
114	1900	150	236,558.00	236,558.00
114	1900	222	19,241.00	
114	1900	225	1,896.00	
114	1900	226	6,260.00	
114	1900	240	0.00	
114	1900	241	3,478.00	
114	1900	243	1,026.00	
114	1900	245	0.00	
114	1900	250	40,494.00	40,494.00
115	1900	112	119,013.00	
115	1900	115	14,574.00	
115	1900	116	39,620.00	
115	1900	131	2,069.00	
115	1900	133	7,888.00	
115	1900	135	0.00	
115	1900	150	289,127.00	289,127.00
115	1900	222	20,373.00	
115	1900	225	2,495.00	
115	1900	226	6,782.00	
115	1900	240	0.00	
115	1900	241	354.00	
115	1900	243	1,350.00	
115	1900	245	0.00	
115	1900	250	49,493.00	49,493.00
			1,048,453.00	615,672.00

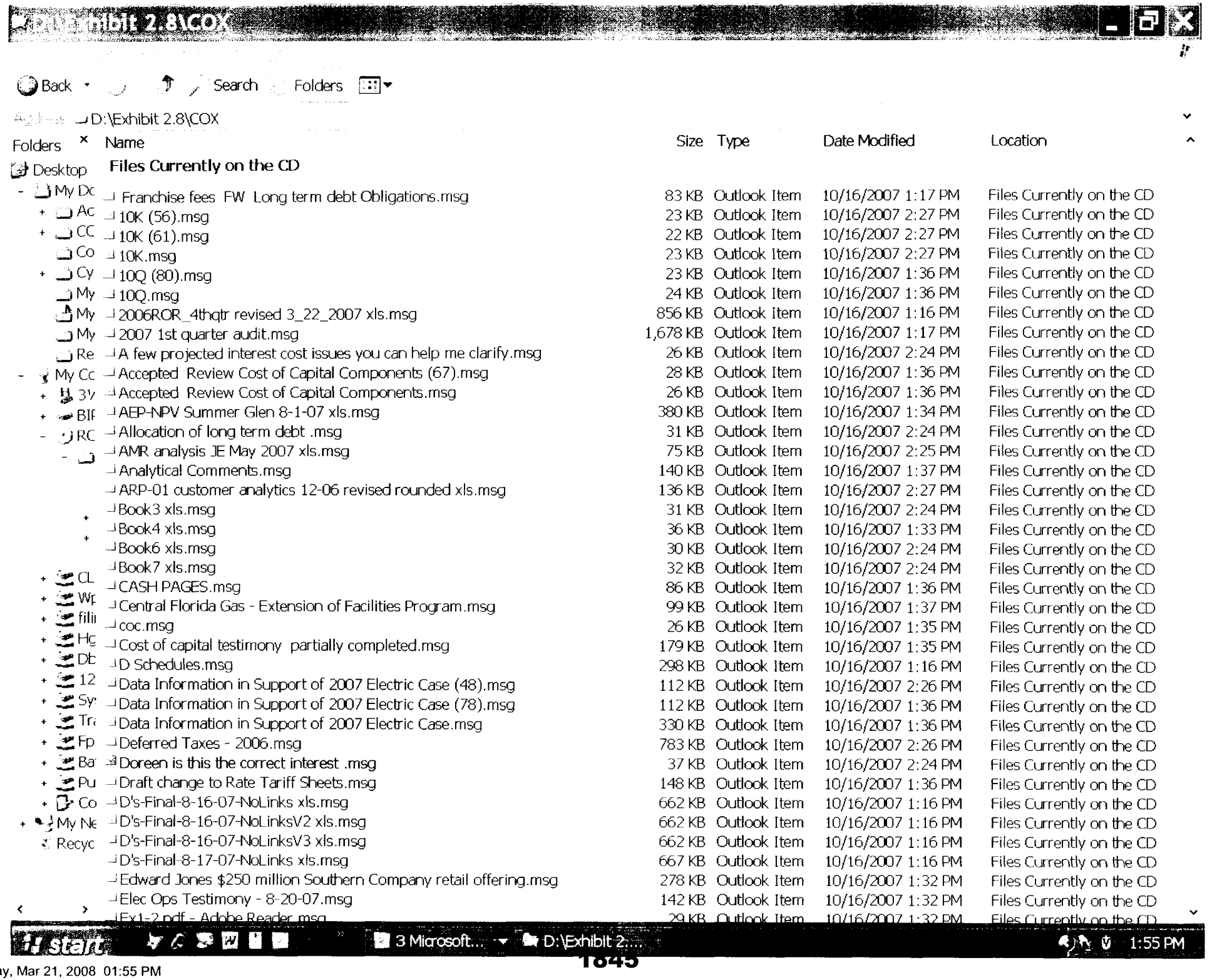
Florida Public Utilities Company
Schedule of Accumulated Deferred Incon
December 31, 2006

		Sub-	
C/U/D	Acct #	Acct#	Amount
114	1900	112	112,401.00
114	1900	115	11,076.00
114	1900	116	36,572.00
114	1900	131	20,318.00
114	1900	133	5,995.00
114	1900	135	0.00
114	1900	150	236,558.00
114	1900	222	19,241.00
114	1900	225	1,896.00
114	1900	226	6,260.00
114	1900	240	0.00
114	1900	241	3,478.00
114	1900	243	1,026.00
114	1900	245	0.00
114	1900	250	40,494.00
115	1900	112	119,013.00
115	1900	115	14,574.00
115	1900	116	39,620.00
115	1900	131	2,069.00
115	1900	133	7,888.00
115	1900	135	0.00
115	1900	150	289,127.00
115	1900	222	20,373.00
115	1900	225	2,495.00
115	1900	226	6,782.00
115	1900	240	0.00
115	1900	241	354.00
115	1900	243	1,350.00
115	1900	245	0.00
115	1900	250	49,493.00
			1,048,453.00

Florida Public Utilities
Breakdown of Accumulated Deferred Income Taxes
Account # 1900.*
December 2005 - December 2006

1900 - Category - Electric

	DEC 05	JAN 06	FEB 06	MAR 06	APR 06	MAY 06	JUN 06	JUL 06	AUG 06	SEP 06	OCT 06	NOV 06	DEC 06	13 MONTH AVG
Self Insurance - 112 / 222	270,441	258,098	260,399	262,663	265,006	267,273	269,481	271,791	274,070	267,529	268,855	269,932	271,028	267,428
Audit Fees - 133 / 243	15,089	6,831	13,663	17,111	23,566	27,333	32,072	34,909	35,334	33,913	39,225	23,280	16,259	23,814
Uncollectible - 131 / 241	11,038	10,069	10,149	10,616	11,848	12,106	13,577	15,054	10,708	11,945	13,266	11,366	26,219	12,920
Vacation Pay - 116 / 226	83,322	83,322	83,322	83,322	83,322	83,322	83,322	83,322	83,322	83,322	83,322	83,322	89,234	83,777
General Liability - 115 / 225	50,146	48,836	48,632	48,620	46,244	44,971	43,471	42,427	38,146	36,319	34,112	30,634	30,041	41,692
Miscellaneous Accrual - 135 / 245	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rate Refund - 140 / 240	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Storm Liability - 150 / 250	567,040	570,472	574,287	578,099	581,914	585,727	588,082	591,895	595,709	597,924	601,736	605,551	615,672	588,778
Hurricane Misc			-	-	-	-	-	-	-	-	-	-	-	-
Deferred Gain			-	-	-	-	-	-	-	-	-	-	-	-
Total	**997,076**	**977,628**	**990,452**	**999,831**	**1,011,900**	**1,020,732**	**1,030,005**	**1,039,398**	**1,037,289**	**1,030,952**	**1,031,516**	**1,024,085**	**1,048,453**	**1,018,409**
2829														
Property	(5,521,877)	(5,500,308)	(5,480,724)	(5,491,578)	(5,469,813)	(5,471,478)	(5,560,702)	(5,550,974)	(5,532,938)	(6,350,507)	(6,321,483)	(6,313,758)	(6,321,264)	**(5,761,416)**
2821														
Regulatory Liability	(167,691)	(167,691)	(167,691)	(167,691)	(167,691)	(167,691)	(167,691)	(167,691)	(167,691)	(102,592)	(102,592)	(102,592)	(102,592)	**(147,661)**
2830														
Underrecovered Purchase - 111 / 221	(606,537)	(561,927)	(636,513)	(585,968)	(586,001)	(667,126)	(754,584)	(704,039)	(715,193)	(664,649)	(614,104)	(638,920)	(642,599)	(646,012)
Conservation Cost 113 / 223	40,227	35,695	38,531	30,951	35,087	28,946	27,680	30,111	29,857	26,882	26,929	21,662	16,803	29,951
Pension 114 / 224	101,388	114,836	132,178	150,287	168,396	186,507	183,320	166,620	174,758	192,965	207,232	221,499	236,125	172,009
Rate Case 117 / 227	(103,654)	(100,998)	(98,340)	(95,680)	(93,024)	(90,366)	(87,708)	(85,050)	(82,392)	(79,734)	(77,078)	(74,420)	(71,760)	(87,708)
Loss on Reacquired Debt 116/ 228	(38,442)	(37,337)	(37,085)	(36,833)	(36,580)	(36,328)	(36,076)	(35,823)	(35,571)	(35,316)	(35,066)	(34,813)	(34,561)	(36,141)
Tax Consulting Fees 158 / 258	-	-	-	-	-	-	(9,216)	(20,111)	(19,731)	(19,351)	(18,971)	(18,593)	(18,213)	(9,553)
Sub Total	(607,018)	(549,731)	(601,229)	(537,243)	(512,122)	(598,367)	(676,584)	(646,292)	(648,272)	(579,205)	(511,058)	(523,585)	(514,205)	**(577,455)**
Total	**(6,296,586)**	**(6,217,730)**	**(6,249,644)**	**(6,196,512)**	**(6,160,626)**	**(6,237,536)**	**(6,404,977)**	**(6,366,957)**	**(6,348,901)**	**(7,032,304)**	**(6,935,133)**	**(6,939,935)**	**(6,938,061)**	**(6,486,531)**
Grand Total	**(5,299,510)**	**(5,240,102)**	**(5,259,192)**	**(5,196,681)**	**(5,148,726)**	**(5,216,804)**	**(5,374,972)**	**(5,327,559)**	**(5,311,612)**	**(6,001,352)**	**(5,903,617)**	**(5,915,850)**	**(5,889,608)**	**(5,468,122)**



Friday, Mar 21, 2008 01:55 PM

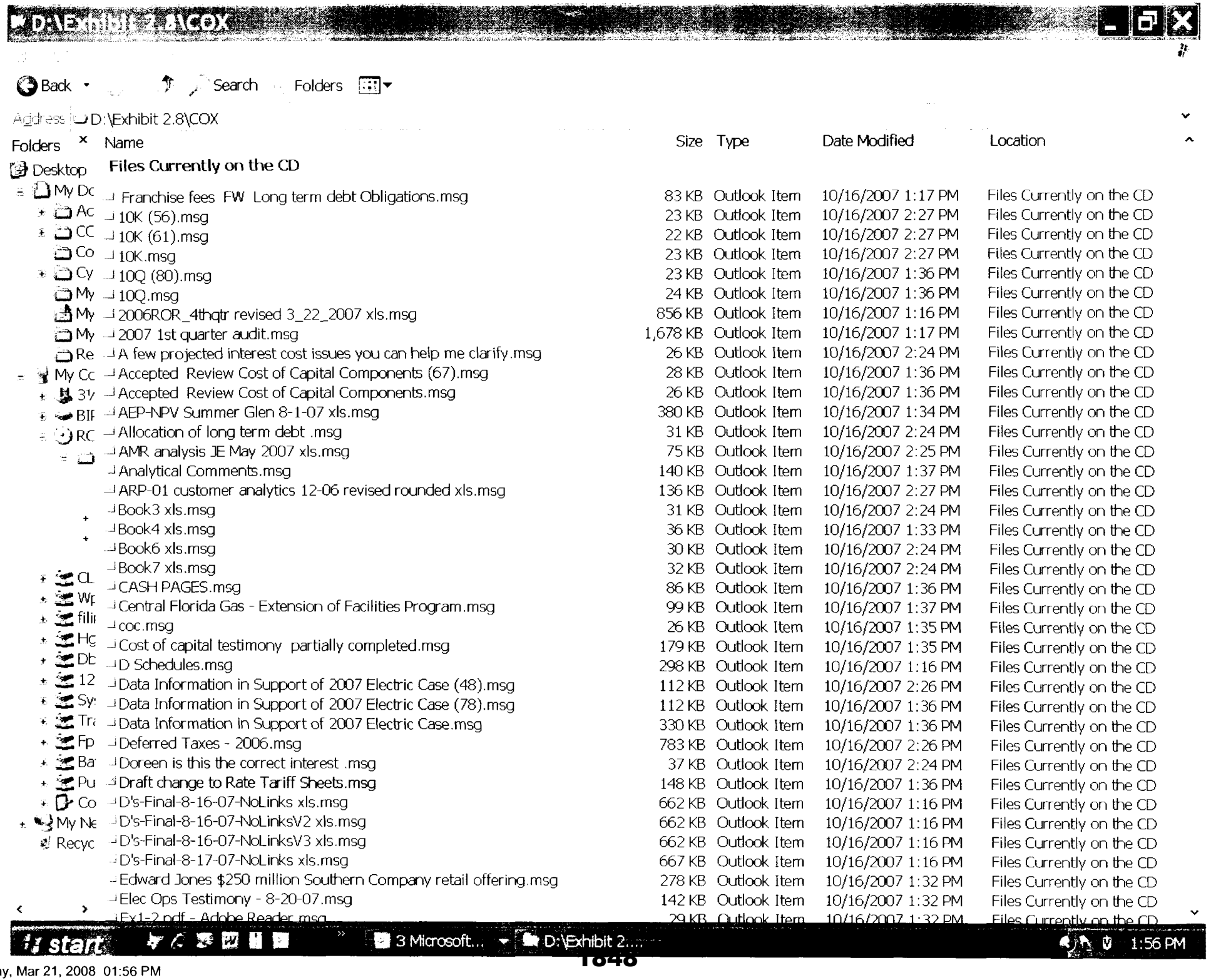
Clara Leider

From: Martin Cheryl
Sent: Thursday, August 02, 2007 3:01 PM
To: Cox Doreen
Subject: Doreen is this the correct interest?

Description	Historical Base Year Ended 2006	Prior Year Ended 2007	Test Year Ended 2008
Interest on Long Term Debt (1)	1,268,418	1,277,132	1,173,525
Amortization of Debt Discount, Premium, Issuing Expense & Loss on Reacquired Debt (1)	-	-	-
Interest on Short Term Debt	75,536	123,947	129,657
Interest on Customer Deposits	129,626	166,567	186,223
Other Interest Expense	-	-	
Less Allowance for Funds Used During Construction	-	-	-
Total Interest Expense	1,473,580	1,567,647	1,489,405

Cheryl Martin

Controller
Florida Public Utilities Company
(561) 838-1725



Friday, Mar 21, 2008 01:56 PM

Clara Leider

From: Seagrave Marc
Sent: Tuesday, May 01, 2007 6:01 PM
To: Kennedy Barry; Kitner Don; Schneidermann Marc; Stein Chuck; Cox Doreen; English Jack; Bachman George; Martin Cheryl
Cc: Dysard Heidi
Subject: Draft change to Rate Tariff Sheets
Attachments: 2007-04-24, FPUC Gas Tariff Sheets Legislative.doc

Team,

Per our discussion a couple of months ago, I have been working on a proposed program that would enable FPU to recover the expense (1860) directly from the customer for piping and equipment costs associated with conversions to natural gas.

Currently, we recover expenses charged to the 1860.32 conversion account through our rates. All customers are impacted by this expense and are in a sense paying for new customer's conversion expenses. This activity puts upward pressure on our rates following a rate case, and historically the financial balance in our 1860 accounts continues to climb.

In order to provide a means to which we can provide alternate ways to limit the constant increase to the 1860 accounts, I propose that we establish a rate escalator in order to recover conversion expenses form the customers who directly benefit from the conversion. The rate will be charged to the customer for a limited period of time, I suggest no longer than 4 years. The transaction would be documented via a signed agreement between parties. This program may also encourage customers to convert additional appliances if they can pay for the additional expense over time via a rate escalator. This program would work similar to our current AEP program.

Please review the draft language noted on the attached rate tariff sheets. Obviously, we would need to produce a procedure, accounting treatment and so forth if this program is something that you feel we should pursue.

Thanks,

Marc S. Seagrave

Marc Seagrave, *CSP*
Director of Marketing & Sales
Florida Public Utilities Company
401 S. Dixie Hwy
West Palm Beach, FL 33401
(561) 838-1714 Office
(561) 723-3439 Cell
(561) 833-8562 Fax
mseagrave@fpuc.com

RATE SCHEDULE GS
GENERAL SERVICE

Availability
Available within the service areas of the Company.

Applicability
Applicable to any non-residential customer for any purpose.

Character of Service
Natural gas or its equivalent having a nominal heat content of 1,000 BTU per cubic foot.

Monthly Rate
Customer Charge: $ 15.00 per meter per month

Energy Charge:
Non-Fuel 32.107 cents per therm

Minimum Bill:
The minimum monthly bill shall consist of the above Customer Charge.

Terms of Payment
Bills are rendered net and are due and payable within twenty (20) days from date of mailing or delivery by the Company.

Billing Adjustments
a. See sheets beginning with Sheet No. 35.

b. A billing adjustment will be applied if the Company provides the equipment and installation necessary to convert a customer's premises to use natural gas. The Company and the Customer will enter into an agreement covering the terms and conditions for service and the recovery of the conversion costs from the Customer. The initial term of service shall be the same as the period of recovery for the conversion costs. The rates established in the Monthly Rate section may be adjusted to provide for recovery by the Company of the costs incurred, including carrying cost at the Company's overall cost of capital, in providing such natural gas conversion equipment. At such time as the Company has recovered its costs of providing the conversion to natural gas service under this rate schedule shall be billed at Monthly Rates stated herein.

Terms and Conditions
Service under this rate schedule is subject to the Company's Rules and Regulations applicable to gas service.

RATE SCHEDULE GLS
GAS LIGHTING SERVICE

Availability
Available within the service areas of the Company.

Applicability
Applicable to any customer solely for providing gas service for gas lighting provided customer has a minimum of five (5) acceptable gas light fixtures approved by the Company, which can be discontinued without affecting other gas service provided by Company, and customer agrees to be billed for the applicable rates and billing adjustments as part of this service.

Character of Service
Natural gas or its equivalent having a nominal heat content of 1,000 BTU per cubic foot. This service is of lower priority than Company's other firm services and is subject to interruption in whole or in part at the sole discretion of the Company upon two hours' notice by telephone or otherwise except in force majeure conditions. This service shall be provided based on the rated hourly usage of each fixture. Company will bill customer for usage based on the monthly computed usage of the gas light fixture(s). Customer shall permit Company to place a device onto customer's gas light fixture(s) for tracking purposes. In the event Customer is planning to add a gas light fixture, Customer shall notify Company so that Company may adjust it records. Failure to notify Company shall allow the Company to treat such usage at a charge up to the charge for unauthorized usage as shown below.

Monthly Rate

Customer Charge:	$ 0.00 per customer per month (for customers who receive a bill for gas service from Company otherwise Company shall bill Customer a Customer Charge based on the equivalent substitute Rate Schedule)
Energy Charge:	
Non-Fuel	17.689 cents per therm

Minimum Bill:
The minimum monthly bill shall consist of the above Customer Charge.

Terms of Payment
Bills are rendered net and are due and payable within twenty (20) days from date of mailing or delivery by the Company.

Continued to Sheet No. 25.1

Continued from Sheet No. 25

Billing Adjustments

a. See sheets beginning with Sheet No. 35.

b. A billing adjustment will be applied if the Company provides the equipment and installation necessary to convert a customer's premises to use natural gas. The Company and the Customer will enter into an agreement covering the terms and conditions for service and the recovery of the conversion costs from the Customer. The initial term of service shall be the same as the period of recovery for the conversion costs. The rates established in the Monthly Rate section may be adjusted to provide for recovery by the Company of the costs incurred, including carrying cost at the Company's overall cost of capital, in providing such natural gas conversion equipment. At such time as the Company has recovered its costs of providing the conversion to natural gas service under this rate schedule shall be billed at Monthly Rates stated herein.

Unauthorized Use of Gas

In the event Company finds one or more of Customer's gas light fixtures using gas during an interruption, Company shall have the right to bill customer for the computed usage of the Customer's gas light fixture(s) during such interruption at a rate of $1.50 per therm, or the cost to the Company for such over-run gas from its suppliers, whichever is greater.

Terms and Conditions

Service under this rate schedule is subject to the Company's Rules and Regulations applicable to gas service.

RATE SCHEDULE RS
RESIDENTIAL SERVICE

Availability
Available within the service areas of the Company.

Applicability
Applicable to Residential Service classification only.

Character of Service
Natural gas or its equivalent having a nominal heat content of 1,000 BTU per cubic foot.

Monthly Rate

Customer Charge:	$ 8.00 per meter per month
Energy Charge:	
Non-Fuel	48.340 cents per therm

Minimum Bill:
The minimum monthly bill shall consist of the above Customer Charge.

Terms of Payment
Bills are rendered net and are due and payable within twenty (20) days from date of mailing or delivery by the Company.

Billing Adjustments
a. See sheets beginning with Sheet No. 35.

b. A billing adjustment will be applied if the Company provides the equipment and installation necessary to convert a customer's premises to use natural gas. The Company and the Customer will enter into an agreement covering the terms and conditions for service and the recovery of the conversion costs from the Customer. The initial term of service shall be the same as the period of recovery for the conversion costs. The rates established in the Monthly Rate section may be adjusted to provide for recovery by the Company of the costs incurred, including carrying cost at the Company's overall cost of capital, in providing such natural gas conversion equipment. At such time as the Company has recovered its costs of providing the conversion to natural gas service under this rate schedule shall be billed at Monthly Rates stated herein.

Terms and Conditions
Service under this rate schedule is subject to the Company's Rules and Regulations applicable to gas service.

Issued by: J. T. English, President & CEO

Effective:

~~Fifteenth~~ Sixteenth Revised Sheet No. 28
Cancels ~~Fourteenth~~ Fifteenth Revised Sheet No. 28

RATE SCHEDULE LVS
LARGE VOLUME SERVICE

Availability
Available within the service areas of the Company.

Applicability
Applicable to large volume users for non-residential purposes.

Character of Service
Natural gas or its equivalent having a nominal heat content of 1,000 BTU per cubic foot.

Limitations of Service
Service must be of a non-seasonal nature.
Use must exceed 500 therms in each and every month of the year.

Monthly Rate

Customer Charge:	$ 45.00 per meter per month
Energy Charge:	
Non-Fuel	23.809 cents per therm

Minimum Bill
The Customer Charge plus the above Energy Charge for 500 therms, but not less than an amount equal to the bill for 50% of the monthly therm requirement set forth in the contract for service.

Terms of Payment
Bills are rendered net and are due and payable within twenty (20) days from date of mailing or delivery by the Company.

Billing Adjustments
a. See sheets beginning with Sheet No. 35.

b. A billing adjustment will be applied if the Company provides the equipment and installation necessary to convert a customer's premises to use natural gas. The Company and the Customer will enter into an agreement covering the terms and conditions for service and the recovery of the conversion costs from the Customer. The initial term of service shall be the same as the period of recovery for the conversion costs. The rates established in the Monthly Rate section may be adjusted to provide for recovery by the Company of the costs incurred, including carrying cost at the Company's overall cost of capital, in providing such natural gas conversion equipment. At such time as the Company has recovered its costs of providing the conversion to natural gas service under this rate schedule shall be billed at Monthly Rates stated herein.

Term of Service
Contract for service hereunder shall be for a period of not less than one year.

Continued to Sheet No. 28.1

Issued by: J. T. English, President & CEO
Effective:

Continued from Sheet No. 28

Terms and Conditions

Service under this rate schedule is subject to the Company's Rules and Regulations applicable to gas service.

Customer must contract for service on an annual basis.

RATE SCHEDULE IS
INTERRUPTIBLE SERVICE

Continued from Sheet No. 29

Terms of Payment
Bills are rendered net and are due and payable within twenty (20) days from date of mailing or delivery by the Company.

Billing Adjustments

a. See sheets beginning with Sheet No. 35.

b. A billing adjustment will be applied if the Company provides the equipment and installation necessary to convert a customer's premises to use natural gas. The Company and the Customer will enter into an agreement covering the terms and conditions for service and the recovery of the conversion costs from the Customer. The initial term of service shall be the same as the period of recovery for the conversion costs. The rates established in the Monthly Rate section may be adjusted to provide for recovery by the Company of the costs incurred, including carrying cost at the Company's overall cost of capital, in providing such natural gas conversion equipment. At such time as the Company has recovered its costs of providing the conversion to natural gas service under this rate schedule shall be billed at Monthly Rates stated herein.

Terms and Conditions
Service under this rate schedule is subject to the Company's Rules and Regulations applicable to gas service.

Unauthorized Over-run Gas
Gas taken by customers under this rate schedule in excess of the Maximum Daily Quantity specified in the contract or by reason of failure to comply with a curtailment order shall be considered as unauthorized over-run gas. Company shall bill and customer shall pay for such unauthorized over-run gas at the rate of $1.50 per therms, or the cost to the Company for such over-run gas from its supplier, whichever is greater.

The payment of an over-run rate shall not, under any circumstances, be considered as giving Buyer the right to take unauthorized over-run gas, nor shall such payment by considered to exclude or limit any other remedies available to comply with its obligation to stay within the provisions of all curtailment orders.

RATE SCHEDULE GSTS
GENERAL SERVICE TRANSPORTATION SERVICE

Continued from Sheet No. 34.01

A Customer who elects to return to regulated sales service will be required to remain on regulated sales service for a period not less than twelve months.

Upon receipt of a Pool Manager Termination of Service Form, Customer shall have until ten (10) Working Days prior to the termination date listed on the form to submit a Pool Manager Change Request Form. If Customer fails to submit Pool Manager Change Request Form in a timely manner, Customer will revert to the corresponding sales service and will be required to remain on sales service for the term of the Agreement.

Point of Receipt

Company will designate a Citygate as the Point of Receipt for each Customer to make delivery of natural gas into Company's distribution system.

Point of Delivery

Company will designate the Customers' service address as the Point of Delivery for Company to make delivery of natural gas to Customer.

Monthly Rate

Customer Charge:	Equal to Rate GS Customer Charge – See Sheet No. 24
Energy Charge:	
Non-Fuel	Equal to Rate GS Energy Charge – See Sheet No. 24
Transportation Administration Charge:	$4.50 per meter per month
Shrinkage:	1.0% of deliveries tendered at Company's Citygate. Company reserves the right to adjust the rate one time per year.

Minimum Bill

The minimum monthly bill shall consist of the above Customer Charge and the Transportation Administration Charge.

Terms of Payment

Bills are rendered net and are due and payable within twenty (20) days from date of mailing or delivery by the Company.

Continued to Sheet No. 34.02.1

Continued from Sheet No. 34.02

Billing Adjustments

a. Purchased Gas Adjustment: Not applicable to this rate schedule.

b. All other Billing Adjustments: See sheets beginning with Sheet No. 35

c. A billing adjustment will be applied if the Company provides the equipment and installation necessary to convert a customer's premises to use natural gas. The Company and the Customer will enter into an agreement covering the terms and conditions for service and the recovery of the conversion costs from the Customer. The initial term of service shall be the same as the period of recovery for the conversion costs. The rates established in the Monthly Rate section may be adjusted to provide for recovery by the Company of the costs incurred, including carrying cost at the Company's overall cost of capital, in providing such natural gas conversion equipment. At such time as the Company has recovered its costs of providing the conversion to natural gas service under this rate schedule shall be billed at Monthly Rates stated herein.

Requests for Service

Company will require Customer to provide Company with a duly executed Natural Gas Transportation Service Agreement no less than ten (10) Working Days prior to the requested effective date of the service. Customer shall have the right to initiate service on the first day of any month.

Term of Service

Contract for service hereunder shall be for a period of not less than one (1) year.

Continued to Sheet No. 34.03

RATE SCHEDULE LVTS
LARGE VOLUME TRANSPORTATION SERVICE

(Continued from Sheet No. 34.11)

Monthly Rate

Customer Charge:	Equal to Rate LVS Customer Charge See Sheet No. 28
Telemetry Maintenance Charge:	$ 30.00 per meter per month for Customers required to have electronic telemetry equipment.
Energy Charge:	
Non-Fuel	Equal to Rate LVS Energy Charge See Sheet No. 28
Transportation Administration Charge:	$ 20.50 per meter per month for Customers required to have electronic measurement equipment and $4.50 per meter per month for Customers not required to have electronic measurement equipment.
Shrinkage:	1.0% of deliveries tendered at Company's Citygate. Company reserves the right to adjust the rate one time per year.

Minimum Bill

The minimum bill for each month shall be the Customer Charge, the Telemetry Maintenance Charge, and the Transportation Administration Charge plus the billing at the above Energy Charge for a quantity of gas equal to the Monthly Minimum Bill Quantity specified in the Agreement. In the event Company is unable to transport the quantity of gas designated as the Monthly Minimum Bill Quantity, Customer's minimum transportation obligation shall be prorated for such time service was unavailable.

Terms of Payment

Bills are rendered net and are due and payable within twenty (20) days from date of mailing or delivery by the Company.

Billing Adjustment

a. Purchased Gas Adjustment: Not applicable to this rate schedule.

b. All other billing Adjustments: See sheets beginning with Sheet No. 35

c. A billing adjustment will be applied if the Company provides the equipment and installation necessary to convert a customer's premises to use natural gas. The Company and the Customer will enter into an agreement covering the terms and conditions for service and the recovery of the conversion costs from the Customer. The initial term of service shall be the same as the period of recovery for the conversion costs. The rates established in the Monthly Rate section may be adjusted to provide for recovery by the Company of the costs incurred, including carrying cost at the Company's overall cost of capital, in providing such natural gas conversion equipment. At such time as the Company has recovered its costs of providing the conversion to natural gas service under this rate schedule shall be billed at Monthly Rates stated herein.

(Continued to Sheet No 34.13)

RATE SCHEDULE ITS
INTERRUPTIBLE TRANSPORTATION SERVICE
(Continued from Sheet No. 34.21)

Monthly Rate

Customer Charge:	Equal to Rate IS Customer Charge See Sheet No. 29
Telemetry Maintenance Charge:	Equal to Rate IS Telemetry Maintenance Charge See Sheet No. 29
Energy Charge: Non-Fuel	Equal to Rate IS Energy Charge See Sheet No. 29
Transportation Administration Charge:	$ 20.50 per meter per month
Shrinkage:	1.0% of deliveries tendered at Company's Citygate. Company reserves the right to adjust the rate one time per year.

Minimum Bill

The minimum bill for each month shall be the Customer Charge, the Telemetry Maintenance Charge, and the Transportation Administration Charge plus the billing at the above Energy Charge for a quantity of gas equal to the Monthly Minimum Bill Quantity specified in the Agreement. In the event Company is unable to transport the quantity of gas designated as the Monthly Minimum Bill Quantity, Customer's minimum transportation obligation shall be prorated for such time service was unavailable.

Terms of Payment

Bills are rendered net and are due and payable within twenty (20) days from date of mailing or delivery by the Company.

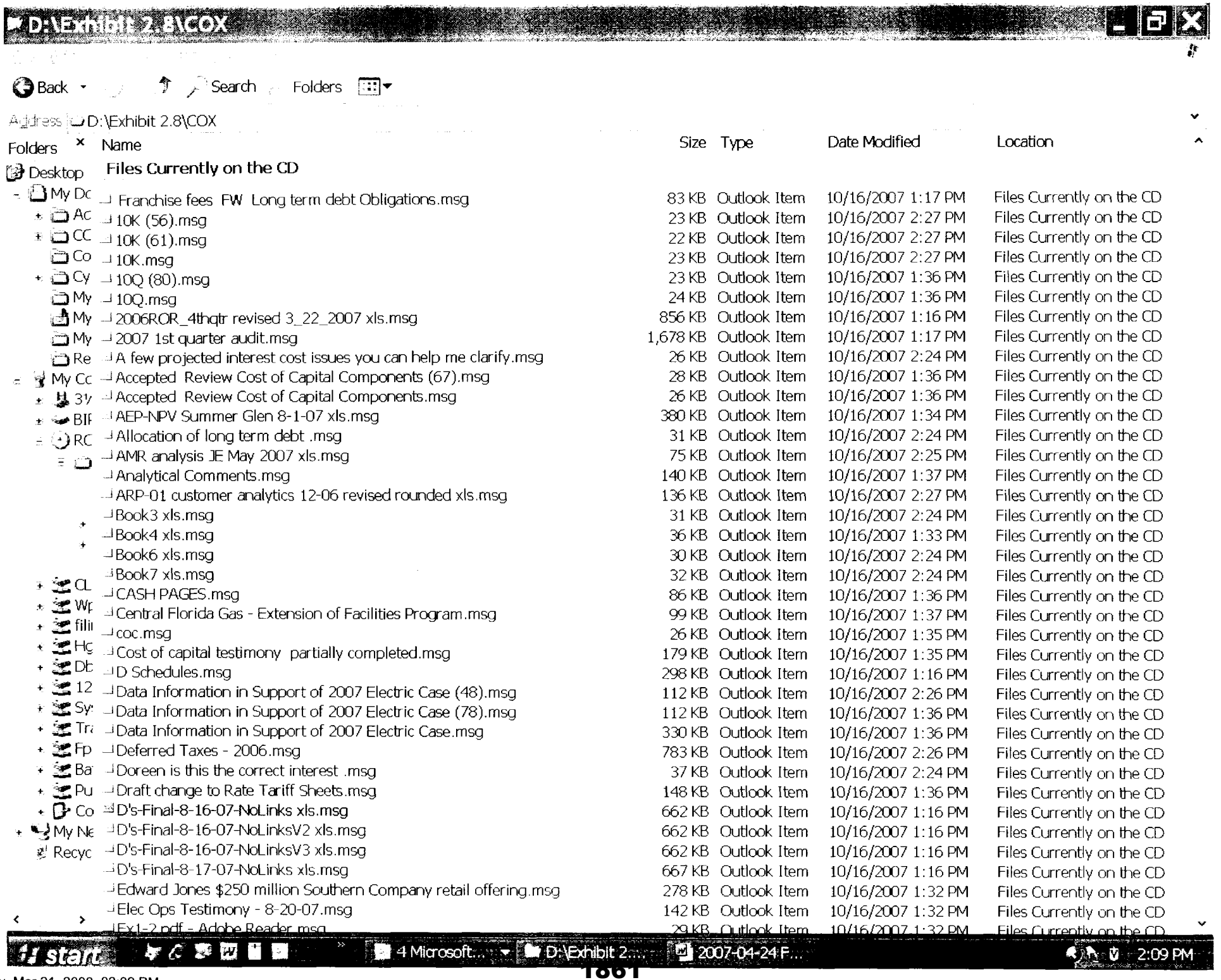
Billing Adjustment

a. Purchased Gas Adjustment: Not applicable to this rate schedule

b. All other billing Adjustments: See sheets beginning with Sheet No. 35

c. A billing adjustment will be applied if the Company provides the equipment and installation necessary to convert a customer's premises to use natural gas. The Company and the Customer will enter into an agreement covering the terms and conditions for service and the recovery of the conversion costs from the Customer. The initial term of service shall be the same as the period of recovery for the conversion costs. The rates established in the Monthly Rate section may be adjusted to provide for recovery by the Company of the costs incurred, including carrying cost at the Company's overall cost of capital, in providing such natural gas conversion equipment. At such time as the Company has recovered its costs of providing the conversion to natural gas service under this rate schedule shall be billed at Monthly Rates stated herein.

(Continued to Sheet No 34.23)



Friday, Mar 21, 2008 02:09 PM

Clara Leider

From: Mike Welsh [mpwelsh@CAEnergy.com]
Sent: Thursday, August 16, 2007 10:32 AM
To: Cox Doreen
Subject: D's-Final-8-16-07-NoLinks.xls
Attachments: D's-Final-8-16-07-NoLinks.xls

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division
DOCKET NO.: 070304-EI

EXPLANATION: Provide the company's 13-month average cost of capital for the test year, the prior year, and historical base year.

Type of Data Shown:
Historic Year Ended 12/31/06
Witness: Doreen Cox, Robert Camfield

Line No.	Class of Capital	(A) Company Total Per Books	(B) Specific Adjustments	(C) Pro Rata Adjustments	(D) System Adjusted	(E) Jurisdictional Factor	(F) Jurisdictional Capital Structure	(G) Ratio	(H) Cost Rate	(I) Weighted Cost Rate	(J) Interest Expense
					Regulatory Capital Structure, 2006						
1.	Long Term Debt	50,443,237			50,443,237	31%	15,801,612	0.4152	8.03%	3.33%	1,268,418
2.	Short Term Debt	3,309,077			3,309,077	31%	1,036,586	0.0272	7.29%	0.20%	75,536
3.	Preferred Stock	600,000			600,000	31%	187,953	0.0049	4.75%	0.02%	
4.	Common Equity	44,943,721			44,943,721	31%	14,078,859	0.3699	11.50%	4.25%	
5.	Customer Deposits	2,136,661			2,136,661		2,136,661	0.0561	6.07%	0.34%	129,626
6.	Deferred Income Taxes	4,674,449			4,674,449		4,674,449	0.1228	0.00%	0.00%	
7.	Tax Credits-Zero Cost	0			0		0	0.0000	0.00%	0.00%	
8.	Tax Credits-Weighted Cost	141,120			141,120		141,120	0.0037	9.55%	0.04%	
9.	TOTAL	106,248,266			106,248,266		38,057,241	1.0000		8.18%	1,473,580

	Class of Capital	Company Total Per Books	Ratio	Cost Rate	Weighted Cost Rate
		Conventional Capital Structure, 2006			
10.	Long Term Debt	50,443,237	0.5080	8.03%	4.08%
11.	Short Term Debt	3,309,077	0.0333	7.29%	0.24%
12.	Preferred Stock	600,000	0.0060	4.75%	0.03%
13.	Common Equity	44,943,721	0.4526	11.50%	5.21%
14.	TOTAL	99,296,036	1.0000		9.55%

Rate Base	$38,057,241
Direct Components	$6,952,231
	$31,105,010
Jurisdictional Factor	31.33%

Common Equity excludes Flo-Gas

Supporting Schedules: B-3 (2006)

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division
DOCKET NO.: 070304-EI

EXPLANATION: Provide the company's 13-month average cost of capital for the test year, the prior year, and historical base year.

Type of Data Shown:
Prior Year Ended 12/31/07
Witness: Doreen Cox, Robert Camfield

Line No.	Class of Capital	(A) Company Total Per Books	(B) Specific Adjustments	(C) Pro Rata Adjustments	(D) System Adjusted	(E) Jurisdictional Factor	(F) Jurisdictional Capital Structure	(G) Ratio	(H) Cost Rate	(I) Weighted Cost Rate	(J) Interest Expense
					Regulatory Capital Structure, 2007						
1.	Long Term Debt	50,543,842			50,543,842	32%	15,941,895	0.3866	8.01%	3.10%	1,277,132
2.	Short Term Debt	5,729,846			5,729,846	32%	1,807,235	0.0438	6.86%	0.30%	123,947
3.	Preferred Stock	600,000			600,000	32%	189,244	0.0046	4.75%	0.02%	
4.	Common Equity	47,883,036			47,883,036	32%	15,102,657	0.3662	11.50%	4.21%	
5.	Customer Deposits	2,637,518			2,637,518		2,637,518	0.0640	6.32%	0.40%	166,567
6.	Deferred Income Taxes	5,452,539			5,452,539		5,452,539	0.1322	0.00%	0.00%	
7.	Tax Credits-Zero Cost	0			0		0	0.0000	0.00%	0.00%	
8.	Tax Credits-Weighted Cost	110,190			110,190		110,190	0.0027	9.52%	0.03%	
9.	TOTAL	112,956,971			112,956,971		41,241,279	1.0000		8.06%	1,567,647

	Class of Capital	Company Total Per Books	Ratio	Cost Rate	Weighted Cost Rate
		Conventional Capital Structure, 2007			
10.	Long Term Debt	50,543,842	0.4825	8.01%	3.87%
11.	Short Term Debt	5,729,846	0.0547	6.86%	0.38%
12.	Preferred Stock	600,000	0.0057	4.75%	0.03%
13.	Common Equity	47,883,036	0.4571	11.50%	5.26%
14.	TOTAL	104,756,724	1.0000		9.52%

Rate Base	$41,241,279
Direct Components	$8,200,247
	$33,041,032
Jurisdictional Factor	32%

Common Equity excludes Flo-Gas

Supporting Schedules: B-3 (2007)

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division
DOCKET NO.: 070304-EI

EXPLANATION: Provide the company's 13-month average cost of capital for the test year, the prior year, and historical base year.

Type of Data Shown:
Projected Test Year Ended 12/31/08
Witness: Doreen Cox, Robert Camfield

Line No.	Class of Capital	(A) Company Total Per Books	(B) Specific Adjustments	(C) Pro Rata Adjustments	(D) System Adjusted	(E) Jurisdictional Factor	(F) Jurisdictional Capital Structure	(G) Ratio	(H) Cost Rate	(I) Weighted Cost Rate	(J) Interest Expense
	Regulatory Capital Structure, 2008										
1.	Long Term Debt	49,777,370			49,777,370	30%	14,733,561	0.3425	7.96%	2.73%	1,173,525
2.	Short Term Debt	6,436,923			6,436,923	30%	1,905,259	0.0443	6.81%	0.30%	129,657
3.	Preferred Stock	600,000			600,000	30%	177,593	0.0041	4.75%	0.02%	
4.	Common Equity	57,755,879			57,755,879	30%	17,095,113	0.3974	11.50%	4.57%	
5.	Customer Deposits	2,948,763			2,948,763		2,948,763	0.0685	6.32%	0.43%	186,223
6.	Deferred Income Taxes	6,078,743			6,078,743		6,078,743	0.1413	0.00%	0.00%	
7.	Tax Credits-Zero Cost	0			0		0	0.0000	0.00%	0.00%	
8.	Tax Credits-Weighted Cost	81,965			81,965		81,965	0.0019	9.67%	0.02%	
9.	TOTAL	123,679,644			123,679,644		43,020,997	1.0000		8.07%	1,489,405

	Class of Capital	Company Total Per Books	Ratio	Cost Rate	Weighted Cost Rate
	Conventional Capital Structure, 2008				
10.	Long Term Debt	49,777,370	0.4345	7.96%	3.46%
11.	Short Term Debt	6,436,923	0.0562	6.81%	0.38%
12.	Preferred Stock	600,000	0.0052	4.75%	0.02%
13.	Common Equity	57,755,879	0.5041	11.50%	5.80%
14.	TOTAL	114,570,173	1.0000		9.67%

Rate Base	$43,020,997
Direct Components	$9,109,471
	$33,911,526
Jurisdictional Factor	30%

Common Equity excludes Flo-Gas

Supporting Schedules: B-3 (2008)

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION EXPLANATION:

COMPANY: Florida Public Utilities
Consolidated Electric Division
DOCKET NO.: 070304-EI

1.) List and describe the basis for the specific adjustments appearing on Schedule D-1a.

2.) List and describe the basis for the pro-rata adjustments appearing on Schedule D-1a.

Type of Data Shown:
Projected Test Year Ended 12/31/08
Prior Year Ended 12/31/07
Historic Year Ended 12/31/06
Witness: Doreen Cox, Robert Camfield

Line No.	Class of Capital	Description	Historic Base Year	Prior Year	Test Year
1		Specific Adjustments			
2					
3		The determination of the cost of capital for purposes of setting			
4		retail rates in the immediate docket incorporates no specific adjustments			
5		to the December '06, Prior Year '07, or The Test Year 2008 capital structure or cost rates			
6					
7					
8		Pro Rata Adjustments			
9					
10		The determination of the cost of capital for purposes of setting			
11		retail rates in the immediate docket incorporates no pro rata adjustments			
12		to the December '06, Prior Year '07, or The Test Year 2008 capital structure or cost rates			

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: For the subject Florida utility, all other regulated utility operations combined, all non-regulated operations combined, the parent company, and on a consolidated basis, provide the year-end capital structure for investor capital (i.e. common equity, preferred stock, long-term debt, and short-term debt) for the five years through the end of the projected test year.

Type of Data Shown:
Projected Test Year Ended 12/31/08
Prior Year Ended 12/31/07
Historic Years Ended 12/31/04, 05 and 06
Witness: Doreen Cox, Robert Camfield

Line No.	Class of Capital	2004 Year-End Amount	2004 Year-End Percent of Total	2005 Year-End Amount	2005 Year-End Percent of Total	2006 Year-End Amount	2006 Year-End Percent of Total	2007 Year-End Amount	2007 Year-End Percent of Total	2008 Year-End Amount	2008 Year-End Percent of Total
1	Long Term Debt	50,538,000	50.449%	50,620,000	47.628%	50,702,000	49.542%	50,784,602	45.141%	49,457,923	40.969%
2	Short Term Debt	5,825,000	5.815%	9,558,000	8.993%	3,466,000	3.387%	12,160,000	10.809%	5,860,000	4.854%
3	Preferred Stock	600,000	0.599%	600,000	0.565%	600,000	0.586%	600,000	0.533%	600,000	0.497%
4	Common Equity	43,213,000	43.137%	45,503,000	42.814%	47,573,000	46.485%	48,958,030	43.517%	64,803,263	53.680%
5	Total	100,176,000	100.000%	106,281,000	100.000%	102,341,000	100.000%	112,502,632	100.000%	120,721,186	100.000%

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: 1.) Provide the specified data on short-term debt issues on a 13-month average basis for the test year, prior year, and historical base year

2.) Provide a narrative description of the Company's policies regarding short-term financing. The following topics should be covered: ratio of short-term debt to total capital, plant expansion, working capital, timing of long-term financing, method of short-term financing (bank loans, commercial paper, etc.), and other uses of short-term financing.

Type of Data Shown:
Prior Year Ended 12/31/07
Historic Year Ended 12/31/06
Witness: Doreen Cox, Robert Camfield

Year	Maturity Date	Interest Rate	Interest Expense	13-month Average Amount Outstanding During the Year	Weighted Average Cost of Short-term Debt
			For Historical Test Year 2006		
2006	July, 2008	7.29%	$145,595	1,998,015 *	0.20%
			For Prior Year 2007		
2007	July, 2008	6.86%	$381,070	5,556,250 *	0.30%

2.) The Company plans to use a combination of short term borrowing and an Equity Offering in 2008 to finance future growth and capital expenditures.

*Calculated using the average monthly line of credit balance which is appropriate for determining short term debt costs.

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: 1.) Provide the specified data on short-term debt issues on a 13-month average basis for the test year, prior year, and historical base year

2.) Provide a narrative description of the Company's policies regarding short-term financing. The following topics should be covered: ratio of short-term debt to total capital, plant expansion, working capital, timing of long-term financing, method of short-term financing (bank loans, commercial paper, etc.), and other uses of short-term financing.

Type of Data Shown:
Projected Test Year Ended 12/31/08
Witness: Doreen Cox, Robert Camfield

Year	Maturity Date	Interest Rate	Interest Expense	13-month Average Amount Outstanding During the Year	Weighted Average Cost of Short-term Debt
			For Test Year 2008		
2008	July, 2008	6.81%	$423,453	6,222,500 *	0.30%

2.) The Company plans to use a combination of short term borrowing and an Equity Offering in 2008 to finance future growth and capital expenditures.

*Calculated using the average monthly line of credit balance which is appropriate for determining short term debt costs.

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Provide the specified data on long-term debt issues on a 13-month average basis for the test year, prior year, and historical base year. Arrange by type of issue (i.e., first mortgage bonds)

Type of Data Shown:
Historic Year Ended 12/31/06
Witness: Doreen Cox, Robert Camfield

HISTORICAL YEAR, 2006

(1) Line No.	(2) Description, Coupon Rate	(3) Issue Date	(4) Maturity Date	(5) Principal Amount Sold (Face Value)	(6) 13-Month Average Principal Amt. Outstanding	(7) Discount (Premium) on Principal Amount Sold	(8) Issuing Expense On Principal Amount Sold	(9) Life (Years)	(10) Annual Amortization (7+8)/(9)	(11) Interest Expense (Coupon Rate) (2) x (6)	(12) Total Annual Cost (10)+(11)	(13) Unamortized Discount (Premium) Associated With (6)	(14) Average Unamort. Issuing Expense & Loss on Reacquired Debt
1	9.57%	5/1/1988	5/1/2018	$10,000,000	$10,000,000	$0	$180,273	30	$7,211	$957,000	$964,211	N/A	$49,277
2													
3	10.03%	5/1/1988	5/1/2018	$5,500,000	$5,500,000	$0	$97,070	30	$3,883	$551,650	$555,533	N/A	$26,532
4													
5	9.08%	6/1/1992	6/1/2022	$8,000,000	$8,000,000	$0	$121,967	30	$4,066	$726,400	$730,466	N/A	$65,070
6													
7	6.85%	10/1/2001	10/1/2031	$15,000,000	$15,000,000	$0	$1,208,670	30	$40,289	$1,027,500	$1,067,789	N/A	$1,017,297
8													
9	4.90%	11/1/2001	11/1/2031	$14,000,000	$14,000,000	$0	$805,956	30	$26,865	$686,000	$712,865	N/A	$680,704
10													
11													
12		Loss on Re-acquired Debt					$548,516		$18,288	$0	$18,288		$217,883
13													
14													
15													
16													
17													
18													
19													
20													
21													
22	Total				$52,500,000	$0	$2,962,452		$100,602	$3,948,550	$4,049,152	N/A	$2,056,763
23													
24	Less Unamortized Premium, Discount, and												
25	Issuance Expense (13) + (14).				$2,056,763								
26													
27	Net LT Debt Outstanding				$50,443,237								
28													
29													
30	Embedded Cost of Long-term Debt				8.0271%								
31	(12) / Net												

Supporting Schedules:

Recap Schedules: D-1

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Provide the specified data on long-term debt issues on a 13-month average basis for the test year, prior year, and historical base year. Arrange by type of issue (i.e., first mortgage bonds)

Type of Data Shown:
Prior Year Ended 12/31/07
Witness: Doreen Cox, Robert Camfield

PRIOR YEAR, 2007

(1) Line No.	(2) Description, Coupon Rate	(3) Issue Date	(4) Maturity Date	(5) Principal Amount Sold (Face Value)	(6) 13-Month Average Principal Amt. Outstanding	(7) Discount (Premium) on Principal Amount Sold	(8) Issuing Expense On Principal Amount Sold	(9) Life (Years)	(10) Annual Amortization (7+8)/(9)	(11) Interest Expense (Coupon Rate) (2) x (6)	(12) Total Annual Cost (10)+(11)	(13) Unamortized Discount (Premium) Associated With (6)	(14) Average Unamort. Issuing Expense & Loss on Reacquired Debt
1	9.57%	5/1/1988	5/1/2018	$10,000,000	$10,000,000	$0	$180,273	30	$7,211	$957,000	$964,211	N/A	$42,066
2													
3	10.03%	5/1/1988	5/1/2018	$5,500,000	$5,500,000	$0	$97,070	30	$3,883	$551,650	$555,533	N/A	$22,649
4													
5	9.08%	6/1/1992	6/1/2022	$8,000,000	$8,000,000	$0	$121,967	30	$4,066	$726,400	$730,466	N/A	$61,002
6													
7	6.85%	10/1/2001	10/1/2031	$15,000,000	$15,000,000	$0	$1,208,670	30	$40,289	$1,027,500	$1,067,789	N/A	$977,008
8													
9	4.90%	11/1/2001	11/1/2031	$14,000,000	$14,000,000	$0	$805,956	30	$26,865	$686,000	$712,865	N/A	$653,854
10													
11													
12			Loss on Re-acquired Debt				$548,516		$18,288	$0	$18,288		$199,599
13													
14													
15			Rounding Adjustment										-$21
16													
17													
18													
19													
20													
21													
22	Total				$52,500,000	$0	$2,962,452		$100,602	$3,948,550	$4,049,152	N/A	$1,956,158
23													
24	Less Unamortized Premium, Discount, and												
25	Issuance Expense (13) + (14).				$1,956,158								
26													
27	Net LT Debt Outstanding				$50,543,842								
28													
29													
30	Embedded Cost of Long-term Debt				8.0112%								
31	(12) / Net												

Supporting Schedules:

Recap Schedules: D-1

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Provide the specified data on long-term debt issues on a 13-month average basis for the test year, prior year, and historical base year. Arrange by type of issue (i.e., first mortgage bonds)

Type of Data Shown:
Projected Test Year Ended 12/31/08
Witness: Doreen Cox, Robert Camfield

TEST YEAR, 2008

Line No.	(1)	(2) Description, Coupon Rate	(3) Issue Date	(4) Maturity Date	(5) Principal Amount Sold (Face Value)	(6) 13-Month Average Principal Amt. Outstanding	(7) Discount (Premium) on Principal Amount Sold	(8) Issuing Expense On Principal Amount Sold	(9) Life (Years)	(10) Annual Amortization (7+8)/(9)	(11) Interest Expense (Coupon Rate) (2) x (6)	(12) Total Annual Cost (10)+(11)	(13) Unamortized Discount (Premium) Associated With (6)	(14) Average Unamort. Issuing Expense & Loss on Reacquired Debt
1		9.57%	5/1/1988	5/1/2018	$10,000,000	$9,440,615	$0	$180,273	30	$7,211	$903,467	$910,678	N/A	$34,855
2														
3		10.03%	5/1/1988	5/1/2018	$5,500,000	$5,192,308	$0	$97,070	30	$3,883	$520,788	$524,671	N/A	$18,766
4														
5		9.08%	6/1/1992	6/1/2022	$8,000,000	$8,000,000	$0	$121,967	30	$4,066	$726,400	$730,466	N/A	$56,935
6														
7		6.85%	10/1/2001	10/1/2031	$15,000,000	$15,000,000	$0	$1,208,670	30	$40,289	$1,027,500	$1,067,789	N/A	$936,719
8														
9		4.90%	11/1/2001	11/1/2031	$14,000,000	$14,000,000	$0	$805,956	30	$26,865	$686,000	$712,865	N/A	$627,025
10														
11														
12				Loss on Re-acquired Debt				$548,516		$18,288	$0	$18,288		$181,316
13														
14														
15				Rounding Adjustment										-$63
16														
17														
18														
19														
20														
21														
22		Total				$51,632,923	$0	$2,962,452		$100,602	$3,864,155	$3,964,757	N/A	$1,855,553
23														
24		Less Unamortized Premium, Discount, and												
25		Issuance Expense (13) + (14).				$1,855,553								
26														
27		Net LT Debt Outstanding				$49,777,370								
28														
29														
30		Embedded Cost of Long-term Debt				7.9650%								
31		(12) / Net												

Supporting Schedules:

Recap Schedules: D-1

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Supply a statement of the company's policy on treatment of profit or loss from reacquired bonds. Detail any profit or loss on recquired bonds for the test year and prior year.

Type of Data Shown:
Projected Test Year Ended 12/31/08
Prior Year Ended 12/31/07
HistoricYear Ended 12/31/06
Witness: Doreen Cox, Robert Camfield

In the interest of its retail customers and shareholders, the policy of Florida Public Utilities Company on this issue is to profitably reacquire outstanding debt when economic and capital market conditions afford such opportunities. History suggests, however, that conditions vary substantially from one time to another, such that favorable opportunities to reacquire debt will occur infrequently and randomly. The Company will share the profits and losses associated with reacquired debt fairly with its retail customers.

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

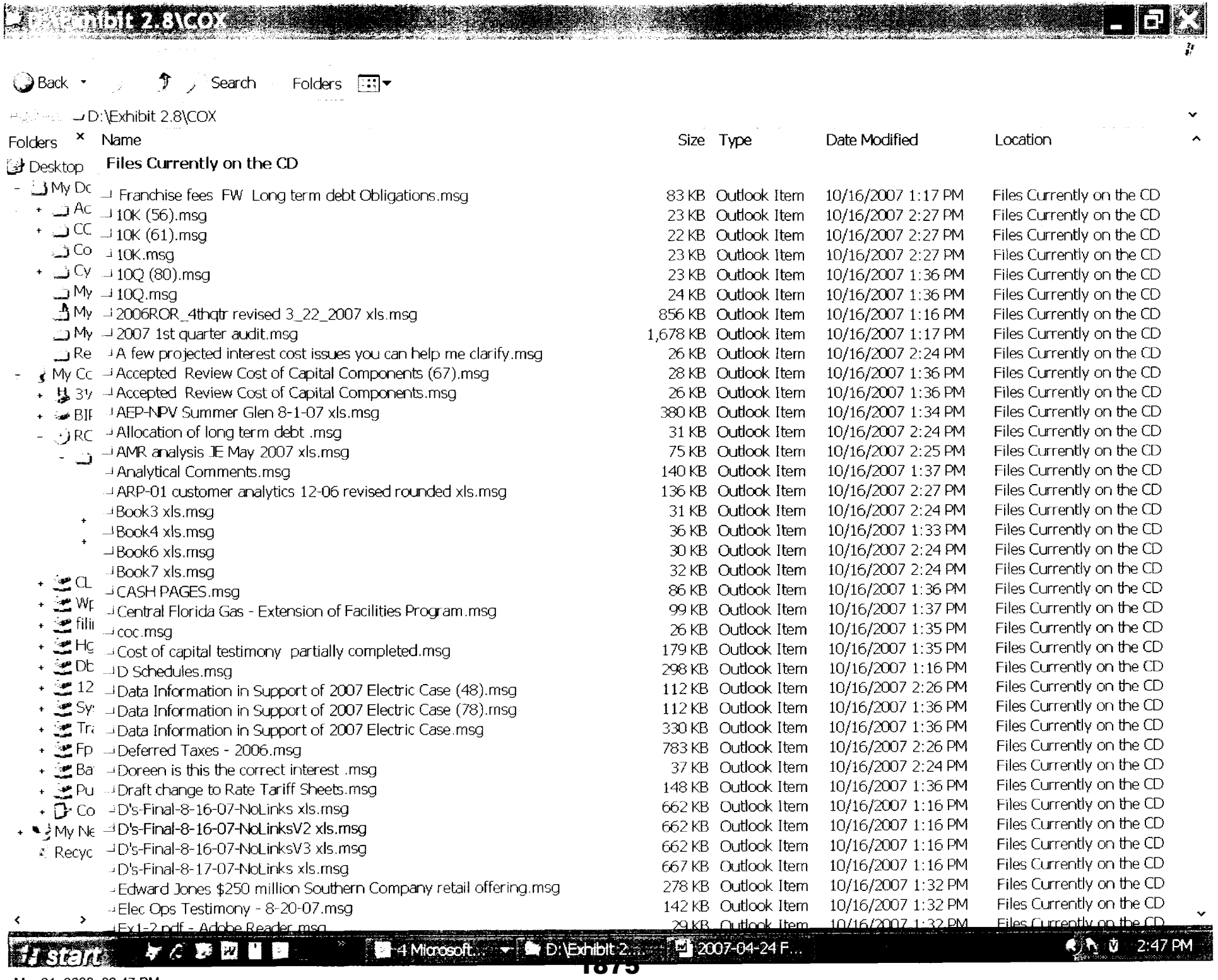
EXPLANATION: Provide the data as specified for preferred stock on a 13-month average basis for the test year, prior year, and historical base year.

Type of Data Shown:
Prior Year Ended 12/31/07
Historic Year Ended 12/31/06
Projected Test Year Ended 12/31/08
Witness: Doreen Cox, Robert Camfield

(1) Line No.	(2) Description, Coupon Rate	(3) Issue Date	(4) Call Provisions or Special Restrictions	(5) Principal Amount Sold	(6) 13-month Average Principal Amt. Outstanding	(7) (Discount) Premium on Principal Amount Sold	(8) (Discount) Premium Associated with (6)	(9) Issuing Expense on Principal Amount Sold	(10) Issuing Expense Associated with (6)	(11) Net Proceeds (6)+(8)-(10)	(12) Dollar Dividend on Face Value (2) X (6)	(13) Effective Cost Rate (12)/(11)
					For Historic Year 2006							
1.	4.75% Cumulative	12/28/1945		$600,000	$600,000	N/A	N/A	N/A	N/A	$600,000	$28,500	4.75%
2.	Preferred Stock											
3.												
4.					**For Prior Year 2007**							
5.	4.75% Cumulative	12/28/1945		$600,000	$600,000	N/A	N/A	N/A	N/A	$600,000	$28,500	4.75%
6.	Preferred Stock											
7.												
8.					**For Test Year 2008**							
9.	4.75% Cumulative	12/28/1945		$600,000	$600,000	N/A	N/A	N/A	N/A	$600,000	$28,500	4.75%
10.	Preferred Stock											
11.												
12.												
13.												
14.												
15.												
16.												
17.												
18.												
19.												
20.												
21.	Total			$600,000	$600,000	N/A	N/A	N/A	N/A	$600,000	$28,500	4.75%
22.	Weighted Average Cost of Preferred Stock											4.75%

Supporting Schedules:

Recap Schedules: D-1



Friday, Mar 21, 2008 02:47 PM

Clara Leider

From: Mike Welsh [mpwelsh@CAEnergy.com]
Sent: Thursday, August 16, 2007 1:39 PM
To: Cox Doreen
Subject: D's-Final-8-16-07-NoLinksV2.xls
Attachments: D's-Final-8-16-07-NoLinksV2.xls

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division
DOCKET NO.: 070304-EI

EXPLANATION: Provide the company's 13-month average cost of capital for the test year, the prior year, and historical base year.

Type of Data Shown:
Historic Year Ended 12/31/06
Witness: Doreen Cox, Robert Camfield

Line No.	Class of Capital	(A) Company Total Per Books	(B) Specific Adjustments	(C) Pro Rata Adjustments	(D) System Adjusted	(E) Jurisdictional Factor	(F) Jurisdictional Capital Structure	(G) Ratio	(H) Cost Rate	(I) Weighted Cost Rate	(J) Interest Expense
					Regulatory Capital Structure, 2006						
1.	Long Term Debt	50,443,237			50,443,237	31.33%	15,801,612	0.4152	8.03%	3.33%	1,268,418
2.	Short Term Debt	3,309,077			3,309,077	31.33%	1,036,586	0.0272	7.29%	0.20%	75,536
3.	Preferred Stock	600,000			600,000	31.33%	187,953	0.0049	4.75%	0.02%	
4.	Common Equity	44,943,721			44,943,721	31.33%	14,078,859	0.3699	11.50%	4.25%	
5.	Customer Deposits	2,136,661			2,136,661		2,136,661	0.0561	6.07%	0.34%	129,626
6.	Deferred Income Taxes	4,674,449			4,674,449		4,674,449	0.1228	0.00%	0.00%	
7.	Tax Credits-Zero Cost	0			0		0	0.0000	0.00%	0.00%	
8.	Tax Credits-Weighted Cost	141,120			141,120		141,120	0.0037	9.55%	0.04%	
9.	TOTAL	106,248,266			106,248,266		38,057,241	1.0000		8.18%	1,473,580

	Class of Capital	Company Total Per Books	Ratio	Cost Rate	Weighted Cost Rate
		Conventional Capital Structure, 2006			
10.	Long Term Debt	50,443,237	0.5080	8.03%	4.08%
11.	Short Term Debt	3,309,077	0.0333	7.29%	0.24%
12.	Preferred Stock	600,000	0.0060	4.75%	0.03%
13.	Common Equity	44,943,721	0.4526	11.50%	5.21%
14.	TOTAL	99,296,036	1.0000		9.55%

Rate Base	$38,057,241
Direct Components	$6,952,231
	$31,105,010
Jurisdictional Factor	31.33%

Common Equity excludes Flo-Gas

Supporting Schedules: B-1 (2006), B-3 (2006), D-3, D-4a, D-5, D-6

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division
DOCKET NO.: 070304-EI

EXPLANATION: Provide the company's 13-month average cost of capital for the test year, the prior year, and historical base year.

Type of Data Shown:
Historic Year Ended 12/31/06
Witness: Doreen Cox, Robert Camfield

Line No.	Class of Capital	(A) Company Total Per Books	(B) Specific Adjustments	(C) Pro Rata Adjustments	(D) System Adjusted	(E) Jurisdictional Factor	(F) Jurisdictional Capital Structure	(G) Ratio	(H) Cost Rate	(I) Weighted Cost Rate	(J) Interest Expense
					Regulatory Capital Structure, 2006						
1.	Long Term Debt	50,443,237			50,443,237	31.33%	15,801,612	0.4152	8.03%	3.33%	1,268,418
2.	Short Term Debt	3,309,077			3,309,077	31.33%	1,036,586	0.0272	7.29%	0.20%	75,536
3.	Preferred Stock	600,000			600,000	31.33%	187,953	0.0049	4.75%	0.02%	
4.	Common Equity	44,943,721			44,943,721	31.33%	14,078,859	0.3699	11.50%	4.25%	
5.	Customer Deposits	2,136,661			2,136,661		2,136,661	0.0561	6.07%	0.34%	129,626
6.	Deferred Income Taxes	4,674,449			4,674,449		4,674,449	0.1228	0.00%	0.00%	
7.	Tax Credits-Zero Cost	0			0		0	0.0000	0.00%	0.00%	
8.	Tax Credits-Weighted Cost	141,120			141,120		141,120	0.0037	9.55%	0.04%	
9.	TOTAL	106,248,266			106,248,266		38,057,241	1.0000		8.18%	1,473,580

	Class of Capital	Company Total Per Books	Ratio	Cost Rate	Weighted Cost Rate
		Conventional Capital Structure, 2006			
10.	Long Term Debt	50,443,237	0.5080	8.03%	4.08%
11.	Short Term Debt	3,309,077	0.0333	7.29%	0.24%
12.	Preferred Stock	600,000	0.0060	4.75%	0.03%
13.	Common Equity	44,943,721	0.4526	11.50%	5.21%
14.	TOTAL	99,296,036	1.0000		9.55%

Rate Base	$38,057,241
Direct Components	$6,952,231
	$31,105,010
Jurisdictional Factor	31.33%

Common Equity excludes Flo-Gas

Supporting Schedules: B-1 (2006), B-3 (2006), D-3, D-4a, D-5, D-6

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division
DOCKET NO.: 070304-EI

EXPLANATION: Provide the company's 13-month average cost of capital for the test year, the prior year, and historical base year.

Type of Data Shown:
Prior Year Ended 12/31/07
Witness: Doreen Cox, Robert Camfield

Line No.	Class of Capital	(A) Company Total Per Books	(B) Specific Adjustments	(C) Pro Rata Adjustments	(D) System Adjusted	(E) Jurisdictional Factor	(F) Jurisdictional Capital Structure	(G) Ratio	(H) Cost Rate	(I) Weighted Cost Rate	(J) Interest Expense
					Regulatory Capital Structure, 2007						
1.	Long Term Debt	50,543,842			50,543,842	31.54%	15,941,895	0.3866	8.01%	3.10%	1,277,132
2.	Short Term Debt	5,729,846			5,729,846	31.54%	1,807,235	0.0438	6.86%	0.30%	123,947
3.	Preferred Stock	600,000			600,000	31.54%	189,244	0.0046	4.75%	0.02%	
4.	Common Equity	47,883,036			47,883,036	31.54%	15,102,657	0.3662	11.50%	4.21%	
5.	Customer Deposits	2,637,518			2,637,518		2,637,518	0.0640	6.32%	0.40%	166,567
6.	Deferred Income Taxes	5,452,539			5,452,539		5,452,539	0.1322	0.00%	0.00%	
7.	Tax Credits-Zero Cost	0			0		0	0.0000	0.00%	0.00%	
8.	Tax Credits-Weighted Cost	110,190			110,190		110,190	0.0027	9.52%	0.03%	
9.	TOTAL	112,956,971			112,956,971		41,241,279	1.0000		8.06%	1,567,647

	Class of Capital	Company Total Per Books	Ratio	Cost Rate	Weighted Cost Rate
		Conventional Capital Structure, 2007			
10.	Long Term Debt	50,543,842	0.4825	8.01%	3.87%
11.	Short Term Debt	5,729,846	0.0547	6.86%	0.38%
12.	Preferred Stock	600,000	0.0057	4.75%	0.03%
13.	Common Equity	47,883,036	0.4571	11.50%	5.26%
14.	TOTAL	104,756,724	1.0000		9.52%

Rate Base	$41,241,279
Direct Components	$8,200,247
	$33,041,032
Jurisdictional Factor	31.54%

Common Equity excludes Flo-Gas

Supporting Schedules: B-1 (2007) B-3 (2007),

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division
DOCKET NO.: 070304-EI

EXPLANATION: Provide the company's 13-month average cost of capital for the test year, the prior year, and historical base year.

Type of Data Shown:
Projected Test Year Ended 12/31/08
Witness: Doreen Cox, Robert Camfield

Line No.	Class of Capital	(A) Company Total Per Books	(B) Specific Adjustments	(C) Pro Rata Adjustments	(D) System Adjusted	(E) Jurisdictional Factor	(F) Jurisdictional Capital Structure	(G) Ratio	(H) Cost Rate	(I) Weighted Cost Rate	(J) Interest Expense
					Regulatory Capital Structure, 2008						
1.	Long Term Debt	49,777,370			49,777,370	29.60%	14,733,561	0.3425	7.96%	2.73%	1,173,525
2.	Short Term Debt	6,436,923			6,436,923	29.60%	1,905,259	0.0443	6.81%	0.30%	129,657
3.	Preferred Stock	600,000			600,000	29.60%	177,593	0.0041	4.75%	0.02%	
4.	Common Equity	57,755,879			57,755,879	29.60%	17,095,113	0.3974	11.50%	4.57%	
5.	Customer Deposits	2,948,763			2,948,763		2,948,763	0.0685	6.32%	0.43%	186,223
6.	Deferred Income Taxes	6,078,743			6,078,743		6,078,743	0.1413	0.00%	0.00%	
7.	Tax Credits-Zero Cost	0			0		0	0.0000	0.00%	0.00%	
8.	Tax Credits-Weighted Cost	81,965			81,965		81,965	0.0019	9.67%	0.02%	
9.	TOTAL	123,679,644			123,679,644		43,020,997	1.0000		8.07%	1,489,405

	Class of Capital	Company Total Per Books	Ratio	Cost Rate	Weighted Cost Rate
		Conventional Capital Structure, 2008			
10.	Long Term Debt	49,777,370	0.4345	7.96%	3.46%
11.	Short Term Debt	6,436,923	0.0562	6.81%	0.38%
12.	Preferred Stock	600,000	0.0052	4.75%	0.02%
13.	Common Equity	57,755,879	0.5041	11.50%	5.80%
14.	TOTAL	114,570,173	1.0000		9.67%

Rate Base	$43,020,997
Direct Components	$9,109,471
	$33,911,526
Jurisdictional Factor	29.60%

Common Equity excludes Flo-Gas

Supporting Schedules: B-1 (2008), B-3 (2008), D-3, D-4a, D-5, D-6

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION EXPLANATION:

COMPANY: Florida Public Utilities
Consolidated Electric Division
DOCKET NO.: 070304-EI

1.) List and describe the basis for the specific adjustments appearing on Schedule D-1a.

2.) List and describe the basis for the pro-rata adjustments appearing on Schedule D-1a.

Type of Data Shown:
Projected Test Year Ended 12/31/08
Prior Year Ended 12/31/07
Historic Year Ended 12/31/06
Witness: Doreen Cox, Robert Camfield

Line No.	Class of Capital	Description	Historic Base Year	Prior Year	Test Year
1		Specific Adjustments			
2					
3		The determination of the cost of capital for purposes of setting			
4		retail rates in the immediate docket incorporates no specific adjustments			
5		to the December '06, Prior Year '07, or The Test Year 2008 capital structure or cost rates			
6					
7					
8		Pro Rata Adjustments			
9					
10		The determination of the cost of capital for purposes of setting			
11		retail rates in the immediate docket incorporates no pro rata adjustments			
12		to the December '06, Prior Year '07, or The Test Year 2008 capital structure or cost rates			

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: For the subject Florida utility, all other regulated utility operations combined, all non-regulated operations combined, the parent company, and on a consolidated basis, provide the year-end capital structure for investor capital (i.e. common equity, preferred stock, long-term debt, and short-term debt) for the five years through the end of the projected test year.

Type of Data Shown:
Projected Test Year Ended 12/31/08
Prior Year Ended 12/31/07
Historic Years Ended 12/31/04, 05 and 06
Witness: Doreen Cox, Robert Camfield

Line No.	Class of Capital	2004 Year-End Amount	2004 Year-End Percent of Total	2005 Year-End Amount	2005 Year-End Percent of Total	2006 Year-End Amount	2006 Year-End Percent of Total	2007 Year-End Amount	2007 Year-End Percent of Total	2008 Year-End Amount	2008 Year-End Percent of Total
1	Long Term Debt	50,538,000	50.449%	50,620,000	47.628%	50,702,000	49.542%	50,784,602	45.141%	49,457,923	40.969%
2	Short Term Debt	5,825,000	5.815%	9,558,000	8.993%	3,466,000	3.387%	12,160,000	10.809%	5,860,000	4.854%
3	Preferred Stock	600,000	0.599%	600,000	0.565%	600,000	0.586%	600,000	0.533%	600,000	0.497%
4	Common Equity	43,213,000	43.137%	45,503,000	42.814%	47,573,000	46.485%	48,958,030	43.517%	64,803,263	53.680%
5	Total	100,176,000	100.000%	106,281,000	100.000%	102,341,000	100.000%	112,502,632	100.000%	120,721,186	100.000%

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: 1.) Provide the specified data on short-term debt issues on a 13-month average basis for the test year, prior year, and historical base year

2.) Provide a narrative description of the Company's policies regarding short-term financing. The following topics should be covered: ratio of short-term debt to total capital, plant expansion, working capital, timing of long-term financing, method of short-term financing (bank loans, commercial paper, etc.), and other uses of short-term financing.

Type of Data Shown:
Projected Year Ended 12/31/08
Prior Year Ended 12/31/07
Historic Year Ended 12/31/06
Witness: Doreen Cox, Robert Camfield

Year	Maturity Date	Interest Rate	Interest Expense	13-month Average Amount Outstanding During the Year	Weighted Average Cost of Short-term Debt
			For Historical Test Year 2006		
2006	July, 2008	7.29%	$145,595	1,998,015 *	0.20%
			For Prior Year 2007		
2007	July, 2008	6.86%	$381,070	5,556,250 *	0.30%

2.) The Company plans to use a combination of short term borrowing and an Equity Offering in 2008 to finance future growth and capital expenditures.

			For Test Year 2008		
2008	July, 2008	0.00%	$0	0 *	0.00%

2.) The Company plans to use a combination of short term borrowing and an Equity Offering in 2008 to finance future growth and capital expenditures.

*Calculated using the average daily line of credit balance which is appropriate for determining short term debt costs.

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Provide the specified data on long-term debt issues on a 13-month average basis for the test year, prior year, and historical base year.
Arrange by type of issue (i.e., first mortgage bonds)

Type of Data Shown:
Historic Year Ended 12/31/06
Witness: Doreen Cox, Robert Camfield

HISTORICAL YEAR, 2006

(1) Line No.	(2) Description, Coupon Rate	(3) Issue Date	(4) Maturity Date	(5) Principal Amount Sold (Face Value)	(6) 13-Month Average Principal Amt. Outstanding	(7) Discount (Premium) on Principal Amount Sold	(8) Issuing Expense On Principal Amount Sold	(9) Life (Years)	(10) Annual Amortization (7+8)/(9)	(11) Interest Expense (Coupon Rate) (2) x (6)	(12) Total Annual Cost (10)+(11)	(13) Unamortized Discount (Premium) Associated With (6)	(14) Average Unamort. Issuing Expense & Loss on Reacquired Debt
1	9.57%	5/1/1988	5/1/2018	$10,000,000	$10,000,000	$0	$180,273	30	$7,211	$957,000	$964,211	N/A	$49,277
2													
3	10.03%	5/1/1988	5/1/2018	$5,500,000	$5,500,000	$0	$97,070	30	$3,883	$551,650	$555,533	N/A	$26,532
4													
5	9.08%	6/1/1992	6/1/2022	$8,000,000	$8,000,000	$0	$121,967	30	$4,066	$726,400	$730,466	N/A	$65,070
6													
7	6.85%	10/1/2001	10/1/2031	$15,000,000	$15,000,000	$0	$1,208,670	30	$40,289	$1,027,500	$1,067,789	N/A	$1,017,297
8													
9	4.90%	11/1/2001	11/1/2031	$14,000,000	$14,000,000	$0	$805,956	30	$26,865	$686,000	$712,865	N/A	$680,704
10													
11													
12		Loss on Re-acquired Debt					$548,516		$18,288	$0	$18,288		$217,883
13													
14													
15													
16													
17													
18													
19													
20													
21													
22	Total				$52,500,000	$0	$2,962,452		$100,602	$3,948,550	$4,049,152	N/A	$2,056,763
23													
24	Less Unamortized Premium, Discount, and												
25	Issuance Expense (13) + (14).				$2,056,763								
26													
27	Net LT Debt Outstanding				$50,443,237								
28													
29													
30	Embedded Cost of Long-term Debt				8.0271%								
31	(12) / Net												

Supporting Schedules:

Recap Schedules: D-1

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Provide the specified data on long-term debt issues on a 13-month average basis for the test year, prior year, and historical base year.
Arrange by type of issue (i.e., first mortgage bonds)

Type of Data Shown:
Prior Year Ended 12/31/07
Witness: Doreen Cox, Robert Camfield

PRIOR YEAR, 2007

(1) Line No.	(2) Description, Coupon Rate	(3) Issue Date	(4) Maturity Date	(5) Principal Amount Sold (Face Value)	(6) 13-Month Average Principal Amt. Outstanding	(7) Discount (Premium) on Principal Amount Sold	(8) Issuing Expense On Principal Amount Sold	(9) Life (Years)	(10) Annual Amortization (7+8)/(9)	(11) Interest Expense (Coupon Rate) (2) x (6)	(12) Total Annual Cost (10)+(11)	(13) Unamortized Discount (Premium) Associated With (6)	(14) Average Unamort. Issuing Expense & Loss on Reacquired Debt
1	9.57%	5/1/1988	5/1/2018	$10,000,000	$10,000,000	$0	$180,273	30	$7,211	$957,000	$964,211	N/A	$42,066
2													
3	10.03%	5/1/1988	5/1/2018	$5,500,000	$5,500,000	$0	$97,070	30	$3,883	$551,650	$555,533	N/A	$22,649
4													
5	9.08%	6/1/1992	6/1/2022	$8,000,000	$8,000,000	$0	$121,967	30	$4,066	$726,400	$730,466	N/A	$61,002
6													
7	6.85%	10/1/2001	10/1/2031	$15,000,000	$15,000,000	$0	$1,208,670	30	$40,289	$1,027,500	$1,067,789	N/A	$977,008
8													
9	4.90%	11/1/2001	11/1/2031	$14,000,000	$14,000,000	$0	$805,956	30	$26,865	$686,000	$712,865	N/A	$653,854
10													
11													
12			Loss on Re-acquired Debt				$548,516		$18,288	$0	$18,288		$199,599
13													
14													
15			Rounding Adjustment										-$21
16													
17													
18													
19													
20													
21													
22	Total				$52,500,000	$0	$2,962,452		$100,602	$3,948,550	$4,049,152	N/A	$1,956,158
23													
24	Less Unamortized Premium, Discount, and												
25	Issuance Expense (13) + (14).				$1,956,158								
26													
27	Net LT Debt Outstanding				$50,543,842								
28													
29													
30	Embedded Cost of Long-term Debt				8.0112%								
31	(12) / Net												

Supporting Schedules:

Recap Schedules: D-1

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Provide the specified data on long-term debt issues on a 13-month average basis for the test year, prior year, and historical base year.
Arrange by type of issue (i.e., first mortgage bonds)

Type of Data Shown:
Projected Test Year Ended 12/31/08
Witness: Doreen Cox, Robert Camfield

TEST YEAR, 2008

(1) Line No.	(2) Description, Coupon Rate	(3) Issue Date	(4) Maturity Date	(5) Principal Amount Sold (Face Value)	(6) 13-Month Average Principal Amt. Outstanding	(7) Discount (Premium) on Principal Amount Sold	(8) Issuing Expense On Principal Amount Sold	(9) Life (Years)	(10) Annual Amortization (7+8)/(9)	(11) Interest Expense (Coupon Rate) (2) x (6)	(12) Total Annual Cost (10)+(11)	(13) Unamortized Discount (Premium) Associated With (6)	(14) Average Unamort. Issuing Expense & Loss on Reacquired Debt
1	9.57%	5/1/1988	5/1/2018	$10,000,000	$9,440,615	$0	$180,273	30	$7,211	$903,467	$910,678	N/A	$34,855
2													
3	10.03%	5/1/1988	5/1/2018	$5,500,000	$5,192,308	$0	$97,070	30	$3,883	$520,788	$524,671	N/A	$18,766
4													
5	9.08%	6/1/1992	6/1/2022	$8,000,000	$8,000,000	$0	$121,967	30	$4,066	$726,400	$730,466	N/A	$56,935
6													
7	6.85%	10/1/2001	10/1/2031	$15,000,000	$15,000,000	$0	$1,208,670	30	$40,289	$1,027,500	$1,067,789	N/A	$936,719
8													
9	4.90%	11/1/2001	11/1/2031	$14,000,000	$14,000,000	$0	$805,956	30	$26,865	$686,000	$712,865	N/A	$627,025
10													
11													
12			Loss on Re-acquired Debt				$548,516		$18,288	$0	$18,288		$181,316
13													
14													
15			Rounding Adjustment										-$63
16													
17													
18													
19													
20													
21													
22	Total				$51,632,923	$0	$2,962,452		$100,602	$3,864,155	$3,964,757	N/A	$1,855,553
23													
24	Less Unamortized Premium, Discount, and												
25	Issuance Expense (13) + (14).				$1,855,553								
26													
27	Net LT Debt Outstanding				$49,777,370								
28													
29													
30	Embedded Cost of Long-term Debt				7.9650%								
31	(12) / Net												

Supporting Schedules:

Recap Schedules: D-1

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Supply a statement of the company's policy on treatment of profit or loss from reacquired bonds. Detail any profit or loss on recquired bonds for the test year and prior year.

Type of Data Shown:
Projected Test Year Ended 12/31/08
Prior Year Ended 12/31/07
HistoricYear Ended 12/31/06
Witness: Doreen Cox, Robert Camfield

In the interest of its retail customers and shareholders, the policy of Florida Public Utilities Company on this issue is to profitably reacquire outstanding debt when economic and capital market conditions afford such opportunities. History suggests, however, that conditions vary substantially from one time to another, such that favorable opportunities to reacquire debt will occur infrequently and randomly. The Company will share the profits and losses associated with reacquired debt fairly with its retail customers.

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Provide the data as specified for preferred stock on a 13-month average basis for the test year, prior year, and historical base year.

Type of Data Shown:
Prior Year Ended 12/31/07
Historic Year Ended 12/31/06
Projected Test Year Ended 12/31/08
Witness: Doreen Cox, Robert Camfield

Line No.	(1)	(2) Description, Coupon Rate	(3) Issue Date	(4) Call Provisions or Special Restrictions	(5) Principal Amount Sold	(6) 13-month Average Principal Amt. Outstanding	(7) (Discount) Premium on Principal Amount Sold	(8) (Discount) Premium Associated with (6)	(9) Issuing Expense on Principal Amount Sold	(10) Issuing Expense Associated with (6)	(11) Net Proceeds (6)+(8)-(10)	(12) Dollar Dividend on Face Value (2) X (6)	(13) Effective Cost Rate (12)/(11)
1.						**For Historic Year 2006**							
2.		4.75% Cumulative Preferred Stock	12/28/1945		$600,000	$600,000	N/A	N/A	N/A	N/A	$600,000	$28,500	4.75%
3.													
4.						**For Prior Year 2007**							
5.		4.75% Cumulative Preferred Stock	12/28/1945		$600,000	$600,000	N/A	N/A	N/A	N/A	$600,000	$28,500	4.75%
6.													
7.													
8.						**For Test Year 2008**							
9.		4.75% Cumulative Preferred Stock	12/28/1945		$600,000	$600,000	N/A	N/A	N/A	N/A	$600,000	$28,500	4.75%
10.													
11.													
12.													
13.													
14.													
15.													
16.													
17.													
18.													
19.													
20.													
21		Weighted Average Cost of Preferred Stock for 2006, 2007 and 2008											4.75%

Supporting Schedules:

Recap Schedules: D-1

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Provide monthly balances, interest rates, and interest payments on customer deposits for the test year, the prior year, and historic year

Type of Data Shown:
Historic Year Ended 12/31/06
Witness: Doreen Cox, Robert Camfield

(1) Line No.	(2) Month and Year	(3) Active Customer Deposits at 6.00%	(4) Active Customer Deposits at 7.00%	(5) Inactive Customer Deposits	(6) Total Deposits (3)+(4)+(5)	(7) Interest Payments (3) X 6%/12	(8) Interest Payments (3) X 7%/12	(9) Total Interest (7) + (8)	(10) Actual Payments and Credits on Bills
1	December, '05				2,075,368				
2	January, '06				2,082,190			10,806	
3	February				2,098,737			11,297	
4	March				2,107,316			9,618	
5	April				2,114,463			10,239	
6	May				2,119,052			10,657	
7	June				2,114,509			10,239	
8	July				2,126,739			11,656	
9	August				2,132,502			10,676	
10	September				2,132,452			11,391	
11	October				2,156,868			10,408	
12	November				2,194,167			11,987	
13	December				2,322,227			10,652	
14									
15	13 Month Average				$2,136,661				
16									
17	12 Month Total							$129,626	
18									
19									
20		Effective Interest Rate							
21		12 Month Interest							
22		Expense (9) divided							
23		by Total Deposits (6)			6.07%				

Supporting Schedules:

Recap Schedules: D-1

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION Provide monthly balances, interest rates, and interest payments on customer deposits for the test year, the prior year, and historic year

Type of Data Shown:
Prior Year Ended 12/31/07
Witness: Doreen Cox, Robert Camfield

(1) Line No.	(2) Month and Year	(3) Active Customer Deposits at 6.00%	(4) Active Customer Deposits at 7.00%	(5) Inactive Customer Deposits	(6) Total Deposits (3)+(4)+(5)	(7) Interest Payments (3) X 6%/12	(8) Interest Payments (3) X 7%/12	(9) Total Interest (7) + (8)	(10) Actual Payments and Credits on Bills
1	December, '06	1,590,029	732,198		2,322,227				
2	January, '07	1,589,106	731,773		2,320,879	7,946	4,269	12,214	
3	February	1,599,207	736,425		2,335,632	7,996	4,296	12,292	
4	March	1,809,061	833,061		2,642,123	9,045	4,860	13,905	
5	April	1,822,307	839,161		2,661,468	9,112	4,895	14,007	
6	May	1,835,650	845,305		2,680,956	9,178	4,931	14,109	
7	June	1,849,091	851,495	N/A	2,700,586	9,245	4,967	14,213	N/A
8	July	1,862,630	857,729		2,720,360	9,313	5,003	14,317	
9	August	1,876,269	864,010		2,740,278	9,381	5,040	14,421	
10	September	1,890,007	870,336		2,760,343	9,450	5,077	14,527	
11	October	1,903,845	876,709		2,780,554	9,519	5,114	14,633	
12	November	1,917,785	883,128		2,800,914	9,589	5,152	14,741	
13	December	1,931,828	889,594		2,821,422	9,659	5,189	14,848	
14									
15	13 Month Average				$2,637,518				
16									
17	12 Month Total					$109,434	$58,793	$168,227	
18									
19									
20		Effective Interest Rate							
21		12 Month Interest							
22		Expense (9) divided							
23		by Total Deposits (6)		6.32%					

Supporting Schedules:

Recap Schedules: D-1

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION Provide monthly balances, interest rates, and interest payments on customer deposits for the test year, the prior year, and historic year

Type of Data Shown:
Projected Test Year Ended 12/31/08
Witness: Doreen Cox, Robert Camfield

(1) Line No.	(2) Month and Year	(3) Active Customer Deposits at 6.00%	(4) Active Customer Deposits at 7.00%	(5) Inactive Customer Deposits	(6) Total Deposits (3)+(4)+(5)	(7) Interest Payments (3) X 6%/12	(8) Interest Payments (3) X 7%/12	(9) Total Interest (7) + (8)	(10) Actual Payments and Credits on Bills
1	December, '06	1,931,828	889,594		2,821,422				
2	January, '07	1,945,973	896,108		2,842,081	9,730	5,227	14,957	
3	February	1,960,221	902,669		2,862,890	9,801	5,266	15,067	
4	March	1,974,574	909,279		2,883,853	9,873	5,304	15,177	
5	April	1,989,032	915,937		2,904,968	9,945	5,343	15,288	
6	May	2,003,596	922,643		2,926,239	10,018	5,382	15,400	
7	June	2,018,266	929,399	N/A	2,947,665	10,091	5,421	15,513	N/A
8	July	2,033,044	936,204		2,969,248	10,165	5,461	15,626	
9	August	2,047,930	943,059		2,990,989	10,240	5,501	15,741	
10	September	2,062,925	949,964		3,012,889	10,315	5,541	15,856	
11	October	2,078,030	956,920		3,034,949	10,390	5,582	15,972	
12	November	2,093,245	963,926		3,057,172	10,466	5,623	16,089	
13	December	2,108,572	970,984		3,079,556	10,543	5,664	16,207	
14									
15	13 Month Average				$2,948,763				
16									
17	12 Month Total					$121,577	$65,316	$186,893	
18									
19									
20		Effective Interest Rate							
21		12 Month Interest							
22		Expense (9) divided							
23		by Total Deposits (6)		6.32%					

Supporting Schedules:

Recap Schedules: D-1

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Provide the most recent five year data for the company, or consolidated parent if the company is not publicly traded as indicated. To the extent the requested data is available from other sources, the Company can reference and attach the information to comply with the requirements of this MFR.

Type of Data Shown:
Historic Years Ended 12/31/02, 03 , 04, 05 and 06
Witness: Doreen Cox, Robert Camfield

Line No.		2002 Year	2003 Year *	2004 Year	2005 Year	2006 Year
1	Pre-tax Interest Coverage Ratio (x)	2.5	2.3	2.6	3.0	2.9
2						
3	Earned Returns on Average Book Equity (%)	11.1%	6.9%	8.4%	9.5%	8.9%
4						
5	Book Value/Share ($)	$ 5.32	$ 7.08	$ 7.31	$ 7.64	$ 7.94
6						
7	Dividends/Share ($)	$ 0.38	$ 0.39	$ 0.40	$ 0.41	$ 0.43
8						
9	Earnings/Share ($)	$ 0.57	$ 0.43	$ 0.60	$ 0.71	$ 0.69
10						
11	Market Value/Share ($)	$ 9.90	$ 10.53	$ 12.77	$ 13.65	$ 13.25
12						
13	Market/Book Ratio (%)	186.1%	148.7%	174.7%	178.7%	166.9%
14						
15	Price/Earning Ratio (6) / (5)	17.37	24.49	21.28	19.23	19.20

* Excluding the Sale of Water Division
** Common Share information re-stated to reflect three for two stock split on July 25, 2005

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES
CONSOLIDATED ELECTRIC DIVISION

DOCKET NO.: 070304-EI

EXPLANATION: 1.) If the test year is projected, provide a summary of financing plans and assumptions.

2.) Provide the company's capital structure objectives, the basis for assumptions (such as those for issue cost and interest rates), and any other significant assumptions.
Provide a statement of the Company's policy on the timing of the entrance into capital markets.

Type of Data Shown:
Projected Test Year Ended 12/31/08
Witness: Doreen Cox, Robert Camfield, George Bachman

Financing Plans for the Year Ending 2008

Line No.	Type of Issue	Date of Issue/ Retirement	For Bonds			For Stock		Issue Costs	Principal Amount
			Capitalization (Thousands)	Interest Rate	Life in Years	No. of Shares	Market Price		
1	Common Stock	Jun-08				1,250,000	12	900,000	15,000,000
2									
3									
4									
5									
6									
7									
8	Capital Structure Objectives:				Percent of Total				
9									
10	Short-term Debt				2 - 14%				
11	Long-term Debt				40 - 45%				
12	Preferred Stock				0 - 1%				
13	Common Equity				43 - 56%				
14									
15									
16	Interest Rate Assumptions:		Short Term Interest Rates will gradually increase through 2008. The volatility of prior years is not expected.						
17									
18									
19	Company's Policy on the Timing of Entrance into Capital Markets:								
20	Cash requirements are forecasted to increase significantly due to environmental clean-up, land purchase, LT Debt payments and Pension Contributions.								
21	The Company plans to use a combination of short term borrowing and an Equity Offering in 2008 to finance future growth and capital expenditures.								
22	The timing of the Equity Offering is largely dependent on projected capital expenditures and environmental expenses.								

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Provide financial indicators for the test year under current and proposed rates, the prior year, and historical base year.

Type of Data Shown:
Projected Test Year Ended 12/31/08
Prior Year Ended 12/31/07
Historic Year Ended 12/31/06
Witness: Doreen Cox, Robert Camfield

Line No.	Indicator	Historic Base Year 2006	Prior Year 2007	Test Year Current Rates 2008	Test Year Proposed Rates
1	Interest Coverage Ratios:				
2	Including AFUDC in Income Before Interest Charges	N/A	N/A	N/A	N/A
3	Excluding AFUDC in Income Before Interest Charges	4.52	4.01	2.50	4.06
4	AFUDC as a percent of Income Available for Common	N/A	N/A	N/A	N/A
5	Percent of Construction Funds Generated Internally	N/A	N/A	N/A	N/A
6					
7	Fixed Charges:				
8	Interest	1,473,580	1,567,647	1,489,405	1,489,405
9	Lease Payments	N/A	N/A	N/A	N/A
10	Sinking Funds Payments	-	-	417,049	417,049
11	Tax on Sinking Fund Payments	-	-	141,797	141,797
12					
13	Ratio of Earnings to Fixed Charges				
14	Including AFUDC	N/A	N/A	N/A	N/A
15	Excluding AFUDC	1.68	1.21	0.10	1.67
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					

Supporting Schedules: D-1

Recap Schedules:

Florida Public Utilities
Long-Term Debt

	GL #	Start of Sinking Fund Payments	March 31 2007	December 31 2006	December 31 2005
First mortgage bonds series					
9.57 % due 2018		5/1/2008	10,000,000	10,000,000	10,000,000
10.03 % due 2018		5/1/2008	5,500,000	5,500,000	5,500,000
9.08 % due 2022		n/a	8,000,000	8,000,000	8,000,000
4.90 % due 2031		n/a	14,000,000	14,000,000	14,000,000
6.85 % due 2031		n/a	15,000,000	15,000,000	15,000,000
Total long-term debt	2210		52,500,000	52,500,000	52,500,000
Unamortized debt discount	1810		(1,777,139)	(1,797,719)	(1,880,040)
LT DEBT net of Unamortized Debt Discount (10K & 10Q)			50,722,861	50,702,281	50,619,960
Unamortized Loss on Reacquired Debt	1890		(204,170)	(208,741)	(227,025)
				(2,006,460)	(2,107,065)
LT DEBT net of Unamortized Debt Discount & Loss on Reacq Debt			50,518,691	50,493,540	50,392,935
				(2,056,763)	

FPU
Unamortized Debt Discount
100.1810.1

	Monthly Amortization	Dec 2005	Jan 2006	Feb 2006	Mar 2006	Apr 2006	May 2006	Jun 2006	Jul 2006	Aug 2006	Sep 2006	Oct 2006	Nov 2006	Dec 2006	13 Mth Avg
$10M	$ 601	$ 52,882	$ 52,281	$ 51,680	$ 51,079	$ 50,478	$ 49,878	$ 49,277	$ 48,676	$ 48,075	$ 47,474	$ 46,873	$ 46,272	$ 45,671	$ 49,277
$5.5M	$ 324	$ 28,473	$ 28,150	$ 27,826	$ 27,502	$ 27,179	$ 26,855	$ 26,532	$ 26,208	$ 25,885	$ 25,561	$ 25,237	$ 24,914	$ 24,590	$ 26,532
$8M	$ 339	$ 67,103	$ 66,764	$ 66,425	$ 66,086	$ 65,747	$ 65,408	$ 65,070	$ 64,731	$ 64,392	$ 64,053	$ 63,714	$ 63,375	$ 63,036	$ 65,070
$15M	$ 3,357	$ 1,037,441	$ 1,034,084	$ 1,030,727	$ 1,027,369	$ 1,024,012	$ 1,020,654	$ 1,017,297	$ 1,013,940	$ 1,010,582	$ 1,007,225	$ 1,003,867	$ 1,000,510	$ 997,152	$ 1,017,297
$14M	$ 2,239	$ 694,140	$ 691,901	$ 689,661	$ 687,422	$ 685,183	$ 682,944	$ 680,704	$ 678,465	$ 676,226	$ 673,986	$ 671,747	$ 669,508	$ 667,269	$ 680,704
	$ 6,860	$ 1,880,040	$ 1,873,180	$ 1,866,319	$ 1,859,459	$ 1,852,599	$ 1,845,739	$ 1,838,879	$ 1,832,019	$ 1,825,159	$ 1,818,299	$ 1,811,439	$ 1,804,579	$ 1,797,719	$ 1,838,879

	Monthly Amortization	Dec 2006	Jan 2007	Feb 2007	Mar 2007	Apr 2007	May 2007	Jun 2007	Jul 2007	Aug 2007	Sep 2007	Oct 2007	Nov 2007	Dec 2007	13 Mth Avg
$10M	$ 601	$ 45,671	$ 45,070	$ 44,469	$ 43,869	$ 43,268	$ 42,667	$ 42,066	$ 41,465	$ 40,864	$ 40,263	$ 39,662	$ 39,061	$ 38,460	$ 42,066
$5.5M	$ 324	$ 24,590	$ 24,267	$ 23,943	$ 23,620	$ 23,296	$ 22,972	$ 22,649	$ 22,325	$ 22,002	$ 21,678	$ 21,355	$ 21,031	$ 20,707	$ 22,649
$8M	$ 339	$ 63,036	$ 62,697	$ 62,358	$ 62,019	$ 61,680	$ 61,341	$ 61,002	$ 60,664	$ 60,325	$ 59,986	$ 59,647	$ 59,308	$ 58,969	$ 61,002
$15M	$ 3,357	$ 997,152	$ 993,795	$ 990,438	$ 987,080	$ 983,723	$ 980,365	$ 977,008	$ 973,651	$ 970,293	$ 966,936	$ 963,578	$ 960,221	$ 956,863	$ 977,008
$14M	$ 2,236	$ 667,269	$ 665,033	$ 662,797	$ 660,561	$ 658,326	$ 656,090	$ 653,854	$ 651,618	$ 649,383	$ 647,147	$ 644,911	$ 642,675	$ 640,440	$ 653,854
	$ 6,857	$ 1,797,719	$ 1,790,862	$ 1,784,006	$ 1,777,149	$ 1,770,292	$ 1,763,436	$ 1,756,579	$ 1,749,723	$ 1,742,866	$ 1,736,010	$ 1,729,153	$ 1,722,297	$ 1,715,440	$ 1,756,579

	Monthly Amortization	Dec 2007	Jan 2008	Feb 2008	Mar 2008	Apr 2008	May 2008	Jun 2008	Jul 2008	Aug 2008	Sep 2008	Oct 2008	Nov 2008	Dec 2008	13 Mth Avg
$10M	$ 601	$ 38,460	$ 37,860	$ 37,259	$ 36,658	$ 36,057	$ 35,456	$ 34,855	$ 34,254	$ 33,653	$ 33,052	$ 32,451	$ 31,851	$ 31,250	$ 34,855
$5.5M	$ 324	$ 20,707	$ 20,384	$ 20,060	$ 19,737	$ 19,413	$ 19,090	$ 18,766	$ 18,443	$ 18,119	$ 17,795	$ 17,472	$ 17,148	$ 16,825	$ 18,766
$8M	$ 339	$ 58,969	$ 58,630	$ 58,291	$ 57,952	$ 57,613	$ 57,274	$ 56,935	$ 56,597	$ 56,258	$ 55,919	$ 55,580	$ 55,241	$ 54,902	$ 56,935
$15M	$ 3,357	$ 956,863	$ 953,506	$ 950,149	$ 946,791	$ 943,434	$ 940,076	$ 936,719	$ 933,361	$ 930,004	$ 926,647	$ 923,289	$ 919,932	$ 916,574	$ 936,719
$14M	$ 2,236	$ 640,440	$ 638,204	$ 635,968	$ 633,732	$ 631,497	$ 629,261	$ 627,025	$ 624,789	$ 622,554	$ 620,318	$ 618,082	$ 615,846	$ 613,610	$ 627,025
	$ 6,857	$ 1,715,440	$ 1,708,583	$ 1,701,727	$ 1,694,870	$ 1,688,014	$ 1,681,157	$ 1,674,301	$ 1,667,444	$ 1,660,587	$ 1,653,731	$ 1,646,874	$ 1,640,018	$ 1,633,161	$ 1,674,301

LOSS ON RE'ACQD DEBT
100.1890.1

	Monthly Amortization	Dec 2005	Jan 2006	Feb 2006	Mar 2006	Apr 2006	May 2006	Jun 2006	Jul 2006	Aug 2006	Sep 2006	Oct 2006	Nov 2006	Dec 2006	13 Mth Avg
	1524	$ 227,025	$ 225,502	$ 223,978	$ 222,454	$ 220,931	$ 219,407	$ 217,883	$ 216,360	$ 214,836	$ 213,312	$ 211,789	$ 210,265	$ 208,741	$ 217,883

	Monthly Amortization	Dec 2006	Jan 2007	Feb 2007	Mar 2007	Apr 2007	May 2007	Jun 2007	Jul 2007	Aug 2007	Sep 2007	Oct 2007	Nov 2007	Dec 2007	13 Mth Avg
	1524	$ 208,741	$ 207,218	$ 205,694	$ 204,170	$ 202,647	$ 201,123	$ 199,599	$ 198,076	$ 196,552	$ 195,028	$ 193,505	$ 191,981	$ 190,458	$ 199,599

	Monthly Amortization	Dec 2007	Jan 2008	Feb 2008	Mar 2008	Apr 2008	May 2008	Jun 2008	Jul 2008	Aug 2008	Sep 2008	Oct 2008	Nov 2008	Dec 2008	13 Mth Avg
	1524	$ 190,458	$ 188,934	$ 187,410	$ 185,887	$ 184,363	$ 182,839	$ 181,316	$ 179,792	$ 178,268	$ 176,745	$ 175,221	$ 173,697	$ 172,174	$ 181,316

Total 1810.1 & 1890.1		DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	13 Mth Avg
	2006	$ 2,107,065	$ 2,098,681	$ 2,090,297	$ 2,081,914	$ 2,073,530	$ 2,065,146	$ 2,056,763	$ 2,048,379	$ 2,039,995	$ 2,031,611	$ 2,023,228	$ 2,014,844	$ 2,006,460	$ 2,056,763
	2007	$ 2,006,460	$ 1,998,080	$ 1,989,700	$ 1,981,320	$ 1,972,939	$ 1,964,559	$ 1,956,179	$ 1,947,799	$ 1,939,418	$ 1,931,038	$ 1,922,658	$ 1,914,278	$ 1,905,897	$ 1,956,179
	2008	$ 1,905,897	$ 1,897,517	$ 1,889,137	$ 1,880,757	$ 1,872,377	$ 1,863,996	$ 1,855,616	$ 1,847,236	$ 1,838,856	$ 1,830,475	$ 1,822,095	$ 1,813,715	$ 1,805,335	$ 1,855,616

ST INTEREST ANALYSIS

	2005 DEC	2006 JAN	2006 FEB	2006 MAR	2006 APR	2006 MAY	2006 JUN	2006 JUL	2006 AUG	2006 SEP	2006 OCT	2006 NOV	2006 DEC	TOTAL or Average %	Rate	
Method as per Surveillance Report																
Int Accrued on NP		36,282	29,480	18,251	5,263	2,665	1,815	2,825	1,102	1,111	2,678	(2,481)	9,599	108,590		
NP BAL @ End of Mth	9,558,000	10,662,000	7,266,000	3,443,000	1,101,000	582,000	1,437,000	761,000	130,000	1,687,000	916,000	2,009,000	3,466,000	3,309,077	3.28%	Using End of Month Balance
Annualized Interest Rate		3.95%	5.22%	6.16%	5.74%	5.32%	1.52%	4.31%	9.84%	0.79%	3.40%	-1.48%	3.22%	4.00%		

Interest Cost using Avg Mthly Bal																
Int Exp as per 4310.2		36,282	29,480	18,251	5,263	2,665	1,815	2,825	1,102	1,111	2,678	(2,481)	9,599	108,590		
Avg LOC Balance		7,831,548	6,889,536	3,763,677	1,082,440	517,968	355,800	523,806	204,387	214,167	499,935	305,433	1,787,483	1,998,015	5.43%	Using Avg LOC Mthly Bal
		5.38%	5.50%	5.63%	5.83%	5.98%	6.12%	6.26%	6.26%	6.23%	6.22%	-9.75%	6.24%	4.66%		

Effective Cost of ST Debt																
LOC Available	$ 12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000			
Int Exp as per 4310.2		$ 36,282	$ 29,480	$ 18,251	$ 5,263	$ 2,665	$ 1,815	$ 2,825	$ 1,102	$ 1,111	$ 2,678	$ (2,481)	$ 9,599	$ 108,590	5.43%	
Fee on Unused Portion of LOC	0.25%	$ 868	$ 1,065	$ 1,716	$ 2,274	$ 2,392	$ 2,426	$ 2,391	$ 2,457	$ 2,455	$ 2,396	$ 2,436	$ 2,128	$ 25,005	1.25%	
Fee on Total Available LOC	0.10%						$ 12,000							$ 12,000	0.60%	
		37,150	30,545	19,966	7,537	5,057	16,241	5,216	3,560	3,567	5,074	(45)	11,726	145,595	7.29%	

ST INTEREST ANALYSIS

	2006 DEC	2007 JAN	2007 FEB	2007 MAR	2007 APR	2007 MAY	2007 JUN	2007 JUL	2007 AUG	2007 SEP	2007 OCT	2007 NOV	2007 DEC	TOTAL or Average %	Rate	
Method as per Surveillance Report																
Int Accrued on NP	6.33%	19,597	16,371	11,758	14,071	12,080	9,548	25,900	39,879	40,934	44,099	54,122	63,353	351,711		
NP BAL @ End of Mth	3,466,000	3,964,000	2,243,000	2,215,000	3,120,000	1,460,000	2,160,000	7,660,000	7,460,000	8,060,000	8,660,000	11,860,000	12,160,000	5,729,846	**6.14%**	Using End of Month Balance
Annualized Interest Rate		5.74%	9.38%	6.16%	5.41%	9.61%	5.30%	3.93%	6.21%	6.09%	5.91%	5.48%	6.05%	6.27%		
Interest Cost using Avg Mthly Bal																
Int Exp		19,597	16,371	11,758	14,071	12,080	9,548	25,900	39,879	40,934	44,099	54,122	63,353	351,711		
Avg LOC Balance		3,715,000	3,103,500	2,229,000	2,667,500	2,290,000	1,810,000	4,910,000	7,560,000	7,760,000	8,360,000	10,260,000	12,010,000	5,556,250	6.33%	Using Avg LOC Mthly Bal
		6.13%	6.78%	6.13%	6.33%	6.13%	6.33%	6.13%	6.13%	6.33%	6.13%	6.33%	6.13%	6.25%		

Effective Cost of ST Debt															
LOC Available	$ 12,000,000	2000000	2000000	12000000	1000000	2000000	12000000	12000000	2000000	12000000	12000000	2000000	15000000		
Int Exp		$ 19,597	$ 16,371	$ 11,758	$ 14,071	$ 12,080	$ 9,548	$ 25,900	$ 39,879	$ 40,934	$ 44,099	$ 54,122	$ 63,353	$ 351,711	6.33%
Fee on Unused Portion of LOC	0.25%	$ 1,726	$ 1,853	$ 2,036	$ 1,944	$ 2,023	$ 2,123	$ 1,477	$ 925	$ 883	$ 758	$ 988	$ 623	$ 17,359	0.31%
Fee on Total Available LOC	0.10%						$ 12,000							$ 12,000	0.22%
		21,323	18,224	13,794	16,015	14,103	23,671	27,377	40,804	41,817	44,857	55,109	63,976	381,070	**6.86%**

ST INTEREST ANALYSIS

	2007 DEC	2008 JAN	2008 FEB	2008 MAR	2008 APR	2008 MAY	2008 JUN	2008 JUL	2008 AUG	2008 SEP	2008 OCT	2008 NOV	2008 DEC	TOTAL or Average %	Rate	
Method as per Surveillance Report																
Int Accrued on NP	6.33%	62,825	58,342	53,330	54,649	63,880	35,659	2,427	2,427	2,427	7,438	20,362	30,120	393,884		
NP BAL @ End of Mth	12,160,000	11,660,000	10,460,000	9,760,000	10,960,000	13,260,000	260,000	660,000	260,000	660,000	2,160,000	5,560,000	5,860,000	6,436,923	6.12%	Using End of Month Balance
Annualized Interest Rate		6.26%	7.17%	6.35%	5.98%	5.59%	164.58%	4.27%	10.84%	4.41%	4.00%	4.39%	5.97%	19.15%		
					5.70%											
Interest Cost using Avg Mthly Bal																
Int Exp		62,825	58,342	53,330	54,649	63,880	35,659	2,427	2,427	2,427	7,438	20,362	30,120	393,884		
Avg LOC Balance		11,910,000	11,060,000	10,110,000	10,360,000	12,110,000	6,760,000	460,000	460,000	460,000	1,410,000	3,860,000	5,710,000	6,222,500	6.33%	Using Avg LOC Mthly Bal
		6.13%	6.78%	6.13%	6.33%	6.13%	6.33%	6.13%	6.13%	6.33%	6.13%	6.33%	6.13%	6.25%		
Effective Cost of ST Debt																
LOC Available	$ 15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000			
Int Exp		$ 62,825	$ 58,342	$ 53,330	$ 54,649	$ 63,880	$ 35,659	$ 2,427	$ 2,427	$ 2,427	$ 7,438	$ 20,362	$ 30,120	$ 393,884	6.33%	
Fee on Unused Portion of LOC	0.25%	$ 644	$ 821	$ 1,019	$ 967	$ 602	$ 1,092	$ 2,404	$ 2,404	$ 2,404	$ 2,206	$ 1,696	$ 1,310	$ 17,569	0.28%	
Fee on Total Available LOC	0.10%						$ 12,000							$ 12,000	0.19%	
		63,469	59,162	54,349	55,616	64,482	48,751	4,831	4,831	4,831	9,644	22,057	31,431	423,453	6.81%	

Consolidated Electric
Customer Deposits

5 year average growth year 0.732%

Year 2006

<<<<<<<<<ACTUALS >>>>>>>>>

	Dec-2005	Jan-2006	Feb-2006	Mar-2006	Apr-2006	May-2006	Jun-2006	Jul-2006	Aug-2006	Sep-2006	Oct-2006	Nov-2006	Dec-2006	13 mth AVERAGE
Month End Balance	2,075,368	2,082,190	2,098,737	2,107,316	2,114,463	2,119,052	2,114,509	2,126,739	2,132,502	2,132,453	2,156,869	2,194,168	2,322,227	2,136,661
Interest		10,806	11,297	9,618	10,239	10,657	10,239	11,656	10,676	11,391	10,408	11,987	10,652	129,626

Effective Interest Rate 6.07%

2007 <<<<<<<< ACTUALS >>>>>>>> <<<<<<<<<<<< PROJECTED >>>>>>>>>>>>>

			Dec-2006	Jan-2007	Feb-2007	Mar-2007	Apr-2007	May-2007	Jun-2007	Jul-2007	Aug-2007	Sep-2007	Oct-2007	Nov-2007	Dec-2007		13 mth AVERAGE
Month End Balance			2,322,227	2,320,879	2,335,632	2,642,123	2,661,468	2,680,956	2,700,586	2,720,360	2,740,278	2,760,343	2,780,554	2,800,914	2,821,422		2,637,518
Interest																	
Ratio	68.47%	6%	7,950	7,946	7,996	9,045	9,112	9,178	9,245	9,313	9,381	9,450	9,519	9,589	9,659	109,434	
	31.53%	7%	4,271	4,269	4,296	4,860	4,895	4,931	4,967	5,003	5,040	5,077	5,114	5,152	5,189	58,793	
	Total Interest		12,221	12,214	12,292	13,905	14,007	14,109	14,213	14,317	14,421	14,527	14,633	14,741	14,848	168,227	

Effective Interest Rate 6.378%

2008 <<<<<<<<< PROJECTED >>>>>>>>>

			Dec-2007	Jan-2008	Feb-2008	Mar-2008	Apr-2008	May-2008	Jun-2008	Jul-2008	Aug-2008	Sep-2008	Oct-2008	Nov-2008	Dec-2008		13 mth AVERAGE
			2,821,422	2,842,081	2,862,890	2,883,853	2,904,968	2,926,239	2,947,665	2,969,248	2,990,989	3,012,889	3,034,949	3,057,172	3,079,556		2,948,763
Interest																	
Ratio	68.47%	6%	9,659	9,730	9,801	9,873	9,945	10,018	10,091	10,165	10,240	10,315	10,390	10,466	10,543	121,577	
	31.53%	7%	5,189	5,227	5,266	5,304	5,343	5,382	5,421	5,461	5,501	5,541	5,582	5,623	5,664	65,316	
	Total Interest		14,848	14,957	15,067	15,177	15,288	15,400	15,513	15,626	15,741	15,856	15,972	16,089	16,207	186,893	

Effective Interest Rate 6.338%

FLORIDA PUBLIC UTILITIES COMPANY
13 MONTH AVERAGE ADJUSTMENTS

REPORT GROUP NAME: ROR
REPORT NAME: ROR_DEBT
DATE: 3/21/2007
USER: YOUNG

ROR ST DEBT, LT DEBT, FUEL COST

	12 MTHS AG	11 MTHS AGO	10 MTHS AGO	9 MTHS AGO	8 MTHS AGO	7 MTHS AGO	6 MTHS AGO	5 MTHS AGO	4 MTHS AGO	3 MTHS AGO	2 MTHS AGO	1 MTH AGO	12 2006		
SHORT TERM DEBT															
INTEREST ON NP	26,280	36,282	29,480	18,251	5,263	2,665	1,815	2,825	1,102	1,111	2,678	(2,481)	9,599	108,590	125,271
NP BALANCE	(9,558,000)	(10,662,000)	(7,266,000)	(3,443,000)	(1,101,000)	(582,000)	(1,437,000)	(761,000)	(130,000)	(1,687,000)	(916,000)	(2,009,000)	(3,466,000)		(3,309,077)
												YR END RATE	(3.13)	13MTH RATE	(3.28)
LONG TERM DEBT															
INTEREST ON LT	337,430	337,430	337,430	337,430	337,430	337,430	337,430	337,430	337,430	337,430	337,430	337,430	337,430	4,049,160	
BONDS BALANCE	(50,392,935)	(50,401,319)	(50,409,703)	(50,418,086)	(50,426,470)	(50,434,854)	(50,443,237)	(50,451,621)	(50,460,005)	(50,468,389)	(50,476,772)	(50,485,156)	(50,493,540)		(50,443,237)
												YR END RATE	(8.01)	13MTH RATE	(8.02)
FUEL COST															
NW ELECTRIC	1,156,632	1,165,630	1,106,989	1,030,724	1,095,620	1,136,988	1,352,208	1,493,762	1,514,665	1,298,369	1,213,995	1,034,164	1,259,359	14,702,473	
NE ELECTRIC	1,137,900	1,269,031	1,530,156	1,270,866	1,148,331	1,273,012	1,382,424	1,638,229	1,507,120	1,416,524	1,233,994	1,082,550	1,151,723	15,903,960	
TOTAL ELEC FUEL	2,294,532	2,434,661	2,637,145	2,301,590	2,243,951	2,410,000	2,734,632	3,131,991	3,021,785	2,714,893	2,447,989	2,116,714	2,411,082	30,606,433	
SOUTH FL NG	3,430,052	4,294,279	4,299,796	1,030,472	1,858,022	1,583,638	1,203,237	1,246,402	1,327,756	1,291,243	806,040	2,448,440	2,909,942	24,299,267	
CENTRAL FL NG	1,423,145	2,135,007	1,971,094	2,887,701	1,201,338	649,862	557,142	616,849	677,061	638,409	352,079	987,343	1,146,149	13,820,034	
TOTAL NG FUEL	4,853,197	6,429,286	6,270,890	3,918,173	3,059,360	2,233,500	1,760,379	1,863,251	2,004,817	1,929,652	1,158,119	3,435,783	4,056,091	38,119,301	
SOUTH FL PRO	428,047	449,369	437,782	456,858	382,150	356,618	329,915	295,126	331,666	300,607	323,616	356,961	394,178	4,414,846	
CENTRAL FL PRO	103,424	123,704	105,097	100,896	66,910	73,382	71,489	61,675	74,581	64,846	64,088	76,046	102,543	985,257	
NE FL PROPANE	147,661	135,670	136,496	142,577	103,361	120,028	111,328	111,076	122,989	91,756	118,409	129,168	131,397	1,454,255	
NATURE COST PRO	66,175	80,362	76,887	70,352	51,543	44,245	43,131	42,742	41,844	48,314	41,382	54,140	74,916	669,858	
TOTAL FUEL PRO	745,307	789,105	756,262	770,683	603,964	594,273	555,863	510,619	571,080	505,523	547,495	616,315	703,034	7,524,216	

T06 SHC4

FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED ELECTRIC DIVISION
CAPITAL STRUCTURE
FPSC ADJUSTED BASIS
DECEMBER 2006

SCHEDULE 4

AVERAGE	SYSTEM PER BOOKS	ADJUSTMENT FOR FLO-GAS	RETAIL PER BOOKS	ADJUSTMENTS PRORATA	ADJUSTMENTS SPECIFIC	ADJUSTED RETAIL	RATIO (%)	LOW POINT COST RATE (%)	LOW POINT WEIGHTED COST (%)	MID POINT COST RATE (%)	MID POINT WEIGHTED COST (%)	HIGH POINT COST RATE (%)	HIGH POINT WEIGHTED COST (%)
LONG TERM DEBT	$15,530,581	394,925	$15,925,506	(8,054)		$15,917,452	41.43	8.02	3.32	8.02	3.32	8.02	3.32
SHORT TERM DEBT	$1,018,656	25,074	1,043,730	(528)		1,043,202	2.72	3.28	0.09	3.28	0.09	3.28	0.09
PREFERRED STOCK	184,925	3,135	188,060	(95)		187,965	0.49	4.75	0.02	4.75	0.02	4.75	0.02
CUSTOMER DEPOSITS	2,136,661		2,136,661			2,136,661	5.56	6.61	0.37	6.61	0.37	6.61	0.37
COMMON EQUITY	14,609,089	(423,134)	14,185,955	(7,175)		14,178,780	36.91	10.50	3.88	11.50	4.24	12.50	4.61
DEFERRED INCOME TAXES	4,813,710		4,813,710			4,813,710	12.53						
TAX CREDITS-ZERO COST	1,461		1,461			1,461							
TAX CREDITS-WEIGHTED COST	139,658		139,658			139,658	0.36	8.96	0.03	9.41	0.03	9.87	0.04
TOTAL	$38,434,741		$38,434,741	($15,852)		$38,418,889	100.00		7.71		8.07		8.45

YEAR END	SYSTEM PER BOOKS	ADJUSTMENT FOR FLO-GAS	RETAIL PER BOOKS	ADJUSTMENTS PRORATA	ADJUSTMENTS SPECIFIC	ADJUSTED RETAIL	RATIO (%)	LOW POINT COST RATE (%)	LOW POINT WEIGHTED COST (%)	MID POINT COST RATE (%)	MID POINT WEIGHTED COST (%)	HIGH POINT COST RATE (%)	HIGH POINT WEIGHTED COST (%)
LONG TERM DEBT	$15,262,481	364,201	$15,626,682			$15,626,682	40.64	8.01	3.26	8.01	3.26	8.01	3.26
SHORT TERM DEBT	1,046,306	27,778	1,074,084			1,074,084	2.79	3.13	0.09	3.13	0.09	3.13	0.09
PREFERRED STOCK	182,100	3,087	185,187			185,187	0.48	4.75	0.02	4.75	0.02	4.75	0.02
CUSTOMER DEPOSITS	2,322,227		2,322,227			2,322,227	6.04	5.50	0.33	5.50	0.33	5.50	0.33
COMMON EQUITY	14,373,585	(395,066)	13,978,519	4,461		13,982,980	36.36	10.50	3.82	11.50	4.18	12.50	4.55
DEFERRED INCOME TAXES	5,137,868		5,137,868			5,137,868	13.36						
TAX CREDITS-ZERO COST	1,450		1,450			1,450							
TAX CREDITS-WEIGHTED COST	123,511		123,511			123,511	0.33	8.96	0.03	9.41	0.03	9.86	0.03
TOTAL	$38,449,528		$38,449,528	$4,461		$38,453,989	100.00		7.55		7.91		8.28

FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED GAS DIVISIONS
CAPITAL STRUCTURE
FPSC ADJUSTED BASIS
DECEMBER 2006

SCHEDULE 4

AVERAGE	SYSTEM PER BOOKS	ADJUSTMENT FOR FLO-GAS	RETAIL PER BOOKS	ADJUSTMENTS PRORATA	ADJUSTMENTS SPECIFIC	ADJUSTED RETAIL	RATIO (%)	LOW POINT COST RATE (%)	LOW POINT WEIGHTED COST (%)	MID POINT COST RATE (%)	MID POINT WEIGHTED COST (%)	HIGH POINT COST RATE (%)	HIGH POINT WEIGHTED COST (%)
LONG TERM DEBT	$24,109,191	613,069	$24,722,260	(1,536,998)		$23,185,262	39.95	8.02	3.20	8.02	3.20	8.02	3.20
SHORT TERM DEBT	1,581,329	38,925	1,620,254	(100,732)		1,519,522	2.67	3.28	0.09	3.28	0.09	3.28	0.09
PREFERRED STOCK	287,072	4,866	291,938	(18,150)		273,788	0.47	4.75	0.02	4.75	0.02	4.75	0.02
CUSTOMER DEPOSITS	5,277,158		5,277,158			5,277,158	9.09	6.61	0.60	6.61	0.60	6.61	0.60
COMMON EQUITY	22,678,696	(656,860)	22,021,836	(1,369,111)		20,652,725	35.59	10.25	3.65	11.25	4.00	12.25	4.36
DEFERRED INCOME TAXES	6,889,503		6,889,503			6,889,503	11.87						
TAX CREDITS-ZERO COST													
TAX CREDITS-WEIGHTED COST	231,503		231,503			231,503	0.41	8.85	0.04	9.30	0.04	9.75	0.04
TOTAL	$61,054,452		$61,054,452	($3,024,991)		$58,029,461	100.00		7.60		7.95		8.31

YEAR END	SYSTEM PER BOOKS	ADJUSTMENT FOR FLO-GAS	RETAIL PER BOOKS	ADJUSTMENTS PRORATA	ADJUSTMENTS SPECIFIC	ADJUSTED RETAIL	RATIO (%)	LOW POINT COST RATE (%)	LOW POINT WEIGHTED COST (%)	MID POINT COST RATE (%)	MID POINT WEIGHTED COST (%)	HIGH POINT COST RATE (%)	HIGH POINT WEIGHTED COST (%)
LONG TERM DEBT	$24,000,671	572,716	$24,573,387	(1,422,085)		$23,151,302	39.75	8.01	3.18	8.01	3.18	8.01	3.18
SHORT TERM DEBT	1,645,344	43,682	1,689,026	(97,746)		1,591,280	2.73	3.13	0.09	3.13	0.09	3.13	0.09
PREFERRED STOCK	286,358	4,853	291,211	(16,853)		274,358	0.47	4.75	0.02	4.75	0.02	4.75	0.02
CUSTOMER DEPOSITS	5,491,600		5,491,600			5,491,600	9.43	5.79	0.55	5.79	0.55	5.79	0.55
COMMON EQUITY	22,602,857	(621,251)	21,981,606	(1,272,096)		20,709,510	35.56	10.25	3.64	11.25	4.00	12.25	4.36
DEFERRED INCOME TAXES	6,806,954		6,806,954			6,806,954	11.69						
TAX CREDITS-ZERO COST													
TAX CREDITS-WEIGHTED COST	210,185		210,185			210,185	0.37	8.84	0.03	9.30	0.03	9.76	0.04
TOTAL	$61,043,969		$61,043,969	($2,808,780)		$58,235,189	100.00		7.51		7.87		8.24

Florida Public Utilities
CAPITAL COMPONENTS
December 2005 - December 2006

Line Ref		Notes	Acct #	Dec-2005	Jan-2006	Feb-2006	Mar-2006	Apr-2006	May-2006	Jun-2006	Jul-2006	Aug-2006	Sep-2006	Oct-2006	Nov-2006	Dec-2006	13 mth AVERAGE
				<<<<<<<<<ACTUALS >>>>>>>>>													
15	**Investment in Assoc. Co.**		1230	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
16	Unamortized Debt/Loss on Reaq'd Debt		1810, 1890	2,107,065	2,098,681	2,090,297	2,081,914	2,073,530	2,065,146	2,056,763	2,048,379	2,039,995	2,031,611	2,023,228	2,014,844	2,006,460	2,056,763
17	**ACCUM DEF TAXES**	Electric only	1900	997,076	977,628	990,452	999,831	1,011,900	1,020,732	1,030,005	1,039,398	1,037,289	1,030,952	1,031,516	1,024,085	1,048,453	1,018,409
18	190 AC DE TAX ENVIRO	Electric only	1900	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	**Common Stock**		2010	9,229,514	9,235,244	9,235,244	9,235,244	9,239,942	9,239,942	9,239,942	9,245,312	9,245,312	9,245,312	9,250,472	9,250,472	9,250,472	9,241,725
20	Preferred Stock		2040	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
21	**Premium On Comm. Stk.**		2070	5,373,461	5,419,874	5,419,874	5,419,874	5,460,089	5,460,089	5,460,089	5,500,364	5,500,364	5,500,364	5,542,986	5,542,986	5,542,986	5,472,569
22	DISC ON CAP STK		2130	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23	**Misc Paid in Capital**		2110	1,052,761	965,642	965,642	985,274	985,274	972,268	971,910	891,616	891,616	919,988	919,988	919,988	938,906	952,375
24	Retained Earnings		2160	31,396,084	32,168,208	32,877,175	32,570,836	32,988,370	33,194,984	32,653,972	32,945,093	33,139,894	32,544,236	32,743,777	33,176,512	32,826,619	32,709,674
25	**Capital Stock Expense**		2140	428,441	428,441	428,441	428,441	428,441	428,441	428,441	428,441	428,441	428,441	428,441	428,441	428,441	428,441
26	Treasury Stock		2170	3,349,121	3,127,001	3,127,001	3,127,001	3,127,001	3,074,018	3,074,018	2,841,531	2,841,531	2,841,531	2,841,531	2,841,531	2,841,531	3,004,181
27	**1st Mortgage Bonds**		2210	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000
28	DEBENTURES		2240	0	0	0	0	0	0	0	0	0	0	0	0	0	0
29	**Notes Payable**		2310	9,558,000	10,662,000	7,266,000	3,443,000	1,101,000	582,000	1,437,000	761,000	130,000	1,687,000	916,000	2,009,000	3,466,000	3,309,077
30	Customer Deposits	Electric only	2350	2,075,368	2,082,190	2,098,737	2,107,316	2,114,463	2,119,052	2,114,509	2,126,739	2,132,502	2,132,453	2,156,869	2,194,168	2,322,227	2,136,661
31	**INVEST TAX CRED**	Electric only	2550	157,283	154,589	151,895	149,201	146,507	143,813	141,119	138,425	135,731	133,037	130,343	127,649	124,971	141,120
32	ACCUM DEF TAXES*	Electric only	2820 2821 & 2830	5,522,358	5,488,112	5,445,440	5,442,853	5,406,934	5,382,719	5,482,702	5,495,227	5,466,017	6,265,063	6,218,437	6,198,423	6,192,870	5,692,858
33	**DEF TAX-UNDERREC**	Electric only	2830 included above	0	0	0	0	0	0	0	0	0	0	0	0	0	0
34	CURRENT BONDS		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
35	**3% INV TAX CRED**			0	0	0	0	0	0	0	0	0	0	0	0	0	0
36																	
37																	
38	**Flo-Gas Corp.:**																
39	**Investment in Assoc. Co.**	Zeroed	1230	0	0	0	0	0	0	0	0	0	0	0	0	0	0
40	ACCUM DEF TAXES	Zeroed	1900	0	0	0	0	0	0	0	0	0	0	0	0	0	0
41	**Common Stock**		2010	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
42	Retained Earnings		2160	2,229,013	2,379,946	2,570,762	2,650,315	2,704,584	2,674,624	2,654,986	2,602,121	2,535,153	2,446,880	2,408,093	2,424,438	2,386,526	2,512,880
43	**Comprehensive Income**		2190	0	0	0	0	0	0	0	0	0	0	0	0	103,245	7,942
44	Customer Deposits	Zeroed	2350	0	0	0	0	0	0	0	0	0	0	0	0	0	0
45	**INV TAX CREDIT**	Zeroed	2550	0	0	0	0	0	0	0	0	0	0	0	0	0	0
46	ACCUM DEF TAXES	Zeroed	2820	0	0	0	0	0	0	0	0	0	0	0	0	0	0
47	**3% INV TAX CRED**	Zeroed	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
48																	
49	**Consolidated:**		Line Reference														
50	Long Term Debt		L27-L15	50,392,935	50,401,319	50,409,703	50,418,086	50,426,470	50,434,854	50,443,237	50,451,621	50,460,005	50,468,389	50,476,772	50,485,156	50,493,540	50,443,237
51	**Short Term Debt**		L29	9,558,000	10,662,000	7,266,000	3,443,000	1,101,000	582,000	1,437,000	761,000	130,000	1,687,000	916,000	2,009,000	3,466,000	3,309,077
52	Preferred Stock		L20	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
53	**Customer Deposits**	Electric only	L30	2,075,368	2,082,190	2,098,737	2,107,316	2,114,463	2,119,052	2,114,509	2,126,739	2,132,502	2,132,453	2,156,869	2,194,168	2,322,227	2,136,661
54	Common Equity		L15+L16+L21+L23+L24+L25+L26+L35+L41+L42+L43	45,503,271	46,613,473	47,513,256	47,306,101	47,822,818	48,039,448	47,478,441	47,914,533	48,042,367	47,386,808	47,595,343	48,044,424	47,572,292	47,448,660
55	**Common Equity-Excl Flo-Gas**		+L19+L21+L23+L24+L25+L26	43,274,258	44,233,527	44,942,494	44,655,787	45,118,233	45,364,824	44,823,455	45,312,412	45,507,214	44,939,928	45,187,250	45,619,985	45,289,010	44,943,721
56	DEFERRED INC TAXES	Electric only	L17+L32+L33	4,525,282	4,510,484	4,454,988	4,443,022	4,395,034	4,361,987	4,452,697	4,455,829	4,428,728	5,234,111	5,186,921	5,174,338	5,144,417	4,674,449
57	**TAX CREDITS-ZERO CST**	Electric only	+L35	0	0	0	0	0	0	0	0	0	0	0	0	0	0
58	TAX CREDITS-WEIGHTED	Electric only	+L37+L35	157,283	154,589	151,895	149,201	146,507	143,813	141,119	138,425	135,731	133,037	130,343	127,649	124,971	141,120
59	**TOTAL INCL FLO-GAS EQUITY**			112,812,140	115,024,056	112,494,579	108,466,727	106,606,292	106,281,154	106,667,004	106,448,148	105,929,333	107,641,798	107,062,249	108,634,735	109,723,447	108,753,205
60	TOTAL EXCL FLO-GAS EQUITY			110,583,127	112,644,110	109,923,817	105,816,412	103,901,708	103,606,530	104,012,017	103,846,027	103,394,180	105,194,917	104,654,155	106,210,296	107,440,165	106,248,266
61	**TOTAL LTD,STD,EQUITY**			106,054,206	108,276,792	105,788,958	101,767,188	99,950,288	99,656,302	99,958,678	99,727,155	99,232,372	100,142,197	99,588,116	101,138,580	102,131,831	101,800,974
62	TOTAL LTD,STD,EQUITY EXCL FLO-GAS			103,825,193	105,896,846	103,218,197	99,116,873	97,245,703	96,981,678	97,303,692	97,125,034	96,697,219	97,695,316	97,180,023	98,714,141	99,848,550	99,296,036
	Debt/Equity Ratio:																
	Debt			60%	59%	58%	56%	55%	55%	55%	55%	55%	56%	56%	56%	57%	56%
	Equity			40%	41%	42%	44%	45%	45%	45%	45%	45%	44%	44%	44%	43%	44%

Florida Public Utilities

CAPITAL COMPONENTS ******

December 2006 - December 2007

Line Ref				<<<<<<<<< ACTUALS >>>>>>>>>						<<<<<<<<<<<< PROJECTED >>>>>>>>>>>>>						13 mth AVERAGE	Basis of Projection
				Dec-2006	Jan-2007	Feb-2007	Mar-2007	Apr-2007	May-2007	Jun-2007	Jul-2007	Aug-2007	Sep-2007	Oct-2007	Nov-2007	Dec-2007	
15	Investment in Assoc. Co.		1230	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	Constant
16	Unamortized Debt/Loss on Reaq'd Debt	1	1810, 1890	2,006,460	1,998,076	1,989,693	1,981,309	1,972,925	1,964,542	1,956,158	1,947,774	1,939,390	1,931,007	1,922,623	1,914,239	1,905,855	1,956,158	Amortization Schedule
17	ACCUM DEF TAXES	Electric only	1900	1,048,453	1,056,992	1,054,958	1,062,842	1,191,364	1,184,411	1,175,849	1,170,658	1,160,356	1,157,897	1,157,750	1,158,210	1,167,843	1,134,414	2004 - 2006 trend (Storm Resv on 2005-2006)
18	190 AC DE TAX ENVIRO	Electric only	1900	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
19	Common Stock		2010	9,250,472	9,256,367	9,256,367	9,256,367	9,261,017	9,261,017	9,261,017	9,266,280	9,266,280	9,266,280	9,271,517	9,271,517	9,271,517	9,262,770	Cash Flow Projection for DRIP & ESPP
20	Preferred Stock		2040	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	Constant
21	Premium On Comm. Stk.		2070	5,542,988	5,589,111	5,589,111	5,589,111	5,544,611	5,544,611	5,544,611	5,500,111	5,500,111	5,500,111	5,455,611	5,455,611	5,455,611	5,523,948	Qtrly increase of $44,500
22	DISC ON CAP STK		2130	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
23	Misc Paid In Capital		2110	938,906	837,046	837,046	848,840	848,840	835,834	835,476	755,182	755,182	783,554	783,554	783,554	802,472	818,883	Based on 2006 Monthly changes
24	Retained Earnings		2160	32,826,619	33,447,261	33,965,988	35,651,318	36,049,321	36,187,321	35,584,332	35,722,332	35,879,332	35,297,343	35,431,343	35,723,167	35,446,425	35,170,162	NOI based on Revised 2007 Budget
25	Capital Stock Expense		2140	428,441	428,441	428,441	428,441	428,441	428,441	428,441	428,441	428,441	428,441	428,441	428,441	428,441	428,441	Constant
26	Treasury Stock		2170	2,841,531	2,584,414	2,584,414	2,584,414	2,584,414	2,531,431	2,531,431	2,298,945	2,298,945	2,298,945	2,298,945	2,298,945	2,298,945	2,464,286	Based on 2006 Monthly changes
27	1st Mortgage Bonds		2210	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	Sinking Fund Schedule
28	DEBENTURES		2240	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
29	Notes Payable		2310	3,466,000	3,964,000	2,243,000	2,215,000	3,120,000	1,460,000	2,160,000	7,660,000	7,460,000	8,060,000	8,660,000	11,860,000	12,160,000	5,729,846	Jan - Mar actual, Apr- Dec Cash Flow Projections
30	Customer Deposits	Electric only	2350	2,322,227	2,320,879	2,335,632	2,642,123	2,661,468	2,680,956	2,700,586	2,720,360	2,740,278	2,760,343	2,780,554	2,800,914	2,821,422	2,637,518	5 Year Average Growth Rate 2002 - 2006
31	INVEST TAX CRED	Electric only	2550	124,971	122,499	120,037	117,575	115,113	112,651	110,189	107,727	105,265	102,803	100,341	97,879	95,417	110,190	Monthly $2,462
32	ACCUM DEF TAXES*	Electric only	2820 2821 & 2830	6,192,870	6,178,346	6,110,725	6,057,959	6,746,280	6,725,802	6,745,142	6,765,025	6,757,378	6,859,349	6,846,446	6,829,678	6,815,388	6,586,953	2004 - 2006 trend
33	DEF TAX-UNDERREC	Electric only	2830 Included above	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
34	CURRENT BONDS		0	0													0	
35	3% INV TAX CRED			0													0	
36																		
37																		
38	Flo-Gas Corp.:																	
39	Investment in Assoc. Co.	Zeroed	1230	0													0	
40	ACCUM DEF TAXES	Zeroed	1900	0													0	
41	Common Stock		2010	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	Constant
42	Retained Earnings		2160	2,386,526	2,472,443	2,598,924	705,053	754,057	760,057	759,057	758,057	761,057	776,057	817,057	883,057	975,057	1,185,112	NOI based on Revised 2007 Budget
43	Comprehensive Income		2190	103,245	103,245	103,245	79,110	79,110	79,110	53,463	53,463	53,463	28,571	28,571	28,571	265,867	81,449	OCI Projection Schedule
44	Customer Deposits	Zeroed	2350	0													0	
45	INV TAX CREDIT	Zeroed	2550	0													0	
46	ACCUM DEF TAXES	Zeroed	2820	0													0	
47	3% INV TAX CRED	Zeroed	0	0													0	
48																		
49	Consolidated:		Line Reference															
50	Long Term Debt		[illegible]	50,493,540	50,501,924	50,510,307	50,518,691	50,527,075	50,535,458	50,543,842	50,552,226	50,560,610	50,568,993	50,577,377	50,585,761	50,594,145	50,543,842	
51	Short Term Debt		L29	3,466,000	3,964,000	2,243,000	2,215,000	3,120,000	1,460,000	2,160,000	7,660,000	7,460,000	8,060,000	8,660,000	11,860,000	12,160,000	5,729,846	
52	Preferred Stock		L26	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	
53	Customer Deposits	Electric only	L30	2,322,227	2,320,879	2,335,632	2,642,123	2,661,468	2,680,956	2,700,586	2,720,360	2,740,278	2,760,343	2,780,554	2,800,914	2,821,422	2,637,518	
54	Common Equity		[illegible]	47,572,292	48,486,127	49,131,336	48,958,725	49,365,881	49,549,858	48,971,158	49,221,114	49,381,114	48,867,389	49,003,125	49,360,949	48,958,030	48,986,700	
55	Common Equity-Excl Flo-Gas		[illegible]	45,289,010	46,116,929	46,635,657	48,332,782	48,890,934	48,868,910	48,265,564	48,515,519	48,673,519	48,119,902	48,214,639	48,506,463	48,248,839	47,883,036	
56	DEFERRED INC TAXES	Electric only	[illegible]	5,144,417	5,121,354	5,055,767	4,995,317	5,554,916	5,541,391	5,569,293	5,594,368	5,597,022	5,701,452	5,688,696	5,671,468	5,647,545	5,452,539	
57	TAX CREDITS-ZERO CST	Electric only	[illegible]	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
58	TAX CREDITS-WEIGHTED	Electric only	[illegible]	124,971	122,499	120,037	117,575	115,113	112,651	110,189	107,727	105,265	102,803	100,341	97,879	95,417	110,190	
59	TOTAL INCL FLO-GAS EQUITY			109,723,447	111,116,782	109,996,078	110,047,430	111,944,453	110,480,313	110,655,088	116,455,794	116,444,288	116,680,980	117,410,993	120,978,971	120,876,557	114,060,835	
60	TOTAL EXCL FLO-GAS EQUITY			107,440,165	108,747,584	107,500,399	109,421,487	111,269,506	109,799,366	109,949,473	115,751,199	115,736,694	115,913,494	116,621,807	120,122,484	120,167,167	112,956,971	
61	TOTAL LTD,STD,EQUITY			102,131,831	103,552,051	102,484,643	102,292,416	103,612,956	102,145,316	102,275,000	108,033,339	108,001,723	108,096,382	108,840,502	112,406,710	112,312,174	105,860,388	
62	TOTAL LTD,STD,EQUITY EXCL FLO-GAS			99,848,550	101,182,853	99,988,964	101,666,473	102,938,009	101,464,369	101,569,406	107,328,745	107,294,129	107,348,896	108,052,016	111,552,224	111,602,784	104,756,724	
	Debt/Equity Ratio:																	
	Debt			57%	56%	55%	56%	56%	55%	56%	58%	58%	58%	58%	59%	59%	57%	
	Equity			43%	44%	45%	44%	44%	45%	44%	42%	42%	42%	42%	41%	41%	43%	

1 Unamortized Debt Discount

			Mthly Amort		
$14M	$		2,239		
$15M	$		3,357		
$10M	$		801		
$5.5M	$		324		
$8M	$		339	$	6,860
Loss on Reacquired Debt	$5M	$		1,524	$ 1,524
					$ 8,384

2 Flo Gas Dividend declared March 13, 2007 $2.000 per share on the outstanding capital stock of the Company payable April 2, 2007
1000 x $2.000 = $2,000,000

Assumptions:
RETAINED EARNINGS:
Annual Profit Margin Projected Increase

			TOTAL	Jan-2006	Feb-2006	Mar-2006	Apr-2006	May-2006	Jun-2006	Jul-2006	Aug-2006	Sep-2006	Oct-2006	Nov-2006	Dec-2006	
PRIOR YEAR NET INCOME (Actual)		2006	4,169	923	900	398	472	177	90	238	128	(32)	161	449	265	
		FPU	4,013	772	709	318	418	207	110	291	195	57	200	433	303	
		FLO-GAS	156	151	191	80	54	(30)	(20)	(53)	(67)	(89)	(39)	16	(38)	
				Jan 2007	Feb 2007	Mar 2007	Apr 2007	May 2007	Jun 2007	Jul 2007	Aug 2007	Sep 2007	Oct 2007	Nov 2007	Dec 2007	
	Revised Budget	2007	3,879	707	645	446	447	144	99	137	160	136	175	320	463	
	(671,194)	FPU	3,291	621	519	340	398	138	100	138	157	121	134	254	371	
	(1,999,469)	FLO-GAS	588	86	126	106	49	6	(1)	(1)	3	15	41	66	92	

FPU RETAINED EARNINGS 2007	Note		Jan 2007	Feb 2007	Mar 2007	Apr 2007	May 2007	Jun 2007	Jul 2007	Aug 2007	Sep 2007	Oct 2007	Nov 2007	Dec 2007		
B/F			32,826,619	33,447,262	33,965,990	35,651,321	36,049,321	36,187,321	35,584,332	35,722,332	35,879,332	35,297,343	35,431,343	35,723,167	32,826,619	
NET INCOME		FPU	620,643	518,728	340,116	398,000	138,000	100,000	138,000	157,000	121,000	134,000	254,000	371,000	3,290,487	
Preferred Dividend					(7,125)			(7,125)			(7,125)			(7,125)	(28,500)	
Common Dividend					(647,660)		0	(695,864)			(695,864)			(695,864)	(2,735,252)	
Flo-Gas Dividend	2				2,000,000										2,000,000	
Projected Interim Rate Relief													37,824	55,247	93,071	
BALANCE C/F			33,447,262	33,965,990	35,651,321	36,049,321	36,187,321	35,584,332	35,722,332	35,879,332	35,297,343	35,431,343	35,723,167	35,446,425	35,446,425	2,619,806

FLO-GAS RETAINED EARNINGS															
B/F		2,386,526	2,472,443	2,598,925	705,057	754,057	760,057	759,057	758,057	761,057	776,057	817,057	883,057	2,386,526	
NET INCOME		85,917	126,482	106,132	49,000	6,000	(1,000)	(1,000)	3,000	15,000	41,000	66,000	92,000	588,531	
DIVIDEND	2			(2,000,000)										(2,000,000)	
BAL C/F		2,472,443	2,598,925	705,057	754,057	760,057	759,057	758,057	761,057	776,057	817,057	883,057	975,057	975,057	(1,411,469)

CONSOLIDATED PROJECTED RETAINED EARNINGS														
B/F		35,213,145	35,919,705	36,564,915	36,356,378	36,803,378	36,947,378	36,343,389	36,480,389	36,640,389	36,073,400	36,248,400	36,568,400	35,213,145	
NET INCOME		706,560	645,210	446,248	447,000	144,000	99,000	137,000	160,000	136,000	175,000	320,000	463,000	3,879,018	
Preferred Dividend		0	0	(7,125)	0	0	(7,125)	0	0	(7,125)	0	0	(7,125)	(28,500)	
Common Dividend		0	0	(647,660)	0	0	(695,864)	0	0	(695,864)	0	0	(695,864)	(2,735,252)	
BALANCE C/F		35,919,705	36,564,915	36,356,378	36,803,378	36,947,378	36,343,389	36,480,389	36,640,389	36,073,400	36,248,400	36,568,400	36,328,411	36,328,411	1,115,266
0															
Projected Interim Rate Relief:	Ann NOI	490,000	Nov-07	92,423	77,246	50,648	59,268	20,550	14,801	20,550	23,380	18,019	19,954	37,824	55,247	490,000

	35,919,705	36,564,915	36,356,378	36,803,378	36,947,378	36,343,389	36,480,389	36,640,389	36,073,400	36,248,400	36,606,225	36,421,483	

Florida Public Utilities
CAPITAL COMPONENTS ******
December 2007 - December 2008

Line				<<<<<<<<< PROJECTED >>>>>>>>>												13 mth	
Ref	Florida Public Utilities:	Notes	Acct #	Dec-2007	Jan-2008	Feb-2008	Mar-2008	Apr-2008	May-2008	Jun-2008	Jul-2008	Aug-2008	Sep-2008	Oct-2008	Nov-2008	Dec-2008	AVERAGE	Basis of Projection
15	Investment in Assoc. Co.		1230	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	Constant
16	Unamortized Debt/Loss on Reaq'd Debt	Amort Sch	1810, 1890	1,905,855	1,897,472	1,889,088	1,880,704	1,872,321	1,863,937	1,855,553	1,847,169	1,838,786	1,830,402	1,822,018	1,813,634	1,805,251	1,855,553	Amortization Schedule
17	ACCUM DEF TAXES	Electric only	1900	1,167,843	1,144,089	1,256,804	1,256,991	1,256,722	1,256,484	1,256,270	1,256,401	1,253,370	1,252,493	1,251,737	1,249,486	1,253,227	1,239,378	2005 - 2007 trend
18	190 AC DE TAX ENVIRO	Electric only	1900	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
19	Common Stock	2	2010	9,271,517	9,276,783	9,276,783	9,276,783	9,281,933	9,281,933	11,156,933	11,162,196	11,162,196	11,162,196	11,167,433	11,167,433	11,167,433	10,293,196	Cash Flow Proj Equity Off (June)
20	Preferred Stock		2040	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	Constant
21	Premium On Comm. Stk.	2	2070	5,455,611	5,411,111	5,411,111	5,411,111	5,366,611	5,366,611	18,491,611	18,447,111	18,447,111	18,447,111	18,402,611	18,402,611	18,402,611	12,420,226	Qtrly increase of $44,500 & Equity Off in .
22	DISC ON CAP STK		2130	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
23	Misc Paid in Capital		2110	802,472	715,354	715,354	734,985	734,985	721,979	721,621	641,327	641,327	669,699	669,699	669,699	688,617	702,086	Based on 2006 Monthly changes
24	Retained Earnings		2160	35,446,425	36,178,517	36,790,361	37,465,383	37,934,582	38,118,654	37,377,274	37,561,347	37,770,763	37,055,441	37,234,178	37,572,978	37,190,708	37,207,432	NOI based on Est 3% Inc
25	Capital Stock Expense		2140	428,441	428,441	428,441	428,441	428,441	428,441	1,328,441	1,328,441	1,328,441	1,328,441	1,328,441	1,328,441	1,328,441	913,056	Constant + Equity Off Issuance Cost June
26	Treasury Stock		2170	2,298,945	2,076,825	2,076,825	2,076,825	2,076,825	2,023,842	2,023,842	1,791,356	1,791,356	1,791,356	1,791,356	1,791,356	1,791,356	1,954,005	Based on 2006 Monthly changes
27	1st Mortgage Bonds	1	2210	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	51,091,000	51,091,000	51,091,000	51,091,000	51,091,000	51,091,000	51,091,000	51,091,000	51,632,923	Sinking Fund Schedule
28	DEBENTURES		2240	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
29	Notes Payable		2310	12,160,000	11,660,000	10,460,000	9,760,000	10,960,000	13,260,000	260,000	660,000	260,000	660,000	2,160,000	5,560,000	5,860,000	6,436,923	Cash Flow Projections
30	Customer Deposits	Electric only	2350	2,821,422	2,842,081	2,862,890	2,883,853	2,904,968	2,926,239	2,947,665	2,969,248	2,990,989	3,012,889	3,034,949	3,057,172	3,079,556	2,948,763	5 Year Average Growth Rate 2002 - 2006
31	INVEST TAX CRED	Electric only	2550	95,417	93,175	90,933	88,691	86,449	84,207	81,965	79,723	77,481	75,239	72,997	70,755	68,513	81,965	Monthly $2,462
32	ACCUM DEF TAXES*	Electric only	2820 2821 & 2830	6,815,388	6,562,491	7,420,855	7,403,201	7,396,734	7,378,249	7,398,047	7,419,437	7,412,743	7,501,563	7,490,045	7,474,899	7,461,928	7,318,121	2005 - 2007 trend
33	DEF TAX-UNDERREC	Electric only	2830 Included above	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
34	CURRENT BONDS		0	0													0	
35	3% INV TAX CRED			0													0	
36																		
37				0														
38	Flo-Gas Corp.:			0														
39	Investment in Assoc. Co.	Zeroed	1230	0													0	
40	ACCUM DEF TAXES	Zeroed	1900	0													0	
41	Common Stock		2010	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	Constant
42	Retained Earnings		2160	975,057	1,063,637	1,193,417	302,597	353,067	359,247	358,217	357,187	360,277	375,727	417,957	485,937	580,697	552,540	NOI based on Est 3% Inc
43	Comprehensive Income		2190	265,667	265,667	265,667	226,002	226,002	226,002	186,337	186,337	186,337	146,672	146,672	146,672	107,007	198,542	OCI Projection Schedule
44	Customer Deposits	Zeroed	2350	0													0	
45	INV TAX CREDIT	Zeroed	2550	0													0	
46	ACCUM DEF TAXES	Zeroed	2820	0													0	
47	3% INV TAX CRED	Zeroed	0	0													0	
48				0														
49	Consolidated:		Line Reference	0														
50	Long Term Debt		L27,L18	50,594,145	50,602,528	50,610,912	50,619,296	50,627,679	49,227,063	49,235,447	49,243,831	49,252,214	49,260,598	49,268,982	49,277,366	49,285,749	49,777,370	
51	Short Term Debt		L29	12,160,000	11,660,000	10,460,000	9,760,000	10,960,000	13,260,000	260,000	660,000	260,000	660,000	2,160,000	5,560,000	5,860,000	6,436,923	
52	Preferred Stock		L30	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	
53	Customer Deposits	Electric only	L30	2,821,422	2,842,081	2,862,890	2,883,853	2,904,968	2,926,239	2,947,665	2,969,248	2,990,989	3,012,889	3,034,949	3,057,172	3,079,556	2,948,763	
54	Common Equity		L15+L18+L21+L23+L24+L25-L26-L30+L41+L42+L43	48,958,030	49,874,469	50,616,094	50,459,593	50,939,911	51,170,140	64,567,037	64,863,035	65,075,541	64,443,707	64,625,410	65,032,190	64,803,263	58,109,878	
55	Common Equity-Excl Flo-Gas		+L18+L21+L23+L24-L25-L26	48,248,639	49,076,499	49,688,343	50,382,997	50,812,845	51,038,894	64,395,157	64,692,185	64,901,601	64,214,651	64,354,125	64,692,925	64,329,572	57,755,879	
56	DEFERRED INC TAXES	Electric only	L17+L32+L33	5,647,545	5,418,402	6,164,051	6,146,210	6,140,012	6,121,764	6,141,777	6,163,036	6,159,373	6,249,069	6,238,308	6,225,413	6,208,701	6,078,743	
57	TAX CREDITS-ZERO CST	Electric only	+L36	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
58	TAX CREDITS-WEIGHTED	Electric only	+L31+L35	95,417	93,175	90,933	88,691	86,449	84,207	81,965	79,723	77,481	75,239	72,997	70,755	68,513	81,965	
59	TOTAL INCL FLO-GAS EQUITY			120,876,557	121,090,655	121,404,880	120,557,642	122,259,019	123,389,413	123,833,891	124,578,872	124,415,598	124,301,502	126,000,647	129,822,895	129,905,783	124,033,643	
60	TOTAL EXCL FLO-GAS EQUITY			120,167,167	120,292,684	120,477,129	120,481,047	122,131,954	123,256,168	123,662,010	124,408,022	124,241,658	124,072,446	125,729,361	129,483,630	129,432,092	123,679,644	
61	TOTAL LTD,STD,EQUITY			112,312,174	112,736,998	112,287,006	111,438,888	113,127,590	114,257,203	114,662,484	115,366,866	115,187,755	114,964,305	116,654,392	120,469,556	120,549,012	114,924,172	
62	TOTAL LTD,STD,EQUITY EXCL FLO-GAS			111,602,784	111,939,027	111,359,255	111,362,293	113,000,525	114,123,957	114,490,604	115,196,015	115,013,815	114,735,249	116,383,107	120,130,290	120,075,322	114,570,173	
	Debt/Equity Ratio																	
	Debt			50%	50%	58%	58%	58%	59%	48%	48%	48%	48%	49%	50%	50%	53%	
	Equity			41%	41%	42%	42%	42%	41%	52%	52%	52%	52%	51%	50%	50%	47%	

Notes
1 Sinking Fund Payments on LT Debt May 1, 2008 $ 900,000
$ 500,000
$ 1,400,000

2 Projected Equity Offering June 2008 $ M

Assumptions:
RETAINED EARNINGS:
Annual Profit Margin Projected Increase

PRIOR YEAR NET INCOME (Revised Budget)

(1,000,000)

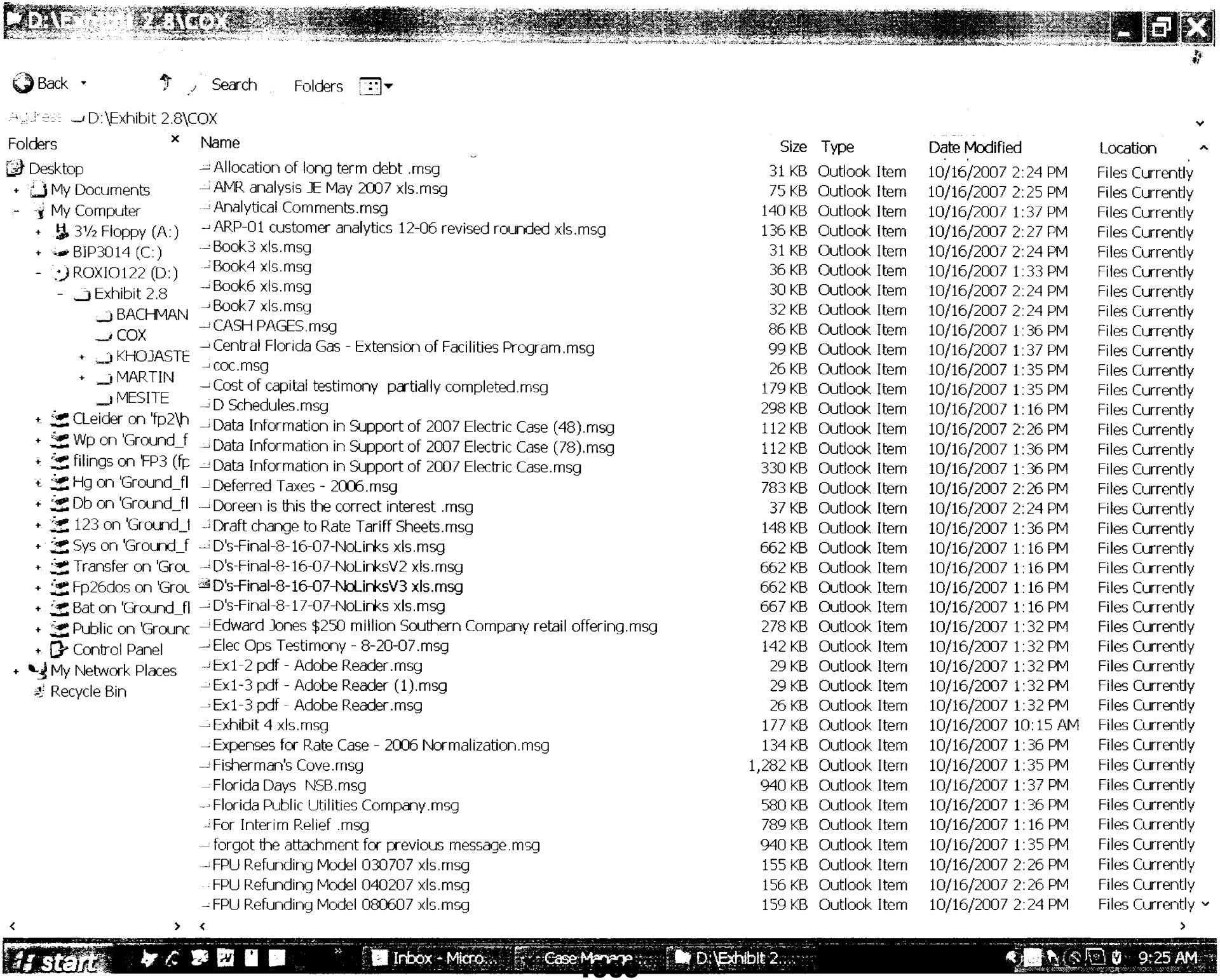
		1.03													
			TOTAL	Jan-2007	Feb-2007	Mar-2007	Apr-2007	May-2007	Jun-2007	Jul-2007	Aug-2007	Sep-2007	Oct-2007	Nov-2007	Dec-2007	
		2007	3,879	707	645	446	447	144	99	137	160	136	175	320	463	
		FPU	3,291	621	519	340	398	138	100	138	157	121	134	254	371	
		FLO-GAS	588	86	126	106	49	6	(1)	(1)	3	15	41	66	92	
				Jan 2008	Feb 2008	Mar 2008	Apr 2008	May 2008	Jun 2008	Jul 2008	Aug 2008	Sep 2008	Oct 2008	Nov 2008	Dec 2008	
		2008	3,995	728	664	459	460	148	102	141	165	140	180	330	477	
		FPU	3,390	640	535	350	410	142	103	142	162	126	138	262	382	
		FLO-GAS	606	89	130	109	50	6	(1)	(1)	3	15	42	68	95	
				Jan 2008	Feb 2008	Mar 2008	Apr 2008	May 2008	Jun 2008	Jul 2008	Aug 2008	Sep 2008	Oct 2008	Nov 2008	Dec 2008		
FPU RETAINED EARNINGS 2008				35,446,425	36,178,517	36,790,361	37,465,383	37,934,582	38,118,654	37,377,274	37,561,347	37,770,763	37,055,441	37,234,178	37,572,978	35,446,425	
B/F				639,630	534,570	350,200	409,940	142,140	103,000	142,140	161,710	124,630	138,020	261,620	382,130	3,389,730	
NET INCOME		FPU				(7,125)			(7,125)			(7,125)			(7,125)	(28,500)	
Preferred Dividend				0	0	(718,676)	0	0	(867,641)	0	0	(869,594)	0	0	(870,007)	(3,325,917)	
Common Dividend						1,000,000										1,000,000	
Flo-Gas Dividend																279,617	
Projected Interim Rate Relief	Ann NOI	490,000	Nov-07	92,461	77,274	50,623	59,259									429,353	
Projected NOI - Elec Rate Case	Annual	1,000,000	May-08					41,933	30,386	41,933	47,706	36,767	40,717	77,180	112,732		
BALANCE C/F				36,178,517	36,790,361	37,465,383	37,934,582	38,118,654	37,377,274	37,561,347	37,770,763	37,055,441	37,234,178	37,572,978	37,190,708	37,190,708	1,744,283
FLO-GAS RETAINED EARNINGS																	
B/F				975,057	1,063,637	1,193,417	302,597	353,067	359,247	358,217	357,187	360,277	375,727	417,957	485,937	975,057	
NET INCOME				88,580	129,780	109,180	50,470	6,180	(1,030)	(1,030)	3,090	15,450	42,230	67,980	94,760	605,640	
DIVIDEND						(1,000,000)										(1,000,000)	
BAL C/F				1,063,637	1,193,417	302,597	353,067	359,247	358,217	357,187	360,277	375,727	417,957	485,937	580,697	580,697	(394,360)
CONSOLIDATED PROJECTED RETAINED EARNINGS				36,421,483	37,242,154	37,983,778	37,767,981	38,287,649	38,477,902	37,735,492	37,918,534	38,131,040	37,431,169	37,652,136	38,058,916	36,421,483	
B/F				728,210	664,350	459,380	460,410	148,320	101,970	141,110	164,800	140,080	180,250	329,600	476,890	3,995,370	
NET INCOME				0	0	(7,125)	0	0	(7,125)	0	0	(7,125)	0	0	(7,125)	(28,500)	
Preferred Dividend				0	0	(718,676)	0	0	(867,641)	0	0	(869,594)	0	0	(870,007)	(3,325,917)	
Common Dividend				0	0	0	0	41932.5433	30385.90094	41932.5433	47705.86448	36766.94014	40717.10726	77180.18839	112731.6925	429,353	
Projected NOI - Elec Rate Case																	
BALANCE C/F				37,149,693	37,906,504	37,717,358	38,228,391	38,477,902	37,735,492	37,918,534	38,131,040	37,431,169	37,652,136	38,058,916	37,771,405	37,491,788	1,070,306
			Effective														
Projected Rate Relief		1,000,000	May-08	188,696	157,703	103,312	120,936	41,933	30,386	41,933	47,706	36,767	40,717	77,180	112,732	1,000,000	
Projected Interim Rate Relief	Ann NOI	490,000	Nov-07	92,461	77,274	50,623	59,259	20,547	14,889	20,547	23,376	18,016	19,951	37,818	55,239	490,000	
				112,312,174	112,736,998	112,287,006	111,438,888	113,127,590	114,257,203	114,662,484	115,366,866	115,187,755	114,964,305	116,654,392	120,469,556	120,549,012	114,924,172

FLORIDA PUBLIC UTILITIES COMPANY
13 MONTH AVERAGE ADJUSTMENTS

REPORT GROUP NAME: ROR
REPORT NAME: ROR_DEBT
DATE: 3/21/2007
USER: YOUNG

ROR ST DEBT, LT DEBT, FUEL COST

	12 MTHS AG	11 MTHS AGO	10 MTHS AGO	9 MTHS AGO	8 MTHS AGO	7 MTHS AGO	6 MTHS AGO	5 MTHS AGO	4 MTHS AGO	3 MTHS AGO	2 MTHS AGO	1 MTH AGO	12 2006		
SHORT TERM DEBT															
INTEREST ON NP	26,280	36,282	29,480	18,251	5,263	2,665	1,815	2,825	1,102	1,111	2,678	(2,481)	9,599	108,590	125,271
NP BALANCE	(9,558,000)	(10,662,000)	(7,266,000)	(3,443,000)	(1,101,000)	(582,000)	(1,437,000)	(761,000)	(130,000)	(1,687,000)	(916,000)	(2,009,000)	(3,466,000)		(3,309,077)
												YR END RATE	(3.13)	13MTH RATE	(3.28)
LONG TERM DEBT															
INTEREST ON LT	337,430	337,430	337,430	337,430	337,430	337,430	337,430	337,430	337,430	337,430	337,430	337,430	337,430	4,049,160	
BONDS BALANCE	(50,392,935)	(50,401,319)	(50,409,703)	(50,418,086)	(50,426,470)	(50,434,854)	(50,443,237)	(50,451,621)	(50,460,005)	(50,468,389)	(50,476,772)	(50,485,156)	(50,493,540)		(50,443,237)
												YR END RATE	(8.01)	13MTH RATE	(8.02)
FUEL COST															
NW ELECTRIC	1,156,632	1,165,630	1,106,989	1,030,724	1,095,620	1,136,988	1,352,208	1,493,762	1,514,665	1,298,369	1,213,995	1,034,164	1,259,359	14,702,473	
NE ELECTRIC	1,137,900	1,269,031	1,530,156	1,270,866	1,148,331	1,273,012	1,382,424	1,638,229	1,507,120	1,416,524	1,233,994	1,082,550	1,151,723	15,903,960	
TOTAL ELEC FUEL	2,294,532	2,434,661	2,637,145	2,301,590	2,243,951	2,410,000	2,734,632	3,131,991	3,021,785	2,714,893	2,447,989	2,116,714	2,411,082	30,606,433	
SOUTH FL NG	3,430,052	4,294,279	4,299,796	1,030,472	1,858,022	1,583,638	1,203,237	1,246,402	1,327,756	1,291,243	806,040	2,448,440	2,909,942	24,299,267	
CENTRAL FL NG	1,423,145	2,135,007	1,971,094	2,887,701	1,201,338	649,862	557,142	616,849	677,061	638,409	352,079	987,343	1,146,149	13,820,034	
TOTAL NG FUEL	4,853,197	6,429,286	6,270,890	3,918,173	3,059,360	2,233,500	1,760,379	1,863,251	2,004,817	1,929,652	1,158,119	3,435,783	4,056,091	38,119,301	
SOUTH FL PRO	428,047	449,369	437,782	456,858	382,150	356,618	329,915	295,126	331,666	300,607	323,616	356,961	394,178	4,414,846	
CENTRAL FL PRO	103,424	123,704	105,097	100,896	66,910	73,382	71,489	61,675	74,581	64,846	64,088	76,046	102,543	985,257	
NE FL PROPANE	147,661	135,670	136,496	142,577	103,361	120,028	111,328	111,076	122,989	91,756	118,409	129,168	131,397	1,454,255	
NATURE COST PRO	66,175	80,362	76,887	70,352	51,543	44,245	43,131	42,742	41,844	48,314	41,382	54,140	74,916	669,858	
TOTAL FUEL PRO	745,307	789,105	756,262	770,683	603,964	594,273	555,863	510,619	571,080	505,523	547,495	616,315	703,034	7,524,216	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ROXIO122 (D:)
Exhibit 2.8
BACHMAN
COX
KHOJASTE
MARTIN
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CLeider on 'fp2\h
Wp on 'Ground_f
filings on 'FP3 (fp
Hg on 'Ground_fl
Db on 'Ground_fl
123 on 'Ground_f
Sys on 'Ground_f
Transfer on 'Grou
Fp26dos on 'Grou
Bat on 'Ground_fl
Public on 'Grounc
Control Panel
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Name
Size
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Allocation of long term debt .msg 31 KB Outlook Item 10/16/2007 2:24 PM Files Currently
AMR analysis JE May 2007 xls.msg 75 KB Outlook Item 10/16/2007 2:25 PM Files Currently
Analytical Comments.msg 140 KB Outlook Item 10/16/2007 1:37 PM Files Currently
ARP-01 customer analytics 12-06 revised rounded xls.msg 136 KB Outlook Item 10/16/2007 2:27 PM Files Currently
Book3 xls.msg 31 KB Outlook Item 10/16/2007 2:24 PM Files Currently
Book4 xls.msg 36 KB Outlook Item 10/16/2007 1:33 PM Files Currently
Book6 xls.msg 30 KB Outlook Item 10/16/2007 2:24 PM Files Currently
Book7 xls.msg 32 KB Outlook Item 10/16/2007 2:24 PM Files Currently
CASH PAGES.msg 86 KB Outlook Item 10/16/2007 1:36 PM Files Currently
Central Florida Gas - Extension of Facilities Program.msg 99 KB Outlook Item 10/16/2007 1:37 PM Files Currently
coc.msg 26 KB Outlook Item 10/16/2007 1:35 PM Files Currently
Cost of capital testimony partially completed.msg 179 KB Outlook Item 10/16/2007 1:35 PM Files Currently
D Schedules.msg 298 KB Outlook Item 10/16/2007 1:16 PM Files Currently
Data Information in Support of 2007 Electric Case (48).msg 112 KB Outlook Item 10/16/2007 2:26 PM Files Currently
Data Information in Support of 2007 Electric Case (78).msg 112 KB Outlook Item 10/16/2007 1:36 PM Files Currently
Data Information in Support of 2007 Electric Case.msg 330 KB Outlook Item 10/16/2007 1:36 PM Files Currently
Deferred Taxes - 2006.msg 783 KB Outlook Item 10/16/2007 2:26 PM Files Currently
Doreen is this the correct interest .msg 37 KB Outlook Item 10/16/2007 2:24 PM Files Currently
Draft change to Rate Tariff Sheets.msg 148 KB Outlook Item 10/16/2007 1:36 PM Files Currently
D's-Final-8-16-07-NoLinks xls.msg 662 KB Outlook Item 10/16/2007 1:16 PM Files Currently
D's-Final-8-16-07-NoLinksV2 xls.msg 662 KB Outlook Item 10/16/2007 1:16 PM Files Currently
D's-Final-8-16-07-NoLinksV3 xls.msg 662 KB Outlook Item 10/16/2007 1:16 PM Files Currently
D's-Final-8-17-07-NoLinks xls.msg 667 KB Outlook Item 10/16/2007 1:16 PM Files Currently
Edward Jones $250 million Southern Company retail offering.msg 278 KB Outlook Item 10/16/2007 1:32 PM Files Currently
Elec Ops Testimony - 8-20-07.msg 142 KB Outlook Item 10/16/2007 1:32 PM Files Currently
Ex1-2 pdf - Adobe Reader.msg 29 KB Outlook Item 10/16/2007 1:32 PM Files Currently
Ex1-3 pdf - Adobe Reader (1).msg 29 KB Outlook Item 10/16/2007 1:32 PM Files Currently
Ex1-3 pdf - Adobe Reader.msg 26 KB Outlook Item 10/16/2007 1:32 PM Files Currently
Exhibit 4 xls.msg 177 KB Outlook Item 10/16/2007 10:15 AM Files Currently
Expenses for Rate Case - 2006 Normalization.msg 134 KB Outlook Item 10/16/2007 1:36 PM Files Currently
Fisherman's Cove.msg 1,282 KB Outlook Item 10/16/2007 1:35 PM Files Currently
Florida Days NSB.msg 940 KB Outlook Item 10/16/2007 1:37 PM Files Currently
Florida Public Utilities Company.msg 580 KB Outlook Item 10/16/2007 1:36 PM Files Currently
For Interim Relief .msg 789 KB Outlook Item 10/16/2007 1:16 PM Files Currently
forgot the attachment for previous message.msg 940 KB Outlook Item 10/16/2007 1:35 PM Files Currently
FPU Refunding Model 030707 xls.msg 155 KB Outlook Item 10/16/2007 2:26 PM Files Currently
FPU Refunding Model 040207 xls.msg 156 KB Outlook Item 10/16/2007 2:26 PM Files Currently
FPU Refunding Model 080607 xls.msg 159 KB Outlook Item 10/16/2007 2:24 PM Files Currently
start
Inbox - Micro...
Case Manage...
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9:25 AM

Clara Leider

From: Mike Welsh [mpwelsh@CAEnergy.com]
Sent: Thursday, August 16, 2007 2:29 PM
To: Cox Doreen
Subject: D's-Final-8-16-07-NoLinksV3.xls
Attachments: D's-Final-8-16-07-NoLinksV3.xls

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division
DOCKET NO.: 070304-EI

EXPLANATION: Provide the company's 13-month average cost of capital for the test year, the prior year, and historical base year.

Type of Data Shown:
Historic Year Ended 12/31/06
Witness: Doreen Cox, Robert Camfield

Line No.	Class of Capital	(A) Company Total Per Books	(B) Specific Adjustments	(C) Pro Rata Adjustments	(D) System Adjusted	(E) Jurisdictional Factor	(F) Jurisdictional Capital Structure	(G) Ratio	(H) Cost Rate	(I) Weighted Cost Rate	(J) Interest Expense
	Regulatory Capital Structure, 2006										
1.	Long Term Debt	50,443,237			50,443,237	31.33%	15,801,612	0.4152	8.03%	3.33%	1,268,418
2.	Short Term Debt	3,309,077			3,309,077	31.33%	1,036,586	0.0272	7.29%	0.20%	75,536
3.	Preferred Stock	600,000			600,000	31.33%	187,953	0.0049	4.75%	0.02%	
4.	Common Equity	44,943,721			44,943,721	31.33%	14,078,859	0.3699	11.50%	4.25%	
5.	Customer Deposits	2,136,661			2,136,661		2,136,661	0.0561	6.07%	0.34%	129,626
6.	Deferred Income Taxes	4,674,449			4,674,449		4,674,449	0.1228	0.00%	0.00%	
7.	Tax Credits-Zero Cost	0			0		0	0.0000	0.00%	0.00%	
8.	Tax Credits-Weighted Cost	141,120			141,120		141,120	0.0037	9.55%	0.04%	
9.	TOTAL	106,248,266			106,248,266		38,057,241	1.0000		8.18%	1,473,580

	Class of Capital	Company Total Per Books	Ratio	Cost Rate	Weighted Cost Rate
	Conventional Capital Structure, 2006				
10.	Long Term Debt	50,443,237	0.5080	8.03%	4.08%
11.	Short Term Debt	3,309,077	0.0333	7.29%	0.24%
12.	Preferred Stock	600,000	0.0060	4.75%	0.03%
13.	Common Equity	44,943,721	0.4526	11.50%	5.21%
14.	TOTAL	99,296,036	1.0000		9.55%

Rate Base	$38,057,241
Direct Components	$6,952,231
	$31,105,010
Jurisdictional Factor	31.33%

Common Equity excludes Flo-Gas

Supporting Schedules: B-1 (2006), B-3 (2006), D-3, D-4a, D-5, D-6

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Provide the company's 13-month average cost of capital for the test year, the prior year, and historical base year.

Type of Data Shown:
Prior Year Ended 12/31/07
Witness: Doreen Cox, Robert Camfield

Line No.	Class of Capital	(A) Company Total Per Books	(B) Specific Adjustments	(C) Pro Rata Adjustments	(D) System Adjusted	(E) Jurisdictional Factor	(F) Jurisdictional Capital Structure	(G) Ratio	(H) Cost Rate	(I) Weighted Cost Rate	(J) Interest Expense
					Regulatory Capital Structure, 2007						
1.	Long Term Debt	50,543,842			50,543,842	31.54%	15,941,895	0.3866	8.01%	3.10%	1,277,132
2.	Short Term Debt	5,729,846			5,729,846	31.54%	1,807,235	0.0438	6.86%	0.30%	123,947
3.	Preferred Stock	600,000			600,000	31.54%	189,244	0.0046	4.75%	0.02%	
4.	Common Equity	47,883,036			47,883,036	31.54%	15,102,657	0.3662	11.50%	4.21%	
5.	Customer Deposits	2,637,518			2,637,518		2,637,518	0.0640	6.32%	0.40%	166,567
6.	Deferred Income Taxes	5,452,539			5,452,539		5,452,539	0.1322	0.00%	0.00%	
7.	Tax Credits-Zero Cost	0			0		0	0.0000	0.00%	0.00%	
8.	Tax Credits-Weighted Cost	110,190			110,190		110,190	0.0027	9.52%	0.03%	
9.	TOTAL	112,956,971			112,956,971		41,241,279	1.0000		8.06%	1,567,647

	Class of Capital	Company Total Per Books	Ratio	Cost Rate	Weighted Cost Rate
		Conventional Capital Structure, 2007			
10.	Long Term Debt	50,543,842	0.4825	8.01%	3.87%
11.	Short Term Debt	5,729,846	0.0547	6.86%	0.38%
12.	Preferred Stock	600,000	0.0057	4.75%	0.03%
13.	Common Equity	47,883,036	0.4571	11.50%	5.26%
14.	TOTAL	104,756,724	1.0000		9.52%

Rate Base	$41,241,279
Direct Components	$8,200,247
	$33,041,032
Jurisdictional Factor	31.54%

Common Equity excludes Flo-Gas

Supporting Schedules: B-1 (2007) B-3 (2007), D-3, D-4a, D-5, D-6

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Provide the company's 13-month average cost of capital for the test year, the prior year, and historical base year.

Type of Data Shown:
Projected Test Year Ended 12/31/08
Witness: Doreen Cox, Robert Camfield

Line No.	Class of Capital	(A) Company Total Per Books	(B) Specific Adjustments	(C) Pro Rata Adjustments	(D) System Adjusted	(E) Jurisdictional Factor	(F) Jurisdictional Capital Structure	(G) Ratio	(H) Cost Rate	(I) Weighted Cost Rate	(J) Interest Expense
					Regulatory Capital Structure, 2008						
1.	Long Term Debt	49,777,370			49,777,370	29.60%	14,733,561	0.3425	7.96%	2.73%	1,173,525
2.	Short Term Debt	6,436,923			6,436,923	29.60%	1,905,259	0.0443	6.81%	0.30%	129,657
3.	Preferred Stock	600,000			600,000	29.60%	177,593	0.0041	4.75%	0.02%	
4.	Common Equity	57,755,879			57,755,879	29.60%	17,095,113	0.3974	11.50%	4.57%	
5.	Customer Deposits	2,948,763			2,948,763		2,948,763	0.0685	6.32%	0.43%	186,223
6.	Deferred Income Taxes	6,078,743			6,078,743		6,078,743	0.1413	0.00%	0.00%	
7.	Tax Credits-Zero Cost	0			0		0	0.0000	0.00%	0.00%	
8.	Tax Credits-Weighted Cost	81,965			81,965		81,965	0.0019	9.67%	0.02%	
9.	TOTAL	123,679,644			123,679,644		43,020,997	1.0000		8.07%	1,489,405

	Class of Capital	Company Total Per Books	Ratio	Cost Rate	Weighted Cost Rate
		Conventional Capital Structure, 2008			
10.	Long Term Debt	49,777,370	0.4345	7.96%	3.46%
11.	Short Term Debt	6,436,923	0.0562	6.81%	0.38%
12.	Preferred Stock	600,000	0.0052	4.75%	0.02%
13.	Common Equity	57,755,879	0.5041	11.50%	5.80%
14.	TOTAL	114,570,173	1.0000		9.67%

Rate Base	$43,020,997
Direct Components	$9,109,471
	$33,911,526
Jurisdictional Factor	29.60%

Common Equity excludes Flo-Gas

Supporting Schedules: B-1 (2008), B-3 (2008), D-3, D-4a, D-5, D-6

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION EXPLANATION:

COMPANY: Florida Public Utilities
Consolidated Electric Division
DOCKET NO.: 070304-EI

1.) List and describe the basis for the specific adjustments appearing on Schedule D-1a.

2.) List and describe the basis for the pro-rata adjustments appearing on Schedule D-1a.

Type of Data Shown:
Projected Test Year Ended 12/31/08
Prior Year Ended 12/31/07
Historic Year Ended 12/31/06
Witness: Doreen Cox, Robert Camfield

Line No.	Class of Capital	Description	Historic Base Year	Prior Year	Test Year
1		Specific Adjustments			
2					
3		The determination of the cost of capital for purposes of setting			
4		retail rates in the immediate docket incorporates no specific adjustments			
5		to the December '06, Prior Year '07, or The Test Year 2008 capital structure or cost rates			
6					
7					
8		Pro Rata Adjustments			
9					
10		The determination of the cost of capital for purposes of setting			
11		retail rates in the immediate docket incorporates no pro rata adjustments			
12		to the December '06, Prior Year '07, or The Test Year 2008 capital structure or cost rates			

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: For the subject Florida utility, all other regulated utility operations combined, all non-regulated operations combined, the parent company, and on a consolidated basis, provide the year-end capital structure for investor capital (i.e. common equity, preferred stock, long-term debt, and short-term debt) for the five years through the end of the projected test year.

Type of Data Shown:
Projected Test Year Ended 12/31/08
Prior Year Ended 12/31/07
Historic Years Ended 12/31/04, 05 and 06
Witness: Doreen Cox, Robert Camfield

Line No.	Class of Capital	2004 Year-End Amount	2004 Year-End Percent of Total	2005 Year-End Amount	2005 Year-End Percent of Total	2006 Year-End Amount	2006 Year-End Percent of Total	2007 Year-End Amount	2007 Year-End Percent of Total	2008 Year-End Amount	2008 Year-End Percent of Total
1	Long Term Debt	50,538,000	50.449%	50,620,000	47.628%	50,702,000	49.542%	50,784,602	45.141%	49,457,923	40.969%
2	Short Term Debt	5,825,000	5.815%	9,558,000	8.993%	3,466,000	3.387%	12,160,000	10.809%	5,860,000	4.854%
3	Preferred Stock	600,000	0.599%	600,000	0.565%	600,000	0.586%	600,000	0.533%	600,000	0.497%
4	Common Equity	43,213,000	43.137%	45,503,000	42.814%	47,573,000	46.485%	48,958,030	43.517%	64,803,263	53.680%
5	Total	100,176,000	100.000%	106,281,000	100.000%	102,341,000	100.000%	112,502,632	100.000%	120,721,186	100.000%

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: 1.) Provide the specified data on short-term debt issues on a 13-month average basis for the test year, prior year, and historical base year

2.) Provide a narrative description of the Company's policies regarding short-term financing. The following topics should be covered: ratio of short-term debt to total capital, plant expansion, working capital, timing of long-term financing, method of short-term financing (bank loans, commercial paper, etc.), and other uses of short-term financing.

Type of Data Shown:
Projected Year Ended 12/31/08
Prior Year Ended 12/31/07
Historic Year Ended 12/31/06
Witness: Doreen Cox, Robert Camfield

Year	Maturity Date	Interest Rate	Interest Expense	13-month Average Amount Outstanding During the Year	Weighted Average Cost of Short-term Debt
			For Historical Test Year 2006		
2006	July, 2008	7.29%	$145,595	1,998,015 *	0.20%
			For Prior Year 2007		
2007	July, 2008	6.86%	$381,070	5,556,250 *	0.30%
			For Test Year 2008		
2008	July, 2008	6.81%	$423,453	6,222,500 *	0.30%

2.) The Company plans to use a combination of short term borrowing and an Equity Offering in 2008 to finance future growth and capital expenditures.

*Calculated using the average daily line of credit balance which is appropriate for determining short term debt costs.

Supporting Schedules: B-3 Recap Schedules: D-1

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: 1.) Provide the specified data on short-term debt issues on a 13-month average basis for the test year, prior year, and historical base year

2.) Provide a narrative description of the Company's policies regarding short-term financing. The following topics should be covered: ratio of short-term debt to total capital, plant expansion, working capital, timing of long-term financing, method of short-term financing (bank loans, commercial paper, etc.), and other uses of short-term financing.

Type of Data Shown:
Projected Test Year Ended 12/31/08
Witness: Doreen Cox, Robert Camfield

Year	Maturity Date	Interest Rate	Interest Expense	13-month Average Amount Outstanding During the Year	Weighted Average Cost of Short-term Debt
			For Test Year 2008		
2008	July, 2008	6.81%	$423,453	6,222,500 *	0.30%

2.) The Company plans to use a combination of short term borrowing and an Equity Offering in 2008 to finance future growth and capital expenditures.

*Calculated using the average daily line of credit balance which is appropriate for determining short term debt costs.

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Provide the specified data on long-term debt issues on a 13-month average basis for the test year, prior year, and historical base year. Arrange by type of issue (i.e., first mortgage bonds)

Type of Data Shown:
Historic Year Ended 12/31/06
Witness: Doreen Cox, Robert Camfield

HISTORICAL YEAR, 2006

(1) Line No.	(2) Description, Coupon Rate	(3) Issue Date	(4) Maturity Date	(5) Principal Amount Sold (Face Value)	(6) 13-Month Average Principal Amt. Outstanding	(7) Discount (Premium) on Principal Amount Sold	(8) Issuing Expense On Principal Amount Sold	(9) Life (Years)	(10) Annual Amortization (7+8)/(9)	(11) Interest Expense (Coupon Rate) (2) x (6)	(12) Total Annual Cost (10)+(11)	(13) Unamortized Discount (Premium) Associated With (6)	(14) Average Unamort. Issuing Expense & Loss on Reacquired Debt
1	9.57%	5/1/1988	5/1/2018	$10,000,000	$10,000,000	$0	$180,273	30	$7,211	$957,000	$964,211	N/A	$49,277
2													
3	10.03%	5/1/1988	5/1/2018	$5,500,000	$5,500,000	$0	$97,070	30	$3,883	$551,650	$555,533	N/A	$26,532
4													
5	9.08%	6/1/1992	6/1/2022	$8,000,000	$8,000,000	$0	$121,967	30	$4,066	$726,400	$730,466	N/A	$65,070
6													
7	6.85%	10/1/2001	10/1/2031	$15,000,000	$15,000,000	$0	$1,208,670	30	$40,289	$1,027,500	$1,067,789	N/A	$1,017,297
8													
9	4.90%	11/1/2001	11/1/2031	$14,000,000	$14,000,000	$0	$805,956	30	$26,865	$686,000	$712,865	N/A	$680,704
10													
11													
12		Loss on Re-acquired Debt					$548,516		$18,288	$0	$18,288		$217,883
13													
14													
15													
16													
17													
18													
19													
20													
21													
22	Total				$52,500,000	$0	$2,962,452		$100,602	$3,948,550	$4,049,152	N/A	$2,056,763
23													
24	Less Unamortized Premium, Discount, and												
25	Issuance Expense (13) + (14).				$2,056,763								
26													
27	Net LT Debt Outstanding				$50,443,237								
28													
29													
30	Embedded Cost of Long-term Debt				8.0271%								
31	(12) / Net												

Supporting Schedules:

Recap Schedules: D-1

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Provide the specified data on long-term debt issues on a 13-month average basis for the test year, prior year, and historical base year.
Arrange by type of issue (i.e., first mortgage bonds)

Type of Data Shown:
Prior Year Ended 12/31/07
Witness: Doreen Cox, Robert Camfield

PRIOR YEAR, 2007

(1) Line No.	(2) Description, Coupon Rate	(3) Issue Date	(4) Maturity Date	(5) Principal Amount Sold (Face Value)	(6) 13-Month Average Principal Amt. Outstanding	(7) Discount (Premium) on Principal Amount Sold	(8) Issuing Expense On Principal Amount Sold	(9) Life (Years)	(10) Annual Amortization (7+8)/(9)	(11) Interest Expense (Coupon Rate) (2) x (6)	(12) Total Annual Cost (10)+(11)	(13) Unamortized Discount (Premium) Associated With (6)	(14) Average Unamort. Issuing Expense & Loss on Reacquired Debt
1	9.57%	5/1/1988	5/1/2018	$10,000,000	$10,000,000	$0	$180,273	30	$7,211	$957,000	$964,211	N/A	$42,066
2													
3	10.03%	5/1/1988	5/1/2018	$5,500,000	$5,500,000	$0	$97,070	30	$3,883	$551,650	$555,533	N/A	$22,649
4													
5	9.08%	6/1/1992	6/1/2022	$8,000,000	$8,000,000	$0	$121,967	30	$4,066	$726,400	$730,466	N/A	$61,002
6													
7	6.85%	10/1/2001	10/1/2031	$15,000,000	$15,000,000	$0	$1,208,670	30	$40,289	$1,027,500	$1,067,789	N/A	$977,008
8													
9	4.90%	11/1/2001	11/1/2031	$14,000,000	$14,000,000	$0	$805,956	30	$26,865	$686,000	$712,865	N/A	$653,854
10													
11													
12			Loss on Re-acquired Debt				$548,516		$18,288	$0	$18,288		$199,599
13													
14													
15			Rounding Adjustment										-$21
16													
17													
18													
19													
20													
21													
22	Total				$52,500,000	$0	$2,962,452		$100,602	$3,948,550	$4,049,152	N/A	$1,956,158
23													
24	Less Unamortized Premium, Discount, and												
25	Issuance Expense (13) + (14).				$1,956,158								
26													
27	Net LT Debt Outstanding				$50,543,842								
28													
29													
30	Embedded Cost of Long-term Debt				8.0112%								
31	(12) / Net												

Supporting Schedules:

Recap Schedules: D-1

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Provide the specified data on long-term debt issues on a 13-month average basis for the test year, prior year, and historical base year.
Arrange by type of issue (i.e., first mortgage bonds)

Type of Data Shown.
Projected Test Year Ended 12/31/08
Witness. Doreen Cox, Robert Camfield

TEST YEAR, 2008

(1) Line No.	(2) Description, Coupon Rate	(3) Issue Date	(4) Maturity Date	(5) Principal Amount Sold (Face Value)	(6) 13-Month Average Principal Amt. Outstanding	(7) Discount (Premium) on Principal Amount Sold	(8) Issuing Expense On Principal Amount Sold	(9) Life (Years)	(10) Annual Amortization (7+8)/(9)	(11) Interest Expense (Coupon Rate) (2) x (6)	(12) Total Annual Cost (10)+(11)	(13) Unamortized Discount (Premium) Associated With (6)	(14) Average Unamort. Issuing Expense & Loss on Reacquired Debt
1	9.57%	5/1/1988	5/1/2018	$10,000,000	$9,440,615	$0	$180,273	30	$7,211	$903,467	$910,678	N/A	$34,855
2													
3	10.03%	5/1/1988	5/1/2018	$5,500,000	$5,192,308	$0	$97,070	30	$3,883	$520,788	$524,671	N/A	$18,766
4													
5	9.08%	6/1/1992	6/1/2022	$8,000,000	$8,000,000	$0	$121,967	30	$4,066	$726,400	$730,466	N/A	$56,935
6													
7	6.85%	10/1/2001	10/1/2031	$15,000,000	$15,000,000	$0	$1,208,670	30	$40.289	$1,027,500	$1,067,789	N/A	$936,719
8													
9	4.90%	11/1/2001	11/1/2031	$14,000,000	$14,000,000	$0	$805,956	30	$26,865	$686,000	$712,865	N/A	$627,025
10													
11													
12			Loss on Re-acquired Debt				$548,516		$18,288	$0	$18,288		$181,316
13													
14													
15			Rounding Adjustment										-$63
16													
17													
18													
19													
20													
21													
22	Total				$51,632,923	$0	$2,962,452		$100,602	$3,864,155	$3,964,757	N/A	$1,855,553
23													
24	Less Unamortized Premium, Discount, and												
25	Issuance Expense (13) + (14).				$1,855,553								
26													
27	Net LT Debt Outstanding				$49,777,370								
28													
29													
30	Embedded Cost of Long-term Debt				7.9650%								
31	(12) / Net												

Supporting Schedules:

Recap Schedules: D-1

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Supply a statement of the company's policy on treatment of profit or loss from reacquired bonds. Detail any profit or loss on recquired bonds for the test year and prior year.

Type of Data Shown:
Projected Test Year Ended 12/31/08
Prior Year Ended 12/31/07
HistoricYear Ended 12/31/06
Witness: Doreen Cox, Robert Camfield

In the interest of its retail customers and shareholders, the policy of Florida Public Utilities Company on this issue is to profitably reacquire outstanding debt when economic and capital market conditions afford such opportunities. History suggests, however, that conditions vary substantially from one time to another, such that favorable opportunities to reacquire debt will occur infrequently and randomly. The Company will share the profits and losses associated with reacquired debt fairly with its retail customers.

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Provide the data as specified for preferred stock on a 13-month average basis for the test year, prior year, and historical base year.

Type of Data Shown:
Prior Year Ended 12/31/07
Historic Year Ended 12/31/06
Projected Test Year Ended 12/31/08
Witness: Doreen Cox, Robert Camfield

Line No.	(1) Description, Coupon Rate	(2) Issue Date	(3) Call Provisions or Special Restrictions	(4) Principal Amount Sold	(5) 13-month Average Principal Amt. Outstanding	(6) (Discount) Premium on Principal Amount Sold	(7) (Discount) Premium Associated with (6)	(8) Issuing Expense on Principal Amount Sold	(9) Issuing Expense Associated with (6)	(10) Net Proceeds (6)+(8)-(10)	(11) Dollar Dividend on Face Value (2) X (6)	(12) Effective Cost Rate (12)/(11)
					For Historic Year 2006							
1.	4.75% Cumulative	12/28/1945		$600,000	$600,000	N/A	N/A	N/A	N/A	$600,000	$28,500	4.75%
2.	Preferred Stock											
3.												
4.					**For Prior Year 2007**							
5.	4.75% Cumulative	12/28/1945		$600,000	$600,000	N/A	N/A	N/A	N/A	$600,000	$28,500	4.75%
6.	Preferred Stock											
7.												
8.					**For Test Year 2008**							
9.	4.75% Cumulative	12/28/1945		$600,000	$600,000	N/A	N/A	N/A	N/A	$600,000	$28,500	4.75%
10.	Preferred Stock											
11.												
12.												
13.												
14.												
15.												
16.												
17.												
18.												
19.												
20.												

21 Weighted Average Cost of Preferred Stock for 2006, 2007 and 2008 4.75%

Supporting Schedules: Recap Schedules: D-1

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION Provide monthly balances, interest rates, and interest payments on customer deposits for the test year, the prior year, and historic year

Type of Data Shown:
Prior Year Ended 12/31/07
Witness: Doreen Cox, Robert Camfield

(1) Line No.	(2) Month and Year	(3) Active Customer Deposits at 6.00%	(4) Active Customer Deposits at 7.00%	(5) Inactive Customer Deposits	(6) Total Deposits (3)+(4)+(5)	(7) Interest Payments (3) X 6%/12	(8) Interest Payments (3) X 7%/12	(9) Total Interest (7) + (8)	(10) Actual Payments and Credits on Bills
1	December, '06	1,590,029	732,198		2,322,227				
2	January, '07	1,589,106	731,773		2,320,879	7,946	4,269	12,214	
3	February	1,599,207	736,425		2,335,632	7,996	4,296	12,292	
4	March	1,809,061	833,061		2,642,123	9,045	4,860	13,905	
5	April	1,822,307	839,161		2,661,468	9,112	4,895	14,007	
6	May	1,835,650	845,305		2,680,956	9,178	4,931	14,109	
7	June	1,849,091	851,495	N/A	2,700,586	9,245	4,967	14,213	N/A
8	July	1,862,630	857,729		2,720,360	9,313	5,003	14,317	
9	August	1,876,269	864,010		2,740,278	9,381	5,040	14,421	
10	September	1,890,007	870,336		2,760,343	9,450	5,077	14,527	
11	October	1,903,845	876,709		2,780,554	9,519	5,114	14,633	
12	November	1,917,785	883,128		2,800,914	9,589	5,152	14,741	
13	December	1,931,828	889,594		2,821,422	9,659	5,189	14,848	
14									
15	13 Month Average				$2,637,518				
16									
17	12 Month Total					$109,434	$58,793	$168,227	
18									
19									
20		Effective Interest Rate							
21		12 Month Interest							
22		Expense (9) divided							
23		by Total Deposits (6)		6.32%					

Supporting Schedules:

Recap Schedules: D-1

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION Provide monthly balances, interest rates, and interest payments on customer deposits for the test year, the prior year, and historic year

Type of Data Shown:
Projected Test Year Ended 12/31/08
Witness: Doreen Cox, Robert Camfield

(1) Line No.	(2) Month and Year	(3) Active Customer Deposits at 6.00%	(4) Active Customer Deposits at 7.00%	(5) Inactive Customer Deposits	(6) Total Deposits (3)+(4)+(5)	(7) Interest Payments (3) X 6%/12	(8) Interest Payments (3) X 7%/12	(9) Total Interest (7) + (8)	(10) Actual Payments and Credits on Bills
1	December, '06	1,931,828	889,594		2,821,422				
2	January, '07	1,945,973	896,108		2,842,081	9,730	5,227	14,957	
3	February	1,960,221	902,669		2,862,890	9,801	5,266	15,067	
4	March	1,974,574	909,279		2,883,853	9,873	5,304	15,177	
5	April	1,989,032	915,937		2,904,968	9,945	5,343	15,288	
6	May	2,003,596	922,643		2,926,239	10,018	5,382	15,400	
7	June	2,018,266	929,399	N/A	2,947,665	10,091	5,421	15,513	N/A
8	July	2,033,044	936,204		2,969,248	10,165	5,461	15,626	
9	August	2,047,930	943,059		2,990,989	10,240	5,501	15,741	
10	September	2,062,925	949,964		3,012,889	10,315	5,541	15,856	
11	October	2,078,030	956,920		3,034,949	10,390	5,582	15,972	
12	November	2,093,245	963,926		3,057,172	10,466	5,623	16,089	
13	December	2,108,572	970,984		3,079,556	10,543	5,664	16,207	
14									
15	13 Month Average				$2,948,763				
16									
17	12 Month Total					$121,577	$65,316	$186,893	
18									
19									
20		Effective Interest Rate							
21		12 Month Interest							
22		Expense (9) divided							
23		by Total Deposits (6)		6.32%					

Supporting Schedules:

Recap Schedules: D-1

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Provide the most recent five year data for the company, or consolidated parent if the company is not publicly traded as indicated. To the extent the requested data is available from other sources, the Company can reference and attach the information to comply with the requirements of this MFR.

Type of Data Shown:
Historic Years Ended 12/31/02, 03 , 04, 05 and 06
Witness: Doreen Cox, Robert Camfield

Line No.		2002 Year	2003 Year *	2004 Year	2005 Year	2006 Year
1	Pre-tax Interest Coverage Ratio (x)	2.5	2.3	2.6	3.0	2.9
2						
3	Earned Returns on Average Book Equity (%)	11.1%	6.9%	8.4%	9.5%	8.9%
4						
5	Book Value/Share ($)	$ 5.32	$ 7.08	$ 7.31	$ 7.64	$ 7.94
6						
7	Dividends/Share ($)	$ 0.38	$ 0.39	$ 0.40	$ 0.41	$ 0.43
8						
9	Earnings/Share ($)	$ 0.57	$ 0.43	$ 0.60	$ 0.71	$ 0.69
10						
11	Market Value/Share ($)	$ 9.90	$ 10.53	$ 12.77	$ 13.65	$ 13.25
12						
13	Market/Book Ratio (%)	186.1%	148.7%	174.7%	178.7%	166.9%
14						
15	Price/Earning Ratio (6) / (5)	17.37	24.49	21.28	19.23	19.20

* Excluding the Sale of Water Division
** Common Share information re-stated to reflect three for two stock split on July 25, 2005

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES
CONSOLIDATED ELECTRIC DIVISION

DOCKET NO.: 070304-EI

EXPLANATION: 1.) If the test year is projected, provide a summary of financing plans and assumptions.

2.) Provide the company's capital structure objectives, the basis for assumptions (such as those for issue cost and interest rates), and any other significant assumptions.
Provide a statement of the Company's policy on the timing of the entrance into capital markets.

Type of Data Shown:
Projected Test Year Ended 12/31/08
Witness: Doreen Cox, Robert Camfield, George Bachman

Financing Plans for the Year Ending 2008

Line No.	Type of Issue	Date of Issue/ Retirement	For Bonds: Capitalization (Thousands)	For Bonds: Interest Rate	For Bonds: Life in Years	For Stock: No. of Shares	For Stock: Market Price	Issue Costs	Principal Amount
1	Common Stock	Jun-08				1,250,000	12	900,000	15,000,000
2									
3									
4									
5									
6									
7									
8	Capital Structure Objectives:				Percent of Total				
9									
10	Short-term Debt				2 - 14%				
11	Long-term Debt				40 - 45%				
12	Preferred Stock				0 - 1%				
13	Common Equity				43 - 56%				
14									
15									
16	Interest Rate Assumptions:		Short Term Interest Rates will gradually increase through 2008. The volatility of prior years is not expected.						
17									
18									
19	Company's Policy on the Timing of Entrance into Capital Markets:								
20	Cash requirements are forecasted to increase significantly due to environmental clean-up, land purchase, LT Debt payments and Pension Contributions.								
21	The Company plans to use a combination of short term borrowing and an Equity Offering in 2008 to finance future growth and capital expenditures.								
22	The timing of the Equity Offering is largely dependent on projected capital expenditures and environmental expenses.								

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Provide financial indicators for the test year under current and proposed rates, the prior year, and historical base year.

Type of Data Shown:
Projected Test Year Ended 12/31/08
Prior Year Ended 12/31/07
Historic Year Ended 12/31/06
Witness: Doreen Cox, Robert Camfield

Line No.	Indicator	Historic Base Year 2006	Prior Year 2007	Test Year Current Rates 2008	Test Year Proposed Rates
1	Interest Coverage Ratios:				
2	Including AFUDC in Income Before Interest Charges	N/A	N/A	N/A	N/A
3	Excluding AFUDC in Income Before Interest Charges	4.52	4.01	2.50	4.06
4	AFUDC as a percent of Income Available for Common	N/A	N/A	N/A	N/A
5	Percent of Construction Funds Generated Internally	N/A	N/A	N/A	N/A
6					
7	Fixed Charges:				
8	Interest	1,473,580	1,567,647	1,489,405	1,489,405
9	Lease Payments	N/A	N/A	N/A	N/A
10	Sinking Funds Payments	-	-	417,049	417,049
11	Tax on Sinking Fund Payments	-	-	141,797	141,797
12					
13	Ratio of Earnings to Fixed Charges				
14	Including AFUDC	N/A	N/A	N/A	N/A
15	Excluding AFUDC	1.68	1.21	0.10	1.67
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					

Supporting Schedules: D-1

Recap Schedules:

Florida Public Utilities
Long-Term Debt

	GL #	Start of Sinking Fund Payments	March 31 2007	December 31 2006	December 31 2005
First mortgage bonds series					
9.57 % due 2018		5/1/2008	10,000,000	10,000,000	10,000,000
10.03 % due 2018		5/1/2008	5,500,000	5,500,000	5,500,000
9.08 % due 2022		n/a	8,000,000	8,000,000	8,000,000
4.90 % due 2031		n/a	14,000,000	14,000,000	14,000,000
6.85 % due 2031		n/a	15,000,000	15,000,000	15,000,000
Total long-term debt	2210		52,500,000	52,500,000	52,500,000
Unamortized debt discount	1810		(1,777,139)	(1,797,719)	(1,880,040)
LT DEBT net of Unamortized Debt Discount (10K & 10Q)			50,722,861	50,702,281	50,619,960
Unamortized Loss on Reacquired Debt	1890		(204,170)	(208,741)	(227,025)
				(2,006,460)	(2,107,065)
LT DEBT net of Unamortized Debt Discount & Loss on Reacq Debt			50,518,691	50,493,540	50,392,935
				(2,056,763)	

FPU
Unamortized Debt Discount
100.1810.1

	Monthly Amortization	Dec 2005	Jan 2006	Feb 2006	Mar 2006	Apr 2006	May 2006	Jun 2006	Jul 2006	Aug 2006	Sep 2006	Oct 2006	Nov 2006	Dec 2006	13 Mth Avg
$10M	$ 601	$ 52,882	$ 52,281	$ 51,680	$ 51,079	$ 50,478	$ 49,878	$ 49,277	$ 48,676	$ 48,075	$ 47,474	$ 46,873	$ 46,272	$ 45,671	$ 49,277
$5.5M	$ 324	$ 28,473	$ 28,150	$ 27,826	$ 27,502	$ 27,179	$ 26,855	$ 26,532	$ 26,208	$ 25,885	$ 25,561	$ 25,237	$ 24,914	$ 24,590	$ 26,532
$8M	$ 339	$ 67,103	$ 66,764	$ 66,425	$ 66,086	$ 65,747	$ 65,408	$ 65,070	$ 64,731	$ 64,392	$ 64,053	$ 63,714	$ 63,375	$ 63,036	$ 65,070
$15M	$ 3,357	$ 1,037,441	$ 1,034,084	$ 1,030,727	$ 1,027,369	$ 1,024,012	$ 1,020,654	$ 1,017,297	$ 1,013,940	$ 1,010,582	$ 1,007,225	$ 1,003,867	$ 1,000,510	$ 997,152	$ 1,017,297
$14M	$ 2,239	$ 694,140	$ 691,901	$ 689,661	$ 687,422	$ 685,183	$ 682,944	$ 680,704	$ 678,465	$ 676,226	$ 673,986	$ 671,747	$ 669,508	$ 667,269	$ 680,704
	$ 6,860	$ 1,880,040	$ 1,873,180	$ 1,866,319	$ 1,859,459	$ 1,852,599	$ 1,845,739	$ 1,838,879	$ 1,832,019	$ 1,825,159	$ 1,818,299	$ 1,811,439	$ 1,804,579	$ 1,797,719	$ 1,838,879

	Monthly Amortization	Dec 2006	Jan 2007	Feb 2007	Mar 2007	Apr 2007	May 2007	Jun 2007	Jul 2007	Aug 2007	Sep 2007	Oct 2007	Nov 2007	Dec 2007	13 Mth Avg
$10M	$ 601	$ 45,671	$ 45,070	$ 44,469	$ 43,869	$ 43,268	$ 42,667	$ 42,066	$ 41,465	$ 40,864	$ 40,263	$ 39,662	$ 39,061	$ 38,460	$ 42,066
$5.5M	$ 324	$ 24,590	$ 24,267	$ 23,943	$ 23,620	$ 23,296	$ 22,972	$ 22,649	$ 22,325	$ 22,002	$ 21,678	$ 21,355	$ 21,031	$ 20,707	$ 22,649
$8M	$ 339	$ 63,036	$ 62,697	$ 62,358	$ 62,019	$ 61,680	$ 61,341	$ 61,002	$ 60,664	$ 60,325	$ 59,986	$ 59,647	$ 59,308	$ 58,969	$ 61,002
$15M	$ 3,357	$ 997,152	$ 993,795	$ 990,438	$ 987,080	$ 983,723	$ 980,365	$ 977,008	$ 973,651	$ 970,293	$ 966,936	$ 963,578	$ 960,221	$ 956,863	$ 977,008
$14M	$ 2,236	$ 667,269	$ 665,033	$ 662,797	$ 660,561	$ 658,326	$ 656,090	$ 653,854	$ 651,618	$ 649,383	$ 647,147	$ 644,911	$ 642,675	$ 640,440	$ 653,854
	$ 6,857	$ 1,797,719	$ 1,790,862	$ 1,784,006	$ 1,777,149	$ 1,770,292	$ 1,763,436	$ 1,756,579	$ 1,749,723	$ 1,742,866	$ 1,736,010	$ 1,729,153	$ 1,722,297	$ 1,715,440	$ 1,756,579

	Monthly Amortization	Dec 2007	Jan 2008	Feb 2008	Mar 2008	Apr 2008	May 2008	Jun 2008	Jul 2008	Aug 2008	Sep 2008	Oct 2008	Nov 2008	Dec 2008	13 Mth Avg
$10M	$ 601	$ 38,460	$ 37,860	$ 37,259	$ 36,658	$ 36,057	$ 35,456	$ 34,855	$ 34,254	$ 33,653	$ 33,052	$ 32,451	$ 31,851	$ 31,250	$ 34,855
$5.5M	$ 324	$ 20,707	$ 20,384	$ 20,060	$ 19,737	$ 19,413	$ 19,090	$ 18,766	$ 18,443	$ 18,119	$ 17,795	$ 17,472	$ 17,148	$ 16,825	$ 18,766
$8M	$ 339	$ 58,969	$ 58,630	$ 58,291	$ 57,952	$ 57,613	$ 57,274	$ 56,935	$ 56,597	$ 56,258	$ 55,919	$ 55,580	$ 55,241	$ 54,902	$ 56,935
$15M	$ 3,357	$ 956,863	$ 953,506	$ 950,149	$ 946,791	$ 943,434	$ 940,076	$ 936,719	$ 933,361	$ 930,004	$ 926,647	$ 923,289	$ 919,932	$ 916,574	$ 936,719
$14M	$ 2,236	$ 640,440	$ 638,204	$ 635,968	$ 633,732	$ 631,497	$ 629,261	$ 627,025	$ 624,789	$ 622,554	$ 620,318	$ 618,082	$ 615,846	$ 613,610	$ 627,025
	$ 6,857	$ 1,715,440	$ 1,708,583	$ 1,701,727	$ 1,694,870	$ 1,688,014	$ 1,681,157	$ 1,674,301	$ 1,667,444	$ 1,660,587	$ 1,653,731	$ 1,646,874	$ 1,640,018	$ 1,633,161	$ 1,674,301

LOSS ON RE'ACQD DEBT
100.1890.1

	Monthly Amortization	Dec 2005	Jan 2006	Feb 2006	Mar 2006	Apr 2006	May 2006	Jun 2006	Jul 2006	Aug 2006	Sep 2006	Oct 2006	Nov 2006	Dec 2006	13 Mth Avg
	1524	$ 227,025	$ 225,502	$ 223,978	$ 222,454	$ 220,931	$ 219,407	$ 217,883	$ 216,360	$ 214,836	$ 213,312	$ 211,789	$ 210,265	$ 208,741	$ 217,883

	Monthly Amortization	Dec 2006	Jan 2007	Feb 2007	Mar 2007	Apr 2007	May 2007	Jun 2007	Jul 2007	Aug 2007	Sep 2007	Oct 2007	Nov 2007	Dec 2007	13 Mth Avg
	1524	$ 208,741	$ 207,218	$ 205,694	$ 204,170	$ 202,647	$ 201,123	$ 199,599	$ 198,076	$ 196,552	$ 195,028	$ 193,505	$ 191,981	$ 190,458	$ 199,599

	Monthly Amortization	Dec 2007	Jan 2008	Feb 2008	Mar 2008	Apr 2008	May 2008	Jun 2008	Jul 2008	Aug 2008	Sep 2008	Oct 2008	Nov 2008	Dec 2008	13 Mth Avg
	1524	$ 190,458	$ 188,934	$ 187,410	$ 185,887	$ 184,363	$ 182,839	$ 181,316	$ 179,792	$ 178,268	$ 176,745	$ 175,221	$ 173,697	$ 172,174	$ 181,316

Total 1810.1 & 1890.1	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	13 Mth Avg
2006	$ 2,107,065	$ 2,098,681	$ 2,090,297	$ 2,081,914	$ 2,073,530	$ 2,065,146	$ 2,056,763	$ 2,048,379	$ 2,039,995	$ 2,031,611	$ 2,023,228	$ 2,014,844	$ 2,006,460	$ 2,056,763
2007	$ 2,006,460	$ 1,998,080	$ 1,989,700	$ 1,981,320	$ 1,972,939	$ 1,964,559	$ 1,956,179	$ 1,947,799	$ 1,939,418	$ 1,931,038	$ 1,922,658	$ 1,914,278	$ 1,905,897	$ 1,956,179
2008	$ 1,905,897	$ 1,897,517	$ 1,889,137	$ 1,880,757	$ 1,872,377	$ 1,863,996	$ 1,855,616	$ 1,847,236	$ 1,838,856	$ 1,830,475	$ 1,822,095	$ 1,813,715	$ 1,805,335	$ 1,855,616

ST INTEREST ANALYSIS

	2005 DEC	2006 JAN	2006 FEB	2006 MAR	2006 APR	2006 MAY	2006 JUN	2006 JUL	2006 AUG	2006 SEP	2006 OCT	2006 NOV	2006 DEC	TOTAL or Average %	Rate
Method as per Surveillance Report															
Int Accrued on NP		36,282	29,480	18,251	5,263	2,665	1,815	2,825	1,102	1,111	2,678	(2,481)	9,599	**108,590**	
NP BAL @ End of Mth	9,558,000	10,662,000	7,266,000	3,443,000	1,101,000	582,000	1,437,000	761,000	130,000	1,687,000	916,000	2,009,000	3,466,000	**3,309,077**	**3.28%** Using End of Month Balance
Annualized Interest Rate		3.95%	5.22%	6.16%	5.74%	5.32%	1.52%	4.31%	9.84%	0.79%	3.40%	-1.48%	3.22%	**4.00%**	
Interest Cost using Avg Mthly Bal															
Int Exp as per 4310.2		36,282	29,480	18,251	5,263	2,665	1,815	2,825	1,102	1,111	2,678	(2,481)	9,599	**108,590**	
Avg LOC Balance		7,831,548	6,889,536	3,763,677	1,082,440	517,968	355,800	523,806	204,387	214,167	499,935	305,433	1,787,483	**1,998,015**	5.43% Using Avg LOC Mthly Bal
		5.38%	5.50%	5.63%	5.83%	5.98%	6.12%	6.26%	6.26%	6.23%	6.22%	-9.75%	6.24%	**4.66%**	
Effective Cost of ST Debt															
LOC Available	$ 12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000		
Int Exp as per 4310.2		$ 36,282	$ 29,480	$ 18,251	$ 5,263	$ 2,665	$ 1,815	$ 2,825	$ 1,102	$ 1,111	$ 2,678	$ (2,481)	$ 9,599	**$ 108,590**	5.43%
Fee on Unused Portion of LOC	0.25%	$ 868	$ 1,065	$ 1,716	$ 2,274	$ 2,392	$ 2,426	$ 2,391	$ 2,457	$ 2,455	$ 2,396	$ 2,436	$ 2,128	**$ 25,005**	1.25%
Fee on Total Available LOC	0.10%						$ 12,000							**$ 12,000**	0.60%
		37,150	30,545	19,966	7,537	5,057	16,241	5,216	3,560	3,567	5,074	(45)	11,726	**145,595**	**7.29%**

ST INTEREST ANALYSIS

	2006 DEC	2007 JAN	2007 FEB	2007 MAR	2007 APR	2007 MAY	2007 JUN	2007 JUL	2007 AUG	2007 SEP	2007 OCT	2007 NOV	2007 DEC	TOTAL or Average %	Rate	
Method as per Surveillance Report																
Int Accrued on NP	6.33%	19,597	16,371	11,758	14,071	12,080	9,548	25,900	39,879	40,934	44,099	54,122	63,353	351,711		
NP BAL @ End of Mth	3,466,000	3,964,000	2,243,000	2,215,000	3,120,000	1,460,000	2,160,000	7,660,000	7,460,000	8,060,000	8,660,000	11,860,000	12,160,000	5,729,846	**6.14%**	Using End of Month Balance
Annualized Interest Rate		5.74%	9.38%	6.16%	5.41%	9.61%	5.30%	3.93%	6.21%	6.09%	5.91%	5.48%	6.05%	6.27%		
Interest Cost using Avg Mthly Bal																
Int Exp		19,597	16,371	11,758	14,071	12,080	9,548	25,900	39,879	40,934	44,099	54,122	63,353	351,711		
Avg LOC Balance		3,715,000	3,103,500	2,229,000	2,667,500	2,290,000	1,810,000	4,910,000	7,560,000	7,760,000	8,360,000	10,260,000	12,010,000	5,556,250	6.33%	Using Avg LOC Mthly Bal
		6.13%	6.78%	6.13%	6.33%	6.13%	6.33%	6.13%	6.13%	6.33%	6.13%	6.33%	6.13%	6.25%		
Effective Cost of ST Debt																
LOC Available	$ 12,000,000															
Int Exp		$ 19,597	$ 16,371	$ 11,758	$ 14,071	$ 12,080	$ 9,548	$ 25,900	$ 39,879	$ 40,934	$ 44,099	$ 54,122	$ 63,353	$ 351,711	6.33%	
Fee on Unused Portion of LOC	0.25%	$ 1,726	$ 1,853	$ 2,036	$ 1,944	$ 2,023	$ 2,123	$ 1,477	$ 925	$ 883	$ 758	$ 988	$ 623	$ 17,359	0.31%	
Fee on Total Available LOC	0.10%						$ 12,000							$ 12,000	0.22%	
		21,323	18,224	13,794	16,015	14,103	23,671	27,377	40,804	41,817	44,857	55,109	63,976	381,070	**6.86%**	

ST INTEREST ANALYSIS

	2007 DEC	2008 JAN	2008 FEB	2008 MAR	2008 APR	2008 MAY	2008 JUN	2008 JUL	2008 AUG	2008 SEP	2008 OCT	2008 NOV	2008 DEC	TOTAL or Average %	Rate	
Method as per Surveillance Report																
Int Accrued on NP	[redacted]	62,825	58,342	53,330	54,649	63,880	35,659	2,427	2,427	2,427	7,438	20,362	30,120	393,884		
NP BAL @ End of Mth	12,160,000	11,660,000	10,460,000	9,760,000	10,960,000	13,260,000	260,000	660,000	260,000	660,000	2,160,000	5,560,000	5,860,000	6,436,923	6.12%	Using End of Month Balance
Annualized Interest Rate		6.26%	7.17%	6.35%	5.98%	5.59%	164.58%	4.27%	10.84%	4.41%	4.00%	4.39%	5.97%	19.15%		
					5.70%											
Interest Cost using Avg Mthly Bal																
Int Exp		62,825	58,342	53,330	54,649	63,880	35,659	2,427	2,427	2,427	7,438	20,362	30,120	393,884		
Avg LOC Balance		11,910,000	11,060,000	10,110,000	10,360,000	12,110,000	6,760,000	460,000	460,000	460,000	1,410,000	3,860,000	5,710,000	6,222,500	6.33%	Using Avg LOC Mthly Bal
		6.13%	6.78%	6.13%	6.33%	6.13%	6.33%	6.13%	6.13%	6.33%	6.13%	6.33%	6.13%	6.25%		
Effective Cost of ST Debt																
LOC Available	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]			
Int Exp		$ 62,825	$ 58,342	$ 53,330	$ 54,649	$ 63,880	$ 35,659	$ 2,427	$ 2,427	$ 2,427	$ 7,438	$ 20,362	$ 30,120	$ 393,884	6.33%	
Fee on Unused Portion of LOC	0.25%	$ 644	$ 821	$ 1,019	$ 967	$ 602	$ 1,092	$ 2,404	$ 2,404	$ 2,404	$ 2,206	$ 1,696	$ 1,310	$ 17,569	0.28%	
Fee on Total Available LOC	0.10%						$ 12,000							$ 12,000	0.19%	
		63,469	59,162	54,349	55,616	64,482	48,751	4,831	4,831	4,831	9,644	22,057	31,431	423,453	6.81%	

Consolidated Electric
Customer Deposits

5 year average growth year 0.732%

Year 2006

<<<<<<<<<ACTUALS >>>>>>>>>

	Dec-2005	Jan-2006	Feb-2006	Mar-2006	Apr-2006	May-2006	Jun-2006	Jul-2006	Aug-2006	Sep-2006	Oct-2006	Nov-2006	Dec-2006	13 mth AVERAGE
Month End Balance	2,075,368	2,082,190	2,098,737	2,107,316	2,114,463	2,119,052	2,114,509	2,126,739	2,132,502	2,132,453	2,156,869	2,194,168	2;322,227	2,136,661
Interest		10,806	11,297	9,618	10,239	10,657	10,239	11,656	10,676	11,391	10,408	11,987	10,652	129,626

Effective Interest Rate 6.07%

2007

:<<<<<< ACTUALS >>>>>>: <<<<<<<<<<<< PROJECTED >>>>>>>>>>>>>

		Dec-2006	Jan-2007	Feb-2007	Mar-2007	Apr-2007	May-2007	Jun-2007	Jul-2007	Aug-2007	Sep-2007	Oct-2007	Nov-2007	Dec-2007		13 mth AVERAGE
Month End Balance		2,322,227	2,320,879	2,335,632	2,642,123	2,661,468	2,680,956	2,700,586	2,720,360	2,740,278	2,760,343	2,780,554	2,800,914	2,821,422		2,637,518
Interest																
Ratio 68.47%	6%	7,950	7,946	7,996	9,045	9,112	9,178	9,245	9,313	9,381	9,450	9,519	9,589	9,659	109,434	
31.53%	7%	4,271	4,269	4,296	4,860	4,895	4,931	4,967	5,003	5,040	5,077	5,114	5,152	5,189	58,793	
Total Interest		12,221	12,214	12,292	13,905	14,007	14,109	14,213	14,317	14,421	14,527	14,633	14,741	14,848	168,227	

Effective Interest Rate 6.378%

2008

<<<<<<<<< PROJECTED >>>>>>>>>

		Dec-2007	Jan-2008	Feb-2008	Mar-2008	Apr-2008	May-2008	Jun-2008	Jul-2008	Aug-2008	Sep-2008	Oct-2008	Nov-2008	Dec-2008		13 mth AVERAGE
		2,821,422	2,842,081	2,862,890	2,883,853	2,904,968	2,926,239	2,947,665	2,969,248	2,990,989	3,012,889	3,034,949	3,057,172	3,079,556		2,948,763
Interest																
Ratio 68.47%	6%	9,659	9,730	9,801	9,873	9,945	10,018	10,091	10,165	10,240	10,315	10,390	10,466	10,543	121,577	
31.53%	7%	5,189	5,227	5,266	5,304	5,343	5,382	5,421	5,461	5,501	5,541	5,582	5,623	5,664	65,316	
Total Interest		14,848	14,957	15,067	15,177	15,288	15,400	15,513	15,626	15,741	15,856	15,972	16,089	16,207	186,893	

Effective Interest Rate 6.338%

Tab SHC4

FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED ELECTRIC DIVISION
CAPITAL STRUCTURE
FPSC ADJUSTED BASIS
DECEMBER 2006

SCHEDULE 4

AVERAGE	SYSTEM PER BOOKS	ADJUSTMENT FOR FLO-GAS	RETAIL PER BOOKS	ADJUSTMENTS PRORATA	ADJUSTMENTS SPECIFIC	ADJUSTED RETAIL	RATIO (%)	LOW POINT COST RATE (%)	LOW POINT WEIGHTED COST (%)	MID POINT COST RATE (%)	MID POINT WEIGHTED COST (%)	HIGH POINT COST RATE (%)	HIGH POINT WEIGHTED COST (%)
LONG TERM DEBT	$15,530,581	394,925	$15,925,506	(8,054)		$15,917,452	41.43	8.02	3.32	8.02	3.32	8.02	3.32
SHORT TERM DEBT	$1,018,656	25,074	1,043,730	(528)		1,043,202	2.72	3.28	0.09	3.28	0.09	3.28	0.09
PREFERRED STOCK	184,825	3,135	188,060	(95)		187,965	0.49	4.75	0.02	4.75	0.02	4.75	0.02
CUSTOMER DEPOSITS	2,136,661		2,136,661			2,136,661	5.56	6.61	0.37	6.61	0.37	6.61	0.37
COMMON EQUITY	14,609,089	(423,134)	14,185,955	(7,175)		14,178,780	36.91	10.50	3.88	11.50	4.24	12.50	4.61
DEFERRED INCOME TAXES	4,813,710		4,813,710			4,813,710	12.53						
TAX CREDITS-ZERO COST	1,461		1,461			1,461							
TAX CREDITS-WEIGHTED COST	139,658		139,658			139,658	0.36	8.96	0.03	9.41	0.03	9.87	0.04
TOTAL	$38,434,741		$38,434,741	($15,852)		$38,418,889	100.00		7.71		8.07		8.45

YEAR END	SYSTEM PER BOOKS	ADJUSTMENT FOR FLO-GAS	RETAIL PER BOOKS	ADJUSTMENTS PRORATA	ADJUSTMENTS SPECIFIC	ADJUSTED RETAIL	RATIO (%)	LOW POINT COST RATE (%)	LOW POINT WEIGHTED COST (%)	MID POINT COST RATE (%)	MID POINT WEIGHTED COST (%)	HIGH POINT COST RATE (%)	HIGH POINT WEIGHTED COST (%)
LONG TERM DEBT	$15,262,481	364,201	$15,626,682			$15,626,682	40.64	8.01	3.26	8.01	3.26	8.01	3.26
SHORT TERM DEBT	1,046,306	27,778	1,074,084			1,074,084	2.79	3.13	0.09	3.13	0.09	3.13	0.09
PREFERRED STOCK	182,100	3,087	185,187			185,187	0.48	4.75	0.02	4.75	0.02	4.75	0.02
CUSTOMER DEPOSITS	2,322,227		2,322,227			2,322,227	6.04	5.50	0.33	5.50	0.33	5.50	0.33
COMMON EQUITY	14,373,585	(395,066)	13,978,519	4,461		13,982,980	36.36	10.50	3.82	11.50	4.18	12.50	4.55
DEFERRED INCOME TAXES	5,137,868		5,137,868			5,137,868	13.36						
TAX CREDITS-ZERO COST	1,450		1,450			1,450							
TAX CREDITS-WEIGHTED COST	123,511		123,511			123,511	0.33	8.96	0.03	9.41	0.03	9.86	0.03
TOTAL	$38,449,528		$38,449,528	$4,461		$38,453,989	100.00		7.55		7.91		8.28

FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED GAS DIVISIONS
CAPITAL STRUCTURE
FPSC ADJUSTED BASIS
DECEMBER 2006

SCHEDULE 4

AVERAGE	SYSTEM PER BOOKS	ADJUSTMENT FOR FLO-GAS	RETAIL PER BOOKS	ADJUSTMENTS PRORATA	ADJUSTMENTS SPECIFIC	ADJUSTED RETAIL	RATIO (%)	LOW POINT COST RATE (%)	LOW POINT WEIGHTED COST (%)	MID POINT COST RATE (%)	MID POINT WEIGHTED COST (%)	HIGH POINT COST RATE (%)	HIGH POINT WEIGHTED COST (%)
LONG TERM DEBT	$24,109,191	613,068	$24,722,260	(1,536,998)		$23,185,262	39.95	8.02	3.20	8.02	3.20	8.02	3.20
SHORT TERM DEBT	1,581,329	38,925	1,620,254	(100,732)		1,519,522	2.62	3.28	0.09	3.28	0.09	3.28	0.09
PREFERRED STOCK	287,072	4,866	291,938	(18,150)		273,788	0.47	4.75	0.02	4.75	0.02	4.75	0.02
CUSTOMER DEPOSITS	5,277,158		5,277,158			5,277,158	9.09	6.61	0.60	6.61	0.60	6.61	0.60
COMMON EQUITY	22,678,996	(656,860)	22,021,836	(1,369,111)		20,652,725	35.58	10.25	3.65	11.25	4.00	12.25	4.36
DEFERRED INCOME TAXES	6,889,503		6,889,503			6,889,503	11.87						
TAX CREDITS-ZERO COST													
TAX CREDITS-WEIGHTED COST	231,503		231,503			231,503	0.41	8.85	0.04	9.30	0.04	9.75	0.04
TOTAL	$61,054,452		$61,054,452	($3,024,991)		$58,029,461	100.00		7.60		7.95		8.31

YEAR END	SYSTEM PER BOOKS	ADJUSTMENT FOR FLO-GAS	RETAIL PER BOOKS	ADJUSTMENTS PRORATA	ADJUSTMENTS SPECIFIC	ADJUSTED RETAIL	RATIO (%)	LOW POINT COST RATE (%)	LOW POINT WEIGHTED COST (%)	MID POINT COST RATE (%)	MID POINT WEIGHTED COST (%)	HIGH POINT COST RATE (%)	HIGH POINT WEIGHTED COST (%)
LONG TERM DEBT	$24,000,671	572,716	$24,573,387	(1,422,085)		$23,151,302	39.75	8.01	3.18	8.01	3.18	8.01	3.18
SHORT TERM DEBT	1,645,344	43,682	1,689,026	(97,746)		1,591,280	2.73	3.13	0.09	3.13	0.09	3.13	0.09
PREFERRED STOCK	286,358	4,853	291,211	(16,853)		274,358	0.47	4.75	0.02	4.75	0.02	4.75	0.02
CUSTOMER DEPOSITS	5,491,600		5,491,600			5,491,600	9.43	5.79	0.55	5.79	0.55	5.79	0.55
COMMON EQUITY	22,602,857	(621,251)	21,981,606	(1,272,096)		20,709,510	35.56	10.25	3.64	11.25	4.00	12.25	4.36
DEFERRED INCOME TAXES	6,806,954		6,806,954			6,806,954	11.69						
TAX CREDITS-ZERO COST													
TAX CREDITS-WEIGHTED COST	210,185		210,185			210,185	0.37	8.84	0.03	9.30	0.03	9.75	0.04
TOTAL	$61,043,969		$61,043,969	($2,808,780)		$58,235,189	100.00		7.51		7.87		8.24

Florida Public Utilities
CAPITAL COMPONENTS
December 2005 - December 2006

Line Ref	Florida Public Utilities:	Notes	Acct #	<<<<<<<<<ACTUALS >>>>>>>>> Dec-2005	Jan-2006	Feb-2006	Mar-2006	Apr-2006	May-2006	Jun-2006	Jul-2006	Aug-2006	Sep-2006	Oct-2006	Nov-2006	Dec-2006	13 mth AVERAGE
15	Investment in Assoc. Co.		1230	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
16	Unamortized Debt/Loss on Reaq'd Debt		1810, 1890	2,107,065	2,098,681	2,090,297	2,081,914	2,073,530	2,065,146	2,056,763	2,048,379	2,039,995	2,031,611	2,023,228	2,014,844	2,006,460	2,056,763
17	ACCUM DEF TAXES	Electric only	1900	997,076	977,628	990,452	999,831	1,011,900	1,020,732	1,030,005	1,039,398	1,037,289	1,030,952	1,031,516	1,024,085	1,048,453	1,018,409
18	190 AC DE TAX ENVIR()	Electric only	1900	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Common Stock		2010	9,229,514	9,235,244	9,235,244	9,235,244	9,239,942	9,239,942	9,239,942	9,245,312	9,245,312	9,245,312	9,250,472	9,250,472	9,250,472	9,241,725
20	Preferred Stock		2040	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
21	Premium On Comm. Stk.		2070	5,373,461	5,419,874	5,419,874	5,419,874	5,460,089	5,460,089	5,460,089	5,500,364	5,500,364	5,500,364	5,542,986	5,542,986	5,542,986	5,472,569
22	DISC ON CAP STK		2130	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23	Misc Paid in Capital		2110	1,052,761	965,642	965,642	985,274	985,274	972,268	971,910	891,616	891,616	919,988	919,988	919,988	938,906	952,375
24	Retained Earnings		2160	31,396,084	32,168,208	32,877,175	32,570,836	32,988,370	33,194,984	32,653,972	32,945,093	33,139,894	32,544,236	32,743,777	33,176,512	32,826,619	32,709,674
25	Capital Stock Expense		2140	428,441	428,441	428,441	428,441	428,441	428,441	428,441	428,441	428,441	428,441	428,441	428,441	428,441	428,441
26	Treasury Stock		2170	3,349,121	3,127,001	3,127,001	3,127,001	3,127,001	3,074,018	3,074,018	2,841,531	2,841,531	2,841,531	2,841,531	2,841,531	2,841,531	3,004,181
27	1st Mortgage Bonds		2210	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000
28	DEBENTURES		2240	0	0	0	0	0	0	0	0	0	0	0	0	0	0
29	Notes Payable		2310	9,558,000	10,662,000	7,266,000	3,443,000	1,101,000	582,000	1,437,000	761,000	130,000	1,687,000	916,000	2,009,000	3,466,000	3,309,077
30	Customer Deposits	Electric only	2350	2,075,368	2,082,190	2,098,737	2,107,316	2,114,463	2,119,052	2,114,509	2,126,739	2,132,502	2,132,453	2,156,869	2,194,168	2,322,227	2,136,661
31	INVEST TAX CRED	Electric only	2550	157,283	154,589	151,895	149,201	146,507	143,813	141,119	138,425	135,731	133,037	130,343	127,649	124,971	141,120
32	ACCUM DEF TAXES*	Electric only	2820 2821 & 2830	5,522,358	5,488,112	5,445,440	5,442,853	5,406,934	5,382,719	5,482,702	5,495,227	5,466,017	6,265,063	6,218,437	6,198,423	6,192,870	5,692,858
33	DEF TAX-UNDERREC	Electric only	2830 Included above	0	0	0	0	0	0	0	0	0	0	0	0	0	0
34	CURRENT BONDS		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
35	3% INV TAX CRED			0	0	0	0	0	0	0	0	0	0	0	0	0	0
36																	
37																	
38	Flo-Gas Corp.:																
39	Investment in Assoc. Co.	Zeroed	1230	0	0	0	0	0	0	0	0	0	0	0	0	0	0
40	ACCUM DEF TAXES	Zeroed	1900	0	0	0	0	0	0	0	0	0	0	0	0	0	0
41	Common Stock		2010	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
42	Retained Earnings		2160	2,229,013	2,379,946	2,570,762	2,650,315	2,704,584	2,674,624	2,654,986	2,602,121	2,535,153	2,446,880	2,408,093	2,424,438	2,386,526	2,512,880
43	Comprehensive Income		2190	0	0	0	0	0	0	0	0	0	0	0	0	103,245	7,942
44	Customer Deposits	Zeroed	2350	0	0	0	0	0	0	0	0	0	0	0	0	0	0
45	INV TAX CREDIT	Zeroed	2550	0	0	0	0	0	0	0	0	0	0	0	0	0	0
46	ACCUM DEF TAXES	Zeroed	2820	0	0	0	0	0	0	0	0	0	0	0	0	0	0
47	3% INV TAX CRED	Zeroed	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
48																	
49	**Consolidated:**		Line Reference														
50	Long Term Debt		L27 L30	50,392,935	50,401,319	50,409,703	50,418,086	50,426,470	50,434,854	50,443,237	50,451,621	50,460,005	50,468,389	50,476,772	50,485,156	50,493,540	50,443,237
51	Short Term Debt		L29	9,558,000	10,662,000	7,266,000	3,443,000	1,101,000	582,000	1,437,000	761,000	130,000	1,687,000	916,000	2,009,000	3,466,000	3,309,077
52	Preferred Stock		L20	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
53	Customer Deposits	Electric only	L30	2,075,368	2,082,190	2,098,737	2,107,316	2,114,463	2,119,052	2,114,509	2,126,739	2,132,502	2,132,453	2,156,869	2,194,168	2,322,227	2,136,661
54	Common Equity		L15+L18+L21+L23+L24+L25+L26+L36+L41+L42+L43	45,503,271	46,613,473	47,513,256	47,306,101	47,822,818	48,039,448	47,478,441	47,914,533	48,042,367	47,386,808	47,595,343	48,044,424	47,572,292	47,448,660
55	Common Equity-Excl Flo-Gas		+L19+L21+L23+L24+L25-L26	43,274,258	44,233,527	44,942,494	44,655,787	45,118,233	45,364,824	44,823,455	45,312,412	45,507,214	44,939,928	45,187,250	45,619,985	45,289,010	44,943,721
56	DEFERRED INC TAXES	Electric only	L17+L32+L33	4,525,282	4,510,484	4,454,988	4,443,022	4,395,034	4,361,987	4,452,697	4,455,829	4,428,728	5,234,111	5,186,921	5,174,338	5,144,417	4,674,449
57	TAX CREDITS-ZERO CST	Electric only	+L35	0	0	0	0	0	0	0	0	0	0	0	0	0	0
58	TAX CREDITS-WEIGHTED	Electric only	+L31+L35	157,283	154,589	151,895	149,201	146,507	143,813	141,119	138,425	135,731	133,037	130,343	127,649	124,971	141,120
59	TOTAL INCL FLO-GAS EQUITY			112,812,140	115,024,056	112,494,579	108,466,727	106,606,292	106,281,154	106,667,004	106,448,148	105,929,333	107,641,798	107,062,249	108,634,735	109,723,447	108,753,205
60	TOTAL EXCL FLO-GAS EQUITY			110,583,127	112,644,110	109,923,817	105,816,412	103,901,708	103,606,530	104,012,017	103,846,027	103,394,180	105,194,917	104,654,155	106,210,296	107,440,165	106,248,266
61	TOTAL LTD,STD,EQUITY			106,054,206	108,276,792	105,788,958	101,767,188	99,950,288	99,656,302	99,958,678	99,727,155	99,232,372	100,142,197	99,588,116	101,138,580	102,131,831	101,800,974
62	TOTAL LTD,STD,EQUITY EXCL FLO-GAS			103,825,193	105,896,846	103,218,197	99,116,873	97,245,703	96,981,678	97,303,692	97,125,034	96,697,219	97,695,316	97,180,023	98,714,141	99,848,550	99,296,036
	Debt/Equity Ratio																
	Debt			60%	59%	58%	56%	55%	55%	55%	55%	55%	56%	56%	56%	57%	56%
	Equity			40%	41%	42%	44%	45%	45%	45%	45%	45%	44%	44%	44%	43%	44%

Florida Public Utilities
CAPITAL COMPONENTS ******
December 2006 - December 2007

Line Ref		Notes	Acct #	<<<<<<<<< ACTUALS >>>>>>>>> Dec-2006	Jan-2007	Feb-2007	Mar-2007	Apr-2007	May-2007	<<<<<<<<<<<< PROJECTED >>>>>>>>>>>> Jun-2007	Jul-2007	Aug-2007	Sep-2007	Oct-2007	Nov-2007	Dec-2007	13 mth AVERAGE	Basis of Projection
	Florida Public Utilities:																	
15	Investment in Assoc. Co.		1230	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	Constant
16	Unamortized Debt/Loss on Reacq'd Debt	1	1810, 1890	2,006,460	1,998,076	1,989,693	1,981,309	1,972,925	1,964,542	1,956,158	1,947,774	1,939,390	1,931,007	1,922,623	1,914,239	1,905,855	1,956,158	Amortization Schedule
17	ACCUM DEF TAXES	Electric only	1900	1,048,453	1,056,992	1,054,958	1,062,842	1,191,384	1,184,411	1,175,849	1,170,658	1,160,356	1,157,897	1,157,750	1,158,210	1,167,843	1,134,414	2004 - 2006 trend (Storm Resv on 2005-2006)
18	190 AC DE TAX ENVIRO	Electric only	1900	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
19	Common Stock		2010	9,250,472	9,256,367	9,256,367	9,256,367	9,261,017	9,261,017	9,261,017	9,266,280	9,266,280	9,266,280	9,271,517	9,271,517	9,271,517	9,262,770	Cash Flow Projection for DRIP & ESPP
20	Preferred Stock		2040	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	Constant
21	Premium On Comm. Stk.		2070	5,542,988	5,589,111	5,589,111	5,589,111	5,544,611	5,544,611	5,544,611	5,500,111	5,500,111	5,500,111	5,455,611	5,455,611	5,455,611	5,523,948	Qtrly increase of $44,500
22	DISC ON CAP STK		2130	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
23	Misc Paid in Capital		2110	938,906	837,046	837,046	848,840	848,840	835,834	835,476	755,182	755,182	783,554	783,554	783,554	802,472	818,883	Based on 2006 Monthly changes
24	Retained Earnings		2160	32,826,619	33,447,261	33,965,988	35,651,318	36,049,321	36,187,321	35,584,332	35,722,332	35,879,332	35,297,343	35,431,343	35,723,167	35,446,425	35,170,162	NOI based on Revised 2007 Budget
25	Capital Stock Expense		2140	428,441	428,441	428,441	428,441	428,441	428,441	428,441	428,441	428,441	428,441	428,441	428,441	428,441	428,441	Constant
26	Treasury Stock		2170	2,841,531	2,584,414	2,584,414	2,584,414	2,584,414	2,531,431	2,531,431	2,298,945	2,298,945	2,298,945	2,298,945	2,298,945	2,298,945	2,464,286	Based on 2006 Monthly changes
27	1st Mortgage Bonds		2210	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	Sinking Fund Schedule
28	DEBENTURES		2240	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
29	Notes Payable		2310	3,466,000	3,964,000	2,243,000	2,215,000	3,120,000	1,460,000	2,160,000	7,660,000	7,460,000	8,060,000	8,860,000	11,860,000	12,160,000	5,729,846	Jan - Mar actual, Apr- Dec Cash Flow Projections
30	Customer Deposits	Electric only	2350	2,322,227	2,320,879	2,335,632	2,642,123	2,661,468	2,680,956	2,700,586	2,720,360	2,740,278	2,760,343	2,780,554	2,800,914	2,821,422	2,637,518	5 Year Average Growth Rate 2002 - 2006
31	INVEST TAX CRED	Electric only	2550	124,971	122,499	120,037	117,575	115,113	112,651	110,189	107,727	105,265	102,803	100,341	97,879	95,417	110,190	Monthly $2,462
32	ACCUM DEF TAXES*	Electric only	2820 2821 & 2830	6,192,870	6,178,346	6,110,725	6,057,959	6,746,280	6,725,802	6,745,142	6,765,025	6,757,378	6,859,349	6,846,446	6,829,678	6,815,388	6,586,953	2004 - 2006 trend
33	DEF TAX-UNDERREC	Electric only	2830 Included above	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
34	CURRENT BONDS		0	0													0	
35	3% INV TAX CRED			0													0	
36																		
37																		
38	**Flo-Gas Corp.:**																	
39	Investment in Assoc. Co.	Zeroed	1230	0													0	
40	ACCUM DEF TAXES	Zeroed	1900	0													0	
41	Common Stock		2010	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	Constant
42	Retained Earnings		2160	2,366,526	2,472,443	2,598,924	705,053	754,057	760,057	759,057	758,057	761,057	776,057	817,057	883,057	975,057	1,185,112	NOI based on Revised 2007 Budget
43	Comprehensive Income		2190	103,245	103,245	103,245	79,110	79,110	79,110	53,463	53,463	53,463	28,571	28,571	28,571	265,867	81,449	OCI Projection Schedule
44	Customer Deposits	Zeroed	2350	0													0	
45	INV TAX CREDIT	Zeroed	2550	0													0	
46	ACCUM DEF TAXES	Zeroed	2820	0													0	
47	3% INV TAX CRED	Zeroed	0	0													0	
48																		
49	**Consolidated:**		**Line Reference**															
50	Long Term Debt		[illegible]	50,493,540	50,501,924	50,510,307	50,518,691	50,527,075	50,535,458	50,543,842	50,552,226	50,560,610	50,568,993	50,577,377	50,585,761	50,594,145	50,543,842	
51	Short Term Debt		129	3,466,000	3,964,000	2,243,000	2,215,000	3,120,000	1,460,000	2,160,000	7,660,000	7,460,000	8,060,000	8,860,000	11,860,000	12,160,000	5,729,846	
52	Preferred Stock		130	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	
53	Customer Deposits	Electric only	430	2,322,227	2,320,879	2,335,632	2,642,123	2,661,468	2,680,956	2,700,586	2,720,360	2,740,278	2,760,343	2,780,554	2,800,914	2,821,422	2,637,518	
54	Common Equity		[illegible]	47,572,292	48,486,127	49,131,336	48,958,725	49,365,881	49,549,858	48,971,158	49,221,114	49,381,114	48,867,389	49,003,125	49,360,949	48,958,030	48,986,700	
55	**Common Equity-Excl Flo-Gas**		[illegible]	45,289,010	46,116,929	46,635,657	48,332,782	48,880,934	48,868,910	48,285,564	48,516,519	48,673,519	48,119,902	48,214,639	48,508,463	48,248,639	47,883,036	
56	DEFERRED INC TAXES	Electric only	[illegible]	5,144,417	5,121,354	5,055,767	4,995,317	5,554,916	5,541,391	5,569,293	5,594,368	5,597,022	5,701,452	5,688,696	5,671,468	5,647,545	5,452,539	
57	TAX CREDITS-ZERO CST	Electric only	[illegible]	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
58	TAX CREDITS-WEIGHTED	Electric only	[illegible]	124,971	122,499	120,037	117,575	115,113	112,651	110,189	107,727	105,265	102,803	100,341	97,879	95,417	110,190	
59	**TOTAL INCL FLO-GAS EQUITY**			109,723,447	111,116,782	109,996,078	110,047,430	111,944,453	110,480,313	110,655,068	116,455,794	116,444,288	116,660,980	117,410,093	120,976,971	120,876,557	114,060,835	
60	TOTAL EXCL FLO-GAS EQUITY			107,440,185	108,747,584	107,500,399	109,421,487	111,269,506	109,799,366	109,949,473	115,751,199	115,736,694	115,913,494	116,621,607	120,122,484	120,167,167	112,956,971	
61	**TOTAL LTD,STD,EQUITY**			102,131,831	103,552,051	102,484,643	102,292,416	103,612,956	102,145,316	102,275,000	108,033,339	108,001,723	108,096,382	108,840,502	112,406,710	112,312,174	105,860,388	
62	TOTAL LTD,STD,EQUITY EXCL FLO-GAS			99,848,550	101,182,853	99,988,964	101,666,473	102,938,009	101,464,369	101,569,406	107,328,745	107,294,129	107,348,896	108,052,016	111,552,224	111,602,784	104,756,724	
	Debt/Equity Ratio																	
	Debt			57%	56%	55%	56%	56%	55%	56%	56%	56%	56%	56%	59%	59%	57%	
	Equity			43%	44%	45%	44%	44%	45%	44%	42%	42%	42%	42%	41%	41%	43%	

1 Unamortized Debt Discount

			Mthly Amort	
	$14M	$	2,239	
	$15M	$	3,357	
	$10M	$	601	
	$5.5M	$	324	
	$8M	$	339	$ 6,860
Less on Reacquired Debt	$5M	$	1,524	$ 1,524
				$ 8,384

2 Flo-Gas Dividend declared March 11, 2007 $.1800 per share on the outstanding capital stock of the Company, payable April 2, 2007
1000 x $2,000 = $2,000,000

Assumptions:
RETAINED EARNINGS:
Annual Profit Margin Projected Increase

			TOTAL	Jan-2006	Feb-2006	Mar-2006	Apr-2006	May-2006	Jun-2006	Jul-2006	Aug-2006	Sep-2006	Oct-2006	Nov-2006	Dec-2006	
PRIOR YEAR NET INCOME (Actual)		**2006**	**4,169**	923	900	398	472	177	90	238	128	(32)	161	449	265	
		FPU	**4,013**	772	709	318	418	207	110	291	195	57	200	433	303	
		FLO-GAS	**156**	151	191	80	54	(30)	(20)	(53)	(67)	(89)	(39)	16	(38)	
				Jan 2007	**Feb 2007**	**Mar 2007**	**Apr 2007**	**May 2007**	**Jun 2007**	**Jul 2007**	**Aug 2007**	**Sep 2007**	**Oct 2007**	**Nov 2007**	**Dec 2007**	
	Revised Budget	**2007**	**3,879**	707	645	446	447	144	99	137	160	136	175	320	463	
	(671,194)	**FPU**	**3,291**	621	519	340	398	138	100	138	157	121	134	254	371	
	(1,999,469)	**FLO-GAS**	**588**	86	126	106	49	6	(1)	(1)	3	15	41	66	92	

FPU RETAINED EARNINGS 2007	Note		**Jan 2007**	**Feb 2007**	**Mar 2007**	**Apr 2007**	**May 2007**	**Jun 2007**	**Jul 2007**	**Aug 2007**	**Sep 2007**	**Oct 2007**	**Nov 2007**	**Dec 2007**		
B/F			32,826,619	33,447,262	33,965,990	35,651,321	36,049,321	36,187,321	35,584,332	35,722,332	35,879,332	35,297,343	35,431,343	35,723,167	32,826,619	
NET INCOME		**FPU**	620,643	518,728	340,116	398,000	138,000	100,000	138,000	157,000	121,000	134,000	254,000	371,000	3,290,487	
Preferred Dividend					(7,125)			(7,125)			(7,125)			(7,125)	(28,500)	
Common Dividend					(647,660)		0	(695,864)			(695,864)			(695,864)	(2,735,252)	
Flo-Gas Dividend	2				2,000,000										2,000,000	
Projected Interim Rate Relief													37,824	55,247	93,071	
BALANCE C/F			33,447,262	33,965,990	35,651,321	36,049,321	36,187,321	35,584,332	35,722,332	35,879,332	35,297,343	35,431,343	35,723,167	35,446,425	35,446,425	2,619,806

FLO-GAS RETAINED EARNINGS															
B/F		2,386,526	2,472,443	2,598,925	705,057	754,057	760,057	759,057	758,057	761,057	776,057	817,057	883,057	2,386,526	
NET INCOME		85,917	126,482	106,132	49,000	6,000	(1,000)	(1,000)	3,000	15,000	41,000	66,000	92,000	588,531	
DIVIDEND	2			(2,000,000)										(2,000,000)	
BAL C/F		2,472,443	2,598,925	705,057	754,057	760,057	759,057	758,057	761,057	776,057	817,057	883,057	975,057	975,057	(1,411,469)

CONSOLIDATED PROJECTED RETAINED EARNINGS														
B/F		35,213,145	35,919,705	36,564,915	36,356,378	36,803,378	36,947,378	36,343,389	36,480,389	36,640,389	36,073,400	36,248,400	36,568,400	35,213,145	
NET INCOME		706,560	645,210	446,248	447,000	144,000	99,000	137,000	160,000	136,000	175,000	320,000	463,000	3,879,018	
Preferred Dividend		0	0	(7,125)	0	0	(7,125)	0	0	(7,125)	0	0	(7,125)	(28,500)	
Common Dividend		0	0	(647,660)	0	0	(695,864)	0	0	(695,864)	0	0	(695,864)	(2,735,252)	
BALANCE C/F		35,919,705	36,564,915	36,356,378	36,803,378	36,947,378	36,343,389	36,480,389	36,640,389	36,073,400	36,248,400	36,568,400	36,328,411	36,328,411	1,115,266
0															
Projected Interim Rate Relief	Ann NOI	**490,000**	Nov-07	**92,423**	**77,246**	**50,648**	**59,268**	**20,550**	**14,891**	**20,550**	**23,380**	**18,019**	**19,954**	37,824	55,247	490,000

	35,919,705	36,564,915	36,356,378	36,803,378	36,947,378	36,343,389	36,480,389	36,640,389	36,073,400	36,248,400	36,606,225	36,421,483	
Financials	35,919,703	36,564,911	36,356,371										
	2	4	7										
			(3)										
			(4)										

Florida Public Utilities
CAPITAL COMPONENTS ******
December 2007 - December 2008

Line Ref	Florida Public Utilities:	Notes	Acct #	Dec-2007	Jan-2008	Feb-2008	Mar-2008	Apr-2008	May-2008	Jun-2008	Jul-2008	Aug-2008	Sep-2008	Oct-2008	Nov-2008	Dec-2008	13 mth AVERAGE	Basis of Projection
				<<<<<<<<< PROJECTED >>>>>>>>>														
15	Investment in Assoc. Co.		1230	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	Constant
16	Unamortized Debt/Loss on Reaq'd Debt	Amort Sch	1810, 1890	1,905,855	1,897,472	1,889,088	1,880,704	1,872,321	1,863,937	1,855,553	1,847,169	1,838,786	1,830,402	1,822,018	1,813,634	1,805,251	1,855,553	Amortization Schedule
17	ACCUM DEF TAXES	Electric only	1900	1,167,843	1,144,069	1,256,804	1,256,991	1,256,722	1,256,484	1,256,270	1,256,401	1,253,370	1,252,493	1,251,737	1,249,486	1,253,227	1,239,378	2005 - 2007 trend
18	190 AC DE TAX ENVIRO	Electric only	1900	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
19	Common Stock	2	2010	9,271,517	9,276,783	9,276,783	9,276,783	9,281,933	9,281,933	11,156,933	11,162,196	11,162,196	11,162,196	11,167,433	11,167,433	11,167,433	10,293,196	Cash Flow Proj Equity Off (June)
20	Preferred Stock		2040	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	Constant
21	Premium On Comm. Stk.	2	2070	5,455,611	5,411,111	5,411,111	5,411,111	5,366,611	5,366,611	18,491,611	18,447,111	18,447,111	18,447,111	18,402,611	18,402,611	18,402,611	12,420,226	Qtrly increase of $44,500 & Equity Off in .
22	DISC ON CAP STK		2130	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
23	Misc Paid in Capital		2110	802,472	715,354	715,354	734,985	734,985	721,979	721,621	641,327	641,327	669,699	669,699	669,699	688,617	702,086	Based on 2006 Monthly changes
24	Retained Earnings		2160	35,446,425	36,178,517	36,790,361	37,465,383	37,934,582	38,118,654	37,377,274	37,561,347	37,770,763	37,055,441	37,234,178	37,572,978	37,190,708	37,207,432	NOI based on Est 3% Inc
25	Capital Stock Expense		2140	428,441	428,441	428,441	428,441	428,441	428,441	1,328,441	1,328,441	1,328,441	1,328,441	1,328,441	1,328,441	1,328,441	913,056	Constant + Equity Off Issuance Cost June
26	Treasury Stock		2170	2,298,945	2,076,825	2,076,825	2,076,825	2,076,825	2,023,842	2,023,842	1,791,356	1,791,356	1,791,356	1,791,356	1,791,356	1,791,356	1,954,005	Based on 2006 Monthly changes
27	1st Mortgage Bonds	1	2210	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	51,091,000	51,091,000	51,091,000	51,091,000	51,091,000	51,091,000	51,091,000	51,091,000	51,632,923	Sinking Fund Schedule
28	DEBENTURES		2240	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
29	Notes Payable		2310	12,160,000	11,660,000	10,460,000	9,760,000	10,960,000	13,260,000	260,000	660,000	260,000	660,000	2,160,000	5,560,000	5,860,000	6,436,923	Cash Flow Projections
30	Customer Deposits	Electric only	2350	2,821,422	2,842,081	2,862,890	2,883,853	2,904,968	2,926,239	2,947,665	2,969,248	2,990,989	3,012,889	3,034,949	3,057,172	3,079,556	2,948,763	5 Year Average Growth Rate 2002 - 2006
31	INVEST TAX CRED	Electric only	2550	95,417	93,175	90,933	88,691	86,449	84,207	81,965	79,723	77,481	75,239	72,997	70,755	68,513	81,965	Monthly $2,462
32	ACCUM DEF TAXES*	Electric only	2820 2821 & 2830	6,815,388	6,562,491	7,420,855	7,403,201	7,396,734	7,378,249	7,398,047	7,419,437	7,412,743	7,501,563	7,490,045	7,474,899	7,461,928	7,318,121	2005 - 2007 trend
33	DEF TAX-UNDERREC	Electric only	2830 Included above	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
34	CURRENT BONDS		0	0													0	
35	3% INV TAX CRED			0													0	
36																		
37				0														
38	Flo-Gas Corp.:			0														
39	Investment in Assoc. Co.	Zeroed	1230	0													0	
40	ACCUM DEF TAXES	Zeroed	1900	0													0	
41	Common Stock		2010	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	Constant
42	Retained Earnings		2160	975,057	1,063,637	1,193,417	302,597	353,067	359,247	358,217	357,187	360,277	375,727	417,957	485,937	580,697	552,540	NOI based on Est 3% Inc
43	Comprehensive Income		2190	265,667	265,667	265,667	226,002	226,002	226,002	186,337	186,337	186,337	146,672	146,672	146,672	107,007	198,542	OCI Projection Schedule
44	Customer Deposits	Zeroed	2350	0													0	
45	INV TAX CREDIT	Zeroed	2550	0													0	
46	ACCUM DEF TAXES	Zeroed	2820	0													0	
47	3% INV TAX CRED	Zeroed	0	0													0	
48				0														
49	Consolidated:		Line Reference	0														
50	Long Term Debt		L27+L28	50,594,145	50,602,528	50,610,912	50,619,296	50,627,679	49,227,063	49,235,447	49,243,831	49,252,214	49,260,598	49,268,982	49,277,366	49,285,749	49,777,370	
51	Short Term Debt		L29	12,160,000	11,660,000	10,460,000	9,760,000	10,960,000	13,260,000	260,000	660,000	260,000	660,000	2,160,000	5,560,000	5,860,000	6,436,923	
52	Preferred Stock		L20	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	
53	Customer Deposits	Electric only	L30	2,821,422	2,842,081	2,862,890	2,883,853	2,904,968	2,926,239	2,947,665	2,969,248	2,990,989	3,012,889	3,034,949	3,057,172	3,079,556	2,948,763	
54	Common Equity		L15+L16+L21+L23+L24+L25+L26+L39+L41+L42+L43	48,958,030	49,874,469	50,616,094	50,459,593	50,939,911	51,170,140	64,567,037	64,863,035	65,075,541	64,443,707	64,625,410	65,032,190	64,803,263	58,109,878	
55	Common Equity-Excl Flo-Gas		+L16+L21+L23+L24-L26-L26	48,248,639	49,076,499	49,688,343	50,382,997	50,812,845	51,036,894	64,395,157	64,692,185	64,901,601	64,214,651	64,354,125	64,692,925	64,329,572	57,755,879	
56	DEFERRED INC TAXES	Electric only	L37+L32+L33	5,647,545	5,418,402	6,164,051	6,146,210	6,140,012	6,121,764	6,141,777	6,163,036	6,159,373	6,249,069	6,238,308	6,225,413	6,208,701	6,078,743	
57	TAX CREDITS-ZERO CST	Electric only	+L36	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
58	TAX CREDITS-WEIGHTED	Electric only	+L31-L35	95,417	93,175	90,933	88,691	86,449	84,207	81,965	79,723	77,481	75,239	72,997	70,755	68,513	81,965	
59	TOTAL INCL FLO-GAS EQUITY			120,876,557	121,090,655	121,404,880	120,557,642	122,259,019	123,389,413	123,833,891	124,578,872	124,415,598	124,301,502	126,000,647	129,822,895	129,905,783	124,033,643	
60	TOTAL EXCL FLO-GAS EQUITY			120,167,167	120,292,684	120,477,129	120,481,047	122,131,954	123,256,168	123,662,010	124,408,022	124,241,658	124,072,446	125,729,361	129,483,630	129,432,092	123,679,644	
61	TOTAL LTD,STD,EQUITY			112,312,174	112,736,998	112,287,006	111,438,888	113,127,590	114,257,203	114,662,484	115,366,866	115,187,755	114,964,305	116,654,392	120,469,556	120,549,012	114,924,172	
62	TOTAL LTD,STD,EQUITY EXCL FLO-GAS			111,602,784	111,939,027	111,359,255	111,362,293	113,000,525	114,123,957	114,490,604	115,196,015	115,013,815	114,735,249	116,383,107	120,130,290	120,075,322	114,570,173	
	Debt/Equity Ratio																	
	Debt			50%	50%	50%	50%	50%	50%	48%	48%	48%	48%	49%	50%	50%	53%	
	Equity			41%	41%	42%	42%	42%	41%	52%	52%	52%	52%	51%	50%	50%	47%	

Notes
1 Sinking Fund Payments on LT Debt May 1 20[illegible]

$ MM	$	909,000
$ MM	$	500,000
	$	1,409,000

2 Projected Equity Offering June 2008 $ 15 M

Assumptions:
RETAINED EARNINGS: 1.03
Annual Profit Margin Projected Increase

			TOTAL	Jan-2007	Feb-2007	Mar-2007	Apr-2007	May-2007	Jun-2007	Jul-2007	Aug-2007	Sep-2007	Oct-2007	Nov-2007	Dec-2007	
PRIOR YEAR NET INCOME (Revised Budget)		2007	3,879	707	645	446	447	144	99	137	160	136	175	320	463	
		FPU	3,291	621	519	340	398	138	100	138	157	121	134	254	371	
		FLO-GAS	588	86	126	106	49	6	(1)	(1)	3	15	41	66	92	
				Jan 2008	Feb 2008	Mar 2008	Apr 2008	May 2008	Jun 2008	Jul 2008	Aug 2008	Sep 2008	Oct 2008	Nov 2008	Dec 2008	
		2008	3,996	728	664	459	460	148	102	141	165	140	180	330	477	
		FPU	3,390	640	535	350	410	142	103	142	162	125	138	262	382	
(1,000,000)		FLO-GAS	606	89	130	109	50	6	(1)	(1)	3	15	42	68	95	

FPU RETAINED EARNINGS 2008				Jan 2008	Feb 2008	Mar 2008	Apr 2008	May 2008	Jun 2008	Jul 2008	Aug 2008	Sep 2008	Oct 2008	Nov 2008	Dec 2008		
B/F				35,446,425	36,178,517	36,790,361	37,465,383	37,934,582	38,118,654	37,377,274	37,561,347	37,770,763	37,055,441	37,234,178	37,572,978	35,446,425	
NET INCOME		FPU		639,630	534,570	350,200	409,940	142,140	103,000	142,140	161,710	124,630	138,020	261,620	382,130	3,389,730	
Preferred Dividend						(7,125)			(7,125)			(7,125)			(7,125)	(28,500)	
Common Dividend				0	0	(718,676)	0	0	(867,641)	0	0	(869,594)	0	0	(870,007)	(3,325,917)	
Flo-Gas Dividend						1,000,000										1,000,000	
Projected Interim Rate Relief	Ann NOI	490,000	Nov-07	92,461	77,274	50,623	59,259									279,617	
Projected NOI - Elec Rate Case	Annual	1,000,000	May-08					41,933	30,386	41,933	47,706	36,767	40,717	77,180	112,732	429,353	
BALANCE C/F				36,178,517	36,790,361	37,465,383	37,934,582	38,118,654	37,377,274	37,561,347	37,770,763	37,055,441	37,234,178	37,572,978	37,190,708	37,190,708	1,744,283

FLO-GAS RETAINED EARNINGS																	
B/F				975,057	1,063,637	1,193,417	302,597	353,067	359,247	358,217	357,187	360,277	375,727	417,957	485,937	975,057	
NET INCOME				88,580	129,780	109,180	50,470	6,180	(1,030)	(1,030)	3,090	15,450	42,230	67,980	94,760	605,640	
DIVIDEND						(1,000,000)										(1,000,000)	
BAL C/F				1,063,637	1,193,417	302,597	353,067	359,247	358,217	357,187	360,277	375,727	417,957	485,937	580,697	580,697	(394,360)

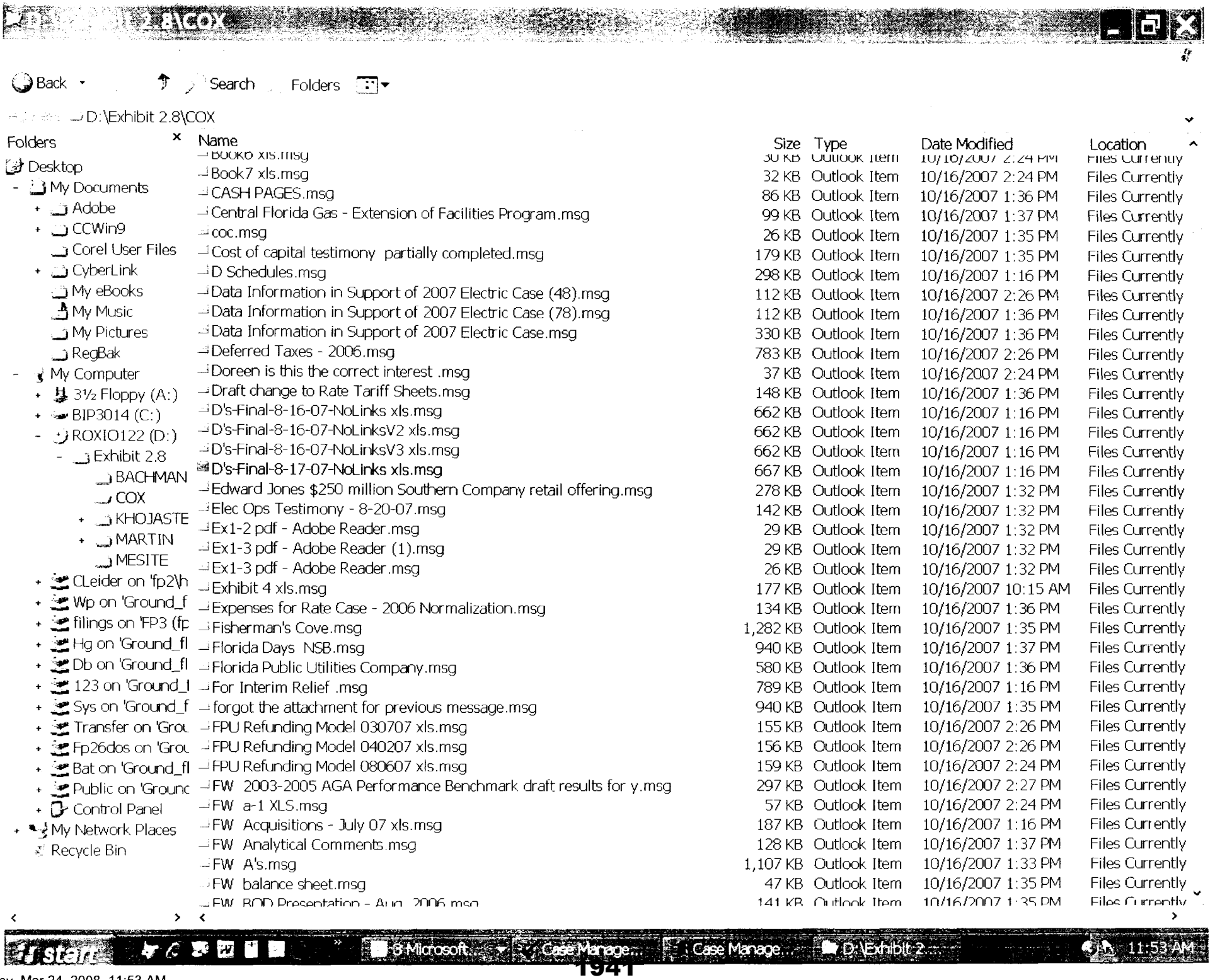
CONSOLIDATED PROJECTED RETAINED EARNINGS																	
B/F				36,421,483	37,242,154	37,983,778	37,767,981	38,287,649	38,477,902	37,735,492	37,918,534	38,131,040	37,431,169	37,652,136	38,058,916	36,421,483	
NET INCOME				728,210	664,350	459,380	460,410	148,320	101,970	141,110	164,800	140,080	180,250	329,600	476,890	3,995,370	
Preferred Dividend				0	0	(7,125)	0	0	(7,125)	0	0	(7,125)	0	0	(7,125)	(28,500)	
Common Dividend				0	0	(718,676)	0	0	(867,641)	0	0	(869,594)	0	0	(870,007)	(3,325,917)	
Projected NOI - Elec Rate Case				0	0	0	0	41932.5433	30385.90094	41932.5433	47705.86448	36766.94014	40717.10726	77180.18839	112731.6925	429,353	
BALANCE C/F				37,149,693	37,906,504	37,717,358	38,228,391	38,477,902	37,735,492	37,918,534	38,131,040	37,431,169	37,652,136	38,058,916	37,771,405	37,491,788	1,070,306
			Effective														
Projected Rate Relief		1,000,000	May-08	186,696	157,703	103,312	120,936	41,933	30,386	41,933	47,706	36,767	40,717	77,180	112,732	1,000,000	
Projected Interim Rate Relief	Ann NOI	490,000	Nov-07	92,461	77,274	50,623	59,259	20,547	14,889	20,547	23,376	18,016	19,951	37,818	65,239	490,000	
				112,312,174	112,736,998	112,287,006	111,438,888	113,127,590	114,257,203	114,662,484	115,366,866	115,187,755	114,964,305	116,654,392	120,469,556	120,549,012	114,924,172

FLORIDA PUBLIC UTILITIES COMPANY
13 MONTH AVERAGE ADJUSTMENTS

REPORT GROUP NAME: ROR
REPORT NAME: ROR_DEBT
DATE: 3/21/2007
USER: YOUNG

ROR ST DEBT, LT DEBT, FUEL COST

	12 MTHS AG	11 MTHS AGO	10 MTHS AGO	9 MTHS AGO	8 MTHS AGO	7 MTHS AGO	6 MTHS AGO	5 MTHS AGO	4 MTHS AGO	3 MTHS AGO	2 MTHS AGO	1 MTH AGO	12 2006		
SHORT TERM DEBT															
INTEREST ON NP	26,280	36,282	29,480	18,251	5,263	2,665	1,815	2,825	1,102	1,111	2,678	(2,481)	9,599	108,590	125,271
NP BALANCE	(9,558,000)	(10,662,000)	(7,266,000)	(3,443,000)	(1,101,000)	(582,000)	(1,437,000)	(761,000)	(130,000)	(1,687,000)	(916,000)	(2,009,000)	(3,466,000)		(3,309,077)
												YR END RATE	(3.13)	13MTH RATE	(3.28)
LONG TERM DEBT															
INTEREST ON LT	337,430	337,430	337,430	337,430	337,430	337,430	337,430	337,430	337,430	337,430	337,430	337,430	337,430	4,049,160	
BONDS BALANCE	(50,392,935)	(50,401,319)	(50,409,703)	(50,418,086)	(50,426,470)	(50,434,854)	(50,443,237)	(50,451,621)	(50,460,005)	(50,468,389)	(50,476,772)	(50,485,156)	(50,493,540)		(50,443,237)
												YR END RATE	(8.01)	13MTH RATE	(8.02)
FUEL COST															
NW ELECTRIC	1,156,632	1,165,630	1,106,989	1,030,724	1,095,620	1,136,988	1,352,208	1,493,762	1,514,665	1,298,369	1,213,995	1,034,164	1,259,359	14,702,473	
NE ELECTRIC	1,137,900	1,269,031	1,530,156	1,270,866	1,148,331	1,273,012	1,382,424	1,638,229	1,507,120	1,416,524	1,233,994	1,082,550	1,151,723	15,903,960	
TOTAL ELEC FUEL	2,294,532	2,434,661	2,637,145	2,301,590	2,243,951	2,410,000	2,734,632	3,131,991	3,021,785	2,714,893	2,447,989	2,116,714	2,411,082	30,606,433	
SOUTH FL NG	3,430,052	4,294,279	4,299,796	1,030,472	1,858,022	1,583,638	1,203,237	1,246,402	1,327,756	1,291,243	806,040	2,448,440	2,909,942	24,299,267	
CENTRAL FL NG	1,423,145	2,135,007	1,971,094	2,887,701	1,201,338	649,862	557,142	616,849	677,061	638,409	352,079	987,343	1,146,149	13,820,034	
TOTAL NG FUEL	4,853,197	6,429,286	6,270,890	3,918,173	3,059,360	2,233,500	1,760,379	1,863,251	2,004,817	1,929,652	1,158,119	3,435,783	4,056,091	38,119,301	
SOUTH FL PRO	428,047	449,369	437,782	456,858	382,150	356,618	329,915	295,126	331,666	300,607	323,616	356,961	394,178	4,414,846	
CENTRAL FL PRO	103,424	123,704	105,097	100,896	66,910	73,382	71,489	61,675	74,581	64,846	64,088	76,046	102,543	985,257	
NE FL PROPANE	147,661	135,670	136,496	142,577	103,361	120,028	111,328	111,076	122,989	91,756	118,409	129,168	131,397	1,454,255	
NATURE COST PRO	66,175	80,362	76,887	70,352	51,543	44,245	43,131	42,742	41,844	48,314	41,382	54,140	74,916	669,858	
TOTAL FUEL PRO	745,307	789,105	756,262	770,683	603,964	594,273	555,863	510,619	571,080	505,523	547,495	616,315	703,034	7,524,216	



Monday, Mar 24, 2008 11:53 AM

Clara Leider

From: Mike Welsh [mpwelsh@CAEnergy.com]
Sent: Friday, August 17, 2007 10:17 AM
To: Cox Doreen
Cc: Martin Cheryl
Subject: D's-Final-8-17-07-NoLinks.xls
Attachments: D's-Final-8-17-07-NoLinks.xls

Doreen: Latest version of D's. Should reflect all changes requested through yesterday.

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division
DOCKET NO.: 070304-EI

EXPLANATION: Provide the company's 13-month average cost of capital for the test year, the prior year, and historical base year.

Type of Data Shown:
Historic Year Ended 12/31/06
Witness: Doreen Cox, Robert Camfield

Line No.	Class of Capital	(A) Company Total Per Books	(B) Specific Adjustments	(C) Pro Rata Adjustments	(D) System Adjusted	(E) Jurisdictional Factor	(F) Jurisdictional Capital Structure	(G) Ratio	(H) Cost Rate	(I) Weighted Cost Rate	(J) Interest Expense
					Regulatory Capital Structure, 2006						
1.	Long Term Debt	50,443,237			50,443,237	31.33%	15,801,612	0.4152	8.03%	3.33%	1,268,418
2.	Short Term Debt	3,309,077			3,309,077	31.33%	1,036,586	0.0272	7.29%	0.20%	75,536
3.	Preferred Stock	600,000			600,000	31.33%	187,953	0.0049	4.75%	0.02%	
4.	Common Equity	44,943,721			44,943,721	31.33%	14,078,859	0.3699	11.50%	4.25%	
5.	Customer Deposits	2,136,661			2,136,661		2,136,661	0.0561	6.07%	0.34%	129,626
6.	Deferred Income Taxes	4,674,449			4,674,449		4,674,449	0.1228	0.00%	0.00%	
7.	Tax Credits-Zero Cost	0			0		0	0.0000	0.00%	0.00%	
8.	Tax Credits-Weighted Cost	141,120			141,120		141,120	0.0037	9.55%	0.04%	
9.	TOTAL	106,248,266			106,248,266		38,057,241	1.0000		8.18%	1,473,580

	Class of Capital	Company Total Per Books	Ratio	Cost Rate	Weighted Cost Rate
		Conventional Capital Structure, 2006			
10.	Long Term Debt	50,443,237	0.5080	8.03%	4.08%
11.	Short Term Debt	3,309,077	0.0333	7.29%	0.24%
12.	Preferred Stock	600,000	0.0060	4.75%	0.03%
13.	Common Equity	44,943,721	0.4526	11.50%	5.21%
14.	TOTAL	99,296,036	1.0000		9.55%

Rate Base	$38,057,241
Direct Components	$6,952,231
	$31,105,010
Jurisdictional Factor	31.33%

Common Equity excludes Flo-Gas

Supporting Schedules: B-1 (2006), B-3 (2006), D-3, D-4a, D-5, D-6

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division
DOCKET NO.: 070304-EI

EXPLANATION: Provide the company's 13-month average cost of capital for the test year, the prior year, and historical base year.

Type of Data Shown:
Prior Year Ended 12/31/07
Witness: Doreen Cox, Robert Camfield

Line No.	Class of Capital	(A) Company Total Per Books	(B) Specific Adjustments	(C) Pro Rata Adjustments	(D) System Adjusted	(E) Jurisdictional Factor	(F) Jurisdictional Capital Structure	(G) Ratio	(H) Cost Rate	(I) Weighted Cost Rate	(J) Interest Expense
					Regulatory Capital Structure, 2007						
1.	Long Term Debt	50,543,842			50,543,842	31.54%	15,941,895	0.3866	8.01%	3.10%	1,277,132
2.	Short Term Debt	5,729,846			5,729,846	31.54%	1,807,235	0.0438	6.86%	0.30%	123,947
3.	Preferred Stock	600,000			600,000	31.54%	189,244	0.0046	4.75%	0.02%	
4.	Common Equity	47,883,036			47,883,036	31.54%	15,102,657	0.3662	11.50%	4.21%	
5.	Customer Deposits	2,637,518			2,637,518		2,637,518	0.0640	6.32%	0.40%	166,567
6.	Deferred Income Taxes	5,452,539			5,452,539		5,452,539	0.1322	0.00%	0.00%	
7.	Tax Credits-Zero Cost	0			0		0	0.0000	0.00%	0.00%	
8.	Tax Credits-Weighted Cost	110,190			110,190		110,190	0.0027	9.52%	0.03%	
9.	TOTAL	112,956,971			112,956,971		41,241,279	1.0000		8.06%	1,567,647

	Class of Capital	Company Total Per Books	Ratio	Cost Rate	Weighted Cost Rate
		Conventional Capital Structure, 2007			
10.	Long Term Debt	50,543,842	0.4825	8.01%	3.87%
11.	Short Term Debt	5,729,846	0.0547	6.86%	0.38%
12.	Preferred Stock	600,000	0.0057	4.75%	0.03%
13.	Common Equity	47,883,036	0.4571	11.50%	5.26%
14.	TOTAL	104,756,724	1.0000		9.52%

Rate Base	$41,241,279
Direct Components	$8,200,247
	$33,041,032
Jurisdictional Factor	31.54%

Common Equity excludes Flo-Gas

Supporting Schedules: B-1 (2007) B-3 (2007), D-3, D-4a, D-5, D-6

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division
DOCKET NO.: 070304-EI

EXPLANATION: Provide the company's 13-month average cost of capital for the test year, the prior year, and historical base year.

Type of Data Shown:
Historic Year Ended 12/31/06
Witness: Doreen Cox, Robert Camfield

Line No.	Class of Capital	(A) Company Total Per Books	(B) Specific Adjustments	(C) Pro Rata Adjustments	(D) System Adjusted	(E) Jurisdictional Factor	(F) Jurisdictional Capital Structure	(G) Ratio	(H) Cost Rate	(I) Weighted Cost Rate	(J) Interest Expense
					Regulatory Capital Structure, 2006						
1.	Long Term Debt	50,443,237			50,443,237	31.33%	15,801,612	0.4152	8.03%	3.33%	1,268,418
2.	Short Term Debt	3,309,077			3,309,077	31.33%	1,036,586	0.0272	7.29%	0.20%	75,536
3.	Preferred Stock	600,000			600,000	31.33%	187,953	0.0049	4.75%	0.02%	
4.	Common Equity	44,943,721			44,943,721	31.33%	14,078,859	0.3699	11.50%	4.25%	
5.	Customer Deposits	2,136,661			2,136,661		2,136,661	0.0561	6.07%	0.34%	129,626
6.	Deferred Income Taxes	4,674,449			4,674,449		4,674,449	0.1228	0.00%	0.00%	
7.	Tax Credits-Zero Cost	0			0		0	0.0000	0.00%	0.00%	
8.	Tax Credits-Weighted Cost	141,120			141,120		141,120	0.0037	9.55%	0.04%	
9.	TOTAL	106,248,266			106,248,266		38,057,241	1.0000		8.18%	1,473,580

	Class of Capital	Company Total Per Books	Ratio	Cost Rate	Weighted Cost Rate
		Conventional Capital Structure, 2006			
10.	Long Term Debt	50,443,237	0.5080	8.03%	4.08%
11.	Short Term Debt	3,309,077	0.0333	7.29%	0.24%
12.	Preferred Stock	600,000	0.0060	4.75%	0.03%
13.	Common Equity	44,943,721	0.4526	11.50%	5.21%
14.	TOTAL	99,296,036	1.0000		9.55%

Rate Base	$38,057,241
Direct Components	$6,952,231
	$31,105,010
Jurisdictional Factor	31.33%

Common Equity excludes Flo-Gas

Supporting Schedules: B-1 (2006), B-3 (2006), D-3, D-4a, D-5, D-6

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division
DOCKET NO.: 070304-EI

EXPLANATION: Provide the company's 13-month average cost of capital for the test year, the prior year, and historical base year.

Type of Data Shown:
Prior Year Ended 12/31/07
Witness: Doreen Cox, Robert Camfield

Line No.	Class of Capital	(A) Company Total Per Books	(B) Specific Adjustments	(C) Pro Rata Adjustments	(D) System Adjusted	(E) Jurisdictional Factor	(F) Jurisdictional Capital Structure	(G) Ratio	(H) Cost Rate	(I) Weighted Cost Rate	(J) Interest Expense
					Regulatory Capital Structure, 2007						
1.	Long Term Debt	50,543,842			50,543,842	31.54%	15,941,895	0.3866	8.01%	3.10%	1,277,132
2.	Short Term Debt	5,729,846			5,729,846	31.54%	1,807,235	0.0438	6.86%	0.30%	123,947
3.	Preferred Stock	600,000			600,000	31.54%	189,244	0.0046	4.75%	0.02%	
4.	Common Equity	47,883,036			47,883,036	31.54%	15,102,657	0.3662	11.50%	4.21%	
5.	Customer Deposits	2,637,518			2,637,518		2,637,518	0.0640	6.32%	0.40%	166,567
6.	Deferred Income Taxes	5,452,539			5,452,539		5,452,539	0.1322	0.00%	0.00%	
7.	Tax Credits-Zero Cost	0			0		0	0.0000	0.00%	0.00%	
8.	Tax Credits-Weighted Cost	110,190			110,190		110,190	0.0027	9.52%	0.03%	
9.	TOTAL	112,956,971			112,956,971		41,241,279	1.0000		8.06%	1,567,647

	Class of Capital	Company Total Per Books	Ratio	Cost Rate	Weighted Cost Rate
		Conventional Capital Structure, 2007			
10.	Long Term Debt	50,543,842	0.4825	8.01%	3.87%
11.	Short Term Debt	5,729,846	0.0547	6.86%	0.38%
12.	Preferred Stock	600,000	0.0057	4.75%	0.03%
13.	Common Equity	47,883,036	0.4571	11.50%	5.26%
14.	TOTAL	104,756,724	1.0000		9.52%

Rate Base	$41,241,279
Direct Components	$8,200,247
	$33,041,032
Jurisdictional Factor	31.54%

Common Equity excludes Flo-Gas

Supporting Schedules: B-1 (2007) B-3 (2007), D-3, D-4a, D-5, D-6

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division
DOCKET NO.: 070304-EI

EXPLANATION: Provide the company's 13-month average cost of capital for the test year, the prior year, and historical base year.

Type of Data Shown:
Projected Test Year Ended 12/31/08
Witness: Doreen Cox, Robert Camfield

Line No.	Class of Capital	(A) Company Total Per Books	(B) Specific Adjustments	(C) Pro Rata Adjustments	(D) System Adjusted	(E) Jurisdictional Factor	(F) Jurisdictional Capital Structure	(G) Ratio	(H) Cost Rate	(I) Weighted Cost Rate	(J) Interest Expense
					Regulatory Capital Structure, 2008						
1.	Long Term Debt	49,777,370			49,777,370	29.60%	14,733,561	0.3425	7.96%	2.73%	1,173,525
2.	Short Term Debt	6,436,923			6,436,923	29.60%	1,905,259	0.0443	6.81%	0.30%	129,657
3.	Preferred Stock	600,000			600,000	29.60%	177,593	0.0041	4.75%	0.02%	
4.	Common Equity	57,755,879			57,755,879	29.60%	17,095,113	0.3974	11.50%	4.57%	
5.	Customer Deposits	2,948,763			2,948,763		2,948,763	0.0685	6.32%	0.43%	186,223
6.	Deferred Income Taxes	6,078,743			6,078,743		6,078,743	0.1413	0.00%	0.00%	
7.	Tax Credits-Zero Cost	0			0		0	0.0000	0.00%	0.00%	
8.	Tax Credits-Weighted Cost	81,965			81,965		81,965	0.0019	9.67%	0.02%	
9.	TOTAL	123,679,644			123,679,644		43,020,997	1.0000		8.07%	1,489,405

	Class of Capital	Company Total Per Books	Ratio	Cost Rate	Weighted Cost Rate
		Conventional Capital Structure, 2008			
10.	Long Term Debt	49,777,370	0.4345	7.96%	3.46%
11.	Short Term Debt	6,436,923	0.0562	6.81%	0.38%
12.	Preferred Stock	600,000	0.0052	4.75%	0.02%
13.	Common Equity	57,755,879	0.5041	11.50%	5.80%
14.	TOTAL	114,570,173	1.0000		9.67%

Rate Base	$43,020,997
Direct Components	$9,109,471
	$33,911,526
Jurisdictional Factor	29.60%

Common Equity excludes Flo-Gas

Supporting Schedules: B-1 (2008), B-3 (2008), D-3, D-4a, D-5, D-6

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION EXPLANATION:

COMPANY: Florida Public Utilities
Consolidated Electric Division
DOCKET NO.: 070304-EI

1.) List and describe the basis for the specific adjustments appearing on Schedule D-1a.

2.) List and describe the basis for the pro-rata adjustments appearing on Schedule D-1a.

Type of Data Shown:
Projected Test Year Ended 12/31/08
Prior Year Ended 12/31/07
Historic Year Ended 12/31/06
Witness: Doreen Cox, Robert Camfield

Line No.	Class of Capital	Description	Historic Base Year	Prior Year	Test Year
1		Specific Adjustments			
2					
3		The determination of the cost of capital for purposes of setting			
4		retail rates in the immediate docket incorporates no specific adjustments			
5		to the December '06, Prior Year '07, or The Test Year 2008 capital structure or cost rates			
6					
7					
8		Pro Rata Adjustments			
9					
10		The determination of the cost of capital for purposes of setting			
11		retail rates in the immediate docket incorporates no pro rata adjustments			
12		to the December '06, Prior Year '07, or The Test Year 2008 capital structure or cost rates			

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: For the subject Florida utility, all other regulated utility operations combined, all non-regulated operations combined, the parent company, and on a consolidated basis, provide the year-end capital structure for investor capital (i.e. common equity, preferred stock, long-term debt, and short-term debt) for the five years through the end of the projected test year.

Type of Data Shown:
Projected Test Year Ended 12/31/08
Prior Year Ended 12/31/07
Historic Years Ended 12/31/04, 05 and 06
Witness: Doreen Cox, Robert Camfield

		2004 Year-End		2005 Year-End		2006 Year-End		2007 Year-End		2008 Year-End	
Line No.	Class of Capital	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total
1	Long Term Debt	50,538,000	50.449%	50,620,000	47.628%	50,702,000	49.542%	50,784,602	45.141%	49,457,923	40.969%
2	Short Term Debt	5,825,000	5.815%	9,558,000	8.993%	3,466,000	3.387%	12,160,000	10.809%	5,860,000	4.854%
3	Preferred Stock	600,000	0.599%	600,000	0.565%	600,000	0.586%	600,000	0.533%	600,000	0.497%
4	Common Equity	43,213,000	43.137%	45,503,000	42.814%	47,573,000	46.485%	48,958,030	43.517%	64,803,263	53.680%
5	Total	100,176,000	100.000%	106,281,000	100.000%	102,341,000	100.000%	112,502,632	100.000%	120,721,186	100.000%

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: 1.) Provide the specified data on short-term debt issues on a 13-month average basis for the test year, prior year, and historical base year

2.) Provide a narrative description of the Company's policies regarding short-term financing. The following topics should be covered: ratio of short-term debt to total capital, plant expansion, working capital, timing of long-term financing, method of short-term financing (bank loans, commercial paper, etc.), and other uses of short-term financing.

Type of Data Shown:
Projected Year Ended 12/31/08
Prior Year Ended 12/31/07
Historic Year Ended 12/31/06
Witness: Doreen Cox, Robert Camfield

Year	Maturity Date	Interest Rate	Interest Expense	13-month Average Amount Outstanding During the Year	Weighted Average Cost of Short-term Debt
			For Historical Test Year 2006		
2006	July, 2008	7.29%	$145,595	1,998,015 *	0.20%
			For Prior Year 2007		
2007	July, 2008	6.86%	$381,070	5,556,250 *	0.30%
			For Test Year 2008		
2008	July, 2008	6.81%	$423,453	6,222,500 *	0.30%

2.) The Company plans to use a combination of short term borrowing and an Equity Offering in 2008 to finance future growth and capital expenditures.

*Calculated using the average daily line of credit balance which is appropriate for determining short term debt costs.

Supporting Schedules: B-3 Recap Schedules: D-1

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: 1.) Provide the specified data on short-term debt issues on a 13-month average basis for the test year, prior year, and historical base year

2.) Provide a narrative description of the Company's policies regarding short-term financing. The following topics should be covered: ratio of short-term debt to total capital, plant expansion, working capital, timing of long-term financing, method of short-term financing (bank loans, commercial paper, etc.), and other uses of short-term financing.

Type of Data Shown:
Projected Test Year Ended 12/31/08
Witness: Doreen Cox, Robert Camfield

Year	Maturity Date	Interest Rate	Interest Expense	13-month Average Amount Outstanding During the Year	Weighted Average Cost of Short-term Debt
			For Test Year 2008		
2008	July, 2008	6.81%	$423,453	6,222,500 *	0.30%

2.) The Company plans to use a combination of short term borrowing and an Equity Offering in 2008 to finance future growth and capital expenditures.

*Calculated using the average daily line of credit balance which is appropriate for determining short term debt costs.

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Provide the specified data on long-term debt issues on a 13-month average basis for the test year, prior year, and historical base year. Arrange by type of issue (i.e., first mortgage bonds)

Type of Data Shown:
Historic Year Ended 12/31/06
Witness: Doreen Cox, Robert Camfield

HISTORICAL YEAR, 2006

(1) Line No.	(2) Description, Coupon Rate	(3) Issue Date	(4) Maturity Date	(5) Principal Amount Sold (Face Value)	(6) 13-Month Average Principal Amt. Outstanding	(7) Discount (Premium) on Principal Amount Sold	(8) Issuing Expense On Principal Amount Sold	(9) Life (Years)	(10) Annual Amortization (7+8)/(9)	(11) Interest Expense (Coupon Rate) (2) x (6)	(12) Total Annual Cost (10)+(11)	(13) Unamortized Discount (Premium) Associated With (6)	(14) Average Unamort. Issuing Expense & Loss on Reacquired Debt
1	9.57%	5/1/1988	5/1/2018	$10,000,000	$10,000,000	$0	$180,273	30	$7,211	$957,000	$964,211	N/A	$49,277
2													
3	10.03%	5/1/1988	5/1/2018	$5,500,000	$5,500,000	$0	$97,070	30	$3,883	$551,650	$555,533	N/A	$26,532
4													
5	9.08%	6/1/1992	6/1/2022	$8,000,000	$8,000,000	$0	$121,967	30	$4,066	$726,400	$730,466	N/A	$65,070
6													
7	6.85%	10/1/2001	10/1/2031	$15,000,000	$15,000,000	$0	$1,208,670	30	$40,289	$1,027,500	$1,067,789	N/A	$1,017,297
8													
9	4.90%	11/1/2001	11/1/2031	$14,000,000	$14,000,000	$0	$805,956	30	$26,865	$686,000	$712,865	N/A	$680,704
10													
11													
12	Loss on Re-acquired Debt						$548,516		$18,288	$0	$18,288		$217,883
13													
14													
15													
16													
17													
18													
19													
20													
21													
22	Total				$52,500,000	$0	$2,962,452		$100,602	$3,948,550	$4,049,152	N/A	$2,056,763
23													
24	Less Unamortized Premium, Discount, and												
25	Issuance Expense (13) + (14).				$2,056,763								
26													
27	Net LT Debt Outstanding				$50,443,237								
28													
29													
30	Embedded Cost of Long-term Debt				8.0271%								
31	(12) / Net												

Supporting Schedules:

Recap Schedules: D-1

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Provide the specified data on long-term debt issues on a 13-month average basis for the test year, prior year, and historical base year.
Arrange by type of issue (i.e., first mortgage bonds)

Type of Data Shown:
Prior Year Ended 12/31/07
Witness: Doreen Cox, Robert Camfield

PRIOR YEAR, 2007

(1) Line No.	(2) Description, Coupon Rate	(3) Issue Date	(4) Maturity Date	(5) Principal Amount Sold (Face Value)	(6) 13-Month Average Principal Amt. Outstanding	(7) Discount (Premium) on Principal Amount Sold	(8) Issuing Expense On Principal Amount Sold	(9) Life (Years)	(10) Annual Amortization (7+8)/(9)	(11) Interest Expense (Coupon Rate) (2) x (6)	(12) Total Annual Cost (10)+(11)	(13) Unamortized Discount (Premium) Associated With (6)	(14) Average Unamort. Issuing Expense & Loss on Reacquired Debt
1	9.57%	5/1/1988	5/1/2018	$10,000,000	$10,000,000	$0	$180,273	30	$7,211	$957,000	$964,211	N/A	$42,066
2													
3	10.03%	5/1/1988	5/1/2018	$5,500,000	$5,500,000	$0	$97,070	30	$3,883	$551,650	$555,533	N/A	$22,649
4													
5	9.08%	6/1/1992	6/1/2022	$8,000,000	$8,000,000	$0	$121,967	30	$4,066	$726,400	$730,466	N/A	$61,002
6													
7	6.85%	10/1/2001	10/1/2031	$15,000,000	$15,000,000	$0	$1,208,670	30	$40,289	$1,027,500	$1,067,789	N/A	$977,008
8													
9	4.90%	11/1/2001	11/1/2031	$14,000,000	$14,000,000	$0	$805,956	30	$26,865	$686,000	$712,865	N/A	$653,854
10													
11													
12			Loss on Re-acquired Debt				$548,516		$18,288	$0	$18,288		$199,599
13													
14													
15			Rounding Adjustment										-$21
16													
17													
18													
19													
20													
21													
22	Total				$52,500,000	$0	$2,962,452		$100,602	$3,948,550	$4,049,152	N/A	$1,956,158
23													
24	Less Unamortized Premium, Discount, and												
25	Issuance Expense (13) + (14).				$1,956,158								
26													
27	Net LT Debt Outstanding				$50,543,842								
28													
29													
30	Embedded Cost of Long-term Debt				8.0112%								
31	(12) / Net												

Supporting Schedules:

Recap Schedules: D-1

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Provide the specified data on long-term debt issues on a 13-month average basis for the test year, prior year, and historical base year.
Arrange by type of issue (i.e., first mortgage bonds)

Type of Data Shown:
Projected Test Year Ended 12/31/08
Witness: Doreen Cox, Robert Camfield

TEST YEAR, 2008

(1) Line No.	(2) Description, Coupon Rate	(3) Issue Date	(4) Maturity Date	(5) Principal Amount Sold (Face Value)	(6) 13-Month Average Principal Amt. Outstanding	(7) Discount (Premium) on Principal Amount Sold	(8) Issuing Expense On Principal Amount Sold	(9) Life (Years)	(10) Annual Amortization (7+8)/(9)	(11) Interest Expense (Coupon Rate) (2) x (6)	(12) Total Annual Cost (10)+(11)	(13) Unamortized Discount (Premium) Associated With (6)	(14) Average Unamort. Issuing Expense & Loss on Reacquired Debt
1	9.57%	5/1/1988	5/1/2018	$10,000,000	$9,440,615	$0	$180,273	30	$7,211	$903,467	$910,678	N/A	$34,855
2													
3	10.03%	5/1/1988	5/1/2018	$5,500,000	$5,192,308	$0	$97,070	30	$3,883	$520,788	$524,671	N/A	$18,766
4													
5	9.08%	6/1/1992	6/1/2022	$8,000,000	$8,000,000	$0	$121,967	30	$4,066	$726,400	$730,466	N/A	$56,935
6													
7	6.85%	10/1/2001	10/1/2031	$15,000,000	$15,000,000	$0	$1,208,670	30	$40,289	$1,027,500	$1,067,789	N/A	$936,719
8													
9	4.90%	11/1/2001	11/1/2031	$14,000,000	$14,000,000	$0	$805,956	30	$26,865	$686,000	$712,865	N/A	$627,025
10													
11													
12			Loss on Re-acquired Debt				$548,516		$18,288	$0	$18,288		$181,316
13													
14													
15			Rounding Adjustment										-$63
16													
17													
18													
19													
20													
21													
22	Total				$51,632,923	$0	$2,962,452		$100,602	$3,864,155	$3,964,757	N/A	$1,855,553
23													
24	Less Unamortized Premium, Discount, and												
25	Issuance Expense (13) + (14).				$1,855,553								
26													
27	Net LT Debt Outstanding				$49,777,370								
28													
29													
30	Embedded Cost of Long-term Debt				7.9650%								
31	(12) / Net												

Supporting Schedules:

Recap Schedules: D-1

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Supply a statement of the company's policy on treatment of profit or loss from reacquired bonds. Detail any profit or loss on recquired bonds for the test year and prior year.

Type of Data Shown:
Projected Test Year Ended 12/31/08
Prior Year Ended 12/31/07
HistoricYear Ended 12/31/06
Witness: Doreen Cox, Robert Camfield

In the interest of its retail customers and shareholders, the policy of Florida Public Utilities Company on this issue is to profitably reacquire outstanding debt when economic and capital market conditions afford such opportunities. History suggests, however, that conditions vary substantially from one time to another, such that favorable opportunities to reacquire debt will occur infrequently and randomly. The Company will share the profits and losses associated with reacquired debt fairly with its retail customers.

Supporting Schedules:

Recap Schedules:

Schedule D-5 | PREFERRED STOCK OUTSTANDING | Page 1 of 1

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Provide the data as specified for preferred stock on a 13-month average basis for the test year, prior year, and historical base year.

Type of Data Shown:
Prior Year Ended 12/31/07
Historic Year Ended 12/31/06
Projected Test Year Ended 12/31/08
Witness: Doreen Cox, Robert Camfield

(1) Line No.	(2) Description, Coupon Rate	(3) Issue Date	(4) Call Provisions or Special Restrictions	(5) Principal Amount Sold	(6) 13-month Average Principal Amt. Outstanding	(7) (Discount) Premium on Principal Amount Sold	(8) (Discount) Premium Associated with (6)	(9) Issuing Expense on Principal Amount Sold	(10) Issuing Expense Associated with (6)	(11) Net Proceeds (6)+(8)-(10)	(12) Dollar Dividend on Face Value (2) X (6)	(13) Effective Cost Rate (12)/(11)
					For Historic Year 2006							
1.	4.75% Cumulative	12/28/1945		$600,000	$600,000	N/A	N/A	N/A	N/A	$600,000	$28,500	4.75%
2.	Preferred Stock											
3.												
4.					**For Prior Year 2007**							
5.	4.75% Cumulative	12/28/1945		$600,000	$600,000	N/A	N/A	N/A	N/A	$600,000	$28,500	4.75%
6.	Preferred Stock											
7.												
8.					**For Test Year 2008**							
9.	4.75% Cumulative	12/28/1945		$600,000	$600,000	N/A	N/A	N/A	N/A	$600,000	$28,500	4.75%
10.	Preferred Stock											
11.												
12.												
13.												
14.												
15.												
16.												
17.												
18.												
19.												
20.												

21 Weighted Average Cost of Preferred Stock for 2006, 2007 and 2008 — 4.75%

Supporting Schedules:

Recap Schedules: D-1

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Provide monthly balances, interest rates, and interest payments on customer deposits for the test year, the prior year, and historic year

Type of Data Shown:
Historic Year Ended 12/31/06
Witness: Doreen Cox, Robert Camfield

(1) Line No.	(2) Month and Year	(3) Active Customer Deposits at 6.00%	(4) Active Customer Deposits at 7.00%	(5) Inactive Customer Deposits	(6) Total Deposits (3)+(4)+(5)	(7) Interest Payments (3) X 6%/12	(8) Interest Payments (3) X 7%/12	(9) Total Interest (7) + (8)	(10) Actual Payments and Credits on Bills
1	December, '05				2,075,368				
2	January, '06				2,082,190			10,806	
3	February				2,098,737			11,297	
4	March				2,107,316			9,618	
5	April				2,114,463			10,239	
6	May				2,119,052			10,657	
7	June				2,114,509			10,239	
8	July				2,126,739			11,656	
9	August				2,132,502			10,676	
10	September				2,132,452			11,391	
11	October				2,156,868			10,408	
12	November				2,194,167			11,987	
13	December				2,322,227			10,652	
14									
15	13 Month Average				$2,136,661				
16									
17	12 Month Total							$129,626	
18									
19									
20		Effective Interest Rate							
21		12 Month Interest							
22		Expense (9) divided							
23		by Total Deposits (6)			6.07%				

Supporting Schedules:

Recap Schedules: D-1

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION Provide monthly balances, interest rates, and interest payments on customer deposits for the test year, the prior year, and historic year

Type of Data Shown:
Prior Year Ended 12/31/07
Witness: Doreen Cox, Robert Camfield

(1) Line No.	(2) Month and Year	(3) Active Customer Deposits at 6.00%	(4) Active Customer Deposits at 7.00%	(5) Inactive Customer Deposits	(6) Total Deposits (3)+(4)+(5)	(7) Interest Payments (3) X 6%/12	(8) Interest Payments (3) X 7%/12	(9) Total Interest (7) + (8)	(10) Actual Payments and Credits on Bills
1	December, '06	1,590,029	732,198		2,322,227				
2	January, '07	1,589,106	731,773		2,320,879	7,946	4,269	12,214	
3	February	1,599,207	736,425		2,335,632	7,996	4,296	12,292	
4	March	1,809,061	833,061		2,642,123	9,045	4,860	13,905	
5	April	1,822,307	839,161		2,661,468	9,112	4,895	14,007	
6	May	1,835,650	845,305		2,680,956	9,178	4,931	14,109	
7	June	1,849,091	851,495	N/A	2,700,586	9,245	4,967	14,213	N/A
8	July	1,862,630	857,729		2,720,360	9,313	5,003	14,317	
9	August	1,876,269	864,010		2,740,278	9,381	5,040	14,421	
10	September	1,890,007	870,336		2,760,343	9,450	5,077	14,527	
11	October	1,903,845	876,709		2,780,554	9,519	5,114	14,633	
12	November	1,917,785	883,128		2,800,914	9,589	5,152	14,741	
13	December	1,931,828	889,594		2,821,422	9,659	5,189	14,848	
14									
15	13 Month Average				$2,637,518				
16									
17	12 Month Total					$109,434	$58,793	$168,227	
18									
19									
20		Effective Interest Rate							
21		12 Month Interest							
22		Expense (9) divided							
23		by Total Deposits (6)		6.32%					

Supporting Schedules:

Recap Schedules: D-1

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION Provide monthly balances, interest rates, and interest payments on customer deposits for the test year, the prior year, and historic year

Type of Data Shown:
Projected Test Year Ended 12/31/08
Witness: Doreen Cox, Robert Camfield

(1) Line No.	(2) Month and Year	(3) Active Customer Deposits at 6.00%	(4) Active Customer Deposits at 7.00%	(5) Inactive Customer Deposits	(6) Total Deposits (3)+(4)+(5)	(7) Interest Payments (3) X 6%/12	(8) Interest Payments (3) X 7%/12	(9) Total Interest (7) + (8)	(10) Actual Payments and Credits on Bills
1	December, '06	1,931,828	889,594		2,821,422				
2	January, '07	1,945,973	896,108		2,842,081	9,730	5,227	14,957	
3	February	1,960,221	902,669		2,862,890	9,801	5,266	15,067	
4	March	1,974,574	909,279		2,883,853	9,873	5,304	15,177	
5	April	1,989,032	915,937		2,904,968	9,945	5,343	15,288	
6	May	2,003,596	922,643		2,926,239	10,018	5,382	15,400	
7	June	2,018,266	929,399	N/A	2,947,665	10,091	5,421	15,513	N/A
8	July	2,033,044	936,204		2,969,248	10,165	5,461	15,626	
9	August	2,047,930	943,059		2,990,989	10,240	5,501	15,741	
10	September	2,062,925	949,964		3,012,889	10,315	5,541	15,856	
11	October	2,078,030	956,920		3,034,949	10,390	5,582	15,972	
12	November	2,093,245	963,926		3,057,172	10,466	5,623	16,089	
13	December	2,108,572	970,984		3,079,556	10,543	5,664	16,207	
14									
15	13 Month Average				$2,948,763				
16									
17	12 Month Total					$121,577	$65,316	$186,893	
18									
19									
20		Effective Interest Rate							
21		12 Month Interest							
22		Expense (9) divided							
23		by Total Deposits (6)		6.32%					

Supporting Schedules:

Recap Schedules: D-1

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Provide the most recent five year data for the company, or consolidated parent if the company is not publicly traded as indicated. To the extent the requested data is available from other sources, the Company can reference and attach the information to comply with the requirements of this MFR.

Type of Data Shown:
Historic Years Ended 12/31/02, 03 , 04, 05 and 06
Witness: Doreen Cox, Robert Camfield

Line No.		2002 Year	2003 Year *	2004 Year	2005 Year	2006 Year
1	Pre-tax Interest Coverage Ratio (x)	2.5	2.3	2.6	3.0	2.9
2						
3	Earned Returns on Average Book Equity (%)	11.1%	6.9%	8.4%	9.5%	8.9%
4						
5	Book Value/Share ($)	$ 5.32	$ 7.08	$ 7.31	$ 7.64	$ 7.94
6						
7	Dividends/Share ($)	$ 0.38	$ 0.39	$ 0.40	$ 0.41	$ 0.43
8						
9	Earnings/Share ($)	$ 0.57	$ 0.43	$ 0.60	$ 0.71	$ 0.69
10						
11	Market Value/Share ($)	$ 9.90	$ 10.53	$ 12.77	$ 13.65	$ 13.25
12						
13	Market/Book Ratio (%)	186.1%	148.7%	174.7%	178.7%	166.9%
14						
15	Price/Earning Ratio (6) / (5)	17.37	24.49	21.28	19.23	19.20

* Excluding the Sale of Water Division
** Common Share information re-stated to reflect three for two stock split on July 25, 2005

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES
CONSOLIDATED ELECTRIC DIVISION

DOCKET NO.: 070304-EI

EXPLANATION: 1.) If the test year is projected, provide a summary of financing plans and assumptions.

2.) Provide the company's capital structure objectives, the basis for assumptions (such as those for issue cost and interest rates), and any other significant assumptions.
Provide a statement of the Company's policy on the timing of the entrance into capital markets.

Type of Data Shown:
Projected Test Year Ended 12/31/08
Witness: Doreen Cox, Robert Camfield, George Bachman

Financing Plans for the Year Ending 2008

Line No.	Type of Issue	Date of Issue/ Retirement	For Bonds			For Stock		Issue Costs	Principal Amount
			Capitalization (Thousands)	Interest Rate	Life in Years	No. of Shares	Market Price		
1	Common Stock	Jun-08				1,250,000	12	900,000	15,000,000
2									
3									
4									
5									
6									
7									
8	Capital Structure Objectives:				Percent of Total				
9									
10	Short-term Debt				2 - 14%				
11	Long-term Debt				40 - 45%				
12	Preferred Stock				0 - 1%				
13	Common Equity				43 - 56%				
14									
15									
16	Interest Rate Assumptions:		Short Term Interest Rates will gradually increase through 2008. The volatility of prior years is not expected.						
17									
18									
19	Company's Policy on the Timing of Entrance into Capital Markets:								
20	Cash requirements are forecasted to increase significantly due to environmental clean-up, land purchase, LT Debt payments and Pension Contributions.								
21	The Company plans to use a combination of short term borrowing and an Equity Offering in 2008 to finance future growth and capital expenditures.								
22	The timing of the Equity Offering is largely dependent on projected capital expenditures and environmental expenses.								

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Provide financial indicators for the test year under current and proposed rates, the prior year, and historical base year.

Type of Data Shown:
Projected Test Year Ended 12/31/08
Prior Year Ended 12/31/07
Historic Year Ended 12/31/06
Witness: Doreen Cox, Robert Camfield

Line No.	Indicator	Historic Base Year 2006	Prior Year 2007	Test Year Current Rates 2008	Test Year Proposed Rates
1	Interest Coverage Ratios:				
2	Including AFUDC in Income Before Interest Charges	N/A	N/A	N/A	N/A
3	Excluding AFUDC in Income Before Interest Charges	4.52	4.01	2.50	4.06
4	AFUDC as a percent of Income Available for Common	N/A	N/A	N/A	N/A
5	Percent of Construction Funds Generated Internally	N/A	N/A	N/A	N/A
6					
7	Fixed Charges:				
8	Interest	1,473,580	1,567,647	1,489,405	1,489,405
9	Lease Payments	N/A	N/A	N/A	N/A
10	Sinking Funds Payments	-	-	417,049	417,049
11	Tax on Sinking Fund Payments	-	-	141,797	141,797
12					
13	Ratio of Earnings to Fixed Charges				
14	Including AFUDC	N/A	N/A	N/A	N/A
15	Excluding AFUDC	1.68	1.21	0.10	1.67
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					

Supporting Schedules: D-1

Recap Schedules:

Florida Public Utilities
Long-Term Debt

	GL #	Start of Sinking Fund Payments	March 31 2007	December 31 2006	December 31 2005
First mortgage bonds series					
9.57 % due 2018		5/1/2008	10,000,000	10,000,000	10,000,000
10.03 % due 2018		5/1/2008	5,500,000	5,500,000	5,500,000
9.08 % due 2022		n/a	8,000,000	8,000,000	8,000,000
4.90 % due 2031		n/a	14,000,000	14,000,000	14,000,000
6.85 % due 2031		n/a	15,000,000	15,000,000	15,000,000
Total long-term debt	2210		52,500,000	52,500,000	52,500,000
Unamortized debt discount	1810		(1,777,139)	(1,797,719)	(1,880,040)
LT DEBT net of Unamortized Debt Discount (10K & 10Q)			50,722,861	50,702,281	50,619,960
Unamortized Loss on Reacquired Debt	1890		(204,170)	(208,741)	(227,025)
				(2,006,460)	(2,107,065)
LT DEBT net of Unamortized Debt Discount & Loss on Reacq Debt			50,518,691	50,493,540	50,392,935
				(2,056,763)	

FPU
Unamortized Debt Discount
100.1810.1

	Monthly Amortization	Dec 2005	Jan 2006	Feb 2006	Mar 2006	Apr 2006	May 2006	Jun 2006	Jul 2006	Aug 2006	Sep 2006	Oct 2006	Nov 2006	Dec 2006	13 Mth Avg
$10M	$ 601	$ 52,882	$ 52,281	$ 51,680	$ 51,079	$ 50,478	$ 49,878	$ 49,277	$ 48,676	$ 48,075	$ 47,474	$ 46,873	$ 46,272	$ 45,671	$ 49,277
$5.5M	$ 324	$ 28,473	$ 28,150	$ 27,826	$ 27,502	$ 27,179	$ 26,855	$ 26,532	$ 26,208	$ 25,885	$ 25,561	$ 25,237	$ 24,914	$ 24,590	$ 26,532
$8M	$ 339	$ 67,103	$ 66,764	$ 66,425	$ 66,086	$ 65,747	$ 65,408	$ 65,070	$ 64,731	$ 64,392	$ 64,053	$ 63,714	$ 63,375	$ 63,036	$ 65,070
$15M	$ 3,357	$ 1,037,441	$ 1,034,084	$ 1,030,727	$ 1,027,369	$ 1,024,012	$ 1,020,654	$ 1,017,297	$ 1,013,940	$ 1,010,582	$ 1,007,225	$ 1,003,867	$ 1,000,510	$ 997,152	$ 1,017,297
$14M	$ 2,239	$ 694,140	$ 691,901	$ 689,661	$ 687,422	$ 685,183	$ 682,944	$ 680,704	$ 678,465	$ 676,226	$ 673,986	$ 671,747	$ 669,508	$ 667,269	$ 680,704
	$ 6,860	$ 1,880,040	$ 1,873,180	$ 1,866,319	$ 1,859,459	$ 1,852,599	$ 1,845,739	$ 1,838,879	$ 1,832,019	$ 1,825,159	$ 1,818,299	$ 1,811,439	$ 1,804,579	$ 1,797,719	$ 1,838,879

	Monthly Amortization	Dec 2006	Jan 2007	Feb 2007	Mar 2007	Apr 2007	May 2007	Jun 2007	Jul 2007	Aug 2007	Sep 2007	Oct 2007	Nov 2007	Dec 2007	13 Mth Avg
$10M	$ 601	$ 45,671	$ 45,070	$ 44,469	$ 43,869	$ 43,268	$ 42,667	$ 42,066	$ 41,465	$ 40,864	$ 40,263	$ 39,662	$ 39,061	$ 38,460	$ 42,066
$5.5M	$ 324	$ 24,590	$ 24,267	$ 23,943	$ 23,620	$ 23,296	$ 22,972	$ 22,649	$ 22,325	$ 22,002	$ 21,678	$ 21,355	$ 21,031	$ 20,707	$ 22,649
$8M	$ 339	$ 63,036	$ 62,697	$ 62,358	$ 62,019	$ 61,680	$ 61,341	$ 61,002	$ 60,664	$ 60,325	$ 59,986	$ 59,647	$ 59,308	$ 58,969	$ 61,002
$15M	$ 3,357	$ 997,152	$ 993,795	$ 990,438	$ 987,080	$ 983,723	$ 980,365	$ 977,008	$ 973,651	$ 970,293	$ 966,936	$ 963,578	$ 960,221	$ 956,863	$ 977,008
$14M	$ 2,236	$ 667,269	$ 665,033	$ 662,797	$ 660,561	$ 658,326	$ 656,090	$ 653,854	$ 651,618	$ 649,383	$ 647,147	$ 644,911	$ 642,675	$ 640,440	$ 653,854
	$ 6,857	$ 1,797,719	$ 1,790,862	$ 1,784,006	$ 1,777,149	$ 1,770,292	$ 1,763,436	$ 1,756,579	$ 1,749,723	$ 1,742,866	$ 1,736,010	$ 1,729,153	$ 1,722,297	$ 1,715,440	$ 1,756,579

	Monthly Amortization	Dec 2007	Jan 2008	Feb 2008	Mar 2008	Apr 2008	May 2008	Jun 2008	Jul 2008	Aug 2008	Sep 2008	Oct 2008	Nov 2008	Dec 2008	13 Mth Avg
$10M	$ 601	$ 38,460	$ 37,860	$ 37,259	$ 36,658	$ 36,057	$ 35,456	$ 34,855	$ 34,254	$ 33,653	$ 33,052	$ 32,451	$ 31,851	$ 31,250	$ 34,855
$5.5M	$ 324	$ 20,707	$ 20,384	$ 20,060	$ 19,737	$ 19,413	$ 19,090	$ 18,766	$ 18,443	$ 18,119	$ 17,795	$ 17,472	$ 17,148	$ 16,825	$ 18,766
$8M	$ 339	$ 58,969	$ 58,630	$ 58,291	$ 57,952	$ 57,613	$ 57,274	$ 56,935	$ 56,597	$ 56,258	$ 55,919	$ 55,580	$ 55,241	$ 54,902	$ 56,935
$15M	$ 3,357	$ 956,863	$ 953,506	$ 950,149	$ 946,791	$ 943,434	$ 940,076	$ 936,719	$ 933,361	$ 930,004	$ 926,647	$ 923,289	$ 919,932	$ 916,574	$ 936,719
$14M	$ 2,236	$ 640,440	$ 638,204	$ 635,968	$ 633,732	$ 631,497	$ 629,261	$ 627,025	$ 624,789	$ 622,554	$ 620,318	$ 618,082	$ 615,846	$ 613,610	$ 627,025
	$ 6,857	$ 1,715,440	$ 1,708,583	$ 1,701,727	$ 1,694,870	$ 1,688,014	$ 1,681,157	$ 1,674,301	$ 1,667,444	$ 1,660,587	$ 1,653,731	$ 1,646,874	$ 1,640,018	$ 1,633,161	$ 1,674,301

LOSS ON RE'ACQD DEBT
100.1890.1

	Monthly Amortization	Dec 2005	Jan 2006	Feb 2006	Mar 2006	Apr 2006	May 2006	Jun 2006	Jul 2006	Aug 2006	Sep 2006	Oct 2006	Nov 2006	Dec 2006	13 Mth Avg
	1524	$ 227,025	$ 225,502	$ 223,978	$ 222,454	$ 220,931	$ 219,407	$ 217,883	$ 216,360	$ 214,836	$ 213,312	$ 211,789	$ 210,265	$ 208,741	$ 217,883

	Monthly Amortization	Dec 2006	Jan 2007	Feb 2007	Mar 2007	Apr 2007	May 2007	Jun 2007	Jul 2007	Aug 2007	Sep 2007	Oct 2007	Nov 2007	Dec 2007	13 Mth Avg
	1524	$ 208,741	$ 207,218	$ 205,694	$ 204,170	$ 202,647	$ 201,123	$ 199,599	$ 198,076	$ 196,552	$ 195,028	$ 193,505	$ 191,981	$ 190,458	$ 199,599

	Monthly Amortization	Dec 2007	Jan 2008	Feb 2008	Mar 2008	Apr 2008	May 2008	Jun 2008	Jul 2008	Aug 2008	Sep 2008	Oct 2008	Nov 2008	Dec 2008	13 Mth Avg
	1524	$ 190,458	$ 188,934	$ 187,410	$ 185,887	$ 184,363	$ 182,839	$ 181,316	$ 179,792	$ 178,268	$ 176,745	$ 175,221	$ 173,697	$ 172,174	$ 181,316

Total 1810.1 & 1890.1

	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	13 Mth Avg
2006	$ 2,107,065	$ 2,098,681	$ 2,090,297	$ 2,081,914	$ 2,073,530	$ 2,065,146	$ 2,056,763	$ 2,048,379	$ 2,039,995	$ 2,031,611	$ 2,023,228	$ 2,014,844	$ 2,006,460	$ 2,056,763
2007	$ 2,006,460	$ 1,998,080	$ 1,989,700	$ 1,981,320	$ 1,972,939	$ 1,964,559	$ 1,956,179	$ 1,947,799	$ 1,939,418	$ 1,931,038	$ 1,922,658	$ 1,914,278	$ 1,905,897	$ 1,956,179
2008	$ 1,905,897	$ 1,897,517	$ 1,889,137	$ 1,880,757	$ 1,872,377	$ 1,863,996	$ 1,855,616	$ 1,847,236	$ 1,838,856	$ 1,830,475	$ 1,822,095	$ 1,813,715	$ 1,805,335	$ 1,855,616

FPU
Unamortized Debt Discount
100.1810.1

	Monthly Amortization	Dec 2005	Jan 2006	Feb 2006	Mar 2006	Apr 2006	May 2006	Jun 2006	Jul 2006	Aug 2006	Sep 2006	Oct 2006	Nov 2006	Dec 2006	13 Mth Avg
$10M	$ 601	$ 52,882	$ 52,281	$ 51,680	$ 51,079	$ 50,478	$ 49,878	$ 49,277	$ 48,676	$ 48,075	$ 47,474	$ 46,873	$ 46,272	$ 45,671	$ 49,277
$5.5M	$ 324	$ 28,473	$ 28,150	$ 27,826	$ 27,502	$ 27,179	$ 26,855	$ 26,532	$ 26,208	$ 25,885	$ 25,561	$ 25,237	$ 24,914	$ 24,590	$ 26,532
$8M	$ 339	$ 67,103	$ 66,764	$ 66,425	$ 66,086	$ 65,747	$ 65,408	$ 65,070	$ 64,731	$ 64,392	$ 64,053	$ 63,714	$ 63,375	$ 63,036	$ 65,070
$15M	$ 3,357	$ 1,037,441	$ 1,034,084	$ 1,030,727	$ 1,027,369	$ 1,024,012	$ 1,020,654	$ 1,017,297	$ 1,013,940	$ 1,010,582	$ 1,007,225	$ 1,003,867	$ 1,000,510	$ 997,152	$ 1,017,297
$14M	$ 2,239	$ 694,140	$ 691,901	$ 689,661	$ 687,422	$ 685,183	$ 682,944	$ 680,704	$ 678,465	$ 676,226	$ 673,986	$ 671,747	$ 669,508	$ 667,269	$ 680,704
	$ 6,860	$ 1,880,040	$ 1,873,180	$ 1,866,319	$ 1,859,459	$ 1,852,599	$ 1,845,739	$ 1,838,879	$ 1,832,019	$ 1,825,159	$ 1,818,299	$ 1,811,439	$ 1,804,579	$ 1,797,719	$ 1,838,879

	Monthly Amortization	Dec 2006	Jan 2007	Feb 2007	Mar 2007	Apr 2007	May 2007	Jun 2007	Jul 2007	Aug 2007	Sep 2007	Oct 2007	Nov 2007	Dec 2007	13 Mth Avg
$10M	$ 601	$ 45,671	$ 45,070	$ 44,469	$ 43,869	$ 43,268	$ 42,667	$ 42,066	$ 41,465	$ 40,864	$ 40,263	$ 39,662	$ 39,061	$ 38,460	$ 42,066
$5.5M	$ 324	$ 24,590	$ 24,267	$ 23,943	$ 23,620	$ 23,296	$ 22,972	$ 22,649	$ 22,325	$ 22,002	$ 21,678	$ 21,355	$ 21,031	$ 20,707	$ 22,649
$8M	$ 339	$ 63,036	$ 62,697	$ 62,358	$ 62,019	$ 61,680	$ 61,341	$ 61,002	$ 60,664	$ 60,325	$ 59,986	$ 59,647	$ 59,308	$ 58,969	$ 61,002
$15M	$ 3,357	$ 997,152	$ 993,795	$ 990,438	$ 987,080	$ 983,723	$ 980,365	$ 977,008	$ 973,651	$ 970,293	$ 966,936	$ 963,578	$ 960,221	$ 956,863	$ 977,008
$14M	$ 2,236	$ 667,269	$ 665,033	$ 662,797	$ 660,561	$ 658,326	$ 656,090	$ 653,854	$ 651,618	$ 649,383	$ 647,147	$ 644,911	$ 642,675	$ 640,440	$ 653,854
	$ 6,857	$ 1,797,719	$ 1,790,862	$ 1,784,006	$ 1,777,149	$ 1,770,292	$ 1,763,436	$ 1,756,579	$ 1,749,723	$ 1,742,866	$ 1,736,010	$ 1,729,153	$ 1,722,297	$ 1,715,440	$ 1,756,579

	Monthly Amortization	Dec 2007	Jan 2008	Feb 2008	Mar 2008	Apr 2008	May 2008	Jun 2008	Jul 2008	Aug 2008	Sep 2008	Oct 2008	Nov 2008	Dec 2008	13 Mth Avg
$10M	$ 601	$ 38,460	$ 37,860	$ 37,259	$ 36,658	$ 36,057	$ 35,456	$ 34,855	$ 34,254	$ 33,653	$ 33,052	$ 32,451	$ 31,851	$ 31,250	$ 34,855
$5.5M	$ 324	$ 20,707	$ 20,384	$ 20,060	$ 19,737	$ 19,413	$ 19,090	$ 18,766	$ 18,443	$ 18,119	$ 17,795	$ 17,472	$ 17,148	$ 16,825	$ 18,766
$8M	$ 339	$ 58,969	$ 58,630	$ 58,291	$ 57,952	$ 57,613	$ 57,274	$ 56,935	$ 56,597	$ 56,258	$ 55,919	$ 55,580	$ 55,241	$ 54,902	$ 56,935
$15M	$ 3,357	$ 956,863	$ 953,506	$ 950,149	$ 946,791	$ 943,434	$ 940,076	$ 936,719	$ 933,361	$ 930,004	$ 926,647	$ 923,289	$ 919,932	$ 916,574	$ 936,719
$14M	$ 2,236	$ 640,440	$ 638,204	$ 635,968	$ 633,732	$ 631,497	$ 629,261	$ 627,025	$ 624,789	$ 622,554	$ 620,318	$ 618,082	$ 615,846	$ 613,610	$ 627,025
	$ 6,857	$ 1,715,440	$ 1,708,583	$ 1,701,727	$ 1,694,870	$ 1,688,014	$ 1,681,157	$ 1,674,301	$ 1,667,444	$ 1,660,587	$ 1,653,731	$ 1,646,874	$ 1,640,018	$ 1,633,161	$ 1,674,301

LOSS ON RE'ACQD DEBT
100.1890.1

	Monthly Amortization	Dec 2005	Jan 2006	Feb 2006	Mar 2006	Apr 2006	May 2006	Jun 2006	Jul 2006	Aug 2006	Sep 2006	Oct 2006	Nov 2006	Dec 2006	13 Mth Avg
	1524	$ 227,025	$ 225,502	$ 223,978	$ 222,454	$ 220,931	$ 219,407	$ 217,883	$ 216,360	$ 214,836	$ 213,312	$ 211,789	$ 210,265	$ 208,741	$ 217,883

	Monthly Amortization	Dec 2006	Jan 2007	Feb 2007	Mar 2007	Apr 2007	May 2007	Jun 2007	Jul 2007	Aug 2007	Sep 2007	Oct 2007	Nov 2007	Dec 2007	13 Mth Avg
	1524	$ 208,741	$ 207,218	$ 205,694	$ 204,170	$ 202,647	$ 201,123	$ 199,599	$ 198,076	$ 196,552	$ 195,028	$ 193,505	$ 191,981	$ 190,458	$ 199,599

	Monthly Amortization	Dec 2007	Jan 2008	Feb 2008	Mar 2008	Apr 2008	May 2008	Jun 2008	Jul 2008	Aug 2008	Sep 2008	Oct 2008	Nov 2008	Dec 2008	13 Mth Avg
	1524	$ 190,458	$ 188,934	$ 187,410	$ 185,887	$ 184,363	$ 182,839	$ 181,316	$ 179,792	$ 178,268	$ 176,745	$ 175,221	$ 173,697	$ 172,174	$ 181,316

Total 1810.1 & 1890.1	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	13 Mth Avg
2006	$ 2,107,065	$ 2,098,681	$ 2,090,297	$ 2,081,914	$ 2,073,530	$ 2,065,146	$ 2,056,763	$ 2,048,379	$ 2,039,995	$ 2,031,611	$ 2,023,228	$ 2,014,844	$ 2,006,460	$ 2,056,763
2007	$ 2,006,460	$ 1,998,080	$ 1,989,700	$ 1,981,320	$ 1,972,939	$ 1,964,559	$ 1,956,179	$ 1,947,799	$ 1,939,418	$ 1,931,038	$ 1,922,658	$ 1,914,278	$ 1,905,897	$ 1,956,179
2008	$ 1,905,897	$ 1,897,517	$ 1,889,137	$ 1,880,757	$ 1,872,377	$ 1,863,996	$ 1,855,616	$ 1,847,236	$ 1,838,856	$ 1,830,475	$ 1,822,095	$ 1,813,715	$ 1,805,335	$ 1,855,616

ST INTEREST ANALYSIS

	2005 DEC	2006 JAN	2006 FEB	2006 MAR	2006 APR	2006 MAY	2006 JUN	2006 JUL	2006 AUG	2006 SEP	2006 OCT	2006 NOV	2006 DEC	TOTAL or Average %	Rate	
Method as per Surveillance Report																
Int Accrued on NP		36,282	29,480	18,251	5,263	2,665	1,815	2,825	1,102	1,111	2,678	(2,481)	9,599	108,590		
NP BAL @ End of Mth	9,558,000	10,662,000	7,266,000	3,443,000	1,101,000	582,000	1,437,000	761,000	130,000	1,687,000	916,000	2,009,000	3,466,000	3,309,077	3.28%	Using End of Month Balance
Annualized Interest Rate		3.95%	5.22%	6.16%	5.74%	5.32%	1.52%	4.31%	9.84%	0.79%	3.40%	-1.48%	3.22%	4.00%		
Interest Cost using Avg Mthly Bal																
Int Exp as per 4310.2		36,282	29,480	18,251	5,263	2,665	1,815	2,825	1,102	1,111	2,678	(2,481)	9,599	108,590		
Avg LOC Balance		7,831,548	6,889,536	3,763,677	1,082,440	517,968	355,800	523,806	204,387	214,167	499,935	305,433	1,787,483	1,998,015	5.43%	Using Avg LOC Mthly Bal
		5.38%	5.50%	5.63%	5.83%	5.98%	6.12%	6.26%	6.26%	6.23%	6.22%	-9.75%	6.24%	4.66%		
Effective Cost of ST Debt																
LOC Available	$ 12,000,000	[redacted]														
Int Exp as per 4310.2		$ 36,282	$ 29,480	$ 18,251	$ 5,263	$ 2,665	$ 1,815	$ 2,825	$ 1,102	$ 1,111	$ 2,678	$ (2,481)	$ 9,599	$ 108,590	5.43%	
Fee on Unused Portion of LOC	0.25%	$ 868	$ 1,065	$ 1,716	$ 2,274	$ 2,392	$ 2,426	$ 2,391	$ 2,457	$ 2,455	$ 2,396	$ 2,436	$ 2,128	$ 25,005	1.25%	
Fee on Total Available LOC	0.10%						$ 12,000							$ 12,000	0.60%	
		37,150	30,545	19,966	7,537	5,057	16,241	5,216	3,560	3,567	5,074	(45)	11,726	145,595	7.29%	

ST INTEREST ANALYSIS

	2006 DEC	2007 JAN	2007 FEB	2007 MAR	2007 APR	2007 MAY	2007 JUN	2007 JUL	2007 AUG	2007 SEP	2007 OCT	2007 NOV	2007 DEC	TOTAL or Average %	Rate	
Method as per Surveillance Report																
Int Accrued on NP	[redacted]	19,597	16,371	11,758	14,071	12,080	9,548	25,900	39,879	40,934	44,099	54,122	63,353	351,711		
NP BAL @ End of Mth	3,466,000	3,964,000	2,243,000	2,215,000	3,120,000	1,460,000	2,160,000	7,660,000	7,460,000	8,060,000	8,660,000	11,860,000	12,160,000	5,729,846	**6.14%**	Using End of Month Balance
Annualized Interest Rate		5.74%	9.38%	6.16%	5.41%	9.61%	5.30%	3.93%	6.21%	6.09%	5.91%	5.48%	6.05%	**6.27%**		
Interest Cost using Avg Mthly Bal																
Int Exp		19,597	16,371	11,758	14,071	12,080	9,548	25,900	39,879	40,934	44,099	54,122	63,353	351,711		
Avg LOC Balance		3,715,000	3,103,500	2,229,000	2,667,500	2,290,000	1,810,000	4,910,000	7,560,000	7,760,000	8,360,000	10,260,000	12,010,000	5,556,250	6.33%	Using Avg LOC Mthly Bal
		6.13%	6.78%	6.13%	6.33%	6.13%	6.33%	6.13%	6.13%	6.33%	6.13%	6.33%	6.13%	**6.25%**		
Effective Cost of ST Debt																
LOC Available	[redacted]															
Int Exp		$ 19,597	$ 16,371	$ 11,758	$ 14,071	$ 12,080	$ 9,548	$ 25,900	$ 39,879	$ 40,934	$ 44,099	$ 54,122	$ 63,353	$ 351,711	6.33%	
Fee on Unused Portion of LOC	0.25%	$ 1,726	$ 1,853	$ 2,036	$ 1,944	$ 2,023	$ 2,123	$ 1,477	$ 925	$ 883	$ 758	$ 988	$ 623	$ 17,359	0.31%	
Fee on Total Available LOC	0.10%						$ 12,000							$ 12,000	0.22%	
		21,323	18,224	13,794	16,015	14,103	23,671	27,377	40,804	41,817	44,857	55,109	63,976	381,070	**6.86%**	

ST INTEREST ANALYSIS

	2007 DEC	2008 JAN	2008 FEB	2008 MAR	2008 APR	2008 MAY	2008 JUN	2008 JUL	2008 AUG	2008 SEP	2008 OCT	2008 NOV	2008 DEC	TOTAL or Average %	Rate	
Method as per Surveillance Report																
Int Accrued on NP	6.33%	62,825	58,342	53,330	54,649	63,880	35,659	2,427	2,427	2,427	7,438	20,362	30,120	393,884		
NP BAL @ End of Mth	12,160,000	11,660,000	10,460,000	9,760,000	10,960,000	13,260,000	260,000	660,000	260,000	660,000	2,160,000	5,560,000	5,860,000	6,436,923	**6.12%**	Using End of Month Balance
Annualized Interest Rate		6.26%	7.17%	6.35%	5.98%	5.59%	164.58%	4.27%	10.84%	4.41%	4.00%	4.39%	5.97%	19.15%		
					5.70%											
Interest Cost using Avg Mthly Bal																
Int Exp		62,825	58,342	53,330	54,649	63,880	35,659	2,427	2,427	2,427	7,438	20,362	30,120	393,884		
Avg LOC Balance		11,910,000	11,060,000	10,110,000	10,360,000	12,110,000	6,760,000	460,000	460,000	460,000	1,410,000	3,860,000	5,710,000	6,222,500	6.33%	Using Avg LOC Mthly Bal
		6.13%	6.78%	6.13%	6.33%	6.13%	6.33%	6.13%	6.13%	6.33%	6.13%	6.33%	6.13%	6.25%		
Effective Cost of ST Debt																
LOC Available	$ 15,000,000	15000000	15000000	15000000	15000000	15000000	12000000	12000000	12000000	12000000	12000000	12000000	12000000			
Int Exp		$ 62,825	$ 58,342	$ 53,330	$ 54,649	$ 63,880	$ 35,659	$ 2,427	$ 2,427	$ 2,427	$ 7,438	$ 20,362	$ 30,120	$ 393,884	6.33%	
Fee on Unused Portion of LOC	0.25%	$ 644	$ 821	$ 1,019	$ 967	$ 602	$ 1,092	$ 2,404	$ 2,404	$ 2,404	$ 2,206	$ 1,696	$ 1,310	$ 17,569	0.28%	
Fee on Total Available LOC	0.10%						$ 12,000							$ 12,000	0.19%	
		63,469	59,162	54,349	55,616	64,482	48,751	4,831	4,831	4,831	9,644	22,057	31,431	423,453	**6.81%**	

FLORIDA PUBLIC UTILITIES COMPANY
13 MONTH AVERAGE ADJUSTMENTS

REPORT GROUP NAME: ROR
REPORT NAME: ROR_DEBT
DATE: 3/21/2007
USER: YOUNG

ROR ST DEBT, LT DEBT, FUEL COST

	12 MTHS AG	11 MTHS AGO	10 MTHS AGO	9 MTHS AGO	8 MTHS AGO	7 MTHS AGO	6 MTHS AGO	5 MTHS AGO	4 MTHS AGO	3 MTHS AGO	2 MTHS AGO	1 MTH AGO	12 2006		
SHORT TERM DEBT															
INTEREST ON NP	26,280	36,282	29,480	18,251	5,263	2,665	1,815	2,825	1,102	1,111	2,678	(2,481)	9,599	108,590	125,271
NP BALANCE	(9,558,000)	(10,662,000)	(7,266,000)	(3,443,000)	(1,101,000)	(582,000)	(1,437,000)	(761,000)	(130,000)	(1,687,000)	(916,000)	(2,009,000)	(3,466,000)		(3,309,077)
												YR END RATE	(3.13)	13MTH RATE	(3.28)
LONG TERM DEBT															
INTEREST ON LT	337,430	337,430	337,430	337,430	337,430	337,430	337,430	337,430	337,430	337,430	337,430	337,430	337,430	4,049,160	
BONDS BALANCE	(50,392,935)	(50,401,319)	(50,409,703)	(50,418,086)	(50,426,470)	(50,434,854)	(50,443,237)	(50,451,621)	(50,460,005)	(50,468,389)	(50,476,772)	(50,485,156)	(50,493,540)		(50,443,237)
												YR END RATE	(8.01)	13MTH RATE	(8.02)
FUEL COST															
NW ELECTRIC	1,156,632	1,165,630	1,106,989	1,030,724	1,095,620	1,136,988	1,352,208	1,493,762	1,514,665	1,298,369	1,213,995	1,034,164	1,259,359	14,702,473	
NE ELECTRIC	1,137,900	1,269,031	1,530,156	1,270,866	1,148,331	1,273,012	1,382,424	1,638,229	1,507,120	1,416,524	1,233,994	1,082,550	1,151,723	15,903,960	
TOTAL ELEC FUEL	2,294,532	2,434,661	2,637,145	2,301,590	2,243,951	2,410,000	2,734,632	3,131,991	3,021,785	2,714,893	2,447,989	2,116,714	2,411,082	30,606,433	
SOUTH FL NG	3,430,052	4,294,279	4,299,796	1,030,472	1,858,022	1,583,638	1,203,237	1,246,402	1,327,756	1,291,243	806,040	2,448,440	2,909,942	24,299,267	
CENTRAL FL NG	1,423,145	2,135,007	1,971,094	2,887,701	1,201,338	649,862	557,142	616,849	677,061	638,409	352,079	987,343	1,146,149	13,820,034	
TOTAL NG FUEL	4,853,197	6,429,286	6,270,890	3,918,173	3,059,360	2,233,500	1,760,379	1,863,251	2,004,817	1,929,652	1,158,119	3,435,783	4,056,091	38,119,301	
SOUTH FL PRO	428,047	449,369	437,782	456,858	382,150	356,618	329,915	295,126	331,666	300,607	323,616	356,961	394,178	4,414,846	
CENTRAL FL PRO	103,424	123,704	105,097	100,896	66,910	73,382	71,489	61,675	74,581	64,846	64,088	76,046	102,543	985,257	
NE FL PROPANE	147,661	135,670	136,496	142,577	103,361	120,028	111,328	111,076	122,989	91,756	118,409	129,168	131,397	1,454,255	
NATURE COST PRO	66,175	80,362	76,887	70,352	51,543	44,245	43,131	42,742	41,844	48,314	41,382	54,140	74,916	669,858	
TOTAL FUEL PRO	745,307	789,105	756,262	770,683	603,964	594,273	555,863	510,619	571,080	505,523	547,495	616,315	703,034	7,524,216	

Consolidated Electric
Customer Deposits

5 year average growth year 0.732%

Year 2006 <<<<<<<<<ACTUALS >>>>>>>>>

	Dec-2005	Jan-2006	Feb-2006	Mar-2006	Apr-2006	May-2006	Jun-2006	Jul-2006	Aug-2006	Sep-2006	Oct-2006	Nov-2006	Dec-2006	13 mth AVERAGE
Month End Balance	2,075,368	2,082,190	2,098,737	2,107,316	2,114,463	2,119,052	2,114,509	2,126,739	2,132,502	2,132,453	2,156,869	2,194,168	2,322,227	2,136,661
Interest		10,806	11,297	9,618	10,239	10,657	10,239	11,656	10,676	11,391	10,408	11,987	10,652	129,626

Effective Interest Rate 6.07%

2007 <<<<<<<< ACTUALS >>>>>>>> <<<<<<<<<<<< PROJECTED >>>>>>>>>>>>>

		Dec-2006	Jan-2007	Feb-2007	Mar-2007	Apr-2007	May-2007	Jun-2007	Jul-2007	Aug-2007	Sep-2007	Oct-2007	Nov-2007	Dec-2007		13 mth AVERAGE
Month End Balance		2,322,227	2,320,879	2,335,632	2,642,123	2,661,468	2,680,956	2,700,586	2,720,360	2,740,278	2,760,343	2,780,554	2,800,914	2,821,422		2,637,518
Interest																
Ratio 68.47%	6%	7,950	7,946	7,996	9,045	9,112	9,178	9,245	9,313	9,381	9,450	9,519	9,589	9,659	109,434	
31.53%	7%	4,271	4,269	4,296	4,860	4,895	4,931	4,967	5,003	5,040	5,077	5,114	5,152	5,189	58,793	
Total Interest		12,221	12,214	12,292	13,905	14,007	14,109	14,213	14,317	14,421	14,527	14,633	14,741	14,848	168,227	

Effective Interest Rate 6.378%

2008 <<<<<<<<< PROJECTED >>>>>>>>>

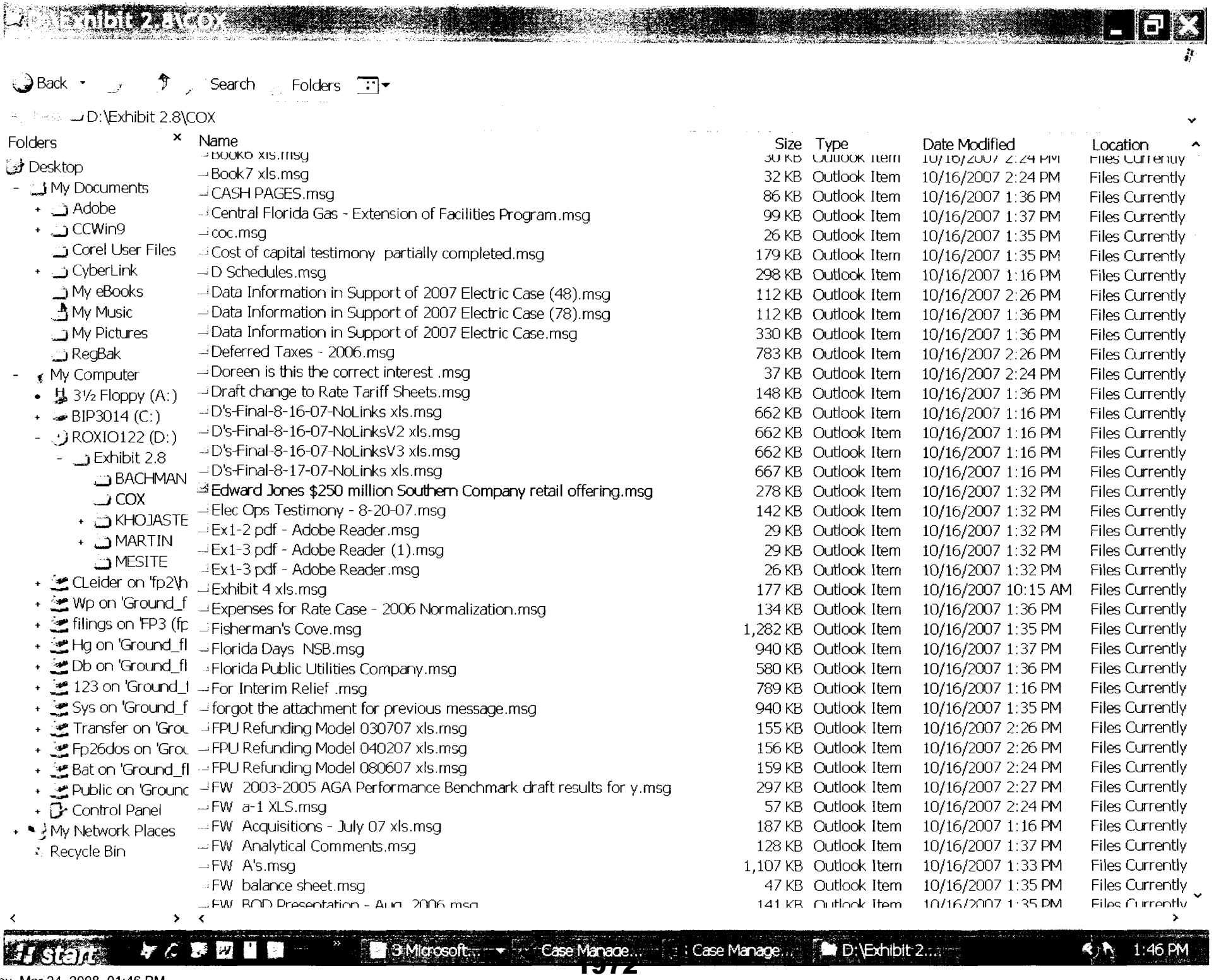
		Dec-2007	Jan-2008	Feb-2008	Mar-2008	Apr-2008	May-2008	Jun-2008	Jul-2008	Aug-2008	Sep-2008	Oct-2008	Nov-2008	Dec-2008		13 mth AVERAGE
		2,821,422	2,842,081	2,862,890	2,883,853	2,904,968	2,926,239	2,947,665	2,969,248	2,990,989	3,012,889	3,034,949	3,057,172	3,079,556		2,948,763
Interest																
Ratio 68.47%	6%	9,659	9,730	9,801	9,873	9,945	10,018	10,091	10,165	10,240	10,315	10,390	10,466	10,543	121,577	
31.53%	7%	5,189	5,227	5,266	5,304	5,343	5,382	5,421	5,461	5,501	5,541	5,582	5,623	5,664	65,316	
Total Interest		14,848	14,957	15,067	15,177	15,288	15,400	15,513	15,626	15,741	15,856	15,972	16,089	16,207	186,893	

Effective Interest Rate 6.338%

Cont'd on page two.

2007	**@6%**	1,590,029	1,589,106	1,599,207	1,809,061	1,822,307	1,835,650	1,849,091	1,862,630	1,876,269	1,890,007	1,903,845	1,917,785	1,931,828
	@7%	732,198	731,773	736,425	833,061	839,161	845,305	851,495	857,729	864,010	870,336	876,709	883,128	889,594
2008	**@6%**	1,931,828	1,945,973	1,960,221	1,974,574	1,989,032	2,003,596	2,018,266	2,033,044	2,047,930	2,062,925	2,078,030	2,093,245	2,108,572
	@7%	889,594	896,108	902,669	909,279	915,937	922,643	929,399	936,204	943,059	949,964	956,920	963,926	970,984

Pg. 2 of 2



Monday, Mar 24, 2008 01:46 PM

Clara Leider

From: Sprouse,Kevin E [kevin.sprouse@edwardjones.com]
Sent: Monday, August 27, 2007 12:01 PM
To: Bachman George; Cox Doreen
Subject: Edward Jones $250 million Southern Company retail offering
Attachments: 2007E SO Term Sheet.doc; GA Series E Final Prospectus Supplement.pdf

George & Doreen,

I hope you are having a great summer. As promised, I'm letting you know when Edward Jones retail market is looking better than the institutional market. Edward Jones retail market has remained fairly steady while the institutional spreads have recently widened. Given the pricing benefit of Edward Jones current retail market we've just underwritten the attached long term $250 million bond offering for the Southern Company.

We have plenty of demand for an offering for you as well. How are things looking for when you may have a breather? We can easily do strategic smaller size offerings of $15 million and above as well... with even better pricing.

Let me know your thoughts and we are more than happy to work with your other Treasury Relationship banks as well. I look forward to catching up.

Best,

Kevin

Kevin E. Sprouse
General Partner
Edward Jones
12555 Manchester Road
St. Louis, MO 63131
p: 314-515-3007
f: 314-515-2664
kevin.sprouse@edwardjones.com

<<2007E SO Term Sheet.doc>> <<GA Series E Final Prospectus Supplement.pdf>>

If you are not the intended recipient of this message (including attachments), or if you have received this message in error, immediately notify us and delete it and any attachments. If you no longer wish to receive e-mail from Edward Jones, please send this request to messages@edwardjones.com. You must include the e-mail address that you wish not to receive e-mail communications.

$250,000,000
Georgia Power Company
Series 2007E 6.00% Insured Monthly Notes
Due September 1, 2040

Summary Terms

Size:	$250,000,000
Coupon / Spread:	6.00% / +108 bps vs. T30 (4.75% due 02/2037)
Denomination:	$1,000
Security Type:	Senior Notes
Rating / Bond Insurer:	Aaa:AAA / Ambac
Maturity:	September 1, 2040
Interest Payment Dates:	Monthly
First Payment:	October 1, 2007
Call Option:	In full or in part anytime at par (100%) on or after September 1, 2012
Estate Feature:	Subject to the following annual limits: • $25,000 per holder • $5,000,000 in the aggregate (2% of par)
Pricing Date:	August 24, 2007
Settlement Date:	August 30, 2007
Offering Price:	100.00%
Underwriting Fee:	3.15%
Price to Company:	96.85%
Sole Manager:	Edward Jones

GEORGIA POWER
A SOUTHERN COMPANY

Edward Jones

PROSPECTUS SUPPLEMENT
(To Prospectus dated February 28, 2007)

Ratings:
Standard & Poor's: AAA
Moody's: Aaa
Fitch: AAA
(See "Ratings" herein)

$250,000,000

GEORGIA POWER
A SOUTHERN COMPANY

Series 2007E 6.00% Senior Insured Monthly Notes due September 1, 2040

The Series 2007E Senior Notes bear interest at the rate of 6.00% per year. Interest on the Series 2007E Senior Notes is payable monthly on the first day of each month, beginning October 1, 2007. The Series 2007E Senior Notes will mature on September 1, 2040. The Series 2007E Senior Notes are redeemable by Georgia Power Company on or after September 1, 2012. Georgia Power Company will also redeem the Series 2007E Senior Notes, subject to some limitations, at the option of the representative of any deceased beneficial owner of the Series 2007E Senior Notes on or after September 1, 2012. In addition, the Series 2007E Senior Notes are subject to mandatory redemption under the limited circumstances described in this Prospectus Supplement at the redemption prices described herein. The Series 2007E Senior Notes do not have the benefit of any sinking fund.

The Series 2007E Senior Notes are unsecured and rank equally with all of Georgia Power Company's other unsecured indebtedness and will be effectively subordinated to all secured debt of Georgia Power Company. The Series 2007E Senior Notes will be issued only in registered form in denominations of $1,000 and any integral multiple thereof.

Payments of principal and interest on the Series 2007E Senior Notes when due will be insured by a financial guarantee insurance policy to be issued by Ambac Assurance Corporation.

Ambac

The underwriter proposes to offer the Series 2007E Senior Notes from time to time for sale in negotiated transactions, or otherwise, at varying prices to be determined at the time of each sale. The underwriter has agreed to purchase the Series 2007E Senior Notes from Georgia Power Company at 96.85% of their principal amount ($242,125,000 aggregate proceeds to Georgia Power Company before expenses), subject to the terms and conditions in the Underwriting Agreement.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this Prospectus Supplement or the accompanying Prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

See "Risk Factors" on page S-3 for a description of certain risks associated with investing in the Series 2007E Senior Notes.

It is expected that the Series 2007E Senior Notes will be ready for delivery in book-entry form only through The Depository Trust Company, on or about August 30, 2007.

Edward Jones

The date of this Prospectus Supplement is August 24, 2007.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained or incorporated by reference in this Prospectus Supplement, the accompanying Prospectus or any written communication from Georgia Power Company or the underwriter specifying the final terms of the offering. You must not rely on any unauthorized information or representations. This Prospectus Supplement, the accompanying Prospectus and any written communication from Georgia Power Company or the underwriter specifying the final terms of the offering is an offer to sell only the Series 2007E Senior Notes offered hereby, and only under circumstances and in jurisdictions where it is lawful to do so. The information incorporated by reference or contained in this Prospectus Supplement, the accompanying Prospectus and any written communication from Georgia Power Company or the underwriter specifying the final terms of the offering is current only as of its respective date.

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RISK FACTORS

Investing in the Series 2007E Senior Notes involves risk. Please see the risk factors in Georgia Power Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2006, along with the disclosure related to the risk factors contained in Georgia Power Company's Quarterly Reports on Form 10-Q for the quarters ended March 31, 2007 and June 30, 2007, which are incorporated by reference in this Prospectus Supplement and the accompanying Prospectus. Before making an investment decision, you should carefully consider these risks as well as other information contained or incorporated by reference in this Prospectus Supplement and the accompanying Prospectus. The risks and uncertainties not presently known to Georgia Power Company or that Georgia Power Company currently deems immaterial may also impair its business operations, its financial results and the value of the Series 2007E Senior Notes.

THE COMPANY

Georgia Power Company (the "Company") is a corporation organized under the laws of the State of Georgia on June 26, 1930. Effective July 1, 2006, Savannah Electric and Power Company, formerly a wholly-owned subsidiary of The Southern Company ("Southern"), was merged with and into the Company. The Company has its principal office at 241 Ralph McGill Boulevard, N.E., Atlanta, Georgia 30308-3374, telephone (404) 506-6526. The Company is a wholly-owned subsidiary of Southern.

The Company is a regulated public utility engaged in the generation, transmission, distribution and sale of electric energy within an approximately 59,200 square mile service area comprising most of the State of Georgia.

SELECTED FINANCIAL INFORMATION

The following selected financial data for the years ended December 31, 2002 through December 31, 2006 has been derived from the Company's audited financial statements and related notes and the unaudited selected financial data, incorporated by reference in this Prospectus Supplement and the accompanying Prospectus. The following selected financial information for the six months ended June 30, 2007 has been derived from the Company's unaudited financial statements and related notes, incorporated by reference in this Prospectus Supplement and the accompanying Prospectus. The information set forth below is qualified in its entirety by reference to and, therefore, should be read together with management's discussion and analysis of results of operations and financial condition, the financial statements and related notes and other financial information incorporated by reference in this Prospectus Supplement and the accompanying Prospectus. The information set forth below under "As Adjusted" does not reflect the issuance of the Series 2007E Senior Notes offered hereby.

	Year Ended December 31,					Six Months Ended June 30,
	2002	2003	2004	2005	2006	2007(1)
	(Millions, except ratios)					
Operating Revenues	$5,119	$5,229	$5,728	$7,076	$7,246	$3,501
Earnings Before Income Taxes	1,008	1,037	1,079	1,195	1,234	492
Net Income After Dividends on Preferred Stock	639	654	683	744	787	320
Ratio of Earnings to Fixed Charges(2)	4.96	4.96	5.05	4.87	4.72	3.67

	Capitalization As of June 30, 2007		
	Actual	As Adjusted(3)	
	(Millions, except percentages) (unaudited)		
Common Stock Equity	$ 6,053	$ 6,053	50.4%
Non-Cumulative Preferred Stock	45	45	0.4
Senior Notes	3,320	3,620	30.2
Long-term Debt Payable to Affiliated Trusts	515	515	4.3
Other Long-Term Debt	1,768	1,768	14.7
Total, excluding amounts due within one year	$11,701	$12,001	100%

(1) Due to seasonal variations in the demand for energy, operating results for the six months ended June 30, 2007 do not necessarily indicate operating results for the entire year.

(2) This ratio is computed as follows: (i) "Earnings" have been calculated by adding to "Earnings Before Income Taxes" "Interest expense, net of amounts capitalized," "Interest expense to affiliate trusts," "Distributions on mandatorily redeemable preferred securities" and the debt portion of allowance for funds used during construction, and (ii) "Fixed Charges" consist of "Interest expense, net of amounts capitalized," "Interest expense to affiliate trusts," "Distribution on mandatorily redeemable preferred securities" and the debt portion of allowance for funds used during construction. For the six months ended June 30, 2007, this ratio includes interest relating to Financial Accounting Standards Board Interpretation No. 48, *Accounting for Uncertainty in Income Taxes.*

(3) Reflects the issuance in July 2007 of $300,000,000 aggregate principal amount of Series 2007D 6.375% Senior Notes due July 15, 2047. The table does not reflect the issuance of the Series 2007E Senior Notes offered hereby.

USE OF PROCEEDS

The proceeds from the sale of the Series 2007E Senior Notes will be used by the Company to repay a portion of its outstanding short-term indebtedness, which aggregated approximately $609,000,000 as of August 21, 2007, and for other general corporate purposes, including the Company's continuous construction program.

DESCRIPTION OF THE SERIES 2007E SENIOR NOTES

Set forth below is a description of the specific terms of the Series 2007E 6.00% Senior Insured Monthly Notes due September 1, 2040 (the "Series 2007E Senior Notes"). This description supplements, and should be read together with, the description of the general terms and provisions of the senior notes set forth in the accompanying Prospectus under the caption "Description of the Senior Notes." The following description does not purport to be complete and is subject to, and is qualified in its entirety by reference to, the description in the accompanying Prospectus and the Senior Note Indenture dated as of January 1, 1998, as supplemented (the "Senior Note Indenture"), between the Company and The Bank of New York (as successor to JPMorgan Chase Bank, N.A. (formerly known as The Chase Manhattan Bank)), as trustee (the "Senior Note Indenture Trustee").

General

The Series 2007E Senior Notes will be issued as a series of senior notes under the Senior Note Indenture. The Series 2007E Senior Notes will initially be issued in the aggregate principal amount of $250,000,000. The Company may, at any time and without the consent of the holders of the Series 2007E Senior Notes, issue additional notes having the same ranking and the same interest rate, maturity and other terms, including the benefit of the Policy (as defined below) (appropriately increased to cover the principal amount of and interest due on the additional Series 2007E Senior Notes) as the Series 2007E Senior Notes (except for the issue price

and issue date and the initial interest accrual date and initial Interest Payment Date (as defined below), if applicable). Any additional notes having such similar terms, together with the Series 2007E Senior Notes, will constitute a single series of senior notes under the Senior Note Indenture.

The entire principal amount of the Series 2007E Senior Notes will mature and become due and payable, together with any accrued and unpaid interest thereon, on September 1, 2040. The Series 2007E Senior Notes are not subject to any sinking fund provision. The Series 2007E Senior Notes are available for purchase in denominations of $1,000 and any integral multiple thereof.

Interest

Each Series 2007E Senior Note will bear interest at the rate of 6.00% per year (the "Securities Rate") from the date of original issuance, payable monthly in arrears on the first day of each month (each, an "Interest Payment Date") to the person in whose name such Series 2007E Senior Note is registered at the close of business on the fifteenth calendar day prior to such payment date (whether or not a Business Day). The initial Interest Payment Date is October 1, 2007. The amount of interest payable will be computed on the basis of a 360-day year of twelve 30-day months. In the event that any date on which interest is payable on the Series 2007E Senior Notes is not a Business Day, then payment of the interest payable on such date will be made on the next succeeding day which is a Business Day (and without any interest or other payment in respect of any such delay), with the same force and effect as if made on such date. "Business Day" means a day other than (i) a Saturday or Sunday, (ii) a day on which banks in New York, New York are authorized or obligated by law or executive order to remain closed or (iii) a day on which the Senior Note Indenture Trustee's corporate trust office is closed for business.

Special Insurance Provisions of the Senior Note Indenture

Subject to the provisions of the Senior Note Indenture, so long as the Insurer (as defined below) is not in default under the Policy, the Insurer shall be entitled to control and direct the enforcement of all rights and remedies with respect to the Series 2007E Senior Notes upon the occurrence and continuation of an Event of Default (as defined in the Senior Note Indenture).

Ranking

The Series 2007E Senior Notes will be direct, unsecured and unsubordinated obligations of the Company and will rank equally with all other existing and future unsecured and unsubordinated obligations of the Company. The Series 2007E Senior Notes will be effectively subordinated to all existing and future secured debt of the Company, aggregating approximately $72,000,000 outstanding at June 30, 2007. The Senior Note Indenture contains no restrictions on the amount of additional indebtedness that may be incurred by the Company.

Optional Redemption

The Company shall have the right to redeem the Series 2007E Senior Notes, in whole or in part, without premium or penalty, at any time and from time to time, on or after September 1, 2012, upon not less than 30 nor more than 60 days' notice, at a redemption price (the "Redemption Price") equal to 100% of the principal amount to be redeemed plus any accrued and unpaid interest thereon to the date of redemption (the "Redemption Date").

If notice of redemption is given as aforesaid, the Series 2007E Senior Notes so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price together with any accrued interest thereon, and from and after such date (unless the Company shall default in the payment of the Redemption Price and accrued interest) such Series 2007E Senior Notes shall cease to bear interest. If any Series 2007E Senior Note called for redemption shall not be paid upon surrender thereof for redemption, the principal shall, until paid, bear interest from the Redemption Date at the Securities Rate. See "Description of the Senior Notes — Events of Default" in the accompanying Prospectus.

Subject to the foregoing and to applicable law (including, without limitation, United States federal securities laws), the Company or its affiliates may, at any time and from time to time, purchase outstanding Series 2007E Senior Notes by tender, in the open market or by private agreement.

Mandatory Redemption

In the event that (a) the Company issues, assumes, permits to exist or guarantees any indebtedness secured by any mortgage, security interest, pledge or lien of or upon any Principal Property of the Company, whether owned at the date of the Insurance Agreement between the Company and the Insurer pursuant to which the Insurer will issue the Policy (the "Insurance Agreement") or thereafter acquired, in an aggregate amount at any one time outstanding during the term of the Insurance Agreement in excess of $500,000,000 without in any such case effectively securing the obligations of the Company under the Insurance Agreement equally and ratably with such indebtedness, (b) the Company reorganizes or transfers a substantial portion of the Company's assets, as a result of which the Company ceases to be a regulated utility company, and the Company's obligations under the Series 2007E Senior Notes, the Senior Note Indenture and the Insurance Agreement are not assumed by, and do not become direct and primary obligations of, a regulated utility company, or (c) the Company fails to make, when due, any premium payment required under the Insurance Agreement and such failure continues beyond the applicable cure period, then, unless the Insurer consents to such issuance, assumption, existence or guarantee, transaction or nonpayment, the Company must redeem the Series 2007E Senior Notes prior to the stated maturity date, in whole, upon not less than 30 days' nor more than 60 days' notice at a redemption price equal to (i) 102% of the principal amount to be redeemed plus accrued and unpaid interest to the Redemption Date if the Redemption Date is prior to September 1, 2012 or (ii) the Redemption Price if the Redemption Date is on or after September 1, 2012. "Principal Property" means tangible property, plant and equipment required or utilized primarily and directly for the generation, transmission or distribution of electricity, such as generation plants and transmission and distribution lines.

Limited Right of Redemption upon Death of a Beneficial Owner

Unless the Series 2007E Senior Notes have been declared due and payable prior to their maturity by reason of an Event of Default or have been previously redeemed or otherwise repaid, the Representative (as defined below) of a deceased Beneficial Owner (as defined below) of the Series 2007E Senior Notes has the right, on or after September 1, 2012, to request redemption prior to maturity of all or part of his or her interest in such Series 2007E Senior Notes, and the Company will redeem the same subject to the limitations that the Company will not be obligated to redeem, during the period from September 1, 2012 through and including September 1, 2013 (the "Initial Period"), and, during any twelve-month period that ends on and includes each September 1 thereafter (each such twelve-month period being hereinafter referred to as a "Subsequent Period"), (i) on behalf of a deceased Beneficial Owner any interest in the Series 2007E Senior Notes which exceeds $25,000 aggregate principal amount or (ii) interests in the Series 2007E Senior Notes exceeding $5,000,000 in aggregate principal amount (the "Estate Feature"). A request for redemption may be initiated by the Representative of a deceased Beneficial Owner at any time, on or after September 1, 2012, and in any principal amount.

The Company may, at its option, redeem interests of any deceased Beneficial Owner in the Series 2007E Senior Notes in the Initial Period or in any Subsequent Period in excess of the $25,000 limitation. Any such redemption by the Company, to the extent that it exceeds the $25,000 limitation for any deceased Beneficial Owner, shall not be included in the computation of the $5,000,000 aggregate limitation for the Series 2007E Senior Notes for such Initial Period and for such Subsequent Period or for any succeeding Subsequent Period. The Company may, at its option, redeem interests of deceased Beneficial Owners in the Series 2007E Senior Notes in the Initial Period or in any Subsequent Period in an aggregate principal amount exceeding the $5,000,000 aggregate limitation. Any such redemption by the Company, to the extent it exceeds the $5,000,000 aggregate limitation, shall not reduce the $5,000,000 aggregate limitation for any Subsequent Period. On any determination by the Company to redeem Series 2007E Senior Notes in excess of the $25,000 limitation or the $5,000,000 aggregate limitation, such Series 2007E Senior Notes shall be redeemed in the order of the receipt of Redemption Requests (as defined below) by the Senior Note Indenture Trustee.

A request for redemption of an interest in the Series 2007E Senior Notes may be initiated by the personal representative or other person authorized to represent the estate of the deceased Beneficial Owner or from a surviving joint tenant(s) or tenant(s) by the entirety or the trustee of a trust (each, a "Representative"). A Representative may initiate a request for redemption at any time and in any principal amount, provided that the principal amount is in an integral multiple of $1,000. The Representative shall deliver its request to the Participant (as defined below) through whom the deceased Beneficial Owner owned such interest, in form satisfactory to the Participant, together with evidence of the death of the Beneficial Owner, evidence of the authority of the Representative satisfactory to the Participant, any waivers, notices or certificates as may be required under applicable state or federal law and any other evidence of the right to such redemption as the Participant requires. Subject to the rules and arrangements applicable to The Depository Trust Company ("DTC"), the Participant will then deliver to DTC a request for redemption substantially in the form attached to this Prospectus Supplement as Appendix B (a "Redemption Request"). DTC will, upon receipt of a Redemption Request, forward the same to the Senior Note Indenture Trustee. The Senior Note Indenture Trustee is required to maintain records with respect to Redemption Requests received by it, including the date of receipt, the name of the Participant filing the Redemption Request and the status of each Redemption Request with respect to the $25,000 limitation and the $5,000,000 aggregate limitation. The Senior Note Indenture Trustee will promptly file with the Company each Redemption Request it receives, together with the information regarding the eligibility of the Redemption Request with respect to the $25,000 limitation and the $5,000,000 aggregate limitation. The Company, DTC and the Senior Note Indenture Trustee may conclusively assume, without independent investigation, that the statements contained in each Redemption Request are true and correct and shall have no responsibility (a) for reviewing any documents submitted to the Participant by the Representative or (b) for determining whether the applicable decedent is in fact the Beneficial Owner of the interest in the Series 2007E Senior Notes to be redeemed or is in fact deceased and whether the Representative is duly authorized to request redemption on behalf of the applicable Beneficial Owner.

Subject to the $25,000 limitation and the $5,000,000 aggregate limitation, on or after September 1, 2012, the Company will, after the death of any Beneficial Owner, redeem the interest of such Beneficial Owner in the Series 2007E Senior Notes on the next Quarterly Redemption Date (as defined below) occurring not less than 30 days following receipt by the Company of a Redemption Request from the Senior Note Indenture Trustee. If Redemption Requests exceed the aggregate principal amount of interests in Series 2007E Senior Notes required to be redeemed during the Initial Period or any Subsequent Period, then such excess Redemption Requests will be applied, in the order received by the Senior Note Indenture Trustee, to successive Subsequent Periods, regardless of the number of Subsequent Periods required to redeem such interests. The Company may, at any time, notify the Senior Note Indenture Trustee that it will redeem on the next Quarterly Redemption Date not less than 30 days thereafter, all or any lesser amount of Series 2007E Senior Notes for which Redemption Requests have been received but which are not then eligible for redemption by reason of the $25,000 limitation or the $5,000,000 aggregate limitation. Any Series 2007E Senior Notes so redeemed shall be redeemed in the order of receipt of Redemption Requests by the Senior Note Indenture Trustee. The "Quarterly Redemption Dates" shall be March 1, June 1, September 1 and December 1 of each year, beginning December 1, 2012.

The price to be paid by the Company for the Series 2007E Senior Notes to be redeemed pursuant to a Redemption Request is 100% of the principal amount thereof plus accrued but unpaid interest to the date of payment. Subject to arrangements with DTC, payment for interests in the Series 2007E Senior Notes to be redeemed shall be made to DTC upon presentation of the Series 2007E Senior Notes to the Senior Note Indenture Trustee for redemption in the aggregate principal amount specified in the Redemption Requests submitted to the Senior Note Indenture Trustee by DTC which are to be fulfilled in connection with such payment. The principal amount of any Series 2007E Senior Notes acquired or redeemed by the Company other than by redemption at the option of any Representative of a deceased Beneficial Owner shall not be included in the computation of either the $25,000 limitation or the $5,000,000 aggregate limitation for the Initial Period or any Subsequent Period.

A "Beneficial Owner" means the person who has the right to sell, transfer or otherwise dispose of an interest in a Series 2007E Senior Note and the right to receive the proceeds from a Series 2007E Senior Note, as well as the interest and principal payable to the holder of a Series 2007E Senior Note. In general, a determination of beneficial ownership in the Series 2007E Senior Notes will be subject to the rules, regulations

and procedures governing DTC and institutions that have accounts with DTC or a nominee thereof ("Participants").

An interest in a Series 2007E Senior Note held in tenancy by the entirety, by joint tenancy or by tenants in common will be deemed to be held by a single Beneficial Owner, and the death of a tenant by the entirety, joint tenant or tenant in common will be deemed the death of a Beneficial Owner. The death of a person who, during his or her lifetime, was entitled to substantially all of the rights of a Beneficial Owner of an interest in the Series 2007E Senior Notes will be deemed the death of the Beneficial Owner, regardless of the recordation of such interest on the records of the Participant, if such rights can be established to the satisfaction of the Participant and the Company. Such interests shall be deemed to exist in typical cases of nominee ownership, ownership under the Uniform Gifts to Minors Act or the Uniform Transfers to Minors Act, community property or other similar joint ownership arrangements, including individual retirement accounts or Keogh H.R. 10 plans maintained solely by or for the decedent or by or for the decedent and any spouse, and trust and certain other arrangements where one person has substantially all of the rights of a Beneficial Owner during such person's lifetime.

In the case of a Redemption Request that is presented on behalf of a deceased Beneficial Owner and that has not been fulfilled at the time the Company gives notice of its election to redeem the Series 2007E Senior Notes in part, the Series 2007E Senior Notes that are the subject of such pending Redemption Request shall be redeemed as described under "— Optional Redemption" above prior to any other Series 2007E Senior Notes.

Any Redemption Request may be withdrawn by the person(s) presenting such request upon delivery of a written request for such withdrawal given by the Participant on behalf of such person(s) to DTC and by DTC to the Senior Note Indenture Trustee not less than 60 days prior to the Quarterly Redemption Date on which such Series 2007E Senior Notes are eligible for redemption.

The Company may, at its option, purchase any Series 2007E Senior Notes for which Redemption Requests have been received in lieu of redeeming such Series 2007E Senior Notes. Any Series 2007E Senior Notes so purchased by the Company shall either be reoffered for sale and sold within 180 days after the date of purchase or presented to the Senior Note Indenture Trustee for cancellation.

During such time or times as the Series 2007E Senior Notes are not represented by a global security and are issued in definitive form, all references to Participants and DTC, including the DTC governing rules, regulations and procedures shall be deemed deleted, all determinations which under this section the Participants are required to make shall be made by the Company (including, without limitation, determining whether the applicable decedent is in fact the Beneficial Owner of the interest in the Series 2007E Senior Notes to be redeemed or is in fact deceased and whether the Representative is duly authorized to request redemption on behalf of the applicable Beneficial Owner), all Redemption Requests, to be effective, shall be delivered by the Representative to the Senior Note Indenture Trustee, with a copy to the Company, and shall be in the form of a Redemption Request (with appropriate changes to reflect the fact that such Redemption Request is being executed by a Representative (including provision for signature guarantees)) and, in addition to all documents that are otherwise required to accompany a Redemption Request, shall be accompanied by the Series 2007E Senior Note that is the subject of such request and, if applicable, a properly executed assignment or endorsement. If the record interest in the Series 2007E Senior Note is held by a nominee of the deceased Beneficial Owner, a certificate or letter from such nominee attesting to the deceased's ownership of a beneficial interest in the Series 2007E Senior Note must also be delivered.

Because of the limitations of the Company's requirement to redeem, no Beneficial Owner can have any assurance that its interest in the Series 2007E Senior Notes will be paid prior to maturity.

Book-Entry Only Issuance — The Depository Trust Company

DTC will act as the initial securities depository for the Series 2007E Senior Notes. The Series 2007E Senior Notes will be issued only as fully registered securities registered in the name of Cede & Co., DTC's partnership nominee, or such other name as may be requested by an authorized representative of DTC. One or

more fully registered global Series 2007E Senior Notes certificates will be issued, representing in the aggregate the total principal amount of the Series 2007E Senior Notes, and will be deposited with the Senior Note Indenture Trustee on behalf of DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended (the "1934 Act"). DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation and Emerging Markets Clearing Corporation (NSCC, FICC and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's (as defined below), highest rating: AAA. The DTC rules applicable to its Direct and Indirect Participants are on file with the Securities and Exchange Commission (the "Commission"). More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Series 2007E Senior Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2007E Senior Notes on DTC's records. The ownership interest of each Beneficial Owner is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchases. Beneficial Owners are, however, expected to receive written confirmations providing details of the transactions, as well as periodic statements of their holdings, from the Direct or Indirect Participants through which the Beneficial Owners purchased Series 2007E Senior Notes. Transfers of ownership interests in the Series 2007E Senior Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2007E Senior Notes, except in the event that use of the book-entry system for the Series 2007E Senior Notes is discontinued.

To facilitate subsequent transfers, all Series 2007E Senior Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2007E Senior Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any changes in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2007E Senior Notes. DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2007E Senior Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Series 2007E Senior Notes are being redeemed, DTC's practice is to determine by lot the amount of interest of each Direct Participant in such Series 2007E Senior Notes to be redeemed.

Although voting with respect to the Series 2007E Senior Notes is limited, in those cases where a vote is required, neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2007E Senior Notes unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Company as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2007E Senior Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments on the Series 2007E Senior Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Company or the Senior Note Indenture Trustee on the relevant payment date in accordance with their respective holdings shown on DTC's records. Payments by Direct or Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the account of customers registered in "street name," and will be the responsibility of such Direct or Indirect Participant and not of DTC or the Company, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Company, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants.

Except as provided herein, a Beneficial Owner of a global Series 2007E Senior Note will not be entitled to receive physical delivery of Series 2007E Senior Notes. Accordingly, each Beneficial Owner must rely on the procedures of DTC to exercise any rights under the Series 2007E Senior Notes. The laws of some jurisdictions require that certain purchasers of securities take physical delivery of securities in definitive form. Such laws may impair the ability to transfer beneficial interests in a global Series 2007E Senior Note.

DTC may discontinue providing its services as securities depository with respect to the Series 2007E Senior Notes at any time by giving reasonable notice to the Company. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2007E Senior Notes certificates will be required to be printed and delivered to the holders of record. Additionally, the Company may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository) with respect to the Series 2007E Senior Notes. The Company understands, however, that under current industry practices, DTC would notify its Direct and Indirect Participants of the Company's decision, but will only withdraw beneficial interests from a global Series 2007E Senior Note at the request of each Direct or Indirect Participant. In that event, certificates for the Series 2007E Senior Notes will be printed and delivered to the applicable Direct or Indirect Participant.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Company believes to be reliable, but the Company takes no responsibility for the accuracy thereof. The Company has no responsibility for the performance by DTC or its Direct or Indirect Participants of their respective obligations as described herein or under the rules and procedures governing their respective operations.

THE POLICY AND THE INSURER

The following information has been furnished by Ambac Assurance Corporation (the "Insurer") for use in this Prospectus Supplement. Reference is made to Appendix A for a specimen of the Policy to be issued by the Insurer. No representation is made by the Company or the Underwriter as to the accuracy or completeness of any such information.

The Policy

The Insurer and the Company will enter into the Insurance Agreement pursuant to which the Insurer will issue a financial guaranty insurance policy relating to the Series 2007E Senior Notes (the "Policy"), the form of which is attached to this Prospectus Supplement as Appendix A. The following summary of the terms of the Policy does not purport to be complete and is qualified in its entirety by reference to the Policy.

The Insurer has made a commitment to issue the Policy effective as of the date of issuance of the Series 2007E Senior Notes. Under the terms of the Policy, the Insurer will pay to The Bank of New York in New York, New York, or any successor thereto (the "Insurance Trustee") that portion of the principal of and interest on the Series 2007E Senior Notes which shall become Due for Payment but shall be unpaid by reason of Nonpayment (as such terms are defined in the Policy) by the Company. The Insurer will make such payments to the Insurance Trustee on the later of the date on which such principal and interest becomes Due for Payment or within one business day following the date on which the Insurer shall have received notice of Nonpayment from the Senior Note Indenture Trustee. The insurance will extend for the term of the Series 2007E Senior Notes and, once issued, cannot be canceled by the Insurer.

The Policy will insure payment only on the stated maturity date, in the case of principal, and on interest payment dates, in the case of interest. If the Series 2007E Senior Notes become subject to mandatory redemption and insufficient funds are available for redemption of all outstanding Series 2007E Senior Notes, the Insurer will remain obligated to pay principal of and interest on outstanding Series 2007E Senior Notes on the originally scheduled interest and principal payment dates. In the event of any acceleration of the principal of the Series 2007E Senior Notes, the insured payments will be made at such times and in such amounts as would have been made had there not been an acceleration, except to the extent that the Insurer elects, in its sole discretion, to pay all or a portion of the accelerated principal and interest accrued thereon to the date of acceleration (to the extent unpaid by the Company). Upon payment of all such accelerated principal and interest accrued to the acceleration date, the Insurer's obligations under the Policy shall be fully discharged.

In the event the Senior Note Indenture Trustee has notice that any payment of principal of or interest on a Series 2007E Senior Note which has become Due for Payment and which is made to a holder by or on behalf of the Company has been deemed a preferential transfer and theretofore recovered from its registered owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court of competent jurisdiction, such registered owner will be entitled to payment from the Insurer to the extent of such recovery if sufficient funds are not otherwise available.

The Policy does **not** insure any risk other than Nonpayment, as defined in the Policy. Specifically, the Policy does **not** cover:

1. Payment on acceleration, as a result of a call for redemption or as a result of any other advancement of maturity.

2. Payment of any redemption, prepayment or acceleration premium.

3. Nonpayment of principal or interest caused by the insolvency or negligence of the Senior Note Indenture Trustee.

If it becomes necessary to call upon the Policy, payment of principal requires surrender of Series 2007E Senior Notes to the Insurance Trustee together with an appropriate instrument of assignment so as to permit ownership of such Series 2007E Senior Notes to be registered in the name of the Insurer to the extent of the payment under the Policy. Payment of interest pursuant to the Policy requires proof of holder entitlement to interest payments and an appropriate assignment of the holder's right to payment to the Insurer.

Upon payment of the insurance benefits and to the extent the Insurer makes payments of principal of or interest on the Series 2007E Senior Notes, the Insurer will become the owner of such Series 2007E Senior Note or the right to payment of principal or interest on such Series 2007E Senior Note and will be fully subrogated to the surrendering holder's right to payment.

The Insurer

The Insurer is a leading financial guarantee insurance company that is primarily engaged in guaranteeing public finance and structured finance obligations. The Insurer is the successor to the founding financial guarantee insurance company, which wrote the first bond insurance policy in 1971. The Insurer is licensed to transact financial guarantee and surety business in all 50 states, the District of Columbia, the Commonwealth of Puerto Rico, the Territory of Guam and the U.S. Virgin Islands. The Insurer is subject to the insurance laws and regulations of the State of Wisconsin, its state of incorporation, and the insurance laws and regulations of other states in which it is licensed to transact business. The Insurer is a wholly-owned subsidiary of Ambac Financial Group, Inc. ("Ambac Financial Group"), a publicly-held company. The Insurer has earned triple-A financial strength ratings from Moody's Investors Service, Inc. ("Moody's"), Standard & Poor's Ratings Services ("Standard & Poor's") and Fitch Ratings ("Fitch").

Capitalization

The following table sets forth the capitalization of the Insurer and subsidiaries as of June 30, 2007, December 31, 2006 and December 31, 2005 in conformity with U.S. generally accepted accounting principles.

Ambac Assurance Corporation and Subsidiaries

CONSOLIDATED CAPITALIZATION TABLE
(Dollars in Millions)

	June 30, 2007 (unaudited)	December 31, 2006	December 31, 2005
Long-term debt(1)	$ 275	$ 0	$ 0
Stockholder's equity			
Common stock	82	82	82
Additional paid-in capital	1,545	1,509	1,453
Accumulated other comprehensive income	29	142	137
Retained earnings	5,576	5,259	4,510
Total stockholder's equity	$7,232	$6,992	$6,182

(1) Long-term debt relates entirely to variable interest entity notes consolidated under the provisions of Financial Accounting Standards Board Interpretation No. 46R, *Consolidation of Variable Interest Entities.*

There has been no material adverse change in the capitalization of the Insurer and subsidiaries from June 30, 2007 to the date of this Prospectus Supplement.

For additional financial information concerning the Insurer, see the audited consolidated financial statements of the Insurer incorporated by reference herein.

Incorporation of Certain Documents by Reference

The portions of the following documents relating to the Insurer, which have been filed with the Commission by Ambac Financial Group (1934 Act registration file No. 1-10777), are incorporated by reference into this Prospectus Supplement. Any information referenced in this way is considered part of this Prospectus Supplement.

- Ambac Financial Group's Annual Report on Form 10-K for the fiscal year ended December 31, 2006 and filed on March 1, 2007;
- Ambac Financial Group's Current Report on Form 8-K dated and filed on April 25, 2007;

- Ambac Financial Group's Quarterly Report on Form 10-Q for the three-month period ended March 31, 2007 and filed on May 10, 2007;
- Ambac Financial Group's Current Report on Form 8-K dated and filed on July 25, 2007;
- Ambac Financial Group's Current Report on Form 8-K dated and filed on August 3, 2007; and
- Ambac Financial Group's Quarterly Report on Form 10-Q for the three- and six-month periods ended June 30, 2007 and filed on August 9, 2007.

The Insurer's consolidated financial statements and all other information relating to the Insurer and subsidiaries included in Ambac Financial Group's periodic reports filed with the Commission subsequent to the date of this Prospectus Supplement and prior to the termination of the offering of the Series 2007E Senior Notes shall, to the extent filed (rather than furnished pursuant to Item 9 of Form 8-K), be deemed to be incorporated by reference into this Prospectus Supplement and to be a part hereof from the respective dates of filing of such reports.

Any statement contained in a document incorporated in this Prospectus Supplement by reference shall be modified or superseded for the purposes of this Prospectus Supplement to the extent that a statement contained in a subsequently filed document incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus Supplement.

Copies of all information regarding the Insurer that is incorporated by reference in this Prospectus Supplement can be read and copied at the Commission's website at http://www.sec.gov, the Commission's public reference room at 450 Fifth Street, N.W., Washington, D.C. 20549, and the offices of the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005. Copies of the Insurer's annual statement for the year ended December 31, 2006, prepared on the basis of accounting practices prescribed or permitted by the State of Wisconsin Office of the Commissioner of Insurance, are available without charge from the Insurer. The address of the Insurer's administrative offices and its telephone number are One State Street Plaza, 19th Floor, New York, New York 10004 and (212) 668-0340.

Other Information

The Insurer makes no representation regarding the Series 2007E Senior Notes or the advisability of investing in the Series 2007E Senior Notes. The Insurer has not independently verified, is not responsible for and makes no representation regarding, the accuracy or completeness of this Prospectus Supplement, other than the information supplied by the Insurer and presented, included or incorporated by reference in this Prospectus Supplement under the heading "The Policy and the Insurer."

THE POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

RATINGS

It is anticipated that Standard & Poor's, Moody's and Fitch will assign the Series 2007E Senior Notes the ratings of "AAA", "Aaa" and "AAA", respectively, conditioned upon the issuance and delivery by the Insurer at the time of delivery of the Series 2007E Senior Notes of the Policy, insuring the timely payment of the principal of and interest on the Series 2007E Senior Notes. Such ratings reflect only the views of such ratings agencies, and an explanation of the significance of such ratings may be obtained only from such rating agencies at the following addresses: Moody's Investors Service, Inc., 99 Church Street, New York, New York 10007; Standard & Poor's, 55 Water Street, New York, New York 10041; and Fitch Ratings, One State Street Plaza, New York, New York 10004. Ratings are not recommendations to buy, sell or hold securities, and there is no assurance that such ratings will remain in effect for any period of time or that they will not be revised downward or withdrawn entirely by said rating agencies if, in their judgment, circumstances warrant. Neither the Company nor the Underwriter has undertaken any responsibility to oppose any proposed downward revision or withdrawal of a rating on the Series 2007E Senior Notes. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Series 2007E Senior Notes.

At the date of this Prospectus Supplement, each of such rating agencies maintains four categories of investment grade ratings. They are for Standard & Poor's — AAA, AA, A and BBB and for Moody's — Aaa, Aa, A and Baa. Standard & Poor's defines "AAA" as the highest rating assigned to a debt obligation. Moody's defines "Aaa" as representing the best quality debt obligation carrying the smallest degree of investment risk. Fitch defines "AAA" as representing the highest credit quality and denoting the lowest expectation of credit risk.

UNDERWRITING

Subject to the terms and conditions of an underwriting agreement (the "Underwriting Agreement"), the Company has agreed to sell to Edward D. Jones & Co., L.P. (the "Underwriter") and the Underwriter has agreed to purchase from the Company the entire principal amount of the Series 2007E Senior Notes offered hereby.

The Underwriting Agreement provides that the obligation of the Underwriter to pay for and accept delivery of the Series 2007E Senior Notes is subject to, among other things, the approval of certain legal matters by its counsel and certain other conditions. The Underwriter is obligated to purchase all of the Series 2007E Senior Notes offered hereby, if any of the Series 2007E Senior Notes are purchased.

The Underwriter proposes to offer the Series 2007E Senior Notes from time to time for sale in one or more negotiated transactions, or otherwise, at varying prices to be determined at the time of each sale. In connection with the sale of the Series 2007E Senior Notes, the Underwriter may be deemed to have received compensation from the Company in the form of underwriting discounts.

The Series 2007E Senior Notes are a new issue of securities with no established trading market. The Series 2007E Senior Notes will not be listed on any securities exchange or on any automated dealer quotation system. The Underwriter may make a market in the Series 2007E Senior Notes after completion of the offering, but will not be obligated to do so and may discontinue any market-making activities at any time without notice. No assurance can be given as to the liquidity of the trading market for the Series 2007E Senior Notes or that an active public market for the Series 2007E Senior Notes will develop. If an active public trading market for the Series 2007E Senior Notes does not develop, the market price and liquidity of the Series 2007E Senior Notes may be adversely affected.

The Company has agreed to indemnify the Underwriter against certain liabilities, including liabilities under the Securities Act of 1933, as amended.

The Company's expenses associated with the offer and sale of the Series 2007E Senior Notes are estimated to be $1,460,000, which includes the initial premium for the Policy.

The Company has agreed with the Underwriter, that during the period 15 days from the date of the Underwriting Agreement, it will not sell, offer to sell, grant any option for the sale of, or otherwise dispose of any Series 2007E Senior Notes, any security convertible into, exchangeable into or exercisable for the Series 2007E Senior Notes or any debt securities substantially similar to the Series 2007E Senior Notes (except for the Series 2007E Senior Notes issued pursuant to the Underwriting Agreement), without the prior written consent of the Underwriter. This agreement does not apply to issuances of commercial paper or other debt securities with scheduled maturities of less than one year.

In order to facilitate the offering of the Series 2007E Senior Notes, the Underwriter may engage in transactions that stabilize, maintain or otherwise affect the price of the Series 2007E Senior Notes. Specifically, the Underwriter may over-allot in connection with the offering, creating short positions in the Series 2007E Senior Notes for its own account. In addition, to cover over-allotments or to stabilize the price of the Series 2007E Senior Notes, the Underwriter may bid for, and purchase, Series 2007E Senior Notes in the open market. The Underwriter may reclaim selling concessions allowed to dealers for distributing Series 2007E Senior Notes in the offering, if the Underwriter repurchases previously distributed Series 2007E Senior Notes in transactions to cover short positions, in stabilization transactions or otherwise. Any of these activities may stabilize or maintain the market price of the Series 2007E Senior Notes above independent market levels. The Underwriter is not required to engage in these activities, and may end any of these activities at any time without notice.

In general, purchases of a security for the purpose of stabilization or to reduce a short position could cause the price of the security to be higher than it might be in the absence of such purchases. The imposition of a penalty bid might also have an effect on the price of a security to the extent that it were to discourage resales of the security.

Neither the Company nor the Underwriter makes any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the Series 2007E Senior Notes. In addition, neither the Company nor the Underwriter makes any representation that the Underwriter will engage in such transactions or that such transactions once commenced will not be discontinued without notice.

It is expected that delivery of the Series 2007E Senior Notes will be made, against payment for the Series 2007E Senior Notes, on or about August 30, 2007, which will be the fourth business day following the pricing of the Series 2007E Senior Notes. Under Rule 15c6-1 under the 1934 Act, purchases or sales of securities in the secondary market generally are required to settle within three business days (T+3), unless the parties to any such transactions expressly agree otherwise. Accordingly, purchasers of the Series 2007E Senior Notes who wish to trade the Series 2007E Senior Notes on the date of this Prospectus Supplement will be required, because the Series 2007E Senior Notes initially will settle within four business days (T+4), to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of the Series 2007E Senior Notes who wish to trade on the date of this Prospectus Supplement should consult their own legal advisors.

The Underwriter and its affiliates have engaged and may in the future engage in transactions with, and, from time to time, have performed services for, the Company and its affiliates in the ordinary course of business, for which they have received and will receive customary compensation.

EXPERTS

The consolidated financial statements of Ambac Assurance Corporation and subsidiaries as of December 31, 2006 and 2005, and for each of the years in the three-year period ended December 31, 2006, are incorporated by reference in this Prospectus Supplement and in the registration statement in reliance upon the report of KPMG LLP, independent registered public accounting firm, incorporated by reference in this Prospectus Supplement, and in the registration statement upon the authority of that firm as experts in accounting and auditing. The report of KPMG LLP refers to changes, in 2006, in Ambac Assurance Corporation's methods of accounting for variable interest entities and stock-based compensation.

APPENDIX A

FORM OF POLICY

Ambac

Financial Guaranty Insurance Policy

Ambac Assurance Corporation
One State Street Plaza, 15th Floor
New York, New York 10004
Telephone: (212) 668-0340

Obligor:

Policy Number:

Obligations:

Premium:

Ambac Assurance Corporation (Ambac), a Wisconsin stock insurance corporation, in consideration of the payment of the premium and subject to the terms of this Policy, hereby agrees to pay to The Bank of New York, as trustee, or its successor (the "Insurance Trustee"), for the benefit of the Holders, that portion of the principal of and interest on the above-described obligations (the "Obligations") which shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Obligor.

Ambac will make such payments to the Insurance Trustee within one (1) business day following written notification to Ambac of Nonpayment. Upon a Holder's presentation and surrender to the Insurance Trustee of such unpaid Obligations or related coupons, uncanceled and in bearer form and free of any adverse claim, the Insurance Trustee will disburse to the Holder the amount of principal and interest which is then Due for Payment but is unpaid. Upon such disbursement, Ambac shall become the owner of the surrendered Obligations and/or coupons and shall be fully subrogated to all of the Holder's rights to payment thereon.

In cases where the Obligations are issued in registered form, the Insurance Trustee shall disburse principal to a Holder only upon presentation and surrender to the Insurance Trustee of the unpaid Obligation, uncanceled and free of any adverse claim, together with an instrument of assignment, in form satisfactory to Ambac and the Insurance Trustee duly executed by the Holder or such Holder's duly authorized representative, so as to permit ownership of such Obligation to be registered in the name of Ambac or its nominee. The Insurance Trustee shall disburse interest to a Holder of a registered Obligation only upon presentation to the Insurance Trustee of proof that the claimant is the person entitled to the payment of interest on the Obligation and delivery to the Insurance Trustee of an instrument of assignment, in form satisfactory to Ambac and the Insurance Trustee, duly executed by the Holder or such Holder's duly authorized representative, transferring to Ambac all rights under such Obligation to receive the interest in respect of which the insurance disbursement was made. Ambac shall be subrogated to all of the Holders' rights to payment on registered Obligations to the extent of any insurance disbursements so made.

In the event that a trustee or paying agent for the Obligations has notice that any payment of principal of or interest on an Obligation which has become Due for Payment and which is made to a Holder by or on behalf of the Obligor has been deemed a preferential transfer and theretofore recovered from the Holder pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court of competent jurisdiction, such Holder will be entitled to payment from Ambac to the extent of such recovery if sufficient funds are not otherwise available.

As used herein, the term "Holder" means any person other than (i) the Obligor or (ii) any person whose obligations constitute the underlying security or source of payment for the Obligations who, at the time of Nonpayment, is the owner of an Obligation or of a coupon relating to an Obligation. As used herein, "Due for Payment", when referring to the principal of Obligations, is when the scheduled maturity date or mandatory redemption date for the application of a required sinking fund installment has been reached and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by application of required sinking fund installments), acceleration or other advancement of maturity; and, when referring to interest on the Obligations, is when the scheduled date for payment of interest has been reached. As used herein, "Nonpayment" means the failure of the Obligor to have provided sufficient funds to the trustee or paying agent for payment in full of all principal of and interest on the Obligations which are Due for Payment.

This Policy is noncancelable. The premium on this Policy is not refundable for any reason, including payment of the Obligations prior to maturity. This Policy does not insure against loss of any prepayment or other acceleration payment which at any time may become due in respect of any Obligation, other than at the sole option of Ambac, nor against any risk other than Nonpayment.

In witness whereof, Ambac has caused this Policy to be affixed with a facsimile of its corporate seal and to be signed by its duly authorized officers in facsimile to become effective as its original seal and signatures and binding upon Ambac by virtue of the countersignature of its duly authorized representative.

President

Secretary

Effective Date:

THE BANK OF NEW YORK acknowledges that it has agreed to perform the duties of Insurance Trustee under this Policy.

Form No.: 2B-0012 (1/01)

Authorized Representative

Authorized Officer of Insurance Trustee

SPECIMEN

APPENDIX B

FORM OF REDEMPTION REQUEST

Georgia Power Company
Series 2007E 6.00% Senior Insured Monthly Notes
due September 1, 2040
(the "Series 2007E Notes")

CUSIP NO. 373334JG7

The undersigned, (the "Participant"), does hereby certify, pursuant to the provisions of that certain Senior Note Indenture, dated as of January 1, 1998, as supplemented by the Thirty-Second Supplemental Indenture, dated as of August 30, 2007 (the "Indenture") made by and between Georgia Power Company (the "Company") and The Bank of New York (as successor to JPMorgan Chase Bank, N.A. (formerly known as The Chase Manhattan Bank)), as Trustee (the "Trustee"), to The Depository Trust Company (the "Depositary"), the Company and the Trustee that:

1. [Name of deceased Beneficial Owner] is deceased.

2. [Name of deceased Beneficial Owner] had a $ interest in the above referenced Series 2007E Notes.

3. [Name of Representative] is [Beneficial Owner's personal representative/other person authorized to represent the estate of the Beneficial Owner/surviving joint tenant/surviving tenant by the entirety/trustee of a trust] of [Name of deceased Beneficial Owner] and has delivered to the undersigned a request for redemption in form satisfactory to the undersigned, requesting that $ principal amount of said Series 2007E Notes be redeemed pursuant to said Indenture. The documents accompanying such request, all of which are in proper form, are in all respects satisfactory to the undersigned and [Name of Representative] is entitled to have the Series 2007E Notes to which this Request relates redeemed.

4. The Participant holds the interest in the Series 2007E Notes with respect to which this Request for Redemption is being made on behalf of [Name of deceased Beneficial Owner].

5. The Participant hereby certifies that it will indemnify and hold harmless the Depositary, the Trustee and the Company (including their respective officers, directors, agents, attorneys and employees), against all damages, loss, cost, expense (including reasonable attorneys' and accountants' fees), obligations, claims or liability (collectively, the "Damages") incurred by the indemnified party or parties as a result of or in connection with the redemption of Series 2007E Notes to which this Request relates. The Participant will, at the request of the Company, forward to the Company, a copy of the documents submitted by [Name of Representative] in support of the request for redemption.

IN WITNESS WHEREOF, the undersigned has executed this Redemption Request as of , .

[PARTICIPANT NAME]

By: _____

Name: _____

Title: _____

PROSPECTUS

Georgia Power Company

Class A Preferred Stock

Preference Stock

Depositary Preference Shares, each representing a fraction of a share of Preference Stock

Senior Notes

Junior Subordinated Notes

We will provide the specific terms of these securities in supplements to this Prospectus. You should read this Prospectus and the applicable Prospectus Supplement carefully before you invest.

See "Risk Factors" on page 2 for information on certain risks related to the purchase of these securities.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this Prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

February 28, 2007

ABOUT THIS PROSPECTUS

This Prospectus is part of a registration statement filed with the Securities and Exchange Commission (the "Commission") using a "shelf" registration process under the Securities Act of 1933, as amended (the "1933 Act"). Under the shelf process, Georgia Power Company (the "Company") may sell, in one or more transactions,

- Class A preferred stock (the "new Stock")
- preference stock (the "Preference Stock")
- depositary shares, each representing a fraction of a share of Preference Stock (the "Depositary Shares")
- senior notes (the "Senior Notes")
- junior subordinated notes (the "Junior Subordinated Notes")

in one or more offerings. This Prospectus provides a general description of those securities. Each time the Company sells securities, the Company will provide a prospectus supplement that will contain specific information about the terms of that offering ("Prospectus Supplement"). The Prospectus Supplement may also add, update or change information contained in this Prospectus. You should read this Prospectus and the applicable Prospectus Supplement together with the additional information under the heading "Available Information."

RISK FACTORS

Investing in the Company's securities involves risk. Please see the risk factors described in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2006, which is incorporated by reference in this Prospectus. Before making an investment decision, you should carefully consider these risks as well as other information contained or incorporated by reference in this Prospectus. The risks and uncertainties described are not the only ones facing the Company. Additional risks and uncertainties not presently known to the Company or that the Company currently deems immaterial may also impair its business operations, its financial results and the value of its securities.

AVAILABLE INFORMATION

The Company has filed with the Commission a registration statement on Form S-3 (the "Registration Statement," which term encompasses any amendments of and exhibits to the Registration Statement) under the 1933 Act. As permitted by the rules and regulations of the Commission, this Prospectus does not contain all of the information set forth in the Registration Statement and the exhibits and schedules to the Registration Statement, to which reference is made.

The Company is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "1934 Act"), and in accordance with the 1934 Act files reports and other information with the Commission. Such reports and other information can be inspected and copied at the Public Reference Room of the Commission at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Information on the operation of the Public Reference Room may be obtained by calling the Commission at 1-800-SEC-0330. The Commission maintains a Web site that contains reports, proxy and information statements and other information regarding registrants including the Company that file electronically at http://www.sec.gov. In addition, reports and other material concerning the Company can be inspected at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2006 has been filed with the Commission pursuant to the 1934 Act and is incorporated in this Prospectus by reference and made a part of this Prospectus.

All documents filed by the Company with the Commission pursuant to Section 13(a), 13(c), 14 or 15(d) of the 1934 Act subsequent to the date of this Prospectus and prior to the termination of this offering shall be deemed to be incorporated in this Prospectus by reference and made a part of this Prospectus from the date of filing of such documents; provided, however, that the Company is not incorporating any information furnished under Items 2.02 or 7.01 of any Current Report on Form 8-K unless specifically stated otherwise. Any statement contained in a document incorporated or deemed to be incorporated by reference in this Prospectus shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained in this Prospectus or in any other subsequently filed document which also is or is deemed to be incorporated by reference in this Prospectus modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

The Company will provide without charge to each person to whom this Prospectus is delivered, on the written or oral request of any such person, a copy of any or all documents incorporated in this Prospectus by reference (other than the exhibits to such documents unless such exhibits are specifically incorporated by reference). Such requests should be directed to Daniel M. Lowery, Corporate Secretary, Georgia Power Company, 241 Ralph McGill Boulevard, N.E., Atlanta, Georgia 30308-3374, telephone: (404) 506-6526.

GEORGIA POWER COMPANY

The Company is a wholly-owned subsidiary of The Southern Company ("Southern"). The Company was incorporated under the laws of the State of Georgia on June 26, 1930, and admitted to do business in Alabama on September 15, 1948. Effective July 1, 2006, Savannah Electric and Power Company, formerly a wholly-owned subsidiary of Southern, was merged with and into the Company. The Company is engaged in the generation and purchase of electric energy and the transmission, distribution and sale of such energy within the State of Georgia at retail in over 600 communities (including Athens, Atlanta, Augusta, Columbus, Macon, Rome, Savannah and Valdosta), as well as in rural areas, and at wholesale currently to 39 electric cooperative associations through Oglethorpe Power Corporation, a corporate cooperative of electric membership corporations in Georgia, and to 50 municipalities, 48 of which are served through the Municipal Electric Authority of Georgia, a public corporation and an instrumentality of the State of Georgia. The Company and one of its affiliates, Alabama Power Company, each owns 50% of the common stock of Southern Electric Generating Company ("SEGCO"). SEGCO owns electric generating units near Wilsonville, Alabama. The principal executive offices of the Company are located at 241 Ralph McGill Boulevard, N.E., Atlanta, Georgia 30308-3374, and the telephone number is (404) 506-6526.

SELECTED INFORMATION

The following material, which is presented in this Prospectus solely to furnish limited introductory information regarding the Company, has been selected from, or is based upon, the detailed information and financial statements appearing in the documents incorporated by reference in this Prospectus or elsewhere in this Prospectus, is qualified in its entirety by reference to those documents and, therefore, should be read together with those documents.

Georgia Power Company

Business	Generation, transmission, distribution and sale of electric energy
Service Area	Approximately 59,200 square miles comprising most of the State of Georgia
Customers at December 31, 2006	2,305,676
Generating Capacity at December 31, 2006 (kilowatts)	15,995,224
Sources of Generation during 2006 (kilowatt-hours)	Coal (75%), Nuclear (18%), Gas and Oil (6%), Hydro (1%)

Certain Ratios

The following table sets forth the Ratios of Earnings to Fixed Charges and Earnings to Fixed Charges Plus Preferred Dividend Requirements (Pre-Income Tax Basis) for the periods indicated.

	Year Ended December 31,				
	2002	2003	2004	2005	2006
Ratio of Earnings to Fixed Charges(1)	4.96	4.96	5.05	4.87	4.72
Ratio of Earnings to Fixed Charges Plus Preferred Dividend Requirements (Pre-Income Tax Basis)(2)	4.95	4.95	4.99	4.79	4.62

(1) This ratio is computed as follows: (i) "Earnings" have been calculated by adding to "Earnings Before Income Taxes" "Interest expense, net of amounts capitalized," "Interest expense to affiliate trusts," "Distributions on mandatorily redeemable preferred securities" and the debt portion of allowance for funds used during construction; and (ii) "Fixed Charges" consist of "Interest expense, net of amounts capitalized," "Interest expense to affiliate trusts," "Distributions on mandatorily redeemable preferred securities" and the debt portion of allowance for funds used during construction.

(2) In computing this ratio, "Preferred Dividend Requirements" represent the before tax earnings necessary to pay such dividends, computed at the effective tax rates for the applicable periods.

USE OF PROCEEDS

Except as may be otherwise described in an applicable Prospectus Supplement, any proceeds received by the Company from the sale of the new Stock, the Preference Stock, the Depositary Shares, the Senior Notes or the Junior Subordinated Notes will be used in connection with its ongoing construction program, to pay scheduled maturities and/or refundings of its securities, to repay short-term indebtedness to the extent outstanding and for other general corporate purposes.

DESCRIPTION OF THE NEW STOCK

Set forth below is a description of the general terms of the new Stock. The statements in this Prospectus concerning the new Stock are an outline and do not purport to be complete. Such statements make use of defined

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terms and are qualified in their entirety by reference to the Charter of the Company (the "Charter") and the amendments thereto, a copy of which is filed as an exhibit to the Registration Statement of which this Prospectus forms a part for complete statements and for the definitions of various terms. The general provisions which apply to the preferred stock of the Company of all classes, which are now or may at a later time be authorized or created, are set forth in the Charter.

General

The new Stock will be issued in series of the Company's Class A Preferred Stock to be established and designated by an amendment to the Charter.

As of December 31, 2006, there were 1,800,000 outstanding shares of the Class A Preferred Stock. The Class A Preferred Stock has a par value of $25 per share. In addition to the Class A Preferred Stock, the Company has authorized 5,000,000 shares of Preferred Stock, with a par value of $100 per share. As of December 31, 2006, there were no outstanding shares of the Preferred Stock.

The new Stock will not be subject to further calls or assessment by the Company.

Any proposed listing of the new Stock on a securities exchange will be described in the applicable Prospectus Supplement.

Transfer Agent and Registrar

Unless otherwise indicated in the applicable Prospectus Supplement, the transfer agent for the new Stock will be Southern Company Services, Inc., 30 Ivan Allen Jr. Blvd., N.W., Atlanta, Georgia 30308, which will also serve as the registrar.

Dividend Rights and Provisions

Dividends on the new Stock are payable, when and if declared by the Board of Directors, at the rate per annum determined for each respective series. Unless otherwise indicated in the applicable Prospectus Supplement, dividends will be payable to holders of record of the new Stock as they appear on the books of the Company on the record dates fixed by the Board of Directors.

The applicable Prospectus Supplement will set forth the dividend rate provisions of the new Stock, including the payment dates and the rate or rates, or the method of determining the rate or rates (which may involve periodic dividend rate settings through remarketing or auction procedures or pursuant to one or more formulae, as described in the applicable Prospectus Supplement), and whether dividends shall be cumulative and, if so, from which date or dates.

Redemption Provisions

The redemption provisions applicable to the new Stock will be described in the applicable Prospectus Supplement.

Voting Rights

The applicable Prospectus Supplement will describe the voting rights for each series of the new Stock.

Liquidation Rights

Upon voluntary or involuntary liquidation, the holders of the Preferred Stock and Class A Preferred Stock of each series, without preference among series, are entitled to receive the amount specified to be payable on the shares of such series before any distribution of assets may be made to the holders of the Company's Preference Stock or Common Stock. Available assets, if insufficient to pay such amounts to the holders of the Preferred Stock and Class A Preferred Stock, are to be distributed pro rata to the payment, first of the amount per share payable in the event of involuntary liquidation, second of accrued dividends and third of any premium.

Sinking Fund

The terms and conditions of a sinking or purchase fund, if any, for the benefit of the holders of the new Stock will be set forth in the applicable Prospectus Supplement.

Other Rights

The holders of the new Stock do not have any pre-emptive or conversion rights, except as otherwise described in the applicable Prospectus Supplement.

DESCRIPTION OF THE PREFERENCE STOCK

Set forth below is a description of the general terms of the Preference Stock. The statements in this Prospectus concerning the Preference Stock are an outline and do not purport to be complete. Such statements make use of defined terms and are qualified in their entirety by reference to the Charter and the amendments thereto, a copy of which is filed as an exhibit to the Registration Statement of which this Prospectus forms a part for complete statements and for the definitions of various terms. The general provisions which apply to all series of the Preference Stock, which are now or may at a later time be authorized or created, are set forth in the Charter.

General

The Preference Stock will be issued in series to be established and designated by an amendment to the Charter.

As of December 31, 2006, there were no outstanding shares of the Preference Stock. The Preference Stock has a par value of $100 per share. The Preference Stock ranks junior to the Preferred Stock and the Class A Preferred Stock with respect to dividends and amounts payable upon liquidation, dissolution or winding up of the Company. The Preference Stock ranks senior to the Company's Common Stock and to any other securities the Company may issue in the future that by their terms rank junior to the Preference Stock with respect to dividends and amounts payable upon liquidation, dissolution or winding up of the Company. All shares of the Preference Stock will rank on a parity with respect to dividends and amounts payable upon liquidation, dissolution or winding up of the Company.

The Preference Stock will not be subject to further calls or assessment by the Company.

Any proposed listing of the Preference Stock on a securities exchange will be described in the applicable Prospectus Supplement.

Transfer Agent and Registrar

Unless otherwise indicated in the applicable Prospectus Supplement, the transfer agent for the Preference Stock will be Southern Company Services, Inc., 30 Ivan Allen Jr. Blvd., N.W., Atlanta, Georgia 30308, which will also serve as the registrar.

Dividend Rights and Provisions

Dividends on the Preference Stock are payable, when and if declared by the Board of Directors, at the rate per annum determined for each respective series. Unless otherwise indicated in the applicable Prospectus Supplement, dividends will be payable to holders of record of the Preference Stock as they appear on the books of the Company on the record dates fixed by the Board of Directors.

The applicable Prospectus Supplement will set forth the dividend rate provisions of the Preference Stock, including the payment dates and the rate or rates, or the method of determining the rate or rates (which may involve periodic dividend rate settings through remarketing or auction procedures or pursuant to one or more formulae, as described in the applicable Prospectus Supplement), and whether dividends shall be cumulative and, if so, from which date or dates.